

Introduction

While writing the final chapters of the thesis, I went on a writing retreat cabin that is located more than an hour's drive away from my home in the center of Montreal. My home, which I share with active, financially independent roommates, is in the Mile End neighbourhood, an urban and diverse area that straddles two of Montreal's most desirable boroughs: Le Plateau and Outremont. Both areas have experienced a significant increase in housing prices in recent years, and, as a result of gentrification, the socio-economic characteristics of new tenants and buyers arriving in the Mile End in 2023 likely differ from those who have been living there for several years.

To reach the cabin, we had to leave Montreal Island and cross its suburbs, which are marked by real estate developments that are as sprawling as they are towering, with company headquarters, mineral quarries, and theme parks. Once we left the suburbs behind, we found ourselves in communities that were free from the visible signs of gentrification, large highways, urban sprawl, or a booming economy. The landscape was dominated by classic, uncluttered single-family homes, which were scattered around a minimal, spatially limited city center. It is probable that these towns are primarily residential, and their residents likely take the opposite route than I was taking when they have to get to work. This is my perception of the environment between my residential area and the cabin. This description may be familiar to many readers, but as mundane as it may be, it is directly relevant to the focus of this thesis.

I am convinced that small everyday experiences can leave an imprint on people that will, eventually, influence their political attitudes or opinions. The aim of my thesis is as simple as that: to verify the intuition that an individual's everyday setting and repeated exposure to a

familiar environment shape their perceptions, particularly their economic perceptions. In our daily lives, we are exposed to visible elements that, over time, due to their repetition, can help us form an opinion on a complex issue. For instance, the *Broken Window* theory suggests that continuous exposure to neighbourhood decay can generate a sense of insecurity (Hinkle and Weisburd, 2008). What is noteworthy here is that this exposure is not sudden or exceptional, but rather a part of individuals' long-term everyday setting, a familiar environment that can be evaluated and comprehended. This persistent impression can be used to form an opinion on national issues or our own economic status.

Everyday life offers several cues that can influence our opinions on various issues. This dissertation focuses specifically on the economy due to its significance as a determinant of voting and the importance of considering factual elements of everyday life over the usual objective measures retrieved by the literature on economic voting. The dissertation includes three empirical chapters. In the first article, I examine households and how the economic difficulties encountered by one person in the household affect the economic perceptions of the others. As mentioned earlier, my flatmates are young adults who are active and financially independent. However, for the age group that composes my household (26-34 years old), living away from the parents' house is not the main living arrangement in most Western countries.² In fact, an increasing number of young adults are unable to achieve independence and are forced to cohabit with their parents due to housing prices, low salaries, and the difficulty of finding a first job. The first article studies the consequences of this phenomenon by investigating whether parents' daily exposure to their adult children's economic hardships affects their perceptions of the economy and their satisfaction with the government's performance. The key factor here is the use of cohabitation as a proxy for the economic difficulties faced by young adults. In addition, on a daily basis, these young adults interact with peers of the same age group who may face different degrees of difficulty in becoming independent. For young adults who are forced to live with their parents for economic reasons, I show that these living conditions are associated with a more negative perception of the economy when compared to their peers of the same age who enjoy their independence.

²See Figure A1 in the appendix for a trend in cohabitation in Western countries.

I mentioned earlier the increase in real estate prices in my neighborhood, the Mile End (Montréal, Canada). This trend of rising prices has affected the entire island of Montreal for the past decade, with an even greater impact since the onset of the Covid-19 pandemic. This phenomenon is not unique to Montreal but is also observed in most medium to large Canadian cities, as well as in the United States and various European countries. The reasons for this increase are numerous and outside the scope of this thesis. However, the consequences of these price changes are relevant when examining how individuals perceive their economic status relative to peers, such as their neighbours. To assess whether the increase in real estate prices contributes to economic anxiety among residents of affected areas, I conducted two experiments which are described in the second empirical chapter of the dissertation. One of these experiments was carried out in the United States with a large sample of individuals (owners and renters) residing in a Metropolitan Statistical Area, representing approximately 80% of the American population. I use the trend in prices for single-family homes as a treatment to inform participants on the extent of the increase, as well as the minimum annual income needed to afford a typical single-family home in their locality. Renters are, as expected, more prone to react negatively to the increase in prices by adjusting their economic status compared to renters who were not informed about the trend in prices in their locality. In the same fashion, renters appear to react to housing prices by showing fear of being priced out or depreciating their financial capacity to afford a move. Owners who are informed about the trend are not different from those lacking the information, implying that information on housing prices does not trigger economic anxiety or economic confidence among this social group.

Let's now come back to the journey from Montreal, a bustling city, to the cabin where I wrapped up the introduction of my thesis; a cabin nestled between two lakes and scattered communities. Such journeys exemplify the mobility of working-age individuals, who are seldom confined to a single economic reality. For individuals living in this setting (i.e., residence in rural area, workplace in urban setting), differences may exist, to varying degrees, between the socio-economic conditions of their place of residence and that of their place of

destination, such as their workplace. The third article of my thesis examines this issue, by aiming to question the use of place of residence as a reference point for gauging the effect of the local economic context on people’s perceptions of the national economy. To conduct this study, I leveraged large databases that allowed me to quantify commuting to and from work for all workers in the United States between 2011 and 2017, down to the Census block level, the smallest administrative unit. Aggregating this data to the Zip code level, I then computed the share of the population that had been unemployed in the past year at both the origin and destination of the commutes, using the number of unemployment benefits reported in Tax returns. The results reveal that the level of local unemployment is indeed correlated with people’s perception of the national economy, which is consistent with prior research on the topic. However, accounting for the average unemployment rate at the destination weakens the correlation between the unemployment rate of the place of residence and people’s perception of the economy. While an overall measure that takes into account the residential area as well as where individuals commute on a daily is more strongly correlated with perceptions of the national economy. These findings underscore the importance of the local context, but also suggest the need to consider individuals’ mobility in their daily lives when inferring the state of the national economy.

Article	Title and publication information
1	The Implications of Cohabitation Between Working Age Children and Parents for Political Opinions, <i>European Journal of Political Research</i> https://doi.org/10.1111/1475-6765.12601
2	Rising Prices Fuel Economic Anxiety, <i>working paper</i>
3	Economic Perception in Motion: The Role of Commuting from Home to Work, <i>working paper</i>
Note: All papers are single-authored. Articles’ identifying numbers are used through the dissertation.	

Table 1. Overview of articles in the dissertation

The dissertation, *Out of Sight, Out of Mind? Economic Perceptions in Everyday Settings*, consists of three main parts: an introduction, the three articles, and a conclusion. In the introduction I locate my work within the broad literature on perceptions, context, and economic voting. I also provide an overview and discussion of my theoretical arguments,

and the main findings. The conclusion provides the implications of my findings, the limits of my research, and features avenues of research. The research articles included in the dissertation are listed in Table 1.

The Argument in a Nutshell

My research question is as follows: How do individuals form their perception of economic conditions? My main hypothesis, tested through three articles, is that individuals use their everyday setting to form these opinions. Therefore, the objective of this thesis is to provide empirical evidence that individuals are influenced by elements of their daily lives when forming an opinion about the national economy or evaluating their economic status. Besides theoretical considerations, I provide evidence that individuals are indeed "*not fools*" (Key Jr, 1966). They seem to react rationally to factual economic information retrieved from their daily environment.

The thesis uses and discusses the roles of three important concepts that I introduce and detail in the following pages: perception, daily experiences (alternatively named everyday setting or context), and economic conditions.

Perception refers to the understanding of an event based on an individual's environment. The environment is the context, which encompasses the "*features of the local environment in which someone lives and works*" (Nathan and Sands, 2023). The context can refer to the locality as well as a social group. As for economic conditions, this thesis examines two aspects: the national economy and an individual's economic status.

In the introduction, I will delve into the importance of focusing on how individuals perceive the economy, at least for scholars of public opinion and voting behaviour, specifically retrospective and economic voting. Then, I will explain what I mean by context (the everyday setting), and why I believe it is an influential environment in shaping individuals' perceptions of economic conditions.