

Early Experiences with Economic Hardship and Political Trust in Adulthood

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RQ: How does exposure to economic hardship (unemployment exposure) during adolescence influence political trust in adulthood?

- ▶ Drop during the Great Recession (Armington & Guthmann, 2014)
- ▶ Economic hardship (income decline, economic insecurity) erode political trust (Margalit, 2019; Friedrichsen & Zahn, 2014; Colombo & Dinas, 2023; Guiso et al., 2017)
 - ▶ Unemployment, in particular, is a source of distrust in the political system (Algan et al., 2017; Bay & Blekesaune, 2002; Emmenegger et al., 2015)

Economic hardship and PT

But are these effects long-lived? (Devine & Valgarsson, 2023)

- ▶ Early experiences with economic hardship will leave a lasting imprint
 - ▶ Political attitudes are vulnerable to external influence (Alwin & Krosnick, 1991)
 - ▶ Open to new information (Dinas, 2013; Jennings et al., 2009)
 - ▶ Fewer experiences layered not crystallize into habits (Plutzer, 2002; Gerber et al., 2003; Sears & Funk, 1999)
- ▶ Individuals will form their beliefs about political institutions drawing from their immediate environment
- ▶ Holding politics accountable for failing to address social problems

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Data from Denmark:

- ▶ Survey data (ESS 1-7; SPAPS 2; LIVA)
- ▶ Danish registries

Least likely case

- ▶ Generous welfare benefits
- ▶ Low unemployment and well-functioning labor market
- ▶ High trust society

Measuring political trust

- ▶ Trust in national politicians

- ▶ Trust in national politicians
- ▶ Can we trust trust in politicians?

Trust in politicians

Trust in country's parliament	0.712 ^{***}
Trust in political parties	0.838 ^{***}
Trust in the legal system	0.440 ^{***}
Trust in the police	0.369 ^{***}
How satisfied with the national government	0.439 ^{***}

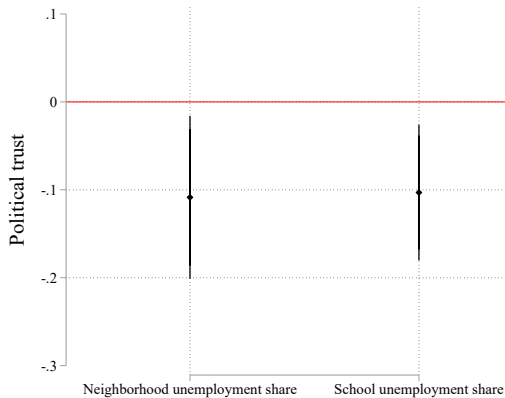
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

- ▶ Danish registries
- ▶ School: share of school peers who have at least one unemployed parent
- ▶ Neighborhoods: share of unemployed neighbours (250m, 500m, 1000m, 2000, radii)

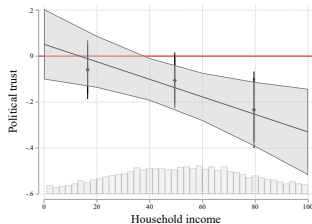
$$PT_{i,t>16} = \alpha + \beta_1 CU_{i,t=15/16} + \gamma_i + \vec{I}_{i,t=15/16} + \\ i,t=15/16 + \vec{C}_{i,t=15/16} + u_i$$

- ▶ $PT_{i,t>16}$: political trust in adulthood
- ▶ $CU_{i,t=15/16}$: exposure to unemployment
- ▶ \vec{I}_i : ethnic origin, sex
- ▶ $\vec{P}_{i,t=15/16}$: parental education, unemployment, income, and single-parenthood
- ▶ $\vec{C}_{i,t=15/16}$: ethnic heterogeneity, total number of neighbors/peers, share of males, level of education
- ▶ γ_i : year of birth FE

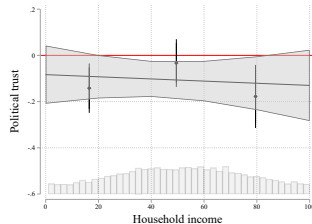
Main effect



By respondents' income



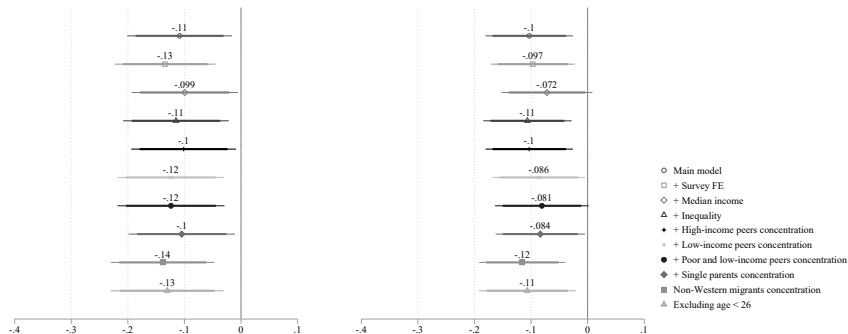
(a) Neighborhood



(b) School

Could unemployment just be capturing something different?

Robustness checks: alternative explanations?

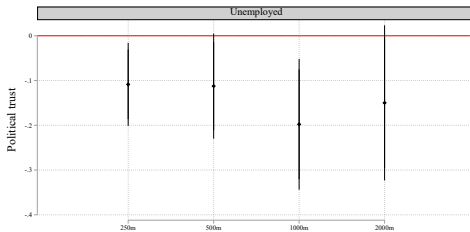


(a) Neighborhood

(b) School

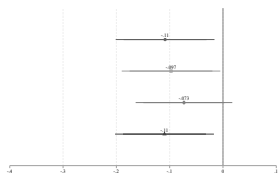
Could it be all due to the neighborhood size we picked?

Robustness checks: neighborhood size

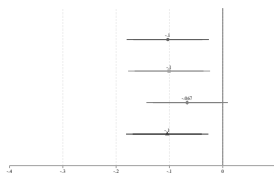


What is the mechanism through which exposure in adolescence affects contemporary political trust?

Robustness checks: the post-treatment black box



(a) Neighborhood



(b) School

- Main model
- + Contemporary education
- ◇ + Unemployment trajectory
- △ + Income trajectory

- ▶ Lasting role of early economic experiences in shaping political attitudes
- ▶ Not only individual or generation experiences but the influence of local environments (schools and neighborhoods)
- ▶ Importance of providing employment opportunities, large spillovers on the community, with lasting effects

Measuring political trust

Sample	Mean	sd	N
Trust politicians, neighborhoods	0.39	0.25	17,216
Trust politicians, schools	0.40	0.25	17,171

Measuring unemployment experiences

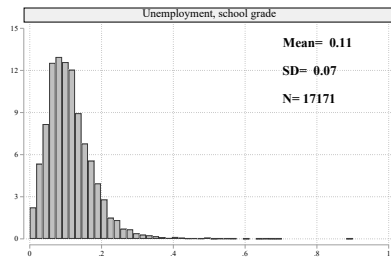
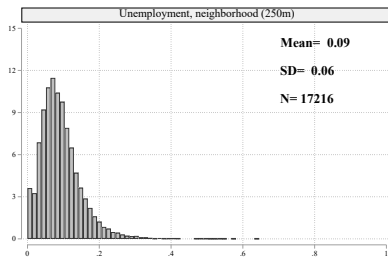
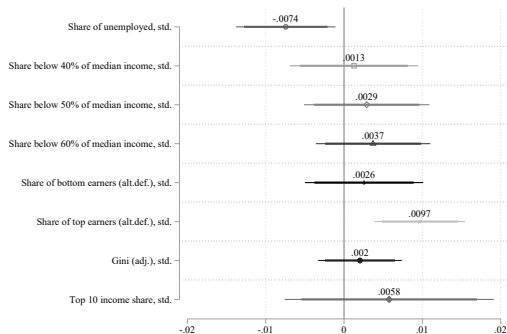


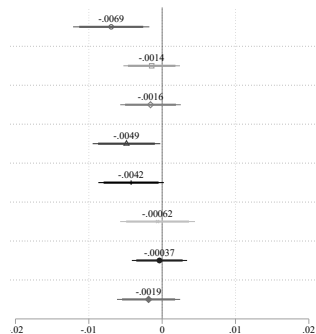
Table: Correlation table for unemployment in school grade and neighborhoods of different sizes

	Unemployment, school grade
Unemployment, school grade	1
Share unemployed	0.357

Why unemployment?






(a) Neighborhood







(b) School

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