The Political Impact of Economic Change

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President Trump's election in 2016 is often attributed to "income stagnation"

- Trump "tapped into the anger of a declining middle class."
- "Trump's white working class supporters … have suffered a stunning loss of relative status over the past 40 years."
- Trump "won because many millions of Americans, having endured decades of working more while getting deeper in debt, said 'enough.'"

One of Trump's big fans is **Ron Sutton**, a retiree living in an economically "stagnant" part of the (95%) white rural South.

Sutton owned a tire store that went out of business when the big manufacturing plant in town closed down. He says that "*uncontrolled immigration drives the wages down. I believe that. … I wish they would put out what it costs for one illegal immigrant that comes into this country with a child, what it costs the American taxpayer*."

Trump is "*the first politician of either race, of either party, that ran on a platform and has tried every way in the world to carry exactly what he said out. In other words, 'I'm gonna do this,' and he has tried to do this. Every way he could. He says, 'I'm gonna change the economy. I'm gonna reduce the taxes. I'm gonna bring industrial jobs back to this country,' which he's done a great job on that*." But "*if Trump said, 'I'm gonna pay off the national debt tomorrow with gold outta my own vault,' the Democrats would vote against it*."

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On the surface, Sutton's enthusiasm for Trump seems to fit the conventional story of economic stagnation fostering right-wing populist views. ***But***—tracing his economic fortunes and political attitudes over his lifetime tells a very different story.

Sutton was an ardent conservative and strong Republican long before Trump came along. Moreover, his political views were forged in the course of his rise from a relatively modest background to rank in the top 1-2% of the national income distribution.

We explore how long-term economic mobility affects political views

Conventional surveys capture current economic and social status, but not “loss of relative status over the past 40 years” or “decades of working more while getting deeper in debt.”

Aggregate analysis based on county-level data may capture economic and social change, but not personal experience of economic or social mobility.

The Student-Parent Socialization Study

M. Kent Jennings (with Richard Niemi)

Interviews in ***1965*** with 1,669 high school seniors in 97 schools across the U.S. (and one or both parents and teachers). No high school "drop-outs" (26% of this cohort).

Jennings & Niemi (1974), *The Political Character of Adolescence: The Influence of Families and Schools*.

The Political Socialization *Panel* Study

Students and parents re-interviewed in ***1973***.

> Jennings & Niemi (1981), *Generations and Politics: A Panel Study of Young Adults and Their Parents*.

Students re-interviewed a third time in ***1982*** (Jenning & Greg Markus) and a fourth time in ***1997*** (Jennings & Laura Stoker).

The Political Socialization *Panel* Study

935 students (56% of the original 1,669) participated in all four waves, spanning roughly age 18-50—the longest-running study ever of Americans' political attitudes.

We weight these 935 respondents based on race, region, sex, partisanship, and political interest to reflect the original sample, mitigating the impact of panel attrition.

	Dems, Most Int.	Dems, Some Int.	Dems, Less Int.	Inds, Most Int.	Inds, Some Int.	Inds, Less Int.	Reps, Most Int.	Reps, Some Int.	Reps, Less Int.	Total
White NonS Male	1.035 (78)	.944 (71)	1.658 (18)	1.421 (17)	.876 (22)	1.332 (9)	.854 (66)	1.111 (50)	1.242 (14)	1.056 (345)
White NonS Fem	.908 (75)	.916 (92)	.981 (32)	1.064 (13)	.917 (19)	1.788 (6)	.816 (44)	.807 (59)	1.205 (12)	.916 (352)
White South Male	.761 (26)	.846 (24)		.964 (13)			.945 (11)	.858 (12)		.851 (86)
White South Fem	1.085 (13)	.791 (31)		.956 (14)			.756 (10)	1.083 (11)		.898 (79)
Black NonS Male	1.079 (15)	1.605 (17)		2.214 (8)						1.432 (20)
Black NonS Fem										1.329 (20)
Black South Male	1.374 (11)	1.940 (13)								3.364 (7)
Black South Fem										1.237 (17)
Other NonS Male	.773 (9)									.659 (1)
Other NonS Fem										.788 (8)
Total	.981 (221)	.945 (233)	1.307 (69)	1.262 (42)	.954 (55)	1.383 (22)	.845 (134)	.949 (129)	1.211 (30)	N=1669 (935)

Going Back to the Class of ’65

We also draw on 30 (so far) semi-structured interviews with people like “Ron Sutton,” now in their early 70s, who participated in all four waves of the survey.

Non-random sample based on previous survey responses, mostly clustered in the upper Midwest, New England, the rural South, and northern California.

Open-ended conversations, mostly in people’s homes, averaging 1.5 to 2 hours (all by Cramer, half including Bartels).

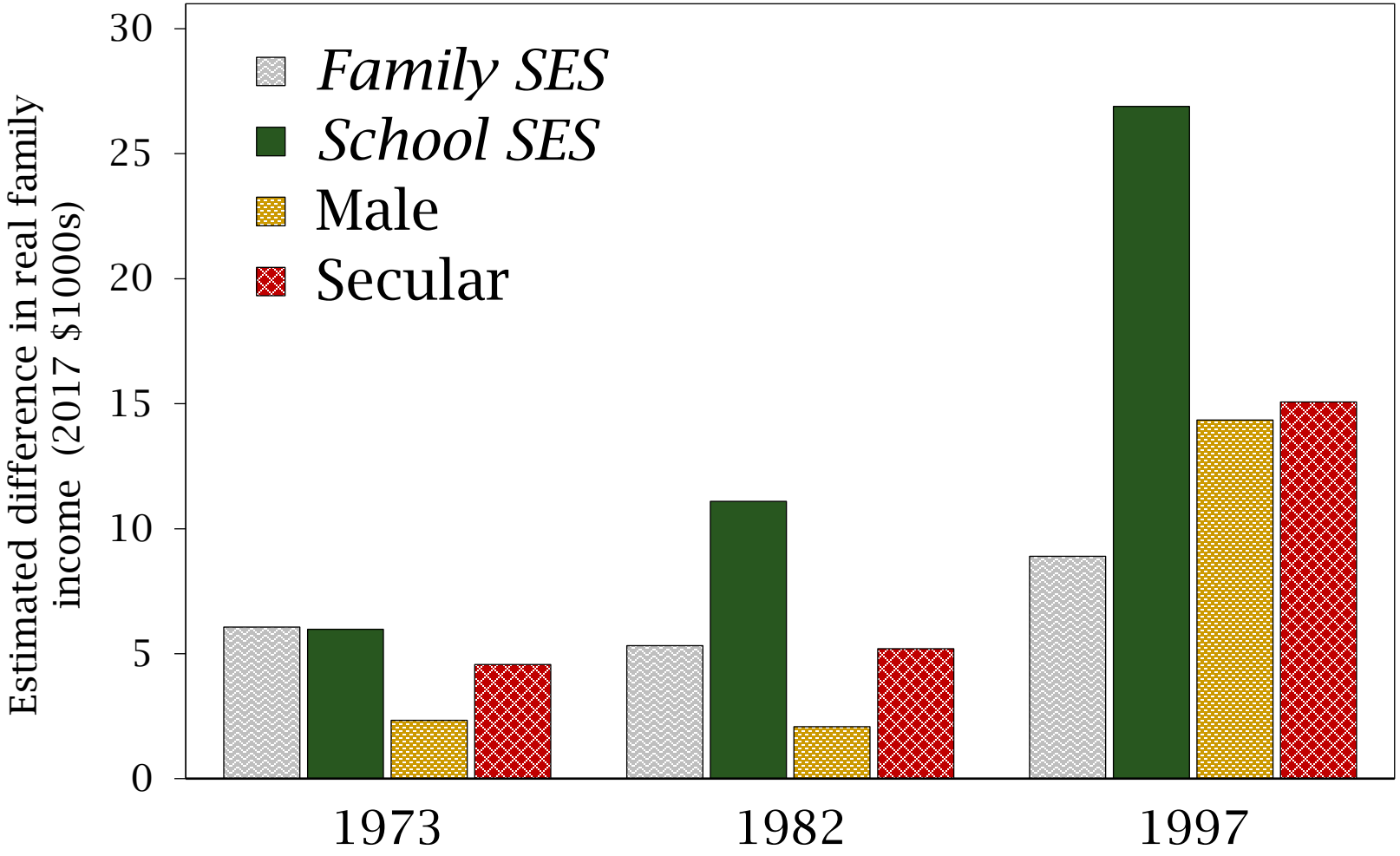
Measuring social backgrounds and economic mobility

Family SES based on eight indicators in the 1965 survey (education, income, home ownership, occupational prestige, etc.).

School SES measured by school average *Family SES* (13-21 students per school).

Economic mobility measured by changes in real family income between surveys.

The Long-Term Impact of Social Backgrounds on Future Income



Using panel data to gauge the impact of mobility on political attitudes

- We focus on *changes* in political attitudes (incorporating lagged dependent variables).
- We rely on *lagged* explanatory variables to disambiguate causal relationships.
- We use *errors-in-variables regression* techniques to mitigate biases due to measurement error in survey responses.

Bartels (2006), "Three Virtues of Panel Data for the Analysis of Campaign Effects"

Taking account of measurement error

- We assume that measurement error variance for each survey item is constant across waves and uncorrelated with true attitudes and with error in other items.
- Then three waves of data are sufficient to estimate an item's measurement error variance and its reliability in each wave.

Wiley & Wiley (1970), "The Estimation of Measurement Error in Panel Data"

- ***STATA***'s "eivreg" command uses estimated reliabilities to adjust parameter estimates.

	Measurement error	Var(ε)	Estimated reliability			
			1965	1973	1982	1997
Partisanship	10.82	117.11	.883	.856	.868	.896
Church attendance	16.02	256.53	.668	.791	.823	.823
Biblical faith	11.17	124.80	.681	.754	.758	.771
Support for school prayer	24.93	621.29	.642	.668	.658	.638
Trust in government (scale)	13.37	178.87	.498	.575	.574	.571
Other countries should be like America	32.65	1066.28	.571	.440	.540	.516
Black−white affect	14.08	198.28	.681	.469	.626	.419
Government jobs and living standards	15.82	250.40	---	.651	.571	.499
Government aid to minorities	15.36	236.05	---	.702	.657	.626
Risk violating rights to reduce crime	19.50	380.20	---	.600	.481	.478
Feelings toward the military	13.14	172.79	---	.679	.630	.577
Did the right thing in Vietnam	27.92	779.79	---	.618	.468	.447
Legalize marijuana	16.74	280.28	---	.804	.767	.742
Women should have equal roles	19.31	372.90	---	.649	.480	.275
Influence of poor people	21.23	450.55	---	.372	.435	.478
Influence of labor unions	20.23	409.30	---	.440	.466	.606
Influence of big business	11.33	128.42	---	.750	.639	.687
Influence of people on welfare	22.72	516.36 [2]	---	.622	.670	---
Pro-life opinion	15.85	251.22 [3]	---	---	.760	.772

Jennings' panel waves neatly bracket two economically and politically distinct time periods in America

The era of stagflation **(1973-1982)** marked by recessions, slow income growth, and high inflation—significant conservative shifts in a variety of economic and social views.

The advent of the "New Gilded Age" **(1982-1997)** marked by (somewhat) higher growth but escalating economic inequality—halted or partially reversed conservative shifts.

Economic Attitudes, 1982

Errors-in-variables regression parameter estimates (with standard errors in parentheses). Missing data indicators for income are included but not shown.

	Labor versus big business feeling thermometers	**Government ensure jobs and living standards**
Δ Family income (1973-1982)	−.0386 (.0229)	−.0548 (.0199)
Δ State inequality (1973-1982)	−98.7 (119.7)	−58.2 (104.1)
College (years)	−1.917 (.465)	−.031 (.415)
Non-white	8.85 (3.05)	10.75 (2.78)
Female	6.23 (1.75)	3.02 (1.52)
South (1965)	.25 (2.33)	.47 (2.01)
Faith in the Bible (1973)	.67 (5.46)	3.52 (4.79)
Party ID (1973)	−.73 (3.93)	−15.93 (3.38)
Lagged dependent variable	1.005 (.073)	.378 (.045)

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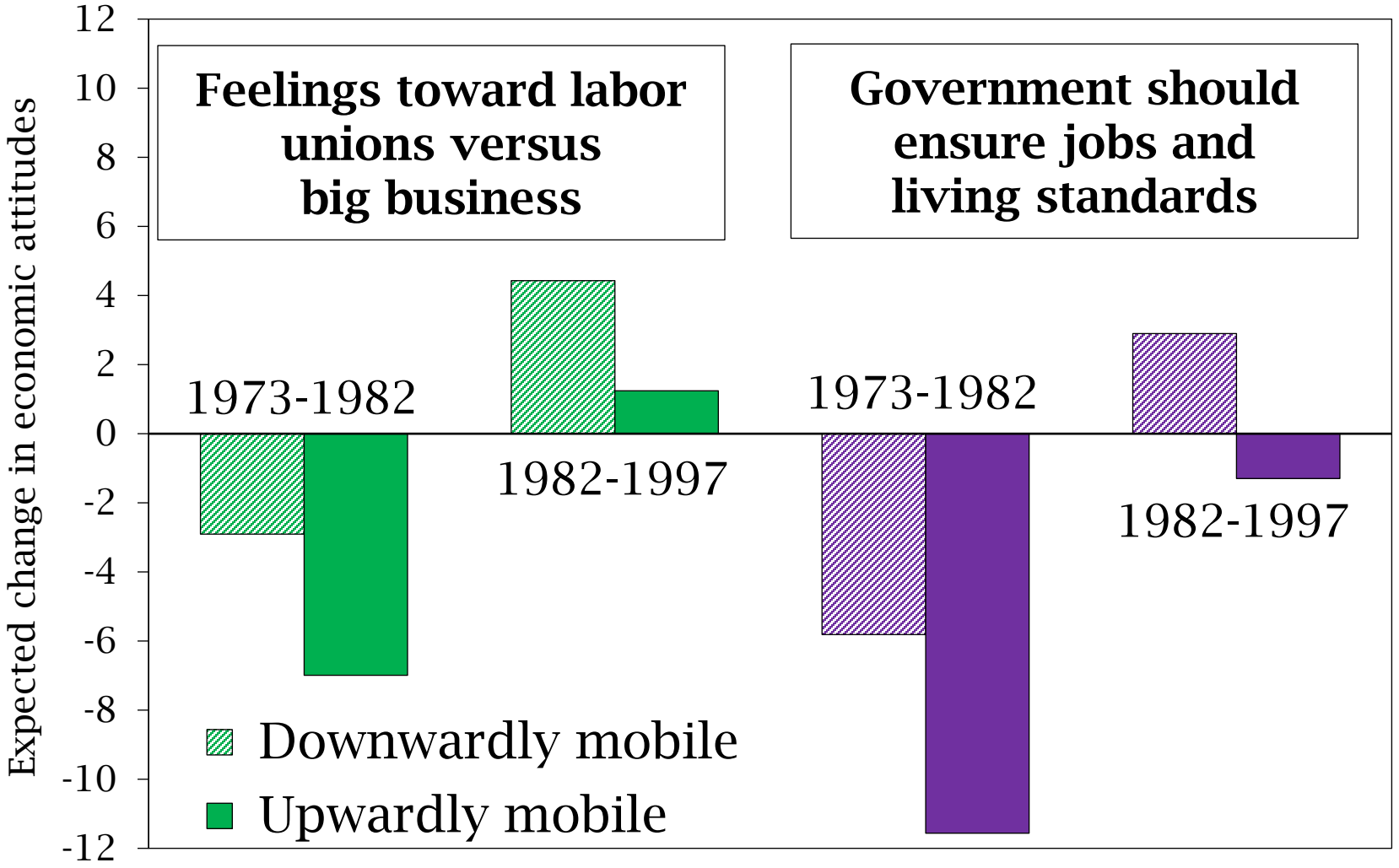
The Impact of Economic Mobility on Economic Attitudes



Economic mobility produced conservative shifts in a variety of other economic and social attitudes, especially in the "era of stagflation"

- **1973-1982**: more conservative views about government spending and services, aid to minorities, attitudes toward people on welfare, perhaps also crime.
- **1982-1997**: faith in the free market, views about the political influence of rich people.

Later, escalating economic *inequality* may have pushed America to the *left*

Liberal shifts in political views between 1982 and 1997 were also strongly correlated with increases in *state-level economic inequality*.

Unfortunately, states with the largest increases in inequality (CT, NY, CA, IL, MA, NJ) were very different from those with smaller increases (IA, MS, ME, AR, OK, NE, KY), so potential confounding makes this relationship suggestive rather than definitive.

Classmates: Don Peyton, Ron Sutton

Peyton and Sutton graduated from the same high school in the rural South, one of the poorest 10% in the Jennings sample.

Peyton's father was a taxi driver. Don became a musician and local radio personality. Family income in all three waves was below national average.

Sutton's father owned a local tire store. Ron owned his own business (income in top 1-2%), then became regional manager for a large construction firm.

Favors *increasing* government spending and services.

People on welfare have too *little* influence.

Need a strong government.

Committed lifelong Democrat.

Strongly favors *cuts* in government spending and services.

People on welfare have too *much* influence.

Free market can handle problems.

StrongDem in 1965 → LeanRep in 1982 → StrongRep in 1997.

"*We've got to lift up the downtrodden. We've got to help the folks that don't have the same opportunities we do. … There are a lot of people on welfare that don't need to be. You just have to try to square that away and make sure that they need to be.*"

"*Every social program there is, is a failure. … The government can't run anything right.*"

Childhood neighbors "*were hard-working people, and the government didn't subsidize them. They didn't have a choice. …They didn't know what food stamps or welfare was.*"

"*Federal employees are laid off and they just went through Christmas and there's no check there right now.*" Trump has been "*very cavalier about that and that makes me really angry, that he's cavalier with other people's paychecks.*"

"*They're gonna get paid. And if you are not financially stable enough to go to a bank anywhere and say, 'I need to borrow $5,000 to get me by 'til I get paid' …. So, hey, I'd like for you to hand* ***me*** *a four-week paid vacation. Or six or eight or ten or whatever.*"

What advice or wisdom do you wish you could give to the whole country?

"*Have faith, keep your faith that things will get better and do your part. Work hard to try to help things be better, starting out in your community …. Just be nice to folks and do the right thing and the rest will take care of itself.*"

"*Be a productive American citizen. Don't live off somebody else, or the government. Go for it yourself.*"

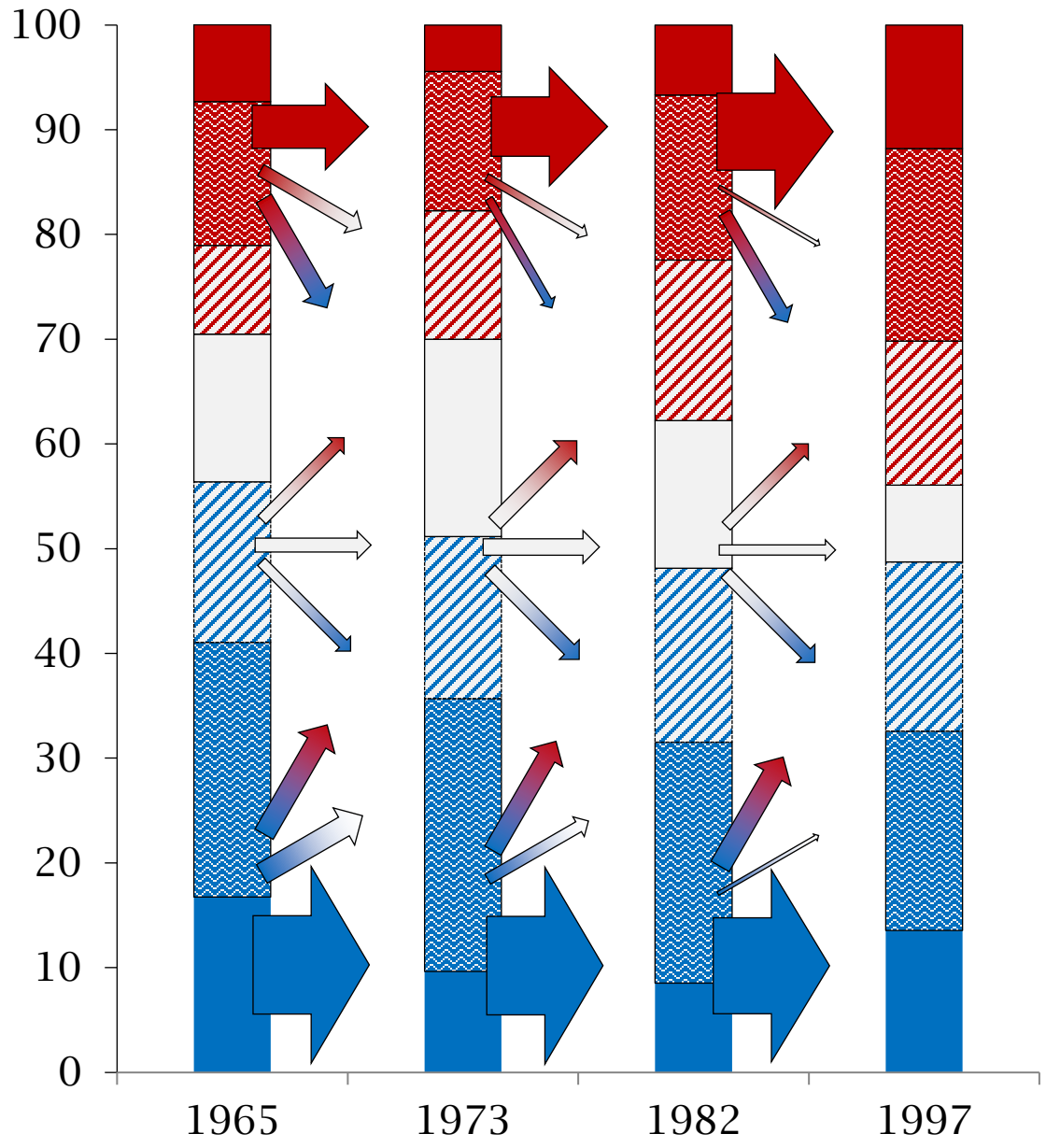
Conclusions: Political and Social Views

Conservative shifts in economic attitudes were concentrated among *upwardly mobile people*, not those with stagnant incomes.

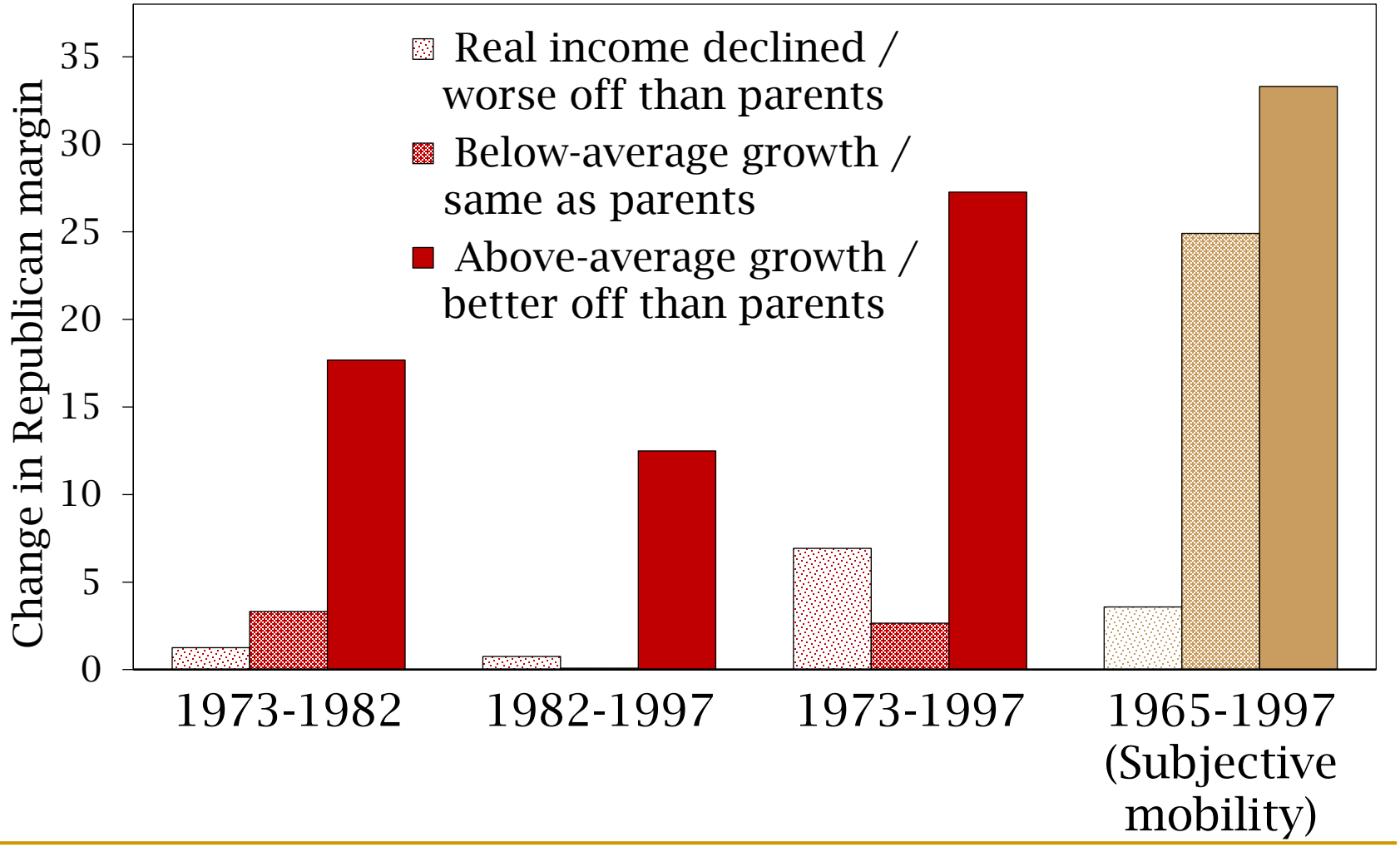
Economically privileged groups (college educated, white, male, Republican) also became relatively more conservative.

Some (but not all) social attitudes showed parallel shifts, with economic "winners" pulling away from the rest of society, especially during the "era of stagflation."

Economic mobility also turns out to account for a substantial portion of the overall change in partisanship in this cohort from its Democratic peak in 1965.



Republican Gains by Income Growth and Subjective Mobility (Whites Only)



Conclusions: Partisan Change

Republican gains in partisanship were highly concentrated among *upwardly mobile people*. Whites who experienced above-average income gains between 1973 and 1997 became ***14*** percentage points more Republican, while those who experienced below-average income gains became only ***2*** percentage points more Republican.

These findings provide no support for the notion of a Republican backlash rooted in long-term economic grievances.

Our Broader Project

- "Religion and Political Change: Inside the 'God Gap'"
- "The Lessons of Vietnam: Social Identity, the Vietnam War, and Contemporary Political Divides"
- "The Struggle(s) for Equality: Civil Rights, Women's Rights, and Political Change"
- "Conceptions of Good Citizenship in the Class of '65"
- "Work, Welfare, and Partisan Change"

Thanks

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