



WEALTH, OFFICEHOLDING, AND ELITE DEMAND FOR SLAVERY IN ANTEBELLUM GEORGIA

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OVERVIEW

I test the hypothesis that wealth influences political power using a unique natural experiment in wealth redistribution. In 1805, the state of Georgia conducted the first large-scale land lottery in American history. The vast majority of adult white males participated in the lottery, and about one-in-ten participants won a land lot prize, representing over half of median income at the time. Linking lottery records to a historical roster of officeholders and roll call vote data, I employ a method of randomization inference to estimate treatment effects on officeholding and politicians' ideology. I find winning a lottery prize increases ex-post officeholding and has no effect on politicians' support for slavery legislation.

1805 GEORGIA LAND LOTTERY

- ▶ Lottery created three new counties (13 districts)
- ▶ Each district surveyed into lots and distributed via public lottery
- ▶ Eligibility: unmarried men 21 years and older (1 draw); orphaned children (1 draw); married men with children (2 draws); widows with children (2 draws)
- ▶ Prize lots worth over \$800 ($\approx 55\%$ of median income)
- ▶ Nearly 24,000 participants registered for 40,000 draws
- ▶ $\approx 10\%$ chance of winning a prize per draw

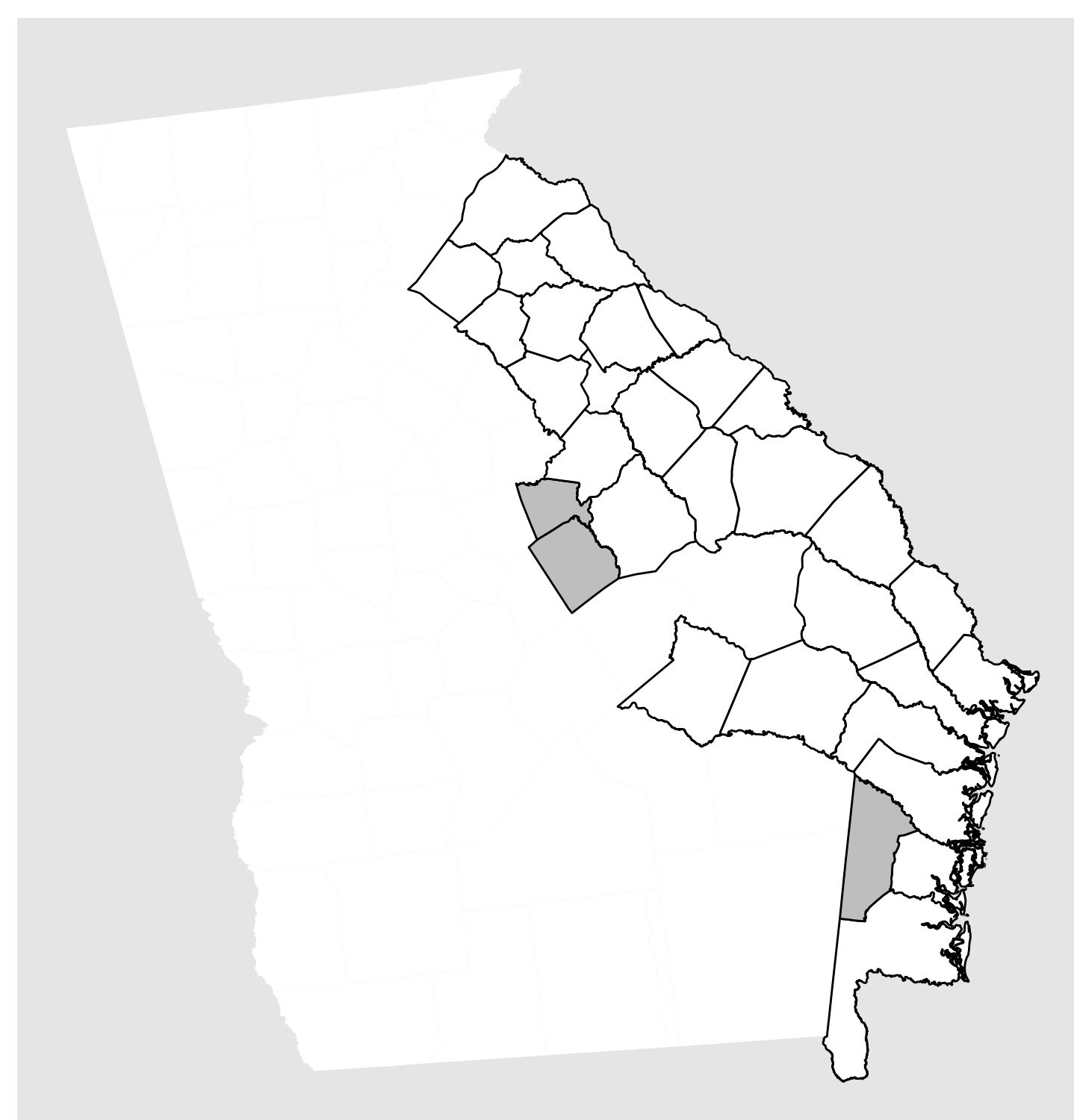


Figure 1 : 1850 US Census counties map. The outlined counties are those that existed in 1805. The shaded counties are those created by the 1805 land lottery.

LOTTERY & GRANT PROCESS

1. Land lot identification numbers were written on tickets and placed in a box to constitute prizes
2. Blank tickets equal in number to the difference between the number of draws and the number of prizes were also placed in the box
3. Officials announced the names and number of draws for each participant in alphabetical order
4. Tickets were drawn without replacement as each participant name was announced
5. Lottery winners were required to pay a nominal fee to obtain the land grant



Figure 2 : Portrayal of land lottery drawing.

DATA & CONSTRUCTION

- ▶ Lottery participant records [Graham, 2004] containing participant name, county, and draw and prize record
- ▶ Historical roster of officeholders includes information on name, jurisdiction, and term date
- ▶ General Assembly roll call vote records used to form a measure of support for slavery
- ▶ Lottery participants matched with officeholders on Soundex codes of surname and first name

RESPONSE VARIABLES

- ▶ **Officeholding:** binary variable indicating whether the participant held office between 1806 and 1846, inclusive
- ▶ **Support for slavery:** mean of votes in favor of slavery for 13 roll call votes in which the member is present

ESTIMATION

I calculate the weighted difference-in-means between treated (r_{Ti}) and control (r_{Ci}) responses:

$$\delta = \frac{\sum_{i=1}^N (r_{Ti} | Z_i = 1)}{nP(Z_i = 1)} - \frac{\sum_{i=1}^N (r_{Ci} | Z_i = 0)}{m(1 - P(Z_i = 1))}, \quad (1)$$

where $Z_i = 1$ if i draws at least one prize, n is the number of treated participants, $m = N - n$ is the number of controls, and

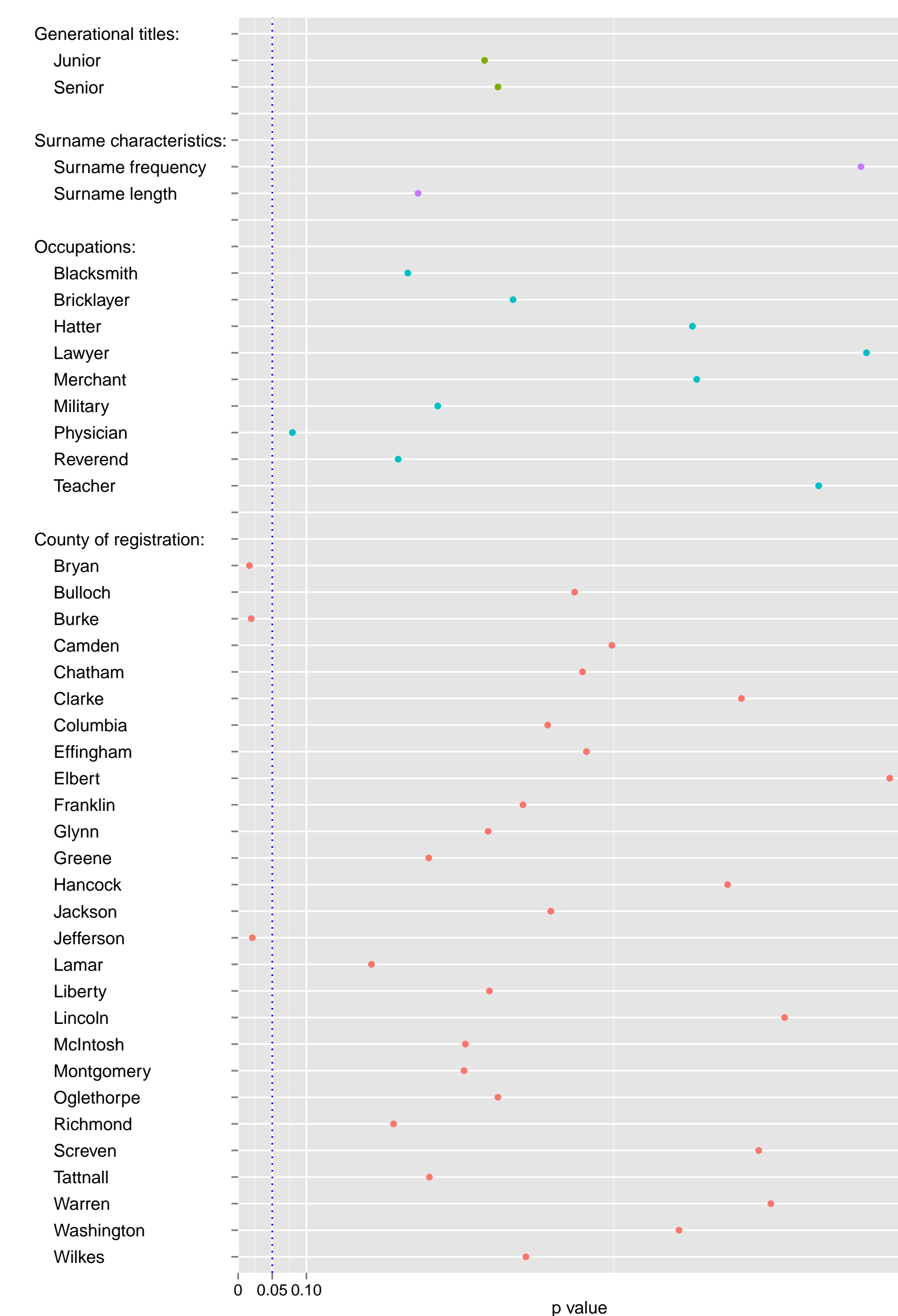
$$P(Z_i = 1) = \begin{cases} \frac{1}{\#Draws} & \text{if } i \text{ has one draw} \\ \frac{2}{\#Draws} & \text{if } i \text{ has two draws.} \end{cases} \quad (2)$$

I estimate the one-sided p value by calculating the probability of receiving a δ as or more extreme than the observed test statistic, δ^* , under the hypothesis of no treatment effect:

$$\hat{p} = \frac{\sum_{\mathcal{L}=1}^{\mathcal{L}} \mathbf{Z}(\delta_{\mathcal{L}} \geq \delta^*)}{\mathcal{L}}, \quad (3)$$

where $\delta_{\mathcal{L}}$ is the value of the test statistic for the \mathcal{L}^{th} random sample (without replacement) from the randomization distribution.

BALANCE



RESULTS

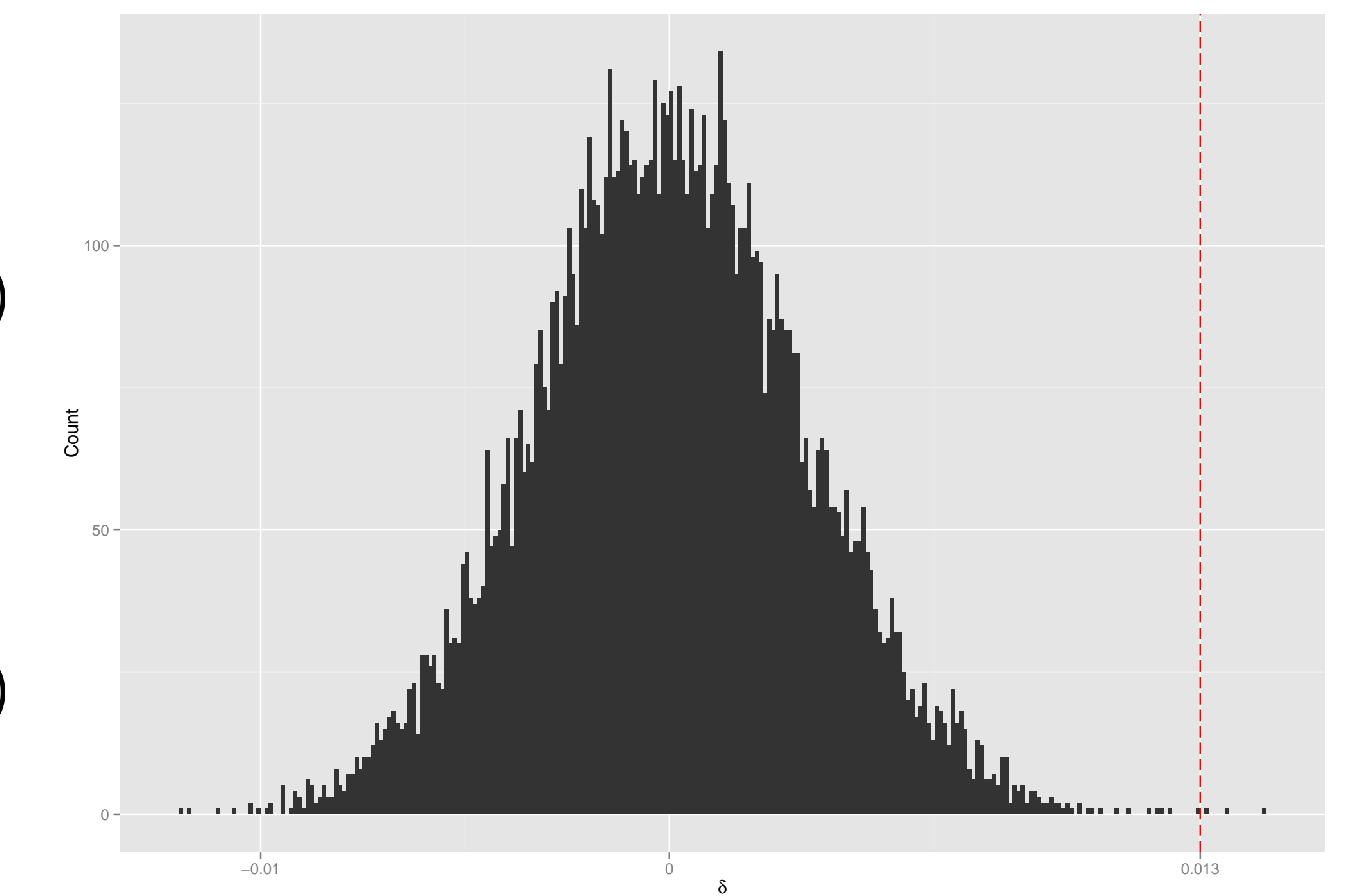


Figure 3 : Treatment effect on officeholding. The randomization distribution of the test statistic δ with $\mathcal{L} = 10,000$. The dashed line represents the value of the observed test statistic, δ^* .

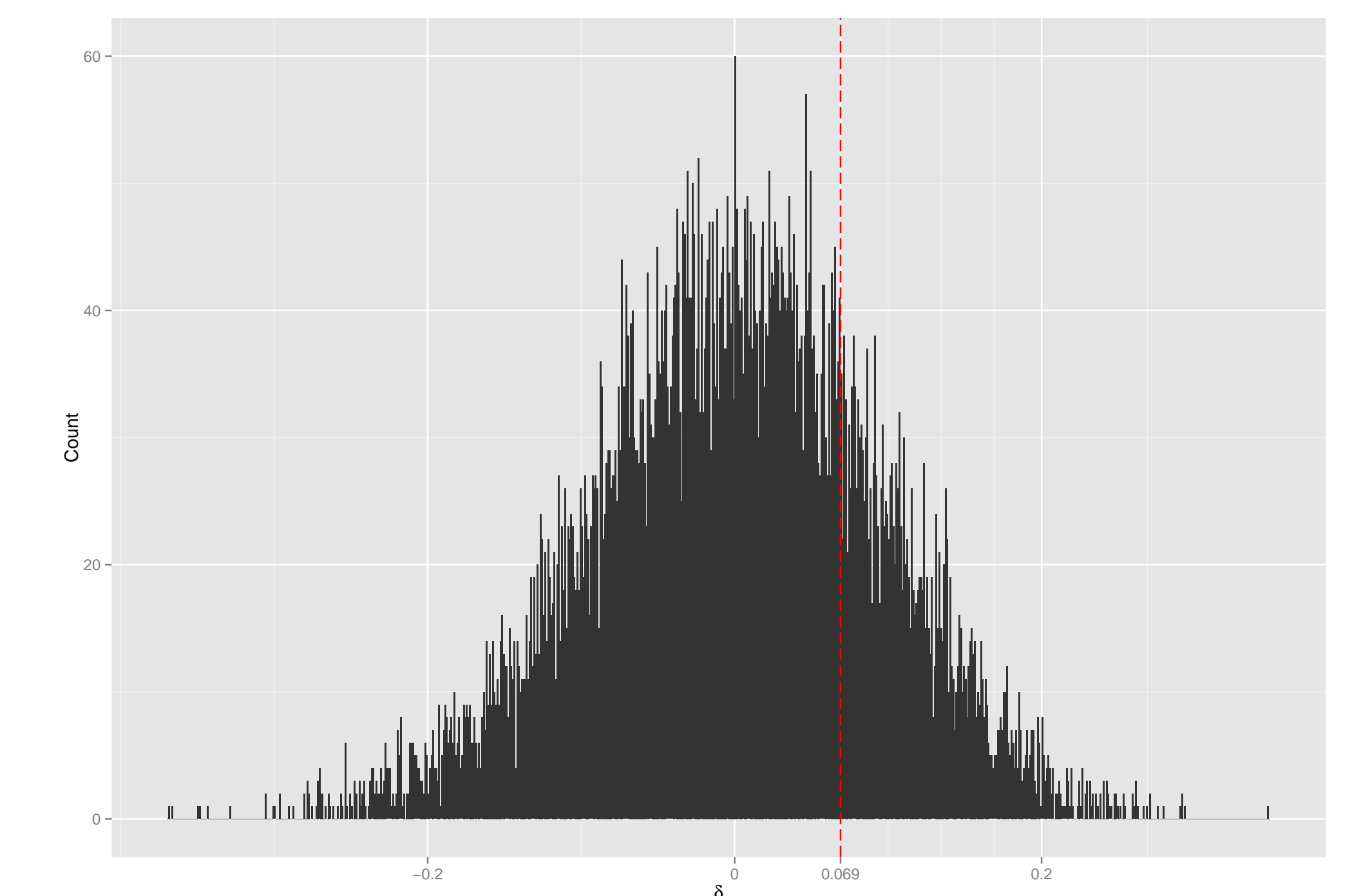


Figure 4 : Treatment effect on demand for slavery.

SUMMARY OF RESULTS

- ▶ I test the hypothesis of no treatment effect on officeholding using a large sample of adult white males ($N = 21,612$), and find that winning a lottery prize shifted the post-treatment officeholding status for 1.2% of participants, $p < 0.001$, 95% CI: [0.007288, 0.019670]
- ▶ I estimate the treatment effect on support for slavery among participants who were members of the Georgia General Assembly ($N = 174$). Winning a lottery prize increases support for slavery by 7%, although the null cannot be ruled out, $p = 0.220$, 95% CI: [-0.1148, 0.2672]