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CONTEXTUAL EFFECTS ON RETROSPECTIVE ECONOMIC EVALUATIONS
The Impact of the State and Local Economy

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The theoretical premise of this study is that individual retrospective evaluations of the national economy, which have a clear impact on voting behavior in national elections, are influenced not only by the national economy but also by the state and local economic context. This hypothesis is tested by analyzing the effect that the unemployment rate in the individual's state and community has on the individual's retrospective evaluation of the national unemployment situation in 1992, using data from the 1992 American National Election Study survey, supplemented with data on the unemployment rate during the third quarter of 1992 for the respondent's community and state. The findings show that the state unemployment rate has a clear effect on retrospective evaluations of national economic conditions. This effect occurs apart from any effect on fear of unemployment, which is unaffected by the state unemployment rate. The community unemployment rate has little or no effect on retrospective economic evaluations, except for a small impact on personal unemployment experience. The contextual effect that we observe therefore is primarily sociotropic, not personal pocketbook, in nature. We suggest that the contextual patterning of information, perhaps especially through media reporting of economic conditions, is responsible for producing this effect.

Individuals are influenced by their context. Considerable recent research has focused on this phenomenon (Books and Prysby, 1991; Eagles, 1995; Huckfeldt, 1986; Huckfeldt and Sprague, 1995). Whereas earlier studies of political behavior focused almost exclusively on individual-level variables, contextual analyses emphasize the importance of the political, social, and economic milieu in which the individual resides. While the context might be

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defined in various ways, the local geographical context certainly is one important dimension. Individuals with similar individual characteristics who live in different communities or areas are likely to behave differently, due to their exposure to different influences. This study examines one such contextual effect: the impact of state and local economic conditions on individual retrospective evaluations of the economy.

Economic conditions affect election outcomes. Numerous studies have demonstrated that the party in power benefits from a healthy economy and suffers from an ailing one. This effect has been thoroughly analyzed for American presidential and congressional elections and increasingly for European parliamentary elections (see Eulau and Lewis-Beck, 1985; Kiewiet and Rivers, 1984; Lewis-Beck, 1988; and Norpoth et al., 1991, for useful reviews). While existing research has clearly linked economic conditions and voting behavior, important questions about how and why the effect occurs remain. By examining one aspect of this relationship, the impact of the state and local economy on evaluations of national economic conditions, this study attempts to further our understanding of how retrospective evaluations are formed. The particular focus of the analysis is on the effect of state and community unemployment on retrospective national economic evaluations in 1992.

THE FORMATION OF RETROSPECTIVE ECONOMIC EVALUATIONS

Stimulated by the theoretical work of Downs (1957), Key (1966), and Fiorina (1981), scholars increasingly have focused attention on retrospective evaluations of the economy in their analyses of individual voting behavior. The bulk of this research concerns the attitudinal and behavioral consequences of individual evaluations of the economy. There has been far less investigation into the sources of these evaluations. Learning more about the formation of retrospective evaluations is important because it helps us understand the basis by which voters reward and/or punish officeholders (Conover et al., 1986). In particular, we would like to know the extent to, and manner in which, retrospective economic evaluations reflect objective economic conditions.

Retrospective economic evaluations should be influenced by objective aspects of the national economy, such as the unemployment rate, but in every year there is wide variation among voters in their perceptions of the national economy. Although voters in 1992 were more negative overall in their assessment of the economy than they were in 1988, there was still a wide range of evaluations, from highly negative to quite positive. There are good reasons why these perceptions vary in any given year. One is that individuals view the

national economy through partisan filters (Kramer, 1983). Democrats in 1992 naturally would be expected to view the national economy more negatively than would Republicans. Another reason is that individuals employ different criteria in evaluating national economic conditions (Kinder et al., 1989); for example a pensioner might be primarily concerned with inflation, and a recent high school graduate new to the workforce might be primarily concerned with job opportunities. A third possibility is that individuals perceive the national economy through the looking glass of their own economic situation (Weatherford, 1983a). Those who are doing well form more positive evaluations of the national economy than those who have suffered economically. The influence of personal economic situation on economic evaluations may also depend on the reasons for personal prosperity or lack thereof (Feldman, 1982). Whatever the exact form of this relationship, there is always enough variation in personal economic situations to produce substantial differences in individual evaluations of the national economy.

There is another potentially important reason. Individuals may be influenced by the objective economic conditions of their state and community. The popular media often explain political behavior in terms of such variables, such as when the wrath of voters in a state is attributed to unusually depressed economic conditions in that locality. For example, in the 1992 presidential election, California was 5 percentage points more Democratic than the country as a whole (using the two-party vote division), whereas in 1984 and 1988 the state was very close to the national vote division. The difference in 1992 was often attributed to the depressed state of the California economy, which had an unemployment rate that was perilously close to 10% by election eve.

While such explanations are common in the media, there has been surprisingly little scholarly research into this question. We know of only only one study (Weatherford, 1983b) that has directly investigated the impact of local economic conditions on individual political attitudes. However, there is some indirect scholarly support for this hypothesis. Studies of voter perceptions of group economic conditions suggest that voters are influenced by group considerations, although the effect may be indirect (Conover, 1985; Kinder et al., 1989). This circumstance hints that voters are influenced by more than just their personal economic situation and the national economic situation, the two most common explanations of economic voting. Also, some recent studies have found, contrary to earlier research, that voter evaluations of the state economy play a significant role in gubernatorial elections (Niemi, Stanley, and Vogel 1995; Atkeson and Partin 1995; Svoboda 1995). This finding at least suggests that under some conditions voters form perceptions of the state economy and draw political conclusions from these perceptions.

EXPLAINING CONTEXT EFFECTS

The focus of this study is on a single contextual effect, but this particular effect can be placed in a broader perspective of how and why contextual effects occur. Contextual effects are best understood from an information flow perspective (Books and Prysby, 1991). Characteristics of a geographical context affect individual attitudes and behavior insofar as they affect the information that individuals receive. The relevance of a contextual perspective for this study seems clear. Voters living in states and communities with high economic prosperity are likely to form a different impression of the national economy than those living in economically depressed areas. The economic context should influence the content of the flow of information that one receives about economic matters, thus affecting one's judgment of the larger economic situation and perhaps even one's relative personal situation. This approach, then, adds a contextual dimension to what usually has been seen as an individual-level phenomenon, at least within any given year.

There are several ways in which the local unemployment level might affect the information received by people in the area. Media coverage is one possible source. Individuals living in states and/or communities with high unemployment rates should be exposed to more negative information than those living in areas of low unemployment. Personal interaction with others in the area is another possibility. Those living in economically depressed areas should be more likely to hear personal reports, either directly or indirectly, of individuals who lost jobs, or were having difficulty finding work, or simply were fearful of becoming unemployed. Some of this personal interaction might be informal interaction with friends and neighbors, while other interaction might occur through involvement in local organizations. Whatever the source, this contextually patterned information may, in turn, shape individual attitudes, from personal fears about being without work to broader perceptions of economic conditions in the nation. Of course, it is also true that individuals living in areas of high unemployment are more likely to have recently experienced unemployment themselves, which undoubtedly would influence their attitudes and orientations, but this represents an individual-level effect that we wish to distinguish from the potential contextual effects being studied.

RELEVANT ECONOMIC CONDITIONS

Retrospective evaluations can involve a number of salient aspects of the economy. Real income levels, unemployment, and inflation all have been used successfully in aggregate analyses (Lewis-Beck, 1988). This study fo-

cuses on unemployment, which we believe is appropriate for theoretical and practical reasons. Unemployment varies considerably across states and communities, thus providing a clear basis for contextual effects. It is a significant economic statistic, one that is widely publicized and commonly used as a barometer of the economy.[1] It is easily dramatized by the media, which often personalize it in news stories. Being unemployed is a vivid personal experience, and the fear of unemployment has been found to be an important influence on political attitudes (Clarke and Dutt, 1991; Schlozman and Verba, 1979). Conover, Feldman, and Knight (1986) argue that people (1) view unemployment as a very concrete economic characteristic; (2) more accurately judge unemployment than inflation rates; and (3) are quite sensitive to recent information about unemployment. In the 1992 presidential election, unemployment clearly was the major economic concern (Abramson et al., 1995, p. 174). For these reasons, the influence of local unemployment rates on economic attitudes in 1992 should be an excellent specific example of the possible general effect of local economic conditions on individual attitudes.

From a practical viewpoint, unemployment varies considerably across states and communities, and the data for states and communities are available on a monthly basis. A substantial amount of survey data also are available on various aspects of unemployment. We use data from the 1992 American National Election Study, combined with data on unemployment in the respondent's state and community.[2] Unemployment for the third quarter of 1992 was calculated from the July, August, and September monthly unemployment reports. The state unemployment data were available for all respondents, but the community unemployment data were available only for metropolitan statistical areas (80% of the U.S. population lives in an MSA).

We selected the third quarter unemployment rate for two reasons. First, the third quarter represents a time period close to the election and the time of the survey. From the standpoint of media reports, this information would be the most recent that respondents would have received.[3] For information received from other contextual sources, such as interaction with neighbors or coworkers, this time period also appears to be relevant, as it would capture interaction with recently unemployed individuals, or with people who personally know someone who just lost his or her job. Second, we used the third-quarter rate, rather than the rate for a single month, because averaging three months smooths out some of the anomalies that occasionally appear for a given month in a specific community. Using an average of the July, August, and September rates, all three of which are strongly interrelated, should provide a good measure of the unemployment context for the respondents.[4]

ANALYSIS RESULTS

We start from the assumption that evaluation of President Bush's economic job performance is an attitude that is very close to the vote itself. Our interest is in the sources of this evaluation. We initially hypothesize that evaluations of Bush's economic performance will be affected by four sets of variables: (1) basic political orientations, measured by party identification and ideological classification; (2) assessments of specific national economic conditions, including unemployment and inflation; (3) personal economic situation, including perceived change in financial situation, recent experience with unemployment, and fear of unemployment; and (4) the economic context, measured by the unemployment rate in the respondent's state and community. Details on these variables are in the Appendix.

Table 1 presents the results of a regression analysis of evaluations of Bush's economic performance. The results show that the most significant factors affecting this evaluation are party identification, ideology, and assessment of national unemployment. Assessment of national inflation, while statistically significant, is much less important than assessment of national unemployment, hardly a surprising result for 1992. The three measures of personal

TABLE 1. OLS Regression Analysis of Evaluation of Bush's Economic Performance

Independent Variable	*b*	S.E.	β	*t*-score	$p <$
Political Attitudes					
Party identification	.179	.012	.396	15.21	.01
Ideology	.080	.016	.122	4.99	.01
National Economic Perceptions					
Assessment of unemployment	.288	.029	.247	10.06	.01
Assessment of inflation	.048	.023	.049	2.08	.05
Personal Economic Situation					
Personal financial situation	.048	.019	.057	2.52	.05
Fear of unemployment	.131	.045	.066	2.91	.01
Unemployment experience	.110	.048	.053	2.29	.05
Economic Context					
State unemployment rate	.012	.022	.018	.56	n.s.
Community unemployment rate	−.023	.014	−.056	−1.68	n.s.
Adjusted R^2 = .42; N = 1269					

Note: The dependent variable is the evaluation of President Bush's economic performance. The independent variables are coded so that a positive evaluation of Bush's economic performance is associated with having a Republican and a conservative identification, having a positive assessment of national unemployment and inflation, having a positive assessment of personal financial situation, lacking recent experience with, or fear of, unemployment, and being in an area with low unemployment. See the Appendix for details on these variables. Only respondents living in an MSA are included in this analysis.

economic situation also display significant effects, even with attitudes and assessments controlled for. These results are completely consistent with the findings of existing research.

Both measures of the local unemployment context are unrelated to evaluations of Bush's economic performance, indicating that there are no direct effects once other attitudes are taken into account. However, we shall see that some important indirect effects exist. One possible indirect path is through assessment of the national unemployment situation. We hypothesize that assessments of national unemployment will be influenced by (1) the unemployment context of the individual's state and community (using the same two measures as above); (2) personal economic situation (using the same three variables as in the previous analysis); (3) political orientations (party identification and ideology); and (4) three demographic variables (education, gender, and race), which we include largely for control purposes.

Table 2 has the results of this analysis. We find that individual assessments of the national unemployment situation are influenced by personal economic circumstances. Those who perceive that they have not done well financially in

TABLE 2. OLS Regression Analysis of Assessment of the National Unemployment Situation, Using State and Community Unemployment Rates, for Respondents Living in an MSA

Independent Variable	*b*	S.E.	β	*t*-score	$p <$
Economic Context					
State unemployment rate	.082	.022	.145	3.74	.01
Community unemployment rate	.017	.014	.048	1.23	n.s.
Personal Economic Situation					
Personal financial situation	.102	.019	.144	5.43	.01
Fear of unemployment	.160	.045	.095	3.54	.01
Unemployment experience	.066	.048	.037	1.36	n.s.
Political Attitudes					
Party identification	.099	.012	.260	8.52	.01
Ideology	.033	.016	.060	2.02	.05
Demographic Characteristics					
Education	.022	.013	.046	1.75	n.s.
Gender	.076	.041	.048	1.88	n.s.
Race	.042	.062	.018	.68	n.s.
Adjusted $R^2 = .20$; $N = 1241$					

Note: The dependent variable is the assessment of the national unemployment situation. The independent variables are coded so that a positive assessment of national unemployment is associated with having a Republican and a conservative identification, having a positive assessment of personal financial situation, lacking recent experience with, or fear of, unemployment, being male, white, and more educated, and being in an area with lower unemployment. See the Appendix for details on these variables. Only respondents living in an MSA are included in this analysis.

the past year and those who fear unemployment are more likely to have an unfavorable view of the national unemployment situation. Having recent experience with unemployment does not appear to have a direct effect, although there is a potential indirect effect through fear of unemployment. We also find that party identification has a very strong influence. Democrats are much more likely than Republicans to provide an unfavorable assessment of the national unemployment situation. Ideology, however, exercises only a very modest influence, once party identification is included in the equation. Demographic characteristics display only weak and insignificant relationships to this retrospective assessment, once appropriate attitudes are included in the model.

Most interestingly, we find that the level of unemployment in the individual's state clearly influences the assessment of the national unemployment situation, supporting our argument for a contextual effect. In fact, the effect of this objective contextual variable is about equal to the effect of the individual's subjective assessment of personal financial situation. On the other hand, the level of unemployment in the individual's community is not related, contrary to our expectations. Finding that the state unemployment rate is important, while the community rate is not, could be a result of how the two are reported by the media. As we noted earlier, state unemployment rates generally are more prominently reported than are the community rates. It also may be that community unemployment is more important that these results indicate. The state and community unemployment rates are fairly strongly correlated ($r = .74$), and it is possible that we are not able to accurately determine the true independent effect of each variable.[5]

Table 3 repeats the analysis in Table 2, excluding the community unemployment rate but including the change in the state unemployment rate. We excluded the community rate, which was unrelated to assessments of national unemployment, to examine all respondents, including those not in an MSA. The coefficients are very stable across both tables, which is reassuring. We included the change in the state unemployment level because some studies argue that what matters is change in economic conditions (Lewis-Beck, 1988). However, we find no support for that hypothesis.[6]

It may seem surprising that the level of unemployment in the state is important but the recent change in that rate is not, given that research using national unemployment rates often finds that change in the rate is a critical variable. However, there may be a difference in how individuals respond to reports of national versus state unemployment. A report of a 7% national unemployment rate, for example, will be interpreted by most voters in terms of how it compares to recent patterns. If 10% had been the national unemployment rate, then 7% appears good; if it had been 5%, then 7% sounds bad. Media reports of national unemployment routinely make these longitudi-

TABLE 3. OLS Regression Analysis of Assessment of the National Unemployment Situation, Using the State Unemployment Rate and Change in the State Rate, for All Respondents

Independent Variable	*b*	S.E.	β	*t*-score	$p <$
Economic Context					
State unemployment rate	.089	.014	.165	6.59	.01
Change in state unemployment	.022	.021	.026	1.05	n.s.
Personal Economic Situation					
Personal financial situation	.114	.017	.153	6.77	.01
Fear of unemployment	.154	.040	.087	3.82	.01
Unemployment experience	.058	.042	.032	1.38	n.s.
Political Attitudes					
Party identification	.101	.010	.255	10.07	.01
Ideology	.031	.014	.054	2.22	.05
Demographic Characteristics					
Education	.022	.011	.045	2.03	.05
Gender	.083	.036	.051	2.33	.05
Race	−.023	.054	−.010	−.43	n.s.
Adjusted $R^2 = .19$; $N = 1742$					

Note: The dependent variable is the assessment of the national unemployment situation. The independent variables are coded so that a positive assessment of national unemployment is associated with having a Republican and a conservative identification, having a positive assessment of personal financial situation, lacking recent experience with, or fear of, unemployment, being male, white, and more educated, and being in an area with lower unemployment and declining unemployment. See the Appendix for details on these variables.

nal comparisons. On the other hand, a news report of the state unemployment rate often will not only compare it to earlier state rates but to the national picture at the same point in time. Thus, a report of 7% unemployment in a given state may sound bad if most states are well below this figure, but good if the opposite is true. For the 10 largest states in 1992, the state rates were released at the same time as the national rate, making this comparison almost inevitable. The point is that how individuals react to the report of a current unemployment rate depends on the reference point used to evaluate the reported figure, and it may well be the case that one referent is used for national unemployment figures and a different referent for state figures.

Another indirect way in which the local economic context might influence evaluations of Bush's economic performance is through effects on individual fear of unemployment. As we have seen, fear of unemployment has both a direct effect on evaluations of Bush's economic performance and an indirect effect, through its impact on assessments of the national unemployment situation. Table 4 examines the effect of the state and community unemployment rates on fear of unemployment, with unemployment experience and demo-

TABLE 4. Logistic Regression Analysis of Fear of Unemployment

Independent Variable	*b*	S.E.	Wald Statistic	$p <$
Unemployment experience	1.358	.119	131.36	.01
State unemployment rate	.067	.059	1.29	n.s.
Community unemployment rate	.020	.035	.33	n.s.
Education	−.036	.034	1.10	n.s.
Gender	−.033	.112	.09	n.s.
Race	.221	.150	2.19	n.s.
−2 log likelihood = 1883.26				
Goodness of fit = 1616.65				
Model χ^2 = 148.72				
Cases correctly classified = 71.1%				

Note: The dependent variable is fear of unemployment. The independent variables are coded so that having a fear of unemployment is associated with having recent experience with unemployment, being female, nonwhite, and less educated, and being in an area with higher unemployment. See the Appendix for details on these variables. Only respondents living in an MSA are included in this analysis.

graphic variables also included in the equation. Logistic regression is used because the dependent variable is dichotomous. Surprisingly, the economic context has no effect on fear of unemployment. Individuals living in areas of high unemployment are no more likely to fear unemployment, at least once recent experience with unemployment is taken into account.[7]

We are particularly surprised by the absence of any effect of the community unemployment rate on fear of unemployment. We would expect that individuals who live in a metropolitan area with relatively high unemployment would be more likely to talk with people who either (a) had recent unemployment experiences or (b) were concerned about unemployment because of conversations with others with such experiences. We also would expect that these personal interactions would affect the fears that these individuals had about unemployment, yet no such relationship is discernible in the data. It is, of course, the case that individuals who live in communities with high unemployment rates are somewhat more likely to have recent experience with unemployment, which in turn affects their fear of unemployment. However, this is an obvious individual-level relationship that is of no theoretical interest, especially given our focus on contextual influences. Moreover, it is not a particularly strong path of influence, as the relationship between individual experience with unemployment and the community unemployment rate is rather weak ($r = .11$).

It appears that any influence that the state or community unemployment rate has on individual retrospective economic evaluations is almost entirely a

sociotropic effect. Individuals who live in areas of above average unemployment have more negative evaluations of the national unemployment situation, but this relationship is not primarily a result of greater personal fear of, or recent experience with, unemployment. To many people, this more personal path would seem to be the most likely way in which local economic conditions would affect economic evaluations, but it does not seem to be the true path of influence.

DISCUSSION

Our results indicate that the economic context does affect retrospective economic evaluations. Specifically, assessments of the national unemployment situation in 1992 were influenced by the unemployment rate in the respondent's state, but not community, in the period just prior to the election. The effect is primarily sociotropic in nature. Individual retrospective economic evaluations are affected by the unemployment context not because individuals become more concerned about their own employment situation when they live in an area of high unemployment but because they develop more negative views of the national economic situation irrespective of their personal economic situation. This finding seems consistent with the findings of existing research concerning sociotropic versus pocketbook voting, although that literature does not include a contextual dimension (Kinder and Kieweit, 1979, 1981; MacKuen et al., 1992; Marcus, 1988).

These findings fit with recent research into the relationships among national economic conditions, media coverage of the economy, and voter attitudes. Several studies find that the economic evaluations and perceptions held by voters are influenced by media coverage of the economy (Erbring et al., 1980; Goidel and Langley, 1995; Hetherington, 1996). These authors argue that this influence occurs through both priming and framing effects. Erbring, Goldberg, and Miller (1980) find that issue salience for unemployment was affected by newspaper coverage of the topic. Unemployment may be particularly susceptible to such effects. Holbrook and Garand (1996) find that increased media exposure improved the accuracy of perceptions of national unemployment levels, but no such effect occurred for perception of rates of inflation. Media coverage of the economy affects more than just issue salience. Hetherington (1996) argues that the media help to frame economic issues, providing a thematic content that influences voter interpretations of economic conditions. Similarly, Mutz (1994) argues that media coverage of unemployment affects whether personal concern over employment is translated into political attitudes regarding economic policy or viewed simply as a personal problem. Finally, Conover, Feldman, and Knight

(1986) and Behr and Iyengar (1985) suggest that people learn about unemployment, especially as compared to inflation, largely from local rather than national news stories.

Our findings complement the above studies by identifying a contextual dimension to economic evaluations. Existing research has focused on the link between national economic conditions and voter attitudes. We find that state economic conditions are also very important to citizens. Our explanation of this finding is that individuals receive information that is contextually patterned; where a person lives influences the substance and tone of the information he or she receives. People learn of unemployment conditions through a number of channels. We believe that information about the state economy received from the local media is highly important in affecting attitudes and evaluations, although information obtained from other sources is also likely to be relevant. Thus, it is not the economic conditions in the state per se that are important; rather, it is the reporting of the economic conditions that influence individual attitudes and behavior. While this makes theoretical sense, these data do not allow us to directly test this proposition; the 1992 ANES survey did not contain satisfactory items on consumption of local media. We suggest that research into the coverage of state and/or community economic conditions by the local media and into the perception and interpretation of this news by media-attentive voters would give us a more thorough understanding of these relationships. This research would not only would tell us more about how voters form attitudes that are important in the vote decision but would inform us about how individuals are influenced by the local context.

In sum, we know from existing research that retrospective evaluations of the national economy influence presidential voting, along with other long- and short-term forces. By focusing on some of the contextual influences on evaluations of the national economy, we hope to add to existing work and build a more complete explanation of how voters respond to the economic conditions. Our results suggest that voters are influenced by the economic conditions in their state and that this is the result of the contextual patterning of information about the state economy. Of course, our analysis deals only with the effect of the unemployment context in 1992, a year in which unemployment was a highly salient national issue. Whether these results can be generalized to other years or to other aspects of the state or community economic context will await further research.

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APPENDIX

Details on the variables drawn from the 1992 American National Election Study are as follows:

Evaluation of President Bush's economic performance is measured on a 4-point scale, running from strongly approve to strongly disapprove.
Assessments of national unemployment and inflation are measured on a 5-point scale, running from much higher than a year ago to much lower than a year ago.
Perception of personal financial situation is measured on a 5-point scale, running from much better than a year ago to much worse than a year ago.
Unemployment experience is a dichotomous variable, measuring whether or not the respondent or the respondent's spouse either had been unemployed or had a significant involuntary reduction in work during the past year.
Fear of unemployment is a dichotomous variable, measuring whether or not the respondent or the respondent's spouse has a significant fear of becoming unemployed in the near future, or has a significant fear of not finding a job, for those currently unemployed.
Party identification is measured on a 7-point scale, running from strong Democrat to strong Republican.
Ideological classification is measured on a 7-point scale, running from extremely liberal to extremely conservative.
Gender and *race* are dichotomous variables (male/female and white/nonwhite).
Education is measured on a 7-point scale, running from eight years or less to having an advanced degree.

In addition to the variables drawn from the American National Election Studies, the following contextual variables were added to the data set:

State unemployment: The unemployment rate in the respondent's state for the third quarter of 1992. See the text for details on how this was calculated.
Community unemployment: The unemployment rate in the respondent's community for the third quarter of 1992 (obtained only for respondents living in an MSA).
Change in state unemployment: The change in the unemployment rate in the respondent's state from the fourth quarter of 1991 to the third quarter of 1992.

NOTES

1. The U.S. Department of Labor reports unemployment rates on a monthly basis, based on a monthly survey of the population. National unemployment rates for a month normally are released by the department early in the next month. State rates normally are released around the middle of the month, and the community rates (for metropolitan areas) late in the month, but these release dates vary somewhat. In 1992, the department had an early reporting program, which released the state rates for the 10 largest states at the same time that the national rates were released. Media reports of these rates vary. Among newspapers, for example, the

state unemployment rate sometimes is the subject of a major story, but sometimes it receives less attention. Community unemployment rates generally receive less attention than do state rates, but sometimes the metropolitan rate will be reported in a major story.

2. See Miller, Kinder, and Rosenstone (1993) for information on the 1992 American National Election Study, made available by the Interuniversity Consortium for Political and Social Research. Data on unemployment rates for the states and communities were drawn from various editions of *Employment and Earnings*, a monthly publication of the Bureau of Labor Statistics, U.S. Department of Labor. Community unemployment rates are available only for metropolitan statistical areas. The 1992 American National Election Study drew respondents from 46 metropolitan statistical areas.
3. Preelection interviews for the 1992 American National Election Study were conducted in September and October, with one-half of the sample scheduled for each month. Those interviewed in September could not have heard the reports of the September unemployment rates, but all would have been interviewed after the release of the July state and community rates, which took place in August, and most would have been interviewed after the release of the August state rates. The July, August, and September rates are highly correlated; the mean Pearson's r for the three pairs of state rates is .94, and the mean r for the three pairs of community rates is .97. Given this high intercorrelation among the rates, we should not have to be concerned over exactly when in September or October a respondent was interviewed. It also should be noted that other news stories about unemployment in the state or community appear in the local media. These include reports of new unemployment claims and total jobless benefits being paid out, both of which are reported on a weekly basis, stories of layoffs by local businesses, and personalized or dramatized stories of unemployment problems being felt by local residents. Thus, individuals who reside in states or communities with relatively high unemployment rates are likely to hear more than just the official monthly reports of these rates.
4. We also tried using the first- and second-quarter rates in the following analysis, but neither of these two rates is superior to the third-quarter rate. We also employed a measure of change in the unemployment rate, discussed below, which did not have any significant effect.
5. On the suggestion of one of the reviewers, we also formed an index that combined both the state and the community unemployment rate (the index was a simple average of the two rates). If the analysis reported in Table 2 is repeated using this index of local unemployment instead of the state and community rates, the result is no improvement in predictive ability. Also, repeating the analysis in Table 2, using only the state unemployment rate yields results that are at least equal in predictive ability to those generated by the use of the index. In fact, the adjusted R^2 for the equation using the index (.199) is almost identical to the R^2 for either the equation using just the state unemployment rate (.200) or the R^2 for the equation using both the state and community unemployment rates (.201), and the standard error of the estimate is the same for all three equations (.71). These results, along with the fact that about 50% of the variance in these two economic context variables is not shared, leads us to believe that the state unemployment rate truly is more important than the community rate in influencing retrospective economic evaluations, although we would hesitate to conclude that the community rate is without any influence.
6. Change in unemployment was measured by the change in the unemployment rate from the fourth quarter of 1991 to the third quarter of 1992. Change in unemployment is not highly correlated with the third-quarter rate ($r < .50$), so the failure to find a significant effect for the change in unemployment cannot be attributed to this measure being tightly related to the state third-quarter unemployment rate. We also tried using a measure of change in the community unemployment rate, and it too showed no significant effect.
7. It should be noted that fear of unemployment and recent experience with unemployment are

two distinct variables, conceptually and empirically (r = .31). Therefore, the reason that we do not find higher fear of unemployment among individuals who live in areas of high unemployment, once unemployment experience is taken into account, is not that fear of unemployment and unemployment experience are so highly correlated that controlling for one variable effectively washes out the other.

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