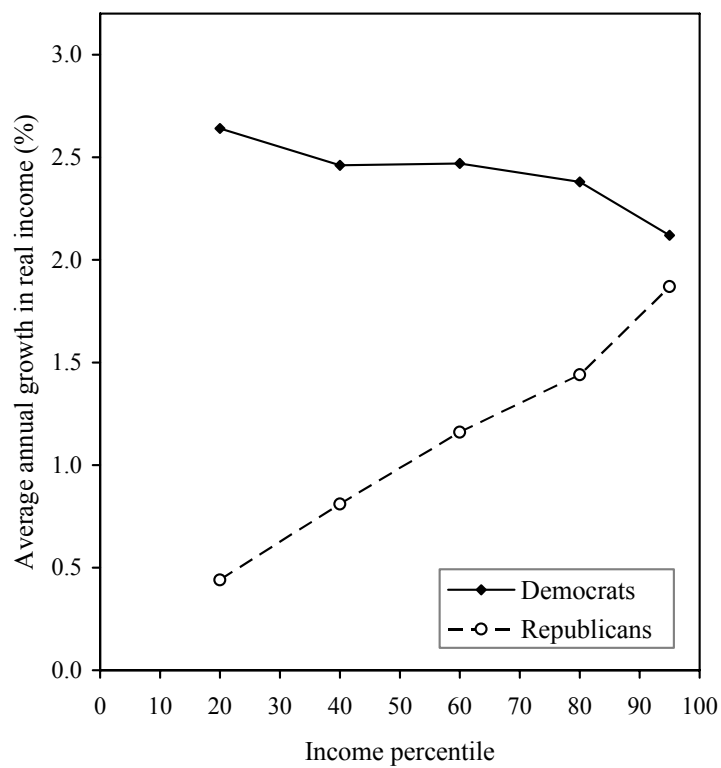


Comparative Politics of Inequality and Redistribution

My contribution to the conference is drawn from a forthcoming book. This chapter makes reference to a previous finding, Figure 2.1, which is reproduced below. For anyone who may be interested, drafts of all the book chapters are posted at <http://www.princeton.edu/~bartels/unequal.html>. – LMB

Figure 2.1
Income Growth by Income Level under Democratic and Republican Presidents, 1948-2004



*Unequal Democracy: The Political Economy of the New Gilded Age***Chapter 4****Partisan Biases in Economic Accountability**

Of all races in an advanced stage of civilization, the American is the least accessible to long views. . . . Always and everywhere in a hurry to get rich, he does not give a thought to remote consequences; he sees only present advantages. . . . He does not remember, he does not feel, he lives in a materialist dream.

– Moiseide Ostrogorski, 1902¹

The analysis of party coalitions presented in Chapter 3 identified the most important explanation for why Republicans have been more successful in recent national elections than they were during the New Deal era – the shift of the Solid South from Democratic to Republican control in the wake of the civil rights movement. That shift has produced a remarkably even partisan balance in the national electorate, with middle- and upper-income whites leaning toward the Republicans and poorer whites and African-Americans predominately Democratic. Republican candidates won 51.7% of all the votes cast for major-party candidates in the 14 presidential elections from 1952 through 2004; Democratic candidates captured 48.3%.

However, this account leaves unresolved the puzzle raised by the partisan pattern of income growth documented in Figure 2.1: how do Republicans win even a bare plurality of votes when most of the electorate has been substantially worse off under Republican presidents than under Democrats? Even allowing for some class bias in turnout, it is clear that most voters –

including most *Republican* voters – have experienced much more economic prosperity under Democratic presidents than under Republican presidents. Why, then, have Democrats not been rewarded and Republicans not been punished for the striking partisan gap in income growth documented in Figure 2.1?

My resolution of this puzzle hinges on a remarkable disparity in the timing of income growth under Democratic and Republican presidents. Although Democrats have historically presided over much more robust income growth, especially for families of modest means, that growth has been concentrated in non-election years. Unfortunately for the Democrats, growth that occurs in non-election years has very little impact on election outcomes. As Ostrogorski surmised more than a century ago, the American voter “sees only present advantages.” During presidential election years, when income growth is politically consequential, voters in every part of the income distribution have actually experienced considerably more growth under Republican presidents than they have under Democratic presidents!

It is impossible to tell whether this pattern reflects clever Republican strategizing, pure coincidence, or some odd cosmic joke. In any event, it has had a momentous impact on American electoral politics over the past half-century, and thus also on the politics of economic inequality.

Myopic Voters

The political puzzle I have posed here is predicated on the notion that voters will assess which party has produced a better record of income growth, either for themselves or for the country as a whole, and vote accordingly. That notion seems to be supported by a great deal of

¹ Ostrogorski (1902), 302-303.

evidence linking the state of the economy and the political fortunes of the incumbent party in both presidential and congressional elections.² It also seems eminently sensible, since competent governments in the post-Keynesian era are thought to exert real influence over the course of the national economy. Indeed, the strong tendency of voters to reward incumbents for good economic times and punish them for bad times is often viewed as a mark of the rationality of democratic electorates. For example, one of the earliest academic analysts of economic voting, Gerald Kramer, characterized his results as demonstrating “that election outcomes are in substantial part responsive to objective changes occurring under the incumbent party; they are not ‘irrational,’ or random, or solely the product of past loyalties and habits, or of campaign rhetoric and merchandising.” Another prominent political scientist, V.O. Key, Jr., interpreted evidence of retrospective voting as support for his “perverse and unorthodox argument” that “voters are not fools.”³

One of the primary attractions of this perspective on electoral accountability is that it does not seem to require too much from ordinary citizens. According to another influential theorist of retrospective voting, Morris Fiorina, voters

typically have one comparatively hard bit of data: they know what life has been like during the incumbent’s administration. They need *not* know the precise economic or foreign policies of the incumbent administration in order to see or feel the *results* of those policies. ... In order to ascertain whether the incumbents have performed

² This literature is too vast to cite in detail. Kramer (1971) and Tufte (1978) made important early contributions. Erikson (1989; 1990) provided concise and clear analyses of presidential and midterm results, respectively. For presidential elections, Bartels and Zaller (2001) compared a variety of alternative measures of economic performance and probed the robustness of the statistical results to variations in model specification.

³ Kramer (1971), 140; Key (1966), 7.

poorly or well, citizens need only calculate the changes in their own welfare.⁴

Analysts have routinely treated this feature of the retrospective theory of political accountability as unproblematic. Individual voters' economic perceptions may reflect substantial partisan biases, rationalization, and sheer randomness, but the electorate as a whole is assumed to respond systematically and sensibly to actual economic experience under the incumbent administration.⁵

Here, I examine one important respect in which the rationality of the American electorate falls short of this standard: the time-horizon over which voters assess changes in the state of the economy.⁶ If voters are attempting to reward (or punish) incumbents for contributing (or failing to contribute) to their real incomes, or to the economic fortunes of society as a whole, they should be sensitive to economic conditions "over the incumbent's entire term of office, with little or no backward time discounting of performance outcomes," as Douglas Hibbs put it. However, the striking fact is that virtually all analyses of retrospective economic voting focus on economic conditions during the election year, or even some fraction of the election year, rather than over the longer haul of an entire term.⁷ In effect, they assume that voters attempt "to ascertain whether the incumbents have performed poorly or well" on the basis of a very limited –

⁴ Fiorina (1981), 5.

⁵ On idiosyncratic economic experience, rationalization, and partisan bias see Kramer (1983); Conover, Feldman, and Knight (1987); Bartels (2002); Erikson (2004).

⁶ My analysis here builds upon joint work with Christopher Achen (Achen and Bartels 2004).

⁷ Hibbs (2004), 7. Hibbs's own analysis is rare in focusing on the extent of temporal discounting in voters' reactions to economic conditions. He found relatively modest discounting of past economic performance; however, other analysts employing similar models have found that recent economic performance is much more relevant than previous performance (Bartels and Zaller 2001; Erikson, Bafumi, and Wilson 2002; Achen and Bartels 2004).

and potentially misleading – assessment of “changes in their own welfare.”

Is that assumption warranted? Figure 4.1 summarizes the relationship between cumulative income growth and the incumbent party’s electoral fortunes in the 14 presidential elections from 1952 through 2004. Election years are arrayed along the horizontal axis based on the total growth in real disposable personal income per capita in the second, third, and fourth years of each administration – the years in which the incumbent president’s policies might plausibly have some impact on the state of the economy. The vertical axis shows the popular vote margin (in percentage points) for the incumbent party’s presidential candidate.

***** Figure 4.1 *****

Figure 4.1 displays a strong, though not overwhelming, connection between cumulative income growth and presidential election outcomes. The incumbent party’s vote margin was slightly negative in each of the three elections in which cumulative income growth was less than 3%. On the other hand, the incumbent party’s average vote margin was about ten percentage points in the six elections in which cumulative income growth exceeded 10%. However, the range of outcomes in those six elections reflects the imprecision of the overall relationship between cumulative income growth and election outcomes: incumbent presidents won reelection by landslides in three of those cases (1972, 1964, and 1984), but incumbent vice presidents were narrowly defeated in two others (1968 and 2000, albeit with a slim popular vote margin in the latter case) – and in 1952 the incumbent party’s candidate was trounced despite much-higher-than-average cumulative income growth.

By comparison, the relationship depicted in Figure 4.2 is a good deal stronger and more consistent. The difference here is that elections are arrayed along the horizontal axis not on the

basis of cumulative income growth over the president's second, third, and fourth years in office, but rather on the basis of income growth in the presidential election year only. Knowing how the economy fared during the election year turns out to be much more helpful in accounting for the incumbent party's fortunes than knowing how it fared over the entire three years leading up to the election.

***** Figure 4.2 *****

The relationships presented graphically in Figures 4.1 and 4.2 are elaborated in the statistical analyses reported in Table 4.1. In addition to economic conditions, these statistical analyses include the incumbent party's tenure in office as an additional explanatory factor. There is a fairly strong tendency for the incumbent party's electoral fortunes to decline with each additional year that it has held the White House. Presumably this pattern reflects the cumulative effect of exhausted policy agendas, personnel turnover, and accumulating scandals on voters' desire for a change in leadership. Over the course of a typical four-year term, these forces reduce the incumbent party's popular vote margin by three to six percentage points.

***** Table 4.1 *****

The statistical analysis reported in the first column of Table 4.1 relates the incumbent party's popular vote margin to the rate of cumulative income growth over the president's second, third, and fourth years in office. The results parallel Figure 4.1 in suggesting that each additional percentage point of cumulative income growth translated into a gain of about 1.4 percentage points in the incumbent party's expected vote margin. The second column of the table presents the results of a parallel statistical analysis based not on cumulative income growth but on election-year income growth. As one might expect from a comparison of Figures 4.1 and 4.2,

this version of the analysis does a significantly better job of accounting for the actual election outcomes.⁸ The relationship between income growth and the incumbent party's vote margin is also substantially stronger, with each percentage point of election-year income growth increasing the incumbent party's expected margin by 3.6 percentage points.

The analysis reported in the third column of Table 4.1 includes separate measures of income growth in the presidential election year and the two preceding years. Adding income growth in the second and third years of the president's term does nothing to improve upon the statistical fit of the simpler analysis presented in the second column of the table. Income growth in the third year of each president's term may have had some effect on the next election outcome, but that effect is probably only about half as large as the effect of election-year income growth, and the estimate is quite imprecise. Income growth in the second year of each president's term seems to have been utterly forgotten – which is to say, politically irrelevant – by the time of the next election.

These results suggest that presidential elections are important occasions for economic accountability, but with significant limitations due to the systematic cognitive limitations of the electorate. As Kramer argued decades ago, “election outcomes are in substantial part responsive to objective changes occurring under the incumbent party” – but only if those changes occur in close proximity to Election Day. Myopic voters reward their elected leaders for *some* good times and punish them for *some* bad times. Is that good enough?

The Political Timing of Income Growth

⁸ The standard error of the regression, which measures the average deviation between actual election margins and the margins implied by the statistical analysis, is 6.5 percentage points – more than 15%

More than a quarter-century ago, political scientist Edward Tufte noted that the electorate's short time horizon with respect to economic evaluations could produce "a bias toward policies with immediate, highly visible benefits and deferred, hidden costs – myopic policies for myopic voters." Tufte worried that political manipulation of economic policy could generate significant social costs due to wasteful government spending and other forms of "economic instability and inefficiency" aimed at making the economy flourish around election time. He provided statistical evidence of electoral cycles in transfer payments, income growth, unemployment, and inflation. He also provided considerable qualitative evidence of specific efforts by incumbents to produce those cycles. Richard Nixon in 1972 was a particularly energetic manipulator of everything from the money supply (through his erstwhile political ally Arthur Burns, the chairman of the Federal Reserve Board) to effective dates of increases in Social Security benefits and payroll taxes; as Tufte delicately put it, "The extremes of 1972 were special because Richard Nixon was special."⁹

Subsequent research on political business cycles has produced less clear results. As one observer put it, "while the general logic behind the theory is quite persuasive, the empirical evidence for electoral-economic cycles is spotty at best."¹⁰ Figure 4.3 redeploys the Census Bureau's figures on income growth from Chapters 1 and 2 to explore whether presidents have

smaller than for the analysis based upon cumulative income growth.

⁹ Tufte (1978), 143, 63. Tufte argued that Nixon's enthusiasm for political manipulation of the economy arose in significant part from his unhappy experience with an *un*manipulated economy in his first presidential campaign in 1960. According to Nixon (quoted by Tufte 1978, 6): "In October, usually a month of rising employment, the jobless rolls increased by 452,000. All the speeches, television broadcasts, and precinct work in the world could not counteract that one hard fact." Nixon lost the election by fewer than 120,000 votes.

¹⁰ Schultz (1995), 79.

produced unusual income growth in election years. Separately for families at the 20th and 95th percentiles of the income distribution, the figure shows average levels of real income growth in each year of the election cycle, beginning with the year in which a new (or reelected) president is inaugurated and continuing through the subsequent presidential election year.

***** Figure 4.3 *****

The pattern of income growth under Republican presidents (represented by the black bars in the figure) is generally consistent with Tufte's account of a political business cycle. Whether we focus on the working poor (in the left panel) or wealthy families (in the right panel), the average rate of real income growth clearly peaked in presidential election years. (The same pattern holds for families at intermediate income levels; the election-year bonuses in average income growth by comparison with non-election years range from 1.6 percentage points for families at the 80th percentile to 2.5 percentage points for families at the 40th percentile.) On the other hand, the second year of each four-year term – the first year plausibly affected by the current president's economic policies – was generally marked by slow growth. In fact, working poor families experienced *negative* average income growth in the second years of Republican administrations.

If Tufte's concerns about the possibility of a political business cycle seem to be confirmed by the economic record of Republican administrations, Democratic presidents have quite remarkably turned Tufte on his head. Tracing the gray bars in Figure 4.3 over the course of the election cycle suggests that Democratic presidents have produced substantially *less* income growth in presidential election years than at other times. (As with Republican presidents, similar patterns hold for families at intermediate income levels; the election-year deficits in average

income growth by comparison with non-election years range from 1.4 to 2.3 percentage points.) Under Democrats, average income growth reached its peak during the second year of each four-year term, then declined markedly in the third and fourth years.

The reason for this remarkable pattern is far from clear. However, the most plausible explanation is that the characteristic economic strategies of Democratic and Republican presidents in the “honeymoon” periods at the *beginning* of each four-year term have predictable spillover effects at the time of the next election. The analysis presented in Table 2.2 showed that the largest partisan differences in income growth, by far, were concentrated in the second year of each four-year presidential term – the first year in which new post-election policies could actually influence income growth. Democratic presidents have routinely produced extremely strong income growth for families in every part of the income distribution in these “honeymoon” years. However, these expansionary bursts cannot be sustained indefinitely; by the time of the next presidential election income growth under Democratic presidents has typically slowed to a crawl, especially for families near the top of the income distribution.

The usual pattern under Republican presidents is exactly the opposite. They have routinely used their “honeymoon” periods to precipitate economic contractions, producing *negative* average income growth for middle-class and poor families in the second years of their terms. But contractions, like expansions, have a finite duration, and by the time of the next presidential election income growth has typically rebounded significantly.

Table 4.2 provides a detailed comparison of income growth rates under each party in presidential election years and non-election years. Under Republican presidents average growth at every income level has been about two percentage points higher in presidential election years than in non-election years. In stark contrast, Democratic presidents have produced much less

income growth in presidential election years than in non-election years; these differences, too, are on the order of two percentage points, with real incomes at all levels growing by about 3% in non-election years but only about 1% (and actually *falling* slightly for families at the 95th percentile of the income distribution) in presidential election years.

***** Table 4.2 *****

The partisan pattern of election-year income growth documented in the top panel of Table 4.2 is presented graphically in Figure 4.4. As with the overall pattern of income growth presented in Figure 2.1, it is clear here that affluent families experienced more growth than poor families under Republican presidents, while middle-class and poor families experienced more growth than affluent families under Democratic presidents. Thus, the two parties' traditional distributional priorities are evident even in election years.

***** Figure 4.4 *****

However, the striking difference between Figure 4.4 and Figure 2.1 is in the relative positions of the two income growth gradients. Whereas middle-class and poor families in most years experienced much more income growth under Democratic presidents than they did under Republicans, in presidential election years families at every income level experienced much *more* income growth under Republican presidents than they did under Democrats. Even families at the 20th percentile of the income distribution saw almost twice as much election-year income growth under Republican presidents (1.8%) as under Democratic presidents (1.0%). Whether through political skill or pure good luck, Republican presidents have been remarkably successful – and Democrats have been remarkably *unsuccessful* – in targeting income growth in election years.

If voters judiciously weighed the record of income growth over an incumbent's entire term, this striking disparity between Democratic and Republican administrations in the timing of income growth would be politically inconsequential. Conversely, if the partisan patterns of income growth were identical in election years and non-election years, economic myopia would be a psychological curiosity of little political relevance – simply one more entry in an extensive catalog of heuristics and biases that shape human decision-making. In tandem, however, the myopia of voters and the success of post-war Republican presidents in producing robust income growth in the run-up to presidential elections have significantly bolstered electoral support for Republican candidates.

For their part, Democratic presidents have routinely been punished by myopic voters for slow election-year growth, but given little credit for robust income growth in non-election years. Indeed, the analysis presented in the third column of Table 4.1 suggests that voters gave Democratic presidents *no* electoral credit for consistently producing stupendous income growth in the second years of their four-year terms (ranging from 4.0% for upper-middle-class families to 5.7% for the working poor), while Republican presidents paid *no* electoral cost for producing negative growth in the second years of their four-year terms for families below the 95th percentile of the income distribution.

The political consequences of these biases in economic accountability are highlighted in Table 4.3, which compares the actual Republican popular vote margin in each of the past 14 elections with the projected margin subtracting the effect of economic myopia.¹¹ The projections

¹¹ The projected vote margins without myopia are based on the assumption that non-myopic voters in each election year would have weighed income growth in the second, third, and fourth years of the incumbent president's term equally, using the average of the estimated weights for these three years in the third column of Table 4.1. This assumption implies that each additional percentage point of income

suggest that economic myopia added 3.5 percentage points to the average Republican vote margin in these 14 elections – no small difference, given that the average Republican vote margin was only 3.3 percentage points. Myopia seems to have benefited Republican candidates in 12 of the 14 elections, and it was probably decisive in three of the nine Republican victories in the post-war era: Dwight Eisenhower in 1952, Richard Nixon in 1968, and George W. Bush in 2000 probably all owed their accessions to the White House to the fact that voters forgot (or simply ignored) strong periods of income growth early in the terms of their Democratic predecessors.

**** Table 4.3 ****

Class Biases in Economic Voting

My analysis so far demonstrates that much of the Republican Party's electoral success over the past half-century is attributable to myopic behavior on the part of voters, who have regularly rewarded Republicans for uncharacteristically strong election-year income growth and punished Democrats for uncharacteristically weak election-year income growth. These characteristic patterns of income growth over the course of the election cycle may be related to differences in the two parties' economic priorities, which routinely produce robust income growth for middle-class and poor families in the second years of Democratic administrations and negative income growth for middle-class and poor families in the second years of Republican administrations. In any event, since the partisan differences in average income growth documented in Figure 2.1 are greatest for middle-class and poor families, those families are the most obvious economic losers

growth would have increased the incumbent party's popular vote margin by 1.76 percentage points, regardless of whether that growth occurred in the election year or in either of the two preceding years.

from the partisan bias in accountability produced by the myopic American voter's tendency to see "only present advantages."

But that is not all. Middle-class and poor families also seem to be distinctly disadvantaged by class bias in subjective perceptions of how the economy is faring. American voters are not only myopic in their focus on present advantages, but also selective in their focus on the present advantages of families near the top of the income distribution.

In examining patterns of class bias in economic voting, it is helpful to begin by investigating the sensitivity of voters at different income levels to national economic conditions. Thus, Table 4.4 presents the results of analyses using data from the National Election Study (NES) surveys conducted over the past half-century to replicate the aggregate-level analysis of economic voting reported in Table 4.1. The NES surveys include almost 16,000 people who reported voting for one or the other of the major-party candidates in the 14 presidential elections from 1952 through 2004.¹² Thus, they make it possible to examine the distinctive responsiveness of various sub-groups, including high-, middle-, and low-income voters, to national economic conditions and other factors that seem to have important effects on election outcomes.

***** Table 4.4 *****

The survey data also make it possible to incorporate a variety of potentially relevant

¹² Obviously, it would be unrealistic to pretend that the choices of the individual voters surveyed in any given election year were statistically independent. An unusually attractive challenger might make most voters in a given year less likely than usual to support the incumbent party; similarly, an error in measurement of the election-year growth rate of real disposable income would bias the observed relationship between economic conditions and voting behavior for all voters in a given year. In order to avoid conveying a misleading impression of statistical precision, all of my analyses of survey data from multiple election years are clustered to allow for arbitrary correlations among the disturbances for voters

individual characteristics in our statistical analyses of voting behavior, providing a useful check and elaboration of the aggregate-level statistical results. In addition to the contextual factors included in Table 4.1 – income growth and incumbent party tenure – the analyses reported in Table 4.4 include each voter’s party identification as an additional explanatory factor. A substantial scholarly literature has documented the powerful impact on political attitudes and voting behavior of long-standing psychological attachments to the political parties, and that impact appears very clearly in Table 4.4 as well.¹³ For my purposes here, however, the primary advantage of including party identification as an explanatory factor is that doing so greatly increases the accuracy of the statistical analyses and provides a more realistic account of the impact of contextual factors on individual voters.¹⁴

Allowing for the differences in structure between the aggregate-level and individual-level analyses, the estimated effects of election-year income growth and incumbent party tenure in the

surveyed in the same year.

¹³ The classic scholarly explication of party identification and its effects is by Campbell et al. (1960). Bartels (2000) measured changes over the past half-century in the relationship between party identification and voting behavior.

¹⁴ Omitting party identification from the analyses reported in Table 4.4 drastically degrades the statistical fits (reducing the pseudo- R^2 statistic for the full sample from .40 to .01) and also reduces the magnitudes of the apparent effects of election-year income growth (from .077 to .047) and incumbent party tenure (from $-.034$ to $-.015$). The latter changes, however, are more apparent than real; they reflect the fact that the probit analyses reported in Table 4.4 allow for non-linearity in the marginal effects of the explanatory factors, with smaller marginal effects for committed Republicans and Democrats than for voters who are about equally likely to support either party. The estimated *average* effects of income growth and tenure on the probability of supporting the incumbent party’s presidential candidate are quite similar in the aggregate-level analysis reported in the second column of Table 4.1, the survey analysis reported in the first column of Table 4.4, and the stripped-down survey analysis taking no account of voters’ partisan loyalties.

first column of Table 4.4 are quite consistent with the estimated effects reported in the second column of Table 4.1. They imply that each additional percentage point of real income growth increased an otherwise undecided voter's probability of supporting the incumbent party by about three percentage points, while each additional year in office reduced the incumbent party's expected support by about 1.4 percentage points.

The second, third, and fourth columns of Table 4.4 present parallel statistical results for high-, middle-, and low-income voters, respectively. These results are also generally consistent with the aggregate-level results, with one notable exception: voters in the bottom third of the income distribution appear to have been less sensitive than more affluent voters were to election-year income growth. Insofar as presidential elections have served as referenda on the economic stewardship of the incumbent party, systematic rewards and punishments seem to have been provided primarily by voters in the middle and upper portions of the income distribution.

One possible explanation for this class difference is that the measure of income growth employed in Table 4.4 – the percentage change in real disposable income per capita – does not really reflect the economic experiences of low-income families, even over the limited time horizon of the election year. Perhaps employing a more specific measure of low-income growth would produce more robust evidence of economic voting. With that possibility in mind, the first column of Table 4.5 repeats the statistical analysis reported in the fourth column of Table 4.4, but with the election-year growth rate for families at the 20th percentile of the income distribution included as an additional explanatory factor. (Recall that low-income voters in the NES surveys reported family incomes in the bottom third of the income distribution in each election year; thus, the growth rate for families at the 20th percentile should provide a fair indication of their average income growth.)

***** Table 4.5 *****

The results of this statistical analysis are encouraging, but only mildly so. The analysis does only slightly better in accounting for the vote choices of low-income voters, and the estimated effect of low-income growth is still a good deal smaller than the estimated effects of overall growth for middle- and high-income voters in Table 4.4.

The remaining columns of Table 4.5 report the results of parallel analyses employing income-specific growth rates for families at higher income levels. Oddly, low-income voters seem to be more sensitive to election-year growth rates for more affluent families than they are for families at their own income level. Most oddly of all, the income-specific growth rate that does the best job of accounting for the vote choices of low-income voters is the growth rate for families at the 95th percentile of the income distribution – the most affluent families represented in the Census Bureau data. Low-income voters appear to be highly responsive to income growth among the rich, but attach no apparent weight to overall income growth!

If even low-income voters are sensitive to economic growth among the most affluent families, what about middle- and high-income voters? The statistical analyses reported in Table 4.6 add the specific income growth rate for families at the 95th percentile to each of the analyses of economic voting reported in Table 4.4. The results suggest, rather remarkably, that in every income group, high-income growth had a much more powerful effect than overall income growth on electoral support for the incumbent party. For the electorate as a whole, each percentage point of income growth for affluent families seems to have produced as much additional support as *four* points of growth in overall real disposable income per capita.

***** Table 4.6 *****

Of course, it is important to bear in mind that although the results presented in Table 4.6 are based on thousands of individual vote choices, they represent only 14 distinct configurations of election-year contexts. Thus, it is not impossible that the apparent electoral significance of high-income growth is merely a statistical fluke. However, if it *is* a fluke it is a very persistent one. It certainly is not attributable to any one anomalous election, since the effect holds up strongly when each election is dropped from the analysis in turn.¹⁵ Nor is it limited to years in which Republicans, or Democrats, held the White House, or to the first half or the last half of the post-war era.¹⁶ Nor is there comparable evidence of sensitivity to income growth among less affluent families.¹⁷

Why do affluent, middle-class, and poor voters all seem so exquisitely sensitive to election-year income growth for the wealthiest families? One plausible possibility is that their subjective impressions of how the national economy is faring are subject to a class bias – perhaps because the mass media pay more attention to the economic fortunes of rich people than to the economic fortunes of middle-class and poor people. As it happens, NES surveys since 1980 have regularly

¹⁵ The estimated effects of high-income growth for the full sample range from .090 (omitting the 1980 election) to .110 (omitting the 1952 election).

¹⁶ In the eight elections with Republican incumbents the estimated effect of high-income growth was .090; in the six elections with Democratic incumbents the estimated effect was .101. In the seven elections from 1952 through 1976 the estimated effect was .096; in the seven elections from 1980 through 2004 the estimated effect was .159.

¹⁷ Substituting real income growth at the 80th, 60th, 40th, or 20th percentile of the income distribution for income growth at the 95th percentile significantly reduces the statistical fit of the probit model. The estimated effects of the specific growth rates range from .072 for income growth at the 80th percentile to .030 for income growth at the 20th percentile. Including all five income growth measures simultaneously (with or without the overall measure of election-year income growth) leaves the estimated effect of high-income growth virtually unchanged, and none of the other income-specific growth rates has an estimated effect larger than .01 or an associated *t*-statistic larger than .33.

included a question asking whether “over the past year the nation’s economy has gotten better, stayed the same, or gotten worse.”¹⁸ By analyzing how responses to that question have varied with the specific economic fortunes of wealthy families we can assess the extent to which perceptions of the national economy incorporate a class bias.

Analyses along these lines are presented in Table 4.7, both for the entire NES sample and for high-, middle-, and low-income respondents separately.¹⁹ The pattern of economic perceptions reflected in the table is quite consistent across income classes. High-, middle-, and low-income survey respondents were all roughly equally sensitive to the actual rate of overall income growth as measured by the percentage change in real disposable personal income per capita. In addition, all three groups were roughly equally sensitive to the rate of income growth for families at the 95th percentile of the income distribution. The latter effect was about half as large as the former effect, suggesting that the specific economic fortunes of affluent families had a significant impact on perceptions of the state of the national economy, over and above the impact of general income growth, even among people who were themselves far from affluent.

***** Table 4.7 *****

The analyses reported in Table 4.7 include family income, party identification, and the party of the incumbent president as potential sources of bias in economic perceptions. Although

¹⁸ “How about the economy? Would you say that over the past year the nation’s economy has gotten better, stayed the same or gotten worse? Would you say much better [worse] or somewhat better [worse]?”

¹⁹ The question about national economic conditions has been included routinely in midterm NES surveys as well as those conducted in presidential election years. In order to maximize the scope of my analysis I included all NES respondents in both presidential and midterm years in Table 4.7, rather than just major-party presidential voters as in Tables 4.4 and 4.5.

people's own income levels seem to have had no consistent effect on their perceptions of whether the national economy was getting worse or better, their partisan loyalties did produce substantial biases in economic perceptions. Indeed, the expected difference in perceptions between a strong partisan of the incumbent party and a pure independent was roughly equivalent to the effect of a two-percentage-point difference in actual income growth. There was also a substantial difference in perceptions of economic conditions under Republican and Democratic presidents, even when they presided over similar objective economic conditions, and regardless of the survey respondents' own partisanship.²⁰ Although the data presented here can shed no direct light on the basis of that difference, it may reflect a partisan bias on the part of the news media, leading them to portray the same economic conditions much more negatively during Republican administrations than when Democrats occupy the White House.²¹

The effect of high-income growth on perceptions of national economic conditions in Table 4.7 does help to account for the sensitivity of voters to high-income growth rates in Table 4.6. However, the account is far from complete, since the former effect is a good deal weaker than the latter effect. The statistical results presented in Table 4.6 suggested that high-income growth

²⁰ Ignoring this difference in perceptions of the economy under Republican and Democratic incumbents leaves the estimated effects of the other explanatory variables in Table 4.7 largely unchanged. For the full sample, the apparent effect of election-year growth is reduced by 9% and the apparent effect of high-income growth is *increased* by 20%.

²¹ A statistical analysis by Marc Hetherington suggests that George H. W. Bush's defeat in 1992 was due in significant part to pessimism about the economy fueled by negative media coverage. "Had voters cast their ballots based on the actual condition of the national economy in 1992," Hetherington wrote (1996, 373), "they more than likely would have returned George Bush to office." Omitting the 1992 survey data from the analysis reported in Table 4.7 reduces the apparent bias against Republican incumbents by 11%, but the effect remains large (equivalent to a decline of 2.5 percentage points in real disposable income per capita) and very unlikely to be due to chance (with a *t*-statistic of 2.6).

had about four times as much electoral impact as overall growth in real disposable income per capita, while the results presented in Table 4.7 suggest that high-income growth had about half as much impact as overall growth on perceptions of the national economy. The apparent class bias in economic perceptions is not nearly large enough to account for the apparent class bias in economic voting.

That fact is evident in the statistical analyses reported in Table 4.8, which include both perceptions of the economy and real election-year income growth for affluent families as separate explanatory factors in accounting for presidential voting behavior. Even with perceptions of the economy included in the analysis, high-income growth had a significant additional impact on the electoral fortunes of the incumbent party's presidential candidate in each election year. And, oddly, the estimated effect is even larger for low-income voters than for high-income voters: low-income voters were significantly more likely to support the incumbent party in years when families near the top of the income distribution experienced big income gains, above and beyond whatever impact those gains may have had on the voters' own perceptions of national economic prosperity.²²

***** Table 4.8 *****

²² In light of the apparent impact of the incumbent president's partisanship on perceptions of the economy in Table 4.7, I allow in Table 4.8 for potential differences in electoral support for Republican and Democratic incumbents. The results suggest that high- and middle-income voters – but not low-income voters – were much more supportive of Republican incumbents than of Democratic incumbents, other things being equal. However, ignoring these differences leaves the estimated effects of the other explanatory variables in Table 4.8 largely unchanged. For the full sample, the apparent effect of national economic conditions is reduced by 6%, the apparent effect of election-year growth is reduced by 10%, and the apparent effect of high-income growth is increased by 29%.

The Wealthy Give Something Back: Partisan Biases in Campaign Spending

These statistical results suggest that voters at every income level were sensitive to election-year income gains among affluent families, even after allowing for the disproportional effects of those income gains on subjective perceptions of national economic conditions. What could account for this curiously indirect sensitivity?

One plausible possibility is that income gains for affluent families may get translated into campaign contributions to the incumbent party, which in turn influence the behavior of other voters in ways that are not directly captured in the statistical analyses presented here. It is certainly the case that most campaign contributions come from relatively wealthy people.²³ If they are inspired to show their gratitude to the incumbent party by giving a bit more generously when the election-year economy is flush, that would produce an indirect but nonetheless potent connection between high-income growth and presidential voting behavior.

The statistical analysis reported in the first column of Table 4.9 relates the incumbent party's spending advantage in each election to real income growth for families at the 95th percentile of the income distribution – the sorts of people who are most likely to be contributors to political campaigns. My measure of each presidential candidate's campaign spending is scaled in dollars per voter (in inflation-adjusted 2006 dollars). By that measure, spending has increased substantially over the past half-century, from 60 to 80 cents per voter in the 1950s to 3 to 5 dollars per voter in recent elections.²⁴ The spending differential between the two candidates in

²³ For example, Verba, Schlozman, and Brady (1995, 194, 565) found that people in the top quartile of the income distribution accounted for almost three-quarters of the total campaign contributions in their 1989 Citizen Participation Study. The broad middle-class accounted for almost all the rest; people in the bottom quintile of the income distribution accounted for only 2% of total contributions.

²⁴ The system of financing presidential election campaigns has also changed markedly over the past half-

each election ranges from a few cents (in 1960) to about \$2 (in 1980).

***** Table 4.9 *****

The results presented in the first column of Table 4.9 suggest that there is, indeed, a significant relationship between the incumbent party's spending advantage and income growth at the top of the income distribution. However, this analysis makes no allowance for the fact that election-year income growth rates, especially at the top of the income distribution, have generally been much higher under Republican presidents than under Democrats. And since campaign contributors are likely to have other, ideological reasons to prefer Republican candidates to Democrats, the correlation between incumbent partisanship and high-income growth may produce a spurious correlation between high-income growth and the incumbent candidate's campaign spending advantage.

In order to allow for this possibility, the analysis presented in the second column of Table 4.9 includes the party of the incumbent president as an additional explanatory factor. As expected, Republican incumbents have generally enjoyed much larger spending advantages than Democratic incumbents have. Taking account of this difference reduces the apparent effect of

century, most notably with the institution of public funding following the Watergate scandal in the early 1970s. In principle, public funding equalized spending by the two-major party candidates in every campaign from 1976 through 1996. (George Bush in 2000 was the first candidate to decline public funding in order to avoid associated spending limits.) However, a rising tide of spending by parties, congressional candidates, and other groups during this period undoubtedly had important spillover effects on voters in presidential elections. I attempt to allow for these changes by measuring campaign spending somewhat differently in the pre- and post-Watergate eras. From 1952 through 1972, I use estimates of presidential campaign spending compiled by Alexander (1980). For subsequent elections I count the public funds allocated to the presidential candidates (or their own spending if they declined public funding), plus half the additional spending by parties and allied interest groups in each presidential

high-income growth on campaign contributions by more than half, although the effect is still clearly positive.

However, if we relax the assumption that *only* high-income growth influences campaign contributions and examine the relationship between the incumbent party's spending advantage and *overall* election-year income growth, the statistical results presented in the third column of Table 4.9 imply an even stronger relationship. And when both high-income growth and overall election-year income growth are included in the analysis, in the fourth column of Table 4.9, the apparent effect of the former is even further reduced, while the latter has a much stronger effect. Thus, while income growth among affluent families probably does have a distinct positive effect on the incumbent party's spending advantage, that effect seems to be modest by comparison with the effects of partisanship and overall election-year income growth.

Figure 4.5 provides a graphical summary of the historical relationship between partisanship, election-year income growth and campaign spending in presidential elections. The substantial difference in spending advantages between Republican incumbents (represented by black dots) and Democratic incumbents (the white diamonds) is very clear in the figure. Indeed, every Republican incumbent (or successor) spent at least slightly more than his Democratic challenger, while every Democratic incumbent (or successor) spent at least slightly *less* than his Republican challenger. However, within each party there was also a marked tendency for incumbent candidates to spend more, relative to their opponents, in years with robust election-year income growth. Indeed, the difference in the incumbent candidate's expected spending advantage between the best and worst election-year economies (\$1.63 per voter) is almost as large as the expected difference between Republican and Democratic incumbents (\$1.86 per

election year.

voter).

***** Figure 4.5 *****

The 1952 election represents a notable anomaly in the overall relationship between campaign spending and election-year income growth. Democratic candidate Adlai Stevenson spent almost as much as his Republican challenger, Dwight Eisenhower, despite the fact that income growth was slower than usual that year. Perhaps Stevenson was advantaged by the fact that the Democratic Party had occupied the White House for the 20 preceding years; in any event, ignoring the 1952 election would only strengthen both the relationship between campaign spending and election-year income growth and the apparent partisan advantage of Republicans over Democrats.²⁵

Table 4.10 elaborates the statistical analyses of presidential voting behavior presented in Table 4.6 to allow for the impact of differential campaign spending. The results for the entire electorate suggest that campaign spending did have a substantial effect on voters' choices. For a voter who was otherwise equally well-disposed toward both candidates, they imply that each additional dollar of campaign spending increased the probability of supporting the candidate who spent the money by almost four percentage points. The implied effect is smaller for voters who were predisposed on other grounds to favor one candidate or the other. Nevertheless, this estimated effect is large enough, and sufficiently reliable, to provide strong evidence of a significant electoral impact of campaign spending in presidential elections over the past half-

²⁵ Omitting the 1952 election from the analysis reported in the second column of Table 4.9 increases the estimated Republican spending advantage by 12% and the estimated effect of election-year growth by 17%.

century.²⁶

***** Table 4.10 *****

Surprisingly, the effect of campaign spending seems to have been considerably stronger among affluent voters than among voters of modest means. Indeed, the separate analyses for high-, middle-, and low-income voters suggest that campaign spending was twice as effective among high-income voters as among middle-income voters – and that campaign spending had no perceptible effect among voters in the bottom third of the income distribution.

The impact of differential campaign spending on the outcomes of presidential elections over the past half-century is summarized in Table 4.11. The projected Republican popular vote margins reported in the second column of the table represent estimates, based on the statistical results presented in Table 4.10, of how each election would have turned out had both major-party candidates spent equal amounts of money on their campaigns.²⁷ Since Republican

²⁶ There is some reason to worry that the estimated effects of campaign spending in Table 4.10 might be biased by unobserved features of the election context that influence both the incumbent party's spending advantage and the incumbent party's electoral success. However, replacing the observed spending advantage in each election year with predicted values derived from the regression analyses in Table 4.9 has very little effect on the parameter estimates in Table 4.10. For the full sample, the estimated effects of campaign spending based on these predicted values are slightly larger than the corresponding estimate in Table 4.10 (6% and 19% larger, respectively, for predicted values derived from the regression models reported in the second and fourth columns of Table 4.9). The estimates for separate income sub-groups are also generally similar to those reported in Table 4.10.

²⁷ My projections are based on the separate results for high-, middle-, and low-income voters presented in the second, third, and fourth columns of Table 4.10. Thus, they allow for greater sensitivity to campaign spending on the part of high-income voters. They also allow for greater sensitivity on the part of voters who were otherwise equally likely to support either candidate (most notably, those who claimed that they did not identify with, or "lean" toward, either party). Having estimated the impact of equal campaign

candidates actually spent at least slightly more money than their Democratic opponents did in every election, it is not surprising to find that they did at least slightly better in every election than they would have if spending had been equalized.²⁸ In five cases their popular vote margin was at least four points larger than it would have been, and in two cases – 1968 and 2000 – Republican candidates won close elections that they very probably would have lost had they been unable to outspend incumbent Democratic vice presidents.

***** Table 4.11 *****

The estimated impact of differential campaign spending on the average Republican vote margin over all 14 elections amounts to 3.5 percentage points – virtually the same average effect as for economic myopia in Table 4.3. As with the estimated effect of economic myopia, the estimated effect of differential campaign spending in Table 4.11 is large enough to account for the entire net popular vote margin for Republican presidential candidates in the period covered

spending on each major-party voter in the NES surveys, I aggregated these estimated effects (multiplied by the proportion of major-party voters in each year's electorate) to produce the differences reported in the third column of Table 4.11, then used the differences to derive the projected margins with equal spending reported in the second column of the table. Computing projected popular vote margins directly from the survey data for each election year would produce less accurate estimates, since the probit analyses reported in Table 4.10 do not include election-specific intercepts (and thus the sum of predicted probabilities implied by the probit results does not necessarily match the actual election result for each year).

²⁸ It has always been something of a mystery why shifts in the partisan loyalties of American voters have not figured in most aggregate-level analyses of presidential election outcomes, since party identification is easily the strongest predictor of individual voting behavior. The fact that Republican presidential candidates routinely outspend their Democratic opponents suggests that analyses taking account of the Democrats' advantage in party identification but not the Republicans' advantage in campaign spending – or vice versa – would be strongly biased toward producing null results, since the two advantages are

by my analysis. Thus, we have two distinct and equally powerful explanations for Republicans' electoral success over the past half-century.

However, neither of those explanations takes account of the peculiar sensitivity of voters to election-year income growth among high-income families. Even after allowing for the effect of differential campaign spending, the statistical analyses reported in Table 4.10 suggest that incumbent party candidates did markedly better in election years when high-income growth was especially robust. The effect is substantial, too precisely estimated to be plausibly attributable to chance, and quite consistent across income groups.²⁹ (If anything, low-income voters were probably more sensitive to high-income growth than high-income voters were.)

This persistent sensitivity of voters across the income spectrum to high-income growth provides a third distinct, powerful explanation for Republican successes in presidential elections. As the tabulation of election-year income growth rates in Figure 4.4 makes very clear, Republicans have presided over even more election-year growth for rich families than for middle-class and poor families, while Democrats have presided over even more dismal election-year growth for affluent families than for middle-class and poor families. (The partisan difference in election-year income growth for families at the 95th percentile is 3.4 percentage

largely offsetting.

²⁹ As with the high-income growth effects reported in Table 4.6, the effects reported in Table 4.10 persist even when any one election is omitted from the analysis (the estimates for the full sample range from .075 to .095), or when the analysis is limited to the seven elections from 1952 through 1976 (.070) or to the seven elections from 1980 through 2004 (.153). The high-income growth effect also appears in the eight elections with Republican incumbents (.092), but not in the six elections with Democratic incumbents. (In that subset of cases, the estimated effect of campaign spending is about 60 times as large as in Table 4.10 and the estimated effects of election-year income growth, high-income growth, and incumbent party tenure are equally implausible; clearly it is asking too much of these data to estimate five distinct aggregate-level effects on the basis of six elections.)

points; the corresponding differences for less affluent families range from 0.8 to 1.9 percentage points.)

Table 4.12 translates these differences into projected election outcomes by using the statistical results in Table 4.10 to simulate how each voter in the NES surveys would have behaved if high-income growth in each election year had been equal to the overall rate of growth in real disposable income per capita.³⁰ As with the effects of economic myopia and differential campaign spending, the effect of voters' sensitivity to high-income growth has been to bolster the Republicans' average vote margin by about 3.5 percentage points. However, the variability of this effect from one election to the next is much greater than for economic myopia or differential campaign spending. For example, in 1956 and 1972 Republican incumbents were greatly advantaged by the sensitivity of voters to robust income growth among affluent families (6.2% and 6.6%, respectively; the overall income growth rates in those years were 3.0% and 3.6%). On the other hand, Republican incumbents in 1984 and 2004 won much narrower victories on the basis of relatively low growth among affluent families (3.4% and -0.6%) than they would have on the basis of stronger overall income growth rates (6.6% and 2.4%).

***** Table 4.12 *****

Finally, Table 4.13 presents projected election outcomes highlighting the combined effects

³⁰ The projections are constructed along the same lines as those reported in Table 4.11. Voters are allowed to be myopic (responding only to election-year income growth), and they are allowed to be responsive to campaign spending to the extent implied by the statistical results reported in Table 4.10. Differences between actual and projected voting behavior are computed by comparing each voter's probability of casting a Republican vote based on the parameter estimates and data in Table 4.10 with the corresponding probability calculated by substituting the overall income growth rate in each election year for the observed growth rate among families at the 95th percentile of the income distribution.

of economic myopia, differential campaign spending, and voters' sensitivity to high-income growth. These projections are intended to simulate how each election might have turned out if the two major-party candidates had spent the same amount of money on their campaigns and if economic voting had been based entirely on the cumulative growth in real disposable income per capita over the second, third, and fourth years of the incumbent president's term.³¹

***** Table 4.13 *****

The combined effect of these three distinct partisan biases on the average Republican vote margin is smaller – but only slightly smaller – than the sum of the three effects reported in Tables 4.4, 4.10, and 4.11. The projections suggest that, absent these biases, Democratic candidates would have enjoyed an average vote margin of 6.2% over this period, instead of a vote deficit of 3.3%. (By comparison, Franklin Roosevelt's popular vote margin in his last presidential race was 7.5%.)

In four instances – 1956, 1968, 1980, and 2000 – the estimated effects of partisan biases in economic accountability are large enough to have been essential to Republican victories. It is worth noting that these elections include three of the four cases in the past 70 years in which Republican challengers have managed to oust Democratic incumbents or their successors from the White House. Dwight Eisenhower in 1952 was probably the only Republican in this era who would have won the job in his own right, without the benefit of incumbency or superior campaign spending or myopic voters.

The analyses presented in this chapter have only begun to unravel the ways in which

³¹ The projections are based on the income-specific probit parameter estimates reported in Table 4.10, with differential campaign spending in each election year set to zero and the cumulative income growth rates shown in Figure 4.1 substituted for both election-year income growth and high-income growth rates.

American electoral politics is shaped by partisan biases in economic accountability. Better data and more detailed analyses will be necessary to confirm the patterns established here and to clear up significant remaining uncertainties – perhaps most importantly, providing a clearer account of the peculiar sensitivity of voters to the economic fortunes of families at the top of the income distribution. In the meantime, however, it seems clear that the American voter’s inaccessibility to long views, his tendency to see only present advantages, and his “materialist dream” of economic solidarity with the upper class all create important failures of economic accountability – and that those failures contribute greatly to the competitive standing of the Republican Party in contemporary American politics.

Table 4.1
Myopic Economic Voting in Presidential Elections, 1952-2004

Ordinary least squares regression parameter estimates (with standard errors in parentheses) for incumbent party's popular vote margin (%).

	{1}	{2}	{3}
Cumulative income growth (%)	1.39 (.61)	---	---
Election-year (Year 4) income growth (%)	---	3.63 (1.05)	3.49 (1.09)
Year 3 income growth (%)	---	---	1.96 (1.54)
Year 2 income growth (%)	---	---	-.17 (.87)
Incumbent party tenure (years)	-1.53 (.48)	-1.12 (.42)	-.85 (.52)
Intercept	5.70 (6.04)	2.21 (5.20)	-2.69 (6.54)
<i>Std err of regression</i>	7.75	6.49	6.61
<i>Adjusted R²</i>	.51	.66	.65
<i>N</i>	14	14	14

Source: *Statistical Abstract*; Bureau of Economic Analysis.

Table 4.2
Presidential Elections and Partisan Income Growth, 1948-2004

Annual real pre-tax income growth (%) for families at various points in the income distribution (with standard errors in parentheses). Partisan control measured from one year following inauguration to one year following subsequent inauguration.

	All presidents	Democratic presidents	Republican presidents	Partisan difference
<i>Presidential election years</i>				
20th percentile	1.42 (.94)	1.00 (1.51)	1.79 (1.26)	-.79 (1.95)
40th percentile	1.96 (.68)	1.11 (1.02)	2.69 (.89)	-1.58 (1.34)
60th percentile	1.96 (.76)	1.44 (1.33)	2.41 (.88)	-.97 (1.56)
80th percentile	1.72 (.74)	.69 (1.10)	2.62 (.94)	-1.93 (1.44)
95th percentile	1.54 (.82)	-.28 (1.11)	3.14 (.89)	-3.42 (1.41)
<i>N</i>	15	7	8	15
<i>Non-election years</i>				
20th percentile	1.46 (.61)	3.25 (.89)	-.02 (.72)	3.27 (1.13)
40th percentile	1.42 (.48)	2.96 (.68)	.15 (.55)	2.80 (.86)
60th percentile	1.68 (.39)	2.84 (.52)	.72 (.50)	2.12 (.73)
80th percentile	1.93 (.37)	3.01 (.50)	1.03 (.46)	1.98 (.68)
95th percentile	2.14 (.44)	3.00 (.70)	1.43 (.54)	1.57 (.87)
<i>N</i>	42	19	23	42

Source: Census Bureau Historical Income Tables.

Table 4.3
The Effect of Economic Myopia on Presidential Election Outcomes, 1952-2004

Election year	Actual Republican vote margin	Projected margin without myopia	Difference
1952	+10.5%	-0.6%	+11.1% *
1956	+14.3%	+7.2%	+7.1%
1960	-0.2%	-3.1%	+3.0%
1964	-22.4%	-18.2%	-4.1%
1968	+1.0%	-0.1%	+1.1% *
1972	+23.0%	+21.9%	+1.1%
1976	-2.1%	-10.5%	+8.5%
1980	+9.4%	+2.9%	+6.5%
1984	+18.0%	+8.4%	+9.7%
1988	+7.6%	+5.9%	+1.7%
1992	-5.8%	-7.8%	+2.0%
1996	-8.5%	-8.0%	-0.5%
2000	-0.5%	-2.6%	+2.1% *
2004	+2.4%	+2.0%	+0.4%
<hr/>			
<i>Average</i>	+3.3%	-0.2%	+3.5%

Source: Calculations based on parameter estimates in Table 4.1, column {3}.

Table 4.4
Economic Voting by Income Group, 1952-2004

Probit parameter estimates (with standard errors in parentheses) for probability of incumbent party vote. Data clustered by election year; major-party voters only.

	<i>Full sample</i>	<i>High income</i>	<i>Middle income</i>	<i>Low income</i>
Election-year income growth (%)	.077 (.046)	.082 (.059)	.110 (.037)	.017 (.052)
Incumbent party tenure (years)	-.034 (.014)	-.039 (.015)	-.025 (.014)	-.043 (.016)
Incumbent party identification (-1 to +1)	1.542 (.079)	1.639 (.099)	1.509 (.075)	1.468 (.082)
Intercept	.088 (.257)	.159 (.277)	-.082 (.215)	.311 (.303)
<i>Log likelihood</i>	-6,596.1	-2,356.4	-2,057.6	-1,759.1
<i>Pseudo-R²</i>	.40	.42	.39	.40
<i>N</i>	15,976	5,911	4,848	4,242

Source: 1952-2004 National Election Study surveys.

Table 4.5
The Electoral Impact of Income-Specific Growth among Low-Income Voters, 1952-2004

Probit parameter estimates (with standard errors in parentheses) for probability of incumbent party vote. Data clustered by election year; major-party voters only.

	20th percentile	40th percentile	60th percentile	80th percentile	95th percentile
Election-year income growth (%)	-.015 (.036)	-.031 (.031)	-.027 (.039)	-.011 (.042)	-.031 (.027)
Income-specific growth (indicated percentile)	.036 (.026)	.072 (.025)	.059 (.032)	.066 (.023)	.097 (.014)
Incumbent party tenure (years)	-.045 (.014)	-.043 (.013)	-.054 (.013)	-.047 (.014)	-.048 (.012)
Incumbent party identification (-1 to +1)	1.476 (.077)	1.498 (.075)	1.485 (.078)	1.495 (.075)	1.545 (.066)
Intercept	.361 (.223)	.309 (.190)	.394 (.212)	.290 (.232)	.311 (.165)
<i>Log likelihood</i>	-1,749.0	-1,738.8	-1,743.1	-1,741.1	-1,715.3
<i>Pseudo-R²</i>	.40	.41	.41	.41	.42
<i>N</i>	4,242	4,242	4,242	4,242	4,242

Source: 1952-2004 National Election Study surveys.

Table 4.6
The Electoral Impact of High-Income Growth by Income Group, 1952-2004

Probit parameter estimates (with standard errors in parentheses) for probability of incumbent party vote. Data clustered by election year; major-party voters only.

	<i>Full sample</i>	<i>High income</i>	<i>Middle income</i>	<i>Low income</i>
Election-year income growth (%)	.023 (.020)	.032 (.038)	.052 (.012)	-.031 (.027)
High-income growth (95th percentile)	.102 (.010)	.104 (.012)	.102 (.010)	.097 (.014)
Incumbent party tenure (years)	-.040 (.013)	-.045 (.014)	-.029 (.011)	-.048 (.012)
Incumbent party identification (-1 to +1)	1.607 (.071)	1.692 (.101)	1.580 (.069)	1.545 (.066)
Intercept	.100 (.121)	.152 (.149)	-.082 (.076)	.311 (.165)
<i>Log likelihood</i>	-6,424.4	-2,293.9	-2,002.0	-1,715.3
<i>Pseudo-R²</i>	.42	.44	.40	.42
<i>N</i>	15,976	5,911	4,848	4,242

Source: 1952-2004 National Election Study surveys.

Table 4.7
Perceptions of National Economic Conditions by Income Group, 1980-2004

Ordinary least squares regression parameter estimates (with standard errors in parentheses) for perceptions of national economy (-1 to +1). Data clustered by election year.

	<i>Full sample</i>	<i>High income</i>	<i>Middle income</i>	<i>Low income</i>
Election-year income growth (%)	.090 (.020)	.098 (.021)	.084 (.019)	.082 (.022)
High-income growth (95th percentile)	.043 (.017)	.052 (.021)	.050 (.017)	.031 (.015)
Republican incumbent	-.244 (.084)	-.248 (.102)	-.230 (.084)	-.252 (.071)
Incumbent party identification (-1 to +1)	.171 (.029)	.192 (.033)	.166 (.025)	.163 (.028)
Family income (0 to 1)	.102 (.051)	-.019 (.142)	-.064 (.161)	.084 (.100)
Intercept	-.348 (.092)	-.278 (.123)	-.253 (.134)	-.311 (.096)
<i>Std err of regression</i>	.489	.482	.480	.499
R^2	.25	.28	.25	.22
<i>N</i>	22,693	6,906	6,894	6,852

Source: 1980-2004 National Election Study surveys.

Table 4.8
The Electoral Impact of National Economic Conditions by Income Group, 1980-2004

Probit parameter estimates (with standard errors in parentheses) for probability of incumbent party vote. Data clustered by election year; major-party voters only.

	<i>Full sample</i>	<i>High income</i>	<i>Middle income</i>	<i>Low income</i>
National economic conditions (-1 to +1)	.599 (.086)	.664 (.105)	.621 (.099)	.469 (.128)
Election-year income growth (%)	-.033 (.026)	-.017 (.026)	-.002 (.043)	-.121 (.046)
High-income growth (95th percentile)	.104 (.032)	.118 (.041)	.071 (.047)	.185 (.059)
Republican incumbent	.199 (.037)	.280 (.058)	.235 (.081)	-.080 (.081)
Incumbent party tenure (years)	-.004 (.011)	-.013 (.014)	.004 (.019)	-.012 (.010)
Incumbent party identification (-1 to +1)	1.717 (.065)	1.857 (.109)	1.656 (.070)	1.656 (.109)
Intercept	.053 (.068)	.068 (.093)	-.121 (.113)	.477 (.189)
<i>Log likelihood</i>	-2,653.4	-827.4	-861.7	-685.0
<i>Pseudo-R²</i>	.50	.55	.48	.49
<i>N</i>	7,649	2,640	2,384	1,927

Source: 1980-2004 National Election Study surveys.

Table 4.9
Sources of Incumbent Party's Campaign Spending Advantage, 1952-2004

Ordinary least squares regression parameter estimates (with standard errors in parentheses) for incumbent party's spending advantage (in 2006 dollars per voter).

	{1}	{2}	{3}	{4}
High-income growth (95th percentile)	.295 (.102)	.135 (.078)	---	.082 (.067)
Republican incumbent	---	1.59 (.40)	1.86 (.28)	1.66 (.32)
Election-year income growth (%)	---	---	.248 (.081)	.216 (.084)
Intercept	-.55 (.33)	-1.13 (.26)	-1.73 (.31)	-1.69 (.30)
<i>Std err of regression</i>	.95	.63	.53	.51
<i>Adjusted R²</i>	.36	.72	.81	.81
<i>N</i>	14	14	14	14

Table 4.10
The Electoral Impact of Campaign Spending by Income Group, 1952-2004

Probit parameter estimates (with standard errors in parentheses) for probability of incumbent party vote. Data clustered by election year; major-party voters only.

	<i>Full sample</i>	<i>High income</i>	<i>Middle income</i>	<i>Low income</i>
Incumbent spending advantage (\$/voter)	.097 (.033)	.181 (.039)	.086 (.034)	-.015 (.047)
Election-year income growth (%)	-.001 (.018)	-.009 (.024)	.027 (.015)	-.028 (.028)
High-income growth (95th percentile)	.084 (.011)	.071 (.014)	.088 (.009)	.100 (.014)
Incumbent party tenure (years)	-.044 (.009)	-.053 (.008)	-.034 (.007)	-.048 (.012)
Incumbent party identification (-1 to +1)	1.619 (.068)	1.697 (.096)	1.594 (.069)	1.541 (.063)
Intercept	.232 (.105)	.379 (.114)	.046 (.068)	.292 (.155)
<i>Log likelihood</i>	-6,404.9	-2,269.4	-1,997.5	-1,715.2
<i>Pseudo-R²</i>	.42	.44	.41	.42
<i>N</i>	15,976	5,911	4,848	4,242

Source: 1952-2004 National Election Study surveys.

Table 4.11
The Effect of Differential Campaign Spending on Presidential Election Outcomes, 1952-2004

Election year	Actual Republican vote margin	Projected margin with equal spending	Difference
1952	+10.5%	+9.7%	+0.8%
1956	+14.3%	+13.2%	+1.1%
1960	-0.2%	-0.3%	+0.1%
1964	-22.4%	-24.6%	+2.2%
1968	+1.0%	-3.1%	+4.1% *
1972	+23.0%	+19.3%	+3.6%
1976	-2.1%	-4.8%	+2.7%
1980	+9.4%	+1.7%	+7.7%
1984	+18.0%	+10.0%	+8.0%
1988	+7.6%	+2.4%	+5.2%
1992	-5.8%	-8.5%	+2.7%
1996	-8.5%	-13.4%	+4.8%
2000	-0.5%	-4.1%	+3.6% *
2004	+2.4%	+0.8%	+1.7%
<hr/>			
<i>Average</i>	+3.3%	-0.1%	+3.5%

Source: Calculations based on parameter estimates in Table 4.10.

Table 4.12
The Effect of High-Income Growth on Presidential Election Outcomes, 1952-2004

Election year	Actual Republican vote margin	Projected margin based on overall income growth	Difference
1952	+10.5%	+15.6%	-5.1%
1956	+14.3%	+1.5%	+12.7%
1960	-0.2%	-12.1%	+11.9%
1964	-22.4%	-31.7%	+9.3%
1968	+1.0%	-12.3%	+13.3% *
1972	+23.0%	+11.1%	+11.9%
1976	-2.1%	-1.8%	-0.2%
1980	+9.4%	+0.7%	+8.7%
1984	+18.0%	+30.0%	-11.9%
1988	+7.6%	+12.0%	-4.5%
1992	-5.8%	-1.4%	-4.4%
1996	-8.5%	-11.5%	+3.0%
2000	-0.5%	-14.4%	+13.9% *
2004	+2.4%	+13.4%	-11.0%
<hr/>			
<i>Average</i>	+3.3%	-0.1%	+3.4%

Source: Calculations based on parameter estimates in Table 4.10.

Table 4.13
The Combined Effects of Economic Myopia, High-Income Growth, and Differential Campaign Spending on Presidential Election Outcomes, 1952-2004

Election year	Actual Republican vote margin	Projected margin based on overall cumulative income growth and equal campaign spending	Difference
1952	+10.5%	+8.3%	+2.2%
1956	+14.3%	-1.6%	+15.8% *
1960	-0.2%	-11.3%	+11.1%
1964	-22.4%	-27.9%	+5.6%
1968	+1.0%	-16.6%	+17.6% *
1972	+23.0%	+6.0%	+16.9%
1976	-2.1%	-12.4%	+10.4%
1980	+9.4%	-12.6%	+22.0% *
1984	+18.0%	+10.0%	+8.0%
1988	+7.6%	+2.5%	+5.1%
1992	-5.8%	-8.1%	+2.3%
1996	-8.5%	-15.8%	+7.3%
2000	-0.5%	-17.0%	+16.5% *
2004	+2.4%	+10.2%	-7.7%
<i>Average</i>	+3.3%	-6.2%	+9.5%

Source: Calculations based on parameter estimates in Table 4.10.

Figure 4.1
Cumulative Income Growth and Presidential
Election Outcomes, 1952-2004

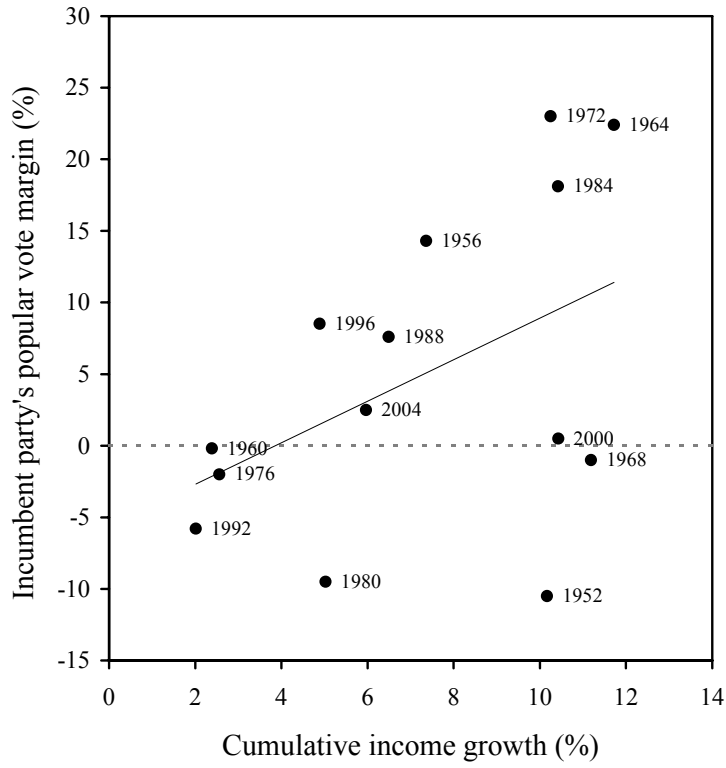


Figure 4.2
Election-Year Income Growth and Presidential
Election Outcomes, 1952-2004

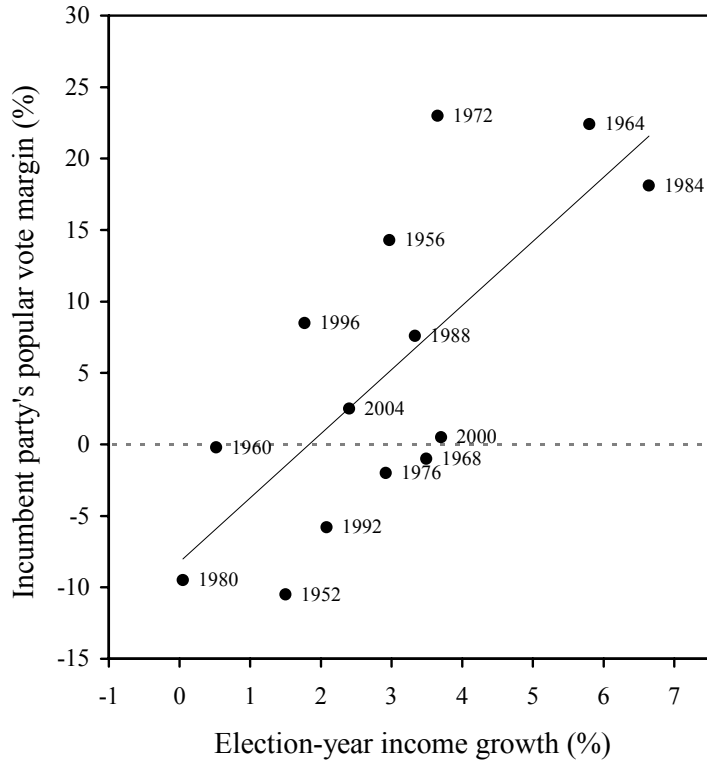


Figure 4.3
Electoral Cycle in Income Growth under Democratic and Republican Presidents, 1948-2004

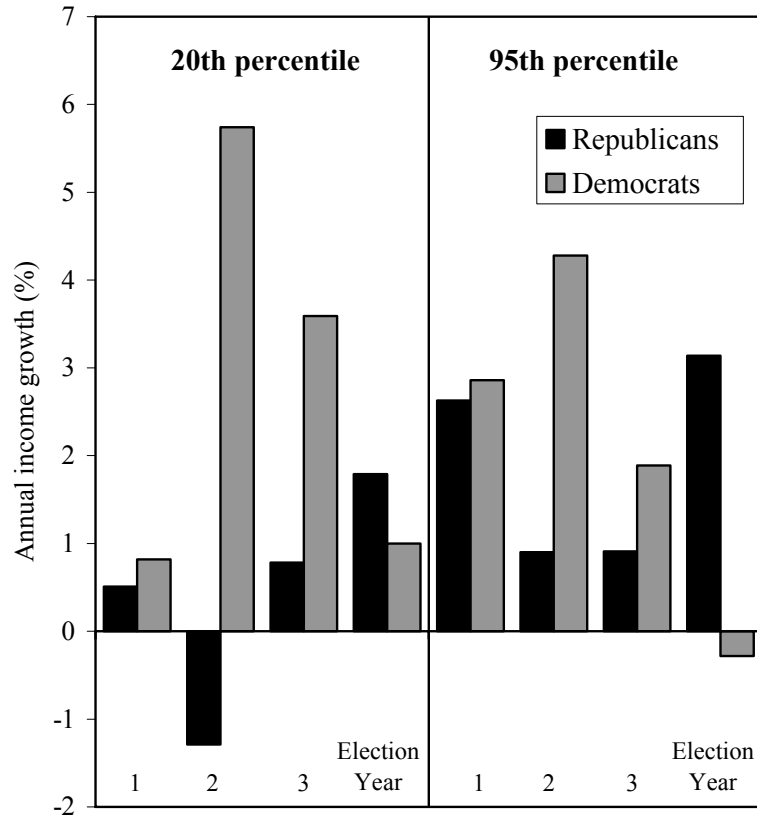


Figure 4.4
Income Growth in Presidential Election
Years, by Party, 1948-2004

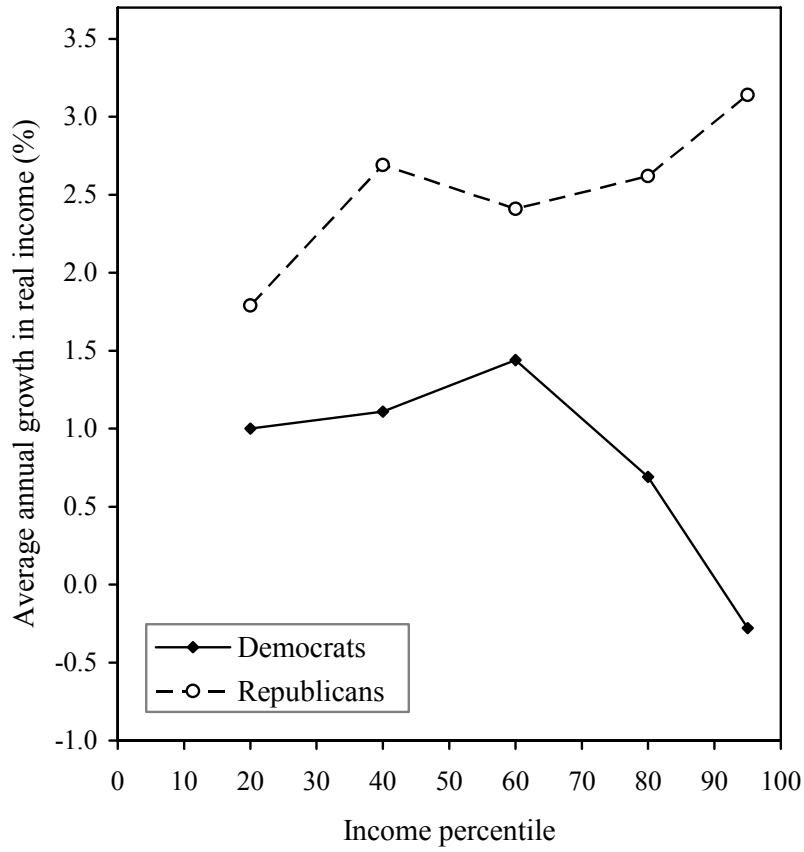


Figure 4.5
Election-Year Income Growth and Incumbent Spending Advantage, 1952-2004

