Does Partisanship Affect Household Consumption?*

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Abstract

This paper examines the impact of partisanship on household consumption levels and patterns. Utilizing detailed household purchase data, I find that households politically aligned with the U.S. president exhibit higher spending levels compared to demographically similar, misaligned counterparts. Aligned households also upgrade their consumption baskets, favoring branded products and reducing reliance on bargains. This effect cannot be explained by changes in household economic situations or supply-side factors. The partisan consumption effect is more pronounced among less educated and politically isolated households, and it is further amplified by heightened political polarization and influenced by partisan media. Moreover, political alignment is associated with a relative decline in savings, suggesting that aligned households, likely driven by increased optimism, tend to decrease precautionary savings in favor of immediate consumption. Overall, these findings highlight how partisan beliefs can distort economic outcomes in the context of household consumption.

Keywords: Partisanship; Consumption; Political Polarization; Media Effect; Savings
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1 Introduction

Over recent decades, political polarization in the United States has reached unprecedented levels, leading to a sharp divergence in economic expectations along party lines. Individuals politically aligned with the sitting president tend to hold more optimistic views, while those opposed exhibit greater pessimism.[1] This raises an important question: to what extent does this divide in beliefs affect broader economic outcomes? This paper addresses this question by focusing on household consumption–a critical driver of the U.S. economy, accounting for nearly 70% of GDP.

I examine how political alignment with the president influences household consumption levels and patterns. While prior research suggests that consumers exhibit a stronger *willingness* to spend when their preferred party is in power, it remains unclear whether this sentiment translates into changes in *actual* consumption. Notably, recent studies using aggregate data have failed to observe a partisan effect on real spending (McGrath, 2017; Mian et al., 2023). A key empirical challenge with aggregate data lies in disentangling partisan beliefs from changes in household economic fundamentals under different political administrations. This paper overcomes this challenge by leveraging detailed household-level purchase and demographic data from the NielsenIQ Consumer Panel.

Empirically, I compare the consumption behaviors of politically aligned and misaligned households with similar characteristics, where political leanings are inferred based on the dominant party to which individuals in the household's zip code donate. My estimation incorporates a rigorous fixed effects structure, including household, county-by-year, income-by-year, and occupation-by-year fixed effects. This specification accounts for time-invariant household heterogeneity, time-varying local economic conditions, and policy changes that may differentially impact households across income and occupation profiles. Additionally, I control for a broad range of household demographics and zip code characteristics. This

[1] See, for example, Bartels (2002); Ladner and Wlezien (2007); Alesina et al. (2020); Bursztyn et al. (2023).

empirical strategy tracks the spending trends within households over time and identifies the effect of partisanship through changes in consumption around party-switching elections.

I find that households politically aligned with the U.S. president spend significantly more than their otherwise similar, politically misaligned counterparts. My most conservative estimate reveals a 1.5% partisan consumption gap. This difference is both statistically significant and economically meaningful, particularly given that the NielsenIQ data primarily captures nondurable goods consumption. For context, personal expenditure on nondurable goods declined by 3% during both the Great Recession and the Covid-19 pandemic. Politically misaligned households thus exhibit spending behavior akin to experiencing a mild recession.

The observed partisan consumption effect shows notable heterogeneity across demographic groups. I define the primary shopper within each household to be the member employed for the fewest hours and explore how age, gender, education, race, income, and political affiliation influence the consumption gap. The analysis reveals that Baby Boomers exhibit larger partisan consumption effect compared to Millennials and Generation X. Male shoppers also have a slightly larger effect than females. Education plays a significant role, with less-educated households experiencing a much stronger partisan effect compared to those with a college degree. The white show a smaller effect than racial monirities. Moreover, the effect exhibits a hump-shaped relationship with income, showing the strongest responses among middle-income households. Lastly, Republican-leaning households appear more sensitive to political shifts than Democratic-leaning ones, as reflected in larger partisan consumption effect, though this difference is not significant.

Moreover, I analyze spending behavior at a higher frequency to assess how consumption reacts to presidential election events. Event studies across all party-switching elections reveal a consistent pattern: households tend to increase weekly spending following a favorable election outcome, compared to those whose preferred party lost.

Next, I delve into household purchasing behaviors to dissect the partisan consumption gap observed. I find that politically aligned households exhibit distinct shopping patterns

compared to their misaligned counterparts. Specifically, aligned households show a marked shift away from private-label goods, discount stores, and promotional deals. They also spend more on luxury goods, visit more stores throughout the year, and purchase a greater variety of products. These patterns suggest that aligned households, in relative term, upgrade their consumption by favoring higher-end products and brand-name goods, while reducing their reliance on cost-saving strategies like bargain-hunting. This shift in behavior highlights how political alignment not only affects the quantity of consumption but also its quality, pointing to potential changes in consumer confidence and preferences.

I explore various avenues to shed light on the economic mechanisms. I posit that households with different political ideologies hold distinct economic beliefs that influence their spending behavior, which I refer to as the partisan belief channel. I present several lines of suggestive evidence in support of this explanation. First, an analysis of data from the Michigan Survey of Consumers reveals that politically aligned individuals consistently report more optimistic expectations regarding future economic conditions.

Second, the partisan consumption gap widens with rising political polarization, as measured by polarization in Congress, partisan conflict portrayed in the media, and geographic partisan isolation. Drawing from political science literature, higher levels of polarization and partisan isolation can create a reinforcing cycle, leading to more extreme beliefs that further influence their consumption decisions.

Third, I leverage the staggered entry of the Sinclair Broadcast Group, a conservative media outlet, as a plausibly exogenous shock to local political ideologies. This entry appears to be largely idiosyncratic conditional on regional characteristics, and has been shown to shift the political attitudes of local populations to the right (Levendusky, 2022; Miho, 2022; Pan et al., 2023). I examine how this shift impacts household consumption behavior, finding that Sinclair's presence tends to increase consumption during Republican presidencies and decrease it during Democratic ones. This effect is particularly pronounced among Republicans, households with cable TV, and those without college degrees. This evidence

underscores the critical role of media influence in shaping political ideologies and consequent economic behaviors.

I then address two competing explanations. The first possibility is that households experience changes in future income or family dynamics under different political administrations, which can impact consumption patterns. However, I find no evidence that aligned households experience higher income, reduced employment uncertainty, or changes in other dynamics compared to their misaligned counterparts. Moreover, the baseline effect persists even after controlling for expected changes using realized outcomes during presidential terms, indicating that the observed partisan effect is not driven by fundamental changes over time.

Second, I consider the possibility that changes in market supply, such as variations in store or product availability, could differently impact aligned and misaligned neighborhoods, potentially leading to passive consumption changes rather than active ones. To differentiate between demand and supply effects, I compare shopping behaviors of demographically similar households with differing political affiliations within the same stores. Utilizing a household-store-year panel with store-by-year fixed effects, I continue to observe a partisan consumption gap, implying that supply-side changes are unlikely to be the primary driver.

Further, I explore the implications of partisanship on household savings. I find that zip codes with a higher proportion of aligned individuals exhibit lower volumns in both bank deposits and stock investments, as indicated by dividend income, suggesting that political alignment is associated with lower savings. This evidence complements the partisan belief channel: aligned households, fueled by greater optimism, tend to decrease precautionary savings in favor of increased immediate consumption.

In the final part of the analysis, I test the robustness of the main results by employing alternative measures of political alignment. I employ continuous measures to estimate the likelihood of a household being politically aligned. I also construct additional measures using zip code voting and voter registration data. The findings remain robust to these different measures and the primary measure produces the most conservative estimates. Additionally,

the main results are consistent across various subsamples, alternative sampling, and different model specifications. Finally, I discuss potential confounding explanations, such as substitution effects and changes in financial access. However, these mechanisms are inconsistent with the patterns observed in the data.

Taken together, my findings underscore the broader economic consequences of partisanship by distorting household consumption and savings behavior.

1.1 Related Literature

This paper contributes to several key strands of literature. First, it adds to the growing body of research on political alignment and partisan bias, which has been shown to shape individuals' perceptions of economic conditions (Bartels, 2002; Ladner and Wlezien, 2007; Alesina et al., 2020; Bursztyn et al., 2023). In the specific topic of consumption, while previous studies have established that political alignment affects consumer optimism (Benhabib and Spiegel, 2019; Mian et al., 2023; Kamdar and Ray, 2023), the extent to which this sentiment translates into actual spending behavior has been less explored. This paper addresses this gap by examining how political alignment influences household real consumption, thereby bridging a critical gap in understanding how partisanship impacts economic decision-making.

My research is closely related to five studies in particular. Gillitzer and Prasad (2018) analyze the Australian context and find that automobile purchases increase relatively more in postcodes with a greater share of voters for the winning party following an election. In the U.S. context, Gerber and Huber (2009) analyze county-level quarterly taxable sales data and find a post-election spending boost in counties leaning towards the winning presidential candidate. However, McGrath (2017) challenges this finding by reexamining and extending the sample used in Gerber and Huber (2009), ultimately concluding no evidence of a partisan effect. More recently, Mian et al. (2023) explore auto purchases and credit card spending at the county and zip code levels around the 2008 and 2016 elections, also finding no effect of partisan affiliation on actual consumption. In a contemporaneous study, Kamdar and

Ray (2023) investigate zip code and household consumption responses to the 2016 and 2020 elections, finding mixed results regarding the partisan effect.

Relative to these previous studies, my work makes several important contributions. First, I improve identification by analyzing granular household purchase data and incorporating stringent fixed effects and controls to isolate the effect of partisanship. This empirical strategy effectively rules out confounding factors such as income, which may otherwise correlate with political alignment. Second, by leveraging the granularity of the data, I examine heterogeneity in the partisan consumption effect across demographic groups, which is unexplored in previous studies. Third, I decompose the changes in aggregate expenditures by investigating shifts in consumption patterns, whereas prior literature has primarily focused on overall spending levels. Fourth, while earlier studies have relied on reported beliefs to infer mechanisms, I go further by conducting cross-sectional tests and employing a quasi-experimental design to assess the influence of partisan media. These findings offer novel insights into the mechanisms driving partisan consumption behavior. Fifth, I analyze potential changes in household savings. Lastly, unlike earlier studies that focus on short-term effects of individual elections, I document long-term average effects across five different elections and complement this with higher-frequency event studies to capture more precise consumption responses.

This paper therefore broadly speaks to the real consequences of partisanship. A recent series of papers have demonstrated that political affiliation can influence individuals' portfolio choices (Bonaparte et al., 2017; Meeuwis et al., 2022; Pan et al., 2023), career decisions (Engelberg et al., 2022), and high-stakes professional work (Kempf and Tsoutsoura, 2021; Cassidy and Vorsatz, 2021; Fos et al., 2022; Dagostino et al., 2023). The findings of this paper align with this literature by illustrating that political alignment significantly affects household consumption and savings decisions. Given the importance of household consumption for economic growth, this paper highlights the broader economic implications of partisanship.

The rest of the paper proceeds as follows. Section 2 introduces the data and sample used in the analysis. Section 3 outlines the empirical methodology and presents the main findings–

the impact of partisanship on real consumption. In Section 4, I examine the economic mechanisms driving the partisan consumption gap. Section 5 explores the implications of partisanship for household savings. Section 6 discusses the robustness of the results and addresses alternative explanations. Finally, Section 7 concludes.

2 Data and Sample

2.1 Data and Variables

2.1.1 Household Actual Consumption and Demographics

To study the effect of household political alignment on their actual consumption behavior, I leverage the NielsenIQ Consumer Panel Data. This dataset, starting from 2004, tracks detailed purchasing behaviors and demographics of approximately 60,000 active households across the U.S. The surveyed households are nationally respresentative.

This dataset is well-suited for my study for several reasons. First, it provides *actual* spending data. Specifically, the surveyed households use in-home scanners or mobile apps to record all their purchases from any outlet intended for personal and in-home use. This transaction-based data ensures accuracy compared to other self-reported consumption data sources. Second, the dataset includes comprehensive demographic information for each household, such as household size, age, employment, education, marital status, presence and age of children, etc. Importantly, it provides information on annual total income and occupation, allowing me to control for potential confounding factors and better isolate the effect of partisanship. This is often overlooked in previous studies using aggregate data. Third, it includes detailed geographical information down to the five-digit zip code level. This granularity allows for matching households with zip code political affiliation and comparisons among nearby households within the same county. Fourth, the dataset provides retailer branch and product-level details for each purchase, including the products bought,

quantity, prices, and the time and location of the transaction. This granularity enables not only an examination of specific consumption baskets, but also controlling for supply-side factors and potential price changes. It also allows me to break down changes in aggregate spending into specific consumption bundles. Finally, the spending data is recorded at a daily frequency. Such high-frequency data allows for a detailed analysis of consumption responses to presidential election events. This feature helps to rule out slower-moving alternative explanations effectively.

However, it is important to acknowledge that while the Consumer Panel data provides valuable insights into household purchases, it only covers a fraction of total spending, primarily focusing on non-durable or semi-durable expenditures. Compared to the Bureau of Labor Statistics (BLS) Consumer Expenditure data, NielsenIQ-tracked categories account for approximately 30 percent of household consumption.[2] As a result, while I may not observe the entire reaction of spending to political polarization, I focus on a segment of consumption that can be adjusted more rapidly.

2.1.2 Household Political Leaning

Since the NielsenIQ data provides household geographical information down to the five-digit zip code level, I construct measures of political alignment at this geographic granularity, building on Meeuwis et al. (2022). They analyze the 2016 election and aggregate individual campaign donations from the Federal Election Commission (FEC) to the zip code level. I extend this measure to cover all five elections in my sample period.

For each election year $t \in \{2004, 2008, 2012, 2016, 2020\}$, I collect individual donation data from the previous year $t-1$ to the election year t. After applying filters similar to Meeuwis et al. (2022), I count the number of donors to each party in each zip code, limiting the analysis to zip codes with at least 10 donors. I define the political leaning of each zip code based on the dominating party to which the majority of individuals donate. Next,

[2]Other major spending categories including housing, transportation, insurance and pensions, healthcare, and education collectively account for around 70%.

I match this zip code measure to households over a four-year cycle, from $t-1$ to $t+2$, to determine likely household political affiliation for all five elections. This time matching method infers political leaning based on the election closest to the observation, whether it is past or future. For example, political leaning in 2019 is inferred from donations made in the 2019-2020 election cycle. I show in Section 6.1.1 that the results are similar when I infer political leanings from the most recent past election.

I classify a household as Republican if they only reside in Republican-donor majority zip codes and as Democratic if they only reside in Democratic-donor majority zip codes. I restrict my sample on households that have never switched parties, as party switches may be endogenous to other personal and economic conditions that could confound my analysis. I discuss alternative classifications of these undertermined households in Appendix 6.1.3. The primary political alignment measure defines a household as aligned in a given year if they share the same political leaning as the U.S. president, and misaligned otherwise. In Section 6.1.1, I discuss potential measurement errors with this donation-based measure and employ alternative measures based on voting and voter registration to check the robustness.

2.1.3 Other Variables

Since the variation of my political affiliation measure is at the zip code level, I incorporate additional zip code characteristics as controls. Specifically, I include data on house prices sourced from the Federal Housing Finance Agency (FHFA), population and urban density from the Census, the number of business establishments, total employment, and average annual payroll obtained from the Bureau of Economic Analysis (BEA), as well as bank branch information retrieved from the FDIC Summary of Deposits.

For inflation adjustment, I utilize the Consumer Price Index (CPI) from the BLS.

2.2 Sample Construction

I collect all available NielsenIQ Consumer Panel data spanning from 2004 to 2022. For the baseline analysis, I calculate household annual total spending by aggregating all purchases made by each household within each year. This aggregation is valid due to NielsenIQ's stringent "activeness" tests, ensuring all households meet the 12-month criteria to be included in the panel. This yields a total of 1,092,814 household-year observations.

Next, I merge the spending data with demographic profiles from the same year, which contain demographic information surveyed by the end of the previous year. I drop observations that lack geographic information on county and zip code (less than 1% observations). Then, I match the zip code political affiliations for each of the five elections to the household data. This results in a matching rate of 97.6% or 1,066,401 observations. Following Meeuwis et al. (2022), I exclude households whose zip code has fewer than 10 donors, leaving 897,854 observations. To mitigate endogeneity concerns, I follow previous literature and focus on households that have never switched parties, further dropping 35.5% observations.[3] Finally, I integrate zip code and county characteristics into the household data.

The final sample consists of a panel of 578,738 household-year observations, including 149,265 unique households residing in 50 states, 2,993 counties, and 23,620 unique zip codes. Among these households, approximately 49% consistently reside in Democratic-majority zip codes and are likely affiliated with the Democratic party, while 51% consistently reside in Republican-majority zip codes and are likely affiliated with the Republican party.

2.3 Summary Statistics

Figure 1 reports the geographical distribution of sample households across U.S. counties. I use red (blue) to represent counties where the majority of households in my sample are Republicans (Democrats), with darker shades indicating a higher proportion of Republican (Democrat) households. The geographical pattern of partisan households closely mirrors

[3] I discuss the robustness with including those switchers in Appendix 6.1.3.

major U.S. election maps.[4]

Table 1 provides summary statistics for the variables utilized in this study, while Table 2 breaks down household demographics by political affiliation. In Table 1, the average annual total spending in 2022 dollars is $9,654, with a median of $8,021 and a standard deviation of 6,612. According to 2022 BLS CE data, the average spending on in-home consumption and certain services is about $10,617.[5] This suggests a reasonable coverage of NielsenIQ data. The two largest spending categories are food and non-food grocery, averaging $3,955 and $1,291, which together account for 41% and 13.4% of total spending, respectively. Figure 2 illustrates the weighted average annual total spending, in nominal dollars, for likely-Republican and likely-Democratic households over the sample period. While Republicans tend to spend more on average, both groups exhibit similar spending trends in raw data.

In Table 1, the average household income in 2022 dollars is $88,202, with a median of $70,200, similar to the Census data on 2022 income. Approximately 51.3% of observations in my sample are classified as leaning Republican party, with an average of 50.8% leaning Democratic party. During the sample period, the weighted average house price growth at the zip code level is about 4%, business growth is 1.6%, employment growth is 1.2%, annual payroll growth is approximately 4.7%, and bank branch growth is around 1.6%.

Additionally, Table 2 shows that likely-Democratic households, on average, tend to have smaller sizes, higher education levels, higher income, a higher proportion of white-collar workers, a greater representation of millennials and racial minorities, and reside in more expensive regions. These characteristics align with surveys on partisan demographics.[6]

[4]See, for example, An Extremely Detailed Map of the 2020 Election by New York Times.

[5]Calculated as Total expenditures – Housing – Transportation – Education – Personal Insurance and pensions – Healthcare – Food away from home – Entertainment:Fees and admissions – Cash contributions.

[6]See, for example, the Pew Research Center survey.

3 Partisanship and Household Consumption

3.1 Empirical Strategy

I investigate the potential impact of households' political affiliation on their actual spending patterns. Formally, I estimate the following regression model:

$$\begin{aligned} Log(Spending)_k = \beta Aligned_{z(h),t} + \gamma HH\ Controls_{h,t-1} + \psi ZIP\ Controls_{z,t-1} \\ + \alpha_h + \theta_{c,t} + \nu_{i,t} + \mu_{e,t} + \epsilon_k, \end{aligned} \tag{1}$$

where each unit of observation k represents a household h located in county c and zip code z, with occupation category e and within income range i, during a specific year t. The dependent variable, $Log(Spending)_k$, denotes the logarithm of annual total spending, while the key independent variable of interest, $Aligned_{z,t}$, measures household political alignment during year t. The primary measure used in my analysis is an indicator variable representing whether the majority donors in household's zip code z donate to the winning party during the closest presidential election cycle. In robustness checks, several continuous treatment measures are considered to proxy the *likelihood* of a household being politically aligned.

To control for confounding factors, the analysis incorporates several fixed effects. First, I include household fixed effects (α_h) to remove time-invariant, intrinsic heterogeneity across households. Second, county-by-year fixed effects ($\theta_{c,t}$) are introduced to accommodate time-varying local economic conditions, market supply, and information environment. Moreover, I control for income-by-year fixed effects ($\nu_{i,t}$) to remove the effect of tax reforms on households with varying income levels. Furthermore, I control for occupation-by-year fixed effects ($\mu_{e,t}$) to account for industry policy changes under different political administrations and consequent income growth trends applying to households with different industry exposure. Household occupation is represented as an ordered pair of male and female occupations, with occupation categorized into 13 categories (including the unemployed) as defined by NielsenIQ. These fixed effects allow me to compare the actual spending between aligned and

misaligned households residing in the same county, with similar employment and income profiles, and during the same time.

To further sharpen the comparison, I control for a host of household demographics, including lagged income growth, household size, age of the household heads, age and presence of children, education of the household heads, marital status, and race. Finally, I control for various zip code characteristics, such as population, urban population percentage, house price growth, average wage growth, employment growth, net increase in business establishments, and the net change in the number of bank branches. Standard errors are clustered at the household level to address potential correlation within households. The key parameter of interest is the coefficient, denoted as β, on the political alignment measure.

3.1.1 Partisan Household Fundamentals

A key challenge in studying the partisan effect on household behavior is determining how a household's economic situation changes when their preferred party is in power (Kempf and Tsoutsoura, 2024). I investigate whether political alignment correlates with household characteristics by regressing household outcomes on their alignment status. Table 3 presents the results. Panel A, which includes only household fixed effects, suggests that aligned households exhibit higher income, less job uncertainty, lower house prices, a higher likelihood of relocation, and larger family sizes. However, in Panel B, where I further impose county-by-year fixed effects, these differences become statistically and economically insignificant. This suggests that any observed correlations between political alignment and household characteristics are likely driven by local economic factors. Within the same county, there are no significant differences between aligned and misaligned households. These results underscore the importance of geographic granularity when comparing the behaviors of partisan households.

3.2 Partisan Spending Levels

3.2.1 Main Results

Table 4 reports the estimation results of Equation (1). To ensure representativeness, households are weighted by sampling weights assigned by NielsenIQ, except in the final column. I add fixed effects in stages to assess their impact on the estimates. Column (1) shows results without any controls. Column (2) incorporates household fixed effects. Column (3) adds county-by-year fixed effects, while Column (4) further includes income-by-year and occupation-by-year fixed effects. Column (5) introduces additional household and zip code controls. Finally, Column (6) replicates the analysis from Column (5), but with households equally weighted. Across all specifications, the results consistently show a positive and statistically significant coefficient for household political alignment, indicating that households spend more when politically affiliated with the party in power.

In terms of magnitude, the estimate in the most stringent weighted specification in Column (5) suggests a 1.5% relative increase in spending by aligned households. This magnitude is economically meaningful, particularly given that the NielsenIQ data predominantly captures consumption of nondurable goods. These goods are known for their stability compared to durable goods. To illustrate, personal expenditure on nondurable goods reduced by 3% during both the Great Recession and the Covid pandemic, as depicted in Figure B.1. Politically misaligned households thus demonstrate spending patterns comparable to those seen during a mild recession. This magnitude also aligns well with previous studies utilizing NielsenIQ data. For example, Alonso (2022) estimates that a 10% increase in the minimum wage rate increases sales by 1.1%.

There are two important caveats to this result. First, because all comparisons are made in relative terms, I cannot determine whether the effect stems from politically aligned households increasing their absolute spending or from misaligned households reducing theirs. Second, the 1.5% change may actually be underestimated for two reasons. First, household

political alignment is inferred from the majority political leaning of the zip code, which could misclassify individual households' party affiliations, especially in areas with more mixed political ideologies. This could introduce standard attenuation bias. To address this concern, I employ continuous measures in Section 6.1.1. Second, as the baseline regression operates on an annual frequency while presidential elections occur in November, it may fail to capture immediate consumption responses post-election or any anticipatory effects. To mitigate this issue, I conduct a higher-frequency event study surrounding elections in Section 3.2.3.

3.2.2 Heterogeneity Across Households

While the aggregate results are interesting, one might expect there to be considerable heterogeneity within the results. In this section, I investigate how household demographics impact partisan consumption effects by interacting the alignment measure with indicator variables representing demographic categories.

Since NielsenIQ data provides demographic information such as age, gender, and education for both household heads, I determine the primary shopper within each household. For single-head households, the primary shopper is defined as the head. For two-head households, the primary shopper is the unemployed head or the head employed for fewer hours.

Table 5 reports the results. The first four columns analyze the primary shopper, while the last two columns focus on the entire household. Column (1) examines the partisan consumption effects across generations. The reference group consists of Millennials and Generation Z (born after 1980), with the coefficient on *Aligned* indicating a 1.2% effect. Generation X (born between 1965 and 1980) show similar effect, while Baby Boomers (born before 1965) exhibit the largest effect, with an additional 1% relative to the base group.

Column (2) explores gender differences. The reference group is female shoppers, who exhibit a 1.2% effect. Male shoppers show a 0.6% larger effect, consistent with anecdotal evidence that males tend to be more politically active, though this difference is not statistically significant.

Column (3) examines the role of education. Households with a primary shopper without a college degree experience a 1.9% partisan consumption effect, while those with at least a college degree show a significantly reduced effect of 1.2%. This suggests that the partisan consumption effect is largely driven by less-educated consumers.

In Column (4), the results reveal that the partisan consumption effect is weaker among households with a white primary shopper.

Column (5) examines the influence of income on partisan consumption behavior. The reference group consists of lower-income households (bottom income tercile), with the coefficient on *Aligned* indicating a 1.3% effect. Middle-income households (middle income tercile) show the largest effect, with an additional 1.2% relative to the base group, while upper-income households (top income tercile) exhibit an effect comparable to the lower-income group. This suggests a hump-shaped relationship between income and partisan consumption, with the middle class demonstrating the strongest effect.

Finally, Column (6) compares Democratic-leaning and Republican-leaning households. The base group, Democratic-leaning households, shows a 0.9% effect, while Republican-leaning households exhibit an effect that is 1.2% larger, suggesting that Republicans may be more sensitive to political shifts. However, this difference is statistically insignificant.

These results underscore the significant heterogeneity in partisan consumption across different income, age, education groups, and household structures, suggesting a need for a more detailed exploration into these relationships in future studies, as well as further investigation into the underlying mechanisms driving these disparities.

3.2.3 Event Study using Presidential Elections

To understand the dynamic effect of partisan consumption response to election shocks, I track biweekly spending by Democratic and Republican zip codes one year before and after the five presidential elections covered in my sample: 2004, 2008, 2012, 2016, and 2020. I aggregate household purchases to the zip code level weighted by their sampling weights. To

establish causality using aggregate zip code data, I employ a continuous measure for political affiliation and estimate the marginal effect.

Specifically, for each election event, I estimate the following dynamic specification:

$$Log(Spending)_{z,t} = \sum_{\tau=-\underline{T}}^{\tau=+\overline{T}} \beta^{\tau} \mathbf{1}\{t = \tau\} \cdot Winning\ Party\ Share_z + \eta_z + \theta_{c,t} + \epsilon_{z,t}, \quad (2)$$

where $Log(Spending)_{z,t}$ represents the log of weighted total consumption in zip code z at biweek t, while $Winning\ Party\ Share_z$ measures the share of individuals donating to the winning candidate in zip code z during each election cycle. Therefore, the coefficient β^{τ} represents the predicted percentage increase in consumption in a zip code with 1 percentage point higher Republican share τ biweeks following the election.

Since the regression is conducted at the zip code level, I incorporate zip code fixed effects (η_z) to eliminate static heterogeneity across zip codes. To account for potentially different time trends in consumption across zip codes, I include county-by-biweek fixed effects ($\theta_{c,t}$). This allows for a comparison of zip codes within the same county at the same time, under the assumption that those nearby zip codes should experience similar economic conditions and thus exhibit similar consumption trends.

The event time t is normalized such that $t = 0$ corresponds to the 14 days starting from the presidential election day. The event time window spans from -26 to 26 to analyze consumption patterns 52 weeks (one year) before and after the election,[7] with the base period $-\underline{T}$ being the biweeks prior to -20, and the last period $+\overline{T}$ being the biweeks from 20 to 26. Standard errors are clustered at the zip code level.

The results depicted in Figure 3 reveal several interesting patterns across elections. First, the partisan consumption gap between Republican and Democratic households remains stable during the pre-election periods. Second, around four to eight weeks after the elections, zip codes more affiliated with the winning party experience a significant jump in the con-

[7]For the 2004 election event, the analysis starts at $t = -23$ due to data availability constraints.

sumption gap. Third, there are differences in the magnitude and persistence of this effect across elections. For example, the response appears larger following Republican victories (2004 and 2016), with a 5%-10% gap, while smaller in Democratic victories (2008, 2012, and 2020), showing a 1%-6% relative increase. This difference may partially be attributed to anticipatory effects leading up to these elections.

To interpret these coefficients, note that after a Republican win, Republican households switch from being misaligned to aligned, while Democratic households switch from aligned to misaligned. As a result, the relative change in consumption for each election is double-counted and should be divided by two to compare with the baseline estimates.

3.3 Partisan Consumption Patterns

In addition to changes in spending levels, how does partisanship influence household consumption patterns? To investigate potential upgrades or downgrades in consumption, I analyze the effect of political alignment on various spending categories. Specifically, I assess the share of spending on generic products–defined as private label items based on the brand codes associated with UPCs; the share of spending at discount retailers, which includes discount stores, closeout stores, dollar stores, big-box retailers, super-centers, and club stores; the share of spending utilizing coupons or deals; and the share of spending on luxury goods, as defined by Guha and Ng (2019), which include items like fragrances and electronics. Additionally, I examine total annual store visits and the number of distinct products purchased over the year. These categories are motivated by marketing literature that analyzes consumer behavior during economic downturns (Nevo and Wong, 2019).

Table 6 presents the results of this analysis, indicating that politically aligned households decrease their share of spending on generic products by 1.2%, reduce expenditures at discount or big-box stores by 1.5%, and cut back on promotional products by 0.3%. Conversely, they increase their share of spending on luxury goods by 0.5%, enhance their store visits by 1.9%, and purchase 1.2% more distinct products. These findings suggest that aligned households

tend to upgrade their consumption composition, favoring higher-end products and brands while reducing their reliance on bargains and bulk-purchase retailers. This shift indicates a relative increase in perceived economic security and consumer confidence among politically aligned households, reflecting a broader trend of optimism linked to their political affiliation.

4 Economic Mechanisms

In this section, I explore the economic mechanisms driving the observed partisan consumption patterns. I propose that households with different political ideologies hold distinct beliefs that influence their spending behavior, which I refer to as the partisan belief channel. Specifically, I posit that politically aligned households tend to have more optimistic expectations about future economic conditions, leading them to adopt a more aggressive spending approach. In contrast, politically misaligned households generally have more pessimistic outlooks, resulting in a more cautious approach to spending. I provide suggestive evidence to support this hypothesis and address key alternative explanations.

4.1 Reported Economic Beliefs

I begin with an analysis of reported beliefs sourced from the Michigan Survey of Consumers, a nationally representative survey conducted monthly with approximately 500 individuals. The survey captures detailed economic expectations and elicits individuals' partisan affiliations during certain months. The individual-level data from Michigan is available from 1978 to 2024, constituting a repeated cross-section each month.

To demonstrate the impact of political alignment on consumer beliefs, I compare various outlooks among demographically similar individuals with differing party affiliations. Specifically, I control for household income, wealth, age, gender, size, education, and region-by-month fixed effects. As shown in Table B.2, politically aligned consumers exhibit notably higher expectations regarding future national economic performance. They report signif-

icantly higher consumer sentiment indices, better current economic conditions, and more optimistic consumer expectations indices. Moreover, they express greater optimism about business conditions one year ahead and expect lower unemployment and inflation rates. Additionally, while aligned individuals still tend to report higher income expectations, the margin is comparatively smaller. This collectively implies that political alignment has a more pronounced impact on beliefs regarding the aggregate economy, with a relatively moderate effect on beliefs concerning individual economic circumstances. These findings are largely consistent with prior studies analyzing consumer surveys (Benhabib and Spiegel, 2019; Meeuwis et al., 2022; Mian et al., 2023; Kamdar and Ray, 2023).

4.2 Partisan Environment and Consumption Gap

My next analysis focuses on the degree of partisan conflict within the environments surrounding households. Higher levels of political polarization, or greater partisan isolation in social interactions can reinforce existing perceptions and further polarize the views of aligned and misaligned households.

First, I assess polarization in Congress using the ideological differences among its members, as measured by Lewis et al. (2024). Increased polarization within Congress may exacerbate the partisan divide among individuals by reinforcing their partisan identities. To capture this, I construct *High Polarization in Congress*, an indicator variable equal to one if the ideological difference in Congress exceeds the median during a presidential term, indicating a more polarized legislative body, and zero otherwise. In Table 7, Column (1) presents a significant, positive, and economically meaningful coefficient on the interaction term between political alignment and *High Polarization in Congress*. This finding suggests that the partisan consumption effect is amplified when Congress is more politically polarized.

Second, I examine periods of intense political conflict and gridlock using the Partisan Conflict Index (PCI) (Azzimonti, 2014, 2018), which measures the frequency of newspaper articles reporting disagreements among lawmakers about policy. A higher PCI indicates

more severe partisan conflicts. During such times, aligned and misaligned households may experience increased disagreements regarding economic fundamentals, thereby widening the consumption gap. I define *High Partisan Conflict* to capture these periods, which equals one when the average PCI in a year ranks above the median during a presidential term. Column (2) of Table 7 shows a significant, positive coefficient on the interaction term of political alignment and *High Partisan Conflict*, indicating that the partisan consumption effect is stronger during high-conflict periods.

Third, I examine the partisan geographic sorting within household counties. This measure, developed by (Brown and Enos, 2021), captures individuals' relative exposure to opposing political views. Higher levels of partisan isolation can create a reinforcing cycle that leads to more extreme beliefs. I construct *High Partisan Segregation*, which is equal to one if the average residential partisan segregation in a county is above the median for a given year, and zero otherwise. Column (3) shows a significant, positive coefficient on the interaction term of political alignment and *High Partisan Segregation*, suggesting that the partisan consumption effect is more pronounced in counties where partisan households are less likely to engage with opposing partisans.

In sum, the analysis reveals that heightened political polarization amplify the partisan consumption effect, consistent with the partisan belief explanation.

4.3 The Influence of Partisan Media

Finally, I investigate the influence of partisan media. Specifically, I exploit the staggered entry of a conservative TV network, Sinclair Broadcast Group, into different designated media markets (DMAs) during the sample period. As of 2023, Sinclair is the second-largest TV station operator in the U.S. by number of stations, owning or operating near 200 stations across the country across approximately 90 (out of 210) DMAs, reaching around 40% of American households (as depicted in Figure B.2). Sinclair's business model is to achieve economies of scale by acquiring stations across numerous DMAs, often replacing costly local

news with nationally syndicated content. Importantly, stations acquired by Sinclair tend to adopt a more right-leaning slant (Martin and McCrain, 2019). Moreover, it has been shown that Sinclair's entry shifts political attitudes of the local population to the right, resulting in an uptick in the local Republican vote share during subsequent presidential elections (Levendusky, 2022; Miho, 2022; Pan et al., 2023).

I compile data on the DMAs where Sinclair operates from Sinclair's annual reports for my sample period from 2004 to 2022. Over this period, Sinclair expanded into 60 new DMAs. While Sinclair's acquisitions are not random, concerns regarding its targeting of more conservative DMAs are mitigated by several factors. First, Sinclair typically acquires other broadcasting companies that operate across multiple DMAs, allowing it to enter new DMAs in bundles rather than individually. This bundling suggests that the decision to enter a specific DMA is unlikely to be driven solely by the characteristics of that DMA. Second, similar to other mergers and acquisitions, the timing of Sinclair's acquisitions is influenced by the decisions of the sellers, further complicating the notion that Sinclair strategically targets partisan areas.

To assess the average treatment effect of Sinclair's entry on household consumption, I employ a stacked difference-in-differences (DID) approach, using never-treated DMAs as the control group. For each treated DMA, the event time is set to 0, corresponding to the year of Sinclair's entry. Importantly, the qualitative impact of Sinclair's entry varies depending on which party is in power at the White House. Given Sinclair's tendency to broadcast programs critical of Democrats and supportive of Republicans[8], it is more likely to bolster (or diminish) optimism and consumption if the current president is Republican (Democratic). To account for this, I introduce a new treatment direction indicator, $Treatment\ Direction_t$, which equals $+1$ if year t is during a Republican presidency and -1 during a Democratic presidency. The average treatment effect on household consumption is thus captured by the coefficient on the triple interaction term $Treatment\ Direction \times Treat \times Post$.

[8]See, for example, the New York Times article.

Each event cohort includes three years before and after the entry event (six years in total), potentially covering a presidential election. To isolate the treatment effect of Sinclair's entry from the election-related effect, I analyze Republican and Democratic households separately. This approach assumes that households with similar demographics and political ideologies should demonstrate comparable consumption trends regardless of election-related fluctuations. Following Cengiz et al. (2019), I incorporate cohort-by-household fixed effects and cohort-by-year fixed effects to calculate the average treatment effect across all events. I also control for household and zip code characteristics as in the baseline model. I cluster standard errors at the county level, given that treatments are implemented at the DMA level, which typically comprises one or more counties.

The results derived from the stacked DID approach are presented in Table 8. Columns (1)-(2) include all households in treated and control DMAs, while Columns (2)-(3) focus solely on Republican and Democratic households, respectively. The estimation using the full sample indicates a notable 1.3% increase (or decrease) in spending for treated households during a Republican (Democratic) presidency. When I further control for cohort-by-county size decile-by-year fixed effects to account for potential differences in economic trends across counties of varying sizes, the estimate rises to 1.5%. Moreover, this effect is more pronounced among Republican households, with treated Republicans displaying, on average, a 1.8% change relative to never-treated Republicans. In contrast, Democratic households exhibit a much smaller and statistically insignificant estimate. This result may be attributed to Republicans' higher propensity to consume conservative media.[9]

Moreover, I test the parallel trend assumption by estimating a dynamic version of the stacked DID model. As shown in Figure 4, there is no significant pre-trend in household consumption for both Republican and Democratic households. The effect only becomes apparent following Sinclair's entry, with Republicans demonstrating a notably stronger response. In comparison, Figures B.3 and B.4 indicate that Sinclair's entry does not significantly impact

[9]See, for example, anecdotal evidence from the Pew Research Center article.

household or local economic conditions. This alleviates concerns that the media's influence on consumption operates through channels other than changes in beliefs.

Finally, Table 9 shows that the media effect of Sinclai's entry is more pronounced among households with access to TV or the internet to view the program, and once again, among those without college degrees.

Overall, the analysis employing Sinclair's entry as a plausible shock to local political ideologies lends support to a causal interpretation of the partisan belief channel.

4.4 Alternative Explanations

4.4.1 Future Changes in Household Fundamentals

A potential explanation for the observed spending gap may arise from households' rational expectations about their future economic circumstances under different political administrations. For instance, a consumption-smoothing Republican might anticipate higher income levels during a Republican presidential term and, accordingly, begin to increase their current spending levels in expectation of improved financial prospects. Conversely, a Democratic household might adopt a more cautious approach, anticipating different policy priorities that could affect their future income.

To address this concern, I employ two approaches. First, I investigate whether political alignment correlates with future household outcomes. Panel A of Table 10 presents the results. Conditional on current situations, I find that aligned households do not experience higher income growth, reduced job uncertainty, different house price growth, or changes in family dynamics, such as relocation or increased family size, throughout the presidential term or until their last appearance in the sample. This indicates no significant divergence in future changes between the two groups and suggests that the baseline fixed effects effectively control for both current and future trends in household fundamentals.

The second approach entails controlling for these anticipated changes by using realized outcomes during presidential terms. If the spending gap were primarily driven by these fac-

tors, we would expect the baseline effect to diminish once we account for them. I augment the baseline regression by including controls for realized average income growth during the presidential term, an indicator for job loss to proxy income uncertainty, indicators for relocation and increased family size to control future family plans, and zip code house price growth that may generates a wealth effect on households and influence consumption. Panel B of Table 10 shows that none of these additional controls fundamentally alter the estimates for the coefficient on political alignment. The estimates remain positive, statistically significant, and stable in magnitude, suggesting that the observed partisan consumption gap is not driven by anticipated changes in household fundamentals.

Therefore, the hypothesis that household fundamentals explain the spending gap is not consistent with the data.

4.4.2 Supply-Side Factors

Another potential interpretation is that the partisan spending gap is driven by supply-side factors rather than households' actual demand. For example, retailer branches might strategically adjust their offerings or prices in response to elections, which could influence local consumption patterns. To investigate this possibility, I construct a panel at the retailer branch-household-year level and analyze household spending at specific retailer locations. By imposing retailer branch-by-year fixed effects in the regression model, I aim to control for supply-side changes and compare actual purchases in the same store made by demographically similar households with differing political affiliations.

The results, presented in Table 11, reveal a significant increase in spending by aligned households shopping at the same store. The magnitude for in-store purchases shows a 2.2% increase in spending by aligned households, which is economically meaningful. These suggest that supply-side changes are unlikely to be the primary driver of the observed partisan consumption effect.

Besides, by comparing households that shop in the same store, I effectively compare

households that are geographically proximate, as grocery shopping is inherently local. This finding thus also alleviates concerns that the baseline results are driven by unobservable differences between zip codes.

5 Implications for Household Savings Behavior

The previous analysis reveals that households politically aligned with the current president tend to spend more than their misaligned counterparts, likely due to differing levels of optimism associated with political alignment. In this section, I further explore the potential implications of these partisan beliefs on household savings decisions.

To assess the effects of political alignment on household savings, I analyze bank deposits and stock investments, proxied by dividend income, following Zhang (2021). In the first part of the analysis, I utilize branch-level deposit data from the FDIC Summary of Deposits database. I estimate the relationship between aggregate deposits at the zip-code level and a continuous measure of political alignment. The regression model includes zip code fixed effects to control for time-invariant heterogeneity across zip codes, as well as time-varying characteristics such as population and per capita income. I also incorporate county-by-year fixed effects to account for local economic conditions. The estimation results are reported in Column (1) of Panel A in Table 12. *%Republican* represents the share of donors contributing to the Republican party in the zip code. *%Aligned* represents the share of individuals donating to the winning party in the zip code. It indicates that for every 20% increase in political alignment, the deposit volume decreases by 0.32% ($= 1.6\% \times 20\%$).

To further disentangle the supply side from the demand side for deposits, I employ a within-bank strategy, comparing deposits across different branches of the same bank within the same county. I control for bank branch fixed effects and bank-by-county-by-year fixed effects to account for lender-side variations. As shown in Column (2) of Panel A, branches in zip codes with a 20% increase in political alignment experience 0.2% lower deposit volume.

This suggests that the observed differences in deposit growth are not merely due to supply-side changes but reflect underlying demand-side behaviors influenced by political alignment. Columns (3)-(4) exlude the Great Recession (2007-2009) and the Covid pandemic (2020) periods and repeat the previous analysis. The coefficients on *%Aligned* are still negative and significant, with even larger magnitudes, suggesting that the partisan impact on bank deposits is not primarily driven by crisis.

In the second part of the analysis, I use aggregate dividend income data from the IRS as a proxy for stock investments at the zip code level following Lin (2020) and Zhang (2021). I control for zip code population and per capita income, fixed effects, and three-digit zip code-by-year fixed effects to account for local economic conditions and home bias. Column (1) of Panel B shows that a 20% increase in political alignment is associated with a 0.32% reduction in dividend income.

Furthermore, I aggregate dividend income by income groups within zip codes and control for three-digit zip code-by-income range-by -year fixed effects. The results, reported in Column (2) of Panel B, also show a significant negative effect. However, the negative relationship between political alignment and dividend income appears to be driven by crisis periods, as the coefficients become indistinguishable from zero in Columns (3)-(4) when crisis periods are excluded.

In summary, this analysis provides suggestive evidence that politically aligned households not only consume more but also save less, as reflected in reduced bank deposits and dividend income. However, the aggregate-level nature of the data limits the ability to fully control for confounding factors, as done in the baseline analysis. This underscores the need for future research using individual-level data to better identify the mechanisms through which political alignment affects savings behavior.

6 Further Discussions

In this section, I discuss the robustness of the main findings and address several alternative explanations.

6.1 Robustness

6.1.1 Alternative Measures of Political Alignment

I check the robustness of my main results to alternative measures of political alignment. The primary measure of political affiliation used in my analysis is an indicator variable representing the party to which the majority of individuals in the household's zip code donate. While this measure is straightforward and more tractable by using public data, it introduces measurement error by potentially misclassifying households in areas with mixed political leanings. This could potentially attenuate the observed partisan consumption effects. To illustrate this, I explore alternative cutoffs and employ a continuous measure based on the share of individuals donating to the winning party in each zip code and re-estimate Equation (1). The results are shown in Columns (1)-(3) of Panel A in Table 13. In Column (1), *Aligned (50% cutoff)* is the primary measure used in the baseline analysis. Column (2) uses *Aligned (60% cutoff)*, an indicator equal to one if more than 60% of donors contribute to the winning party, and zero otherwise. The coefficient is positive and significant, with a slightly larger magnitude. In Column (3), *%Aligned* is a continuous variable representing the share of individuals donating to the winning party in the household's zip code. The estimated coefficient is positive and significant, with a larger effect size.

Next, I check robustness to alternative time matching methods. In the baseline analysis, political leaning is inferred based on the election closest to the observation, whether past or future, as in Meeuwis et al. (2022). For example, political leaning in 2019 is inferred from donations in the 2019-2020 election cycle. To address potential forward-looking bias, Columns (4)-(6) use the most recent election prior to the observation. For example, political

leaning in 2019 is inferred from donation within the 2015-2016 election cycle. The estimates remain positive and significant across all measures, with larger economic magnitudes.

Third, I consider alternative political alignment measures. Columns (1)-(2) of Panel B use donation amounts, with *Aligned* indicating whether over 50% of the amount goes to the winning party, and *%Aligned* representing the share of total donation amounts to the winning party. The estimates are both positive and significant.

Since not all households donate to presidential elections, potentially causing measurement error, I construct measures based on voting and voter registration data, which may better represent the general public. I allocate precinct-level voting data to zip codes using geographical shape data.[10] The precinct-level data and shapefiles are obtained from the Voting and Election Science Team and are available for the 2016 and 2020 elections. The zip code voting outcomes in 2008 are acquired from Mummolo and Nall (2017). Columns (3)-(4) of Panel B use the voting-based measures for the three elections. The estimated coefficients are positive and economically significant, though the standard deviations are also large.

Columns (5)-(6) use voter registration data retrieved from the Redistricting Data Hub for the 2020 election.[11] *Aligned* indicates whether the majority of registered voters in the zip code are affiliated with the winning party, and *%Aligned* is the continuous share of registered voters affiliated with the winning party. These measures produce the largest estimates.

Panel C reports summary statistics and correlations between Republican share measures, and Panel D does the same for alignment measures. These measures are highly correlated.

Overall, the baseline results are robust to alternative political affiliation measures, with the primary discrete measure yielding the most conservative estimates.

[10]The process of allocating precinct-level voting data to zip codes is non-trivial. For precincts entirely contained within a single zip code, I simply add the total votes from that precinct to the corresponding zip code. However, for precincts spanning multiple zip codes, a more intricate approach is needed. First, I disaggregate the precinct votes to all census blocks within that precinct, weighting each block's votes by the voting age population. Then, I aggregate the votes from all blocks within each zip code to obtain the total votes for that zip code.

[11]Data for previous elections are available but only at a significant cost.

6.1.2 Subsample Analyses

This section examines whether my results are driven by specific elections, states, spending categories, or crisis periods. I start with analyzing election subsamples by implementing the following alternative specification:

$$\begin{aligned} Log(Spending)_k = & \sum_{\tau \in \{04,08,12,16,20\}} \beta^{\tau} \mathbf{1}\{t \in [\tau - 1, \tau + 2]\} \cdot Republican_h \times Post_{\tau,t} \\ & + \gamma HH\ Controls_{h,t-1} + \psi ZIP\ Controls_{z,t-1} + \alpha_h + \theta_{c,t} + \nu_{i,t} + \mu_{e,t} + \epsilon_k, \end{aligned} \tag{3}$$

where $Republican_i$ is an indicator variable that takes one (zero) if household i only lives in zip codes where the majority of individuals donate to the Republican (Democratic) candidate in all five elections. $Post_{\tau,t}$ is an time dummy that equals one if year t is after election year τ, and zero otherwise. Other variables and fixed effects are defined the same as in Equation (1).

Figure 5 depicts the estimates of β^{τ} in Euqation (3). For Republican-winning elections (2004 and 2016), Republicans increase spending by 2.5% relative to Democrats. For Democrat-winning elections (2012 and 2020), Republicans reduce spending by 2.5% relative to Democrats. The four estimates are comparable in magnitude to those obtained in the baseline regressions, confirming that the partisan consumption effect is stable over the sample period. While the estimates for the 2008 election subsample are insignificant, the previous event study in Figure 3 reveals at least short-term effects after the election.

Next, I conduct a state-level analysis by replicating the baseline regression for each U.S. state. The estimates are then visualized in Figure 6. Notably, the map reveals that the partisan consumption effect is prevalent across most states. Interestingly, the magnitude of this effect appears to be more pronounced in certain "red" states, such as Wyoming, West Virginia, North Dakota, South Dakota, Kentucky, and Texas. This suggests that political alignment may play a more significant role in shaping consumption behavior in certain

regions, possibly reflecting deeper ideological divides in these states.[12]

Moreover, I explore the partisan consumption effect across various spending categories. Figure 7 presents the estimates sorted by magnitude. Notably, all categories except alcohol show a statistically significant increase in consumption by aligned households. The magnitudes of these effects range from 1.4% to 3%, suggesting substantial changes in consumption patterns. This figure also shows a pronounced effect in non-durable spending categories such as meat and dairy, where adjustments can be made more swiftly. Finally, While the analysis does not reveal an overall increase in spending on alcohol, I find an interesting trend: aligned households appear to consume less alcohol in quantity but exhibit a preference for certified organic alternatives. Specifically, Table B.3 illustrates that aligned households increase their share of organic alcohol consumption by 4.5%. This shift in preference may reflect a broader trend towards health-conscious choices among politically aligned households.

Last but not least, I test whether the baseline effect is driven by crisis periods by estimating the model on a sample that excludes these periods. Columns (1)-(2) of Table 14 exclude the years of the Great Recession (2007-2009) and the Covid pandemic (2020). Columns (3)-(4) exclude the 2008 election period (2007-2010) and the 2020 election period (2019-2022). Across all specifications, the estimates for the coefficient on political alignment remain positive and significant, with magnitudes ranging from 1.6% to 2%, which are larger than the baseline estimates.

Overall, these subsample tests demonstrate that baseline results are not driven by outliers.

6.1.3 Alternative Sampling: Households with Inconsistent Political Leanings

Table B.4 reports the sample distribution by household classification status. The main sample focuses on households residing in or moving within zip codes with a consistent one-party majority based on campaign donation, representing 55.4% of the total population. Additionally, 21.3% households reside in zip codes that switched party-majority over time

[12]See, for example, The Geography of Partisan Prejudice by The Atlantic.

and 5.5% households move across zip codes with differing party majorities. The remaining 17.9% households reside in zip codes with either no donors or fewer than 10 donors in an election cycle. While my study does not require a representative sample, I explore the partisan consumption effect using these augmented samples.

Panel A of Table B.5 adds households that move across zip codes with differing party majorities. Panel B further includes households residing in zip codes that switched party majority over time. Panel C expands the sample to include households residing in zip codes with fewer than 10 donors per election cycle, thus covering all households surveyed by NielsenIQ. In all panels, Columns (1)-(2) treat households with undetermined party affiliations as independents and assign *Aligned* equal to zero for them. In Columns (3)-(4), the household's political affiliation is determined by the majority party of the zip code in which they have resided in for the longest duration. For example, if a household lived in Republican-leaning zip codes for ten years and Democratic-leaning zip codes for two years, they are classified as leaning Republican. Columns (5)-(6) assign political leaning based on the dominant party to which donors in the household's zip code contribute.

Across all regressions, the coefficient on the alignment dummy is positive and significant. However, when including households from switching zip codes and treating them as switchers, the estimates become insignificant. This is expected, as households in swing zip codes likely experience the greatest measurement error.

6.1.4 Alternative Specifications

Table B.6 replicates the baseline regression using alternative specifications. In Columns (1) and (2), robust standard errors are clustered at the county level to account for potential within-county correlations. Columns (3) and (4) introduce interactions between income-by-year and occupation-by-year fixed effects with county, controlling for time-varying local economic conditions that affect households with different income and occupation profiles. In Columns (5) and (6), I replace individual control variables with their corresponding control-

by-year fixed effects (e.g., family size-by-year), to capture more nuanced variations across households over time. Table B.6 shows that the baseline results are robust to alternative clustering methods for standard errors and incorporating additional fixed effects.

6.1.5 Placebo Tests

Table B.7 reports results from placebo tests. Panel A randomly assigns households to either the Republican or Democratic party. Across all specifications, the coefficients on *Aligned*, which represents the political alignment of the randomly assigned households, are insignificant. Panel B randomly assigns households to zip codes within the same county, using the assigned zip code to infer household political leaning. The coefficients on *Aligned* are also indistinguishable from zero.

6.2 Other Explanations

In the final part of this section, I explore alternative explanations for the observed partisan consumption effect. Previous analysis has established that the effect cannot be explained by changes in household fundamentals or market supply. Moreover, the rapid weekly consumption responses to election events effectively shut down many slower-moving channels as potential explanations.

One concern regarding the geographic measure of political alignment is its correlation with other zip code characteristics. For example, Democrats are more likely to reside in urban areas, while Republicans often live in rural regions, and these differences can impact household consumption patterns. This concern is partially addressed by the results in Table 11, which show that even geographically proximate partisan households display distinct consumption behaviors. Additionally, Table B.8 demonstrates that the baseline results remain robust even after adding county-by-urban-by-year fixed effects. These fixed effects account for the urban population percentage, drawn from the Census Decennial Survey. The underlying assumption is that households within the same urban or rural area in the same county

should experience similar economic conditions. These results suggest that my main results are unlikely primarily driven by urban-rural disparities.

Second, given that NielsenIQ data covers only in-home spending, a potential concern arises regarding shifts in spending priorities among partisan households. For example, misaligned households might allocate more of their budget to major expenditures such as housing or automotive costs, which could reduce their in-home spending. However, Table B.9 demonstrates that the baseline effect persists even after excluding households that relocated during the sample period, thereby addressing concerns related to home purchases. Regarding automotive spending, Mian et al. (2023) find no significant differences among partisan households, which helps mitigate this concern. Additionally, Figure 7 shows that aligned households also increase spending on during goods (general merchandise), alleviating concerns regarding other durable consumption.

Another potential explanation is differential access to financial services: misaligned households may have poorer access to banking facilities, limiting their ability to spend. However, this concern is mitigated by the fact that the baseline analysis compares households within the same county and already controls for the number of banks in each zip code. To further address this issue, I use the number and usage of credit cards as a proxy for household financial access. The analysis in Table B.10 shows no evidence that aligned households hold more credit cards or engage in more card-based transactions, which undermines the financial access explanation.

I also explore the possibility of differential expectations around government assistance. Aligned households may anticipate a higher likelihood of federal bailouts during crises, which could lower their precautionary savings motive and increase current spending. While certain assistance programs may target specific states or counties, it is difficult for the federal government to focus aid at the zip code or household level within the same county. Additionally, state-level analyses depicted in Figure 6 demonstrate that the effects are not concentrated in states that are more prone to natural disasters, further reducing the likelihood that gov-

ernment assistance drives the observed partisan consumption behavior.

In summary, these alternative explanations do not align with the observed patterns in the data.

7 Conclusion

This paper is among the first to examine the impact of partisanship on consumption levels and patterns at the household level. Leveraging novel household daily purchase data from the NielsenIQ Consumer Panel dataset, this study overcomes several empirical challenges inherent in previous research. My findings reveal a 1.5% increase in in-home spending when households are politically aligned with the ruling party. This effect is statistically significant, economically meaningful, and highly robust, with notable heterogeneity across demographic groups. High-frequency event studies further demonstrate immediate consumption responses to election events. Beyond spending levels, aligned households also enhance their consumption basket by favoring higher-end products and reducing reliance on bargain-hunting. Importantly, the observed partisan consumption gap cannot be explained by changes in household economic situations over time, supply-side factors, or other alternative stories.

Suggestive evidence indicates that the partisan consumption gap is driven by differences in consumer optimism linked to political alignment. Survey analysis reveals that consumers exhibit more optimistic beliefs when aligned with the president's party. Cross-sectional analysis shows a widening consumption divide during periods of heightened political polarization or among politically isolated households. Additionally, the entry of a major conservative media network into local digital markets is also found to causally influence local consumption, particularly among Republican households and those less educated. Collectively, these findings are in line with a partisan belief interpretation. Furthermore, I document a decline in bank deposits and stock investments in aligned zip codes, suggesting the relative increase in spending among aligned households can be financed by a corresponding decline in savings.

Overall, this study highlights how partisan beliefs, driven by alignment with the U.S. president, can distort household consumption and savings decisions. It contributes to the literature on the real economic consequences of partisanship. Given the crucial role of household consumption in driving economic growth, further research is needed to fully understand the broader implications of partisan consumption patterns on other aggregate outcomes.

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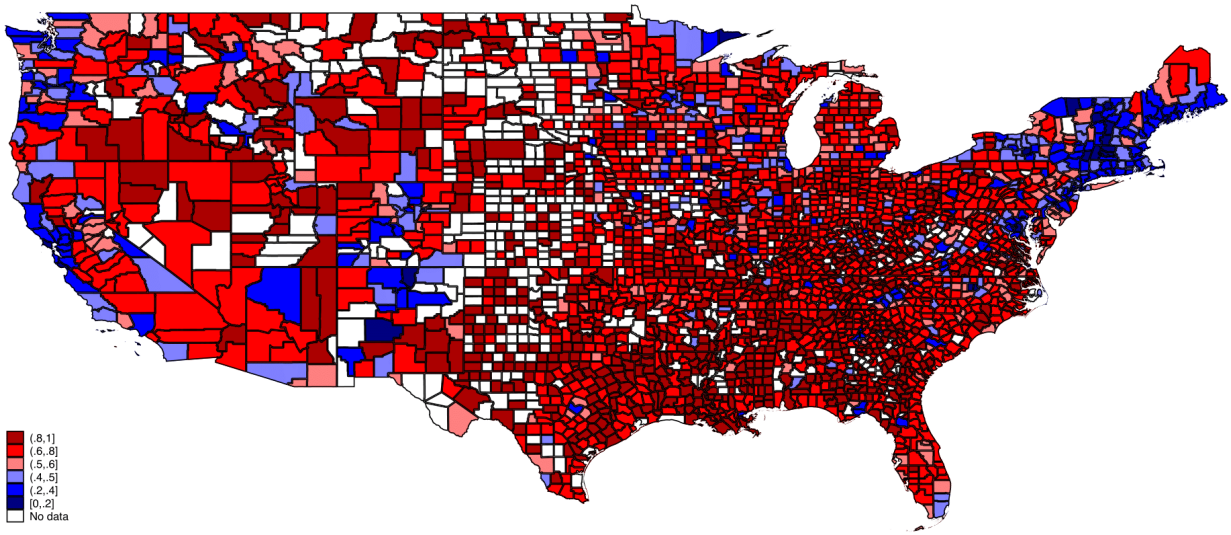
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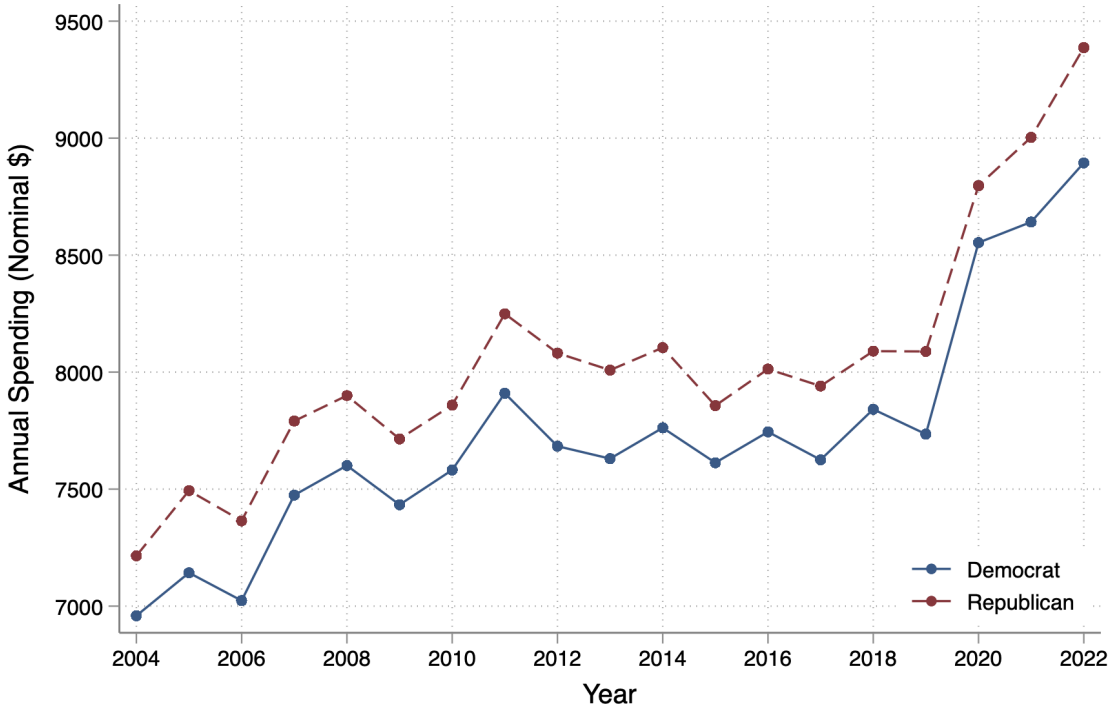
Figures

Figure 1: Geographical Distribution of Sample Households



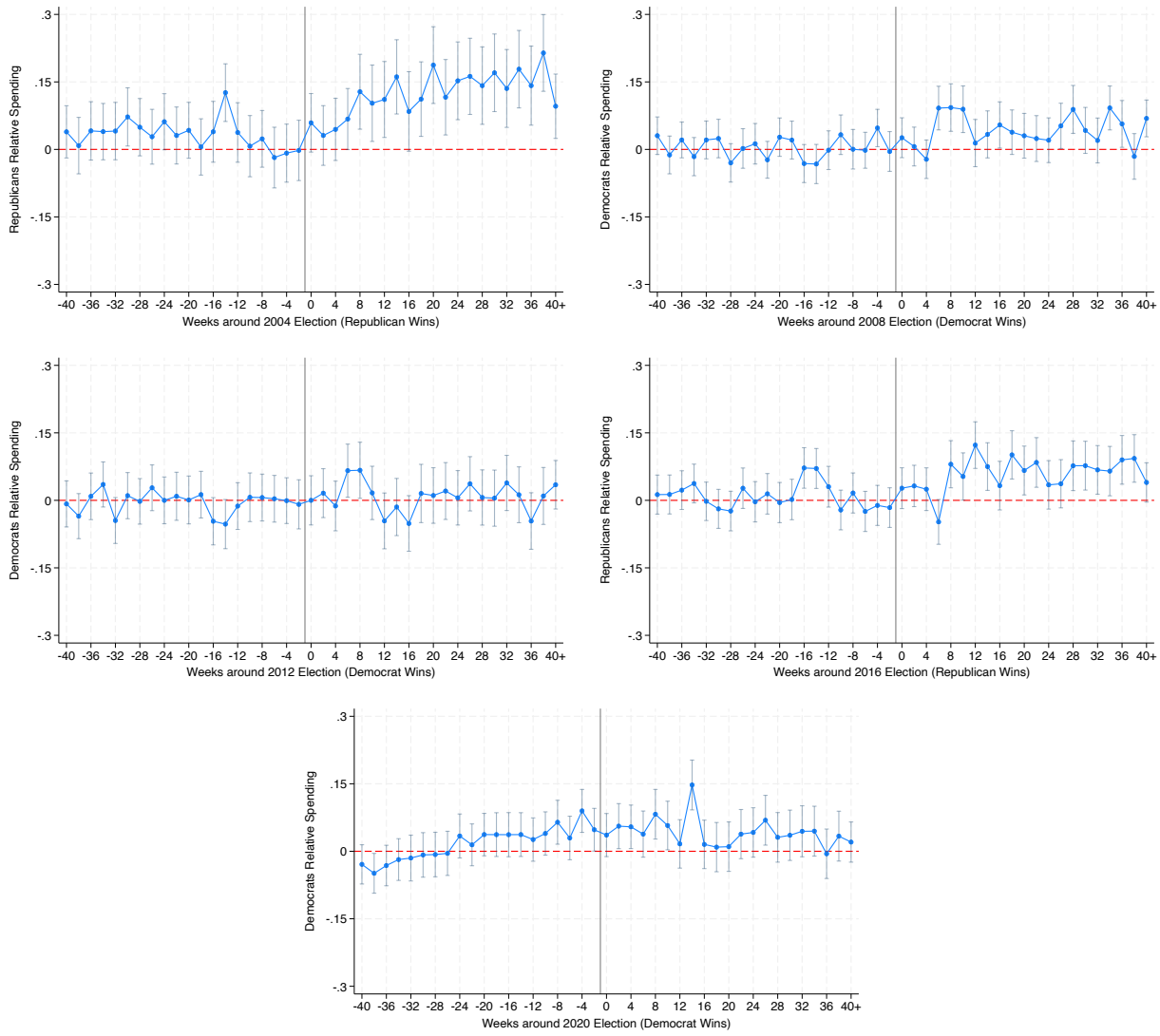
This figure reports the geographical distribution of sample households across U.S. counties. Household political affiliation is determined by the predominant party to which individuals in their zip code contribute. Red (blue) represents counties where the majority of households in my sample are Republicans (Democrats), with darker shades indicating a higher proportion of Republican (Democratic) households.

Figure 2: In-home Spending Trends by Political Affiliation



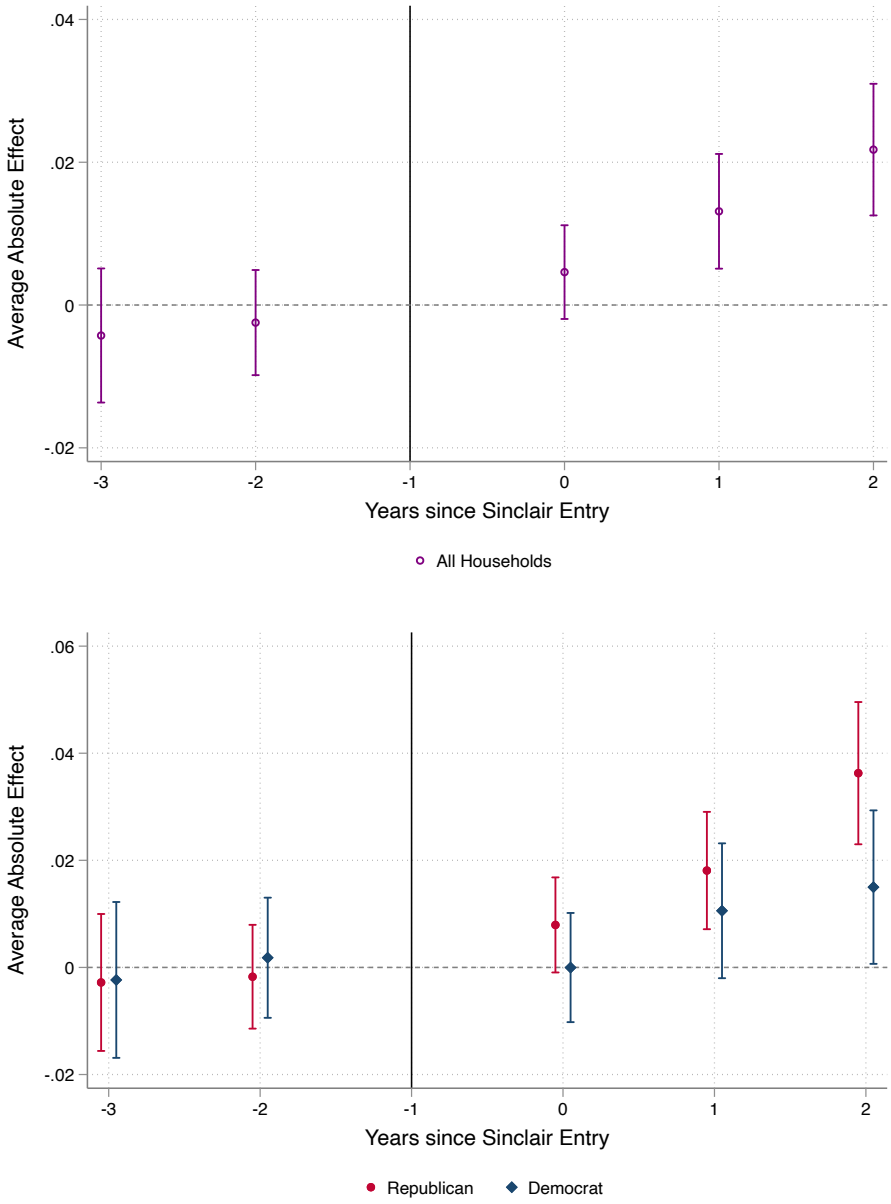
This figure plots the weighted average annual actual purchases made by likely-Democratic households and likely-Republican households from 2004 to 2022, not inflation-adjusted.

Figure 3: High-Frequency Consumption Response to Election Shocks



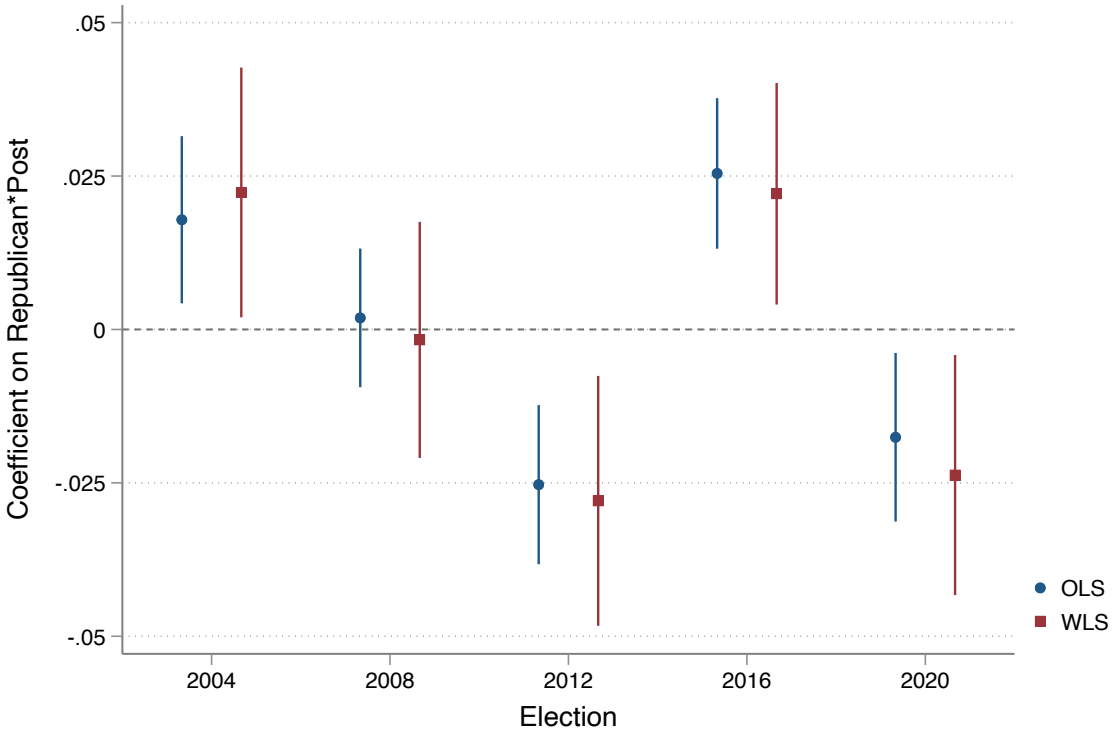
The figure depicts the results from event studies around the 2004, 2008, 2012, 2016, and 2020 presidential elections at a biweekly frequency. Event time 0 corresponds to the 14 days starting from the election day. The event time window spans from -52 weeks to 52 weeks to examine consumption patterns one year before and after the election. The base period is the weeks prior to -40. All regressions include zip code fixed effects and county-by-event time fixed effects. The y-axis shows the coefficients on the interaction terms of Republican households and event time dummies. Vertical lines represent 95% confidence intervals. Robust standard errors are clustered at the zip code level.

Figure 4: The Entry of Partisan Media: Parallel Trends



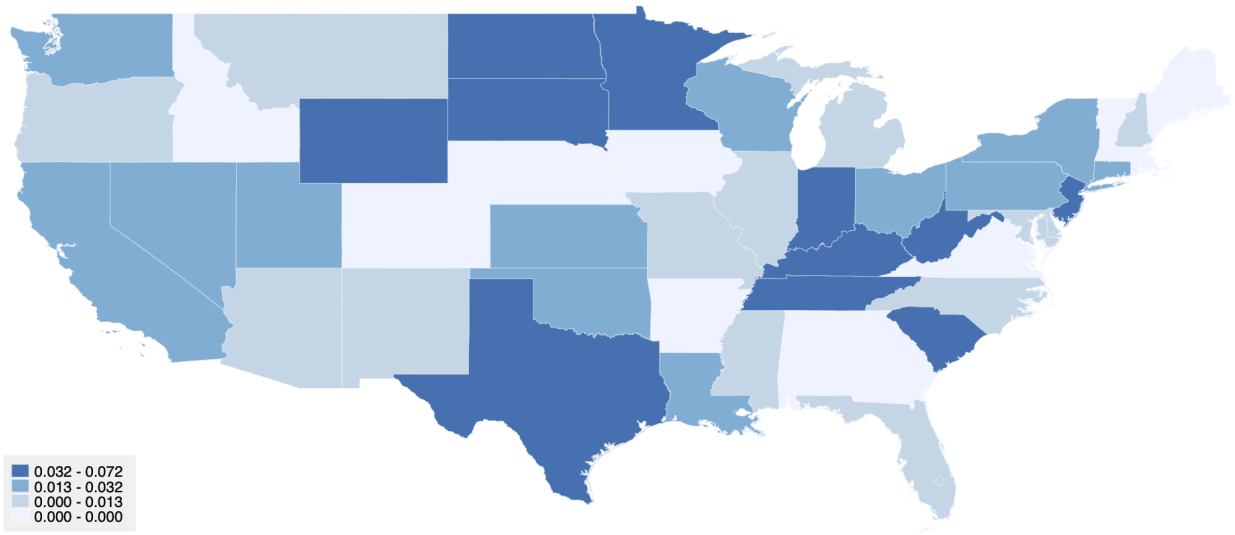
The figure presents the test results for the parallel trend assumption. y-axis represents the average *absolute* effects of Sinclair treatment, though the direction of effect depends on which party is in White House. Panel A includes both Republican and Democratic households in treated and control counties, while Panel B includes only Republican or Democratic households. All regressions include controls, cohort-by-household and cohort-by-year fixed effects. Vertical lines represent 95% confidence intervals. Standard errors are clustered at the county level.

Figure 5: Partisan Consumption Effect by Elections



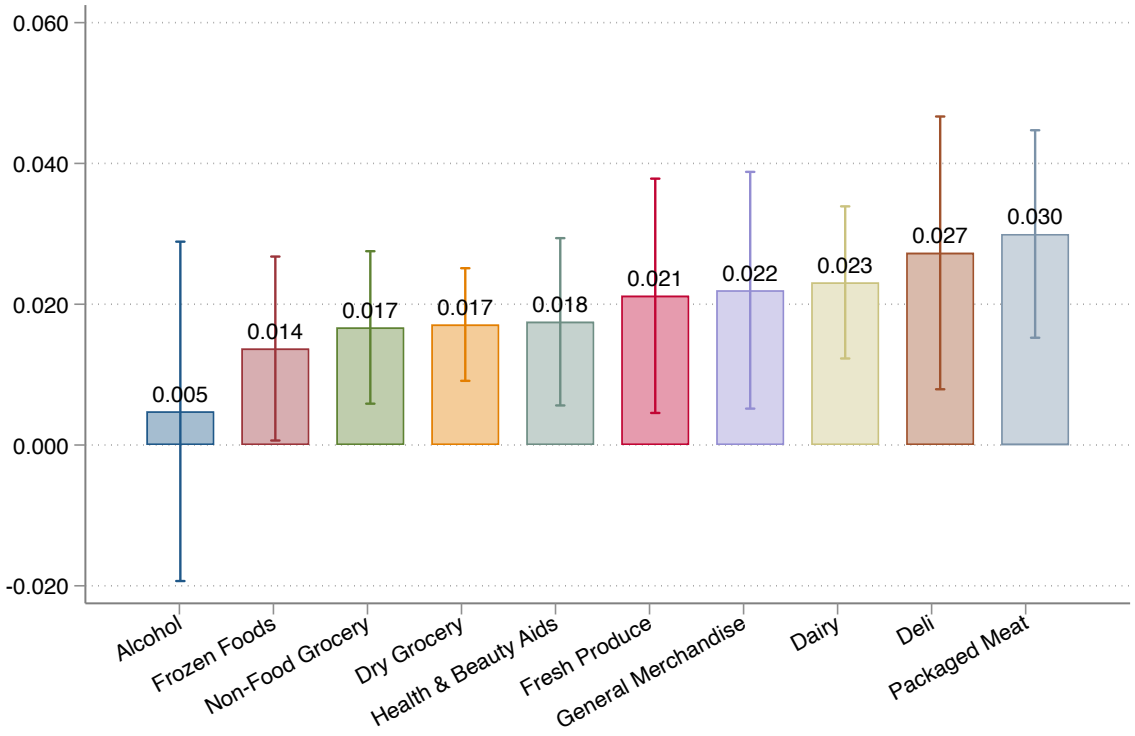
The figure plots $\hat{\beta}^{\tau}$ in Equation (3) from the subsample analysis for each election. It represents the relative Republican spending during the two years before and after the election. Vertical lines represent 95% confidence intervals. Robust standard errors are clustered at the household level.

Figure 6: The Geography of Partisan Consumption Effect



This figure presents the weighted estimates of the partisan consumption effect for each U.S. state, with darker colors indicating a greater magnitude of the effect. All regressions include baseline controls and fixed effects. Standard errors are clustered at the household level. States with a value of 0 include a few cases with a negative estimate, albeit all statistically insignificant.

Figure 7: Partisan Consumption Effect by Spending Categories



This figure presents the weighted estimates of the partisan consumption effect for each spending category as defined by NielsenIQ. Vertical lines represent 95% confidence intervals. All regressions include baseline controls and fixed effects. Robust standard errors are clustered at the household level.

Tables

Table 1: Summary Statistics

Variable	N	Mean	SD	P25	P50	P75
Total Spending (2022 $)	578,738	9,654	6,612	5,214	8,021	12,234
Log(Spending)	578,738	8.981	0.629	8.559	8.990	9.412
Category Spending (2022 $)						
Food	578,738	3,955	2,906	2,005	3,437	5,337
Non-Food Grocery	578,738	1,291	1,173	519	968	1,625
General Merchandise	537,117	642	964	151	340	740
Total Income (2022 $)	578,738	88,202	62,173	36,725	70,200	123,250
Log(Income)	578,738	11.065	0.905	10.511	11.159	11.789
Political Measures						
%Republican	578,738	0.520	0.245	0.322	0.527	0.727
Republican	578,738	0.513	0.499	0.000	1.000	1.000
%Aligned	578,738	0.506	0.223	0.300	0.505	0.712
Aligned	578,738	0.508	0.499	0.000	1.000	1.000
Zip Code Characteristics						
Population	578,566	32,211	17,356	19,773	30,027	41,948
%Urban Population	578,564	0.828	0.223	0.759	0.827	0.987
House Price Growth	541,555	0.039	0.060	0.007	0.039	0.072
Wage Growth	539,807	0.047	0.248	0.012	0.038	0.067
Employment Growth	539,574	0.012	0.260	-0.013	0.009	0.032
Business Growth	541,536	0.016	0.630	-0.005	0.007	0.022
Bank Branch Growth	545,804	0.016	0.112	-0.021	0.000	0.031

This table presents summary statistics for the key variables utilized in the study, including household spending, political affiliation, income, as well as zip code characteristics. Households are weighted by sampling weights. See Appendix A for variable definitions. Continuous variables at the zip code level are winsorized at the 1st and 99th percentiles to mitigate the influence of outliers. Household spending is not winsorized, as NielsenIQ already applies a cap to extreme values.

Table 2: Demographics by Political Affiliations

	Likely Democratic		Likely Republican	
Variable	Mean	SD	Mean	SD
Size	2.20	0.98	2.34	0.97
Married	0.45	0.50	0.55	0.50
Have Children	0.32	0.46	0.37	0.48
Male College Degree	0.42	0.49	0.29	0.46
Female College Degree	0.41	0.49	0.28	0.45
Income (2022 $)				
Below $50,000	0.33	0.47	0.37	0.48
$50,000-$100,000	0.28	0.45	0.30	0.46
Above $100,000	0.39	0.49	0.33	0.47
Male Employment				
White Collar	0.40	0.49	0.32	0.46
Blue Collar	0.19	0.39	0.26	0.44
Service	0.12	0.32	0.11	0.32
Female Employment				
White Collar	0.47	0.50	0.38	0.49
Blue Collar	0.03	0.18	0.04	0.20
Service	0.12	0.32	0.13	0.34
Generation				
Baby Boomer	0.43	0.50	0.47	0.50
Generation X	0.39	0.48	0.39	0.49
Millennial	0.18	0.37	0.14	0.35
Race				
White/Caucasian	0.65	0.48	0.81	0.39
Black/African American	0.18	0.39	0.09	0.28
Other	0.16	0.30	0.11	0.27
House Price Index	6.15	0.64	5.66	0.48

This table presents summary statistics for household demographics by their partisanship. Likely-Democratic (Republican) households are defined as those residing solely in zip codes where the majority of individuals donate to the Democratic (Republican) party. Households are weighted by their sampling weights. Selected categories are reported, and hence numbers may not sum to one. See Appendix A for variable definitions.

Table 3: Political Alignment and Household Fundamentals

	(1)	(2)	(3)	(4)	(5)	(6)
Dep. Var.:	*Income*	*Income Growth*	*Job Loss*	*House Price*	*Moving*	*Family Size*
Panel A. Not Controlling for Local Economic Conditions						
Aligned	0.007***	0.004	-0.005**	-0.012***	0.002***	0.015***
	(0.002)	(0.003)	(0.002)	(0.001)	(0.001)	(0.004)
Household FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	525,825	525,825	514,462	513,509	525,825	525,825
Adjusted R^2	0.865	0.924	0.918	0.309	0.178	0.853
Panel B. Controlling for Local Economic Conditions						
Aligned	-0.001	0.000	-0.001	0.001	0.001	0.004
	(0.003)	(0.004)	(0.004)	(0.001)	(0.003)	(0.007)
Household FE	Yes	Yes	Yes	Yes	Yes	Yes
County × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	520,160	520,160	509,200	508,250	520,160	520,160
Adjusted R^2	0.876	0.932	0.983	0.878	0.337	0.868

This table presents the estimation results of regressing household economic outcomes on their political alignment status. The dependent variables are: log of deflated income, annual income growth, a job loss variable (equal to two if both heads become unemployed, one if one head becomes unemployed, and zero if employment status remains unchanged), log of the house price index, an indicator for relocation to a different zip code, and log of family size. See Appendix A for variable definitions. Panel A shows results with household fixed effects only, while Panel B includes both household and county-by-year fixed effects. In both panels, robust standard errors are clustered at the household level and are shown in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 4: Political Alignment and Spending Levels

Dep. Var.: *Log(Spending)*	(1)	(2)	(3)	(4)	(5)	(6)
Aligned	0.006***	0.011***	0.017***	0.015***	0.015***	0.012***
	(0.002)	(0.002)	(0.003)	(0.004)	(0.003)	(0.002)
Household FE		Yes	Yes	Yes	Yes	Yes
County × Year FE			Yes	Yes	Yes	Yes
Income × Year FE				Yes	Yes	Yes
Occupation × Year FE				Yes	Yes	Yes
Household & Zip Controls					Yes	Yes
Household Weights	Yes	Yes	Yes	Yes	Yes	
Observations	578,738	525,825	519,978	519,675	485,843	485,843
Adjusted R^2	0.002	0.798	0.813	0.818	0.820	0.796

This table reports the results from estimating Equation (1), the effect of households' political alignment on the (log of) annual total spending. *Aligned* takes the value of one if the majority of individuals donate to the winning party in the household's zip code, and zero otherwise. In Columns (1)-(5), households are weighted by the sampling weights provided by NielsenIQ. In Column (6), households are equally weighted. See Appendix A for variable definitions. Robust standard errors are clustered at the household level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 5: Heterogeneity Across Households

Unit:	Primary Shopper				Household	
Dep. Var.:*Log(Spending)*	(1)	(2)	(3)	(4)	(5)	(6)
Aligned	0.012	0.012***	0.019***	0.024***	0.013***	0.009
	(0.009)	(0.004)	(0.004)	(0.006)	(0.004)	(0.021)
Aligned × *Generation X*	0.004					
	(0.018)					
Aligned × *Baby Boomer*	0.010*					
	(0.006)					
Aligned × *Male*		0.006				
		(0.013)				
Aligned × *College Degree*			-0.012**			
			(0.007)			
Aligned × *White*				-0.011*		
				(0.006)		
Aligned × *Middle Income*					0.012***	
					(0.004)	
Aligned × *Upper Income*					-0.000	
					(0.005)	
Aligned × *Republican*						0.012
						(0.042)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Primary Shopper FE	Yes	Yes	Yes	Yes		
Household FE					Yes	Yes
County × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Income × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Occupation × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	325,494	325,494	325,494	325,494	485,843	485,843
Adjusted R^2	0.825	0.825	0.825	0.825	0.820	0.820

This table presents the heterogeneous partisan consumption effects across demographic groups. Columns (1)-(4) use the characteristics of the "primary shopper" in each household, defined as the head of the household working the fewest hours. These regressions include household-primary shopper fixed effects. Other specifications are the same as the baseline. See Appendix A for variable definitions. Robust standard errors are clustered at the household level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 6: Political Alignment and Consumption Patterns

Dep. Var.:	(1) *%Generic Products*	(2) *%Discount Stores*	(3) *%Coupons or Deals*	(4) *%Luxury Goods*	(5) *Log(Store Visits)*	(6) *Log(Distinct Products)*
Aligned	-0.012**	-0.015*	-0.003*	0.005**	0.019***	0.012***
	(0.006)	(0.009)	(0.002)	(0.002)	(0.005)	(0.003)
Mean(Dep. Var.)	0.367	0.296	0.274	0.217	4.938	6.182
SD(Dep. Var.)	0.210	0.196	0.343	0.088	0.660	0.567
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Household FE	Yes	Yes	Yes	Yes	Yes	Yes
County × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Income × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Occupation × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	485,843	485,843	485,843	485,843	485,843	485,843
Adjusted R^2	0.869	0.845	0.836	0.766	0.825	0.832

This table reports the relationship between household political alignment and various consumption patterns. The dependent variables include: the percentage of spending on generic products, the percentage of spending at discount or big-box stores, the percentage of spending using coupons or promotional deals, the percentage of spending on non-essential goods, the log of total store visits per year, and the log of distinct products purchased annually. All regressions include baseline controls and fixed effects, and households are weighted by their sampling weights. See Appendix A for variable definitions. Robust standard errors are double clustered by household and retailer branch and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 7: Partisan Environment and Consumption Gap

Dep. Var.: *Log(Spending)*	(1)	(2)	(3)
Aligned	0.006	0.006**	0.000
	(0.004)	(0.002)	(0.014)
Aligned × *High Polarization in Congress*	0.021***		
	(0.006)		
Aligned × *High Partisan Conflict*		0.012**	
		(0.003)	
Aligned × *High Partisan Segregation*			0.027
			(0.018)
Controls	Yes	Yes	Yes
Household FE	Yes	Yes	Yes
County × Year FE	Yes	Yes	Yes
Income × Year FE	Yes	Yes	Yes
Occupation × Year FE	Yes	Yes	Yes
Observations	485,843	485,843	222,825
Adjusted R^2	0.820	0.820	0.819

This table reports the time-series and cross-sectional variations in the partisan consumption effect. *High Polarization in Congress* is an indicator equal to one if the ideological difference in the U.S. Congress, as measured by Lewis et al. (2024), is above the median over a presidential term, and zero otherwise. *High Partisan Conflict* is an indicator that equals one if the average Partisan Conflict Index (Azzimonti, 2014) in a year is above the median over a presidential term, and zero otherwise. *High Partisan Segregation* is an indicator equal to one if the average residential partisan segregation in a county (Brown and Enos, 2021) is above the median for a given year, and zero otherwise. See Appendix A for variable definitions. Households are weighted by sampling weights. Robust standard errors are clustered at the household level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 8: The Effect of Partisan Media on Local Consumption

	All Households		Republicans	Democrats
Dep. Var.: *Log(Spending)*	(1)	(2)	(3)	(4)
Treatment Direction × *Treat* × *Post*	0.013***	0.015**	0.018***	0.006
	(0.005)	(0.007)	(0.005)	(0.008)
Controls	Yes	Yes	Yes	Yes
Cohort × Household FE	Yes	Yes	Yes	Yes
Cohort × Year FE	Yes		Yes	Yes
Cohort × County Size × Year FE		Yes		
Observations	2,328,570	2,279,771	1,194,558	1,102,462
Adjusted R^2	0.778	0.781	0.786	0.795

This table presents the effects of Sinclair entry on household consumption. Each event cohort includes three years before and after the entry event. *Treatment Direction* equals +1 if the year is under a Republican presidency, and −1 if under a Democratic presidency. *Treat* is a treatment indicator for DMAs with Sinclair entry. *Post* is a time indicator for years after the Sinclair entry. All regressions include cohort-by-household fixed effects and cohort-by-year fixed effects, except in Column (2), which replaces cohort-by-year fixed effects with cohort-by-county size decile-by-year fixed effects. Households are weighted by sampling weights. See Appendix A for variable definitions. Standard errors are clustered at the county level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 9: Heterogeneity of Partisan Media Effect

Dep. Var.: *Log(Spending)*	(1)	(2)
Treatment Direction × *Treat* × *Post*	0.006	0.020***
	(0.021)	(0.004)
Have Internet or Cable TV	0.010***	
	(0.003)	
Treatment Direction × *Treat* × *Post* × *Have Internet or Cable TV*	0.018***	
	(0.003)	
Treatment Direction × *Treat* × *Post* × *Male College Degree*		-0.010**
		(0.006)
Treatment Direction × *Treat* × *Post* × *Female College Degree*		-0.004
		(0.006)
Controls	Yes	Yes
Cohort × Household FE	Yes	Yes
Cohort × Year FE	Yes	Yes
Observations	2,328,570	2,328,570
Adjusted R^2	0.778	0.778

This table presents the heterogeneous effects of Sinclair's entry on household consumption. *Have Internet or Cable TV* is an indicator equal to one if the household has access to an internet connection or cable TV, and zero otherwise. *Male College Degree* and *Female College Degree* are indicators equal to one if the male or female household head, respectively, has at least a college degree, and zero otherwise. Households are weighted by sampling weights. See Appendix A for variable definitions. Standard errors are clustered at the county level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 10: Addressing Changes in Household Fundamentals

Panel A. Future Changes in Household Fundamentals

	(1)	(2)	(3)	(4)	(5)
Dep. Var.:	*Income Growth*	*Job Loss*	*House Price Growth*	*Moving*	Δ*Family Size*
Measurement Horizon: $t-1$ to End of Presidential Term					
Aligned	0.001	-0.001	-0.000	0.001	0.000
	(0.002)	(0.003)	(0.004)	(0.001)	(0.003)
Measurement Horizon: $t-1$ to End of Sample					
Aligned	-0.001	0.000	-0.001	0.001	0.001
	(0.003)	(0.003)	(0.004)	(0.001)	(0.003)

Panel B. Controlling for Realized Changes during Presidential Terms

Dep. Var.: *Log(Spending)*	(1)	(2)	(3)	(4)	(5)	(6)
Aligned	0.015***	0.015***	0.015***	0.015***	0.015***	0.014***
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Controls						
Baseline	Yes	Yes	Yes	Yes	Yes	Yes
Income Growth	Yes					Yes
Job Loss		Yes				Yes
House Price Growth			Yes			Yes
Moving				Yes		Yes
Δ*Family Size*					Yes	Yes
Household FE	Yes	Yes	Yes	Yes	Yes	Yes
County × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Income × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Occupation × Year FE	Yes	Yes	Yes	Yes	Yes	Yes

This table reports results from analyses addressing future changes in household fundamentals. Panel A examines the relationship between political alignment and changes in household characteristics over the current four-year presidential term or until the household's last appearance in the sample. All regressions include household, county-by-year, income-by-year, and occupation-by-year fixed effects as baseline model. Panel B reestimates the baseline mode by adding changes in household fundamentals during the presidential term as further controls. In both panels, households are weighted by sampling weights. See Appendix A for variable definitions. Robust standard errors are clustered at the household level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 11: Addressing Supply-side Effect

	(1)	(2)	(3)
Dep. Var.: *Log(Spending)*	Full Sample	In-store	Online
Aligned	0.022***	0.022***	0.014*
	(0.009)	(0.009)	(0.009)
Controls	Yes	Yes	Yes
Household FE	Yes	Yes	Yes
Income × Year FE	Yes	Yes	Yes
Occupation × Year FE	Yes	Yes	Yes
Retailer Branch × Year FE	Yes	Yes	Yes
Observations	3,882,533	3,652,898	187,414
Adjusted R^2	0.344	0.446	0.525

This table reports results from analyses addressing supply-side effects and local inflation. Each unit of observation is a retailer branch-household-year. For in-store purchases, the retailer branch is the unique store identifier provided by NielsenIQ; for online purchases, I define the retailer branch as retailer-by-household county to account for differential pricing. All regressions include baseline controls and fixed effects, as well as retailer branch-by-year fixed effects to better control for supply-side and price changes. The regressions are not weighted since there is no proper weight for a retailer branch-household pair. See Appendix A for variable definitions. Robust standard errors are double clustered by household and retailer branch and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 12: Political Alignment and Household Savings

Panel A. Political Alignment and Bank Deposits				
	2004-2022		Exclude Crisis Periods	
Aggregate Level:	Zip Code	Branch	Zip Code	Branch
Dep. Var.: *Log(Deposit)*	(1)	(2)	(3)	(4)
%Republican	-0.027	0.047***	-0.033	0.044***
	(0.026)	(0.011)	(0.034)	(0.011)
%Aligned	-0.016*	-0.010**	-0.025*	-0.018***
	(0.009)	(0.005)	(0.013)	(0.007)
Controls	Yes	Yes	Yes	Yes
Zip Code FE	Yes		Yes	
County × Year FE	Yes		Yes	
Bank branch FE		Yes		Yes
Bank × County × Year FE		Yes		Yes
Observations	534,969	1,124,148	412,275	893,342
Adjusted R^2	0.903	0.899	0.921	0.902

Panel B. Political Alignment and Dividend Income

	2004-2022		Exclude Crisis Periods	
Aggregate Level:	Zip Code	Zip-Income	Zip Code	Zip-Income
Dep. Var.: *Log(Dividend)*	(1)	(2)	(3)	(4)
%Republican	0.075***	0.068***	0.094***	0.085***
	(0.013)	(0.013)	(0.013)	(0.014)
%Aligned	-0.016**	-0.015*	-0.001	-0.000
	(0.008)	(0.008)	(0.006)	(0.006)
Controls	Yes	Yes	Yes	Yes
Zip Code FE	Yes	Yes	Yes	Yes
Zip3 × Year FE	Yes		Yes	
Zip3 × Income × Year FE		Yes		Yes
Observations	198,415	1,195,078	151,345	900,405
Adjusted R^2	0.916	0.824	0.795	0.536

This table reports the effect of political alignment on aggregate bank deposits and stock dividend income. In Panel A, the dependent variable *Log(Deposit)* represents either aggregate deposit amounts at the zip code level or at the bank branch level. In the former case, regressions include zip code and county-by-year fixed effects, while in the latter, regressions include bank branch and bank-by-county-by-year fixed effects. In Panel B, the dependent variable *Log(Dividend)* represents either aggregate dividend income at the zip code level or within each income range in each zip code. In the first case, regressions include zip code and three-digit zip code-by-year fixed effects, while in the second, regressions include zip code and three-digit zip code-by-income range-by-year fixed effects. For both panels, the first two columns use the full sample from 2004 to 2022, while the last two columns exclude the years of the Great Recession (2007-2009) and the Covid pandemic (2020). *%Republican* represents the share of donors contributing to the Republican party in the zip code. *%Aligned* represents the share of individuals donating to the winning party in the zip code. Control variables include zip-code population and per capita income. See Appendix A for variable definitions. Robust standard errors are clustered at the county level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 13: Alternative Measures for Political Alignment

Panel A. Alternative Timing and Cutoffs for Donor-based Measure

	Closest Election, Past or Future			Most Recent Past Election		
Dep. Var.: *Log(Spending)*	(1)	(2)	(3)	(4)	(5)	(6)
Aligned (50% cutoff)	0.015***			0.015***		
	(0.003)			(0.004)		
Aligned (60% cutoff)		0.017***			0.020***	
		(0.004)			(0.007)	
%Aligned (continuous)			0.018**			0.022**
			(0.009)			(0.010)
Controls, FEs, Weight	Yes	Yes	Yes	Yes	Yes	Yes
Observations	485,814	433,690	485,843	470,976	432,125	470,976
Adjusted R^2	0.825	0.826	0.820	0.821	0.827	0.821

Panel B. Alternative Measures: Donation, Voting, and Registration

	Donation Amount		Election Voting		Voter Registration	
Dep. Var.: *Log(Spending)*	(1)	(2)	(3)	(4)	(5)	(6)
Aligned (50% cutoff)	0.009***		0.013		0.015***	
	(0.003)		(0.011)		(0.005)	
%Aligned (continuous)		0.014**		0.018*		0.022*
		(0.007)		(0.010)		(0.012)
Controls, FEs, Weight	Yes	Yes	Yes	Yes	Yes	Yes
Observations	485,814	485,843	239,166	239,166	97,435	97,435
Adjusted R^2	0.822	0.824	0.818	0.848	0.821	0.866

Panel C. Statistics of Alternative Republican Share Measures

	Mean	SD	*Donor*	*Amount*	*Vote*	*Voter*
%Rep Donor	0.520	0.245	1.000			
%Rep Amount	0.557	0.282	0.892***	1.000		
%Rep Vote (2008, 2016, 2020)	0.480	0.199	0.821***	0.700***	1.000	
%Rep Voter (2020)	0.441	0.212	0.735***	0.632***	0.919***	1.000

Panel D: Statistics of Alternative Alignment Share Measures

	Mean	SD	*Donor*	*Amount*	*Vote*	*Voter*
%Aligned Donor	0.506	0.223	1.000			
%Aligned Amount	0.512	0.230	0.891***	1.000		
%Aligned Vote (2008, 2016, 2020)	0.500	0.199	0.836***	0.739***	1.000	
%Aligned Voter (2020)	0.500	0.220	0.679***	0.566***	0.900***	1.000

This table presents robustness checks and statistics for political affiliation measures. Panel A uses different time matching methods and cutoffs for inferring political leaning. In Columns (1)-(3), political leaning is inferred based on the election closest to the observation, whether past or future (e.g., political leaning in 2019 is inferred from donations in the 2019-2020 election cycle). Columns (4)-(6) use the most recent election prior to the observation (e.g., leaning in 2019 is inferred from the 2015-2016 election cycle). *Aligned (50% cutoff)* is an indicator equal to one if more than 50% of donors contribute to the winning party, and zero otherwise. *Aligned (60% cutoff)* uses a 60% threshold. *%Aligned* is a continuous variable representing the share of individuals donating to the winning party in the household's zip code. Panel B checks robustness using alternative measures for political alignment. Columns (1)-(2) use donation amounts, with *Aligned* indicating whether over 50% of the amount goes to the winning party, and *%Aligned* representing the share of total donation amounts to the winning party. Columns (3)-(4) use election votes, with *Aligned* indicating whether the majority of election votes go to the winning party, and *%Aligned* representing the winning party vote share. Zip code voting data is calculated from precinct-level outcomes which are available for the 2008, 2016, and 2020 elections. Columns (5)-(6) use voter registration data from 2020. *Aligned* indicates whether the majority of registered voters in the zip code are affiliated with the winning party, and *%Aligned* is the continuous share of registered voters affiliated with the winning party. All Regressions in Panels A and B include baseline controls, fixed effects, and sampling weights. Regressions with continuous alignment measures also control for the Republican share variable, though the coefficient estimates for Republican share are omitted for brevity. Robust standard errors are clustered at the household level and reported in parentheses. Panel C reports summary statistics and correlations between different Republican share measures, and Panel D for alignment share measures. See Appendix A for variable definitions. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 14: Excluding Crisis Periods

	Exclude 2007-2009, 2020		Exclude 2008, 2020 Elections	
Dep. Var.: *Log(Spending)*	(1)	(2)	(3)	(4)
Aligned	0.019***	0.016***	0.020***	0.017***
	(0.005)	(0.003)	(0.006)	(0.004)
Controls	Yes	Yes	Yes	Yes
Household FE	Yes	Yes	Yes	Yes
County × Year FE	Yes	Yes	Yes	Yes
Income × Year FE	Yes	Yes	Yes	Yes
Occupation × Year FE	Yes	Yes	Yes	Yes
Household Weights	Yes		Yes	
Observations	364,677	364,677	248,357	248,357
Adjusted R^2	0.823	0.792	0.845	0.818

This table presents baseline estimation results by excluding crisis periods. Columns (1)-(2) exclude the years of the Great Recession (2007-2009) and the Covid pandemic (2020). Columns (3)-(4) exclude the 2008 election period (2007-2010) and the 2020 election period (2019-2022). All other controls and fixed effects remain consistent with Equation (1). See Appendix A for variable definitions. Robust standard errors are clustered at the household level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Appendix A: Variable Definitions

- *Total Spending (2022 $)*: Household annual total spending measured in 2022 dollars.
- *Log(Spending)*: The natural logarithm of annual total spending in nominal dollars.
- *Republican*: An indicator variable that equals one (zero) if the household resides only in Republican (Democrat)-leaning zip codes.
- *%Republican/%Rep Donor*: The percentage of donors in the zip code contributing to the Republican party.
- *%Rep Amount*: The percentage of donation amounts in the zip code going to the Republican party.
- *%Rep Vote*: The percentage of votes in the zip code going to the Republican party.
- *%Rep Voter*: The percentage of voters in the zip code affiliated with the Republican party.
- *Aligned*: An indicator variable that equals one if majority donors in the zip code contribute to the winning party, and zero otherwise.
- *%Aligned/%Aligned Donor*: The percentage of donors in the zip codedonating to the winning party.
- *%Rep Amount*: The percentage of donation amounts in the zip code going to the winning party.
- *%Rep Vote*: The percentage of votes in the zip code going to the winning party.
- *%Rep Voter*: The percentage of voters in the zip code affiliated with the winning party.
- *Population*: Zip code population.
- *%Urban Population*: The percentage of urban population in the zip code.
- *House Price Growth)*: The annual growth rate of the zip code house price index.
- *Wage Growth*: The annual growth rate of the average payroll in the zip code.
- *Employment Growth*: The annual growth rate of total employments in the zip code.
- *Business Growth*: The annual growth rate of the number of business establishments in the zip code.
- *Bank Branch Growth*: The annual growth rate of the number of bank branches in the zip code.
- *Income*: A discrete variable indicating the range of total household income.

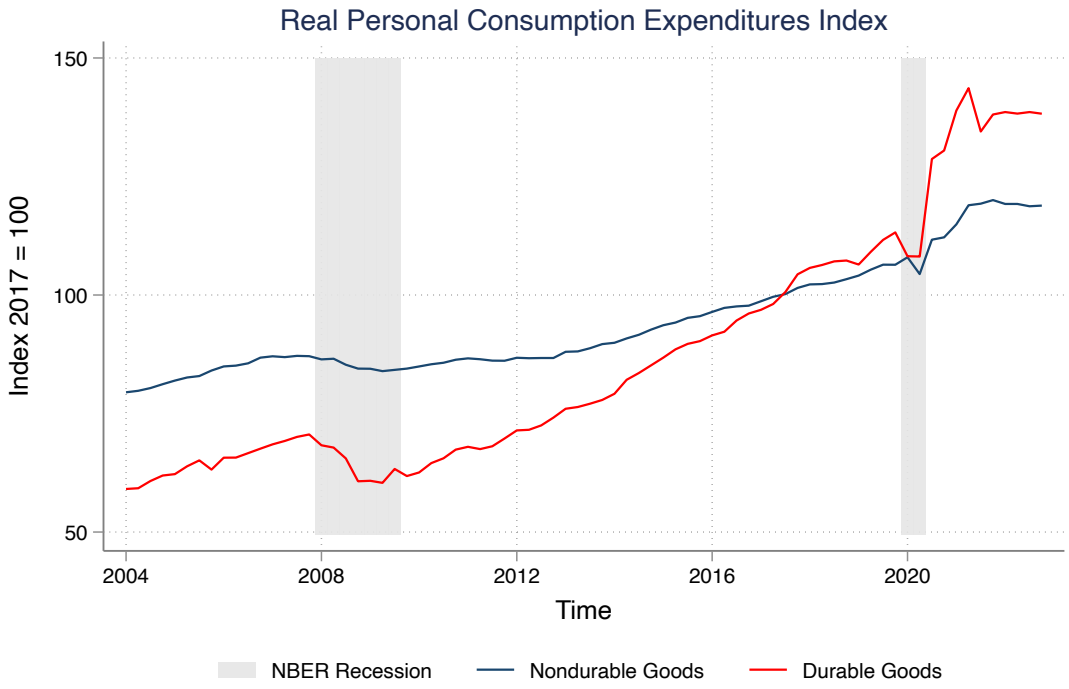
- *Income Growth*: Inflation-adjusted annual income growth, with income taken at the mid-level of each income bracket.
- *Occupation*: An ordered pair representing the occupations of household heads.
- *Size*: The number of household members, capped at 9.
- *Married*: An indicator variable that equals one if the household head is married, and zero otherwise.
- *Have Children*: An indicator variable that equals one if there is at least one child under 18 in the household, and zero otherwise.
- *Age*: Age of the household head if there is only one head; otherwise, the average age.
- *Male College Degree*: An indicator variable that equals one if the male head of household has a college or higher degree, and zero otherwise.
- *Female College Degree*: An indicator variable that equals one if the female head of household has a college or higher degree, and zero otherwise.
- *Race*: A discrete variable indicating one of four race categories.
- *Millennial*: An indicator variable that equals one if a household member is born after 1980, and zero otherwise.
- *Generation X*: An indicator variable that equals one if a household member is born between 1965 and 1980, and zero otherwise.
- *Baby Boomer*: An indicator variable that equals one if a household member is born before 1965 and zero otherwise.
- *Job Loss*: An indicator variable that equals two if both heads become unemployed, one if one head becomes unemployed, and zero if employment status remains unchanged.
- *Moving*: An indicator variable that equals one if the household moves to a different zip code from previous year, and zero otherwise.
- *Low Income*: An indicator variable that equals one if the household income is within the lower income tercile, and zero otherwise.
- *Middle Income*: An indicator variable that equals one if the household income is within the middle income tercile, and zero otherwise.
- *Upper Income*: An indicator variable that equals one if the household income is within the upper income tercile, and zero otherwise.
- *Young Aged*: An indicator variable that equals one if the age is within the bottom age tercile, and zero otherwise.

- *Middle Aged*: An indicator variable that equals one if the age is within the middle age tercile, and zero otherwise.
- *Old Aged*: An indicator variable that equals one if the age is within the top age tercile, and zero otherwise.
- *%Generic Products*: The percentage of spending on private-label products.
- *%Discount Stores*: The percentage of spending at discount retailers, which includes discount stores, closeout stores, dollar stores, big-box retailers, super-centers, and club stores.
- *%Coupons or Deals*: The percentage of spending using coupons or promotional deals.
- *%Luxury Goods*: The percentage of spending on luxury goods as defined by Guha and Ng (2019).
- *Log(Store Visits)*: The natural logarithm of total store visits per year.
- *Log(Distinct Products)*: The natural logarithm of the number of distinct products purchased over the year.
- *High Polarization in Congress*: An indicator variable that equals one if the ideological difference in the U.S. Congress, as measured by Lewis et al. (2024), is above the median over a presidential term, and zero otherwise.
- *High Partisan Conflict*: An indicator variable that equals one if the average Partisan Conflict Index (Azzimonti, 2014, 2018) in a year is above the median over a presidential term, and zero otherwise.
- *High Partisan Segregation*: An indicator variable that equals one if the average residential partisan segregation in a county (Brown and Enos, 2021) is above the median for a given year, and zero otherwise.
- *Treatment Direction*: An indicator variable that equals $+1$ during a Republican presidency and -1 during a Democratic presidency.
- *Treat*: An indicator variable that equals one if Sinclair ever enters the household's DMA during the sample period, and zero if never treated.
- *Post*: An indicator variable that equals one if the year is after the treatment, and zero otherwise.
- *Have Internet or Cable TV*: An indicator variable that equals one if the household has access to an internet connection or cable TV, and zero otherwise.
- *Log(Organic Share)*: The natural logarithm of percentage of organic alcohol spending relative to all alcohol spending.
- *#Credit Card*: The number of credit card categories.
- *%Card Payment*: The share of credit card spending to annual total spending.

Appendix B: Additional Figures and Tables

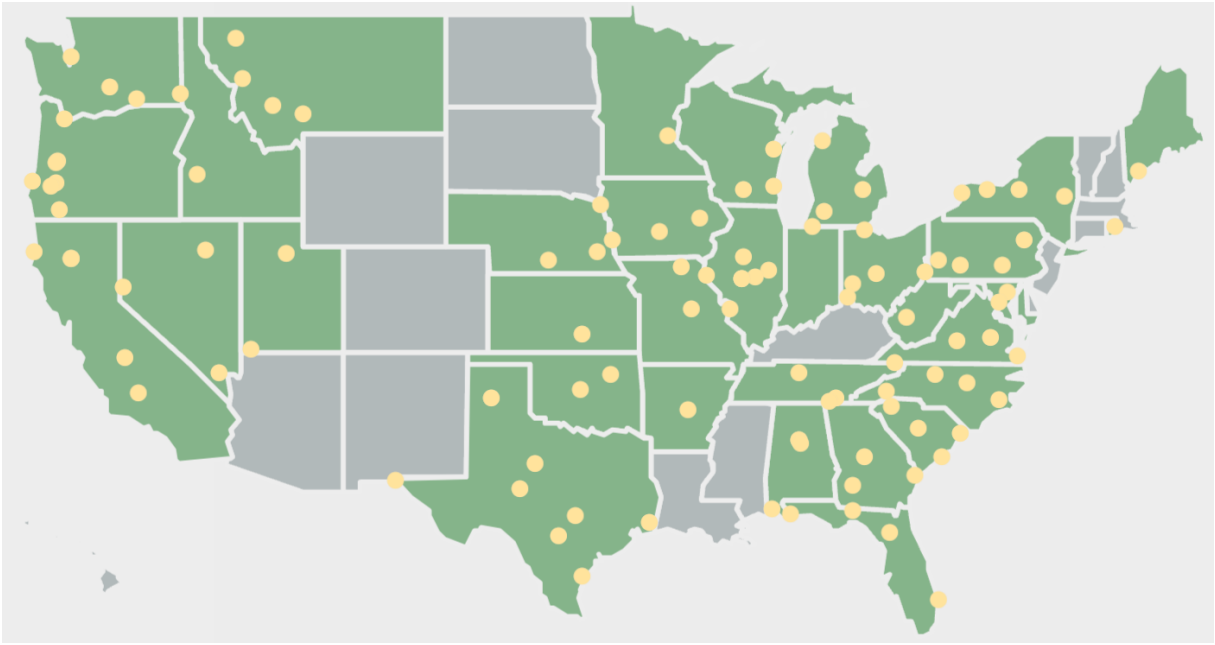
Figures

Figure B.1: Real Consumption of Durable and Nondurable Goods



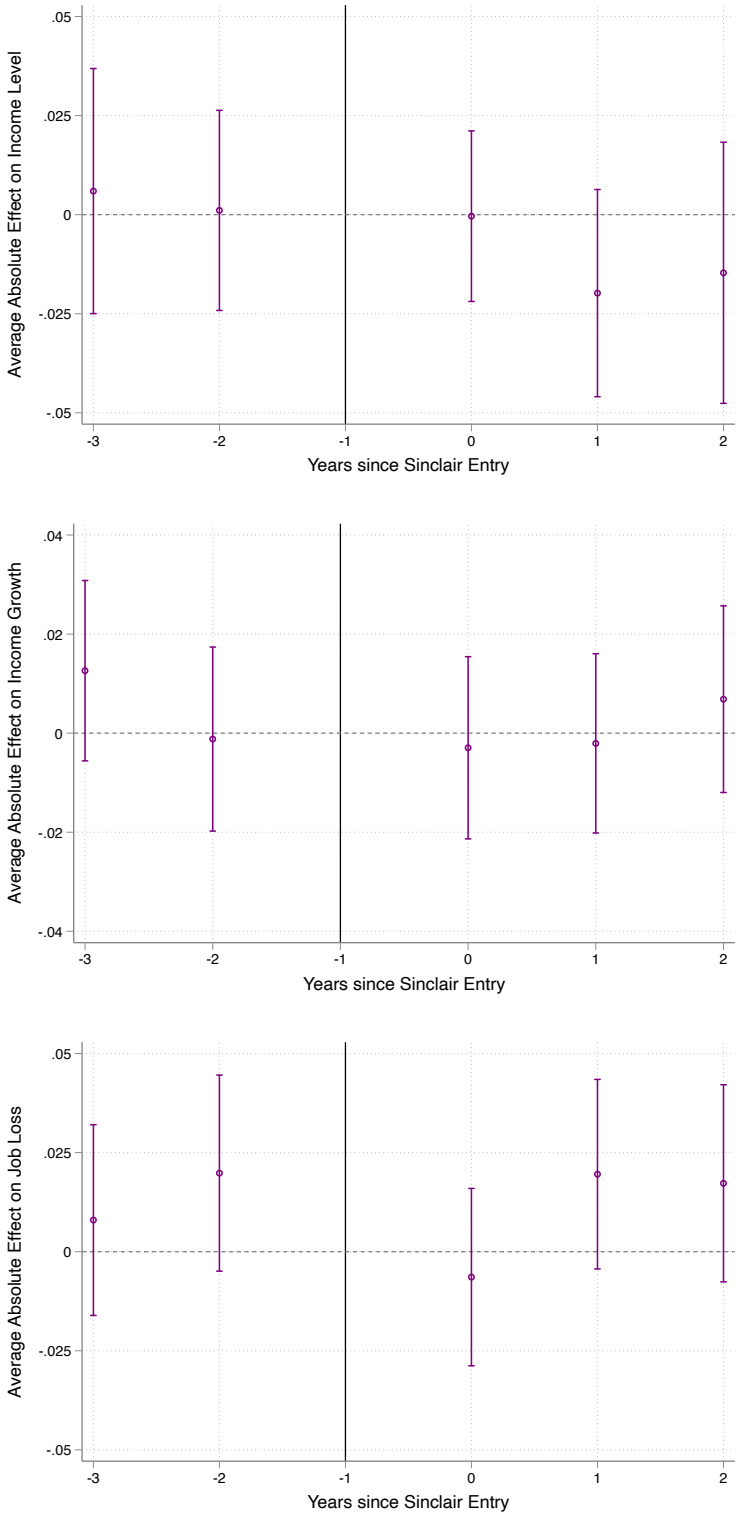
Source: U.S. Bureau of Economic Analysis. Index 2017=100, quarterly, seasonally adjusted.

Figure B.2: Sinclair's Presence in the U.S. Markets



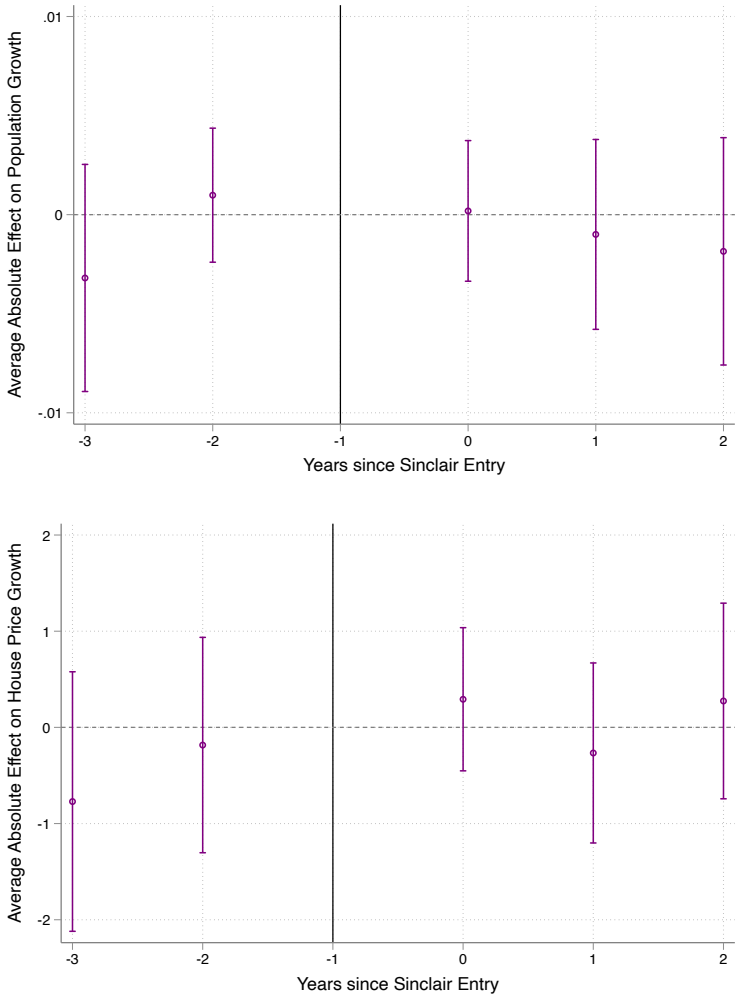
Source: Company websites. Dots represent TV stations owned or operated by Sinclair. Green colors show the presence of Sinclair in those markets.

Figure B.3: Sinclair Entry and Household Economic Situations



The figure plots the effect of Sinclair entry on household income and employment status. All regressions include cohort-by-household and cohort-by-year fixed effects. Vertical lines represent 95% confidence intervals. Standard errors are clustered at the county level.

Figure B.4: Sinclair Entry and Local Economic Situations



The figure plots the effect of Sinclair entry on county population growth and zip code housing price growth. All regressions include cohort-by-county and cohort-by-year fixed effects. Vertical lines represent 95% confidence intervals. Standard errors are clustered at the county level.

Tables

Table B.1: Sample Distribution by Elections

Election	Year	*%Republican*		*Aligned*		N	%N
		Mean	SD	Mean	SD		
2004	2004-2006	0.581	0.239	0.646	0.478	60,915	10.53%
2008	2007-2010	0.506	0.215	0.513	0.500	120,426	20.81%
2012	2011-2014	0.527	0.234	0.450	0.498	112,543	19.45%
2016	2015-2018	0.457	0.241	0.506	0.500	129,823	22.43%
2020	2019-2022	0.558	0.233	0.493	0.500	155,031	26.79%
Total		0.520	0.245	0.508	0.500	578,738	100.00%

This table reports the distribution of the consistent-party sample across elections. *%Republican* represents the share of donors in the household's zip code who contribute to the Republican party. *Aligned* is an indicator equal to one if the household resides in a zip code where the majority donors contribute to the winning party, and zero otherwise.

Table B.2: Survey-based Partisan Beliefs

Dep. Var.:	(1) Consumer Sentiment	(2) Economic Condition	(3) Consumer Expectation	(4) Business Conditions	(5) Unemployment Expectation	(6) Inflation Expectation	(7) Income Expectation
Aligned	0.538***	0.427***	0.837***	0.573***	-0.240***	-1.863***	0.008**
	(0.007)	(0.012)	(0.010)	(0.006)	(0.003)	(0.053)	(0.004)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Region × Month FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	55,939	55,939	55,939	54,797	55,510	52,145	55,710
Adjusted R^2	0.221	0.151	0.189	0.184	0.185	0.106	0.092

This table reports the results for regressing the UMSOC survey outputs on individual political alignment. *Aligned* is equal to one if the individual is affiliated with or leans towards the current president, and zero otherwise. In the first three columns, the dependent variables are the log of the Index of Consumer Sentiment, log of the Current Economic Conditions, and log of the Index of Consumer Expectations. Business Conditions is the response to the question *"Now turning to business conditions in the country as a whole–do you think that during the next 12 months we'll have good times financially, or bad times, or what?"* 1 = worse, 5 = better. Unemployment Expectation is the response to the question *"How about people out of work during the coming 12 months – do you think that there will be more unemployment than now, about the same, or less?"* 1 = more, 0 = same, −1 = less. Inflation Expectation is the price expectations for next 12 months recoded. Income Expectation is the response to the question *"During the next 12 months, do you expect your income to be higher or lower than during the past year?"* 1 = higher, 0 = same, −1 = lower. Responses are weighted by sampling weights. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table B.3: Organic Alcohol Consumption: Shift in Preference

Dep. Var.: *Log(Organic Share)*	(1)	(2)
Aligned	0.025***	0.045*
	(0.007)	(0.023)
Controls	Yes	Yes
Household FE	Yes	Yes
County × Year FE	Yes	Yes
Income × Year FE	Yes	Yes
Occupation × Year FE	Yes	Yes
Household Weights		Yes
Observations	73,387	73,387
Adjusted R^2	0.501	0.563

This table reports the association between political alignment and alcohol consumption preference. *Log(Organic Share)* is the log of percentage of organic alcohol spending relative to all alcohol spending. See Appendix A for variable definitions. Robust standard errors are clustered at the household level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table B.4: Sample Distribution by Classification Status

	N	Total Weight	%N	%Weight
Consistent-party Households	578,738	1,264,382,220	52.96%	55.37%
Switching-party Households	255,770	485,180,261	23.40%	21.25%
Cross-party Movers	63,346	124,875,465	5.80%	5.47%
Unidentified Households	194,960	409,239,705	17.84%	17.92%
Total	1,092,814	2,283,677,651	100.00%	100.00%

This table reports the sample distribution by household classification status. Consistent-party households are those residing in or moving within zip codes with a stable one-party majority based on campaign donation. Switching-party households refer to households residing in zip codes that switched party-majority over time. Cross-party movers indicate households moving across zip codes with differing party majorities. Unidentified households include those residing in zip codes with either no donors or fewer than 10 donors in an election cycle.

Table B.5: Including Households with Undetermined Political Leanings

	Treated as Independents		Treated as Leaners		Treated as Switchers	
Dep. Var.: *Log(Spending)*	(1)	(2)	(3)	(4)	(5)	(6)
Panel A. Including Households Moving Across Partisan Zip Codes						
Aligned	0.014***	0.011***	0.011***	0.009***	0.010***	0.008***
	(0.003)	(0.002)	(0.002)	(0.001)	(0.002)	(0.003)
Republican					0.002	-0.002
					(0.004)	(0.007)
Panel B. Further Including Households Residing in Swing Zip Codes						
Aligned	0.009***	0.007***	0.008***	0.006**	0.006	0.003
	(0.003)	(0.002)	(0.002)	(0.003)	(0.004)	(0.002)
Republican					0.013	0.007
					(0.009)	(0.006)
Panel C. Further Including Unidentified Households (Full Sample)						
Aligned	0.008***	0.006***				
	(0.002)	(0.002)				
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Household FE	Yes	Yes	Yes	Yes	Yes	Yes
County × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Income × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Occupation × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Household Weights	Yes		Yes		Yes	

This table reports the estimation results of Equation (1) using an augmented sample. The baseline analysis includes only households residing in or moving within zip codes with a stable one-party majority. Panel A adds households that move across zip codes with differing party majorities. Panel B further includes households residing in zip codes that switched party majority over time. Panel C expands the sample to include households residing in zip codes with fewer than 10 donors per election cycle, thus covering all households surveyed by NielsenIQ. In all panels, Columns (1)-(2) treat households with undetermined party affiliations as independents and assign *Aligned* equal to zero for them. In Columns (3)-(4), the household's political affiliation is determined by the majority party of the zip code in which they have resided in for the longest duration. For example, if a household lived in Republican-leaning zip codes for ten years and Democratic-leaning zip codes for two years, they are classified as leaning Republican. Columns (5)-(6) assign political leaning based on the dominant party to which donors in the household's zip code contribute. Regressions in Columns (5)-(6) include the dummy variable *Republican*, as household political leanings cannot be fully absorbed by household fixed effects. Other controls, fixed effects, and weights are the same as in Equation (1). See Appendix A for variable definitions. Robust standard errors are clustered at the household level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table B.6: Alternative Specification

Dep. Var.: *Log(Spending)*	(1)	(2)	(3)	(4)	(5)	(6)
Aligned	0.015***	0.012***	0.015***	0.012***	0.014***	0.011***
	(0.004)	(0.003)	(0.003)	(0.002)	(0.004)	(0.002)
Controls	Yes	Yes	Yes	Yes		
Household FE	Yes	Yes	Yes	Yes	Yes	Yes
County × Year FE	Yes	Yes			Yes	Yes
Income × Year FE	Yes	Yes			Yes	Yes
Occupation × Year FE	Yes	Yes			Yes	Yes
Household Weights	Yes		Yes		Yes	
County × Income × Year FE			Yes	Yes		
County × Occupation × Year FE			Yes	Yes		
Granular × Year FE					Yes	Yes
Cluster	County	County	HH	HH	HH	HH
Observations	485,843	485,843	519,978	519,675	485,843	485,843
Adjusted R^2	0.820	0.796	0.813	0.818	0.820	0.796

This table replicates the baseline regression using alternative specifications. In Columns (1) and (2), robust standard errors are clustered at the county level to account for potential within-county correlations. Columns (3) and (4) introduce interactions between income-by-year and occupation-by-year fixed effects with county. In Columns (5) and (6), I replace individual control variables with their corresponding control-by-year fixed effects (e.g., family size-by-year), referred to as granular-by-year fixed effects. See Appendix A for variable definitions. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table B.7: Placebo Tests

Dep. Var.: *Log(Spending)*	(1)	(2)	(3)	(4)
Panel A. Randomly Assign Households to Parties				
Aligned	0.000	0.000	0.000	-0.000
	(0.001)	(0.001)	(0.001)	(0.001)
Observations	515,246	515,246	481,456	481,456
Adjusted R^2	0.816	0.788	0.819	0.790
Panel B. Randomly Assign Households to Zip Codes				
Aligned	0.000	0.000	0.001	0.001
	(0.001)	(0.001)	(0.001)	(0.001)
Observations	515,246	515,246	481,456	481,456
Adjusted R^2	0.816	0.788	0.820	0.791
Household FE	Yes	Yes	Yes	Yes
County × Year FE	Yes	Yes	Yes	Yes
Income × Year FE	Yes	Yes	Yes	Yes
Occupation × Year FE	Yes	Yes	Yes	Yes
Household Weights	Yes		Yes	
Controls			Yes	Yes

This table reports results from placebo tests. Panel A randomly assigns households to either the Republican or Democratic party. Panel B randomly assigns households to zip codes within the same county, using the assigned zip code to infer household political leaning. *Aligned* represents the political alignment of the randomly assigned households. Other controls and fixed effects are the same as in Equation (1). See Appendix A for variable definitions. Robust standard errors are clustered at the household level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table B.8: Addressing Urban-rural Differences

Dep. Var.: *Log(Spending)*	(1)	(2)	(3)	(4)
Aligned	0.011***	0.012***	0.015***	0.016***
	(0.002)	(0.002)	(0.003)	(0.003)
Household FE	Yes	Yes	Yes	Yes
County × Urban × Year FE	Yes	Yes	Yes	Yes
Income × Year FE	Yes	Yes	Yes	Yes
Occupation × Year FE	Yes	Yes	Yes	Yes
Controls		Yes		Yes
Household Weights			Yes	Yes
Observations	516,046	450,230	516,046	450,230
Adjusted R^2	0.793	0.794	0.822	0.826

This table reports baseline estimation results by substituting county-by-year fixed effects with county-by-urban-by-year fixed effects. Other controls and fixed effects are the same as in Equation (1). See Appendix A for variable definitions. Robust standard errors are clustered at the household level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table B.9: Excluding Moving Households

Dep. Var.: *Log(Spending)*	(1)	(2)	(3)	(4)	(5)
Aligned	0.008***	0.013***	0.012***	0.012***	0.008***
	(0.002)	(0.004)	(0.004)	(0.004)	(0.003)
Household FE	Yes	Yes	Yes	Yes	Yes
County × Year FE		Yes	Yes	Yes	Yes
Income × Year FE			Yes	Yes	Yes
Occupation × Year FE			Yes	Yes	Yes
Controls				Yes	Yes
Household Weights	Yes	Yes	Yes	Yes	
Observations	407,674	401,885	401,745	401,571	401,571
Adjusted R^2	0.809	0.829	0.832	0.835	0.806

This table illustrates the robustness of the baseline results when excluding all households that have ever relocated during the sample period, defined as moving out of the zip code. Other controls and fixed effects are the same as in Equation (1). See Appendix A for variable definitions. Robust standard errors are clustered at the household level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table B.10: Political Alignment and Credit Card Usage

	(1)	(2)	(3)	(4)
Dep. Var.:	*#Credit Card*		*%Card Payment*	
Aligned	0.004	0.000	0.000	0.001
	(0.006)	(0.010)	(0.002)	(0.002)
Controls	Yes	Yes	Yes	Yes
Household FE	Yes	Yes	Yes	Yes
County × Year FE	Yes	Yes	Yes	Yes
Income × Year FE	Yes	Yes	Yes	Yes
Occupation × Year FE	Yes	Yes	Yes	Yes
Household Weights		Yes		Yes
Observations	265,432	265,432	265,432	265,432
Adjusted R^2	0.693	0.710	0.809	0.839

This table reports the relationship between political alignment and credit card usage. *#Credit Card* is the number of credit card categories, and *%Card Payment* is the share of credit card payment to annual total payment. Household credit card information is available from 2013, so we have a smaller sample size. See Appendix A for variable definitions. Robust standard errors are clustered at the household level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.