Does Partisanship Affect Household Consumption?*

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Abstract

This paper examines how partisan beliefs shape household consumption. Leveraging detailed household purchase data, I find that households politically aligned with the current U.S. president spend more than their misaligned counterparts. They also buy more non-essential, higher-quality goods. This gap is not driven by household fundamentals or supply-side factors but instead reflects optimism linked to political alignment. The partisan consumption effect is more pronounced among politically extreme households and during periods of heightened polarization. To establish causality, I use the staggered entry of right-wing media as a shock to political attitudes. Exposure to this media shifts local political beliefs in a pro-Republican direction, increasing optimism and spending under Republican presidencies while reducing both under Democratic ones. Political alignment also correlates with lower savings, suggesting that aligned households, driven by optimism, reduce precautionary savings to support higher current spending. These findings highlight the role of political factors in shaping economic and financial behavior.

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1 Introduction

Over recent decades, political polarization in the United States has intensified to unprecedented levels, extending well beyond voting behavior to influence how individuals perceive the economy. Republicans and Democrats often interpret economic conditions through sharply contrasting lenses, with those aligned with the sitting president's party expressing significantly greater optimism than their counterparts in the opposing party.[1] This divergence raises a critical question: does partisan-driven optimism translate into tangible economic behaviors, such as household consumption? As households play a central role in financial markets-through their consumption, savings, and borrowing decisions-they ultimately shape both macroeconomic outcomes and asset prices.[2] Understanding how partisanship influences household consumption offers valuable insights into the broader dynamics of household finance in an era of heightened political polarization.

The theoretical relationship between partisanship and consumption is far from straightforward. One possibility is that political attitudes have no meaningful impact on household spending, as economic fundamentals-such as productivity and labor market conditions-are the primary drivers of consumption. In this view, partisan sentiment merely reflects "political cheerleading," serving as a way for individuals to express partisan identities without altering their actual economic behaviors (McGrath, 2017; Mian et al., 2023). Alternatively, partisan optimism could influence consumption in different ways. According to the life-cycle hypothesis (Friedman, 1957), optimism about permanent income might encourage households to smooth consumption by increasing current spending. Conversely, optimism about broader macroeconomic conditions could lead households to prioritize investment opportunities (Meeuwis et al., 2022), potentially leaving consumption unchanged or even reduced. The ambiguity in theoretical predictions calls for an empirical investigation to determine whether and how political attitudes affect household consumption. Yet, establishing causal-

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

[2] See, for example, Campbell (2006); Gomes et al. (2021).

ity presents significant challenges, particularly in isolating the effects of partisan beliefs from concurrent shifts in household fundamentals that may arise under different political administrations.

This paper investigates how partisanship affects household consumption using detailed household-level purchase and demographic data from the NielsenIQ Consumer Panel. To address identification challenges, I employ two complementary approaches. The first approach uses presidential party changes as shocks to political beliefs, which I refer to as the *presidential election setting*. The second leverages the staggered, quasi-random entry of a right-wing media outlet into local markets as shocks to political beliefs, which I refer to as the *partisan media setting*.

In the presidential election setting, my specification tracks the spending patterns of households with consistent inferred political leanings[3] and examines how party-switching elections affect their consumption. This approach employs a rich set of fixed effects, including county-by-time, household income-by-time, and household occupation-by-time, to account for local economic conditions, tax policy effects, and sector-specific shocks across different political regimes. It also incorporates controls for zip-code-level and other household characteristics, under the assumption that households residing in different zip codes within the same county, earning similar incomes, and working in the same industry during the same period should exhibit comparable spending trends when conditional on these controls.

The baseline finding is that households politically aligned with the current president spend significantly more than their otherwise similar, politically misaligned counterparts. The most stringent weighted estimate reveals a 1.5% partisan gap in annual total spending. This difference is economically meaningful given that the NielsenIQ data primarily captures nondurable goods consumption. For context, personal expenditures on nondurable goods declined by approximately 3% during both the Great Recession and the Covid-19 pandemic.

[3]Household political leaning is inferred from zip-code-level campaign donation data. A household is classified as aligned (misaligned) if the majority of individuals in its zip code donated to the winning (losing) party in the most recent presidential election. The results are robust to alternative political leaning measures based on voting or voter registration data.

This implies that misaligned households exhibit spending behavior akin to experiencing a mild recession.

The partisan effect is unlikely driven by a shift in the composition of durable versus nondurable consumption, such as an increase in nondurables offset by a decline in durables. While the NielsenIQ dataset primarily captures nondurable goods, it also includes certain durable categories like appliances, electronics, and furniture. A disaggregation of total spending into subcategories reveals that the partisan effect exists across all categories, including both nondurable and durable goods. It is important that the effect also extends to durable consumption, as it would imply broader implications for other durables, such as car purchases, that are not covered by the NielsenIQ dataset.

Beyond long-term average effects, examining short-term spending patterns with finer frequency around presidential elections provides insight into the timing and persistence of these behaviors. Event studies of party-switching elections consistently show that households increase weekly spending following a favorable election outcome compared to those whose preferred party lost. This effect persists for over a year, particularly for less anticipated election results, and gradually diminishes over time, indicating slow belief updating.

Along with examining consumption levels, I analyze consumption quality to determine whether changes in spending are driven by differences in "quantity" or "price." Specifically, I find that politically aligned households upgrade their consumption quality when their preferred party is in power. These households reduce purchases of private-label goods, spend less in discount stores, and rely less on promotional deals, relative to misaligned households. Instead, they spend more on luxury goods, visit more stores, and purchase a broader variety of products. These behaviors indicate a shift toward higher-end and brand-name goods, accompanied by a decreased reliance on bargains. This suggests that political alignment affects not only the amount households spend but also the nature of their consumption, reflecting shifts in consumer confidence.

To uncover the underlying economic mechanism, I present evidence supporting the hy-

pothesis that partisanship influences consumption through shaping economic optimism. First, an analysis of the Michigan Survey of Consumers shows that politically aligned individuals consistently express more optimistic expectations about future income, job stability, and overall economic conditions. Second, I explore cross-sectional variations in political extremism. Consistent with the idea that education mitigates perceptual bias, I find that the partisan consumption effect is weaker among college graduates. Moreover, politically isolated individuals, who tend to reside in ideologically homogeneous areas (Mummolo and Nall, 2017), exhibit stronger partisan consumption effects, reflecting their extreme beliefs. Third, I investigate time-series variations associated with political polarization in government. Periods of heightened partisan conflict or legislative gridlock amplify public discourse on partisan issues, reinforcing individual beliefs (Azzimonti, 2014). I find that the partisan consumption gap widens during such periods, suggesting that intensified partisan rhetoric exacerbates belief-driven differences in spending behavior. Finally, I find that zip codes with higher proportions of politically aligned individuals exhibit lower bank deposit volumes. This suggests that political alignment, by fostering optimism about economic situations, leads to a reduction in precautionary savings, thereby supporting higher immediate consumption.

In addition to the presidential election setting, I consider the partisan media setting, which leverages the staggered entry of Sinclair Broadcast Group, a conservative media giant, into local TV markets as a plausibly exogenous shock to local political attitudes. Sinclair expands into media markets through the acquisition of other broadcast companies. For a specific market, this entry is plausibly exogenous because the acquired companies typically operate across multiple markets, leading to bundled entries. Moreover, the timing of these acquisitions is uncertain, as it depends on decisions made not only by Sinclair but also by sellers and regulators. Empirical studies show that Sinclair's market entries are largely idiosyncratic conditional on regional characteristics (Dyer et al., 2024). Notably, Sinclair's entry has been shown to shift local political attitudes in a pro-Republican direction (Levendusky, 2022; Miho, 2022; Pan et al., 2023).

As a first stage, I validate these findings using the Gallup US Tracking Poll. The results show that Sinclair's entry increases the likelihood of residents identifying as Republican-leaning and lowers local approval rates of President Obama. Moreover, Sinclair's entry heightens local economic optimism during Republican presidencies and dampens it during Democratic ones, as shown using a dynamic stacked difference-in-differences (DID) design. Importantly, there are no significant pre-trends in political attitudes or economic beliefs, alleviating concerns that Sinclair targets regions already shifting to the right. This alternative setting mitigates several concerns present in the presidential election setting: it avoids the confounding effects of concurrent major policy changes and does not rely on measuring household political leanings, as the treatment induces a collective rightward shift in local political attitudes.

Building on these first-stage results, I analyze the effects of Sinclair's entry on consumption using the NielsenIQ Consumer Panel as the primary dataset. The results indicate that Sinclair's entry increases household consumption during Republican presidencies but reduces it during Democratic ones. Crucially, there are no significant pre-trends in consumption, mitigating concerns about selection bias. Furthermore, I find no evidence of concurrent changes in local or household economic conditions that may potentially affect consumption. These findings complement the presidential election setting, providing additional evidence that political beliefs shape consumption behavior. They also underscore the influential role of partisan media in shaping economic beliefs and driving partisan consumption patterns.

In both settings, there is notable heterogeneity in the partisan effect across demographic groups. Older individuals, males, Republicans, and those with lower education levels exhibit the strongest responses to both presidential changes and Sinclair's entry. This likely reflects their greater reliance on political cues to shape economic expectations and higher exposure to partisan TV content.

Extending the analysis beyond presidential elections, I examine how household partisanship influences economic optimism and consumption behavior in local election settings.

Using data on state governors, county executives, and city mayors, I find that alignment with subnational leaders affects household consumption, though the magnitude and significance of these effects are smaller compared to presidential elections. Specifically, alignment with state governors and county executives positively impacts consumption, while alignment with city mayors has no discernible effect. This disparity likely stems from the lower public attention typically afforded to mayoral elections, despite the direct influence mayors wield over policies that affect households. The muted response to mayoral alignment suggests that partisan sentiment is driven more by media coverage and political salience than by the tangible impacts of policy. This interpretation aligns with the broader finding that partisanship operates as a heuristic, shaping perceptions of economic conditions through attention-driven biases rather than a direct response to policy changes.

In the remainder of my analysis, I address potential concerns regarding the robustness of my findings. First, the observed change in consumption is not driven by supply-side factors, such as changes in pricing or local store availability. I show that even within the same stores, aligned households still spend significantly more than their otherwise similar, misaligned counterparts, suggesting that the consumption gap is demand-driven. Second, the change in consumption is not attributable to shifts in household fundamentals over time. When comparing households within the same county, income group, and industry, I find no evidence that aligned households experience higher realized income growth, reduced employment uncertainty, or other dynamic changes compared to their misaligned counterparts. The baseline effect remains robust even after controlling for expected changes using realized outcomes during presidential terms. Third, I rule out other potential explanations, including urban-rural disparities, differential access to financial services, and changes in investment income. Finally, the results are robust to alternative measures of political alignment, various subsamples, and alternative specifications.

Overall, my findings enhance our understanding of the intersection between politics and household finance in a polarized society. By examining government elections and partisan

media, this research highlights how politically driven economic optimism shapes household spending and savings behaviors. The implications extend to policymakers, businesses, and financial institutions: policymakers must account for the impact of political polarization on economic stability, businesses should incorporate political sentiment into demand forecasting, and financial institutions need to consider belief-driven behaviors when assessing household financial health.

1.1 Related Literature

This paper contributes to several key strands of literature. First, it adds to the growing research on partisanship and consumption. While prior studies using survey data have established that political alignment influences consumer optimism and purchase intentions (Bartels, 2002; Ladner and Wlezien, 2007; Benhabib and Spiegel, 2019; Alesina et al., 2020; Bursztyn et al., 2023; Mian et al., 2023; Kamdar and Ray, 2023; Sandoval and Walsh, 2024), my paper differs in its focus on actual household spending data. Previous studies analyzing actual consumption data have yielded mixed results. For instance, Gillitzer and Prasad (2018) find that winning voters in Australia increase automobile purchases. They address confounding factors by controlling for postcode-level economic and demographic characteristics. In contrast, my study focuses on the U.S., and I employ granular data and high-dimensional fixed effects to directly account for policy changes that differentially affect household fundamentals. In the U.S. context, studies generally find no partisan effect on consumption (Gerber and Huber, 2009; McGrath, 2017; Mian et al., 2023). 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) examine auto purchases and credit card spending at the county and zip code levels around elections, also finding no effect of partisan affiliation on consumption. My

findings differ from theirs by showing significant partisan consumption effects, possibly due to my use of different consumption data and more recent sample period. By leveraging detailed household-level data and improved identification strategies, this paper provides a more precise estimate of how partisan beliefs influence spending.

A contemporaneous study by Kamdar and Ray (2023) also uses NielsenIQ data to analyze consumption responses to the 2016 and 2020 elections, finding mixed results regarding the partisan effect. My study, however, examines three distinct shocks to political attitudes: presidential elections, local elections, and the entry of right-wing media, whereas Kamdar and Ray (2023) focuses solely on presidential elections. The local election setting helps distinguish whether partisan sentiment is driven by policy or attention, while the partisan media setting benefits from the absence of concurrent policy changes and independence from precise measures of household political leanings. Crucially, I find a robust and consistent partisan effect across all these settings. Moreover, within the presidential election setting, my study introduces several key advancements in both empirical design and findings: (1) I employ more rigorous controls to isolate partisan beliefs from fundamental changes, such as tax cuts affecting disposable income; (2) I analyze actual changes in income and savings to rule out explanations related to household fundamentals; (3) I control for supply-side factors by holding store-level supply constant; (4) I establish the partisan belief channel through cross-sectional tests and survey-based expectations, whereas Kamdar and Ray (2023) rely solely on the latter; (5) I disaggregate spending into subcategories to explore shifts in consumption composition, including changes in brand preferences and luxury consumption, in addition to overall spending levels; and (6) my sample spans five presidential elections, revealing consistent effects across election subsamples.

This study thus speaks to the real consequences of political polarization. Recent research demonstrates that partisanship influences individuals' portfolio choices (Bonaparte et al., 2017; Meeuwis et al., 2022; Pan et al., 2023; Goldman et al., 2024), entrepreneurship and innovation (Engelberg et al., 2022, 2023b), residential decisions (Brown et al., 2022;

McCartney et al., 2024), and risk perceptions (Barrios and Hochberg, 2021; Bernstein et al., 2022). Partisanship is also shown to affect sophisticated financial professionals, such as credit rating analysts (Kempf and Tsoutsoura, 2021), loan officers (Dagostino et al., 2023), firm executives (Lee et al., 2014; Fos et al., 2022; Cassidy and Kempf, 2022; Stuart et al., 2024), mutual fund managers (Wintoki and Xi, 2020; Cassidy and Vorsatz, 2021), and regulators (Engelberg et al., 2023a). My findings align with this literature by showing that political attitudes significantly affect household consumption and savings decisions. Given how fundamental household consumption is for business and economic growth, the results of this study suggest that future research on the broader outcomes of partisanship should carefully account for its influence on consumer demand.

Finally, this paper relates to the determinants of household consumption, a well-explored area in economic research. Traditional theories emphasize factors such as income, wealth, credit availability, and interest rates as primary drivers of consumption decisions (Friedman, 1957; Modigliani, 1966; Carroll and Kimball, 1996; Mian et al., 2013). More recently, studies have highlighted the role of psychological and behavioral factors, including consumer confidence, expectations, and social influences (Carroll et al., 1994; Moretti, 2011; Makridis, 2022). This paper extends the literature by demonstrating how political attitudes and partisan media influence consumption and savings decisions through economic optimism, adding to our understanding of non-fundamental factors driving household economic decisions.

The rest of the paper proceeds as follows. Section 2 describes the data and sample used in the analysis. Section 3 outlines the empirical methodology and presents the main findings on the impact of political alignment on household consumption. Section 4 investigates the economic mechanisms underlying the partisan consumption gap and examines its implications for household savings. Section 5 analyzes the effect of shifts in political attitudes, driven by partisan media exposure, on consumption. Section 6 addresses alternative explanations and assesses the robustness of the results. 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, available since 2004, tracks detailed purchasing behaviors and demographic characteristics of approximately 60,000 active households across the U.S. The surveyed households are nationally representative.

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 approach ensures greater accuracy compared to other self-reported consumption data. Second, the dataset includes comprehensive demographic information for each household, such as household size, age, employment, education, marital status, and the presence and age of children. Importantly, it also provides information on annual household income and occupation, allowing me to control for potential confounding policies that disproportionately affect specific income and employment groups and thus better isolate the effect of partisanship. This is the key empirical challenge facing previous studies relying on aggregate data. Third, it includes 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 its component bundles. Finally, the spending data is recorded at a daily frequency. Such high-frequency data allows for a detailed analysis of consump-

tion 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.[4]

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.

I collect individual campaign donations to the Republican or Democratic party, or their respective presidential nominees, from the FEC for each election cycle. Specifically, 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. In addition to the binary measure, I define the zip code bi-party Republican share as

$$\%Republican = \frac{\#Indiv.\ contrib.\ to\ Rep.}{\#Indiv.\ contrib.\ to\ Rep.\ +\ \#Indiv.\ contrib.\ to\ Dem.}$$

Next, I match this zip code measure to households over a four-year cycle, from $t-1$

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

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 6.2.1 that the results are similar when I infer political leanings from the most recent past election.

I classify a household as likely-Republican if they consistently reside in Republican-donor majority zip codes and as likely-Democratic if they only reside in Democratic-donor majority zip codes.[5] To reduce potential endogeneity, I restrict the sample to households that have never switched party affiliation, as party switching may reflect underlying personal or economic conditions that confound the analysis. Furthermore, since swing zip codes often have narrow margins, including households from these areas may exacerbate measurement errors. I discuss alternative classifications of these "undetermined" households and incorporate them into robustness checks in Section 6.2.3.

The primary political alignment measure defines a household as "aligned" in a given year if their inferred political leaning matches that of the sitting U.S. president; otherwise, they are classified as "misaligned." In Section 6.2.1, I discuss potential measurement errors with this donation-based approach 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.

[5] Movers are included as long as their new zip codes share the same party majority.

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.[6] Finally, I integrate zip code characteristics into the household data.

The final sample consists of a panel of 578,738 household-year observations, including 88,560 unique households residing in 50 states, 2,993 counties, and 11,516 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

[6] I discuss the robustness with including those switchers in Appendix 6.2.3.

Republicans (Democrats), with darker shades indicating a higher proportion of Republican (Democrat) households. The geographical pattern of partisan households closely mirrors major U.S. election maps.[7]

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.[8] 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.[9]

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

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

[9] 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 alignment with the president 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, $Aligned_{z,t}$, is the inferred household political alignment during year t. The primary measure used in my analysis is an indicator variable representing whether the majority of donors in household's zip code z donate to the winning party during the closest presidential election cycle.

To control for potential confounding factors, I incorporate a series of high-dimensional fixed effects and additional controls to isolate the effect of partisan beliefs on household consumption. First, I include household fixed effects (α_h) to remove time-invariant, intrinsic heterogeneity across households. This approach tracks the spending within households over time and identifies the effect of political alignment around party-switching elections. However, elections may influence consumption not only through beliefs but also via other channels, such as changes in local economies, tax reforms, or industry policies. To address these, I incorporate county-by-year fixed effects ($\theta_{c,t}$) to control for time-varying local economic conditions, market supply, and information environments at the county level. Moreover, I introduce 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 occupations categorized into 13 categories (including the unemployed) as defined by NielsenIQ. Together, these fixed effects ensure that comparisons are made between aligned and misaligned households living in the same county, with similar income levels and employment profiles, and during the same period. Any observed differences in consumption cannot be attributed to these confounding factors.

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, the 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 correlations within households. Results remain robust when clustering standard errors at the zip-code or county level. The key parameter of interest is the coefficient, denoted as β, on the political alignment measure, which quantifies the effect of alignment on household consumption.

3.1.1 Partisan Household Fundamentals

A key challenge in studying the effect of partisan beliefs on household behavior is isolating changes in a household's economic situation when their preferred party is in power (Kempf and Tsoutsoura, 2024). This is important because political alignment could potentially correlate with household characteristics such as income, employment stability, or housing wealth, which, in turn, directly influence consumption. If aligned households systematically experience higher income or lower economic uncertainty when their preferred party governs, these changes could confound my estimate of the partisan consumption effect, making it difficult to disentangle the role of partisan beliefs from underlying economic fundamentals.

To address this, 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. These findings might imply that aligned households are economically better off than misaligned ones.

However, in Panel B, where I further impose county-by-year fixed effects, these apparent differences become both statistically and economically insignificant. This indicates that the correlations observed in Panel A are likely driven by local economic factors and variations in income or industry-specific trends, rather than political alignment itself. After accounting for granular, time-varying local, income, and occupation controls, I find no significant evidence that aligned households experience greater income, job security, or other economic advantages compared to misaligned households within the same group.

These findings emphasize the importance of geographic and demographic granularity when examining partisan household behavior. By showing that aligned and misaligned households do not differ significantly in economic fundamentals with my empirical design, I rule out confounding factors and strengthen the causal interpretation of my results.

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 6.2.1. 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 3.2.4.

3.2.2 Effect by Spending Categories

Since the NielsenIQ data primarily captures nondurable goods consumption, one potential concern is that the baseline effect may simply reflect a shift in the composition of consumption. For instance, aligned households might spend more on nondurables because they reduce their spending on durables. Given that durable goods consumption often reflects expectations about future economic conditions, it is critical to investigate whether the partisan consumption effect is specific to nondurables or generalizes across categories.

To address this, I decompose total spending into subcategories and estimate the partisan consumption effect within each NielsenIQ spending category. Figure 3 presents the results, 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. The strongest effects are observed in nondurable categories such as meat and dairy, where spending adjustments can occur more quickly. Importantly, the partisan effect also holds for durable categories like appliances and furniture (included under general merchandise), indicating that the effect is not confined to nondurables.

Although the analysis does not indicate a significant overall increase in alcohol spending, an interesting pattern emerges: aligned households consume less alcohol in quantity but show a preference for certified organic alternatives. Table B.2 highlights that the share of organic alcohol consumption increases by 4.5% among aligned households. This shift may reflect broader health-conscious behaviors or a preference for higher-quality products among politically aligned households.

3.2.3 Heterogeneity Across Households

Moreover, I investigate how household demographics influence partisan consumption effects by interacting the alignment measure with indicator variables for various demographic categories. These interactions help uncover patterns of heterogeneity in partisan behavior and

provide insights into how different groups respond to political alignment.

To identify the primary shopper within each household, I utilize demographic information provided by NielsenIQ, including age, gender, and education of both household heads. For single-head households, the primary shopper is defined as the head. For two-headed households, the primary shopper is identified as the head who is unemployed or employed fewer hours. This distinction ensures that the analysis focuses on the individual most likely making day-to-day purchasing decisions.

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 Xs (born between 1965 and 1980) show a similar effect, while Baby Boomers (born before 1965) exhibit the largest effect, with an additional 1% relative to the base group. This generational gradient may reflect stronger political engagement among older cohorts, who might perceive political shifts as having a greater impact on their financial outlooks.

Column (2) explores gender differences. The reference group is female shoppers, who exhibit a 1.2% effect. Male shoppers, by contrast, show a 0.6% larger effect, although this difference is not statistically significant. This pattern aligns with anecdotal evidence suggesting that men may be more politically active or responsive to political events, potentially influencing their spending behavior.

Column (3) examines the role of education. Households with a primary shopper without a college degree exhibit 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 less-educated consumers may rely more heavily on political cues when forming economic expectations, amplifying their behavioral response to political alignment.

In Column (4), the results reveal that the partisan consumption effect is weaker among

households with a white primary shopper. This suggests that racial identity may intersect with political alignment in shaping economic behavior, although the specific mechanisms driving these differences warrant further investigation.

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. However, this does not necessarily imply that middle-income households are inherently more responsive to political alignment. One potential explanation is that within certain income thresholds, consumption changes due to shifts in beliefs grow with income as budget constraints loosen. In contrast, for higher-income households, changes in expectations may manifest more in investment decisions rather than adjustments in daily purchases, which are the focus of the NielsenIQ categories. As a result, the partisan effect on consumption diminishes at the upper end of the income distribution.

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, although the difference is statistically insignificant. This may suggest that Republicans are slightly more reactive to political shifts, potentially due to differences in how partisan groups perceive economic policies or outcomes.

These results underscore the significant heterogeneity in partisan consumption across different income, age, education groups, and household structures. It appears that poorer and less educated households exhibit larger partisan effects than wealthier and better educated households, consistent with reflecting mistakes rather than nonstandard preferences. A deeper exploration of the underlying mechanisms-such as differences in political engagement, economic expectations, or access to information-could further illuminate the drivers

of these disparities.

3.2.4 Event Study using Presidential Elections

To understand the dynamic effect of partisan consumption response to election shocks, I track biweekly spending by zip codes classified as Democratic or Republican one year before and after each of the five presidential elections in my sample: 2004, 2008, 2012, 2016, and 2020. High-frequency event study is crucial in my context, as it allows for precise tracking of short-term shifts in consumption behavior immediately before and after elections, capturing the timing and persistence of partisan responses.

Household purchases are aggregated to the zip code level, weighted by their sampling weights. To establish causality at the zip code level, I employ a continuous measure of 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 a 1-percentage-point higher winning party share at event time τ, measured in weeks relative to 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,[10] 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 4 reveal several interesting patterns across elections. First, the partisan consumption gap between Republican and Democratic households remains stable during the pre-election periods, supporting the parallel trends assumption. Second, in the weeks following elections, zip codes more affiliated with the winning party exhibit a significant increase in consumption relative to the opposing party. This effect typically peaks 4–8 weeks after the election, when the new president actually takes office. 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. These differences may partly reflect anticipatory effects, where partisan optimism is incorporated into pre-election behavior.

To interpret these results, note that after a Republican win, Republican households transition from being misaligned to aligned, while Democratic households experience the opposite shift. As such, the relative change in consumption is double-counted and must be halved to align with baseline estimates.

3.3 Partisan Consumption Patterns

In addition to changes in aggregate spending levels, I explore how partisanship influences household consumption patterns, focusing on potential upgrades or downgrades in consumption quality.

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

Specifically, I assess the effect of political alignment on spending across several categories. First, I examine the share of spending on generic products, defined as private label items identified using brand codes associated with UPCs. Second, I consider the share of spending at discount retailers, which includes discount stores, closeout stores, dollar stores, big-box retailers, supercenters, and club stores. Third, I analyze the share of spending utilizing coupons or deals. Fourth, I evaluate the share of spending on luxury goods, as defined by Guha and Ng (2019), which include items like fragrances and electronics. In addition to these spending categories, I examine total annual store visits and the number of distinct products purchased over the year. These categories are motivated by prior marketing literature that examines consumer behavior during economic downturns (Nevo and Wong, 2019).

Table 6 presents the results of this analysis. Politically aligned households exhibit a notable shift in their consumption patterns. They decrease their share of spending on generic products by 1.2% and reduce their expenditures at discount or big-box stores by 1.5%. Similarly, these households cut back on purchases of promotional products, with the share of spending on items purchased using coupons or deals declining by 0.3%. By contrast, politically aligned households increase their share of spending on luxury goods by 0.5%, make 1.9% more store visits, and purchase 1.2% more distinct products. These findings suggest that aligned households tend to upgrade their consumption quality, favoring higher-end products and brands while reducing their reliance on bargains and bulk-purchase retailers. This shift in spending behavior indicates a relative increase in perceived economic security and consumer confidence among aligned households. The results provide evidence of optimism-driven consumption upgrading, reflecting the broader economic and psychological effects of political alignment.

4 Economic Mechanisms

In this section, I explore the economic mechanisms driving the observed partisan consumption patterns. I propose that households with differing political ideologies hold distinct beliefs that influence their spending behavior—a mechanism I refer to as the partisan belief channel. Specifically, I hypothesize that politically aligned households tend to have more optimistic expectations about future economic conditions, prompting a more aggressive spending approach. Conversely, politically misaligned households often harbor more pessimistic outlooks, resulting in a cautious approach to spending. To test this hypothesis, I provide several lines of evidence linking political attitudes to consumption patterns and explore potential consequence on savings.

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.3, politically aligned consumers exhibit notably higher expectations regarding future national economic performance. They report significantly 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 The Effect of Household Political Extremeness

Next, I investigate whether the partisan consumption effect varies with household political extremism. Understanding this heterogeneity offers further insight into the belief channel, as more politically extreme households may exhibit stronger biases. Table 7 presents the results.

Column (1) explores the role of education, which has been shown to mitigate partisan biases. The results confirm that the partisan consumption effect is weaker among college-educated households, consistent with prior studies suggesting that higher education reduces susceptibility to individual perceptual bias.

Column (2) examines the effect of partisan geographic sorting, a phenomenon where politically extreme individuals often choose to live in areas with fewer opposing partisans (Brown and Enos, 2021). I construct a variable, *High Partisan Segregation*, which equals one if the average residential partisan segregation in a county exceeds the median for a given year. The interaction term between political alignment and *High Partisan Segregation* is positive and significant, suggesting that the partisan consumption effect is more pronounced in counties where households are less exposed to opposing views. This finding highlights the role of social context in amplifying partisan beliefs and their economic consequences.

4.3 The Effect of Political Polarization

Third, I explore whether time-series variations in political polarization influence the strength of the partisan consumption effect. Heightened polarization in government often intensifies

public discourse on partisan issues, potentially reinforcing individual biases and amplifying their economic implications.

In Table 8, Column (1) measures polarization using the ideological differences among members of Congress, as defined by Lewis et al. (2024). I construct a variable, *High Polarization in Congress*, which equals one if the ideological difference in Congress exceeds the median for a given presidential term. The interaction term between political alignment and *High Polarization in Congress* is positive and significant, indicating that the partisan consumption effect is stronger during periods of greater ideological divergence in Congress.

Column (2) assesses the impact of heightened partisan conflict using the Partisan Conflict Index (PCI), a measure of policy-related disagreements among lawmakers reported in the media (Azzimonti, 2014, 2018). I define *High Partisan Conflict* as a binary variable equal to one when the PCI exceeds the median value for a presidential term. The results show that the partisan consumption effect is more pronounced during periods of heightened partisan conflict, as reflected in mainstream media coverage.

In Column (3), I test whether the partisan consumption effect is amplified when the president's party controls both the Senate and the House. The interaction term for political alignment and unified government is insignificant, suggesting that heightened partisan consumption effects are not driven by political dominance.

4.4 Implications for Household Savings

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 9. *%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% × 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.

I further 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. 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.

5 Partisan Media and Consumption

The baseline setting investigates how changes in partisan beliefs, driven by *presidential elections*, affect household consumption. While high-dimensional fixed effects control for major confounding policies-such as tax and industry policies-that may influence consumption by affecting household income, it is impossible to account for all policy changes. In this section, I provide an alternative laboratory to assess how changes in partisan beliefs, driven by *exposure to partisan media*, affect household consumption. Specifically, I exploit the staggered entry of the conservative TV network, Sinclair Broadcast Group, into various designated media markets (DMAs) as a quasi-experiment to examine the causal impact of partisan media on consumption. Crucially, because no policy changes accompany Sinclair's entry, this provides a clean estimate of the effect of partisanship on consumption.

5.1 Sinclair Acquisitions

As of 2023, Sinclair Broadcast Group is the second-largest TV station operator in the U.S., owning or operating nearly 200 stations across approximately 90 DMAs, reaching around 40% of American households (see Figure B.2). Sinclair's acquisition strategy replaces costly local news with nationally syndicated political content shared across numerous DMAs. Notably, stations acquired by Sinclair tend to adopt a more right-leaning slant (Martin and McCrain, 2019) and broadcast content critical of Democrats and supportive of Republicans,[11] As a result, it has been shown that Sinclair's entry shifts local political attitudes in a pro-Republican direction, leading to an increase in the local Republican vote share during subsequent presidential elections (Levendusky, 2022; Miho, 2022; Pan et al., 2023).

This context is particularly well-suited for examining the causal impact of political attitudes on consumption. First, because all households within an affected DMA are exposed to the same media content, this setting allows for the analysis of partisan effects on consumption without relying on assumptions about individual households' political leanings.[12] Second, Sinclair's entry into specific DMAs is plausibly exogenous. Sinclair typically acquires broadcasting companies that operate across multiple DMAs, entering new markets in bundled transactions rather than individually. This acquisition strategy suggests that entry into a particular DMA is unlikely to be driven solely by the characteristics of that DMA. Additionally, the timing of Sinclair's acquisitions is influenced by external factors, such as the decisions of sellers and regulatory approval. Third, Sinclair's expansion strategy-acquiring local stations without rebranding them-ensures that much of its audience is unaware of the ownership change, limiting the possibility of self-selection into or out of exposure to its content.

I compile data on the DMAs where Sinclair operates from Sinclair's annual reports for my sample period from 2004 to 2022. In 2004, Sinclair owned local TV stations in 37 DMAs

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

[12] This approach assumes that partisan media exposure shifts beliefs in the same direction within the market (through the magnitudes can vary), avoiding the need to infer household political preferences.

and has since expanded into 59 additional DMAs. The resulting staggered treatment and geographic variation are presented in Figure 5. These acquisitions represent a portfolio of geographically and economically dispersed TV stations (Dyer et al., 2024). Besides Sinclair's tendency to focus on small and medium-size markets (most likely due to lower acquisition costs), there is no discernible acquisition strategy in their annual reports (Miho, 2022).

To assess the average treatment effect of Sinclair's entry on local political leanings, economic beliefs, and 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. Each event cohort includes three years before and after the entry event (six years in total).

5.2 The Effect on Political Attitudes and Economic Optimism

I begin by analyzing the impact of Sinclair's entry on local political attitudes using data from the Gallup U.S. Tracking Poll (formerly the U.S. Daily Tracking Poll) from 2008 to 2019.[13] I employ two measures of political attitudes. The first measure combines responses to two questions: "In politics, as of today, do you consider yourself a Republican, a Democrat, or an Independent?" and "As of today, do you lean more to the Democratic Party or the Republican Party?" I define a variable, *Lean Republican*, coded as 0-4, where: 0 = Democrat, 1 = Independent leaning Democratic, 2 = Independent, 3 = Independent leaning Republican, 4 = Republican. The second measure is *Obama Approval*, based on the question, "Do you approve or disapprove of the way Barack Obama is handling his job as president?" Here, *Obama Approval* is binary, with 0 indicating disapproval and 1 indicating approval.

I estimate the following dynamic regression at the event-individual-month level:

$$Y_k = \sum_{\tau=-3}^{2} \beta^{\tau} D_{e,y}^{\tau} \cdot Treat_{e,c(i)} + \alpha_{e,c(i)} + \theta_{e,y,m} + \epsilon_k, \tag{3}$$

[13]The Gallup U.S. Tracking Poll microdata covers polls conducted daily from 2008-2017, targeting 1,000 respondents per day, and from 2018-2019, with sampling conducted on a weekly and monthly basis. For consistency, I use the data aggregated at a monthly frequency.

where $Y_{e,i,c,y,m}$ is either *Lean Republican* or *Obama Approval* for individual i in county c, year y, month m, during event cohort e. $Treat_{e,c(i)}$ takes a value of one for individual i in county c where Sinclair entered during 2004-2022, and zero for counties where Sinclair never entered, and $D^{\tau}_{e,y}$ are time dummies for relative years since Sinclair's entry, which vary based on the specific timing of the event. I include event cohort-by-county and event cohort-by-calender year-month fixed effects following Cengiz et al. (2019). Individuals are weighted by their sampling weight. Standard errors are clustered at the county level, given that treatments are implemented at the DMA level, which typically comprises one or more counties.

Figure 6 plots the coefficients β^{τ} on the interaction terms. The results show that Sinclair's entry shifts local political leanings rightward and decreases Obama's approval ratings. Crucially, there is no significant pre-trend before Sinclair's entry, and both effects emerge only after the entry event.

Next, I examine the effect of Sinclair's entry on economic optimism using Gallup U.S. Tracking Poll. I use responses to the question, "How would you rate economic conditions in this country today – as excellent, good, only fair, or poor?" with responses coded 1–4, where higher values indicate greater economic optimism.

Given Sinclair's tendency to broadcast content critical of Democrats and supportive of Republicans, the effect of Sinclair's entry on optimism is expected to differ depending on the political party in power. Specifically, Sinclair's entry should bolster optimism during Republican presidencies and diminish it during Democratic ones.

I estimate Equation (3) with *Economic Optimism* as the dependent variable, analyzing Republican and Democratic presidencies separately. Figure 7 plots the coefficients on the interaction terms. As anticipated, the results exhibit asymmetric patterns: under Republican presidencies (red lines), optimism increases, while under Democratic presidencies (blue lines), optimism declines.

5.3 The Effect on Household Consumption

Given the setup and the first-stage results, I examine the average treatment effect of Sinclair's entry on consumption using NielsenIQ Consumer Panel. To account for the asymmetric effect on optimism, 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. I estimate the following stacked DID specification:

$$Log(Spending)_k = \beta Treatment\ Direction_t \cdot Treat_{e,c(h)} \cdot Post_{e,t} + \gamma' X_k + \alpha_{e,h} + \theta_{e,t} + \epsilon_k, \quad (4)$$

I incorporate cohort-by-household fixed effects and cohort-by-year fixed effects, as well as household and zip code characteristics as in the baseline model. The average treatment effect on household consumption is captured by the coefficient on the triple interaction term $Treatment\ Direction \times Treat \times Post$. Households are weighted by their sampling weights. Standard errors are clustered at the county level.

The results derived from the stacked DID approach are presented in Table 10. Columns (1)-(2) include all households, regardless of their party affiliations, in treated and control DMAs. Columns (1) reports the estimation of Equation (4) and indicates a notable 1.3% increase (or decrease) in spending for treated households during a Republican (Democratic) presidency. To address the concern that Sinclair's acquisitions are in small and medium-size markets, 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. Column (2) shows that the estimate rises to 1.5%.

In Columns (3)-(4), I focus solely on likely-Republican and likely-Democratic households, respectively. Column (3) shows that treated Republicans display, on average, a 1.8% change relative to never-treated Republicans. In contrast, Democratic households exhibit a much smaller and statistically insignificant estimate, as shown in Column (4). The effect is more pronounced among Republican households, possibly due to their higher propensity to con-

sume and resonate to conservative media.[14]

To test the parallel trends assumption, I estimate a dynamic version of the stacked DID model and present the results in Figure 8. Panel A examines Sinclair acquisitions separately under Republican and Democratic presidencies. In both cases, there is no significant pre-trend in household consumption, supporting the validity of the parallel trends assumption. Following Sinclair's entry, household consumption significantly decreases during Democratic presidencies and slightly increases during Republican presidencies. The effect is more pronounced during Democratic presidencies, potentially due to greater public attention drawn to controversial content, such as criticism of the government. Panel B aggregates the full sample analysis using the treatment direction indicator. The y-axis represents the average absolute treatment effect. Consistent with Panel A, there is no significant pre-trend in household consumption, and the effect emerges only after Sinclair's entry.

I also explore heterogeneity in TV access and demographics. Research (Miho, 2022) and surveys[15] indicate that households over 50 years old, married, and without a college education are among the heaviest consumers of local TV, while Asian households are the least likely to watch. To investigate whether media exposure intensifies the partisan media effect, I interact each of these characteristics with the triple interaction term. Table 11 reports the results, and confirms that the media effect is stronger among those frequent local TV viewers.

Finally, to address alternative explanations, I estimate similar dynamic stacked DID regressions with household or county attributes as dependent variables. Figures B.3 shows that Sinclair's entry does not significantly impact household income level, income growth, or job uncertainty. B.4 furthur indicate that Sinclair's entry does not significantly impact local population growth or house price growth. This alleviates concerns that Sinclair's influence on consumption operates through channels other than changes in beliefs.

Taken together, the results suggest that shifts in political attitudes, driven by right-wing

[14]See, for example, anecdotal evidence from the Pew Research Center article.
[15]See, for example, the Pew Research Center's News Platform Fact Sheet, 2024.

media exposure, influence consumption patterns through shaping economic optimism.

6 Discussions

In this section, I address several alternative explanations, discuss the robustness of the main findings, and explore potential extension to subnational elections.

6.1 Alternative Explanations

6.1.1 Future Changes in Household Fundamentals

A potential explanation for the observed spending gap is that households adjust their consumption based on rational expectations of future economic conditions under different political administrations. For instance, a consumption-smoothing Republican household may expect higher income levels during a Republican presidency and thus increase current spending in anticipation of improved financial prospects. In contrast, a Democratic household may adopt a more cautious approach, foreseeing different policy priorities that could negatively affect 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 12 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 factors, 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 generate a wealth effect on households and influence consumption. Panel B of Table 12 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 baseline partisan consumption effect is not driven by changes in household fundamentals over time.

6.1.2 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 address 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 13, 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.

6.1.3 Other Explanations

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 13, 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, which control for urban population percentages based on Census data. By assuming that households within the same urban or rural area of a county face similar economic conditions, these results suggest that urban-rural disparities are unlikely to drive the main findings.

Second, the NielsenIQ data's focus on in-home spending raises concerns about potential shifts in spending priorities among partisan households. For instance, misaligned households might allocate a larger share of their budget to durable goods like housing or automobiles, reducing their in-home spending. Table B.9 addresses this concern by showing that the partisan effect remains significant even after excluding households that relocated during the sample period, mitigating concerns about home purchases. Regarding automotive expenditures, findings by Mian et al. (2023) indicate no significant differences among partisan households. Additionally, Figure 3 demonstrates that aligned households increase spending on durable goods (e.g., general merchandise), further alleviating concerns about reallocation to other categories of durable consumption.

Another potential explanation is differential access to financial services. Misaligned households might face greater barriers to banking access, which could constrain their spending. However, the baseline analysis already controls for the number of banks in each zip code and compares households within the same county. Further analysis in Table B.10, using the number and usage of credit cards as a proxy for financial access, finds no evidence that aligned households possess more credit cards or engage in more card-based transactions. This undermines the argument that financial access disparities drive the partisan effect.

Finally, I consider whether differential expectations regarding government assistance could explain the findings. Aligned households may anticipate a higher likelihood of federal bailouts during crises, reducing their precautionary savings motive and increasing current consumption. While certain federal programs target specific states or counties, it is unlikely that aid is concentrated at the zip code or household level within the same county. Furthermore, state-level analysis in Figure 10 shows that the partisan consumption effect is not concentrated in states more prone to natural disasters, further diminishing the plausibility of government assistance as a primary explanation.

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

6.2 Robustness

6.2.1 Alternative Measures of Political Alignment

I check the robustness of my main results to alternative measures of political alignment. In the baseline analysis, political affiliation is determined by an indicator variable that identifies the majority party to which individuals in a 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 do-

nating 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 14. 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 effect is again positive and significant, with a larger effect size compared to the baseline.

Next, I check the robustness to alternative time matching methods. In the baseline analysis, political leaning is inferred based on the election closest to the observation year, whether preceding or following it, 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 donations 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.

Recognizing that not all households donate to presidential campaigns, 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.[16] The precinct-level data and shapefiles are obtained from

[16]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.

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.

Additionally, I use voter registration data retrieved from the Redistricting Data Hub for the 2020 election.[17] In Columns (5)-(6), *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 exhibit high correlations, validating their consistency across methodologies.

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

6.2.2 Subsample Analyses

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

$$\begin{aligned} Log(Spending)_k = & \sum_{\tau \in \{04,08,12,16,20\}} \beta^{\tau} \mathbf{1}\{t \in [\tau - 1, \tau + 2]\} \cdot Republican_h \times Post_{\tau,t} \\ & + \gamma HH\ Controls_{h,t-1} + \psi ZIP\ Controls_{z,t-1} + \alpha_h + \theta_{c,t} + \nu_{i,t} + \mu_{e,t} + \epsilon_k, \end{aligned} \tag{5}$$

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

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

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 9 depicts the estimates of β^{τ} in Euqation (5). For Republican-winning elections (2004 and 2016), Republicans increase spending by 2.5% relative to Democrats. For Democratic-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 4 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 10. 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.[18]

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 15 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.

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

6.2.3 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 donations, which account for 55.4% of the population. Additionally, 21.3% households reside in zip codes where the party majority switched over time, while 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 a given 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 coefficients on the alignment dummy are positive and significant. However, when including households from switching zip codes and treating them as switchers, the estimates become insignificant. This result is expected, as swing zip codes likely introduce the greatest measurement error, diluting the observed effects.

6.2.4 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 confirms the robustness of the baseline findings. The coefficients on the alignment measures remain positive and significant, demonstrating consistency across alternative clustering methods and the inclusion of additional fixed effects.

6.2.5 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 represent 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.

6.3 Extension: Subnational Elections

Household partisan attitudes influence economic optimism, which in turn affect consumption behavior. I demonstrate this finding in the context of presidential elections, which receive the most public attention. However, it is also important to examine whether similar economic mechanisms operate in other election settings, such as local elections. Local elections, while less prominent, may still shape economic expectations through partisan alignment with subnational governments.

To explore this, I study three types of subnational governments: state governors, county executives, and city mayors. I collect information on state governors from publicly available sources, including state government websites and the National Governors Association, identifying 141 unique governors across 50 states during the 2004–2022 period. For county executives and city mayors, I rely on the dataset from de Benedictis-Kessner et al. (2023), which covers counties and cities with populations of at least 50,000 in 2020. For nonpartisan elections, de Benedictis-Kessner et al. (2023) employs a Random Forest model to predict party affiliations, ensuring broad coverage and accurate classification of local leadership.

To maintain consistency with the presidential election analysis, I use the baseline measure of household political leanings, inferred from zip-code-level campaign donation data.[19] A household is defined as aligned if its inferred political leaning matches the party affiliation of any of the three subnational government leaders.

Table 16 presents the regression results. The estimates in Columns (1)-(2) indicate that alignment with state governors has a positive and significant impact on household consumption, though the effects are smaller in magnitude compared to presidential elections. Columns (3)-(4) show similar, albeit weaker, effects for alignment with county executives. Interestingly, the estimates in Columns (5)-(6) suggest that alignment with city mayors does not significantly influence household consumption. This disparity likely stems from the lower public attention typically afforded to mayoral elections, despite the direct influence mayors wield over policies that affect households.[20]

The muted response to mayoral alignment suggests that partisan sentiment is driven more by political salience than by the tangible impacts of policy. This interpretation aligns

[19]Ideally, one could use donations to specific subnational government candidates rather than presidential nominees for more accurate alignment measures. However, such data is limited, particularly for local elections.

[20]Mayors influence various policies directly impacting households, including housing (e.g., affordable housing initiatives and zoning regulations), public safety (e.g., police and fire department management), transportation and infrastructure (e.g., public transit and road maintenance), education (e.g., school district funding and early childhood programs), public health (e.g., local clinics and vaccination programs), environmental initiatives (e.g., climate action plans and urban green spaces), and taxes (e.g., property and sales taxes). They also play a role in economic development through business incentives and community equity programs.

with the broader finding that partisanship operates as a heuristic, shaping perceptions of economic conditions through attention-driven biases rather than a direct response to policy changes. The results also underscore the hierarchical nature of political salience, with higher-profile elections exerting stronger influences on economic expectations and behavior. These insights contribute to understanding the nuanced ways in which partisanship shape household financial decisions across different levels of government.

7 Conclusion

This paper is among the first to examine the causal impact of political attitudes on household consumption patterns. Leveraging novel, high-frequency household purchase data from the NielsenIQ Consumer Panel, this study addresses key empirical challenges in prior research and identifies a significant partisan consumption effect.

Using a presidential election setting, I find 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 higher spending levels, aligned households also upgrade their consumption quality by favoring higher-end products and reducing reliance on bargains. These partisan consumption patterns cannot be attributed to changes in household economic fundamentals, supply-side factors, or alternative mechanisms. Instead, evidence points to economic optimism as the key driver. Survey data shows that aligned households express greater economic optimism. The baseline effect is amplified among politically extreme households and during periods of heightened polarization. Furthermore, a relative decline in bank deposits in politically aligned areas suggests that increased spending is financed by reduced savings.

Additional evidence arises from a partisan media setting. Exploiting the staggered, quasi-

random entry of a major conservative media network, I show that the media shifts local political attitudes rightward, boosting economic optimism during Republican presidencies and reducing it under Democratic ones. Correspondingly, treated households exhibit distinct consumption responses: increased spending under Republican presidencies and reduced spending under Democratic ones. This quasi-experimental design provides further support for a causal link between political attitudes and consumption, mediated through shifts in economic optimism.

Overall, this study underscores how partisanship can distort household consumption and savings decisions. It contributes to our understanding of the intersection between politics and household finance in a polarized society. The implications extend to policymakers, businesses, and financial institutions: policymakers should account for the effects of political polarization on economic stability; businesses can leverage insights into political sentiment to enhance demand forecasting; and financial institutions should consider belief-driven behaviors when evaluating household financial health.

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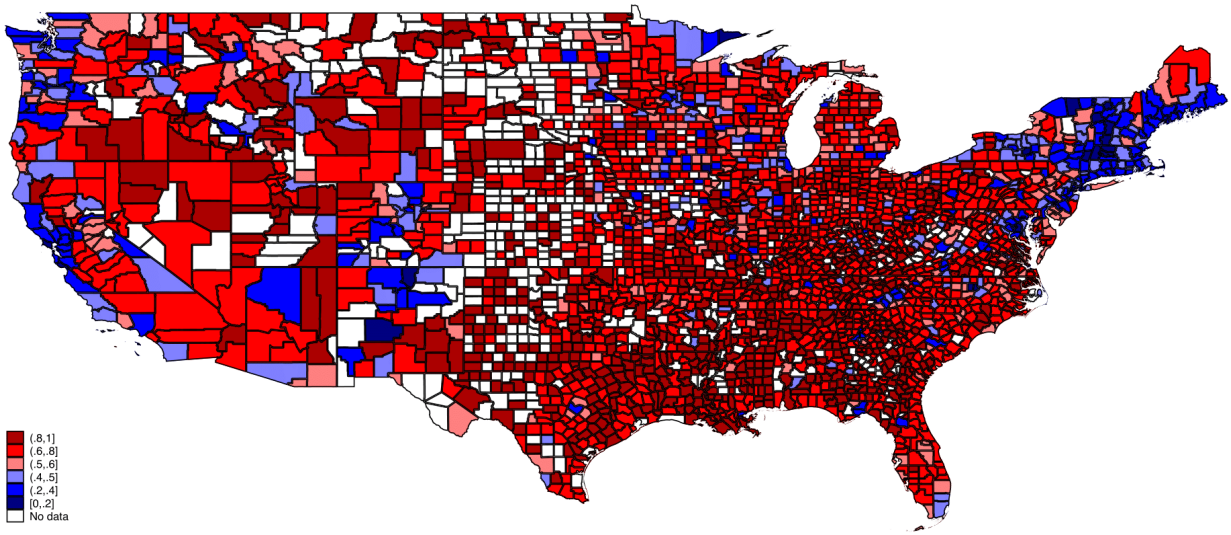
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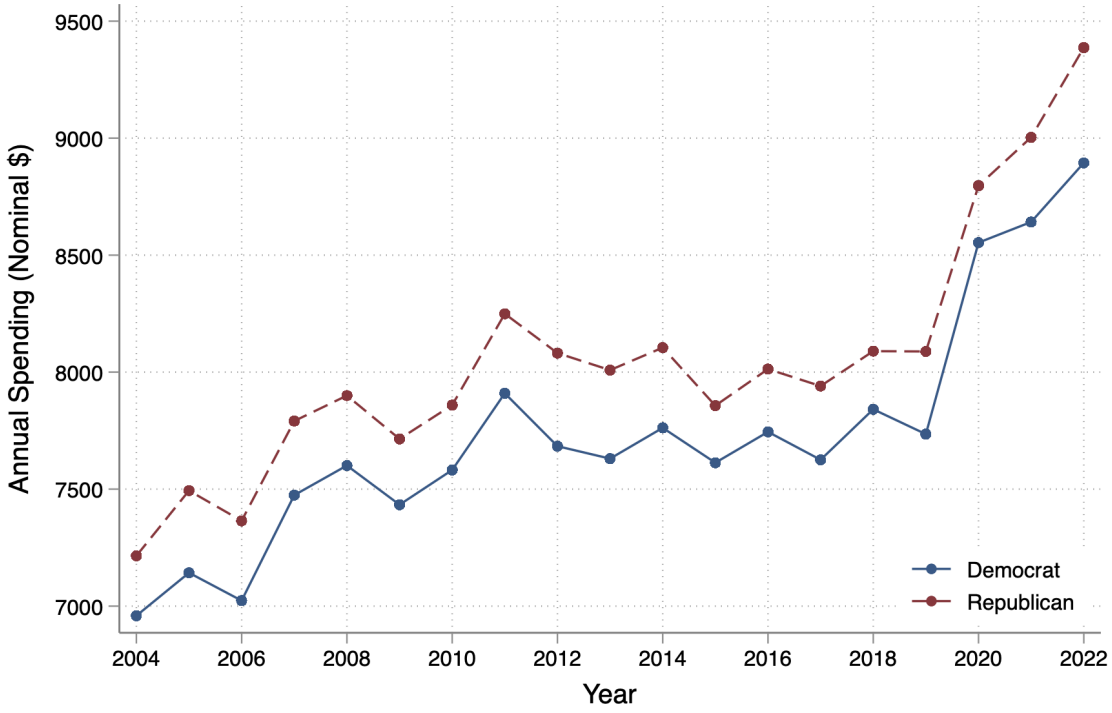
Figures

Figure 1: Geographical Distribution of Sample Households



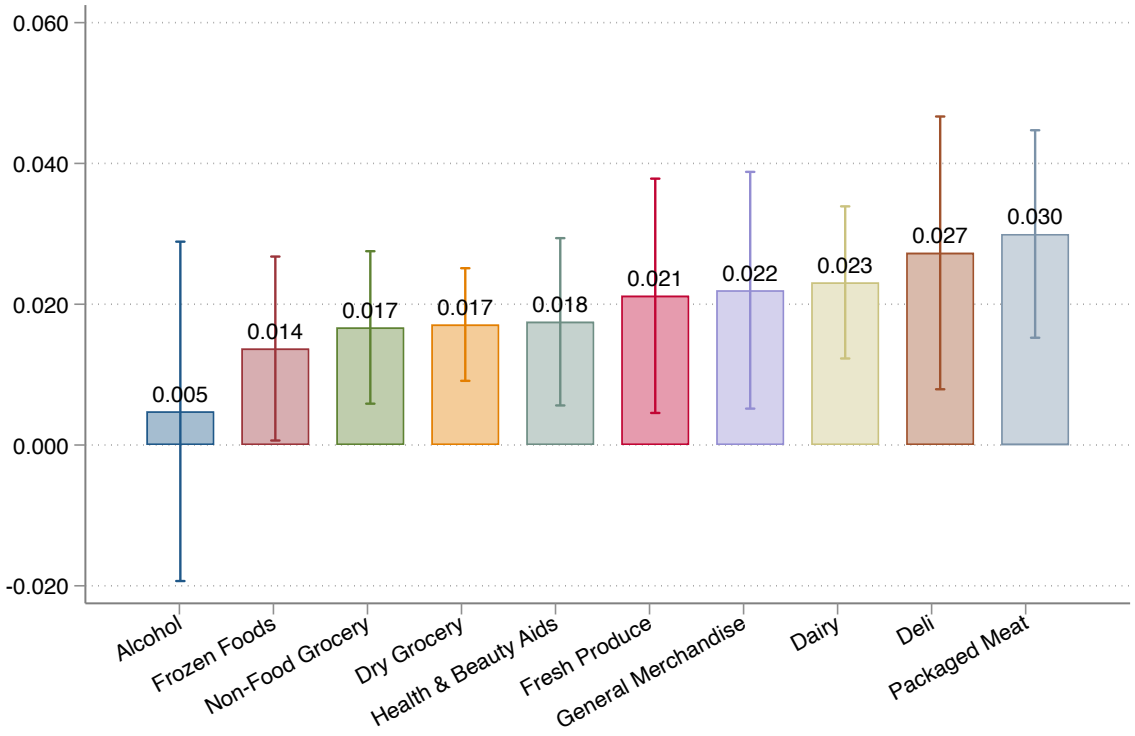
This figure reports the geographical distribution of sample households across U.S. counties. Household political affiliation is determined by the predominant party to which individuals in their zip code contribute. Red (blue) represents counties where the majority of households in my sample are Republicans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

Figure 2: In-home Spending Trends by Political Affiliation



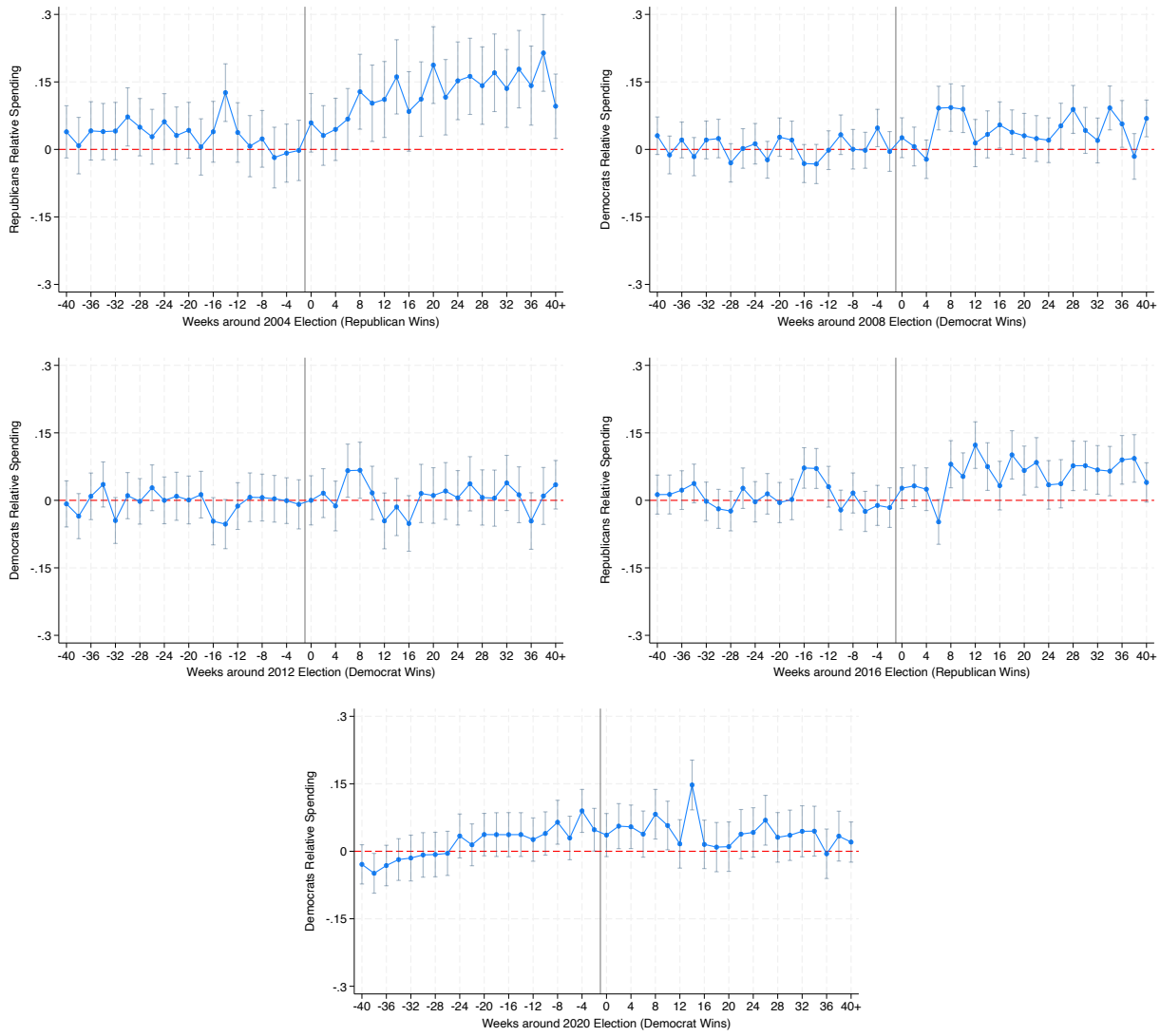
This figure plots the weighted average annual actual purchases made by likely-Democratic households and likely-Republican households from 2004 to 2022, not inflation-adjusted.

Figure 3: Partisan Consumption Effect by Spending Categories



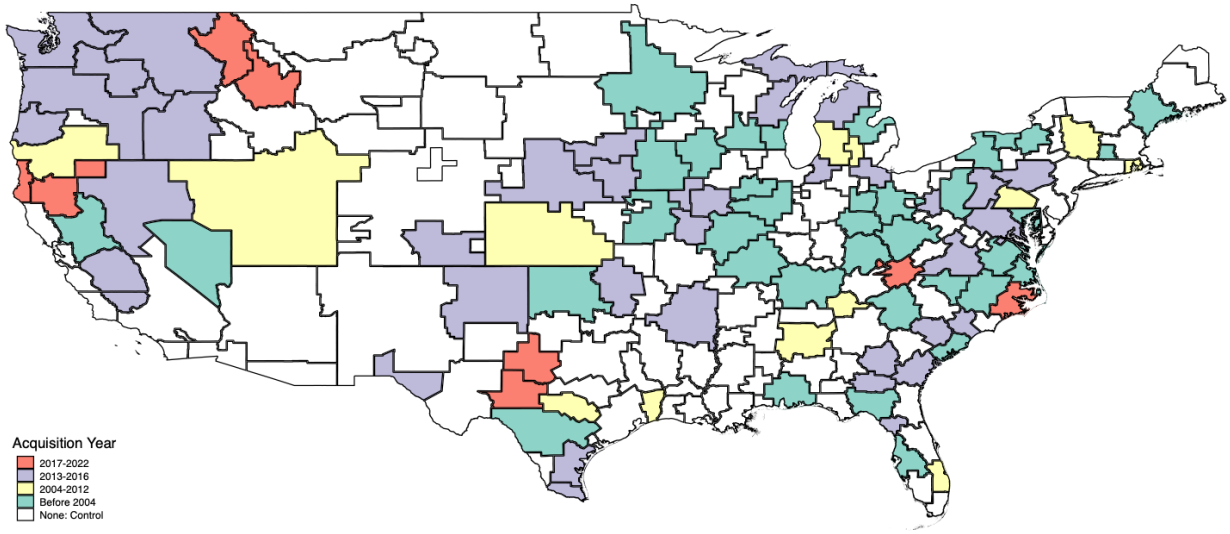
This figure presents the weighted estimates of the partisan consumption effect for each spending category as defined by NielsenIQ. Vertical lines represent 95% confidence intervals. All regressions include baseline controls and fixed effects. Robust standard errors are clustered at the household level.

Figure 4: High-Frequency Consumption Response to Election Shocks



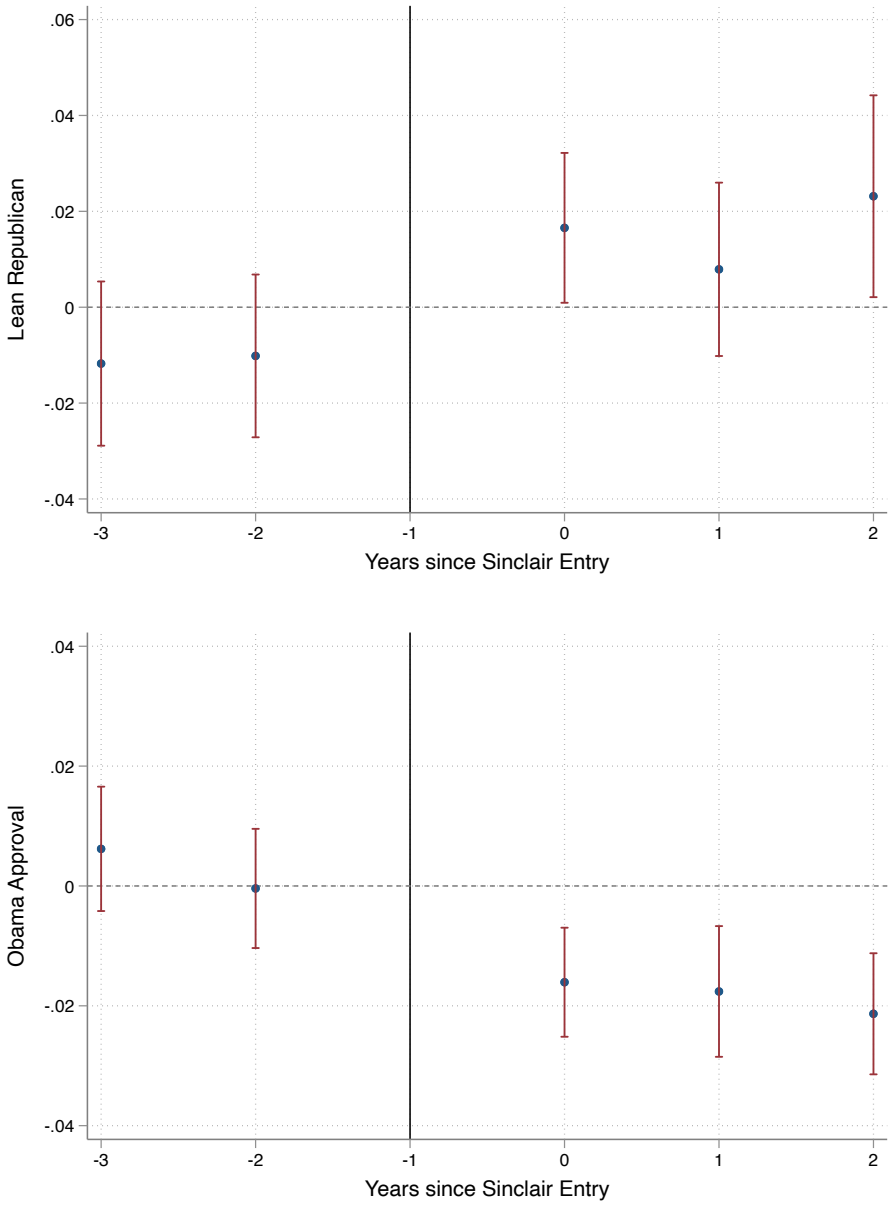
The figure depicts the results from event studies around the 2004, 2008, 2012, 2016, and 2020 presidential elections at a biweekly frequency. Event time 0 corresponds to the 14 days starting from the election day. The event time window spans from -52 weeks to 52 weeks to examine consumption patterns 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 5: Sinclair's Market Entry: Timing and Geographic Reach



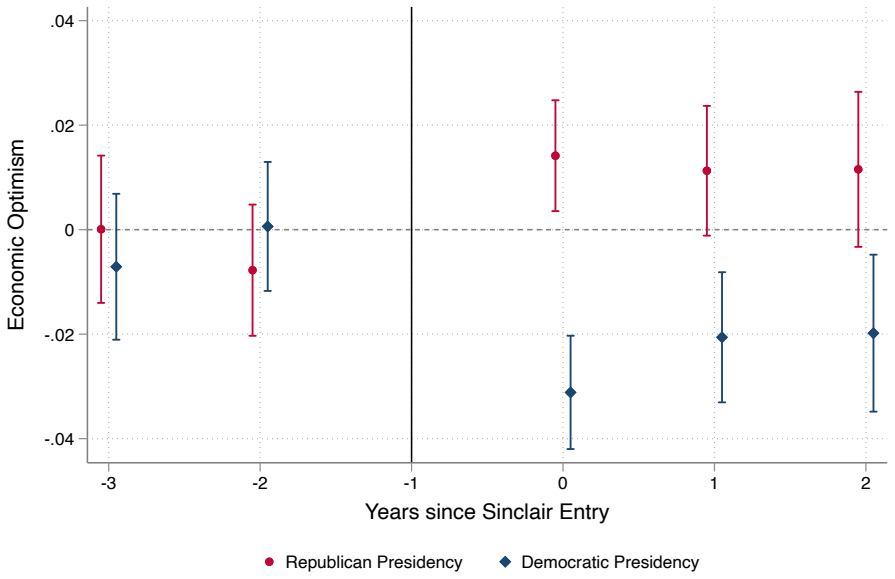
The map displays Designated Market Areas (DMAs) served by at least one Sinclair-owned or operated station. The treated group includes all DMAs that Sinclair entered between 2004 and 2022, while the control group consists of all DMAs that Sinclair never entered. Grey lines are DMA contours.

Figure 6: The Effect of Sinclair's Entry on Political Attitudes



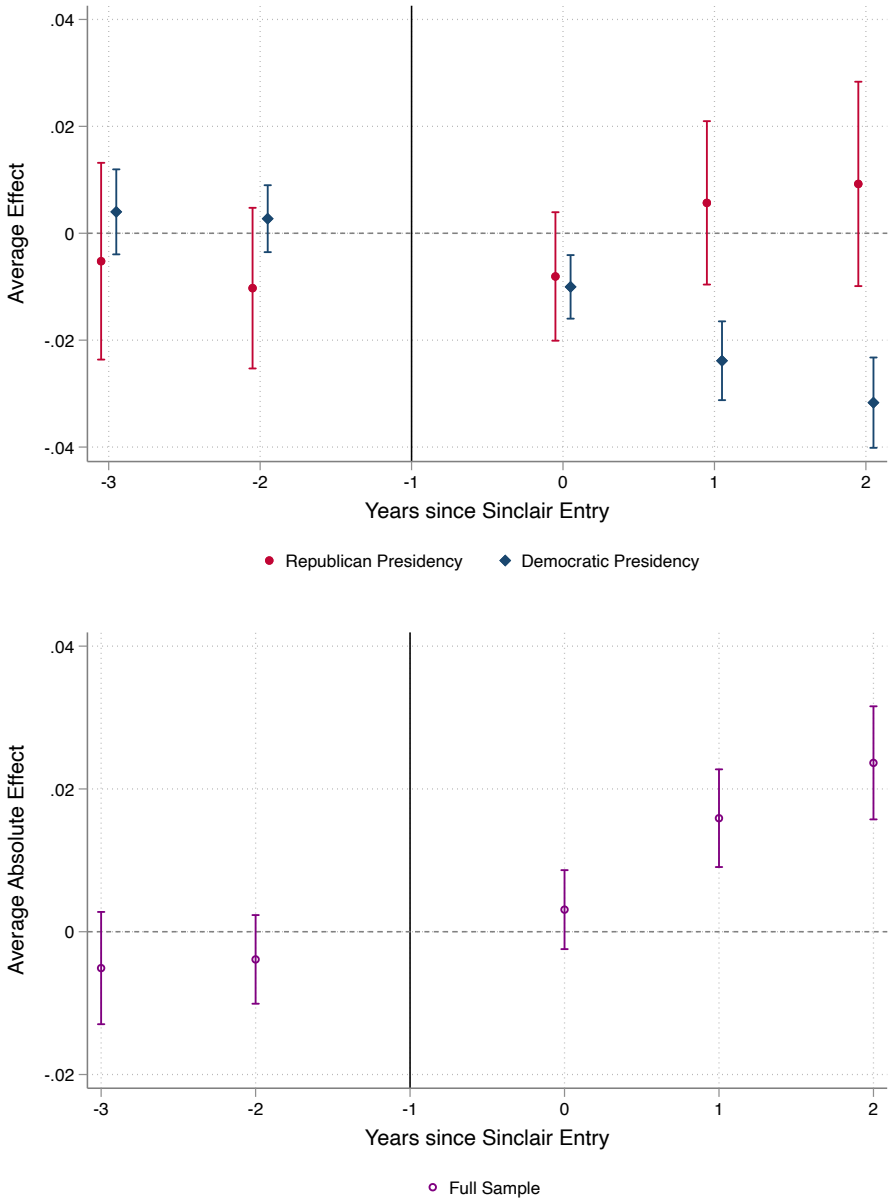
The figure presents the dynamic effect of Sinclair's entry on individuals' political attitudes. *Lean Republican* combines responses to two questions: "In politics, as of today, do you consider yourself a Republican, a Democrat, or an Independent?" and "As of today, do you lean more to the Democratic Party or the Republican Party?" *Obama Approval* is based on answers to the question, "Do you approve or disapprove of the way Barack Obama is handling his job as president?" x-axis represents event time, and y-axis represents the average treatment effects of Sinclair's entry. Regressions include cohort-by-county and cohort-by-year-month fixed effects. Vertical lines represent 95% confidence intervals. Standard errors are clustered at the county level.

Figure 7: The Effect of Sinclair's Entry on Economic Optimism



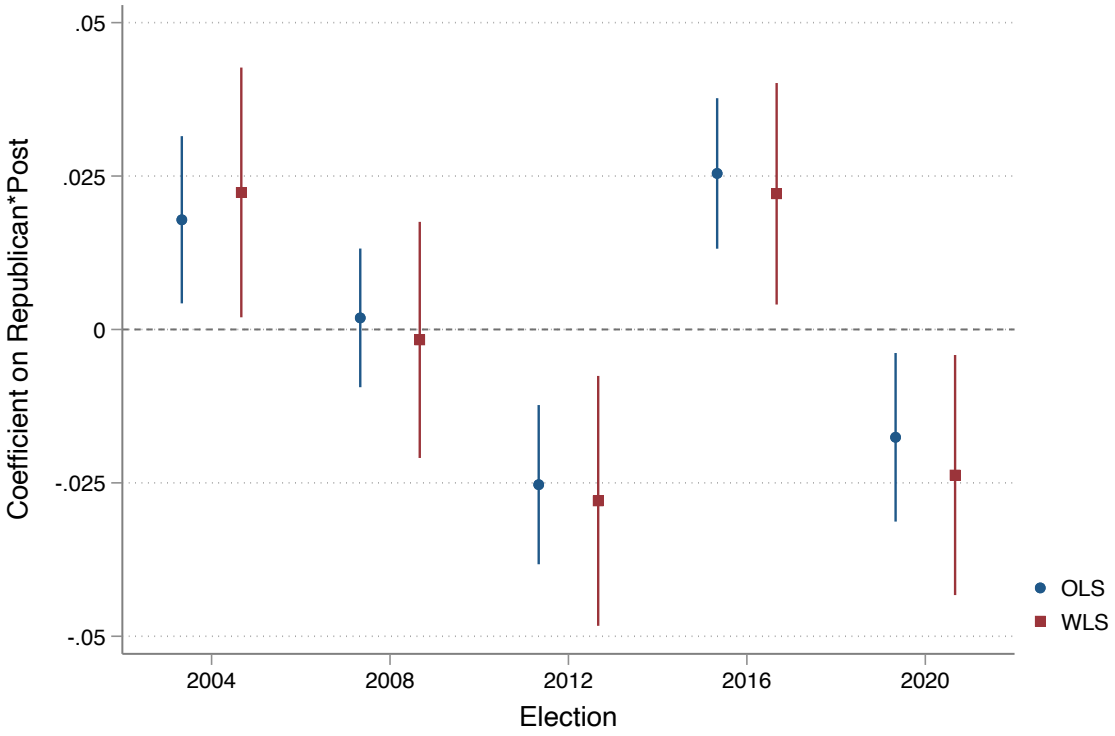
The figure presents the dynamic effect of Sinclair's entry on individuals' economic outlook, proxied by their answers to the question, "How would you rate economic conditions in this country today – as excellent, good, only fair, or poor?" x-axis represents event time, and y-axis represents the average treatment effects of Sinclair's entry. Red (Blue) lines represent results under Republican (Democratic) presidencies. Regressions include cohort-by-county and cohort-by-year-month fixed effects. Vertical lines represent 95% confidence intervals. Standard errors are clustered at the county level.

Figure 8: The Effect of Sinclair's Entry on Consumption



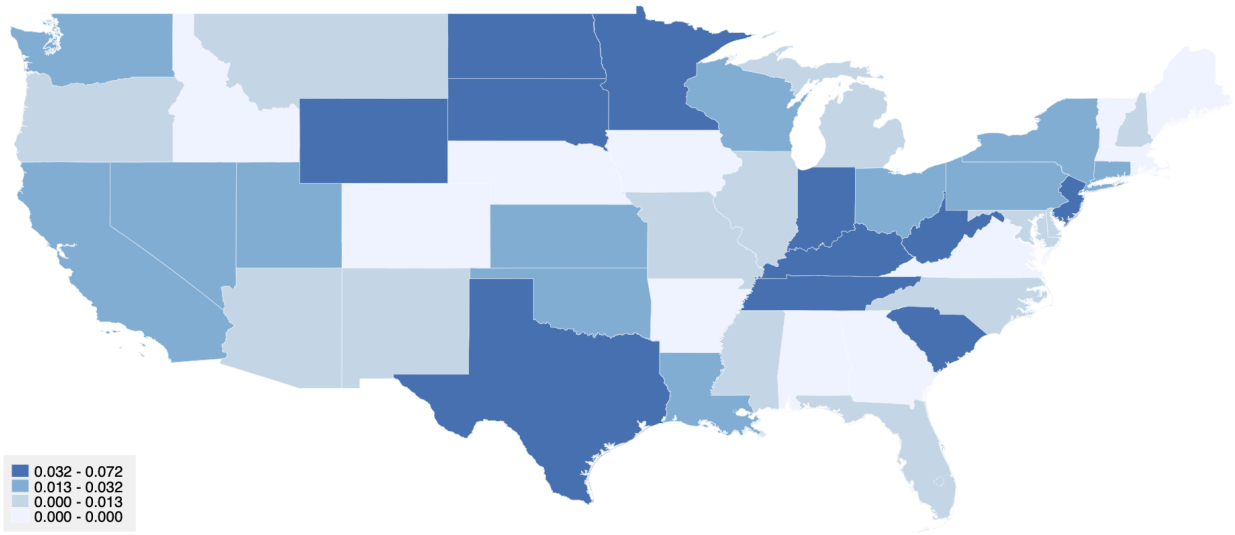
The figure presents the dynamic effect of Sinclair's entry on household consumption. x-axis represents event time. In Panel A, y-axis represents the average treatment effects of Sinclair's entry. Red (Blue) lines represent results under Republican (Democratic) presidencies. In Panel B, y-axis represents the average *absolute* effects of Sinclair treatment, though the direction of effect depends on which party is in White House. 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 9: Partisan Consumption Effect by Elections



The figure plots $\hat{\beta}^{\tau}$ in Equation (5) 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 10: 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.

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: Household Extremeness and Consumption Gap

Dep. Var.: *Log(Spending)*	(1)	(2)
Aligned	0.019***	0.000
	(0.004)	(0.014)
Aligned × *College Degree*	-0.012**	
	(0.007)	
Aligned × *High Partisan Isolation*		0.027
		(0.018)
Controls	Yes	Yes
Household FE	Yes	Yes
County × Year FE	Yes	Yes
Income × Year FE	Yes	Yes
Occupation × Year FE	Yes	Yes
Observations	325,494	222,825
Adjusted R^2	0.825	0.819

This table reports the cross-sectional variations in the partisan consumption effect across households with different levels of extremeness. *College Degree* is an indicator equal to one if the primary shopper in a household holds a college degree or above. *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: Political Polarization and Consumption Gap

Dep. Var.: *Log(Spending)*	(1)	(2)	(3)
Aligned	0.006	0.006**	0.014***
	(0.004)	(0.002)	(0.005)
Aligned × *High Polarization in Congress*	0.021***		
	(0.006)		
Aligned × *High Partisan Conflict*		0.012***	
		(0.003)	
Aligned × *Pres.-Senate/House Same Party*			0.002
			(0.008)
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	222,825	485,843
Adjusted R^2	0.820	0.819	0.820

This table reports the time-series variation in the partisan consumption effect across periods with different levels of polarization. *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. *Pres.-Senate/House Same Party* is an indicator equal to one if the president and the Senate or House share the same party. 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 9: 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 10: The Effect of Partisan Media on Local Consumption

	All Households		Republican	Democratic
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. Columns (1)-(2) use all households, Column (3) focuses on Republican households, and Column (4) focuses on Democratic households. 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 11: Heterogeneity of Partisan Media Effect Across TV Watchers

Dep. Var.: *Log(Spending)*	(1)	(2)	(3)	(4)
Treatment Direction × *Treat* × *Post*	0.006	-0.000	0.010***	0.010**
	(0.021)	(0.030)	(0.006)	(0.006)
Treatment Direction × *Treat* × *Post* × *Age 50+*	0.014			
	(0.010)			
Treatment Direction × *Treat* × *Post* × *Non-Asian*		0.021***		
		(0.004)		
Treatment Direction × *Treat* × *Post* × *Married*			0.009	
			(0.006)	
Treatment Direction × *Treat* × *Post* × *No College*				0.010*
				(0.006)
Controls	Yes	Yes	Yes	Yes
Cohort × Household FE	Yes	Yes	Yes	Yes
Cohort × County Size × Year FE	Yes	Yes	Yes	Yes
Cohort × Income × Year FE	Yes	Yes	Yes	Yes
Observations	2,328,570	2,328,570	2,328,570	2,328,570
Adjusted R^2	0.778	0.778	0.778	0.778

This table presents the heterogeneous effects of Sinclair's entry on household consumption. 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 12: 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 $\times$ Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Income $\times$ Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Occupation $\times$ 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 13: 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 14: 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 15: 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.

Table 16: Local Elections and Partisan Consumption Effect

	State Governor		County Executive		Mayor	
Dep. Var.: *Log(Spending)*	(1)	(2)	(3)	(4)	(5)	(6)
Aligned	0.006	0.010*	0.014**	0.011	-0.001	-0.003
	(0.004)	(0.007)	(0.006)	(0.008)	(0.007)	(0.010)
Household FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes		Yes		Yes	
County × Year FE		Yes		Yes		Yes
Income × Year FE		Yes		Yes		Yes
Occupation × Year FE		Yes		Yes		Yes
Controls		Yes		Yes		Yes
Household Weights	Yes	Yes	Yes	Yes	Yes	Yes
Observations	515,710	472,160	96,168	91,508	203,485	188,955
Adjusted R^2	0.798	0.820	0.805	0.822	0.806	0.816

This table presents the effects of political alignment with subnational governments on household consumption. In Columns (1)-(2), *Aligned* indicates whether a household's inferred political leaning matches the party affiliation of the state governor. In Columns (3)-(4), *Aligned* indicates whether a household's inferred political leaning matches the party affiliation of the county executive. In Columns (5)-(6), *Aligned* indicates whether a household's inferred political leaning matches the party affiliation of the mayor. 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.

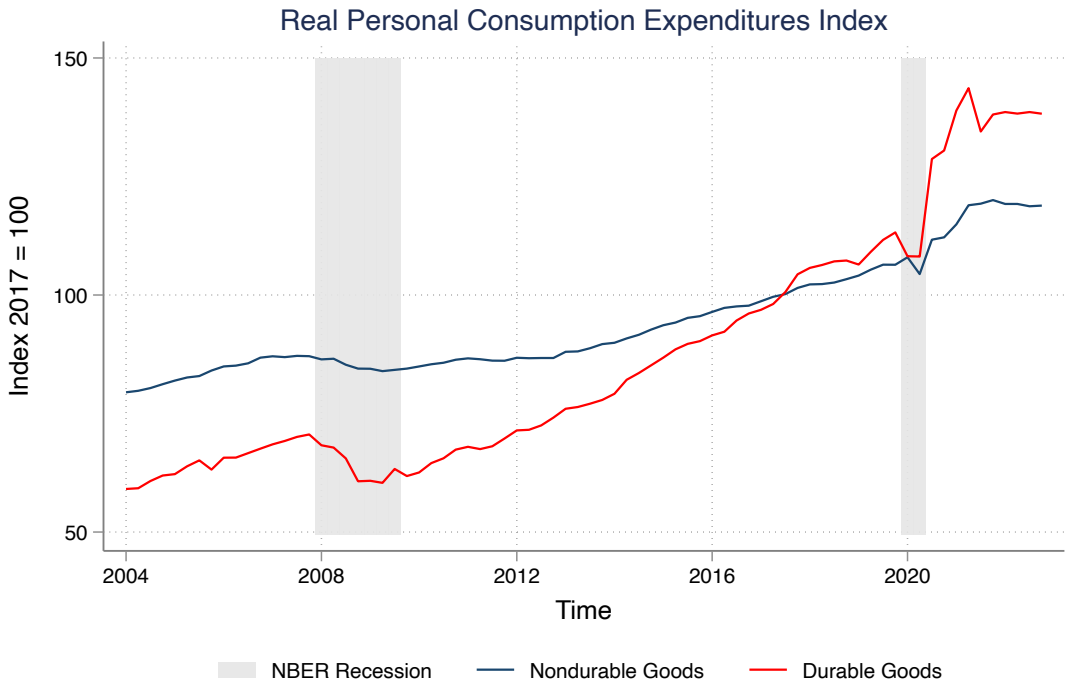
- *Income Growth*: Inflation-adjusted annual income growth, with income taken at the mid-level of each income bracket.
- *Occupation*: An ordered pair representing the occupations of household heads.
- *Size*: The number of household members, capped at 9.
- *Married*: An indicator variable that equals 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

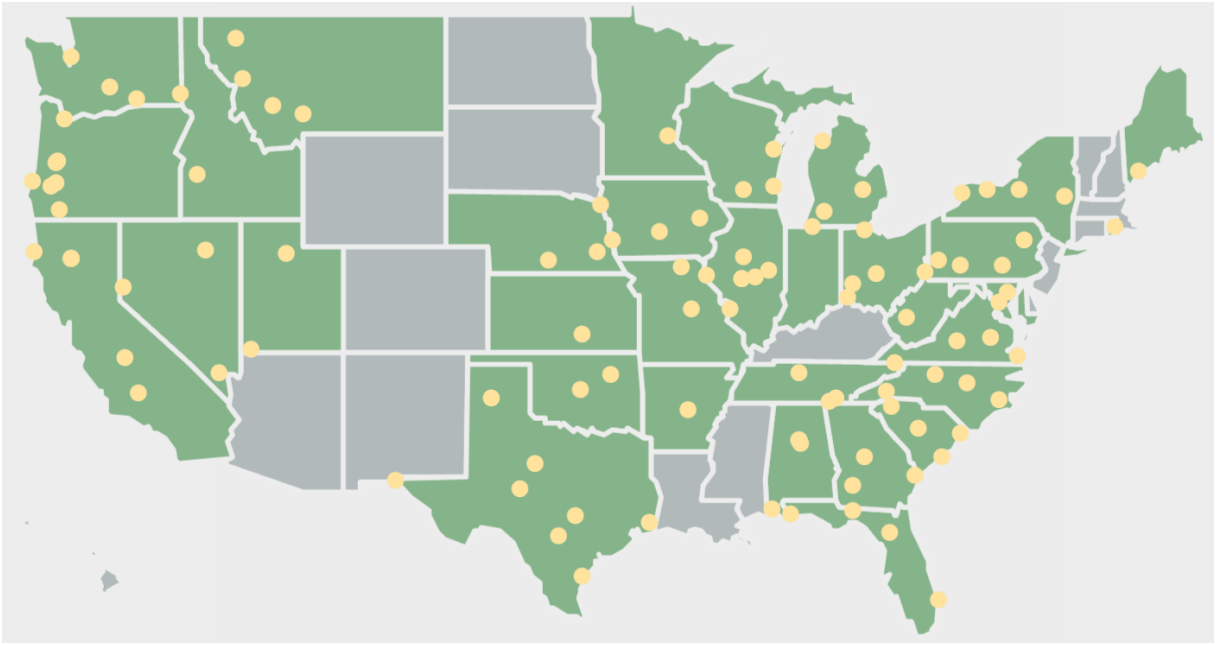
Figures

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



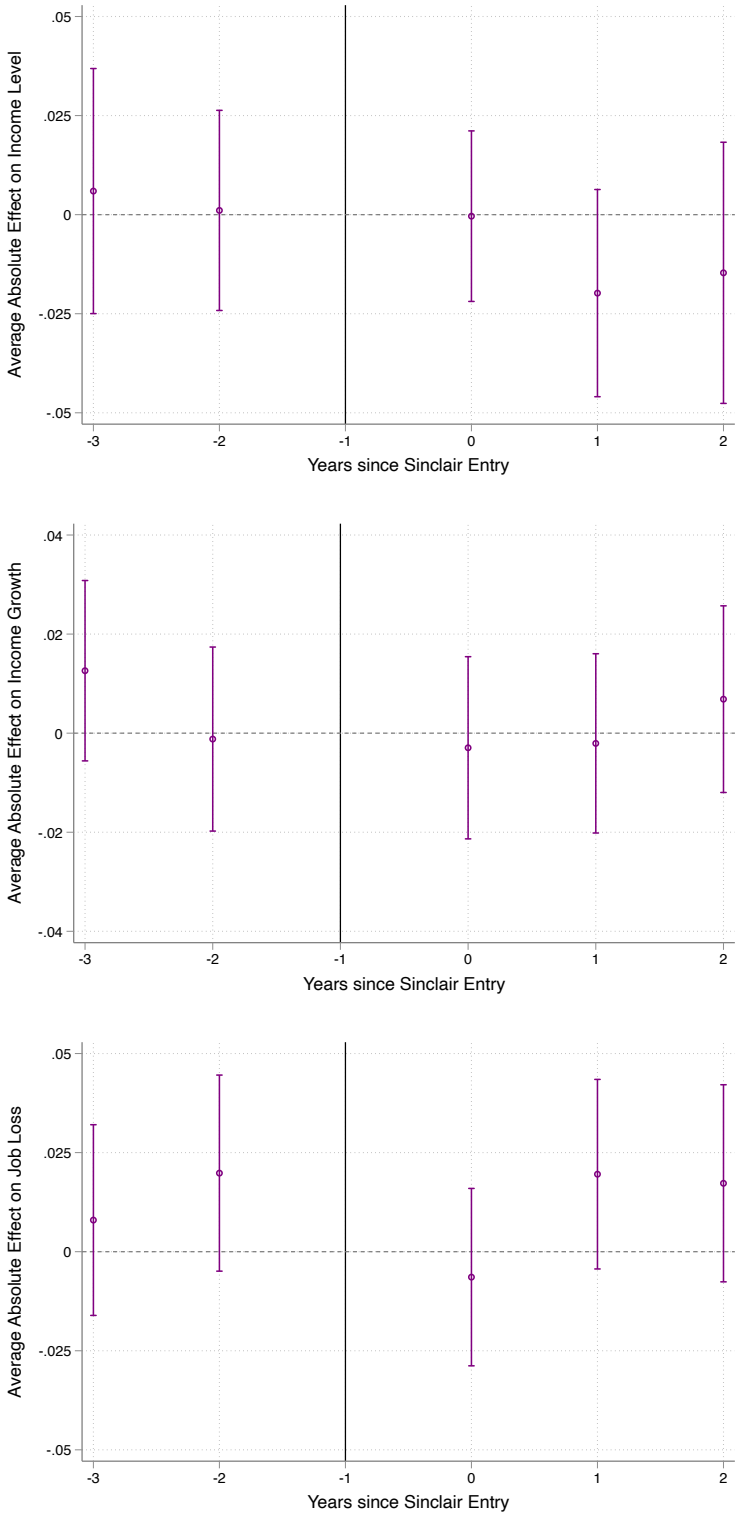
Source: U.S. Bureau of Economic Analysis. Index 2017=100, quarterly, seasonally adjusted.

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



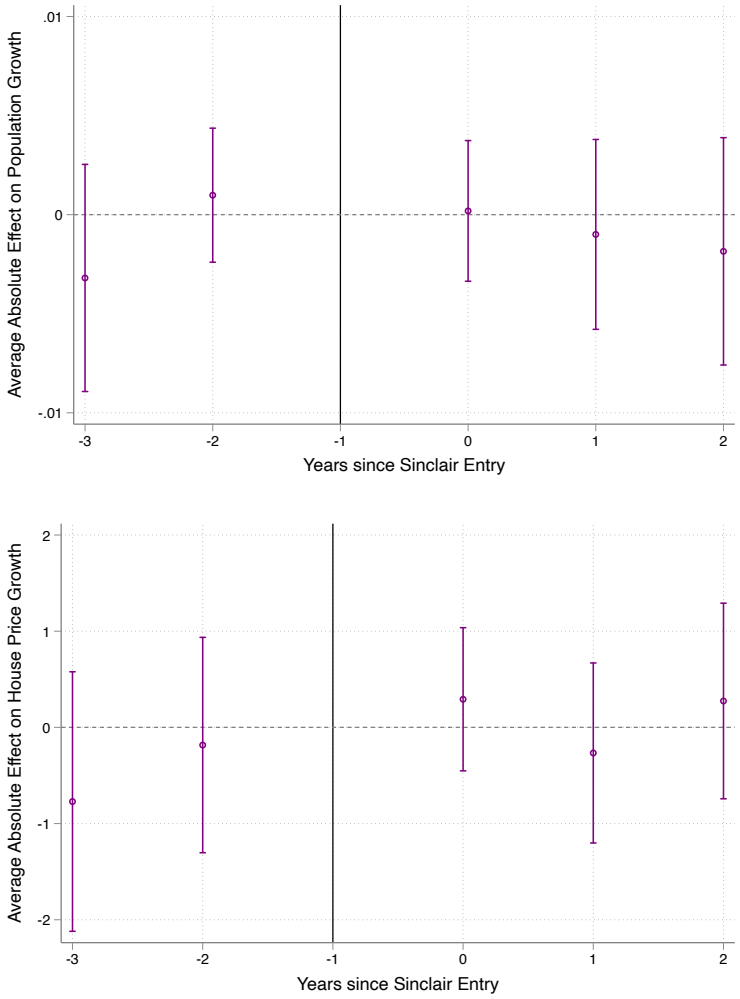
Source: Company websites. Dots represent TV stations owned or operated by Sinclair. Green colors show the presence of Sinclair in those markets.

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: 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.3: 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.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.