Place-Based Green Industrial Policies and Labor Market Expectations*

Shihan Xie †
Victoria Wenxin Xie ‡
Xu Zhang §

September 2025

Abstract

Despite their growing use, little is known about how place-based policies shape expectations. We provide causal evidence that such policies influence labor market beliefs and behaviors. Using geographically targeted surveys with randomized information treatments, we show that localized policy, particularly the Energy Community Bonus Credit, significantly improves labor market outlooks, raising expected earnings growth and increasing job-search effort among the unemployed. National policy alone has limited effects. These positive responses are dampened among Republican respondents and those anticipating policy reversal. Our findings highlight the importance of localized policy design, perceived credibility, and political context in shaping responses to place-based policies.

Keywords: Labor market expectations, place-based policies, randomized controlled trial
JEL classification: C83, D84, F16, L52, R11

*First version: March 2025. We thank Olivier Coibion, Cynthia Doniger, Stefania Garetto, Audrey Guo, Jeffrey Kubik, Alex Rothenberg, Michael Weber, and seminar participants at Syracuse University for helpful comments and suggestions. The research described in this article was approved by the Institutional Review Board at the University of Illinois Urbana-Champaign. The Randomized Controlled Trial (RCT) is registered at the AEA RCT Registry (# AEARCTR-0015531). Shihan Xie acknowledges financial support from the Center for Social and Behavioral Science at UIUC. Victoria Wenxin Xie acknowledges financial support from the Corporate Sustainability Research Lab at SCU. The views expressed herein are those of the authors and not necessarily those of the Bank of Canada.
†Department of Economics, University of Illinois Urbana-Champaign. Email: shihanx@illinois.edu
‡Department of Economics, Santa Clara University. Email: wxie@scu.edu
§Bank of Canada. Email: xzhang@bank-banque-canada.ca

1 Introduction

Place-based industrial policies have become an important tool for addressing regional inequality and managing economic transitions. Green industrial policies in the United States, such as the Inflation Reduction Act (IRA), pursue these goals by combining national clean energy incentives with geographically targeted subsidies for economically distressed regions. Yet the effectiveness of such policies depends on how they influence labor market expectations, which in turn shape worker decisions around labor supply, job search and skill investment. Heterogeneity in subjective labor market beliefs and perceived policy uncertainty can dampen the responsiveness of expectations to policy information, weakening intended effects of place-based policies. In this paper, we provide causal evidence on how place-based components of green industrial policy shape workers' labor market expectations and behaviors, using a large-scale, place-based survey with randomized information treatments focused on various components of the IRA.

While a growing literature evaluates place-based policies using observational data,[1] relatively little evidence exists on how these policies shape expectations. Understanding these expectations is essential to evaluating both the political durability and welfare implications of place-based policy. To examine how place-based policies shape worker expectations, we implement a geographically targeted experimental design with multi-layered information treatments. Our information treatments emphasize two core features of the IRA: the place-based Energy Community Bonus Credit and variations in policy uncertainty. These tools allow us to isolate distinct elements of policy design and identify their causal effects on subjective labor market beliefs (Stantcheva, 2023; Haaland et al., 2023).

Understanding how individuals form beliefs about complex, place-based industrial policies is empirically challenging, particularly when policy designs are layered and political context shapes expectations. We address these challenges in three main ways. First, we introduce a survey methodological innovation: a geographically targeted, place-based information RCT that tailors national versus local policy treatments to respondents' locations. This design allows us to compare how national versus localized policy provision shapes expectations, informing spatial policy design. Second, our information treatments allow us to isolate the effects of policy uncertainty, a feature increasingly salient in recent green industrial policies like the IRA compared to earlier initiatives such as Empowerment Zones or the Tennessee Valley Authority (Busso et al., 2013; Kline and Moretti, 2014). This is particularly relevant in a polarized political environment, where beliefs about policy durability may vary across individuals and attenuate expected policy effects. Third, despite extensive public outreach about the IRA by the Biden–Harris Administration, our survey shows limited prior public awareness: over 60% of respondents report knowing nothing

[1] See Bartik (2020) for a review of the literature on place-based policies.

or very little about the IRA. Awareness increased significantly across all treatment groups in the follow-up surveys. More broadly, our approach complements recent work in spatial economics that incorporates information frictions and belief formation in general equilibrium frameworks (Fan et al., 2023; Porcher et al., 2024), by offering experimental evidence on how individuals form beliefs around place-based policies.

To estimate the causal effects of different layers of green industrial policy design, such as those in the IRA, we implement multiple surveys to elicit subjective labor market beliefs. The IRA's place-based provisions, such as the Energy Community Bonus Credit,[2] are particularly salient given potential local labor market disruptions of the energy transition, especially in regions historically reliant on fossil fuel industries (Hanson, 2023). Our experimental design leverages these realistic institutional features and provides some of the first evidence of how such policies impact workers in vulnerable communities. We contribute methodologically by designing *place-based surveys* with randomized information treatments, allowing us to assess how policy design variations in geographic scope and policy uncertainty shape worker beliefs.

We collect our survey sample through two primary survey platforms, *Qualtrics* and *Prolific*.[3] The experimental design employs multi-layered information treatments. Our surveys are *"place-based"*, in the sense that treatment design is based on whether respondents are located in Energy Community eligible areas. Specifically, we introduce four information features as treatment arms: (1) a national information treatment outlining general IRA provisions; (2) a place-based treatment providing targeted information to respondents in Energy Community–eligible areas; (3) a policy uncertainty treatment highlighting potential political and regulatory risks; and (4) a spillover treatment conveying information about nearby eligible regions. The survey elicits beliefs about labor market prospects and perceptions of opportunities and barriers in the energy transition. We estimate average treatment effects by regressing changes in individual labor market expectations on treatment assignments, controlling for demographics, location, and survey platform.

Our first key finding highlights the importance of localized policy design in shaping labor market expectations. We find that the national provisions of the IRA have little effect on workers' expectations regarding city-level wage growth, auto-industry earnings growth, inflation, or support for climate policies. In contrast, the place-based Energy Community Bonus Credit, significantly shifts expectations among workers in eligible areas. In particular, information about the "energy community bonus credit", leads to a 0.7 and 0.8 percentage point increase in expected city-level and auto industry earnings growth. These positive adjustments appear

[2] Specifically, the Energy Community Tax Credit Bonus provides an additional 10% (for production tax credits) or 10% (for investment tax credits) for projects, facilities, and technologies located in designated energy communities.

[3] Qualtrics enables precise geographic targeting at the MSA level. For Prolific, we apply a custom screening algorithm to construct a balanced sample across eligible versus non-eligible areas.

linked to workers' expectations of more proactive employer responses in their local areas. We also find that responses to information about the IRA's place-based provisions differ sharply by political affiliation: Democrats and Moderates revise their labor market expectations upward, while Republicans show no such response and instead increase their inflation expectations.

Overall, while information about the IRA's national-level provisions has limited impact on labor market expectations or pro-climate attitudes, emphasizing direct local benefits appears to be a key channel through which green industrial policy positively shapes labor market expectations and climate policy support. Our findings contribute to a broader discussion on the rationales for place-based subsidies in economically distressed regions. While prior work emphasizes efficiency gains from amenity spillovers and heterogeneous worker sorting (Diamond and Gaubert, 2022; Fajgelbaum and Gaubert, 2020, 2025), our results point to an additional mechanism. Place-based policies with localized subsidies may be more effective in reducing information frictions in the formation of workers' labor market expectations, suggesting a behavioral channel through which place-based policies could potentially enhance labor market efficiency.

Our second finding addresses the role of policy uncertainty, a growing concern in the implementation of contemporary place-based industrial policies such as the IRA. To examine the effects of policy uncertainty, we introduce additional treatment layers that highlight two distinct sources: uncertainty surrounding annual eligibility for Energy Community tax credits, and uncertainty about long-term policy durability due to shifting political cycles. We find that uncertainty surrounding eligibility criteria attenuates positive labor market expectations among place-based treatment groups.[4] Furthermore, our analysis reveals that subjective labor market expectations depend on perceived policy durability, particularly workers' expectations about a potential Republican electoral victory. Respondents who saw a Republican victory as highly probable (above 75%) showed no significant responses in expectations in all treatment groups. Overall, our findings highlight the importance of policy stability and political cycles in place-based policy design, adding to a growing literature that focuses on political economy factors in spatial settings (Fajgelbaum et al., 2023; Henkel et al., 2022; Slattery, 2024).

Finally, we conduct a follow-up survey to evaluate how receiving information about the IRA shapes individuals' expectations regarding their own labor market outcomes and behaviors. We find that both national and place-based treatments in eligible areas lead to modestly improved wage growth expectations. Notably, participants exposed to the place-based information treatment significantly increase their expectations of job stability, reporting an increased likelihood of remaining in their current positions. Consistent with these positive changes in labor market expectations, employed participants who received place-based information treatment

[4] Part of this eligibility uncertainty lies in the dual criteria for energy communities: the fossil fuel employment requirement and the local unemployment rate requirement.

report reduced job-search activities, while unemployed respondents in eligible areas significantly intensify their job-search efforts.

Related Literature Our paper builds on recent advances in survey experiment methodology (Fuster and Zafar, 2023), a powerful tool for identifying the causal effects of economic policies on individual expectations (Coibion et al., 2022, 2023; Bachmann et al., 2025). In the climate policy domain, this approach has been used to examine how tailored messages affect perceptions of environmental risks and support for policy interventions (e.g., Bakkensen and Barrage 2022; Mulder 2021), as well as broader attitudes toward environmental and trade policies (Dechezleprêtre et al. 2022; Stantcheva 2021). To our knowledge, this is the first paper to provide causal evidence on how a place-based green industrial policy like the IRA shapes individual expectations.

Our paper contributes to the growing behavioral macroeconomics literature, which increasingly emphasizes the need to understand subjective labor market expectations (Mueller et al., 2021; Faberman et al., 2022; Hvidberg et al., 2023; Caplin et al., 2023; Jain et al., 2024; Jäger et al., 2024; Pilossoph and Ryngaert, 2024). Yet, there is limited evidence on how workers form these expectations in response to the clean energy transition. Since beliefs about wages and job transition risks shape job search behavior, labor market participation, and labor supply decisions, understanding these expectations is crucial for assessing the distributional consequences of climate-related industrial policies. We contribute to this literature by designing and implementing novel place-based surveys to assess how workers in different regions update their labor market expectations in response to the energy transition.

This paper also contributes to the broad literature on place-based policies (Busso et al., 2013; Bartik, 2020; Criscuolo et al., 2019; Fajgelbaum and Gaubert, 2020, 2025; Hanson et al., 2025; Siegloch et al., 2025; Kline and Moretti, 2014; Slattery and Zidar, 2020). While existing work has documented their economic effects and efficiency gains, less is known about how place-based policies shape labor market expectations, a key factor through which policy may influence behavior. Recent studies of the IRA highlight its effects on power sector investment and financial markets (Bistline et al., 2023; Bauer et al., 2024). Our place-based survey designs reveal that positive adjustments in labor market expectations occur only when localized policy provisions are presented, and that policy uncertainty tied to political cycles can significantly attenuate these effects.

Finally, our study contributes the growing literature that links partisanship to economic beliefs and expectations. Prior work documents that households' economic outlooks diverge sharply along party lines (Mian et al., 2023; Binder et al., 2024). Political polarization also shapes how individuals interpret news articles (Faia et al., 2024), government policies (Binetti et al., 2024), and the central bank (Kuang et al., 2024), thereby hampering effective policy commu-

nication. In line with these findings, we show that households' partisan affiliations and their perceptions of a policy's political vulnerability lead to divergent interpretations of the same policy information. These partisan gaps in perceptions weaken the link between policy intentions and belief formation, limiting the effectiveness of place-based policies among politically misaligned groups.

The rest of the paper is organized as follows. Section 2 presents background information on the IRA and our sampling strategies. Section 3 discusses the survey design and data. Section 4 presents the empirical specification and main results. Section 5 explores the treatment effects on individual labor market outlooks and behaviors. Finally, Section 6 concludes. The appendix provides further details.

2 Background and Sample

In this section, we provide institutional details about the Inflation Reduction Act, including the energy community tax credit bonus provisions, and how it informs our survey design and sampling choices. Existing surveys, such as those conducted by the US Census, rarely capture labor market beliefs related to climate change and environmental policy. To overcome these data challenges and to provide causal interpretation, we design and conduct *place-based surveys* to gauge workers' labor market outlooks.

2.1 The Inflation Reduction Act

The Inflation Reduction Act, signed into law by President Joe Biden on August 16, 2022, is a major federal initiative to decarbonize the economy while supporting domestic manufacturing and regional development. It provides a mix of tax credits and direct spending to encourage investment and job creation, with provisions that particularly target lower-income regions historically dependent on fossil fuels. As a green industrial policy, the IRA seeks not only to expand clean energy employment but also to mitigate uneven labor market impacts of the transition and address long-standing environmental justice concerns. At the same time, the transition to a clean energy economy poses challenges, including potential job losses in fossil fuel–intensive sectors and regions.

The IRA is widely regarded the most significant federal climate legislation in U.S. history (Bistline et al., 2023). The Biden–Harris Administration used multiple public-facing channels to communicate the IRA's benefits, including nationwide "Investing in America" events, local project announcements (often amplified in local news and social media), and agency web tools and data-visualization platforms explaining available benefits and eligibility. Yet the IRA is

highly complex. In our baseline survey, more than 60% of respondents reported little or no prior awareness of the IRA ahead of the 2024 election.

While ambitious in scope, implementation of the IRA has been politically and administratively complex, with substantial policy uncertainty. One dimension of our information treatment reflects pre-election policy uncertainty, particularly Candidate Donald Trump's stated intent to revoke the IRA during the 2024 campaign. The transition to a new federal administration in 2025 further amplified this uncertainty, with efforts to revoke or stall previously obligated grants through executive orders, litigation, and additional review processes.[5]

A key component of the IRA is its *place-based* components – targeted policies aimed at improving the economic prospects of specific regions. These policies focus on job creation and wage growth, particularly in communities historically reliant on fossil fuel industries (Neumark and Simpson, 2015). Among them, the *Energy Community Tax Credit Bonus* applies a bonus of up to 10% (for production tax credits) or 10 percentage points (for investment tax credits) for projects, facilities, and technologies located in energy communities.

We focus on a primary qualifying category for energy communities, referred to as eligible areas throughout this paper, as illustrated by Figure 1. These include metropolitan statistical areas (MSAs) or non-MSAs that meet both of the following criteria: (1) at any time after 2009, they have met the fossil fuel employment threshold—either at least 0.17% direct employment or 25% or more of local tax revenues derived from the extraction, processing, transport, or storage of coal, oil, or natural gas; and (2) they have had an unemployment rate at or above the national average for the previous year.[6] Areas that did not meet these criteria in June 2024 are referred to as *non-eligible areas* hereafter.

Energy community designations fluctuate annually. As of June 7, 2024, MSAs and non-MSAs that met the 2023 unemployment rate requirement qualify as energy communities and will retain this status until the 2025 Annual Statistical Area Category and Coal Closure Category Update, which is expected to incorporate 2024 unemployment data in May 2025. Additionally, some MSAs and non-MSAs meet the fossil fuel employment threshold but do not currently qualify due to the unemployment rate criteria. These areas could gain energy community status in the future if they meet both requirements.

[5] President Donald Trump's Executive Order 14154, *Unleashing American Energy*, paused funding distributions under the IRA and initiated reviews leading many agencies to revoke or reconsider grants, loans, and contracts tied to climate and renewable energy projects.

[6] Other categories include "brownfield sites", as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and census tracts (or directly adjoining ones) in which a coal mine has closed after 1999 or in which a coal-fired electric generating unit has been retired after 2002.

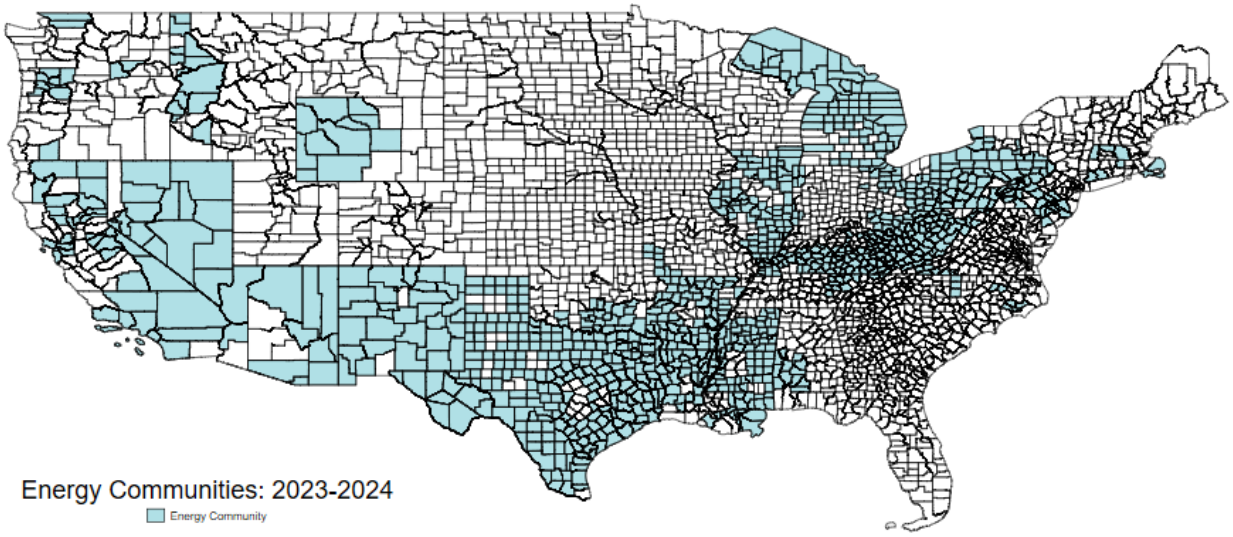


Figure 1: ENERGY COMMUNITIES: U.S. DEPARTMENT OF ENERGY

This map shows all MSA and Non-MSA energy communities qualifying for the IRA energy community tax credit bonus from 2023 to 2024, according to U.S. Department of Energy (2023–2024)

2.2 Sampling Strategy

We collect our sample through two main survey platforms, *Prolific* and *Qualtrics*, each offering distinct advantages. Given that the IRA is a place-based policy, our survey is also designed to be place-based, targeting respondents in both eligible and non-eligible areas. Our targeting strategy enables localized policy treatments within a multi-layered information experiment.

Prolific Prolific offers the advantage of respondent re-contact and broad U.S. coverage, but it does not allow for direct MSA-level targeting. To address this limitation, we implement a custom screening algorithm to achieve geographically targeted information provision. Upon entering the Prolific survey, respondents are first asked to indicate the U.S. state in which they currently reside. They are then presented with a list of specific locations within that state and asked to select the one where they live. Importantly, respondents are not informed that this list corresponds to energy communities, nor is there any indication in the survey that would allow them to infer this. If a respondent selects "none of the above," they are classified as living in a non-eligible area. For states without any designated locations on the list, all respondents are automatically considered as living in non-eligible areas. Additionally, if a respondent selects one of the cities we designated to target through Qualtrics, they are screened out to prevent double-sampling across platforms. Given the disproportionately large number of respondents from non-eligible areas, we impose a quota and stop recruitment once the target is reached. All screened-out participants receive compensation for their time.

Qualtrics Qualtrics allows precise targeting of specific MSAs, so that we can focus on eligible regions. We choose a set of MSAs with significant employment in power generation and related manufacturing sectors. Our sample includes respondents from Chicago, IL; Pittsburgh, PA; Philadelphia, PA; Detroit, MI; Houston, TX; Portland, OR; New Orleans, LA; Las Vegas, NV; and Los Angeles, CA. The total size of the Qualtrics sample is approximately 5,000 respondents, equally sampled across these MSAs.

3 Survey Design and Data

This section outlines the design of our survey and the characteristics of our sample. Our place-based survey employs randomized information treatments to assess how exposure to information about the IRA shapes job search behaviors and labor supply decisions. To ensure causal identification, we apply the latest survey-based techniques to introduce exogenous variations in information treatment (Haaland et al., 2023).

3.1 The Survey Structure

The survey consists of five main sections designed to capture respondents' general views toward climate change and the energy transition, their labor market expectations, and, most importantly, their responses to IRA-related informational treatment. The full questionnaire is reported in Appendix B.

The survey begins by eliciting respondents' views on climate change and their political leanings. Next, we elicit respondents' labor market outlooks. It begins by identifying their current labor market status, including whether they are employed, and if not, whether they are actively searching for jobs or not currently in the labor force. The next part of this section examines expectations about labor market conditions at both the individual and national levels.[7] All respondents are asked about their expectations for key economic indicators, such as income growth in the city and the auto sector in general. Employed individuals are asked about job security, career growth prospects, and anticipated changes in their current employment situation. Unemployed individuals report their outlook on job-finding probabilities and expected wages. Individuals who are currently out of the labor force report whether they plan to enter the workforce in the near future and whether they intend to pursue training or skill development.

Respondents then proceed to the information treatment stage. Before exposure to any information treatment, assess their existing knowledge and opinions regarding the IRA. They are

[7]The design of the survey questions follows several large-scale national surveys that elicit labor market expectations, including the New York Fed Survey of Consumer Expectations (Faberman et al., 2022), Canadian Survey of Consumer Expectations (Jain et al., 2024), and the Copenhagen Life Panel (Caplin et al., 2023).

then randomly assigned to either a control or treatment group, with assignment to treatment groups determined in part by whether they live in eligible areas, as detailed in Section 3.2. The control group receives no additional information, while treatment groups receive varying levels of information about national and place-based IRA policies. After the treatment, respondents provide their thoughts on the IRA's potential impact on their personal circumstances, their local economy, and the national economy. Additionally, employed respondents are asked whether they expect to observe any IRA-related changes in their workplace.

To measure the effect of the treatment, respondents then revisit the labor market outlook questions, with wording adjustments designed to mitigate experimenter demand effects. This pre- and post-treatment design allows us to assess how exposure to IRA-related information affects respondents' subjective assessments of labor market conditions.

After that, we gather information on respondents' industries and occupations, providing further context for their labor market perspectives. We then collect demographic details, including geographic location, income, education, age, and gender. To gauge potential shifts in attitudes after the information treatment, this section also includes a follow-up question on respondents' perceptions of climate change policies.

Design differences between Prolific and Qualtrics surveys We incorporate design features tailored to each survey platform to better capture the effects of IRA information on respondents' labor market actions. For Prolific respondents, we conduct a follow-up survey one week later to track behavioral responses over time. This follow-up asks how much time they have spent searching for jobs, whether they have sought information related to the clean energy transition, and whether they have specifically looked for renewable energy-related job openings. In particular, for employed respondents, we ask questions about their own labor market outlooks again to capture any delayed treatment effects. Importantly, when respondents are re-contacted for the follow-up survey, they are not informed that it is a continuation of the previous survey, in order to minimize potential demand effects.

For Qualtrics respondents, we designed additional post-treatment questions to understand the potential mechanisms. This includes eliciting workers' willingness to increase commuting time (Monte et al., 2018), expectations about outside options (Jäger et al., 2024), reasons to stay with current employer, and perceptions of employer responses to the IRA. Since re-contacting respondents in the Qualtrics sample is not feasible, we provide them with two clickable links – one leading to general job postings in their local area and another directing them to job postings specifically in the renewable energy sector.

3.2 Information Treatments

We develop a geographically targeted survey design that enables localized policy treatments within a multi-layered information experiment to study place-based policies. In particular, we provide multi-layered information treatments based on the eligibility of respondents' locations for IRA tax credits. The first layer provides a *national treatment*, which presents information about general tax incentives under the IRA. This treatment is administered to all respondents assigned to a treatment group, regardless of whether their location has ever qualified for the local IRA tax credits.

> The Inflation Reduction Act (IRA), signed into law in August 2022, is the largest initiative ever undertaken in the U.S. to invest in clean energy and address climate change. The IRA offers significant tax incentives for production and investment in renewable energy projects.

Eligible areas For respondents residing in locations that have previously qualified for IRA tax credits, we introduce a second layer of *place-based policy* that provides localized information about specific tax credits available in their area.

> Your city has previously qualified for the "Energy Community Bonus" under the IRA due to its historical role in energy production. This bonus, designed to stimulate local clean energy jobs, offers an additional tax credit of up to 10% for production or investment in renewable energy projects.

Since IRA eligibility is determined by two thresholds – fossil fuel employment and local unemployment rate – eligibility status may fluctuate over time depending on the current local unemployment rate. To account for this, we introduce an additional treatment layer for eligible areas, informing respondents that future qualification depends on evolving local economic conditions. This *uncertainty* may influence perceptions of the policy's impact on the local economy.

> Qualification for this bonus credit changes over time depending on your local economic conditions. The next update will take place around May/June 2025.

Non-eligible areas For respondents in areas that have never met the fossil fuel employment threshold and, therefore, are ineligible for the local IRA tax credit, we introduce a new second-layer treatment. This treatment parallels the structure of the two-layer treatment provided to eligible areas but with modifications to evaluate potential *spillover effects*. While these areas do not receive local IRA benefits, they remain eligible for national tax incentives.

Certain cities in the US have previously qualified for the "Energy Community Bonus" under the IRA due to their historical role in energy production. This bonus, designed to stimulate local clean energy jobs, offers an additional tax credit of up to 10% for production or investment in renewable energy projects.
While your city has not yet qualified for the "Energy Community Bonus", it remains eligible for nationwide tax incentives for renewable energy projects under the IRA.

3.3 Descriptive Statistics

We collaborate with two platforms, *Prolific* and *Qualtrics*, to administer our survey instruments. The *Prolific* survey was conducted between September and October 2024, following the announcement of the new eligibility rule on June 6, 2024. This period coincided with major political events, including President Biden's resignation, Vice President Kamala Harris's succession, and the selection of vice-presidential candidates by both the Democratic and Republican parties. All *Prolific* respondents were re-contacted one week after completing the main survey, achieving a re-contact rate of 76%. The *Qualtrics* survey was conducted in two waves: the first in late October 2024, before the U.S. presidential election, and the second in December 2024, following the election. Table 1 summarizes the details of all experiments.

For Prolific respondents, treatment assignment varies based on whether they reside in an IRA-eligible area. Respondents in eligible areas are randomly assigned with equal probability to one of three groups: a control group (T0) that receives no additional information, a national treatment group (T2) that receives information about general IRA policies, or a place-based policy treatment group (T3) that receives both national IRA policies and additional information on place-based incentives, specifically the *Energy Community Bonus Tax Credits*.

Prolific respondents in non-eligible areas are randomly assigned with equal probability to one of three groups: a control group (T0), a national treatment group (T1), or a spillover treatment group (T5) that receives information about both national IRA policies and the Energy Community Bonus, explicitly noting that their city does not qualify for it.

For Qualtrics respondents, all participants are from IRA-eligible areas and are randomly assigned with equal probability to one of three groups: a control group (T0), a place-based policy treatment group (T2) that receives both national and place-based IRA policy information, or a policy-based policy uncertainty treatment group (T4) that, in addition to receiving information about national and place-based policies, is also informed about the potential uncertainty surrounding future eligibility for IRA tax credits.

The median completion time of our survey is 10 minutes. We excluded 294 observations whose total survey completion time was less than 5 minutes or exceeded 40 minutes. Further-

Table 1: OVERVIEW OF EXPERIMENTS

Experiment	Experiment 1 Eligible areas	Experiment 2 Non-eligible areas	Experiment 3 Followup of Experiments 1 & 2	Experiment 4	Experiment 5 Nine eligible MSAs
Platform	Prolific	Prolific	Prolific	Qualtrics	Qualtrics
Timeline	Sep - Oct 2024	Sep - Oct 2024	7 days after the main survey	Oct 2024 (pre-election)	Dec 2024 (post-election)
Sample	N=2,060	N=2,165	N=3,232	N=4,306	N=819
Treatment Groups	Control (T0), national (T2), national + place-based (T3)	Control (T0), national (T1), national + spillover (T5)	N/A	Control (T0), national + place-based (T3), national + place-based + uncertainty (T4)	
Main Outcomes	IRA awareness; expectations of inflation, city earnings growth, auto sector earnings growth, own wage growth; own wage growth uncertainty; probabilities of individual labor market outlook (stay, quit, laid off, job finding)				
Additional Outcomes			Hours spent on job search; search for information about clean energy transition; search for jobs in renewable energy sectors	Outside options; commuting time; employer response to the IRA; reasons to stay with current employer	

Note. This table provides an overview of all experiments.

more, we removed 306 observations that spent virtually no time (less than two seconds) on the screen showing the information treatments. This leaves us with a total of 9,350 observations for the main survey.

Table A.1 presents the demographic distribution across treatment groups within each sub-sample, demonstrating balance across key characteristics. The first sub-sample consists of respondents from non-eligible areas recruited through Prolific. This group is well-distributed across gender and racial categories, with approximately 58% identifying as female, 7% as Hispanic, 74% as White, 18% as Black, and 6% as Asian. The majority fall within the 30 - 45 age range, and more than half (55%) hold at least a bachelor's degree. Household income distribution is relatively even, with 37% earning below $50,000, 36% between $50,000 and $100,000, and 27% above $100,000. In terms of political affiliation, 27% identify as Republican, 31% as Neutral, and 42% as Democrat. The second sub-sample, comprising Prolific respondents from eligible areas, exhibits similar demographic patterns, with a slightly higher representation of Hispanic respondents (16%) and a marginally lower share of female respondents (54%).

The third sub-sample, drawn from Qualtrics, consists exclusively of respondents from the nine MSAs in IRA-eligible areas. Compared to the Prolific samples, this group is older, with 42% above the age of 55. The proportion of respondents with a bachelor's degree (37%) is slightly lower, and household income distribution skews lower, with nearly half (49%) earning below $50,000 annually. The racial composition is comparable to that of the Prolific samples. This sub-sample group exhibits a somewhat different political profile, with a higher share identifying as Republican (35%) and a lower share as Neutral (23%), while the proportion of Democrats (43%) remains similar as the two Prolific sub-samples.

Respondents were randomly assigned to treatment groups within each sub-sample. Column (5) of Table A.1 reports the p-values of the balance tests, which confirms that the assignment is indeed random, as there are no systematic differences in demographic characteristics across treatment groups.

Table A.2 presents summary statistics for key pre-treatment outcome variables across treatment groups within each sub-sample. Across all sub-samples, respondents on average expect moderate city-level earnings growth over the next year, with mean expected earnings growth ranging between 2.06% and 2.51% across groups. Expectations about auto-sector earnings growth are slightly higher, with the mean ranging from 2.78% to 3.26%. Conditioning on working at the current job, employed individuals expect their own wage to increase on average by 5.46 - 5.87% over the next 12 months. Average inflation expectations center around 4.28% to 5.79%, with slightly higher values reported in the Qualtrics sub-sample. Support for climate policy is, on average, strong across groups, averaging around 70-74 on a 100-point scale.

Regarding job security, employed individuals report an average 72-76% probability of staying

in their current job and a 5-7% probability of being laid off. For unemployed individuals, the perceived probability of finding a job within three and twelve months hovers around 36-44% and 60 - 63% across samples, respectively. For those that are currently out of the labor force, approximately 26-41% of respondents anticipate looking for a job within the next 12 months. Importantly, the p-values for most pre-treatment expectation variables suggest no significant differences across different groups, supporting the validity of our randomization.

4 Empirical Specification and Main Results

In this section, we first outline the estimation strategy to identify average treatment effects and discuss the impacts of each treatment on aggregate labor market outcomes. We then dive into several important factors that contribute to our findings, including partisan policy perceptions, perceived policy durability (measured by the expected probability of Republicans winning the election), and support for energy transition policies.

4.1 Estimating the Average Treatment Effects

To identify the causal effect of different IRA-related information treatments on various subjective expectations, we estimate the following empirical specification,

$$Y_i^{\text{post}} - Y_i^{\text{pre}} = \beta_0 + \sum_{j=1}^{5} \beta_j \text{Treatment}_i^j + \eta \text{Eligible}_i + \psi \text{Prolific}_i + \Gamma X_i + \varepsilon_i, \tag{1}$$

where the outcome variable, $Y_i^{\text{post}} - Y_i^{\text{pre}}$, is the difference between posterior and prior expectation measures for respondent i. The posterior measure Y_i^{post} is either from the immediate post-treatment survey or from the follow-up survey. Treatment_i^j is an indicator variable if individual i belongs to treatment group Tj, with the control group as the omitted category. β_j estimates the average treatment effect of information presented in Treatment^j on the revisions of Y relative to the average change in the control group. Eligible_i is a dummy variable equal to 1 if the individual lives in the area that is eligible for "energy community bonus credit" and equal to zero otherwise. Prolific_i is a dummy variable equal to 1 if the individual participates in the survey through the Prolific platform and equal to 0 if participates through Qualtrics. X_i encompasses a rich set of individual-level controls such as age, gender, education, race, ethnicity, and income categories. We employ Huber-robust estimates to systematically control for outliers (e.g., Coibion et al. 2022).

Our parameters of interest are β_j, which measure the causal effects of various IRA-related information treatments on subjective labor market beliefs. Specifically, each β_j identifies the

average change in the expectations of the agents in the treatment group Tj compared to the average change in the control group. We allow for heterogeneities in the national treatment across non-eligible and eligible areas, and their effects are captured by β_1 and β_2, respectively. Moreover, β_3 measures the effects of the combined national and place-based treatment, while β_4 reflects the effects of the combined national and place-based treatment but with additional uncertainty. The parameter β_5 captures the effects of combined national and spillover treatment. η captures the differences between eligible and non-eligible areas. ψ captures the differences between the respondents in eligible areas participating through Qualtrics and Prolific, which may arise due to the distinct survey platforms.

4.2 National versus Localized Policy Provision

In this section, we present our findings on macro-level expectations, focusing on four different aspects of the design and implementation of the IRA. We begin with labor market expectations toward the national implementation of the IRA and then examine the impacts of its place-based policy provisions (the "energy community bonus credit"). Next, we discuss the role of policy uncertainty and conclude this subsection with findings on expectations towards spillover effects.

National implementation of the IRA The top two estimates in each panel of Figure 2 illustrate the causal effects of providing information about the national implementation of the IRA on labor market perceptions in non-eligible areas and eligible areas. These estimates indicate that, compared to the control group, individuals exposed to information about the national provisions of the IRA do not have significantly different expectations across various dimensions, including their city's earning growth, auto industry earning growth, inflation, or support for climate policy. Together, these results reveal a consistent pattern: information about the national treatment of the IRA does not lead to any meaningful adjustments – positive or negative – in aggregate labor market perceptions.

One potential interpretation is that the general provisions of the IRA may be perceived as too broad or distant to have a direct and discernible impact on beliefs about local labor markets. The IRA's general benefits are well known but do not explicitly show how they apply to the specific region. Workers may not see why this policy benefits them in their specific location.

Place-based provisions of the IRA Place-based policies are a widely used policy instrument to support regions that are economically lagging behind. The IRA includes strong incentives for employers to pay good wages and benefits. Our place-based survey designs allow us to contrast the impacts of the national component of the IRA on labor market perceptions versus the impacts of its place-based component. To examine this, we implement a second layer of

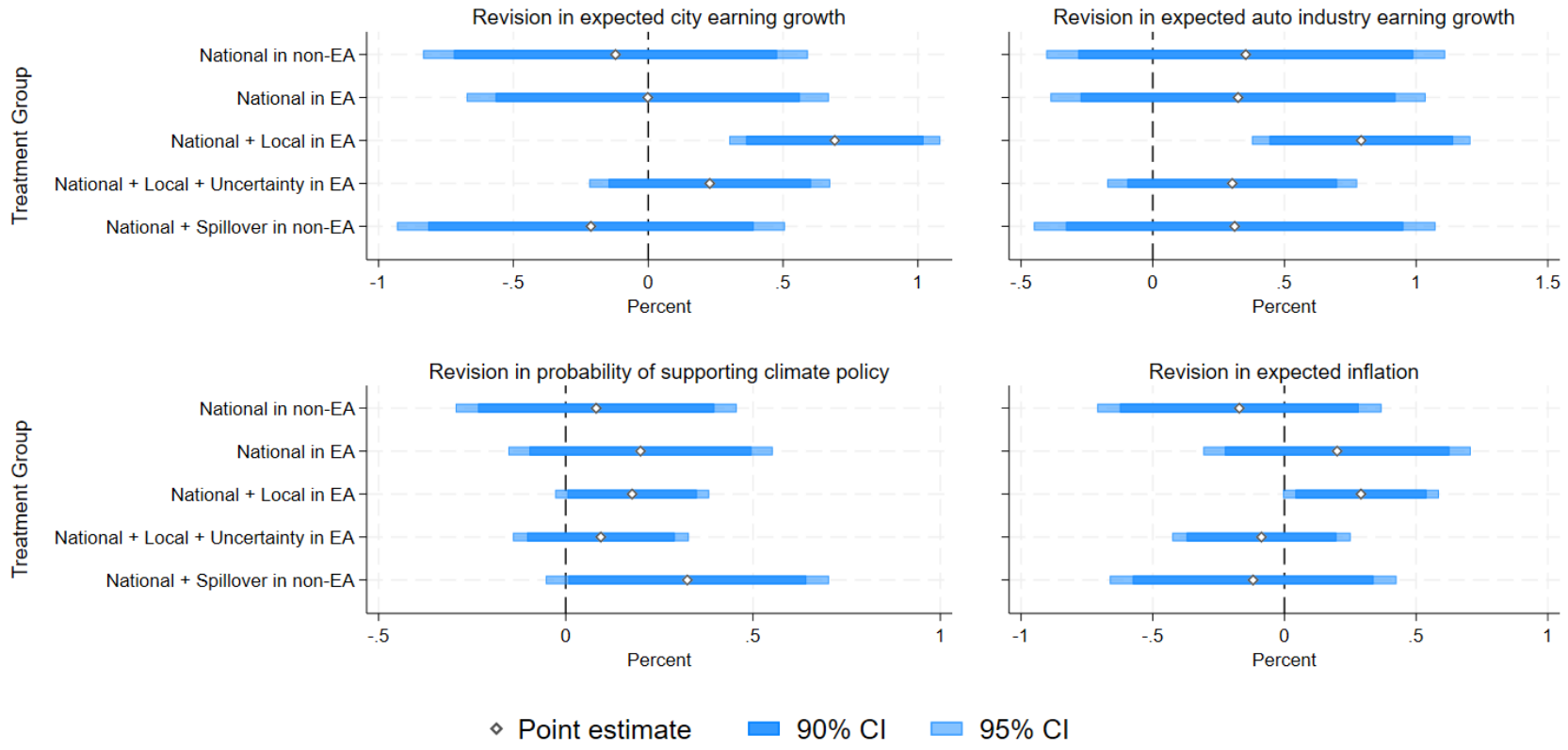


Figure 2: AVERAGE TREATMENT EFFECTS

Note. The figure plots the treatment coefficients along with the 90% and 95% confidence intervals using regression equation 1. The dependent variables are the expected 12-month-ahead city earnings growth, expected 12-month-ahead auto industry earnings growth, probability of supporting climate change policy, and expected 12-month inflation, respectively. Results are based on Huber-robust estimates.

information treatment, exploring the impacts of an important yet under-explored place-based provision of the IRA, "the energy community bonus credit", which we describe in detail in Section 2.

Our results show that in regions qualifying for the IRA's place-based credits, exposure to local information leads to modest but statistically significant increases in expected city-level and auto industry earnings growth – approximately 0.7 and 0.8 percentage points higher than in the control group. Given a pre-treatment baseline of 2 to 2.5 percentage points in sample average city-level earnings growth, these effects represent meaningful relative increases. Moreover, the effects are also more pronounced than those observed under the national treatment in both eligible and non-eligible areas.

To better understand the mechanisms underlying these improved earning expectations, we asked respondents in the place-based treated group a multiple-choice question: *In which areas do you think employers in your city have responded or will respond to the IRA?* Figure C.1 shows the percentage of respondents who selected each option. The results suggest overall proactive expectations about employer behavior, aligning with the upward revision in city earnings expectations. In particular, 47% of respondents anticipate investments in technological upgrades, 34% expect initiatives aimed at skill development, and another 34% foresee businesses exploring new product lines or market opportunities. While approximately 22% of respondents perceive no significant response from local employers, this share is smaller than those reporting proactive or constructive responses. At the same time, a non-negligible minority anticipate negative employer reactions, including relocation (14%) or business closures (8%).

As employer investment and expansion can also improve workers' employment prospects, we next examine whether these expectations translate into perceived improvements in outside options. To do so, we asked employed respondents about their perceptions of outside options in their cities (Jäger et al., 2024). Figure C.2 shows the effects of place-based policy on individuals' beliefs regarding future job opportunities across different industry-occupation combinations. Overall, respondents report positive, though statistically insignificant, responses, including opportunities within their current industry and occupation, as well as those involving different occupations or industries. These results suggest that anticipated improvements in workers' outside options within the local labor market might have contributed to the observed optimism about wage increases.

Policy eligibility uncertainty An important aspect of the place-based component of the IRA is that eligibility for energy community bonus credits may vary over time. This is due to the fact that the eligibility criteria are based on two key factors: fossil fuel employment levels and local unemployment rates, both of which can fluctuate. These two criteria introduce uncertainty

about the longer-term availability of these local tax incentives, which are particularly relevant for firm investment, business expansion, and production planning. To capture how this type of policy uncertainty shapes aggregate expectations, our survey includes a treatment arm that explicitly highlights the possibility of changes in "energy community" eligibility. As shown in the top row of Figure 2, respondents receiving this treatment do not update their labor market outlook as strongly as those who only learn about the immediate availability of the "energy community" credit. Specifically, while the place-based provision leads to a significant positive revision in expected city-level and auto-industry-level earnings, adding the uncertainty information dimension attenuates these effects. Consistent with this observation, Figure C.2 shows that adding policy uncertainty leads to overall negative evaluations of outside options, in contrast to the positive responses from the place-based policy treatment.

Spillover effects Our design allows us to investigate whether regions *not* currently designated as "energy communities" nonetheless anticipate indirect benefits or harms from the IRA's local provisions in neighboring areas. For areas that fall outside the eligibility criteria, they may perceive that new energy-sector investments elsewhere can ripple outward – through demand for intermediate inputs, tighter labor markets, or related service expansions – to boost their own local wages and job opportunities. Conversely, some respondents may view the place-based extra tax credits as a redistribution of public finances, raising concerns about increased tax burdens without direct local benefits. However, we did not find any significant effects on household beliefs.

Support for climate policy We evaluate the effects of our treatments on the change in respondents' stated probability of supporting policies to tackle climate change. Although the average treatment effects are relatively small, we do observe a slight upward revision in support among those receiving information on place-based credits. This increase is not especially large, but it suggests that tying policy provisions to tangible local benefits – such as additional clean-energy tax credits in one's own community – can modestly enhance public willingness to support climate initiatives. By contrast, simply highlighting the IRA's national-level provisions alone shows little effect, implying that localized cues and direct local benefits may be an important channel through which green industrial policy fosters broader pro-climate attitudes.

Does the Inflation Reduction Act reduce inflation expectations? As shown in the bottom right panel of Figure 2, despite its name, our evidence suggests that the Inflation Reduction Act does not, on average, dampen short-run inflation expectations. Neither receiving information about the broad national components of the IRA nor its place-based provisions reduces projected

inflation. In fact, individuals who learn about the local "energy community bonus" exhibit a modest but statistically significant *increase* in their inflation expectations – possibly because they anticipate stronger local demand for goods and labor as a result of the incentive, which is in line with their improved labor market outlook.

Experimenter demand effects A general concern with information provision experiments is that participants might adjust their responses to align with researchers' expectations (Haaland et al., 2023). To address this, at the end of the survey administered via the Prolific platform, we asked respondents an open-ended question about their perceptions of the study's purpose. Their answers were hand-coded and verified. Only a small fraction (5.63%) correctly identified the study's intent to examine how climate-related policy information influences individuals' beliefs in economic outlooks and labor market behaviors. Excluding participants who correctly identified the study's purpose leaves our treatment effects virtually unchanged (Figure D.1). Details can be found in Appendix D.

4.3 The Role of Political Affiliation

Recent research documents sharp partisan divergence in perceptions of economic conditions (e.g., Binder et al. 2024). These differences extend beyond assessments of economic performances to evaluations of specific policy goals. The IRA, passed without bipartisan support, embeds Democratic policy priorities such as clean energy investment and taxation, which Republicans have generally opposed. As a result, perceptions of the IRA may not only reflect economic expectations but also partisan alignment, making it a particularly salient case for studying how political affiliation shapes responses to industrial policy.

Given this context, we expect the informational intervention in our RCT to yield varying effects based on respondents' party affiliations. To explore this heterogeneity, we categorize respondents into three groups: (1) strong or moderate supporters of the Democratic Party, comprising 42.7% of respondents; (2) neutral respondents, comprising 26.3%; and (3) strong or moderate supporters of the Republican Party, comprising 31%.[8] We estimate the specification described in equation (1) separately for each subgroup, allowing us to identify the group-specific average treatment effects (e.g., comparing expectation revisions between treated Democrats and control Democrats). Figure 3 presents the estimation results.

Among Democratic and neutral respondents, exposure to information about the place-based provisions of the IRA significantly raised their expectations of earnings growth in their city and the automobile industry compared to the control group. Specifically, Democratic

[8] Party affiliations are measured using the survey question, "Are you a strong or moderate supporter of the Democratic or Republican Party?"

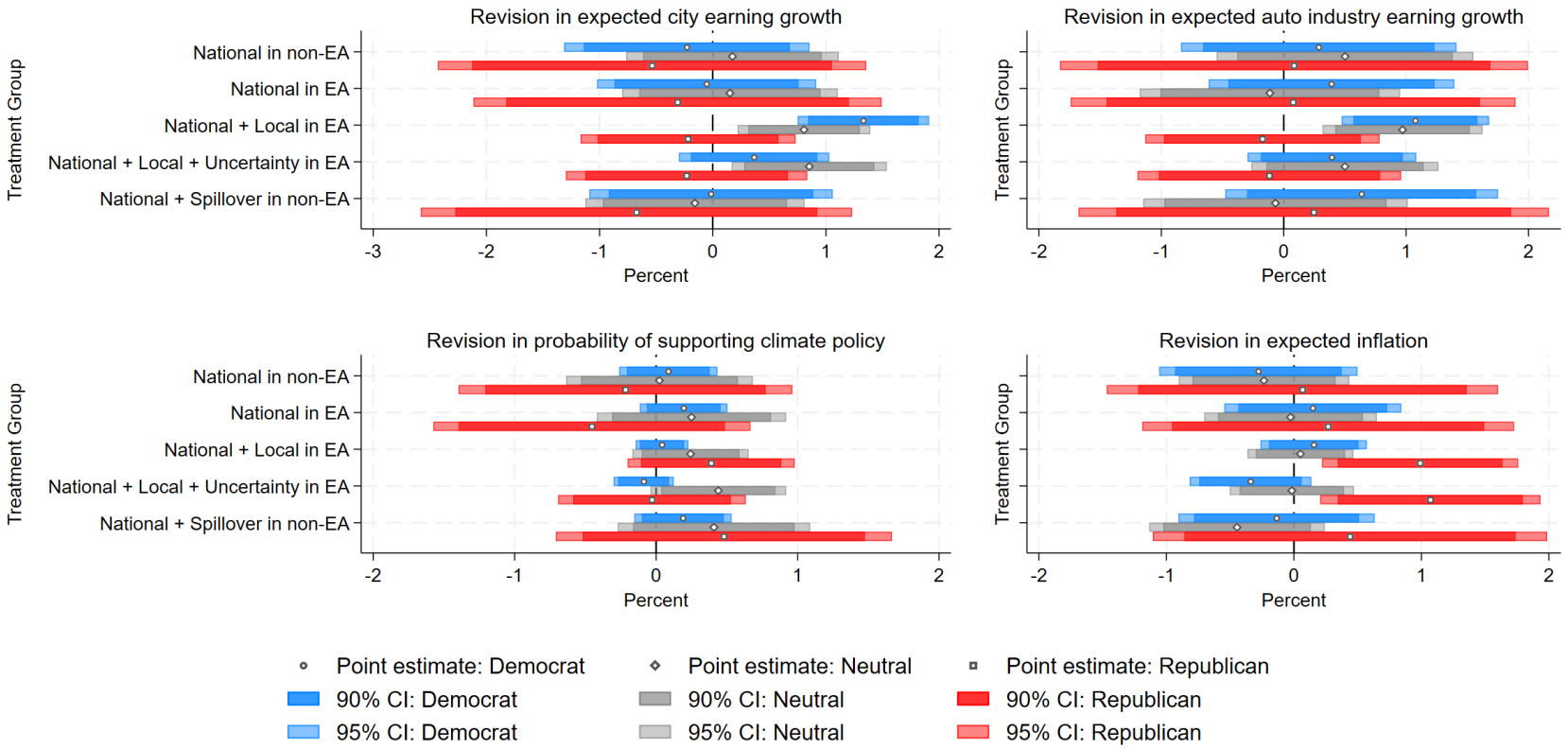


Figure 3: AVERAGE TREATMENT EFFECTS BY POLITICAL LEANING

Note. The figure plots the treatment coefficients along with the 90% and 95% confidence intervals using regression equation (1). The dependent variables are the expected 12-month-ahead city earnings growth, expected 12-month-ahead auto industry earnings growth, probability of supporting climate change policy, and expected 12-month inflation, respectively. The regressions are estimated separately for respondents in each political leaning category. Results are based on Huber-robust estimates.

respondents who received information about the place-based IRA provisions expected notably higher city-wide and industry-specific earnings growth, while neutral respondents similarly reported increased expectations for city-wide earnings growth (approximately 0.9%). In contrast, Republican respondents did not exhibit statistically significant revisions in their expectations for earnings growth in response to the treatments. Rather, Republicans viewed place-based IRA provision treatments as potentially inflationary, revising their inflation expectations upward by approximately 1%, even when policy uncertainty was explicitly mentioned.[9]

We find no evidence that any treatment influenced respondents' general support for climate policy across political subgroups. This aligns with observed baseline differences in pre-existing climate policy attitudes: Democratic respondents expressed the highest initial support (86%), followed by neutral respondents (69%), while Republicans indicated the lowest (56%). Given these substantial partisan differences, providing additional information about the IRA does not appear to narrow or widen existing differences.

Our findings indicate that political orientation mediates the effect of policy information on individuals' economic expectations, consistent with recent work on partisan gaps in belief formation. This suggests that the effectiveness of place-based industrial policies depends not only on their economic design but also on the political context in which they are communicated. Republican respondents do not revise their earnings expectations upward and instead report heightened inflation concerns, in contrast to Democrats and Moderates who respond positively to localized provisions. These patterns suggest that political priors can attenuate the intended effects of policy communication, underscoring the importance of incorporating heterogeneity in belief formation when evaluating the effectiveness and durability of place-based policies.

4.4 Perceived Policy Durability

As an industrial policy, the IRA channels public resources toward specific sectors and regions, particularly clean energy and infrastructure. However, its long-term credibility, implementation, and impact remain contingent on political developments. Ahead of the 2024 election, former President Donald Trump publicly criticized the IRA and signaled his intent to dismantle key provisions if re-elected. Given the sharp partisan divide, perceptions of the IRA's durability are closely tied to expectations about future political leadership. A Republican administration could substantially modify or roll back its provisions, creating uncertainty about the stability of its intended economic benefits. In this section, we investigate how individuals' beliefs regarding the likelihood of a Republican victory in the 2024 presidential election shape their expectations of the IRA's economic impacts.

[9] Our results still hold if we only consider modest political supporters measured as reporting a Republican winning probability within 25 and 75 percent.

We categorize respondents based on their perceived probability of a Republican victory in the 2024 presidential election into three groups: those who assign a probability below 35% (not likely), between 35% and 75% (likely), and above 75% (highly likely), comprising 23.5%, 53.5%, and 23% of the respondents, respectively.[10] The estimation results are shown in Figure 4.

Our findings reveal a strong interaction between perceived electoral outcomes and expectations of the IRA's economic impact. Respondents who believed the probability of a Republican presidential victory was below 75% significantly increased their expectations of earnings growth in their city and the local automobile industry when exposed to information about the place-based IRA provisions. Among them, respondents who saw a Republican victory as not likely (below 35%) expected higher inflation after receiving information about place-based IRA provisions, and they also reported stronger support for climate policy. In contrast, those who viewed a Republican victory as highly probable (above 75%) showed no statistically significant changes in expectations across any treatment conditions.

These results contribute to the broader literature on policy uncertainty and economic expectations. When policies are perceived as vulnerable to political cycles, their ability to shape long-term economic activity weakens, dampening incentives for firm investment and household planning. In the case of the IRA, perceptions of durability are closely linked to partisan dynamics, which condition how households form expectations about its impacts. More broadly, our findings suggest that beyond the specifics of policy design, beliefs about political stability play a central role in shaping economic expectations, indicating that credibility and long-term commitments are essential for effective policy outcomes.

One potential concern is that political affiliation may be highly correlated with the perceived probability of a Republican victory. In addition, we may wish to disentangle the effects of perceived policy durability from party affiliation. To address this, we conduct an additional exercise focusing only on Democratic respondents. Our sample includes nearly 4,000 Democrats, of whom approximately 3,685 participated before the election. We divide them into two groups based on their perceived likelihood of a Republican victory: those assigning a probability below 50% ("Democratic Party more likely to win") and those assigning a probability of 50% or higher ("equal or higher chance of Republican Party winning"). These two groups consist of 2,499 and 1,185 respondents, respectively.

Results are presented in Figure C.3. We find that the main results are robust: Democratic respondents who considered a Republican victory unlikely reported higher expected inflation and stronger support for climate policy after receiving information about place-based IRA provisions. In contrast, those who viewed a Republican win as likely exhibited smaller changes

[10]The survey question is as follows: "What do you think is the percent chance that the Republican party will win the presidential election?". Our results remain robust when respondents are grouped into terciles.

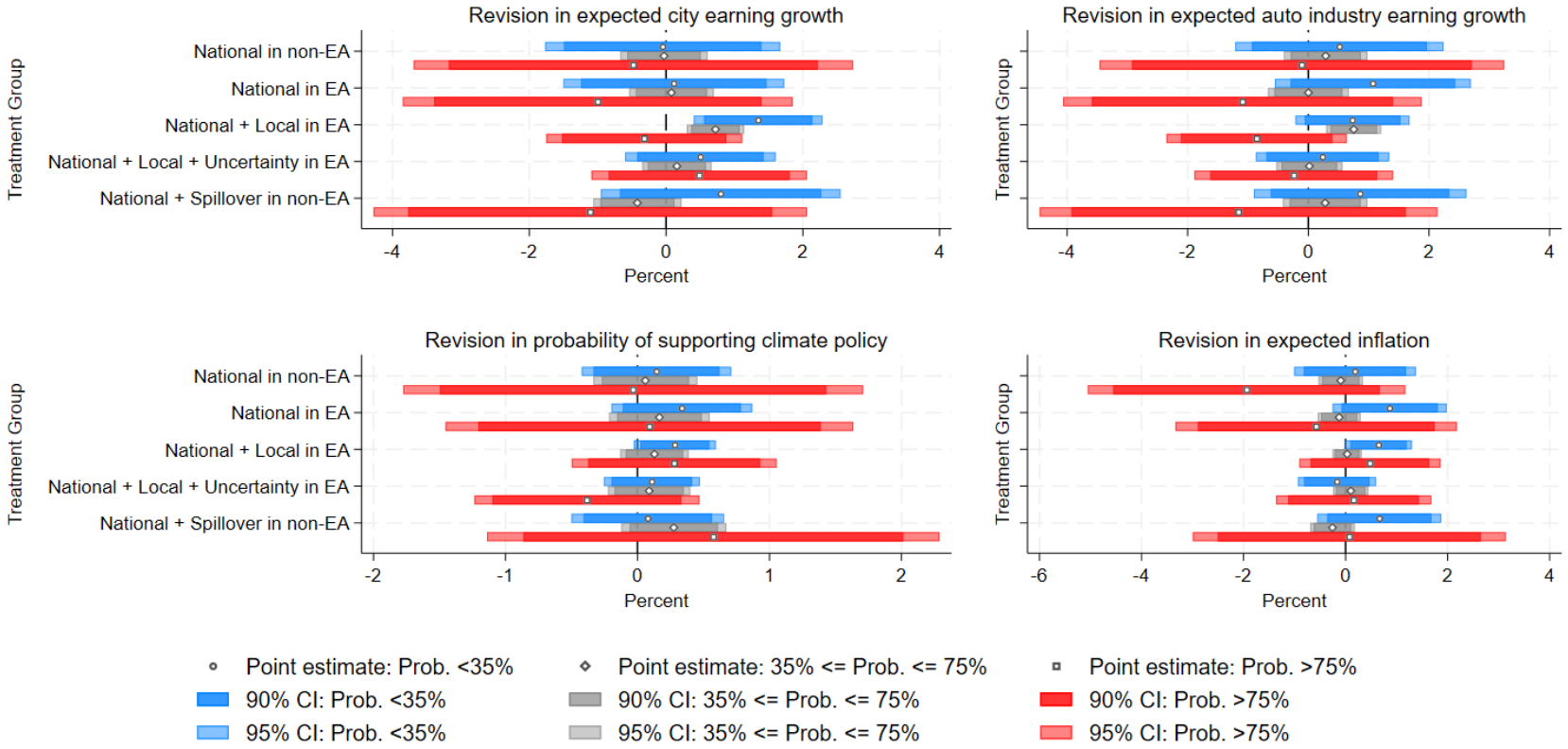


Figure 4: AVERAGE TREATMENT EFFECTS BY PROBABILITY OF REPUBLICAN WIN

Note. The figure plots the treatment coefficients along with the 90% and 95% confidence intervals using regression equation (1). The dependent variables are the expected 12-month-ahead city earnings growth, expected 12-month-ahead auto industry earnings growth, probability of supporting climate change policy, and expected 12-month inflation, respectively. Regressions are estimated separately for respondents in each perceived election outcome probability group. Results are based on Huber-robust estimates.

or no statistically significant changes in expectations.

4.5 Energy Transition and Awareness of the IRA

The energy transition refers to the global shift in the energy sector from fossil-based systems of energy production and consumption — including oil, natural gas, and coal — to renewable energy sources such as wind and solar. Individuals' expectations about this transition may shape their economic behavior, support for policy initiatives, and local investment decisions. If those who view the transition positively are more optimistic about policies like the IRA, it suggests that beliefs about long-term structural change influence expectations about local economic policies.

To examine this relationship, we elicit survey responses on views of the energy transition and classify respondents into three groups: those who perceive the transition as negative, neutral, or positive.[11] As shown in Figure C.4, individuals who believe the energy transition will positively impact the local economy are more likely to expect the local IRA policy to increase city earnings and auto industry earnings. The pre-treatment probably of supporting climate policy correlates strongly with support for energy transitions, with a 86% chance of those viewing the transition positively supporting climate policy, compared to a 70% chance of neutral respondents and only a 49% chance among those with a negative perception. We find no evidence that any treatment heterogeneously increased support for climate policy relative to the control group within these perception-based subgroups.

Lastly, prior literature (e.g., Weber et al. 2025) has shown that the size of information treatment effects depends on whether survey respondents are already aware of the provided treatment beforehand. To examine this, we categorized individuals based on their pre-treatment knowledge of the IRA. In our data, 34% of respondents report no prior knowledge of the IRA, 27% report knowing a little, 29% report some knowledge, and only 10% report knowing a lot. These figures indicate that awareness of the IRA was limited in the general population prior to our information provision. As shown in Figure C.5, respondents with little or no prior knowledge exhibit significantly larger belief updates in response to the treatment – particularly regarding the expected effects of local IRA policies on city earnings and auto industry earnings. By contrast, individuals with some or extensive self-reported prior knowledge show smaller or statistically insignificant belief revisions.

These findings highlight a broader implication: the effectiveness of complex industrial policies may depend as much on how they are communicated as on what they aim to achieve. We find that public awareness of the IRA is limited – over 60% of respondents report knowing nothing or very little about the policy prior to our intervention. This lack of baseline salience

[11] The survey question is as follows: "To what extent do you think your local economy will be affected by the energy transition?" The choices range from strongly negative, negative, neutral, positive, and strongly positive.

suggests that even well-designed policies may have muted or uneven impacts if they are not accompanied by clear and accessible communication.

5 Individual Labor Market Outlooks and Behaviors

We conduct a follow-up survey on Prolific one week after the initial intervention, allowing respondents time to internalize the information about the IRA. Importantly, when completing the follow-up survey, respondents were unaware that it was a continuation of the earlier survey, minimizing potential demand effects.

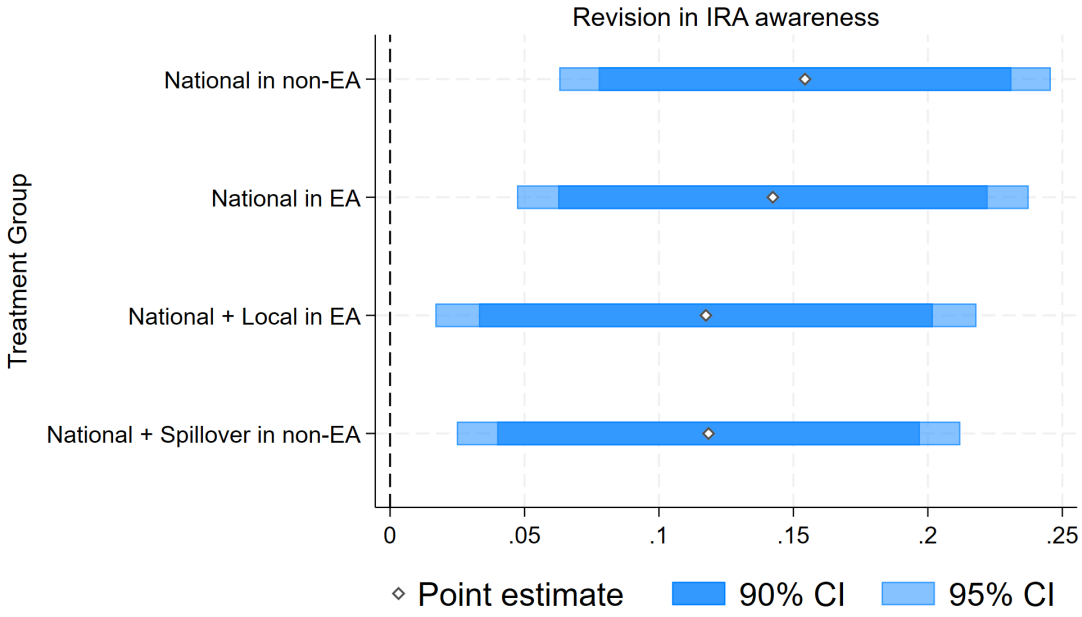


Figure 5: AVERAGE TREATMENT EFFECTS ON IRA AWARENESS

Note. The figure plots the treatment coefficients from an OLS regression based on equation (1), along with their 90% and 95% confidence intervals. IRA awareness is measured on a four-point scale: 0 ("not at all"), 1 ("a little"), 2 ("some"), and 3 ("a lot"). The dependent variable is the change in IRA awareness between the pre-treatment and the follow-up survey.

In the previous section, we show that the treatment effect is stronger for individuals who were less aware of the IRA prior to the study. We first examine whether our treatments increased awareness of the IRA.[12] Figure 5 shows that in the follow-up survey, individuals from all treatment groups consistently report significantly higher levels of knowledge about the policy compared

[12]The survey question was: "Have you heard or read about the federal law called the Inflation Reduction Act of 2022 (also known as the IRA), a bill that was passed by the U.S. Congress?" with response options: *Nothing at all*, *A little*, *Some*, and *A lot*.

with the control group.[13] This finding supports the interpretation that observed changes in expectations are driven by greater comprehension of the policy rather than immediate experimental cues. In the remainder of this section, we analyze how the different information treatments influence individuals' expectations about their own labor market outcomes, based on the follow-up survey.

We estimate equation (1) using the subsample of employed individuals with revisions in individuals' own labor market outlooks as dependent variables. The top row of Figure 6 documents changes in employed individuals' expected own wage growth and the uncertainty surrounding those wage expectations. We find that receiving information about the place-based provisions of the IRA significantly improves individual wage growth expectations without increasing their uncertainty. The national treatment in eligible areas is similarly effective in improving an individual's own wage growth outlook. However, the national treatment in non-eligible areas does not have any significant effects nor induce any positive spillover effects. Moreover, when asked about their relationship with their current employer, respondents receiving place-based IRA information also report a meaningful increase in the likelihood of staying in their current job, along with a decrease in the probability of being laid off, as illustrated in the bottom row of Figure 6.

[13] We code the awareness levels as 0, 1, 2, and 3 corresponding to "Nothing at all" through "A lot". Thus, the change in awareness ranges from −3 to 3. Figure 5 presents OLS estimates of these changes. As a robustness check, we also estimate the marginal probabilities using an ordered probit model. The marginal effects are negative and mostly statistically significant for changes from −3 to 0, and positive and significant for changes from 1 to 3. These patterns hold across all treatment groups and are consistent with the OLS results, indicating that individuals in all treatment groups have higher levels of knowledge about the IRA compared to the control group one week after the intervention.

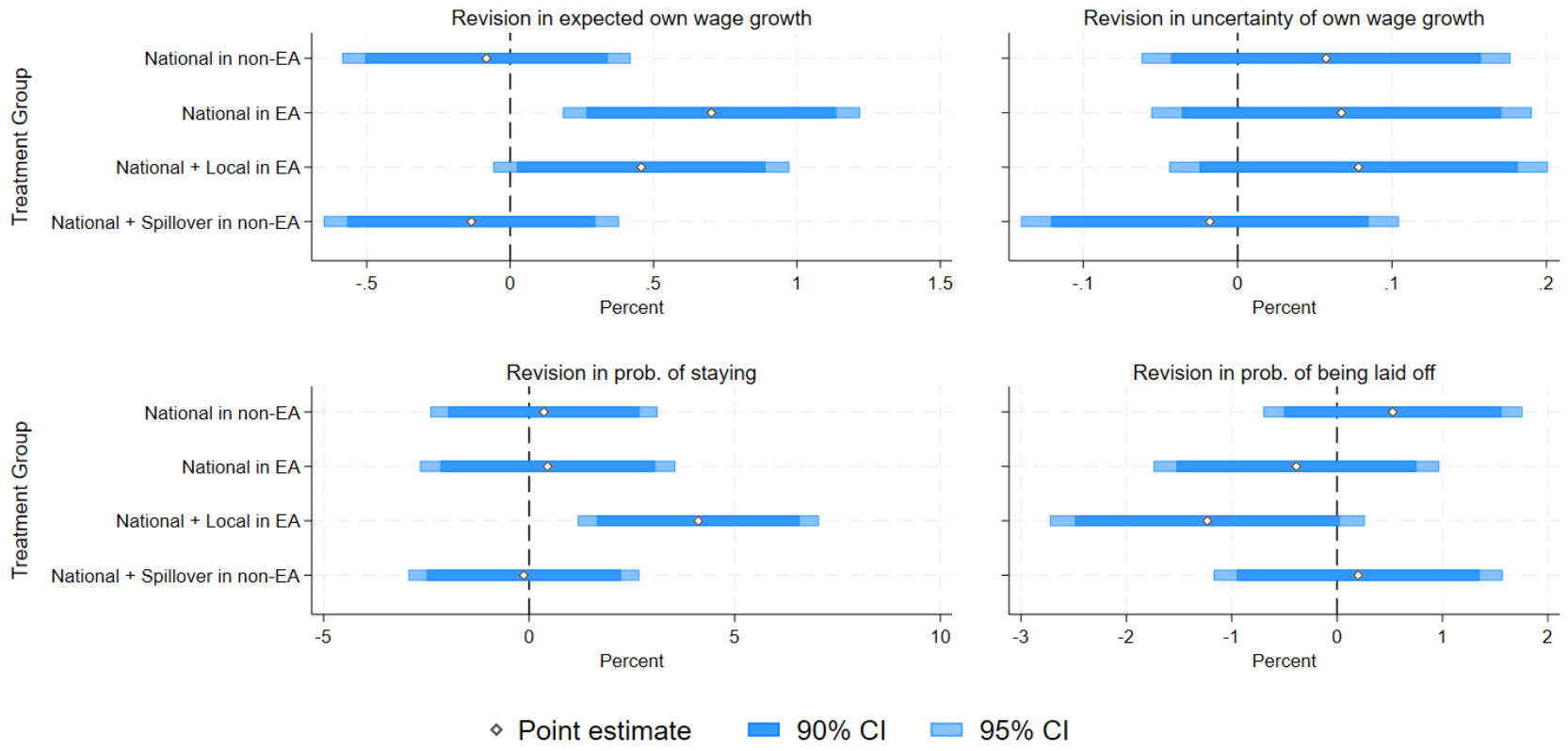


Figure 6: AVERAGE TREATMENT EFFECTS FOR EMPLOYED WORKERS

Note. The figure plots the treatment coefficients along with the 90% and 95% confidence intervals using regression equation (1). The dependent variables are the expected 12-month-ahead individual's own wage growth, own wage growth uncertainty, probability of staying at the same job in the next 12 months, and probability of being laid off in the next 12 months, respectively.

To better understand the drivers behind these employment intentions, we asked a multiple-choice question: *What are the main reasons for why you plan to stay at your current employer even though other employers may offer a higher wage?* As shown in Figure 7, perceptions of job security play a central role in worker decisions regarding employment changes. Approximately 31% of respondents cited job security concerns as their primary motivation for remaining with their current employer, despite potentially higher wages elsewhere. This aligns with the earlier finding that exposure to place-based IRA provisions improves perceptions of job stability.

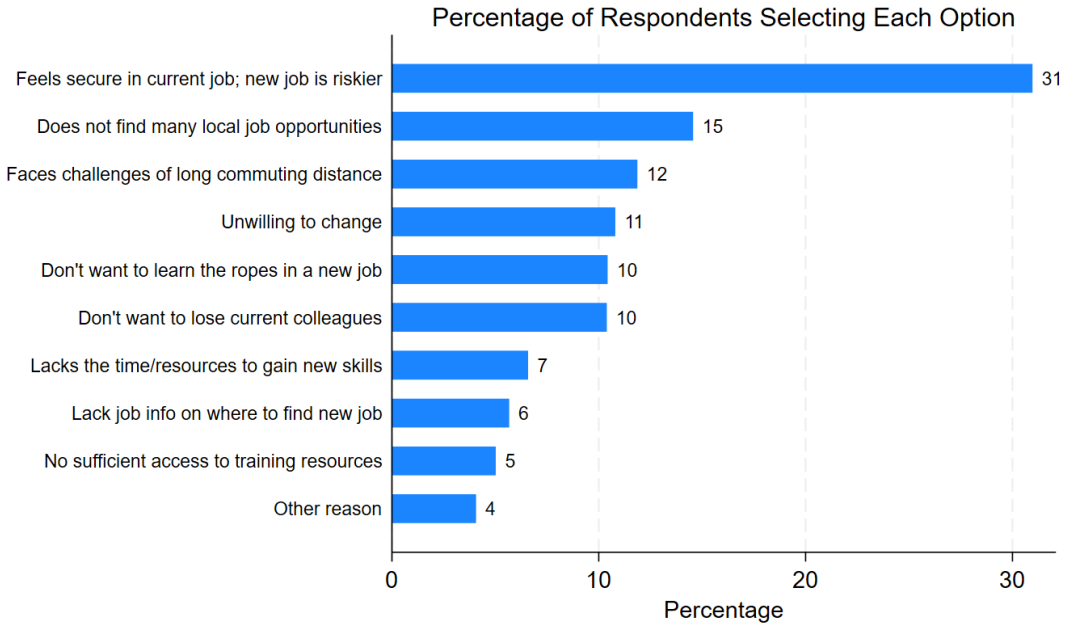


Figure 7: REASONS FOR STAYING WITH CURRENT EMPLOYER DESPITE HIGHER WAGES OFFERED BY OTHERS

Note. The figure plots the share of responses to the questions on "What are the main reasons for why you plan to stay at your current employer even though other employers may offer a higher wage?" Respondents are allowed to select multiple options. The numbers on the bars indicate the percentage of respondents who selected each option.

So far, we have presented evidence on how individual beliefs respond to information about the IRA. A natural next step is to understand the extent to which these updated beliefs translate into concrete labor market actions, including active job search or efforts to acquire information about employment opportunities related to the clean-energy transition. In this section, we leverage data from our follow-up survey to directly examine respondents' actual behavioral responses following exposure to IRA-related information.

To examine the impact of different IRA-related information treatments on subjective labor

market information acquisition, we estimate the following probit regression specification,

$$1^{\text{post}}_{\text{action}} = \alpha_0 + \sum_{j=1,2,3,5} \alpha_j \text{Treatment}^j_i + \eta \text{Eligible}_i + \Gamma X_i + \varepsilon_i, \tag{2}$$

where the outcome variable $1^{\text{post}}_{\text{action}}$ is a dummy variable to indicate if respondent i chooses action, including spending time on job search, searching for information about clean energy transition, or searching for renewable energy related jobs. Treatment^j_i is an indicator variable if individual i belongs to treatment group Tj, with the control group as the omitted category. α_j estimates the average treatment effect of information presented in Treatment^j on the action relative to the average change in the control group. Eligible_i is a dummy variable equal to 1 if the individual lives in the area that is eligible for the "energy community bonus credit" and equal to zero otherwise. X_i is a vector of control variables defined in the same way as before. We report marginal effects from the probit model, with robust standard errors.

Of the 3,232 people who responded to the follow-up survey, 2,131 reported spending time on job searching in the past week. Specifically, among the 342 unemployed respondents, 287 (84%) indicated that they had engaged in job searching during the same period. In addition, among all respondents, 399 individuals searched for information on the clean energy transition, while 312 specifically looked for renewable energy-related jobs.

We estimate the probit regression in equation (2) using sub-samples by labor force status. Figure 8 plots the estimated average marginal effects along with confidence intervals. The marginal effects represent the average change in the predicted probability of taking the action among respondents in the treatment group relative to the control group within each subsample. We find that IRA-related information significantly increased job-search activities among unemployed respondents in eligible areas. In particular, those who received national treatment only and those who received both national and local treatment increased the likelihood of general job search by 14.6 and 12.7 percentage points, respectively.

We find no significant effect on the propensity of unemployed workers to search for renewable energy–related jobs. This pattern is consistent with the increase in job search arising from channels related to local multiplier effects rather than direct search in clean energy sectors, in line with earlier evidence of improved city-level labor market outlooks.

In contrast to unemployed individuals, employed individuals in eligible areas who received IRA-related information treatment became less likely to engage in job search. In particular, those who received national treatment only and those who received both national and local treatment reduced the likelihood of job search by 6.6 and 4.9 percentage points, respectively. This reduced job search activity is likely driven by higher wage expectations and increased perceived job security, as shown in Figure 7.

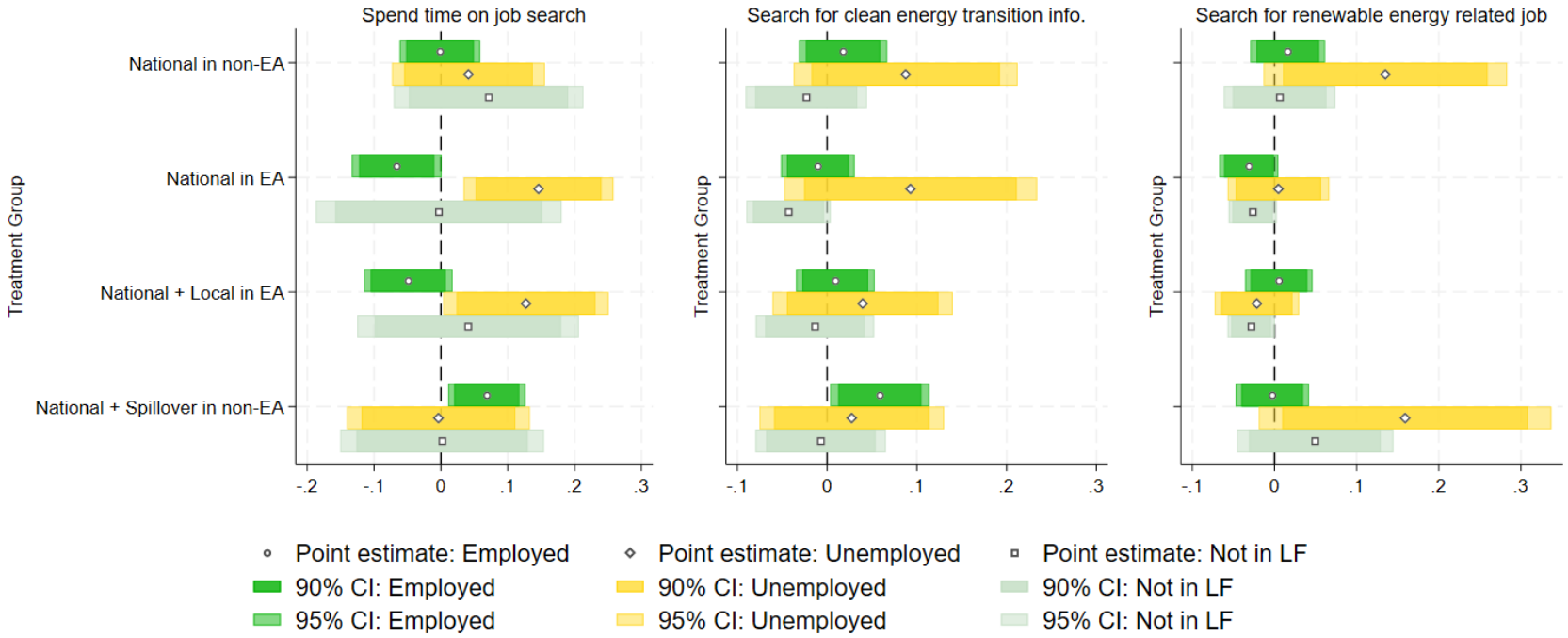


Figure 8: AVERAGE TREATMENT EFFECTS ON ACTIONS, BY LABOR MARKET STATUS (FOLLOW-UP SURVEY, PROLIFIC)

Note. The figure plots the marginal effects from the probit estimation of regression equation (2) along with the 90% and 95% confidence intervals, using robust standard errors. The dependent variables are dummies indicating whether a respondent spent time on general job search, searched for information on the clean energy transition, and searched for renewable energy-related job openings, respectively. Regressions are estimated separately for respondents based on their labor market status.

Beyond wage and job security considerations, constraints on commuting flexibility may further explain this behavior. We included a survey question measuring respondents' willingness to extend their commute in exchange for higher pay. Specifically, we asked respondents to consider a hypothetical scenario: *Imagine that you received a job offer with a 30% higher wage from another employer and that the job is otherwise identical to your current job. By how much are you willing to increase your commute time?* The results indicate substantial commuting frictions: 37% of respondents reported being entirely unwilling to increase their commuting time, while among those open to commuting longer, the median acceptable increase was only 20 minutes. These findings echo the insights of Monte et al. (2018) and suggest that commuting frictions significantly limit labor mobility and dampen workers' responsiveness to new economic opportunities. As a result, these frictions may moderate the local employment response to labor demand shocks triggered by policies like the IRA, limiting the reallocation of labor and skills across regions.

Moreover, employed workers in non-eligible areas exposed to the spillover treatment exhibit an increased likelihood of job search, as well as searching for information about clean energy transition. Figure C.6 shows that individuals in the spillover treatment group do exhibit a slight increase in considering relocation due to IRA, showing willingness to seek work in the neighboring "energy community" region. Taken together, these findings suggest that although spillover information alone does not substantially alter beliefs on a large scale, it may nevertheless prompt a subset of respondents in non-eligible areas to look beyond their local communities in pursuit of job opportunities linked to the clean-energy transition.

6 Conclusion

As place-based industrial policies play an increasingly important role in managing economic transitions, understanding how they shape labor market expectations remain both critical and underexplored. This paper leverages the layered policy designs of the Inflation Reduction Act, the most significant federal investment in clean energy in U.S. history, to provide causal evidence on how green industrial policies influence subjective labor market beliefs. Our research design centers on a geographically targeted randomized controlled trial that examines the IRA's place-based component: the Energy Community Bonus Credit. We find that information about the IRA's national provisions has limited impact on labor market expectations, while its place-based components, particularly in eligible energy communities, significantly shape beliefs. Workers in these areas expect stronger earnings growth and greater job security, and unemployed workers report increasing job search efforts. These results emphasize the significance of localized policy design in shaping labor market expectations and guiding employment adjustments during the

clean energy transition.

Our findings also reveal that policy uncertainty, stemming from eligibility rules and perceived probability of policy reversal, can dampen positive adjustments in labor market expectations. Our results uncover a substantial partisan divide in subjective belief formation: providing information on the IRA's place-based provisions raises earnings expectations for Democrats and Moderates but not Republicans, who instead revise up their inflation expectations. Together, these results show how policy design, uncertainty, and political affiliation shape perceptions of green industrial policies. By reducing information frictions in labor market expectations, place-based subsidies with localized policy information may yield additional gains. Understanding the role of expectation formation is crucial for effective policy communication, durable policy design, and broad public support during the clean energy transition.

References

Bachmann, Rüdiger, Benjamin Born, Olga Goldfayn-Frank, Georgi Kocharkov, Ralph Luetticke, and Michael Weber, "A temporary VAT cut as unconventional fiscal policy," 2025.

Bakkensen, Laura A and Lint Barrage, "Going underwater? Flood risk belief heterogeneity and coastal home price dynamics," *The Review of Financial Studies*, 2022, *35* (8), 3666–3709.

Bartik, Timothy J, "Using place-based jobs policies to help distressed communities," *Journal of Economic Perspectives*, 2020, *34* (3), 99–127.

Bauer, Michael D, Eric A Offner, and Glenn D Rudebusch, "The Effect of US Climate Policy on Financial Markets: An Event Study of the Inflation Reduction Act," 2024.

Binder, Carola Conces, Rupal Kamdar, and Jane M Ryngaert, "Partisan expectations and covid-era inflation," *Journal of Monetary Economics*, 2024, *148*, 103649.

Binetti, Alberto, Francesco Nuzzi, and Stefanie Stantcheva, "People's understanding of inflation," *Journal of Monetary Economics*, 2024, *148*, 103652.

Bistline, John ET, Neil R Mehrotra, and Catherine Wolfram, "Economic implications of the climate provisions of the Inflation Reduction Act," *Brookings Papers on Economic Activity*, 2023, *2023* (1), 77–182.

Busso, Matias, Jesse Gregory, and Patrick Kline, "Assessing the incidence and efficiency of a prominent place based policy," *American Economic Review*, 2013, *103* (2), 897–947.

Caplin, Andrew, Victoria Gregory, Eungik Lee, Søren Leth-Petersen, and Johan Sæverud, "Subjective earnings risk," Technical Report, National Bureau of Economic Research 2023.

Coibion, Olivier, Dimitris Georgarakos, Yuriy Gorodnichenko, and Michael Weber, "Forward guidance and household expectations," *Journal of the European Economic Association*, 2023, *21* (5), 2131–2171.

_ , Yuriy Gorodnichenko, and Michael Weber, "Monetary policy communications and their effects on household inflation expectations," *Journal of Political Economy*, 2022, *130* (6), 1537–1584.

Criscuolo, Chiara, Ralf Martin, Henry G Overman, and John Van Reenen, "Some causal effects of an industrial policy," *American Economic Review*, 2019, *109* (1), 48–85.

Dechezleprêtre, Antoine, Adrien Fabre, Tobias Kruse, Bluebery Planterose, Ana Sanchez Chico, and Stefanie Stantcheva, "Fighting climate change: International attitudes toward climate policies," Technical Report, National Bureau of Economic Research 2022.

Diamond, Rebecca and Cecile Gaubert, "Spatial sorting and inequality," *Annual Review of Economics*, 2022, *14* (1), 795–819.

Faberman, R Jason, Andreas I Mueller, Ayşegül Şahin, and Giorgio Topa, "Job search behavior among the employed and non-employed," *Econometrica*, 2022, *90* (4), 1743–1779.

Faia, Ester, Andreas Fuster, Vincenzo Pezone, and Basit Zafar, "Biases in information selection and processing: Survey evidence from the pandemic," *Review of Economics and Statistics*, 2024,

106 (3), 829–847.

Fajgelbaum, Pablo D and Cecile Gaubert, "Optimal spatial policies, geography, and sorting," *The Quarterly Journal of Economics*, 2020, *135* (2), 959–1036.

_ and _ , "Place-based policies: Lessons from theory," Technical Report, National Bureau of Economic Research 2025.

_ , _ , Nicole Gorton, Eduardo Morales, and Edouard Schaal, "Political preferences and transport infrastructure: Evidence from California's high-Speed rail," Technical Report, National Bureau of Economic Research 2023.

Fan, Jingting, Sungwan Hong, and Fernando Parro, "Learning and expectations in dynamic spatial economies," Technical Report, National Bureau of Economic Research 2023.

Fuster, Andreas and Basit Zafar, "Survey experiments on economic expectations," in "Handbook of Economic Expectations," Elsevier, 2023, pp. 107–130.

Haaland, Ingar, Christopher Roth, and Johannes Wohlfart, "Designing information provision experiments," *Journal of Economic Literature*, 2023, *61* (1), 3–40.

Hanson, Gordon H, "Local Labor Market Impacts of the Energy Transition: Prospects and Policies," Technical Report, National Bureau of Economic Research 2023.

_ , Dani Rodrik, and Rohan Sandhu, "The us place-based policy supply chain," Technical Report, National Bureau of Economic Research 2025.

Henkel, Marcel, Eunjee Kwon, and Pierre Magontier, "The unintended consequences of post-disaster policies for spatial sorting," *MIT Center for Real Estate Research Paper*, 2022, (22/08).

Hvidberg, Kristoffer B, Claus T Kreiner, and Stefanie Stantcheva, "Social positions and fairness views on inequality," *Review of Economic Studies*, 2023, *90* (6), 3083–3118.

Jäger, Simon, Christopher Roth, Nina Roussille, and Benjamin Schoefer, "Worker beliefs about outside options," *The Quarterly Journal of Economics*, 2024, p. qjae001.

Jain, Monica, Olena Kostyshyna, and Xu Zhang, "How do people view wage and price inflation?," *Journal of Monetary Economics*, 2024, *145*, 103552.

Kline, Patrick and Enrico Moretti, "Local economic development, agglomeration economies, and the big push: 100 years of evidence from the Tennessee Valley Authority," *The Quarterly Journal of Economics*, 2014, *129* (1), 275–331.

Kuang, Pei, Michael Weber, and Shihan Xie, "Perceived political bias of the Federal Reserve," Technical Report, National Bureau of Economic Research 2024.

Mian, Atif, Amir Sufi, and Nasim Khoshkhou, "Partisan bias, economic expectations, and household spending," *Review of Economics and Statistics*, 2023, *105* (3), 493–510.

Monte, Ferdinando, Stephen J Redding, and Esteban Rossi-Hansberg, "Commuting, migration, and local employment elasticities," *American Economic Review*, 2018, *108* (12), 3855–3890.

Mueller, Andreas I, Johannes Spinnewijn, and Giorgio Topa, "Job seekers' perceptions and employment prospects: Heterogeneity, duration dependence, and bias," *American Economic Review*, 2021, *111* (1), 324–363.

Mulder, Philip, "Mismeasuring risk: The welfare effects of flood risk information," Technical Report, Working Paper 2021.

Neumark, David and Helen Simpson, "Place-based policies," in "Handbook of regional and urban economics," Vol. 5, Elsevier, 2015, pp. 1197–1287.

Pilossoph, Laura and Jane M Ryngaert, "Job Search, wages, and inflation," Technical Report, National Bureau of Economic Research 2024.

Porcher, Charly, Eduardo Morales, and Thomas Fujiwara, "Measuring information frictions in migration decisions: A revealed-preference approach," Technical Report, National Bureau of Economic Research 2024.

Quidt, Jonathan De, Johannes Haushofer, and Christopher Roth, "Measuring and bounding experimenter demand," *American Economic Review*, 2018, *108* (11), 3266–3302.

Siegloch, Sebastian, Nils Wehrhöfer, and Tobias Etzel, "Spillover, Efficiency, and Equity Effects of Regional Firm Subsidies," *American Economic Journal: Economic Policy*, 2025, *17* (1), 144–180.

Slattery, Cailin, "The political economy of subsidy giving," *Available at SSRN 4185083*, 2024.

_ **and Owen Zidar**, "Evaluating state and local business incentives," *Journal of Economic Perspectives*, 2020, *34* (2), 90–118.

Stantcheva, Stefanie, "Understanding tax policy: How do people reason?," *The Quarterly Journal of Economics*, 2021, *136* (4), 2309–2369.

_ , "How to run surveys: A guide to creating your own identifying variation and revealing the invisible," *Annual Review of Economics*, 2023, *15* (1), 205–234.

U.S. Department of Energy, "Energy Communities: 2023-2024," 2023–2024. Washington, DC: US Department of Energy. https://arcgis.netl.doe.gov/portal/apps/experiencebuilder/experience/?id=a2ce47d4721a477a8701bd0e08495e1d.

Weber, Michael, Bernardo Candia, Hassan Afrouzi, Tiziano Ropele, Rodrigo Lluberas, Serafin Frache, Brent Meyer, Saten Kumar, Yuriy Gorodnichenko, Dimitris Georgarakos, Olivier Coibion, Geoff Kenny, and Jorge Ponce, "Tell Me Something I Don't Already Know: Learning in Low-and High-Inflation Settings," *Econometrica*, 2025, *93* (1), 229–264.

Appendix A Sample characteristics and summary statistics

Appendix Table A.1: DEMOGRAPHIC DISTRIBUTION BY TREATMENT GROUPS

	(1)	(2)	(3)	(4)	(5)
Panel A: Prolific Non-eligible Area					
	Control	National	National + Spillover	Total	Test
N	736 (34%)	732 (33.81%)	697 (32.19%)	2165 (100%)	
Female (dummy)	0.59 (0.49)	0.55 (0.50)	0.59 (0.49)	0.58 (0.49)	0.26
Hispanic (dummy)	0.08 (0.27)	0.07 (0.25)	0.08 (0.27)	0.07 (0.26)	0.63
White (dummy)	0.73 (0.44)	0.75 (0.43)	0.74 (0.44)	0.74 (0.44)	0.71
Black (dummy)	0.18 (0.39)	0.16 (0.37)	0.20 (0.40)	0.18 (0.38)	0.26
Asian (dummy)	0.06 (0.24)	0.06 (0.24)	0.06 (0.24)	0.06 (0.24)	0.97
Age category					
age 18-30	147 (20.33%)	135 (18.78%)	123 (17.65%)	405 (18.93%)	0.21
age 30-45	310 (42.88%)	318 (44.23%)	285 (40.89%)	913 (42.68%)	
age 45-55	165 (22.82%)	163 (22.67%)	159 (22.81%)	487 (22.77%)	
above 55	101 (13.97%)	103 (14.33%)	130 (18.65%)	334 (15.61%)	
Education category					
non college	105 (14.54%)	129 (17.94%)	100 (14.35%)	334 (15.62%)	0.24
some college	208 (28.81%)	214 (29.76%)	203 (29.12%)	625 (29.23%)	
bachelor	409 (56.65%)	376 (52.29%)	394 (56.53%)	1179 (55.14%)	
Income category					
income below 50K	268 (37.02%)	267 (37.13%)	250 (35.87%)	785 (36.68%)	0.83
income 50K-100K	251 (34.67%)	259 (36.02%)	262 (37.59%)	772 (36.07%)	
income above 100K	205 (28.31%)	193 (26.84%)	185 (26.54%)	583 (27.24%)	
Party affiliation category					
Republican	206 (28.0%)	192 (26.2%)	186 (26.7%)	584 (27.0%)	0.55
Neutral	226 (30.7%)	247 (33.7%)	210 (30.1%)	683 (31.5%)	
Democrat	304 (41.3%)	293 (40.0%)	301 (43.2%)	898 (41.5%)	

	(1)	(2)	(3)	(4)	(5)
Panel B: Prolific Eligible Area					
	Control	National	National + Local	Total	Test
N	661 (32.09%)	672 (32.62%)	727 (35.29%)	2060 (100%)	
Female (dummy)	0.54 (0.50)	0.54 (0.50)	0.54 (0.50)	0.54 (0.50)	0.95
Hispanic (dummy)	0.15 (0.36)	0.17 (0.37)	0.16 (0.37)	0.16 (0.37)	0.72
White (dummy)	0.71 (0.45)	0.71 (0.46)	0.69 (0.46)	0.70 (0.46)	0.75

Black (dummy)	0.16 (0.36)	0.14 (0.34)	0.15 (0.36)	0.15 (0.35)	0.54
Asian (dummy)	0.11 (0.31)	0.11 (0.31)	0.11 (0.31)	0.11 (0.31)	0.96
Age category					
age 18-30	176 (26.75%)	166 (24.96%)	200 (27.70%)	542 (26.50%)	0.22
age 30-45	306 (46.50%)	289 (43.46%)	296 (41%)	891 (43.57%)	
age 45-55	113 (17.17%)	133 (20%)	155 (21.47%)	401 (19.61%)	
above 55	63 (9.57%)	77 (11.58%)	71 (9.83%)	211 (10.32%)	
Education category					
non college	89 (13.53%)	75 (11.28%)	93 (12.88%)	257 (12.57%)	0.77
some college	193 (29.33%)	199 (29.92%)	219 (30.33%)	611 (29.88%)	
bachelor	376 (57.14%)	391 (58.80%)	410 (56.79%)	1177 (57.56%)	
Income category					
income below 50K	198 (30.09%)	205 (30.83%)	239 (33.10%)	642 (31.39%)	0.57
income 50K-100K	264 (40.12%)	247 (37.14%)	265 (36.70%)	776 (37.95%)	
income above 100K	196 (29.79%)	213 (32.03%)	218 (30.19%)	627 (30.66%)	
Party affiliation category					
Republican	177 (26.8%)	174 (25.9%)	193 (26.5%)	544 (26.4%)	0.24
Neutral	206 (31.2%)	178 (26.5%)	219 (30.1%)	603 (29.3%)	
Democrat	278 (42.1%)	320 (47.6%)	315 (43.3%)	913 (44.3%)	

	(1)	(2)	(3)	(4)	(5)
Panel C: Qualtrics					
	Control	National + Local	National + Local + Unc.	Total	Test
N	1719 (33.54%)	1704 (33.25%)	1702 (33.21%)	5125 (100%)	
Female (dummy)	0.58 (0.49)	0.61 (0.49)	0.61 (0.49)	0.60 (0.49)	0.18
Hispanic (dummy)	0.10 (0.30)	0.09 (0.29)	0.09 (0.29)	0.10 (0.29)	0.42
White (dummy)	0.73 (0.44)	0.76 (0.43)	0.73 (0.45)	0.74 (0.44)	0.04
Black (dummy)	0.19 (0.39)	0.17 (0.38)	0.18 (0.38)	0.18 (0.39)	0.50
Asian (dummy)	0.05 (0.21)	0.04 (0.20)	0.05 (0.22)	0.05 (0.21)	0.30
Other race (dummy)	0.05 (0.22)	0.04 (0.19)	0.05 (0.22)	0.05 (0.21)	0.11
Age category					
age 18-30	178 (10.35%)	141 (8.27%)	175 (10.28%)	494 (9.64%)	0.15
age 30-45	485 (28.21%)	463 (27.17%)	482 (28.32%)	1430 (27.90%)	
age 45-55	368 (21.41%)	351 (20.60%)	351 (20.62%)	1070 (20.88%)	
above 55	688 (40.02%)	749 (43.96%)	694 (40.78%)	2131 (41.58%)	
Education category					
non college	465 (27.05%)	483 (28.35%)	522 (30.67%)	1470 (28.68%)	0.20
some college	614 (35.72%)	584 (34.27%)	570 (33.49%)	1768 (34.50%)	
bachelor	640 (37.23%)	637 (37.38%)	610 (35.84%)	1887 (36.82%)	
Income category					
income below 50K	844 (49.10%)	795 (46.65%)	850 (49.94%)	2489 (48.57%)	0.10
income 50K-100K	526 (30.60%)	580 (34.04%)	547 (32.14%)	1653 (32.25%)	

income above 100K	349 (20.30%)	329 (19.31%)	305 (17.92%)	983 (19.18%)	
Party affiliation category					
Republican	602 (35.0%)	598 (35.1%)	573 (33.7%)	1,773 (34.6%)	0.60
Neutral	376 (21.9%)	384 (22.5%)	410 (24.1%)	1,170 (22.8%)	
Democrat	741 (43.1%)	722 (42.4%)	719 (42.2%)	2,182 (42.6%)	

Notes: This table reports the demographic distribution of our sample. Panels A - C report the distributions for Prolific non-eligible areas, Prolific eligible areas, and Qualtrics respondents, respectively. Column (1) reports the distribution of the control group, Columns (2) - (3) report the distribution of the treatment groups, and Column (4) reports the distribution of the overall sample. Column (5) provides the p-value of the balance tests comparing the control and treatment groups.

Appendix Table A.2: SUMMARY STATISTICS OF PRE-TREATMENT EXPECTATIONS BY TREATMENT GROUPS

	(1)	(2)	(3)	(4)	(5)
Panel A: Prolific Non-eligible Area					
	Control	National	National + Spillover	Total	Test
N	736 (34.00%)	732 (33.81%)	697 (32.19%)	2165 (100.00%)	
Expected earnings growth	2.27 (8.96)	2.17 (7.77)	1.70 (7.26)	2.06 (8.04)	0.36
Expected auto sector earnings growth	2.90 (9.95)	2.58 (8.06)	2.72 (8.31)	2.73 (8.82)	0.79
Expected inflation	4.64 (10.86)	4.25 (10.00)	3.94 (8.82)	4.28 (9.95)	0.41
Expected individual earnings growth	5.66 (8.84)	5.29 (9.06)	5.41 (8.40)	5.46 (8.76)	0.78
Individual earnings growth uncertainty	1.82 (2.26)	1.71 (2.02)	1.85 (2.33)	1.79 (2.21)	0.56
Support for climate policy	72.34 (29.02)	73.74 (28.77)	73.88 (28.16)	73.31 (28.66)	0.53
Prob. of staying in current job	72.70 (29.92)	72.51 (30.97)	74.25 (28.92)	73.15 (29.93)	0.58
Prob. of being laid off	6.39 (11.39)	5.63 (10.75)	5.09 (9.94)	5.71 (10.72)	0.13
Prob. of quitting job	13.37 (20.79)	14.73 (23.72)	13.96 (21.91)	14.01 (22.14)	0.60
Prob. of leaving for other reasons	7.53 (14.93)	7.13 (13.97)	6.70 (14.11)	7.13 (14.35)	0.63
Prob. of looking for a job in 3 months	22.99 (33.65)	28.53 (34.90)	26.63 (35.38)	26.19 (34.62)	0.52
Prob. of looking for a job in 12 months	32.85 (38.43)	42.71 (37.46)	35.04 (36.13)	37.25 (37.50)	0.14
Prob. of finding a job in 3 months	37.31 (31.57)	35.88 (29.44)	36.88 (31.49)	36.65 (30.64)	0.95
Prob. of finding a job in 12 months	59.90 (32.47)	59.86 (30.33)	59.80 (32.31)	59.86 (31.50)	1

	(1)	(2)	(3)	(4)	(5)
Panel B: Prolific Eligible Area					
	Control	National	National + Local	Total	Test
N	661 (32.09%)	672 (32.62%)	727 (35.29%)	2060 (100.00%)	
Expected earnings growth	2.08 (7.77)	2.10 (8.14)	2.50 (8.41)	2.23 (8.12)	0.54
Expected auto sector earnings growth	2.94 (8.49)	3.18 (8.64)	2.72 (8.22)	2.94 (8.44)	0.60
Expected inflation	4.45 (10.23)	4.76 (10.01)	4.80 (10.02)	4.68 (10.08)	0.78
Expected individual earnings growth	6.13 (9.58)	5.59 (8.55)	5.90 (9.22)	5.87 (9.12)	0.64
Individual earnings growth uncertainty	2.04 (2.32)	1.76 (2.00)	1.95 (2.35)	1.92 (2.23)	0.11
Support for climate policy	75.79 (24.77)	72.76 (28.44)	73.67 (28.20)	74.05 (27.25)	0.11
Prob. of staying in current job	72.73 (29.45)	71.81 (30.51)	69.55 (31.18)	71.33 (30.42)	0.20
Prob. of being laid off	7.05 (12.76)	6.21 (11.43)	6.80 (12.95)	6.69 (12.41)	0.53
Prob. of quitting job	13.30 (19.81)	15.11 (23.18)	15 (21.64)	14.48 (21.60)	0.30
Prob. of leaving for other reasons	6.93 (12.44)	6.87 (13.29)	8.65 (15.92)	7.50 (14.02)	0.06
Prob. of looking for a job in 3 months	24.33 (33.47)	24.93 (32.87)	29.76 (36.43)	26.63 (34.43)	0.53
Prob. of looking for a job in 12 months	37.95 (37.79)	38.79 (35.14)	46.37 (38.83)	41.49 (37.48)	0.27
Prob. of finding a job in 3 months	31.09 (28.84)	34.61 (31.48)	36.07 (33.36)	34.16 (31.40)	0.68
Prob. of finding a job in 12 months	61.75 (31.15)	64.15 (31.53)	61.92 (31.26)	62.61 (31.16)	0.90

Panel C: Qualtrics

	(1)	(2)	(3)	(4)	(5)
	Control	National + Local	National + Local + Unc.	Total	Test
N	1719 (33.54%)	1704 (33.25%)	1702 (33.21%)	5125 (100.00%)	
Expected earnings growth	2.87 (11.80)	2.18 (10.57)	2.46 (10.57)	2.51 (11.00)	0.18
Expected auto sector earnings growth	3.24 (12.32)	3.62 (11.74)	2.91 (11.53)	3.26 (11.87)	0.22
Expected inflation	5.88 (14.41)	5.50 (14.21)	5.97 (14.65)	5.79 (14.42)	0.60
Expected individual earnings growth	9.50 (13.90)	8.86 (13.93)	8.01 (13.41)	8.82 (13.76)	0.06
Individual earnings growth uncertainty	2.91 (3.37)	3.13 (3.61)	2.91 (3.39)	2.98 (3.45)	0.31
Support for climate policy	70.60 (28.51)	71.03 (29.53)	70.58 (29.00)	70.74 (29.01)	0.88
Prob. of staying in current job	75.94 (30.05)	74.73 (30.08)	75.45 (30.51)	75.40 (30.20)	0.68
Prob. of being laid off	5.69 (10.97)	6 (11.43)	5.97 (11.57)	5.88 (11.31)	0.80
Prob. of quitting job	10.17 (16.92)	10.42 (16.73)	10.33 (16.62)	10.30 (16.76)	0.94
Prob. of leaving for other reasons	8.20 (14.76)	8.85 (15.28)	8.25 (14.06)	8.42 (14.71)	0.58
Prob. of looking for a job in 3 months	11.42 (25.22)	9.28 (22.86)	10.10 (24.52)	10.21 (24.17)	0.29
Prob. of looking for a job in 12 months	15.72 (28.95)	15.33 (29.47)	16.18 (30.63)	15.74 (29.71)	0.87
Prob. of finding a job in 3 months	45.01 (34.32)	43.45 (34.09)	42.52 (34.02)	43.61 (34.07)	0.83
Prob. of finding a job in 12 months	62.46 (34.39)	60.42 (34.73)	59 (34.04)	60.56 (34.33)	0.70

Notes: This table reports the summary statistics of pre-treatment outcome variables from our sample. Panels A - C report the summary statistics for Prolific non-eligible areas, Prolific eligible areas, and Qualtrics respondents, respectively. Column (1) reports the statistics of the control group, Columns (2) - (3) report the statistics of the treatment groups, and Column (4) reports the statistics of the overall sample. Column (5) provides the p-value of the balance tests comparing the control and treatment groups.

Appendix B Survey Questionnaire

Opening

In the survey, we ask about your perceptions of the current economic situation and your personal outlook.

No special knowledge is required, and there are no right or wrong answers to the survey. It is important for us that you state your own opinion, not others' opinions, so please do not consult with others or look for external sources of information. Any answer is correct as long as it truly reflects your opinion!

Section 1: Introduction

Q1. How likely will you support a climate policy in general targeted to address issues related climate change?

Slider bar from 0 to 100

Q2. Are you a strong or moderate supporter for the Democrat/Republican party?

Please use the slider below, where left means "Strong Democrat", middle means "Neutral" and right means "Strong Republican".

Q3. What do you think is the percent chance that the Republican party will win the presidential election? Please choose a number between 0 and 100, where 0 indicates absolutely no chance and 100 indicates absolutely for sure and 50 indicates even odds.

Slider bar from 0 to 100

Section 2. Labor market

Section 2.1: Labor market status

QUESTION 2.1

What is your current employment situation?

Please select all that apply.

[Validation: Error message if (1 or 2) and 4 are selected at the same time.]

1. Working full-time (for someone or self-employed)
2. Working part-time (for someone or self-employed)
3. Unpaid work (e.g., unpaid internship, volunteering, etc.)
4. Not working, but would like to work
5. Temporarily laid off
6. On sick or other leave
7. Permanently disabled or unable to work
8. Retiree or early retiree
9. Student, at school or in training
10. Stay-at-home spouse
11. Other (please specify) _____

Employed: Q2.1 = 1 or 2

Unemployed: Q2.1 = 3, 4 or 5, and not Q2.1 =1 and not Q2.1 =2

Not in the labor force: Q2.1 NOT = 1 – 5

Section 2.2 Labor market outlook

Section 2.2A Aggregate labor market outlook

[This subsection applies to ALL respondent]

QUESTION 2.2

Over the next 12 months, how much do you think that the average earnings in your city will change? [Range: 0 to 50]

1. increased by [ ]%
2. No change
3. decreased by [ ]%

QUESTION 2.3

Over the next 12 months, do you think that the average earnings of employees in automobile and power generation related industries will increase or decrease? [Range: 0 to 50]

1. increased by [ ]%
2. No change
3. decreased by [ ]%

QUESTION 2.4

[Prolific] What do you think will be the unemployment rate 12 months from now in the US?

[Qualtrics] Do you plan to take additional trainings in preparation for potential job search within the coming 12 months? [Yes/No]

QUESTION 2.5

How much do you think consumer prices in general will change in the next twelve months in the US? [Range: 0 to 50]

Please provide an answer in percentage terms.

1. increased by [ ]%
2. No change
3. decreased by [ ]%

Section 2.2B Current employment outlook

[This subsection only applies to employed: Q2.1 = 1 or 2]

QUESTION 2.6

Please think about your possible relationship with your current employer of your main job during the next 12 months. Assign the probability in each possible case. The sum of the probabilities should be 100.

1. Staying with the current employer during the next 12 months
2. Laid-off from current employer at some point during the next 12 months
3. Quit from the current employer at some point during the next 12 months
4. Separation for other reasons during the next 12 months

QUESTION 2.7

[If Question 2.6 Staying with the current employer > 0]

Suppose again that, 12 months from now, you are working in the exact same job at the same place you currently work with the exact same number of hours.

Please give your best guess about the lowest earnings growth rate and the highest earnings growth rate.

QUESTION 2.7A

What do you think the lowest growth rate of your earnings will be over the next 12 months?

Slider with range from -50% to 50%

QUESTION 2.7B

What do you think the highest growth rate of your earnings will be over the next 12 months?

Slider with range from -50% to 50%

QUESTION 2.7C

What do you think is the percentage chance that the growth rate of your earnings over the next 12 months will be greater than (Q2.8A + Q2.8B)/2 %?

Slider with range from 0% to 100%

[QUALTRICS] QUESTION 2.8

Over the next 12 months, do you think that the average earnings of employees working in the same occupation with similar experience as you will increase or decrease? [Range: 0 to 50]

1. Increase by [ ]%
2. No change
3. Decrease by [ ]%

[QUALTRICS] QUESTION 2.9

Imagine that you were forced to leave your current job and that you had 3 months to **find a job at another employer in the same occupation**. We would like to know your best guess about the overall pay for this job compared to your current pay. What do you think is the **lowest** and **highest** possible percentage change in the overall pay for this job compared to your current job?

Instructions: A negative percentage means a decrease in the overall pay, while a positive percentage means an increase.

Q2.9A lowest possible (percentage change)

Q2.9B highest possible (percentage change)

Slider with range from -50% to 50%

Q2.9C What do you think is the probability that the overall pay for this job compared to your current job will exceed (Q2.8A + Q2.8B)/2 %?

Slider with range from 0% to 100%

[PROLIFIC] QUESTION 2.9

[If Question 2.6 Quit > 0]

Why are you looking to possibly leave your current job?

Please select all that apply.

- dissatisfied with current employer
- for higher compensation
- for more desired hours
- for other non-wage benefits (pension, extended health and dental benefits, insurance etc.)
- for better match with your skills and/or experience
- need to relocate
- to retire
- to return to school
- other (please specify) _____

Section 2.2C Job finding outlook

[This subsection only applies to Q2.1 = 3, 4 or 5, and not Q2.1 =1 and not Q2.1 =2]

QUESTION 2.12

Looking at the future, what do you think is the percent chance that within the coming months, you will find a [INSERT full-time IF Q2.1A=YES] job that you will accept, considering the pay and type of work?

Please use the slider below, where 0% means "Absolutely no chance" and 100% means "Absolutely certain".

Coming 3 months

Coming 12 months

QUESTION 2.13 [RESERVATION WAGE]

Suppose someone offered you a job today. What is the lowest wage or salary you would accept (BEFORE taxes and deductions) for the type of work you are looking for? [Range: 0 - 999,999]
Please choose one of the following.
$_____ per month

Section 2.2D Entering the labor market

[This subsection only applies to Q2.1 NOT = 1 - 5]

QUESTION 2.15

What do you think is the percent chance that you will look for job opportunities within the coming months?

Please use the slider below, where 0% means "Absolutely no chance" and 100% means "Absolutely certain".
3 months
12 months

[PROLIFIC] QUESTION 2.16

[If Question 2.15 > 0]
Are you currently taking or planning to take additional trainings in preparation for potential job search within the coming 12 months?
Yes
No

Section 3. Treatment

ATTENTION CHECK QUESTION

This is a question to check whether you are paying attention and reading the questions carefully. Please select both "strongly disagree" and "strongly agree" to continue. Otherwise, you will leave the survey.

- Strongly agree
- Agree
- Neither strongly agree or disagree
- Disagree
- Strongly disagree

QUESTION 3.1

Have you heard or read about the federal law called the "Inflation Reduction Act of 2022" (also known as the "IRA"), a bill that was passed by the U.S. Congress?

1. A little
2. Some
3. A lot
4. Nothing at all

[If Q3.1 NOT= "Nothing at all"]

QUESTION 3.2

What, if anything, that comes to mind when you think about the Inflation Reduction Act of 2022?
[Open text]

QUESTION 3.3

Energy transition refers to the global energy sector's shift from fossil-based systems of energy production and consumption — including oil, natural gas and coal — to renewable energy sources like wind and solar.
To what extent, do you think your local economy will be affected by the energy transition?

Strongly negative, negative, neutral, positive, strongly positive

RESPONDENTS WILL BE RANDOMLY ASSIGNED TO ONE OF THE FOLLOWING GROUPS:

CONTROL GROUP [NO INFORMATION PROVIDED]

TREATMENT GROUP 1: NATIONAL POLICY ONLY

TREATMENT GROUP 2: NATIONAL + PLACE BASED [ELIGIBLE AREAS ONLY]

TREATMENT GROUP 3: NATIONAL + PLACE BASED + UNCERTAINTY [QUALTRICS ONLY]

TREATMENT GROUP 4: NATIONAL + SPILLOVER [NON-ELIGIBLE AREAS ONLY]

On the next screen, we provide you with information about the Inflation Reduction Act in the US. We would like to ask you to review this information carefully. Please note that this information will be shown only once and you will not be able to go back to it.

NATIONAL POLICY: INFLATION REDUCTION ACT (IRA)

The Inflation Reduction Act (IRA), signed into law in August 2022, is the largest initiative ever undertaken in the U.S. to invest in clean energy and address climate change. **The IRA offers significant tax incentives for production and investment in renewable energy projects.**

PLACE BASED POLICY

Your city has previously qualified for the "Energy Community Bonus" under the IRA due to its historical role in energy production. This bonus, designed to **stimulate local clean energy jobs**, offers an **additional tax credit of up to 10% for production or investment in renewable energy projects.**

UNCERTAINTY

Qualification for this bonus credit changes over time depending on your local economic conditions. The next update will take place around May/June 2025.

SPILLOVER

Certain cities in the US have previously qualified for the "Energy Community Bonus" under the IRA due to their historical role in energy production. This bonus, designed to **stimulate local clean energy jobs**, offers an **additional tax credit of up to 10% for production or investment in renewable energy projects.**

While your city has not yet qualified for the "Energy Community Bonus", it remains eligible for nationwide tax incentives for renewable energy projects under the IRA.

[The remaining questions in this section apply only to the treatment groups]

QUESTION 3.4

The message was about (choose one):

1. Inflation reduction act (IRA)
2. Population growth
3. GDP growth
4. Other [Open text]

QUESTION 3.5

Do you think that you will relocate to a different city due to IRA?

- Yes
- No

[QUALTRICS] QUESTION 3.6

In which area(s), do you think employers in your city has responded or will respond to the IRA? [select all that applies]

1. Won't respond.
2. Develop needs of skills and competences of the employees
3. Upgrade technology and digital infrastructure
4. Explore new business areas or product lines
5. Relocate to a different place or relocate abroad
6. Shut down
7. Other [open text]

Section 4. post-treatment labor market outlook

You are almost done with the survey. In the next few questions, we would now like to ask you *again* about labor market outlook.

Section 4A. Aggregate labor market outlook (Section 2.2A)

QUESTION 4.1

From September 2024 to September 2025, how much do you think that the average earnings in your city will change?

SLIDER [Range: -50 to 50]

QUESTION 4.2

From September 2024 to September 2025, how much do you think that the average earnings of employees in automobile and power generation related industries will increase or decrease?

SLIDER [Range: -50 to 50]

QUESTION 4.3

From September 2024 to September 2025, how much do you think consumer prices in general will change in the US?

SLIDER [Range: -50 to 50]

QUESTION 4.4

[Prolific] What do you think the unemployment rate will be in the U.S. economy in September 2025?

SLIDER [Range: -50 to 50]

[Qualtrics] From October 2024 to October 2025, do you plan to take additional trainings in preparation for potential job search? [Yes/No]

Section 4B. For Employed (Revised version of Section 2.2B)

QUESTION 4.5

Please think again about your possible relationship with your current employer of your main job during the next 12 months. Assign the probability in each possible case. The sum of the probabilities should be 100.

1. Staying with the current employer during the next 12 months
2. Laid-off from current employer at some point during the next 12 months
3. Quit from the current employer at some point during the next 12 months
4. Separation for other reasons during the next 12 months

[PROLIFIC] QUESTION 4.6

[If Question 4.6 New Staying with the current employer > 0]

Suppose again that, 12 months from now, you are working in the exact same job at the same place you currently work with the exact same number of hours. In your view, what would you say is the percent chance that 12 months from now, your earnings before taxes and deductions, will have...

increased by 12% or more	_____	percent chance
increased by 8% to 12%	_____	percent chance
increased by 4% to 8%	_____	percent chance
increased by 2% to 4%	_____	percent chance
increased by 0% to 2%	_____	percent chance
decreased by 0% to 2%	_____	percent chance
decreased by 2% to 4%	_____	percent chance
decreased by 4% to 8%	_____	percent chance
decreased by 8% to 12%	_____	percent chance
decreased by 12% or more	_____	percent chance
Total	100	

[PROLIFIC] QUESTION 4.7

[If Question 4.5 Quit > 0]

Why are you looking to possibly leave your current job?

[Open text]

[QUALTRICS] QUESTION 4.6A

[If Question 4.5 New Staying with the current employer > 0]
We would now like to ask you again about the possible growth rates of your earnings.

Suppose again that, 12 months from now, you are **working in the exact same job at the same place you currently work, with the exact same number of hours.** What do you think will be the approximate growth rate in your earnings over the next 12 months for each of the scenarios below?

Instructions: We start with your prediction for the most pessimistic scenario for your earning growth rate over the next 12 months (LOWEST growth rate) and end with your most optimistic prediction (HIGHEST growth rate).

The LOWEST growth rate in your earnings would be about: _a_% [RANGE: -50 to 50]
The MEDIUM growth rate in your earnings would be about: _b_% [RANGE: -50 to 50]
The HIGHEST growth rate in your earnings would be about: _c_% [RANGE: -50 to 50]

[QUALTRICS] QUESTION 4.6B

Now we ask you to think about the chance of the growth rates you entered in the previous screen actually happening over the next 12 months.

Please assign a percentage chance to each growth rate to indicate how likely you think it is that this growth rate will actually happen to your earnings over the next 12 months.

Instruction: Your answers can range from 0 to 100, where 0 means there is absolutely no chance that this growth rate will happen, and 100 means that it is absolutely certain that this growth rate will happen. (Your answers should sum to 100 – if your sum exceeds 100, you should first decrease the points again in one option before you can add points in another).

LOWEST: The chance of a % growth rate in your earnings would be: __% [RANGE: 0-100]
MEDIUM: The chance of b % growth rate in your earnings would be: __% [RANGE: 0-100]
HIGHEST: The chance of c % growth rate in your earnings would be: __% [RANGE: 0-100]
Total [sum of values above]

[QUALTRICS] QUESTION 4.7

From October 2024 to October 2025, how much do you think that the average earnings of employees working in the same occupation with similar experience as you will change?

Slider bar with Range: -50 to 50

[QUALTRICS] QUESTION 4.8A

Imagine again that you were forced to leave your current job and that you had 3 months to **find a job at another employer in the same occupation**. What do you expect the overall pay to change compared to your current job under each of the scenarios below?

The LOWEST growth rate (most pessimistic): _a_% [RANGE: -50 to 50]
The MEDIUM growth rate (a typical prediction): _b_% [RANGE: -50 to 50]
The HIGHEST growth rate (most optimistic): _c_% [RANGE: -50 to 50]

[QUALTRICS] QUESTION 4.8B

Now we ask you to think about the chance of the growth rates you entered in the previous screen actually happening with your new job.

Please assign a percentage chance to each growth rate to indicate how likely you think it is that this growth rate will actually happen to your **overall pay at the new job**.

Instruction: Your answers can range from 0 to 100, where 0 means there is absolutely no chance that this growth rate will happen, and 100 means that it is absolutely certain that this growth rate will happen. (Your answers should sum to 100 – if your sum exceeds 100, you should first decrease the points again in one option before you can add points in another).

LOWEST: The chance of a % growth rate in your overall pay would be: __% [RANGE: 0-100]
MEDIUM: The chance of b % growth rate in your overall pay would be: __% [RANGE: 0-100]
HIGHEST: The chance of c % growth rate in your overall pay would be: __% [RANGE: 0-100]
Total [sum of values above]

[QUALTRICS] QUESTION 4.9

In your opinion, will there be more job opportunities in your city in the next year?

- Within your industry, but in a different occupation
- Within your occupation, but in a different industry
- In a different industry and a different occupation
- Within your industry and occupation

[QUALTRICS] QUESTION 4.10

What are the main reasons for why you plan to stay at your current employer even though other employers may offer a higher wage? [select all that applies]

- I do not want to learn the ropes in a new job.
- I do not want to lose my current colleagues.
- I feel secure in my current job and am concerned that a new job would be riskier.
- I lack information on where to find new job opportunities.
- I do not have sufficient access to training resources matching the new positions.
- I face challenges of long commuting distance.
- I do not find many local job opportunities that match my qualifications.
- I lack the time or resources to gain new skills.
- I am unwilling or uncomfortable with change.
- Others

[QUALTRICS] QUESTION 4.11

Imagine that you received a job offer with a 30% higher wage from another employer and that the job is otherwise identical to your current job. By how much are you willing to increase your commute time?

- Not at all
- I'm willing to increase my commute time by ____ minutes

Section 4C. For Unemployed (Section 2.2C)

QUESTION 4.12

And looking at the more immediate future, what do you think is the percent chance that within the coming months, you will find a [INSERT full-time IF Q2.1A=YES] job that you will accept, considering the pay and type of work?

Please use the slider below, where 0% means "Absolutely no chance" and 100% means "Absolutely certain".

Coming 3 months

Coming 12 months

QUESTION 4.13 [RESERVATION WAGE]

Suppose someone offered you a job today. What is the lowest wage or salary you would accept (BEFORE taxes and deductions) for the type of work you are looking for? [Range: 0 - 999,999]
Please choose one of the following.
$_____ per month

Section 4D. For not in the labor force (Section 2.2D)

QUESTION 4.15

What do you think is the percent chance that you will look for job opportunities within the coming months?

3 months
12 months

Please use the slider below, where 0% means "Absolutely no chance" and 100% means "Absolutely certain".

[QUALTRICS] QUESTION 4.16

[If Question 4.15 > 0]
Are you currently taking or planning to take additional trainings in preparation for potential job search within the coming 12 months?
Yes
No

Section 5A Industry, Occupation, Skills

QUESTION 5.1 BROAD INDUSTRY

In which of the following industries is your [If Q2.1 = 1 or 2, insert 'current'; If Q2.1=4, insert 'last'; If Q2.1 = 3, 4 or 5, and not Q2.1 =1 and not Q2.1 =2, insert 'desired'] job?

1. Agriculture or Mining
2. Construction, transportation, or warehousing
3. Utilities (e.g. electricity power generation or distribution, natural gas distribution)
4. Manufacturing
5. Services

QUESTION 5.2 FINER INDUSTRY

[If Q5.1 = Agriculture or Mining]

1. Agriculture
2. Mining
3. Other, please specify

[If Q5.1 = Construction, transportation and warehousing]

1. Construction
2. Transportation
3. Warehousing and storage
4. Others, please specify

[If Q5.1 = Utilities]

1. Fossil fuel electric power generation
2. Solar, wind, hydroelectric, geothermal, or other renewable power generation
3. electric power transmission or distribution
4. Other, please specify

[If Q5.1 = Manufacturing]

1. Automobile production
2. Iron and steel production
3. Cement production
4. Chemical production
5. Plastics production
6. Pulp and paper production
7. Food and beverages production
8. Textile production
9. Other manufacturing, please specify

[If Q5.1 = Services]

1. Wholesale and retail trade
2. IT, finance, real estate, management, and other professional services
3. Health care and education services
4. Food, accommodation and administrative services
5. Other services, please specify

Question 5.2 Occupation Description

Briefly describe your duties in your main job (whether full time or part time). Please be specific in describing your occupation: e.g. software engineer, First-line supervisors of production and operating workers, hotel desk clerk, etc. Please be as specific as possible instead of listing general categories such as "Business" or "Services".

[Open text box question]

Section 5B. Demographics

Q1A. What is the size of your current employer (if Q2.1==1 or 2)

1. Less than 10 employees
2. 10 – 100 employees
3. 101 – 500 employees
4. More than 500 employees

Q1B. How many years have you been working for your current industry (if Q2.1==1 or 2)

Q2. Which category represents the total combined pre-tax income of all members of your household (including you) during the past 12 months?

5. Less than $10,000
6. $10,000 to $19,999
7. $20,000 to $29,999
8. $30,000 to $39,999
9. $40,000 to $49,999
10. $50,000 to $59,999
11. $60,000 to $74,999
12. $75,000 to $99,999
13. $100,000 to $149,999
14. $150,000 to $199,999
15. $200,000 or more

Q4. What is your gender?

1. Male
2. Female
3. Other
4. Prefer not to answer

Q5. Which year were you born?

Q6. What is the highest level of school you have completed, or the highest degree you have received?

1. Less than high school
2. High school diploma
3. Some college but no degree
4. Bachelor's Degree or higher

Q6A. [If Q6 = 3 or 4] What is your major in the highest level of school you have completed, or the highest degree you have received? Please select all that apply.

1. business
2. health professions and related programs

3. social sciences and history
4. biological and biomedical sciences
5. psychology
6. engineering
7. computer science
8. communications
9. government/political science
10. mathematics
11. Other, please specify

Q7. How would you identify your ethnicity?

Please select all that apply.

1. Asian/Asian American
2. Black/African American
3. White/Caucasian
4. Other
5. Prefer not to say

Q7A. Do you consider yourself of Hispanic, Latino or Spanish origin?

1. Yes
2. No

Q8. How likely will you support a climate policy in general targeted to address issues related climate change?

Slider bar from 0 to 100

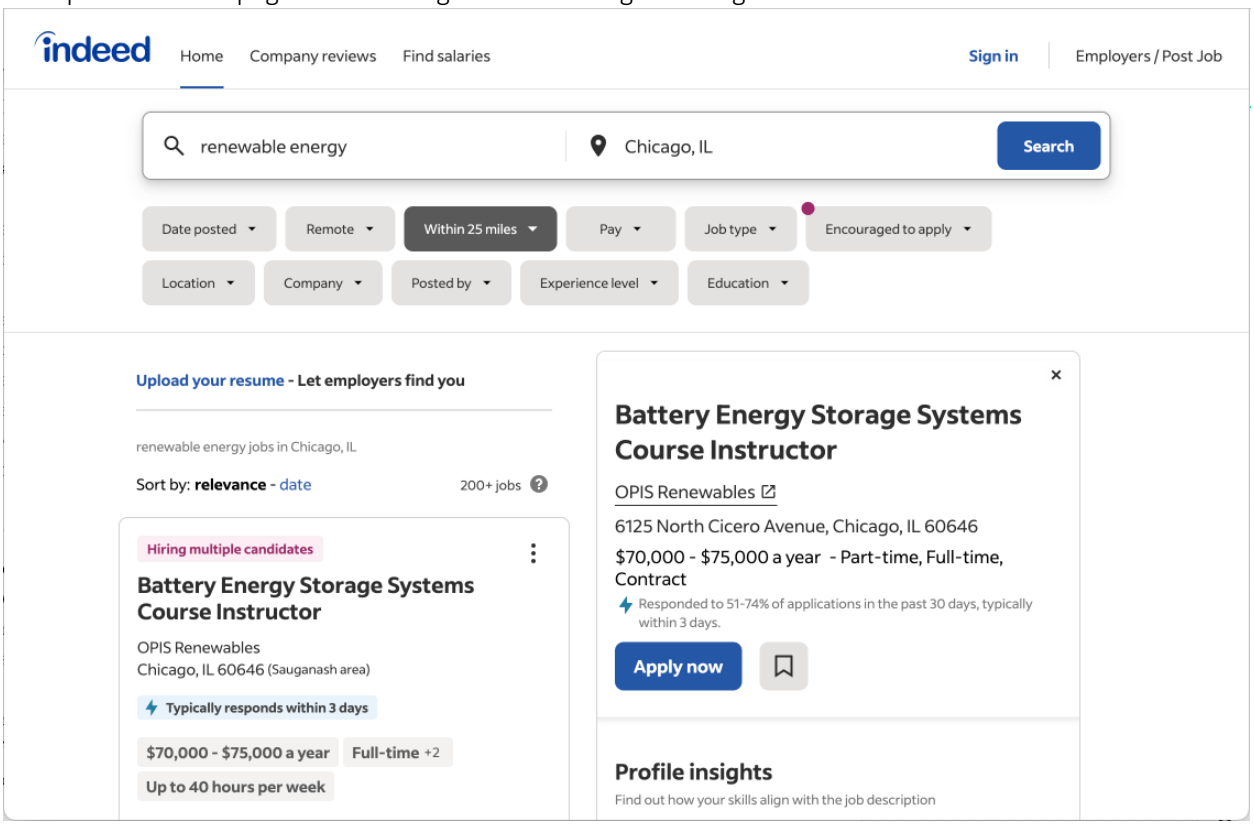
[Qualtrics] Final page

You have finished all the questions. You may now exit the survey. Below are some links to some clean energy-related job information in your city if you would like to explore:

Link to job adds [record their action]

1. Renewable Energy-related Job Postings
2. General jobs in Your City

Example of the webpage after clicking the link if living in Chicago area:



[Prolific] Follow-up survey

Section 1

[This subsection applies to ALL respondent]

QUESTION 1

In the past week, how much time did you spend on general job search?

Number of hours spent on job search: _____ [Range: 0 to 168]

QUESTION 2

In the past week, did you search for any information related to the clean energy transition?

QUESTION 3

In the past week, did you search for renewable energy related job openings?

Section 2.2 Labor market outlook

Section 2.2A Aggregate labor market outlook

[This subsection applies to ALL respondent]

QUESTION 2.2

Over the next 12 months, how much do you think that the average earnings in your city will change? [Range: -100 to 100]

4. increased by [ ]%
5. No change
6. decreased by [ ]%

QUESTION 2.3

Over the next 12 months, do you think that the average earnings of employees in automobile and power generation related industries will increase or decrease? [Range: -100 to 100]

4. increased by [ ]%
5. No change
6. decreased by [ ]%

Section 2.2B Current employment outlook

[This subsection only applies to employed: wave 1 Q2.1 = 1 or 2]

QUESTION 2.6

Please think about your possible relationship with your current employer of your main job during the next 12 months. Assign the probability in each possible case. The sum of the probabilities should be 100.

5. Staying with the current employer during the next 12 months
6. Laid-off from current employer at some point during the next 12 months
7. Quit from the current employer at some point during the next 12 months
8. Separation for other reasons during the next 12 months

QUESTION 2.8

[If Question 2.6 Staying with the current employer > 0]

Suppose again that, 12 months from now, you are working in the exact same job at the same place you currently work with the exact same number of hours.

Please give your best guess about the lowest earnings growth rate and the highest earnings growth rate.

QUESTION 2.8A

What do you think the lowest growth rate of your earnings will be over the next 12 months?

Slider with range from -50% to 50%

QUESTION 2.8B

What do you think the highest growth rate of your earnings will be over the next 12 months?

Slider with range from -50% to 50%

QUESTION 2.8C

What do you think is the percentage chance that the growth rate of your earnings over the next 12 months will be greater than (Q2.8A + Q2.8B)/2 %?

Slider with range from 0% to 100%

Section 3

Question 3.1

Have you heard or read about the federal law called the "Inflation Reduction Act of 2022" (also known as the "IRA"), a bill that was passed by the U.S. Congress?

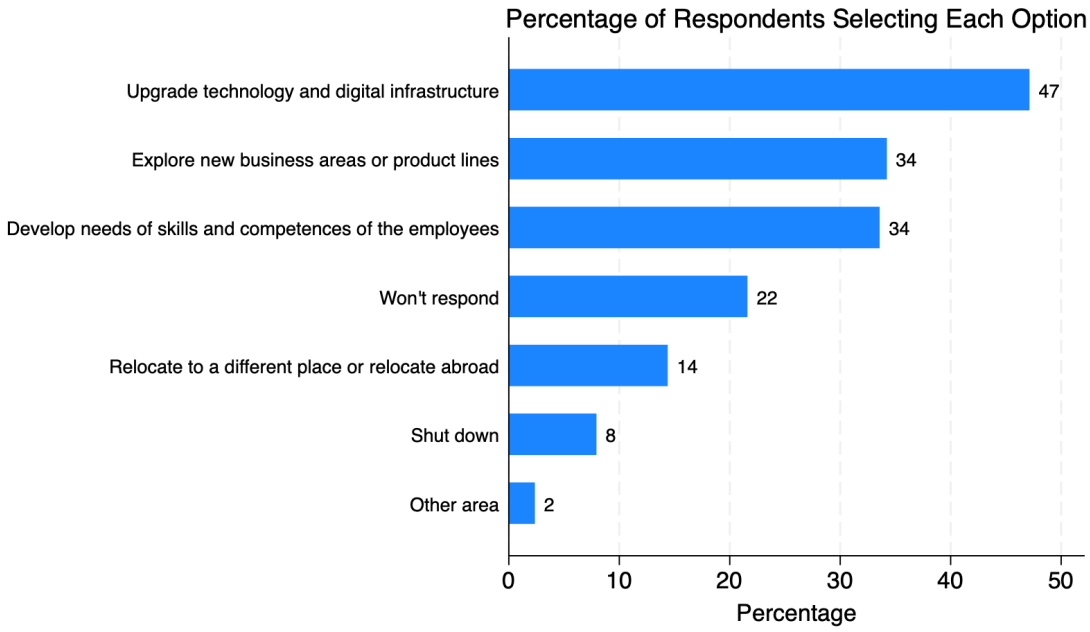
5. A little
6. Some
7. A lot
8. Nothing at all

[If Q3.1 NOT= "Nothing at all"]

Question 3.2

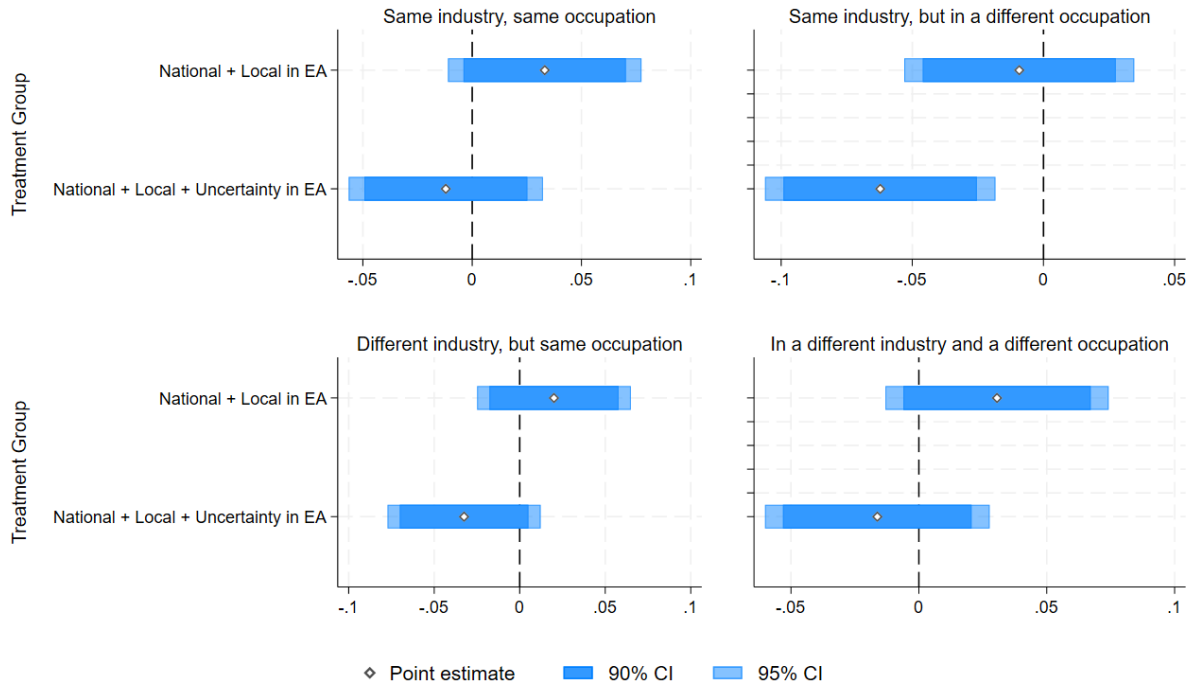
What, if anything, that comes to mind when you think about the Inflation Reduction Act of 2022? [Open text]

Appendix C Additional Results



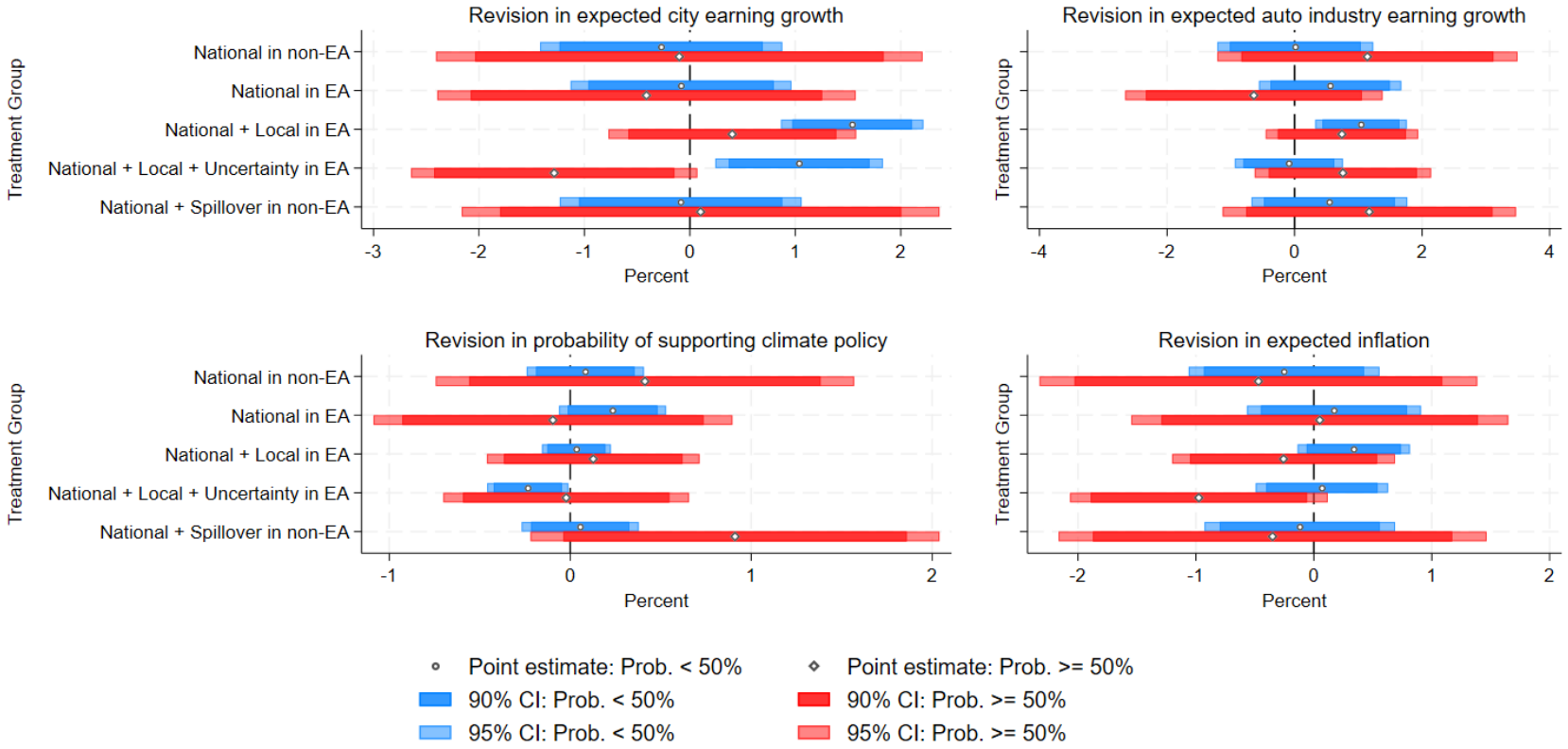
Appendix Figure C.1: RESPONDENTS' VIEWS ON HOW EMPLOYERS IN THEIR CITY RESPOND TO THE IRA

Note. The figure plots the share of responses to the question on "In which area(s), do you think employers in your city have responded or will respond to the IRA?" Respondents are allowed to select multiple options if "Won't respond" is not selected. The numbers on the bars indicate the percentage of place-based treated respondents who selected each option.



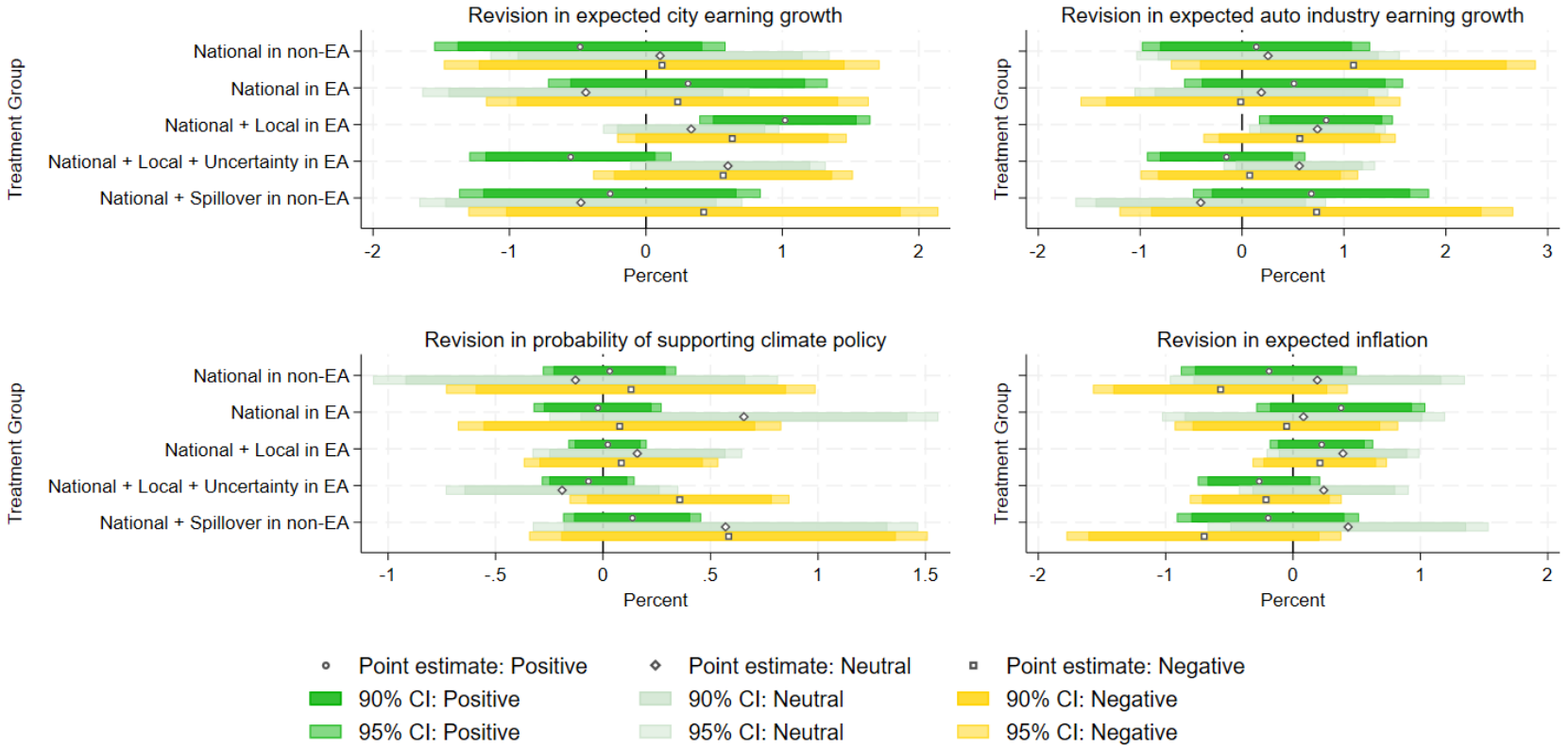
Appendix Figure C.2: AVERAGE TREATMENT EFFECTS ON PERCEIVED JOB OPPORTUNITIES IN THE NEXT YEAR BY INDUSTRY AND OCCUPATION

Note. In Qualtrics, we asked respondents: "In your opinion, will there be more job opportunities in your city in the next year?" The figure plots the marginal effects from the Probit estimation along with the 90% and 95% confidence intervals, using robust standard errors. The dependent variables are indicators for whether respondents expect more job opportunities in their city over the next year in: (i) the same industry and same occupation, (ii) the same industry but a different occupation, (iii) a different industry but the same occupation, and (iv) a different industry and a different occupation.



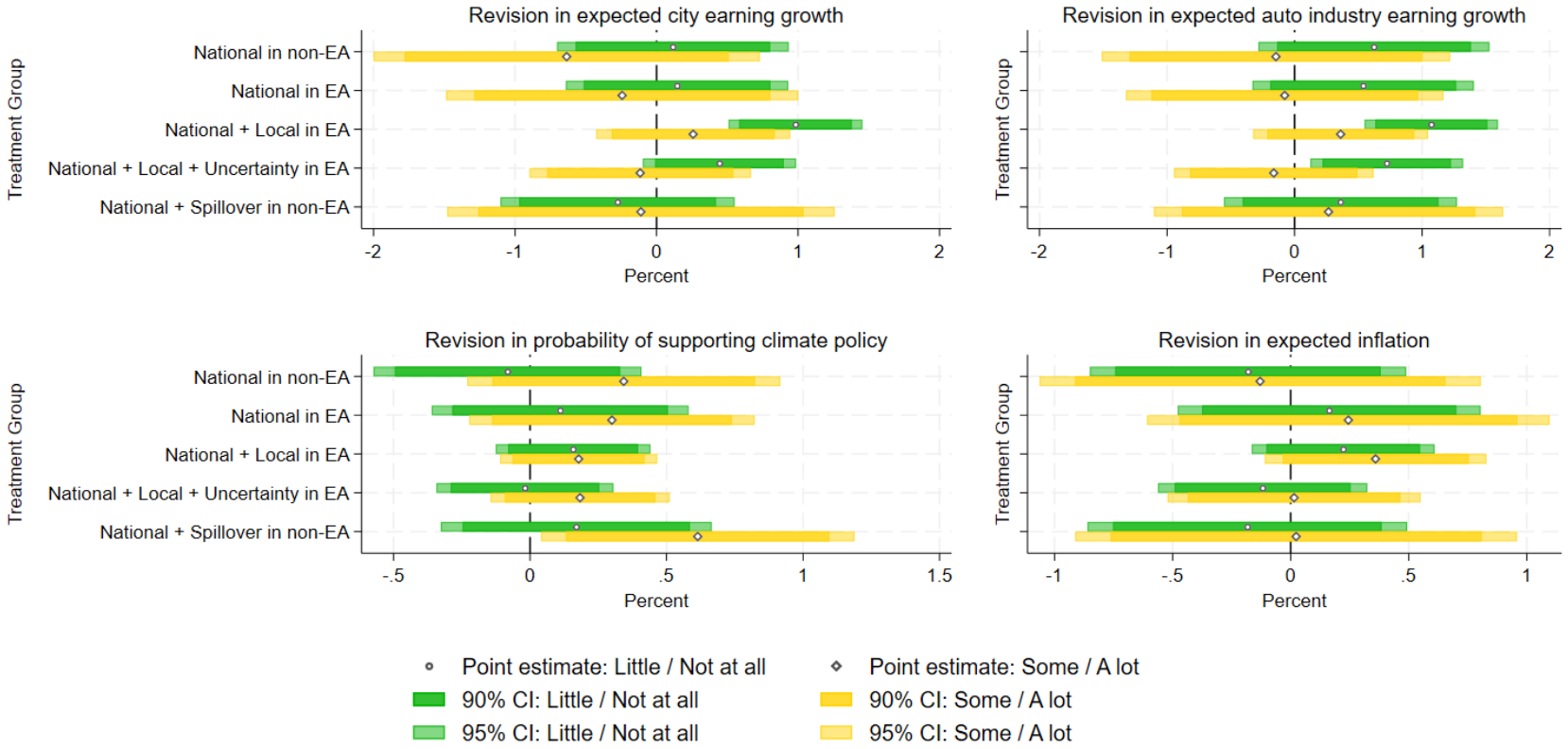
Appendix Figure C.3: AVERAGE TREATMENT EFFECTS AMONG DEMOCRATIC RESPONDENTS BY PROBABILITY OF REPUBLICAN WIN

Note. The figure plots the treatment coefficients along with the 90% and 95% confidence intervals using regression equation (1). The dependent variables are the expected 12-month-ahead city earnings growth, expected 12-month-ahead auto industry earnings growth, probability of supporting climate change policy, and expected 12-month inflation, respectively. Regressions are estimated separately for Democratic respondents in each perceived election outcome probability group. Results are based on Huber-robust estimates.



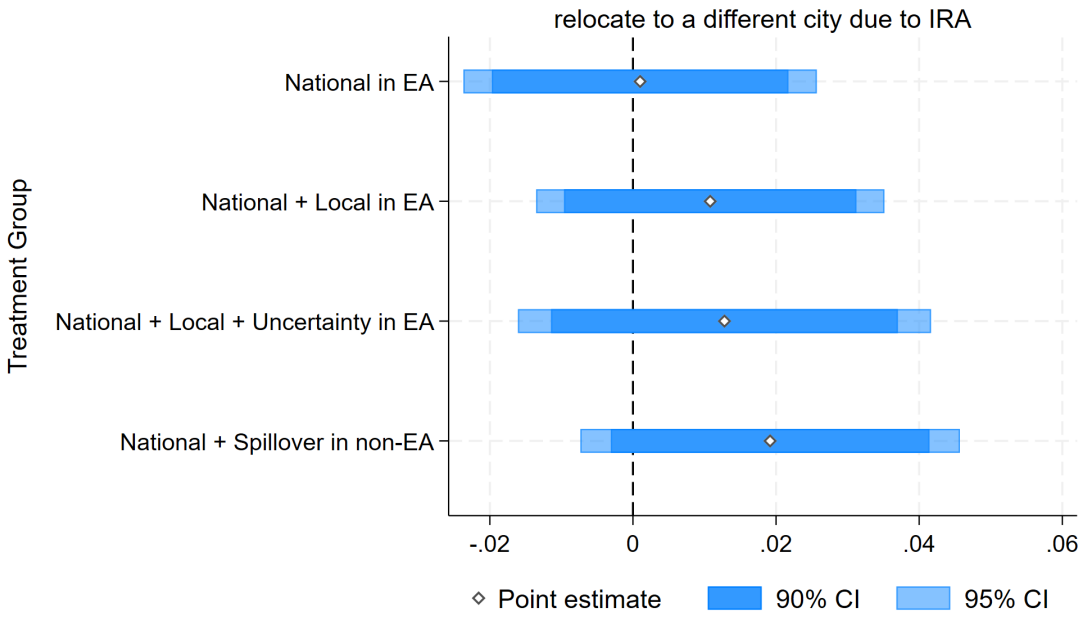
Appendix Figure C.4: AVERAGE TREATMENT EFFECTS BY VIEWS ON ENERGY TRANSITION

Note. The figure plots the treatment coefficients along with the 90% and 95% confidence intervals using regression equation (1). The dependent variables are the expected 12-month-ahead city earnings growth, expected 12-month-ahead auto industry earnings growth, probability of supporting climate change policy, and expected 12-month inflation, respectively. Regressions are estimated separately using subgroups based on their perception of the energy transition. Results are based on Huber-robust estimates.



Appendix Figure C.5: AVERAGE TREATMENT EFFECTS BY PRE-TREATMENT IRA KNOWLEDGE

Note. The figure plots the treatment coefficients along with the 90% and 95% confidence intervals using regression equation (1). The dependent variables are the expected 12-month-ahead city earnings growth, expected 12-month-ahead auto industry earnings growth, probability of supporting climate change policy, and expected 12-month inflation, respectively. Regressions are estimated separately using subgroups based on their awareness of IRA. Results are based on Huber-robust estimates.



Appendix Figure C.6: AVERAGE EFFECTS ON RELOCATION DECISION

Note. After the treatment information, we asked respondents: "Do you think that you will relocate to a different city due to the IRA?" The figure plots the marginal effects from the Probit estimation along with the 90% and 95% confidence intervals, using robust standard errors. The dependent variable is an indicator for whether respondents answered "Yes" (as opposed to "No"). The baseline category is "National in non-EA."

Appendix D Experimenter Demand Effects

One concern in information-provision experiments is the potential for experimenter demand effects, where participants alter their responses to conform to perceived researcher expectations (Haaland et al., 2023). To address this issue, we explicitly assess the magnitude of experimenter demand effects in our setting.

For the survey administered via the Prolific platform, at the end of the experiment, we asked respondents the following open-ended question: "If you had to guess, what would you say is the purpose of this study, in addition to the general description provided at the beginning of the survey?" Responses were initially reviewed by the authors to develop a comprehensive coding scheme capturing the predominant beliefs about the study's purpose. Then, a research assistant systematically hand-coded the data according to this scheme, and the coded data was verified by the authors. The following categories were identified through this coding process:

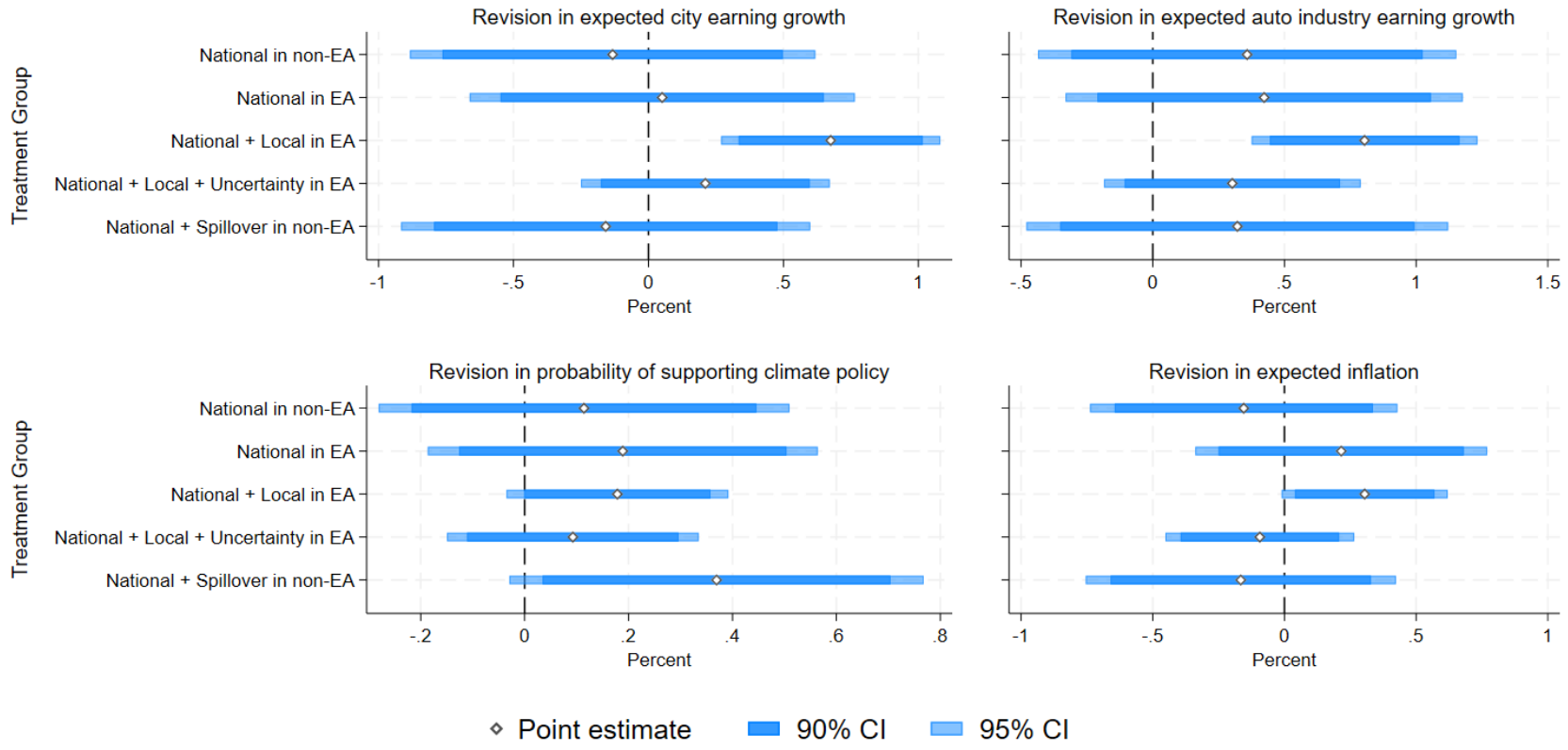
- **The Causal Effect of Information/Beliefs**: Respondents correctly identified that the purpose of the study is to examine the causal relationship between beliefs about climate-related policies and economic and labor market outcomes—specifically, how respondents' labor market behaviors as well as views on the economic conditions and labor market outlooks are affected by information about the IRA provided in the experiment. Example responses include: "climate policies and their impact on the local economy"; "To find some association between views on climate policy and views on the economy/employment."

Responses that do not fall in the Causal Effect of Information/Beliefs category can fall into one or multiple of the following categories:

- **Responses mentioning policies**: Example responses include "Policies in general"; 'This study was about my support of tax inflation bill."
- **Responses mentioning beliefs about climate change**: Example responses include "To understand those polled what their thoughts are on general climate change."
- **Responses mentioning beliefs about the economy and inflation**: Example responses include "Perceptions of inflation and the economy; economic well-being in the future."
- **Responses mentioning beliefs about the labor market**: Example responses include "to assess the optimism of the job market amongst Americans."
- **Politics and elections**: Example responses include "Policy in today's government and election."
- **Junk (nonsensible responses)**: Example responses include "n/a", "Good."
- **Don't Know**: Respondents explicitly stating that they do not know the study's hypothesis. Example responses include "I don't know."
- **Other**: Responses that do not fit into any of these categories. Example responses include "My expectations."

Only a small fraction of respondents (5.63%) correctly identified that the purpose of the study was to examine the causal effect of climate-related policy information on labor market intentions. A relatively large fraction (10.46%) explicitly stated, “I don’t know." Junk (Nonsensical) responses were minimal (2.89%). If not categorized under the correct purpose, responses could fall into one or multiple of the following categories. Most other respondents mentioned purposes such as beliefs about the economy and inflation (44.43%), climate change (30.79%), general policies (16.90%), and labor market beliefs (14.25%). When respondents articulated these beliefs, they typically either mentioned only one belief or expressed multiple beliefs without explicitly establishing a causal connection between climate-related policies and economic or labor market outcomes. Furthermore, responses referencing politics and elections accounted for 11.76%. About 6.77% of responses did not clearly fit into any of these predefined categories, mostly simply mentioning general expectations or beliefs.

We then restrict our main specification to respondents who do not correctly guess the hypothesis of the experiment. As shown in Figure D.1, consistent with the small share of correct guesses, treatment effects are almost identical to Figure 2. This finding aligns with previous research suggesting that demand effects typically do not have a significant quantitative impact (De Quidt et al., 2018).



Appendix Figure D.1: AVERAGE TREATMENT EFFECTS, RESTRICTED SAMPLE

Note. The figure plots the treatment coefficients along with the 90% and 95% confidence intervals using regression equation 1. The sample is restricted to respondents who do not correctly guess the hypothesis of the experiment. The dependent variables are the expected 12-month-ahead city earnings growth, expected 12-month-ahead auto industry earnings growth, probability of supporting climate change policy, and expected 12-month inflation, respectively. Results are based on Huber-robust estimates.