Partisan Borders: Political Ideology and Frictions in Interstate Job-to-Job Flows

December 8, 2025

Abstract

This paper investigates how political partisanship imposes interstate job-to-job flow frictions in the United States. I find that interstate job flows are significantly lower between politically misaligned states. Exploiting close presidential elections as a quasi-experiment, I show that job flows to destination states decline by 3.2% quarterly when a candidate narrowly wins in the destination state, breaking previous political alignment between origin and destination states. Sub-period analysis reveals that partisan barriers to interstate job flows were modest in 2001–2011 but have intensified dramatically since 2012, consistent with deepening polarization in the U.S. These findings highlight that political partisanship imposes frictions in interstate job flows, hindering the efficient allocation of human capital across geographic boundaries.

JEL classification: J01, J61

Keywords: Partisanship, political ideology, interstate job-to-job flows, labor mobility.

I. Introduction

Geographic labor mobility plays a crucial role in regional economic adjustment and efficient allocation of human capital (Topel, 1986; Blanchard, Katz, Hall and Eichengreen, 1992). Yet, interstate migration in the United States has declined substantially over recent decades (Molloy, Smith and Wozniak, 2011; Koşar, Ransom and Van der Klaauw, 2022). Existing literature emphasizes the role of wage differentials, employment opportunities, moving and housing costs in shaping mobility decisions (Bartel, 1979; Stark and Bloom, 1985; Borjas, Bronars and Trejo, 1992; Molloy et al., 2011; Diamond, 1981; Kennan and Walker, 2011). However, the role of non-economic factors, such as political ideology, remains unexplored.

This paper aims to fill the gap and investigates whether political partisanship creates frictions in interstate job-to-job flows. I construct a sample of quarterly interstate job-to-job flows using comprehensive data from the U.S. Census's Longitudinal Employer-Household Dynamics (LEHD) program.[1] To focus on voluntary job transition decisions, I examine job-to-job flows without separation, ensuring that observed job transitions better reflect worker preferences rather than involuntary displacement. I find that political misalignment between origin and destination states significantly reduces interstate job flows. Exploiting close presidential elections as a quasi-experiment, I show that job flows to destination states decline by 3.2% when a narrow presidential electoral victory breaks prior political alignment between states. This effect has intensified dramatically since 2012, coinciding with rising political polarization in the United States.

These findings reveal an under-explored barrier to labor market efficiency. Political frictions impede the reallocation of workers to their most productive locations, potentially exacerbating regional economic disparities and slowing adjustment to local labor demand shocks. More importantly, as political polarization deepens, ideological frictions reduce interstate

[1]The LEHD data covers approximately 95% of private sector employment. It captures quarterly interstate job-to-job flows between origin-destination states across all 50 U.S. states and the District of Columbia from 2001 to 2024. An observation is included in the database only when a worker obtains a new employment in the destination state. The data does not capture moves across states that do not result in new employment. Therefore, this dataset only covers job-to-job moves and does not include migration upon retirement.

job-to-job flows, which in turn lead to deeper geographic sorting by political identity. This heightened sorting further intensifies polarization and amplifies future interstate job flow frictions, creating a self-reinforcing feedback loop that can magnify long-run inefficiencies in labor mobility.

I develop a utility-based migration model where workers trade off economic gains against political misalignment costs. Political misalignment reduces utility through three mechanisms: (1) social capital loss: workers forgo valuable networks in politically compatible communities; (2) policy preference costs: partisan policy differences on taxation, education, healthcare, and social issues reduce welfare for ideologically misaligned residents; (3) identity-based psychological costs: political affiliation provides belonging that is undermined in hostile partisan environments. I model total political misalignment cost as $\tau_i = \tau_{\text{social,i}} + \tau_{\text{policy,i}} + \tau_{\text{identity,i}} > 0$. Under standard choice assumptions, the model generates a few testable predictions. First, migration probability decreases with political misalignment: $\frac{\partial P_{odt}}{\partial \mathbb{I}(P_{o,t} \neq P_{d,t})} < 0$. Second, effects should be symmetric across party lines if τ_i is similar for blue and red states.

To measure political misalignment, I collect presidential election outcomes at the state level. I classify each state as either Democrat-leaning or Republican-leaning according to the party of the winning presidential candidate in the most recent election. In addition, I construct a continuous measure of political distance, calculated as the absolute difference in the Democratic vote share between the origin and destination states in the most recent presidential election.

I find evidence that political misalignment significantly reduces interstate job-to-job flows. The effect appears similar across party lines, implying that the pattern is unlikely to reflect partisan-specific preferences. Moreover, this reduction in interstate job-to-job flows does not differ significantly across different presidential administrations. Finally, I find that workers who move to politically misaligned states experience no significant change in earnings.

To strengthen causal identification, I exploit close presidential elections as a quasi-

experiment. Close elections provide a source of plausibly exogenous variation in political misalignment that is unlikely to be driven by underlying job market trends. Specifically, I compare interstate job-to-job flows before and after elections where the candidate in a destination state narrowly wins, breaking the prior political alignment between the origin and destination states. This approach isolates plausibly exogenous shifts in political alignment. Using this identification strategy, I find that interstate job-to-job flows decline by approximately 3.2% when the close elections break previous political alignment.

The baseline OLS estimates suggest that political misalignment reduces interstate job flows. More interestingly, this effect is symmetric. Job flows decline similarly whether workers move from Democratic-leaning to Republican-leaning states or vice versa, ruling out partisan-specific aversion. The friction is particularly pronounced among typically mobile groups (young, male, and white workers) and in highly polarized states where political awareness is likely higher.

The sub-period analysis reveals a time varying effect. Political misalignment had modest effects on job flows during 2001-2011 (5.8% reduction) but substantial effects during 2012-2024 (17.6% reduction). This patter aligns with well-documented increases in political polarization (Baker, Baksy, Bloom, Davis and Rodden, 2020), suggesting that partisan identity has become increasingly salient in workers' location decisions.

Beyond broad ideological misalignment, I examine the role of a specific policy, the abortion law frictions between origin and destination states in shaping interstate job flows among reproductive-age women. The evidence suggests that abortion law misalignment significantly reduces interstate job-to-job flows for women aged 25-34, while showing no significant effect for non-reproductive-age women.

I further show that the negative effect of political misalignment on labor mobility is not driven by gubernatorial elections. Moreover, political frictions do not diminish with geographic proximity. Even among neighboring states that share borders and exhibit higher overall flows, political misalignment continues to significantly reduce mobility.

This paper contributes to several strands of literature on political economy, labor market, and migration decisions. First, existing literature emphasizes economic and social factors such as moving and housing costs, wage rigidities, licensing rules, and family ties (Bartel, 1979; Molloy et al., 2011; Coen-Pirani, 2010; Gallin, 2004; Mincer, 1978; Kleiner, 2016; Chen and Rosenthal, 2008; Koşar et al., 2022). However, the role of political preference has received relatively little attention. I document political partisanship as a barrier to interstate job mobility. Broader literature on migration costs and labor misallocation emphasizes the role of economic factors in shaping regional adjustment and aggregate efficiency (Topel, 1986; Kennan and Walker, 2011; Molloy et al., 2011). More recent research has expanded this framework to include information frictions and search frictions that affect job matching across locations (Wilson, 2021). This paper shows that political partisanship represents an additional, non-economic friction for interstate job-to-job flows. The findings highlight that workers' job transition decisions are not solely driven by financial considerations or job market fundamentals, but also by political preferences.

Second, while prior research has documented the economic consequences of polarization (Leng, Atanassov and Julio, 2024; Engelberg, Guzman, Lu and Mullins, 2025; Mian, Sufi and Khoshkhou, 2023; Cookson, Engelberg and Mullins, 2020), this study provides new evidence that partisanship limits interstate job-to-job transitions. Recent studies suggest that political preference increasingly influences major household and economic choices, including residential location (Gimpel and Hui, 2015; McCartney, Orellana-Li and Zhang, 2024), fertility decision (Dahl, Lu and Mullins, 2022), investment decisions,[2] and entrepreneur activities (Engelberg et al., 2025). Moreover, Barrios and Hochberg (2021) suggest that political partisanship shapes risk perceptions during the COVID-19 pandemic. Together, these studies underscore that political preferences increasingly shape major life and economic decisions. My paper contributes to this emerging literature by focusing on labor mobility as another

[2]Kempf, Luo, Schäfer and Tsoutsoura (2023) find that fund managers' political beliefs significantly affect their international investment choices, suggesting that partisan preferences create frictions in global financial markets.

channel through which political identity imposes economic frictions, revealing that partisanship hinders the efficient reallocation of workers across state boundaries.

The rest of the paper proceeds as follows. Section II presents the theory model. Section III describes the data and empirical methodology. Section IV reports empirical evidence. Section V concludes.

II. Theoretical Framework

A. Random utility model of job location choice

To model job transition decisions, I begin with a standard location-choice framework in which workers evaluate the economic and non-economic tradeoffs of job relocating across states, following Davies, Greenwood and Li (2001) and Koşar et al. (2022). I specify workers' utility as a function of wages, moving cost, and an additional ideological component capturing political misalignment between origin and destination states. This structure allows ideological frictions to directly enter the worker's decision problem. Consider a worker, indexed by i, in origin state o, considering whether to accept a job offer in destination state d at time t. The migration decision depends not only on wage differences and moving costs, but also on disutility arising from political ideology misalignment. The worker's indirect utility is

$$U^i_{odt} = V^i_{odt} - \phi(P_{o,t}, P_{d,t}; t) + \varepsilon^i_{odt}, \tag{1}$$

with

$$V^i_{odt} = \alpha_i w_{dt} + \gamma_i A_{dt} - \kappa_i C_{odt},$$

The function $\phi_i(P_{o,t}, P_{d,t})$ captures the ideological cost of moving to a politically misaligned state:

$$\phi(P_{o,t}, P_{d,t}; t) = \begin{cases} 0 & \text{if } P_{o,t} = P_{d,t} \quad \text{(politically aligned)}, \\ \tau_i & \text{if } P_{o,t} \neq P_{d,t} \quad \text{(politically misaligned)}. \end{cases}$$

where $\tau_i > 0$ represents the disutility from political misalignment. w_{dt} denotes expected earnings in destination d, A_{dt} summarizes non-political amenities, and C_{odt} is the moving cost from o to d at time t. Let $\theta_i = (\alpha_i, \gamma_i, \tau_i, \kappa_i)$ capture worker i's sensitivity to wages, amenities, political misalignment, and moving costs, respectively. θ_i has a distribution $f(\theta)$. ε^i_{odt} is idiosyncratic taste shock for destination d at time t. $\varepsilon^i_{odt} \sim$ i.i.d. Type I extreme value shock.

Given the Type I extreme assumption, conditional on $\theta_i = (\alpha_i, \gamma_i, \tau_i, \kappa_i)$, the probability that worker i in origin state o chooses destination state d is

$$P^i_{odt} = \Pr(\text{choose } d \mid o, i, t) = \frac{\exp(V^i_{odt} - \phi(P_{o,t}, P_{d,t}; t))}{\sum_{j \in \mathcal{D}} \exp\big(V^i_{ojt} - \phi(P_{o,t}, P_{j,t}; t)\big)}. \tag{2}$$

where j indexes all possible destination states in the choice set $\mathcal{D}$, including $j = o$, the option to stay.

Choice Probabilities

At the individual level, the effect of political misalignment on the choice probability is

$$\frac{\partial P^i_{odt}}{\partial \mathbb{I}(P_{o,t} \neq P_{d,t})} = -\tau_i \, P^i_{odt} \left(1 - P^i_{odt}\right). \tag{3}$$

Let $f(\theta_i)$ denote the population distribution of taste parameters. The aggregate choice probability for a randomly drawn worker in origin state o is

$$P_{odt} = \int P^i_{odt} \, f(\theta_i) \, d\theta_i, \tag{4}$$

and observed job-to-job flows satisfy

$$F_{odt} = N_{ot} P_{odt}, \tag{5}$$

where N_{ot} denotes employment in origin state o at time t and N_{ot} .

Differentiating the aggregate probability, we have

$$\frac{\partial P_{odt}}{\partial \mathbb{I}(P_{o,t} \neq P_{d,t})} = \int \frac{\partial P^i_{odt}}{\partial \mathbb{I}(P_{o,t} \neq P_{d,t})} f(\theta_i)\, d\theta_i = -\int \tau_i\, P^i_{odt} \left(1 - P^i_{odt}\right)\, f(\theta_i)\, d\theta_i < 0. \tag{6}$$

Because $\tau_i > 0$ for most workers and $0 < P_{odt} < 1$, the aggregate effect of political misalignment on interstate transitions is negative. The total political cost τ_i is composed of:

$$\tau_i = \tau_{\text{social,i}} + \tau_{\text{policy,i}} + \tau_{\text{identity,i}} > 0$$

First, social capital loss is

$$\tau_{\text{social,i}} = \lambda_i \cdot \text{NetworkValue}_{o,i} \cdot \mathbb{I}(P_{o,t} \neq P_{d,t}),$$

where λ_i captures the sensitivity of social capital losses to politic ideology misalignment. $\text{NetworkValue}_{o,i}$ denotes the utility value of local social and professional networks for individual i in the origin state o at time t, which is the embedded social capital the worker losses upon moving. Shared political views play a critical role in easing both social and professional integration, particularly in polarized environments (Akerlof and Kranton, 2000; Gallin, 2004; Koşar et al., 2022; Ransom, 2022). Individuals who relocate to areas with similar political ideology are more likely to find like-minded peers, integrate into local communities, and participate in civic and neighborhood activities without fear of ideological conflict (Gimpel and Hui, 2015).

Second, policy preference cost is

$$\tau_{\text{policy, i}} = \sum_k \eta_{i,k} \cdot |\text{PolicyGap}_{k,o,d}| \cdot \mathbb{I}(P_{o,t} \neq P_{d,t}),$$

where $\eta_{i,k} > 0$ represents weight for policy k for individual i, which denotes long-run partisan policy orientation (e.g., abortion, education, healthcare). Differences in partisan across states often translate into persistent divergences in public policies. Each policy domain contributes differently to individual well-being. When a worker moves to a state that is politically misaligned, they are more likely to encounter policies that conflict with their preferences, reducing their expected utility from relocation (Barrios and Hochberg, 2021; Kempf et al., 2023). For example, a liberal-leaning household may view abortion policy in a conservative state as a significant deterrent, while a conservative individual may experience discomfort from restrictive gun laws in a progressive state. These policy frictions increase the costs of job flows and discourage job transitions across partisan lines.

Third, identity-based psychological loss is

$$\tau_{\text{identity,i}} = \xi_i \cdot \text{IdentityStrength}_{o,i} \cdot \mathbb{I}(P_{o,t} \neq P_{d,t}),$$

where ξ_i represents the time-varying salience of political identity in shaping personal well-being, where a higher value implies stronger identity effects. $\text{IdentityStrength}_{o,i}$ measures individual's identification strength with individual i's origin state political community. Political identity itself could serve as a source of psychological well-being (Cookson et al., 2020). Political identity provides individuals with a sense of psychological value, stability, and belonging. Living in a community where one's political views are aligned with the community reinforces this identity. In contrast, living in a politically misaligned environment undermines this sense of belonging. Individuals may feel isolated, particularly as political polarization intensifies, making political identity more salient and discouraging moves to political ideology misaligned states.

The theoretical framework generates testable predictions:

P1: Misalignment effect. Political misalignment reduces migration probability: $\frac{\partial P_{odt}}{\partial \mathbb{I}(P_{o,t} \neq P_{d,t})} < 0$, implying lower job flows among politically misaligned states.

P2: Symmetry effect. If Democrats and Republicans supporters face similar political costs when moving to misaligned states, the effects should be symmetric.

To empirically test these predictions, I exploit quarterly interstate job-to-job flows data from the U.S. Census. While the model is framed at the individual level, it nests within a standard discrete choice framework. Under the assumption that idiosyncratic location preferences follow a Type I extreme value distribution, aggregate job-to-job flows can be expressed in a log-linear form. This empirical design allows me to test whether political ideology-based frictions create barriers to geographic job-to-job reallocation with macro-level data.

B. Regression specifications

The main OLS regression specification is

$$\begin{aligned} log(jobflow)_{o \to d,t} = \beta toMisaligned_{o \to d,last\ election} + \mu RtoR_{o \to d,last\ election} \\ + \bar{\gamma} \bar{X}_{o,d,t} + \alpha_o + \zeta_d + \rho_t + \epsilon_{o \to d,t}, \end{aligned} \tag{7}$$

where o and d represent origin and destination states and t denotes year-quarter. The dependent variable, $log(jobflow)_{o \to d,t}$, is the natural logarithm of interstate job flows from origin state o and destination state d in quarter t. The key independent variable, $toMisaligned$, is an indicator that equals one if different presidential candidates won the origin and destination states in the most recent election, and zero otherwise. In alternative specifications, $toMisaligned$ is replaced by $BtoR$ and $RtoB$, which capture flows from blue to red states and from red to blue states, respectively. Blue and red states are determined by the most recent presidential election. The vector $\bar{X}_{o,d,t}$ includes control variables for the absolute differences of personal income growth rates, unemployment rates, state-level economic policy

uncertainty index (EPU) as proxies for economic condition, geographical distance, monthly average wage, and Zillow House Value Index (HVI) between origin state o and destination state d to proxy for moving cost. All continuous variables are winsorized at the 1st and 99th percentiles. The model includes origin state fixed effects (α_o), destination state fixed effects (ζ_d), and year–quarter fixed effects (ρ_t).

III. Data and Methodology

A. Interstate job-to-job flows

I obtain data on interstate job-to-job flows from the U.S. Census Longitudinal Employer-Household Dynamics (LEHD) database.[3] The LEHD database provides quarterly interstate job flows data that covers approximately 95% of private sector employment from 2001-2024. To isolate voluntary job transitions, I focus on interstate job-to-job flows without separation. This approach captures workers who move directly from employment in one state to employment in another, ensuring that observed moves primarily reflect job transition choices rather than involuntary displacement or layoffs. The sample includes all 50 U.S. states plus the District of Columbia, creating 2,550 potential origin-destination combinations.[4] The final dataset consists of quarterly observations for each state-pair combination, with 222,824 observations from 2001 to 2024.

The primary dependent variable is the natural logarithm of quarterly job-to-job flows from an origin state to a destination state. The database also provides detailed job-to-job flows data for different age groups, gender, and race that allows for heterogeneous tests. I also examine interstate job-to-job flows of stable employment, which captures workers who possess stable employment in both origin and destination states and move without separation. Additionally, I analyze interstate job-to-job flows with short separations (brief

[3]The data is publicly available here: https://lehd.ces.census.gov/data/.

[4]Since I focus on interstate job-to-job flows, job moves within states are excluded from the analysis.

unemployment spells between two jobs) to ensure that the main results are not driven by the specific definition of job-to-job transitions. Summary statistics for the key variables are presented in Table 1.

B. Election data

I obtain state-level presidential election data from Ballotpedia. The sample period covers 6 U.S. presidential elections, i.e., 2004, 2008, 2012, 2016, 2020, and 2024. I classify each state as either Democratic-leaning or Republican-leaning based on the party of the winning candidate in the most recent presidential election. To capture the intensity of political ideology differences between states, I construct a continuous measure of political distance, the absolute difference in the Democratic vote share between origin and destination states in the most recent presidential election. This variable ranges from values near zero to 0.689 (maximum political distance). For robustness checks, I use gubernatorial election data to distinguish the effects of partisanship associated with presidential elections from those of the state-level elections.

C. Close presidential elections

To strengthen causal inference, I exploit close presidential elections as a source of plausibly exogenous variation in political alignment. In closely contested states, small margins of victory are unlikely to be systematically correlated with underlying job market fundamentals.

I classify states as treated if they satisfy two criteria: (1) the most recent presidential election margin was within 3% (5%), and (2) the winning candidate's party differs from that of the previous presidential election winner in the state. This approach isolates exogenous shifts in political alignment and ensures unexpected political misalignment across states. I also extend the margin to 5% to check the robustness of the results.

I examine interstate job-to-job flows over a 16-quarter window, seven quarters before and eight quarters after the elections. This approach captures how treated states' interstate job

flows respond when a candidate from the opposing party narrowly won a destination state that breaks the previous political alignment with origin states in the last election.

The difference-in-differences regression on close elections is specified as

$$\begin{aligned} log(jobflow)_{o\to d,t} = \beta Post_t \times Treated_{o\to d} + \mu Treated_{o\to d} \\ + \bar{\gamma}\bar{X}_{o,d,t} + \alpha_{o,j} + \zeta_{d,j} + \rho_t + \epsilon_{o\to d,j}, \end{aligned} \tag{8}$$

where j represents the election event that covers seven quarters before and eight quarters after elections. The dependent variable is the natural logarithm of interstate job flows between treated states and control states. The treated group is the interstate job flows from and to the closely contested presidential election states. The control group consists of states that retained political alignment in the elections with the treated group prior to the close elections and remained unchanged throughout the sample period. For the close presidential election that flipped from red to blue, the control group are the states remain red during the sample period, i.e., AK, AL, AR, ID, KS, KY, LA, MO, MS, MT, ND, NE, OK, SC, SD, TN, TX, UT, WV, WY. For the close presidential elections that flipped from blue to red, the control group is CA, CT, DC, DE, HI, IL, MA, MD, ME, MN, NJ, NV, NY, OR, RI, VT, and WA. The estimation includes origin state-election fixed effects ($\alpha_{o,j}$), destination state-election fixed effects ($\zeta_{d,j}$), and year–quarter fixed effects (ρ_t).

IV. Results

A. Main results

I examine the impact of political ideology misalignment on interstate job-to-job flows. The results are presented in Table 2. The dependent variable is the natural logarithm of job flows (without separation) from an origin state to a destination state. All regressions control for origin state, destination state, and year-quarter fixed effects, with standard errors

clustered at both the origin-destination pair and year-quarter levels. Column (1) shows the OLS regression results without controls. The result shows that interstate job-to-job flows are reduced when origin and destination states are politically misaligned. The magnitude of the coefficient of *toMisaligned* is -0.46, which is statistically significant at a 1% level, indicating that political partisanship creates significant interstate job-to-job flow frictions.

The estimation in Column (2) includes control variables including differences in personal income growth rates, unemployment rates, economic policy uncertainty (EPU), geographic distance, the difference of monthly average wage, and Zillow HVI index between states, along with the fixed effects as in Column (1). After controlling for these economic and geographic factors, political misalignment continues to significantly reduce interstate job-to-job flows by 12.0% quarterly with a T-statistic of -7.35.[5] The coefficient of *RtoR*, is positive and significant at a 1% level, suggesting that political alignment between two red states increases interstate job-to-job flows. As expected, the coefficients of the difference in personal income growth rate, monthly wage (destination state minus origin state) are positive, while the coefficients of the difference of unemployment rate and Zillow HVI and geographical distance are negative.

In Column (3), I specifically examine the effects of blue to red states and red to blue states misalignment on interstate job flows. Both coefficients are negative and significant at a 1% level, with magnitudes of -0.123 and -0.133 respectively. The difference of the coefficients magnitudes of BtoR and RtoB are not statistically significant, suggesting that political misalignment creates symmetric frictions among blue and red states. Column (4) employs a continuous measure of political distance (the absolute difference in Democratic vote share), yielding consistent results. For each 1% increase in political distance between states, interstate job-to-job flows decrease by 1.59% quarterly, which is equivalent to 6.36% annually statistically significant at a 1% level.

[5]The magnitude of the coefficient of toMisaligned is -0.128, converting to exp(-0.128)-1 that equals -12.0%. All percentage effects reported are calculated as exp(β) - 1, where β is the regression coefficient, given the dependent variable format log(1+job-to-job flows).

To address potential concerns about electoral uncertainty, Column (5) excludes the election years from the sample. In Column (6), to isolate political effects from major economic disruptions, I exclude the Global Financial Crisis and pandemic years (2008, 2009, 2020). The results remain robust across these specifications. Overall, these results suggest that partisan misalignment generates job-to-job flow frictions beyond standard economic factors.

B. Close presidential elections

To strengthen causal inference, I exploit close presidential elections as a quasi-experiment (within a margin of 3% or 5%), where narrow margins of victory are unlikely to be systematically correlated with underlying job market trends and economic fundamentals that affect interstate job-to-job flows. I employ a difference-in-differences estimation strategy, comparing interstate job flows before and after close elections that result in winning party changes from the previous election and cause new political misalignment with control groups. The treated states include 16 (17) close presidential elections, all with election margins within 3% (5%) (see Panel A of Table 3 for the events). The analysis examines job flows to (from) treated states from (to) origin (destination) states that politically aligned with the treated destinations prior to the close elections. For instance, in the 2016 election in Michigan, Trump unexpectedly won Michigan by a narrow margin of 0.23%. The winning party of the previous election in Michigan was Democrats. In this event, the control groups are the blue states that remain Democrats-leaning across the full sample period (2001 to 2024) and were therefore politically aligned with Michigan prior to its 2016 election but became misaligned after the unexpected win of Republican party in the 2016 election. I employ the stacked difference-in-difference regressions, which covers eight quarters before and seven quarters after the election and the election quarter.

The results are presented in Table 3. Columns (1) and (2) presents the results using a 3% margin. The coefficient of the interaction term is -0.032 with a T-statistic of -4.21, which translates to an 3.15% quarterly (12.6% annually) decline in interstate job-to-job flows.

This effect represents a substantial reduction in interstate job transitions driven by political misalignment from the most recent elections. Column (2) presents dynamic regressions that examine the timing of political misalignment effects around close elections. I use the quarter before the election, *(t-1)*, as the omitted period. There is no evidence of systematic differences between treated and control groups. Specifically, the negative effects on job flows emerge in the second quarter after elections and persist through the post-election period. While the effect in the first quarter after the close elections are statistically insignificant, political misalignment reduces overall interstate job-to-job flows by 3.6% in the second quarter, which is significant at a 5% level. Job flows exhibit declines of 4%, 4.8%, and 2.8% in quarters 3 to 5 and beyond after the elections. The first four quarters' effect is a 12.4% job-to-job flow decrease following the newly formed political misalignment after the close election event. The coefficients are statistically significant at the 1% in quarters 3 and 4 and 5% for quarter 5 and beyond.

Next, I extend the margin of close elections to 5% , which result in one additional close elections – the 2008 Ohio election. The results are reported in Columns (3) and (4). The coefficient on *Post*× *Treated* in Column (3) is negative and significant at a 1% level. It translates to an 3.25% decline in interstate job-to-job flows. In Column (4), I find robust dynamic results. Figure 1 plots the coefficients of the model estimation. Taken together, these findings suggest that political misalignment meaningfully reduces job flows between states.

B.1. Falsification test of the close election experiment

In this subsection, I perform robustness checks on the quasi-experiment of close presidential elections. To validate that the observed effects are driven by political misalignment rather than electoral uncertainty or other factors associated with close elections, I conduct a falsification test using close elections (with a margin of 3% or 5%) that did not result in the winning candidate's party switch from the previous election in treated states. If the

identification strategy is valid, these "placebo" treatments should show no significant effects on interstate job-to-job flows.

Panel A of Table 4 lists close presidential elections that did not result in the candidate's winning party change from the previous elections during the sample period. Following the approach in subsection IV.B, the falsification test examines seven quarters before and eight quarters after the elections. The control group consists of states that retained political alignment in the elections with the treated group prior to the close elections and remained unchanged throughout the sample period.

Panel B of Table 4 shows the baseline and dynamic regression estimates. In Column (1), the *Post*× *Treated* coefficients are consistently small and statistically insignificant. The results suggest that there is no significant interstate job flows change following the elections. Column (2) reports the dynamic regression results and suggests no systematic pattern of effects across quarters before and after the elections. The coefficients are generally small and mostly insignificant, with no evidence of pre-trends. Columns (3) and (4) present the results using extended margin (5%) of close elections. The results remain consistent. In the dynamic regression in Column (4), the coefficient of the interaction term of $(m-5)\&before \times Treated$ is negative and significant. However, coefficients for quarters -4 to -2 remain insignificant, providing no indication of anticipatory effects.

The falsification test results corroborate that the observed reductions in interstate job-to-job flows in the close election analysis in Table 3 are unlikely to be driven by election uncertainty or other confounding factors associated with close elections.

C. The impact on earnings

Table 5 examines earnings outcomes for interstate job movers. It provides insights on whether political misalignment correlates with inferior job opportunities. The earnings data is only available for job movers with stable employment in both origin and destination states. Therefore, this analysis is restricted to interstate job flows of stable employment without

separation.

Column (1) examines earnings growth following interstate job transitions. The coefficient on *toMisaligned* is small (0.005) and statistically insignificant. The coefficient of *RtoR* is statistically insignificant and the magnitude is close to zero. The dependent variable in Column (2) is log earnings levels in destination states. The findings suggest no significant differences between politically aligned and misaligned moves. The coefficients of *toMisaligned* and *RtoR* are basically zero and statistically insignificant. Overall, it indicates that workers moving to politically misaligned states do not experience different wage levels compared to their counterparts in politically aligned state pairs. However, these earnings results require cautious in interpretation due to potential selection bias. The analysis captures only workers who completed interstate moves and presumably satisfied with job offers in destination states.

D. Sub-period analysis

Baker et al. (2020) suggest that political polarization has been increasing in recent years. In this section, I examine the impact of political misalignment on interstate job-to-job flows during two sub-periods: 2001-2011 and 2012-2024. The results are reported in Table 6.

In the earlier period (2001-2011), political misalignment reduced interstate job-to-job flows by 5.8% in Column (1). The coefficient is statistically significant at a 1% level. The directional effects in Column (2) are consistent, i.e., blue-to-red job flows and red-to-blue job flows show modestly negative effects with a magnitude around 0.06. The results in Column (3) suggest that a 1% increase in political distance is related to 1.28% decline with a 1% statistical significance in interstate job flows.

In contrast, I find a dramatic strengthening of political effects in 2012-2024. The later period shows substantially larger with a magnitude of 0.193 and a 1% statistical significance. Political misalignment reduces interstate job flows by 17.6%. Most strikingly, both blue-to-red flows and red-to-blue flows show significant declines compared to the earlier period. The coefficients of BtoR and RtoB are statistically significant at a 1% level. Blue to red job

flows decrease by 16.6% and red to blue job flows decrease by 18.5%. The difference in the coefficients of BtoR and RtoB is not statistically significant. The political distance effect in Column (6) also strengthened during 2012 to 2024, with a 1% increase in political distance now associated with a 1.8% decline in interstate job flows.

This sub-period analysis suggests that political partisanship as a friction in interstate job flows has intensified substantially in recent years. The dramatic increase in effect magnitude, indicates that political identity has become an increasingly important factor in workers' job transition decisions.

E. Heterogeneous effects

Table 7 examines heterogeneous effects of political misalignment across different demographic groups to understand which group is most sensitive in their mobility decisions. Panel A presents the heterogeneous effects of education, race, gender, and ethnicity. Comparing male and female, the effects are stronger among male workers, who experience an 12.5% decline in job flows between politically misaligned states in Column (1). In contrast, female workers show a smaller but significant 7.6% reduction in Column (2).

Race differences are also pronounced. White workers experience a larger reduction in interstate job flows (13.0%) compared to African American workers (7.1%) when moving between politically misaligned states (Columns (3)-(4)). This pattern suggests that White workers may be more sensitive to the political misalignment when making interstate job transition decisions. Hispanic workers show no statistically significant effect in Column (5).

The analysis across age cohorts in Panel B reveals that political misalignment in job transition decisions decreases with age. Workers aged 25-34 show the largest response to political misalignment, with an 12.4% reduction in job flows as shown in Column (1). This effect is smaller for workers aged 35-44 in Column (2), which is 10.5% reduction and is smallest for workers aged 45-54 (6.2% reduction in Column (3)). Even though younger workers typically face fewer family constraints, the negative effects are stronger among young people

in interstate job transitions to politically misaligned destination states. The coefficients of *toMisaligned* are statistically significant at a 1% level in all three groups.

I exploit the heterogeneity across industries in Panel C. The results indicate that political misalignment most strongly discourages job transitions in education and finance sectors, where the estimated coefficients are –0.103 and –0.071, respectively, both significant at the 1 % level. Finance and education are characterized by higher human-capital intensity, social visibility, and regulatory oversight, making them more ideologically responsive to political environments. While the effect is modest for health care and the coefficient is significant at a 5% level. In contrast, the effects are weaker in manufacturing and statistically insignificant for construction where location decisions are driven more by physical capital, implying that relocation decisions in these sectors are less shaped by ideological considerations.

These heterogeneous effects highlight that political frictions in interstate job-to-job flows are not uniformly distributed across the population. The groups showing the strongest responses, young, male, and white, are often those with the higher mobility and fewer family constraints (Koşar et al., 2022; Molloy et al., 2011). This suggests that political partisanship is particularly important for constraining the mobility of workers who would otherwise be most likely to move for economic opportunities, potentially exacerbating inefficiencies in labor allocation.

F. Abortion legality

To better investigate the mechanisms underlying political frictions in interstate job flows, I examine whether specific policy misalignment affects interstate job-to-job flows. I focus on abortion law misalignment, which mostly results from partisan disagreements and has become increasingly polarized across partisan lines, especially after the Supreme court overturned *Roe v. Wade in 2022*.

Table 8 presents the results. The dependent variable is the percentage of female job flows aged 25-34 (in Column (1)) and 35-44 (in Column (2)) among all interstate job-to-job flows

of female workers. The key independent variable, *Abortion law misaligned*, equals one when abortion is legal in one state but illegal in the other, where legality is defined as permitting abortion on request before 12 weeks of gestation.

I find that abortion law misalignment between origin and destination states significantly reduce reproductive-age female job flows. Column (1) shows that when states have misaligned abortion laws, the share of female job flows aged 25-34 decreases by 1.1 %, which is statistically significant at the 1% level. In contrast, Column (2) shows no significant effect for women aged 35-44. This age-differentiated pattern supports that abortion policy specifically affects women who are most likely to face reproductive decisions. The results suggest that abortion law misalignment creates frictions in interstate job-to-job flows among female workers at reproductive age.

G. The effects of polarization

Political polarization has become an increasing salient phenomenon in the U.S. political climate (Baker et al., 2020). As polarization deepens, people tend to become more responsive to political ideology differences. Therefore, in this section, I explore whether political polarization amplifies the effects of political misalignment on interstate job flows. The key variables of interest are the interaction terms between political misalignment measures and polarization levels in either the destination state ("to") or origin state ("from"). Polarization is measured as one minus the absolute difference between Democrats and Republican vote shares in the most recent election. The results are reported in Table 9.

The interaction term *toMisaligned*×*polarization(to)* has a coefficient of -0.586, indicating that political misalignment effects are significantly stronger when the destination state is more polarized. Similarly, *toMisaligned*×*polarization(from)* has a coefficient of -0.621, suggesting that the negative effects are also amplified when the origin state is more polarized. Both coefficients are statistically significant at the 1% level.

The analysis of directional flows reveals similar patterns across different types of po-

litical misalignment. The interaction effects are significant and negative for both blue-to-red flows (BtoR×polarization coefficients of -0.678 and -0.630) and red-to-blue flows (RtoB×polarization coefficients of -0.570 and -0.602). The close magnitudes across directions confirms that polarization amplifies political frictions symmetrically, regardless of the specific partisan direction of the misalignment. The coefficient on RtoR×polarization interactions are positive but not statistically significant. In highly polarized states, political identity becomes more salient in decision-making, amplifying the tendency for workers to avoid politically misaligned destinations.

This pattern is consistent with existing literature showing that polarization intensifies partisan behaviors across various domains of life (Lupu, 2015). As polarization continues to deepen in many U.S. states, growing polarization in the United States may create increasingly segmented job markets.

H. The party of the president

Table 10 examines whether the effects of political misalignment on interstate job flows vary depending on the party of the sitting president. The key variables are the interaction terms between political misalignment measures and a dummy variable of Democratic presidential period.

In Column (1), the interaction term *toMisaligned*×*Democratic* president has a coefficient of -0.003, which is statistically insignificant. This suggests that the effects of political misalignment are not significantly different under Democratic versus Republican presidencies. The analysis of directional flows in Column (2) provides corroborating evidence. The interactions with Democratic presidencies are small and insignificant for both directions (-0.006 and 0.012, respectively), indicating that cross-partisan flows are not differentially affected by presidential party control. Notably, the coefficient on *RtoR*×*Democratic* president is large and significant (0.089), suggesting that interstate job-to-job flows among Republican-leaning states are actually higher during Democratic presidencies. This pattern reflects heightened

mobility among Republican-leaning workers seeking to relocate to politically aligned states when the opposing party holds the presidency.

Column (3) shows a similar result using the continuous measure of political distance. The interaction with Democratic presidencies (coefficient = 0.001) is small and statistically insignificant. The overall pattern suggests that workers appear to respond to political misalignment in similar ways regardless of which party holds the presidency. This persistence suggests that the frictions in interstate job transitions are likely a structural feature rather than a temporary phenomenon tied to specific political moments.

I. The effects of neighboring states

A natural question is whether political frictions in interstate job flows diminish with geographic proximity, for example, among neighboring states that are more economically integrated and mobility costs are lower. To assess this possibility, I examine the interaction effects of political misalignment and states that share physical borders in Table 11. While neighboring states exhibit substantially higher job flows overall, the interaction terms between political misalignment and neighbor states are generally small and statistically insignificant. The estimates suggest that political frictions do not significantly attenuate for neighboring states. Political barriers to interstate mobility persist even among the most geographically proximate state pairs. Overall, these results demonstrate that political frictions in labor mobility operate broadly across geographic space rather than being confined to long-distance moves, highlighting the pervasive impact of partisan barriers to interstate job flows.

J. Robustness checks

J.1. Non-close presidential elections

In the previous sections, I exploit the quasi-random nature of the close election events to identify the causal effects of political misalignment on interstate job flows. However, in non-close presidential elections when the winning party flipped from the last presidential elections, one should also observe negative effects on interstate job flows from (to) politically misaligned states. In this subsection, I examine such cases by focusing on non-close presidential elections in which the winning party flipped. The empirical specification follows Table 3. I define non-close election as the victory margin is beyond 3% or 5%. The results are presented in Table A1. Panel A lists the election events included in this analysis and Panel B reports the regression results.

Treated states are those where: (1) the most recent presidential election margin was beyond 5% or 3%, and (2) the election winner party was the same as the party of the previous presidential election winner. In Columns (1) and (3) with a 3% margin non-close elections, the interaction term $Post \times Treated$ is negative and significant at the 1% level across both specifications. The magnitudes of the coefficients are close, indicating that the interstate job to job flows reduce roughly by a 6.3% quarterly (equivalent to 25.2% annually) after a newly formed political misalignment between two states in non-close presidential elections. The effect size is somewhat larger than in the close elections in Table 3, consistent with the notion that non-close elections reflect more substantial and persistent shifts in political ideology. However, large-margin elections are not likely quasi-random. People may anticipate the possible outcomes well before the election. Consistent with this interpretation, the coefficient at *(t-2)* in Column (3) is negative and statistically significant in the non-close-flipping sample, suggesting anticipatory or compositional adjustments prior to the election. Using a 5% margin in Columns (2) and (4), I find robust evidence. In contrast, in the close-election sample, the main identification design in Table 3, it shows no statistically significant

pre-trend, providing stronger support for the assumption that political misalignment shocks in close elections are likely exogenous.

J.2. Fixed effects

Table A2 presents robustness checks with origin state×year-quarter and destination state×year-quarter fixed effects and year-quarter fixed effects. Including state×year-quarter fixed effects controls for time-varying, state-specific factors that could potentially confound the relationship between political alignment and job flows. Under this specification, political misalignment effects persist and exhibit a larger magnitude. Column (1) shows that political misalignment reduces interstate job flows by 13.8%, which is significant at a 1% level. The directional analysis in Column (2) suggests that the coefficient of political distance is negative significant at the 1% level. A 1% increase in political distance reduces interstate job-to-job flows by 1.73%. Taken together, these findings provide consistent and robust evidence after controlling for state × time fixed effects.

J.3. Other types of job flows

Table A3 presents robustness checks using three other types of interstate job-to-job flows: job flows of stable employment (workers with stable employment in both states in Columns (1)-(2)), job flows with separations (including brief unemployment spells in Columns (3)-(4)), and job flows of stable employment with separations (in Columns (5)-(6)). Across all specifications, political misalignment consistently reduces interstate job flows. The effects range from -11.5% to -11.9%. Using the continuous political distance measure produces consistent results across all job-to-job flows definitions, indicating that a 1% increase in political distance reduces interstate job flows by approximately 1.55-1.57%. These results demonstrate that impact of political frictions is robust across different measures of interstate job-to-job flows.

J.4. Gubernatorial election misalignment

Table A4 examines whether state-level political misalignment also affects interstate job flows. Specifically, I include political alignment from both presidential and gubernatorial elections in the regressions. The key finding suggests that presidential election misalignment remains a dominant factor affecting interstate job flows. Column (1) - (2) show that political misalignment effects from presidential elections remain robust while gubernatorial effects remain negligible. The pattern holds across directional flows (BtoR and RtoB in Columns (3) and the continuous political distance measure in Column (4). I exclude election years in Column (5) and exclude the GFC and pandemic years in Column (6). In all specifications, presidential political misalignment shows large, significant effects while gubernatorial misalignment shows insignificant and close-to-zero impact. These results indicate that political misalignment from presidential elections, rather than that from gubernatorial elections, drives the observed interstate job flow frictions.

J.5. Additional controls

Table A5 presents robustness checks with additional controls. Columns (1) to (3) control for total job outflows from origin states and total job inflows to destination states, to ensure that the political misalignment effects are not driven by overall job market dynamics or state-specific economic conditions that might correlate with political misalignment. Total job outflows control for the overall propensity of workers to leave the origin state, while total job inflows control for the general attractiveness of the destination state. I also control for neighbor state dummy. Despite these additional controls, political misalignment continues to significantly reduce interstate job flows. Column (1) shows a 13.2% reduction that is significant at the 1% level, while the directional analysis in Column (2) reveals similar effects for blue-to-red flows (-12.8%) and red-to-blue flows (-13.6%), both coefficients significant at a 1% level. The regression with the continuous political distance measure in Column (3) indicates that a 1 % in political distance reduces job flows by approximately 1.54%. The

coefficients on the control variables exhibit expected patterns: both total job outflows and total job inflows are positively associated with interstate job-to-job flows, confirming that states with more active job markets generate more interstate job flows.

The regressions in Columns (4) to (6) additionally control for the difference in the GDP growth rate (quarterly) and regional price parities (annual) between the destination and origin states. The state-level quarterly GDP data is available from 2005Q1, so the sample period for these regressions is restricted to 2005 and onward. Column (4) shows that political misalignment reduces interstate job flows by 18.1%, which is significant at the 1% level. The directional analysis in Column (5) suggests similar effects for blue-to-red flows (-17.4%) and red-to-blue flows (-18.6%). In Column (6), I use the continuous political distance measure. The results indicate that a 1% increase in political distance reduces job flows by approximately 2.0%. The coefficient on the GDP growth rate difference is positive and significant at the 10% level, confirming that states with stronger economic growth relative to origin states attract more interstate job flows. These results demonstrate that political partisanship effects on interstate labor mobility persist even after controlling for neighbor dummy, the job market dynamics, and the economic performance differences between two states.

V. Conclusion

This paper provides evidence that political partisanship imposes significant frictions on interstate job-to-job in the United States. Using close presidential elections as a quasi-experiment, I find that interstate job flows decline substantially when political alignment between states breaks. The effects are particularly pronounced among male, white, and younger individuals, and are amplified in politically polarized states. The temporal patterns indicate that these frictions were modest between 2001 and 2012 but intensified from 2013 to 2024. Overall, the results suggest that reduced interstate mobility can further contribute

to the geographic clustering of politically similar populations. Over time, this pattern could reinforce existing ideological differences across states and reshape the country's polarization landscape.

The findings have important implications for policymakers concerned with geographical job flow efficiency, regional economic development, and growing costs of political polarization in the United States. In traditional economic theory, labor mobility is a key adjustment mechanism that allows workers to move from declining areas to those experiencing growth. However, political frictions appear to impede this process. Future research could explore how these frictions contribute to regional disparities in economic opportunity and welfare.

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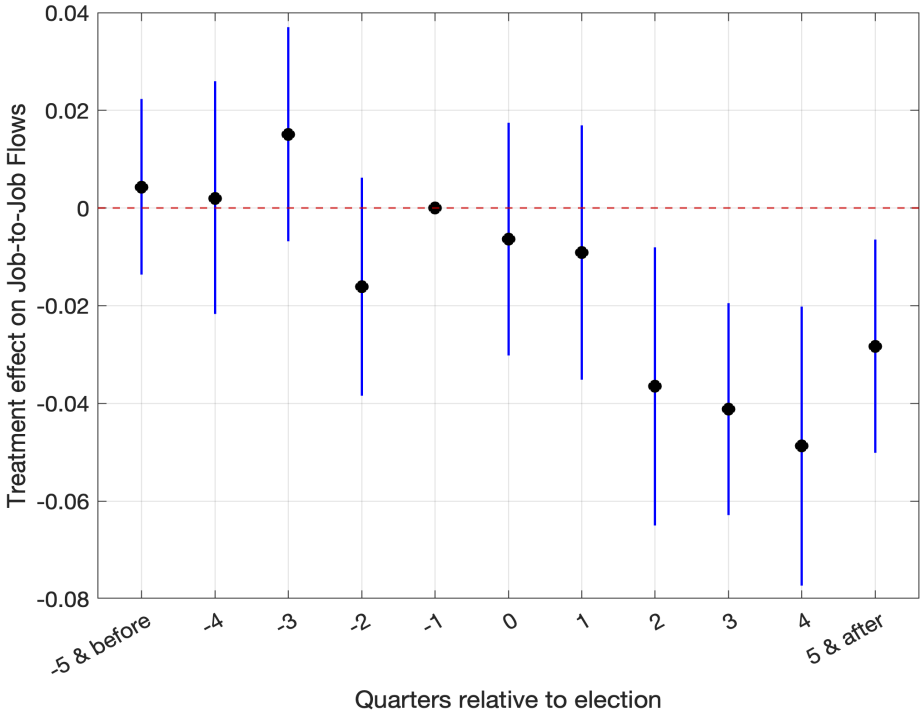
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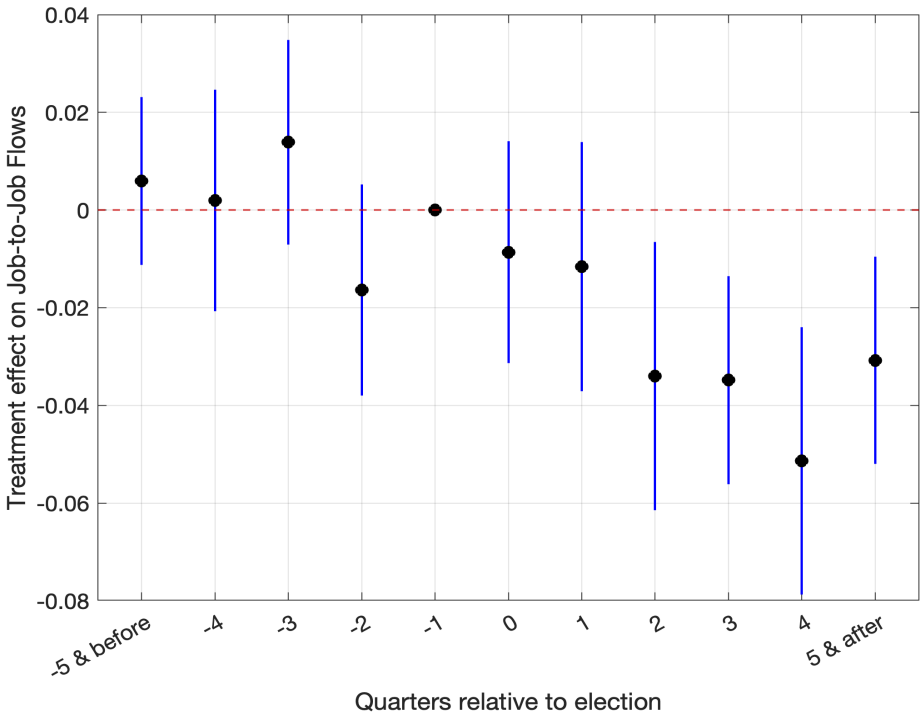
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Figure 1: **Event Study Dynamic Model Estimation Coefficients**

The figures are based on the dynamic difference-in-difference results on the event study of the close elections reported in Panel B of Table 3. The dependent variable is log of interstate job flows. The confidence interval is 95%.



(a) Close election with a margin of 3%



(b) Close election with a margin of 5%

Table 1: Summary Statistics

This table reports the summary statistics of the key variables. All continuous variables are winsorized at the 1st and 99th percentiles.

Variables	N	Mean	STD	P25	Median	P75
Job flows	222,824	4.22	1.60	3.09	4.16	5.28
toMisaligned	222,824	0.50	0.50	0	0	1
RtoR	222,824	0.28	0.45	0	0	1
BtoR	222,824	0.25	0.43	0	0	0
RtoB	222,824	0.25	0.43	0	0	0
toMisaligned (gubernatorial elections)	216,041	0.50	0.50	0	0	1
Job flows (stable employment)	219,446	3.64	1.63	2.48	3.56	4.74
Job flows with separation	221,996	5.05	1.57	3.97	5.00	6.09
Job flows with separation (stable employment)	218,537	4.38	1.61	3.26	4.32	5.46
Job flows bachelor	222,115	2.84	1.50	1.79	2.71	3.85
Job flows white	222,721	3.98	1.61	2.89	3.93	5.04
Job flows African American	204,883	2.14	1.60	0.69	1.95	3.18
Job flows male	222,207	3.72	1.60	2.56	3.69	4.79
Job flows female	221,985	3.34	1.56	2.20	3.22	4.37
Job flows Hispanic	210,603	2.08	1.49	1.10	1.95	2.94
Job flows (age 25 to 34)	220,930	3.18	1.55	2.08	3.09	4.22
Job flows (age 35 to 44)	218,605	2.75	1.52	1.61	2.64	3.74
Job flows (age 45 to 54)	216,412	2.48	1.46	1.39	2.40	3.40
Earnings growth	215,634	0.15	0.29	-0.01	0.12	0.27
lnEarnings	215,634	0.11	0.24	-0.01	0.11	0.24
Political distance	222,824	0.12	0.10	0.05	0.10	0.17
Personal income growth rate	222,824	0.00	1.27	-0.60	0.00	0.60
Unemployment rate	222,824	0.00	1.80	-1.13	0.00	1.13
EPU	215,860	0.00	0.71	-0.45	0.00	0.45
Geographical distance	208,925	7.27	0.77	6.82	7.36	7.80
Polarization	222,824	0.17	0.14	0.08	0.16	0.24
Neighbor	222,824	0.09	0.28	0	0	0
GDP Growth	169,986	0.00	0.01	-0.01	0.00	0.01
Monthly wage	221,996	0.00	0.22	-0.14	0.00	0.14
HVI	217,691	0.00	0.51	-0.35	0.00	0.35
RPP	132,684	0.00	0.10	-0.07	0.00	0.07
Total job outflows from origin states	222,824	9.10	0.85	8.55	9.18	9.73
Total job inflows to destination states	222,824	9.10	0.84	8.57	9.16	9.74
Close elections (3%) with party flipping						
Post	137,601	0.50	0.50	0	1	1
Treated	137,601	0.09	0.28	0	0	0

Table 2: Political Alignment and Job Flows

This table examines the effect of political partisanship on interstate job flows in the U.S. The dependent variable is the natural log of job flows from origin state to destination state (including D.C.). The key independent variable, *toMisaligned*, is a dummy variable that equals 1 when the candidates from different party won origin and destination states in the most recent presidential election, and 0 otherwise. The other variables of interest are BtoR, RtoB, and political distance. BtoR is a dummy variable that equals 1 if origin state is a blue state and destination state is a red state in the most recent presidential election, and 0 otherwise. RtoB represents the reverse. Political distance is the absolute difference in the percentage of Democratic votes between origin and destination states in the most recent presidential election. Detailed definition of the variables are reported in the Appendix. The control variables are the differences of personal income growth rate, unemployment rate, state-level EPU index (the value of destination state minus that of origin state), the natural log of the geographical distance, the difference of monthly average wage and House Value Index (HVI) between destination and origin states. All continuous variables are winsorized at the 1st and 99th percentiles. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are reported in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
toMisaligned	-0.460***	-0.128***			-0.131***	-0.131***
	(-12.71)	(-7.35)			(-7.38)	(-7.36)
BtoR			-0.123***			
			(-6.48)			
RtoB			-0.133***			
			(-7.05)			
Political distance				-1.587***		
				(-11.98)		
RtoR	-0.008	0.028**	0.028**		0.025*	0.026*
	(-0.33)	(2.02)	(2.02)		(1.76)	(1.72)
Personal income growth rate		0.008***	0.008***	0.008***	0.005**	0.006***
		(4.04)	(4.03)	(4.02)	(2.58)	(2.97)
Unemployment rate		-0.021***	-0.021***	-0.021***	-0.021***	-0.022***
		(-9.63)	(-9.58)	(-9.65)	(-8.59)	(-9.07)
EPU		0.001	0.001	0.001	0.001	0.001
		(0.62)	(0.55)	(0.62)	(0.30)	(0.58)
Geographical distance		-1.302***	-1.302***	-1.287***	-1.300***	-1.303***
		(-48.83)	(-48.83)	(-48.09)	(-48.58)	(-48.69)
Monthly wage		0.115*	0.112*	0.115*	0.097	0.101
		(1.85)	(1.80)	(1.86)	(1.47)	(1.62)
HVI		-0.044*	-0.044*	-0.044*	-0.035	-0.051**
		(-1.82)	(-1.78)	(-1.87)	(-1.35)	(-2.09)
Constant	4.450***	13.825***	13.825***	13.845***	13.821***	13.861***
	(136.38)	(69.72)	(69.72)	(70.44)	(69.53)	(69.76)
Observations	222,824	197,463	197,463	197,463	153,985	170,419
R-squared	0.639	0.889	0.889	0.891	0.889	0.889
Orig State FE	Yes	Yes	Yes	Yes	Yes	Yes
Dest State FE	Yes	Yes	Yes	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 3: Close Presidential Elections

This table examines the effect of political partisanship on interstate job flows using close presidential elections as a quasi-experiment. The dependent variable is the natural log of job flows from origin to destination states. The key independent variable is *Post*×*Treated*, where *Post* equals 1 for the eight quarters following a close election and 0 for the election quarter and the seven quarters preceding it. *Treated* states are those where: (1) the most recent presidential election margin was within 3% (5%), and (2) the election winner's party differs from the party of the previous presidential election winner. Panel A reports these events. To isolate treatment effects, the analysis focuses on job flows from (to) treated states to (from) origin states whose winning party is aligned with the winning party in the previous presidential election. This design captures how workers from previously aligned states respond when their preferred party loses a close election in a destination (origin) state. The identification strategy exploits the quasi-random nature of close election outcomes to identify causal effects of political misalignment on labor mobility. The control variables follow Table 2. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) level. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

Panel A: Close presidential elections (3% margin)

STATE	Year	D_rate	R_rate	Winning party
AZ	2020	0.494	0.491	DEMOCRAT
FL	2016	0.478	0.490	REPUBLICAN
GA	2020	0.495	0.492	DEMOCRAT
IA	2004	0.492	0.499	REPUBLICAN
IN	2008	0.499	0.489	DEMOCRAT
MI	2016	0.473	0.475	REPUBLICAN
NC	2008	0.497	0.494	DEMOCRAT
NH	2004	0.502	0.488	DEMOCRAT
NM	2004	0.490	0.498	REPUBLICAN
PA	2016	0.479	0.486	REPUBLICAN
PA	2020	0.500	0.488	DEMOCRAT
WI	2016	0.465	0.472	REPUBLICAN
WI	2020	0.494	0.488	DEMOCRAT
FL	2008	0.510	0.482	DEMOCRAT
MI	2020	0.506	0.478	DEMOCRAT
NC	2012	0.484	0.504	REPUBLICAN

Panel B: Additional close presidential elections (5% margin)

STATE	Year	D_rate	R_rate	Winning party
OH	2008	0.515	0.469	DEMOCRAT

Panel B: The difference-in-difference regressions

VARIABLES	(1) Close election 3%	(2) Close election 3%	(3) Close election 5%	(4) Close election 5%
Post × Treated	-0.032***		-0.033***	
	(-3.76)		(-3.95)	
election (t-5)&before×Treated		0.004		0.006
		(0.47)		(0.68)
election (t-4)×Treated		0.002		0.002
		(0.17)		(0.17)
election (t-3)×Treated		0.015		0.014
		(1.35)		(1.30)
election (t-2)×Treated		-0.016		-0.016
		(-1.41)		(-1.48)
election (t)×Treated		-0.006		-0.009
		(-0.52)		(-0.75)
election (t+1)×Treated		-0.009		-0.012
		(-0.69)		(-0.89)
election (t+2)×Treated		-0.037**		-0.034**
		(-2.52)		(-2.43)
election (t+3)×Treated		-0.041***		-0.035***
		(-3.72)		(-3.21)
election (t+4)×Treated		-0.049***		-0.051***
		(-3.34)		(-3.68)
election (t+5) & after ×Treated		-0.028**		-0.031***
		(-2.54)		(-2.85)
Treated	0.043***	0.042**	0.042***	0.041**
	(2.64)	(2.35)	(2.74)	(2.43)
Personal income growth rate	0.000	0.000	0.000	0.000
	(0.27)	(0.27)	(0.37)	(0.37)
Unemployment rate	-0.011***	-0.011***	-0.011***	-0.011***
	(-6.00)	(-6.00)	(-6.02)	(-6.02)
EPU	0.001	0.001	0.001	0.001
	(0.51)	(0.51)	(0.50)	(0.50)
Geographical distance	-1.333***	-1.333***	-1.336***	-1.336***
	(-48.09)	(-48.09)	(-48.03)	(-48.03)
Monthly wage	0.175***	0.175***	0.175***	0.175***
	(2.71)	(2.71)	(2.71)	(2.71)
HVI	-0.124***	-0.124***	-0.122***	-0.122***
	(-3.53)	(-3.53)	(-3.48)	(-3.48)
Constant	13.898***	13.898***	13.916***	13.916***
	(66.77)	(66.76)	(66.67)	(66.67)
Observations	122,005	122,005	122,741	122,741
R-squared	0.902	0.902	0.902	0.902
Orig State*Election FE	Yes	Yes	Yes	Yes
Dest State*Election FE	Yes	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes	Yes

Table 4: Close Presidential Election Event Study Falsification Test

This table presents a falsification test using close elections (≤3% or 5% margin) that did not result in winning party switches. For example, in 2016 election in New Hampshire, Clinton won the state with 46.83% of the vote, while Trump lost with 46.46%, a 0.37% margin. In the 2012 election in New Hampshire, Democratic candidate Obama won the state. No significant effects should be observed if our identification strategy of the winning party flipped close elections is valid. Panel A reports these events. The dependent variable is the natural log of job flows from origin to destination states. The key independent variable is *Post*×*Treated*, where *Post* equals 1 for the eight quarters following a close election and 0 for the election quarter and seven quarters preceding it. *Treated* states are those where: (1) the most recent presidential election margin was within 3% (5%), and (2) the election winner party is the same as the party of the previous presidential election winner. To isolate treatment effects, the analysis focuses on job flows from (to) treated states to (from) origin states whose winning party is aligned with the winning party in the previous presidential election. This design captures how workers from previously aligned states respond when their preferred party loses a close election in a destination (origin) state. The identification strategy exploits the quasi-random nature of close election outcomes to complement the causal effects of political alignment on labor mobility identified in Table 3. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) level. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

Panel A: Close elections (no winning party flip)

STATE	Year	D_rate	R_rate	Winning party
within 3% margin				
FL	2012	0.500	0.491	DEMOCRAT
ME	2016	0.463	0.435	DEMOCRAT
MN	2016	0.464	0.449	DEMOCRAT
MO	2008	0.493	0.494	REPUBLICAN
MT	2008	0.473	0.495	REPUBLICAN
NC	2020	0.486	0.499	REPUBLICAN
NH	2016	0.468	0.465	DEMOCRAT
NV	2004	0.479	0.505	REPUBLICAN
NV	2016	0.479	0.455	DEMOCRAT
NV	2020	0.501	0.477	DEMOCRAT
OH	2004	0.487	0.508	REPUBLICAN
OH	2012	0.507	0.477	DEMOCRAT
PA	2004	0.509	0.484	DEMOCRAT
WI	2004	0.497	0.493	DEMOCRAT
additional events within 5% margin				
AZ	2016	0.451	0.487	REPUBLICAN
CO	2004	0.470	0.517	REPUBLICAN
CO	2016	0.482	0.433	DEMOCRAT
FL	2020	0.479	0.512	REPUBLICAN
MI	2004	0.512	0.478	DEMOCRAT
MN	2004	0.511	0.476	DEMOCRAT
NC	2016	0.462	0.498	REPUBLICAN
OR	2004	0.513	0.472	DEMOCRAT
VA	2012	0.512	0.473	DEMOCRAT

Panel B: The difference-in-difference regressions

VARIABLES	(1)	(2)	(3)	(4)
	Close election 3%		Close election 5%	
Post × Treated	0.003		0.004	
	(0.26)		(0.48)	
election (t-5)&before×Treated		-0.015		-0.015**
		(-1.61)		(-2.06)
election (t-4)×Treated		0.011		0.009
		(0.82)		(0.88)
election (t-3)×Treated		-0.004		-0.016
		(-0.33)		(-1.62)
election (t-2)×Treated		-0.016		-0.011
		(-1.15)		(-1.02)
election (t)×Treated		-0.009		-0.000
		(-0.68)		(-0.03)
election (t+1)×Treated		-0.007		-0.003
		(-0.46)		(-0.28)
election (t+2)×Treated		-0.000		-0.006
		(-0.02)		(-0.55)
election (t+3)×Treated		-0.000		-0.002
		(-0.00)		(-0.21)
election (t+4)×Treated		-0.013		-0.005
		(-0.78)		(-0.44)
election (t+5) & after ×Treated		-0.005		-0.004
		(-0.40)		(-0.38)
Treated	-0.009	-0.002	-0.007	0.000
	(-0.62)	(-0.09)	(-0.62)	(0.02)
Personal income growth rate	0.001	0.001	0.001	0.001
	(0.95)	(0.95)	(1.45)	(1.45)
Unemployment rate	-0.011***	-0.011***	-0.010***	-0.010***
	(-6.40)	(-6.40)	(-6.35)	(-6.35)
EPU	-0.000	-0.000	-0.000	-0.000
	(-0.08)	(-0.08)	(-0.21)	(-0.21)
Geographical distance	-1.308***	-1.308***	-1.328***	-1.328***
	(-43.36)	(-43.36)	(-46.83)	(-46.82)
Monthly wage	0.153**	0.153**	0.078	0.078
	(2.11)	(2.11)	(1.10)	(1.10)
HVI	-0.100***	-0.100***	-0.114***	-0.114***
	(-2.58)	(-2.58)	(-2.76)	(-2.76)
Constant	13.730***	13.730***	13.910***	13.910***
	(60.55)	(60.55)	(65.42)	(65.42)
Observations	130,688	130,688	150,030	150,030
R-squared	0.894	0.894	0.892	0.892
Orig State*Election FE	Yes	Yes	Yes	Yes
Dest State*Election FE	Yes	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes	Yes

Table 5: The Impact on Earnings of the Job Flows

This table examines the effect of political partisanship on the earnings of interstate job flows in the U.S. The dependent variables are earnings growth following job flows and the difference of natural log of the average earnings following job flows in Columns (1) and (2). U.S. Census provides earnings data on the interstate job flows of stable employment. Detailed definition of the variables are reported in the appendix. The control variables follow Table 2. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

VARIABLES	(1) Earnings Growth	(2) lnEarnings
toMisaligned	0.005	-0.001
	(1.26)	(-0.28)
RtoR	-0.002	-0.004
	(-0.31)	(-0.82)
Personal income growth rate	-0.001	-0.001*
	(-1.58)	(-1.67)
Unemployment rate	0.000	-0.000
	(0.20)	(-0.48)
EPU	0.000	-0.000
	(0.15)	(-0.20)
Geographical distance	0.028***	0.010***
	(15.16)	(6.79)
Monthly wage	0.375***	0.348***
	(12.79)	(14.13)
HVI	0.076***	0.060***
	(8.70)	(8.20)
Constant	-0.054***	0.038***
	(-3.91)	(3.33)
Observations	192,405	192,405
R-squared	0.165	0.171
Orig State FE	Yes	Yes
Dest State FE	Yes	Yes
Year-quarter FE	Yes	Yes

Table 6: Sub-period Analysis

This table examines the effect of political partisanship on interstates job flows in the U.S during two sub-periods, i.e., 2001-2012 and 2013-2024. The dependent variable is the natural log of employment flows from origin to destination states. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)
		2001-2011			2012-2024	
toMisaligned	-0.060***			-0.193***		
	(-3.30)			(-11.04)		
BtoR		-0.053**			-0.182***	
		(-2.35)			(-9.28)	
RtoB		-0.066***			-0.205***	
		(-3.34)			(-10.62)	
Political distance			-1.282***			-1.800***
			(-8.26)			(-13.28)
RtoR	0.100***	0.100***		-0.054***	-0.054***	
	(7.04)	(7.04)		(-3.35)	(-3.35)	
Personal income growth rate	0.007**	0.007**	0.007**	0.005*	0.005*	0.005*
	(2.50)	(2.50)	(2.50)	(1.97)	(1.94)	(1.95)
Unemployment rate	-0.024***	-0.023***	-0.024***	-0.016***	-0.016***	-0.016***
	(-5.42)	(-5.43)	(-5.41)	(-8.05)	(-8.15)	(-8.03)
EPU	0.002	0.002	0.002	0.001	0.000	0.001
	(0.58)	(0.53)	(0.58)	(0.32)	(0.15)	(0.31)
Geographical distance	-1.319***	-1.319***	-1.310***	-1.291***	-1.291***	-1.269***
	(-47.31)	(-47.31)	(-46.91)	(-47.56)	(-47.56)	(-46.82)
Monthly wage	0.243**	0.243**	0.244**	0.010	0.004	0.009
	(2.62)	(2.63)	(2.63)	(0.14)	(0.06)	(0.15)
HVI	-0.113***	-0.115***	-0.113***	-0.053	-0.049	-0.053
	(-2.83)	(-2.94)	(-2.81)	(-1.42)	(-1.30)	(-1.48)
Constant	13.830***	13.830***	13.903***	13.837***	13.837***	13.804***
	(67.25)	(67.25)	(68.12)	(68.24)	(68.24)	(69.08)
Observations	82,792	82,792	82,792	114,671	114,671	114,671
R-squared	0.894	0.894	0.895	0.888	0.888	0.892
Orig State FE	Yes	Yes	Yes	Yes	Yes	Yes
Dest State FE	Yes	Yes	Yes	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes	Yes	Yes	Yes

Table 7: Heterogeneous Effects

This table examines the heterogeneous effect of political partisanship on interstates job flows in the U.S. Panel A presents the results on education, race, gender, and ethnicity. Panels B and C report the results on different age groups and industries. The dependent variable is the natural log of employment flows from origin to destination states. Detailed definition of the variables are reported in the appendix. The control variables follow Table 2. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

Panel A: Education, race, gender, and ethnicity

VARIABLES	(1) Male	(2) Female	(3) African American	(4) White	(5) Hispanic
toMisaligned	-0.133***	-0.079***	-0.074***	-0.139***	-0.024
	(-7.53)	(-4.59)	(-3.75)	(-7.97)	(-1.29)
RtoR	0.033**	0.039***	0.021	0.026*	0.067***
	(2.23)	(3.11)	(1.26)	(1.81)	(3.69)
Personal income growth rate	0.009***	0.005**	0.006***	0.008***	0.008***
	(4.86)	(2.60)	(3.50)	(3.91)	(4.01)
Unemployment rate	-0.021***	-0.022***	-0.015***	-0.023***	-0.018***
	(-8.93)	(-10.05)	(-5.85)	(-9.59)	(-7.01)
EPU	0.001	0.002	0.003	0.001	-0.002
	(0.56)	(0.72)	(0.93)	(0.32)	(-0.89)
Geographical distance	-1.298***	-1.263***	-1.044***	-1.317***	-1.112***
	(-49.64)	(-46.89)	(-41.90)	(-48.89)	(-43.83)
Monthly wage	0.078	0.170***	0.363***	0.086	0.092
	(1.21)	(2.90)	(4.74)	(1.37)	(1.37)
HVI	-0.041*	-0.045*	-0.024	-0.063**	-0.022
	(-1.68)	(-1.88)	(-0.85)	(-2.49)	(-0.91)
Constant	13.294***	12.622***	9.797***	13.694***	10.214***
	(68.38)	(62.95)	(52.95)	(68.37)	(53.75)
Observations	197,074	196,919	184,233	197,401	188,236
R-squared	0.880	0.868	0.809	0.879	0.806
Orig State FE	Yes	Yes	Yes	Yes	Yes
Dest State FE	Yes	Yes	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes	Yes	Yes

Panel B: Age groups

VARIABLES	(1) 25-34	(2) 35-44	(3) 45-54
toMisaligned	-0.132***	-0.111***	-0.064***
	(-7.45)	(-6.24)	(-3.69)
RtoR	0.031**	0.015	0.032**
	(2.18)	(1.06)	(2.30)
Observations	196,131	194,368	192,725
R-squared	0.859	0.843	0.826
Controls	Yes	Yes	Yes
Orig State FE	Yes	Yes	Yes
Dest State FE	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes

Panel C: Industries

VARIABLES	(1) Finance	(2) Education	(3) Health Care	(4) Manufacture	(5) Construction
toMisaligned	-0.071***	-0.103***	-0.051**	-0.039*	0.012
	(-3.25)	(-4.78)	(-2.62)	(-1.85)	(0.45)
RtoR	0.022	-0.013	-0.014	0.027*	0.177***
	(0.99)	(-0.40)	(-0.72)	(1.67)	(4.82)
Observations	139,342	154,774	176,872	145,886	160,876
R-squared	0.437	0.655	0.706	0.613	0.663
Controls	Yes	Yes	Yes	Yes	Yes
Orig State FE	Yes	Yes	Yes	Yes	Yes
Dest State FE	Yes	Yes	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes	Yes	Yes

Table 8: Abortion Law Misalignment

This table examines the effect of misalignment on abortion law strictness on interstates job flows in the U.S. The dependent variable in Column (1) is the percentage of job flows of female aged between 25 to 34 years old among all female job flows from origin state to destination state (female between 35 and 44 years old in Column (2)). The key independent variable, *Abortion law misalign*, an indicator equals to one if abortion is legal in one of the two states (origin or destination) but illegal in the other. Legality is defined as permitting abortion on request before 12 weeks of gestation. The control variables follow Table 2. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

	(1)	(2)
VARIABLES	25-34 female job flow%	35-44 female job flow%
Abortion law misaligned	-1.059***	-0.117
	(-8.47)	(-0.93)
Personal income growth rate	0.043	0.017
	(1.35)	(0.45)
Unemployment rate	-0.017	-0.068
	(-0.43)	(-1.58)
EPU	-0.045	0.041
	(-0.63)	(0.71)
Geographical distance	2.563***	1.298***
	(22.79)	(10.91)
Monthly wage	-0.701	-0.052
	(-0.70)	(-0.06)
HVI	0.761*	-1.199***
	(1.72)	(-3.82)
Constant	14.942***	9.086***
	(18.35)	(10.62)
Observations	190,788	186,473
R-squared	0.058	0.031
Orig State FE	Yes	Yes
Dest State FE	Yes	Yes
Year-quarter FE	Yes	Yes

Table 9: Political Polarization

This table examines the effect of political partisanship on interstate job flows in the U.S. The dependent variable is the natural log of employment flows from origin to destination states. The control variables follow Table 2. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

VARIABLES	(1)	(2)
toMisaligned×polarization (to)	-0.586***	
	(-3.98)	
toMisaligned×polarization (from)	-0.621***	
	(-3.96)	
BtoR×polarization (to)		-0.678***
		(-4.03)
BtoR×polarization (from)		-0.630***
		(-3.78)
RtoB×polarization (to)		-0.570***
		(-3.65)
RtoB×polarization (from)		-0.602***
		(-3.41)
Polarization (to)	-0.070	-0.032
	(-0.55)	(-0.28)
Polarization (from)	0.092	0.093
	(0.69)	(0.76)
toMisaligned	0.099***	
	(3.18)	
BtoR		0.114***
		(3.18)
RtoB		0.085**
		(2.50)
RtoR	0.004	0.004
	(0.13)	(0.13)
RtoR×polarization (to)	0.239	0.184
	(1.25)	(1.07)
RtoR×polarization (from)	0.168	0.164
	(0.87)	(0.98)
Constant	13.721***	13.720***
	(68.50)	(68.52)
Observations	197,463	197,463
R-squared	0.891	0.891
Controls	Yes	Yes
Orig State FE	Yes	Yes
Dest State FE	Yes	Yes
Year-quarter FE	Yes	Yes

Table 10: President Party

This table examines the effect of political partisanship on interstates job flows in the U.S. The dependent variable is the natural log of employment flows from origin to destination states. The control variables follow Table 2. Detailed definition of the variables are reported in the appendix. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

VARIABLES	(1)	(2)	(3)
toMisaligned	-0.132***		
	(-6.18)		
toMisaligned×Democratic president	0.003		
	(0.20)		
political distance			-1.588***
			(-11.71)
political distance×Democratic president			0.001
			(0.02)
BtoR		-0.122***	
		(-5.01)	
BtoR×Democratic president		-0.006	
		(-0.32)	
RtoB		-0.141***	
		(-6.13)	
RtoB×Democratic president		0.012	
		(0.71)	
RtoR	-0.012	-0.012	
	(-0.72)	(-0.72)	
RtoR×Democratic president	0.089***	0.089***	
	(4.87)	(4.87)	
Personal income growth rate	0.008***	0.008***	0.008***
	(4.04)	(4.02)	(4.02)
Unemployment rate	-0.021***	-0.022***	-0.021***
	(-9.62)	(-9.46)	(-9.65)
EPU	0.001	0.001	0.001
	(0.63)	(0.63)	(0.62)
Geographical distance	-1.302***	-1.302***	-1.287***
	(-48.75)	(-48.75)	(-48.09)
Monthly wage	0.115*	0.109*	0.115*
	(1.85)	(1.75)	(1.86)
HVI	-0.044*	-0.042*	-0.044*
	(-1.82)	(-1.71)	(-1.87)
Constant	13.823***	13.823***	13.845***
	(69.72)	(69.72)	(70.44)
Observations	197,463	197,463	197,463
R-squared	0.889	0.889	0.891
Orig State FE	Yes	Yes	Yes
Dest State FE	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes

Table 11: Neighboring States

This table examines the interaction effect of political partisanship and neighboring states on interstates job flows in the U.S. The dependent variable is the natural log of employment flows from origin to destination states. The control variables follow Table 2. Detailed definition of the variables are reported in the appendix. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

VARIABLES	(1)	(2)	(3)
toMisaligned	-0.139***		
	(-8.40)		
toMisaligned × Neighbor	0.054		
	(0.43)		
BtoR		-0.134***	
		(-6.60)	
BtoR × Neighbor		0.055	
		(0.36)	
RtoB		-0.144***	
		(-7.09)	
RtoB × Neighbor		0.053	
		(0.34)	
RtoR	0.001	0.001	
	(0.05)	(0.05)	
RtoR × Neighbor	0.193	0.193	
	(1.51)	(1.51)	
Political distance			-1.613***
			(-14.85)
Political distance × Neighbor			0.004
			(0.01)
Neighbor	0.956***	0.956***	1.069***
	(8.52)	(8.52)	(13.81)
Personal income growth rate	0.008***	0.008***	0.008***
	(3.95)	(3.94)	(3.93)
Unemployment rate	-0.021***	-0.021***	-0.021***
	(-9.52)	(-9.45)	(-9.53)
EPU	0.001	0.001	0.001
	(0.59)	(0.52)	(0.59)
Geographical distance	-1.018***	-1.018***	-0.994***
	(-43.48)	(-43.48)	(-41.17)
Monthly wage	0.115*	0.112*	0.115*
	(1.81)	(1.76)	(1.83)
HVI	-0.044*	-0.044*	-0.044*
	(-1.81)	(-1.78)	(-1.86)
Constant	11.673***	11.673***	11.629***
	(67.23)	(67.23)	(65.32)
Observations	197,463	197,463	197,463
R-squared	0.911	0.911	0.914
Orig State FE	Yes	Yes	Yes
Dest State FE	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes

Appendix A.

Table A1: Non-close Presidential Elections

This table presents results of a test using non-close elections (>5% or 3% margin) that result in winning party switches (see Panel A). Panel B presents the regression results. This test aims to complement the close-election test in Table 3. The dependent variable is the natural log of job flows from origin to destination states in Panels A and B. The key independent variable is *Post*×*Treated*, where *Post* equals 1 for the eight quarters following a close election and 0 for the election quarter and seven quarters preceding it. *Treated* states are those where: (1) the most recent presidential election margin was beyond 3% (Columns (1) and (3)) or 5% (Columns (2) and (4)), and (2) the election winner party is not the same as the party of the previous presidential election winner. To isolate treatment effects, the analysis focuses on job flows from (to) treated states to (from) origin states whose winning party is aligned with the winning party in the previous presidential election. This design captures how workers from previously aligned states respond when their preferred party loses a non-close election in a destination (origin) state. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) level. The sample period is 2001–2024. *T*-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

Panel A: Non-close elections (winning party flip)

STATE	Year	D_rate	R_rate	Winning party
Non-close elections using a 5% margin (same as 10%)				
CO	2008	0.537	0.447	DEMOCRAT
IA	2008	0.539	0.444	DEMOCRAT
IA	2016	0.418	0.512	REPUBLICAN
IN	2012	0.439	0.541	REPUBLICAN
NM	2008	0.569	0.418	DEMOCRAT
NV	2008	0.551	0.427	DEMOCRAT
OH	2016	0.436	0.517	REPUBLICAN
VA	2008	0.526	0.463	DEMOCRAT
Additional non-close elections using a 3% margin				
OH	2008	0.515	0.469	DEMOCRAT

Panel B: The difference-in-difference regressions

VARIABLES	(1)	(2)	(3)	(4)
Post × Treated	-0.065***	-0.063***		
	(-4.85)	(-4.43)		
election (t-5)&before×Treated			0.004	-0.001
			(0.38)	(-0.11)
election (t-4)×Treated			-0.014	-0.018
			(-0.90)	(-1.09)
election (t-3)×Treated			-0.004	-0.006
			(-0.24)	(-0.35)
election (t-2)×Treated			-0.034**	-0.038***
			(-2.35)	(-2.64)
election (t)×Treated			-0.036**	-0.037**
			(-2.30)	(-2.32)
election (t+1)×Treated			-0.032	-0.028
			(-1.55)	(-1.26)
election (t+2)×Treated			-0.067***	-0.074***
			(-3.29)	(-3.51)
election (t+3)×Treated			-0.060***	-0.074***
			(-3.55)	(-4.04)
election (t+4)×Treated			-0.081***	-0.077***
			(-4.05)	(-3.58)
election (t+5) & after ×Treated			-0.088***	-0.088***
			(-5.34)	(-5.12)
Treated	0.134***	0.143***	0.143***	0.156***
	(7.93)	(7.45)	(7.96)	(7.73)
Personal income growth rate	0.006***	0.006***	0.006***	0.006***
	(4.48)	(4.31)	(4.48)	(4.31)
Unemployment rate	-0.011***	-0.011***	-0.011***	-0.011***
	(-3.02)	(-2.97)	(-3.02)	(-2.97)
EPU	-0.001	-0.001	-0.001	-0.001
	(-0.36)	(-0.33)	(-0.36)	(-0.33)
Geographical distance	-1.354***	-1.347***	-1.354***	-1.347***
	(-46.53)	(-47.29)	(-46.53)	(-47.28)
Monthly wage	0.154*	0.156*	0.154*	0.156*
	(1.90)	(1.92)	(1.90)	(1.92)
HVI	-0.125**	-0.126**	-0.125**	-0.126**
	(-2.31)	(-2.34)	(-2.32)	(-2.35)
Constant	13.937***	13.878***	13.937***	13.878***
	(63.75)	(64.83)	(63.74)	(64.82)
Observations	47,883	47,179	47,883	47,179
R-squared	0.898	0.898	0.898	0.898
Orig State*Election FE	Yes	Yes	Yes	Yes
Dest State*Election FE	Yes	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes	Yes

Table A2: Robustness Checks: Alternative Fixed Effects

This table examines the effect of political partisanship on interstate job flows in the U.S. The dependent variable is the natural log of employment flows from origin to destination states. The control variables follow Table 2. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

VARIABLES	(1)	(2)
toMisaligned	-0.149***	
	(-9.69)	
Political distance		-1.725***
		(-11.87)
Personal income growth rate	0.000	0.000
	(0.18)	(0.15)
Unemployment rate	0.005	0.005
	(0.20)	(0.21)
EPU	0.009	0.009
	(0.21)	(0.24)
Geographical distance	-1.301***	-1.283***
	(-48.73)	(-47.88)
Montly wage	-0.075	-0.074
	(-0.11)	(-0.12)
HVI	0.116	0.116
	(0.42)	(0.48)
Constant	13.834***	13.837***
	(69.69)	(70.46)
Observations	197,463	197,463
R-squared	0.899	0.902
Year-quarter FE	Yes	Yes
Orig State*YQ FE	Yes	Yes
Dest State*YQ FE	Yes	Yes

Table A3: Stable Jobs and Jobs with Separations

This table examines the effect of political partisanship on interstate job flows in the U.S. The dependent variable is the natural log of employment flows from origin to destination states. Detailed definition of the variables are reported in the appendix. The control variables follow Table 2. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	Job flows (stable)		Job flows_sep		Job flows_sep (stable)	
toMisaligned	-0.127***		-0.122***		-0.124***	
	(-7.16)		(-7.21)		(-7.28)	
Political distance		-1.554***		-1.573***		-1.548***
		(-11.33)		(-12.41)		(-11.78)
RtoR	0.021		0.035***		0.025*	
	(1.58)		(2.67)		(1.97)	
Personal income growth rate	0.010***	0.010***	0.008***	0.008***	0.010***	0.010***
	(5.84)	(5.80)	(4.56)	(4.53)	(5.85)	(5.81)
Unemployment rate	-0.027***	-0.027***	-0.021***	-0.021***	-0.028***	-0.028***
	(-11.83)	(-11.85)	(-9.01)	(-9.04)	(-11.02)	(-11.02)
EPU	0.006**	0.006**	0.005**	0.005**	0.006***	0.006***
	(2.46)	(2.46)	(2.22)	(2.23)	(2.92)	(2.91)
Geographical distance	-1.292***	-1.276***	-1.263***	-1.247***	-1.255***	-1.240***
	(-47.77)	(-47.03)	(-48.44)	(-47.76)	(-47.06)	(-46.37)
Monthly wage	0.173***	0.173***	-0.006	-0.007	0.088	0.088
	(2.98)	(2.99)	(-0.11)	(-0.11)	(1.53)	(1.54)
HVI	-0.053**	-0.053**	-0.061***	-0.061***	-0.077***	-0.077***
	(-2.18)	(-2.24)	(-2.66)	(-2.73)	(-3.18)	(-3.26)
Constant	13.177***	13.192***	14.357***	14.379***	13.639***	13.656***
	(65.52)	(66.15)	(74.07)	(74.97)	(68.76)	(69.51)
Observations	195,112	195,112	197,463	197,463	194,556	194,556
R-squared	0.878	0.880	0.897	0.900	0.889	0.891
Orig State FE	Yes	Yes	Yes	Yes	Yes	Yes
Dest State FE	Yes	Yes	Yes	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes	Yes	Yes	Yes

Table A4: Misaligned State Governor

This table examines the effect of political partisanship on interstate job flows in the U.S. The dependent variable is the natural log of employment flows from origin to destination states. I additionally control for the misalignment between the state governors of origin and destination states (toMisaligned (state)). Detailed definition of the variables are reported in the appendix. The control variables follow Table 2. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)
toMisaligned	-0.451***	-0.126***			-0.127***	-0.128***
(presidential elections)	(-12.35)	(-7.07)			(-7.02)	(-7.04)
BtoR			-0.121***			
			(-6.27)			
RtoB			-0.130***			
			(-6.78)			
Political distance				-1.576***		
				(-11.80)		
toMisaligned (state governor)	-0.030	-0.008	-0.008	0.005	-0.010	-0.012
	(-1.54)	(-0.89)	(-0.89)	(0.59)	(-1.13)	(-1.31)
RtoR	-0.017	0.025*	0.025*		0.023	0.023
	(-0.66)	(1.76)	(1.76)		(1.55)	(1.48)
Personal income growth rate		0.008***	0.008***	0.008***	0.006**	0.006***
		(4.18)	(4.17)	(4.16)	(2.64)	(2.98)
Unemployment rate		-0.022***	-0.021***	-0.022***	-0.021***	-0.023***
		(-9.09)	(-9.05)	(-9.12)	(-8.52)	(-9.00)
EPU		0.001	0.001	0.001	0.000	0.001
		(0.54)	(0.47)	(0.54)	(0.20)	(0.45)
Geographical distance		-1.310***	-1.310***	-1.295***	-1.309***	-1.311***
		(-48.76)	(-48.76)	(-48.11)	(-48.56)	(-48.65)
Monthly wage		0.115*	0.113*	0.115*	0.098	0.101
		(1.78)	(1.73)	(1.79)	(1.44)	(1.57)
HVI		-0.040	-0.039	-0.040*	-0.030	-0.047*
		(-1.63)	(-1.59)	(-1.68)	(-1.17)	(-1.95)
Constant	4.463***	13.883***	13.883***	13.902***	13.884***	13.924***
	(128.59)	(69.47)	(69.47)	(70.24)	(69.30)	(69.62)
Observations	216,041	191,554	191,554	191,554	148,844	164,894
R-squared	0.637	0.888	0.888	0.891	0.889	0.889
Orig State FE	Yes	Yes	Yes	Yes	Yes	Yes
Dest State FE	Yes	Yes	Yes	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes	Yes	Yes	Yes

Table A5: Robustness Checks: Additional Controls

This table examines the effect of political partisanship on interstate job flows in the U.S. I additionally control for neighboring states dummy, the total job outflows from origin states, and the total job inflows to destination states in the same quarter in Columns (1) to (3). Columns (4) to (6) additionally control for the difference in the quarterly GDP growth rate and regional price parities between the destination and origin states. The state-level quarterly GDP data is available until 2005Q1. Therefore, the sample period of the regressions reported in Columns (4) to (6) is 2005 to 2024. The other control variables follow Table 2. The dependent variable is the natural log of employment flows from origin to destination states. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)
toMisaligned	-0.142***			-0.200***		
	(-9.32)			(-11.09)		
BtoR		-0.137***			-0.191***	
		(-8.31)			(-9.46)	
RtoB		-0.146***			-0.210***	
		(-8.76)			(-10.54)	
Political distance			-1.538***			-1.991***
			(-13.79)			(-14.56)
RtoR	0.001	0.001		-0.014	-0.014	
	(0.09)	(0.09)		(-0.84)	(-0.85)	
Personal income growth rate	0.003**	0.003**	0.003**	0.000	0.000	0.000
	(2.48)	(2.48)	(2.54)	(0.18)	(0.16)	(0.23)
Unemployment rate	-0.010***	-0.010***	-0.011***	-0.007***	-0.007***	-0.008***
	(-6.35)	(-6.24)	(-6.48)	(-4.65)	(-4.60)	(-4.74)
EPU	-0.000	-0.000	-0.000	-0.000	-0.000	0.000
	(-0.05)	(-0.17)	(-0.02)	(-0.21)	(-0.59)	(0.01)
Geographical distance	-1.011***	-1.011***	-0.996***	-0.992***	-0.992***	-0.972***
	(-41.28)	(-41.28)	(-41.32)	(-33.42)	(-33.42)	(-33.99)
Monthly wage	0.034	0.031	0.036	0.001	-0.002	0.004
	(0.66)	(0.61)	(0.72)	(0.02)	(-0.02)	(0.07)
HVI	-0.042**	-0.041**	-0.042**	-0.052**	-0.051**	-0.049**
	(-2.24)	(-2.22)	(-2.29)	(-2.48)	(-2.40)	(-2.35)
Neighbor	1.065***	1.065***	1.066***	1.112***	1.112***	1.115***
	(18.05)	(18.05)	(18.26)	(16.76)	(16.76)	(17.00)
Total job outflows	0.523***	0.523***	0.505***	0.717***	0.717***	0.694***
from origin states	(15.44)	(15.45)	(14.61)	(15.94)	(15.90)	(15.65)
Total job inflows	0.658***	0.658***	0.636***	0.838***	0.839***	0.798***
to destination states	(21.37)	(21.36)	(20.61)	(23.29)	(23.30)	(22.39)
GDP				0.170*	0.172*	0.199*
				(1.69)	(1.73)	(1.78)
RPP				0.065	0.064	0.052
				(0.86)	(0.86)	(0.66)
Constant	0.811	0.811	1.177**	-2.817***	-2.814***	-2.225***
	(1.63)	(1.64)	(2.37)	(-3.93)	(-3.92)	(-3.18)
Observations	197,463	197,463	197,463	114,419	114,419	114,419
R-squared	0.916	0.916	0.918	0.913	0.913	0.917
Orig State FE	Yes	Yes	Yes	Yes	Yes	Yes
Dest State FE	Yes	Yes	Yes	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes	Yes	Yes	Yes

Appendix B. Variable definitions

Variables	Definitions	Sources
Job flows	The natural log of job flows from origin state to destination state (including D.C.).	U.S. Census
Job flows (stable employment) employment	The natural log of job flows (stable employment) from origin state to destination state.	As above
Job flows with separations	The natural log of job flows (with separation spell between jobs) from origin state to destination state.	As above
Earnings growth	The growth rate of average earnings following job flows.	As above
lnEarnings	The natural log of the average earnings difference following job flows.	As above
toMisaligned	A dummy variable that equals 1 when origin and destination states voted for different presidential candidates in the most recent election, and 0 otherwise.	Ballotpedia
RtoR	A dummy variable that equas 1 if origin and destination states are red states in the most recent presidential election, and 0, otherwise.	As above
BtoR	A dummy variable that equal 1 if origin state is a blue state and destination state is a red state in the most recent presidential election, and 0 otherwise.	As above
RtoB	A dummy variable that equal 1 if origin state is a red state and destination state is a blue state in the most recent presidential election, and 0 otherwise.	As above
Post	A dummy variable that equals 1 for the eight quarters following a close election and 0 for the election quarter and the seven quarters preceding it.	
Treated	The states that statisty two criterias (1) the most recent presidential election margin was within 1.5 %, and (2) the election winner's party differs from the party of the previous presidential election winner.	
Political distance	The absolute difference in the percentage of Democratic votes between the	As above

Continued on the next page

Variables	Definition	
	origin and destination states in the most recent presidential election.	
Polarization	One minus the absolute difference between Democratic and Republican vote shares in the most recent election.	Ballotpedia As above
toMisaligned (state)	A dummy variable that equals 1 when origin and destination states voted for different party in their most recent gubernatorial elections.	As above
Abortion law misaligned	An indicator variable that equals to one if abortion is legal in one of the two states (origin or destination) but illegal in the other. Legality is defined as permitting abortion on request before 12 weeks of gestation.	Wikipedia
25-34 female job flow%	The percentage of job flows of female aged between 25 to 34 years old among all female job flows from the origin state to the destination state.	U.S. Census
35-44 female job flow%	The percentage of job flows of female aged between 35 to 44 years old among all female job flows from the origin state to the destination state.	U.S. Census
Personal income growth rate	The difference of personal income growth rate between destination state and origin state.	U.S. Census
Unemployment rate	The difference of unemployment between destination state and origin state.	As above
EPU	The difference of the state-level EPU between destination and origin states.	Baker, Davis and Levy
Geographical distance	The geographical distance between the capitals of destination and origin states.	Bureau of Transportation Statistics
Monthly wage	The difference of the natural logarithm of monthly average wage between destination and origin states.	U.S. Census
HVI	The difference of the natural logarithm of Zillow House Value Index between destination and origin states.	Zillow
Neighbor dummy	A dummy variable that equals 1 when origin and destination states share border and 0, otherwise.	Google Map
GDP Growth	The difference of GDP growth between destination state and origin state (available from 2005 onwards).	U.S. Census
RPP	The difference of regional price parities between destination state and origin state (available from 2008 to 2023).	BEA