# Political Ideology and Durable Spending*

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**Abstract**

We study political ideology as a driver of heterogeneous durable spending. Research in psychology suggests that conservatives' personality traits lead them to focus on the investment properties of durables, whereas liberals focus on consumption value. Combining U.S. voter registration records with housing transactions, which capture both consumption and investment motives, we show that conservatives transact more frequently, especially in secondary properties, which do not necessarily provide any consumption value. Conditional on transacting, conservatives more often trade down and realize capital gains, while liberals trade up and increase housing consumption. Conservatives' transactions, but not liberals', respond more strongly to financial incentives: interest rates, the opportunity cost of housing investments relative to equities, and house-price appreciation. Within households, ideology does not combine linearly: mixed-ideology couples transact less than ideologically homogeneous ones of either color, and their choices align more closely with the man's ideology.

**Keywords:** Political Economy, Household Finance, Real Estate, Housing Markets, Wealth Effect, Consumption.

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*All mistakes are our own.

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# 1. Introduction

Households exhibit highly heterogeneous spending on durable goods, which provide both consumption value and financial returns (Grossman and Laroque, 1990). Identifying the drivers of such heterogeneity is an important and open question in household finance and macroeconomics due to its implications for aggregate outcomes (Gomes et al., 2021; Heathcote et al., 2009; Kaplan et al., 2018; Agarwal and Qian, 2014; Berger and Vavra, 2015; Mian et al., 2013; Beraja et al., 2019; Ganong and Noel, 2019; Bernstein and Koudijs, 2024).

This paper proposes political ideology as an important driver of heterogeneity in durable spending by shaping perceptions and preferences regarding the consumption value versus investment value of durable goods. Research in psychology shows that conservatives and liberals have distinct personality traits that should shape how they value the consumption versus investment value of durable goods. Conservatives exhibit higher conscientiousness, self-control, and future orientation than liberals,[1] which should translate into higher patience and lower discount rates. In contrast, liberals report greater enjoyment of consumption than saving (Farmer et al., 2021). Political ideology also shapes trust in finance: conservatives report greater trust in banks and capital markets, and hence in the reliability of investment returns (Fungáčová et al., 2019; Fiagbenu and Kessler, 2022; Kaustia and Torstila, 2011). Conservative households should therefore have a higher propensity to purchase durable goods than liberals, all else equal, but especially so when investment value is more important than consumption value. Moreover, conservatives should react more to the same changes in the financial incentives to transact durable goods—a key prediction that helps disentangle political ideology from imperfectly measured correlates such as wealth and liquidity.

Testing these predictions empirically requires comparing conservatives' and liberals' choices about the same durable good, at the same time and in the same locations. We focus on housing, which is the largest good on the majority of U.S. households' balance sheets and a

[1] See, e.g., De Neve (2015); Ekstrom and Federico (2019); Osborne et al. (2021); Clarkson et al. (2015); Sweetser (2014); Winter (2003); Carney et al. (2008)

trigger for additional durable spending (Benmelech et al., 2023). We compare conservatives' and liberals' housing choices within the same zip codes and years, and keeping constant a rich set of demographic characteristics, including income and education levels, among many others. Crucially, this setting allows us to test whether conservatives and liberals respond differently to the same changes in investment incentives to transact housing faced at the same time and in the same locations.

Our tests exploit multiple dimensions of housing to obtain variation in its consumption and investment values. First, we investigate the propensity to purchase primary and secondary homes. By construction, primary homes are always a combination of consumption and investment value. In contrast, secondary homes often function as investment assets, and their potential consumption value, for instance, in the case of vacation homes, is not enjoyed at most times. We can thus compare the conservatives' and liberals' choices as the relative relevance of housing consumption and investment values vary.

At the same time, these tests cannot fully dismiss a role for systematic differences in wealth and liquidity, which we might not observe precisely. We therefore also test more directly how housing choices respond to variation in investment incentives that leave the consumption value unchanged. Specifically, we consider monetary policy changes, which affect the funding cost of home purchases; expected equity returns, which capture the opportunity cost, or outside option, of housing investment; and local house-price growth, which reflects the wealth effect of homeownership. Moreover, at the intensive margin, that is, conditional on transacting, we can compare trade-down and trade-up decisions. Trade-down transactions allow consumers to realize financial gains that are not reinvested in housing consumption, whereas trade-up transactions, use the capital gains from selling a home to increase housing consumption. Across all these tests, our conjecture does not predict a systematic higher or lower likelihood of purchasing housing by political ideology, which might be confounded with wealth, liquidity, or other imperfectly observed characteristics. Instead, it predicts differential responses to the same changes in investment incentives. In particular, conservatives

should be relatively less likely to transact when investment incentives are weaker, and vice versa, while liberals should be less sensitive to the same changes in investment incentives.

Our results are consistent with a relevant role of ideology in durable spending decisions. We document that conservatives transact more frequently than liberals in purchasing both primary and secondary properties, but substantially more so for secondary properties. Conditional on selling a house, conservatives are more likely to trade down, buy lower-price homes, and realize capital gains, while liberals tend to use the capital gains to upgrade housing consumption by buying higher-price homes. In addition, conservatives' housing purchases respond significantly to investment incentives, including monetary policy shifts, changes in expected equity returns, and local house-price shocks. In contrast, liberals housing purchases display little response to the same changes in investment motives faced at the same time and in the same locations.

To perform our tests, we merge two of the largest available databases on U.S. voters' registration records and housing transaction histories. Voter registration data come from L2, a non-partisan provider that compiles and standardizes voter registration records from state and local election authorities across the United States. These data have been used in recent research and campaign analysis (e.g., Engelberg et al., 2022). The L2 data provide a household identifier, which we use to link voters residing in the same household. Because housing transactions are typically family-level decisions, we undertake several data-cleaning steps to focus on a "decision-making unit," i.e., couples with primary decision-making power. In particular, we restrict the sample to heterosexual couples in which both individuals have voter registration records and exclude households with more than two working-age (ages 25–65) adults, which could represent grown-up children or unretired parents. Housing transaction data come from CoreLogic, which compiles property transaction records from county recorder and assessor offices across the United States. We link voter records to housing transactions based on individuals' registered names and addresses.

Our working sample consists of over 15 million households across the U.S. and over

2 million housing transactions over the period of 2018–2023 with more than 57 million household-year observations. Within the sample, around 35% of couples are homogeneously registered with the Republican party (i.e., Both Republican), and 20% with the Democratic party (i.e., Both Democrat). Others include mixed-ideology households, including male-Republican-female-Democrat (5%), male-Democrat-female-Republican (2%), and where at least one member is affiliated with a third party or unaffiliated (38%). Our primary analysis focuses on ideologically homogeneous couples in which both partners are affiliated with the same political party. Mixed-ideology households, as well as households in which at least one partner is not affiliated with any of the two larger parties, act as the control group in the first part of our analyses.[2]

Of course, unaffiliated households may still vote for one of the two major parties in elections. Our design, however, does not aim to capture whether individuals vote or which party they support in a given election: we use party registration to proxy for the strength of individuals political ideology. Our design implicitly assumes that individuals who formally declare affiliation with the Republican or Democratic party are more closely aligned with the traits associated with either conservative or liberal political ideology, relative to individuals who register as independents or with a third party, who might hold weaker political ideologies or combine a mix of the traits associated with each of the two main ideologies.

In all our analyses, we control for a rich set of observable household characteristics, including linear and nonlinear terms of age (for men and women separately), the composition of the entire household, estimated household income, and fixed effects for the ethnicity and highest educational attainment of each partner. These controls help account for differences in socioeconomic status, racial and ethnic background, and the life-cycle stage that could influence housing transaction behavior. Importantly, our most restrictive specifications also include zipcode-by-year fixed effects, which absorb local dynamics such as changes in eco-

[2]In later analyses, we study the behavior of mixed-ideology households. Our results for homogeneous households are unchanged whether mixed-ideology households are included in the control group or excluded so that only the remaining households form the control group.

nomic conditions, place-based policies, and fluctuations in the local supply of housing.

We first consider households' choice to participate in housing markets in terms of primary homes and secondary property purchases. Secondary properties are often characterized by greater income sensitivity and stronger speculative motives (Chinco and Mayer, 2016; Burnside et al., 2016; Garca, 2019). Instead, primary homes, by construction, bundle the consumption value of living in one's home with investment motives. If political ideology makes conservatives display more investment-oriented housing choices, we expect ideology-based differences to be more pronounced in choices about secondary properties. First, we find that Republican households are significantly more likely to purchase a home as their primary residence than Democratic households. In our most restrictive specification, we estimate that Republicans are 7 basis points more likely to purchase a primary residence than Democrats, corresponding to roughly a 3% difference relative to the sample's average purchase probability. This magnitude increases to 11 basis points when we restrict the sample to households in which both partners are Democrats or both are Republicans, excluding mixed-party households from the control group. Second, and consistent with our conjecture, we find that Republican households are substantially more likely to purchase secondary properties than Democratic households. The difference is 19 basis points, which is almost three times as large as the baseline difference in primary home purchases.

We then move on to the empirical tests that exploit variation in the investment motives to purchase housing. We design four tests. First, we test whether, conditional on completing a roundtrip deal (a purchase and a sale within a 12-month interval), Republicans are more likely to realize the capital gains of their existing house by "trading down" and moving to new homes whose value is significantly lower, thus reducing their consumption value from primary housing, while Democrats are more likely to use the capital gains to purchase more valuable homes, and hence increase their consumption value from primary housing. Indeed, we find that Republican households are significantly more likely to engage in trade-down transactions and less likely to trade up to more expensive homes than Democratic households.

Second, we look into the interest-rate sensitivity of housing purchases by political ideologies. We focus on changes in the Fed Funds rate, which shift people's perceived costs of financing housing purchases. We show that Republican households significantly reduce the purchases of both primary and secondary homes following rate hikes, and increase primary purchases after rate cuts. Democrats also respond to monetary policy tightening by reducing primary housing purchases, but to a lesser extent. Their secondary housing transactions are largely insensitive to rate changes.

Third, we gauge whether Republicans and Democrats respond to changes in the opportunity costs of housing investment. To capture the opportunity cost, we use the inverse of the Shiller CAPE ratio (Shiller, 2000), which proxies for the expected long-run return on equities. We find that higher expected equity returns are linked to significant reductions in the likelihood that Republican households purchase either primary or secondary properties. Liberal households, instead, do not respond to rising expected equity returns when making primary housing purchases. If anything, they appear to increase their secondary home purchases.

Finally, we test whether Republicans' housing transaction decisions respond more strongly to house-price fluctuations in their locations. In any housing transaction, two prices are relevant: the value of the current residence and the prices in the market where a household intends to purchase. Because we do not observe the specific destination markets households target, we focus on price variation in the area of current residence. We compute house-price changes as the annual percentage change in the House Price Index published by the Federal Housing Finance Agency. For households motivated by investment considerations, higher house-price growth in their current location represents a positive wealth effect, thereby increasing their ability and/or willingness to invest in another property. By contrast, for households that value the consumption flows of housing more, rising local housing prices may reflect increasing neighborhood desirability and/or consumption value from the house, which would reduce their incentives to move. Our results indicate that Republican households respond more to higher values of their existing homes. A 10% increase in local housing

prices over the previous year is associated with a 0.6 percentage point greater increase in purchase rates among Republicans relative to other households. Democratic households respond in the opposite direction: a 10% increase in housing prices *reduces* their likelihood of purchasing by about 1.2 percentage points. Crucially, these effects are stronger in locations in which a lower share of households are renters, and about half as large in locations with a high share of renters, which supports the interpretation that Republicans and Democrats react in opposite directions to the same wealth effect they face at the same time and in the same location.

All our results so far have compared the choices of heterogeneous couples, who differ based on their internally-homogeneous political ideology. Our setting also allows us to study how choices are made based on households' own internal ideological composition. While the majority of couples feature two members sharing the same political ideology, many do not: About 770K couples in our sample include a Republican man and a Democratic woman, and about 340K couples a Democratic man and a Republican woman. Mixed-ideology households allow us to assess whether political ideology combines linearly in household choices about durables, producing choices that reflect a weighted combination of each partners preferences, or whether political disagreement hinders consensus, reducing the likelihood of transacting relative to homogeneous couples of either ideology. Moreover, because our couples are by construction opposite-sex pairs, we can examine whether, when partners ideologies differ, one sex is more likely to tilt the households decision toward their own ideology.

We find that, on average, mixed-ideology households are far less likely to engage in housing transactions than homogeneous ones, which is consistent with the idea that intra-household ideological disagreement hinders consensus and hence choices. And, within mixed-ideology couples, households with a Republican male are significantly more likely to purchase a primary residence than the benchmark group, whereas households with a Republican female are significantly less likely to do so. The difference between the two groups is nearly 0.2 percentage points, accounting for roughly 5% of the sample mean. Men are thus system-

atically able to tilt this high-stake durable spending choice towards their own ideology.

## 2. Related Literature and Contribution

Our question is motivated by extensive research in psychology and sociology on the personality and systematically difference behavioral traits of conservatives and liberals. This research reveals that political ideology is deeply rooted in personality traits. Conservatives exhibit higher conscientiousness (De Neve, 2015; Ekstrom and Federico, 2019; Osborne et al., 2021), self-control (Clarkson et al., 2015; Sweetser, 2014), and future orientation (Winter, 2003; Carney et al., 2008) than liberals, traits that, in the utilitarian framework of standard economic models, translate naturally into higher patience and lower discount rates. Liberals, instead, report greater enjoyment from consuming than saving (Farmer et al., 2021).[3]

Political ideology also shapes trust in finance: conservatives trust banks and capital markets more (Fungáčová et al., 2019; Fiagbenu and Kessler, 2022), which leads to higher engagement with financial investments (Kaustia and Torstila, 2011). Distrustful households might instead discount expected financial returns due to concerns about expropriation, mismanagement, or financial crises (Guiso et al., 2008). Together, both channels predict that conservative households are more forward-looking in intertemporal consumption choices, while liberals tilt relatively more toward current consumption.

Our study also relates to a large and growing body of research in finance that documents the effects of partisanship and political polarization on economic decisions (for instance, see Kempf and Tsoutsoura, 2024; Meeuwis et al., 2022; Engelberg et al., 2023; Dagostino et al., 2023; Kempf et al., 2023; Ayyagari et al., 2025; Cassidy et al., 2025; Bushman et al., 2024). Existing studies consider political polarization arising from political (mis-)alignment, that is, whether an agents identifies with the same party as the sitting President. (Mis-)alignment produces heterogeneous beliefs about future economic outcomes. This literature

[3]Moreover, based on a recent **report** by Gallup, a larger fraction of liberals report enjoying spending more than saving compared to moderates and conservatives.

shows that politically aligned individuals invest more, tolerate greater financial risk, and accept lower returns on their capital due to their optimistic views of the economy. Different from this literature, we focus on the systematic differences in the economic choices liberals and conservatives make, irrespective of their political (mis-)alignment. For this reason, our hypotheses have no role for optimism of heterogeneous beliefs, and, indeed, our results cannot be explained by heterogeneous beliefs by Republican and Democratic households based on their political (mis-)alignment. A long literature in psychology and management research establishes that liberals and conservatives differ fundamentally in personality traits, which profoundly influence their risk preferences and return expectations (Carney et al., 2008). Yet the evidence on how these ideological differences shape investment decisions remains mixed (Han et al., 2019).[4]

# 3. Data and Sample Construction

## 3.1. Individual Voter Registration Data

To capture political ideology at the individual level, we obtain data on individuals' political affiliations and their residential locations from L2, Inc. L2 determines voters' political affiliation by collecting information from different administrative and commercial sources, such as election boards, exit polling, and commercial lifestyle data. Previous research has used L2 data to study the relationship between political affiliation and various economic outcomes (e.g., Engelberg et al., 2022; Bernstein et al., 2022; Spenkuch et al., 2023; Fos et al., 2022).

For 35 states, L2 provides voters' party affiliations from voter registration records. For the remaining 15 states, L2 uses predictive modeling to impute voters' likely party affiliations based on various data sources. To ensure the accuracy of the party affiliation in our sample,

[4]For example, Moore et al. (2010) find that conservatives exhibit higher risk tolerance than liberals, while Morris et al. (2008) suggest the opposite. Fiagbenu and Kessler (2022) draw on survey evidence and find that liberals perceive the stock market as a more dangerous and uncertain environment than conservatives, and consequently report lower rates of stock market participation.

we include only voters from the 35 states where L2 directly observes party affiliations. Each year, L2 provides snapshots of the most recent voter registration data, such as the full name, address, age, and other demographic information. To construct our sample, we keep the earliest snapshot for each year. We construct a time-invariant party affiliation for each voter, using their voter registrations. If a voter declares a specific party on her voter registration form, she is considered to be affiliated with that party. We drop all voters who switch parties during our sample period. This step reduces measurement error in political ideology and focuses on individuals with a stable, well-defined ideology. Note that our conjectures and tests require using party affiliation as a proxy for deep-rooted political ideology, not to capture specific voting choices in any election. A strong ideology is unlikely to fluctuate frequently: voters who switch between registering with the Republican and Democratic parties likely lack a stable, enduring political ideology, so our conjectures would not apply to them.

Couples make Housing decisions jointly. L2 provides a household indicator that allows us to group multiple voters of the same households.[5] However, many households consist of multiple members, even across generations. Thus, we must first identify a "decision-making" unit as a couple of economic means and decision autonomy to purchase a house. To do so, we exclude those who are below 25 years old or above 65 years old because these individuals are less likely to be the decision makers in housing transactions. We further restrict the sample to households consisting of exactly two married voters of opposite sex.

To consistently track families over time and across addresses, we construct a permanent family ID based on the married couple using the permanent person IDs provided by L2. Because each individual's person ID is fixed over time, this approach allows us to identify the same couple even when the household's address changes. The permanent family ID remains unchanged as long as the couple stays married and therefore is not affected by childbirth

[5]This household indicator is time-varying and changes when a family relocates or its composition changes. For instance, when a family moves to a new address, L2 assigns a new family ID even if the set of family members remains unchanged. Likewise, when a married couple divorces, the spouse who relocates is assigned a new family ID, while the spouse who remains at the original address retains the existing family ID.

or within-state relocation. In contrast, when a couple divorces and one spouse moves out, the permanent family ID terminates. Single individuals are excluded from the sample, and individuals who remarry are assigned a new permanent family ID.

We assign the political affiliation of a household based on the party affiliations of the two voters in the household. We classify a household as *Both Democrats* (*Both Republicans*) if both voters in the household are registered Democrats (Republicans). For households comprising voters with mixed party affiliations, we construct *Male Rep Female Dem* and *Male Dem Female Rep* to capture the interaction between gender and affiliation.

## 3.2. Housing Transactions

We obtain U.S. housing transactions from the CoreLogic Owner Transfer dataset. For each transaction, CoreLogic provides the address, transaction date, and the names of the buyer(s) and seller(s) of the focal property. We retain transactions for properties classified under the following land use codes: Single Family Residential, Residential Acreage, Residential Lot, Residential (NEC), Condominium, Cabin, Cooperative, Rural Homesite, Mobile Home, and Manufactured Home. Importantly, we do not restrict deed type due to different conventions used across states. For example, quitclaim deeds are typically used for non-arm's-length transactions. However, they are the standard deeds used in most residential real estate transactions in Massachusetts. To ensure that our transactions capture meaningful economic decisions, we exclude those that are designated as inter-family related, short sales, foreclosures, REO sales, or non-arm's-length transactions.

## 3.3. Other Data Sources

To measure the wealth effects associated with housing price movement, we obtain data on housing price growth at the zip code level from the Federal Housing Finance Agency (FHFA). FHFA calculates the House Price Index (HPI) using appraisal values and sales prices for mortgages bought or guaranteed by Fannie Mae and Freddie Mac. We use the

annual percentage change in the FHFA HPI to calculate the annual housing price growth for each zip code. Moreover, we use the Shiller CAPE ratio (Shiller, 2000) and data on the Fed Funds rate to estimate the response of housing choices to changing investing motives.

## 3.4. Sample Construction

We construct a household-year panel by merging voter registration snapshots with housing transactions. For each transaction, we first find individuals from L2 whose address is the same as the transaction. Most of the addresses from CoreLogic have at least one matched voter address. On average, 74% of all transactions in a given state can be matched. The matching rate ranges from 55% to 85%. We then search for the first and last names of the address-matched individual in the CoreLogic buyer or seller names. A voter is assigned to be the buyer (seller) of the transaction if both the first and last names appear in the buyer (seller) names.[6] At the household-year-level, we define the dependent variable *Buy/Sell Primary (%)* as an indicator that equals 100 if at least one of the two voters in the household is matched to a buy or sell transaction in that year. We also construct *Buy Primary (%)* to capture buying choices, defined as an indicator that equals 100 if at least one of the two voters in the household is matched to a buy transaction in that year.

To capture secondary-home transactions, we find individuals from L2 whose address is the same as the *mailing* addresses of the buyers of the transaction. We again search for the first and last names of the address-matched individuals in the CoreLogic buyer names. A voter is assigned to be the buyer if their first and last names match the names in the transaction. Intuitively, we assume that when buying a secondary residence, the buyer's mailing address is their primary residence, which is used in the voter registration data. We define *Buy Secondary (%)* as an indicator that equals 100 if at least one of the two voters in the household is matched to a buy transaction in that year based on the above approach.

To measure the price differences between old and new houses, we identify round-trip

[6] We do not require the snapshot year and the transaction year to be the same because the probability of different voters with the same names living at the same address is minimal.

transactions by matching buy and sell transactions from the same household. For every buy transaction, we search for a sell transaction from the same household within an 4-quarter window ($\pm$ 4 quarters). If multiple sell transactions are found, we keep the one closest to the buy transaction. We require the buy and sell transactions to be of different properties. We define *Housing Upgrade* as the percentage difference in housing value between the purchased and sold property in a round-trip transaction. We also construct indicator variables: *Cash-in* and *Trade-up*, which equal 100 if the *Housing Upgrade* is below $-10\%$ and above 10%, respectively.

# 4. Summary Statistics and Descriptive Analysis

Table 1 presents the summary statistics of the main variables used in our analysis. The unit of observation is household-year, and the sample spans 2018-2023. Panel A reports the distribution of political ideology at the household level. Among our 57 million household-year observations, 20.4% are classified as *Both Democrat* and 34.6% as *Both Republican*. Mixed-party households account for smaller shares: 5.1% are *Male Rep Female Dem* and 2.2% are *Male Dem Female Rep*.

Table 1 About Here

Panel B reports housing transaction rates in our sample. The average household-year has a 3.66% probability of buying or selling a primary residence, with the probabilities of either buying and selling being 2.22% and 2.08%, respectively. The probability of purchasing a secondary property is 0.59%, and the probability of completing a round-trip transaction within a one-year window is 0.76%.

Panel C presents summary statistics for round-trip transactions, conditional on completing a buy-sell pair within a one-year window. Among the 407,663 round-trip observations, the average probability of a trade-down deal ($\leq 10\%$) is 16.4%, while the average probability of a trade-up ($\geq 10\%$) is 70.2%, reflecting that most households spend more on their new

home than they receive from selling their old one. The average *Housing Upgrade* is 33.4%, with a median of 29.8%. Panel D reports housing price index returns at the zip code level. The average zip code experiences a one-year HPI return of 7.5% and a three-year return of 18.1% during the sample period.

Figure 1 plots the average home purchase likelihood for Republican and Democrat households during each year of our sample. Panel A plots the transaction likelihood for primary residences and Panel B for secondary properties. In each panel, the red line tracks Republican households, the blue line tracks Democratic households, and the purple bars show the between-group difference (Rep − Dem), whose scales are shown on the right axis.

FIGURE 1 ABOUT HERE

In terms of time-series variation, Panel A reveals that for both Republicans and Democrats home-purchase rates peaked in 2020 and 2021, and declined sharply during the late pandemic period, consistent with the broader cooling of U.S. housing markets and rising interest rates. And yet, the two groups also display substantial differences. Republicans exhibit higher home purchase rates than Democrats in five out of six years in our sample, with the exception of 2021, the year in which expected equity returns were highest within our sample after the pandemic-induced drop in 2020. Democratic households exhibit an increase in home purchase rates in 2021 and 2022, which corresponds to the "migration" wave during the pandemic. During that period, many households relocated away from dense city areas to seek higher consumption value from housing through comfortable living conditions in suburbs and less densely-populated areas while working remotely. For secondary purchases, Panel B reveals that Republicans consistently exhibit higher rates than Democrats across all years, exceeding Democratic households by 0.15–0.30 percentage points. Collectively, patterns in both panels point to important differences in housing market participation by political ideology.

Notably, these raw-data patterns also show that differences in housing decisions by politi-

cal ideology cannot be fully explained by different beliefs induced by political (mis-)alignment with the party of the President, because Republicans are more likely to buy than Democrats in times of both a Republican President (Donald Trump) and a Democtratic President (Joe Biden).

We also describe average home purchase likelihood for Republican and Democratic households across the income distribution. In Figure 2, we partition our sample into deciles of household income, and plot the average housing transaction rates within each income decile by party affiliation. Panel A shows different income-home purchase relationships between Republicans and Democrats. Republicans exhibit a general decline in primary home purchases as income increases, while Democrats exhibit a hump-shape relationship. The difference between the two groups also flips with the income distribution: Republicans exhibit 0.2–0.6 percentage points higher purchase rates than Democrats at lower income levels. However, this gap disappears and even reverses for higher-income households. This fact suggests that the higher purchase rates by Republicans are mostly driven by middle class and lower-income households. Panel B depicts secondary home purchase likelihood. Here, Republicans display a higher purchase likelihood than Democrats across the entire income distribution.

Because second-home purchases do not necessarily provide consumption value like primary-home transactions, but do provide investment value, this pattern is consistent with conservative households valuing the investment value of housing more than liberal households.

FIGURE 2 ABOUT HERE

Figure 3 plots home purchase likelihood by age groups and political ideology. The sample is partitioned into ten age groups (1 = youngest, 10 = oldest). The primary home purchases of both Republicans and Democrats display a monotonic decline with age, but the difference between the groups exhibits a bimodal distribution: both very young (decile 1) and relatively older (decile 5 and up) Republican households are more likely to engage in housing transactions than Democratic households. The differential secondary home purchases

exhibit a similar pattern.

FIGURE 3 ABOUT HERE

# 5. Political Ideology and Housing Market Participation

We start our multivariate tests by investigating how household political ideology relates to housing market participation. We estimate the following regression model:

$$Y_{i,t} = \beta_1 Both\ Democrat_i + \beta_2 Both\ Republican_i + \mathbf{X}_{i,t} + \alpha_{z,t} + \phi_c + \epsilon_{i,t}, \quad (1)$$

where $Y$ indicates housing transaction likelihood, indicated by *Buy Primary or Secondary (%)*, *Buy Primary (%)* and *Buy Secondary (%)*, which are indicators for whether a household engages in a house purchase in a year, a primary residence purchase, or a secondary residence purchase in a year. Both indicators are multiplied by 100 so that the coefficients indicate the percentage likelihood of transactions. The variables of interest are *Both Democrat* and *Both Republican*, which turn to one if a household's core decision-making couple consists of two Democratic individuals or two Republican individuals, respectively. The absorbed benchmark group are households of all other combination of political ideologies, including cases where at least one member is affiliated with an independent party or nonpartisan. The coefficients $\beta_1$ and $\beta_2$ represent the differential home purchase rates between Both Democrat and Republican households relative to the benchmark group, respectively.

We control for a host of household characteristics, including zipcode-by-year fixed effects, which restrict the comparison between Republican and Democrat households within the same narrow geographical area at the same point in time. We also impose various demographic controls to further remove intrinsic differences between political parties. These controls include separate sets of indicators for ethnicity groups of the female and male members, as well as their education attainment. We further control for the effect of life cycle on

house purchases by including the log of ages and the square of log ages, both for female and male members. We additionally control for life cycle effects by including controls for household composition, including the number of household members below the age of 25 and the number of members above 65. Finally, we include the log of household income to control for households' socioeconomic status and financial capacity.

Table 2 presents the results. We start with results about any transactions (Columns (1) through (3)) and then separately consider primary home purchases (columns (4) through (6)) and secondary home purchases (columns (7) through (9)). For each outcome variable, we first present results comparing *Both Democrat* and *Both Republican* households with the omitted category consisting of households of mixed or non-affiliated partisanship, and then restrict the sample to households to only both-Democratic and both-Republican households, comparing one group to the other.

TABLE 2 ABOUT HERE

Columns (1) through (3) suggest that both Democratic and Republican households are significantly more likely to engage in housing market transactions than the omitted group, but Republican households exhibit a significantly larger propensity. In column (2), where we include all controls, the coefficient on *Both Republican* is 0.56, which is 8 times larger than the coefficient on *Both Democrat* (0.06). The difference between the two groups is statistically significant and economically meaningful, representing around 14% of the sample average home purchase likelihood (= 0.5/3.66). This difference becomes even larger when we restrict the sample to only include ideologically homogeneous couples (column 3): Republicans are 0.59 percentage point more likely to purchase a home than Democrats.

The results for primary residence purchases alone mirror those in Panel A: We find that Republican households are significantly more likely to engage in primary-house transactions than Democratic households. The magnitude of the difference is around 7 basis points and remains stable across specifications. When excluding all politically mixed couples, the

coefficient reaches 11.3 basis points, accounting for 5.1% of the sample average primary home purchase likelihood.

We next consider secondary properties, which carry stronger investment motives than primary residences while at the same time not necessarily providing any consumption value, which instead is provided by definition by primary residences. We find that the ideological gap in secondary home purchases is substantially larger than for primary ones. The coefficient on *Both Republican* in the most restrictive specification (column 8) is 0.191, compared to 0.037 for *Both Democrat*, yielding a Republican-minus-Democrat difference of approximately 19 basis points. This is nearly three times the gap we estimated for primary purchases.

Our multivariate results on housing market participation are overall not inconsistent with the conjecture that conservatives are more likely to value the investment motives of transacting in housing, while Democrats focus relatively more on the consumption motives.

# 6. Political Ideology and Investment Motives

This section aims to provide more targeted tests for whether conservatives make their housing decisions by focusing more on the investment value of housing, while liberals on the consumption values.

## 6.1. Trade-ups and Trade-downs

In our first test, we examine whether Republicans seek to realize financial returns from housing transactions through "buy low, sell high," i.e., purchasing houses at lower prices and selling current residences at higher prices, thus reducing their housing consumption value by downgrading. For Democrats, we test whether they "buy high, sell low,", i.e., they upgrade to more valuable houses after selling their current homes, thus upgrading the consumption value they obtain from housing.

For this analysis, we focus on the subsample of roundtrip transactions, where the unit

of observation is a buy-sell pair. We first consider a continuous variable measuring the percent price gap between the bought and sold houses (Housing Upgrade (%)). We then create multiple indicators for salient price differences, including *Trade-down* ($\leq 10\%$), an indicator for whether the newly purchased house is priced at least 10% below the sold house in a roundtrip transaction, *Trade-up* ($\geq 10\%$), an indicator for whether the newly purchased house is priced at least 10% above the sold house in a roundtrip transaction; and, *Trade-up* ($\geq 20\%$) and *Trade-up* ($\geq 50\%$), which are defined accordingly. All indicators are multiplied by 100, so that regression coefficients represent the differential percentage likelihood of households engaging in each type of transactions. We regress each indicator on households' political ideology, controlling for the same set of fixed effects and controls as in columns (3) and (4) of Table 2.

Table 3 presents the results. Across all the outcomes we consider, results reveal a sharp divergence between Republican and Democratic households. Columns (1) and (2) show that buy-and-sell trades by Republicans feature a 2.2%–2.5% financial gain, on average, while those by Democrats are associated with 1.7% higher spending. Consistently, columns (3) and (4) reveal that Republican households are significantly more likely to engage in transactions that realize sizable financial returns by downgrading the value of their housing, and hence by reducing the consumption value they obtain from primary housing. Conversely, Democratic households are significantly less likely to engage in trade-downs than mixed-ideology households. The difference between the two types is about 3.5 percentage points, which is over 20% of the sample average.

Table 3 About Here

We also verify that the reverse pattern is true: Republican households are substantially less likely to buy a primary residence that is more expensive than their current ones, while Democratic households display the opposite tendency. When we define "trade-up" deals as price difference being over 10%, the difference between Republican and Democrat house-

holds reach almost 5 percentage points, or 7% of the sample average. This pattern persists for more demanding definitions of trade-up deals. Taken together, our results are consistent with the view that Republican households consider housing more as an investment vehicle, while Democratic households prioritize consumption value by moving into more desirable and higher-priced homes, conditional on moving.

## 6.2. Response to Interest Rate Shocks

We next analyze whether Republican and Democrats respond to interest rate changes differently. Interest rates are highly correlated with the costs of financing housing purchases with mortgages. We consider on monetary policy announcements as shocks to cost perceptions related to housing transactions, and test the differential responses of Republicans and Democrats. We estimate the following linear specification:

$$Y_{i,t} = \gamma_1 Both\ Democrat_i \times Rate\ Chg + \gamma_2 Both\ Republican_i \times Rate\ Chg + \gamma_3 Both\ Democrat_i + \gamma_4 Both\ Republican_i + \mathbf{X}_{i,t} + \alpha_{z,t} + \phi_c + \epsilon_{i,t}, \quad (2)$$

where *Rate Chg* represents several variables related to monetary policy changes. To start, we define $\Delta$*Fed Fund Rate* as the year-on-year changes in the federal funds rate, measured in percentage points. We then create two separate indicators for monetary tightening and easing to allow for a potential asymmetric response. Specifically, *Rate Hike* and *Rate Cut* are separate indicators for there being at least one FOMC meeting in a year that increases or decreases the federal funds target rate by 25 basis points or more. The regression controls and fixed effects are the same as in Equation (1).

Table 4 reports the results. Panel A presents uses the continuous rate change measure, and shows that Republicans are highly responsive to monetary policy changes when making housing choices. A one-standard-deviation increase in the federal funds rate decreases Republicans' primary home purchase rate by 4.5 basis points and second home purchase rate by

2 basis points. Democrats also respond to monetary policy changes, but to a lesser extent. Their likelihood of purchasing a primary home declines by 2.3 basis points in response to a one-standard-deviation increase in the federal funds target rate, around half the magnitude of Republican responses. Democrats' secondary home purchase rate are largely insensitive to rate changes.

TABLE 4 ABOUT HERE

In Panel B, we find that Republicans display an asymmetric responses to large rate hikes and large rate cuts. Their primary housing purchases increase dramatically following a large rate cut, but their secondary home purchases do not increase significantly. During monetary tightening, Republicans cut down their secondary home purchases by 5.2 basis points, but do not significantly reduce primary home purchases. Interestingly, Democratic households do not respond to monetary tightening and easing differently: in fact, they reduce primary housing purchases significantly following large rate cuts or rate hikes. The former result might be due to the fact that rate cuts tend to coincide with bad economic times, during which, instead, Republicans increase their primary housing transactions by taking advantage of lower financing costs.

## 6.3. Responses to the Opportunity Cost of Housing Investments

Our third test focuses on a common alternative investment vehicle to housing, which is equities. Standard models of the housing-rent decision indicate that the user costs of homeownership increase when the opportunity cost of investing in housing increases, which should lead an investor who cares about the investment profile of housing to reduce the likelihood of purchasing. We gauge how Republicans and Democratic households respond to changes in expected equity returns, if at all, by regressing their home purchase likelihood on the interaction of expected equity returns and political ideology. Expected equity returns are computed using the inverse of the Shiller Cyclically Adjusted Price Earnings Ratio (CAPE)

ratio in a given year. The expected equity return in our sample has an average value of 3.2%, and a standard deviation of 0.34%. To facilitate interpretation, we standardize the variable to have zero mean and unit standard deviation, so that the estimated coefficient reflects the change in home purchase likelihood associated with a one standard deviation increase in expected equity returns.

Table 5 reports the results. We find that Republicans respond to higher opportunity costs by reducing housing purchases, which is consistent with the user cost's approach to the housing-rent decision and analogous to an investor's portfolio rebalancing choice. A one-standard-deviation increase in expected equity returns is associated with a 1.2 basis point reduction in Republicans' primary home purchase rate, and a 1.4 basis point reduction in secondary home purchases. Democrats' primary home purchases do not respond to increasing equity returns in a statistically significant manner. Democrats are insensitive to expected equity returns even in their secondary home purchases.

TABLE 5 ABOUT HERE

## 6.4. Response to Wealth Effects

Our final analysis examines whether the housing purchase decisions of Republican households respond more to the wealth effects associated with house-price changes. In particular, a higher house-price growth in their current residential area (which we define as a zipcode) should represent a positive shock to their wealth through the capital gains on their housing assets. For those who focus more on the investment value of housing, higher wealth expands investment capacity, leading to more purchases. Instead, for those who focus more on the consumption value, higher house-price growth should represent features that increase the consumption value of their current housing assets, for instance as a consequence of improved neighborhood quality, amenities, and desirability, which would discourage them from moving away.

We thus examine whether Republican and Democratic households respond differently to local housing price appreciation when deciding to purchase a new primary residence. We do so by regressing the indicator variable *Buy Primary (%)* on the interaction of household political ideology (*Both Democrat* and *Both Republican*) and past housing price growth in the county of their current residence (*HPI Return*). We measure housing returns over two horizons, the past one year and three years. Controls and fixed effects are added progressively across columns in the same sequence as in Table 2.

Table 6 reports the results. We observe a striking difference in how Republican and Democratic households respond to wealth effects. The coefficient on *Both Republican* × *HPI Return* is positive and statistically significant across nearly all specifications. Estimates from the most saturated specification (column 4) imply that a 10% increase in local house-price growth over the past year is associated with a 0.06 percentage point greater increase in purchase rates among Republican households, relative to the benchmark group, representing a 2.7% relative increase in purchasing tendency compared to the sample average.

In contrast, the coefficient on *Both Democrat* × *HPI Return* is negative and highly significant across all specifications, suggesting that a 10% increase in local house-price growth is associated with a 0.12 percentage point *decline* in Democratic households' propensity to purchase, or a 5.2% decline relative to the sample average. Results using the three-year HPI return (columns 5–6) are qualitatively similar.

This contrasting response is consistent with the interpretation that Republican households consider housing appreciation as an expansion of investment capacity, while Democratic households interpret it as an increase in the consumption value they obtain from their current primary housing.

TABLE 6 ABOUT HERE

Wealth effects should be relevant for homeowners, but not for renters, which leads us to design a test in the spirit of Aladangady (2017). Unfortunately, our dataset does not allow

us to precisely discriminate between homeowners and renters that engage in each housing transaction. To capture the responses of renters and homeowners separately, we thus follow Stroebel and Vavra (2019) and rely on the fraction of a county's residents that are renters (i.e., renter share) using data from the American Community Survey (ACS). If our interpretation of responses to wealth effects is correct, we should observe that the effects of local house-price appreciation on Republicans' primary residence purchases are more pronounced in low-renter areas, where price increases are more likely to benefit anybody who transact, given that they are more likely to be homeowners, and less pronounced in high-renter areas, where any transacting household is less likely to be a homeowner who faces wealth effects.

We partition our sample into terciles based on local renter share, and repeat the tests in Table 6 in each subsample. To improve readability, we present the results graphically in Figure 4. Indeed, the coefficients on *Both Republican* × *HPI Return* are sizable in counties with a low and medium renter share, but drop substantially in counties with a high renter share. In areas with low and medium renter presence, a 10 percent growth in house prices is associated with a 0.1–0.12 percentage point increase in housing purchase likelihood by Republicans. This is roughly twice as large as the magnitude in the full sample (0.59),

FIGURE 4 ABOUT HERE

Note that house-price appreciation is determined locally rather than at the economy level like changes in the Fed Funds rate or changes in equity returns. For this reason, this test might raise concerns about local unobserved factors that drive a differential impact of house-price growth between Republican and Democratic households. Although all local factors we can think of should affect Republicans and Democrats similarly, the concern cannot be dismissed by our baseline results.

To reduce this endogeneity concern, we design an instrumental-variable strategy based on Saiz (2010) and Lutz and Sand (2026). We estimate a two-stage regression, where the first stage regresses local housing price appreciation on the land unavailability index (i.e.,

the LU_ML ratio) developed by Lutz and Sand (2026). The LU-ML index is a supply constraint measure that captures the severity of geographic building restrictions, including steep slopes, water bodies, and wetlands across U.S. housing markets, using high resolution satellite imagery. This approach builds on the foundational work of Saiz (2010) that restrictive geography steepens the housing supply curve, while providing a more granular measure of land unavailability. In untabulated results, the first stage estimates are significantly positive, with large F-stats that minimize the concern that the instrument is weak.

In the second stage, we regress primary house purchase likelihood on the instrumented interactions of *Both Republican* $\times$ *HPI Return* and *Both Democrats* $\times$ *HPI Return*. The IV estimates confirm the OLS findings. The coefficient on *Both Republican* $\times$ *HPI Return* is positive and statistically significant. The estimate in column (2) suggests that a 10% increase in instrumented local housing prices is associated with a 0.72 percentage point greater increase in purchase rates among Republican households relative to the benchmark group. The IV magnitudes are comparable to the OLS estimates, suggesting that the OLS results are unlikely to be materially biased by endogeneity in local housing price growth. The coefficient on *Both Democrat* $\times$ *HPI Return* remains negative and significant, which is in line with the OLS results as well.

# 7. Mixed-Ideology Couples

So far, we have focused on if and how heterogeneous political ideologies allow us to explain heterogeneous choices made by households. At the same time, each household-level choice requires two individuals to agree on the decision based on an intra-household bargaining process (Kim, 2021; Choukhmane et al., 2025; Ke, 2025). Thus, a natural question arises: does political ideology also help us understand the intra-household bargaining process through the choices it delivers?

Specifically, we consider two dimensions. First, we ask whether ideological disagreement

within households combines linearly in a housing choice, that is, delivers a choice that is a linear combination of the preferences of each household member, or if it leads to the inability to find a consensus, and hance hinders housing transactions altogether. Second, because by construction the households in our sample are composed by a man and a woman, we ask whether ideological disagreement combines linearly across genders, or if choices, on average, reflect the ideology of one gender more than the ideology of the other gender.

To answer these questions, we consider on mixed-ideology couples, which we define as households whose members are affiliated with opposing parties (one Democrat and one Republican). In the results so far, these households were part of the control group. Because we are assessing if these households display systematic patterns of housing choices, incidentally we will also verify that our baseline results on homogeneous Republican and Democratic households do not change when we compare those couples to a control group that excludes mixed-ideology couples.

Panel A of Table 9 examines the housing transactions of mixed-ideology couples. We find that mixed-ideology couples are substantially less likely to purchase a primary residence than any homogeneous couples, either Democratic or Republican. The difference between Democratic households and mixed households is 0.15 percentage points, which is both statistically significant and economically meaningful.

This low transaction likelihood by mixed-ideology couples suggests that intra-household disagreement hinders joint decision-making rather than leading to combining the preferences of both decision makers in a joint choice.

TABLE 9 ABOUT HERE

In Panel B, we further separate mixed-ideology couples into (1) a Republican male and Democratic female (*Male Rep Female Dem*) and (2) a Republican male and Democratic female (*Male Rep Female Dem*). This separation allows us to gauge whether gender norms interact with how political ideology maps into households' durable purchase decisions

(Bertrand et al., 2015; Bertrand, 2020). In column (2), households with a Democratic male and Republican female (*Male Dem Female Rep*) bear a positive and statistically significant coefficient of 0.138, while households with a Republican male and Democrat female (*Male Dem Female Rep*) generate a negative and significant coefficient of $-0.07$. The difference between these two groups is around 20 basis points, or roughly 5.5% of the sample mean. This finding suggests that the male partner's ideology dominates in shaping primary home purchase decisions. Evidence from the separate decisions to purchase primary and secondary homes yields similar inferences.

# 8. Alternative Interpretations: Political Ideology vs. Partisan Beliefs

A large and growing literature on political partisanship shows that partisan individuals display significantly different consumption and investment behaviors due to the effect of partisanship on beliefs. Indeed, this literature shows that agents' beliefs about future economic conditions is shaped by their (mis-)alignment with the party in power at the time in which beliefs are form. For the U.S., (mis-)alignment is typically defined relative to the U.S. President's party. Agents affiliated with the same party as the U.S. President tend to be more optimistic regarding future economic conditions, and are more likely to increase their exposure to risky assets. The conjectures we proposed and tested are not supposed to act through agents' beliefs, and aim to capture time-invariant drivers of agents' preferences that are determined by their personality traits, which correlate with political ideology. In our proposed setting, therefore, agents' differential attitudes towards the consumption and investment values of durable goods bsaed on political ideology should not vary over time as long as their personality and ideology—which are slow-moving, if not innate, characteristics—do not change over time. In particular, the channels we proposed and tested should not revert based on idiosyncratic conditions, such as the fact that the party in power might change.

In this section, we assess whether our results might be driven by partisan beliefs rather than ideology-related preferences. Before proposing a direct test, note that some of the results we described above are not consistent with a partisan-beliefs channel. For instance, Republican households are more sensitive to changes in the opportunity cost of investing in housing, captured by expected equity returns. During our sample period, expected equity returns declined in 2022 and flattened in 2023—years in which Joe Biden and the Democratic party held the U.S. Presidency. And yet, Republican households started again to invest more in housing than Democratic households in 2022, as expected equity returns started to decline, and especially so in 2023, when they flattened. If partisan beliefs drove our results, we should have observed that Republican households were systematically more likely to invest in housing in the years in which Donald Trump, a Republican, was the U.S. President (2018-2020), and systematically less likely to do so in other years (2021-2023). The results on the sensitivity to local house-price growth are also barely consistent with a partisan-beliefs channel: by construction, those local shocks vary in sign across space and time during either Presidencies, and Republicans react more than Democrats irrespective of the party in power at the time they face the same local shocks.

We address the alternative interpretation more directly by replicating the specification in Equation (1), but replacing the indicators for households' political ideology with indicators for whether their ideology makes them (mis-)aligned with the U.S. President's party in each year (i.e., *Aligned* and *Misaligned*). Rather than capturing a time-invariant households characteristic, this indicator equals 1 for Republican households in the years in which Donald Trump is the President, and 0 otherwise, and vice versa for Democratic households.

Table 10 reports the result. In Panel A, we find that aligned households are significantly more likely to engage in housing transactions than misaligned households, which, for the baseline likelihood of purchasing housing, might be consistent with a role for partisan beliefs. However, the magnitudes of the differences are substantially smaller than our baseline results based on time-invariant political ideology indicators. Column (2) shows that aligned

households are around 4 basis point more likely to engage in housing market transactions than misaligned households. This magnitude is about one sixth of the difference between Republican and Democratic households based on time-invariant indicators (23.6 basis points in column (2) or Table 2).

TABLE 10 ABOUT HERE

In Panel B, we examine whether aligned and misaligned households have a differential tendency to trade upwards or downwards, which is a more direct test we use above to disentangle the consumption motives from the investment motives behind housing transactions. In this case, we do not find any economically or statistically significant differences based on partisan alignment. This result dismisses that the economic reactions we discussed earlier in the paper or the channels we propose to test in this paper can be explained by partisan beliefs.

Taken together, the evidence suggests that the relationship between political ideology and households' reactions to changes in the investment motives of purchasing durable goods is unrelated to the well-known effect of partisanship on beliefs about future economic conditions. Of course, these results do *not* imply that partisanship and partisan beliefs have no role in explaining households' investment decisions in general, which, as discussed above, is a reliable and well-established result across several domains of economics and finance. Rather, the results suggest that time-invariant political ideology captures traits that lead to a differential focus on the investment vs. consumption values of engaging in durable-good transactions, which partisan beliefs cannot explain.

# 9. Conclusion

This paper provides evidence that political ideology is a systematic and economically meaningful driver of heterogeneity in durable spending decisions. Using a novel dataset linking the quasi-universe of U.S. housing transactions to individual-level voter registration records, we

show that conservative and liberal households make fundamentally different housing choices when facing identical local conditions at the same point in time. Conservative households transact more frequently, especially in secondary properties that carry little consumption value, are more likely to trade down and realize capital gains rather than upgrade housing consumption, and respond significantly to changes in financial incentives including interest rates, expected equity returns, and local house-price appreciation. Liberal households are largely insensitive to the same variation in investment motives, consistent with placing relatively greater weight on the consumption value of housing. These patterns are not explained by the well-documented alignment mechanism in the partisanship literature, whereby optimism about economic conditions varies with the identity of the party in power.

Moreover, our results on mixed-ideology households add a new dimension to the literature on intra-household bargaining and joint decision-making. Politically mixed households transact significantly less than any ideologically homogeneous group, suggesting that ideological disagreement within the household inhibits consensus rather than producing choices that are a linear combination of each partner's preferences. Among mixed couples that do transact, choices align more closely with the male partner's ideology, consistent with an asymmetry in intra-household decision-making power for large financial choices.

Our findings have implications for future research in household finance and macroeconomics. In household finance, they establish political ideology as a novel and quantitatively important source of the heterogeneity in durable spending decisions, whose heterogeneity is still elusive. The psychology and sociology literatures provide a natural foundation for this channel: conservatives' greater conscientiousness, self-control, future orientation, and trust in financial institutions map into higher patience and greater confidence in realizing investment returns, leading them to approach housing more like the forward-looking investors of standard life-cycle models. In macroeconomics, our results can inspire heterogeneous-agent models by showing that the ideological composition of a local population may be a meaningful determinant of the aggregate sensitivity of durable spending to monetary policy,

asset-price changes, and investment opportunity costs. Given the documented and growing geographic sorting of liberals and conservatives across U.S. counties, this channel may have non-trivial implications for the regional transmission of aggregate shocks.

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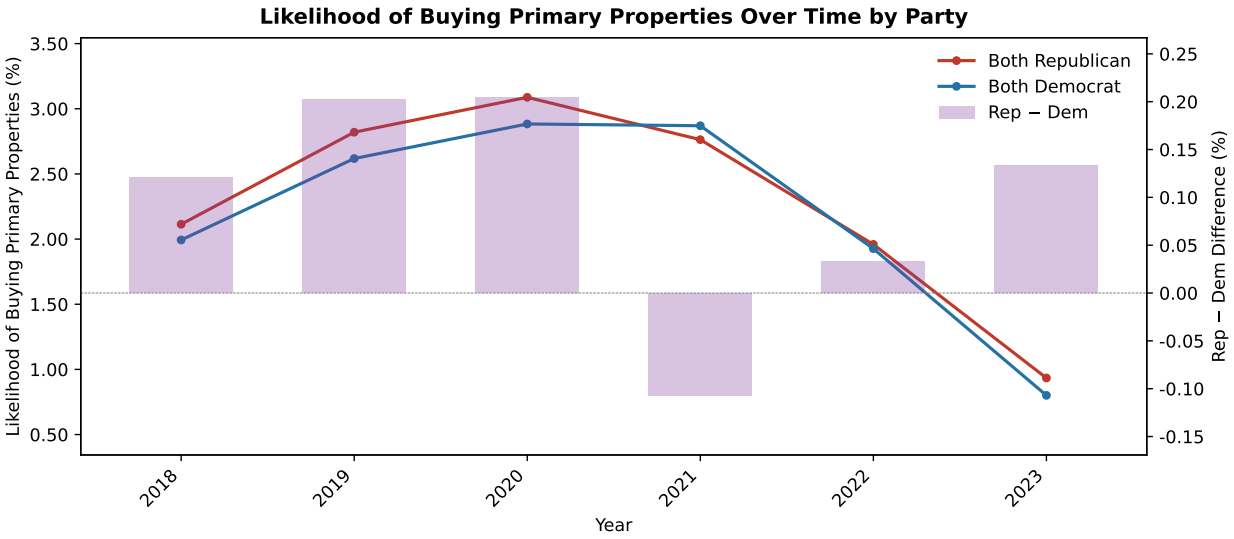
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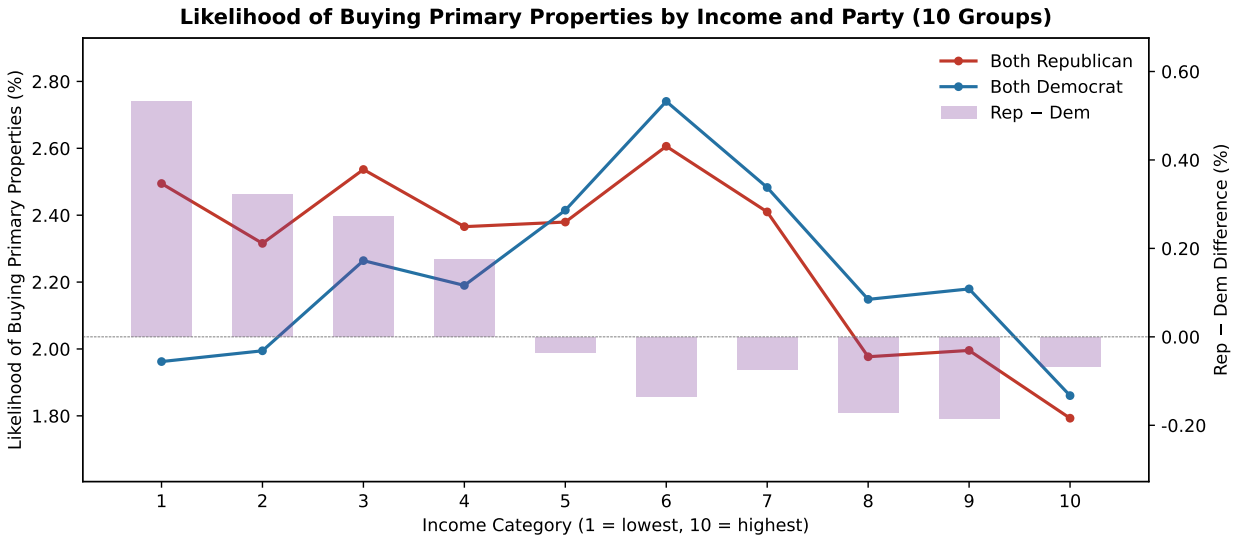



Panel A: Primary House Purchase Likelihood (%)

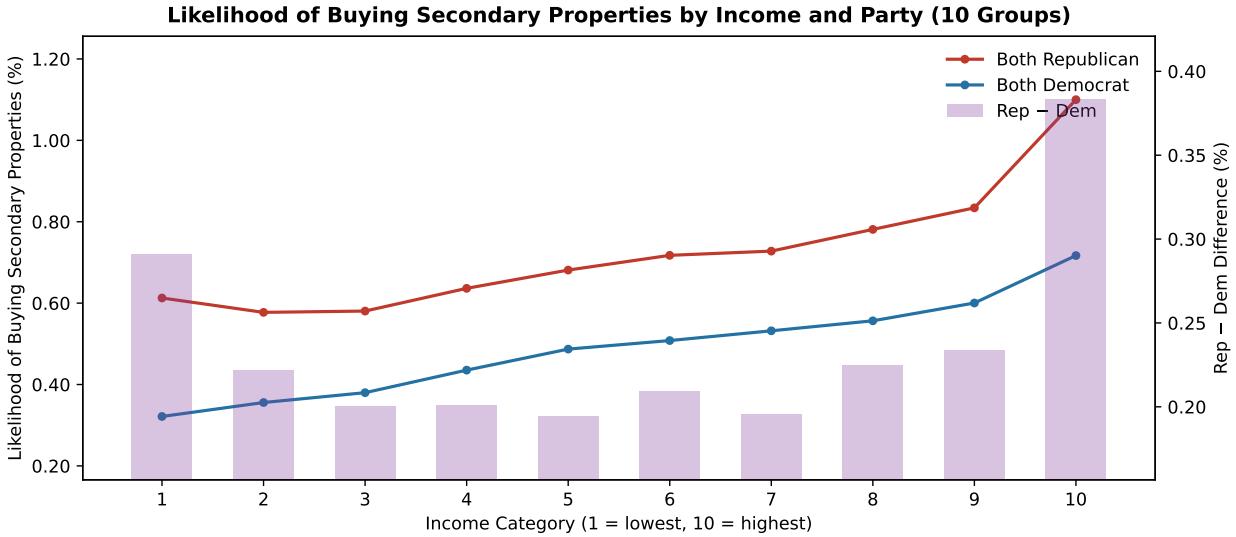



Panel B: Secondary House Purchase Likelihood (%)

Figure 1: **Housing Market Participation over Time by Political Ideology** This figure shows the percentage housing purchases likelihood of Republican and Democrat households in each year of our sample. Panel A depicts purchase rates of primary houses and Panel B reports the purchase rates of secondary properties. Within each panel, the red (blue) line represents the purchase likelihood of Republican (Democrat) households. The vertical columns represent the difference between the two (Republican − Democrats), with its scale reported in the right y-axis.

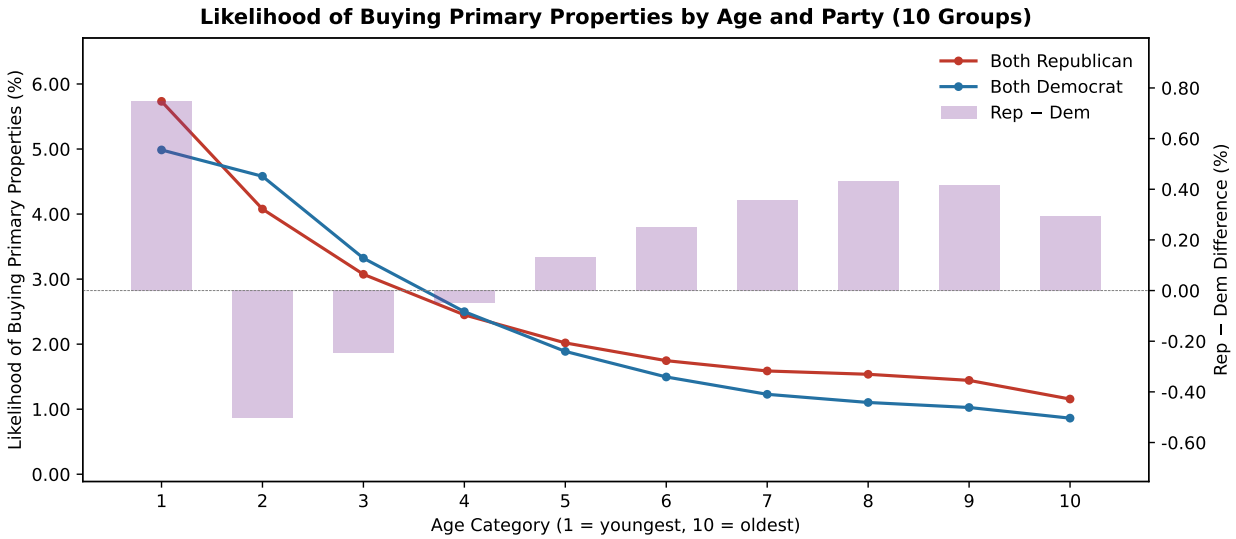



Panel A: Primary House Purchase Likelihood (%)

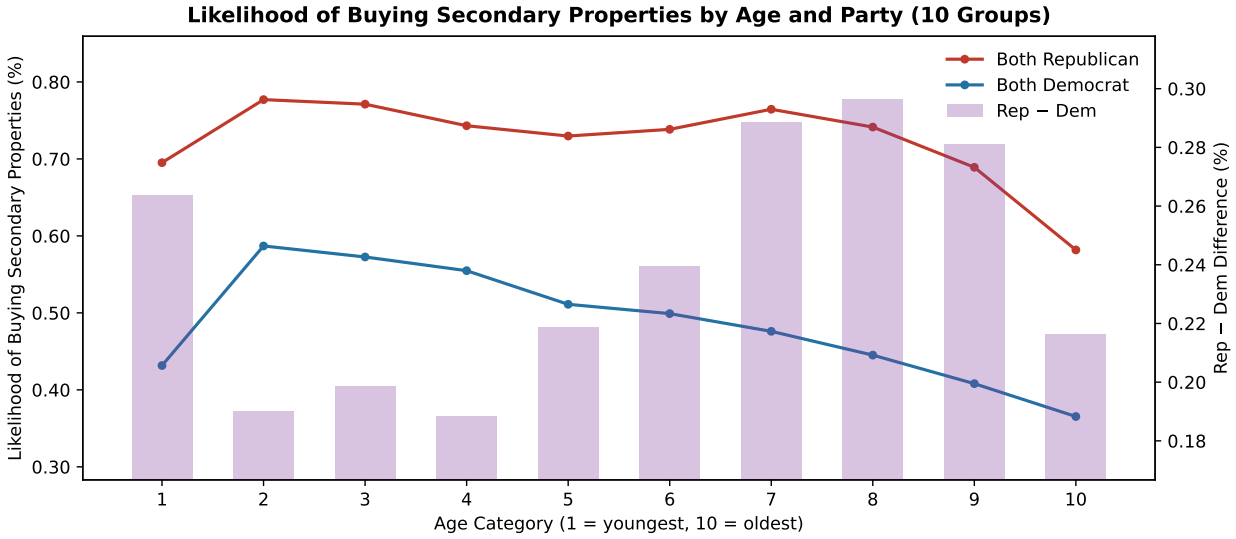



Panel B: Secondary House Purchase Likelihood (%)

Figure 2: **Housing Market Participation by Income Deciles and Political Ideology** This figure shows the percentage housing purchases likelihood of Republican and Democrat households across the income distribution. Panel A depicts purchase rates of primary houses and Panel B reports the purchase rates of secondary properties. Within each panel, the red (blue) line represents the purchase likelihood of Republican (Democrat) households. The vertical columns represent the difference between the two (Republican − Democrats), with its scale reported in the right y-axis.




Panel A: Primary House Purchase Likelihood (%)




Panel B: Secondary House Purchase Likelihood (%)

Figure 3: **Housing Market Participation by Age Groups and Political Ideology** This figure shows the percentage housing purchases likelihood of Republican and Democrat households over the life cycle. Panel A depicts purchase rates of primary houses and Panel B reports the purchase rates of secondary properties. Within each panel, the red (blue) line represents the purchase likelihood of Republican (Democrat) households. The vertical columns represent the difference between the two (Republican − Democrats), with its scale reported in the right y-axis.

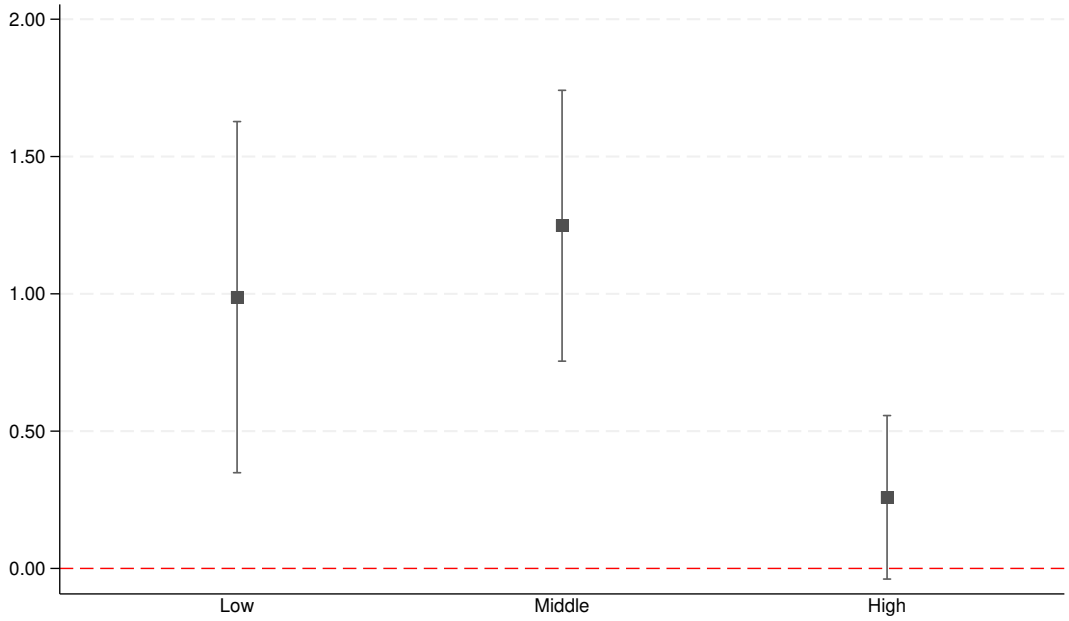



Figure 4: **Partisan Wealth Effects of Housing Purchases by Renter Fraction** This figure shows the relationship between housing price appreciation and housing purchase likelihood for subsamples of counties with low, medium, and high renter presence. The subsamples are defined based on the terciles in the percentage of populations in a county that are renters. The dots represent the point estimates of *Both Republican* $\times$ *HPI Return* in each subsample, drawn from the most stringent specification corresponding to columns (2), (4), and (6) of Table 7. The vertical intervals represent 90 percent confidence intervals.

Table 1: **Summary Statistics**
This table presents summary statistics for the main variables. Unit of observation is household-year. Sample covers 2018-2023. Political affiliation is based on L2 voter registration data. Housing transactions are from Core Logic deeds data matched to L2 voter registration records. Round-trip statistics (414,619 household-year pairs) are conditional on completing a buy-sell transaction within a one-year window. All continuous variables are winsorized at 0.1% and 99.9%

| Variable | N | Mean | Median | SD | P25 | P75 |
|---|---|---|---|---|---|---|
| **Panel A: Political Ideology** | | | | | | |
| *Both Democrats* | 57,029,023 | 0.204 | 0.000 | 0.403 | 0.000 | 0.000 |
| *Both Republicans* | 57,029,023 | 0.346 | 0.000 | 0.476 | 0.000 | 1.000 |
| *Male Rep Female Dem* | 57,029,023 | 0.051 | 0.000 | 0.219 | 0.000 | 0.000 |
| *Male Dem Female Rep* | 57,029,023 | 0.022 | 0.000 | 0.146 | 0.000 | 0.000 |
| **Panel B: Housing Transactions** | | | | | | |
| *Buy/Sell Primary* (%) | 57,029,023 | 3.660 | 0.000 | 18.778 | 0.000 | 0.000 |
| *Buy Primary* (%) | 57,029,023 | 2.220 | 0.000 | 14.734 | 0.000 | 0.000 |
| *Buy Secondary* (%) | 57,029,023 | 0.594 | 0.000 | 7.681 | 0.000 | 0.000 |
| **Panel C: Round-Trip Transactions** | | | | | | |
| *Housing Upgrade* (%) | 423,703 | 33.355 | 29.771 | 51.688 | 4.314 | 56.923 |
| *Trade-down* ($\leq -10\%$) | 407,663 | 16.383 | 0.000 | 37.012 | 0.000 | 0.000 |
| *Trade-up* ($\geq 10\%$) | 407,663 | 70.227 | 100.000 | 45.726 | 0.000 | 100.000 |
| *Trade-up* ($\geq 20\%$) | 407,663 | 60.537 | 100.000 | 48.877 | 0.000 | 100.000 |
| *Trade-up* ($\geq 50\%$) | 407,663 | 30.462 | 0.000 | 46.025 | 0.000 | 100.000 |
| **Panel D: House Price Index Returns** | | | | | | |
| *HPI Return (past 1 year)* | 51,114,546 | 0.075 | 0.063 | 0.058 | 0.036 | 0.109 |
| *HPI Return (past 3 years)* | 51,082,319 | 0.181 | 0.171 | 0.100 | 0.113 | 0.240 |

Table 2: **Political Ideology and Housing Market Participation**

This table examines the likelihood of primary and secondary home purchase by political ideology. The dependent variables are *Buy Primary/Secondary* (%), *Buy Primary* (%), and *Buy Secondary* (%). *Buy Primary/Secondary* (%) is an indicator for whether a household purchases a primary or secondary residence. *Buy Primary* (%) (*Buy Secondary*) is an indicator for whether a household purchases a primary residence (secondary property). All indicators are multiplied by 100 to indicate percentage likelihood. *Both Democrat* (*Both Republican*) is an indicator that equals one if both household members are registered Democrats (Republicans). *Age & HH Composition Controls* includes the logarithm of the age of the male household member, the logarithm of the age of the female household member, the square of both to control for nonlinear effects, the number of household members below 25, and the number of household members above 65. *Household Income* represents the logarithm of total household income. Standard errors clustered at the county level are reported in parentheses as $t$-statistics. *, **, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

| Dep. Var.: | *Buy Primary/Secondary* (%) | | | *Buy Primary* (%) | | | *Buy Secondary* (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| *Both Democrat* | 0.211*** | 0.212*** | | 0.271*** | 0.270*** | | −0.039*** | −0.037*** | |
| | (7.856) | (7.960) | | (10.169) | (10.178) | | (−7.621) | (−7.382) | |
| *Both Republican* | 0.455*** | 0.449*** | 0.273*** | 0.341*** | 0.340*** | 0.113*** | 0.159*** | 0.154*** | 0.184*** |
| | (16.421) | (16.751) | (7.762) | (14.433) | (14.732) | (3.774) | (18.951) | (19.135) | (17.069) |
| *Rep−Dem* | 0.244*** | 0.236*** | | 0.070** | 0.070** | | 0.198*** | 0.191*** | |
| Zipcode-Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Ethnicity FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Education FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Age & HH Composition Controls | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Household Income | | Yes | Yes | | Yes | Yes | | Yes | Yes |
| Observations | 57,029,023 | 56,238,086 | 30,954,963 | 57,029,023 | 56,238,086 | 30,954,963 | 57,029,023 | 56,238,086 | 30,954,963 |
| Adj. $R^2$ | 0.016 | 0.016 | 0.016 | 0.017 | 0.017 | 0.017 | 0.003 | 0.003 | 0.003 |

Table 3: **Political Ideology and Transaction Types: Trading up vs. Trading down**

This table examines the likelihood of engaging in trade-ups or trade-downs conditional on a round-trip transaction by political ideology. The unit of observation is a household-year pair. Round-trip transactions are defined by the same household having a buy and a sale of primary residence within a one-year window. *Housing Upgrade* (%) is the percentage difference in housing value between the purchased and the sold homes, defined as $\frac{Value_{buy}-Value_{sell}}{Value_{sell}}$. *Trade-down* ($\leq -10\%$) if an indicator for whether the purchased home value is at least 10% lower than sold home value. *Trade-up* ($\geq 10\%$) indicates whether the purchased home value is at least 10% higher than sold home value. *Trade-up* ($\geq 20\%$) and *Trade-up* ($\geq 50\%$) are defined accordingly. All indicators are multiplied by 100 to indicate percentage likelihood. *Age & HH Composition Controls* includes the logarithm of the age of the male household member, the logarithm of the age of the female household member, the square of both to control for nonlinear effects, the number of household members below 25, and the number of household members above 65. *Household Income* represents the logarithm of total household income. Standard errors clustered at the county level are reported in parentheses as $t$-statistics. *, **, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

| Dep. Var.: | *Housing Upgrade* (%) | | *Trade-down* ($\leq -10\%$) (%) | | *Trade-up* ($\geq 10\%$) (%) | | *Trade-up* ($\geq 20\%$) (%) | | *Trade-up* ($\geq 50\%$) (%) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| *Both Democrat* | 1.714*** | 1.649*** | −1.716*** | −1.660*** | 2.287*** | 2.251*** | 2.162*** | 2.123*** | 0.952*** | 0.925*** |
| | (6.001) | (5.812) | (−9.434) | (−9.170) | (9.565) | (9.493) | (8.104) | (7.999) | (3.716) | (3.617) |
| *Both Republican* | −2.320*** | −2.229*** | 1.673*** | 1.609*** | −2.394*** | −2.313*** | −2.465*** | −2.392*** | −1.385*** | −1.318*** |
| | (−10.900) | (−10.506) | (11.006) | (10.561) | (−13.788) | (−13.366) | (−12.995) | (−12.561) | (−6.831) | (−6.522) |
| *Rep−Dem* | −4.034*** | −3.878*** | 3.388*** | 3.269*** | −4.681*** | −4.565*** | −4.628*** | −4.516*** | −2.337*** | −2.243*** |
| Zipcode-Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Ethnicity FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Education FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Age & HH Composition Controls | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Household Income | | Yes | | Yes | | Yes | | Yes | | Yes |
| Observations | 423,703 | 421,039 | 423,703 | 421,039 | 423,703 | 421,039 | 423,703 | 421,039 | 423,703 | 421,039 |
| Adj. $R^2$ | 0.156 | 0.157 | 0.143 | 0.145 | 0.142 | 0.143 | 0.127 | 0.128 | 0.092 | 0.092 |

Table 4: **Political Ideology and the Reaction to Interest Rate Changes**
This table examines the likelihood of housing transactions by political ideology interacted with interest rate changes. In Panel A, $\Delta$*Fed Fund Rate* is the annual change in the Federal Reserve's target Fed Funds rate, measured in percentage points. In Panel B, *Rate Hike* (*Rate Cut*) is an indicator equal to one if there was at least one FOMC meeting in year $t$ at which the federal funds target rate was increased (decreased) by at least 25 basis points. The omitted category is years with no large rate changes (2021). *Both Democrat* (*Both Republican*) is an indicator that equals one if both household members are registered Democrats (Republicans). *Age & HH Composition Controls* includes the logarithm of the age of the male household member, the logarithm of the age of the female household member, the square of both to control for nonlinear effects, the number of household members below 25, and the number of household members above 65. *Household Income* represents the logarithm of total household income. Standard errors clustered at the county level are reported in parentheses as $t$-statistics. *, **, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

**Panel A: Annual Change in Fed Funds Rate**

| Dep. Var.: | *Buy Primary* (%) | | *Buy Secondary* (%) | |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| *Both Democrat* | 0.281*** | 0.280*** | −0.040*** | −0.038*** |
| | (9.913) | (9.872) | (−7.612) | (−7.354) |
| *Both Republican* | 0.360*** | 0.358*** | 0.167*** | 0.162*** |
| | (14.530) | (14.771) | (19.222) | (19.366) |
| *Both Democrat* × $\Delta$*Fed Fund Rate* | −0.014*** | −0.014*** | 0.002 | 0.002 |
| | (−3.112) | (−2.955) | (1.341) | (1.231) |
| *Both Republican* × $\Delta$*Fed Fund Rate* | −0.027*** | −0.027*** | −0.011*** | −0.012*** |
| | (−6.840) | (−6.780) | (−7.443) | (−7.762) |
| Zipcode-Year FE | Yes | Yes | Yes | Yes |
| Female & Male Ethnicity FE | Yes | Yes | Yes | Yes |
| Female & Male Education FE | Yes | Yes | Yes | Yes |
| Age & HH Composition Controls | Yes | Yes | Yes | Yes |
| Household Income | | Yes | | Yes |
| Observations | 57,029,023 | 56,238,086 | 57,029,023 | 56,238,086 |
| Adj. $R^2$ | 0.017 | 0.017 | 0.003 | 0.003 |

**Panel B: Rate Hike and Rate Cut**

| Dep. Var.: | *Buy Primary* (%) | | *Buy Secondary* (%) | |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| *Both Democrat* | 0.343*** | 0.342*** | −0.050*** | −0.047*** |
| | (7.307) | (7.306) | (−5.413) | (−5.164) |
| *Both Republican* | 0.311*** | 0.310*** | 0.181*** | 0.174*** |
| | (10.678) | (10.838) | (13.651) | (13.407) |
| *Both Democrat* × *Rate Hike* | −0.091*** | −0.090** | 0.019** | 0.018** |
| | (−2.627) | (−2.577) | (2.085) | (1.963) |
| *Both Republican* × *Rate Hike* | −0.019 | −0.017 | −0.052*** | −0.051*** |
| | (−1.015) | (−0.941) | (−5.277) | (−5.167) |
| *Both Democrat* × *Rate Cut* | −0.078*** | −0.081*** | 0.006 | 0.006 |
| | (−3.241) | (−3.381) | (0.690) | (0.625) |
| *Both Republican* × *Rate Cut* | 0.114*** | 0.113*** | 0.011 | 0.014 |
| | (6.032) | (5.982) | (1.203) | (1.611) |
| Zipcode-Year FE | Yes | Yes | Yes | Yes |
| Female & Male Ethnicity FE | Yes | Yes | Yes | Yes |
| Female & Male Education FE | Yes | Yes | Yes | Yes |
| Age & HH Composition Controls | Yes | Yes | Yes | Yes |
| Household Income | | Yes | | Yes |
| Observations | 57,029,023 | 56,238,086 | 57,029,023 | 56,238,086 |
| Adj. $R^2$ | 0.017 | 0.017 | 0.003 | 0.003 |

Table 5: **Political Ideology and the Reaction to the Opportunity Cost of Housing Invesmtents**

This table examines the likelihood of housing transactions by political ideology interacted with expected equity returns. The dependent variables are *Buy Primary* (%) and *Buy Secondary* (%). *Buy Primary* (%) (*Buy Secondary*) is an indicator for whether a household purchases a primary residence (secondary property). All indicators are multiplied by 100 to indicate percentage likelihood. *Both Democrat* (*Both Republican*) is an indicator that equals one if both household members are registered Democrats (Republicans). *Expected Equity Return* is the inverse of the Shiller CAPE ratio in year $t$ (Shiller, 2000), which proxies for the expected long-run return on equities. The mean expected equity return in our sample is 3.2%, with a standard deviation of 0.34%. The variable is standardized to have zero mean and unit standard deviation, so that the estimated coefficient reflects the change in home purchase likelihood associated with a one standard deviation increase in expected equity returns. *Age & HH Composition Controls* includes the logarithm of the age of the male household member, the logarithm of the age of the female household member, the square of both to control for nonlinear effects, the number of household members below 25, and the number of household members above 65. *Household Income* represents the logarithm of total household income. Standard errors clustered at the county level are reported in parentheses as $t$-statistics. *, **, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

| Dep. Var.: | *Buy Primary* (%) | | *Buy Secondary* (%) | |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| *Both Democrat* | 0.269*** | 0.269*** | −0.038*** | −0.036*** |
| | (10.552) | (10.572) | (−7.494) | (−7.244) |
| *Both Republican* | 0.339*** | 0.338*** | 0.157*** | 0.152*** |
| | (14.566) | (14.868) | (19.188) | (19.409) |
| *Both Democrat* × *Expected Equity Return* | −0.012 | −0.012 | 0.008** | 0.008** |
| | (−1.103) | (−1.049) | (2.368) | (2.249) |
| *Both Republican* × *Expected Equity Return* | −0.012* | −0.012* | −0.014*** | −0.014*** |
| | (−1.832) | (−1.842) | (−4.074) | (−3.979) |
| Zipcode-Year FE | Yes | Yes | Yes | Yes |
| Female & Male Ethnicity FE | Yes | Yes | Yes | Yes |
| Female & Male Education FE | Yes | Yes | Yes | Yes |
| Age & HH Composition Controls | Yes | Yes | Yes | Yes |
| Household Income | | Yes | | Yes |
| Observations | 57,029,023 | 56,238,086 | 57,029,023 | 56,238,086 |
| Adj. $R^2$ | 0.017 | 0.017 | 0.003 | 0.003 |

Table 6: **Political Ideology and the Reaction to Housing Wealth Effects**
This table examines the differential response between Democrat and Republican households to local house-price returns in the locations in which they reside to their purchasing decisions about a new primary residence. The dependent variable is *Buy Primary* (%). *Both Democrat* (*Both Republican*) is an indicator that equals one if both household members are registered Democrats (Republicans). *HPI Return* is the past 1-year or 3-year Housing Price Index return in the household's zip code. *Age & HH Composition Controls* includes the logarithm of the age of the male household member, the logarithm of the age of the female household member, the square of both to control for nonlinear effects, the number of household members below 25, and the number of household members above 65. *Household Income* represents the logarithm of total household income. Standard errors clustered at the county level are reported in parentheses as *t*-statistics. *, **, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

| *HPI Return* measured: | Past 1 Year | | Past 3 Years | |
|---|---|---|---|---|
| Dep. Var.: *Buy Primary (%)* | (1) | (2) | (3) | (4) |
| *Both Democrat* | 0.363*** | 0.361*** | 0.368*** | 0.368*** |
| | (9.722) | (9.617) | (10.121) | (10.084) |
| *Both Republican* | 0.316*** | 0.313*** | 0.233*** | 0.232*** |
| | (12.223) | (12.231) | (9.075) | (9.143) |
| *Both Democrat* × *HPI Return* | −1.161*** | −1.150*** | −0.508*** | −0.513*** |
| | (−5.414) | (−5.340) | (−4.671) | (−4.695) |
| *Both Republican* × *HPI Return* | 0.582*** | 0.591*** | 0.693*** | 0.690*** |
| | (3.439) | (3.624) | (5.604) | (5.720) |
| Zipcode-Year FE | Yes | Yes | Yes | Yes |
| Female & Male Ethnicity FE | Yes | Yes | Yes | Yes |
| Female & Male Education FE | Yes | Yes | Yes | Yes |
| Age & HH Composition Controls | Yes | Yes | Yes | Yes |
| Household Income | | Yes | | Yes |
| Observations | 51,113,932 | 50,589,987 | 51,081,705 | 50,558,443 |
| Adj. $R^2$ | 0.018 | 0.018 | 0.018 | 0.018 |

Table 7: **Political Ideology and the Reaction to Housing Wealth Effects by Local Renter Share**

This table replicates Table 6 restricting the sample to counties within each tercile of renter share. Renter share is computed using the 2019–2023 American Community Survey 5-Year Estimates from the U.S. Census Bureau and is defined as a time-invariant county-level measure. Tercile cutoffs are constructed using all available counties in the ACS data. In our sample, low-, middle-, and high-renter counties account for 13.49%, 22.68%, and 68.83% of observations, respectively. The dependent variable is *Buy Primary* (%). *Both Democrat* (*Both Republican*) is an indicator that equals one if both household members are registered Democrats (Republicans). *HPI Return* is the past 1-year Housing Price Index return in the household's zip code. *Age & HH Composition Controls* includes the logarithm of the age of the male household member, the logarithm of the age of the female household member, the square of both to control for nonlinear effects, the number of household members below 25, and the number of household members above 65. *Household Income* represents the logarithm of total household income. Standard errors clustered at the county level are reported in parentheses as $t$-statistics. *, **, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

| Dep. Var.: | *Buy Primary* (%) | | | | | |
|---|---|---|---|---|---|---|
| Renter Share | Low | | Middle | | High | |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| *Both Democrat* | 0.056 | 0.057 | 0.172*** | 0.170*** | 0.453*** | 0.452*** |
| | (1.077) | (1.092) | (4.292) | (4.237) | (10.400) | (10.350) |
| *Both Republican* | 0.111 | 0.116 | 0.171*** | 0.168*** | 0.289*** | 0.284*** |
| | (1.898) | (1.964) | (3.754) | (3.689) | (8.819) | (8.822) |
| *Both Democrat* × *HPI Return* | −0.191 | −0.141 | −0.515 | −0.473 | −1.460*** | −1.457*** |
| | (−0.548) | (−0.419) | (−1.692) | (−1.536) | (−5.394) | (−5.390) |
| *Both Republican* × *HPI Return* | 1.023* | 0.988* | 1.236*** | 1.248*** | 0.221 | 0.259 |
| | (2.567) | (2.542) | (4.078) | (4.163) | (1.170) | (1.431) |
| Zipcode-Year FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Ethnicity FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Education FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Age & HH Composition Controls | Yes | Yes | Yes | Yes | Yes | Yes |
| Household Income | | Yes | | Yes | | Yes |
| Observations | 6,355,674 | 6,277,675 | 11,060,182 | 10,920,010 | 32,521,512 | 32,226,668 |
| Adj. $R^2$ | 0.143 | 0.145 | 0.103 | 0.105 | 0.031 | 0.032 |

Table 8: **Political Ideology and the Reaction to Housing Wealth Effects: Instrumental-Variable Results**

This table examines the differential responses of Democrat and Republican households to local housing price shocks when purchasing a primary residence. Local housing price shocks are instrumented by the Land Unavailability Machine Learning Index (LU_ML ratio) of Lutz and Sand (2026). The LU_ML ratio is a novel supply constraint measure that captures the severity of geographic building restrictions, including steep slopes, water bodies, and wetlands across U.S. housing markets, using high resolution satellite imagery. The dependent variable is *Buy Primary* (%). *Both Democrat* (*Both Republican*) is an indicator that equals one if both household members are registered Democrats (Republicans). *HPI Return* is the past 1-year Housing Price Index return in the household's current zip code. *Age & HH Composition Controls* includes the logarithm of the age of the male household member, the logarithm of the age of the female household member, the square of both to control for nonlinear effects, the number of household members below 25, and the number of household members above 65. *Household Income* represents the logarithm of total household income. Standard errors clustered at the county level are reported in parentheses as $t$-statistics. *, **, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

| Dep. Var.: | *Buy Primary* (%) | |
|---|---|---|
| | (1) | (2) |
| *Both Democrat* | 0.386*** | 0.384*** |
| | (9.987) | (9.894) |
| *Both Republican* | 0.295*** | 0.292*** |
| | (9.109) | (9.136) |
| *Both Democrat* × *HPI Return* | −1.410*** | −1.394*** |
| | (−3.509) | (−3.476) |
| *Both Republican* × *HPI Return* | 0.717** | 0.728** |
| | (2.366) | (2.472) |
| Zipcode-Year FE | Yes | Yes |
| Female & Male Ethnicity FE | Yes | Yes |
| Female & Male Education FE | Yes | Yes |
| Age & HH Composition Controls | Yes | Yes |
| Household Income | | Yes |
| Observations | 47,027,851 | 46,570,245 |

Table 9: **Mixed-Ideology Couples**

This table examines the likelihood of housing transactions by politically homogeneous and mixed couples. In both panels A and B, the dependent variables are *Buy or Sell Primary* (%), *Buy Primary* (%) and *Buy Secondary* (%). *Buy or Sell Primary* (%) is an indicator for whether a household purchases or sells a primary residence. *Buy Primary* (%) (*Buy Secondary*) is an indicator for whether a household purchases a primary residence (secondary property). All indicators are multiplied by 100 to indicate percentage likelihood. *Both Democrat* (*Both Republican*) is an indicator that equals one if both household members are registered Democrats (Republicans). *Mixed* equals one if one household member is a registered Democrat and the other is a registered Republican. *Age & HH Composition Controls* includes the logarithm of the age of the male household member, the logarithm of the age of the female household member, the square of both to control for nonlinear effects, the number of household members below 25, and the number of household members above 65. *Household Income* represents the logarithm of total household income. Standard errors clustered at the county level are reported in parentheses as *t*-statistics. *, **, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

**Panel A: Couples with Conflicting Ideology**

| Dep. Var.: | *Buy Primary/Secondary* (%) | | *Buy Primary* (%) | | *Buy Secondary* (%) | |
|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| *Both Democrat* | 0.225*** | 0.226*** | 0.283*** | 0.282*** | −0.033*** | −0.031*** |
| | (7.703) | (7.785) | (9.723) | (9.744) | (−6.088) | (−5.935) |
| *Both Republican* | 0.469*** | 0.463*** | 0.353*** | 0.352*** | 0.165*** | 0.160*** |
| | (16.394) | (16.705) | (14.182) | (14.480) | (19.477) | (19.580) |
| *Mixed* | 0.080*** | 0.077*** | 0.067*** | 0.067*** | 0.035*** | 0.032*** |
| | (4.293) | (4.148) | (3.599) | (3.634) | (7.090) | (6.323) |
| *Mixed−Republican* | −0.389*** | −0.386*** | −0.286*** | −0.285*** | −0.130*** | −0.128*** |
| *Mixed−Democrat* | −0.145*** | −0.149*** | −0.216*** | −0.215*** | 0.068*** | 0.063*** |
| Zipcode-Year FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Ethnicity FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Education FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Age & HH Composition Controls | Yes | Yes | Yes | Yes | Yes | Yes |
| Household Income | | Yes | | Yes | | Yes |
| Observations | 57,029,023 | 56,238,086 | 57,029,023 | 56,238,086 | 57,029,023 | 56,238,086 |
| Adj. $R^2$ | 0.016 | 0.016 | 0.017 | 0.017 | 0.003 | 0.003 |

**Panel B: Disaggregated Mixed-Ideology Couples by Gender and Party**

| Dep. Var.: | *Buy Primary/Secondary* (%) | | *Buy Primary* (%) | | *Buy Secondary* (%) | |
|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| *Both Democrat* | 0.225*** | 0.226*** | 0.283*** | 0.282*** | −0.033*** | −0.031*** |
| | (7.689) | (7.771) | (9.709) | (9.731) | (−6.101) | (−5.948) |
| *Both Republican* | 0.469*** | 0.462*** | 0.353*** | 0.352*** | 0.165*** | 0.160*** |
| | (16.380) | (16.691) | (14.168) | (14.466) | (19.464) | (19.567) |
| *Male Rep Female Dem* | 0.144*** | 0.138*** | 0.123*** | 0.122*** | 0.047*** | 0.043*** |
| | (6.756) | (6.588) | (5.859) | (5.862) | (8.059) | (7.292) |
| *Male Dem Female Rep* | −0.068*** | −0.066*** | −0.065*** | −0.062*** | 0.007 | 0.005 |
| | (−3.078) | (−3.058) | (−3.203) | (−3.090) | (0.902) | (0.636) |
| *Male Rep Female Dem−Male Dem Female Rep* | 0.211*** | 0.204*** | 0.189*** | 0.183*** | 0.041*** | 0.038*** |
| Zip code-Year FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Ethnicity FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Education FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Age & HH Composition Controls | Yes | Yes | Yes | Yes | Yes | Yes |
| Household Income | | Yes | | Yes | | Yes |
| Observations | 57,029,023 | 56,238,086 | 57,029,023 | 56,238,086 | 57,029,023 | 56,238,086 |
| Adj. $R^2$ | 0.016 | 0.016 | 0.017 | 0.017 | 0.003 | 0.003 |

Table 10: **Robustness: Political Partisanship and Housing Transactions**

This table examines the likelihood of housing transactions by politically aligned and misaligned couples. *Aligned* (*Misaligned*) equals one if both household members are registered with the same (opposing) party as the U.S. President. The dependent variables in Panel A are *Buy Primary/Secondary* (%), *Buy Primary* (%), and *Buy Secondary* (%). The dependent variables in Panel B are *Housing Upgrade* (%), *Trade-down* ($\leq -10\%$) (%), *Trade-up* ($\geq 10\%$) (%), *Trade-up* ($\geq 20\%$) (%), and *Trade-up* ($\geq 50\%$) (%). *Buy Primary/Secondary* (%) is an indicator for whether a household purchases a primary or secondary residence. *Buy Primary* (%) (*Buy Secondary*) is an indicator for whether a household purchases a primary residence (secondary property). All indicators are multiplied by 100 to indicate percentage likelihood. *Both Democrat* (*Both Republican*) is an indicator that equals one if both household members are registered Democrats (Republicans). *Housing Upgrade* (%) is the percentage difference in housing value between the purchased and the sold homes, defined as $\frac{Value_{buy}-Value_{sell}}{Value_{sell}}$. *Trade-down* ($\leq -10\%$) if an indicator for whether the purchased home value is at least 10% lower than sold home value. *Trade-up* ($\geq 10\%$) indicates whether the purchased home value is at least 10% higher than sold home value. *Trade-up* ($\geq 20\%$) and *Trade-up* ($\geq 50\%$) are defined accordingly. *Age & HH Composition Controls* includes the logarithm of the age of the male household member, the logarithm of the age of the female household member, the square of both to control for nonlinear effects, the number of household members below 25, and the number of household members above 65. *Household Income* represents the logarithm of total household income. Standard errors clustered at the county level are reported in parentheses as *t*-statistics. *, **, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

**Panel A: Housing Market Participation**

| Dep. Var.: | *Buy Primary/Secondary* (%) | | *Buy Primary* (%) | | *Buy Secondary* (%) | |
|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| *Aligned* | 0.378*** | 0.375*** | 0.324*** | 0.323*** | 0.094*** | 0.093*** |
| | (17.730) | (17.957) | (16.027) | (16.183) | (15.005) | (15.031) |
| *Misaligned* | 0.340*** | 0.336*** | 0.303*** | 0.302*** | 0.069*** | 0.065*** |
| | (16.370) | (16.767) | (15.127) | (15.525) | (11.561) | (11.334) |
| *Aligned−Misaligned* | 0.038*** | 0.039*** | 0.021** | 0.021** | 0.025*** | 0.027*** |
| Zipcode-Year FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Ethnicity FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Education FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Age & HH Composition Controls | Yes | Yes | Yes | Yes | Yes | Yes |
| Household Income | | Yes | | Yes | | Yes |
| Observations | 57,029,023 | 56,238,086 | 57,025,990 | 56,235,763 | 57,025,990 | 56,235,763 |
| Adj. $R^2$ | 0.016 | 0.016 | 0.017 | 0.017 | 0.003 | 0.003 |

**Panel B: Trade-ups and Trade-downs**

| Dep. Var.: | *Housing Upgrade* (%) | | *Trade-down* ($\leq -10\%$) (%) | | *Trade-up* ($\geq 10\%$) (%) | | *Trade-up* ($\geq 20\%$) (%) | | *Trade-up* ($\geq 50\%$) (%) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| *Aligned* | −1.053*** | −1.014*** | 0.470*** | 0.444*** | −0.738*** | −0.682*** | −0.881*** | −0.833*** | −0.687*** | −0.670*** |
| | (−5.223) | (−5.034) | (3.116) | (2.953) | (−4.016) | (−3.728) | (−4.461) | (−4.230) | (−3.651) | (−3.557) |
| *Misaligned* | −0.844*** | −0.803*** | 0.585*** | 0.564*** | −0.886*** | −0.858*** | −0.917*** | −0.891*** | −0.490** | −0.432** |
| | (−3.748) | (−3.549) | (3.503) | (3.411) | (−4.494) | (−4.420) | (−4.363) | (−4.229) | (−2.486) | (−2.176) |
| *Aligned−Misaligned* | −0.210 | −0.211 | −0.115 | −0.120 | 0.148 | 0.177 | 0.036 | 0.058 | −0.197 | −0.238 |
| Zipcode-Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Ethnicity FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Female & Male Education FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Age & HH Composition Controls | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Household Income | | Yes | | Yes | | Yes | | Yes | | Yes |
| Observations | 411,414 | 408,797 | 411,414 | 408,797 | 411,414 | 408,797 | 411,414 | 408,797 | 411,414 | 408,797 |
| Adj. $R^2$ | 0.132 | 0.134 | 0.134 | 0.135 | 0.137 | 0.139 | 0.125 | 0.126 | 0.090 | 0.091 |

# Appendix A. Variable Definitions

- *Both Democrat*: Indicator equal to one if both household members are registered Democrats.
- *Both Republican*: Indicator equal to one if both household members are registered Republicans.
- *Mixed*: Indicator equal to one if one household member is a registered Democrat and the other is a registered Republican.
- *Male Rep Female Dem*: Indicator equal to one if the male household member is a registered Republican and the female household member is a registered Democrat.
- *Male Dem Female Rep*: Indicator equal to one if the male household member is a registered Democrat and the female household member is a registered Republican.
- *Aligned*: Indicator equal to one if both household members are registered with the same party as the sitting U.S. President.
- *Misaligned*: Indicator equal to one if both household members are registered with the opposing party to the sitting U.S. President.
- *Buy Primary (%)*: Indicator equal to 100 if at least one household member purchases a primary residence in a given year.
- *Buy Secondary (%)*: Indicator equal to 100 if at least one household member purchases a secondary property in a given year.
- *Buy Primary/Secondary (%)*: Indicator equal to 100 if at least one household member purchases a primary or secondary residence in a given year.
- *Has Round-trip (%)*: Indicator equal to 100 if a household completes a buy-sell transaction within a one-year window.
- *Housing Upgrade (%)*: Percentage difference in housing value between the purchased and sold property in a round-trip transaction, defined as $\frac{Value_{buy}-Value_{sell}}{Value_{sell}}$.
- *Cash-in ($\leq -10\%$)*: Indicator equal to 100 if the purchased home value is at least 10% less than the sold home value, i.e., *Housing Upgrade* $\leq -10\%$.
- *Trade-up ($\geq 10\%$)*: Indicator equal to 100 if the purchased home value is at least 10% greater than the sold home value, i.e., *Housing Upgrade* $\geq 10\%$.
- *Trade-up ($\geq 20\%$)*: Indicator equal to 100 if the purchased home value is at least 20% greater than the sold home value, i.e., *Housing Upgrade* $\geq 20\%$.
- *Trade-up ($\geq 50\%$)*: Indicator equal to 100 if the purchased home value is at least 50% greater than the sold home value, i.e., textitHousing Upgrade $\geq 50\%$.
- *HPI Return (past 1 year)*: One-year Housing Price Index return in the household's zip code over the prior year.

- *HPI Return (past 3 years)*: Three-year Housing Price Index return in the household's zip code over the prior three years.

- *Expected Equity Return*: Inverse of the Shiller CAPE ratio in year $t$ (Shiller, 2000), which proxies for the expected long-run return on equities. The variable is standardized to have zero mean and unit standard deviation.

  $\Delta$*Fed Fund Rate* is the annual change in the Federal Reserve's target Fed Funds rate, measured in percentage points.

- *Rate Hike*: Indicator equal to one if there was at least one FOMC meeting in year $t$ at which the federal funds target rate was increased by at least 25 basis points.

- *Rate Cut*: Indicator equal to one if there was at least one FOMC meeting in year $t$ at which the federal funds target rate was decreased by at least 25 basis points.

- *Age & HH Composition Controls*: Logarithm of the age of the male household member, logarithm of the age of the female household member, and the square of both to control for nonlinear effects, the number of household members below age 25, and the number of household members above age 65.

- *Household Income*: Logarithm of total household income.

- *Renter Share*: County-level share of renter-occupied housing units, computed from the 2019-2023 American Community Survey 5-Year Estimates from the U.S. Census Bureau, held time-invariant. Counties are divided into terciles: *Low*, *Middle*, and *High* renter share. In the sample, low-, middle-, and high-renter counties account for 13.49%, 22.68%, and 68.83% of observations, respectively.

- *LU_ML Ratio*: Land Unavailability Machine Learning Index of Lutz and Sand (2026), a supply constraint measure capturing the severity of geographic building restrictions including steep slopes, water bodies, and wetlands across U.S. housing markets using high-resolution satellite imagery. Used as an instrument for local housing price growth following Gyourko et al. (2008) and Saiz (2010).

# Internet Appendix for
# Political Ideology and Housing Transactions

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This document provides additional data descriptions and robustness tests.

# IA.1. Filter-induced Bias

Our filters applied to the L2 data coupld potentially induce bias when matching L2 to CoreLogic. We check the demographic differences between the entire L2 data and the L2-CoreLogic matched sample. To gauge whether our filters induce any biases in our sample, we match L2 and CoreLogic before applying any filter to see whether the demographic of voters stays the same with and without a match to CoreLogic. Here are some statistics. When constructing our sample, we apply the following filters to the L2 data:

1. Age. We remove voters who are below 25 years old or above 65 years old.
2. Switcher. We remove voters who have more than one unique party description during the sample period.
3. Married. We keep voters who are married.
4. Male-female. We keep households comprising of a male and a female.

| | (1) | (2) | (3) |
|---|---|---|---|
| Filter | L2 | L2-CoreLogic Matched | (3)−(2) |
| Age | 63% | 83% | 20% |
| Switcher | 97% | 95% | -2% |
| Married | 33% | 51% | 18% |
| Male-female | 23% | 41% | 17% |

Compared to the entire L2 data, voters who are matched to CoreLogic (i.e., those who bought and sold houses) are more likely to be: between 25 and 65 years old and in a married male-female household.

# IA.2. Round-Trip Transactions

## IA.2.1. Definition

We define a household "round-trip" transaction as a buy-sell transaction by the same household within a one-year window. For each buy, we link it to the closest eligible sell, and restrict to sells with a different property identifier to avoid pairing the same recorded property. Buys with an eligible match are labeled round-trip buys, and sells used in any matched pair are labeled round-trip sells. We do not enforce one-to-one pairing, so a single sell may be matched to multiple buys; round-trip buy and sell counts can therefore differ.

Figure IA.1 illustrates this matching procedure using a representative household. This household completes five round-trip transactions over the sample period 2018-2023.

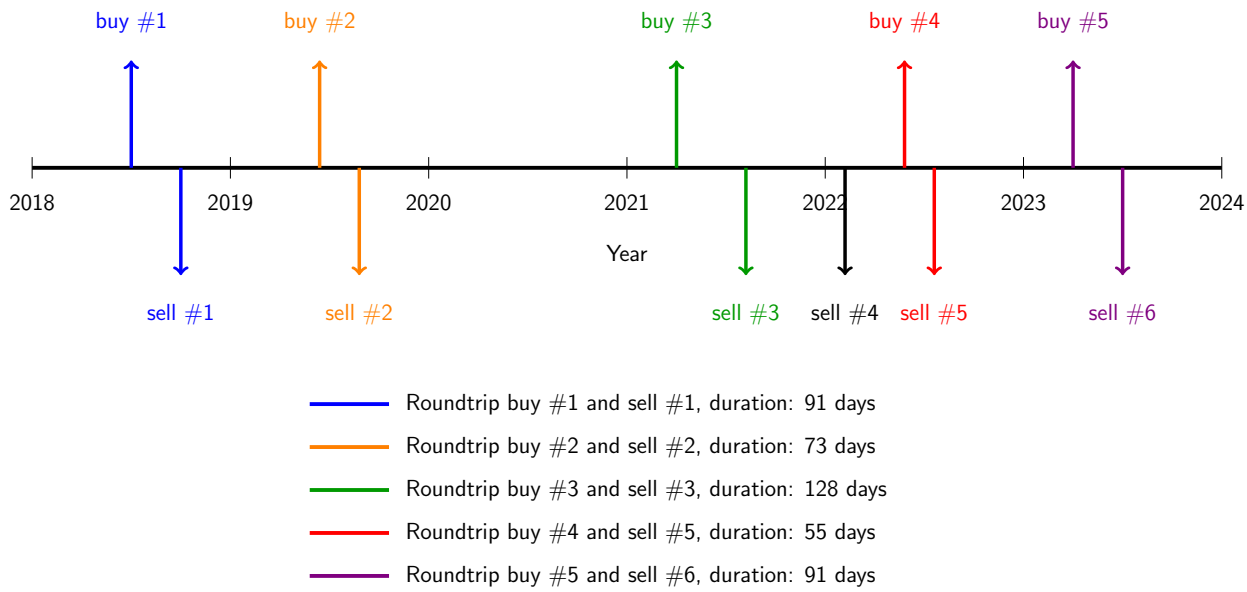



Figure IA.1: **Illustrative Household Transaction Timeline.** This figure illustrates the round-trip matching procedure using an example household. Upward arrows denote buy transactions, and downward arrows denote sell transactions. Each matched round-trip pair shares a color. The unmatched sell #4 (black) has no eligible buy within the ±4-quarter window. Duration refers to the number of days between the matched buy and sell dates.

### IA.2.2. Round-Trip Coverage

Of the 2,547,254 total transactions in our sample, 861,112 (33.81%) form round-trip transaction pairs. Specifically, 430,924 of 1,316,948 buy transactions (32.72%) are classified as round-trip buys, and 430,188 of 1,230,306 sell transactions (34.97%) are classified as round-trip sells. The slight asymmetry between round-trip buys and sells reflects the fact that our matching procedure does not enforce one-to-one pairing: a single sell transaction may be matched to multiple eligible buys.

### IA.2.3. Sources of Non-Matched Round-Trip Transactions

Unmatched round-trip transactions can arise from three sources:

1. CoreLogic-related issues: Due to potential incomplete data coverage of CoreLogic, some transactions might be missing from the CoreLogic database. Moreover, due to the filters that we apply when cleaning Owner Transfer data, some transactions could be excluded from our sample. For example, if a family moves to a new house and sells the old house to a family member, this transaction will be excluded from our sample (See Section 3.2 for the list of filters that we apply).
2. Out-of-sample voter registration updates: Our sample is constructed by matching the names and addresses from real estate transaction records to those on the voter registration snapshots. One potential concern is that the addresses in the voter registration snapshots may be stale.

For example, if Bob bought and moved to a new property and never updates his address on his voter registration, that transaction would not be detected by our matching procedure. Importantly, such a transaction is missed *only if* the voter never updates her registration at any point, since our matching methodology does not rely on contemporaneous timing between the snapshot and the transaction (See Section 3.4 for more details). If Bob updates his registration with a lag, the transaction is still captured in our data.

3. Cross-state relocation: Since the permanent person ID provided by L2 is state-specific, our family ID only tracks family within the same state. If a family relocates to a different state, the family will be assigned a different ID. Even though we can detect both the move-out sell transaction and the move-in buy transaction, the lack of a nationwide family ID prevents us from linking the two transactions as a round-trip. Empirically, tracking individuals/families across states can be challenging and results in inaccurate data. Goel et al. (2020) demonstrate that cross-state matching based solely on name and date of birth is highly unreliable. Their analysis of Crosscheck data returned to Iowa in 2012 and 2014 shows that the program identified over 100,000 registration pairs sharing the same name and birth date, yet the vast majority were false positives representing distinct individuals.

### IA.2.4. Implications for Analysis

The non-matching problem does not obviously threaten our identification, as it is unlikely to be systematically correlated with household political affiliation. None of the four sources above provides a clear mechanism by which transactions of Democrat- or Republican-leaning households would be differentially unobserved. Among the transactions we do observe, even if they represent only a subset of all transactions, we are still comparing households in the same location with similar demographic characteristics but different political affiliations.

## IA.3. Household Housing Transaction Patterns

**Full sample.** Figure IA.2 shows the distribution of buy-sell combinations among the 1,986,669 households with at least one transaction over 2018-2023.

Households with more sells than buys, likely those who owned a home before the sample period, tend to be slightly older than households with more buys than sells. This is consistent with older households being further along in their homeownership cycle.

**Round-trip households.** Among all 15,353,639 households, 1,986,669 (12.94%) have at least one housing transaction, and 422,320 (2.75%) have at least one round-trip transaction pair.

**Duration between sell and buy dates.** Figure IA.3 plots the distribution of days elapsed between the property sale and purchase within each round-trip transaction pair. The mean interval is approximately 2 days (SD = 93 days) with a median of 0 days, indicating that most round-trip

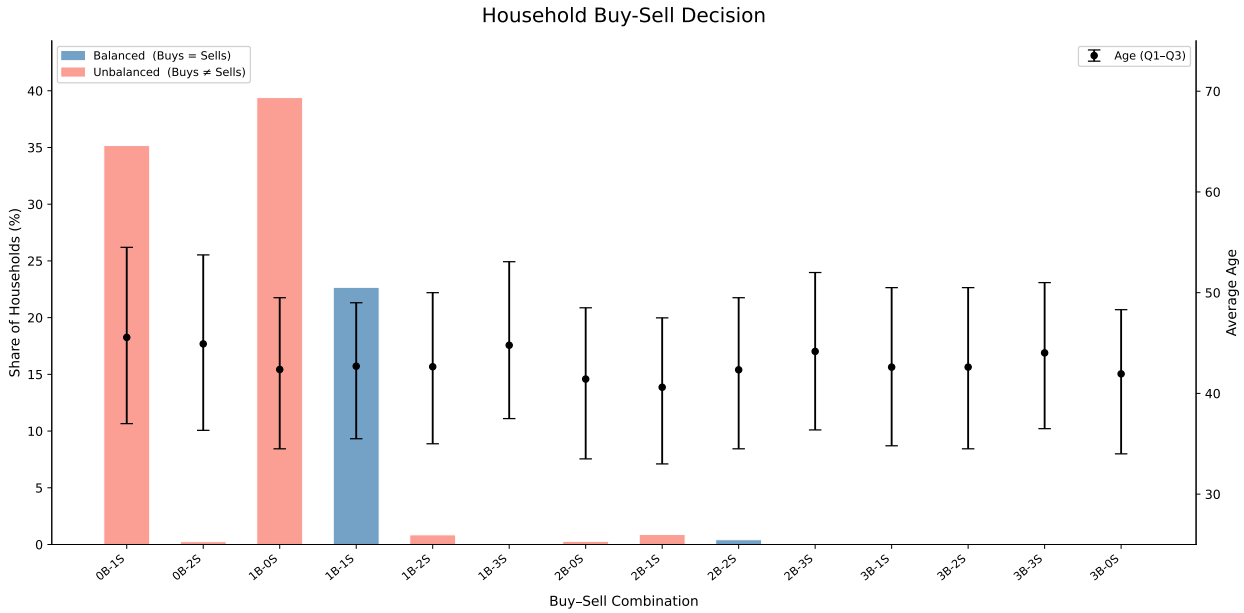



Figure IA.2: **Household Buy-Sell Distribution.** This figure shows the distribution of buy-sell combinations across all 1,918,185 households with at least one transaction over 2018-2023. Bars indicate the share of households in each combination. Blue (salmon) bars indicate balanced (unbalanced) combinations where the number of buys equals (differs from) the number of sells. Dots and error bars show the mean, first quartile (Q1), and third quartile (Q3) of the average age of the two household heads.

transactions are completed within the same quarter. The inter-quartile range of 42 days (P25 = −15 days, P75 = 27 days) further confirms that the middle 50% of households complete a round-trip transaction within a narrow window around the same date.

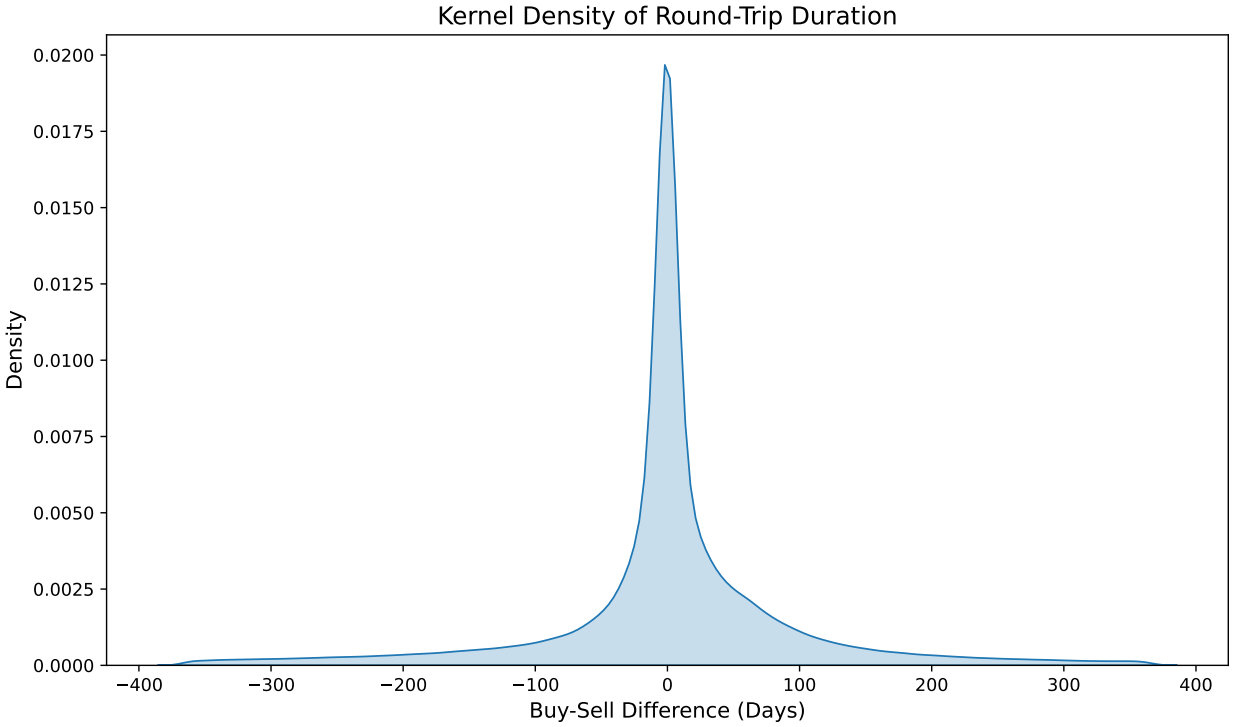



Figure IA.3: **Round-Trip Transaction Duration: Days between Sale and Purchase.** This figure shows the distribution of days elapsed between the property sale and purchase within each round-trip transaction pair.