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

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Abstract

This paper investigates whether political partisanship affects interstate job-to-job flows in the US. I find that job flows are lower between politically misaligned states. Exploiting close presidential elections as a quasi-natural experiment, I show that newly formed misalignment from flipped close elections produces a roughly 4.8% quarterly decline in flows between previously aligned states. The friction is symmetric across Democratic- and Republican-leaning states and persists among neighboring states. I further show that workers sort toward states more closely aligned with their origin state's political leaning. Overall, the results suggest political ideology is an important important determinant of interstate labor mobility.

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

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I. Introduction

Geographic job-to-job flow plays an important role in regional economic adjustment and efficient allocation of human capital (Topel, 1986; Blanchard, Katz, Hall and Eichengreen, 1992). Yet, interstate migration in the United States has declined substantially over recent decades (Molloy, Smith and Wozniak, 2011; Koşar, Ransom and Van der Klaauw, 2022). Existing literature emphasizes the role of wage differentials, employment opportunities, moving and housing costs in shaping mobility decisions (Bartel, 1979; Stark and Bloom, 1985; Borjas, Bronars and Trejo, 1992; Molloy et al., 2011; Diamond, 1981; Kennan and Walker, 2011; Wilson, 2021). However, the role of non-economic factors, such as political ideology, remains under-explored.

This paper investigates whether political partisanship creates frictions in interstate job-to-job flows. I construct a sample of quarterly interstate job-to-job flows using comprehensive data from the U.S. Census's Longitudinal Employer-Household Dynamics (LEHD) program.[1] To focus on voluntary job transition decisions, I examine job-to-job flows without separation, ensuring that observed job transitions better reflect worker preferences rather than involuntary displacement.

I find that political misalignment between origin and destination states significantly reduces interstate job flows. Exploiting close presidential elections as a quasi-exogenous shocks to interstate political alignment, I show that interstate job flows decline by 4.8% quarterly when a narrow presidential electoral victory breaks prior political alignment between states. Moreover, the effect has intensified dramatically since 2012, consistent with intensified political polarization during this period.

Location decisions reflect utility maximization of both economic and non-economic factors. In addition to wage and employment opportunities, workers value the social, institutional, and political environments. As political polarization has intensified, the divergence in state-level institutional and political environments has become more salient. If individuals incur disutility from living in environments they perceive as misaligned, political divergence may generate frictions in interstate job-to-job flows. The frictions in interstate job flows distort the reallocation of human capital and may exacerbate regional economic disparities.

I develop a utility-based migration model where workers trade off economic gains against political misalignment costs. I extend a standard random utility model of job location

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

choice by allowing political alignment between origin and destination states to enter workers' utility. In addition to wages and moving costs, workers incur a disutility when relocating to a politically misaligned state, which lowers the probability of interstate job transitions across misaligned states.

To measure political misalignment, I collect presidential election outcomes at the state level. I classify each state as either Democrat-leaning or Republican-leaning according to the party of the winning presidential candidate in the most recent election. In addition, I construct a continuous measure of political distance, calculated as the absolute difference in the Democratic vote share between the origin and destination states in the most recent presidential election. While the analysis relies on state-level political ideology as a proxy for individuals' political preferences, individual ideology may not perfectly align with the aggregate political orientation of a state. Nevertheless, state-level ideology is broadly representative of the preferences of the majority of residents and captures the prevailing political environment in a state.

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

To strengthen causal identification, I exploit close presidential elections as a quasi-experiment. This approach isolates plausibly exogenous shifts in political alignment. Close elections provide a source of plausibly exogenous variation in political misalignment that is unlikely to be driven by underlying job market trends. Specifically, I compare job-to-job flows before and after close elections that reverse a state's partisan alignment. Given that the unit of observation is a directed state pair, such shocks affect both inflows to and outflows from the flipped close election state. Using this identification strategy, I find that interstate job-to-job flows decline by approximately 4.8% quarterly when the close elections break previous political alignment. To verify that this effect is driven by changes in political alignment rather than by election uncertainty or other characteristics of close elections, I conduct a falsification test using close elections that did not reverse a state's partisan alignment and therefore did not generate new political misalignment between state pairs. These non-flipping close elections produce no significant change in interstate job flows, indicating that the effect operates through the change in political alignment rather than through the closeness of the election.

The sub-period analysis reveals that political misalignment had modest effects on job flows during 2001-2011 but substantial effects during 2012-2024. This pattern aligns with

well-documented increases in political polarization (Baker, Baksy, Bloom, Davis and Rodden, 2020), suggesting that partisan identity has become increasingly salient in workers' location decisions. I further show that the negative effects of political misalignment are stronger among male, white, and people aged 25-44.

Political ideology is closely intertwined with state policy, raising the question of whether the effects of political misalignment primarily reflect workers' avoidance of specific state regulations. One prominent example is abortion policy, where state laws have diverged sharply in recent years. To examine this channel, I investigate whether political ideology misalignment continues to affect interstate job-to-job mobility among reproductive-age women when origin and destination states are aligned in their abortion laws. I find that political ideology misalignment still significantly reduces interstate job-to-job flows for women aged 25–34 even when the two states have similar abortion regulations.

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

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

Second, recent studies suggest that political preference increasingly influences major household and economic choices, including residential location (Gimpel and Hui, 2015; McCartney, Orellana-Li and Zhang, 2024), fertility decision (Dahl, Lu and Mullins, 2022), investment decisions,[2] and entrepreneur activities (Engelberg, Guzman, Lu and Mullins, 2025). Moreover, Barrios and Hochberg (2021) suggest that political partisanship shapes risk perceptions during the COVID-19 pandemic. These studies underscore that political

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

preferences increasingly shape major life and economic decisions. My paper contributes to this emerging literature by focusing on labor mobility as another channel through which political ideology imposes economic frictions.

Third, this paper is consistent with a feedback loop of interstate job-to-job flows and political polarization in the U.S. I provide quasi-experimental evidence that partisan misalignment reduces interstate job moves. I further document evidence of ideological deepening, whereby workers sort toward states more closely aligned with their own ideology, a pattern consistent with the reverse channel in which reduced mobility deepens geographic sorting and reinforces partisan divergence. While prior studies on international migration examine cross-country moves driven by political regime differences (Bertocchi and Strozzi, 2008; Bove, Efthyvoulou and Pickard, 2023), this study focuses on interstate job-to-job flows, which allows us to isolate the role of state-level political ideology from national-level political institutions.

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

II. Theoretical Framework

A. Random utility model of job location choice

To model job transition decisions, I begin with a standard location-choice framework in which workers evaluate the economic and non-economic tradeoffs of relocating across states, following Davies, Greenwood and Li (2001), Kennan and Walker (2011), and Koşar et al. (2022). I specify workers' utility as a function of wages, moving cost, and an additional ideological component capturing political misalignment between origin and destination states. This structure allows ideological frictions to directly enter the worker's decision problem. Consider a worker, indexed by i, in origin state o, considering whether to accept a job offer in destination state d at time t. The migration decision depends not only on wage differences and moving costs, but also on disutility arising from political ideology misalignment. The worker's indirect utility is

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

with

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

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

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

where $\tau_i \geq 0$ represents the disutility from political misalignment. Worker i generates ideology costs probably due to the conflicts of policies and identity-based discomfort when residing in a politically misaligned environment. Changes in political alignment therefore alter relocation incentives by changing the expected policy frictions faced by workers.

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

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

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

Choice Probabilities

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

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

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

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

and observed job-to-job flows satisfy

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

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

Differentiating the aggregate probability, we have

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

Because $\tau_i \geq 0$ for most workers and $0 < P_{odt} < 1$, the aggregate effect of political misalignment on interstate transitions is non-positive. The political ideology of a destination state d at time *t+1* is a function of the stayers and the net inflow of movers:

$$\bar{I}_{d,t+1} = \frac{N_{d,t}\bar{I}_{d,t} + \sum_{x \in Inflow_{d,t}} I_x - \sum_{z \in Outflow_{d,t}} I_z}{N_{d,t+1}} \quad (7)$$

$$P_{d,t+1} = \mathcal{G}\big(\bar{I}_{d,t+1}\big)$$

where $x \in \text{Inflow}_{d,t}$ and $z \in \text{Outflow}_{d,t}$ denote the sets of individuals migrating into and out of state d between t and $t+1$, respectively. $\bar{I}_{d,t}$ denotes the average ideological orientation of residents in state d at time t, $P_{d,t}$ denotes the realized political outcome, and $\mathcal{G}(\cdot)$ maps ideological composition to political outcomes. This implies that when individuals sort across states based on political alignment, inflow and outflow are not ideologically neutral. Politically misaligned movers are less likely to enter, while aligned individuals are more likely to stay. This process gives rise to a feedback loop: changes in $P_{d,t+1}$ alter the political alignment faced by subsequent movers, which further discourage interstate job flows. As a result, the negative effects of political misalignment on interstate job flows accumulate over time and expand the political ideology divergence across states. Through the mapping $\mathcal{G}(\cdot)$, ideological sorting translates into political polarization and policy divergence, reinforcing partisanship and reducing cross-state convergence.

The theoretical framework generates testable predictions:

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

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

To empirically test these predictions, I exploit quarterly interstate job-to-job flows data from the U.S. Census. While the model is framed at the individual level, it nests within a standard discrete choice framework. Under the assumption that idiosyncratic location preferences follow a Type I extreme value distribution, aggregated job-to-job flows can be

expressed in a log-linear form. This empirical design allows me to test whether political ideology-based frictions create barriers to interstate job-to-job reallocation with macro-level data.

B. Regression specifications

The main OLS regression specification is

$$\begin{aligned} Ln(job\ flow)_{o\to d,t} = \beta toMisaligned_{o\to d,last\ election} + \mu RtoR_{o\to d,last\ election} \\ + \bar{\gamma}\bar{X}_{o,d,t} + \alpha_o + \zeta_d + \rho_t + \epsilon_{o\to d,t}, \end{aligned} \tag{8}$$

where o and d represent origin and destination states and t denotes year-quarter. The dependent variable, $Ln(job\ flow)_{o\to d,t}$, is the natural logarithm of interstate job flows from origin state o and destination state d in quarter t. The key independent variable, $toMisaligned$, is an indicator that equals one if different presidential candidates won the origin and destination states in the most recent election, and zero otherwise. In alternative specifications, $toMisaligned$ is replaced by $BtoR$ and $RtoB$, which are the dummies for job flows from blue to red states and from red to blue states, respectively. Blue and red states are determined by the most recent presidential election. The vector $\bar{X}_{o,d,t}$ includes control variables for the differences of personal income growth rates, unemployment rates, state-level economic policy uncertainty index (EPU) as proxies for economic condition, geographical distance, monthly average wage, and Zillow House Value Index (HVI) between destination state d and origin state o to proxy for moving cost. All continuous variables are winsorized at the 1st and 99th percentiles. The model includes origin state fixed effects (α_o), destination state fixed effects (ζ_d), and year–quarter fixed effects (ρ_t).

III. Data and Methodology

A. Interstate job-to-job flows

I obtain data on interstate job-to-job flows from the U.S. Census Longitudinal Employer-Household Dynamics (LEHD) database. The LEHD database provides quarterly interstate job flows data that covers approximately 95% of private sector employment from 2001-2024. To isolate voluntary job transitions, I focus on interstate job-to-job flows without separation. This approach captures workers who move directly from employment in one state to employment in another, ensuring that observed moves primarily reflect job transition

choices rather than involuntary displacement or layoffs. The sample includes all 50 U.S. states plus the District of Columbia, creating 2,550 potential origin-destination combinations.[3] The final dataset consists of quarterly observations for each state-pair combination, with 222,824 observations from 2001 to 2024.

The primary dependent variable is the natural logarithm of quarterly job-to-job flows from an origin state to a destination state. The database also provides detailed job-to-job flows data for different age groups, gender, and race that allows for heterogeneous tests. I also examine interstate job-to-job flows of stable employment, which captures workers who possess stable employment in both origin and destination states and move without separation. Additionally, I analyze interstate job-to-job flows with short separations (brief unemployment spells between two jobs) to ensure that the main results are not driven by the specific definition of job-to-job transitions. Summary statistics for the key variables are presented in Table 1.

B. Election data

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

C. Close presidential elections

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

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

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

I examine interstate job-to-job flows over a 24-quarter window, eleven quarters before and twelve quarters after the elections. This approach captures how treated states' interstate job flows respond when a candidate from the opposing party narrowly won a destination state that breaks the previous political alignment with origin states in the last election.

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

$$\begin{aligned} Ln(job\ flow)_{o\to d,t} = \beta Post_t \times Treated_{o\to d} + \mu Treated_{o\to d} \\ + \bar{\gamma}\bar{X}_{o,d,t} + \alpha_{o,j} + \zeta_{d,j} + \rho_t + \epsilon_{o\to d,j}, \end{aligned} \tag{9}$$

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

IV. Results

A. Main results

I examine the impact of political ideology misalignment on interstate job-to-job flows. The results are presented in Table 2. The dependent variable is the natural logarithm of job flows (without separation) from an origin state to a destination state. The main specification includes origin state, destination state, and year–quarter fixed effects, along with a set of controls for economic conditions and geographic differences between state pairs. Importantly, the specification excludes origin–destination fixed effects. Therefore, the estimation does not rely on within–interstate pair variation and instead exploits cross-state variation in political alignment. In the specifications, the standard errors are clustered at both the origin-destination pair and year-quarter levels. The specification omits origin-destination pair fixed effects, since absorbing pair-level variation would remove much of the

cross-state political variation the identification strategy exploits. The close-election design in subsection IV.B can include pair fixed effects without this cost, because identification there comes from a within-pair change in alignment status over time.

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

The estimation in Column (2) includes control variables including differences in personal income growth rates, unemployment rates, economic policy uncertainty (EPU), geographic distance, the difference of monthly average wage, and Zillow HVI index between states, along with the fixed effects as in Column (1). After controlling for these economic and geographic factors, political misalignment continues to significantly reduce interstate job-to-job flows by 12.0% quarterly with a T-statistic of -7.35.[45] The coefficient of *RtoR*, is positive and significant at a 1% level, suggesting that political alignment between two red states increases interstate job-to-job flows. As expected, the coefficients of the difference in personal income growth rate, monthly wage (destination state minus origin state) are positive, while the coefficients of the difference of unemployment rate and Zillow HVI and geographical distance are negative.

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

To address potential concerns about electoral uncertainty, Column (5) excludes the election years from the sample. In Column (6), to isolate political effects from major economic disruptions, I exclude the Global Financial Crisis and pandemic years (2008, 2009, 2020).

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

[5]Flows between two Democratic-leaning states (BtoB) are the omitted reference category, so all coefficients are interpreted relative to Blue-to-Blue flows. The results remain qualitatively similar if RtoR is used as the omitted category.

The results remain robust across these specifications. Overall, these results suggest that partisan misalignment generates job-to-job flow frictions beyond standard economic factors.

B. Close presidential elections

B.1. Empirical Strategy

To strengthen causal inference, I exploit close presidential elections within a margin of 3% as a quasi-experiment. Close elections provide plausibly exogenous variation in political outcomes, as narrow margins of victory are unlikely to be systematically correlated with underlying job market trends or economic fundamentals that affect interstate job-to-job flows. I employ a stacked difference-in-differences framework. I compare changes in interstate job flows before and after close elections that result in partisan flips relative to control state-pairs that do not experience such flips. The analysis is conducted at the state-pair level, where each observation corresponds to job flows from an origin state to a destination state.

The treated sample consists of state-pairs that include a state experiencing a partisan flip in a close election and another swing state with which it is politically aligned prior to the election. Because these pairs are aligned before the election, the partisan flip induces a discrete change in political alignment, such that treated pairs transition from alignment to misalignment following the close election. I define swing states based on states that experienced both Democratic and Republican presidential victories during the sample period. To construct a comparable control group, I restrict the sample to swing states observed during the sample period. Control pairs are formed by other swing-state pairs that are also politically aligned prior to the election and remain aligned both in the close election and in the election before the close election. This restriction ensures that control pairs share the same pre-election political alignment with treated pairs, but do not experience a flip-induced change in alignment.

For instance, Joe Biden narrowly won Georgia in the 2020 presidential election by a margin of 0.24%, despite Georgia voting Republican in the previous presidential election. This partisan flip generates political misalignment between Georgia and previously aligned Republican-leaning swing states, including Florida, Iowa, Indiana, North Carolina, and Ohio. Accordingly, state pairs between Georgia and each of these states are classified as treated pairs, while state pairs formed among Florida, Iowa, Indiana, North Carolina, and Ohio are the control pairs for the 2020 close election in Georgia. Figure 1 illustrates the identification strategy using the 2020 Georgia close election as an example.

The final sample includes 16 close-election events with margins within 3% (see Panel A of Table 3). The empirical analysis examines interstate job flows to and from flipped states,

focusing on flows between previously aligned state-pairs. This design isolates how workers respond when a close-election partisan flip creates new political misalignment between origin and destination states. To maintain clean identification, I exclude job flows involving pairs of states that both experience partisan flips in the same election, avoiding contamination from simultaneous treatment effects.

B.2. Baseline difference-in-differences estimation

I employ the stacked difference-in-difference regressions, which covers eleven quarters before and twelve quarters after the election and the election quarter. The results are presented in Panel A of Table 3. Columns (1) and (2) present the baseline results using both from and to a flipped close election state. The coefficient of the interaction term is -0.049 with a T-statistic of 2.62, which translates to an 4.8% quarterly decline in interstate job-to-job flows. This effect represents a substantial reduction in interstate job transitions driven by political misalignment from the flipped close elections.

Columns (3) and (4) focus on job flows into flipped close election states. The estimated effects are larger in magnitude, ranging from 5.16% to 5.92%, and remain statistically significant. In contrast, Columns (5) and (6) examine job flows originating from flipped close election states. The estimated coefficients are smaller in magnitude and statistically insignificant, indicating no meaningful change in outflows from flipped states following close-election partisan shifts.

To alleviate the concern that a single flip event drives the results, I check the robustness of the estimates to excluding any one flip event. In untabulated results, across all sixteen exclusions, the close-election estimate remains negative and significant at the 1% level, corresponding to reductions in interstate job flows of 4.8% to 7.8%.

This suggests that the overall decline in interstate job flows is primarily driven by a reduction in inflows from previously aligned states into flipped close election states. The asymmetric response suggests that close-election flips primarily alter how potential migrants in other states perceive the attractiveness of the destination state. While the partisan outcome changes, the narrow margin of victory may not generate sufficient meaningful changes for incumbent residents to revise their perception of the state. Consequently, the decline in interstate job flows appears to operate primarily through reduced inflows.

B.3. Dynamic difference-in-differences estimation

Panel C of Table 3 presents dynamic difference-in-differences estimates of the effects of partisan misalignment following close-election state flips on interstate job-to-job flows. The

coefficients on the interaction terms trace the evolution of treatment effects relative to the omitted pre-election benchmark period.

Across all specifications, the pre-treatment coefficients are economically small and statistically insignificant. In Column (1), the coefficients for t-4 and earlier, t-3, and t-2 are close to zero and insignificant. Similar patterns appear in Columns (2) and (3). In addition, the joint pre-trend F-tests are insignificant across all specifications, providing evidence consistent with the parallel trends assumption and suggesting that treated and control state pairs followed similar trends before the partisan flip.

The post-election dynamics show that the negative effects emerge gradually rather than immediately after the election. In Column (1), which examines overall interstate job flows, the coefficients become increasingly negative after the election, with statistically significant declines beginning around the third quarter after the election. The estimates indicate that interstate job flows decline by approximately 5.5% and 5.9% the third and fifth quarters following the election. The magnitude of the coefficients suggests persistent reductions in interstate labor mobility following partisan misalignment induced by close-election flips.

Columns (2) and (3) decompose the effects into flows to flipped states and flows from flipped states, respectively. The results indicate that the overall decline is primarily driven by reduced inflows into flipped states. In Column (2), the coefficients become substantially negative after the election and are economically larger than those in the aggregate specification. The estimates imply that inflows into flipped states decline by approximately 7.3% at t+3, 8.6% at t+4, and 8.9% at t+5. These coefficients are statistically significant and suggest that workers in previously aligned states become less willing to relocate to states that experience partisan flips.

In contrast, Column (3) shows little evidence of significant changes in outflows from flipped states. Although several coefficients are negative, they are small in magnitude and statistically insignificant throughout the post-election periods. This asymmetry suggests that the reduction in interstate job flows is not driven by residents leaving flipped states, but rather by a decline in inflows from other states.

Overall, the dynamic estimates indicate that partisan misalignment generated by close-election flips produces persistent reductions in interstate labor mobility, primarily through reduced migration into flipped states. One possible interpretation is that workers gradually update their perceptions of long-term policy alignment after partisan shifts.

B.4. Falsification test of the close election experiment

In this subsection, I perform robustness checks on the quasi-experiment of close presidential elections. To validate that the observed effects are driven by political misalignment

rather than electoral uncertainty or other factors associated with close elections, I conduct a falsification test using close elections with a margin of 3% that did not result in the winning candidate's party switch from the previous election in treated states. If the negative impact of political misalignment from flipped close elections is due to election or political uncertainty from close election, we should also observe the negative effect on job flows in non-flipped close elections.

In this placebo test, treated state pairs are constructed using close elections that do not result in partisan flips, while control pairs are defined analogously to the main specification. Panel A of Table 5 lists close presidential elections that did not result in the candidate's winning party change from the previous elections during the sample period. Following the approach in subsection IV.B, the falsification test examines eleven quarters before and twelve quarters after the elections.

Panel B of Table 5 shows the baseline and dynamic regression estimates. In Column (1), the *Post*× *Treated* coefficients are consistently small and statistically insignificant. The results in Column (2) where control variables are added remain consistent. Column (3) reports the dynamic regression results and suggests no systematic pattern of effects across quarters before and after the elections. In addition, the joint pre-trend F-tests are insignificant. The coefficients are generally small and mostly insignificant, with no evidence of pre-trends. The falsification test results corroborate that the observed reductions in interstate job-to-job flows in the close election analysis in Table 3. Because these elections do not alter partisan alignment between states, they should not generate the political misalignment mechanism proposed in this paper. It also suggests that the declined interstate job-to-job flows are unlikely to be driven by election uncertainty or other confounding factors associated with close elections.

C. Ideological Sorting and Deepening

If political misalignment generates disutility from residing in ideologically incongruent environments, workers should not simply reduce mobility to misaligned destination. They should move to destinations that are more deeply aligned with their own ideology. In this section, I examine whether interstate job flows exhibit ideological deepening, defined as interstate job flows toward states that are more deeply aligned with the origin state's political ideology. I measure deepening using two proxies. First, *Deepening* measures whether interstate job flows move toward destinations that are more strongly aligned with the origin state's political ideology. It is defined as ($Democratic\ Voting\ Share_{Dest} - Democratic\ Voting\ Share_{Orig}$) if both states are blue, ($Democratic\ Voting\ Share_{Orig} -$

Democratic Voting Share$_{Dest}$) if both states are red, and equals zero if the two states are politically misaligned. Second, *Deepening_dummy* equals one if the destination state is more ideologically aligned with the origin state than the worker's current state, and zero otherwise.

The results reported in Table 6. Columns (1) and (2) show that the coefficients on *deepening* and *deepening˙dummy* are both positive and statistically significant. It suggests that job flows are significantly higher toward destinations that are ideologically aligned and more extreme than the origin state, consistent with workers sorting along political lines.

Next, I examine whether this tendency becomes stronger when partisan conflict intensifies. Columns (3) and (4) interact ideological deepening with the partisan conflict index (*lnPCI*). The interaction terms are positive and statistically significant, indicating that political ideology becomes increasingly salient as partisan conflict rises. In periods of heightened polarization, workers are more likely to relocate toward states that are more strongly aligned with their own political ideology.

Taken together, the evidence is consistent with political polarization reinforcing geographic ideological clustering: as polarization intensifies, workers increasingly sort into ideologically aligned states, which may further deepen political clustering across regions.

D. Sub-period analysis

Baker et al. (2020) suggest that political polarization has been increasing in recent years. In this section, I examine the impact of political misalignment on interstate job-to-job flows during two sub-periods: 2001-2011 and 2012-2024. The results are reported in Table 7.

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

In contrast, I find a dramatic strengthening of political effects in 2012-2024. The later period shows substantially larger and statistically significant at a 1% level. Political misalignment reduces interstate job flows by 17.55%. Most strikingly, both blue-to-red flows and red-to-blue flows show significant declines compared to the earlier period. The coefficients of BtoR and RtoB are statistically significant at a 1% level. Blue to red job flows decrease by 16.6% and red to blue job flows decrease by 18.5%. The difference in the coefficients of BtoR and RtoB is not statistically significant. The political distance effect in Column (6) also strengthened during 2012 to 2024, with a 1% increase in political distance now associated

with a 1.8% decline in interstate job flows.

Panel B reports the p-values for the differences in coefficients across the two sub-periods. The results indicate that the coefficients differ significantly between the two periods.

This sub-period analysis suggests that political partisanship as a friction in interstate job flows has intensified substantially since 2012. The dramatic increase in effect magnitude, indicates that political ideology has become an increasingly important factor in workers' job transition decisions.

E. Heterogeneous effects

Table 8 examines heterogeneous effects of political misalignment across different demographic groups to understand which group is most sensitive in their mobility decisions. Panel A presents the heterogeneous effects of race, gender, and education. Comparing male and female, the effects are stronger among male workers, who experience an 12.5% decline in job flows between politically misaligned states in Column (1). In contrast, female workers show a smaller but significant 7.6% reduction in Column (2). The P-value of coefficient difference for male and female is 0.033.

Race differences are also pronounced. White workers experience a larger reduction in interstate job flows (13.0%) compared to African American workers (7.1%) when moving between politically misaligned states (Columns (3)-(4)). This pattern suggests that White workers may be more sensitive to the political misalignment when making interstate job transition decisions. The P-value of coefficient difference for male and female is 0.016.

Next, I explore heterogeneity by education level. Workers with a bachelor's degree or above experience a 9.33% reduction in interstate job flows due to political misalignment, while workers without a bachelor's degree experience a 10.77% reduction when moving between politically misaligned states (Columns (5)–(6)). However, the p-value for the difference between the two groups is 0.515, indicating that the difference is not statistically significant.

The analysis across age cohorts in Panel B.1 reveals that political misalignment in job transition decisions decreases with age. Workers aged 25-34 show the largest response to political misalignment, with an 12.4% reduction in job flows as shown in Column (1). This effect is smaller for workers aged 35-44 in Column (2), which is 10.5% reduction and is smallest for workers aged 45-54 (6.2% reduction in Column (3)). Even though younger workers typically face fewer family constraints, the negative effects are stronger among young people in interstate job transitions to politically misaligned destination states. The coefficients of $toMisaligned$ are statistically significant at a 1% level in all three groups. The p-values of the coefficient differences reported in Panel B.2 indicate that the difference between the age

groups 25–34 and 35–44 is not statistically significant. However, the coefficient for the age group 45–54 is significantly different from those for the age groups 25–34 and 35–44.

I exploit the heterogeneity across industries in Panel C. The results indicate that political misalignment most strongly discourages job transitions in technology, information service, education, and finance sectors, where the estimated coefficients range from –0.103 to –0.071, all significant at the 1 % level. Notably, these high-tech sectors also exhibit high work-from-home (WFH) intensity that may facilitate cross-state matching and attenuate the estimated effects. Nevertheless, the strong negative effects observed in high-tech industries, where WFH is most prevalent, help alleviate the concern that the results are driven by remote-work substitutability.

Information, technology, finance, and education are characterized by higher human-capital intensity, social visibility, and regulatory oversight, making them more ideologically responsive to political environments. While the effect is modest for health care and the coefficient is significant at a 5% level. In contrast, the effects are weaker in manufacturing and statistically insignificant for construction where location decisions are driven more by physical capital, implying that relocation decisions in these sectors are less shaped by ideological considerations.

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

F. The party of the president

Table 9 examines whether the effects of political misalignment on interstate job flows vary depending on the party of the sitting president. The key variables are the interaction terms between political misalignment measures and a dummy variable of Democratic presidential period.

In Column (1), the interaction term *toMisaligned*×*Democratic* president has a coefficient of -0.003, which is statistically insignificant. This suggests that the effects of political misalignment are not significantly different under Democratic versus Republican presidencies. The analysis of directional flows in Column (2) provides corroborating evidence. The interactions with Democratic presidencies are small and insignificant for both directions (-0.006

and 0.012, respectively), indicating that cross-partisan flows are not differentially affected by presidential party control. Notably, the coefficient on *RtoR*×*Democratic* president is large and significant (0.089), suggesting that interstate job-to-job flows among Republican-leaning states are actually higher during Democratic presidencies. This pattern reflects heightened mobility among Republican-leaning workers seeking to relocate to politically aligned states when the opposing party holds the presidency.

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

G. The effects of neighboring states

A natural question is whether political frictions in interstate job flows diminish with geographic proximity, for example, among neighboring states that are more economically integrated and mobility costs are lower. To assess this possibility, I examine the interaction effects of political misalignment and states that share physical borders in Table 10. While neighboring states exhibit substantially higher job flows overall, the interaction terms between political misalignment and neighbor states are generally small and statistically insignificant. The estimates suggest that political frictions do not significantly attenuate for neighboring states. Political barriers to interstate mobility persist even among the most geographically proximate state pairs. Overall, these results demonstrate that political frictions in labor mobility operate broadly across geographic space rather than being confined to long-distance moves, highlighting the salient impact of partisan barriers to interstate job flows.

H. Robustness checks

H.1. Abortion legality

To further investigate the mechanism, I examine whether political misalignment still affects interstate job-to-job flows while holding a specific policy dimension constant. I focus on abortion law alignment, as abortion policy has become increasingly polarized along partisan lines, especially after the Supreme Court overturned *Roe v. Wade* in 2022. In this test, I focus on interstate job-to-job flows of reproductive-aged women, who are more sensitive to

the abortion regulation. I define abortion legality as permitting abortion on request before 12 weeks of gestation. I restrict the sample to state pairs with aligned abortion laws and examine whether political misalignment continues to affect interstate job-to-job flows for reproductive-age female.

Table A1 presents the results. In Column (1), the dependent variable is the natural logarithm of interstate job-to-job flows among females aged 25–34. Even when states are aligned in abortion regulations, political misalignment is still associated with a 7.4% reduction in interstate job-to-job flows for females aged 25–34. The coefficient is significant at a 5% level. In Column (2), the dependent variable is the share of interstate job-to-job flows among females aged 25–34 relative to all interstate job-to-job flows of female workers. When states are aligned in abortion regulations but differ politically, the share of interstate job flows among females aged 25–34 decreases by 0.45%, which is statistically significant at the 1% level.

This finding implies that the decline in interstate labor mobility is not solely driven by abortion policy differences, but more broadly reflects partisan and ideological frictions between states.

H.2. Robustness checks of close-election event study

In Table 3, I examine the effect of political partisanship on interstate job flows using close presidential elections. In the test, the sample is restricted to swing states in elections during 2000 to 2004, AZ, CO, FL, GA, IA, IN, MI, NC, NH, NM, NV, OH, VA, and WI, to ensure comparability across treated and control pairs. However, this practice may limit the sample size and exclude other states that have never flipped. Therefore, in this section to check the robustness of the results, I expand the sample to include the states as long as it remains political aligned with the flipped close election states during the selected flipped close elections. That is, a state-pair is treated if it includes a close-election flipping state and other states with which it is politically aligned prior to the election, such that the pair becomes misaligned following the close elections. Control pairs consist of state-pairs formed by other states that are aligned prior to the election but do not experience a partisan flip in that election and therefore remain aligned throughout the event.

The results are reported in Table A2 Panel A. Column (1) presents the baseline difference-in-differences regression results without control variables. After the flipped close elections, the interstate job flows among the newly formed politically misaligned states decrease. The coefficient corresponds to a 6.39% reduction and it is statistically significant at a 1% level. Column (2) reports the results with controls. The coefficient is statistically significant at a 1% level and it suggests a reduction of 6.11%.

Next, I conduct a placebo test by assigning the treatment to placebo election years that occur two years before the actual presidential elections. The research design follows that of Table 2. The results are reported in Panel B of Table A2. Columns (1) and (2) use the same estimation window as the baseline analysis, spanning 11 quarters before and 12 quarters after the placebo elections. Because the placebo election years are relatively close to the actual elections, Columns (3) and (4) employ a narrower estimation window of 7 quarters before and 7 quarters after the placebo elections to minimize potential contamination from the true election events. Across all specifications, I find no evidence that interstate job flows decline following the placebo elections. The insignificant coefficients suggest that the baseline results are unlikely to be driven by pre-existing trends or spurious timing effects unrelated to actual partisan flips in close elections.

Overall, the results suggest that political misalignment generated by flipped close elections has a negative and persistent effect on interstate job-to-job flows, and the findings are robust across specifications.

H.3. Fixed effects

Table A3 presents robustness checks with origin state×year-quarter and destination state×year-quarter fixed effects and year-quarter fixed effects. Including state×year-quarter fixed effects controls for time-varying, state-specific factors that could potentially confound the relationship between political alignment and job flows. Under this specification, political misalignment effects persist and exhibit a larger magnitude. Column (1) shows that political misalignment reduces interstate job flows by 13.8%, which is significant at a 1% level. The directional analysis in Column (2) suggests that the coefficient of political distance is negative significant at the 1% level. A 1% increase in political distance reduces interstate job-to-job flows by 1.73%. Taken together, these findings provide consistent and robust evidence after controlling for state×time fixed effects.

H.4. Other types of job flows

Table A4 presents robustness checks using three other types of interstate job-to-job flows: job flows of stable employment (workers with stable employment in both states in Columns (1)-(2)), job flows with separations (including brief unemployment spells in Columns (3)-(4)), and job flows of stable employment with separations (in Columns (5)-(6)). Across all specifications, political misalignment consistently reduces interstate job flows. The effects range from -11.5% to -11.9%. Using the continuous political distance measure produces consistent results across all job-to-job flows definitions, indicating that a 1% increase in

political distance reduces interstate job flows by approximately 1.55-1.57%. These results demonstrate that impact of political frictions is robust across different measures of interstate job-to-job flows.

H.5. Gubernatorial election misalignment

Table A5 examines whether state-level political misalignment also affects interstate job flows. Specifically, I include political alignment from both presidential and gubernatorial elections in the regressions. The key finding suggests that presidential election misalignment remains a dominant factor affecting interstate job flows. Column (1) - (2) show that political misalignment effects from presidential elections remain robust while gubernatorial effects remain negligible. The pattern holds across directional flows (BtoR and RtoB in Columns (3) and the continuous political distance measure in Column (4). I exclude election years in Column (5) and exclude the GFC and pandemic years in Column (6). In all specifications, presidential political misalignment shows large, significant effects while gubernatorial misalignment shows insignificant and close-to-zero impact. These results indicate that political misalignment from presidential elections, rather than that from gubernatorial elections, drives the observed interstate job flow frictions.

H.6. Additional controls

Table A6 presents robustness checks with additional controls. Columns (1) to (3) control for total job outflows from origin states and total job inflows to destination states, to ensure that the political misalignment effects are not driven by overall job market dynamics or state-specific economic conditions that might correlate with political misalignment. Total job outflows control for the overall propensity of workers to leave the origin state, while total job inflows control for the general attractiveness of the destination state. I also control for neighbor state dummy. Despite these additional controls, political misalignment continues to significantly reduce interstate job flows. Column (1) shows a 13.2% reduction that is significant at the 1% level, while the directional analysis in Column (2) reveals similar effects for blue-to-red flows (-12.8%) and red-to-blue flows (-13.6%), both coefficients significant at a 1% level. The regression with the continuous political distance measure in Column (3) indicates that a 1 % in political distance reduces job flows by approximately 1.54%. The coefficients on the control variables exhibit expected patterns: both total job outflows and total job inflows are positively associated with interstate job-to-job flows, confirming that states with more active job markets generate more interstate job flows.

The regressions in Columns (4) to (6) additionally control for the difference in the GDP

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

V. Conclusion

This paper provides evidence that political partisanship imposes significant frictions on interstate job-to-job in the United States. Using close presidential elections as a quasi-experiment, I find that interstate job flows decline substantially when political alignment between states breaks. The effects are particularly pronounced among male, white, and younger individuals, and are amplified in politically polarized states. The temporal patterns indicate that these frictions were modest between 2001 and 2011 but intensified from 2012 to 2024. Overall, the results suggest that reduced interstate mobility can further contribute to the geographic clustering of politically similar populations, which further discourages interstate job flows.

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

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Figure 1: **Identification Strategy: Example from the 2020 Georgia Close Election**

This figure illustrates the identification strategy using the 2020 Georgia close presidential election as an example. The empirical analysis is based on a stacked difference-in-differences design that stacks all 16 close presidential elections resulting in partisan flips. Georgia's narrow partisan flip from Republican to Democratic created new political misalignment between Georgia and previously aligned Republican swing states (Florida, Iowa, Indiana, North Carolina, and Ohio), forming the treated state pairs. Control pairs are formed among swing states that remained politically aligned with one another throughout the event window. The difference-in-differences design compares changes in interstate job-to-job flows between the treated and control state pairs before and after the election.

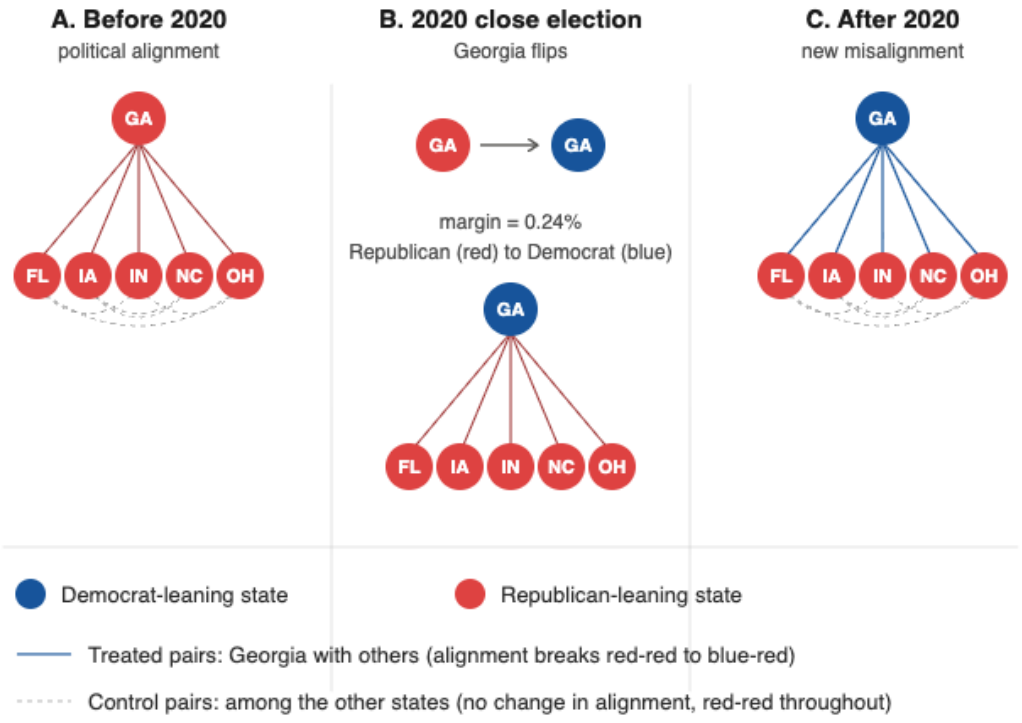


Table 1: Summary Statistics

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

Variables	N	Mean	STD	P25	Median	P75
Job flows	222,824	255	629	21	63	196
toMisaligned	222,824	0.50	0.50	0	0	1
RtoR	222,824	0.28	0.45	0	0	1
BtoR	222,824	0.25	0.43	0	0	0
RtoB	222,824	0.25	0.43	0	0	0
toMisaligned (gubernatorial elections)	216,041	0.50	0.50	0	0	1
Job flows (stable employment)	219,446	150	385	11	34	113
Job flows with separation	221,996	401	941	36	105	319
Job flows with separation (stable employment)	218,537	222	547	18	54	174
Job flows white	222,721	196	460	17	50	154
Job flows African American	204,883	39	135	1	6	23
Job flows male	222,207	152	371	12	39	119
Job flows female	221,985	104	263	8	24	78
Job flows bachelor	222,115	59	165	5	14	46
Job flows nonbachelor	222,115	197	477	16	49	150
Job flows (age 25 to 34)	220,930	85	209	7	21	67
Job flows (age 35 to 44)	218,605	54	139	4	13	41
Job flows (age 45 to 54)	216,412	39	97	3	10	29
Political distance	222,824	0.12	0.10	0.05	0.10	0.17
Deepening	222,824	-0.50	0.51	-1	-0.38	0.00
Deepening_dummy	222,824	0.25	0.43	0	0	1
Job flow % of 25-34 female among all female job flows	213,985	32.89	17.11	25.00	32.49	40.00
Personal income growth rate	222,824	0	1.27	-0.60	0	0.60
Unemployment rate	222,824	0	1.80	-1.13	0	1.13
EPU	215,860	0	0.71	-0.45	0	0.45
Geographical distance	208,925	7.27	0.77	6.82	7.36	7.80
Polarization	222,824	0.17	0.14	0.08	0.16	0.24
Neighbor	222,824	0.09	0.28	0	0	0
GDP Growth	169,986	0.00	0.01	-0.01	0	0.01
Monthly wage	221,996	0	0.22	-0.14	0	0.14
HVI	217,691	0	0.51	-0.35	0	0.35
RPP	132,684	0	0.10	-0.07	0	0.07
Total job outflows from origin states	222,824	9.10	0.85	8.55	9.18	9.73
Total job inflows to destination states	222,824	9.10	0.84	8.57	9.16	9.74
Close elections (3%) with party flipping						
Post	11,524	0.50	0.50	0	1	1
Treated	11,524	0.29	0.45	0	0	1

Table 2: Political Alignment and Job Flows

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

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

Table 3: Close Presidential Elections

This table examines the effect of political partisanship on interstate job flows using close presidential elections. This design captures how workers from previously aligned states respond when their preferred party loses a close election in a destination (origin) state. I employ a stacked difference-in-differences specification. The dependent variable is the natural log of job flows from origin to destination states. The key independent variable is *Post*×*Treated*, where ***Post*** equals 1 for the twelve quarters following a close election and 0 for the election quarter and the eleven quarters preceding it. A state-pair is ***treated*** if it includes a close-election flipping state and other swing states with which it is politically aligned prior to the election, such that the pair becomes misaligned following the close elections. The sample is restricted to swing states, AZ, CO, FL, GA, IA, IN, MI, NC, NH, NM, NV, OH, VA, and WI, to ensure comparability across treated and control pairs. Control pairs consist of state-pairs formed by the swing states that are aligned prior to the election but do not experience a partisan flip in that election and therefore remain aligned throughout the event. Panel A reports these close election events with a 3% margin. Panels B and C present the baseline and dynamic difference-in-differences regression results. I further decompose the analysis by distinguishing job flows involving flipped states on either side of the pair, as well as flows into flipped states from previously aligned states and flows out of flipped states to previously aligned states. The control variables follow Table 2. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination origin-destination-pair level. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

Panel A: Close presidential elections (3% margin)

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

Panel B: The baseline difference-in-difference regressions

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)
	From and to flipped states		To flipped only		From flipped only	
Post × Treated	-0.047***	-0.049***	-0.053**	-0.061***	-0.039	-0.039
	(-2.73)	(-2.62)	(-2.37)	(-2.62)	(-1.56)	(-1.32)
Post	0.145***	0.146***	0.145***	0.146***	0.145***	0.146***
	(12.86)	(12.03)	(12.84)	(11.93)	(12.84)	(12.05)
Personal income growth rate		0.004		0.006		0.004
		(0.85)		(1.20)		(0.81)
Unemployment rate		-0.009		-0.017***		-0.005
		(-1.56)		(-2.75)		(-0.76)
EPU		0.005		0.001		0.006
		(0.49)		(0.12)		(0.56)
Monthly wage		-0.272		-0.286		-0.272
		(-0.72)		(-0.70)		(-0.68)
HVI		-0.108		-0.189*		-0.036
		(-1.05)		(-1.75)		(-0.32)
Constant	5.262***	5.274***	5.252***	5.257***	5.258***	5.262***
	(1,165.95)	(1,051.70)	(1,054.38)	(962.89)	(1,018.45)	(918.81)
Observations	11,524	10,426	9,854	9,033	9,854	9,033
R-squared	0.966	0.968	0.967	0.969	0.967	0.969
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Orig State*Election FE	Yes	Yes	Yes	Yes	Yes	Yes
Dest State*Election FE	Yes	Yes	Yes	Yes	Yes	Yes
Orig-dest pair FE	Yes	Yes	Yes	Yes	Yes	Yes
Cluster at Orig-dest pair	Yes	Yes	Yes	Yes	Yes	Yes

Table 4: Close Presidential Elections – dynamic effects

This table examines the effect of political partisanship on interstate job flows using close presidential elections. This design captures how workers from previously aligned states respond when their preferred party loses a close election in a destination (origin) state. I employ a stacked difference-in-differences specification. The dependent variable is the natural log of job flows from origin to destination states. The key independent variable is *Post*×*Treated*, where ***Post*** equals 1 for the twelve quarters following a close election and 0 for the election quarter and the eleven quarters preceding it. The empirical design follows Table 3. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination origin-destination-pair level. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

VARIABLES	(1) From and to	(2) To	(3) From
Election (t-4) &before ×Treated	0.025	0.019	0.033
	(0.93)	(0.52)	(1.07)
Election (t-3)×Treated	-0.016	0.001	-0.031
	(-0.47)	(0.02)	(-0.70)
Election (t-2)×Treated	0.011	0.021	0.003
	(0.34)	(0.52)	(0.08)
Election (t)×Treated	-0.047	-0.041	-0.050
	(-1.65)	(-1.18)	(-1.36)
Election (t+1)×Treated	-0.041	-0.049	-0.028
	(-1.65)	(-1.47)	(-0.84)
Election (t+2)×Treated	-0.023	0.001	-0.042
	(-0.72)	(0.02)	(-1.02)
Election (t+3)×Treated	-0.055**	-0.073**	-0.034
	(-2.14)	(-2.19)	(-0.87)
Election (t+4)×Treated	-0.047	-0.086*	-0.006
	(-1.43)	(-1.90)	(-0.13)
Election (t+5)×Treated	-0.059*	-0.089**	-0.029
	(-1.91)	(-2.03)	(-0.69)
Election (t+6) & after ×Treated	-0.037	-0.048	-0.026
	(-1.64)	(-1.54)	(-0.76)
Personal income growth rate	0.004	0.006	0.004
	(1.05)	(1.45)	(1.04)
Unemployment rate	-0.009	-0.015**	-0.008
	(-1.48)	(-2.27)	(-1.14)
EPU	0.005	0.002	0.005
	(0.52)	(0.20)	(0.53)
Monthly wage	-0.272	-0.247	-0.334
	(-0.97)	(-0.79)	(-1.11)
HVI	-0.108	-0.181*	-0.044
	(-1.06)	(-1.69)	(-0.39)
Constant	5.502***	5.486***	5.490***
	(457.07)	(403.89)	(424.53)
Observations	10,426	9,033	9,033
R-squared	0.975	0.976	0.975
Controls	0.237	0.865	0.082
Orig State*Election FE	Yes	Yes	Yes
Dest State*Election FE	Yes	Yes	Yes
Orig-dest pair FE	Yes	Yes	Yes
Cluster at Orig-dest pair	Yes	Yes	Yes

Table 5: Close Presidential Election Event Study Falsification Test

This table presents a falsification test using close elections ($\leq$3% margin) that did not result in winning party switches. For example, in 2016 election in New Hampshire, Clinton won the state with 46.83% of the vote, while Trump lost with 46.46%, a 0.37% margin. In the 2012 election in New Hampshire, Democratic candidate Obama won the state. Although the 2016 election of New Hampshire was a close election by definition, there is no winning party switched. Therefore, no significant effects should be observed in interstate job flows between New Hampshire and other previously aligned states following the close election if our identification strategy of the winning party flipped close elections is valid. Panel A reports these events. The dependent variable is the natural log of job flows from origin to destination states. The key independent variable is *Post*$\times$*Treated*, where ***Post*** equals 1 for the twelve quarters following a close election and 0 for the election quarter and eleven quarters preceding it. A state-pair is ***treated*** if it includes a close-election non-flipping state and other swing states with which it is politically aligned prior to the election, such that the pair is still politically aligned following the close elections. The sample is restricted to swing states, AZ, CO, FL, GA, IA, IN, MI, NC, NH, NM, NV, OH, VA, and WI, to ensure comparability across treated and control pairs. Control pairs consist of state-pairs formed by the swing states that are (i) aligned prior to the election and (ii) do not experience a partisan flip in that election and therefore remain aligned before and after treated states' close elections. Swing states are defined using the elections from 2000 to 2020. This identification strategy based on non-flipping close election to complement the causal effects of political alignment on labor mobility identified in Table 3. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) level. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

Panel A: Close elections (no winning party flipping)

STATE	Year	D_rate	R_rate	Winning party
FL	2012	0.500	0.491	DEMOCRAT
ME	2016	0.463	0.435	DEMOCRAT
MN	2016	0.464	0.449	DEMOCRAT
MO	2008	0.493	0.494	REPUBLICAN
MT	2008	0.473	0.495	REPUBLICAN
NC	2020	0.486	0.499	REPUBLICAN
NH	2016	0.468	0.465	DEMOCRAT
NV	2004	0.479	0.505	REPUBLICAN
NV	2016	0.479	0.455	DEMOCRAT
NV	2020	0.501	0.477	DEMOCRAT
OH	2004	0.487	0.508	REPUBLICAN
OH	2012	0.507	0.477	DEMOCRAT
PA	2004	0.509	0.484	DEMOCRAT
WI	2004	0.497	0.493	DEMOCRAT

Panel B: The difference-in-difference regressions

VARIABLES	(1)	(2)	(3)
Post × Treated	0.006	0.005	
	(0.30)	(0.23)	
Election (t-4) &before ×Treated			0.008
			(0.30)
Election (t-3)×Treated			-0.001
			(-0.04)
Election (t-2)×Treated			-0.025
			(-0.66)
Election (t)×Treated			-0.003
			(-0.10)
Election (t+1)×Treated			-0.026
			(-0.73)
Election (t+2)×Treated			0.033
			(0.94)
Election (t+3)×Treated			0.001
			(0.02)
Election (t+4)×Treated			0.041
			(1.10)
Election (t+5)×Treated			-0.028
			(-0.78)
Election (t+6) & after ×Treated			0.009
			(0.36)
Constant	5.046***	5.054***	5.313***
	(726.81)	(690.70)	(322.75)
Observations	8,124	7,280	7,280
R-squared	0.962	0.965	0.972
F-stats of joint pre-trend			0.8295
Controls	No	Yes	Yes
Orig State*Election FE	Yes	Yes	Yes
Dest State*Election FE	Yes	Yes	Yes
Orig-dest pair FE	Yes	Yes	Yes
Cluster at orig-dest pair	Yes	Yes	Yes

Table 6: Ideological Deepening and Interstate Job Flows

This table examines whether interstate job flows are directed toward states that are more deeply aligned with the origin state's political ideology. The dependent variable is the natural log of job flows from origin state to destination state (including D.C.). Columns (1)-(2) report the OLS estimates. Deepening is defined as (*democratic voting share*$_{Dest}$-*democratic voting share*$_{0rig}$) if both states are blue, and (*democratic voting share*$_{Orig}$-*democratic voting share*$_{Dest}$) if both states are red, and deepening equals 0 if two states are misaligned. Deepening dummy equals one if the destination state is ideologically aligned with the origin state and exhibits a stronger partisan leaning (i.e., a higher vote share for the dominant party) than the origin state. Columns (3)–(4) interact Deepening with the log of the partisan conflict index (LnPCI) to examine whether ideological sorting intensifies during periods of greater partisan conflict. Detailed definition of the variables are reported in the appendix. The control variables follow Table 2. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

VARIABLES	(1)	(2)	(3)	(4)
Deepening	0.140***		-0.313**	
	(9.49)		(-2.51)	
Deepening dummy		0.112***		-0.205
		(6.61)		(-1.45)
Deepening × lnPCI			0.094***	
			(3.61)	
Deepening dummy × lnPCI				0.066**
				(2.21)
Personal income growth rate	0.008***	0.008***	0.008***	0.008***
	(4.07)	(4.12)	(4.08)	(4.15)
Unemployment rate	-0.022***	-0.022***	-0.022***	-0.022***
	(-9.64)	(-9.83)	(-9.67)	(-9.86)
EPU	0.001	0.001	0.001	0.001
	(0.62)	(0.48)	(0.64)	(0.48)
Geographical distance	-1.303***	-1.317***	-1.303***	-1.317***
	(-48.84)	(-49.25)	(-48.81)	(-49.24)
Monthly wage	0.104*	0.083	0.106*	0.087
	(1.67)	(1.33)	(1.70)	(1.39)
HVI	-0.042*	-0.038	-0.044*	-0.044*
	(-1.71)	(-1.54)	(-1.80)	(-1.76)
Constant	13.841***	13.848***	13.842***	13.848***
	(69.75)	(69.15)	(69.70)	(69.14)
Observations	197,463	197,463	197,463	197,463
R-squared	0.889	0.888	0.889	0.888
Orig State FE	Yes	Yes	Yes	Yes
Dest State FE	Yes	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes	Yes
Cluster at orig-dest state-pair and year-quarter	Yes	Yes	Yes	Yes

Table 7: Sub-period Analysis

This table examines the effect of political partisanship on interstates job flows in the U.S during two sub-periods, i.e., 2001-2011 and 2012-2024. The dependent variable is the natural log of employment flows from origin to destination states. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

Panel A: Sub-period analysis

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

Panel B: P-value of subsample coefficient difference in two sub-periods

Variables	toMisaligned	B to R	R to B	Political distance
Coefficient difference	0.000	0.000	0.000	0.015

Table 8: Heterogeneous Effects

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

Panel A: Race, gender, and education

VARIABLES	(1) Male	(2) Female	(3) African American	(4) White	(5) Bachelor or above	(6) No Bachelor
toMisaligned	-0.133***	-0.079***	-0.074***	-0.139***	-0.098***	-0.114***
	(-7.53)	(-4.59)	(-3.75)	(-7.97)	(-6.03)	(-6.35)
RtoR	0.033**	0.039***	0.021	0.026*	0.052***	0.025*
	(2.23)	(3.11)	(1.26)	(1.81)	(4.34)	(1.69)
Personal income growth rate	0.009***	0.005**	0.006***	0.008***	0.008***	0.008***
	(4.86)	(2.60)	(3.50)	(3.91)	(5.15)	(3.76)
Unemployment rate	-0.021***	-0.022***	-0.015***	-0.023***	-0.020***	-0.021***
	(-8.93)	(-10.05)	(-5.85)	(-9.59)	(-10.94)	(-9.12)
EPU	0.001	0.002	0.003	0.001	0.004*	0.001
	(0.56)	(0.72)	(0.93)	(0.32)	(1.72)	(0.39)
Geographical distance	-1.298***	-1.263***	-1.044***	-1.317***	-1.094***	-1.337***
	(-49.64)	(-46.89)	(-41.90)	(-48.89)	(-46.17)	(-49.38)
Monthly wage	0.078	0.170***	0.363***	0.086	0.021	0.136**
	(1.21)	(2.90)	(4.74)	(1.37)	(0.39)	(2.09)
HVI	-0.041*	-0.045*	-0.024	-0.063**	-0.026	-0.047*
	(-1.68)	(-1.88)	(-0.85)	(-2.49)	(-1.19)	(-1.83)
Constant	13.294***	12.622***	9.797***	13.694***	10.902***	13.819***
	(68.38)	(62.95)	(52.95)	(68.37)	(61.69)	(68.72)
Observations	197,074	196,919	184,233	197,401	197,065	196,512
R-squared	0.880	0.868	0.809	0.879	0.870	0.882
P-value of coef difference	0.033		0.016		0.515	
Orig State FE	Yes	Yes	Yes	Yes	Yes	Yes
Dest State FE	Yes	Yes	Yes	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes	Yes	Yes	Yes
Cluster at orig-dest state-pair and year-quarter	Yes	Yes	Yes	Yes	Yes	Yes

Panel B.1: Age groups

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

Panel B.2: P-value of coefficient difference

Sub-groups	25-34 and 35-44	35-44 and 45-54	25-34 and 45-54
P-value	0.394	0.059	0.006

Panel C: Industries

VARIABLES	(1) Technology	(2) Information Service	(3) Finance	(4) Education	(5) Health Care	(6) Manufacture	(7) Construction
toMisaligned	-0.093***	-0.092***	-0.071***	-0.103***	-0.051**	-0.039*	0.012
	(-4.94)	(-4.39)	(-3.25)	(-4.78)	(-2.62)	(-1.85)	(0.45)
RtoR	0.049***	0.039*	0.022	-0.013	-0.014	0.027*	0.177***
	(2.69)	(1.98)	(0.99)	(-0.40)	(-0.72)	(1.67)	(4.82)
Observations	159,710	110,596	139,342	154,774	176,872	145,886	160,876
R-squared	0.715	0.502	0.437	0.655	0.706	0.613	0.663
Orig State FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dest State FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year-quarter FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 9: President Party

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

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

Table 10: Neighboring States

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

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

Appendix A.

Table A1: Abortion Law

This table examines the effect of political misalignment on interstates job flows in the U.S. among aligned abortion legality state pairs. The dependent variable in Columns (1) and (2) is the natural logarithm of job flows of female aged between 25-34 and the percentage of job flows of female aged between 25 to 34 years old among all female job flows from origin state to destination state. Abortion legality is defined as permitting abortion on request before 12 weeks of gestation. The control variables follow Table 2. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination state pair (orig-dest) and year-quarter levels. The sample period is 2001–2024. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

Restricted to abortion legality aligned state pairs

VARIABLES	(1) Log(Job flow 25-34 female)	(2) 25-34 female job flow% among all female
toMisaglined	-0.077**	-0.445***
	(-2.39)	(-2.68)
Personal income growth rate	0.007***	0.066
	(5.07)	(1.62)
Unemployment rate	-0.021***	0.017
	(-8.74)	(0.32)
EPU	0.004	0.166*
	(1.37)	(1.96)
Geographical distance	-1.051***	2.755***
	(-32.62)	(22.27)
Monthly wage	0.099*	1.678
	(1.67)	(1.37)
HVI	-0.012	0.864
	(-0.44)	(1.46)
Constant	10.157***	14.043***
	(42.19)	(15.62)
Observations	100,814	100,070
R-squared	0.812	0.077
Orig State FE	Yes	Yes
Dest State FE	Yes	Yes
Year-quarter FE	Yes	Yes
Cluster at orig-dest state-pair and year-quarter	Yes	Yes

Table A2: Robustness Check of Close Presidential Elections

This table presents the robustness checks of the baseline difference-in-differences regression results. In Panel A, I expand beyond swing states and include all states that do not experience a partisan flip in a given election as counter parties. A state-pair is ***treated*** if it includes a close-election flipping state and other states with which it is politically aligned prior to the election, such that the pair becomes misaligned following the close elections. Control pairs consist of state-pairs formed by other states that are aligned prior to the election but do not experience a partisan flip in that election and therefore remain aligned throughout the event. In Panel B, I create a placebo treatment year that is two years before the elections. The estimation window of Columns (1) - (2) is (-11,12), while in Columns (3) - (4), the estimation window is shortened to (-7,7) to avoid the confounding effects with real election years. The control variables follow Table 2. All continuous variables are winsorized at the 1st and 99th percentiles and standardized. The regressions control for fixed effects as indicated. Standard errors are clustered at the origin state and destination origin-destination-pair level. T-statistics are in parentheses. Coefficients statistically significant at the 10%, 5%, and 1% levels are denoted by *, **, and ***, respectively.

Panel A: Robustness to Alternative Control Group Construction

VARIABLES	(1)	(2)
Post × Treated	-0.066***	-0.063***
	(-7.18)	(-6.23)
Post	0.117***	0.106***
	(41.71)	(36.35)
Personal income growth rate		0.004***
		(3.42)
Unemployment rate		-0.016***
		(-6.03)
EPU		-0.003
		(-0.87)
Monthly wage		0.004
		(0.05)
HVI		-0.147***
		(-4.31)
Constant	4.444***	4.547***
	(3,121.42)	(2,984.26)
Observations	76,210	69,104
R-squared	0.956	0.960
Orig State*Election FE	Yes	Yes
Dest State*Election FE	Yes	Yes
Orig-dest pair FE	Yes	Yes
Cluster at Orig-dest pair	Yes	Yes

Panel B: Robustness to placebo treatment year

VARIABLES	(1)	(2)	(3)	(4)
Post × Treated	0.003	0.008	-0.017	-0.004
	(0.18)	(0.55)	(-1.11)	(-0.22)
Post	0.042***	0.041***	0.053***	0.046***
	(4.57)	(4.50)	(5.40)	(4.49)
Personal income growth rate		0.003		0.000
		(0.85)		(0.03)
Unemployment rate		-0.010		-0.013
		(-1.44)		(-1.50)
EPU		0.008		0.003
		(0.94)		(0.38)
Monthly wage		-0.205		-0.342
		(-0.64)		(-0.85)
HVI		0.008		0.018
		(0.08)		(0.22)
Constant	5.261***	5.276***	5.238***	5.256***
	(1,374.21)	(1,283.42)	(1,477.95)	(1,363.33)
Observations	7,526	6,392	4,932	4,176
R-squared	0.961	0.963	0.964	0.967
Orig State*Election FE	Yes	Yes	Yes	Yes
Dest State*Election FE	Yes	Yes	Yes	Yes
Orig-dest pair FE	Yes	Yes	Yes	Yes
Cluster at Orig-dest pair	Yes	Yes	Yes	Yes

Table A3: Robustness Checks: Alternative Fixed Effects

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

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

Table A4: Stable Jobs and Jobs with Separations

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

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

Table A5: Misaligned State Governor

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

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

Table A6: Robustness Checks: Additional Controls

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

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

Appendix B. Variable definitions

Variables	Definitions	Sources
Job flows	The natural log of job flows from origin state to destination state (including D.C.).	U.S. Census
Job flows (stable employment) employment	The natural log of job flows (stable employment) from origin state to destination state.	As above
Job flows with separations	The natural log of job flows (with separation spell between jobs) from origin state to destination state.	As above
toMisaligned	A dummy variable that equals 1 when origin and destination states voted for different presidential candidates in the most recent election, and 0 otherwise.	Ballotpedia
RtoR	A dummy variable that equals 1 if origin and destination states are red states in the most recent presidential election, and 0, otherwise.	As above
BtoR	A dummy variable that equal 1 if origin state is a blue state and destination state is a red state in the most recent presidential election, and 0 otherwise.	As above
RtoB	A dummy variable that equals 1 if origin state is a red state and destination state is a blue state in the most recent presidential election, and 0 otherwise.	As above
Post	A dummy variable that equals 1 for the twelve quarters following a close election and 0 for the election quarter and the eleven quarters preceding it.	
Treated	The states that satisfy two criteria (1) the most recent presidential election margin was within 3%, and (2) the election winner's party switched from the previous election.	
Political distance	The absolute difference in the percentage of Democratic votes between the origin and destination states in the most recent presidential election.	As above

Continued on the next page

Variables	Definition	
toMisaligned (state)	A dummy variable that equals 1 when origin and destination states voted for different party in their most recent gubernatorial elections and 0, otherwise.	As above
Deepening	(*democratic voting share*$_{Dest}$-*democratic voting share*$_{0rig}$) if both states are blue, and (*democratic voting share*$_{Orig}$-*democratic voting share*$_{Dest}$) if both states are red, and equals -1 if two states are misaligned.	
Deepening dummy	A dummy variable that equal 1 if the destination state is ideologically aligned with the origin state and exhibits a stronger partisan leaning than the origin state and 0, otherwise.	As above
LnPCI	The natural log of partisan conflicts index.	Fed of Philadelp
25-34 female job flow%	The percentage of job flows of female aged between 25 to 34 years old among all female job flows from the origin state to the destination state.	U.S. Census
Personal income growth rate	The difference of personal income growth rate between destination state and origin state.	U.S. Census
Unemployment rate	The difference of unemployment between destination state and origin state.	As above
EPU	The difference of the state-level EPU between destination and origin states.	Baker, Davis and
Geographical distance	The geographical distance between the capitals of destination and origin states.	Bureau of Trans- portation Statist
Monthly wage	The difference of the natural logarithm of monthly average wage between destination and origin states.	U.S. Census
HVI	The difference of the natural logarithm of Zillow House Value Index between destination and origin states.	Zillow
Neighbor dummy	A dummy variable that equals 1 when origin and destination states share border and 0, otherwise.	Google Map
GDP Growth	The difference of GDP growth between destination state and origin state (available from 2005 onward).	U.S. Census
RPP	The difference of regional price parities between destination state and origin state (available from 2008 to 2023).	BEA