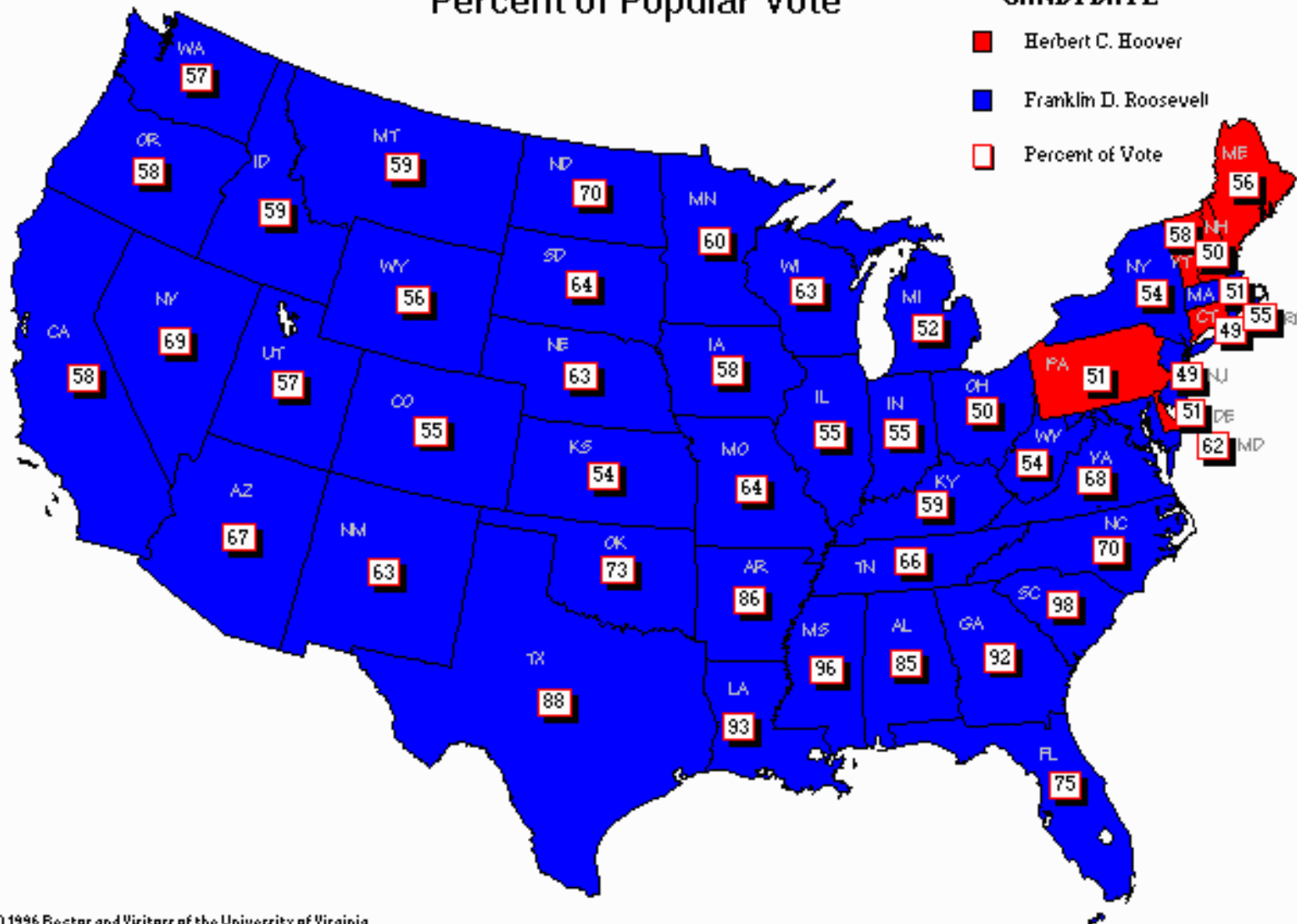


1932 Presidential Election

Percent of Popular Vote

CANDIDATE

- Herbert C. Hoover
- Franklin D. Roosevelt
- Percent of Vote

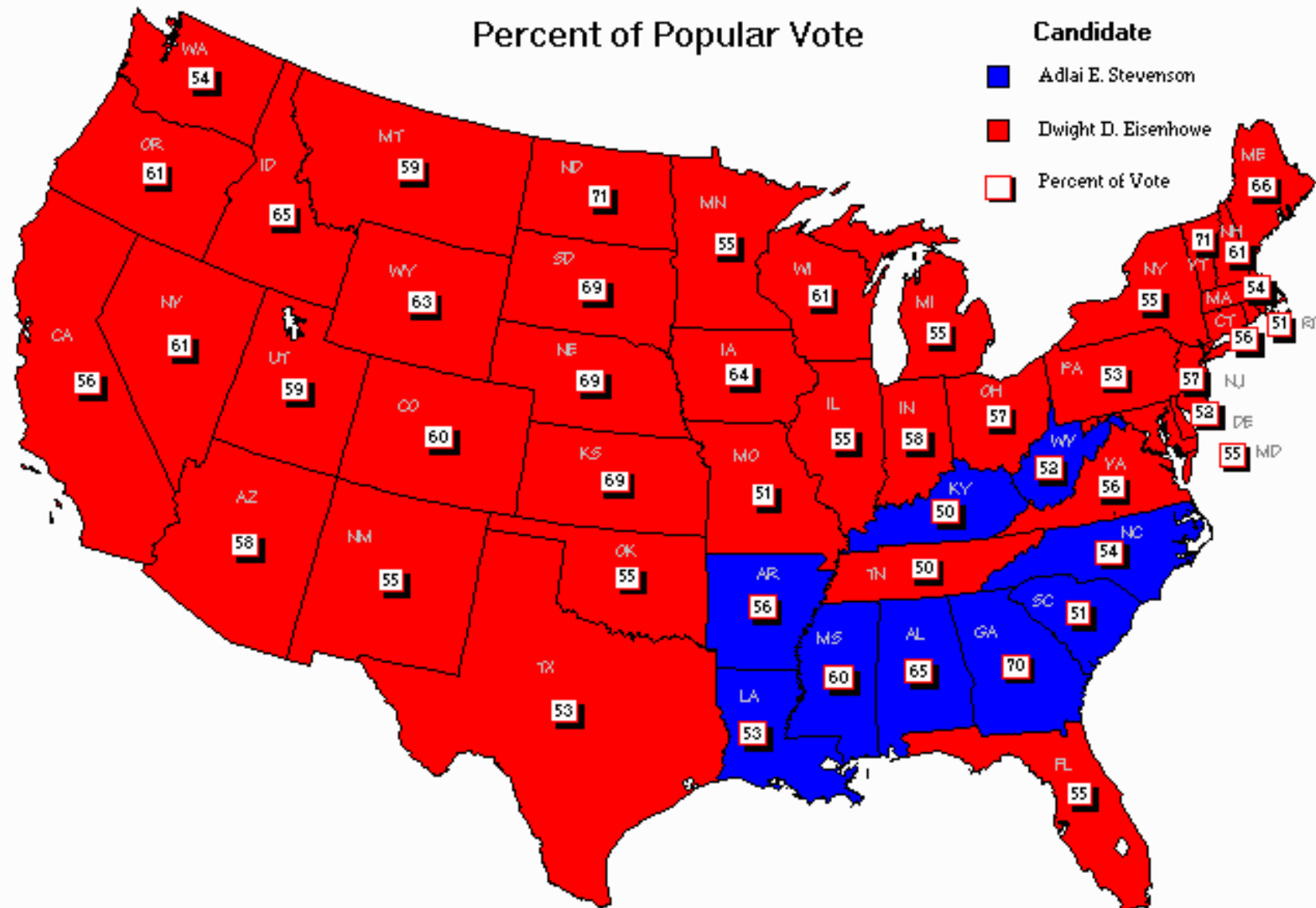


1952 Presidential Election

Percent of Popular Vote

Candidate

- Adlai E. Stevenson
- Dwight D. Eisenhower
- Percent of Vote



1964 Presidential Election

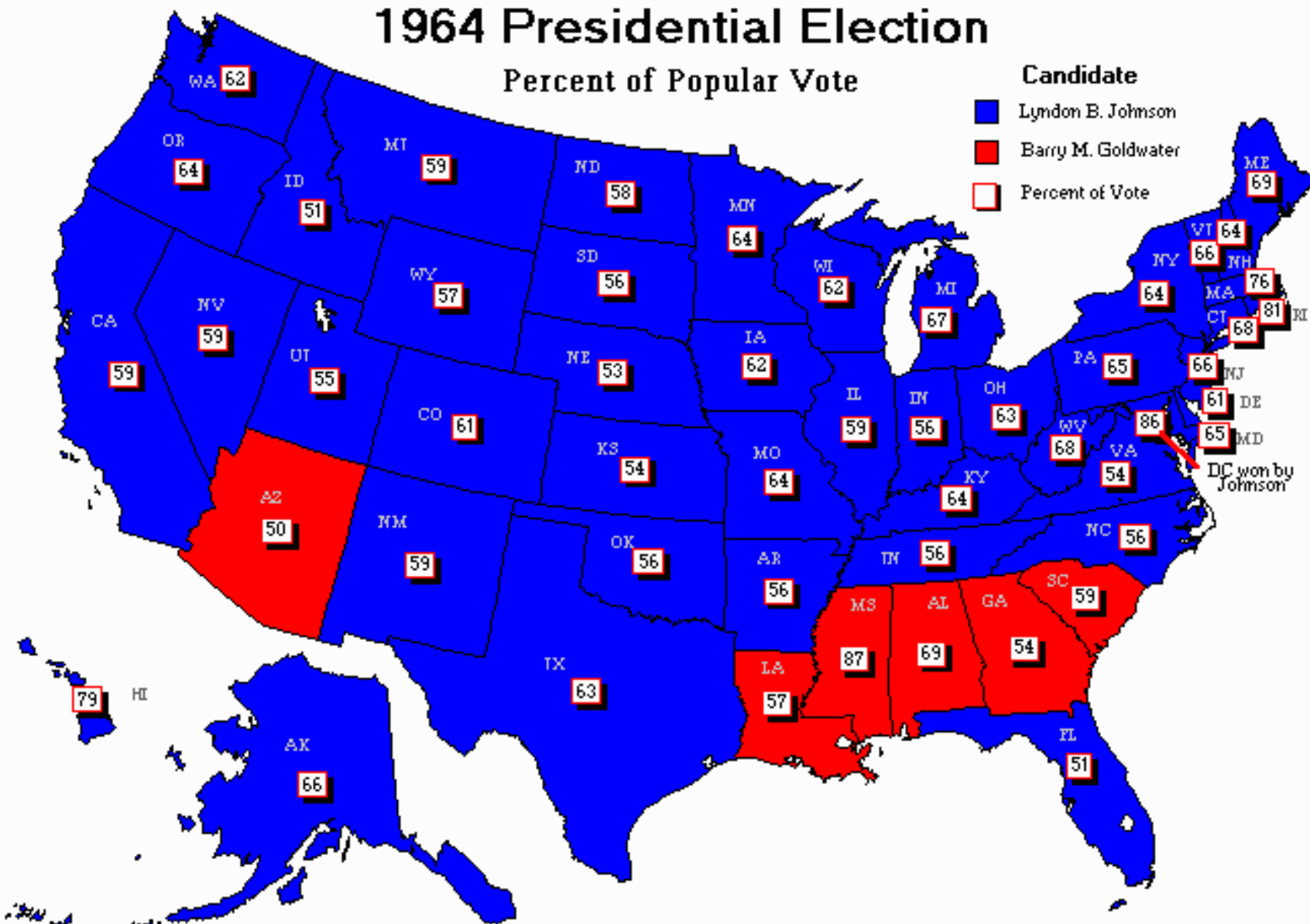
Percent of Popular Vote

Candidate

Lyndon B. Johnson

Barry M. Goldwater

Percent of Vote



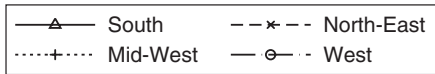
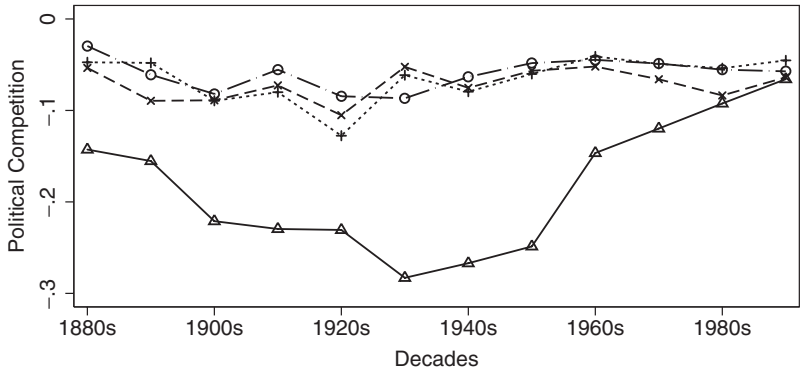


FIGURE 1

Political competition by decades

TABLE 2

Political competition and policy: basic results

	Tax revenue as a % of state income (1)	Tax revenue as a % of state income (2)	Tax revenue as a % of state income (3)	Infrastructure spending as a % of state government expenditure (4)	Infrastructure spending as a % of state government expenditure (5)	Infrastructure spending as a % of state government expenditure (6)	Right-to-work laws (7)	Right-to-work laws (8)	Right-to-work laws (9)
Political competition	-3.036*** (0.590)	-2.362*** (0.662)	-4.718*** (1.366)	4.975*** (1.651)	5.070** (2.449)	8.459** (3.770)	0.973*** (0.221)	0.817*** (0.242)	1.504*** (0.315)
South × year interactions	No	Yes	No	No	Yes	No	No	Yes	No
Method	OLS	OLS	IV	OLS	OLS	IV	OLS	OLS	IV
Sample	1950–2001	1950–2001	1950–2001	1950–2001	1950–2001	1950–2001	1929–2001	1929–2001	1929–2001
First stage <i>F</i> -statistic			36.16			36.16			68.44
Observations	2496	2496	2496	2496	2496	2496	3504	3504	3504
<i>R</i> -squared	0.828	0.837		0.836	0.843		0.722	0.730	

Notes: All regressions include state and year fixed effects as additional control variables. Our measure of infrastructure spending is capital outlays as a percentage of total state government expenditure. In parentheses are standard errors which are robust against heteroskedasticity and adjusted for clustering at the state level. *, **, ***, Significance at the 10%, 5%, and 1% level, respectively.

TABLE 3

Political competition and policy: party effects and non-linearities

	Tax revenue as % of state income (1)	Tax revenue as % of state income (2)	Tax revenue as % of state income (3)	Tax revenue as % of state income (4)	Infrastructure spending as a % of state government expenditure (5)	Infrastructure spending as a % of state government expenditure (6)	Infrastructure spending as a % of state government expenditure (7)	Infrastructure spending as a % of state government expenditure (8)	Right-to- work laws (9)	Right-to- work laws (10)	Right-to- work laws (11)	Right-to- work laws (12)
Political competition	-2.312*** (0.669)	-1.527** (0.582)			4.889* (2.463)	4.783** (2.198)			0.760*** (0.238)	0.289 (0.238)		
Political competition × Democratic governor			-2.853*** (0.830)				5.910** (2.829)				1.071*** (0.247)	
Political competition × Republican governor			-0.413 (0.585)				1.310 (2.935)				-0.287 (0.277)	
Political competition > -0.10				-0.128** (0.055)				0.401* (0.237)				0.010 (0.023)
Political competition > -0.25				-0.368* (0.217)				1.107 (0.857)				0.150* (0.077)
Political competition > -0.40				-0.226 (0.269)				1.049 (0.788)				0.016 (0.098)
Democratic governor	0.024 (0.055)	-0.002 (0.060)	-0.119* (0.063)	0.000 (0.060)	-0.240 (0.213)	-0.237 (0.228)	0.028 (0.325)	-0.248 (0.226)	-0.022 (0.015)	0.003 (0.014)	0.060** (0.024)	0.001 (0.013)
Democrats control state house and senate	0.167** (0.080)	0.171** (0.079)	0.176** (0.078)	0.178** (0.078)	-0.586* (0.312)	-0.586* (0.312)	-0.604* (0.312)	-0.611* (0.311)	-0.080*** (0.029)	-0.073** (0.028)	-0.083*** (0.030)	-0.078*** (0.027)
Republicans control state house and senate	-0.117 (0.091)	-0.073 (0.088)	-0.111 (0.091)	-0.072 (0.089)	0.075 (0.460)	0.070 (0.467)	0.064 (0.461)	0.075 (0.469)	0.088** (0.033)	0.055** (0.025)	0.084*** (0.031)	0.057** (0.025)
Democratic vote share		1.225** (0.513)		1.182** (0.500)		-0.166 (1.926)		0.174 (1.933)		-0.813*** (0.192)		-0.731*** (0.181)
South × year interactions	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year sample	1950–2001	1950–2001	1950–2001	1950–2001	1950–2001	1950–2001	1950–2001	1950–2001	1929–2001	1929–2001	1929–2001	1929–2001
Method	OLS	OLS	OLS	OLS	OLS	OLS	OLS	OLS	OLS	OLS	OLS	OLS
Observations	2478	2478	2478	2478	2478	2478	2478	2478	3467	3467	3467	3467
R-squared	0.839	0.842	0.841	0.842	0.843	0.843	0.843	0.843	0.742	0.754	0.749	0.756

Notes: All regressions include state and year fixed effects as additional control variables. Our measure of infrastructure spending is capital outlays as a percentage of total state government expenditure. In parentheses are standard errors which are robust against heteroskedasticity and adjusted for clustering at the state level. *, **, ***, Significance at the 10%, 5%, and 1% level, respectively.

TABLE 5

Political competition and economic growth: basic results

	Growth of personal income (1)	Growth of personal income (2)	Growth of personal income (3)	Growth of personal income (4)
Political competition	0.045*** (0.013)	0.028** (0.013)	0.082*** (0.021)	0.051** (0.023)
Lagged personal income	-0.095*** (0.014)	-0.104*** (0.015)	-0.105*** (0.015)	-0.108*** (0.014)
South \times year interactions	No	Yes	No	Yes
First stage F -statistic			50.49	25.03
Method	OLS	OLS	IV	IV
Sample	1929–2001	1929–2001	1929–2001	1929–2001
Observations	3456	3456	3456	3456
R -squared	0.651	0.677	0.649	0.676

Notes: All regressions include state and year fixed effects as additional explanatory variables. In parentheses are standard errors which are robust against heteroskedasticity and adjusted for clustering at the state level. *, **, ***, Significance at the 10%, 5%, and 1% level, respectively.

TABLE 6

Political competition and growth: additional results

	Growth of personal income (1)	Growth of personal income (2)	Growth of personal income (3)	Growth of personal income (4)	Growth of personal income (5)	Growth of personal income (6)	Growth of personal income (7)	Growth of personal income (8)	Share of non-farm income (9)
Political competition	0.028** (0.013)	0.032* (0.016)			0.021 (0.012)	0.013 (0.024)	0.076** (0.035)	0.165** (0.078)	0.109*** (0.035)
Political competition × Democratic governor			0.029** (0.014)						
Political competition × Republican governor			0.024 (0.036)						
Political competition > −0.10				0.000 (0.002)					
Political competition > −0.25				0.010* (0.005)					
Political competition > −0.40				0.008 (0.006)					
Democratic governor	0.002 (0.001)	0.001 (0.001)	0.002 (0.002)	0.001 (0.001)	0.001 (0.002)	0.002 (0.002)	0.014*** (0.005)	0.005 (0.005)	0.001 (0.003)
Democrats control state house and senate	0.002 (0.002)	0.002 (0.002)	0.002 (0.002)	0.002 (0.002)	−0.000 (0.002)	0.002 (0.002)	0.021*** (0.007)	0.010 (0.006)	−0.012* (0.007)
Republicans control state house and senate	0.003 (0.002)	0.003 (0.002)	0.003 (0.002)	0.003 (0.002)	0.014** (0.006)	0.002 (0.002)	0.005 (0.009)	0.009 (0.008)	0.010* (0.006)
Democratic vote share		0.006 (0.013)		0.011 (0.013)					
Lagged personal income	−0.102*** (0.015)	−0.101*** (0.015)	−0.102*** (0.014)	−0.101*** (0.015)	−0.067*** (0.012)	−0.123*** (0.016)	−0.340*** (0.039)	−0.874 (0.042)	
South × year interactions	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes
Method	OLS	OLS	OLS	OLS	OLS	OLS	5-Year averages	Arellano–Bond	OLS
Year sample	1929–2001	1929–2001	1929–2001	1929–2001	1929–2001	1929–2001	1930–1999	1930–1999	1929–2000
States in sample	All	All	All	All	Southern	Northern	All	All	All
Observations	3420	3420	3420	3420	1152	2268	623	527	3421
R-squared	0.675	0.675	0.675	0.676	0.815	0.616	0.882		0.882

Notes: All regressions include state and year fixed effects as additional control variables. The regressions in Columns (7) and (8) use 5-year averages of our data. Column (7) uses OLS while Column (8) uses the Arellano–Bond first difference estimator. In parentheses are standard errors which are robust against heteroskedasticity and adjusted for clustering at the state level. *,**,***, Significance at the 10%, 5%, and 1% level, respectively.

TABLE 7

Political competition and economic growth between 1880 and 1920

	Growth of personal income (1)	Growth of personal income (2)	Growth of personal income (3)	Growth of personal income (4)	Growth of personal income (5)	Growth of personal income (6)	Growth of personal income (7)
Political competition	0.016** (0.007)	0.020*** (0.007)	0.021*** (0.007)	0.027** (0.011)		0.020* (0.010)	0.049** (0.021)
Political competition × Democratic governor					0.017* (0.009)		
Political competition × Republican governor					0.036* (0.021)		
Governor is a Democrat			-0.001 (0.004)	-0.002 (0.005)	-0.003 (0.005)	0.031** (0.013)	-0.004 (0.005)
Democrats control state house and senate			0.004 (0.008)	0.004 (0.008)	0.004 (0.008)	-0.029** (0.012)	0.005 (0.009)
Republicans control state house and senate			0.008 (0.006)	0.010 (0.006)	0.008 (0.006)	-0.006 (0.024)	0.009 (0.006)
Democratic vote share				0.009 (0.012)			
Lagged personal income	-0.015*** (0.002)	-0.017*** (0.002)	-0.016*** (0.002)	-0.016*** (0.002)	-0.016*** (0.002)	-0.009** (0.004)	-0.017*** (0.003)
South × year interactions	No	Yes	Yes	Yes	Yes	No	No
Method	OLS	OLS	OLS	OLS	OLS	OLS	OLS
Year sample	1880, 1900, 1920	1880, 1900, 1920	1880, 1900, 1920	1880, 1900, 1920	1880, 1900, 1920	1880, 1900, 1920	1880, 1900, 1920
States in sample	All	All	All	All	All	Southern	Northern
Observations	93	93	93	93	93	31	62
R-squared	0.480	0.613	0.640	0.642	0.643	0.611	0.619

Notes: All regressions include year fixed effects as additional explanatory variables. The regressions in Columns (2), (3), (4), and (5) also include an indicator for the US South and an interaction between this indicator and the time dummies as additional regressors. In parentheses are standard errors which are robust against heteroskedasticity and adjusted for clustering at the state level. *, **, ***, Significance at the 10%, 5%, and 1% level, respectively.