Relative exposure to negative economic shocks, racial animus, and voting

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Motivation

- Major structural changes to advanced economies
- Some regions more negatively affected (e.g. Autor et al 2013, Autor et al 2021)
- Impact at ballot box (Autor et. al 2020, Baccini and Weymouth 2021, Colantone and Stanig 2018a,b, Jensen, Quinn and Weymouth 2017)
- BUT...even within regions, not all affected equally due to racial and ethnic occupational and industrial segregation (Ard and Smiley 2022; Del Río and Alonso-Villar 2015, Kahn, Oldenski, and Park 2022)

→ Economic shocks as a racialized phenomenon

How does relative exposure to a local negative economic shock shape or exacerbate racist attitudes and behaviors, and ultimately voting?

- Argument: Uneven distribution of shocks along racial lines exacerbates racial animus; leads to increasing support for Republican party
  - **Relative exposure**: white workers' exposure to shock relative to Black workers' exposure

- Findings: For U.S. commuting zones (2000-2020), exposure to Chinese imports that disproportionately affects white workers relative to Black workers associated with
  - ↑ anti-Black racial animus
  - ↑ Republican presidential vote share

Related literature

Politics of local economic shocks

- (e.g. Autor et. al, Broz et. al 2021, Colantone and Stanig 2018 a,b)

Racial prejudice and U.S. politics

- Individual oriented theories (e.g. Allport et al 1954)
- Group position theory (e.g. Bobo and Hutchings 1996; Jardina 2019)

Race, racial attitudes, economic shocks, and voting outcomes

- China shock → ingroup/outgroup racial attitudes (Ferrara 2023)
- China shock → threat to social identity → more authoritarian attitudes (Ballard-Rosa et. al 2021)
- China shock → dominant group status threat → support for Republican candidates (Mutz 2018)
- Deindustrialization → White group status threat → vote for Trump (Baccini and Weymouth 2021)
- Perception outgroup doing relatively better → more support for Brexit (Green et. al 2022)

Theory: relative economic shocks & group position

- **Relative economic shock** = differential impact by group

	County A			County B		
	% Textiles	% Services	Exposure	% Textiles	% Services	Exposure
Black	10	90	0.04	60	40	0.24
White	60	40	0.24	60	40	0.24
Gap			0.20			0

- Racial animus is generated by another group challenging status of dominant group (group position theory)
- Gap in exposure → challenge → racial animus

A larger gap in white-Black exposure will be associated with greater anti-black racism

Theory: Relative economic shocks and presidential voting

- Gap in exposure not necessarily linked to voting
- But political entrepreneurs can activate feelings of threat (e.g. Bobo & Hutchings 1996)
- Emergence of Trump and others using racial rhetoric (e.g. Cramer 2020, Tesler 2016)
- Embolden voters (Newman et. al 2021)
- (Increasing) link between racial attitudes and political/partisan preferences (e.g. Parker and Barreto 2014, Valentino et. al 2018)

A larger gap in white-Black exposure will decrease the Democratic party vote share

Empirical Approach: Measuring Race-Specific Import Exposure

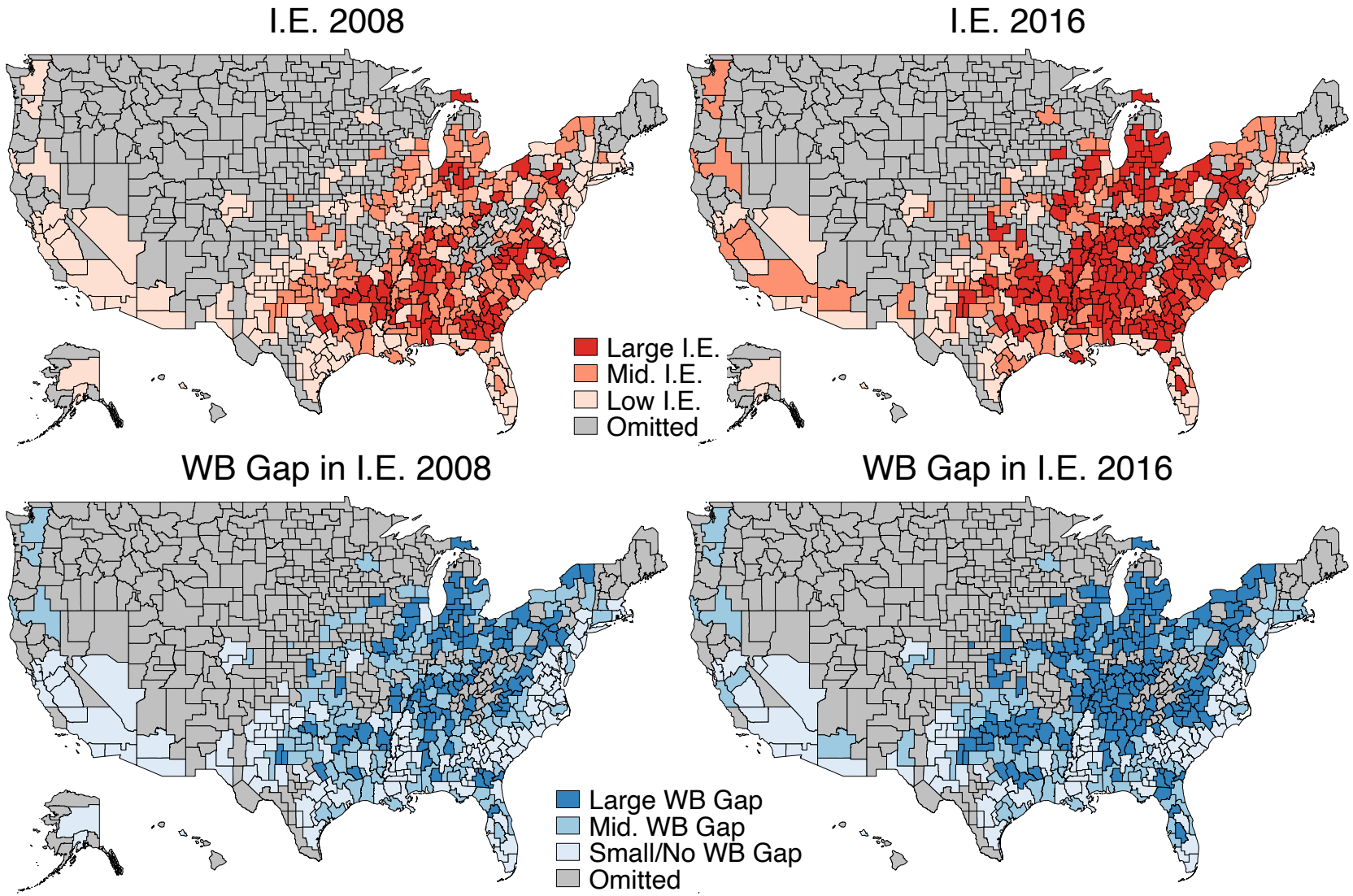
- Measure changes imports in year *t*, industry *k*, relative to a base year (2000) at commuting zone level (Source: CENSUS data from Schott 2008)
- Construct the industrial composition of workers by race (*white, Black*) in each commuting zone *c* in a base year (Source: CENSUS data)
- Finally, relative exposure = [White Import Exposure - Black Import Exposure]

$$\sum_k \Delta M_{tk} \times share_{ck,white} - \sum_k \Delta M_{tk} \times share_{ck,Black}$$

- As a reminder, standard import exposure: $IE_{ct} = \sum_k \Delta M_{tk} \times share_{ck}$

Generic Import Exposure and White-Black Relative Import Exposure Gap

- Top panel is general import exposure
- Bottom panel is our relative exposure measure
- Commuting zones below median black population are omitted



Outcome variables

Racial animus

- Implicit Association Test (IAT): Project Implicit's data repository (Xu et al. 2024)
  - Utilize both indirect and direct measures of bias (individual level)
- # of anti-Black hate crimes (Federal Bureau of Investigation's Uniform Crime Reporting system; panel data, CZ level)

Voting

- Democratic vote share: total Democratic votes divided by total Democratic and Republican votes (Data and Lab 2018)

Empirical approach: Model specification

$$y_{ct} = \beta[Wht.I.E. - Blk.I.E.]_{ct} + \delta_t + \gamma_c + \epsilon_{cy}$$

$$y_{ct} = \beta_1[Wht.I.E. - Blk.I.E.]_{ct} + \beta_2 I.E._{ct} + \delta_t + \gamma_c + \epsilon_{cy}$$

- Where *c* is commuting zone in year *t*, with year and commuting zone fixed effects
- Analysis restricted to commuting zones above the median of the Black population share

Gap associated with greater implicit bias (IAT)

VARIABLES	(1) Anti-Black IAT std. norm.	(2) Anti-Black IAT std. norm.	(3) Anti-Black IAT std. norm.	(4) Anti-Black IAT std. norm.
White - Black I.E.	0.022***		0.038***	0.056**
	(0.006)		(0.013)	(0.024)
General I.E.		0.015***	-0.016	
		(0.005)	(0.012)	
White I.E.				-0.032
				(0.022)
Observations	1,171,094	1,171,094	1,171,094	1,171,094
CZ and Yr. FE	Yes	Yes	Yes	Yes

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Notes: "White - Black I.E." is the difference in localized white Chinese import exposure and Black Chinese import exposure. More positive numbers in the outcome variable indicate more pro-white/anti-Black implicit association.

- Sample: white respondents, 2000, 2008-2020.
- Takeaway: When white I.E. exceeds Black I.E. → increase in white Anti-Black Implicit Bias
- Similar finding with explicit bias

Gap associated with more Anti-Black Hate Crimes

VARIABLES	(1) Anti-Black Crime per 10k in Pop.	(2) Anti-Black Crime per 10k in Pop.	(3) Anti-Black Crime per 10k in Pop.	(4) Anti-Black Crime per 10k in Pop.
White - Black I.E.	0.002		0.011*	0.024**
	(0.004)		(0.006)	(0.010)
Import Exposure		-0.008	-0.015**	
		(0.008)	(0.007)	
White I.E.				-0.026**
				(0.011)
Observations	4,648	4,340	4,340	4,340
CZ and Yr. FE	Yes	Yes	Yes	Yes

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Notes: "White - Black I.E." is the difference in localized white Chinese import exposure and Black Chinese import exposure. The sample average of "Anti-Black Crime per 10k in Pop." is 0.071. All specifications are Poisson; reported coefficients are marginal effects.

- Takeaway: When white I.E. exceeds Black I.E. → Increase in anti-Black hate crimes
- Gap also associate with presence of hate groups

Gap associated with lower Democratic vote share

VARIABLES	(1) Two-Party Dem. Share	(2) Two-Party Dem. Share	(3) Two-Party Dem. Share	(4) Two-Party Dem. Share
White - Black I.E.	-0.022***		-0.024***	-0.024***
	(0.003)		(0.004)	(0.006)
Import Exposure		-0.013***	0.003	
		(0.003)	(0.003)	
White I.E.				0.002
				(0.006)
Observations	1,845	1,845	1,845	1,845

Robust standard errors in parentheses

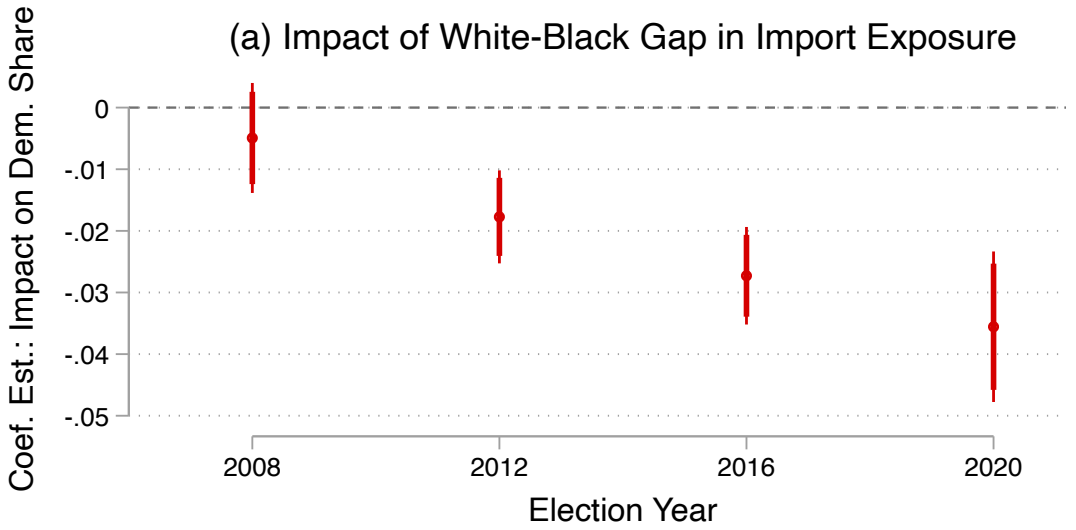
*** p<0.01, ** p<0.05, * p<0.1

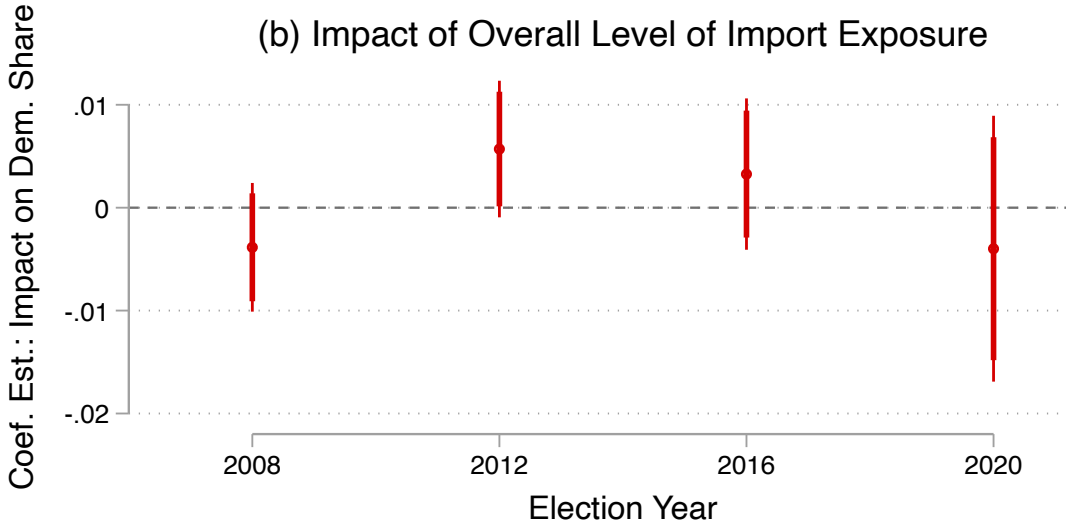
Notes: All specifications include commuting zone and year-fixed effects. Sample includes presidential elections in the years 2000, 2008, 2012, 2016, and 2020. Coefficients are reported in table form in Appendix Table A8.

- Sample: 2000, 2008-2020
- Takeaway: When white I.E. exceeds Black I.E. → Decrease in Dem. share

Gap increasingly associated with lower Democratic vote share

- Regression of two-party dem. share on gap by year (Relative to Year 2000)
- Takeaways:
  - Negative impact of *relative exposure* more pronounced in Trump elections (but starts in 2012)
  - Counter to recent work: *no effect* of overall Import Exposure in most years





Robustness

- Full sample
- Full sample weighted least squares (Black population share)
- Time varying controls (% foreign born, mfg. employment, Black population share, Bartik non-trade)
- Base year controls X trend (% college ed., % foreign-born, mfg. share, Gini, Wallace vote share)
- Two stage least squares (through 2014)
- Hate-crimes placebo tests (anti-Hispanic and anti-Asian)
- Vote share gap treatment placebo (‘92 and ’96)

Conclusion

Prior work

- Impacts of local labor market shocks: shifting attitudes and voting behavior
- Perceived group position threat as an explanation for white voters' Trump support

Our paper unites these two threads

- Economic impacts of labor market shocks felt differently across racial/ethnic groups
- **Racial attitudinal/political response to labor market shocks reflect group position threat and therefore depends on local *relative* exposure, rather than *absolute* exposure.**
- Evidence: when white workers are more exposed than Black workers (controlling for absolute level of shock), higher expression of racist attitudes and behaviors, and shifts in voting patterns (that have elsewhere been attributed to absolute shocks)

Additional slides

Explicit bias IAT

Table 5: IAT Anti-Black Explicit Thermometer Gap

VARIABLES	(1) Wh.-Blk. Therm. Gap	(2) Wh.-Blk. Therm. Gap	(3) Wh.-Blk. Therm. Gap	(4) Wh.-Blk. Therm. Gap
White - Black I.E.	0.019**		0.042***	0.062**
	(0.008)		(0.013)	(0.029)
General I.E.		0.010	-0.025*	
		(0.008)	(0.014)	
White I.E.				-0.042
				(0.029)
Observations	1,072,771	1,072,771	1,072,771	1,072,771
CZ and Yr. FE	Yes	Yes	Yes	Yes

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Notes: "White - Black I.E." is the difference in localized white Chinese import exposure and Black Chinese import exposure. More positive numbers in the outcome variable indicate more pro-white/anti-Black implicit association.

Empirical Approach: Measuring Race-Specific Import Exposure

- China Shock as treatment
- Using CENSUS data from Schott (2008), measure changes in outcomes in year *y* relative to a base year (2000) at commuting zone level

$$\Delta M_{tk} = (M_{tk} - M_{2000k})/M_{2000k}$$

- Using CENSUS data, construct the industrial composition of workers by race in each commuting zone in a base year

$$WhiteIE_{ct} = \sum_k \Delta M_{tk} \times share_{ck,white} \qquad BlackIE_{ct} = \sum_k \Delta M_{tk} \times share_{ck,Black}$$

- Finally, relative exposure

[White Import Exposure - Black Import Exposure]

$$\sum_k \Delta M_{tk} \times share_{ck,white} - \sum_k \Delta M_{tk} \times share_{ck,Black}$$

Do our race-specific measures of import exposure capture race-specific economic outcomes?

- Draw on individual-level Census data, regress earnings and employment status on our race-specific measures (interacted with race)
- Takeaway:
  - White I.E. exposure reduces white worker earnings and employment, but not Black I.E.
  - Black workers specifically impacted by Black I.E.

Table 3: Labor Outcomes

VARIABLES	(1) ln(Earnings)	(2) Working
White I.E.	-0.125***	-0.002***
	(0.034)	(0.001)
Black I.E.	0.007	-0.000
	(0.026)	(0.001)
White I.E. X Black	0.044***	0.000
	(0.017)	(0.002)
Black I.E. X Black	-0.071***	-0.005**
	(0.021)	(0.002)
Observations	3,536,354	3,755,738

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Notes: "[Race] I.E." is race-specific import exposure. Both import exposure measures have been divided by their standard deviations. "Blk. X [Race] I.E." is interaction with race of Census respondent and captures differential impact of [Race] I.E. on Black respondents. All specifications include state-race FEs, sex-race FEs, and race-age controls. Data draws on the 2016-2020 5-year sample of the American Community Survey.

Vote share placebo

Table A9: Impacts of Overall and Differential-by-Race Import Exposure on Presidential Election Democratic Vote Shares, Placebo Comparing 2000 to 1992 and 1996

VARIABLES	(1) Two-Party Dem. Share	(2) Two-Party Dem. Share
White - Black I.E.	0.003	0.004
	(0.003)	(0.005)
Import Exposure	0.002	
	(0.003)	
Wht. Import Exposure		0.001
		(0.005)
Observations	1,101	1,101
CZ and Yr. FE	Yes	Yes
Full Sample	No	No
Weighted	No	No

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Notes: All specifications include commuting zone and year fixed effects. Sample includes presidential elections in the years 1992, 1996, and 2000. All three import exposure measures measured as averages at commuting zone level from the years 2008-2020. As in main specifications, year 2000 serves as baseline year and therefore all three measures equal zero in that year.

Vote share: Leveraging decrease in White-Black Gap

Table A10: Impacts of Overall and Differential-by-Race Import Exposure on Presidential Election Democratic Vote Shares, Late Periods Only - Leveraging Decreases in White-Black Gap in 2020

VARIABLES	(1) Two-Party Dem. Share	(2) Two-Party Dem. Share	(3) Two-Party Dem. Share
Low WB Gap X 2020	0.010*	0.011**	0.010**
	(0.005)	(0.005)	(0.005)
Import Exposure		0.002	
		(0.001)	
Wht. Import Exposure			0.002
			(0.002)
Observations	579	579	579

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Notes: All specifications include commuting zone and year fixed effects. Sample includes presidential elections in the years 2012, 2016, and 2020. Sample is further restricted to commuting zones with above-median white-Black gaps in 2012 and 2016. We then define a variable "Low WB Gap" which equals one if the commuting zone is below median – which, by construction is only possible in 2020 – as opposed to remaining above median.