

Small Dollar Donations and Globalization: How Trade-Related Layoffs Translate to Costly Political Action

James Bisbee, Patrick Y. Wu, Maggie Macdonald, Megan A.
Brown, and Rachel Porter

Three Stylized Facts

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- Second, this group has faced an increase in the **economic hardships associated with free trade**.
- Third, the political right has grown more **anti-globalist** over this same period.

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AUTOR ET AL.: IMPORTING POLITICAL POLARIZATION?

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TABLE 5—EXPOSURE TO CHINESE IMPORT COMPETITION AND PRESIDENTIAL ELECTION VOTE SHARES, 2000–2008 AND 2000–2016, 2SLS ESTIMATES

	(1)	(2)	(3)	(4)	(5)
<i>Panel A. ΔNet Republican vote share, 2000–2008</i>					
Δ CZ import penetration, 2000–2008	1.54 (0.73)	5.60 (1.41)	2.38 (1.24)	1.75 (0.86)	1.59 (0.85)
<i>Panel B. ΔNet Republican vote share, 2000–2016</i>					
Δ CZ import penetration, 2000–2008	3.86 (1.48)	3.98 (1.69)	1.72 (1.71)	1.99 (0.97)	1.71 (0.90)
Estimation method	2SLS	2SLS	2SLS	2SLS	2SLS
F-statistic first stage	63.7	50.2	46.4	48.1	48.0
2000 ind/occ controls		Yes	Yes	Yes	Yes
Census division dummies			Yes	Yes	Yes
2000 demography controls				Yes	Yes
1992/1996 election controls					Yes

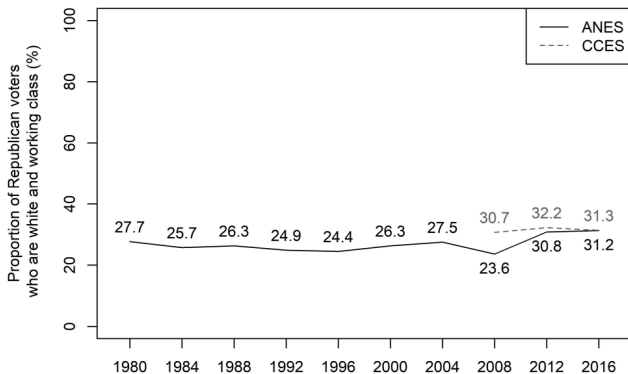
Aggregate patterns and IPE

The traditional IPE model:

People **rationally** support parties that safeguard* their welfare

Missing microfoundations

Figure 2
The white working class's share of the Republican presidential vote



Missing microfoundations

Table 1. Predicting change in presidential support from 2012 to 2016: Fixed effects analysis

Change in predictors	Model 1: Thermometer advantage				Model 2: Vote choice among validated voters			
	Effects of change in predictors on change in Republican thermometer advantage		Effects of change in salience of 2012 predictors on change in Republican thermometer advantage (predictor by wave)		Effects of change in predictors on change in presidential vote choice		Effects of change in salience of 2012 predictors on change in presidential vote choice (predictor by wave)	
	Coefficient	z Value	Coefficient	z Value	Coefficient	z Value	Coefficient	z Value
Party identification (Democrat)	-0.686	-2.870**	0.275	1.420	-1.610	-8.121***	-0.551	-1.589
Personal economic hardship								
Household income	-0.004	-0.080	-0.036	-1.070	-0.052	-1.082	-0.029	-0.399
Looking for work	0.006	0.010	0.624	0.760	-0.692	-0.691	-2.162	-1.481
Personal finances (better)	-0.032	-0.190	-0.104	-0.540	-0.025	-0.107	0.228	0.545
Personal effects of trade (better)	-0.303	-1.850	-0.253	-1.270	0.104	0.530	-0.321	-1.205
Own issue opinions								
On trade	-0.037	-0.290	0.042	0.300	-0.029	-0.200	-0.261	-1.098
On immigration	-0.170	-1.490	-0.219	-1.770	0.103	0.768	0.138	0.652
On China	0.190	1.640	0.002	0.020	0.112	0.821	-0.035	-0.154
Perceived distance of Democratic candidate on issues								
On trade	0.120	1.140	-0.108	-0.760	0.530	3.116**	0.166	0.890
On immigration	0.199	2.000*	-0.086	-0.680	0.338	2.425*	0.099	0.422
On China	0.392	3.840***	0.106	0.830	0.370	2.748***	-0.086	-0.315
Perceived distance of Republican candidate on issues								
On trade	-0.213	-2.280*	-0.034	-0.260	-0.484	-2.986**	-0.239	-0.921
On immigration	-0.010	-0.110	0.219	1.930	-0.418	-3.208**	-0.274	-1.059
On China	-0.206	-2.340*	0.072	0.650	-0.357	-2.963***	-0.017	-0.061
SDO	0.184	2.570*	-0.022	-0.280	0.276	2.556*	-0.046	-0.246
National economy	-0.583	-3.730***	0.083	0.440	-0.773	-3.884***	-0.296	-0.722
Economic context [†]								
Unemployed, %			-0.035	-0.520			-0.077	-0.407
Manufacturing, %			0.018	0.900			-0.072	-1.712
Median income			-0.007	-1.160			-0.011	-0.729
Wave (2012–2016)			0.811	0.620			5.396	2.165*
Constant			12.710	10.590***			3.981	2.663*
R ² /pseudo-R ²			0.65				0.78	
Sample size (n)			1,088				793	

Missing microfoundations

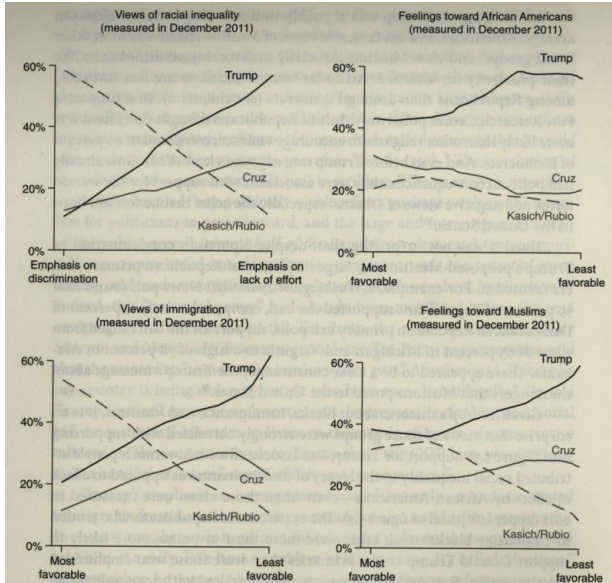


Figure 5.5.

Attitudes toward immigration, Muslims, and African Americans and support for Republican primary candidates.

The Puzzle

Do people **rationally** support parties that safeguard* their welfare?

Or are they **emotionally** motivated by xenophobia, racial resentment, and anxiety over changing demographics?

The Puzzle

Do people **rationally** support parties that safeguard* their welfare?

Or are they **emotionally** motivated by xenophobia, racial resentment, and anxiety over changing demographics?

In other words, why do Americans support former president Trump?

Our Claim

- Existing evidence suffers from data limitations
 - In aggregate data: **ecological inference fallacies**
 - In survey data: **measurement issues**
 - In both: How do we measure “**exposure**”?

Our contribution

- Use richer data
 - Time series cross sectional
 - Self-reported attitudes
 - Coarse measures of exposure
-
-
-
-

Our contribution

- Use richer data
 - ~~Time series cross sectional~~ → **individual panel**
 - ~~Self-reported attitudes~~ → **costly behaviors**
 - ~~Coarse measures of exposure~~ → **nuanced measures**
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Our contribution

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 - ~~Coarse measures of exposure~~ → **nuanced measures**
- Apply more robust methods
 - Within-donor variation
 - Before and after layoffs
 - More exposed vs more insulated

Our Finding

- **Exposure** to trade-related layoffs corresponds to **decline in support for Democratic groups...**

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- ...and an increase in support for **Republican groups**

Our Finding

- **Exposure** to trade-related layoffs corresponds to **decline in support for Democratic groups...**
 - ...In Washington state
- ...and an increase in support for **Republican groups**
 - ...In Pennsylvania and Ohio

- **Exposure** to trade-related layoffs corresponds to **decline in support for Democratic groups...**
 - ...In Washington state
 - ...Between 2016 and 2018
- ...and an increase in support for **Republican groups**
 - ...In Pennsylvania and Ohio
 - ...Between 2017 and 2022

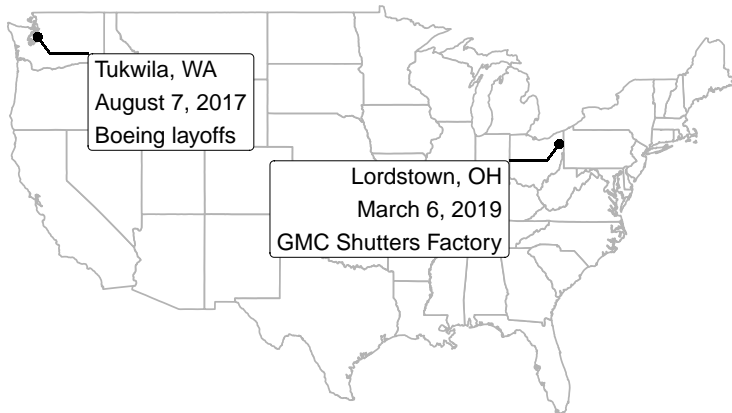
How we do it: Data

- **Outcome:** Donations to **ActBlue** and **WinRed** PACs
 - Scraped using the **FEC API**
 - **Universe of donations** to either of these (increasingly) dominant aggregators
 - Observe **small dollar donors** who have previously been invisible to political science research

How we do it: Data

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 - Scraped using the **FEC API**
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 - Observe **small dollar donors** who have previously been invisible to political science research
- **Predictor:** Donor characteristics
 - Occupation & employer: measure **labor market fragility**
 - Physical address: measure **distance-based exposure**

How we do it: Data



How we do it: Methods

- Core method: diff-in-diff
 - Exposed-vs-insulated before-vs-after plant closure

Puzzle

Contribution

Design

Results

Conclusion

Appendix

How we do it: Methods

- Core method: diff-in-diff
 - Exposed-vs-insulated before-vs-after plant closure
- Challenges:
 - 1) When do people learn about plant closure?
 - 2) Who is “exposed”?

Challenge 1: Timing

CERTIFIED

TAW-92903 / The Boeing Company (Tukwila, WA)

Petitioner Type: Union

Impact Date: 08/07/2017

Filed Date: 05/22/2017

Most Recent Update: 02/27/2018

Determination Date: 08/08/2017

Expiration Date: 08/08/2019

Other Worker Groups on This Petition

[TAW-92903A / The Boeing Company \(Portland, OR\)](#)

DEPARTMENT OF LABOR

Employment and Training Administration

TA-W-92,903

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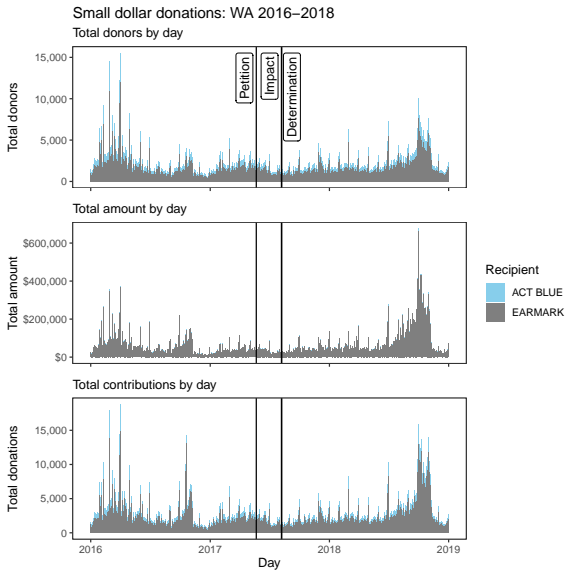
Design

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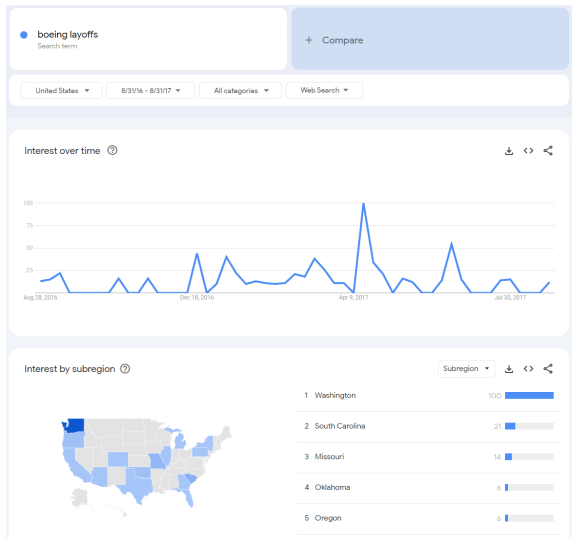
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Challenge 1: Timing



Challenge 1: Timing



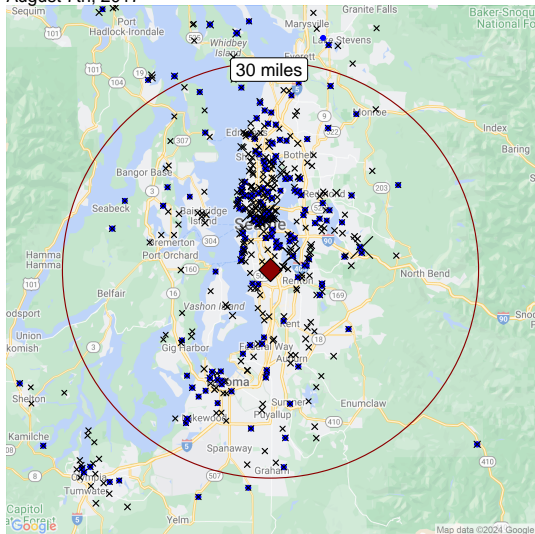
Solution 1

- Aggregate to year and compare 2016 to 2018
- Aggregate to week and subset to only 2017

Challenge 2: Exposure

All small dollar donations near Boeing factory

August 7th, 2017



Recipient

● ACT BLUE

× EARMARK

\$ Value

● \$10

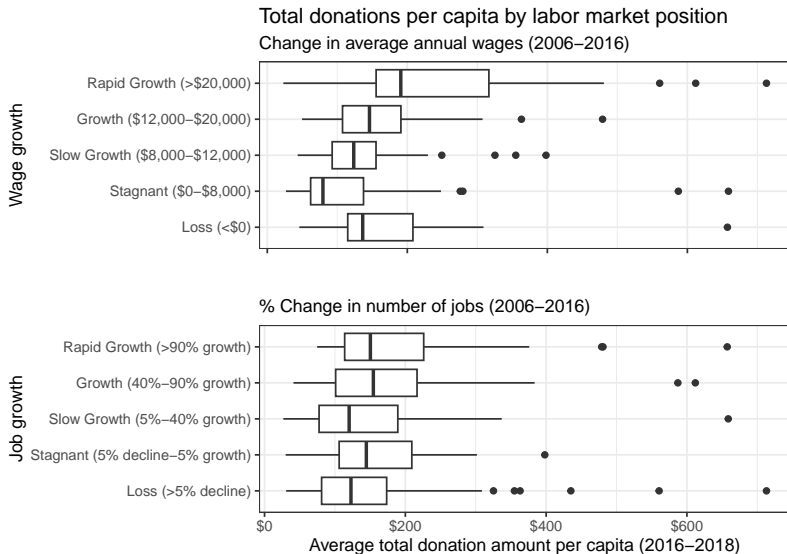
● \$100

● \$500

● \$1,000

● \$5,000

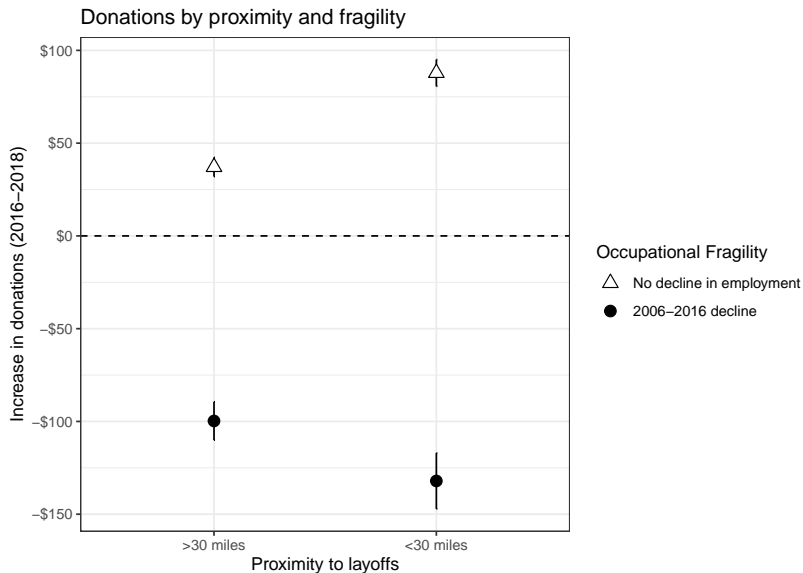
Challenge 2: Exposure



Solution 2

- (1) $y_{i,t} = \alpha_i + \beta_1 \textit{close}_i + \beta_2 \textit{post}_t + \beta_3 \textit{close} * \textit{post} + \varepsilon_{it}$
- (2) $y_{i,t} = \alpha_i + \beta_1 \textit{fragile}_i + \beta_2 \textit{post}_t + \beta_3 \textit{fragile} * \textit{post} + \varepsilon_{it}$
- (3) $y_{i,t} = \alpha_i + \beta_1 \textit{close} + \beta_2 \textit{post} + \beta_3 \textit{fragile}$
 $+ \beta_4 \textit{close} * \textit{post} + \beta_5 \textit{close} * \textit{fragile} + \beta_6 \textit{post} * \textit{fragile}$
 $+ \beta_7 \textit{close} * \textit{post} * \textit{fragile}$

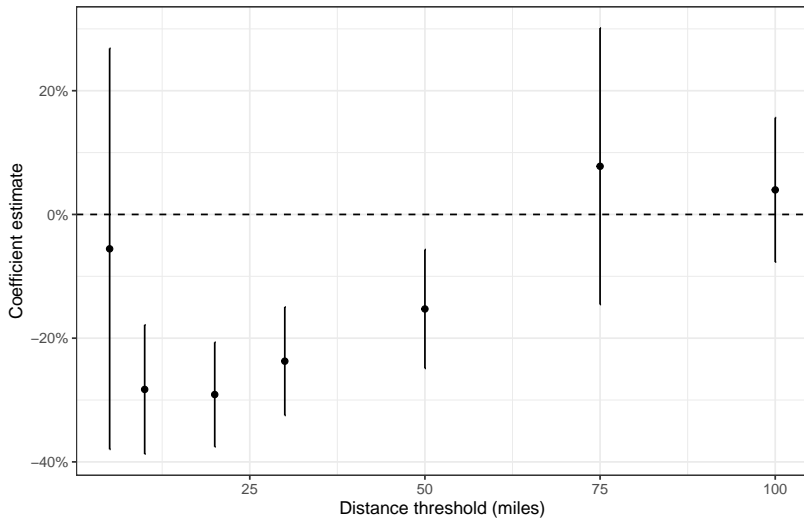
Results: Boeing



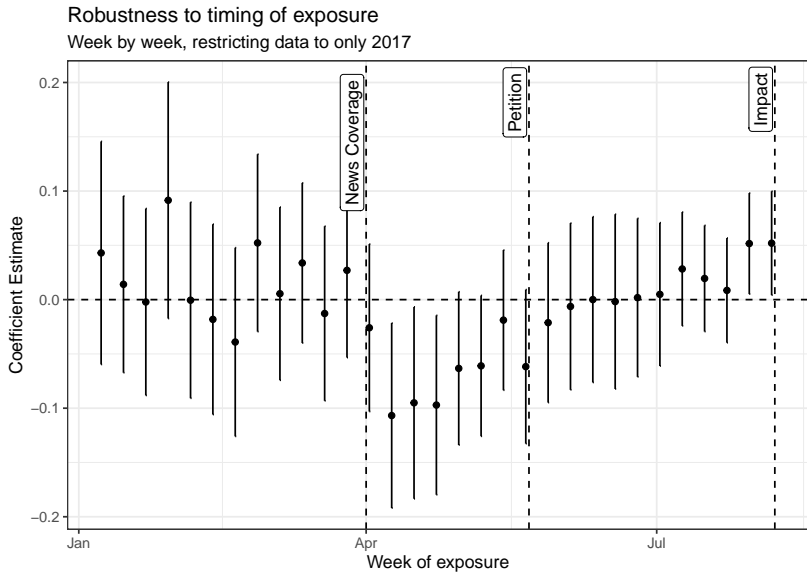
Results: Boeing

Robustness of results to different choices of "closeness"

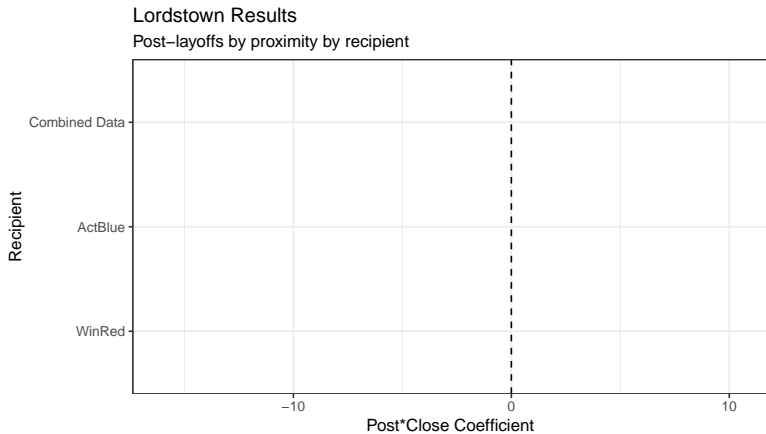
Triple-interaction coefficient by closeness threshold (miles)



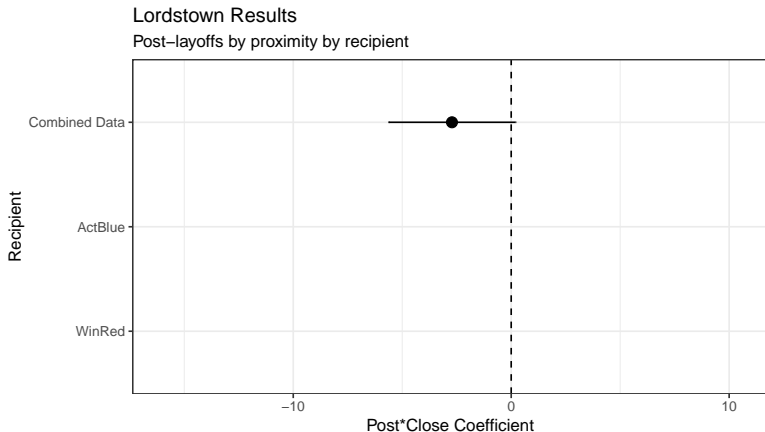
Results: Boeing



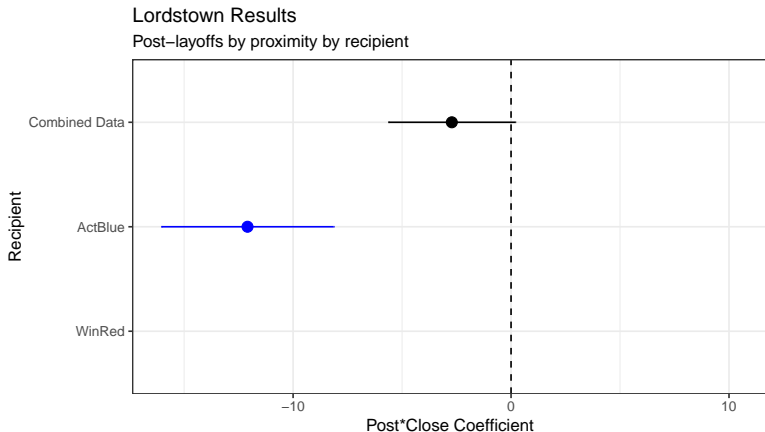
Results: Lordstown



Results: Lordstown



Results: Lordstown



Results: Lordstown

Puzzle

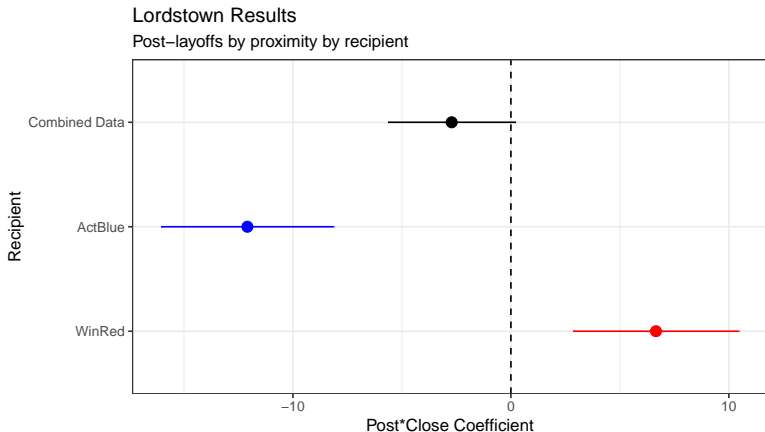
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Limitations & Next Steps

- Outcome:
 - **Hopefully** can define recipients by protectionism
 - Other behaviors including turnout via L2

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Limitations & Next Steps

- Outcome:
 - **Hopefully** can define recipients by protectionism
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- Scope:
 - **Currently** only looking at donors living in the states of interest (WA, PA, and OH)
 - **Hopefully** can look at (1) other layoffs and (2) all donors everywhere

Limitations & Next Steps

- Outcome:
 - **Hopefully** can define recipients by protectionism
 - Other behaviors including turnout via L2
- Scope:
 - **Currently** only looking at donors living in the states of interest (WA, PA, and OH)
 - **Hopefully** can look at (1) other layoffs and (2) all donors everywhere
- Exposure:
 - **Currently** using geographic distance and occupation-based fragility
 - **Hopefully** can define distance more carefully; use industry to determine exposure to import competition; and use all three to implement occupational immobility

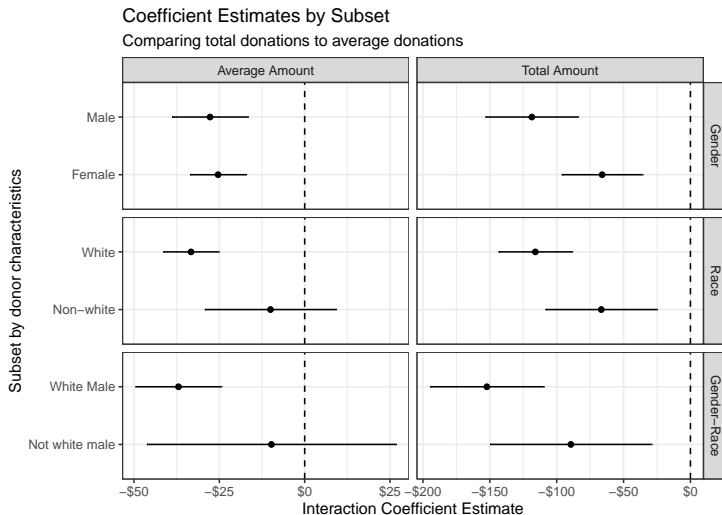
Thank you!

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- Patrick Y. Wu: patrickyu.com
- Maggie Macdonald: maggiegmcdonald.com
- Megan A. Brown: meganbrown.org
- Rachel Porter: rachelporter.org

Appendices

- Heterogeneity by race and gender
- Regression tables
- Additional marginal effects
- Timing Discussion
- Other extensions

Heterogeneity by race and gender

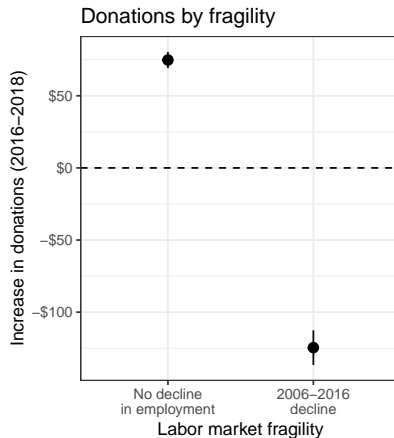
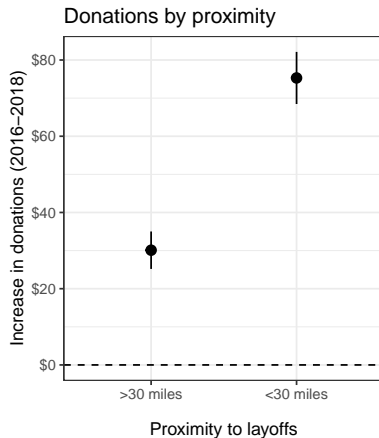


Regression tables

Dependent Variable: Model:	(1)	(2)	Total amount donated		(5)	(6)
Variables			(3)	(4)		
Post	63.76*** (2.729)			30.10*** (2.506)	74.83*** (2.865)	37.13*** (2.623)
Close		43.80*** (2.846)				
Fragile			-6.455 (5.061)			
Post × Close				51.51*** (4.685)		57.82*** (4.922)
Post × Fragile					-199.4*** (6.760)	-136.9*** (5.886)
Post × Fragile × Close						-94.41*** (11.27)
<i>Fixed-effects</i>						
Donor	Yes			Yes	Yes	Yes
Year		Yes	Yes			
<i>Fit statistics</i>						
Observations	380,712	380,712	380,712	380,712	380,712	380,712
R ²	0.59511	0.00166	0.00116	0.59528	0.59570	0.59591

Clustered (Donor) standard-errors in parentheses
*Signif. Codes: ***: 0.001, **: 0.01, *: 0.05, .: 0.1*

Additional marginal effects



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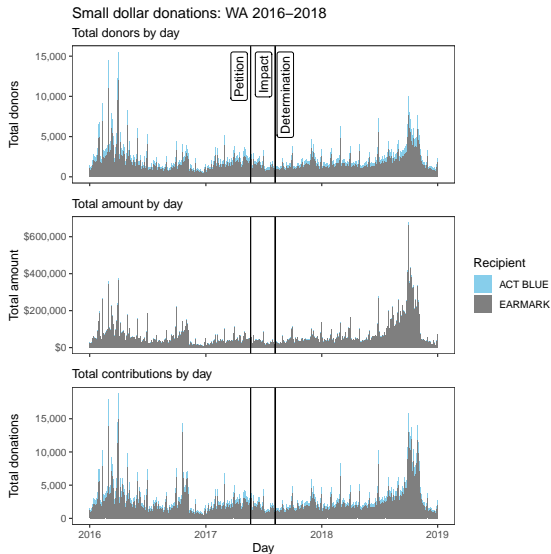
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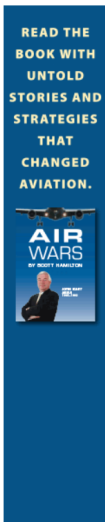
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Challenge 1: Timing



Challenge 1: Timing



Boeing announces 2017 job cuts



Dec. 20, 2016: Boeing

[DOWNLOAD](#)

yesterday announced

a new round of job cuts, hoping that these will come from retirements voluntary

buyouts—but it did not rule out involuntary layoffs.

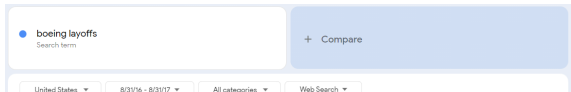
No number was given by Boeing for the workforce reduction.

Just a week ago, [LNC](#) predicted more job cuts would be coming at Boeing—and at Airbus.

Boeing's message to employees is below.

Message to Employees

Earlier this year, we committed to competitiveness initiatives to better position Boeing Commercial Airplanes in the marketplace. We believe it is important to be accountable to you concerning the 2016 results, and to let you know we will continue these efforts in 2017 so we remain the true industry leader next year and in the future.



Challenge 1: Timing

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LEADERSHIP

Boeing Just Got Almost 2,000 Employees to Take Voluntary Layoffs

BY REUTERS

March 3, 2017 at 4:55 AM CST



Boeing Co. 777 planes are manufactured at the company's facility in Everett, Washington, U.S., on Monday, June 1, 2015. Adding capacity on the 777-300ER is part of Boeing's quest to drum up orders for a best-selling aircraft line into the next decade as it prepares to start building the upgraded 777X. Photographer: David Ryder/Bloomberg via Getty Images

PHOTOGRAPH BY DAVID RYDER—BLOOMBERG/GETTY IMAGES

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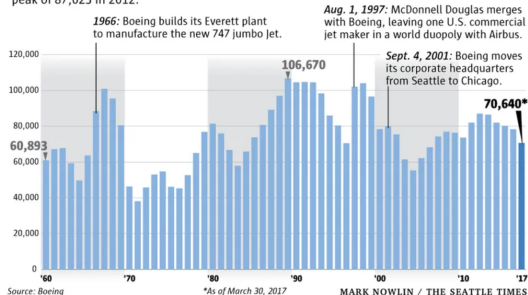
Boeing & Aerospace | Business

Boeing issues new layoff notices to 429 workers in Washington state

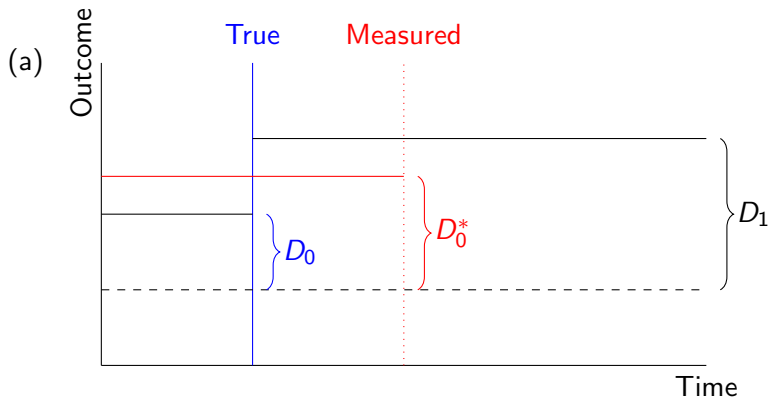
Originally published April 21, 2017 at 4:24 pm | Updated April 21, 2017 at 5:21 pm

Boeing employment in Washington state

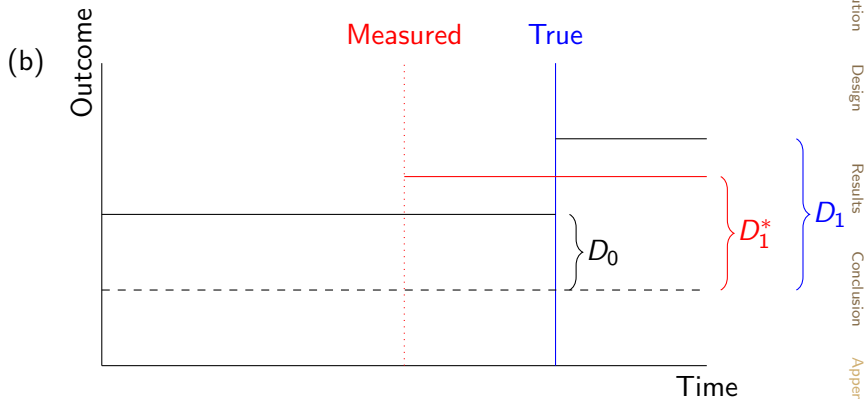
Boeing employment in Washington state is down nearly 16,400 jobs since its most recent peak of 87,023 in 2012.



Challenge 1: Timing



Challenge 1: Timing



Extension Ideas

- Distance and exposure
 - Info-relevant area might be larger in more sparsely populated areas?
 - Need to drive further for basic needs
 - Info overload in more densely populated areas
 - SafeGraph data on Census block group-to-block group daily travel
 - Travel for leisure versus work carries different implications for what I see / notice

► Back