

Polarization and the Decline of Economic Voting in American National Elections

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Objective. There is substantial evidence that American voters blame or credit the president for the state of the economy when making electoral decisions. However, a variety of findings on economic voting, cognitive biases in information processing, and party polarization indicate that both objective and subjective economic information should become less important to voters as partisan polarization increases. We evaluate whether partisan polarization attenuates the link between economic performance and citizens' votes. *Methods.* We estimate statistical models of the incumbent party vote shares in U.S. presidential elections from 1952 to 2016 including as predictive terms national partisan polarization (DW-NOMINATE) and the interaction between polarization and economic growth (annualized second quarter GDP change in election years). *Results.* We find support for our expectation that greater partisan polarization mitigates the association between economic performance and American election returns. *Conclusion.* Economic performance exerts less influence on vote choices when parties are highly polarized than when they are not. Also, currently high levels of partisan polarization in the United States indicate elections will remain competitive, even if economic conditions otherwise favor or undermine an incumbent candidate's chances of winning.

Citizens practice "economic voting" when they vote "for the government if the economy is doing all right" and otherwise vote against it (Lewis-Beck and Stegmaier, 2000:183). Yet, research into partisans' "perceptual screens" and motivated reasoning shows that partisanship interferes with objective consideration of information in political decision-making. Likewise, partisan polarization intensifies partisanship's behavioral influences. These findings together suggest greater partisan polarization diminishes economic voting.

We evaluate this expectation by extending Abramowitz's (2016) model of incumbent vote share for U.S. presidential elections. The new models include as predictive terms national partisan polarization and the interaction between polarization and economic growth. Consistent with our expectations, polarization attenuates the positive relationship between economic performance and election returns.

These results have several implications. First, degraded economic voting from polarization limits incentives for presidents to pursue policymaking for greater overall prosperity. Second, polarization may insulate votes from other kinds of presidential performance, such as military achievements or scandals. Finally, currently high levels of partisan polarization

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Economic Voting

The scientific literature on economic voting is vast (see e.g., Anderson, 2007; Lewis-Beck and Stegmaier, 2007). Kayser and Wlezien (2011) identify four principal conclusions in this area of study, though. First, voters reward incumbents for good economic conditions (Lewis-Beck, 1988; Alesina, Londregan, and Rosenthal, 1993). Second, the performance of national economies matters more for votes than citizens' personal economic circumstances (Erikson, MacKuen, and Stimson, 2002; Kramer, 1983). Third, vote choices are more strongly motivated by recent changes in the economy than long-run trends (Achen and Bartels, 2017; Lewis-Beck, 1988; Alesina, Londregan, and Rosenthal, 1993). Finally, these generalities vary over time and across economic, political, and institutional contexts (Duch and Stevenson, 2008; Powell and Whitten, 1993).

Partisanship, Motivated Reasoning, and Polarization

Partisanship is a persistent psychological attachment to a political party (Campbell et al., 1960). Among other things, partisanship creates a "perceptual screen through which the individual tends to see what is favorable" to his party (Campbell et al., 1960:133). These screens are a form of "motivated reasoning," which is a "systematic biasing of judgments in favor of one's immediately accessible beliefs" (Lodge and Taber, 2013:24; Taber and Lodge, 2006). Partisans are apt to remember considerations favorable to their parties (even if they are inaccurate), ignore facts inconvenient for their parties (even if they are accurate), and, as a result, form different views about the state of the world than those who identify with other parties (e.g., Ansolabehere and Iyengar, 1995; Lavine, Borgida, and Sullivan, 2000; see also, Zaller, 1992).

The force of motivated reasoning is related to the strength of the defended belief (Kunda, 1990; 2001; Lebo and Cassino, 2007). As belief strength grows, individuals engage in more selective information exposure and greater bias in evaluating information. Likewise, increasingly strong partisanship amplifies the effects of partisan perceptual screens. The "stronger the party bond, the more exaggerated the process of selection and perceptual distortion will be" (Campbell et al., 1960:133; see also Bartels, 2002).

The overall strength of Americans' partisan commitments has varied significantly over time. Americans' voting behavior in the 1950s reflected strong partisanship (e.g., Berelson, Lazarsfeld, and McPhee, 1954; Campbell et al., 1960), but party voting declined throughout the 1960s and early 1970s (Nie, Verba, and Petrocik, 1976). Electoral partisanship rebounded during the Nixon administration, though, and grew stronger over the next four decades (Hetherington, 2001; Smidt 2017).

The Consequences of Dynamic Partisanship for Economic Voting

The literature on economic voting, motivated reasoning, and partisan dynamics intersects in their implications for economic voting as polarization varies. Economic voting research indicates the state of the macro economy informs voters' decisions. Studies of

partisan cognition and motivated reasoning show political-economic information filters through partisan screens and that stronger partisan identities increases the effect of these screens. Lastly, there is considerable over-time variance in the strength of Americans' partisan loyalties.

These together indicate that partisan polarization affects voters' use of economic information to evaluate incumbent office holders (Donovan et al., 2019). When a country is more polarized, voters should be more likely to disregard economic performance and vote for their parties' nominee. We therefore expect that economic voting will be less prevalent when parties are highly polarized than when they are not.

Assessment

In order to evaluate this expectation, we proceed in three steps. First, we estimate a baseline ordinary least squares model of aggregate of the incumbent party's share of the two-party vote in presidential elections from 1952 through 2016 based on Abramowitz's (2016) "time for change" model including three independent variables: presidential approval in the last Gallup poll completed in June of the election year, annualized GDP growth in the second quarter of the election year, and a variable indicating whether an incumbent president is seeking reelection.¹ In this model, the economic growth term is an estimate of aggregate economic voting. Next, we estimate an extended model including as predictive terms national partisan polarization and the interactive effect of economic performance and polarization. The interactive term indicates the extent to which polarization diminishes economic voting. Finally, as we discuss, we estimate a third model that excludes the polarization measure while retaining the interaction between economic performance and polarization.

The baseline model's estimates are reported in the first column of Table 1. Effects for each of the three independent variables are correctly signed and significantly different than zero. Each point increase in GDP change predicts an extra 0.5 percentage points of the two-party popular vote for the incumbent party's nominee. Likewise, each point increase in presidential approval predicts an increase of 0.3 points for the incumbent party candidate. Finally, the model predicts a first-term incumbent seeking reelection receives about a 2.5 percent greater share of the two-party vote than a candidate seeking the presidency for the first time. The model's overall fit is very good ($R^2 = 0.8$, $\sqrt{MSE} = 2.4$). Finally, applying the baseline model's coefficient estimates to observed 2020 values for June approval (38.0 percent), second quarter GDP growth (-32.9 percent), and incumbency yields a forecast of 34.7 percent of the national, two-party popular vote for President Trump.

We next extend this model to include predictors indicating the degree of partisan polarization and the interaction between polarization and GDP growth. We measure polarization with the difference in the DW-NOMINATE scores of the median House Republican

¹Presidential election return data are from Leip (2019). Gallup data on presidential approval were taken from the last Gallup survey including its standard presidential approval question begun in June of presidential election years (or the first survey begun in July if there was no June survey) and included in the Roper Center's online iPoll archive at Cornell University. Annualized GDP data are from the St. Louis Federal Reserve Bank's FRED database.

TABLE 1

Polarization and Incumbent Vote Share in Presidential Elections, 1952–2016

	Base Model	Extended Model	Constrained Extended Model
Predictor (Exp. Sign)			
Incumbent (+)	2.7* (1.3)	2.7* (1.3)	2.7* (1.2)
June approval (+)	0.3* (0.1)	0.3* (0.1)	0.2* (0.1)
GDP growth (+)	0.5* (0.2)	2.5* (0.8)	1.7* (0.7)
Polarization (\pm)		6.6 (3.7)	
Pol. \times growth (–)		–3.3* (1.2)	–2.0* (1.0)
Constant (+)	36.5* (2.2)	32.8* (3.8)	37.3* (2.5)
\sqrt{MSE}	2.4	2.3	2.3
R^2	0.8	0.9	0.9
Akaike information criterion	82.0	81.5	80.7
Bayesian information criterion	85.4	86.5	84.8
2020 Trump forecast	34.5%	59.8%	49.1%
2020 Counterfactual 1 (5% GDP growth)	51.2%	49.2%	49.4%
2020 Counterfactual 2 (1988 polarization)	34.5%	38.1%	36.5%

NOTE: Unless otherwise noted, all entries are OLS coefficients with robust standard errors in parentheses. $N = 17$.

* $p < 0.05$ (one-tailed tests where unidirectional hypothesis indicated; two-tailed tests otherwise).

and Democrat in the year preceding each election (see e.g., Theriault, 2008).² These estimates are reported in the second column of Table 1.

The predicted effects of presidential approval and incumbency are virtually unchanged in the extended model. However, including polarization alone and as an interactive term with economic growth substantially changes estimates of economic voting effects. In the extended model, each point increase in the annualized rate of GDP growth predicts a 2.5 percent greater share of the two-party vote for the incumbent party's nominee. This effect is correctly signed and significantly different than zero. Yet, the expected effect from economic growth is attenuated by partisan polarization.

Polarization alone is not significantly associated with presidential election results, but the predicted effect of the interaction between polarization and economic growth is negative and significant. As polarization increases, the predicted effect of economic performance on election outcomes declines. Although the absolute value of the coefficient estimate for the interaction term is somewhat larger than the predicted effect of GDP growth itself—negative 3.3 compared to 2.5—the two are not significantly different from one another.

²DW-NOMINATE is a multidimensional scaling estimate of members' of Congress revealed ideological preferences based on their roll call votes. The difference between the major parties' median members' NOMINATE scores is an indicator of elite polarization. Since mass partisan polarization follows elite polarization (Hetherington 2001), we use the interparty NOMINATE difference as a proxy for the level of party polarization among the electorate. DW-NOMINATE data are from voteview.com (McCarty, Poole, and Rosenthal 2006; Poole and Rosenthal 2007).

The overall fit of the extended model is slightly better than the baseline model ($R^2 = 0.9$, $\sqrt{MSE} = 2.3$).

The model, however, produces peculiar election forecasts for values of economic growth that are substantially outside the range of the historical data used to estimate it and polarization is high, including for 2020. Applying the extended model estimates to the 2020 forecast values indicated above and polarization value of 0.84 leads to a prediction of 59.8 percent of the national, two-party popular vote for President Trump. Imputing alternative values for polarization and economic growth indicates that the model produces dubious forecasts for historically unusual values of economic growth. The model's forecasts are overly pessimistic about incumbents' performance for high values of economic growth and overly optimistic for incumbents for large negative values of economic change in relatively polarized times.

Although it is usually unwise to estimate a model with interactive effects that does not include all constituent terms (e.g., Brambor, Clark, and Golder, 2006), constraining the (insignificant) effect of polarization to be zero eliminates this odd aspect of the extended model's estimates and forecasting performance without affecting the model's overall fit or substantially altering forecast values based on historically typical values for economic growth. These estimates are reported in the third column of Table 1.

The predicted effects of June approval and incumbency are largely unchanged from the baseline and extended models. In the constrained extended model, though, the predicted effect of percentage point increase in economic growth is 1.7—larger than the effect predicted by the baseline model but smaller than the full extended model. The constrained extended model also shows a significant, negative effect for the interaction between polarization and economic growth (-1.9) that is nearly the same as the predicted effect of economic growth alone. So, when measured polarization nears a value of one, the model predicts that the state of the economy has essentially no effect on the incumbent's share of the national popular vote. The constrained extended model's fit is also virtually identical to the full extended model ($R^2 = 0.9$, $\sqrt{MSE} = 2.3$). The constrained extended model predicts that President Trump will win 49.1 percent of the 2020 two-party vote, and it produces sensible forecasts for more extreme hypothetical values of economic growth than the full extended model. The constrained model also supports the same substantive inferences about partisan polarization moderating economic voting. We therefore settle on this model as an appropriate tool for producing a presidential election forecast that accounts for both economic voting effects and the role of partisan polarization.

Discussion and Conclusions

Canonical research on partisanship and motivated reasoning suggests that increased attachment to partisan identities should reduce individuals' propensity to practice economic voting. This leads us to predict that national partisan polarization will attenuate the observed correspondence between economic growth and incumbent vote shares in U.S. presidential elections. Our analysis of presidential election returns since 1952 supports this expectation. In particular, we show that the degree of partisan polarization attenuates the predicted effect of economic growth for incumbent presidential vote shares. Polarization reduces the electoral premium or penalty the incumbent parties receive in presidential elections for presiding over economic growth or contraction. This finding has several implications.

First, polarization reduces incentives for the incumbent office-holders to pursue policymaking that produces broad economic prosperity. If voters are relatively unwilling to cross party lines to reward good economic performance or punish economic decline, then elected officials can pursue policies that distribute economic benefits narrowly without affecting their chances of reelection. This might include aiming policy to deliver rewards to co-partisans, donors, or even to the office-holder himself or herself. In any case, polarization diminishes the connection between shared prosperity and electoral victory and, therefore, changes incentives for policymaking by elected officials.

Second, our findings extend research on party polarization. There is convincing evidence that the present period of partisan polarization is characterized by increased “sorting” of citizens into parties based on their ideological commitments and policy views (rather than their social groups) (Levendusky, 2009). If party attachments in America increasingly are associated with policy commitments (Abramowitz and Saunders, 1998; Ura and Ellis, 2012), then party identifications should be more reliable guides to voting behavior than party attachments based on social identities alone. Our findings suggest this is the case.

Finally, many “fundamentals” forecasting models of American elections are based, in part, on some indicator of national economic performance. Our findings strongly imply that the effect of economic performance on vote share is not constant, but rather varies as a function of polarization. In elections years amidst periods of high polarization, such as 2020, elections will tend to be shaped by underlying distributions of party loyalties rather than objective evaluations of incumbents’ performance in office. Our analysis predicts the national popular vote in the 2020 presidential election, for example, will be more competitive than we would have expected based on incumbency, mid-year economic performance, and approval alone. Efforts to forecast national election results should be attentive to partisan polarization.

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