ECONOMIC-MINDED PARTISANS: UNDERSTANDING HOW ECONOMIC PERCEPTIONS AND POLITICAL PARTISANSHIP CONDITION VOTING BEHAVIOR

by

MICHAEL J. BROGAN

A dissertation submitted to the Graduate Faculty in Political Science in partial fulfillment of the requirements for the degree of Doctor of Philosophy, The City University of New York

2009

This manuscript has been read and accepted for the
Graduate Faculty in Political Science in satisfaction of the
dissertation requirement for the degree of Doctor of Philosophy.

	Dr. Charles Tien
Date	Chair of Examining Committee
	Dr. Joe Rollins
Date	Executive Officer

Dr. Charles Tien

Dr. David. R. Jones

Dr. John Bowman
Supervision Committee

THE CITY UNIVERSITY OF NEW YORK

Abstract

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Adviser: Professor Charles Tien

In this dissertation, I will introduce a new way to understand economic voting. I argue there is an interactive relationship between how the economy and the political environment are recognized among voters when making a vote choice. The framework for determining vote choice can be explained in the following manner: (1) During economic downturns, economic perceptions are the impetus for voters' decision making; because the economy is performing poorly, voters punish the incumbent government. (2) During economic prosperity, voters focus less on the economy and more on politics; incumbent presidents are rewarded for economic prosperity to a lesser extent because voters focus primarily on political matters. (3) During periods of mixed economic performance, voters focus on the economy; however, this focus is tinged by partisan filters. My findings indicate a significant interactive relationship existing between voters' partisanship and voters' economic perceptions in voting behavior which demonstrates that voters do not uniformly engage in economic voting. The model estimates that less partisan voters are more likely to act as economic voters by rewarding (punishing) incumbents for a good (bad) economy while stronger partisans typically use their economic perceptions as a means to reinforce existing partisan preferences when making their voting decisions.

To Lola, Niall, mom, and family

Acknowledgements

I would like to thank my adviser and mentor Dr. Charles Tien for all of his advise and guidance into developing this body of research. I am indebted to him (both intellectually and personally) for all of his work, insight, and patience. I would also like to thank Dr. David R. Jones for his review, comments, and invaluable suggestions on the development of this research. I thank Dr. John Bowman for his comments and suggestions on this project. Thanks also go to Dr. Frank Rusciano, Dr. Jonathan Mendilow, Dr. Barbara Franz, Dr. Roberta Rusciano, and Dr. Diquing Lou for their critiques, comments, and suggestions on earlier drafts of this research. Lastly, I would like to thank the Political Science Department and the CUNY-Graduate Center for their support.

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Chapter 1: An Introduction to Economic-Minded Partisans

"Now thinking about the economy in the country as a whole, would you say that over the past year, the nation's economy has gotten better, stayed about the same, or gotten worse?"
American National Election Study 2004 variable (v043097)

Introduction

Conventional wisdom argues that voters' response to this question influences their vote choice for president. If the economy is doing well, then voters should say that it "has gotten better," and they should reward the incumbent party. If the economy has performed poorly one should expect voters to say it has "gotten worse," and they should vote against the incumbent party. If there were no visible changes in economic performance then voters should say the economy "stayed about the same." And economic performance should have a moderate effect on vote choice. However, there is overwhelming evidence that voters tend to vote for their party's candidate, regardless of economic performance.

I argue, however, that this represents a false dichotomy. Rather, a third explanation for this behavior is that both of these economic-voting theories are valid and are, in fact, interconnected. Voters' decisions are influenced by a moderated relationship between voters' partisanship and their perceptions of the overall performance of the economy. Voters link their political beliefs with their economic assessments where two effect each other in voters' voting decisions. The question I ask is, "how are economic and political factors in voting behavior interrelated?"

Economic perceptions shape vote choice in three ways: (1) During periods where voters perceive the economy to be performing poorly, voters evaluate candidates through an

economic filter; because the economy is performing poorly, voters tend to punish the incumbent government. (2) During periods where voters perceive a good economy, voters focus less on the economy and more on political matters when deciding their vote. Hence, political preferences act as the main filter through which voters view the political environment. As a result, voters' assessment of economic performance is discounted by their partisanship and other political evaluations when deciding their vote. (3) During periods when voters perceive the economy's performance to be mixed, voters' focus returns to the economy; however, this focus on the economy by voters is tinged by partisan filters. Voters are concerned about the performance of the economy and use their partisanship as a short-hand device to view its performance, which influences vote choice (Fiorina 1981; Popkin 1994). Regardless, the overall causal argument of this dissertation is that voters' perceptions of the state of the economy dictate to what degree voters' economic perceptions and partisanship influence vote choice.

Since the publication of *The American Voter* (1960) scholars have published numerous studies on the relationship between economics and voting behavior. Early works focused on macro-economic models of voting behavior as a function of economic performance (Kramer 1971; Stigler 1973; Bloom and Price 1975; Arcelus and Meltzer 1978; Tufte 1978; etc.). The second movement within the economic voting literature focused on whether voters' perceptions of the economy were based on pocketbook (individual circumstances) or sociotropic (national circumstances) experiences (Fiorina 1978; Kinder and Kiewiet 1981; Kiewiet 1983; Lewis-Beck 1985; etc.). This debate evolved into an effort to assess the time frame voters use to view the economy: was it retrospective or prospective (Kiewiet and Rivers 1982; Markus 1988; Markus 1992; MacKuen, Erikson, and Stimson,

1992; Clarke and Stewart 1994; Lewis-Beck and Tien 1996; Wlezien and Erikson 1996; Lewis-Beck and Nadeau 2001; etc.)? Currently, the debate within the economic voting literature focuses on whether voters' perceptions of the economy are conditioned by politics or economics (Nelson and Kinder 1996; Evans and Anderson 2006; Lewis-Beck 2006; etc.). This dissertation is situated within this literature to assess under what conditions vote choice follows economic trends and under what conditions it is determined by political orientation. Specifically it will develop a model at the micro-level, which provides an operational definition of how to measure the interactive relationship between economic perceptions and political forces during an election cycle to help explain why incumbent presidents win or lose elections based on economic performance during an election cycle.

Politics and the Economy: Expanding Our Understanding of Economic Voting

This dissertation explores voting behavior as it relates to voters' perceptions of the economy's performance. The aim is to introduce a new wrinkle for understanding economic-voting by analyzing the interrelationship between voters' party affiliation and their perceptions of the economy's performance. The argument that will be tested in this work is that voters do not uniformly reward an incumbent president or prime minister for good economic performance and punish him or her for a poor economy because partisan filters color voters' perceptions of the economy, particularly during periods of good or mixed economic performance.

This argument is a result of the economic vote not working as efficiently as the reward and punish hypothesis suggests (Lewis-Beck and Stegmaier 2007). While economic

voting theory states that voters punish incumbents for economic downturns and reward them for prosperity, I argue the "reward and punish" hypothesis is limited in its ability to serve as a means of electoral accountability. This is due to three reasons: first, the "reward and punish" hypothesis assumes voters are one-dimensional and treat economics and politics as two discretely separate items; Second, the "reward and punish" hypothesis has difficulty explaining why voters punish incumbents more for economic downturns than reward them for prosperity. Third, the thesis does not provide an adequate explanation why voters' behavior may at times be in conflict with the performance of the economy.

To deal with the first critique of the "reward and punish" thesis, this dissertation provides a nuanced argument that economic voting is a result of an interconnection between voters' economic perceptions and their political persuasions in explaining vote choice. The dissertation develops a theoretical foundation that treats economic voting as more than merely a blunt instrument voters used to reward or punish incumbent presidents. It develops a framework on political decision making that explains why voters, who are exposed to similar economic indicators, react differently in how they vote. This is determined by two threads within voters' decision schema: First, voters' economic perceptions are based on how much the economy's performance is a direct result of the incumbent government's management of it. This determines the level of blame or credit voters attribute to incumbents as a result of economic conditions. Second, voters' level of faith in the ability of the major opposition party to provide a clear and viable alternative to managing the economy, which differs from the status quo, determines the degree to which voters will behave as economic voters during an election.

The dissertation addresses the limitation the "reward and punish" hypothesis has in its ability to explain asymmetric voting behavior as a result of a poor economy. In short, the hypothesis suggests that incumbents are punished more for a poor economy than rewarded for a good economy. This framework argues the reason this occurs is because voters see competent management of the economy as a minimum requirement of the government. Thus a good economy is something the incumbent government should be producing all along. As a result, voters are always cognizant of the economy and politics when making their vote choice. However, the importance voters place on either of these factors in explaining vote choice is dictated by how voters perceive economic conditions.

Subsequently, voters behave in this manner because the process of making a vote choice is a political decision. This limits the role of economic perceptions on voters' political decisions because voters have demands on a variety of other issues and interests that are amplified during a good economy. When voters realize a good economy, they look for incumbents to satisfy their demands on a variety of other issues. In a sense, voters act as a demanding boss in what they expect of incumbents; they are not very satisfied with what has already been accomplished.

However, the likelihood of the economy becoming the primary focus for voters when making a vote choice increases when they perceive it to be performing poorly. This is because voters perceive economic downturns as a threat to their well-being. For voters, a bad economy or the prospects of a bad economy, far outweigh other issues in importance during an election.

To better understand what triggers voters to focus primarily on the economy when making their voting decisions it is important to start with the process by which voters

determine whether the economy is a problem that needs to fixed. Once voters perceive poor economic conditions, then this issue becomes their primary focus. This results in voters combining their focus on poor economic conditions with their assessment of the degree to which they hold incumbents accountable for this outcome when making their vote choice. The reason why voters see an economic downturn as a threat to either their personal welfare or the nation's is because they are adverse to any risk associated with a poor economy. Voters prefer economic stability; they will discount gradual or incremental economic change because these changes do not deviate too far from the status quo and do not require a great deal of concern. When voters have poor economic perceptions, these evaluations are typically a result of volatility or downward trends in the economy. Voters' aversion to risk intensifies because they feel they have less to gain from extreme booms in the business cycle than what they will lose from a bust in the cycle (Kahneman and Tversky 1979).

The third limitation of the "reward and punish" hypothesis is that it does not explain the role voters' partisanship plays in how voters attribute responsibility to incumbents as a result of economic conditions. The "reward and punish" framework does not explain why voters behave in a manner that is in conflict with its premise. Conversely, the Economic-Minded Partisan framework that I introduce argues that voters' partisanship and the level of support they give to the incumbent party, helps explain whether voters punish incumbents for a bad economy. For example, a strong partisan, who does not support the president's party, is likely to hold the president accountable for the state of a poor economy. In contrast, a strong partisan, who supports the president's party, is likely to absolve the incumbent government from responsibility for the poor state of the economy.

The Economic-Minded Partisan framework argues that voters are always aware of economics and politics when making political judgments. Namely when voters are faced with a poor economy they deem it be a threat to their personal welfare or to the nation's welfare, resulting in a collective sentiment among voters that the economy is a problem and the incumbent president should be held accountable for it. The degree to which voters attribute responsibility for a poor economy to the president is dictated by voters' partisanship coupled with the degree to which they view the economy as a problem that needs to be addressed in the near-term. When voters are faced with a good economy they do not see it as a problem that affects their general welfare. Therefore, voters will focus less of their attention on the incumbent's management of it. Instead, voters will praise or blame the incumbent party based upon their partisanship preferences, issues relevant to a campaign, as well as their attitudes and values.

Defining Micro-Level Economic Perceptions

Micro-level economic perceptions are determined by voters' subjective economic evaluations of the economy's actual performance. Voters respond to the economy only to the extent that it alters their perception of its performance. The literature on economic voting has treated the relationship between economics and elections in a straightforward manner: a good (bad) economy makes a voter more (less) likely to support the incumbent president (Lewis-Beck 1985). However, there are distinctions that must be made about voters' economic assessments.

First, voters typically assess the economy based on their pocketbook (Kinder and Kiewiet 1978). Voters use their direct experience or situation as a guide to assess the economy's performance (Fiorina 1982; Feldman 1984). Another economic assessment is based on voters' sociotropic or collective evaluations (Kinder and Kiewiet 1978). This measure takes into account how voters evaluate the well-being of the larger community. Yet another is based on whether voters' economic evaluations are simple or mediated (Fiorina, 1981). The difference between whether voters' assessments are simple or mediated is that simple assessments asks voters to determine if the economy's performance is better, worse, or about the same during a specific time frame. Mediated responses ask voters to consider the relationship between the economy's performance and the ability of government to manage it (Lewis-Beck 1988). The last level of assessment is defined by voters' cognitive or affective evaluations of the economy. These types of responses ask voters to make emotive responses to the performance of the economy (Conover and Feldman 1983; Lewis-Beck 1988).

The time frame voters use for evaluating the performance of the economy is based either on retrospective—typically one year prior—and/or prospective assessments—one year into the future (MacKuen, Erikson, and Stimson, 1992; Lewis-Beck and Nadeau 2001).

Coping with Socio-economic Differences within the Electorate

In addition to the assessment of the economy's performance, voters typically base their economic assessments on their socio-economic status. Voters are likely to feel the

impact of changes to the economy to varying degrees as a result of socio-economic or regional differences.

The model deals with incumbent vote choice, socio-economic status differences among voters are not controlled for in the estimates. Yet, I acknowledge the presumption that voters at the lower end of the socio-economic spectrum are more likely to feel the effects of an economic downturn more than those at the higher end.

The theoretical reason for not accounting for these differences in the model is that though inequalities do exist between voters, these differences are not expected to differ in whether voters will vote for the incumbent party; rather it is expected that many of the differences that are a result of socio-economic status will be indirectly specified by other independent variables included in the model. This is because socio-economic status differences are likely not distinct enough to trigger major differences in incumbent voting.

Economic-Minded Partisans: Linking Political Evaluations to Economic Perceptions

Economic-Minded Partisans are voters whose perceptions of the economy are influenced by politics. The interaction of voters' political preferences with their economic perceptions is something that includes voters' ideology, issue preferences specific to an election, memories of past elections and candidates, scandals, and/or candidate effects of an election. Typically voters are likely to combine these political factors when making their voting decisions with their economic perceptions. As stated previously, the determination of whether political factors, or economic conditions, are of primary importance in voters' decision schema is determined by voters' economic perceptions. Furthermore Economic-Minded Partisans are not expected to have high levels of political sophistication. This is

because voters are likely to form their political preferences on the basis of some combination of their political preferences, which in turn are used to influence voters' economic perceptions. As a result, Economic-Minded Partisans use their partisanship, and/or their political preferences, as a heuristic device by which to make sense of the political and economic situation facing the country during an election cycle.

The framework in which Economic-Minded Partisans fit is one that is based on the notion that economic voting is endogenous to voters' partisanship as well as with other political factors. Namely an important aspect of this endogenous relationship is a result of voters' receptiveness to the process of priming/framing/cueing of the electorate by politicians regarding economic performance. This process shapes voters' perceptions of the economy by interjecting political discourse into how voters connect the performance of the economy to the incumbent government's management of it. (Herthington 1996). The process of framing and cueing voters on the economy is effective because voters are always cognizant of both the economy and politics when making their vote choice. Voters are likely to prioritize economic perceptions over political evaluations when they deem the downturn in the economy has been a serious problem facing the country and the prospects for change under the current administration are unlikely to remedy the situation.

Economic-Minded Partisans, voters who may range from weak to strong partisans, are susceptible to partisan conditioning and economic conditioning when making a vote choice. However, the process by which I define Economic-Minded Partisans is not limited to partisans alone. Non-partisans voters are likely to be more sensitive to differences between the parties in their evaluations of how well each party has managed economic and political conditions during an election cycle; Economic-Minded Partisans may shift from partisans to

non-partisans as a result of electoral outcomes or economic shifts. The reason why non-partisans are also likely to behave as Economic-Minded Partisans is because non-partisan voters are not bound by preexisting partisan attachments when making their vote choice. They actively look for differences between the parties and their candidates in how competently they can manage economic and political conditions (Popkin 1994).

The Economic-Minded Partisan framework argues that voters' political decisions are based on the level of consideration voters give to both the performance of the economy, as well as, to the political arguments surrounding the competence of the president in managing the economy's performance (Converse 1964; Zaller 1992). For practical purposes, voters reward or punish incumbents, as per the performance of the economy, based upon the degree to which they *consider* the political arguments that either assign praise or blame to the incumbent administration based on the economy (Zaller 1992).

The basis for explaining the behavior of Economic-Minded Partisans is that these voters consider cues and messages from economic and political indicators as a means to process competing information and make their vote choice based on them (Converse 1964; Zaller 1992). The difference between messages and cues is subtle, but nonetheless is picked up by voters when linking their assessments of the economy with the government's competence in managing its performance (Herthington 2001). Messages seek to invoke cognitive feelings of emotions among voters in how they assess the president's management of the economy (Zaller 1992).

On the other hand voters also receive cues from elites as to how to perceive the economy's performance (Herthington 1996 2001). As part of this political process, voters are given cues regarding how to perceive the economy. These cues can be based on

ideology, partisan differences, or values. The reason why cues are important in how voters connect their economic evaluations with their political dispositions is that voters use these constructs to perceive a linkage between the two in order to respond critically to these messages (Converse 1964; Conover 1984; Zaller 1992). More specifically, voters use partisan economic cues as a means to interpret and link economic signals with preexisting partisan preferences. For example, this results in a Democratic voter being more likely to reject an argument that President George W. Bush's tax cuts helped the economy, if she recognizes that the person making the argument is a Republican and that she connects with the Democrats argument that the tax cuts were for the rich at the expense of the middle class.

Furthermore, Economic-Minded Partisans are voters who are susceptible to having the economy affect their voting decisions. Specifically, my dissertation assesses how the economy affects vote choice for strong and weak partisans. The theoretical model builds on Zaller's (1992) model. First, the level of attention to politics varies across individuals. Second, voters' reactions to issues and events are limited by their knowledge of particular phenomena. Third, voters' perceptions of the economy are not constant, rather they are constructed from immediate reactions that are a result of changes in the political and economic environments. Lastly, voters perceptions of the economy and their party intensity are based upon the information that is most salient to them (Zaller 1992). Subsequently, the presence of Economic-Minded Partisans among the electorate will be tested by evaluating whether voters focus on political issues, economic performance, or on other factors relevant to an election.

An Overview of the Cases Used in this Study

The Economic-Minded Partisan model will be applied to both American and British voters. From these two cases I plan to do the following. First, I will analyze how voters' economic assessments influences their political decisions for U.S. presidential elections from 1956-2004. Second, to test the applicability and reliability of the American model in a comparative context, the model's framework will also be tested by an analysis of British Elections from 1974 to 2005.

The principals of economic voting will be applied to both countries to assess how economic perceptions and partisanship explain electoral outcomes. In addition, differences between systems will be accounted for in the study to ensure appropriate comparisons. My project is significant because it clarifies the relationship between economic perceptions and political partisanship and how these factors shape vote choice in a comparative context. My research will provide a better understanding of how voters make political decisions as a result of economic shifts that goes beyond the reward and punishment thesis of economic voting.

The American Case

The American case will be tested by using the American National Election Studies' (ANES) dataset 1948-2004. Specifically, the American model will analyze ANES cross-sectional survey data that have been pooled for presidential elections from 1956 to 2004. The combined survey data are taken from different ANES studies—in other words, different respondents are answering the same questions from 1956 to 2004.

Presidential election data are used because of systemic factors and political process factors.[1] First, systemic factors are that the President is both the head of state as well as the head of government. This dual functionary role of the president results in voters holding the president accountable for the performance of the economy more so than they would hold the other two branches of government (Nicholson, Sequra, and Woods 2002).

Second, the nature of the political electoral process in the US makes it difficult for voters to link the performance of the economy to individual members of Congress. This is because voters tend to pay more attention to presidential elections and tend to link the economy with presidential elections; this is evidenced by increased turnout during presidential election years as well as the ability of voters to have more knowledge about the president than they may for members of Congress (Norpoth 2001). In addition, it is difficult for the electorate to assign all praise or blame regarding the economy on Congressional incumbents. This is because power and influence in Congress is split between chambers, states, and/or districts. Thus, Senate elections, being state-wide races that are staggered over time, and House elections, being district focused and occurring every two years, make it difficult for voters to consistently link economic issues to congressional races over time. This is not the case in presidential elections where voters see the office as national and hold the president accountable for the state of the nation's economy.

The British Case

[1] It is important to note that in US elections, incumbent candidates are traditionally either sitting presidents or vice-presidents running for office. In 2008 and 1952, neither party's major candidates for office fell into either category. When this is the case, voters are more likely to be prospective in their view of the economy and will assign their vote preferences based upon this outlook of the candidates' promises for dealing with the economy (Downs 1957; Lewis-Beck and Nadeau 2001). This model will test for this phenomenon when estimating vote choice.

The British case will be tested with the following British Election Survey (BES) data: February 1974 and October 1974, 1979, 1983, 1987, 1992, 1997, 2001, and 2005. In addition, the analysis will also look at the following panel studies of the BES: February 1974; 1986-1987, 1987-1992, 1992-1997, 2001, and 2005. A comparative analysis between US and UK voting behavior will account for similarities and differences between the two systems. Though I am acutely aware of the differences that exist between the US and UK systems the rationale for the selection of the British case is its similarity to the US (Peters 1998). However, in terms of comparative analysis between countries, I would like to point to the common factors between these countries electoral systems that make them suitable for comparison.

Similarities between the US and UK

The first similarity is the election system used in both countries. Namely the "first past the post" system where candidates are elected by a simple plurality of votes. While a difference between systems is the presidential election process is determined by the Electoral College. Nevertheless, this election system provides voters in each country with a comparable method to either reward or punish incumbents for the state of the nation.

The rationale of using countries with similar election systems is that vote choice in each country is conceptually less ambiguous and operationally less unstable than the dependent variable one encounters in most other empirical domains of comparative politics (Lewis-Beck and Eulau 1985). In other words, though measurements may differ somewhat from the two countries, vote choice serves as a "direct" measure of voters' preferences

during an election cycle so that what is being measured has pretty much the same meaning across systems. Hence the dependent variables used in each system will be vote choice for the incumbent party; in the US case it will be the party of the president while in the UK, it will be the party of the Prime Minister.

An additional similarity is that each country allows for free, popular elections, which matter for explaining voting behavior because, at periodic intervals, they set the limits or constraints on political elites who pursue their economic and political goals during an election cycle (Lewis-Beck 1988). Thus, we can ask ourselves when comparing the two countries: how do voters respond to the incumbent government's management of the economy, and how do politicians "take account of" or "respond to" the messages they receive from the electorate?

A third similarity is economic voting is a general phenomenon that has been found to be present within both countries (Lewis-Beck 1988; Clarke et al. 2004). However, I do note that there are differences between the two countries. Namely, the degree of responsibility for economic management the electorate assigns to the incumbent government (Lewis-Beck and Eulau 1985). Thus, this study addresses to what degree the electorate responds to government economic involvement in both countries based on the theory that one can anticipate a strong association between economics and the vote in both the US and UK. This cause and effect relationship between economics and elections is a result of the electorate attributing economic responsibility to the ruling government when making their vote choice.

Fourth, the economic vote works in a similar fashion in both countries: this is because economic conditions are a relatively important vote determinant (Lewis-Beck 1986; Whitely 1985). The analysis and specification of the Economic-Minded Partisan model will

result in a general multivariate equation model of individual level vote. I hypothesize that economic variables will exceed the impact of partisan identification in Britain when compared to the US.

Fifth, within both countries, the economic vote has been estimated and replicated at both the macro-and micro-levels. These models assess public opinion as a function of macro-economic outcomes, as well as demonstrate that voters at the micro-level are influenced by economic perceptions, after controlling for other factors such as socio-economic status, candidate traits, as well as partisanship.

Sixth, voters react to economic conditions in a similar fashion in both countries. Namely that collective economic variables—sociotropic or ergocentric evaluations—regularly exhibit statistical significance at conventional levels when estimating vote choice. At the same time, personal economic conditions—pocketbook or egocentric evaluations—in both countries tend not to achieve statistical significance when estimating vote choice. The independent variables used to estimate the economic vote will be similar for both countries; namely sociotropic retrospective and prospective evaluations and pocketbook retrospective and prospective evaluations at the micro-level. I expect the same or similar results from past studies as they relate to these variables.

Seventh, both countries have sought fiscal policies to ensure macro-economic stability. Since post WW-II, inflation has served as the bane of Britain and the US's post-war economies. Thus, cost pressures remain a challenge to both countries and serve in similar ways for informing the electorate about economic conditions. Incumbent governments in both countries have sought to curb inflation and pay close attention to economic indicators

that measure this phenomenon with great interest; namely CPI and the Retail Price Index (RPI).

Again, since WW II both countries have sought to encourage policies of pro-job growth and stability within employment sectors. Economy-wide employment and real personal income are considered the most important monthly indicators in both economies while at a quarterly frequency, real GDP is also informative. It should be noted that unemployment is generally a lagging indicator that has prolonged effects on voting behavior typically by the 2nd quarter of an election year (Lewis-Beck and Tien 2004).

Eighth, within both countries party identification among the electorate has been stable. Perhaps the most prominent similarity between the nations is voters' party identification. Though there has been a somewhat ideological division of the two main parties in each country where Labour-Democrats represent liberal views, and Tory-Republicans represent conservative views, this two-party structure gives voters an opportunity to identify with either division when choosing between the dominant parties in either country. As part of this similarity between nations, these parties have remained dominant over the past fifty years—the British system has been dominated by a two party system similar to the US. [2]

In addition, party identification serves as an information clearinghouse about the performance of political parties and their leaders (Stokes 1966; Fiorina 1982; Clarke et al. 2004). This is based on a process that occurs over time where voters will update and revise their partisanship as they acquire new information on economic conditions and parties'

[2] However, there is one exception to the concept of two-party rule in the UK when compared to the US. Over the past ten years, there has been the rise of the Liberal Democrats that have been able to take seats from Tory members of Parliament. This party has been in a coalition with the Labour Party in ruling the country during this time period. Nonetheless, the number of seats taken by the Liberal Democrats does not constitute a sizeable minority to counter the balance of power away from Labour.

actual or expected performance. These updates are based upon voters making summary running tallies of current and past party performance evaluations, where they tend to give more weight to recent, as opposed to earlier information (Clarke et al. 2004).

Also, issues tend to be the most important factor in determining vote choice for voters with weak partisan attachments in both countries. Among the most influential issues, the economic performance of the incumbent party is seen as the most important and is also regarded as purely a valence issue (Butler and Stokes 1972). That is, the overwhelming majority of voters prefer a good economic performance to a bad one (Clarke et al. 2004). In fact voters' economic assessments operate with a relatively simple reward-punishment mode (Key 1966) in the US and UK. Voters tend to vote for the party that makes them feel better off and punish the party that makes them feel worse off.

Ninth, party leadership and voters' perceptions of it are both similar in the US and UK. This is based on the concept of how voters link party leaders images to their parties' standing among the electorate. Though the traditional argument between the two countries is that images of party leaders in Britain have minimal effects on vote choice when compared to the US (Clarke et al. 2004). However, recent studies have pushed the theory that places both systems closer to each other because voters are becoming more candidate-centered than party-centric when making their vote choice in the US and UK.

From this theory I will be able to compare how voters use their partisanship to assess the President's or Prime Minister's ability to manage the economy in each of the two respective countries. This is due to the evolution of the stature of the Prime Minister in Britain to be seen by voters more as the central figure of the UK system in much the same way the President is viewed by voters in the US. Also, this "presidentialization" of the

prime minister's role is a result of systemic change in constitutional developments, leadership style, party strategy, public outreach activities, as well as in the media (Clarke et al. 2004). Formal procedures and attitudes among the electorate that emphasizes accountability, and intense media scrutiny of performance encourage voters to use standards of judgment that invoke two dimensions of party leaders. First, there is the sense of overall competence of the party leadership and second, their caring and responsiveness to public concerns (Clarke et al 2004).

Dissimilarities between the US and UK

A long and established literature on voting behavior in Great Britain finds the overall principals of economic voting apply to the electoral process in a similar fashion as they do in the U.S. (Butler and Stokes 1974; Lewis-Beck 1984; Nadeau, Niemi, and Amato 1994; Clarke and Stewart 1995; Lewis-Beck and Stegmaier 2007). Like the U.S., the incumbent government in Britain is held responsible for the performance of the economy, while considerable research has also established that British voters' economic evaluations are based upon egocentric (pocketbook) and ergocentric (sociotropic) terms, as well in retrospective and prospective time frames (Butler and Stokes 1974; Clarke, Sanders, Stewart and Whitely 2004; Lewis-Beck and Stegmaier 2007).

However, there are significant differences as to how the literature has approached voting behavior when compared to the American context. First, the voting literature on British elections has differed from its American counterpart in how it addresses social cleavages, and partisan identification (Lewis-Beck 1984). The focus on class or social cleavages in the British case has addressed how social location—based upon voters' religion,

class, and region of residence—defines differences between subgroups of voters (Alford 1963; Lijphart 1971; Butler and Stokes 1974; Scarbough 1987; Evans 2005).

These forms of social cleavages translate into voters' partisan self-images that are tied to social location in Britain. While in the U.S, models see partisanship as a lens through which voters view and assess the political landscape. Partisanship is by no means a direct result of social class (Campbell et al. 1960; Alford 1963; Butler and Stokes 1974; Clarke et al. 2004). The distinction in how the two countries define partisan differences among voters is that in the case of the U.S., the focus has been more on social psychological behavior, while in the U.K. the focus has been more on sociological determinants in shaping voters' partisanship (Campbell et al. 1960; Lewis-Beck 1984; Crewe 1985; Rose and McAllister, 1986).

The strong connection between party identification and class in Britain has been defined as the major link between party and society (Alford 1963; Butler and Stokes 1974). Though there are disagreements among scholars of the degree to which society and politics are linked; the cumulative evidence of the past three decades indicates a strong relationship between class, the economy, partisanship, and the vote (Clarke et al. 2004).

The subsequent chapters will develop and define the theoretical model and test it to data from the American and British cases. Chapter two will provide an overview and theoretical framework of the economic voting literature on economic conditioning in defining how the economy defines voters' behavior. The next chapter will provide a literature review of the partisan conditioning that defines the theoretical arguments of the model. Chapter four defines the empirical model that will be used to test my hypotheses about how the economy shapes the relationship between voters' economic perceptions and partisanship when making a vote choice. Chapter five provides a detailed framework

regarding the methods and tests that will be used in the model. Chapter six will estimate, analyze, and discuss the results of the model's outcomes from the American case while Chapter seven will do the same for the British case. The final chapter will be a concluding summary and discussion about what we have learned from testing the models, as well as where do we go next in defining economic voting behavior.

Chapter 2: Economics and Economic-Minded Partisans

"…[V]oters are not fools"
–V.O. Key (1966 page 7)

The quote from V.O. Key aptly summarizes the overall framework of economic voting. That is, a sentiment among economic voting scholars that voters are not fooled by politicians about whether the economy is doing poorly or favorably. This is because voters know a good or bad economy firsthand leading them to either reject or support incumbents based on the performance of the economy. Subsequently, the consensus among economic voting scholars is that voters are able to make their own distinctions and interpretations about the economy's performance and will act in accordance with its performance when making their vote choice.

The focus of this dissertation is to situate Economic-Minded Partisans within the economic voting literature on whether vote choice is influenced by perceptions of the economy or by partisan politics (reviews in Evans and Anderson 2006; reviews in Lewis-Beck 2006). The focus of this chapter is to conduct an in-depth review of the literature on economic voting and how it pertains to the economy shaping voters' economic perceptions. This line of reasoning argues that voters' view of the economy is directly shaped by economic performance and as a result, the economy's performance influences vote choice (Kramer 1971; Stigler 1973; Arcelus and Meltzer 1975; Kernell 1977; Tufte 1978; Lewis-Beck 1980; 1981; 1982; 1984; 2006; Kinder and Kiewiet 1981; MacKuen, Erikson, and Stimson, 1992**;** Lewis-Beck and Nadeau 2001; Lewis-Beck, Nadeau, and Alias 2008).

Economic Conditioning of Voters' Economic Perceptions

Political scientists who support the theory of economic voting argue that voters view the economy based on their perceptions of macro-economic performance independent of partisanship because "economics moves political behavior" (MacKuen, Erikson, and Stimson, 1992: 597). This is because short-term fluctuations in economic conditions affect the electorate's decisions regarding their choice for president, which is an extension of voters overall confidence level in the nation's economic welfare (Kinder and Kiewiet 1981). Thus, the notion of economic performance explaining political behavior is an important theme in democratic theory because it presumes that voters are basing their decisions on a set of alternatives presented to them during an election (Kramer 1981). This theme argues that continuity of the incumbent government hinges on the overall state of the economy. Thereby, election returns are contingent upon economic cycles where they tend to vary systematically with economic fluctuations (Fiorina 1981). As a result, politicians win elections only so far as the electorate's economic perceptions allows.

As part of the economic voting paradigm, there is well documented research that supports the conclusion that economic outcomes condition voters' perceptions of the economy (Kramer 1971; Areclus and Meltzer 1975; Bloom and Price 1975). These findings have been supported and replicated for both congressional and presidential elections that economic changes affect electoral outcomes (Kramer 1971; Tufte 1978; Lewis-Beck 1983; Lewis-Beck and Tien 2008).

Kramer (1971) estimated, other things being equal, that a downturn in the economy of about 10% in per captia personal income would cost incumbent members of the House of Representatives approximately 4 or 5 percentage points of their vote share (Kramer 1971).

Whereas Arcelus and Meltzer (1975) substantiated this finding, by using inflation as their economic metric, that other things being equal, an increase in the rate of inflation leads to a decline in the vote share for Democratic members of the House of Representatives.

Tufte was successfully in replicating Kramer's results in estimating congressional voting during midterm elections. Tufte's findings indicate that, other things being equal, a shift in average real per captia income in either direction would result in a swing of about 6 percentage points for the incumbent party (Tufte 1975). Bloom and Price (1975) confirmed these phenomena that, other things being equal, the effect of economic downturns adversely affect incumbents. Thus their study found that a decline in per captia income resulted in a 7.6 percentage point decline in the share of the incumbent party's congressional vote (Bloom and Price 1975) However, Bloom and Price also found the effects of economic swings do not help incumbents at the same rate as economic downturns; that is a one unit change in real personal income during an economic upswing, other things being equal, results in a 1.6 percentage point increase for the incumbent party's congressional vote (Bloom and Price 1975).

In addition, the economic vote has been successfully applied to presidential elections. For presidential elections, economic voting scholars have found the effects of economic changes to be as robust as they were for congressional elections. Erikson (1989) found that during presidential elections a one unit increase in per captia income, when controlling for candidate favorability, would result in a 2.77 percentage point increase for the incumbent president other things being equal. For Erikson, the effects of changes in the economy tend to be roughly equal to candidate favorability in their ability to explain presidential election vote share (Erikson 1988).

Fair (1996) was also able to reliably estimate the economic vote for presidential elections in that a one percentage point in the GNP growth rate, three quarters prior to a presidential election, will yield an increase in the incumbent president's vote share of approximately .65 percentage points. Lewis-Beck and Tien (2004) found that a one-unit change in the growth rate in real GNP when a presidential incumbent was running for reelection results in 1.5 percentage point increase in the total share of the party vote, other things being equal.

From these studies the evidence demonstrates that economic voting can be reliably used to explain elections over time (Kramer 1971; Lewis-Beck and Rice 1992; Norpoth 1996). That is, this is not a phenomenon that occurs merely as a matter of chance. Rather, the process by which economic conditions affects voters' assessment of the economy are not random, not filtered by party loyalty, nor are they influenced by campaign rhetoric (Kramer 1971). Thus, the economy is important in explaining voting behavior; it has both direct and indirect effects in determining incumbents' electoral prospects.

Lastly, economic voting scholars argue the economy provides signals that condition voters' economic perceptions. This process by which voters pay attention to economic signals and/or indictors is triggered by the general availability of broad and specific economic information for their consumption (MacKuen, Erikson, and Stimson, 1992). That is, the "public is exposed to the best information about the economic future that exists" and as a result, voters began to tie together the cause and effect relationship between economic information and the overall health of the economy (MacKuen, Erikson, and Stimson, 1992: 604). As these economic signals are processed by voters, their assessments of the economy's performance will reflect the overall condition of the economy (Lewis-Beck and

Nadeau 2001)[3]. What results is that voters will make their assessments about the performance of the economy based on available economic information.

If economics dictates one's view of the economy, how does it do so?

Voters' perceptions of the economy are defined by two things: their personal well-being and how they perceive the overall performance of the economy (Kinder and Kiewiet 1982). Personal economic well-being is defined by voters' economic self-interest. That is, do changes in voters' personal financial well-being affect their evaluations of incumbents (Feldman 1984)? Thus, pocketbook voting is a process by which voters will either reward or punish incumbents based upon their personal financial welfare (Kinder and Kiewiet 1982).

The literature on pocketbook voting has failed to demonstrate a reliable and consistent estimation that it actually occurs. These studies have failed to find that voters see a direct connection between their personal financial well-being to government policies. Though arguments for personal economic well-being and government economic policies make this connection "intuitively obvious" among voters, it nonetheless distorts the process by which they are likely to attribute responsibility for their own well-being (Feldman 1984: 240). What has resulted is that a number of researchers working independently of each other have shown that "most people do *not* attribute changes in their personal well-being to the actions of the federal government or even to the macroeconomic environment more generally" (Feldman 1984: 240).

[3] Therefore if a voter makes an assessment that inflation is a major problem, then this evaluation will be a result of either price increases which he or she has experienced directly, or by their acknowledgement of increases to the national inflation rate.

There are two competing arguments about why pocketbook voting does not consistently contribute to explaining voting behavior. The first is that pocketbook voters are policy-focused rather than incumbent-focused (Kinder and Kiewiet 1982; Kiewiet 1983; Kiewiet and Rivers 1984). The second is due to measurement problems that tend to wash out the effects of pocketbook voting on explaining vote behavior (Sears and Lau 1983; Hansen, Rosenstone, and Kinder 1986).

The first theme that pocketbook voters are policy-oriented argues that by nature economic voting tends to be incumbent-oriented (Kinder and Kiewiet 1982). This is because voters rarely associate changes in their "personal financial situation with government policy" (Kiewiet and Rivers 1984: 382). Thus, this line of argument suggests that only when economic conditions are bad enough to become a general focus among the electorate, voters on the whole will focus on specific policies and/or proposals when making their economic assessments in relation to vote choice. As a result, this limits the role of voters' personal financial items significantly; as such this occurs because typically only about one percent of the electorate in survey research directly tied their situation to government policy (Kiewiet and Rivers 1984).

The second reason for the inability of voters' personal financial situation to significantly contribute to explaining voting behavior is due to measurement problems (Hansen, Rosenstone, and Kinder 1986). That is, existing survey items, which are based on a three-point scale—i.e. "gotten better," "stayed the same", and "gotten worse," do not effectively link the changing economic well-being with political evaluations and behaviors (Hansen, Rosenstone, and Kinder 1986; Markus 1988). To fix this problem, pocketbook

voting should not rely on a single measure because it underestimates the impact of pocketbook voting (Hansen, Rosenstone, and Kinder 1986).

In addition, the problem is further compounded by methodological artifacts which Sears and Lau (1983) argue confuses voters by asking them to personalize their financial situation with their evaluations of political phenomena. Thus, voters are asked to link their pocketbook assessments of the economy with political evaluations and behaviors, which results in the former being washed out by the latter (Sears and Lau 1983; Lewis-Beck 1985).

Though this argument has had some moderate success in linking voters' individual personal financial well-being with political evaluations and behaviors, the more likely argument for economic voting is that voters tend to look at collective items and broader themes when making their assessments of whether to reward or punish an incumbent. Thus, the limit of pocketbook voting is that it is too focused on the individual voter, which makes it too idiosyncratic for researchers to find common patterns of the effects of economic changes on electoral behavior. Conversely, voters tend not to make self-interested assessments of the economy, rather they focus on the overall economy when making their assessment about whether to reward or punish the incumbent based on the economy's performance (Feldman 1984; Kiewiet and Rivers 1984).

This collective focus, or known in the literature as sociotropic assessments, is where voters pay close attention to the national economy rather than to their personal situation. Thus, sociotropic voters vote "according to the country's pocketbook, not their own" (Kinder and Kiewiet 1982: 132). Sociotropic voters focus on the general well-being of the nation and will reward or punish politicians who they feel will threaten it (Kinder and Kiewiet 1982). Thereby sociotropic voters focus more on general economic themes

allowing for the attribution of responsibility to be placed on the party in power based on perceived overall economic performance. This process allows voters to link the overall well-being of the nation to their own economic welfare, as well as to the community in general (Kinder and Kiewiet 1982). What results from this relationship is a clear linkage for voters in determining whether the economy is improving or worsening with the ability of the incumbent government to manage its performance (Feldman 1984).

However, the problem with sociotropic voting is that quite often voters' collective assessment of the economy reflects different motivations (Kiewiet 1983). Thus, the problem in explaining the sociotropic vote is that one cannot disentangle the specific reasons why voters act in this manner. In addition, it is not clearly defined or specified at the micro-level as to which economic indictors cause voters to have a favorable or unfavorable view of the national economy (Kramer 1983).

Another important dimension to understanding voters' assessment of the economy is to understand the time frame voters use to make these evaluations. That is, voters' assessment of the economy can be prospective (future expectations) or retrospective (past performance) or both (MacKuen, Erikson, and Stimson, 1992). Retrospective voting is a straightforward and simple model of economic voting where voters "base their decisions primarily upon the economic conditions of the recent past" (Kiewiet and Rivers 1984: 372). Thus voters use the recent past to make assessments of the economy and then reward or punish the incumbent based upon these assessments (Key 1966). In addition, voters' retrospective assessments are typically based on changes in economic performance from 12 months prior to the election up until the election (Lewis-Beck and Nadeau 2001). Typically voters make their economic assessments about one year prior to a presidential election

whereas points taken earlier than this window have had negligible effects on explaining voting behavior (MacKuen et al. 1992; Lewis-Beck 2001). The reason voters tend to look back between about six to 12 months regarding the performance of the economy is because voters tend to react more strongly to more recent events than to what they see as *ancient* history (Kiewiet 1983; Fair 1984; Fair 1996).

The other time reference voters use to make their economic evaluations is prospective voting. This time referent is simply defined by voters who look to the future to make their economic assessments (MacKuen et al. 1992). Prospective voting assumes voters look ahead into the next year or so when making assessments regarding the performance of the economy. This theory argues that voters reward a candidate for offering the best plan for future economic performance, rather than just relying on past performance when making their vote choice (Norpoth 1996). Thereby prospective voters are forward-looking when making their assessments of the economy's performance and will adjust their expectations in accordance with revised economic forecasts (MacKuen et al. 1992). That is, prospective voting has a Downsian framework where voters make future projections when basing their expectations about the economy using both candidate promises as well as past performance (Keech 1996).

However there are limits to retrospective and prospective voting; particularly when they are measured at the micro-level. This is because voters' assessments of the economy when based on a time references, can at times be considered "noisy" (Fiorina 1978: 430). In other words, voters economic assessments can, at times, become extensions of partisan evaluations of the president's competence in managing the economy (Norpoth 1996). Economic assessments can at times deviate from actual economic performance due to

partisanship. Voters' economic evaluations can either be overstated or understated because of partisan bias (Kiewiet and Rivers 1982; Conover, Feldman, and Knight 1987). However, the counterargument is that voters' bias, which may result from other factors in their decision schema, is likely to be limited in its ability to effect their economic assessments whether it is retrospective or prospective in nature (Lewis-Beck 2006). This is because it is most likely that prospective judgments are merely extensions of how much voters weigh past performance as voters are less likely to attach more weight to uncertainty than what is already known (Downs 1957; Keynes 1964; Norpoth 1996; Lewis-Beck and Nadeau 2001). As a consequence, partisan bias is minimal at best because more often than not collective assessments of voters on the overall economy tend to follow general macro-economic trends (Lewis-Beck and Nadeau 2001).

How Voters' Economic Perceptions are Formed by Economic Conditioning

Economic voting scholars argue that voters accurately perceive aggregate conditions of the macro-economy and are able to effectively weigh its multiple indicators. That is, though voters' assessments of the economy may "honestly and accurately differ," there are nonetheless based on *real* economic indicators (Lewis-Beck and Nadeau 2001: 161).

However, the indicators voters use to assess the economy has been open to debate among economic voting scholars. One reason for this debate is that a problem of using any economic indicator to estimate economic perceptions is that they are neither "perfectly well defined nor measured without error" (Kiewiet and Rivers 1984: 371). In addition, these measures traditionally serve as proxy variables that have difficulty capturing all aspects of

changes in the economy making it difficult for voters to link presidential vote choice to economic outcomes (Stigler 1972).

Though the debate continues regarding which economic indicators voters pay attention to when making their vote choice, economic voting studies have traditionally focused on unemployment, gross domestic product, inflation, job growth, and/or income (Kramer 1971; Fair 1992; Fair 1996; Hibbs 1992; Lewis-Beck and Tien 2004; Erikson and Wlezien 1996). That is, regardless of measurement differences or indicator used, voters who are exposed to these various indicators will as a collective body know the direction the economy is headed (Kiewiet and Rivers 1984).

Specifically early models (Kramer 1971; Arcelus and Meltzer 1975; Bloom and Price 1975) focused on per capital income as their economic variable. Kramer (1971) found that real per captia income had a strong and consistent influence on the incumbent president's party congressional vote compared to other economic variables (Kramer 1971; Kiewiet and Rivers 1984). Hibbs (1987) also found a significant link between income growth and electoral outcomes. Namely he found that cumulative income growth under the sitting president had a significant impact on his reelection prospects (Hibbs 1987; Erikson and Wlezien 1996).

Fair (1984) found that second quarter performance of GNP during an election year had a significant impact on explaining election outcomes. While Lewis-Beck and Tien (2004) found that job creation over a president's term is a significant predictor of presidential electoral performance.

Moreover, unemployment has not been as reliable of a variable in explaining how voters link macro-economic indicators with political events (Kiewiet and Rivers 1984).

Kramer found that unemployment appears to have little or no impact on the aggregate vote (Kramer 1971; Fiorina 1978). This is because this indicator typically only touches a smaller segment of the electorate when compared with other metrics such as inflation which affects all voters (Kiewiet 1983).

Nonetheless, economic voting scholars argue that economic indictors condition voters' economic assessments. The process of conditioning voters' evaluation of the economy is not influenced by an "endogeneity bias from partisanship" (Lewis-Beck 2006: 212); rather, it follows trends in the macro-economy (Lewis-Beck 2006). More specifically, voters' economic perceptions are not directly affected by voters' party preferences; rather voters' economic assessments are caused by actual changes in the economy's performance. This is because voters' assessments are defined by weights they assign to various aspects of the economy (Lewis-Beck 1988).

Thereby the weights voters place on different economic indicators results in variation among voters' economic perceptions in three ways. First, voters vary on which specific economic indicators matter more regarding the performance of the macro-economy. Second, the specific components of these indicators may vary across elections resulting in voters having differing interpretations on their impact on the economy (Chappell and Keech 1985). Third, voters are concerned about policy outcomes and how they affect economic performance; this difference in policy preferences among voters is likely to yield differences in voters assessments of the economy's performance (Kiewiet 1983). Thus voters are likely to assess different policy priorities of the major parties in addressing an economic change when making their vote choice (Sundquist, 1968; Okun, 1973; Hibbs, 1977; Tufte, 1978).

Explaining Voting Behavior during Economic Downturns

During economic downturns voters will punish incumbents at a greater rate than reward them for positive economic outcomes (Bloom and Price 1975). This is because voters have an asymmetric response in their economic evaluations to a poor economy. Therefore, during a poor economy voters are more likely to experience negative feelings when faced with the prospect of an economic downturn, which in turn make these feelings "more instrumental" to their vote choice than positive feelings they may be experiencing (Kernell 1977: 52). Thus the reason why negative voting became an integral part of economic voting theory was because it provided an explanation for why voters focus their attention more on "the evil that incumbents do" and less on incumbents' accomplishments while in office (Fiorina 1978: 429). Lastly, negative voting also fits nicely with economic voting theory because it offered a plausible rationale for the asymmetry of the "reward and punish" hypothesis by arguing that negative assessments of the incumbent are more likely to energize voters to vote against the incumbent when compared to those voters who are satisfied with the status quo (Kernell 1977).

The cause for tying negative voting theory to economic voting was that earlier works in the literature on economic voting had overlooked the differences and impact of economic downturns relative to economic upturns in explaining electoral outcomes (Kramer 1971; Arcelus and Meltzer 1975). This was because early model specification had assumed the two were equal in magnitude and their impact would have opposite effects on the electoral fortunes of incumbents (Bloom and Price 1975). Integrating negative voting into economic

voting was a result of the inappropriateness of these early assumptions in theory development as well as in model specification.

The reason why voters tend to dislike a bad economy more than they like a good economy is because they deem an economic downturn as a threat to their personal economic well-being (Lewis-Beck and Paldam 2000; Soroka 2006). This is because the frame of reference for voters is to ensure a good economy for the nation, which in turn voters link to their personal prosperity. Thus if voters are satisfied with the economic status quo they are more averse to any changes that may affect it (Kahneman et al. 1999). An economic downturn is likely to change the frame of reference for these voters because negative economic changes are likely to be viewed by voters as "unique or novel," which tends to elicit information that is more extreme than positive information (Soroka 2006: 376).

The basis for this behavior is that what motivates economic voting is that voters have collective feelings regarding the economy's performance where they tend to care more about recent changes in its performance than they do about the overall state of the economy (Read 2002). Thus, negative responses to an economic downturn are likely to trigger anger, frustration, and/or anxiety among voters, which in turn causes them to use these feelings as their frame of reference when focusing on a negative economy (Mercer 2006). This is because voters expect a good economy; any information that leads them to change this perspective, no matter how benign, will lead them to perceive this information as very negative (Soroka 2006).

As a result, economics matters more when the economy is doing poorly in determining voting behavior. This is evidenced by increases in turnout by voters who disapprove of the president as well as have negative assessments of the economy when

compared to those who approve of the president and have a positive assessment of the economy (Kernell 1977). This is further confirmed by significant drops in the congressional vote for the President's party during bad economic times compared to increases in the congressional vote the President's party receives during an economic upturn (Bloom and Price 1975).

Explaining Voting Behavior during Economic Prosperity

During economic prosperity, economic voting scholars argue incumbents are rewarded by the electorate. Voters reward incumbents "for current business prosperity because of the implication that they will personally benefit later" (MacKuen, Erikson, and Stimson, 1992: 607). For example, Markus (1988) found that a one unit increase in average personal disposable income resulted in a 2.3 percentage point increase for the incumbent president, other things being equal. This outcome has been confirmed at both the macro and micro-level. Kiewiet (1983) found at the micro-level that the probability of a voter who said the economy had "gotten better" would increase from "50% to 68%" in their likelihood they would vote for the presidential incumbent (Kiewiet 1983: 99). While at the macro-level, researchers have also found similar results that increases in real income benefit incumbents by giving them roughly a half-percentage point to one percentage point increase in total vote shares (Kramer 1971; Arecelus and Meltzer 1975; Kernell 1978; Tufte 1978; Kiewiet and Rivers 1984).

The link between national economic conditions with voters' support of incumbents, maintains the view that voters pay close attention to economic indicators in order to assess

whether or not their evaluations of the economy have been met when making their vote choice. Voters' assessments of the economy's performance "lie at the core of political evaluations" because their political perspectives of the incumbent government are "grounded in reality—personally experienced or observed in others" (MacKuen, Erikson, and Stimson, 1992: 606). Thus the theoretical argument is the economic voter is sophisticated because they will be retrospective when an incumbent president is running for office and prospective when no incumbent presidential candidate is running (Lewis-Beck and Nadeau 2001). However, the dominance of negative voting theory which has become part of economic theory maintains that incumbents are less likely to lose elections during economic upturns but are still likely to be vulnerable to other items during an election cycle (Lewis-Beck and Rice 1992).

Electoral Change, Economic Voting, and Election Forecasting

Economic voting scholars argue the economy's performance acts as a mechanism of electoral accountability of the incumbent government. Specifically, economic changes constitute a referendum on "the performance of the President and his administration's management of the economy" (Tufte 1978: 824). As a result, elections allow voters to support a given political party to the degree a "party has delivered prosperity in the past" and to be less apt to support a party which "has produced (or at least been associated with) bad times" (Kinder and Kiewiet 1981: 156). This is because voters discount the past and demonstrate behavior that they are responsive to promises made by candidates. However, on the whole, voters know fair and well what they are accepting or rejecting when they vote on

an incumbent candidate (Keech 1996). This results in economic forces playing a vital role in determining electoral outcomes (Lewis-Beck 1987).

Economic conditions and presidential popularity are closely linked and have had relative success in explaining electoral outcomes (Lewis-Beck 1996; Norpoth 1985). As part of this linkage between the two, scholars within economic voting have used their models not only to explain electoral outcomes but also to predict elections based upon prior knowledge of the economy as well as other political factors (Lewis-Beck and Tien 2004; Abramowitz 1992; Fair 1996). These models are based on the referendum model, similarly to the framework set by Tufte (1978), which postulates that voters either "stay the course" or "change based on the performance of the incumbent administration (Wlezien 2001: 25). The major determinant of this decision by voters is triggered by the overall state of the nation which includes the welfare of the economy.

Overall the work by Lewis-Beck and Rice (1992) and later Lewis-Beck and Tien (2004) have been successful in combining economic variables with electoral outcomes. Though these models are better than chance in their ability to predict elections, they are nonetheless limited in their ability to completely explain all variation in the presidential vote as a result of an election cycle[4].

Though the economy provides a strong link for explaining electoral outcomes, it does not, however, necessarily result in the expected outcome. This case was most evident in the inability of the economy's performance to provide enough of a metric in determining the 2000 election. In Holbrooke (2001), he makes the case that during the 2000 election the

[4] For a discussion on lessons learned from past presidential election forecasts, please review to Christopher Wlezien discussion in "On Forecasting the Presidential Vote" in PS: Political Science and Politics. Vol. 34, No. 1. (Mar., 2001), pp. 24-31.

expectation of the economic vote did not work in the same manner as it had during previous elections. That is, a good macro-economic economy did not result in a victory for the incumbent because "voters discounted their own perceptions of the economy" and focused more on negative information than what was warranted, resulting in voters not crediting the incumbent with a strong economy (Holbrooke 2001: 43).

Limits of this Approach

Overall, I note a few critiques regarding the literature. First, the literature fails to provide a uniform means to "uncover the mechanics…of…the linkage at the individual level" (Lewis-Beck 1980: 322) between how voters perceive the economy relative to their political orientation and how the two influence vote choice. Specifically, it defines that the "economic vote exists and is relatively important" (Lewis-Beck 2006: 211), however, there is not a general consensus about how it actually works.

Second, typical measures of political orientation act as an over-control in U.S. economic voting models, which tends to deflate "the estimates of the economic effect" (Lewis-Beck 2006: 211). That is, voters' political partisanship is not exogenous to other factors in the political environment. As a result, overall methodological limits in the present literature restrict the ability to fully assess the impact of political orientation and economic performance on voting behavior (Stigler 1973; Fiorina 1978; Lewis-Beck 2006).

More specifically, methodological limits present in the economic literature include the following critiques: 1) Economic voting models are sensitive to measurement changes that can dramatically alter the findings of a specific model (Stigler 1973); 2) Differences

between survey and aggregate data can produce varied outcomes. This is because on the one hand aggregate data are amendable to statistical manipulations in election returns and economic data, while on the other, survey data measuring individual level responses can be at times idiosyncratic, variable, and unstable (Fiorina 1978); 3) Models used to measure economic voting are built upon an initial set of assumptions—namely about exogeneity and endogeneity. The problem arises in the applied sense. This is because the assumptions of exogeneity, as defined in theoretical models, are compromised because of the inherent interrelationships between factors in the political environment (Lewis-Beck 2006).

Third, there are significant differences in the findings of economic voting models based upon a model's level of measurement. On the one hand, most aggregate time-series models find a direct role of the economy in influencing macro-level vote results, while studies at the individual level find partisanship as the primary factor in determining micro-level vote choice (Campbell et. al 1960; Kramer 1971; Fiorina 1978; Kinder and Kiewiet 1978; Weatherford 1983). Thus, aggregate models provide some guidance in understanding economic voting. However, these models focus too heavily on economics with little conclusive information toward solving the fundamental problem of how to interpret economic voting in terms of underlying interests and preferences among individual voters (Weatherford 1983).[5]

[5] One way to reconcile the differences between problems encountered with varying results as a function of level of measurement is to imply the following logic: first, individual level studies find that partisanship not the economy is the primary factor in explaining an election outcome because within a given election, the national economy is essentially the same for all voters while partisanship varies greatly across them. Second, aggregated time-series see the economy not partisanship as the primary factor in explaining an election. This is because these models measure variation over time in the national economy; variation in macro-partisanship remains highly stable over time at this unit of measurement (David Jones. email to author. 2007).

Though I can not address all of the problems in the economic voting literature in this dissertation, I will add to the literature in two ways. First, I will measure the economic vote through an interactive relationship between voters' economic perceptions and their partisanship. Second, I will build upon the existing literature in analyzing the effects of both macro-economic data with micro-level voter responses. Both of these elements will be discussed in the following sections.

Chapter 3: Politics and Economic-Minded Partisans

"Furthermore the fact that the voting decision of the average citizen is not based on a close review of public policy means that the electoral decision gives great freedom to those who must frame the policies of government."
–Nie, Verba, and Petrocik in the Changing American Voter (1982 page 78)

The argument posed by Nie et al. (1982) summarizes a disproportionate relationship between the information voters use to make their decisions and the manner by which elites frame and shape this information: namely voters tend to have limited political knowledge leaving them prone to the influence of political elites who generate competing information frames on political issues and events. What results is a process by which voters' perceptions of the economy are tinged by partisan discourse shaped by party elites. Thus, voters' economic perceptions are not formed by economic indicators alone; they are also influenced by their partisanship.

The focus of this chapter is to situate the Economic-Minded Partisan framework within the literature on partisan conditioning of voters' economic perceptions. The line of reasoning within this literature is that voters' view of the economy is continuously filtered through their partisanship, and as a result, voters' partisanship conditions economic perceptions, which influences vote choice (Campbell, Converse, Miller and Stokes 1960; Key 1966; Hibbs 1977; Fiorina 1978; Kiewiet 1981; Mutz 1993; Zaller 1992; Popkin 1994; Nelson and Kinder 1996; Funk and Garcia-Monet 1997; Evans and Anderson 2006).

Partisan Conditioning of Voters' Economic Perceptions

That partisanship influences voters' economic perceptions is supported historically: "[T]he formation of relevant political attitudes provides *the* major connection between reaction to economic events and a subsequent decision at the polls" (author's emphasis) (Campbell, Converse, Miller, and Stokes, 1960: 391). This is a result of voters' using their partisanship as a "psychological identification," or running tally, where voters link economic performance with political decisions (Stonecash 2006: 117; Fiorina 1982). This process maintains that voters' partisanship serve as a proxy for how voters respond to economic events.

Recent research has also maintained this view: "[p]olitical partisanship, measured as both incumbent…popularity and vote, systematically influences economic perceptions" (Evans and Anderson, 2006: 203). Thus variations in economic performance *alone* do not lead to changes in voters' economic perceptions. Rather variations in economic performance are based on a process by which voters connect the performance of the economy with their political attitudes leading them to either defend or attack the party in power based on the performance of the economy (Campbell et al. 1960). Thus, the connection between economic events and partisan attitudes biases voters' economic perceptions resulting in divergences in opinions in the views of Republican and Democrats, which is something that cannot be explained by changes in the economy alone (Bartels, 2002).

Scholars who agree that partisanship shapes economic perceptions argue that partisanship is by far the best predictor of how an individual voter perceives the issues and makes voting decisions. Burnham (1970) argued the reason why partisanship plays such an important role in explaining voting behavior is that it serves as the basis of a system for which voters use to make political decisions. Thus, this system allows voters to use their

partisanship as means to internally process political events and issues relevant to an election which is cohesive and consistent with their prior voting behavior (Brewer 2005).

The process by which voters internalize political decisions through their partisanship is a way in which to help them manage decisions through uncertainty and limited information during an election. Namely this arises most often when voters enter the election booth. This is because voters are asked to make political decisions on an array of candidates, who are running for multiple levels of offices. Therefore when voters are faced with such scenarios they are likely to "align their decision at once" and in one fell swoop will use their party preferences as the means to make these decisions (Converse and Pierce 1992: 241).

The importance of partisanship in explaining vote choice depends not only on the level and intensity of partisanship among the electorate, but also on "the extent to which partisanship influences voting behavior" (Bartels 1996: 38). That is, scholars argue that independents also fit into this schema because they are likely to *lean* in favor of one of the two parties when making their vote choice (Miller 1991). Thereby partisan and independent voters are likely to fall into similar voting patterns; namely the closer they identify with a particular political party, the more likely they are to support that party's position on the economy.

Partisanship plays a major role in perceptions because "real-world voters are not well-informed about political issues; they sometimes are…vulnerable to cynical manipulation by opportunistic politicians" (Keech, 1995: 127). MacKuen et al. (1989). According to Fiorina's model, citizens use partisan orientation as a shorthand device for making sense of the political world. This is particularly evident when voters define their perceptions of economic performance.

This is because voters' level of conceptualization of economic issues is limited by their "cognitive capacity" (Nie , Verba, and Petrocik 1982: 38). This happens because voters typically do not think abstractly about politics nor do they spend considerable time learning about issues and events relevant to an election; rather voters use their partisanship as a heuristic that limits their ability to process more sophisticated and nuanced types of information on the economy (Nie et al. 1982). As a consequence voters' partisanship functions as an information clearinghouse on the economy, which is useful for voters when making their vote choice based on the economy.

Partisanship, then, acts as a filter to help voters determine their perceptions of the economy: "the framing of issues…by partisan elites…shapes public understanding" (Nelson and Kinder, 1996: 1055). This is an outcome of a process where public opinion does not change on its own accord; rather public opinion changes as attitudes of political elites change, who in turn, help remake the opinion of the electorate (Brewer 2005). Hence, political elites react to economic events, interpret what these economic changes mean to their election prospects, and then frame messages directed at voters about these changes, which conforms to their agenda (Zaller 1992; Herthington 1996 2001; Brewer 2005). The outcome of this process is to shape the public's opinion on the economy; political elites do this by shaping and priming issue frames, and then cue voters on these frames (Nelson and Kinder 1996; Herthington 2001).

Accordingly, voters' economic perceptions are influenced by political elites (Herthington 1996). This is particularly evident during economic downturns; party elites offer voters competing claims and explanations regarding whether the economy is performing poorly and who should be held responsible for this outcome. However, these

efforts are tempered by the degree to which voters are conditioned by preexisting negative accounts of the economy's performance; this is because voters who have well defined negative perceptions of the economy's performance are resistant to counter claims that are not inline with their assessments (McCombs 1981; Herthington 1996).

Voters, according to partisan conditioning theorists, are unable and perhaps, unwilling, to sift through and process all of the political and economic information available. This is because voters are likely to organize their political thinking around social groups, which allows them to make judgments on the "moral qualifications of the groups involved" (Converse 1964: 234; Nelson and Kinder 1996).[6] The focus on social groups by voters serves as a short-cut for voters to process political and economic information. In other words, social groups serve as a reference for voters to understand the political world. Voters form their opinions and attitudes on political items through social groups because these groups have already processed this information and produced interpretations to it that does not require a lot of effort from these voters in understanding their impact (Converse 1964; Conover 1984; Conover, Feldman, and Knight 1986). Thus, the degree to which voters reference these social groups when making political decisions is related to the following items: their closeness to the group; their level of political awareness or ideology regarding the group; and whether they belong to this group (Conover 1988).

The reason this occurs, according to partisan conditioning scholars, is that people have limited capacity to process and store all political information; rather, voters organize political information in distinct and varied perspectives (Campbell et al. 1960; Converse

[6] Social groups can be defined as voluntary units, such as political organizations, but they are not limited to this category. For social groups, I refer to Conover's definition (1988) which defines a social group more broadly as a category which "applies most readily to social groupings based on age, race, and sex etc" (Conover 1988: 52).

1964). Thus, voters do this by developing political belief systems and cognitive structures as a means to store and process information (Zaller 1992). That is voters' belief systems and structures consist of prior knowledge that is extrapolated "from experience with specific instances" (Conover and Feldman 1986: 92). Thereby voters use their prior knowledge to serve as guide for them to process "new information" as well as assist them in retrieving "stored information" (Fiske and Linville, 1980: 543).

This process defines the method by which voters formulate their economic perceptions. Voters use their beliefs and attitude structures towards economic changes in the same manner in which they evaluate political events, social groups, or issues (Conover and Knight 1984). This is because voters combine prior knowledge with new and stored information, and then process, organize, and store this information within a framework that is defined by voters' political identification (Conover and Knight 1986; Conover 1988).

For the majority of voters, party identification is stable: "the reason for party identification's secure place in the voting paradigm is its stability" (MacKuen, Erikson, and Stimson, 1989: 1126). Part of the reason why partisanship remains so stable among voters is because voters tend to "like their own parties much more" than the other parties (Converse and Price 1992: 256). This is an outcome of the majority of citizens having a preexisting commitment to one party, or the other, and any "momentary changes in the political world are likely to be muted" by such commitments (Nie et al. 1982: 41). That is, voters identify with particular social groups over time, which deepens their preferences for or against these groups. As a result, these evaluations among voters about these social groups are "fundamental and largely unchanging" over time (Green, Palmquist, and Schickler 2002; Stonecash 2006: 118). Since partisanship is part of voters' values and belief system, voters

welcome information from their political parties to deepen their commitment to the party or to process conflicting information they receive from the other parties (Lodge, McGraw, and Stroh 1989; Just, Crigler, Alger, Cook, Kern, and West 1996).

Stability and longevity of voters' partisan commitments remain a major determinant for how elections are conducted. That is, parties know that voters are not likely to drift too far in either direction from their partisan affiliation, so parties seek broad positions on issues rather than specific ones to maintain a broad appeal and to enhance the differences between parties (Nie et al. 1985). This behavior is evident during partisan debates over economic issues. This is because voters are more likely to use partisan schemas to "to recall and evaluate information on the basis of pre-existing beliefs and biases" when making assessments about the economy's performance (Lanoue 1988: 288).

What enables this process to maintain its prominence in influencing voters' preferences is that voters use their partisanship to define an evaluative structure that is based on "cognition and evaluation, of belief and attitude" (Campbell et al. 1960: 42). Thus partisanship remains a constant and reliable indicator in determining the manner in which voters link their beliefs and the perceptions to their "cognitive structures of knowledge" (Conover and Feldman 1984: 99). That is, voters make evaluations and inferences of the economy's performance based on two aspects of their political schema: first, voters define their economic perceptions on how the economy's performance affects them. Second, voters define their economic perceptions based on their belief that changes in the economy's performance are a result of the party in power and will punish or defend the incumbent based upon the proximity of voters' affinity for the party in power (Campbell et al. 1960; Conover and Knight 1984; Converse and Price 1992; Brewer 2005).

Because voters' partisanship remains an anchor for defining their political preferences, it serves as a dominant indicator in defining differences among voters on economic issues (Brewer 2005). That is, voters see major differences between the major parties in the US and UK on economic performance (Lanoue 1988). Thus, voters who use schemas to understand the political world are likely to hold certain stereotypes of the parties where they see differences between the parties; for example voters are likely to place economic policies of the parties on a "spend-save" continuum (Lanoue 1988: 288).

If partisanship dictates one's view of the economy, how does it do so?

Voters tend to use running tallies about political parties that serve as a shortcut for them to store and process information about the economy (Fiorina 1981; Zaller 1992; Popkin 1994). Voters do this because on the one hand they are faced with an overabundance of detailed and complex information regarding the economy's performance, while on the other, are left with little incentive to gather and process it all (Zaller 1992; Popkin 1994). As a result, this forces voters to view the economy through their partisan identification. This is because voters may see the economy in rosier terms if their party is in power, and in darker terms if their party is out of power.

The reason why voters use information shortcuts is because direct information on the economy can be too burdensome for individuals to process and develop an expertise in this area. Rather voters use proxies to help them understand, collect, and process economic information when making a vote choice (Popkin 1994). Therefore, voters use their partisanship as a proxy in how they consider, reason, and seek to clarify differences

regarding information on the performance of the economy (Zaller 1992; Popkin 1994; Herthington 2001).

The consequence of voters using partisanship as a running tally of political assessments is that it serves as a dynamic force that shapes voters' behavior (Bartels 2002). This is because partisanship biases political assessments; political perceptions play a crucial role in perpetuating and reinforcing sharp differences in voters' opinions. This conclusion validates the emphasis placed by the authors of *The American Voter* on "the role of enduring partisan commitments in shaping attitudes toward political objects." (Campbell et al., 1960, p. 135).

As part of this process, voters *consider* competing arguments and cues from the political parties and media on the economy's performance to determine whether the economy is a political issue which warrants attention (Zaller 1992). Voters not only recognize competing cues and arguments regarding the economy's performance, they also evaluate them based upon their political dispositions. This allows voters to respond critically to persuasive arguments from competing political parties (Converse 1964; Zaller 1992).

Voters use their partisanship as a proxy and information short-cut in order to evaluate the performance of the economy. Thus, partisanship serves as the basis of voters' *reasoning* in how competing political arguments regarding the economy's performance are evaluated (Popkin 1994). Voters seek to obtain and evaluate information on the economy but will do so by triangulating and validating their opinions with sources they trust and "whose judgments and positions they have come to know" (Popkin 1994: 64). Thus partisanship is a coping mechanism by which voters use to both filter political information regarding the economy's information, as well to reinforce pre-existing beliefs and dispositions voters have

regarding which party can do a better job in presiding over it (Lanoue 1988; Herthington 1996).

Lastly, voters' partisanship serves as a means for voters to see important difference between the parties on the economy (Herthington 2001). Thereby voters are perceptive to cues from party elites seeking to define and shape the debate on the economy in order to *clarify* their party's position in comparison with competing parties' positions (Herthington 2001). As a result, voters' partisanship is useful in understanding and processing partisan difference regarding the economy as a means to develop their own perceptions of the economy's performance.

Furthermore partisanship not only serves as an instrumental factor voters use to assess the economy, but also provides voters with an expressive element in how they view its performance (Fiorina 1976). As a result voters who are strong partisans are more resistant to countervailing messages regarding the economy than those who are deemed to be moderate partisans or independents (Zaller 1992). Voters' partisanship serves a means to project their perceptions of the national economy and serves as a means to express their own values and beliefs about which party will do a better job at managing it (Brady and Sniderman 1985; Conover and Feldman 1989; Herthington 1996). As a consequence, partisanship serves as an expressive element of the political process that allows less sophisticated voters to link their values and interests with vote choice (Herthington 2001).

The reason why voters behave in this manner is because they tend to resist arguments that are counter to their existing political predispositions (Zaller 1992). Voters have limited political knowledge and view contextual information in terms of how the party platform fit with voters' own ideologies (Zaller 1992). Therefore voters will respond to ideas or concepts

which have been recently used, seen, heard, or indirectly referenced (Zaller 1992). Hence, voters are more likely to reuse this information rather than to create their own information on the economy. This provides the parties with the opportunity to shape the debate on the economy and to cue voters as to how to respond to it (Zaller 1992).

This occurs because voters do not devote a great deal of energy or time directly into their vote choice. Rather information they do use is a by-product of actions they use in their daily lives (Conover 1988; Zaller 1992; Popkin 1992, 1994). Thus voters' partisanship serves as a short-cut, or substitute, for a more complete picture of how the economy is performing (Popkin 1994). To minimize the costs associated with understanding the performance of the economy, voters prefer to use their partisanship as a low-cost alternative which they do not have to devote significant resources to conceptualize and translate into their vote choice (Popkin 1994).

Partisan Economic Conditioning during Economic Downturns

During economic downturns, political parties cue voters: "[a]ny party is likely to take the stance of a general problem solver to try to deal with the prominent problems at hand" (Keech, 1992: 92).[7] Parties act as problem solvers during a poor economy because voters typically have emotional reactions to negative economic conditions that can either trigger feelings of anger or fear in the electorate (Conover and Feldman 1986). As a consequence, parties try to inform voters about how they will remedy or fix the economy. At the same, parties send signals to the electorate that tries to alleviate negative feelings among voters.

[7] The George W. Bush administration is a prime example of this type of behavior: That is, Republicans have taken on the "problem-solver" role by passing tax cuts; they note that economic growth has been facilitated through this course of action. Democrats, on the other hand, noted that tax cuts have led to, historically, the largest budget deficit, which will eventually hurt the overall performance of the economy. Democrats have taken on the "problem-solver" role as well by supporting tax-cut repeals and "pay-as-you-go" legislative procedures.

The reason why parties do this is because they know voters' negative reactions to economic downturns provokes causal attribution among the electorate about who they will hold accountable (Conover and Feldman 1986). Thus, incumbent parties seek to diffuse these reactions among voters by changing voters' focus from who caused the problem of a poor economy to one that provides clear alternatives for who will fix the problem. Conversely parties who are not in power will attempt to keep voters' focus on who caused the negative economy, which from their point of view is the incumbent party and seek a policy position that clearly differs in outcomes from the status quo (Keech 1992; Fiorina 2001, 2002)[8].

Campbell et al. (1960) noted that when political parties act as problem solvers, they elicit the following characteristics from the electorate: (1) voters will use their party identification to form an attitude regarding which political platform best coincides with their beliefs; (2) political parties will frame the debate "to protect their own partisan investments through their estimates of the performance" (389) of the economy; and (3) voters with the strongest levels of partisanship are "restricted in their freedom to adjust their assessments" (389); that is, voters can evaluate the economy only so far as their strength in party identification allows.

[8] The 2008 presidential election provides an example of this behavior. The GOP candidate has sought to redefine the economic debate be providing a platform that focuses on jobs, small business, reform of the tax system, reducing government spending, energy reform, and improving health care. There has been no specific mention of the incumbent's administration and their management of the economy by the GOP candidate rather the candidate has focused on how his alternative is better than the status quo and the position of his major challenger in the Democratic Party. While the Democratic candidate has framed the debate by attributing responsibility for the current economy directlty on the incumbent administration and on the incumbent party's candidate. The economic positions of the Democractic candidate has been focusing on tax relief, protecting and encouraging jobs, reforming bankruptcy laws, reforming healthcare, and reforming trade and labor standards, etc.

Partisan Conditioning during Periods of Economic Prosperity

During economic prosperity, political parties also cue voters on how to assess the economy. Voters traditionally have limited information on the economy. Therefore, voters are likely to adopt "compensatory strategies" in order to interpret economic outcomes when making their vote choice (Duch, Palmer, and Anderson 2000: 636). This is because "changes in economic performance are typically not distinctive enough to produce a shared, accurate assessment of how the economy is doing" and political parties have the opportunity to deliver "very strong and unavoidable cues" on economic performance; this results in voters' political orientation providing the "major source of response variation" (Evans and Anderson 2006: 195).

Thus, partisan conditioning of voters' economic perceptions occurs because voters are not likely to have well-specified attitudes regarding the economy's performance (Converse 1970). As a result, partisan conditioning of voters' economic perceptions is likely to exaggerate voters' subjective economic perceptions that are consistent with their political preferences (Zaller 1992; Duch, Palmer and Anderson 2000). This occurs regularly among voters who do not have the time nor energy to store their attitudes or beliefs about the economy's performance. Rather voters develop their opinions and attitudes on the economy based upon momentary cues and signals from political parties (Converse 1970; Zaller 1992; Just, Crigler, Alger, Cook, Kern, and West 1996). Therefore, political parties are most successful at conditioning voters' economic perceptions when they construct cues that are

most salient among the electorate in the near-term (Gelman and King 1993; Rosenstone and Hansen 1993; Putnam 1995; Shah, Watts, Domke, Fan, and Fibison 1999).

Political parties are the mechanism for defining the economic debate. They, in a sense, interfere with voters' ability to evaluate and assess the economy independent of their political orientation. Voters, in turn, use their partisanship and ideology to evaluate the economy. As a result, these two factors bias voters' short-term economic evaluations because voters' partisan attachments remain a constant fixture in their political decision schema (Duch, Palmer, and Anderson 2000). Thus, political parties are instrumental for both shaping voters' economic assessments, as well as for reinforcing voters' partisan dispositions. That is, the latter is used by voters to process and interpret short-term economic information so that it strengthens existing attitudes that augments, rather than tempers, any differences that may occur as a result of changes in the economy's performance (Zaller 1992; Duch, Palmer, and Anderson 2000).

Partisan Conditioning and Electoral Change

Voters base their decisions on the appeal of one of the two major parties in handling the economy. Popkin (1991) argued that voters see electoral change as an investment between the parties' candidates where citizens look for good predictors of what candidates will do in the future. Thus, according to this theory, voters' decisions will be based on evaluating the consistency and validity of campaign promises with evaluations of past performance relative to future candidate behavior. If voters are able to have positive assessments of both, they are more confident "investing in candidates" based on partisan

cues and messages that focus on both campaign competence as well as on personal characteristics (Just et al 1996: 8; Popkin 1992).

Therefore, voters' decision-making process focuses on economic policy choices outlined by each party's agenda. Voters make their decisions on the economy's performance by inferring their own policy preferences based upon the valence of partisan cues and candidate messages sent out during an election (Conover and Feldman 1989). Voters' preferred policy preferences on the economy are then a function of how receptive they are to partisan cues, which provide all information that is "required to identify" a preferred candidate (McKelvey and Ordeshook 1986: 934). This process takes precedence among voters because of the following reasons: voters typically know few of the details of the major issues of economic policies debated during an election; voters do not have a well-defined policy preference on the economy that is separate from the political party's position they identify with. And voters' economic attitudes are at times likely to be based on *immediate* cues and messages that coincide with their more long-term partisan commitments (Campbell et al. 1960; Converse 1964; Bartels 1996).

As a result, voters use their partisanship as a tool to process information cues when they assess these partisan choices because they are unlikely to effectively know all of the specific policy differences outlined by each party, remember all of the details regarding past economic performances, and relate to all future economic policies outlined by each party's agenda (Popkin 1994). As a consequence, voters' economic assessments over time are defined by the influence of their partisanship on shaping their attitudes rather than the influence of voters' attitudes on the economy on their partisanship (Campbell et al. 1960; Bartels 2002).

However, the notion of partisan commitments shaping political attitudes is not limited to solely having partisanship serve as an explanatory factor on voters' economic perceptions. There is also a reciprocal relationship between partisanship and economic assessments. This is because partisanship is affected by the causal attributions voters give to incumbents during economic change (Fiorina 1981; Achen 1989, 1992; Bartels 2002). This occurs because partisanship is composed of a "running tally of political experiences and perceptions" that influences partisan change and explains why voter's economic evaluations are more than merely partisan conceptualizations about the economy's performance (Bartels 2002: 118). Thus, voters' economic perceptions are biased by partisan identification. However, this bias is dampened by voters' economic attitudes that a good economy brings to the nation, which can, at times, offset negative partisan commitments that voters have that are in conflict with the economy's performance (Fiorina 1981). Regardless, there is an endogenous relationship between the two factors. Therefore parties serve as an intermediary to connect voters' assessments of the economy's performance with their political decisions[9].

How Voters' Economic Perceptions are Formed by Partisan Conditioning

Partisan conditioning scholars argue the reason voters see differences in economic performance, when they are exposed to similar economic information, is because voters use their personal experiences or political knowledge as the basis for their assessments (Gomez and Wilson 2001). Voters who are engaged and interested in the political process, and who have high levels of political knowledge on issues relevant to an election, will see the

[9] This proposition will be tested in chapters 6 and 7. This will be done by treating partisanship as an instrumental variable within the two-stage probit model to reduce endogeneity that this variable causes in the overall model that specifies voters' vote choice.

economy differently than voters who are indifferent to the political process, are uninterested in the political process, and have only little political knowledge on issues relevant to an election (Weatherford 1983; Feldman 1985; Sears and Funk 1990; Mutz 1992; Gomez and Wilson 2001).

The theoretical argument regarding differences between these voters is based on the degree to which voters use their personal experiences and political knowledge in making their economic assessments (Mutz 1992). Thus, this argument offers two themes to explain these differences. The first argues that indifferent and less politically knowledgeable voters are more likely to us their personal experiences more than other factors when making political judgments about the economy's performance (Cohen and Uhlaner 1991; Conover, Feldman, and Knight 1986; Weatherford 1983). These voters are likely to politicize economic events.

The second theme argues that voters who are engaged and politically knowledgeable are less likely to use their own personal experiences in making assessments of the economy and more likely to rely on political knowledge when making their economic assessments. As a consequence, these voters are less likely to politicize economic events. This is because these voters will be more likely to pay attention to media sources, which provide information on the economy, arguing that other non-political factors have more of a direct effect on economic outcomes than the government's role in managing the economy (Sears and Funk 1980; Funk and Garcia-Monet 1997).

Thus voters who have higher levels of political knowledge are less likely to attribute blame to the president for the performance of the economy (Mutz 1992). This is because voters who have higher levels of political knowledge will differentiate how they attribute

responsibility regarding national economic conditions resulting in them being less likely to blame the president solely for this outcome (Gomez and Wilson 2001). Thus, differences in why voters politicize economic events, when they are exposed to similar economic events and information, are a result of how much weight they place on either their personal experiences or political knowledge.

Limits of Partisan Conditioning

Partisan conditioning models are limited in their ability to explain vote choice as a result of short-term economic forces. Partisan conditioning models do not provide a comprehensive explanation as to why voters punish incumbents more for economic downturns than reward incumbents for prosperity. The literature has approached it by using negative voting models. However, the models have not been able to provide a theoretical explanation that differs from the economic voting literature as to why voters vote against their partisanship when the economy is performing poorly. That is, these models argue that parties act as problem solvers, providing alternative arguments as to how to fix a poor economy, causing voters to punish competing parties based upon the party's remedy that best suites voters' preferences. The models fall short in their ability to explain why voters have a negative economic outlook, one that differs from the economic conditioning literature, and thus base their vote choice on the party the offers the better alternative to getting the country out of its current state.

Second, partisan conditioning models have a difficult time explaining whether voters base their decisions on keeping "running tallies" of information over time or whether their

assessments are based on a process that is "more haphazard and fragmentary" (Fiorina 1982; Just et al. 1996: 19). Thus, this critique comes down to explaining how voters' assessments of the economy change as a result of economic conditions. Namely, what is the connection between party identification and economic attitudes and does this connection change over time (Bartels 2002)? The running tallies argument assumes political learning over time, however, it does not explain the role of ideology in voters' decision schema, or what forces cause realignment or dealignment among the electorate (Crowden and McDermott 2000; Clarke et al. 2004).

Third, there is considerable debate regarding the process by which voters' economic assessments are biased by partisan attachments among voters (Campbell, Converse, Miller,and Stokes, 1960; Green and Palmquist, 1990, 1994; Miller and Shanks, 1996; Brody and Rothenberg, 1988; Converse and Markus, 1979; Fiorina, 1981) . Thus, on one hand, the Michigan model argues that economic assessments are determined by the "capacity of partisan identification to color perceptions" and these assessments based upon partisanship are likely to remain constant throughout voters' life cycle (Stokes 1966: 127; Zaller 1992). While on the other, scholars argue that short-term forces lead voters to update their party identification incrementally in response to candidate evaluations, electoral outcomes or other issues relevant to an election cycle (Brody and Rothenberg, 1988; Converse and Markus, 1979; Fiorina, 1981; Franklin and Jackson, 1983; Meier, 1975; Page and Jones, 1979). However, there are limits to both arguments. This is because these partisan theoretical models fail to recognize that partisan voters' opinions can at times converge with one another or change in the same direction based upon major economic changes, scandals, and/or candidates running for office (Gerber and Green 1999). As a result, these factors

reduce the potential for partisan bias as being the sole reason for framing the electorate's vote choice when based on economic conditions.

Chapter 4: The Economic-Minded Partisanship Model

This chapter will discuss the theory of the Economic-Minded Partisan model. I will introduce and test a new way to understand economic voting—a nuance in which the interactive relationship between the economy and the political environment is recognized. My research is situated between two dominant schools of thought regarding voting and the economy: one that argues that economic voting is determined by economic performance (reviews in Lewis-Beck 2006). The other contends that economic voting is conditioned by partisanship (reviews in Evans and Anderson 2006).

I suggest, however, that economic voting and partisanship models are both valid and are, in fact, connected. Namely the influence of economic performance on vote choice is determined by the level of weight voters place on either their economic perceptions or partisanship when making their vote choice. I argue that determining vote choice involves the following trade-off: on the one hand partisanship influences voters to make decisions reflecting their substantive political beliefs and values; while on the other hand, economic perceptions influence voters as they retrospectively assess the incumbent government's competence in managing the economy, and evaluate the prospects for future management. Since partisanship and economic perceptions are sometimes difficult to separate in a voter's psyche, I call this model the Economic-Minded Partisan.

Defining the Economic-Minded Partisan Model

Economic-Minded Partisans are voters who are susceptible to economic forces. Voters' economic perceptions, therefore, are a result of changes in the economy's performance. The model's theoretical framework will be applied to voters of all levels of partisan intensity to assess the change in voters' voting decisions as a function of economic forces. The model does not assume a high level of political sophistication among voters. Rather, it assumes the following: 1) the level of attention to politics varies across individuals; 2) voters' reactions to issues and events are limited by their knowledge of particular phenomena; 3) voters' perceptions of the economy are not constant, but are constructed from immediate reactions that are a result of changes in the political and economic environments; 4) voters use existing partisan attitudes to process new economic information, as well as to assist them in storing previous information on the economy when making their vote choice (Conover Fiske and Linville, 1980; Conover and Knight 1986; Conover 1988); 5) voters' economic perceptions are more likely to be based on sociotropic assessments of the economy, that can at times be retrospective and prospective (Kinder and Kiewiet 1978; MacKuen et al. 1992); and 6) voters perceptions of the economy and their partisan intensity are based upon the information that is most salient to them (Zaller 1992). The intent of the model is to show how voters shift their primary focus to and from political issues, economic performance, or other factors relevant to an election, depending on their perceptions of economic performance.

Additionally, the Economic-Minded Partisan model argues that non-partisans, like partisans, are susceptible to partisan conditioning and economic conditioning when making a

vote choice. The theory postulates that non-partisans, when compared to partisans, are more sensitive to differences between the parties in their evaluations of how well each party has managed economic and political conditions during an election cycle. Since non-partisan voters are not bound by preexisting partisan attachments when making their vote choice, they actively look for differences between the parties and their candidates in how competently they can manage economic and political conditions (Popkin 1994). In addition non-partisans, like partisans, are receptive to partisan and economic conditioning when making their vote choice because they make their decisions based upon some combination of the following factors: issue preferences, candidate evaluations, knowledge of politics, ideology, assessment of the economy, as well as, information provided to them during the campaign (Basinger and Lavine 2003). This dissertation will test differences in economic conditioning and partisan conditioning among partisans and non-partisans.

The Economic-Minded Partisan model evaluates, at the micro-level, the interactive relationship between voters' economic perceptions and their political orientation, and how this relationship influences voting behavior. I define voters' economic perceptions as being determined by voters' subjective economic evaluations. Voters respond to the economy, therefore, only to the extent the economy alters public perceptions of its performance.

The substantive argument of the Economic-Minded Partisan model is the effect of voters' partisanship and voters' economic evaluations on vote choice depends on the perceived state of the economy. That is, during times when voters perceive economic prosperity, voters' political persuasion has more weight than economic perceptions in influencing vote choice. And during economic downturns, voters' economic perceptions have more weight than their partisanship in determining vote choice. While during periods

where voters see the economy as mixed, voters will focus on the economy but will do so through a partisan lens when making voting decisions. Nonetheless, the effects of voters' economic perceptions and political persuasions are both relevant to influencing vote choice, but to varying degrees, dictated by how voters perceive economic conditions.

I define the causal relationship as: Economic-Minded Partisans' vote choice (V), as a function of voters' economic perceptions (EcPer), that is moderated by their partisanship (P). This relationship can be specified in equation 4.1 as:

$$\text{(Eq. 4.1)} \quad V = \alpha + \beta_1 P_1 + \beta_2 \text{EcPer}_2 + \beta_3 P_1 \text{EcPer}_2 + \ldots \beta_k X_k + \varepsilon$$

The specification of the model is based on the expectation that voters' economic perceptions, as the focal independent variable, explain voting behavior when it is conditioned by voters' partisanship. This is because voters do not separate these two factors when making their vote choice; rather, they remain cognizant of both when making their choice. However, the degree of importance voters assign to either factor is determined by whether they perceive economic conditions as a problem that needs to be addressed. Theoretically the effect of voters' partisanship (Z) interacts with voters' economic perceptions (X) in explaining vote choice (Y) (Kam and Franzese 2007).[10] This relationship is defined by equation 4.2.

$$\begin{array}{lrcl} \text{(Eq. 4.2)} & Y & = & \beta_0 + \beta_1 X + \varepsilon \\ & \beta_1 & = & \delta_1 + \delta_2 Z \\ & Y & = & \beta_0 + \beta_x X + \beta_{xz} XZ + \varepsilon \\ \textit{Where} & \beta_x & = & \delta_1 \quad \beta_{xz} = \delta_2 \end{array}$$

[10] Though I make the substantive argument for Z to intervene on X in explaining Y, it is not however the case mathematically. This is because all interactions by definition and specification are symmetric. Therefore when estimating the effect of the focal (X) and moderator (Z) variables on the dependent variable (Y) both independent variables intervene in the other's relationship to Y (Kam and Franzese 2007).

The relationship as defined in equation 4.2 specifies that changes in XZ are linked together as a moderate relationship in their ability to condition voters' economic perceptions (X) in explaining vote choice (Y). Therefore, I argue, vote choice is conditioned by the covariance-variance ratio of voters' economic perceptions and voters' partisanship. The interaction relationship between these variables is defined by equation 4.3.

$$\text{(Eq. 4.3)} \quad \frac{\partial E[V \mid P, Ec.]}{\partial P} = \beta_1 P_{1\,x}\, \beta_3 P_1 Ec_2$$

How Economic-Minded Partisans "Reward and Punish" Incumbents

A fundamental argument of economic voting theory is based on the "reward and punish" hypothesis, which states that voters reward (punish) incumbents due to a good (bad) economy. Within this framework, Economic-Minded Partisans tend to reward or punish presidential incumbents after assessing the economy. Though, this relationship is skewed in favor of voters punishing incumbents more for a bad economy than rewarding incumbents for economic prosperity. The reason why incumbents are not rewarded more for a good economy is because voters see competent management of the economy as a minimum requirement of the government. That is, a good economy is something the incumbent government should be producing all along. When voters realize a good economy, they look for incumbents to satisfy their demands on a variety of other issues. In a sense, voters act as a demanding boss in what they expect of incumbents; they are never satisfied with what has already been accomplished.

As a result, voters' vote choice when the economy is growing is primarily defined by party identification, social issues, war, scandals or national crises relevant to an election,

other things being equal. Voters weigh these factors as a means to rationalize whether they support the incumbent party's candidate when making a vote choice. This is because when voters perceive the economy to be performing well, they do not see it as an issue that needs immediate attention during an election cycle. Rather, voters perceive that other issues need attention, and expect incumbent presidents to meet their demands in satisfying them.

The reason why voters behave in this manner is because the process of making a vote choice is a political decision. This limits the role of economic perceptions on voters' political decisions because voters have demands on a variety of other issues and interests that are amplified during a good economy.

However, the likelihood of the economy becoming the primary focus for voters when making a vote choice increases when they perceive it to be performing poorly. This is because voters perceive economic downturns as a threat to their well-being. For voters, a bad economy or the prospects of a bad economy, far outweigh other issues in importance that are debated during an election. As a result, voters' political decisions are dominated by their economic perceptions. Political factors, which shape voters' vote choice during periods of economic growth, are muted by voters' overall concern with the economy's performance. Nonetheless, voters want a good economy and will assess whether the incumbent or challenger will do a better job of getting the nation out of its current state.

Lastly, perceptions of a mixed economy makes it difficult for voters to reward or punish simply based on the economy's performance. Rather voters will have to base their assessments on the incumbent government's management of the economy through partisan frames. Therefore voters are likely to punish the incumbent party for perceptions of a mixed economy if they perceived the previous economy was performing well when the incumbent

took office. Punishment would be most likely among partisan voters who do not support the incumbent party because they will use a mixed economy as justification for a change. Partisan supporters of the incumbent are less likely to punish incumbents because they would argue that any major shifts in who governs the nation may cause the economy to get worse; rather, these voters justify this by arguing that staying with current leadership is the better option for the economy. Voters will reward or punish based on their partisan persuasions.

Mixed economic perceptions cause voters to be cautious when making assessments of the incumbent party. This leads to voters likely taking a "wait and see" approach in their evaluation of incumbents. Thus, voters will reward or punish based upon existing partisan beliefs, attitudes, and changes in the economy that they see either positively or negatively depending upon their support of the incumbent party.

Defining the expected behavior of Economic-Minded Partisans as a result of changes in the economy's performance

To understand the functionality of the model, it is important to define how Economic-Minded Partisans behave as a result of their economic perceptions that are based on changes in the overall economy. This defines under what conditions we can expect voters to place more weight on the economy, or on politics, when defining their vote choice. However, there is a wrinkle to the initial causal specification where voters' partisanship moderates voters' economic perceptions when explaining vote choice. That is, the specification of the model does not change. However, the theoretical significance of the

interactive relationship between X and Z in explaining Y, argues that either of the two independent variables can be interchanged in their capacity to be either primary or secondary factors in voters' decision schema; this difference in the role between the two is based upon economic conditions.

Therefore, I clarify the interactive relationship between whether economic perceptions or partisanship is also moderated by the state of the economy. Table 1 provides an overall definition of expected behavior as defined by the model, specifying which variable voters place more weight on when making their vote choice.

Table 1

	State of the Economy				
	Prediction of Alternate Coefficients within Economic-Minded Partisan Model				
	Null	Baseline	Relationship	Moderator	Focal
Economic Downturn: Voters focus on economy	P=EcPer	B>0	EcPer >> P	EcPer	P
Mixed Economy: Voters focus on economy through partisan lens	P=EcPer	B>0	EcPer < P	P	EcPer
Economic Prosperity: Voters focus on politics	P=EcPer	B>0	EcPer << P	P	EcPer
Where					
Vote (V) =Baseline (B) +Partisanship (P) +Economic Perceptions (Ec. Per.) + random error					

As defined by Table 1, the framework argues that overall trends in the economy shape the relationship between voters' economic perceptions and political assessments in defining vote choice. Additionally, Table 2 defines, at the micro-level, how partisan voters are expected to behave with this model. The theoretical intent of defining this behavior at the individual level is two fold: First, it provides a manner by which to contextualize why individual voters are expected to behave in the manner defined by the model. Second, it provides a formal articulation of how the general theoretical model applies to local individual settings.

Table 2 specifies expected slope effects, at the micro-level, of the two factors in explaining vote choice at any particular value of voters' partisanship. The table defines the effect of the model's expected coefficients that specify the interactive relationship between voters' partisanship and economic perceptions. Additionally, the table defines how changes in each of the model's coefficient results in explaining variation in vote.

Table 2: Prediction of Alternate Models within Economic-Minded Partisan Model by Partisan Type

Definition of Partisan Type							
Strong Partisan who does not support incumbent (SP Other)							
Weak Partisan who does not support incumbent (WP Other)							
Independents (INDE)							
Weak Partisan who supports incumbent (WP Inc.)							
Strong Partisan who supports incumbent (SP Inc.)							
	Prediction of Alternate Models						
Economic Performance	Null	Partisan Level	Baseline	Relationship	Moderator	Focal	Expected Vote Choice
Economic Downturn: Voters focus on economy	P = EcPer	SP Other	B>0	EcPer< P	P	EcPer	Other
	P = EcPer	WP Other	B>0	EcPer << P	Ec.	P	Other
	P = EcPer	INDE	B>0	EcPer << P	Ec.	P	Other
	P = EcPer	WP Inc.	B>0	EcPer << P	Ec.	P	Other
	P = EcPer	SP Inc.	B>0	EcPer < P	P	EcPer	Inc.
Mixed Economy: Voters focus on economic issues through partisan filters	P = EcPer	SP Other	B>0	EcPer < P	P	EcPer	Other
	P = EcPer	WP Other	B>0	EcPer < P	Ec.	P	Other
	P = EcPer	INDE	B>0	EcPer > P	Ec.	P	Split/Likely vote for inc.
	P = EcPer	WP Inc.	B>0	EcPer < P	P	EcPer	Inc.
	P = EcPer	SP Inc.	B>0	EcPer < P	P	EcPer	Inc.
Economic Prosperity: Voters focus on politics	P = EcPer	SP Other	B>0	EcPer<< P	P	EcPer	Other
	P = EcPer	WP Other	B>0	EcPer < P	P	EcPer	Other
	P = EcPer	INDE	B>0	EcPer < P	P	EcPer	Inc.
	P = EcPer	WP Inc.	B>0	EcPer < P	P	EcPer	Inc.
	P = EcPer	SP Inc.	B>0	EcPer << P	P	EcPer	Inc.
Where							
Vote (V) =Baseline (B) +Partisanship (P) +Economic Perceptions (Ec.) + random error							

When Voters Perceive a Poor Economy

When voters perceive the economy to be performing poorly, this causes them to evaluate candidates through an economic filter. Since the economy is performing poorly,

voters tend to punish the incumbent government by voting for the opposition party (Kramer 1971; Hibbs 1979; Kiewiet 1983). Thus, voters perceive a bad economy as a problem that needs to be fixed. This results in voters developing grievances against the incumbent government for the poor state of the economy. As a consequence, voters rank the economy as one of their top priorities when making their vote choice. Voters do not completely reject their political evaluations or partisan preferences during a poor economy. Voters mute these factors, which results in their political preferences being biased by their economic perceptions. Therefore, voters' past and present values, beliefs, and attitudes also factor into their evaluations of the incumbent party.

Though, at times, voters' economic evaluations may be haphazard, they are also tempered by voters' preexisting belief schema that ensures that politics still remains part of their decision-making process. Albeit during bad economic times, voters' partisan plays a more limited role in voters' decisions when compared to periods of economic growth.

Table 1 defines the overall expected outcome of the economic vote during a poor economy. That is, a poor economy causes voters to place substantially more weight on their economic perceptions than on their partisanship when making their vote choice. Thus, voters punish incumbent presidential candidates during economic downturns, which in turn, results in incumbents' diminished electoral prospects when compared to non-incumbent presidential candidates. During economic downturns, voters tend to be more retrospective in their evaluations if an incumbent is running. If no incumbent is running, voters tend to be more prospective in their evaluations of the parties' candidates (Lewis-Beck and Nadeau 2001).

Though economic downturns trigger voters to focus on the economy, voters do however, exhibit heterogeneity in the degree to which partisanship shapes their vote choice. Though the role of voters' partisanship is tempered, its explanatory power in explaining vote choice is determined by the levels of heterogeneity between voters. Therefore, heterogeneity is most prevalent among voters regarding their partisan differences because not all partisans will feel, nor perceive, the impact of an economic downturn equally. For example, voters who are at the lower end of the socio-economic spectrum are more likely to feel the impact of a poor economy more directly than those at the higher end: Therefore, socio-economic differences get factored into voters' partisan differences, which in turn, affects voting behavior. This results in the likelihood that voters will assign different degrees of responsibility to the incumbent party for a bad economy based upon these differences.

Additionally, voters' perceptual differences are a result of voters' partisanship. That is, strong partisans, who support or oppose the incumbent government, do not place as much weight on their economic perceptions relative to their partisanship. Rather, economic perceptions of strong partisans, who support the incumbent, will likely indicate the economy has "stayed the same" or "gotten better" while strong partisans, who do not support the incumbent, will have strong convictions that the economy has "gotten worse." Partisanship is most intense among these voters, which makes these voters' political positions and economic assessments resistant to significant movements in either direction as a result of an economic downturn. The differences between these voters and weaker partisans is that they base their decisions more on political reasons than on economic outcomes. This is a result of strong partisans, who do not support the incumbent, using the state of the economy as a validation of their preexisting assessments of not supporting the incumbent party. While

strong partisans, who do support the incumbent party, are likely to use political reasons for downplaying the impact or degree of which the economic has turned downwards.

However, partisan differences based on voters' economic perceptions are not expected to follow the same patterns as is the case with strong partisans. Rather, voters, who are weak partisans or independents, are expected to place more weight on their poor economic perceptions when compared to their partisanship. These voters will likely indicate the economy has "gotten worse." This is because these voters do not have the same partisan commitments to their parties, which leaves them more susceptible to overall economic shifts.

Thereby, I defined expected partisan differences in Table 2. I argue that Economic-Minded Partisans are expected to dampen their partisan inclinations as a result of an economic downturn. However, these partisan differences are not completely erased from voters' decision schema. A poor economy results in voters developing an overall sense of economic pessimism (Z) and anxiety, which causes voters' partisanship (X) to dim.[11]

Economic downturns cause this to occur because economic downturns elicit negative feelings and evaluations among voters of the incumbent party (Bloom and Price 1975). Voters punish incumbents for downturns by focusing collectively on past and current business conditions, and to a lesser extent, their own personal circumstances when making a vote choice (Kinder and Kiewiet 1978; Feldman 1984). On average, voters tend to be "slightly positive" in their overall perceptions of the economy (Soroka 2006: 373). When bad economic news arises, this forces voters to shift their positive economic outlook to one that is negative because voters are fearful of economic loss that is expected from a perceived poor economy (Kahneman and Tversky 1979; Mercer 2005; Soroka 2006). Though

[11] I refer to X as the "focal variable," Z as the "moderator variable," and Y as the "dependent variable."

partisanship is still a factor shaping voting behavior, it only provides a limited reference (XZ) for most voters when making their vote choice (Y) during a poor economy.

The conditional relationship specified in the model during a bad economy is defined by the marginal impact of voters' economic perceptions, the focal variable, and voters' partisanship, the moderator variable, in explaining vote choice. This relationship between moderator and focal variables is enhanced during an economic downturn among weak partisan and independent voters when compared to strong partisans because the performance of the economy becomes such a pressing issue among the electorate. I expect differences in the conditional relationship of the two independent variables, from the traditional cause-effect model, that treats the two factors as exogenous.

When Voters Perceive a Good Economy

When voters perceive a good economy, they focus less on the economy and more on political matters. Hence, voters' political preferences act as the main filter through which they make their vote choice. The change in voters' perspective, from an economic downturn, is that a good economy does not force voters to be worried about the overall state of the economy. Voters are able to focus on other issues that are relevant to a particular election. Therefore, a good economy is expected to result in more variation voters place on their partisanship when compared to the weight they place on their economic perceptions when making their vote choice. As a result, incumbents do not necessarily benefit from a good economy in the minds of voters. Rather, it suggests that voters will refocus their

demands and concerns on other issues during an election cycle. This is caused by voters holding incumbents accountable in their ability to meet their expected demands.

Table 1 defines expectations of voters' behavior during a good economy. That is, during a good economy voters reward or punish incumbents based on political factors. Therefore, when a presidential incumbent is running, voters' retrospective assessments of the economy will have a weaker effect on voting than when they see the economy as poor. When an incumbent is not running, voters will have prospective assessments of how well the candidates will manage the economy, as well as how they will deal with other issues that are also important to voters. For example, voters who are optimistic about the nation's economic prosperity, will use their partisanship to evaluate which party is better at keeping the country out of an economic downturn in the near future, as well as which party's policies best address voters' political preferences—i.e. whether Republicans seek tax cuts or Democrats seek more protections for workers.

During periods of prosperity, partisan differences remain between voters. This is particularly true because voters will not only feel the impact of a good economy differently but they will also have perceptual differences regarding the economy's performance. Partisan differences regarding economic perceptions are enhanced by voters' focus on politics. Voters focus on issues beyond the performance of the economy, namely political factors, such as candidates, war, scandal, or on specific social issues—i.e. abortion, gun control, etc. (Nie, Verba, and Petrocik 1976; Popkin 1994). Voters' partisanship is of primary importance for voters during a good economy. They use their partisan preferences as a heuristic when making assessments of incumbents. Specifically, voters base their decisions on partisan heuristics as a means to connect their beliefs, values, and attitudes,

with their political evaluations. This causes voters to bring to the forefront of their preference agenda, as well as other demands that need to be met by the incumbent government. This occurs because voters' basic needs are met by a good economy. This results in voters discounting, but not ignoring, the state of the economy. Therefore, voters economic perceptions are likely to be biased by their political preferences. Voters will note a good economy by rewarding incumbents for this outcome. However, they are not likely to base their decisions only on economic assessments because these assessments are combined with other demands that are dictated by voters' political preferences. Thus, politics manifests itself within voters' decisions given voters more room to move in either direction ideologically because they are no longer worried the economy is problem that needs to be addressed.

Table 2 defines expected micro-level partisan differences during a good economy. These differences are defined by slope effects of the two independent variables in explaining vote choice. Thus, a good economy defines the effects of the two coefficients on vote choice (Y) in the following manner: first, voters worry less about economic downturns because their positive assessments of the economy have been realized (X). Second, since voters are confident in the state of the overall economy and benefit from its prosperity, they will amplify their partisan inclinations (Z) and look to political parties for cues on how to assess the incumbent government's performance. It is expected that voters use partisan cues to assess the "impact of economic events" in line with voters' partisan preferences (XZ) (Campbell, Converse, Miller and Stokes 1960: 390).

This decision-making process is defined by partisan differences between voters. For example, Democratic voters who strongly identify with the Democratic Party—and who are

doing well because of the economy—are likely to vote against the Republican presidential incumbent. This is due to these voters processing their vote choice based upon the following factors: their ideological disposition; preferences regarding social issues; their position on a variety of economic issues which they deem important; how they assesses the overall performance of the economy; and, their overall political attitudes towards the Democratic Party. These voters are likely to be heterogeneous in how they apply various weights to these factors. As a consequence, voters weight them based upon the best case scenario where their preferences and the political-economic situation converge with the incumbent's ideological position; however, typically voters are often faced with a complex array of choices and issues that results in a compromise, rather than converging, between their belief systems and incumbents' positions during an election. Nonetheless if voters' positions are more similar with incumbents, it is likely that voters will make a trade-off between their political preferences and overall political-economic conditions within their decision schema when making a vote choice.

When Voters Perceive a Mixed Economy

When voters perceive mixed economic signals, their primary focus when making a vote choice is on the economy. However, this economic focus is distorted by a partisan lens. This is because a mixed economy is a period when the performance of the macro-economy does not provide a clear picture to voters of whether it is growing or declining.

The reason why voters focus on the economy, through a partisan lens, is because voters are worried about the economy and are uncertain about its performance because for them, changes that have led to a mixed economy are likely to have adverse consequences on the economy as a whole. Therefore, voters will maximize their economic focus through a partisan lens because they are fearful the economy will turn poor before it turns good and will seek viable alternatives for making sure the economy follows the latter trend.[12] Partisanship, therefore, provides voters with the following: it allows voters to weigh the alternatives based on voters' partisan preferences; it serves as a mechanism by which voters attribute blame for the state of the economy; and it is used by voters to defend the current incumbent administration by arguing that any major changes in the current governing structure would be too risky and will lead to greater economic uncertainty.

Furthermore, voters are concerned about a mixed economy because they feel the economy is in a state of limbo. This makes it difficult for voters to either attribute punishment or assign praise to the incumbent based upon the performance of the economy. Voters, therefore, reference the previous state of the economy in order to evaluate the state of a mixed economy. They do this in two ways. First, if the economy had previously performed poorly and is now showing signs of mixed performance, then voters are likely to see this change in a somewhat positive light. However, these changes are likely not distinct enough for voters to assess which are independent of political partisan beliefs. Second, if the

[12] For example, during the 1988 presidential election, the ANES survey asked voters regarding their overall assessment of the economy over the past twelve months. Namely had the economy "gotten much worse," "somewhat worse," "stayed the same," "somewhat better," or "much better." A plurality of voters (47%) indicated the economy had "stayed the same" with approximately 45% of partisans at all partisans levels agreeing with this assessments. Nonetheless, though voters during this election felt the economy had "stayed the same," differences persisted among partisans, namely among voters who did not feel the economy had "stayed the same." Among these voters the split was along partisan lines with voterss who did not support the incumbent being more negative in their assessments and voters who supported the incumbent president being more positive in their assessments.

economy had previously performed well and is now indicating signs of mixed performance, voters are likely to see this change negatively. This causes voters to be uncertain because they want economic stability and growth. However, voters are not ready to completely reject the incumbent administration, as is the case during a poor economy, because voters are not convinced by the party-out-power's prescribed cure for the economy. For voters, the cure may lead to further instability, which from their point of view may be worse than the disease.

Table 1 defines the framework for how voters are expected to behave during a mixed economy. The expected behavior of voters is defined by the following logic: Since votes are uncertain about the state of the economy, and their primary motivation is a good economy, they are likely to look to the incumbent government to improve the economic situation.

It is expected that partisan differences endure during a mixed economy. This is a result of both the impact of a mixed economy affecting the welfare of voters differently, as well as the continuation of voters' perceptual differences over the economic based upon partisan differences between voters. That is, perceptual differences based on partisanship causes voters to discount economic news counter to their party preferences. Voters partisan differences, therefore, serve as a medium by which voters rationalize and process the impact of the state of the economy and how to interpret further changes in its performance. Partisanship then plays a critical role for voters when making their vote choice; it biases voters' economic perceptions. However, voters' economic perceptions are not totally dictated by their partisanship. This is because voters are uncertain about the economy and their primary motivation is economic stability and growth. To ensure that political parties' competing policy alternatives presented to voters are viable, voters will make economic

assessments based on both their partisan preferences as well as on their personal judgment of future trends in its performance.

I argue that during a mixed economy, voters' economic perceptions are reinforced by their partisan preferences. This is due to voters being receptive to partisan cues that they use to evaluate the performance of the economy. That is, Democratic voters will focus on bad economic news when the president is a Republican and tend to ignore the better news on the economy (Mackeun, Erikson, and Stimson 1992). Voters will have strong retrospective assessments when a presidential incumbent candidate is running and strong prospective assessments of the economy when an incumbent candidate is not running for office. Voters will look backwards and forwards for cues as to why the economy's performance is mixed, as well as what lies on the horizon for future economic performance.

Therefore, I define expected behavior of voters in Table 2. Namely, I hypothesize that voters to who do not support the incumbent government will use a mixed economy as justification for a change in leadership. However, it is likely the independent voters are also likely not to see distinct changes in the economy's performance that is separate from partisan frames; these voters are likely to also want to maintain stability and prosperity and will support the incumbent government.

Chapter 5: Research Design, Data, and Methods

I have noted in previous chapters the literature on economic voting has made significant advances in our understanding of the role voters' economic perceptions play in determining electoral outcomes. Generally speaking, the research on economic voting has found that voters use their collective assessments of the overall economy in either retrospective or prospective time frame frames and then reward (punish) incumbents based on a good (bad) economy (Kramer 1971; Kinder and Kiewiet 1978; MacKuen et al. 1992). However, there is a limitation to the literature: the role of voters' political preferences in determining the economic vote. More specifically, how do voters weigh their political preferences in relation to their economic perceptions when explaining vote choice? I argue that voters use both their economic perceptions and their partisanship when making their vote choice. The weight they place on either is determined by voters' perceptions of overall conditions of the economy.

In this chapter, I will define the specification of the Economic-Minded Partisan Model. This will be done, at the micro-level, in explaining comparative voting behavior as it relates to economic voting. By voting behavior, I am specifying voters' vote choice for the incumbent party, or candidate, during an election. For the US model, I define this as vote choice for the presidential incumbent's party, while in the UK it refers to vote choice for the majority party in parliament. The model will measure the effects of changes in voters' economic perceptions, as it relates to voters' partisanship, in explaining vote choice.

The rationale for using micro-level voting behavior is that it provides the link between voters' attitudes and behaviors. Changes in voters' economic perceptions and

partisanship, wax and wane in their effect on vote choice due to changes in economic perceptions. The connection voters make between these two factors helps define the reelection prospects of incumbents. I argue that voters base their political and economic assessments not only on their preexisting preferences but also on considerations made during the election. Voters' political preferences provide a foundation that they use to form their economic assessments in relation to their vote choice. However this process is not constant. This is because major changes in the economy cause voters to begin to reconsider their previous beliefs, which results in voters accepting that the economy has changed in one direction or the other and then leads them to update their political assessments based on this new information. To measure this relationship at the individual level, I will specify these variables based on voters' survey responses that define both their preferences as well as their voting behavior during an election.

Defining the Model's Variables

Specifically, the Economic-Minded Partisan model will assess the impact of a moderated relationship between voters' economic perceptions (X or the focal variable), voters' political partisanship (Z or the moderator variable), and vote choice (Y or the dependent variable), other things being equal. Voters' economic perceptions are based on a combination of voters' retrospective and prospective assessments of the economy measured as both pocketbook and sociotropic evaluations (Kinder and Kiewiet 1978).[13] The most common measure of this variable is to ask voters to assess the economy's performance over

[13] Voters economic perceptions will also include looking at mediated and affective evaluations from both the point of view of sociotropic and personal assessments (add these items from ANES and BES to the variable list).

the past 12 months, or over the next 12 months, and to indicate if it has gotten "better," "stayed the same," or "worse." [14]

Voters' partisanship, is measured on a 7 point scale ranging from strong partisans to independent voters. The variable serves as a proxy of voters' ideology and political values as they are measured indirectly in voters' partisanship. Traditionally, voters' partisanship has served as a clearinghouse for voters to use when making prior and current assessments of the political environment. Voters' partisanship serves as a heuristic by which voters can process and synthesize competing and complex information based upon their partisan preferences.

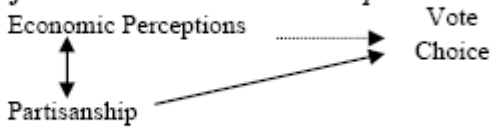
However, my discussion of partisanship is broader than its conventional definition. I expand upon this by arguing that voters' political preferences are not summed up solely by their partisanship. Rather, my focus is on politics and how political forces shape and define voters' opinion, beliefs, and values; partisanship is part of voters' political decision schema because it serves as a heuristic for them to process information. Therefore, I define politics to include variables that specify voters' ideology, issue preferences specific to an election, memories of past elections and candidates, scandals, and/or candidate effects of an election all of which I treat as separate variables in the model. Lastly, my definition of politics does not assume high levels of political sophistication among voters. Rather, voters' political preferences are presumed to be heterogeneous which results in an increased likelihood that voters do not to place equal weight on any specific item from their politics, but rather form their political preferences based on some combination of them all when making their vote choice. Therefore, partisanship and voters' political preferences help voters both form and change their opinions of incumbents based on economic forces,

[14] For a detailed explanation of the variables included in the model, please refer to the appendix.

Additional, independent variables that are included in the model will specify the salience of voters' candidate assessments, ideology, as well as their assessments of the incumbent president. These variables will serve as both direct and indirect controls on voters' vote choice as it relates to the moderated relationship between voters' economic perceptions and voters' partisanship. That is, I expect these variables to directly influence the independent variable as well as to indirectly influence it as structured within the model. Lastly, issues relevant to a specific election—i.e. scandals and/or wars—will be included in the model.

Figure 1 provides the overall schema of the causal relationship of Economic-Minded Partisan model. The figure demonstrates the economy drives both economic perceptions (directly) and political partisanship (indirectly) in shaping vote choice. The model argues the cause and effect of Economic-Minded Partisanship is based on a feedback loop where voters' vote choice, as a function of their economic perceptions, is conditioned by a moderated relationship between their partisanship and their perceptions of the overall performance of the economy.

Figure 1: Overall Model of Economic-Minded Partisanship



Specifying the Design of the Dissertation

My research expands on our current knowledge of economic voting that takes into account the role that partisanship and economic perceptions play in conditioning voting behavior. Though, I cannot fully address all aspects of voting behavior in this dissertation, I

do however, focus on the interactive relationship between voters' economic perceptions and partisanship on vote choice. My motivation for the design of the study is to not only model voting behavior for a specific election, but to also compare these findings across elections and nations.

To conduct the analysis for this study I use data from the American National Election (ANES) and British Election Study (BES) datasets. Both datasets have provided reliable, consistent, and measured variables that provide the foundations in which to test my overall research question. I will incorporate multivariate empirical methods to estimate and explain the individual vote choice.

The empirical and theoretical objectives of the dissertation are based on the following rationale: An empirical model that provides a reliable, systemic, and replicable test of hypotheses regarding the role of the independent variables in explaining the dependent variable. Additionally, the theoretical objective of this study is to add to the literature about what we currently know about from voting behavior, while at the same time, provide researchers with a more precise means by which to estimate the economic vote.

Lastly, the model's design focuses on US presidential elections and UK parliamentary elections. The reason for choosing the former, is that the economic vote is expected to be most robust during US presidential elections because voters tend to attribute praise or blame firmly on the president, rather than on individual members of congress. The rationale for testing the model on UK parliamentary elections is to situate the applicability of it in a comparative setting. Namely, is this model state specific or does it apply across nations. Overall, the literature suggests that the model's estimates will be more robust in the UK than in the US because the attribution blame or praise can be concentrated solely on the

party in power in parliament where in the US it is more difficult for voters because power is dispersed throughout the different branches of government (Butler and Stokes 1974; Clarke et. al. 2007).

Identifying and Describing the Data

The ANES cross-sectional survey data is for presidential elections from 1956 to 2004.[15] BES cross-sectional data is from 1974 to 2005. The data used for this analysis builds upon the Markus model (1988) which successfully employed a pooled cross-sectional time series survey strategy with the ANES data to examine longitudinal changes in national economic indicators as well as, cross-sectional and cross-time variations in perceived personal financial situations among voters. The survey data used in each dataset are taken from longitudinal questions that have been asked over time. The benefit of using ANES and BES survey data over time is that it allows me "to examine simultaneously the electoral consequences of longitudinal changes in the national economy *and* cross-sectional, cross-time variations in perceived personal financial situations" (Markus 1988: 141).

As a result of creating these two datasets, I will be able to look both between and within elections during this time frame. This application of the model will assess what effect short-term socio-economic and political forces will have on overall election outcomes in the U.S. and in the U.K. The cross-sectional pooled survey technique for analyzing political

behavior from the ANES dataset has been reliably tested by Markus (1988; 1992), as well as Lewis-Beck and Nadeau (2001).[16]

The selection of the BES data allows for a comparative analysis of the findings by Evans and Anderson (2006) of their theory of political conditioning of economic perceptions. This data will provide important benchmarks for comparing similar voting models in different election settings.[17] The BES data will come from the following British Election Study cross-sectional studies: February 1974 and October 1974, 1979, 1983, 1987, 1992, 1997, 2001, and 2005. In addition, the analysis will also look at panel studies of the BES which include the following years: February 1974; 1986-1987, 1987-1992, 1992-1997, 2001, and 2005.

Economic perceptions will be measured as both pocketbook and sociotropic evaluations, which are based on survey questions that ask voters to evaluate their own personal financial situation, and the overall state of the economy retrospectively and prospectively. However, sociotropic questions in the ANES dataset did not begin until 1980. To resolve this problem, I have incorporated two strategies: First, I will use the Lewis-Beck and Nadeau (2001) National Business Index (NBI) for retrospective assessments during the 1956-2000 elections, as well as the Economic Future Index (EFI) for prospective views for the same period. The second approach is to develop a "stochastic substitution" model where I predict values of voters' sociotropic assessments and then impute these values into a newly constructed variable of voters' collective economic evaluations for elections where I do not

[16] The Lewis-Beck and Nadeau (2001) model also utilized this technique and tested its main detractor that measuring economic variables with such a large sample would ensure that statistical significance is easy to achieve. After several tests for spuriousness and randomness, results yielded that random variables included in the model had produced "unstable, nonsensical, and weak coefficients" (Lewis-Beck and Nadeau 2001: 164). This finding substantiated there was an extremely low possibility their results were a matter of chance alone.

[17] Please refer to the Evans and Anderson (2006) article for a detailed explanation of the data and methods used by the authors of the 1992-1997 BES Panel Study, pages 197-8.

have voters' sociotropic economic evaluations (Afifi, Clark, and May 2004: 201). Once I estimate the newly constructed variable through a conditional mean imputation technique, I then add a randomly assigned residual term to it to ensure that all cases of this new variable are normally distributed above and below the regression plane (Afifi et al. 2004).

Pocketbook data from 1956 to 1960 will use variable VCF0880b in the ANES dataset "R FIN SITUATION LAST FEW YR.[18]" The variable VCF0880 from the ANES dataset "PERSONAL FINANCIAL SITUATION IN PAST YR" will be used for years 1964-2000. Both measures will be used as a pocketbook retrospective assessment of the economy. Lastly, pocketbook assessments will also be based on voters' prospective and retrospective perspectives.

Methods

Economic-Minded Partisan model will be tested with multiple multivariate models that specifies as its dependent model, vote choice for the incumbent party. To explain voting behavior, I will estimate voters' vote choice with a linear probability model and logistic regression techniques, which will include interaction effects between voters' partisanship and economic perceptions.[19]

The rationale for using the linear probability model is that it provides a means to estimate the linear additive features of the independent variables when estimating vote

[18] This variable is worded from 1962 to 1998 as "We are interested in how people are getting along financially these days. Would you say that (1962; 1966-1974: you [and your family]; 1976 and later: you [and your family living here]) are better off or worse off financially than you were a year ago." For 2000, the question was worded as "Would you say that you (and your family) (2000 FACE-TO-FACE ONLY: living here) are better off, worse off, or just about the same financially as you were a year ago?"

[19] Note there are differences between the estimation techniques employed by both models where Linear Probability Models are based on a Least Squares procedure and Logistic Regression on a Maximum Likelihood Estimator.

choice (Greene 2001). Therefore, I can estimate what a one unit change in the model's independent variables will yield on the dependent variable, other things being equal. This allows me to specify the probability that a voter with a given amount of attributes and preferences will make their vote choice for an incumbent, controlling for all other variables in the model. However, there are limits to the approach. Namely, the problem is caused because by modeling the dependent variable as dichotomous, in a least squares regression model, that results in the error term not having a constant variance. Thus, the problem stems from the model's disturbances because ε is dependent upon β, and therefore leads to increased levels of heteroscedasticity resulting in the model's coefficients not being the best estimates (Menard 1995). Nonetheless, the technique's merits are that it serves as a basis of comparison against the logistic model's results, as well as provide a means to test for multicollinearity in the model (Greene 2003).

Additionally, I will run a probit regression because the dependent variable is nonlinear.[20] This method is useful for estimating vote choice because the focus of the analysis is to predict the probability of voters' vote choice other things being equal. Thus, the benefit of this model is that the error term is based on a cumulative standard normal distribution density function that is normally distributed, where the technique's stochastic element of the model is "inherent in the modeling itself" rather than representing it simply as an error term which is the case for regression models (Kennedy 1998: 234).

Lastly, I will estimate a two-stage probit method to model vote choice; this technique is also based on a maximum likelihood estimation procedure but differs from the probit regression because one or more of the regressors in the model are endogenously determined

[20] This variable is dichotomous coded as 1 for voters who voted for the incumbent, all other voters as 0 for voters who voted for the "major opposition party."

(Greene 2003). As a means to reduce bias between variables that are a result of endogeneity, I specify partisanship as an instrument when controlling for all other parameters in the model. This is based on theoretical reasons; voters cannot completely separate their voters' economic perceptions and partisanship, therefore this causes one to bias the other, and vice versa. Also, this prevents problems in estimation where the parameters from voters' partisanship would tend to deflate the influence of voters' economic perception on vote choice.

To test significance of the interrelationship between these variables in the full model, a comparison will be made by estimating the model through multiple iterations with the interaction variable and then without it (Papel 1995). In addition, the model tests for multicollinearity. It does this by incorporating the Jaccard et al. (1990) technique of looking at the standard errors for the conditional coefficients in the interactive model taken from some value of voters' partisanship and their economic perceptions to see if they are lower than the standard errors for the corresponding coefficients for voters' partisanship and their economic perceptions in the additive model, given the presence of statistical interaction (Kmenta 1986; Jaccard, Turrisi, and Wan 1990).

Also, to test for mulitcollinearity, I will use a tolerance test that tests for "each of the independent variables "when it is treated as a dependent variable with all other independent variables as predictors" (Menard 1995: 66).[21] The recommended cut-off of a tolerance statistic of .2 will be used on the model's variables (Mendard 1995; Pampel 2000; Greene 2001). This allows me to identify any variables that may be linearly related to other variables used in the model.

[21] The tolerance statistic is the reciprocal of the Variance Inflation Factor (VIF) estimates for the model's parameters.

Also, I will review all irrelevant and omitted variables from the model. This will be done by using a trimming technique that will remove parameters from the model that are close to zero. However, I note that bias may result from this technique. The reason for this is because when testing for omitted variables this allows me to assess the level of bias that an excluded variable(s) may have on the included variables in the model (Menard 1995).

Therefore, any trimming of variables from the model will be done based on substantive reasons first, and then on specification problems that may arise in estimating the model (Achen 1982; Menard 1995; Jaccard 2001). An omitted variables version of the Hausman test will be used to test for omitted variables. This test estimates the combined variance of a variable from the differences of variances of all of the model's variables' variances in each model (Kennedy 1998). However, a limitation of this test is its sensitivity which may lead to misspecification of the model. Therefore, as recommended by Kennedy (1998), I will incorporate a bootstrapping technique when estimating the Hausman test.

Lastly, I will also assess predictive accuracy of the model by analyzing the model's classification table. This is a simple test to assess the difference of the model's overall errors without the model from errors with the specified model divided by the model's overall errors without the model (Menard 1995).

The variable vote choice, which serves as the dependent variable in the model, will be defined as:

$$\text{Probability(Vote for the Incumbent)} = \frac{\text{Probability(Vote)}}{\text{(1-Probabiliy(Vote))}}$$

The general specification that will be used for defining the Economic-Minded Partisan model is:

$$Y = \alpha + \beta_k X_k + \varepsilon$$

Defining Interactions within the Model

The research design for addressing the moderated relationship of voters' partisanship will take two forms in order to assess the effects of economic assessments and partisanship on explaining vote choice. The rationale for this approach is to ensure the moderated relationship between XZ on Y is not a methodological artifact that is a result of a specific analytic technique. Therefore, this allows for the replication of this relationship by using multiple empirical techniques to measure and specify the model's parameters in explaining vote choice. Lastly, by using these techniques I control for other variables in the ability of the focal, moderator, and independent variables to explain the dependent variable.

As noted earlier, the Economic-Minded Partisan model will test whether partisans and non-partisans are more susceptible to partisan and/or economic conditioning when making a vote choice. The theoretical justification for looking at the differences between these groups of voters is to evaluate whether non-partisans and partisans follow similar behavioral patterns within this framework. The first model will use a 5 x 3—partisanship x economic assessments—analysis of variance for these two factors to test their ability to explain vote choice (Jaccard, Turrisi, and Wan 1990).[22] The first factor, voters' partisanship,

[22] To simplify the levels of voters' partisanship and voters' economic perceptions I define them by various levels that will be tested in this model. For partisanship I define the factor by 5 levels. These levels are strong partisans who support the incumbent (SP Inc), weak partisans who support the incumbent (WP Inc, independents (Inde), weak partisans who do not support the incumbent (WP Other), and strong partisans who

will have five levels. The second factor, voters' economic perceptions, will have three levels. The rationale for this technique is to compare variation between and within these groups of voters to assess whether an interaction effect exists, and then to evaluate how it differs from the simple main effects model of controlling for both factors when explaining vote choice; the underlying technique of this method is to assess mean differences between the variables used in the model. Therefore, any nonzero differences between means would be assessed to see if they are large enough to reject the null (Jaccard 1998).

Table 5.1 is designed to conceptualize main effects and interaction effects between partisanship, as the moderator variable, and economic perceptions, as the focal variable. The intent of a simple-main effects analysis is to specify whether there are mean differences on vote choice as function of voters' economic perceptions that varies at each level of voters' partisanship (Jaccard 1999). Furthermore, the simple main effects model assumes no interaction between factors; this will allow for a baseline in which to measure and interpret main effects in the presence of a statistically significant interaction effect (Jaccard, Turrisi, and Wan 1990). Thereby, I specify the hypothesis for the main effects model as: The mean responses over all levels of voters' economic perceptions averaged over all levels of voters' partisanship vary in their ability to explain vote choice. The design of this analysis is defined in Table 5.1:

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do not support the incumbent (SP Other). For voters' economic perceptions, I define the factor by 3 levels. These levels are voters who view the economy as "worse," "stayed the same," and "better." Therefore there will be a total 15 means that can be deconstructed into

Table 5.1: Factorial Design of Interaction Effects of Votes' Partisanship x Voters' Economic Perceptions as the Difference Between Mean Differences

	Partisanship				
Econ. Perceptions	A=1 SP Inc	A=2 WP Inc	A=3 Inde.	A=4 WP Other	A=5 SP Other
B=1 Worse (W)	$M_{1,1}$	$M_{2,1}$	$M_{3,1}$	$M_{4,1}$	$M_{5,1}$
B=2 Somewhat Worse (SW)	$M_{1,2}$	$M_{2,2}$	$M_{3,2}$	$M_{4,2}$	$M_{5,2}$
B=3 Stayed the Same (S)	$M_{1,3}$	$M_{2,3}$	$M_{3,3}$	$M_{4,3}$	$M_{5,3}$
B=4 Somewhat Better (SB)	$M_{1,4}$	$M_{2,4}$	$M_{3,4}$	$M_{4,4}$	$M_{5,4}$
B=5 Better (B)	$M_{1,5}$	$M_{2,5}$	$M_{3,5}$	$M_{4,5}$	$M_{5,5}$

$M_{A,B}$ equals mean values between factors for each voter across all levels.

The interaction model, as define in Table 5.1, is conceptualized as the difference between means and between factors (Jaccard 1999). Therefore, I will test each mean difference between voters economic perceptions on vote choice to assess if it is moderated at different levels of voters' partisanship (Tabachnik and Fidell 1996). The intent of this model is to ensure these differences in voters' economic perceptions actually differ as a result of their different levels of partisanship (Jaccard 1999).

The second technique will measure the interactive relationship between voters' partisanship by their economic perceptions as a function of mulitivariate inferential models. The analysis will simply compute a mulitiplicative term of the two independent variables. The intent of this computation is to capture the interaction effects of the two factors controlling for other factors which also influence vote choice. The last part of this technique is to compare two R-squared values; the first is simply the main effects or additive model—

where there is no interaction. The second value will include the interaction (Jaccard, Turrisi, and Wan 1990).

The first part of assessing the interactions within the multivariate models is to test for differences for the interactions when they are compared to the model's baseline parameters. This test assesses to what degree voters reward and/or punish incumbents for changes in the economy. To do this, the model will estimate incumbent voting behavior based on a series of dummy variables that differentiate for voters' partisanship and their economic perceptions. The benefit of this test is that it treats the effects of economic perceptions and partisanship, at differing levels, on voting behavior and allows for a comparison between the interactions to evaluate if they are significantly different from the model's baseline. The test will treat independent voters and mixed economic perceptions as reference categories.

In addition, to better understand the effects of the model's interactions on incumbent vote choice, I will estimate the marginal effects of each variable in order to evaluate whether there are significant differences in the levels of voters' perceptions of the economy, and voters' partisanship in explaining their vote choice that differs from the average values of the model's coefficients. Testing for differences among the first order moderator (partisanship), and the focal variable (voters' economic perceptions), provides a means to explain variation in incumbent vote choice. These differences are interpreted through a differentiation process which ultimately yields "the conditional effects of these variables directly" (Kam and Franzesze 207: 22).

Moreover, the conditional estimates provide a means to assess the degree of variation at all levels of the focal variable and moderator variable that are a result of the interactive relationship. For this technique, I will take the first derivatives of both X and Z as well as for

XZ. This allows the analysis to look at the values of X and Z separately across a specified range of values for these variables. To estimate the marginal effects of voters' perceptions within this relationship I will hold constant voters' partisanship; and to do it for voters' partisanship I will hold constant voters' economic perceptions. To test for differences across values, I will estimate a two-tailed t tests in order to assess if the marginal effects of each variable are significantly different from zero.

The importance of these techniques is to apply alternate strategies as a means to assess whether an interactive relationships exists between voters' partisanship and their economic perceptions when making a vote choice. By doing so, I have undertaken multiple strategies that look at the moderated relationship between voters' partisanship and their economic perceptions which range from simply looking at the main effects of this relationship, the bilinear relationship between the two, and then whether this relationship is more complex than the first three techniques suggest.

Chapter 6: Estimating the Economic-Minded Partisan Model: The American Case

"The elements of politics that are visible to the electorate are not simply seen; they are evaluated as well. Evaluation is the stuff of political life, and the cognitive image formed by the individual of the political world tends to be positively and negatively toned in its several parts"

Campbell, Converse, Miller, and Stokes in the American Voter (1960 page 42)

Introduction

In this chapter I will specify and analyze how American voters' economic assessments and their partisanship affect individual-level voting decisions. The analysis will estimate how voters combine their beliefs with political perceptions, political evaluations, and economic assessments in order to explain vote choice for American presidential elections from 1956-2004. Moreover the chapter will focus on the analysis of the Economic-Minded Partisan model, which is defined as an interaction effect between voters' partisanship and voter's economic perceptions in explaining vote choice. The chapter is split into two parts. The first part focuses on the descriptive statistics and causal relationships between the variables included in the model. The second part will focus on analyzing inferential vote choice models.

I. Specifying the Economic-Minded Partisan Model: Variables and Causal Relationships

To test the theoretical model, I will conduct multivariate analyses of the ANES data during presidential elections from 1956-2004. Before discussing the model's results, I would like to first discuss the model's variables. Table 6.1 provides summary descriptive statistics for the variables included in the model.

Table 6.1: Descriptive Statistics

Group Variables	Mean	St. Dev.	Var.	Skew.	Kurt.	Med.	Min	Max	N
Dependent Variable									
Incumbents	0.3	0.5	0.2	0.7	1.5	0.0	0.0	1.0	19,614
Economic Perceptions									
Sociotropic Retrospective	2.7	1.1	1.3	-0.1	2.5	3.0	0.0	5.0	19,614
Pocketbook Retrospective	1.5	1.2	1.4	0.0	1.5	2.0	0.0	3.0	19,614
Economic Future Index	0.2	0.3	0.1	-1.5	4.7	0.3	-0.6	0.5	19,614
Political Evaluations									
Partisanship	4.0	2.1	4.4	0.0	1.6	4.0	1.0	7.0	19,614
Economic-Minded Partisans	2.5	2.6	6.8	0.5	1.7	2.0	0.0	7.0	19,614
Campaign Interest	12.9	5.8	33.2	-0.7	3.7	14.0	0.0	30.0	19,614
Liberal-Conservative Index	62.0	23.4	545.3	0.4	2.2	54.0	0.0	97.0	19,614
Candidate Assessments									
Candidate Assessments	-0.2	1.8	3.1	-0.1	4.0	0.0	-9.0	8.0	19,614
Presidential Traits	1.6	1.6	2.4	-0.1	1.1	2.6	0.0	4.7	19,614

The model's variables are broken into separate groups that measure voters' economic perceptions, political evaluations, and candidate assessments. The reason for using these dimensions is because voters typically make their vote choice decisions based on a combination of these factors.

Incumbent Vote Choice

Prior to specifying the independent variables in the model, I would like to first discuss the dependent variable: the incumbent president party's vote choice. The variable is specified as a dichotomous variable that measures whether respondents voted for the presidential candidate of the incumbent president's party. The variable is specified as "0" for those voters who voted for the major opposition candidate and "1" for those voters who voted for the incumbent. The mean value for this variable is .54 and the variable's standard deviation is .49. The skewness statistic for this variable (-.16) indicates its distribution is slightly skewed left. The variable's statistics indicate that on average incumbents are likely to receive 54% of the total vote. Changes in this variable result in a low of about 42% of respondents voting for the incumbent party during the 1992 presidential election, to a high of

approximately 67% of the electorate voting for the incumbent party during the 1964 presidential election.

Specifying Voters' Economic Perceptions

The first set of variables incorporated into the model is based on voters' sociotropic and pocketbook economic assessments. Sociotropic variables are important because they not only provide an understanding of voters overall collective economic assessments, but they also influence electoral outcomes (Kinder and Kiewiet 1978). Elections are typically won or lost based upon voters overall assessments of the economy. The time frame for the sociotropic measure will be based on perceived changes in the economy 12 months prior to the election (retrospective) and perceived changes in the economy 12 months into the future (prospective).

The variable for voters' sociotropic retrospective assessments is coded from 1 (the economy has gotten "much worse,") to 5 (the economy has gotten "much better).[23]" For the mulitivariate models, this variable will be coded as binary were "1" equals the economy has "stayed the same or better" and "0" equals the economy has gotten "worse." The reason for treating this variable as binary is based on the model's hypothesis that if the economy is viewed positively, or mixed, then partisanship matters in voters' vote choice. While a perceived poor economy results in partisanship mattering less among voters.

Since this variable only goes back to 1980, I have created an instrument that goes back to 1956. The instrumental variable created for voters' sociotropic assessments is based on actual data to 1980 and imputed data for the variable's missing values prior to 1980.[24]

[23] This variable is based on vcf0871 in the ANES dataset. Question wording and coding can found at the end of the chapter.
[24] A more detailed explanation of the stochastic substitution method and its imputed values are discussed in section two of this chapter.

The mean value for voters' sociotropic retrospective economic assessments is 2.74 and its standard deviation is 1.14. This means that on average voters are likely to have an assessment that the economy "has stayed the same" over the past year. A one standard deviation change results in roughly 68% of the variable's cases falling between 1.6 and 3.88; in substantive terms the variation would put voters somewhere between the economy "has gotten somewhat worse" to the economy has gotten "somewhat better." The variable is relatively normal in its distribution as defined by its skewness statistic of -.13. This means the variable's distribution is symmetric and its distribution is more peaked than normal as specified by its kurtosis statistic (2.5). The minimum value for this variable is 1 and the maximum is 5 while the median is 3. The last values specify that the variable ranges from very pessimistic evaluations of the economy to positive evaluations of the economy at its maximum. The middle point of this variable result in voters' economic assessments that they economy has "stayed the same." This variable will be collapsed into two categories: "1" for voters who perceive the economy "stayed the same or was better" and "0" for all other voters.

For voters sociotropic prospective assessments, I have used the Economic Future Index variable (EFI) developed by Lewis-Beck and Nadeau (2001). The index is derived from question in the Michigan Consumer Survey that is worded as "Now turning to business conditions as a whole-do *you* think that during the next 12 months we'll have good times financially, or bad times financially?" Response values for this question are "1" for "better", "-1" "worse "and" 0" for "same." The EFI has been created using the same methodology as employed by the authors. It consists of three steps: First, the response data from this question is collected. Second, a percentage is calculated for each response category. Third, an index is

derived from subtracting the percentage of "worse" from the percentage for "better." Values on the index that are greater than zero indicate the economy will get better while those values less than zero indicate the economy will get worse over the next 12 months. The mean value for voters' prospective economic evaluations is .19 and its standard deviation is .27. The variable ranges from a minimum of -.55 to a maximum of .49 while the variable's median is .27. The mean value can be interpreted that voters will have slightly more positive economic assessments in the next year than negative values. The minimum suggest very pessimistic evaluations among voters on the future performance of the economy while the variable's maximum indicate very positive assessments of the economy. A one standard deviation unit change in this variable results in 68% of the cases being between -.08 and .46; this means the dispersion of voters' future economic assessments are likely to cluster more positively. The variable is skewed left; a skewness statistic of -1.48. Its distribution is asymmetric and the peak of its distribution is flat as indicated by the kurtosis statistic (-1.5).

Additionally, I have incorporated into the model voters' retrospective pocketbook assessments of the economy. The underlying assumption of using this variable is to control for personal financial situation in explaining vote choice (Key 1966). Voters at the higher range of this variable's values—a value of 3—are more likely to indicate their personal financial situation has gotten "much better." While voters at the other end of the scale—a value of 1—would likely feel it has gotten "much worse." The mean value of voters' pocketbook retrospective assessments is 1.48 and its standard deviation is 1.17. This means that on average, voters' pocketbook assessments over the past twelve months are likely to be between "gotten worse" and "stayed the same." From the sample, approximately 20% of respondents felt their personal situation had "gotten worse," 25% felt it had "stayed the

same," and 27% felt it had "gotten better." The remainder of the sample did not respond to this question. The variable ranges from a minimum of 1 to a maximum of 3. The variable has a median of 2. The variable is normally distributed; a skewness statistic of -.01 which indicates its distribution is symmetric and peaked as indicated by the variable's kurtosis statistic (1.5).

Specifying Voters' Political Evaluations

The first variable of this set will be voters' partisanship.[25] This variable has been coded on a 7 point scale in order to capture differences of partisan supporters from both the incumbent and opposition parties. The theoretical reason for using this variable is based on the Michigan Model (Campbell et al. 1960) which argues voters' partisanship remains an anchor of stability within the electorate's political outlook and serves as a clearinghouse for voters when making their vote choice. The mean value of this variable is 4 and the variable's standard deviation is 2.1. Approximately 45% of respondents indicate they support the opposition party, 11% are independents, and 43% are supporters of the incumbent party. The variable is normally distributed as indicated by the skewness statistic of .00. Its distribution is symmetric and its peak is normal as indicated by the variable's kurtosis statistic (1.6). The variable ranges from 1 as its minimum to 7 as its maximum, while its median is 4.

The next variable in this set is specified as the interaction between voters' partisanship, as the moderator variable, and the binary variable that specifies voters' sociotropic economic retrospective assessments serving as the focal variable. The variable ranges from a minimum of 0 to a maximum of 7 while the median value of this variable is 2. The mean value of this variable is 2.5 with a standard deviation of 2.6. Higher values in the

[25] This variable is vcf0301 in the ANES cumulative dataset 1948-2004.

interaction represent strong partisan supporters of the incumbent party who feel the economy has "gotten better or stayed the same" over the past year, while lower values represent voters who felt the economy had "gotten worse" over the past year. The skewness statistic for this variable is .5. The variable's distribution is slightly skewed right and its distribution is peaked as indicated by its kurtosis statistic (1.7).

An index specifying voters' campaign interests is included in the model.[26] This variable not only directly measures voters' interest in specific presidential campaigns, it also serves as a proxy measure of voters' likely involvement in the election (Lewis-Beck et al. 2007). The mean value of this variable is 12.89 and its standard deviation is 5.76. This means that a 1 standard deviation unit change results in 68% of voters' interests in a specific campaign to likely fall between 7 and 18.7. The variable ranges from a minimum of 0 to a maximum of 30 while its median value is 14. The variable is skewed left as indicated by its skewness statistic of -.7. The variable's distribution is asymmetric. The kurtosis statistic of 3.7 indicates a peaked distribution for this variable.

Furthermore, I include an index of voters' ideological self-assessment in the model.[27] Ideology helps voters do the following: 1) balance their assessments of the incumbent president; develop their economic perceptions; 2) define and stabilize voters' partisan preferences; 3) and guide their vote choice (Conover 1988). The index ranges from 0 to 100 where voters that have scores of 50 or higher are considered conservative while voters below 50 are considered liberal when the incumbent president is Republican and the scale is reversed for voters when the incumbent president is a Democrat. The mean value of this

[26] This index is based on the following variables in the ANES cumulative dataset 1948-2004: VCF0717, VCF0718, VCF0719, VCF0720, VCF0721, VCF0722, VCF0723, VCF0723a, VCF0724, VCF0725, VCF0726, and VCF0727. The Chronbach Alpha statistic for this index is .934.
[27] This variable is VCF0801 in the ANES cumulative dataset 1948-2004.

variable is 61.99 and its standard deviation is 23.35. The mean value of this variable indicates that on average, voters will be slightly more middle of the road in their ideological orientation. A one standard deviation unit change yields that 68% of voters are likely to be between 38.64 and 85.34. The variable ranges from a minimum of 0 to a maximum of 97 while its median is 54. The variable is slightly skewed right as indicated by its skewness statistic of .39. The variable's distribution is peaked, as indicated by its kurtosis statistic of 2.2, and is asymmetric.

Candidate Evaluations and Presidential Assessments

Candidate assessments are specified as the difference in the salience of the number of positive mentions by voters of the incumbent party's candidate for president from the number of positive mentions by voters of the major opposition party's candidate for president.[28] The variable has been recoded so that positive mentions of the incumbent party's presidential candidate are subtracted from the major opposition party's presidential candidate. For instance if the incumbent party is a Democrat, then the number of positive mentions of the Democratic candidate is subtracted from the Republican candidate's positive mentions and if the incumbent party is Republican, then the latter is subtracted from the former. The reason for using voters' salience of the two major candidates is that it measures voters' favorable attitudes towards the candidates while at the same time provides a measure of voters' unfavorable attitudes towards the candidates (Campbell et. al. 1960; Lewis-Beck et el. 2007).[29] A value greater than zero means an individual voter is more likely to prefer the incumbent presidential candidate than the major opposition party's presidential

[28] This variable is defined as VCF0404 subtracted from VCF0408 in the ANES dataset 1948-2004 when a Democrat is president. When a Republican is president then VCF0408 is subtracted from VCF0404.
[29] Another explanation of favorability of one of the two major candidates is that a voter may simply like one candidate over the other because they dislike the other candidate.

candidate. While a value that is less than zero indicates an individual voter is likely to prefer the major opposition party's presidential candidate. A value of zero means a voter does not prefer one candidate over the other for president. The mean value for this variable is -.16 with a standard deviation of 1.76. The average value results in voters slightly preferring Republican presidential candidates over Democratic candidates. A one unit change of the variable's standard deviation results in 68% of the cases ranging from -1.92 to 1.6. The variable ranges from a minimum of -9 to a maximum of 8 with a median value of 0. The variable is normally distributed as indicated by its skewness statistic of -.09. The variable's distribution is symmetric and its distribution is peaked as indicated by the kurtosis statistic of 4.

An index of presidential traits is included in the model.[30] The index is specified so that the higher the number, the more likely a voter has a positive assessment of the president. The variable provides multiple measures of voters' affective feelings and assessments of the president. If voters have favorable assessments of the president, they are likely to vote for the president during an election, while those voters who do not have favorable assessments of the president are less likely to vote for the president. To correct for skewness in this variable's distribution, I have transformed it into its natural log; this variable's distribution is close to normal, skewness statistic of -.06. This allows for a symmetric distribution. While the variable's distribution is peaked; this is indicated by its kurtosis statistic of 1.1. The variable ranges from '"0," for voters who do not have positive perception of the president, to "4.6" for voters who have very positive perceptions of the president. The mean value for

[30] The index is created from the following variables: vcf0338,vcf0339,vcf0340, vcf0341,vcf0342,vcf0343,vcf0344, vcf0345, vcf0346,vcf0347, vcf0348, and vcf0349. The Chronbach Alpha statistic for this index is .91.

this variable is 1.65 and its standard deviation is 1.56. On average voters are likely to have positive aspects of the president and that 68% of all the cases that .09 and 3.21.

II. Specifying the Inferential Models

Imputing Voters' Sociotropic Economic Retrospective Assessments: Stochastic Substitution Method

Since voters' sociotropic retrospective economic assessments were first included in the ANES in 1980, I have created an instrumental variable that will impute missing data into a newly created variable for presidential elections prior to 1980. The variable is created by taking known factors that help explain voters' collective economic assessments, for presidential elections from 1980 to 2004, and then from these estimates, imputing values from election years when this variable was not included. Once these values have been calculated and added to the model, I then added a random stochastic variable computed from the known data on to the unknown data. Table 6.2 provides estimates from the OLS regression of known factors used to compute the values for the degree of voters' sociotropic economic retrospective assessments.

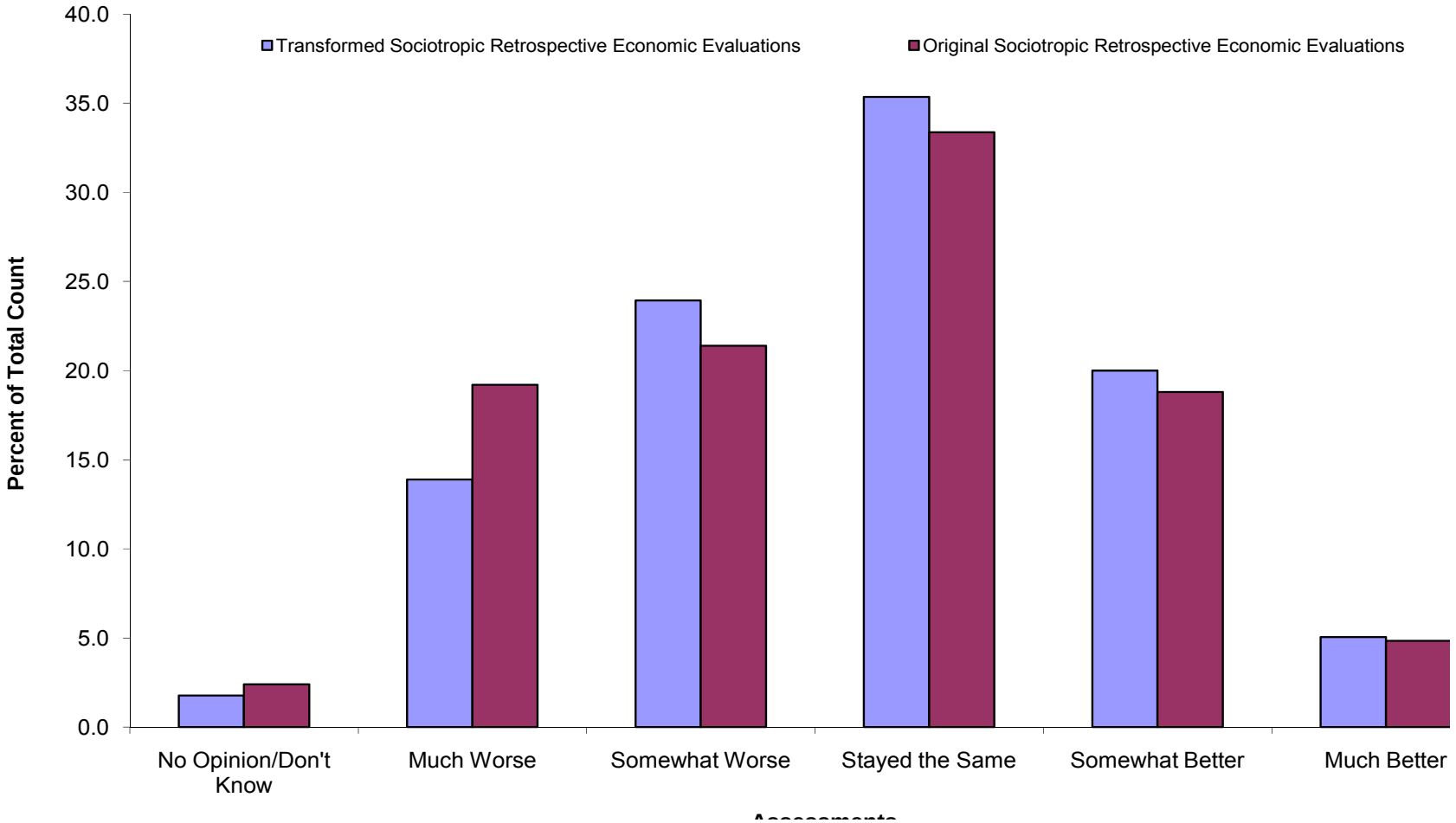
Table 6.2: Stochastic Substitution Coefficients for Voters' Sociotropic Retrospective Economic Evaluations

	R^2	0.88	
	F-Test	23,870.09	
	Stand. Err. Est.	0.39	
Variables	Unstand beta Coef.	Std. Error	T-Value
constant	0.19	0.01	16.28
Pocketbook Retrospective Assessments	0.05	0.00	11.06
Economic Problem	-0.02	0.01	-2.08
Economy over the past year	1.31	0.01	253.62
National Business Index (NBI)	0.12	0.01	11.48

a. Dependent Variable: Degree Economy Changed Over Last 12 Months

The table shows that all of the parameters used to estimate the dependent variable are statistically significant at the $p<.05$ level. The overall model explains 88% of the variance in the dependent variable by knowing the independent variables. The overall model exceeds the critical value indicating a good fit (F-Test 23,870.09). Chart 6.1 provides a histogram of the transformed variable with the original variable as measured by the percentage of cases that fall within each category of voters' economic assessments.

Chart 6.1: Stochastic Substitution Model of Voters' Retrospective Economic Assessments: Transformed (1956-2004) vs. Original (1980-2004)



Specifying an Interaction Relationship between Voters' Economic Perceptions and Voters' Partisanship

Prior to running the mulitivariate models, I conducted an Analysis of Variance (ANOVA) factorial model to assess the differences between the main effects and interaction effects of the model's variables in assessing the dependent variable. The results from this test are summarized in table 6.3.

Table 6.3: Tests of Between-Subjects Effects (ANOVA)

Dependent Variable:Incumbent Vote Choice

Source	Partial Sums of Squares	df	Mean Square	F	Sig.
Corrected Model	1372.83	41.00	33.48	201.65	0.00
Partisanship	379.00	6.00	63.17	380.40	0.00
Sociotropic	50.72	5.00	10.14	61.09	0.00
Sociotropic * Partisanship	18.24	30.00	0.61	3.66	0.00
Error	3918.94	23601.00	0.17		
Total	5291.77	23642.00	0.22		

a. R Squared = .2594 (Adjusted R Squared = .2581)

A two-way analysis of variance (ANOVA) was conducted to evaluate vote choice differences when controlling for voters' partisanship and their economic perceptions. The ANOVA results presented in table 6.3 indicate a significant main effect for voters' partisanship, ($F(6, 23642)=380.40$, $p<.001$ and voters' sociotropic retrospective economic assessments ($F(5, 23642)=61.09$, $p<.001$. The interaction effect between the two variables is significant ($F(30, 23642)=3.66$, $p<.001$. The calculated effect size—or partial eta squared for the corrected model—for each factor indicates that a small proportion of vote choice variance (.26) is accounted by each factor included in the model. Additionally, a post hoc test was conducted (Scheffe test) to determine which partisanship and economic perceptions categories were significantly different. The results from the test indicate the different

categories of each variable are significantly different in vote choice from all other categories included on each variable.[31]

Testing the Hypothesis and Causal Mechanism of Economic-Minded Partisans on Voting Behavior

This section focuses on testing the causal relationships of voters' economic perceptions and voters' partisanship on voting behavior. The specific test address the when and where of why voters simply do not equally reward and punish incumbents based on economic performance. This argument is based on the basic hypothesis that during a poor economy most voters vote based on the economy and as a result partisan voting tends to be low. Yet when the economy is mixed or good, those with stronger partisan attachments are more likely to vote consistent with their partisanship. Causality, therefore, is based on changes in the economy, which in turn, shifts changes in voters' economic perceptions resulting in those voters with stronger partisan attachments being more likely to use their partisanship compared to all other voters when forming their economic evaluations.[32] In a sense, even to the extent that these stronger partisan voters believe they are basing their voting decisions on the economy, they are in effect, really voting based on their party.[33]

To test this hypothesis, I ran a model that treats the effects of economic perceptions and partisanship, at differing levels, on voting behavior. The intent of the model is to assess to what degree voters reward and/or punish incumbents based on perceptions of changes in the economy and to what extent can we expect differences in how voters interpret these

[31] The variances of each variable are not equal. This is a result of specification of each of the two variables, rather than a violation of the assumptions of equality of variances for assessing differences between variables.
[32] Much thanks to David Jones for presenting this nuance of the argument to the author.
[33] Moreover the reason why voters do not uniformly reward an incumbent for good economic performance and punish him/her for a poor economic performance is because partisan filters color voters' perceptions of the economy, particularly during periods of good or mixed economic performance (David Jones: Email communication to author. 2009).

changes when it is based on voters' partisanship. The first model is summarized in table 6.4. The model estimates a Linear-Probability Model (LPM) of incumbent vote choice controlling for voters' partisanship and economic perceptions at each level; the model treats independent voters and mixed economic perceptions as the reference category.

Table 6.4: Linear Probability Model: Estimated Effects of Economic-Minded Partisans by Partisanship

Variable	Coef.	Std. Err.	T	Sig.	% Prob Vote for Incumbent
SP Inc.	0.35	0.02	22.91	0.00	96.8%
SP Other	-0.51	0.02	-31.93	0.00	10.9%
WP Other	-0.42	0.02	-26.85	0.00	19.9%
LP Other	-0.30	0.02	-23.86	0.00	31.1%
WP Inc.	0.24	0.02	14.27	0.00	85.7%
LP Inc.	0.23	0.02	14.88	0.00	84.7%
Bad Economic Perceptions (BE)	-0.23	0.03	-6.81	0.00	38.5%
Good Economy Perceptions (GE)	0.14	0.06	2.41	0.03	75.0%
EMP: SP Other x (BE)	0.18	0.04	4.46	0.00	5.4%
EMP: SP Other x (GE)	-0.16	0.07	-2.28	0.04	8.2%
EMP: WP Other x (BE)	0.08	0.04	2.03	0.06	5.2%
EMP: WP Other x (GE)	0.08	0.07	1.15	0.27	42.2%
EMP: LP Other x (BE)	0.16	0.04	3.54	0.00	23.6%
EMP: LP Other x (GE)	0.02	0.07	0.30	0.77	35.7%
EMP: WP Inc x (BE)	0.13	0.05	2.79	0.01	75.9%
EMP: WP Inc x (GE)	-0.13	0.07	-1.82	0.09	86.3%
EMP: LP Inc x (BE)	0.05	0.04	1.19	0.25	67.1%
EMP: LP Inc x (GE)	-0.09	0.06	-1.45	0.17	89.0%
EMP: SP Inc x (BE)	0.13	0.04	3.01	0.01	87.3%
EMP: SP Inc x (GE)	-0.14	0.06	-2.22	0.04	96.5%
Constant	0.61	0.01	47.58	0.00	
D.V.: Incumbent Vote Choice (1=Vote for incumbent party 0=Vote for major opposition party)					

The results indicate, other things being equal, that voters' poor economic perceptions (-.23) have a greater effect on the likelihood of voting for the incumbent candidate when compared to voters' positive economic perceptions (.14). The magnitude of a poor economy, among different partisan levels, indicates that voters place more weight on negative economic perceptions when compared to positive economic perceptions. The interactions of positive economic perceptions are not significant, except among strong partisans at either end of the political spectrum, suggesting that economic voting is in fact

asymmetric. This finding explains why voters typically discount their economic perceptions when compared to their partisanship during a poor economy.

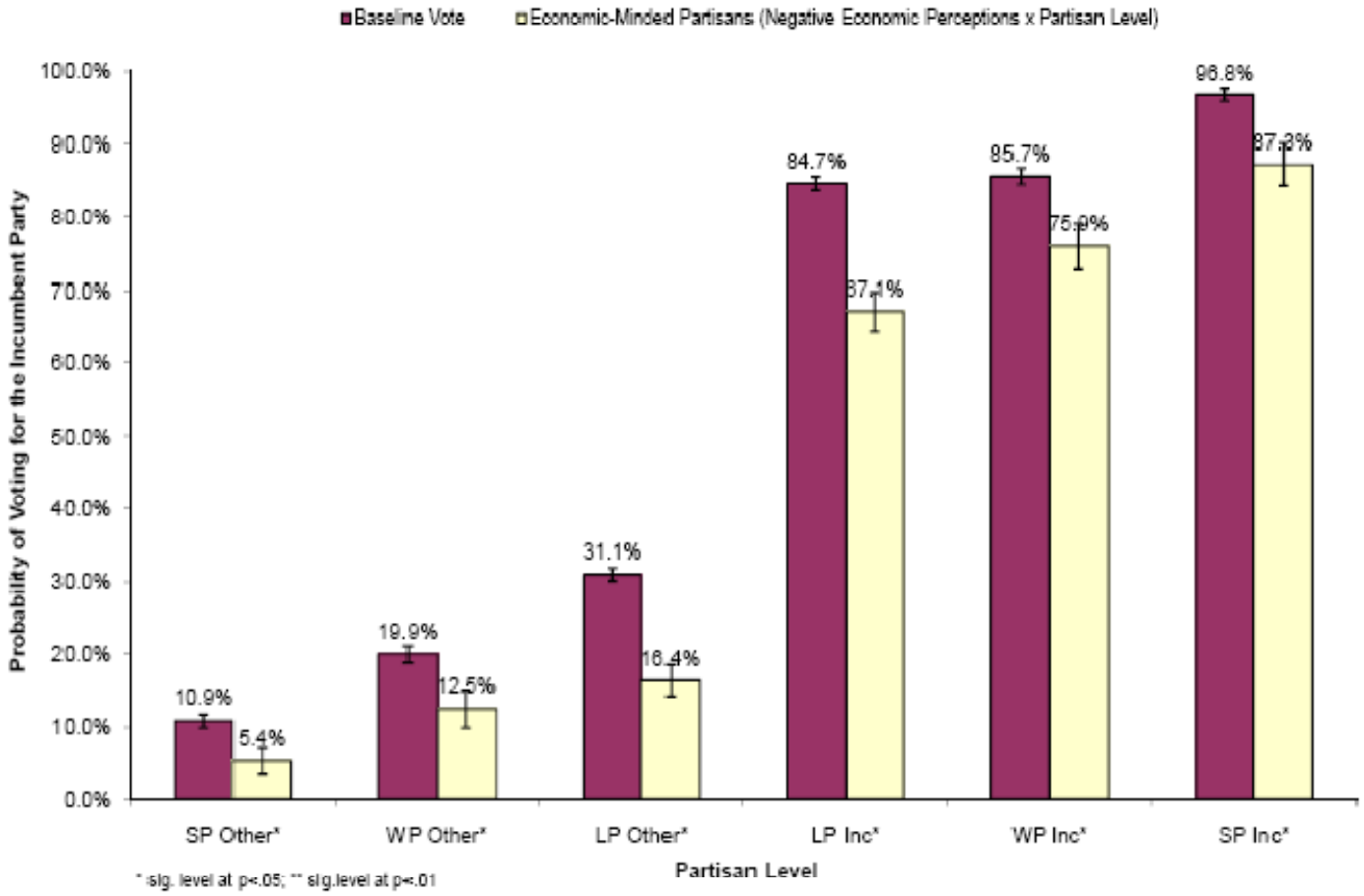
The baseline categories of voters' partisanship indicate significant differences among all partisan levels in the probability of voting for the incumbent; these estimates serve as the baseline in which to compare against the interactions between voters' partisanship and their economic perceptions. Moreover, the interactions between voters' partisanship and voters' economic perceptions is less than the baseline of the probability of voting for the incumbent party. Chart 6.2 provides a summary of the differences in voting for the incumbent party based on the baseline—voters' partisanship—compared to the interaction variable. Standard errors for the predicted effects are also presented as error bars within the model's estimates.

Overall, the results yield significant differences across all partisan levels; the baseline of voting for the incumbent party is based on voters' partisan level. However, differences between the baseline and interaction variable indicate a decrease in the likelihood of voting for the incumbent party when voters' economic perceptions are negative. This evidence supports, primae facie, the hypothesis that voters do not uniformly reward the incumbent party for a good economy and punish incumbents more for a poor economy resulting in partisan voting decreasing as a result of voters placing more weight on their economic perceptions.

For example, the probability of voting for the incumbent among strong partisan incumbent supporters decreases from a baseline of approximately 97% to 87% when these voters have negative economic assessments. What's more, the largest differences in the likelihood of voting for the incumbent party for negative economic perceptions, when compared to the baseline, are among leaning partisans. Among leaning partisans who

support the incumbent party, the model estimates a 17 percentage point drop from the baseline in the likelihood of voting for the incumbent when these voters have negative economic evaluations. For leaning partisans who support the opposition party, negative economic perceptions yield roughly a 15 percentage point drop in the probability of voting for the incumbent party when compared to the baseline vote among these voters.

Chart 6.2: The difference in the probability of voting for the incumbent party from the baseline partisan vote compared to Economic-Minded Partisans (EMP): Negative Economic Perceptions x Partisan Level



An Assessment of the Multivariate Models

This section discusses the results of the multivariate vote choice models. More specifically, the analysis will focus on the effects of voters' positive economic assessments on incumbent vote choice with an emphasis on the analysis of the marginal effects of the interactive relationship between voters' economic perceptions and their partisanship in determining incumbent vote choice. The reason for doing so is based on the theoretical model that voters tend to focus more on politics when voters perceive a good economy. To do this I will be able to disentangle the interaction effects between voters' economic perceptions and their partisanship when explaining vote choice. The techniques to estimate this model will focus on a probit regression.[34]

Assessing the Probit Model

The probit model's results are presented in Table 6.5. For the probit model, all of the variables reach statistical significance at the $p<.05$ level. This includes the variable labeled "Economic-Minded Partisans" which is specified as an interaction where voters' sociotropic retrospective assessments which serves as the focal variable and voters' partisanship as the moderator variable. Furthermore, a hierarchical test has been conducted on the model to assess whether or not an interaction effect is present within the specified model (Jaccard 2001). The hierarchical test is derived from an analysis of the Chi-Square distributions for the model that includes the interaction from the model that excludes it. Overall, the difference between models indicates the overall fit that is specified by the interaction is

[34] Two-Stage Probit results can be found in the Appendix.

nontrivial and better specifies the model than a model that excludes it. More specifically, the difference between the models is 14.12, with 1 degree of freedom, which exceeds the critical value of a Chi-Square distribution. This indicates the difference between models is significantly different from zero.

Table 6.5: Probit Estimates (Cross-Sectional Data)

	Probit		
Variables	Coef.	St. Err.	t
Partisanship	0.41	0.02	26.6
Sociotropic Retrospective	0.14	0.05	3.0
Economic-Minded Partisans: Sociotropic Retrospective Economic Assessments x Partisanship	0.02	0.00	3.7
Presidential Traits	-0.01	0.00	-10.0
Liberal-Conservative	0.01	0.00	14.1
Pocketbook Retro Ec. Assessments	0.01	0.02	0.6
Campaign Interest	-0.02	0.00	-6.0
Candidate Salience	-0.09	0.01	-9.8
EFI	0.36	0.08	4.5
Constant	-2.01	0.09	-21.4

Overall Model Fit	
Chi-Square	5912.48
Psuedo-R	0.41
Classification Correctly	82.8%
N	10,439

Hiearchical Model Test of Interactions	
X^2 With Interactions	5,912
X^2 Without Interactions	5,898
X^2 Difference	14.12
Difference in d.f.	1.00
Signficance level	0.00

The coefficient of voters' partisanship in the probit model indicates that a one unit change in partisanship increases the likelihood of voting for the incumbent candidate by .41 units. A one standard deviation unit change in partisanship results in a change of .86 units, other things being equal. A one unit change, other things being equal, in voters' sociotropic economic assessments results in a .14 unit change. A one standard deviation unit change in this variable yields a .16 unit change in the dependent variable.

Partisan voters who strongly support the incumbent president have an approximate probability of 81% that they will vote for the incumbent, while strong partisans who do not support the incumbent, have roughly a 5% chance of voting for the incumbent, controlling for all other variables in the model. And partisans, who "lean" towards the incumbent president, have a 52% chance of voting for the incumbent, while partisans who "lean" for the party that does not support the incumbent president have a 22% chance of voting for the incumbent, other things being equal.

Table 6.6 presents conditional effects of the interaction effects in the probit regression model of voters' economic perceptions (X) on vote choice (Y) as moderated by voters' partisanship (Z), controlling for all other variables in the model. The table summarizes the marginal effects of the interaction variables' values.[35] The importance of understanding the marginal effects of each variable within the interaction is to evaluate whether there are significant differences in voters' perceptions of the economy and partisanship levels in explaining their vote choice that differs from the average values of the coefficients measured in the logistic model. To test for differences between the moderator (voters' partisanship) and focal variable (voters' economic perceptions) as means to explain variation in incumbent vote choice, I have interpreted these effects through a differentiation

[35] Standard errors are calculated using the delta method (Greene 2003).

process which ultimately yields "the conditional effects of these variables directly" (Kam and Franzesze 207: 22).[36] Generally, the conditional estimates provide a means to assess the degree of variation at all levels of the focal variable and moderator variable that are a result of the interactive relationship. This provides a more in-depth understanding of the interactions that do not simply rely on the model's coefficients which provide the symmetric form of the relationship between voters' economic perceptions and voters' partisanship in explaining the incumbent vote choice.

Table 6.6 (Probit Model): Conditional Effects of the Interactive Relationship Between Voters' Partisanship and Voters' Economic Perceptions in Explaining Incumbent Vote Choice (Cross-Sectional Data)

Conditional Effects of Partisanship on Economic-Minded Partisans

Partisan Levels	Marginal Effects	Variance of Effects	Standard Error	t	Two Tailed Sig. Level	Low	High
SP Other=1	0.08	0.00	0.00	156.47	0.00	0.07	0.08
WP Other=2	0.12	0.00	0.00	211.09	0.00	0.12	0.12
LP Other=3	0.15	0.00	0.00	237.48	0.00	0.15	0.15
Inde=4	0.16	0.00	0.00	198.49	0.00	0.16	0.16
LP Inc.=5	0.16	0.00	0.00	150.58	0.00	0.16	0.17
WP Inc=6	0.15	0.00	0.00	117.30	0.00	0.15	0.16
SP Inc=7	0.12	0.00	0.00	95.36	0.00	0.12	0.13

Conditional Effects ofEconomic Perceptions on Economic-Minded Partisans

Economic Perceptions	Marginal Effects	Variance of Effects	Standard Error	t	Two Tailed Sig. Level	Low	High
Worse=0	0.03	0.00	0.01	3.03	0.00	0.01	0.06
Stayed the Same or Better=1	0.04	0.00	0.01	3.65	0.00	0.02	0.06

[36] For this technique, I will take the first derivatives of both X and XZ as well as for Z and XZ. This allows the analysis to look at the values of both X and Z separately across the range of both variables. To estimate the conditional effects of voters' economic perceptions in the interactive relationship between voters' partisanship and voters' economic perceptions, I will estimate the marginal effects of voters' perceptions within this relationship while holding constant voters' partisanship. This technique will be reversed when estimating the conditional effects of voters' partisanship within the interaction model (Kam and Franseze 2007). To test for differences across values, I will estimate a two-tailed t tests in order to assess if the marginal effects of each variable are significantly different from zero.

The estimates find strong conditional effects remain at all levels of voters' partisanship. From these results, I can reject the null hypothesis of no differences in voters' partisanship in the marginal effects of this variable within the interaction. Additionally, the null can be rejected of no differences in voters' economic perceptions in the conditional effects of this variable within the interaction.

The peak of the conditional effects of partisanship within the interaction is most prevalent among leaning partisans and independent voters. The effects dampen when moving towards strong partisans at either end of the political spectrum. The conditional effects of voters' economic perceptions are higher among positive economic evaluations. This suggests that positive economic assessments and less committed partisans, when compared to other partisans, are more likely to engage economic voting. That is, these voters are more likely to reward or punish incumbents based on economic conditions. Rather than just use economic conditions to justify existing partisan beliefs when making their voting decisions.

The reason for the relationship of each variable's effect within the interaction when estimating incumbent vote choice, is that the two variables in fact undermine each other. In other words, both variables have a propensity to detriment each other in the likelihood of voting for the incumbent. This results in either variable having less of an effect on each other causing the other variable to rise or fall, when the other is higher or lower. Thereby, voters' economic perceptions and voters' partisanship tend to have less of an effect on vote choice when one of these two factors already influences individual voters to lean far towards or away from supporting the incumbent. So these findings confirm that partisan effects remain within voters' voting decisions, when they are influenced by their economic

perceptions. As a result positive economic perceptions may in fact cause an increase in differences among partisans in not only how they view the economy, but also in how they view the overall incumbent administration more generally

The conditional effects of voters' economic perceptions specify that as voters become more optimistic, the magnitude of these effects on incumbent vote choice increase. Conversely, when voters' economic perceptions become more pessimistic the variable's conditional effects lessen. For instance, the marginal effects of voters who felt the economy had "stayed the same or gotten better" is .038 while the marginal effects of voters who felt the economy had "gotten worse" is .034. The magnitude of the differences in voters' economic perceptions within the interaction indicate a rise in the level of the effects of voters' partisanship and positive economic evaluations in explaining variation in incumbent vote choice.

A further examination of the conditional effects of the focal and moderator variables within the model indicates the two variables dampen the effects of each other when estimating incumbent vote choice. This results in voting differences, based on economic perceptions, being largest among independent and leaning partisans. To assess differences in the likelihood of voting for the incumbent party based on economic perceptions I have summarized the model's results in Table 6.6a. The results in Table 6.6a report the probability of voting for the incumbent party when voters feel the economy has gotten "better or stayed the same" from voters who felt the economy had gotten "worse." To do this, I use voters' partisanship as a reference category to assess differences in the probability of voting for the incumbent party based on positive and negative economic perceptions.

Table 6.6a: Difference in Probability of Voting for Incumbent Party (Economy has "Stayed the Same or Better" from Economy has gotten "Worse") Cross Sectional Data

Partisanship	Stayed the Same or Better	St. Err.	Worse	St. Err.	(Stayed the Same or Better-Worse)	X2	Sig.
SP Other	8%	0.01	5%	0.01	2%	10.56	0.00
WP Other	14%	0.02	12%	0.02	2%	3.53	0.06
LP Other	28%	0.03	22%	0.03	6%	21.87	0.00
INDE	44%	0.04	39%	0.03	6%	8.97	0.00
LP Inc	61%	0.04	52%	0.04	9%	44.62	0.00
WP Inc	76%	0.03	68%	0.04	8%	48.3	0.00
SP Inc	88%	0.02	81%	0.03	6%	36.1	0.00

The results in Table 6.6a indicate that leaning partisans and independent voters are more likely to engage in economic voting when compared to all other voters. These results confirm the trend summarized in Table 6.6 that since these voters have the largest conditional effects within the interactive relationship, they are also the most susceptible to economic perceptions influencing their vote choice.

In fact, the role of independent voters is important to understanding the nature of this moderated relationship. For independent voters who feel the economy has "gotten worse" the probability of voting for the incumbent party is approximately 39%, other things being equal. While the likelihood of voting for the incumbent party's candidate increases among independent voters when their economic perceptions become more optimistic to roughly 44%. Changes from positive to negative economic perceptions among independent voters result in a gap of 6 units in the likelihood of voting for the incumbent party. Moreover, leaning partisans who support the incumbent party are also very likely to engage in economic voting when compared to all other partisans. Negative economic assessments

among these voters result in a 52% probability of voting for the incumbent party. While positive or mixed economic perceptions, among leaning partisans who support the incumbent party, result in a 61% likelihood of voting for the incumbent party. Changes in economic perceptions among these voters, therefore, result in a 9 percentage point difference in the whether these voters are likely to vote for the incumbent party.

These findings further suggest that independent and leaning partisans are sensitive to changes in their economic perceptions and are not as ideologically bound to their partisanship, as is the case among all other voters. One explanation for this behavior these voters is that they are more likely to be open to cues and frames on the economy's performance, when compared to partisan voters, which causes independents to either assign praise or blame depending upon which arguments they are more likely to accept (Zaller 1992).

A*ssessing the Multivariate Models: Panel Samples*

In addition to assessing the ANES data from the cross-sectional data, I have also incorporated the same tests on ANES panel data. A two-stage probit model was used to estimate the Economic-Minded Partisan model on the ANES panel data. The reason for using this technique is to reduce biased estimates that are typically based on correlated error terms common in panel models. To correct for this problem, I will focus my analysis on the panel data by constructing partisanship[37] as an instrumental variable to ensure exogeniety within the model (Finkel 1995; Kmenta 1997; Lewis-Beck, Nadeau, and Elias 2008). This will allow me to test the interactions within the model on the panel samples while reducing

[37] Partisanship Instrument is defined by the following control variables: Presidential Traits 0.0287972 (0.0008512), Liberal-Conservative Index -0.0013266 (0.0009749) , Pocketbook Retrospective Assessments 0.0907622 (0.0262601), Economic Future Index (EFI) .2542576 (.2210068), Candidate Salience -.1080023 (.0196229), Campaign Interest -.0101407 (.0102707) and the constant -3.532335 (.2079754)

the likelihood of muliticollinearity. Table 6.7 gives a summary of the model's coefficients for the two-stage probit techniques for the panel data. The model was run using voters' current partisanship and the second using voters' prior partisanship$_{t-1}$ as a strictly formed instrument within the two-stage models. Hierarchical tests of interactions of both tests find that the interaction models are significantly different from zero.

The importance of analyzing the model on panel data is that allows for the ability to assess changes over time effect voters' voting behavior within the model. The estimates from the two-stage probit model indicate similar trends to the cross-sectional results.[38] The interaction variable estimates that voters' economic perceptions are moderated by their partisanship when making their voting decisions. This finding confirms the results found in the cross-sectional samples for the two-stage models.

[38] The model used in this dissertation has findings similar to Lewis-Beck et al. (2008), regarding the ratio of partisanship to economic perceptions in that it decreases in the panel model when compared to the cross-sectional model. The findings among Lewis-Beck et al. (2008) found the ratio of voters' partisanship to voters' economic perceptions to decrease when moving from cross-sectional samples to panel samples. Their findings indicated the ratio decreases when going from the cross-sectional model of 2.77 to 1 to the panel model which is roughly 1 to 1. For this study the findings show a decrease in the ratio of about1 to 1 for the panel data. Note the authors' findings are important in furthering our understanding of the process of economic voting but their model is not appropriate for specifying Economic-Minded Partisans. The major difference between their model and the model developed in this dissertation is they did not specify the relationship between these two variables as an interactive relationship but rather exogenized both voters' partisanship and voters' economic perceptions in their estimates. The reason for not exogenizing voters' sociotropic economic perceptions in this dissertation is based on theoretical and methodological reasons. The methodological reason is that by treating voters' economic perceptions as a strictly constructing instrument is aimed at reducing bias inherent in the model but the result of this process also decreases the model's efficiency in estimating vote choice. By applying such restrictions to their model, the overall model fit reported is not as good as the model fit estimated in this dissertation (roughly Psuedo-R-sq. values from .11 to .45 for the ANES panel data compared to a Psuedo R-sq. 56 for the ANES panel data estimated for the Economic-Minded Partisan model). The theoretical reason is that voters are unlikely to view their economic perceptions independently of other factors such as political preferences, socio-economic status, and issues relevant to a specific campaign. Therefore an interaction model is appropriately specified for testing these relationships among Economic-Minded Partisans.

Table 6.7: Comparison of Models by Estimation Technique (Panel Data)						
	Two-Stage Probit			Two-Stage Probit		
Variables	Coef.	St. Err.	t	Coef.	St. Err.	t
Partisanship	0.74	0.03	24.2			
Economic-Minded Partisans	0.23	0.03	8.3			
Prior Partisanship				-1.60	0.25	-6.3
Economic-Minded Partisans (Prior Partisanship)				0.90	0.08	10.7
Sociotropic Retrospective	0.79	0.14	5.5	0.10	0.03	3.4
Constant	-3.90	0.14	-28.3	-1.43	0.08	-17.3
Overall Model Fit						
Chi-Square	1246			594.22		
Psuedo-R	0.28			0.28		
Classification Correctly	77.0%			75%		
N	2,641					
Hiearchical Model Test of Interactions						
X^2 With Interactions	1,246			594.22		
X^2 Without Interactions	1,157			572.54		
X^2 Difference	89.44			21.68		
Difference in d.f.	1.00			1.00		
Signficance level	0.00			0.00		

Table 6.8 summarizes the marginal effects of the two-stage probit analysis on the ANES panel dataset. The results are similar to the cross-sectional probit and two-stage probit analysis. The findings indicate the two variables in the interaction detriment each other in explaining incumbent vote choice. In other words, neither voters' economic perceptions nor voters' partisanship, acting within the interaction, increases or decreases the other when estimating the dependent variable. Rather what occurs is that each variable has less effect when the other already tips individual voters towards or away from voting for the incumbent. This result estimates one of the limits of economic voting: Voters' partisanship and voters' economic perceptions can only influence vote choice among voters so long as it

does not conflict with voters' existing partisan disposition. For example, if a voter feels the economy has gotten worse and this voter strongly supports the incumbent president, then her propensity for voting for the president diminishes. No matter how poor the state of the economy, this voter is still less likely to vote for the other party's candidate. More specifically, the marginal effects indicate that leaning partisans, weak partisans who support the incumbent party and independent voters are more likely than all other voters to have their voting decision influenced by their perceptions of economic conditions. The peak of the estimate's marginal effects within the interaction is defined around these voters when compared to all other voters.[39]

Table 6.8: Two-Stage Probit Model: Conditional Effects of the Interactive Relationship between Voters' Partisanship and Voters' Economic Perceptions in Explaining Incumbent Vote Choice (Panel Data)

Conditional Effects of Partisanship on Economic-Minded Partisans

Partisan Levels	Marginal Effects	Variance of Effects	Standard Error	t	Two Tailed Sig. Level	Low	High
SP Other=1	0.00	0.00	0.00	35.47	0.00	0.00	0.00
WP Other=2	0.02	0.00	0.00	15.06	0.00	0.02	0.02
LP Other=3	0.08	0.00	0.01	13.29	0.00	0.07	0.09
Inde=4	0.18	0.00	0.01	16.97	0.00	0.16	0.20
LP Inc.=5	0.23	0.00	0.01	22.09	0.00	0.21	0.25
WP Inc=6	0.22	0.00	0.00	61.68	0.00	0.21	0.23
SP Inc=7	0.14	0.00	0.00	199.42	0.00	0.14	0.14

Conditional Effects ofEconomic Perceptions on Economic-Minded Partisans

Economic Perceptions	Marginal Effects	Variance of Effects	Standard Error	t	Two Tailed Sig. Level	Low	High
Worse=0	0.14	0.00	0.03	5.51	0.00	0.09	0.20
Stayed the Same or Better=1	0.22	0.00	0.04	6.03	0.00	0.15	0.29

[39] Theoretically this occurs because these voters are more likely than other voters to be responsive to partisan cues about the economy and will likely base their decisions on which arguments these voters are more receptive to when making their voting decisions.

Table 6.8a summarizes the differences in the probability of voting for the incumbent candidate based on whether voters felt the economy had "stayed the same or gotten better" or if it had gotten "worse." For this analysis, I have used voters' partisanship as a reference point to assess to what degree voters are likely to substantial increase or decrease their likelihood of voting for the incumbent party. The results indicate, similar estimations to earlier tests of a similar model on the cross-sectional data, that leaning partisans and independent voters are likely to have a larger swing in their propensity to vote for the incumbent candidate when comparing positive to negative economic perceptions. Nevertheless, these results confirm that voters balance their partisanship with their economic perceptions when making their vote choice. The balance between the two is determined by whether voters deem the economy to be a problem, as well as with how strongly voters either support or oppose the incumbent party.

Table 6.8a: Difference in Probability of Voting for Incumbent Party (Economy has gotten "Better" from Economy has gotten "Worse") Panel Data

Partisanship	Better	St. Err.	Worse	St. Err.	(Better-Worse)	X2	Sig.
SP Other	2%	0.007	0%	0.000	2%	4.53	0.03
WP Other	2%	0.005	1%	0.002	1%	6.52	0.01
LP Other	42%	0.079	5%	0.006	37%	21.84	0.00
INDE	78%	0.065	49%	0.034	29%	65.93	0.00
LP Inc	96%	0.021	43%	0.018	53%	230.54	0.00
WP Inc	100%	0.003	71%	0.023	28%	144.59	0.00
SP Inc	100%	0.000	90%	0.016	10%	36.98	0.00

Lastly, I conducted an analysis of the model by using an interaction variable that consists of voters' prior partisanship on voters' current economic perceptions and current vote choice. The results are summarized in Table 6.7. The theoretical reason for including

this variable into the analysis is because voters are likely to factor their prior partisanship into their vote choice (Bartels 2002). Prior partisanship therefore serves as a reference point for voters when making their current economic assessments and voting decisions.

Overall, the model specifies incumbent vote choice controlling for voters' prior partisanship[40], voters' current economic perceptions, and an interaction variable that is the cross-product of the two variables. All of the variables included in this estimation are statistically significant. Yet, the sign of the parameters of voters' partisanship differs from earlier estimates in the current partisanship panel and cross-sectional models. These results propose that voters' previous beliefs are factored into their current vote choice and those voters who were more negative, and less partisan, were more likely to carry these assessments with them forward in making their current vote choice when voting decisions are conditioned by current economic assessments.

Table 6.9 provides a summary of the marginal effects within the model's interaction for voters' prior partisanship and voters' current economic perceptions when estimating vote choice. The results suggest that voters who were previously supported the opposition party or who were independents have the largest marginal effects when comparing these effects to all other partisans. These results suggest that these voters are likely to use their economic perceptions as a means to reinforce preexisting partisan beliefs. That is, strong partisans who do not support the incumbent government are likely to seize on negative economic information as a means to not only rationalize their own vote choice but also to use it as a means to persuade other voters as to why they should vote for their candidate. Strong partisans who support the incumbent government are likely to discount any negative

[40] The instrument for creating voters' prior partisanship has the same control variables as what was used to estimate voters' current partisanship.

economic news and tend to focus on positive information on the economy, or will focus on other issues or negative aspects of the opposition party's candidate.

Table 6.9: Logistic Model: Conditional Effects of the Interactive Relationship between Voters' Partisanship and Voters' Economic Perceptions in Explaining Incumbent Vote Choice (Prior Panel Data)

Conditional Effects of Partisanship on Economic-Minded Partisans

Partisan Levels	Marginal Effects	Variance of Effects	Standard Error	t	Two Tailed Sig. Level	Low	High
SP Other=1	0.10	0	0	87.19	0.00	0.1	0.11
WP Other=2	0.10	0	0	29.73	0.00	0.09	0.11
LP Other=3	0.10	0	0.01	15.54	0.00	0.08	0.11
Inde=4	0.09	0	0.01	9.87	0.00	0.07	0.1
LP Inc.=5	0.08	0	0.01	7.45	0.00	0.06	0.1
WP Inc=6	0.07	0	0.01	6.02	0.00	0.05	0.09
SP Inc=7	0.06	0	0.01	4	0.00	0.03	0.09

Conditional Effects of Economic Perceptions on Economic-Minded Partisans

Economic Perceptions	Marginal Effects	Variance of Effects	Standard Error	t	Two Tailed Sig. Level	Low	High
Worse=0	0.21	0	0.03	7.57	0.00	0.15	0.26
Stayed the Same or Better=1	0.20	0	0.02	8.41	0.00	0.15	0.25

Diagnostic Tests

Lastly, I conducted a series of diagnostic tests to test for omitted variables bias, model sensitivity and collinearity. To evaluate collinearity, I used the for variance inflation factors (VIF) test. The utility of the test is that it explains variance of the standardized regression coefficient as the product of the variance in the model's residuals, in order to see which variables do not demonstrate independence within the model (Fox 1991)[41]. Table 6.13 provides a summary of the tolerance—the reciprocal of VIF—and VIF statistics for both the panel and cross-sectional cases.

[41] Though there is not a set "rule of thumb" regarding collinearity levels between variables in the model, I will use <.2 as a cut-off.

Table 6.10: Variance Inflated Factors: Cross-Sectional and Panel Data

	Cross-Sectional Data		Panel Data	
Variables	VIF	1/VIF	VIF	1/VIF
Presidential Traits	1.73	0.5771	1.33	0.752602
Religion	1.65	0.606006	1.29	0.772268
Partisanship	1.06	0.947669	1.32	0.759858
EMP: Partisanship x Sociotropic Retrospective Assessments	1.03	0.972507	1.08	0.925456
Sociotropic Retrospective Assessments	1.24	0.806716	1.82	0.550241
Pocketbook Retrospective Assessments	1.31	0.765269	1.17	0.857017
Liberal-Conservative Index	1.37	0.729716	1.36	0.733474
Economic Future Index (EFI)	1.33	0.750726	1.64	0.609236
Candidate Assessments	1.05	0.956771	1.07	0.935941

I also conducted a test for omitted variables. The results from the Ramsey test for the panel data indicated that I can reject the null hypothesis that the model has omitted variables:

Cross-sectional Model:
H_o: model has omitted variables
F(3, 17253) = 260.86
Prob > F = 0.00

Panel Model:
H_o: model has omitted variables
F(3, 3530) = 77.09
Prob > F = 0.00

A Hausman test was also used to evaluate the model for omitted variables. The results of the analysis are provided in Table 6.11. Of the variables included in the model, Economic-Future Index (EFI) tends not to be consistent or stable in the model. The Hausman test for this variable exceeds the critical value presented in a chi-square distribution with one degree of freedom (Greene 2003). Otherwise, all of the other variables in the model demonstrate consistency in their estimators resulting in a low probability of systematic error occurring with the variables included in the model; more specifically this

results in low levels of correlation between the parameters included in the model and the error term.

Table 6.11: Hausman Test: Logistic Models					
	(b)	(B)	(b-B)	sqrt (diag(V_b-V_B))	
Variables	logit_for1	logit_for2	Difference	S.E.	Hausman Test
Presidential Traits	-0.04	-0.01	-0.03	0	0.22
Partisanship	0.81	0.68	0.12	0.04	0.4
Economic-Minded Partisans: Partisanship x Sociotropic Retrospective Assessments	-0.06	-0.03	-0.03	0.01	0.06
Sociotropic Retrospective	0.29	0.23	0.06	0.03	0.12
Pocketbook Retrospective	0.15	0.02	0.13	0.04	0.47
Liberal-Conservative Index	0	0	0	0	0.01
Economic Future Index	1.41	0.49	0.92	0.11	7.53
Candidate Assessments	-0.04	-0.02	-0.02	0.01	0.04
Campaign Interest	0.15	0.11	0.03	0.01	0.14

b = consistent under Ho and Ha; obtained from logit
B = inconsistent under Ha, efficient under Ho; obtained from logit
Test: Ho: difference in coefficients not systematic
chi2(16) = (b-B)'[(V_b-V_B)^(-1)](b-B)
= 219.78
Prob>chi2 = 0.0000

Discussion

Overall, a moderated relationship between voters' economic perceptions and their partisanship persists in explaining vote choice, after controlling for all other variables in the model. The model's parameters suggest the conditional effects of this relationship result in voters placing more weight on their economic perceptions when they perceive the economy to be performing poorly, and less weight on their economic perceptions when they perceive the economy is good.

This occurs because voters' economic perceptions, though influenced by, are not fixed by their partisanship alone. Thus, reactions to economic changes resonate among these partisan voters as far as their partisanship allows. The reason this occurs is because voters' partisanship remains constant in voters' decision schema. As a result this tempers major swings from one party to the other based solely on voters' perceptions of economic conditions. Therefore, voters who are strong or weak partisans of the incumbent party are less likely to change their vote choice from the incumbent to an opposition candidate then would be the case for partisan leaners and independent voters. If these voters perceive the economy is doing poorly, than other things being equal, they still have a better than chance probability of voting for the incumbent. To restate from the initial baseline interaction effects models, I find the following trends among incumbent partisan supporters: first, strong partisans who support the incumbent party have a 96.8% probability of voting for the incumbent party initially and if these voters have negative assessments of the economy the probability of voting for the incumbent party among these voters drops to roughly 87.3%; second, weak partisans, who support the incumbent party, will have a 85.7% chance of voting for the incumbent party and if these voters have negative perceptions of the economy's performance the probability of voting for the incumbent party drops to roughly 75.9%; and lastly, leaning partisans, who support the incumbent, have an 84.7% likelihood of voting for the incumbent party and if these voters feel the economy has gotten worse the probability drops to approximately 67.4%. These findings were confirmed in the panel sample. Yet differences in whether voters would vote for the incumbent party's candidate based on positive and negative assessments were more dramatic than in the cross-sectional sample. Nevertheless, better than chance probability of voting for the incumbent, other

things being equal, remained among strong and weak incumbent partisan supporters regardless of economic perceptions. While a drop in the likelihood of voting for the incumbent among leaning incumbent partisan supporters suggests that economic voting does in fact effect the decisions of these voters; namely if their negative economic perceptions are strong enough to warrant a change in the chances these voters would vote for the incumbent party.

The results from the model lead to an explanation regarding the wrinkle in the reward and punish hypothesis: the model's findings suggest that voters' economic perceptions matter and help explain the electoral prospects of incumbents. It does not however, take into account that voters' partisanship persists in voting decisions which helps explain why the reward and punish hypothesis is not as efficient as one should presuppose.

These results indicate that partisanship remains an item that is not merely defined as a running tally among voters (Fiorina 1978; Zaller 1992; Bartels 2002). Rather, voters' partisanship serves as a memory mechanism by which voters use to process their current economic evaluations to develop and update their beliefs and attitudes towards the candidates when making their vote choice (Just et. al. 1996; Bartels 2002). The relationship by which voters use their partisanship, as a tool to frame their vote choice, is not static. This is because voters' prior partisanship and knowledge on the economy serves as guide for voters to process current information and to make updates as a result of this new information (Fiske and Linville, 1980; Zaller 1992; Bartels 1996, 2002). What results is that voters' partisanship remains an anchor for defining voters' political preferences and decisions because it functions as a primary factor in defining differences among voters in their economic outlook (Campbell et. al 1960; Lewis-Beck, Jacoby, Neisburg, and Norpoth 2008).

Appendix

Evaluating the 2-Stage Probit Model

To assess whether partisanship is endogenous to both voters' economic perceptions as well as with all other variables included in the model, I have conducted a two-stage probit model treating partisanship as an instrumental variable. The results of the two-stage probit model are summarized in Table 6.12. Marginal effects from the two-stage model are reported in Table 6.13 and changes in the probability of voting for the incumbent based on these results are reported in Table 6.13a. Overall results indicate similar trends and findings as compared to the probit model.

Table 6.12: Two-Stage Probit Estimation (Cross-Sectional Data)			
	Two-Stage Probit		
Variables	Coef.	St. Err.	t score
Partisanship	0.98	0.02	51
Economic-Minded Partisans	0.13	0.04	3.7
Sociotropic Retrospective	0.11	0.03	3.4
Constant	-3.98	0.08	-49.6
Overall Model Fit			
Chi-Square	5128.02		
Psuedo-R	0.39		
Classification Correctly	81.50%		
N	17,272		
Hierarchical Model Test of Interactions			
X^2 With Interactions	5,128		
X^2 Without Interactions	5,041		
X^2 Difference	86.7		
Difference in d.f.	1		
Significance level	0		
Control Variables used for Partisanship Instrument:			
Variables	Coef.	Std. Err.	t
Presidential Traits	0.04	0	58.5
Liberal-Conservative	0.01	0	7.4
Pocketbook Retro Ec. Assessr	0.19	0.02	9.8
Campaign Interest	0.02	0	4.2
Candidate Salience	-0.09	0.01	-8.8
EFI	-0.6	0.08	-7.7
Constant	0.54	0.1	5.6

Table 6.13: Two Stage Probit Model: Conditional Effects of the Interactive Relationship between Voters' Partisanship and Voters' Economic Perceptions in Explaining Incumbent Vote Choice (Cross-Sectional Data)

Conditional Effects of Partisanship on Economic-Minded Partisans

Partisan Levels	Marginal Effects	Variance of Effects	Standard Error	t	Two Tailed Sig. Level	Low	High
SP Other=1	0.01	0.00	0.00	86.11	0.00	0.01	0.01
WP Other=2	0.07	0.00	0.00	59.81	0.00	0.06	0.07
LP Other=3	0.20	0.00	0.00	50.79	0.00	0.19	0.20
Inde=4	0.22	0.00	0.00	47.97	0.00	0.21	0.23
LP Inc.=5	0.12	0.00	0.00	48.53	0.00	0.11	0.12
WP Inc=6	0.02	0.00	0.00	51.63	0.00	0.02	0.02
SP Inc=7	0.00	0.00	0.00	57.08	0.00	0.00	0.00

Conditional Effects of Economic Perceptions on Economic-Minded Partisans

Economic Perceptions	Marginal Effects	Variance of Effects	Standard Error	t	Two Tailed Sig. Level	Low	High
Worse=0	0.03	0.00	0.01	3.37	0.00	0.01	0.04
Stayed the Same or Better=1	0.06	0.00	0.01	5.29	0.00	0.04	0.08

Table 6.13a: Difference in Probability of Voting for Incumbent Party (Economy has gotten "Better" from Economy has gotten "Worse") Cross Sectional Data

Partisanship	Better	St. Err.	Worse	St. Err.	(Better-Worse)	X2	Sig.
SP Other	2%	0.01	0%	0.00	2%	6.57	0.01
WP Other	10%	0.02	0%	0.00	10%	20.4	0.00
LP Other	34%	0.03	7%	0.01	27%	59.95	0.00
INDE	67%	0.03	41%	0.02	26%	59.19	0.00
LP Inc	91%	0.01	85%	0.01	5%	8.06	0.00
WP Inc	99%	0.00	99%	0.00	0%	1.52	0.22
SP Inc	100%	0.00	100%	0.00	0%	4.86	0.03

Defining the Variables Summary

American National Election Studies (ANES) Data

Defining the Variables Details:

American National Election Survey (ANES) Data

Independent Variables:

a. Partisanship (vcf0301): This variable is worded as "Generally speaking, do you usually think of yourself as a Republican, a Democrat, an Independent, or what? (IF REPUBLICAN OR DEMOCRAT) Would you call yourself a strong (REP/DEM) or a not very strong (REP/DEM)? (IF INDEPENDENT, OTHER [1966 AND LATER: OR NO PREFERENCE]:) Do you think of yourself as closer to the Republican or Democratic party?" This variable has been coded as follows: "1" "Strong Opposition Partisan Supporter," "2" "Weak Opposition Partisan Supporter," "3" "Leaning Opposition Partisan Supporter," "4" "Independent," "5" "Leaning Incumbent Partisan Supporter," "6" "Weak Incumbent Partisan Supporter," and "7" "Strong Incumbent Partisan Supporter." So if a Democrat is president, the variable codes voters who identify themselves as Democrats as incumbent partisan supporters and Republican identifiers as opposition partisan supporters. If a Republican is president, then the scale is reversed.

b. Personal financial situation in past year (vcf0880): This variable is worded from 1962 to 1998 as "We are interested in how people are getting along financially these days. Would you say that (1962; 1966-1974: you [and your family]; 1976 and later: you [and your family living here]) are better off or worse off financially than you were a year ago." For 2000, the question was worded as "Would you say that you (and your family) (2000 FACE-TO-FACE ONLY: living here) are better off, worse off, or just about the same financially as you were a year ago?" Responses for this variable are: "1" equals "Better Now", "2" equals "Same", and "3" equals "Worse Now." The theoretical significance of this variable is to use it as a proxy for "pocketbook" economic evaluations within an economic minded partisan's economic outlook. This is a retrospective assessment.

c. "R FIN SITUATION LAST FEW YR" (vcf0880b): This variable will be used during the 1956 to 1960 elections. It is worded as "During the last few years, has your financial situation been getting better, getting worse, or has it stayed the same?" Values for this question include "1" "Getting better," "2" "Stayed the same," and "5" "Getting worse." The theoretical significance of this variable is to use it as a proxy for "pocketbook" economic evaluations within an economic minded partisan's economic outlook. This is a retrospective assessment.

d. National Business Index (NBI): This variable was developed by Lewis-Beck and Nadeau (2001) to serve as a global indicator of economic performance which best reflects voters' evaluation of the economy. The variable is designed around the

premise that voters take into account multiple economic indicators when forming their perceptions of the economy.[42] The variable is defined from the following question in the Survey of Consumer Attitudes and Behavior, University of Michigan, which regularly asks, "Would you say that at the present time business conditions are better or worse than a year ago?" Response values for this question are "1" for "better", "-1" "worse "and" 0" for "same." The NBI has been created using the same methodology as employed by the authors. It consists of three steps: First, the response data from this question is collected. Second, a percentage is calculated for each response category. Third, an index is derived from subtracting the percentage of "worse" from the percentage for "better." The theoretical importance for this variable is to use it as a sociotropic assessment of an economic-minded partisan's economic outlook. This is a retrospective assessment.

e. Economic Future Index (EFI): This variable was also developed by Lewis-Beck and Nadeau (2001) as a prospective sociotropic measure of economic performance. The question comes from the Michigan Consumer Survey and is worded as "Now turning to business conditions as a whole-do *you* think that during the next 12 months we'll have good times financially, or bad times financially?" The index for this variable is created in the same manner as the NBI.[43]

f. Personal Financial Situation Next Year (vcf0881): The question for this variable is worded as: "1956-1960,1964: Now looking ahead and thinking about the next few years, do you expect your financial situation will stay about the way it is now, get better, or get worse. 1962, 1966 AND LATER: Now looking ahead--do you think that a year from now (1962, 1966-1970: you people; 1972, 1974: you [and your family]; 1976 AND LATER: you [and your family; 2000 TELEPHONE: living here]) will be better off financially or worse off, or just about the same as now?" Responses for this variable are: "1" "Better off (1956-1960, 1964: get better)"; "2" equals "Same (1956-1960, 1964: stay the way it is)"; "3" equals "Worse off (1956-1960, 1964: get worse)"; "9" equals "DK; both; uncertain 0. NA; Form B (1986); no Pre IW; no Post IW; form II,III,IV (1972); R assigned to Post administration and no Post IW (2000)." This variable is used to measure voters' "pocketbook" assessments of the economy. It is a prospective measure.

g. Assessment of Presidential Traits Index (vcf0338; vcf0339; vcf0340; vcf0341; vcf0342; vcf0343; vcf0344; vcf0345; vcf0346; vcf0347; vcf0348; and vcf0349): This question is worded as "Now we would like to know something about the feelings you have toward the president. Has the president because of the kind of person he is, or because of something he has done -- made you feel he (is intelligent, is compassionate, is decent, is inspiring, is knowledgeable, is moral, and provides strong leadership?" This index is composed of a linear combination of variable weights to evaluate traits of the president and how respondents evaluate them. The

[42] For a detailed explanation of how this variable is created and its theoretical framework, please refer to Lewis-Beck and Nadeau (2001) pp. 160-162.
[43] *IBID.*

larger the score on this index, the more favorable are respondents' view of the traits of the president.

h. "R Opinion: Better or Worse Economy in Past Year" (VCF0870): This variable will be used when conducting the separate election analysis from 1980 to 2004. This variable is worded as "How about (1996-LATER: Now thinking about) the economy (1990,1994-later: in the country as a whole)?" For all years, except the 2000 election, the question was worded as "Would you say that over the past year the nation's economy has gotten better, stayed (all yrs. except 1984: about) the same or gotten worse?" Values for this question include: "1" "Better," "3" "Stayed same," "5" "Worse." The theoretical significance of this variable is to use it as a proxy for "sociotropic" economic evaluations within an economic minded partisan's economic outlook. This is a retrospective assessment.

i. "R Opinion: How Much Better or Worse Economy in Past Year" (VCF0871): This variable will be used when conducting the separate election analysis from 1980 to 2004. This variable is worded as "How about (1996-LATER: Now thinking about) the economy (1990,1994-later: in the country as a whole)? Would you say that over the past year the nation's economy has gotten better, stayed (all yrs. exc. 1984: about) the same or gotten worse? (IF BETTER:) Would you say much better or somewhat better? (IF WORSE:) Would you say much worse or somewhat worse?" Values for this variable include: "1" "Much better," "2" "Somewhat better," "3" "Stayed same," "4" "Somewhat worse," "5" "Much worse." The theoretical significance of this variable is to use it as a proxy for "sociotropic" economic evaluations within an economic minded partisan's economic outlook. This is a retrospective assessment.

j. Economic-Minded Partisanship: This variable is an interaction variable measuring voters' strength of partisanship by voters' sociotropic economic retrospective assessments during a presidential election year.[44]

k. Campaign Interest: This index is based on the following variables in the ANES cumulative dataset 1948-2004: (VCF0717) " During the campaign, did you talk to any people and try to show them why they should vote for (1984 AND LATER: or against) one of the parties or candidates?." This variable is coded as "1" "Yes" and "0" for "No." (VCF0718) "Did you go to any political meetings, rallies, (1984 AND LATER: speeches,) (1978,1980,1982: fund raising) dinners, or things like that (1984 AND LATER: in support of a particular candidate)?" This variable is coded as "1" "Yes" and "0" for "No." (VCF0719) "Did you do any {other} work for one of the parties or candidates?" This variable is coded as "1" "Yes" and "0" for "No." (VCF0720) "Did you wear a campaign button, put a campaign sticker on your car, or place a sign in your window or in front of your house?" This variable is coded as "1"

[44] To control for methodological problems in the interaction variables, the author has employed the five recommendations as per Jaccard, Turrisi, and Wan (1990) regarding multicollinearity, reliability, uniformity in measurement scales, sample size, and functional form of the interaction. For a detailed review of these, please refer to the authors' monograph Interaction Effects in Multiple Regression (1990).

"Yes" and "0" for "No." (VCF0721) "Did you Donate Money to Party or Candidate during the Campaign." This variable is coded as "1" "Yes" and "0" for "No." (VCF0722) "Have you ever written a letter to any public officials giving them your opinion about something that should be done?" This variable is coded as "1" "Yes" and "0" for "No." (VCF0723) "Campaign participation count." This variable is coded from "1" Lowest level of participation (none)" to 6 "Highest level of participation in campaign activities." (VCF0723a) "Campaign participation count 2." This variable is coded from "1" Lowest level of participation (none)" to 6 "Highest level of participation in campaign activities." (VCF0724) "Did you watch television programs about the campaign." This variable is coded as "1" "Yes" and "0" for "No." (VCF0725) "Did you listen to any speeches or discussions about the campaign on the radio? (IF YES:) How many programs about the campaign did you listen to on the radio[1996: Would you say you listened to] --a good many, several, or just one or two?" This variable is coded as "1" for "Yes if listen to radio programs about the campaign" else "0." (VCF0726) "How many magazine articles about the campaign would you say you read a good many, several, or just one or two?" This variable is coded as "0" No, didn't read magazines about the campaign and "1" "Yes, read magazine(s)." (VCF0727) "(IF YOU HAVE READ A DAILY NEWSPAPER IN THE PAST WEEK:) Did you read about the campaign in any newspaper?" This variable is coded "1" "Yes, read about campaign in daily newspaper" else "0." The Chronbach Alpha statistic for this index is .934.

l. Candidate Assessments: This variable is defined as VCF0404 subtracted from VCF0408 in the ANES dataset 1948-2004. VCF0404 is the salience of the Democratic Presidential candidate among respondents. It is coded as "0" "zero mentions to "10" to "ten mentions." VCF0408 is salience of the Republican Presidential candidate among respondents. It is coded as "0" "zero mentions to "10" to "ten mentions." The variable has been recorded so that positive mentions of the incumbent party's presidential candidate are subtracted from the major opposition party's presidential candidate. For instance if the incumbent party is a Democrat, then the mention of positive mentions of the Democratic candidate is subtracted from the Republican candidate's positive mentions and if the incumbent party is Republican, then the latter is subtracted from the former.

m. Liberal-Conservative Index: This index is constructed from the thermometer score for liberals (VCF0211) and the thermometer score for conservatives (VCF0212). The calculation used is the following: First, the value of VCF0211 is subtracted from 97, and that difference is added to the value of VCF0212. This sum is then divided by 2, and .5 is added to the result. The variable is coded so that scores of 50 or higher are considered conservative and voters who score lower than 50 are considered liberal when the president is Republican. The scale is reversed for voters when the incumbent is Democrat.

Dependent Variable:

n. Presidential Vote for Incumbent Candidate: This variable is vcf0704a in the ANES cumulative data file 1948-2002. It is a measure of presidential vote by the two major parties: Democrat and Republican candidates. This variable is coded to reflect how voters voted for the democratic candidate during presidential elections. The variable is coded "1" for the incumbent candidate and "0 for those who voted for the major opposition candidate. For elections where an incumbent was not running, the candidate for the incumbent party was coded as "1" and the challenger was coded as "0."

Please note that missing values have been removed from the analysis. For questions that had scores of 8 or 9—"don't know", "NA", or "no response"—were removed from the analysis.

Chapter 7: Estimating the Economic-Minded Partisan Model: The British Case

"The Government's responsibility for the economy is a fundamental assumption of the contemporary dialogue between the parties and the electorate"
Butler and Stokes in Political Change in Britain: The Evolution of Electoral Choice (1974 page 396)

Introduction

Similar to U.S. elections, economic voting remains a persistent factor in determining the outcome of British elections. The economy's performance helps determine the electoral fortunes of politicians because voters typically reward (punish) incumbents for a good (poor) economy. The economy serves as a valence issue for British voters that causes short-term variations in voting behavior in both UK and US elections (Butler and Stokes 1974). This occurs because British voters, like their American counterparts, link their economic assessments and their partisanship when making their voting decisions. The weight British voters place on either the former, or latter, when making their vote choice, depends upon the overall state of the economy.

The focus of this chapter is to test the Economic-Minded Partisan model on the British case. The analysis will take a similar approach to estimating the Economic-Minded Partisan Model on the British case as it was applied to the American case. The intent of applying it to the British case serves as a means not only to replicate the model's findings in a cross-national context, but also to allow for substantive comparison of voters' vote choice in each nation.

The chapter will focus on micro-level voting behavior in order to explain individual-level vote choice for British Parliamentary elections from 1974-2005. The layout of the chapter is split into two parts. The first part focuses on the descriptive statistics and causal relationships between the variables. The second part will focus on

analyzing inferential vote choice models.

Table 7.1 provides summary descriptive statistics for the variables included in the model. The British case will group variables by voters' economic perceptions, political evaluations, and socio-economic status. These statistics can be described as:

Table 7.1: Descriptive Statistics

Group	Variables	Mean	St. Dev.	Variance	Skewness	Kurtosis	Median	Min	Max	N
Dependent Variable										
	Incumbent Vote Choice	0.34	0.47	0.22	0.68	1.465	0.00	0.00	1.00	27,323
Economic Perceptions										
	Pocketbook Retrospective Assessments	2.33	1.35	1.84	-0.06	2.63	2.00	1.00	5.00	28,775
	Sociotropic Retrospective Assessments	1.93	0.91	0.82	-0.02	1.54	2.00	1.00	3.00	27,758
	Sociotropic Prospective Assessments	1.41	0.83	0.70	0.12	2.84	2.00	1.00	3.00	33,445
Political Evaluations										
	Partisanship	4.1	1.4	2.0	0.0	3.5	4.0	1.0	7.0	#####
	Previous Incumbent Vote	0.2	0.4	0.2	1.2	2.4	0.0	0.0	1.0	#####
	Economic-Minded Partisans: Partisanship x Sociotropic Retrospective Assessments	2.7	2.3	5.4	0.0	1.7	4.0	0.0	7.0	#####
	Candidate Assessments	0.0	0.6	0.3	0.2	9.8	0.0	-9.0	9.0	#####
	Political Interest	0.5	0.2	0.0	0.9	2.6	0.3	1.0	1.2	#####

Incumbent Vote Choice

The dependent variable for the British model will be vote choice for the incumbent Prime Minister's party. The variable is specified as a dichotomous variable that provides two choices; "0" for those voters who voted for the major opposition party and "1" for those voters who voted for the incumbent party.[45] The mean value for this variable is .34 and the variable's standard deviation is .47. On average about 34% of the electorate voted for the incumbent party. Changes in this variable result in a low of about 20% of respondents voting for the incumbent party during the 1997 election, to a high of approximately 39.5% of

45 This includes the following variables: February 1974: Feb115; October 1974: oct115; 1979: m115147; 1983 Q9A; 1987 v8a; 1992: v9a; 1997: VOTE; 2001: bq8b; 2005: PARTY_VT .

the electorate voting for the incumbent party during the 2005 election. The skewness statistic for this variable of .68 indicates its distribution is slightly skewed to the right.

Specifying Voters' Economic Perceptions

The first of the economic perception variables used in the British case is sociotropic retrospective assessments. These evaluations are based on voters' perceived changes in the economy 12 months prior to the election.[46] The variable is coded on a 3 point scale where "1" equals the economy has gotten "worse," to "2" the economy has "stayed the same," and "3" the economy has gotten "better." For the mulitivariate estimations, this variable will be coded as binary based on "1" equals the economy has "stayed the same or gotten better" and "0" equals the economy has gotten "worse." The mean value for voters' sociotropic retrospective economic assessments is 1.93 and its standard deviation is .91. On average, voters felt the economy had "stayed the same" over the past twelve months. A one standard deviation unit change in the variable results in approximately 68% of the cases falling between 1.02 and 2.84. The variable is close to normal in its distribution as defined by its skewness statistic of -.02. The kurtosis statistic for this variable is 1.5. The variable's distribution is symmetric and peaked. The minimum value for this variable is 1 and the maximum is 3 while the median is 2.

The second variable of this set is voters' sociotropic prospective assessments.[47] The variable is coded as "1" equals the economy will get "worse," "2" equals the economy will stay the "same," and "3" the economy will get "better." The mean value for voters'

46 For a detailed listing of the variable's components from the BES series, please refer to the end of the chapter. Variables used include: February 1974: feb025; October 1974: OCT156A; 1979: m156a127; 1983: Q32B; 1987: v22a; 1992: v52a; 1997: ECONBETR; 2001: bq27a; and 2005: AQ23. 4 Variables include: February 1974: feb154; October 1974: OCT156; 1979: m156128; 1992: v70b; 1997: GECXPC; 2001: bq29; and 2005: AQ25. For missing values, the median value has been imputed.

47 Variables include: February 1974: feb154; October 1974: OCT156; 1979: m156128; 1992: v70b; 1997: GECXPC; 2001: bq29; and 2005: AQ25. For missing values, the median value has been imputed.

prospective economic evaluations is 1.41 and its standard deviation is .83. On average voters are likely to be somewhere between the economy will "get worse" or "stay the same." Roughly 68% of the variable's cases fall between 1.14 and 1.67. The variable ranges from a minimum of 1 to a maximum of 3 while the variable's median is 2. The variable is relative normal in its distribution as indicated by a skewness statistic of .12. The kurtosis statistic for this variable is 2.8. The variable's distribution is approximately symmetric and peaked.

The third variable of the set is voters' retrospective pocketbook assessments of the economy.[48] The variable is coded on a 3 point scale where "1" equals voters' personal financial situation has "gotten much worse" to "3" which equals voters' personal financial situation has "gotten much better" over the past twelve months. The mean value of voters' pocketbook retrospective assessments is 2.33 and its standard deviation is 1.35. On average British voters' are likely to find their personal financial situation over the past year has "stayed the same." A one standard deviation unit change results in approximately 68% of the variable's cases falling between .98 and 3.69. The variable ranges from a minimum of 1 to a maximum of 3 with a median of 2. The variable is normally distributed which is indicated by its skewness statistic of -.06. The variable's kurtosis statistic is 2.6. The variable's distribution is symmetric and peaked.

Specifying Voters' Political Evaluations

The first variable of this set will be voters' partisanship.[49] This variable has been

48 Variables include: February 1974: feb152; October 1974: OCT152; 1979: M154A125; 1983: Q50B; 1987: Q53A; 1992: v26i; 1997: SLIVWHY; 2001: bq26; 2005: AQ22.

49 This variable is combined between voters' party identification and voters' strength of party identification in the BES series. The following variables were used to construct this variable: February 1974: feb121, feb129; October 1974: CT121,OCT129; 1979: M129156, M131158; 1983: Q13C; Q13B; 1987: V12A, V12C; 1992: VA6A, VA6C; 1997: IDSTRNG, PARTYID; 2001: bq2a, BQ2D; 2005: BSPID,and BPARTYID. Voters who identified themselves in the BES series as supporters as either "Conservative" or "Labour" are included in this variable. Third party supporters and independent voters are coded as 0.

coded on a 7 point scale in order to capture differences of partisan supporters from both the incumbent and opposition parties.[50] The reason for using this variable is twofold: first, it allows the analysis to measure partisanship based on the Michigan Model. Second, it provides a means to compare partisanship to the American case. Overall, roughly 32.5% of respondents support the major opposition party, 32.5% identify themselves as independents or third party supporters, and about 34% identify themselves as incumbent party supporters. On average British voters are likely not to be strong partisan supporters of the incumbent or opposition parties. The variable is normally distributed as indicated by the skewness statistic of .0. The variable ranges from 1 as its minimum, to a maximum of 7; its median is 4.

The next variable in this set is specified as an interaction between voters' partisanship and the binary variable specifying voters' sociotropic economic retrospective assessments. The variable ranges from a minimum of 0 to a maximum of 7. High values on this variable indicate strong partisan incumbent supporters who have a positive assessment of the economy's performance over the past year. Very low values indicate voters who feel the economy has gotten worse over the past year. The mean of this variable is 2.7 with a standard deviation of 2.3. A one standard deviation unit change nets approximately 68% of the variable's cases falling between .4 and 5.1. The skewness statistic for this variable is .0. The kurtosis statistic for this variable is 1.7. The variable's distribution is symmetric and peaked.

[50] For instance, when coding incumbent partisan supporters and opposition party supporters I have done so as follows: if the Labour Party controls Parliament, then Labour supporters are coded as 7 "strong partisan incumbent," 6 "weak partisan incumbent," and 5 "leaning partisan incumbent." While, Conservative Party supporters would be coded as 1 "strong partisan opposition supporters," 2 "weak partisan opposition supporters," and 3 "leaning partisan opposition supporters." Independent and third party supporters are coded as 4. If the Conservative Party controls Parliament, this variable is reversed so Tory supporters would take higher values on the scale and Labour supporters would have lower values.

The third variable included in this set is voters' previous incumbent party vote choice.[51] This variable is binary and is coded as "1" for voters who voted for the incumbent party during the last election and "0" for those voters who voted for the major opposition party. The mean value for this variable is .25 and the standard deviation is .43. On average, 25% of voters previously voted for the incumbent party. The variable ranges from a low of about 24% of respondents voting for the incumbent party during the 1992 election to a high of roughly 40.5% of respondents voting for the incumbent party during the 2005 election. The variable is skewed right as indicated by its skewness statistic of 1.16.

I have also included an index of voters' assessments of the major parties' leaders.[52] This variable is specified as the difference of voters' assessments of the Prime Minister from their assessments of the party leader of the major opposition party. The variable provides a proxy measurement of voters' candidate preferences, by estimating differences in voters' preferences as they relate to each of the major party's leaders, and serves as a comparative variable to the American case which measured voters' salience for the presidential candidates of the two major parties. The mean value of this variable is -.03 and its standard deviation is .57. The average value of this index indicates that voters' preferences for the major party leaders do not deviate far from zero. A one standard unit

[51] This includes the following variables: February 1974: feb125; October 1974: OCT124A; 1979: M115153; 1983: q11 1987: v65b; 1992: v922; 1997: VOTE92; 2001: bq40a; and 2005: BQ44.

[52] The index is created from the following variables: February 1974: feb147, feb148; October 1974 : OCT147, OCT148; 1979: M000173, M000174 ;1983: Q15A, Q15B, Q15D, Q17A1, Q17A2, Q17A3, Q17A4, Q17A5,Q17A6, Q17A7, Q17A8, Q17A9, Q17B1, Q17B2, Q17B3, Q17B4, Q17B5, Q17B6, Q17B7, Q17B8, Q17B9, Q17D1, Q17D2, Q17D3, Q17D4, Q17D5, Q17D6, Q17D7, Q17D8, Q17D9; 1987: V20A1,V20A2, V20B1, V20B2, V20C1, V20C2, V20D1, V20D2, V20E1, V20E2, V20F1, V20F2, V20G1, V20G2; 1992: V22A, V22B, V22C, V23A, V23B, V23C, V24A, V24B, V24C, V25A, V25B, V25C; 1997: ASHPM, BESTPM, BLRCARE, BLRDECIS, BLRKPPRM, BLRLSTN, BLRPM, BLRPRN, BLRSTRLD, MAJPM; 2001: BQ18A, BQ18B, BQ19A, BQ19B, BQ20A, BQ20B, bq21a, bq21b, BQ22A, BQ22B, BQ23A, BQ23B, BQ24A, BQ24B, BQ25A, BQ25B, cq8; 2005: aq14a, aq14b, aq14c, aq19a, aq19b, aq19c, aq20a, aq20b, aq20c, aq21a, aq21b, aq21c, BQ16A, BQ16B, BQ16C, bq17a, bq17b, bq17c, BQ18A, BQ18B, BQ18C, BQ19A, BQ19B, and BQ19C.

change in this variable yields approximately 68% of the cases between -.61 and .54. The variable ranges from a minimum of -9 to a maximum of 9 while its median is 0. The variable is slightly skewed right as indicated by its skewness statistic of .16. The kurtosis statistic for this variable is 9.75. The variable's distribution is asymmetric and peaked.

An index of voters' political interest is included in the model.[53] The index ranges from 0 to 1 where voters that have scores of .5 or higher would be considered interested in the campaign while voters who fall below .5 would be considered less interested. The mean value of this variable is .45 and its standard deviation is .18. On average voters are slightly less interested in the politics. A one standard deviation unit change results in approximately 68% of the cases falling between .27 and .63. The variable is skewed right as indicated by its skewness statistic of .81 and its kurtosis statistic is 2.29. The variable's distribution is asymmetric and peaked.

II. Specifying the Inferential Models

Specifying an Interaction Relationship between Voters' Economic Perceptions and Voters' Partisanship

My first test for the existence of an interaction between partisanship and economic perceptions on incumbent vote choice is an Analysis of Variance (ANOVA) factorial model. The model evaluates if differences between the main effects and interaction effects

[53] This index is created from the following variables which have all been standardized as a percentage of total respondents per year per item: February 1974: feb127 and feb128; October 1974: OCT127,OCT128,OCT485,OCT486and OCT487; 1979: M000207, M024061, and M127027; 1983: Q1, Q2D, Q2E, and Q2F; 1987: V106B1, V1220, V122A1, V122B1, and V122B2; 1992: V211, V212, V213_P1, V213_P2, V213_P3, V214_P1, V214_P2, V214_P4,V219_B, V220A, V220B; 1997: COALITIN, VOTDLC, VOTELC, CAREWON, POLITICS, READPAP, RKNLCE;2001: BQ1, BQ3, BQ58AUX; 2005: aq1, bq73.

are statistically significant from zero in explaining variation in the dependent variable. The results from this test are defined in table 7.2.

Table 7.2: Tests of Between-Subjects Effects (ANOVA)

Dependent Variable:Incumbent Vote Choice

Source	Partial Sums of Squares	df	Mean Square	F	Sig.
Corrected Model	1927.97	27.00	71.41	521.16	0.00
Partisanship	521.00	6.00	86.83	633.76	0.00
Sociotropic	7.21	3.00	2.40	17.54	0.00
Sociotropic * Partisanship	123.26	18.00	6.85	49.98	0.00
Error	3483.87	25427.00	0.14		
Total	5411.84	25454.00	0.21		

a. R Squared = .3563 (Adjusted R Squared = .3556)

The results from the two-way analysis of variance (ANOVA) estimates statistically significant differences between partisanship and economic perceptions when making a vote choice. ANOVA results, presented in Table 7.2 indicate a significant main effect for voters' partisanship, ($F(6, 25{,}455) = 633.76$, $p<.001$. Additionally, the main effects of voters' sociotropic retrospective economic assessments are statistically significant: ($F(,3, 25{,}455) = 17.54$, $p<.001$. Lastly, the interaction effect between the two variables is significant ($F(3, 25{,}455) = 49.98$, $p<.001$. The calculated effect size of the model for each factor indicates that a small proportion of vote choice variance (.36) is accounted by each factor included in the model.

Testing the Hypothesis and Causal Mechanism of Economic-Minded Partisans on Voting Behavior

This section focuses on testing the causal relationships of voters' economic perceptions and voters' partisanship on voting behavior. The technique to conduct this test which was used on the American example will be incorporated on to the British case.

Again, these tests address why voters do not simply reward and punish incumbents based on economic performance. Rather, voters punish more when they perceive economic downturns than they reward incumbents for periods of prosperity. The reason this occurs is that often during periods of a good economy, partisan filters are used by voters when shaping their economic perceptions and as a result, enhances the role of partisanship in voters' decisions. The basic hypothesis tested in this model is that during a poor economy most voters vote based on the economy resulting in low levels of partisan voting. While when the economy is good, those voters with stronger partisan attachments are more likely to vote consistent with their partisanship. What causes this to occur is based on changes in the economy. As a result, changes in the macro-economy cause changes in voters' economic perceptions. Therefore voters with stronger partisan attachments being more likely to use their partisanship compared to all other voters when forming their economic evaluations. The results of the estimates are summarized in table 7.3.

Table 7.3: Linear Probability Model: Estimated Effects of Economic-Minded Partisans by Partisanship

Variable	Coef.	Std. Err.	T	Sig.	% Prob Vote for Incumbent
SP Inc.	0.70	0.01	70.35	0.00	92%
SP Other	-0.20	0.02	-12.40	0.00	1%
WP Other	-0.19	0.01	-16.79	0.00	3%
LP Other	-0.16	0.01	-14.32	0.00	5%
WP Inc.	0.59	0.01	33.16	0.00	80%
LP Inc.	0.34	0.01	33.16	0.00	55%
Bad Economic Perceptions (BE)	-0.09	0.01	-12.13	0.00	12%
Good Economy Perceptions (GE)	0.08	0.01	8.18	0.00	30%
EMP: SP Other x BE	-0.07	0.03	-2.39	0.03	0%
EMP: SP Other x GE	0.08	0.02	4.19	0.00	2%
EMP: WP Other x BE	-0.05	0.02	-2.24	0.04	1%
EMP: WP Other x GE	0.07	0.01	4.92	0.00	6%
EMP: LP Other x BE	-0.06	0.02	-2.42	0.03	3%
EMP: LP Other x GE	0.07	0.02	3.68	0.00	7%
EMP: WP Inc x BE	-0.05	0.02	-2.94	0.01	73%
EMP: WP Inc x GE	0.02	0.01	1.24	0.23	84%
EMP: LP Inc x BE	-0.02	0.02	-1.03	0.32	48%
EMP: LP Inc x GE	0.02	0.02	0.97	0.34	62%
EMP: SP Inc x BE	-0.06	0.02	-2.88	0.01	90%
EMP: SP Inc x GE	0.07	0.02	3.68	0.00	94%
Constant	0.21	0.01	41.42	0.00	

D.V.: Incumbent Vote Choice (1=Vote for incumbent party 0=Vote for major opposition party)

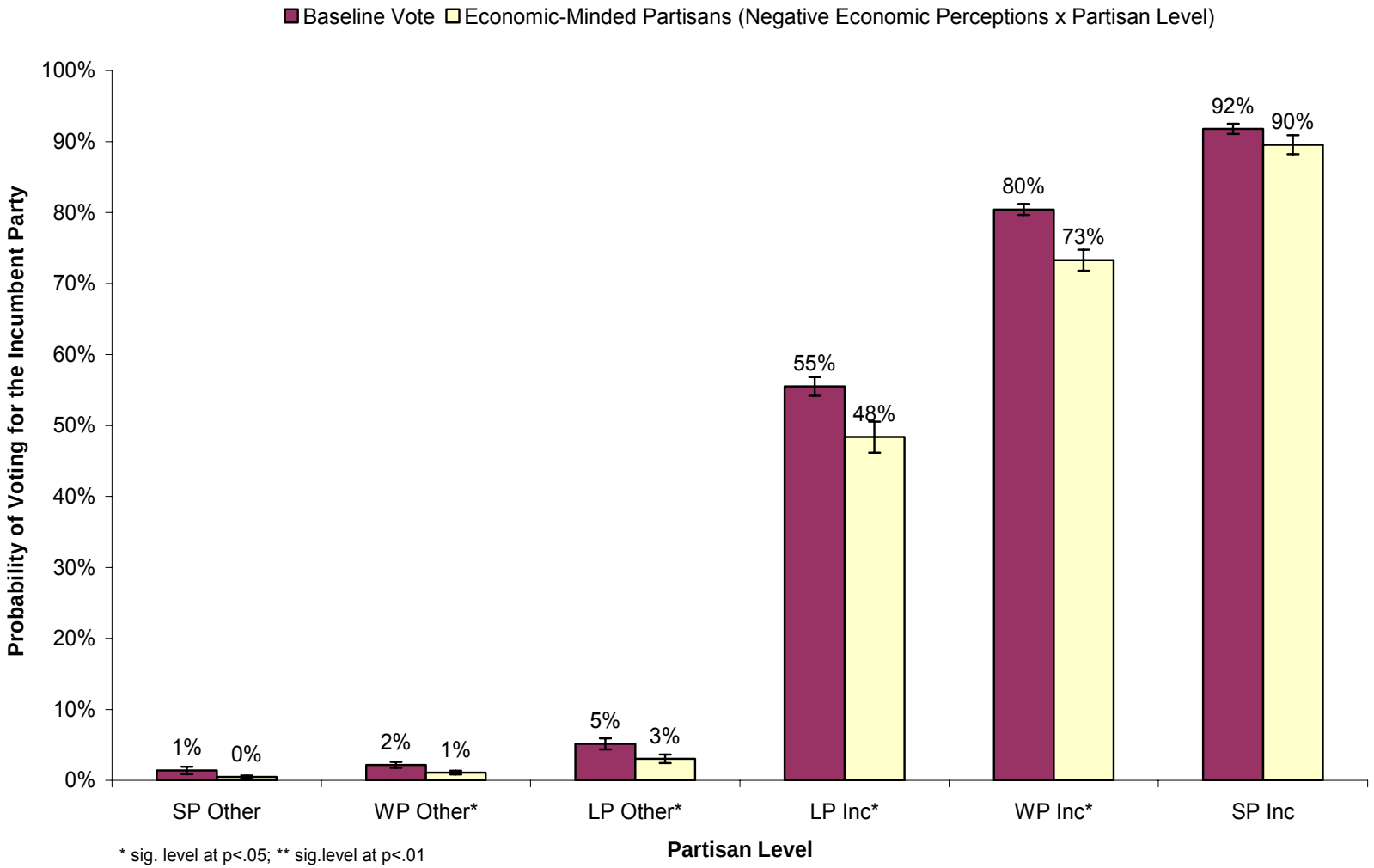
The results indicate, other things being equal, that poor economic perceptions (-.09) have a greater effect on the likelihood of voting for the incumbent candidate when compared to positive economic perceptions (.08). Within the British case, a poor economy results in differences among partisan levels in that voters place more weight on their economic perceptions when they are negative when compared to positive economic perceptions. Again, this finding confirms that voters typically discount their economic perceptions when compared to their partisanship during a poor economy.

The baseline categories of voters' partisanship indicate significant differences among all partisan levels in the probability of voting for the incumbent; these estimates serve as the baseline in which to compare against the interactions between voters' partisanship and their economic perceptions. Moreover, the interactions between voters' partisanship and voters' economic perceptions is less than the baseline of the probability of voting for the incumbent

party. Chart 7.1 provides a summary of the differences in voting for the incumbent party based on the baseline—voters' partisanship—compared to the interaction variable. Standard errors for the analysis are also presented as error bars within the model's estimates.

Overall, the results yield significant differences across all partisan levels; the baseline of voting for the incumbent party is based on voters' partisan level. Yet differences between the baseline and interaction variable indicate a decrease in the likelihood of voting for the incumbent party when voters' economic perceptions are negative. These findings lend support to the hypothesis that voters do not uniformly reward the incumbent party for a good economy and punish incumbents more for a poor economy resulting in partisan voting decreasing as a result of voters placing more weight on their economic perceptions. These results are similar to the findings of the American case. For example, the probability of voting for the incumbent among weak partisan incumbent supports decreases from a baseline of approximately 80% to 73% when these voters have negative economic assessments. The model does not find any significant differences between strong partisans at either end of the political spectrum when comparing the probability of voting for the incumbent party from the baseline from their negative assessments.

Chart 7.1: Difference in the probability of voting for the incumbent party from the baseline partisan vote compared to Economic-Minded Partisans Negative Economic Perceptions x Partisan Level



An Assessment of the Multivariate Models

In this section, I estimate and analyze multivariate vote choice models. The vote choice models are based on a binary dependent variable that equals 1 for a vote for the "incumbent party" and 0 for voters who voted for the "major opposition party." The models will control for a series of variables that include voters' political evaluations, economic evaluations, and candidate assessments. To do this I estimated a probit regression model.[54]

E*valuating the Probit Model*

To test the model I have conducted a probit model. The findings for the probit model can be found in Table 7.4. The results of the probit model confirm the theoretical argument that British voters combine their economic assessments with their political partisanship when making their vote choice. The results indicate that voters' partisanship and economic perceptions remain important factors in explaining incumbent vote choice.

The effect size of voters' economic perceptions, within the British case, is different from the American case. The effects of Britons' economic perceptions are larger than American voters. And, the effect of the interaction variable in estimating incumbent vote choice is greater among British voters when compared to American voters.

These findings suggest that British voters, unlike their American counterparts, are more likely to reduce their overall emphasis on partisan bias when making their vote choice. Further, British voters are more likely to place more emphasis on the combined role of the two variables which suggests that these voters are less likely to separate these preferences from their decision schema when compared to American voters. In other words, British

[54] Two-stage Probit model estimates can be found in the Appendix.

voters are less likely to separate the importance of either variable within their voting decisions; this results in an increased role in the interactive between the two. This finding not only confirms the theoretical arguments presented in the Economic-Minded Partisan model for the American case but, it adds to what we currently know about economic voting behavior: typically when voters combine their partisanship with their economic perceptions, they tend to discount their separate evaluations of the economy and their partisanship when making their vote choice. By combining the two, the findings confirm not only why the economy matters more when economic conditions are poor, but also shows how partisanship serves as a reference point that moderates voters' economic evaluations when making their voting decisions. And as a result, the combined effects of voters' economic perceptions and voters' partisanship indicate that positive economic perceptions result in an increase in the effects of partisanship which affects voters' vote choice.

Table 7.4: Probit Estimates (Cross-Sectional Data)

	Two-Stage Probit		
Variables	**Coef.**	**St. Err.**	**t score**
Partisanship	0.69	0.02	32.27
Economic-Minded Partisans	0.05	0.03	2.14
Sociotropic Retrospective	0.51	0.13	4.04
Candidate Assessments	0.47	0.03	16.70
Previous Incumbent Vote	0.68	0.03	21.10
Political Interest	0.25	0.08	3.25
Constant	-4.19	0.11	-37.89

Overall Model Fit	
Chi-Square	10206.91
Psuedo-R	0.51
Classification Correctly	88.10%
N	15,713

Hierarchical Model Test of Interactions	
X^2 With Interactions	10,207
X^2 Without Interactions	10,202
X^2 Difference	5
Difference in d.f.	1
Significance level	0.03

Table 7.5 provides a summary of the marginal effects of the interaction effect between voters' partisanship and their economic perceptions in explaining incumbent vote choice. The estimates show strong conditional effects remain at all levels of voters' partisanship. From these results, I can reject the null hypothesis of no differences in voters' partisanship in the marginal effects of this variable within the interaction. Additionally, the null can be rejected of no differences in voters' economic perceptions within the interaction.

Table 7.5: Probit Model: Conditional Effects of the Interactive Relationship between Voters' Partisanship and Voters' Economic Perceptions in Explaining Incumbent Vote Choice (Cross-Sectional Data)

Conditional Effects of Partisanship on Economic-Minded Partisans

Partisan Levels	Marginal Effects	Variance of Effects	Standard Error	T-Test	Two-Tailed Sig. Level	Low	High
SP Other=1	0.00	0.00	0.000	16.739	0.000	0.002	0.002
WP Other=2	0.02	0.00	0.001	11.524	0.000	0.013	0.018
LP Other=3	0.07	0.00	0.008	9.028	0.000	0.055	0.085
Inde=4	0.17	0.00	0.022	7.574	0.000	0.123	0.209
LP Inc.=5	0.23	0.00	0.034	6.626	0.000	0.160	0.295
WP Inc=6	0.23	0.00	0.039	5.959	0.000	0.158	0.312
SP Inc=7	0.17	0.00	0.032	5.463	0.000	0.111	0.236

Conditional Effects ofEconomic Perceptions on Economic-Minded Partisans

Economic Perceptions	Marginal Effects	Variance of Effects	Standard Error	T-Test	Two-Tailed Sig. Level	Low	High
Worse=0	0.06	0.00	0.016	4.040	0.000	0.033	0.096
Stayed the Same or Better=1	0.11	0.00	0.030	3.741	0.000	0.054	0.173

The results differ from the American case in that positive economic perceptions result in an increase in the conditional effects of leaning partisans, independents, and weak incumbent partisan supporters. For American voters, the interactive effects were less for strong partisans.

The peak of the conditional effects of partisanship within the interaction is most

prevalent among leaning partisans and weak partisans who support the incumbent party as well as among independent voters. The effects dampen when moving towards strong partisans at either end of the political spectrum. Yet the effects do increase when moving from strong partisans who support the opposition party towards strong partisans who support the incumbent party. This suggests that among British voters, the effects of the interaction indicate that Britons are substantially more likely to engage in economic voting when compared to a cross-section of American voters.

In terms of economic perceptions, the estimates find the conditional effects highest among voters who have positive economic evaluations. Again, these results suggest that positive economic assessments are likely to increase the importance of partisanship in estimating economic voting behavior particularly among less committed partisans, when compared to other partisans. For committed partisans, the interactive effects of a good economy does not necessarily increase the likelihood of these voters either voting for or against the incumbent party. The reason for this is that these voters are already likely committed in the current position and as a result, the effects of their economic perceptions confirm their existing positions.

This occurs because the effect of each variable on incumbent vote choice results in the two variables undermining each other in the probability of voting for the incumbent based on economic perceptions. This occurs because both variables detriment the likelihood of voting for the incumbent. This results in either voters' economic perceptions or their partisanship having less of an effect on causing the other variable to rise or fall, when the other is higher or lower. These behaviors among voters complicate the economic voting process. The degree to which one is likely to vote based on economic perceptions is either

diminished or heightened based on one's level of partisanship. If one's partisanship is strong, then economic perceptions are not as influential in vote choice. If one's economic evaluations are negative, one's partisanship is not as important in influencing voting decisions. Thereby, voters' economic perceptions and voters' partisanship tend to have less of an effect on vote choice when one of these two factors already influences individual voters to lean far towards or away from supporting the incumbent. These results are similar to what was estimated with the American case.

To further explore the interaction, Table 7.5a provides a summary of the probability of voting for the incumbent based on positive and negative economic evaluations. Table 7.5a estimates the differences in the probability of voting for the incumbent party when voters feel the economy had "stayed the same or was better" from voters who felt the economy had gotten "worse." In this analysis voters' partisanship serves as a reference category to assess differences in the probability of voting for the incumbent party based on positive and negative economic perceptions. The findings indicate significant difference in the likelihood of voting for the incumbent party based on positive or negative economic perceptions among all levels of voters' partisanship.

Table 7.5a: Difference in Probability of Voting for Incumbent Party (Economy has gotten "Stayed the Same or Better" from Economy has gotten "Worse")

Partisanship	Stayed the Same or Better	St. Err.	Worse	St. Err.	(Stayed the Same or Better-Worse)	X^2	Sig.
SP Other	0%	0.00	0%	0.00	0%	27.7	0.00
WP Other	1%	0.00	0%	0.00	1%	10.4	0.00
LP Other	7%	0.01	2%	0.01	6%	60.0	0.00
INDE	24%	0.02	8%	0.00	17%	28.3	0.00
LP Inc	52%	0.03	23%	0.03	29%	55.0	0.00
WP Inc	78%	0.04	48%	0.04	31%	18.1	0.00
SP Inc	94%	0.03	73%	0.04	20%	5.3	0.02

The results confirm the trend that incumbent partisan supporters and independent voters are more likely to engage in economic voting when compared to opposition party supporters voters. This occurs because these voters are the most susceptible to economic perceptions influencing their vote choice. In short, the difference between positive and negative economic perceptions among these voters cause their voting decisions to be more likely to be influenced by changes in the economy.

These results suggest the economic vote does not work as efficiently within the British system as would be expected. This is due to the confirmation that British voters' economic perceptions are conditioned their partisanship as part of the economic voting process. This is because partisanship serves as a vehicle in which British voters can channel their frustration with the current state of the economy and incumbent government. The estimates suggest that uncertainty levels are amplified among weak partisans who support the incumbent party, leaning partisans who support the incumbent party, and independent and other party supporters as a result of economic perceptions.

Assessing the Multivariate Models: Panel Samples

For the BES panel data, I have estimated the model using a two-stage probit technique. The reason for using this technique is that it reduces bias estimators typical of correlated error terms commonly found in panel samples. As was the case using the ANES data, I have corrected for this problem by constructing partisanship as an instrumental variable to ensure exogeneity within the model (Finkel 1995; Kmenta 1997; Lewis-Beck, Nadeau, and Elias 2008). This will allow me to test the interactions within the model on the

panel samples while at the same time reduces the likelihood of muliticollinearity.

Table 7.6 provides a summary of the model's coefficients for the two-stage probit techniques for the BES panel data. It also provides first-stage estimates for constructing partisanship as an instrumental variable. From the panel data, I ran two estimations: the first was conducted using voters' current partisanship. The second analysis used voters' prior partisanship$_{t-1}$. Hierarchical tests of interactions of both tests find that the interaction models are significantly different from zero.

The estimates from the two-stage probit model indicate similar trends to the BES cross-sectional results. Moreover, the two-stage estimates find the interaction remains statistically significant and the coefficient signs do not vary across samples. More specifically, the interaction variable is significant and confirms the results found in the cross-sectional samples for the two-stage models.

Table 7.6: Two-Stage Probit Estimates (Panel-Sectional Data)						
	Two-Stage Probit			Two-Stage Probit		
Variables	**Coef.**	**St. Err.**	**t**	**Coef.**	**St. Err.**	**t**
Partisanship	0.49	0.01	47.88			
Prior Partisanship				-0.12	0.01	-8.4
Economic-Minded Partisans (Current)	0.05	0.02	2.58			
Economic-Minded Partisans (Prior)				0.09	0.02	4.2
Sociotropic Retrospective	0.24	0.08	2.94	0.56	0.03	20.6
Constant	-3.09	0.06	-47.68	-0.85	0.02	-44.2

Overall Model Fit		
Chi-Square	4955.92	3237.23
Psuedo-R	0.41	0.19
Classification Correctly	84.00%	79.4%
N	15,713	14,646

Hierarchical Model Test of Interactions		
X2 With Interactions	4,956	3,237
X2 Without Interactions	4,942	3,219
X2 Difference	14	18.48
Difference in d.f.	1	1.00
Significance level	0.0	0.00

Control Variables used for Partisanship Instrument:						
Variables	**Coef.**	**Std. Err.**	**t**	**Coef.**	**Std. Err.**	**t**
Candidate Assessments	-0.61	0.01	-41.49	0.16	0.01	12.34
Previous Incumbent Vote	1.73	0.02	77.13	-0.07	0.02	-3.83
Political Interest	0.12	0.04	2.70	0.12	0.03	4.08
Constant	3.39	0.03	123.69	0.00	0.02	0.21

Table 7.7 summarizes the marginal effects of the two-stage probit analysis on the BES panel data. The estimates point to similarities both with the cross-sectional analysis, as well as with the results yielded from the ANES data. Overall the estimates indicate the two variables in the interaction detriment each other in explaining incumbent vote choice. So what occurs is the moderated relationship between voters' economic perceptions and voters' partisanship result in increases in the former leading to decreases in the latter when estimating the dependent variable. This results in each variable having less effect when the

other already tips individual voters towards or away from voting for the incumbent. The finding suggests there is a limit in voters' partisanship in explaining vote choice, and as a result, economic perceptions can only influence these voters in whether to vote for the incumbent so long as it does not conflict with voters' existing partisan disposition. For example, if a British voter feels the economy has gotten worse, and if this same voter strongly supports the incumbent party, then the propensity that this individual will vote for the incumbent party diminishes. For voters situated at either end of the political spectrum, economic forces tend to not influence their voting decisions to the same extent that the economy effects the voting decisions of leaning partisans and independent voters. In fact, the peak of the marginal effects within the interaction are among independent and leaning partisans who support the incumbent party when compared to all other voters. The finding indicates that the interaction effects of partisanship increase as a result of changes in these voters' economic perceptions. Thus, positive economic perceptions result in increases in partisan differences increasing among these voters. Among partisans who do not support the incumbent party, the interactive effects tend to not determine the likelihood of voting for or against the incumbent party. This does suggest that voters' economic perceptions appears to confirm existing beliefs among partisans when estimating vote choice.

Furthermore, similar trends do persist from the estimates generated from the American panel sample when compared to the British panel sample. The marginal effects of voters' partisanship interaction effects for American partisans dampen at each end of the political spectrum. While there is an increase in the conditional effects of the interaction when moving from opposition partisan supporters to incumbent partisan supporters. The peak among Britons, Americans within the panel sample, occurs among leaning partisans

who support the incumbent party. From the peak the effects begin to trend downward when moving towards strong partisans who support the incumbent party.

Table 7.7: Two-Stage Probit Model: Conditional Effects of the Interactive Relationship between Voters' Partisanship and Voters' Economic Perceptions in Explaining Incumbent Vote Choice (Panel Data)

Conditional Effects of Partisanship on Economic-Minded Partisans

Partisan Levels	Marginal Effects	Variance of Effects	Standard Error	T-Test	Two-Tailed Sig. Level	Low	High
SP Other=1	0.00	0.00	0.000	56.859	0.000	0.001	0.001
WP Other=2	0.01	0.00	0.000	25.494	0.000	0.010	0.012
LP Other=3	0.07	0.00	0.004	16.252	0.000	0.061	0.078
Inde=4	0.19	0.00	0.016	12.180	0.000	0.162	0.224
LP Inc.=5	0.26	0.00	0.026	9.913	0.000	0.208	0.310
WP Inc=6	0.24	0.00	0.029	8.473	0.000	0.186	0.298
SP Inc=7	0.12	0.00	0.017	7.478	0.000	0.092	0.157

Conditional Effects ofEconomic Perceptions on Economic-Minded Partisans

Economic Perceptions	Marginal Effects	Variance of Effects	Standard Error	T-Test	Two-Tailed Sig. Level	Low	High
Worse=0	0.04	0.00	0.015	2.642	0.008	0.010	0.070
Stayed the Same or Better=1	0.06	0.00	0.020	3.091	0.002	0.022	0.099

What's more, the marginal effects, independent voters and leaning partisans tend to be more susceptible to economic voting behavior when compared to all other voters included in the sample. To further assess this relationship, I have conducted an analysis of the probability of partisan voters voting for the incumbent party based on whether voters felt the economy had gotten "stayed the same or better" or "worse" over the past year. These results are summarized in Table 7.7a.

Table 7.7a: Difference in Probability of Voting for Incumbent Party (Economy has gotten "Stayed the Same or Better" from Economy has gotten "Worse")

Partisanship	Stayed the Same or Better	St. Err.	Worse	St. Err.	(Stayed the Same or Better-Worse)	X^2	Sig.
SP Other	0%	0.00	0%	0.00	0%	0.0	1.00
WP Other	0%	0.00	0%	0.00	0%	1.6	0.21
LP Other	11%	0.01	5%	0.01	6%	13.6	0.00
INDE	25%	0.02	18%	0.00	7%	76.4	0.00
LP Inc	44%	0.03	27%	0.03	17%	108.0	0.00
WP Inc	92%	0.04	76%	0.04	16%	58.4	0.00
SP Inc	99%	0.03	95%	0.04	4%	26.9	0.00

From the results listed in Table 7.7a, the findings are similar to the cross-sectional estimates. Again leaning partisans and independent voters have the largest differences in whether they will vote for the incumbent party based on changes in these voters' economic perceptions. These results confirm earlier findings in both the ANES and BES estimations that leaning partisans and independent voters are likely to have a larger swing in their propensity to vote for the incumbent candidate based on differences in positive and negative economic perceptions from all other voters.

Prior Partisanship and Current Economic Perceptions

One benefit of analyzing panel data is that British voters' previous assessments can be factored into their current assessments and decisions. To test this proposition, Table 7.6 provides a separate two-stage analysis which treats lagged partisanship as an endogenous instrument. The importance of analyzing prior partisanship into the model is that provides a reference point for voters when making their current economic assessments and voting decisions.

Overall, the model specifies incumbent vote choice controlling for voters' prior partisanship, voters' current economic perceptions, and an interaction variable that is the cross-product of the two variables. All of the variables included in this estimation are statistically significant. The sign of the parameter of voters' partisanship, however, differs from its initial estimates in the current partisanship panel and cross-sectional models. This proposes that voters' previous partisan beliefs are factored into their current vote choice but those voters who were more negative, and less partisan, are more likely to carry these assessments with them forward in making their current vote choice. These results indicate that voters' current partisanship and economic assessments on incumbent vote choice appear to be not only based on prior knowledge but also by current updates and adjustments made by voters when making their vote choice.

Table 7.8 provides a summary of the marginal effects within the model's interaction for voters' prior partisanship and voters' current economic perceptions when estimating vote choice. The estimates indicate that all levels of voters' partisanship achieve statistical significance. While substantially the marginal effects do not deviate too far from zero. These effects tend to increase by partisan level. As you move from opposition partisans to incumbent partisans the effects increase as a result of voters' current positive economic perceptions. This suggests that variation with voters' prior partisanship is affected by current economic perceptions. What this means is the current updates of voters' economic perceptions are marginally influenced by voters' prior partisanship. Thus, prior partisanship combined with voters' current partisanship helps explain why voters tend to engage in economic voting only to the extent that the economy affects voters' partisan preferences.

Table 7.8: Two-Stage Probit Model: Conditional Effects of the Interactive Relationship between Voters' Partisanship and Voters' Economic Perceptions in Explaining Incumbent Vote Choice (Panel Data Prior Partisanship)

Conditional Effects of Partisanship on Economic-Minded Partisans

Prior Partisan Levels	Marginal Effects	Variance of Effects	Standard Error	T-Test	Two-Tailed Sig. Level	Low	High
SP Other=1	-0.05	0.00	0.008	-6.353	0.000	-0.068	-0.036
WP Other=2	-0.07	0.00	0.013	-5.599	0.000	-0.098	-0.047
LP Other=3	-0.05	0.00	0.008	-6.398	0.000	-0.066	-0.035
Inde=4	-0.03	0.00	0.003	-8.377	0.000	-0.035	-0.022
LP Inc.=5	-0.01	0.00	0.004	-1.989	0.047	-0.015	0.000
WP Inc=6	0.01	0.00	0.008	1.676	0.094	-0.002	0.029
SP Inc=7	0.03	0.00	0.013	2.665	0.008	0.009	0.058

Conditional Effects ofEconomic Perceptions on Economic-Minded Partisans

Economic Perceptions	Marginal Effects	Variance of Effects	Standard Error	T-Test	Two-Tailed Sig. Level	Low	High
Worse=0	0.11	0.00	0.005	20.613	0.000	0.102	0.123
Stayed the Same or Better=1	0.15	0.00	0.009	18.024	0.000	0.138	0.171

Diagnostic Tests

Diagnostic tests were performed to test for omitted variables bias and collinearity. The first test for omitted variable bias was conducted using a Hausman test. This test assesses whether specific independent variables should be omitted from the model. The results of this analysis are provided in table 7.9a. Overall model's variables demonstrate consistency in their estimators resulting in low probability of systematic error occurring with the variables included in the model. The model demonstrates low levels of correlation between the parameters included in the model and the error term.

Table 7.9a: Hausman Test: Logistic Models (Cross-Sectional Data)

	(b)	(B)	(b-B)	sqrt(diag(V_b-V_B))	
Variables	logit_for1	logit_for2	Difference	S.E.	Hausman Test
Partisanship	1.65	1.36	0.29	0.05	1.69
Pocketbook Retrospective Assessments	0.04	0.04	0.00	.	
Previous Vote for Incumbent	1.14	1.15	0.00	0.00	0.00
Sociotropic Retrospective	0.44	0.30	0.14	0.02	0.84
Political Interest	0.45	0.43	0.02	0.01	0.05
Candidate Assessments	0.92	0.90	0.02	0.00	0.10
Sociotropic Prospective	-0.03	-0.03	0.00	0.00	0.00

b = consistent under Ho and Ha; obtained from logit B = inconsistent under Ha, efficient under Ho; obtained from logit Test: Ho: difference in coefficients not systematic chi2(14) = (b-B)'[(V_b-V_B)^(-1)](b-B) =33.61 Prob>chi2 = 0.0023

A Hausman test has also been conducted on the panel data. The findings from this test can be found in Table 7.9b. Voters' prior and current partisanship exhibits a tendency not to be consistent or stable in the model. This suggests some systematic error between this model's estimates when comparing it to the limited model. However, the differences between the models are not large enough to warrant correction from its initial specification.

Table 7.9b: Hausman Test: Logistic Models (Panel Data)

	(b)	(B)	(b-B)	sqrt(diag(V_b-V_B))	
Variables	logit_for1	logit_for2	Difference	S.E.	Hausman Test
Partisanship	1.18	0.64	0.54	0.05	6.15
Prior Partisanship	0.12	-0.32	0.44	0.05	3.97
Pocketbook Retrospective Assessments	0.22	0.23	-0.01	0.00	0.03
Previous Vote for Incumbent	2.04	2.03	0.02	0.00	0.08
Sociotropic Retrospective	0.36	0.20	0.16	0.01	1.78
Political Interest	-0.51	-0.58	0.06	0.00	
Candidate Assessments	-0.76	-0.82	0.06	0.00	3.19
Sociotropic Prospective	-0.24	-0.23	-0.01	0.00	0.06

b = consistent under Ho and Ha; obtained from logit B = inconsistent under Ha, efficient under Ho; obtained from logit Test: Ho: difference in coefficients not systematic chi2(15) =

(b-B)'[(V_b-V_B)^(-1)](b-B)=597.04

Additionally, I have conducted a test for omitted variables by using a Ramsey test. The results from the Ramsey test for both the cross-sectional and panel data studies indicated that I can reject the null hypothesis that the model has omitted variables:

Cross-sectional Model:
Ho: model has omitted variables
F(3, 19902) = 1039.43 Prob > F = 0.00

Panel Model:
Ho: model has omitted variables
F(3, 18314) = 578.89 Prob > F = 0.00

Table 7.10 provides a summary of the VIF tests for the variables included in the model for the cross-sectional and panel data.

Table 7.10: Variance Inflation Factors (VIF): Cross-Sectional and Panel Data

	Cross-Sectional		Panel	
Variables	VIF	1/VIF	VIF	1/VIF
Partisanship	6.01	0.17	5.72	0.17
Pocketbook Retrospective Assessments	1.31	0.76	1.09	0.91
Previous Vote for Incumbent	1.52	0.66	1.63	0.62
Sociotropic Retrospective	1.23	0.81	1.25	0.80
Economic-Minded Partisans	5.92	0.17	5.56	0.18
Home Owner	1.15	0.87	1.25	0.80
Education	1.14	0.88	1.03	0.97
Income	1.24	0.80	1.02	0.98
Gender	1.06	0.94	1.07	0.94
Working Class	1.03	0.97	1.05	0.95
Political Interest	1.26	0.79	1.13	0.88
Candidate Assessments	1.11	0.90	1.14	0.88
Sociotropic Prospective	1.07	0.94	1.16	0.86
South	1.03	0.97	1.05	0.96
Married	1.14	0.88	1.16	0.86

Overall, the variable for voters' partisanship (Z) and the interaction variable (XZ) have high VIF estimates that result in some collinearity. To correct for this problem, I have

centered both X and Z by taking their deviation scores from their respective mean values and then created the product term variable from these transformed variable.[55]

Discussion

Overall, the findings for the British case replicate the findings from the American case. That is, a moderated relationship between voters' economic perceptions and their partisanship persists in explaining vote choice, after controlling for all other variables in the model. The model's parameters for the British case suggest the conditional effects of this relationship result in voters placing more weight on their economic perceptions when they perceive the economy to be performing poorly, and less weight on their economic perceptions when they perceive the economy is good. However, the difference between the British and American cases regarding a poor economy is that Britons tend to use their partisanship as a means to hold the incumbent government accountable more so than in America. Thus, the economic vote is more robust in the British case than in the American case but the interaction of partisanship with voters' economic perceptions works in a slightly different fashion in each nation. Nonetheless, partisan differences remain between British voters in their economic perceptions and how these perceptions influence their vote choice.

The economic vote in Britain tends to cause independent voters, leaning partisans and weak partisans of the incumbent party to be more susceptible to decreases in their partisan intensity, which can either lead to these voters changing their vote choice from the incumbent to an opposition candidate because of a poor economy or not voting at all.

[55] The recommendation for centering the variables to reduce multicollinearity comes from Cronbach (1987) and Jaccard, Turrisi, and Wan (1990). For benefits and limits of this technique, please refer to Franzesze and Tan (2007).

Furthermore, strong partisans remain fixed in their voting decisions resulting in their economic perceptions having a diminished role in explaining their vote choice. These voters tend to closely follow their own partisan dispositions.

Economic voting in the UK is not only driven by economic perceptions but also by partisan differences among the British electorate. Namely partisan differences are driven by two factors that coincide with each other: First, the intensity of voters who support the major opposition party is well defined and results in these voters being motivated to punish the incumbent government for a poor economy. Second, a poor economy leads to a decrease in partisan intensity among supporters of the incumbent party. This results in these voters being less motivated to defend an unpopular incumbent government because of an economic downturn and to help their party stay in power. In either instance, such behavior among British voters causes electoral change to occur as a result of changes in the British economy.

A good economy is also perceived differently in Britain than is the case in America. That is, partisan differences are not as robust in Britain when voters equally perceive a good economy. This is likely a result of systemic differences between nations because of the importance of political parties in parliament. Partisan differences in the UK are not as pronounced during a good economy because voters who support the incumbent party may not necessarily see that party as their first choice in representing their interests. These voters may support smaller parties, i.e. Liberal Democrats or Scottish National Party, and see voting for the incumbent party as merely voting for the lesser of two evils. This results in a good economy not stressing partisan interests, as is the case in America, but rather cause incumbent supporters to begin to consider other party options that best fit their own ideology and/or policy preferences. What this supposes is that intensity levels among voters

particularly for the incumbent party—i.e. weak and leaning partisans—causes voters only to hold their party line during a good economy because they feel the electoral prospects of the incumbent party remaining in power outweigh the benefits of having the major opposition party take power.

Appendix

Evaluating the 2-Stage Probit Model

To assess whether partisanship is endogenous to both voters' economic perceptions as well as with all other variables included in the model, I have conducted a two-stage probit model treating partisanship as an instrumental variable. The results of the two-stage probit model are summarized in Table 7.11. Marginal effects from the two-stage model are reported in Table 7.12 and changes in the probability of voting for the incumbent based on these results are reported in Table 7.12a. Overall results indicate similar trends and findings as compared to the probit model.

Table 7.11: Two-Stage Probit Estimates (Cross-Sectional Data)

	Two-Stage Probit		
Variables	**Coef.**	**St. Err.**	**t score**
Partisanship	0.624	0.014	45.87
Economic-Minded Partisans	0.035	0.016	2.16
Sociotropic Retrospective	0.358	0.076	4.68
Constant	-3.324	0.062	-53.53

Overall Model Fit	
Chi-Square	9581.13
Psuedo-R	0.33
Classification Correctly	80.90%
N	15,713

Hierarchical Model Test of Interactions	
X2 With Interactions	9,581
X2 Without Interactions	9,579
X2 Difference	66.04
Difference in d.f.	1
Significance level	0

Control Variables used for Partisanship Instrument:			
Variables	**Coef.**	**Std. Err.**	**t score**
Candidate Assessments	1.18	0.02	20.7
Previous Incumbent Vote	1.73	0.02	25.1
Political Interest	0.12	0.04	-1.8
Constant	-0.41	0.03	-14.5

Table 7.12: Two-Stage Probit Model: Conditional Effects of the Interactive Relationship between Voters' Partisanship and Voters' Economic Perceptions in Explaining Incumbent Vote Choice (Cross-Sectional Data)

Conditional Effects of Partisanship on Economic-Minded Partisans

Partisan Levels	Marginal Effects	Variance of Effects	Standard Error	T-Test	Two-Tailed Sig. Level	Low	High
SP Other=1	0.01	0.00	0.001	23.023	0.000	0.012	0.014
WP Other=2	0.05	0.00	0.003	15.588	0.000	0.044	0.056
LP Other=3	0.12	0.00	0.010	12.028	0.000	0.099	0.138
Inde=4	0.17	0.00	0.017	9.953	0.000	0.140	0.208
LP Inc.=5	0.19	0.00	0.022	8.596	0.000	0.148	0.235
WP Inc=6	0.17	0.00	0.023	7.641	0.000	0.129	0.218
SP Inc=7	0.11	0.00	0.015	6.932	0.000	0.077	0.137

Conditional Effects ofEconomic Perceptions on Economic-Minded Partisans

Economic Perceptions	Marginal Effects	Variance of Effects	Standard Error	T-Test	Two-Tailed Sig. Level	Low	High
Worse=0	0.07	0.00	0.016	4.679	0.000	0.043	0.106
Stayed the Same or Better=1	0.09	0.00	0.021	4.266	0.000	0.049	0.133

Table 7.12a: Difference in Probability of Voting for Incumbent Party (Economy has gotten "Much Better" from Economy has gotten "Much Worse")

Partisanship	Stayed the Same or Better	St. Err.	Worse	St. Err.	(Stayed the Same or Better-Worse)	X^2	Sig.
SP Other	1%	0.00	0%	0.00	1%	27.7	0.00
WP Other	5%	0.01	2%	0.00	3%	10.4	0.00
LP Other	12%	0.00	7%	0.00	4%	60.0	0.00
INDE	27%	0.00	17%	0.02	10%	28.3	0.00
LP Inc	49%	0.00	42%	0.01	7%	55.0	0.00
WP Inc	72%	0.01	66%	0.01	5%	18.1	0.00
SP Inc	88%	0.00	85%	0.01	2%	5.3	0.02

British Election Study

a. Partisanship: This variable is a combination of two variables. The first variable is worded as "Generally speaking, do you think of yourself as Conservative, Labour, Liberal, Social Democrat, Greens, UKIP, Other? IF SCOTLAND: Nationalist/IF WALES: Plaid Cymru),r what? This variable is coded as "0. None/No," "1" "Labour," "2" "Conservative," "3" "Liberal Democrat," "4" "SNP," "5" "Plaid Cymru," "7" "Greens," "8" "UKIP," "9" "Other." The second variable is coded by voters' partisan strength. This question is worded "If you are a partisan, would you call yourself:" "1" "weak," "2" "fairly strong," 3 "very strong." All other variables are coded as "0." The variable is coded based on the two major parties, Labour and the Tories. This variable has been coded as follows: "1" "Strong Opposition Partisan Supporter," "2" "Weak Opposition Partisan Supporter," "3" "Leaning Opposition Partisan Supporter," "4" "Independent," "5" "Leaning Incumbent Partisan Supporter," "6" "Weak Incumbent Partisan Supporter," and "7" "Strong Incumbent Partisan Supporter." So if Labour controls the Parliament, the variable codes voters who identify themselves as Labour as incumbent partisan supporters and Conservative identifiers as opposition partisan supporters. If the Conservative Party controls Parliament, then the scale is reversed.

o. Previous Incumbent Party Vote: This variable is generally worded as "Now thinking back to the last General Election, (XXXX), could you say which of the parties you voted for - or perhaps you didn't vote in that election? This variable is coded as "1" "Conservative," "2" "Labour," "3" "Liberal," "4" "Scottish National Party"" "5" "Plald Cymru (Welsh Nationalist)," "6" "Other (SPECIFY)," "7" "Too young to vote," "8" "DK/refused," "9" "Did not vote." This variable has been recoded so that the incumbent party during the current election is coded as "1" and all other values as coded as "0."

p. Personal Retrospective Financial Situation: The theoretical significance of this variable is to use it as a proxy for "pocketbook" economic evaluations within an economic minded partisan's economic outlook. This is a retrospective assessment.
    a. This variable was worded in 1974 and 1979 as: "Generally speaking, are you better off now than a year or two ago?" This variable is coded as "1" "Much better off," "2" "Little better off," "3"Same," ""4" Little worse off," "5" "Lot worse off," "0" "Don't Know or NA." These variables have been recoded so that 4 and 5 are transformed into "1" "Worse," 3 equals 2 "same", and 1 and 2 are recoded into 3 "Better."
    b. In 1979 the following variable was worded as "Looking back over the last year or so, would you say your household's income has…?" "1" "fallen behind prices," "2" "kept up with prices," "3" gone up by more than prices," "8" "Don't know." This variable has been recoded into 1 equals 1 "worse" 2 equals 3 "same," and 3 equals 2 "better." All other variables have been recoded into 0.

c. In 1983 the following variable was worded as "Looking back over the last year or so, would you say your household's income has…?" "1" "fallen behind prices," "2" "kept up with prices," "3" gone up by more than prices," "8" "Don't know." This variable has been recoded into 1 equals 1 "worse" 2 equals 3 "same," and 3 equals 2 "better." All other variables have been recoded into 0.
d. In 1987 this variable was worded as "Compared with British families in general, would you say your household's income has…" The values are coded as: "1" "far below average;" "2" "below average;" "3" average;" "4" "above average;" "5" "or far above average;" "8" "Don't know." This variable has been recoded so that original values of 1 and 2 are collapsed into 1 "worse," 3 equals 2 "same," and 4 and 5 now equal 3 "better." All other values are coded as 0.
e. In 1992 and 1997, this variable is worded as "How do you think the financial situation of your household will change over the next 12 months?" This variable is coded as "1" get a lot better," "2" "get a little better," "3" "stay the same," "4" get a little worse," "5" "get a lot worse," "0" "don't know or NA." The variable has been transformed so 1 and 2 now equal 3 "better;" 3 equals 2 "same;" and 4 and 5 now equal 1 "worse."
f. In 2001 and 2005, this variable is worded as "How does the financial situation of your household now compare with what it was 12 months ago?" This variable is coded as "1" "Got a lot worse," "2" "Got a little worse," "3" Stayed the same," "4" "Got a little better," "5" "Got a lot better," or "0" "don't know of NA." The variable has been transformed so 1 and 2 now equal 3 "better;" 3 equals 2 "same;" and 4 and 5 now equal 1 "worse."
g. All questions within this category will be recoded so that the scale will go from "1" "better," "2" "stayed the same "and "3"worse." Questions asked during 2001 and 2005 will be collapsed into these categories so that responses which indicated "got a little worse" or "got a lot worse" will be recoded as "3;" responses that indicated got a little better," or "got a lot better" will be recoded as "1." In addition, responses which indicated "got stronger" will be coded as "1," responses which stated "got weaker" will be coded as "3" and responses which indicate "stayed the same" will be coded as "2."

q. National Retrospective Evaluation of the Economy: The theoretical significance of this variable is to use it as a proxy for "sociotropic" economic evaluations within an economic minded partisan's economic outlook. This is a retrospective assessment. This variable has had the following changes to its wording and coding:
    a. In 1974, this question was worded as "Looking back over the last six months, would you say the state of Britain's economy has stayed about the same, got better, or got worse?" This variable is coded as "1" "About the same," "2" "Got better," "3" "Got worse," "0" "Don't Know." The

variable has been transformed so 2 now equal 3 “better;” 1 equals 2 “same;” and 3 now equal 1 “worse.”

b. In 1979, this question was worded as “Looking back over the last year or so, would you say that the economy has stayed about the same, got better, or got worse?” This variable is coded as “1” “About the same,” “2” “Got better,” “3” “Got worse,” “0” “Don’t Know.” The variable has been transformed so 2 now equal 3 “better;” 1 equals 2 “same;” and 3 now equal 1 “worse.”
c. This variable was worded in 1983 as: “Now we would like to ask whether you think that what the last Conservative Government did with the economy has made you better off or not. Which of these statements comes closest to what you feel?” This variable is coded as “1” “The last Conservative Government did (a) a lot to make me better off,” “2” “a little to make me better off,” “3” “nothing to make me better or worse off,” “4” “a little to make me worse off,” “5” “ a lot to make me worse off,” or “0” “don't know.” This variable has been recoded so that 1 and 2 equal “3” “better;” 3 equals 2 “same;” and 4 and 5 equal 1 “worse.”
d. This variable was worded in 1987 as “Since June ‘83 general election, increased/fallen: prices?” Values for this question are: “1” “Increased a lot,” “2” “Increased a little,” “3” “Stayed the same,” “”4” “Fallen a little,” “5” “Fallen a lot ,” “8” “Don’t know,” “9” “Not answered.” The values of 1 and 2 have been recoded into 1 which equals “worse;” The value of 3 equals 2 “same;” The values of 4 and 5 have been recoded into 3 “better.” All other values are coded as 0.
e. In 1992, this question was worded as “Looking back over the past year or so, would you say the economy in Britain has...” The variable is coded as “1” “got stronger,” “2” “got weaker,” “3” “stayed the same,” and “8” for “no response.” The variable has been recoded so 1 equals 3 “better;” 3 equals 2 “same,” 2 equals 1 “worse,” and all other values equal 0.
f. For 1997, this question was worded as “Would you say that over the past twelve months, the state of the economy in Britain has…” The variable is coded as “1”got much better,” “2” “got somewhat better,” “3” “stayed the same,” “4” “got somewhat worse,” or “5” “got a lot worse.” The variable has been recoded so 1 and 2 equals 3 “better;” 3 equals 2 “same,” 4 and 5 equal 1 “worse,” and all other values equal 0.
g. This variable during the 2001 and 2005 elections was worded as “ How do you think the general economic situation in this country has changed over the last 12 months? Has it...” The variable is coded as “1” “Got a lot worse,” “2” “Got a little worse,” “3” “Stayed the same,” “4” “Got a little better,” “5” “Got a lot better.” Zero was given to the following responses: “Refused,” “Don't know;” or “NA.” The variable has been recoded so 1 and 2 equals 1“worse;” 3 equals 2 “same,” 4 and 5 equal 3 “better,” and all other values equal 0.
h. All questions within this category will be recoded so that the scale will go from “1” “better,” “2” “stayed the same ”and “3”worse.” Questions asked during 2001 and 2005 will be collapsed into these categories so that

responses which indicated "got a little worse" or "got a lot worse" will be recoded as "3;" responses that indicated got a little better," or "got a lot better" will be recoded as "1." In addition, responses which indicated "got stronger" will be coded as "1," responses which stated "got weaker" will be coded as "3" and responses which indicate "stayed the same" will be coded as "2."

r. National Prospective Evaluation of the Economy: The theoretical significance of this variable is to use it as a proxy for "sociotropic" economic evaluations within an economic minded partisan's economic outlook. This is a prospective assessment. This variable has had the following changes to its wording and coding:

i. In 1974 and 1979 this variable was worded as: "What do you think will be the state of the British economy will be in the next few years—will it stay the same, get better or get worse?" This variable is coded as "1" "same," 2" " get worse," "3" "get better," "or 0 "don't know." The variable has been recoded so 2 equals 1"worse;" 1 equals 2 "same," 3 equals 3 "better," and all other values equal 0.

j. In 1983 and 1987, this variable will not be used. Questions regarding socio-prospective economic evaluations deviated from the traditional form of wording that was used prior to these elections and than resumed being asked after these elections.

k. In 1992, this variable was worded as "And what about economy over the next year or *so.* Do you think that Britain's economy will..." This variable is coded as "1" "get stronger," "2" "get weaker," "3" "stay about the same," 0 "don't know or NA." This variable is recoded so 1 equals 3 "better," 3 equals 2 "same," and 2 equals 1 "worse." All other values are recoded to 0.

l. In 1997 this variable was worded as "And how do you think the general economic situation in Britain will develop over the **next** 12 months? Will it ..." This variable is coded as "1" "get a lot better," "2" "get a little better," "3" "stay the same," "4" get a little worse," "5" "get a lot worse," or "0" "don't know or NA." The variable has been recoded so 1 and 2 equal 3 "better," 3 equals 2 "same," and 4 and 5 equal 1 "worse." All other values equal 0.

m. In 2001 and 2005, this variable was worded as "How do you think the general economic situation in this country will develop over the next 12 months? Will it ..." This variable is coded as "1" "get a lot worse," "2" "get a little worse," "3" "stay the same," "4" "get a little better," "5" "get a lot better," or "0" "don't know or NA." This variable has been recoded so 1 and 2 equal 1 "worse," 3 equals 2 "same," and 4 and 5 equal "3 better." All other values equal 0.

s. Assessment of the Prime Minister: This variable measures voters' likes and dislikes with the incumbent Prime Minister prior to an election.

n. In February 1974 this variable is worded as using a scale that runs from 0 to 10, where 0 means strongly dislike and 10 means strongly like, how do you feel about Edward Heath."
o. In October 1974 this variable is worded as "Using a scale that runs from 0 to 10, where 0 means strongly dislike and 10 means strongly like, how do you feel about Harold Wilson."
p. In 1979, this variable is worded as "Using a scale that runs from 0 to 10, where 0 means strongly dislike and 10 means strongly like, how do you feel about James Callaghan."
q. In 1992 and 1997, this variable is worded as "Using a scale that runs from 0 to 10, where 0 means strongly dislike and 10 means strongly like, how do you feel about John Major."
r. In 2001 and 2005, this variable is worded as "Using a scale that runs from 0 to 10, where 0 means strongly dislike and 10 means strongly like, how do you feel about Tony Blair."

t. BES Economic-minded Partisanship: An interaction variable measuring voters' strength of partisanship by sociotropic retrospective evaluations of the Economy.

Dependent Variable:

u. Vote choice for incumbent government: This variable is the vote choice for the incumbent party during a parliamentary election. It is coded as "1" for those who voted for the incumbent party and "0" for those who did not vote for the incumbent party.

Please note that missing values have been removed from the analysis. For questions that had scores of 8 or 9—"don't know", "NA", or "no response"—were recoded to zero or removed from the analysis.

Chapter 8: Conclusion

Introduction

Economic voting research broadly defines an electoral process by which voters either reward or punish incumbents based upon perceived economic conditions. There are however, varied explanations within the literature on how the economy causes voters to reward or punish incumbents at the individual level. My research adds to this framework by testing the theoretical framework of the Economic-Minded Partisan Model. The model theorizes that the economic voting process is influenced by an interactive relationship between voters' partisanship and their economic perceptions. By examining the interactive relationship between these two variables, one can see a dynamic process between these two factors that adds to what we currently know about individual level voting behavior when it is based on economic conditions.

This concluding chapter will focus on three questions that provide an in-depth discussion of the model's results. The first question addresses how the model adds a more nuanced definition of economic voting behavior to the existing literature. The second question is a discussion of the model's implications on the electoral prospects of incumbent governments in both countries based on voters' economic perceptions. Lastly, the chapter will ask how does the model further our understanding of economic voting.

I. How does the model add a more nuanced definition of economic voting behavior to the existing literature?

The model adds to the reward and punish framework by specifying that vote choice, when it is based on economic perceptions, is moderated by partisanship. The

reason for this is because when voters are asked to make a political choice, for either the incumbent party or the major opposition party based on the economy, voters do not always separate their political preferences from their economic evaluations. Rather than voters simply acting in the manner that the reward and punish hypothesis suggests where major swings from one party to the other are based on economic conditions, the Economic-Minded Partisan model finds that economic voting is more prevalent when voters perceive the economy as weak. This is because the level of responsibility voters attribute to the incumbent government for economic conditions is not uniformly applied by all voters.

The degree to which voters feel the economy is better, worse, or stayed the same when making their vote choice causes voters to place more or less importance on their current partisanship when making their vote choice. Voters then change or reaffirm their existing partisan preferences, either marginally or dramatically, as a function of their current perceptions of economic performance.

While economic perceptions impact voting, they also influence partisan effects on voting. Partisan effects wax and wane as a function of voters' economic perceptions in voting decisions. Economic voting, therefore, is a function of how much voters negative economic evaluations cause voters, at various levels of partisan strength, to make their vote choice based on perceptions of economic conditions. The interactive relationship between these two variables helps explain why voters behave in this manner when vote choice is based on economic conditions.

For many voters, competent management of the economy is expected from government. Once this condition of a good economy is met, then voters expect that other

demands be met by incumbent politicians that best conform to voters' preferences. Since voters expect more from incumbents than just a good economy, they act like a demanding boss. Voters acting as a demanding boss are not homogeneous and place conflicting demands and pressures on incumbents. Anyone who has worked in this type of situation knows this is a no-win situation.

The first type of demanding boss is defined as someone who supports the major opposition party. These voters are unwilling to support the incumbent government no matter well the economy is performing. For these voters, the incumbent party does not have the qualifications to successfully perform the duties of the job. The goal of these voters is to remove the incumbent government through electoral means. Punishment of the incumbent party comes easy to these voters because they do not need to be persuaded to blame the incumbent government even in a good economy. These voters are most likely to punish incumbents for a weak economy and least likely to reward incumbents for a good economy.

The second type of demanding boss is a weak and leaning partisan who supports the incumbent government. Like other voters, these weak partisans place multiple demands on the incumbent government but feel the incumbent government is qualified for the job. This group of voters is not fixated on removing the incumbent government from power. The commitment to rewarding or punishing incumbents for these partisans is based on how well their economic demands are met. If the nation is experiencing a poor economy, then it is very likely these voters will punish the incumbent government for this outcome. The reason for this is because the incumbent government has not met its part of the bargain of fulfilling its core duty of good economic stewardship. For these

voters, the way to resolve the problem is to hire someone else who can successfully fulfill the duties and expectations of the job. The difference between these voters and strong opposition party supporters is that these voters will likely support the incumbent party up until the point they feel the economy is performing poorly.

The third type of voter is the strong partisan who supports the incumbent party. These voters feel the incumbent government is the most qualified for the job and will defend their job performance even when the economy is performing poorly. Though the level of intensity wanes among these voters in support of the incumbent during a poor economy, they are still more than likely to vote for their party's candidates. These voters are very resistant to removing the incumbent from the job and will seek to place blame on the opposition, or on other factors, as the main reason for the poor economy. These voters are most likely to reward incumbents because all of their other partisan demands are being met.

The last type of voter is the independent voter. Of particular importance for understanding the behavior of these voters is that they are least likely to have strong preferences connected to the incumbent government or the major opposition party. These voters punish incumbents for a poor economy and seek an alternative party who can solve this problem. Independents are more than likely to take an approach to resolving the problem of a poor economy by outsourcing the solution to the opposition party, or third party, as a result of not meeting their initial demands and expectations. While if the economy is performing well, this group of voters is more likely to reward incumbents for a strong economy.

II. What are the model's implications on the electoral prospects of incumbent governments in both countries based on voters' economic perceptions?

The results from the Economic Minded Partisan model indicate that British and American voters' economic perceptions are moderated by their partisanship when making voting decisions, especially when the economy is viewed as strong. And though the analysis finds overall similarities between systems, there are specific differences in voting behavior between the American and British voter. The most significant cross-national difference is the role of partisanship when it is conditioned by voters' economic perceptions in voters' voting decisions. For British voters, a poor economy results in their primary focus being on economic conditions and their partisanship serves as a tool by which they can punish the incumbent party. Under similar poor economic conditions, American voters also focus on the economy but the intensity of voters' partisanship falls among incumbent supporters and rises among opposition supporters. This results in the latter group of voters punishing the incumbent party more. The implications for incumbent governments are that depending upon the state of the economy; incumbents should not only ensure effective economic management but also make sure that at a minimum they effectively meet the demands of their party supporters.

More specifically the implications for the electoral prospects of incumbents are based upon the conditional relationship of voters' economic perceptions and their partisanship. The model's application to American and British voters finds the interaction's parameter maintained statistical significance and had negative direct effects when controlling for all other variables in the model. The sign of the parameter suggests

that negative economic evaluations persist in their ability to influence vote choice and these effects are felt differently across all partisan levels included in the model. Thus, the electoral effects of economic conditions are bound by voters' economic evaluations and voters' partisan preferences.

Differences in voters' economic perceptions about whether the economy was better, worse, or the same are significant and help explain what we know about the likelihood voters will vote for the incumbent. These findings are defined in Tables 6.4 and 7.3. In the American case, differences in the likelihood that voters would vote for the incumbent party's candidate were most pronounced when voters saw the economy as getting better over the past year. This suggests two explanations. First, likely differences manifest themselves as a function of other competing demands among voters of the incumbent government. As stated previously, once voters perceive a good economy they are likely to place further demands on incumbent government. Second, since the economy is performing well, partisans at both ends of the political spectrum will focus on other issues besides the economy.

Specific to the British case, partisan effects among voters, who felt the economy had gotten better, are slightly more pronounced than among American voters. This suggests that with a good economy, British voters who support either the incumbent party, or the major opposition party, are likely to look for specific differences in the ability of the incumbent government to manage the economy. In fact, when comparing differences in the likelihood of voting for the incumbent government when voters perceive the economy has gotten better over the past year, British voters who support the major opposition party are less likely to vote for the incumbent party than their American

counterparts. This suggests that though ideological differences are present among British voters, these differences are not as likely to be increased by a good economy as would be the case among American voters.

Further, when a majority of respondents thought the economy was getting worse, partisan differences in the likelihood of voting for the incumbent party decrease. Though major opposition supporters are still not likely to vote for the incumbent government, the major differences between them and incumbent partisan supporters begin to converge. The reason for this is based on the likelihood that incumbent partisan supporters are likely to share some of the blame for a poor economy and part of the credit for a good economy.

A poor economy results in an increase in a deepening economic uncertainty among voters. This suggests that voters' negative economic perceptions result in a rejection of the incumbent party; when comparing changes in economic perceptions from "Better" to "Worse" the likelihood of voting for the incumbent party decreased among all partisans. The reduction in differences in partisan effects results in voters focusing more on the economy during a poor economy. Economic pessimism therefore, forces all voters to worry about the overall economic welfare of the nation causing voters to focus on the overall state of the economy. Therefore, most voters are likely to expect the major opposition party to remedy the current economic situation or are willing to give the out party a chance to govern because the incumbent party has failed to successfully manage the economy.

Assessing the Effects of the Interaction: Evaluating Differences in Economic Assessments

A basic line of inquiry of my dissertation is the degree to which economic assessments affect voting behavior when it is conditioned by partisanship. As indicated earlier in tables 7.6 and 7.7, the findings support the model's overall hypotheses. The first element of the interaction that I discuss is the effects of sociotropic economic evaluations in the U.S. and U.K.

Most notable about the interaction relationship is that British voters do not reward incumbents for a good economy to the same extent as American voters. This indicates the effects of a poor economy is greater among British voters and that incumbent governments should not expect to gain substantial support among leaning partisans and independent and third party voters as a result of a good economy. I suggest this occurs in Britain, and not to the same extent in America, because of the following reasons: First, the impact of ideology among British voters and economic voting has decreased after Thatcher's rise in the late 1970s. This is due to the fact that party was able to break from their ideological base when ruling from 1979 to 1997 making them a party that enjoyed a great deal of broad support and basic trust by the electorate in their competence in the management of the economy. Yet, the notion of economic competence was challenged by the Exchange Rate Mechanism crisis of 1992 creating a shift in the perceptions of voters that the Tories were superior to Labour in managing the economy (Clarke et al. 2004). By the time Blair ascended to the leadership role of Labour, he adopted a similar approach to governing that moved the party to center. The second reason for this difference is based on the timing of British elections. Prime Ministers, when enjoying party cohesion among the party and are able to thwart challenges by the opposition party,

have the ability to gamble on the exact timing of an election. What this means is that a Prime Minister can attempt to stage an election either at the beginning or end of a poor economic cycle. Third, differences based on class among the British electorate result in variation among voters who consider themselves part of the working class to be more likely to feel the impact of an economic downturn greater than those in the middle and upper class. While voters in the working class are also more likely than other voters to remain steadfast supports of the center-left parties of Labour and Liberal Democrats. What this presupposes is that the benefits of a good economy may not be perceived as a political benefit among these voters.

Among American voters, we see a similar trend as in Britain but that at all levels of voters' economic perceptions are significantly different from zero. This suggests that the incumbent party can benefit from a good economy, but the magnitude at which the electorate punishes the incumbent party for a poor economy is greater than the rate voters reward incumbents for a good economy.

Assessing the Effects of the Interaction: Partisan Differences in Economic Voting

The relationship between voters' partisanship and their economic perceptions within the interaction indicate that we can accept similar directional hypotheses for both American and British partisans. Namely the effects of voters' partisanship and voters' economic perceptions undermine each other in explaining voting behavior. In fact, the conditional effects are strongest for leaning partisans and independent voters and then taper off when moving to stronger partisans at each end of the political spectrum. This

results in partisan effects for independent and leaning partisans to be more susceptible to economic voting as a function of changes in their economic perceptions when compared to all other partisans.

Most voters, therefore, vote based on the economy where and partisan voting is relatively low during a bad economy. When voters perceive the economy to be mixed or good, those with stronger partisan attachments are more likely to use their partisanship when forming their economic perceptions. Thus even to the extent that these voters think there are voting based on the economy, they are, in effect, really essentially only voting based on their party.

Furthermore, the findings suggest the reason why variation in partisan effects , when they are caused by voters' economic perceptions, is greatest among leaning partisans, independent voters, and weak partisans who support the incumbent party because these voters are not as ideologically invested in the incumbent or opposition parties when compared to all other partisans. As a result, changes in this group of voters' economic perceptions when making their voting decisions results in the likelihood of voting for the incumbent party either significantly increasing or decreasing based on changes in these voters' economic evaluations. Variation as a result of changes in these voters' economic perceptions, therefore, tips voters to either reward or punish based on the economy when making their voting decisions. For strong partisans and weak partisans who support the opposition parties, changes in their economic perceptions merely reinforces existing partisan preferences resulting in variation within the interactive relationship to have a diminished role in voters' decisions when they are based on the economy.

This phenomenon in Britain indicates the effects of economic changes are greater for weak incumbent party supporters when compared to similar Americans. A reason for this is because British voters may not have strong ties to the incumbent government and may only support the incumbent party as their second preference. Their primary commitment to the incumbent government may be based on their resistance to the major opposition party gaining power. If the economy performs poorly, these voters are likely to be less willing to stay with the incumbent party and as a result no longer support the incumbents to the same degree as they did when the economy was performing better. This is because these voters rationalize that voting for their first preference and not the incumbent party is the better option. If their first choice party were in power initially, the economy would not be in its current state.

The magnitude of partisan effects within the interaction is different for each case. In the British case, the distance between strong partisans at either end of the political spectrum is greater than in the American case. The reason for this difference stems back to the parliamentary system of Britain lending itself to more robust economic voting patterns than in the US. Furthermore, the concentration of power in the British system allows for British voters to attribute a greater share of the blame on the incumbent party for a poor economy. The fact that major opposition partisans are further away from their counter parts who support the incumbent party, suggests that divisions remain between these groups of voters and that economic voters further enhance existing cleavages. The distance between partisans within each case, indicate larger differences between strong-weak-leaning partisans for both supporters of the incumbent and major opposition parties in Britain when compared to the same partisans in the US. This suggests greater

elasticity among British partisans to partake in economic voting than their American counterparts.

Assessing the Interaction: Prior Partisanship and Current Economic Assessments

To a large extent, research in whether or not economic voting was conditioned by economics or politics was sparked by the observation that voters presented with similar macro-economic indicators would perceive them differently. Differences in economic perceptions were most notable along partisan lines. My research addresses this observation by confirming that the relationship between economics and vote choice is moderated by voters' party identification. As a result, economic voting is not always strong and that there are times when party identification trumps economic perceptions.

In short, economic forces traditionally do not cause individual voters who are strong partisans to swing from one party to the other during an election. Yet, when the economy is performing poorly, then economic forces are likely to cause changes among leaning partisans, weak partisans, and independent voters in their voting decisions. This is because prior partisan preferences are carried forward by voters when making their vote choice based on current economic assessments. Voters' preexisting partisanship serves as a starting point that helps shape voters' perceptions of the current state of the economy when making their vote choice.

Although American voters demonstrate similar attributes as British voters when factoring in prior partisanship with current economic perceptions, there are nonetheless differences in each group's voting behavior. The first difference is that American voters

who previously considered themselves leaning partisans and independent voters are more likely to be economic voters. This is the case for leaning partisans who previously supported the incumbent party and those who supported the opposition party. Similarly, voters who were previously independent voters also exhibit a similar trend in this type of voting behavior.

American and British voters use their prior partisanship to either justify blame or credit for the incumbent government's handling of the economy. Prior partisanship allows voters to rationalize their expectations and place demands on the incumbent party as a function of current economic perceptions. This suggests that economic voting does not exist in a vacuum. Although voters update their perceptions of economic conditions, they do not do so independently of their prior belief systems. This finding indicates that voters' prior partisanship demonstrate a wrinkle in the reward and punish hypothesis. Economic conditions cause voters to engage in economic voting only as far as voters are able to separate their current political preferences from their current economic perceptions, and factor in their prior partisanship.

III. How does the model further our understanding of economic voting?

The findings of the Economic-Minded Partisan model confirm that the economy provides a mechanism of democratic accountability. Poor economic conditions trigger changes in the political order. But what we know about voting behavior as it relates to the economy is that the notion of the reward and punish thesis is challenged.

The Economic-Minded Partisan model disentangles the causal factors of what motivates economic voters. Namely, voters attribute blame to the incumbent for a poor economy. This finding is congruent with the reward and punish hypothesis. This is because voters perceive that incumbents are directly responsible for the state of the economy and should be held accountable when the economy is performing poorly. What we know from the application of the model is that blame serves as a powerful force among voters that eventually results in regime change. But the findings also suggest that blame for economic conditions is not uniformly applied by all voters.

This is due to partisan effects depending on economic perceptions in voting behavior; partisan effects, therefore are not equally applied by voters. Rather the effects of economic perceptions among strong partisans who support the major opposition party, and among those who support the incumbent party, were less likely to be influenced by changes in their economic perceptions than all other voters. This is because for these voters their partisanship strength already tipped them in the either direction in whether they would vote for or against the incumbent party's candidate. Additionally, partisan effects among leaning partisans and independent voters in both countries indicated that changes in economic perceptions made these voters more susceptible to economic voting when compared to all other partisans.

Weak partisans however exhibited difference in partisan effects as a result of being moderated by economic perceptions. For weak partisans who supported the incumbent party, partisan effects maintained that changes in economic perceptions had only a minimal impact on whether it would influence these voters to vote for the incumbent party. While for weak partisans who supported the incumbent party, partisan

effects, as moderated by their economic perceptions, indicated these voters could at times be susceptible to economic voting patterns. So changes in the economic perceptions of weak partisans, who support the incumbent party, can at times, result in their economic evaluations tipping these voters in either direction about the likelihood of voting for their party's candidates. What occurs is that partisan effects are decreased as a result of major shifts in the economic perceptions of these voters; these shifts are most notable when voters change their economic perceptions from being very positive to being very negative.

What this means for economic voting theorists is that differences in partisan effects applied by voters results in dampening of the immediate effects of economic perceptions in voting decisions. This phenomenon explains why voters can at times vote against their immediate economic interests and how voters rationalize economic information differently. Future research needs to provide a more in-depth understanding of why voters, when asked to make their voting decisions, can not only have varying interpretations of economic conditions but also exhibit variation in their intensity levels of whether to vote for the incumbent government based on economic perceptions. The findings of this study indicate that though economic voting serves as a major factor in voters' voting decisions, the manner in which it affects voters is not uniform. This means that voters' political preferences are not entirely removed from their decision schema when it is based on economic conditions. Therefore when changes in voters' economic perceptions elicit intense reactions among voters, this intensity usually reinforces existing beliefs for those voters who already do not support the incumbent government, while decreases the intensity levels of supporting the incumbent party for incumbent partisan

supporters. As a result, this dissertation provides a starting point for better understanding of the complexities of voters' decisions. Ideally this will help further research into how the economy remains a significant factor in explaining election returns while understanding its role in shaping voters' individual voting decisions when it is based on voters' economic perceptions and voters' political preferences.

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