Can the Left and Right Ever Agree on Redistribution? Globalization Shocks and Bipartisan Solutions

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Abstract

Conventional wisdom holds that partisan polarization dooms the prospects of redistribution in the United States, particularly because conservatives resist increasing government spending. We argue that globalization weakens this opposition, but only for certain redistribution policies. The perceived harms of globalization increase bipartisan support for social investment, like education spending, which promises to strengthen the present and future workforce. By contrast, conservatives remain opposed to social assistance programs, such as unemployment benefits and cash aid. The contrasting views on social investment and assistance reflects how many Americans view globalization as undermining the meritocratic foundations of the "American Dream." Social investment is seen as restoring the link between hard work and success, whereas social assistance is not. Using nationally representative survey experiments, we show that prompts about globalization boost support for social investment, especially among conservatives. But those prompts do not increase support for social assistance. We complement this with observational data on education spending at the local level from 1992-2022. The areas hardest hit by trade shocks – *both* Republican and Democratic counties – increased education spending at higher rates, despite fiscal pressures from trade shocks. Our findings suggest that partisan divides over redistribution are surmountable, and that the United States need not remain confined to protectionism, piecemeal industrial policy, and lackluster support for workers.

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1 Introduction

Partisan polarization has often stymied expansions of redistribution in the United States. The divide runs deep and has proven stubbornly resistant to compromise. Do globalization shocks provide a pathway through the deadlock? Many policymakers sound the alarm about the harmful effects of globalization on American workers. They blame import competition, especially from low-wage economies like China, for long-lasting damage to U.S. jobs, resulting in significant economic dislocation in certain regions. Political economy research underscores the critical role of redistribution policies in mitigating such economic harm. Without sufficient redistribution, the perceived economic harm can bolster support for populist movements, lowering support for democratic values, social cohesion, and global cooperation. However, scholarly work and the general sentiment of the current moment maintains that U.S. policymakers failed to implement sufficient remedies. Any remedy, beyond tariffs and industrial policy, have historically been sidelined, with experts pointing to partisan conflict as a key barrier.[1]

Yet, not all redistributive spending is the same. Welfare scholars group redistribution into two categories: social investment and social assistance. Social investment, as typified by education spending, promotes equal opportunity by equipping individuals with skills for future labor market demands. Social assistance aims for equality of outcome through immediate, means-tested support like cash transfers.[2]

Shifting the focus away from national-level policies to local spending, data on U.S. counties reveal an interesting trend: spending on one type of social investment – education spending – has steadily increased in both left-leaning and right-leaning localities since the early 2000s. Figure 1 shows the annualized percent change in education spending (primary, secondary, adult, and vo-

[1] Eg Alesina, Stantcheva and Teso (2018) and Di Tella and Rodrik (2020).

[2] Social investment includes public spending on all levels of education and training, life-long learning and active labor market policies. These are less-targeted policies and considered to improve equal opportunity because they are aimed at greater social inclusion through higher labor market participation (Vliet and Wang, 2015). Social investment can be broadly targeted at particular places or localities. Social assistance is means-tested rather than universally applied. It is directed towards those who need it most, particularly those with low income or who are vulnerable due to circumstances such as unemployment, disability, or old age. Social investment targets the underlying cause of dislocation with a longer-term solution. Social assistance provides temporary income relief. See Bonoli and Natali (2012).

cational), at the level of commuting zones from 1992-2022.[3] The horizontal axis shows a simple measure of the partisan leaning of each commuting zone: the two-party vote share for the Democratic Presidential candidate in 1992 election. Total education spending increased by an average of 3.3 percent per year between 1992 and 2022. What stands out about Figure 1 is that rising social investment is evident in commuting zones comprised of counties from *across the political spectrum*. The average annualized percent change in education spending was 3.4% for "Democratic" commuting zones (those whose counties voted for the Democrat in every Presidential election since 1992) and 3.7% for "Republican" commuting zones. These trends have been somewhat obscured by the fact that the bulk of existing research focuses on examining redistribution patterns at the national-level. Attention to local trends is important, however, since the intensity of globalization's effects vary geographically and a significant proportion of revenue-collection and political demands for social investment are made at the local level.

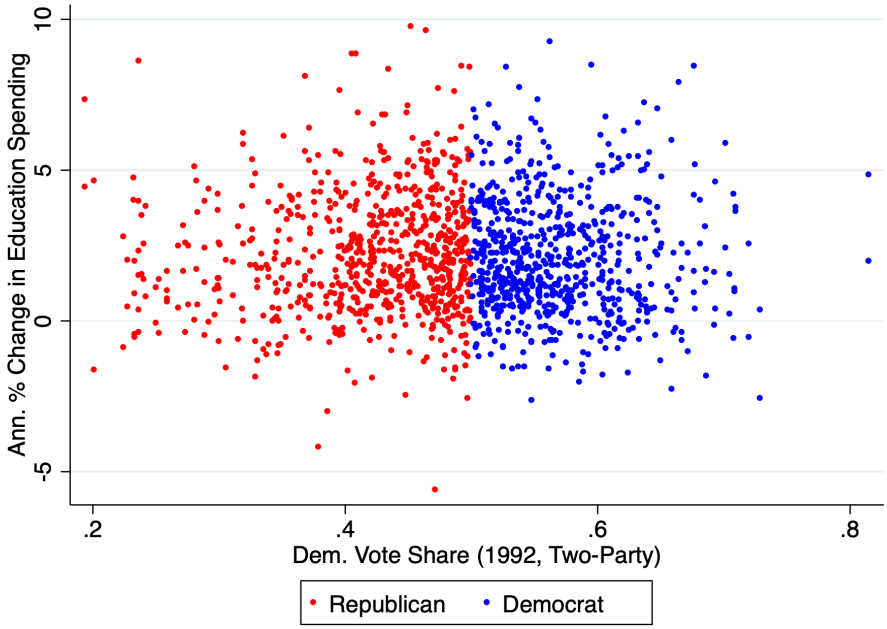


Figure 1: Annualized Percent Change in Education Spending, 1992-2022, versus 1992 Two-Party Democratic Vote Share

[3]Commuting zones are geographical areas comprised of one of more counties. They capture areas where people live and work. Data described in greater detail below.

To make sense of this intriguing pattern, we examine the conditions under which the deep partisan divide over redistribution can be overcome. Our first intuition is that many Americans associate globalization with the decline of meritocracy. The heightened media and political focus on the China Shock, massive job losses, and a narrative that "globalization is unfair," have amplified public concerns that hard work no longer leads to success. As more politicians blame globalization for declining upward mobility of hard-working Americans, many voters increasingly feel that generations of American workers are being left behind in the global economy. So far, the only political solutions to attract any modicum of bipartisan support are tariffs and industrial policy.

We argue that the perceived harm from globalization can also motivate citizens to support solutions like expanding social investment, but it does not increase support for social assistance. Social investment encounters fewer political headwinds because it speaks directly to rebuilding meritocracy and the American Dream through programs like education and worker training that expand "equal opportunity". Social assistance does not address the perceived root harm of globalization and is often stigmatized as rewarding "laziness."

We focus particularly on the role of conservatives who are expected to be most resistant to social investment. The bulk of welfare research to date suggests that conservatives are largely unresponsive to calls for *increasing* redistribution spending, regardless of the specific form it takes. Welfare scholars have found that conservatives are skeptical of state intervention when they believe markets reward effort fairly and ensure equal opportunity. Some resist increasing early education spending, since it often involves the redistribution of resources across government departments, across households, or from wealthier to poorer communities.

We contend, however, that liberals are not the only ones who view social investment as a solution to globalization. Conservatives will be responsive to current narratives portraying foreign competition as harmful to hard working, deserving American families who they believe are unfairly hurt by trade. As trade shocks are perceived to break the link between hard work and success, conservatives become more supportive of social investment aimed at restoring a level playing field. Policies such as investment in education become appealing because they offer future workers the

tools to compete and succeed in the global economy, and thereby, restore meritocracy. In contrast, social assistance policies remain politically unpalatable to conservative who view such benefits as failing to restore the link between hard work and success. Instead, they see social assistance as aiding those unwilling to work.

We test our predictions – that (1) social investment garners stronger support than social assistance as a response to globalization, and (2) this support is not limited to liberals – in two ways. We first use survey experimental data to assess citizen and partisan demand for social investment versus social assistance in response to globalization shocks. In two, large survey experiments (N = 3,070 and N = 4,183), we show that - at the individual level - Americans prefer social investment as a response to globalization, but not social assistance. We randomly assign respondents to a prompt asking them to write about the effects of globalization or to a control group that did not receive any prompt. Written responses to the prompt- from both liberals and conservatives- strongly emphasize negative effects, even though the prompt mentions positive and negative effects. We then ask respondents about their support for social investment and social assistance expansion in response to the shock. Consistent with our first hypothesis, the globalization treatment significantly increases support for social investment, but not social assistance. Consistent with our second hypothesis, we show that this pattern is apparent among conservative/Republican respondents.

We then use observational data to show how low-wage import competition affected local education spending (K-12, adult and vocational) at the commuting zone level. We focus on local government responses because the effects of imports vary substantially at the local level. This is also a relevant place to look for any corresponding changes in spending, since a substantial portion of education spending is collected and distributed at the local level.

We find that increases in local education spending were actually higher in communities that faced steeper import competition. This pattern is again apparent in localities across the political spectrum. The areas hardest hit by trade shocks – both Democratic and Republican counties – increased education spending at higher rates, compared to less affected counties. This pattern is not present for other types of spending, such as police and fire spending. Our finding that

localities most affected by globalization increased education spending at a faster rate than less-affected counties is especially striking because shocks make additional spending harder.

Our broader contribution is to challenge the prevailing belief among scholars, the media, and the public that U.S. partisan politics leave little room for redistribution. We find that bipartisan support for redistribution can, in fact, emerge in response to economic shocks – especially when people perceived the shock as challenging meritocracy. By conducting two original survey experiments and analyzing county-level fiscal data, we find evidence of a bipartisan preference for increasing social investment for working class families left behind by globalization. This is a novel finding because it shows a ray of optimism that U.S. politics can accommodate responses to shocks that aren't simply attempts to backpedal against globalization with ever-increasing tariffs [4] Social investment represents a politically feasible way forward. Existing work has predominantly focused on the negative economic and political effects of import competition.[5] One implication of our analysis is that the Trade Adjustment Assistance (TAA) program might have sustained bipartisan support if it had been introduced after the China Shock and the growing recognition that trade harms the working class, *and* if it had been designed as a place-based initiative focused primarily on skill retraining rather than income replacement.

This stands in stark contrast with a well established pattern in the welfare spending literature, that conservatives maintain strong opposition to expanding government spending, particularly when it involves redistribution, including through public schools. We contribute to the this literature by identifying the conditions under which conservatives are more likely to change their stance on redistribution and expanding our understanding of partisan dynamics in a changing economy.

2 The left and right divide over redistribution

Existing research across disciplines and subfields suggests that partisan polarization over redistribution is deeply rooted and difficult to overcome. According to redistribution scholars, the partisan

[4] Chaudoin and Mangini (Forthcoming).

[5] Autor, Dorn and Hanson (2013, 2021); Rodrik (2017); Autor et al. (2020)

divide stems from core differences in liberal and conservative values.[6] Liberals tend to prioritize equity and equality, viewing redistribution as a necessary tool to help disadvantaged groups overcome structural barriers. In contrast, conservatives attribute poverty and joblessness to individual choices and behavior, emphasizing personal responsibility and viewing success as the result of hard work and discipline.

Overall, studies find that conservatives' deep preference for limited government reinforces their reluctance to back most redistribution policies.[7] Experimental cues about rising inequality, declining inter-generational mobility, and proposing redistribution policies that are consistent with limited government scarcely budge conservative opposition to greater redistributive spending.[8] Their resistance also shows up in their lower support for public education spending, relative to their liberal counterparts.[9] Indeed, U.S. public opinion data reveals a stable and sizable gap between conservatives and liberals on various questions regarding their redistribution preferences through the 1980s, 1990s and 2000s.[10]

Certain caveats exist, but they have occurred under unique historical circumstances. For example, Margalit (2013) finds that the Great Recession led conservatives experiencing personal hardship to support redistribution, but this effect was short-lived. Some Democrat-led redistribution programs, like the Affordable Care Act, met fierce initial resistance from Republicans. But "path dependence" led these programs to become entrenched and even defended by conservatives once they became beneficiaries.[11] Social Security and Medicare are additional examples of redistributive policies that have historically received conservative support post-implementation. Conservatives have also supported vocational education, though they became increasingly skeptical of these programs in the 1980s. Nonetheless, conservatives persistently resist efforts to *increase* spending on

[6] Allan and Scruggs (2004); Brooks and Harter (2021); Alesina and La Ferrara (2005); Piketty (1995); Kuziemko et al. (2015)

[7] Alesina, Stantcheva and Teso (2018); Rudolph and Evans (2005). Note that Peyton (2020) find that aversion to redistribution is caused by lack of trust in government.

[8] Culpepper et al. (2024); Yeung (2024); Alesina, Stantcheva and Teso (2018). Goenka and Thomas (2022) find that some conservatives are less hesitant to support welfare that demands work requirements, though liberals generally prefer unconditional aid (Goenka and Thomas (2022)).

[9] Karatekin et al. (2023); Favero and Kagalwala (2025); Alesina, Stantcheva and Teso (2018).

[10] Pew Research Center (2012).

[11] Pierson et al. (1997).

redistribution programs, including for these programs.

Petersen et al. (2011) is one exception that has identified how perceptions of deservingness can reduce partisan gaps on redistribution. They find that deservingness cues can shrink partisan gaps on redistribution when conservatives perceive certain recipients as more "deserving" of government assistance than others. For instance, conservatives are more willing to view the elderly or veterans as deserving because they are unable to work, but resist assistance for able-bodied unemployed working-age adultsPetersen et al. (2011). Their analysis leaves open the question of whether any *systemic conditions* exist that might change conservative perceptions that working-class families are deserving of governmental support..

2.1 International Market Exposure and Redistribution Preferences

Can trade shocks help mitigate partisan cleavages over redistribution? A rich literature in comparative and international political economy shows that greater exposure to international markets can increase demand for redistribution in advanced industrialized nations.[12] A subset of scholars focusing on the micro-foundations of this globalization-redistribution nexus provide evidence of a potential mechanism. Exposure to globalization impacts perceptions of economic insecurity and uncertainty, which increases demand for welfare benefits.[13]

Their findings reflect the post-war Bretton Woods compromise of "embedded liberalism" (EL), a term coined by John Ruggie (1982). It is based on the post-World War II economic framework that combines open international markets with domestic social welfare policies. EL is the understanding among rich democracies that governments should pursue free trade and globalization while protecting citizens through government interventions to manage the social and economic disruptions caused by global market forces.

Many of these same studies, however, suggest that partisan cleavages persist in the face of

[12]Burgoon (2001); Benarroch and Pandey (2012); Martin and Brady (2007); Brady, Beckfield and Seeleib-Kaiser (2005); Garrett (1998, 2001); Garrett and Mitchell (2001); Potrafke (2012); Rodrik (1998); Rickard (2015); Leibrecht, Klien and Onaran (2011); Cameron (1978). See Marshall and Fisher (2015); Busemeyer (2009); Jahn (2006); Dreher, Sturm and Ursprung (2008) for evidence of a limited effect of globalization on redistribution.

[13]Scheve and Slaughter (2004); Walter (2010); Hays, Ehrlich and Peinhardt (2005).

greater exposure to global markets. Using cross-national data, they find that the left-right divide over redistribution either remains steady in the presence of globalization or moderates its effects on support for redistribution, and conservative parties prefer relatively less redistribution in response to greater economic openness.[14] Additionally, the bulk of this research focuses on increases in *national level* social assistance- such as unemployment benefits and income support- rather than social investment in response to international market exposure until the early 2000s.

A few exceptions have compared the effects of globalization on various types of *national-level* redistribution policies that include some social investment programs. [15] We have limited knowledge on how globalization shocks influence social investment policies at the *local* level. In the United States, local governments determine and finance many social-investment programs like education or workforce development, as well as other types of spending such as police and fire services, public housing, and parks and recreation. Shifts in these budgets could reveal how globalization reaches down to community redistribution politics.[17] In one study of sub-national spending, Autor, Dorn and Hanson (2019) show that import competition with China has led to increased applications for social security and welfare benefits among the unemployed. However, their analysis posits that this is simply an economic reaction to higher layoffs, and these are national-level benefits.

One important study by Feler and Senses (2017) is another exception. They empirically investigate the effects of the China shock on many types of local level expenditures and outcomes, from 1990-2007. They find that the China shock reduced the capacity of governments to invest in public goods due to the economic devastation it has had on local communities. This is primarily because the China Shock reduced property and sales tax revenues in hard hit areas, and in turn, forced governments to cut back spending. It is important to extend this analysis over time, as some

[14]Garrett and Mitchell (2001); Herwartz and Theilen (2014); Haelg, Potrafke and Sturm (2022); Burgoon (2001); Garrett (1998).

[15]For example,Burgoon (2001) differentiated the theoretical effects of globalization on demands for short- and longer-term responses, testing predictions with aggregated spending categories.[16] Busemeyer and Garritzmann (2019) analyzes cross-national variation in trade openness and support for unemployment assistance and education spending in surveys conducted in 17 OECD countries, including the United States. They find that more trade is associated with increased support for the latter, but not the former.

[17]Krueger and Xu (2015).

local governments may have recovered from the effects of the China Shock during the past two decades.[18]

Simply put, whether or not exposure to globalization increases demands for certain types of redistribution at the local level, remains an open question. This question is even more intriguing given that recent scholarship posits that local politics reflects the same partisan polarization as that which exists on the national level.[19] Hopkins (2018) and Abrajano and Alvarez (2005) argue that partisan polarization at the local level reflects national-level polarization on the same issues, driven by the increasing proliferation of national media sources.[20]

3 The Argument

3.1 Globalization, Deservingness, and Support for Social Investment

Our prediction is that globalization shocks can reshape how voters, *including conservatives*, view the deservingness of labor market participants to receive government support. This leads to greater support for social investment, but not social assistance. Meritocracy – the belief that hard work leads to upward mobility – is a culturally sanctioned ideal with deep roots in U.S. history, anchored in the "Protestant work ethic" and popular rags-to-riches narratives.[21] This conviction resonates across the ideological spectrum, albeit to varying extents. However, as inter-generational mobility began to decline in the 1980s, public faith in meritocracy, the so-called American Dream, has fallen to remarkable lows.[22]

[18]. Bonifai et al. (2024) for instance find that the effect of import competition from China on manufacturing employment has been declining since 2011. Our time period of coverage includes and expands beyond the most intense phase of the China shock, according to Autor, Dorn and Hanson (2013). Not only have some regions appears to have recovered, it is also possible that local governments have been able to adjust to the shocks after 2007 by reallocating funds from other areas or increasing new taxes to offset revenue declines. The impact of the China Shock on different categories of redistribution spending post-shock remains unanswered.

[19]Anzia (2021).

[20]Some scholars have since raised the possibility that partisan polarization at the local level is more mixed, holding for certain functions such as public safety, unionization, and primary and secondary education spending, but not others such as subsidies and tax breaks, Jensen et al. (2021); Einstein and Kogan (2016).

[21]Kim (2023).

[22]Chetty et al. (2022). See also `https://pewrsr.ch/3AeDg7G`.

Crucially, many Americans blame globalization for this change. As Ballard-Rosa, Goldstein and Rudra (2024) demonstrate, bipartisan elite cues have successfully shaped the widespread perception that globalization harms the job prospects of working class families, and that this is a problem that urgently needs to be addressed. In ordinary circumstances, the public is more unaware of the distributional effects of globalization.[23] Yet the rapid surge of imports from low-wage economies, or the "China shock," has broken through this general unawareness due to its profound impact on manufacturing jobs, subsequent bipartisan elite cues that globalization is unfair, and widespread media coverage.[24] As entire communities began experiencing job losses and economic decline, various news and social media outlets, as well as local and national politicians, amplified this narrative.

Consistent messaging from political elites on both sides of the ideological spectrum has convinced a growing number of Americans that globalization has destroyed the 'American Dream' and unfairly left American workers behind.[25] The China Shock has become a symbol of the negative impacts of globalization on hard working Americans. Only 20 percent of Americans think trade creates jobs and even fewer (17 percent) believe it helps wages.[26]

We argue that globalization's perceived challenge to America's longstanding ideal of meritocracy can change views of redistribution, and particularly, the importance of social investment. Drawing on Petersen et al. (2011), we think globalization may drive citizens to more strongly support some types of redistribution for those they view as victims of circumstances beyond their control.[27] Increased imports from low-wage countries can trigger the deservingness heuristic for American workers and their families, particularly for those located in areas hard hit by low-wage trade shocks.

This sentiment applies to the next generation as well, since future workers must be equipped with skills to compete with foreign workers in an increasingly competitive economic environment.

[23] Rho and Tomz (2017)
[24] Matthews (2013); Hilsenrath and Davis (2016); Ballard-Rosa, Goldstein and Rudra (2024); Krugman (2024).
[25] Ballard-Rosa, Goldstein and Rudra (2024).
[26] Stokes (2014).
[27] Oorschot (2000); Petersen et al. (2011).

Local leaders are well aware of this reality. Take for instance a recent statement by the Mayor William J. Healy II of Canton, Ohio in his State of the City Address:

> "The importance of a strong education system is [..] needed to build the foundation of a strong city. As we shift into a more globalized and interconnected world, we must make sure our children have every opportunity to succeed. Having just a high school diploma is not enough anymore in order to compete in a global market. But graduating from high school is the first step."
>
> *— Mayor William J. Healy II, State of the City Address, Canton, Ohio (2014)*

Decades of perceived unfair global competition from low-wage economies have united diverse groups around a common concern for economic fairness and a desire for policies that enable such workers to *move ahead*, and restore meritocracy and the "American Dream" of inter-generational mobility.[28] Research shows that whole communities are impacted by the shocks and not just those individuals who work in tradable sectors. Working class families in high manufacturing dependence areas were the hardest hit, especially if the region had low overall levels of human capital Bloom et al. (2024). [29] As Broz, Frieden and Weymouth (2021) observe, manufacturing production and activities have been concentrated in specific regions of the country. Economic decline in former industrial communities appears to extend beyond workers directly affected by the shuttering and offshoring of local plants. The entire community suffers as demonstrated by larger drops in labor force participation, slower median household income growth and increasing 'deaths of despair.'[30]

The perception that globalization affects the long-term job market prospects and well-being of working class families can lead a broader segment of the polity to favor social investment policies. Social investment at least partially addresses the perceived effects of globalization on meritocracy. From a sociotropic perspective, individuals can view social investment in things like education

[28] Mutz (2018).

[29] AsBloom et al. (2024)show, areas with high populations of college educated workers experienced positive employment growth since they were more likely to transition to service job. Whereas, service job gains did not offset manufacturing job losses in low human capital areas with high manufacturing.

[30] Broz, Frieden and Weymouth (2021); Case and Deaton (2020).

and job (re)training as essential for keeping the country competitive and ensuring its workforce is prepared to outpace competition from foreign workers.

This narrative about globalization, however, does not necessarily imply increased support for social assistance. The widespread sense of vulnerability and loss of economic mobility opportunities are not easily 'fixed' with temporary government relief. Many Americans do not perceive social assistance as restoring meritocracy and inter-generational mobility, especially in a competitive global economic environment. Indeed, the US is an outlier with respect to its low support for many forms of redistribution relative to other advanced democracies, and it is particularly challenging to change entrenched views on social assistance.[31] Means-tested welfare policies aim to provide minimal, short-term cash transfers to prevent individuals from falling into deep poverty. But they are often associated with negative stigmas, including perceptions of being unwilling to work or "lazy."[32] Social assistance is thus perceived as far less likely to address voters' concerns about reviving the American Dream. In contrast, government investments in equal opportunity policies, such as education and skills training, are less stigmatized and offer a pathway for American workers to achieve self-sufficiency and better compete with foreign workers.

Simply put, as many feel that generations of American workers are being left behind in the global economy, stigmatized means-tested benefits are unlikely to be the solution they seek. Rather, we expect public support for social investment to help working class families prosper in the labor market to increase.

3.2 Why Globalization Shocks can Overcome Partisan Polarization

Since Liberals generally support most types of redistribution, we anticipate that conservatives will be the most sensitive to the deservingness heuristic associated with trade shocks, viewing working class families as especially deserving of support.[33] Liberals lend steady support to a broad range

[31] Culpepper et al. (2024); Esping-Andersen (1990)

[32] Applebaum (2001); Esping-Andersen (1990).

[33] Kuziemko, Marx and Naidu (2023) discuss how 'new' more educated Democrats tend to be more supportive of social assistance-type (or 'tax and transfer') policies to promote egalitarianism.

of welfare policies because they believe that factors outside of individual control—such as luck, families that one is born into, wealth and connections—determine income mobility.[34] They believe that structural barriers to advancement and that redistribution can help disadvantaged individuals or groups can overcome these barriers.

In contrast, conservative support for redistribution is more contingent on perceptions of deservingness and their belief that individual outcomes are based of their own doing, rather than circumstances beyond their control. Also at the heart of their conservative opposition is the belief that governments are a "problem" and prefer market-based solutions. Alesina and Angeletos (2005) found strong partisan polarization in redistribution preferences; conservatives consistently resist government efforts to engage in redistribution, *including the expansion of social investment policies*, even when confronted with downward inter-generational mobility expectations. They speculate that strong beliefs in the fairness of the market and resistance to government intervention drive conservatives' resistance to redistribution.

Yet, this is precisely why we expect conservatives to increase support for social investment in response to cues that low-wage competition from foreign workers is undermining meritocracy and unfairly hurting American working class families. Beliefs that such disruptions are affecting the fairness of the market, conservatives are more likely to view affected workers as deserving support. Social investment then becomes a way to re-establish market-based opportunity and meritocracy. Put differently, conservatives who see trade as having undermined America's meritocracy are more likely to emphasize upgrading workers' skills, so that effort and ability once again determine success when competing against foreign labor.

Take for example Catawba County in Hickory, North Carolina, which was one of the hardest hit areas by the China shock. Unemployment surged and the county lost 40,000 manufacturing jobs. In response, the Catawba County Board of Commissioners approved $2.6 million in county funds by the mid 2010s as start-up money for 'K-64', a program designed to prepare students in public schools to "compete in the global economy".[35] Notably, Catawba is a deeply red county. In 2016,

[34] Fong (2001); Fong, Bowles and Gintis (2006)

[35] https://www.catawbacountync.gov/strategic-plan/_docs/k-64-backgrounder.pdf.

then-candidate Trump won 67% of the vote, compared to 30% for Hillary Clinton.[36] Yet, in 2017, the Republican-controlled board issued a unanimous vote for the aforementioned social investment policy, signaling their strong agreement that prioritizing education and workforce investment were the county's only path forward.[37]

In sum, as trade shocks erode job opportunities for working class families, we expect conservatives to reevaluate their distaste for certain forms of government intervention, particularly social investment, as a means to restore meritocracy. Liberals are likely to support both social investment and social assistance in response to the shocks, since their support for redistribution is generally high. Consequently, we anticipate bipartisan support for social investment – but not social assistance – will rise in this environment.

3.3 Hypotheses

Our core argument is that globalization shocks have heightened cross-ideological support for social investment, incentivizing local governments to expand the supply of such policies. In terms of citizens' expressed preferences, we anticipate that increased anxiety about globalization will increase support for social investment and not social assistance as a response. And we expect this to not be restricted to liberal people or places. We would expect conservative people and places to have similar reactions.

Hypothesis. *(1) Globalization shocks increase support for social investment, but not social assistance.*

Hypothesis. *(2) This relationship will be present in conservative areas/individuals. It is not limited to liberals.*

[36] https://www.catawbacountync.gov/site/assets/files/3177/2016-11-08_general.pdf.

[37] https://www.catawbaedc.org/news/county-commissioners-ok-k-64-program.

4 Spending Preferences, Survey Data

We first evaluate Hypothesis 1 and 2 by looking at citizens' expressed preferences for different types of redistributive policies. We conducted two large survey experiments, as well as an additional follow up survey, and find evidence that citizens prefer social investment spending as a response to shocks, but not social assistance. More strikingly, our findings support H2, revealing that these patterns hold across partisan lines—suggesting bipartisan backing for specific forms of redistribution.

4.1 Experimental design

For our first survey experiment, we recruited 3,070 adult U.S. respondents from 14-15 June 2023. We used Lucid Theorem for online recruitment of a sample with similar demographic characteristics to a nationally representative sample. We then replicated the first experiment with a nearly identical approach embedded in the 2023 American Institutional Confidence Poll.[38] The AIC poll was administered by YouGov to a representative sample of 4,183 U.S. adult respondents, fielded 13 October 2023 - 1 November 2023. This sample included 2,138 respondents re-contacted from previous waves of the AIC poll in addition to new contacts and an over-sample of 600 non-white respondents (200 each from African Americans, Latino Americans, and Asian Americans) and 900 rural respondents.

Replicating results using different samples, in different time periods, helps ensure that the results we find are more robust, and not likely to be driven by events of the time, particulars of a sample, or simple noise. Both studies were preregistered.[39] Since the experiments and question wordings were nearly identical between the two surveys, we present results here with data pooled across the two surveys. Results are very similar across both surveys.[40]

We randomly assigned respondents to a control condition or a trade treatment.[41] For the trade

[38] Ladd, Tucker and Kates (2018).

[39] The first study preregistration link is [anonymized]. The second is [anonymized].

[40] See appendix for details about differences between surveys and results.

[41] For the Lucid survey, we block-randomized based on the respondent's party identification. For the AIC survey,

treatment, respondents read a prompt about globalization, and they were asked to write a few sentences about the effects of globalization. The wording of this prompt is below. The prompt emphasizes offshoring – one of the most prominent forms of globalization emphasized in elite narratives – but it is deliberately agnostic on the overall economic effects of globalization. Asking respondents to write about the effects of globalization "treats" them with potentially higher salience and anxiety about globalization.

> *Many US companies have moved their production to other countries. They have replaced workers with labor from other countries or bought products from abroad that were once produced by US workers.*
>
> *Some economists think that this **globalization** of production has had large effects on the US economy - some good and some bad. These effects may get stronger in the future.*
>
> *Please write a few sentences about this question:*
>
> *How do you think increased globalization will affect employment in the future?*

After the treatment, we asked about the respondent's support for social assistance and social investment, explicitly highlighting the tax trade-off to underscore the redistributive dimension. We asked one question for each, and respondents chose from a 5 point scale (Increase a lot, Increase somewhat, Keep spending about the same, Decrease somewhat, Decrease a lot). We randomized the order of the questions. Note that we refer to social assistance as 'safety net' because the general public is more familiar with this term. The specific wording of the social assistance question is below:

> *Some people think that the government should have a **better safety net** to help people who are affected by changes in the economy. This safety net includes things like unemployment benefits and temporary assistance for families in need.*
>
> *Expanding these policies would have to be paid for with reduced spending on other government programs, larger budget deficits, or higher taxes.*
>
> *Do you think the government should increase or decrease the amount spent on **safety net policies**?*

we did not block randomize. Respondents were well-balanced in their observable characteristics across treatment conditions. See appendix.

The question about social investment was identically structured. Except, its first sentence read "*Some people think that the government should invest in* ***policies that help the next generation adapt*** *to changes in the economy. These policies include things like investments to improve primary and secondary education and vocational training for those who don't want to attend college. ... Do you think the government should increase or decrease the amount spent on* ***social investment policies****?*"

For each of these two outcome measures – the questions about social assistance and social investment – we coded a binary indicator variable that equaled 1 if the respondent chose "Increase a lot" or "Increase somewhat," and 0 otherwise.

4.2 Experimental results

Figure 2 shows results consistent with Hypotheses 1 and 2. The figure shows coefficient estimates for the effect of the trade treatment on the proportion of respondents supporting social investment and social assistance. The coefficients are shown for the full sample and then for subsamples limited to only respondents identifying as Republican or Democrat. These coefficients are from OLS regressions and include controls for a set of demographic characteristics. The list of controls included the respondent's age, gender, whether they had kids, employment status, household income, race, and region.

Consistent with Hypothesis 1, the trade treatment increases the proportion of respondents agreeing with the social investment question by approximately 4%. 49.5% of respondents support social investment in the control condition, and this increases to 53.5% under treatment.

Consistent with Hypothesis 2, the effect of the trade treatment is positive for Republicans and Democrats. If anything, the effect is slightly stronger for Republicans. For Democrats, treatment raises support for social investment from 68% to 71%. For Republicans, treatment raises support from 30% to 35%.[42]

These positive effects are notable because the experiment was conservative (in research design

[42]These are the raw percentages, so the differences are not exactly equal to the coefficients from a regression with control variables, like those shown in Figure 2.

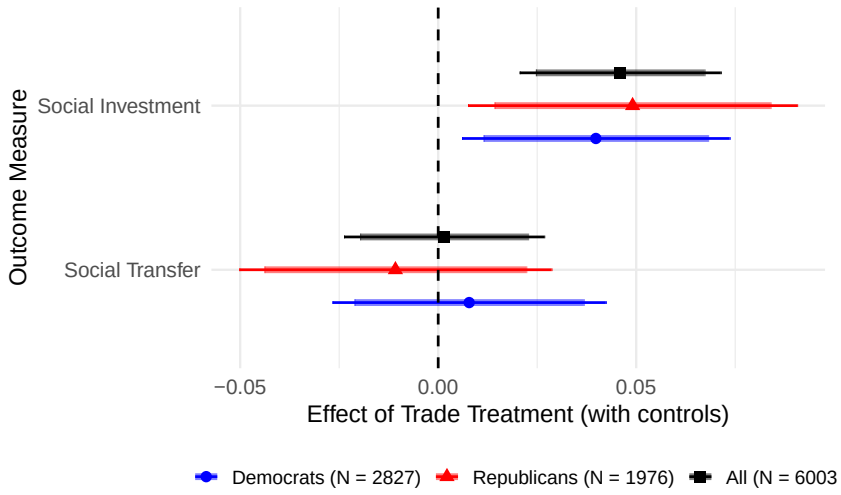


Figure 2: Effect of Trade Treatment, pooled sample with controls

terms) in some ways. The treatment prompt mentioned both positive and negative effects of globalization and simply asked respondents to speculate about its effects on employment. The outcome measures also explicitly mentioned that increased spending on transfers or social investment would have trade-offs like other spending cuts or higher taxes.

The trade treatment does not have the same effect on support for social assistance. It has a near-zero effect in the sample of all respondents. [43] The Democratic response is surprising given findings in the literature that liberals support social assistance programs more than conservatives. One possibility is that their support for social assistance is already high, and there is a ceiling effect. Additionally, perhaps Democrats share the conservative view that social investment is a better fix for the negative effects of trade shocks than social assistance.

4.3 Robustness

We only show a figure for results under one specification, but the results are very robust to a wide array of different specifications. The appendix describes these in detail. The figure above shows results from split sample regressions, but the results are very similar using interaction term models.

[43] The baseline levels of support for transfers under the control condition are 49% for all respondents, 68% for Democrats and 29% for Republicans.

We interact treatment with indicator variables for party identification, which gives us party-specific treatment effect estimates. These are positive and significant for Democrats and Republicans for the social investment outcome. They are near-zero and insignificant for the social assistance outcome. In the appendix, we also estimate treatment effects with every possible permutation of control variables. The coefficients are very stable, no matter what combinations of control variables is included or if we exclude control variables all together. The results above are from OLS regressions, but logit and probit regressions yield similar results.

4.4 Mechanisms

Our proposed mechanism links bipartisan support for social investment and globalization shocks because of the view that trade hurts American meritocracy. To better isolate this mechanism, we conducted follow up surveys without an experimental component. Our goal was to confirm that the links in the chain of our argument were present for respondents, and to confirm that the partisan patterns we observed in the experiment were also present.

We wanted to confirm that: (1) respondents thought trade had harmed upward mobility and the American Dream, (2) they viewed social investment as a stronger remedy than social assistance, and (3) these patterns were not limited to liberal respondents. Each of these three things were apparent in the responses.

We recruited 1,328 additional respondents on Lucid on 8/9 September 2025. We first asked:

- Since the 1980s, it has become harder for children to do better than their parents. Many people say that the heart of the American Dream is the idea that kids can get ahead if they work hard. In your opinion, has trade between the United States and low wage countries like Mexico, China, or India, made achieving the American Dream harder, easier, or made no difference?

Respondents could choose from five response options that ranged from "Trade with low wage countries has made it a lot harder for kids to do better than their parents" to "... made it a lot

easier...". For numerical descriptions, we coded these responses from 1-5 with 5 corresponding to "a lot harder".

We then asked respondents for their opinions about what the government could do to help. We asked whether the government should spend more or less on:

- K-12 education
- Unemployment benefits and cash assistance for families who are struggling
- Job training and trade schools

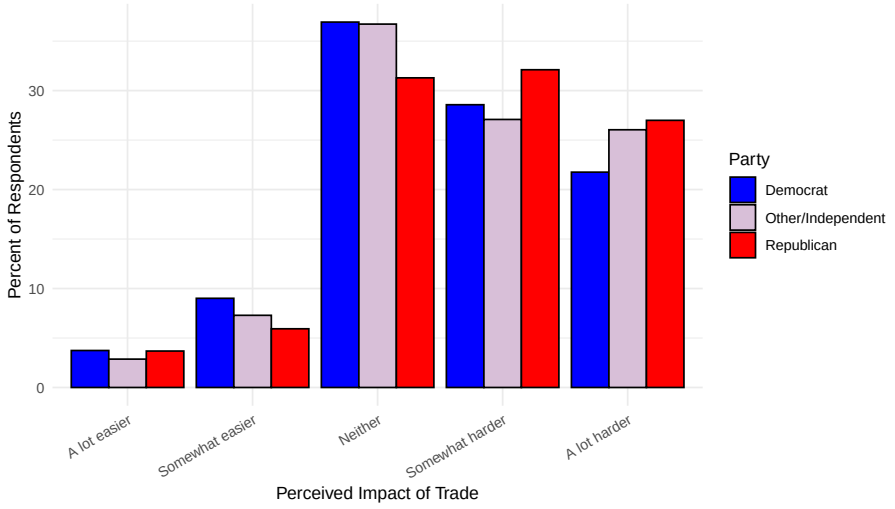
Respondents chose from a similar five-point scale that ranged from "Spend a lot more" to "Spend a lot less".[44] The first two items capture the social investment versus social assistance difference. The third item helps us ensure that support for education spending is not simply support for vocational or job training. For numerical descriptions, we coded "spend a lot more" as 5.

Figure 3 shows the distribution of responses to the question about whether trade harmed the American dream, broken down by party identification.[45] A majority of all party affiliations agreed that trade had made achieving the American dream somewhat or a lot harder. Republicans were approximately 9% more likely to blame trade than Democrats (59.1% versus 50.3%). The means for the numerical codings of these responses are very similar across parties: 3.73 for Republicans and 3.56 for Democrats. Independents were generally in the middle.

Figure 4 shows the distribution of responses about whether the government should spend more to help people achieve the American Dream. A strong majority from all three partisan positions support increasing K-12 education. Even among Republicans, 73.8% support increased social investment spending. In contrast, their support for increased social assistance is significantly weaker (approximately 23%). As expected, party splits are much wider for social assistance, compared to social investment. There is a 29 percentage point difference for social assistance, compared to an 18 point difference for social investment. Interestingly, Republicans support job training more strongly than K-12 education spending, but only by approximately 8% more. Independents are

[44] We randomized the order of the three spending items.

[45] We classified respondents as Democrat/Republican if they chose either party of if they chose "Independent: Lean Democrat/Republican." Results are robust to different classifications of the "leaning" respondents.



Summary by Party

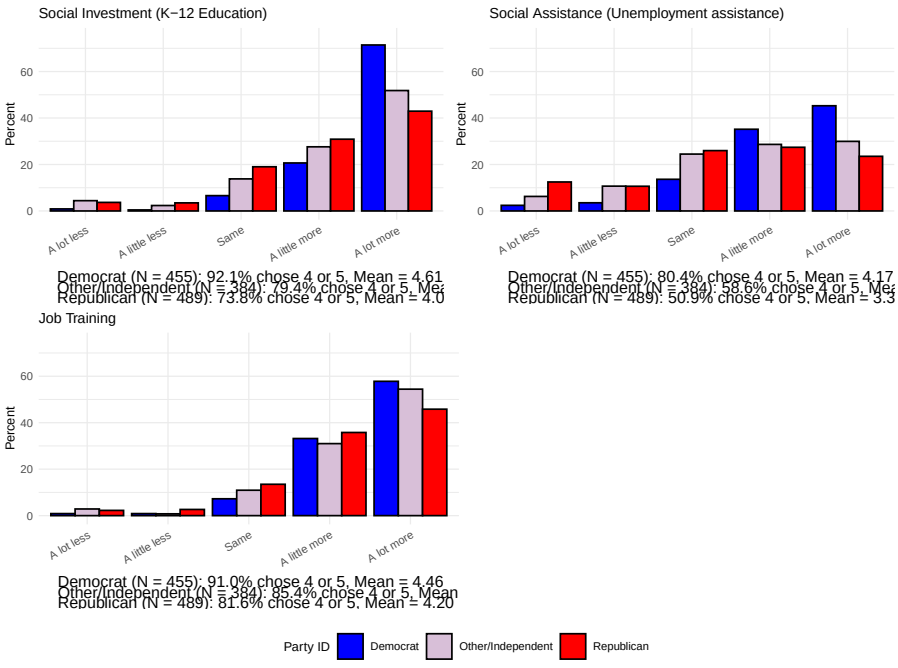
Democrat (N = 455): 50.3% chose a lot/somewhat harder, Mean = 3.56

Other/Independent (N = 384): 53.1% chose a lot/somewhat harder, Mean = 3.66

Republican (N = 489): 59.1% chose a lot/somewhat harder, Mean = 3.73

Figure 3: Perception that trade harmed the American Dream

again in the middle for all spending categories.



Democrat (N = 455): 92.1% chose 4 or 5, Mean = 4.61

Other/Independent (N = 384): 79.4% chose 4 or 5, Mea

Republican (N = 489): 73.8% chose 4 or 5, Mean = 4.0

Democrat (N = 455): 80.4% chose 4 or 5, Mean = 4.17

Other/Independent (N = 384): 58.6% chose 4 or 5, Mea

Republican (N = 489): 50.9% chose 4 or 5, Mean = 3.3

Democrat (N = 455): 91.0% chose 4 or 5, Mean = 4.46

Other/Independent (N = 384): 85.4% chose 4 or 5, Mean

Republican (N = 489): 81.6% chose 4 or 5, Mean = 4.20

Figure 4: Support for spending on social investment and assistance

Republican support for increased K-12 education spending stayed strong, even when we added an additional part of the question that explicitly mentioned the fiscal consequences of increased spending. Later in the survey, we also asked "Do you agree or disagree with the following statement? The government should provide more funding for K-12 schools so that children can compete with foreign workers, even if it means raising taxes." Respondents chose from a five point agree/disagree scale. This question explicitly mentions that increased spending would entail increased taxes. Figure 5 shows the distribution of responses. The average level of support for increased spending across all partisans was, of course, lower with this additional component of the question. However, even with this additional downside to spending – one to which Republicans would be especially sensitive – 55.6% of Republicans chose either "Strongly agree" or "Somewhat agree".[46] Democratic support also remained strong, with 65% agreeing. In interesting contrast, we see that Republican support drops to 44.4% when asked if they agreed whether " government should provide more funding for K-12 schools so that American children can better compete with workers from other states, even if this leads to higher taxes." Clearly, there is something specific about competition from foreign workers that increases conservatives' support for more social investment spending.

[46]We did not ask a similar question about increased social assistance, with a tax component. Though we would note that the original survey experiment also explicitly mentioned the possible downsides of increased spending for both social investment and assistance.

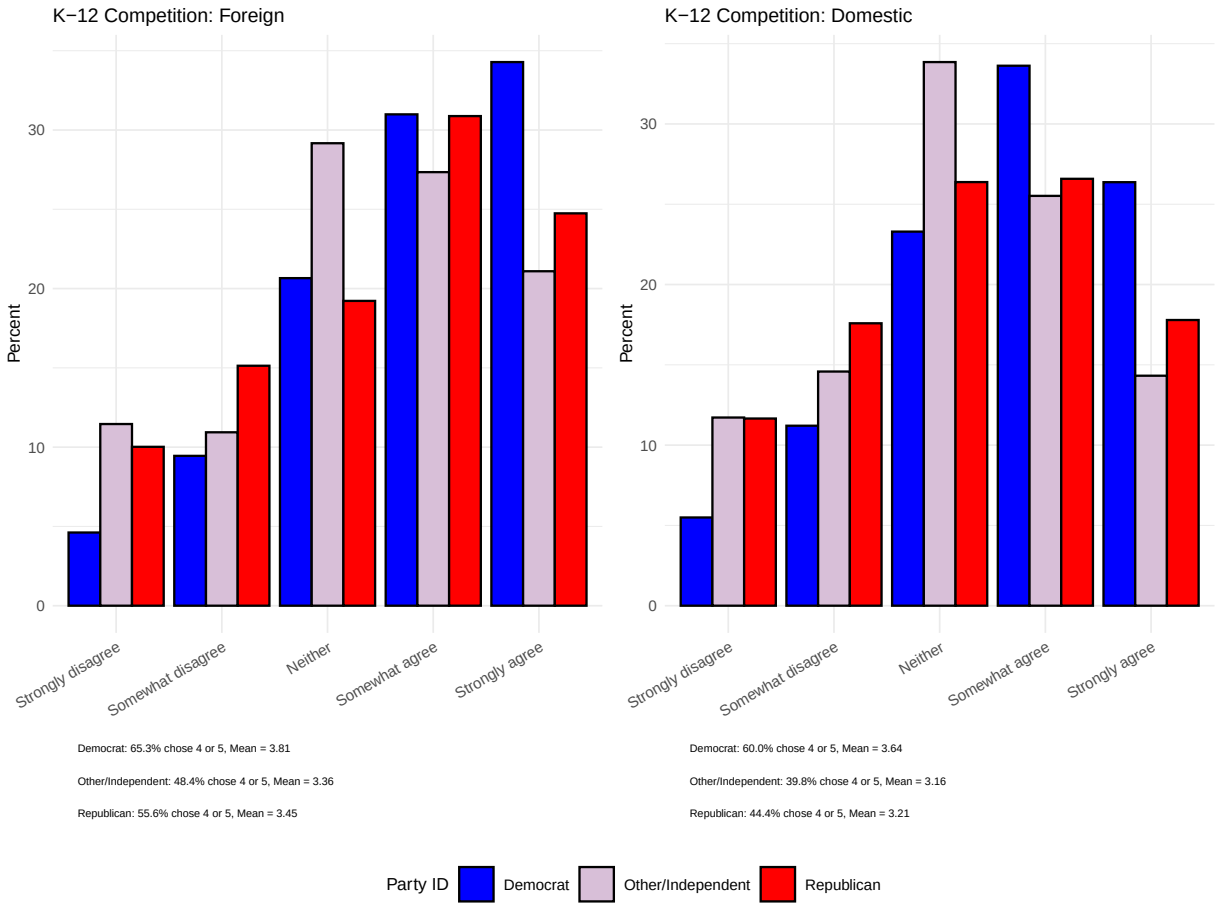


Figure 5: Support for spending on social investment, with tax prompt

5 Local Education Spending, Observational Data

The previous section showed key features of Americans' preferences over how to respond to globalization. Globalization moves both Democrats and Republicans to support more social investment. The survey evidence was about forward-looking preferences for what the government should do. But looking backwards, what policies *did* governments actually choose in response to globalization? Are the preferences we identified in the experimental data reflected in meaningful policy choices? Here, we show evidence that the answer is yes. The pipeline from preferences to policies is, of course, long, complicated, and imperfect. But here, we show that local areas exposed to import competition responded by providing more social investment in the form of education spending. We think of this as a second test that reinforces the findings of the evidence above.

We focus on local-level spending decisions, specifically on commuting zones (CZs). CZs are collections of counties that are grouped to "more closely reflect the local economy where people live and work."[47] This level of analysis is appropriate because the intensity of import exposure varies sub-nationally. It varies greatly across and within states, where one area may be more affected than another. Examining how localities collect and spend money is important because we want the level of the treatment to match the level of a potential response.[48]

Additionally, local education spending decisions- either at county level or school district- reflect a combination of state education directives and local political priorities. Federal money generally makes up a small percentage of U.S. education expenditures.[49] State formulas tend to be slower to adjust and standardized across regions, so they may be less immediately responsive to local-level economic disruptions.[50] Local governments, on the other hand, can more quickly respond to shocks that affect their area with budget re-allocations, increasing property taxes, or lobbying state representatives for more funding. Regardless, our measure of local education spending captures expenditures at the local level for this purpose, along with state and federal education

[47] `https://www.ers.usda.gov/`.

[48] Krueger and Xu (2015).

[49] Federal funding generally makes up 6-13% of spending. The remaining share is roughly half from state and half from local level sources (Peter G. Peterson Foundation (2025).

[50] Allegretto, García and Weiss (2022).

grants.[51]

5.1 Import Penetration

We follow the by-now familiar methodology for constructing shift-share measures of exposure to imports. These measures use trade and employment data to describe whether a particular CZ experienced an increase in exposure to imports over a particular time period. Using the notation from Feler and Senses (2017), we construct the measure of import penetration exposure per worker (IPW) as:

$$\Delta IPW_{uit} = \sum_{j} \frac{L_{ijt}}{L_{ujt}} \frac{\Delta M_{upjt}}{L_{it}} \tag{1}$$

The first term describes the "share" component. L_{ijt} is the number of workers employed in sector j, in CZ i, at the start of time period t. L_{ujt} is the total employment in sector j across the entire United States (the "u" subscript) at the start of time period t. The second term describes the "shift." ΔM_{upjt} is the change in value of imports for sector j from importing partner p during time period t, across the entire United States. We focus on China, since it is the most prominent and politically salient import partner to the United States. For this measure, we use the time periods 1992-2012 and 2012-2022. We follow existing research in using longer time periods to account for broad trends over time, as well as time for revenue recovery.

5.2 Local Level Education Expenditures

Local level expenditures of any type are hard to attain reliably and consistently across time periods and localities. The U.S. National Center for Education Statistics (NCES), which is a branch of the Department of Education publishes its "Common Core of Data" (CCD) annually, based on reports from *all* school districts, covering public elementary and secondary schools. This comprehensive dataset has the advantage of extensive temporal and spatial coverage. The CCD data cover the

[51] We also replicate our analysis excluding revenue from state and federal sources and find similar results. See robustness section below.

years 1986 to the present (2023-2024 at the time of writing). This lets us match measures of the change in expenditures easily to the time periods used in the IPW measure.

We construct a measure of education spending, E_{it}, which is the total spending on elementary, secondary, adult, and vocational education.[52] For each of the two time periods, we calculated the change in education spending and annualized this amount.[53] In other words, ΔE_{it} equals the percent change from the start of the time period to the end of the time period, divided by the number of years in the time period.[54]

5.3 Regression Specifications

Our primary empirical specifications estimate the effects of changes in import penetration on annualized changes in expenditures over time period t. The first regression takes the following form, estimated via OLS:

$$\Delta E_{it} = \beta \Delta IPW_{uit} + T + R + \gamma p_i + \varepsilon_{it} \tag{2}$$

T denotes a set of dummy variables indicating the time period in question. We include indicators for both time periods and exclude an intercept to make it immediately easy to see differences in the two time periods. R denotes a set of 8 region dummy variables, corresponding to the geographic region of CZ i. In regressions with all CZs pooled together, we also include the CZ's two-party Democratic vote share from 1992 (p_i). Specifically, we summed the votes for each county in each CZ for Clinton and Bush. In some specifications, we split the sample into Democratic and Republican CZs based on their 1992 two-party vote share. CZs are classified as Democratic or Republican based on whether this share is above or below 0.50. Standard errors are clustered by CZ.

[52] Results are similar when we exclude adult/vocational spending. See robustness section below.

[53] CCD data are at the county, state, and district level. Districts are associated with counties. We took the counties that constituted each CZ and summed their spending to get a spending amount at the CZ level.

[54] Using 0 to denote the starting year of the time period and 1 to denote the ending year, $\Delta E_{it} = \frac{E_{i1}-E_{i0}}{E_{i0}}(\frac{1}{year_1-year_0})$. The first term is the percent change in expenditures in CZ i and the second term divides by the number of years in time period t, to annualize this percent change.

The second regression specification uses the IPW measure calculated based on Chinese exports to the 8 highest-income countries, excluding the United States, as an instrument for the IPW measure for U.S. CZs. We estimate the instrumental variables regressions via two-stage least squares (2SLS). The IV specification helps guard against the possibility that changes at the CZ level, like a change in demand, drove Chinese imports into the United States.

Hypothesis 1 predicts a positive coefficient estimate for β, indicating that CZs that experienced greater import penetration increased their education spending at a faster rate. Hypothesis 2 predicts a positive coefficient for both Republican and Democratic CZs.

5.4 Results: Education Spending

Figure 6 shows a scatterplot of the IPW measure versus annualized change in education spending.[55] Red dots indicate Republican CZs and blue dots show Democratic CZs. We show best-fit lines for both types of CZs. The vast majority of observations are in the first quadrant. Nearly all CZs of both political types were exposed to Chinese imports, though to very different degrees. Similarly, nearly all CZs increased their education spending over these time periods, again to varying degrees.

The plot reveals two important trends. First, overall spending is positively correlated with import exposure. CZs that were more exposed to imports tended to increase their education spending at a faster rate. Second, major partisan differences in this relationship appears to be absent. The correlation between import penetration and education spending was only slightly larger for Democratic CZs.

Table 1 shows the coefficient estimates, using OLS then 2SLS on the full sample. We then split the sample by party in columns 3-4 (Democratic) and 5-6 (Republican). The positive coefficients in the first two columns are consistent with Hypothesis 1. Greater increases in IPW were associated with greater increases in education spending in the full sample. CZs that were hit harder with import competition also tended to be those that increased their education spending at a faster rate than CZs that were less hard-hit.

[55] We limited the range of the axes since there are some large outliers. This makes the relationships easier to read.

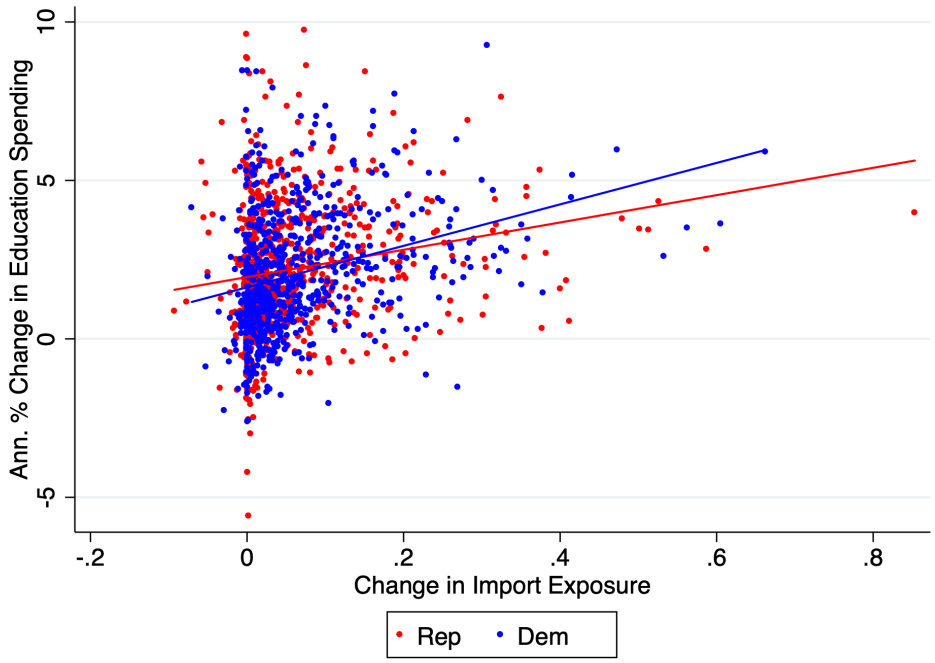


Figure 6: Annualized Percent Change in Education Spending (CCD Data), 1992-2012 and 2012-2022, versus Exposure to Chinese Imports

The positive coefficients in the split sample regressions, especially for Republican CZs in the final two columns are consistent with Hypothesis 2. *Both* Republican and Democratic CZs increased spending on education in response to the China shock. The coefficients for both types of CZs are similar to one another, for OLS and 2SLS specifications.

These positive coefficients are substantively meaningful as well. In 1992, the mean level of education expenditure at the CZ level was approximately $400M. The coefficients describe how changes in the explanatory variables affect the annualized growth rate of education spending. If a CZ with the mean level of 1992 spending were in the 25th percentile of the IPW measure, then its predicted spending level in 2022 would be approximately $802M.[56] If that CZ had instead been in the 75th percentile of the IPW measure, then we would predict that its 2022 spending level would be approximately $856M. This difference ($+54$M) is approximately a 7% increase in education expenditures for a CZ moving from the 25th to the 75th percentile of import exposure.

[56]This calculation sets the other variables at their sample means and describes the amount of spending after accounting for 29 years at the growth rate implied by the coefficient estimates.

Table 1: Effect of Import Penetration on Education Spending (CCD Data), 1992-2022

	(1) OLS Full	(2) 2SLS Full	(3) OLS Dem	(4) 2SLS Dem	(5) OLS Rep	(6) 2SLS Rep
Δ Im. Pen.	3.11***	5.26***	3.76***	5.80***	2.66**	5.12***
	(0.82)	(1.25)	(1.27)	(2.04)	(1.08)	(1.58)
1992-2012	3.49***	3.32***	2.85***	2.64***	2.20***	1.86***
	(0.57)	(0.57)	(0.45)	(0.48)	(0.45)	(0.48)
2012-2022	2.44***	2.44***	1.90***	1.87***	1.09**	0.92**
	(0.57)	(0.56)	(0.43)	(0.43)	(0.43)	(0.44)
Dem. 1992 Pct	-0.93	-1.00				
	(0.66)	(0.66)				
Sample	All CZs	All CZs	Dem. CZs	Dem. CZs	Rep. CZs	Rep. CZs
Observations	1,444	1,444	700	700	744	744

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

5.5 Results without federal and state revenue

One potential concern is that the spending data include revenue from federal and state sources. State revenue that is spent at the local level is especially relevant for our analysis, because state revenue is also a large source of education funding and it is often based on a per-pupil redistributive formula. In other words, state revenue for education spending could increase if it was compensating for harm done by import penetration. Some federal revenue programs were concentrated in particular time periods, as with COVID-recovery funds, and they might have also been more intense in areas facing more import competition.[57]

Fortunately, the NCES data include the amount of federal and state revenue given to the local education unit. We can therefore calculate the amount of education spending minus transfers from the state and federal levels to the locality. With this measure, local expenditures are net of money transferred from those two sources.

[57] We don't have strong reason to believe this is the case, but it is possible.

Table 2: Effect of Import Penetration on Education Spending less federal and state revenue (CCD Data), 1992-2022

	(1) OLS Full	(2) 2SLS Full	(3) OLS Dem	(4) 2SLS Dem	(5) OLS Rep	(6) 2SLS Rep
Δ Im. Pen.	4.93***	9.68***	4.66*	11.74***	5.25***	8.57***
	(1.55)	(2.38)	(2.57)	(4.14)	(1.90)	(2.77)
1992-2012	1.11	0.73	2.28**	1.55	1.88**	1.41*
	(1.08)	(1.09)	(0.91)	(0.97)	(0.79)	(0.83)
2012-2022	-0.98	-0.98	0.42	0.31	-0.43	-0.65
	(1.07)	(1.07)	(0.87)	(0.87)	(0.75)	(0.76)
Dem. 1992 Pct	2.14*	1.98				
	(1.24)	(1.25)				
Sample	All CZs	All CZs	Dem. CZs	Dem. CZs	Rep. CZs	Rep. CZs
Observations	1,444	1,444	700	700	744	744

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

In Table 2, we re-estimated our main analysis using the outcome variable that excludes federal and state revenue. The results are very similar, in terms of our hypotheses. Import penetration is positively and significantly associated with greater education spending, in both Republican and Democratic CZs. The magnitudes of the coefficients are actually larger. When we exclude revenue from state or federal sources, increased import penetration is associated with even steeper increases in education spending.

5.6 Robustness

These results are robust to other potential concerns.[58] One additional potential concern is that increased education spending is predominantly from vocational education spending, and is not based on a longer term investment in education. In other words, it would make our argument less compelling if increased spending was "just" vocational re-training. The NCES data codes

[58] See appendix for all robustness checks.

each local education area according to whether the school was primary, secondary, overlapping primary/secondary, or adult/vocational. We therefore re-estimated our main analysis excluding spending on adult/vocational education. We find similar results as in the analyses above.

Import penetration also potentially affects the number of people living in a locality. We would generally expect dislocation from import penetration to push people to move out of a harder-hit CZ. This would bias against our findings of increased education expenditures, since it would presumably mean a smaller revenue base. However, our findings above also obtain using per capital education expenditures. Import penetration is associated with a faster increase in per-capita education expenditures, as well. The only difference is that results are not as strong statistically for the OLS specification for Republican CZs. For all the other specifications, included 2SLS for Republican CZs, import penetration has a positive and significant effect at least the 0.10 level.

The above analysis used split sample regressions for partisan analysis. The results are very similar using an interaction term model, where we interact the import penetration measure with an indicator for whether a CZ was Democratic or Republican in 1992.

It is also possible that CZs with higher or lower initial levels of spending had more or less ability to grow spending over time. In other words, since our model is about changes in import penetration and changes in spending, it's possible that initial levels matter. We show how the positive results for education spending are consistent even as we limit the sample to exclude observations particularly high or low in the distribution of initial spending levels. The magnitude of the estimated effect of import penetration tends to be higher in CZs with lower levels of initial spending, but it is positive and significant across wide ranges of the distribution of initial spending. In other words, our effects are not solely driven by outlier CZs that spent a lot or a little initial time periods.

It is also possible that certain CZs were on permanently upward or downward spending trajectories, which could correlate with features of their local economy. We also conducted a placebo test where we used the first time period's import penetration measure as the explanatory variable for second period changes in spending. If our results were explained by trends that spanned the entire time period of our sample, then that would weaken results. We do not find that variation

in import penetration from the preceding decade affected spending. This lessens the worry that certain CZs just happen to be on particularly steep spending trajectories and raises the credibility of our claim that spending responded to import penetration. We also cluster standard errors at the CZ level; the statistical significance of the results does not change.

We also show how the estimated effect of import penetration is largely consistent across the political spectrum of CZs. We estimated the effects of import penetration on education spending, using a rolling windows approach. We show how coefficients are generally stable, positive, and significant limiting the sample to ranges of vote shares for each party.

5.7 Results: Fire and Police

Perhaps the effects of import penetration are not specific to social investment spending, but they are instead found across many different types of local level spending? Or perhaps Republican and Democratic CZs change their spending in similar ways, even beyond social investment spending? If import penetration was associated with broad increases in many types of government spending, even beyond social investment, it would weaken our claim that globalization specifically disrupts the political divide over redistribution – a domain historically marked by deep ideological division. Similarly, it would weaken our claim if there was little partisan divergence in any kind of spending. We would thus be worried about the findings above if import penetration increased fire and police spending in all CZs, or if the increases were found in both types of counties. This would indicate that there is nothing "special" about social investment spending.

To assess these possibilities, we conducted a type of placebo test using spending on fire and police services. Here, we show that the effect of import penetration on social investment spending was not the same as on fire and police spending. Import penetration has generally insignificant effects on fire and police spending. And the effects of import penetration on fire and police spending are not especially similar across Democratic and Republican CZs.

Note that – ideally – we could compare the effects of import penetration on social investment spending with their effects on social assistance spending. However, most social assistance spending

comes from the federal government or state governments. This means that any test would be very highly aggregated, e.g. comparing across states or simply across years for the entire nation. We would not be able to clearly match the level of the cause – import penetration's effects on localities – with the level of the response – how localities spent money.

To measure police and fire spending, we used data from the Census Bureau's Survey of State and Local Government Finances.[59] The Census data are collected annually, though they are much more extensively collected during full Census years (years ending in 2 and 7). The surveys collect information from state and local-level governments about a variety of different spending types. We calculated similar measures to those used above, based on annualized percent changes in police plus fire expenditures, at the local level, aggregated up to the CZ level.[60]

Table 3 shows regressions with identical specifications as in Table 1. The effects of import penetration on fire and police spending are small and insignificant. There are also not the same bipartisan effects as found in education spending. in some specifications, import penetration has a negative and insignificant effect for Democratic CZs and has a positive and insignificant effect for Republican CZs. Both effects are also smaller in magnitude than the effects for education spending. Overall, these largely null results give us more confidence that our findings for education spending are not simply an artifact of a broader trend found across different types of spending and counties.

[59] `https://www.census.gov/programs-surveys/gov-finances/about.html`.

[60] We excluded a few implausibly large outliers in fire expenditures, eg a CZ whose fire expenditures rose by over 4,000% annually. These were likely caused by a data entry error by the locality or Census.

Table 3: Effect of Import Penetration on Police and Fire Spending(Census Data), 1992-2022

	(1) OLS Full	(2) 2SLS Full	(3) OLS Dem	(4) 2SLS Dem	(5) OLS Rep	(6) 2SLS Rep
Δ Im. Pen.	0.54	0.38	0.39	-1.76	0.45	1.94
	(1.46)	(2.23)	(1.80)	(2.88)	(2.31)	(3.36)
1992-2012	3.58***	3.59***	0.82	1.04	0.15	-0.05
	(1.02)	(1.02)	(0.64)	(0.67)	(0.96)	(1.01)
2012-2022	1.64	1.64	-1.39**	-1.35**	-1.55*	-1.65*
	(1.01)	(1.01)	(0.61)	(0.61)	(0.92)	(0.93)
Dem. 1992 Pct	-4.89***	-4.88***				
	(1.18)	(1.17)				
Sample	All CZs	All CZs	Dem. CZs	Dem. CZs	Rep. CZs	Rep. CZs
Observations	1,435	1,435	696	696	739	739

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

5.8 Results: Census Education Spending

We used Census data for police and fire spending. Census also collects local level education spending data. CCD data is collected by and in collaboration with the NCES.[61] They both produce datasets and reports from the same underlying survey responses, though with some differences in how they classify certain revenue streams. We prefer the CCD data for the education spending data because its unit (the Local Education Area) is more fine grained and includes charter school independent districts. In practice, data from both sources are very highly correlated.

Table 4 shows the results using Census data. They are very similar to those found using the CCD data. Increased exposure to imports increases education spending overall, and in both partisan types of CZs. The coefficient magnitudes are also very similar, so the implied substantive effects are as well.

[61] Cornman, Ampadu and Hanak (2024).

Table 4: Effect of Import Penetration on Education Spending (Census Data), 1992-2022

	(1) OLS Full	(2) 2SLS Full	(3) OLS Dem	(4) 2SLS Dem	(5) OLS Rep	(6) 2SLS Rep
Δ Im. Pen.	3.34***	5.52***	4.11***	6.15***	2.64**	5.01***
	(0.69)	(1.07)	(0.92)	(1.48)	(1.05)	(1.53)
1992-2012	3.30***	3.13***	2.38***	2.17***	2.20***	1.87***
	(0.48)	(0.49)	(0.33)	(0.35)	(0.44)	(0.46)
2012-2022	1.92***	1.92***	0.97***	0.94***	0.87**	0.71*
	(0.48)	(0.48)	(0.31)	(0.31)	(0.42)	(0.42)
Dem. 1992 Pct	-1.50***	-1.57***				
	(0.56)	(0.56)				
Sample	All CZs	All CZs	Dem. CZs	Dem. CZs	Rep. CZs	Rep. CZs
Observations	1,444	1,444	700	700	744	744

Standard errors in parentheses. CZs classified by 1992 two-party vote share.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

6 Implications and Future Research

Our research challenges the prevailing view among scholars, media, and the public that the partisan divide over redistribution in the United States is fixed and intractable. We argue instead that conservatives' views on social investment may be more malleable than their views on social assistance, particularly as a response to the perceived harms of globalization. When voters are exposed to economic shocks that appear to undermine core American ideals of meritocracy, conservatives and liberals are more likely to support increasing social investment.

Drawing on county-level spending data and two survey experiments, we find evidence of bipartisan support for increased social investment targeting working class families, particularly those in areas left behind by globalization. Our data are particularly noteworthy because they align survey evidence of preferences with observational data on policies. The data also cover a longer time span than usually considered, since we extend data on the China Shock and education spending through 2022. For the observational data, this enables our analysis to capture a longer time horizon, as local governments may have begun to recover from the initial fiscal impacts of import competition.

This study makes important contributions to several strands of research. First, by examining how globalization shapes perceptions of deservingness among American workers, we identify

conditions under which the partisan divide on redistribution can be overcome – an area rarely explored. Second, we offer new support for the postwar Embedded Liberalism framework by leveraging local-level data and accounting for partisan dynamics, providing a novel perspective on how globalization influences redistribution policy. Third, our findings contribute to debates on whether partisan polarization differs at the local level from the national level, particularly in response to an economic shock. Our national-level survey experiments and local-level spending data then show that conservatives and liberals alike value social investment in response to globalization shocks. Taken together, these findings suggest that partisan polarization over social investment – specifically in response to globalization shocks – may not be as entrenched as commonly assumed, and can be mitigated.

Our analysis suggests that attitudes toward certain types of redistribution are shifting even in a polarized national context. At present, the very public partisan fight over education centers on the content of the curriculum (diversity, equity, culture war issues), greater school choice (charter schools and vouchers), and greater federal versus state control. We are not predicting sudden, broad bipartisan agreement on social investment. Signaling bipartisan cooperation offers limited electoral appeal for either party in today's political climate.

Yet, underneath this all, partisan agreement over prioritizing public education for working class families, particularly in response to foreign competition, has gained quiet momentum. Several workforce education and training initiatives for working class families have been gaining strong bipartisan support under the radar, such as the Adult Education works Act and the JOBS Act. Parties appear to have more overlap on education than the headline education debates suggest[62]. Efforts to reauthorize the Workforce Innovation and Opportunity Act (WIOA) are another good example. This legislation is a prototypical example of social investment in our analysis, as it aims to modernize the workforce system by expanding access to job training, increasing funding on skill development, and strengthen the role of state and local workforce boards so that it is more

[62]See for example this Pew survey that indicate partisan agreement on basics like teaching children reading and math, despite the cultural disagreements (see `https://www.educationnext.org/the-year-in-public-opinion-on-u-s-k-12-education-policy`

employer and local demand-driven.

WIOA passed the House with bipartisan support in 2024, but it stalled in the Senate. One of the reasons was Democratic resistance to offsetting workforce expansion with cuts to other safety net programs in the broader budget plans. Our analysis suggests that conservative support for WIOA-style reforms might have been stronger if these efforts were decoupled from broader social assistance policies. Both parties are once again considering authorizing WIOA.

Next steps in this research agenda are critical. Ample empirical evidence reveals that support for redistribution declines when recipients are perceived as belonging to a particular race or ethnic group, particularly when those groups are stereotyped as less deserving because they do not work hard. Do we find the same level of bipartisan convergence on social investment in response to economic shocks in hard hit areas that host large minority or black populations? Second, is globalization as an economic shock unique in triggering a bipartisan response in redistribution? Reactions to trade shocks appear to be unique, likely because the bipartisan consensus that "globalization is bad" for American workers has not (yet) extended to other types of shocks, such as automation, as our preliminary findings on automation show.[63] Additionally, our analysis leaves open whether or not increasing social investment is enough to begin countering the backlash against globalization, as the Embedded Liberalism framework predicts.

We conclude with a ray of optimism in a bleak political environment. Despite the sharp differences in national goals, policy preferences and core beliefs that typically divide Republicans and Democrats, our analysis reveals a surprising point of agreement: increasing social investment for working class families. This represents a positive alternative to the only things that currently attract some degree of cross-party support: skyrocketing tariffs or illiberal industrial policies.

[63] See appendix.

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7 Appendix

7.1 Observational Results

7.1.1 Education spending data details

The NCES education spending data contain information on lots of types of education spending. The measure of spending that we use in the main analyses (TOTALEXP) is the sum of the following items. In robustness checks below, we also limit expenditures to total current expenditures on elementary and secondary education (TCURELSC).

- TCURELSC: Total Current Expenditure for Elementary/Secondary Education, which entails Expenditure for Instruction (TCURINST), Support Services (TCURSSVC), and Other Elementary/Secondary Programs (TCUROTH). Includes salaries, employee benefits, purchased services, and supplies, as well as payments made by states on behalf of school districts. Also includes transfers made by school districts into their own retirement system
- TNONELSE: Total Non-Elementary/Secondary Expenditures which entails Community Services (V70), Adult Education (V75) and Others (V80).
- TCAPOUT: TOTAL CAPITAL OUTLAY EXPENDITURES which includes expenditures for construction (F12), land and existing structures (G15), instructional (K09), other (K10) and non-specified (K10) equipment.
- L12, M12: Payments to State Governments, to Local Governments.
- Q11: Payments to other school systems.
- I86: Interest on debt.
- V91: Payments to Private Schools.
- V92: Payments to Charter Schools.

In some of the robustness checks below, we calculated expenditures minus federal or state revenues. Federal revenues (TFEDREV) included federal revenues that are distributed to schools through the state, revenues directly given to schools, and money from specific acts or programs like the CARES Act or COVID funds. Total state revenue (TSTREV) includes things like standardized formula assistance (eg money based on a state's per student formula) and other more specific funds, like those for bilingual education or gifted programs.

For per capita amounts, we used the count of students served by the particular school (V33). This is the count that NCES uses to calculate their per pupil amounts.

7.1.2 Models without federal revenue

In the main manuscript, we used total education spending at the local level as the primary outcome variable, and then spending less federal and state revenue. Here, we use total spending minus federal revenue only (Table 5). All of the signs and statistical significance of the main results and the results less federal and state revenue are the same. In terms of magnitude, the coefficients are more similar to the main results, suggesting that removing state revenue drives a larger portion of the increased magnitude in Table 2.

Table 5: Effect of Import Penetration on Education Spending less federal revenue (CCD Data), 1992-2022

	(1)	(2)	(3)	(4)	(5)	(6)
	OLS Full	2SLS Full	OLS Dem	2SLS Dem	OLS Rep	2SLS Rep
Δ Im. Pen.	3.32***	5.93***	4.03***	6.68***	2.83**	5.65***
	(0.86)	(1.32)	(1.37)	(2.21)	(1.10)	(1.61)
1992-2012	3.60***	3.39***	2.73***	2.46***	1.92***	1.52***
	(0.60)	(0.60)	(0.49)	(0.52)	(0.46)	(0.49)
2012-2022	2.20***	2.20***	1.40***	1.36***	0.48	0.28
	(0.59)	(0.59)	(0.47)	(0.47)	(0.44)	(0.44)
Dem. 1992 Pct	-1.33*	-1.42**				
	(0.69)	(0.69)				
Sample	All CZs	All CZs	Dem. CZs	Dem. CZs	Rep. CZs	Rep. CZs
Observations	1,444	1,444	700	700	744	744

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

7.1.3 Models without vocational spending

The NCES data codes schools by type (eg elementary, secondary). One category is "Vocational and or special education system." Table 6 replicates Table 1 removing spending on those schools. The NCES data also includes a separate expenditure variable (TCURELSC) which is total current expenditures for elementary and secondary education. It also excludes vocational and adult education spending, as well as capital outlays. Table 13 replicates the main regressions using these expenditures as the outcome measure. Results are again very similar.

Table 6: Effect of Import Penetration on Education Spending less vocational spending (CCD Data), 1992-2022

	(1)	(2)	(3)	(4)	(5)	(6)
	OLS Full	2SLS Full	OLS Dem	2SLS Dem	OLS Rep	2SLS Rep
Δ Im. Pen.	3.04***	4.94***	3.71***	5.45***	2.54**	4.79***
	(0.82)	(1.26)	(1.27)	(2.05)	(1.09)	(1.59)
1992-2012	3.52***	3.37***	2.91***	2.74***	2.28***	1.97***
	(0.57)	(0.58)	(0.45)	(0.48)	(0.45)	(0.48)
2012-2022	2.34***	2.34***	1.83***	1.80***	1.03**	0.88**
	(0.57)	(0.57)	(0.43)	(0.43)	(0.43)	(0.44)
Dem. 1992 Pct	-0.88	-0.94				
	(0.66)	(0.66)				
Sample	All CZs	All CZs	Dem. CZs	Dem. CZs	Rep. CZs	Rep. CZs
Observations	1,444	1,444	700	700	744	744

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 7: Effect of Import Penetration on Education Spending, TCURELSC only, (CCD Data), 1992-2022

	(1)	(2)	(3)	(4)	(5)	(6)
	OLS Full	2SLS Full	OLS Dem	2SLS Dem	OLS Rep	2SLS Rep
Δ Im. Pen.	3.32***	5.53***	3.63***	4.87***	3.01***	6.11***
	(0.57)	(0.88)	(0.80)	(1.29)	(0.83)	(1.23)
1992-2012	3.90***	3.72***	3.04***	2.91***	1.94***	1.50***
	(0.40)	(0.40)	(0.28)	(0.30)	(0.35)	(0.37)
2012-2022	2.67***	2.67***	1.68***	1.66***	0.83**	0.62*
	(0.40)	(0.40)	(0.27)	(0.27)	(0.33)	(0.34)
Dem. 1992 Pct	-1.53***	-1.60***				
	(0.46)	(0.46)				
Sample	All CZs	All CZs	Dem. CZs	Dem. CZs	Rep. CZs	Rep. CZs
Observations	1,444	1,444	700	700	744	744

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

7.1.4 Models with per capita education spending

To compute per capita expenditures, we used population data from Census Population estimates at the county-level and aggregated it up to the CZ level. For the 2022 observations, we used the 5-year American Community Survey estimates. Table 8 shows the results from replicating the main specifications with per capita expenditures as the dependent variable. Import penetration has a positive, nearly always significant effect on per capita education expenditures.

Table 8: Effect of Import Penetration on Per Capita Education Spending, 1992-2022

	(1)	(2)	(3)	(4)	(5)	(6)
	OLS Full	2SLS Full	OLS Dem	2SLS Dem	OLS Rep	2SLS Rep
Δ Im. Pen.	1.45**	2.42**	2.13*	3.35*	1.27	2.18*
	(0.73)	(1.12)	(1.19)	(1.91)	(0.91)	(1.32)
1992-2012	2.00***	1.93***	2.00***	1.87***	1.78***	1.65***
	(0.51)	(0.52)	(0.43)	(0.45)	(0.38)	(0.40)
2012-2022	1.59***	1.59***	1.67***	1.65***	1.33***	1.27***
	(0.51)	(0.51)	(0.41)	(0.41)	(0.36)	(0.36)
Dem. 1992 Pct	0.13	0.10				
	(0.59)	(0.59)				
Sample	All CZs	All CZs	Dem. CZs	Dem. CZs	Rep. CZs	Rep. CZs
Observations	1,443	1,443	699	699	744	744

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

7.1.5 Interaction term models

In the main manuscripts, we used split sample regressions by party. Table 9 shows the same OLS regression, but with a binary indicator for whether a CZ voted Democratic in the 1992 election and an interaction term. The binary indicator equals one if the average vote share across the counties in the CZ was greater than 50%. Each column shows one of the spending measures from above, the CCD education spending data, the Census education spending data, then the Census police and fire spending measures.

The results show the same things as in the split sample regressions. Greater exposure to import penetration increased education spending. The effect was slightly larger in Democratic CZs, but we

can't reject the null of no difference in effects. Also, as above, import penetration is not associated with increased police/fire spending, in either type of CZ.

Table 9: Interaction Models (OLS): Import Penetration × Dem-Majority

	Education (NCES)	Education (Census)	Police and Fire
	(1)	(2)	(3)
	OLS	OLS	OLS
Δ Imp. Pen.	2.69***	2.45***	-0.50
	(1.03)	(0.88)	(1.85)
Δ Imp. Pen. × Dem.	0.88	1.88	1.91
	(1.38)	(1.17)	(2.47)
Dem. Maj. (> 0.5)	-0.32**	-0.45***	-0.81***
	(0.15)	(0.13)	(0.27)
1992–2012	3.22***	2.80***	1.43*
	(0.44)	(0.37)	(0.78)
2012–2022	2.18***	1.43***	-0.51
	(0.43)	(0.37)	(0.77)
Observations	1,444	1,444	1,435

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

7.1.6 Outlier robustness

In the main manuscripts, we used the full sample for all of our regressions. It is possible that certain commuting zones that spent a lot or a little in initial time periods could show larger or smaller annualized growth in spending. The starting level of spending for a CZ could influence its trajectory in a deterministic way. We use the CZ's education spending level in 1992, the start of our analysis period, as the measure of initial spending levels.

Here, we show that the results are not sensitive to excluding observations based on their education spending levels. Rather than choose one cutoff above or below which to exclude observations, we show the robustness of estimates to many potential cutoffs. The plots below exclude observations that are above a certain threshold or below a certain threshold, and they gradually shift the threshold. We show this for all four of the dependent variables considered above.

Figure 7 shows the estimated effect of import penetration as we gradually remove observations

that are outliers on the higher end of the spending distribution. Each point on the x-axis indicates a particular percentile threshold. For example, the when the x-axis is 75, the corresponding estimate is from a regression where we exclude CZs that are in the 75th percentile or higher in terms of their initial spending. The sample size therefore gets smaller as we move from right to left. It ranges form 100, which excludes only the very top percentile of CZs in terms of their 1992 spending, down to 50, which excludes every CZ above the median spending level.

Figure 8 shows the same thing, only it gradually excludes lower end observations. For example, when the x-axis is 25, the corresponding estimate comes from a regression that excludes any CZ that is in the 25th percentile or below.

The results are consistent. The effect on both education spending measures is always positive and nearly always significant. The only places where the coefficient is not significant at the 95% level is when the cutoff excludes the bottom 30th percentile or more from the sample. These results used the OLS specifications. With the 2SLS specifications, these results are generally stronger. The effects on police and fire remain insignificant for every subsample.

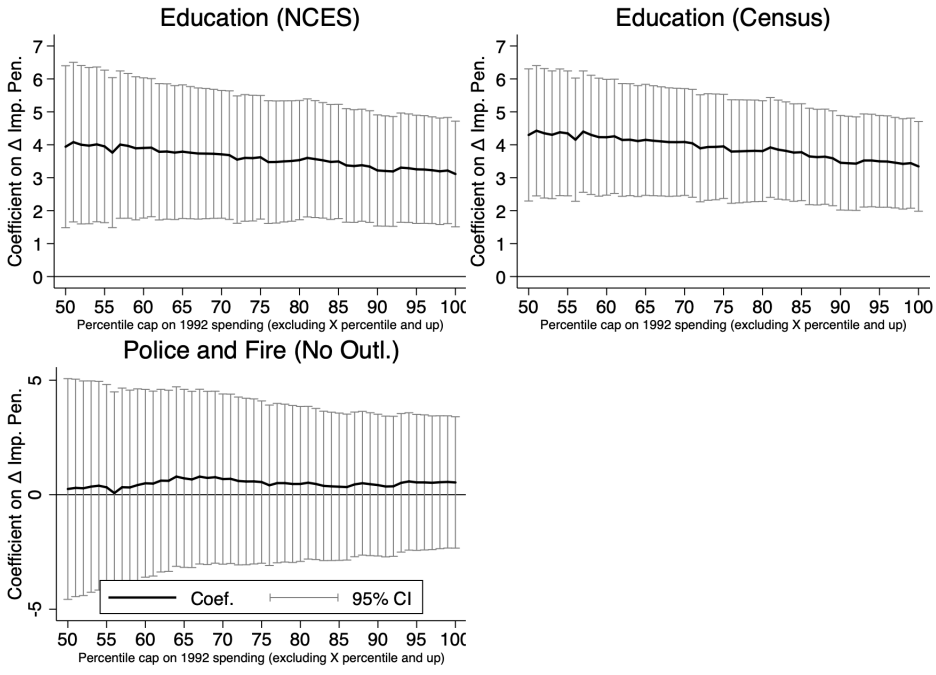


Figure 7: Effect of Imports, Gradually Excluding Higher-spending Outliers

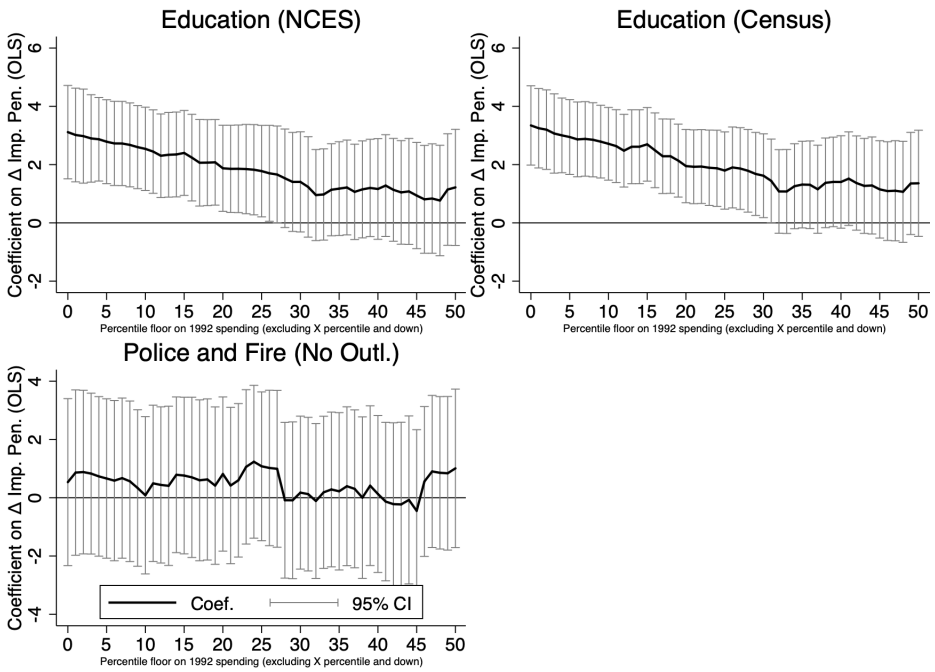


Figure 8: Effect of Imports, Gradually Excluding Lower-spending Outliers

7.1.7 Clustering

The main manuscript showed results from regressions without any clustering structure to the standard errors. Results are very similar when we cluster at the CZ level. Table 10 shows the results for the main education spending regressions.

Table 10: Effect of Import Penetration on Education Spending (CCD), SEs clustered at the CZ level

	(1) OLS Full	(2) 2SLS Full	(3) OLS Dem	(4) 2SLS Dem	(5) OLS Rep	(6) 2SLS Rep
Δ Im. Pen.	3.11***	5.26***	3.76***	5.80***	2.66***	5.12***
	(0.62)	(1.10)	(0.87)	(1.81)	(0.87)	(1.43)
1992-2012	3.49***	3.32***	2.85***	2.64***	2.20***	1.86***
	(0.54)	(0.54)	(0.41)	(0.45)	(0.25)	(0.30)
2012-2022	2.44***	2.44***	1.90***	1.87***	1.09***	0.92***
	(0.52)	(0.52)	(0.39)	(0.39)	(0.21)	(0.23)
Dem. 1992 Pct	-0.93	-1.00				
	(0.62)	(0.62)				
Observations	1,444	1,444	700	700	744	744

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

*** : $p < 0.01$.

7.1.8 Placebo test with lagged import penetration

As a placebo test, we looked at whether lagged import penetration was associated with spending in the second time period. Specifically, we regress spending changes in the second time period (2012-2022) on the import penetration measure from the first time period (1992-2012).

Table 11 shows the results. Lagged imports do not explain second period education spending. They also do not explain second period police and fire spending.

Table 11: Effect of Lagged Import Penetration on Spending Outcomes

	(1) OLS Full	(2) IV Full	(3) OLS Dem	(4) IV Dem	(5) OLS Rep	(6) IV Rep
DV: Education (CCD)						
Δ Im. Pen. (lag)	-0.42	-0.83	-0.84	-0.47	1.09	0.83
	(1.06)	(1.28)	(1.68)	(1.98)	(1.24)	(1.45)
Dem. 1992 Pct	0.90	0.95				
	(0.76)	(0.76)				
Observations	722	722	350	350	372	372
DV: Education (Census)						
Δ Im. Pen. (lag)	0.52	0.22	0.43	0.41	0.89	0.60
	(0.82)	(0.98)	(1.00)	(1.18)	(1.21)	(1.42)
Dem. 1992 Pct	-0.89	-0.85				
	(0.59)	(0.59)				
Observations	722	722	350	350	372	372
DV: Pol./Fire (Census, no outl.)						
Δ Im. Pen. (lag)	1.73	2.21	0.46	1.66	0.62	-0.25
	(1.78)	(2.13)	(1.94)	(2.28)	(2.79)	(3.28)
Dem. 1992 Pct	-3.43***	-3.49***				
	(1.28)	(1.28)				
Observations	719	719	349	349	370	370

Note: Standard errors in parentheses. $^{***}p < 0.01$

7.1.9 Rolling windows by party

Figure 9 shows estimates of the effect of our import penetration measure on education spending (NCES) as we vary the sample, by vote shares. The estimates are based on rolling windows of width 0.2. For example, at the point 0.5 on the horizontal axis, the coefficient shown is the estimate when we restrict the sample to include only CZs that had a Democratic vote share between 0.4 and 0.6, i.e. 0.5 plus or minus .1. The confidence intervals naturally get wider as we get into either tail of the vote share distribution, because the sample sizes are shrinking. Overall, the coefficients are stable, positive, and significant. There is a rise only in the most extremely Democratic CZs.

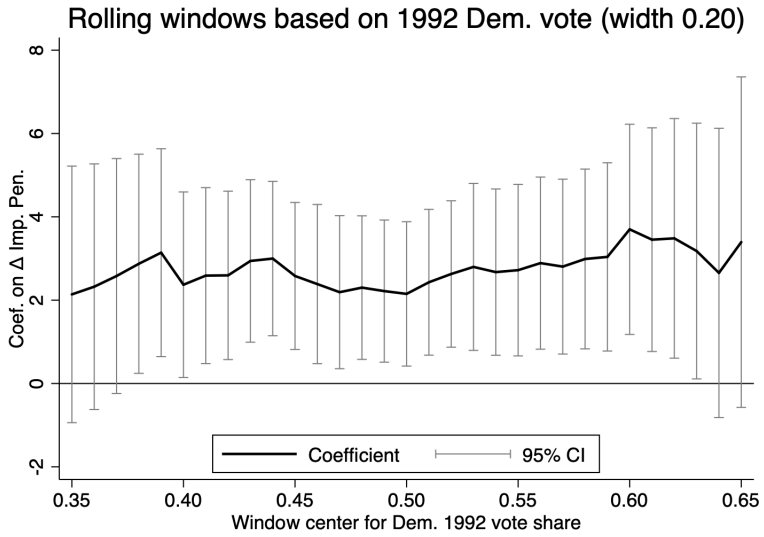


Figure 9: Effect of Imports, varying the sample by range of vote shares

7.1.10 Excluding vocational spending

In the main results, we reported the effect of import penetration on total spending, which included vocational spending. The CCD data break out spending by "school level." One of the school level codes indicates spending on "Vocational" schools and programs. In practice, vocational spending is a very small portion of most expenses.

We re-created the education spending variable excluding all of these expenses and re-estimated

Table 12: Effect of Import Penetration on Education Spending (CCD Data), 1992-2022, No vocational expenses

	(1)	(2)	(3)	(4)	(5)	(6)
	OLS Full	2SLS Full	OLS Dem	2SLS Dem	OLS Rep	2SLS Rep
Δ Im. Pen.	3.04***	4.94***	3.71***	5.45***	2.54**	4.79***
	(0.82)	(1.26)	(1.27)	(2.05)	(1.09)	(1.59)
1992-2012	3.52***	3.37***	2.91***	2.74***	2.28***	1.97***
	(0.57)	(0.58)	(0.45)	(0.48)	(0.45)	(0.48)
2012-2022	2.34***	2.34***	1.83***	1.80***	1.03**	0.88**
	(0.57)	(0.57)	(0.43)	(0.43)	(0.43)	(0.44)
Dem. 1992 Pct	-0.88	-0.94				
	(0.66)	(0.66)				
Sample	All CZs	All CZs	Dem. CZs	Dem. CZs	Rep. CZs	Rep. CZs
Observations	1,444	1,444	700	700	744	744

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

the main regressions. Table 12 replicates the main regression table (Table 1), excluding vocational school expenses. The results are very similar and the key conclusions are the same.

The CCD Data also have a separate category that classifies spending that is only the total, current spending for elementary and secondary education ("tcurelsc"). Not every county for every year reports vocational spending, which could be because they didn't spend money on vocational expenses or because they didn't categorize spending in a particularly disaggregated way. Here, we replicate the analysis again, using the spending amount that is only classified as being for elementary and secondary education. Results are again similar, as in Table 13.

Table 13: Effect of Import Penetration on Education Spending (CCD Data), 1992-2022, only total current elementary/secondary

	(1)	(2)	(3)	(4)	(5)	(6)
	OLS Full	2SLS Full	OLS Dem	2SLS Dem	OLS Rep	2SLS Rep
Δ Im. Pen.	3.32***	5.53***	3.63***	4.87***	3.01***	6.11***
	(0.57)	(0.88)	(0.80)	(1.29)	(0.83)	(1.23)
1992-2012	3.90***	3.72***	3.04***	2.91***	1.94***	1.50***
	(0.40)	(0.40)	(0.28)	(0.30)	(0.35)	(0.37)
2012-2022	2.67***	2.67***	1.68***	1.66***	0.83**	0.62*
	(0.40)	(0.40)	(0.27)	(0.27)	(0.33)	(0.34)
Dem. 1992 Pct	-1.53***	-1.60***				
	(0.46)	(0.46)				
Sample	All CZs	All CZs	Dem. CZs	Dem. CZs	Rep. CZs	Rep. CZs
Observations	1,444	1,444	700	700	744	744

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

7.2 Experimental Results

7.2.1 Results without controls

The main manuscript (Figure 2) showed estimated effects with control variables included in the regression. Figure 10 shows the same results, without control variables. The results are very similar.

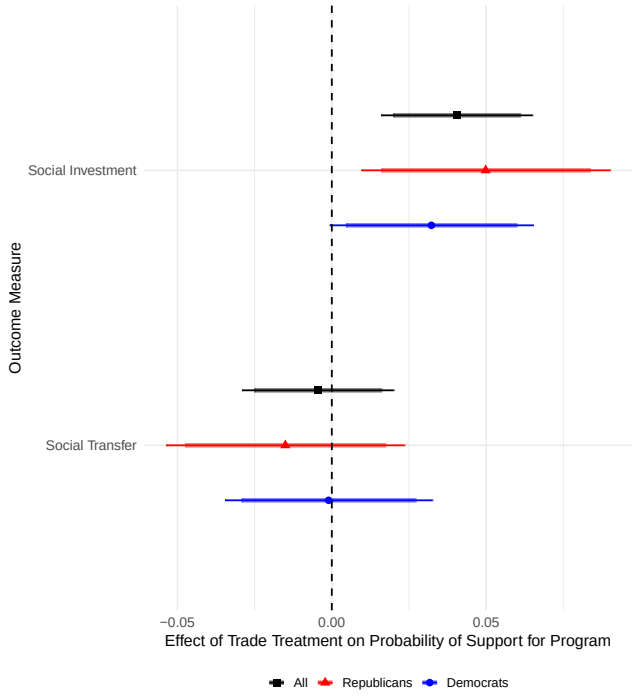


Figure 10: Effect of Trade Treatment, pooled sample without controls

7.2.2 Intercepts and Changes

The main manuscript only showed the estimated treatment effects. Figure 11 and Figure 12 show the predicted levels of support for different policies under treatment and control. The left hand side pool all respondents. The middle and right columns split them into Democrats and Republicans respectively. The first figure shows these predictions from regressions with controls, the second without.

Results are similar to both and as expected. Social investment is more popular overall, compared to social assistance. Democrats support both at higher levels than Republicans. The regression tables for these estimates are then shown below in Table 14 and Table 15.

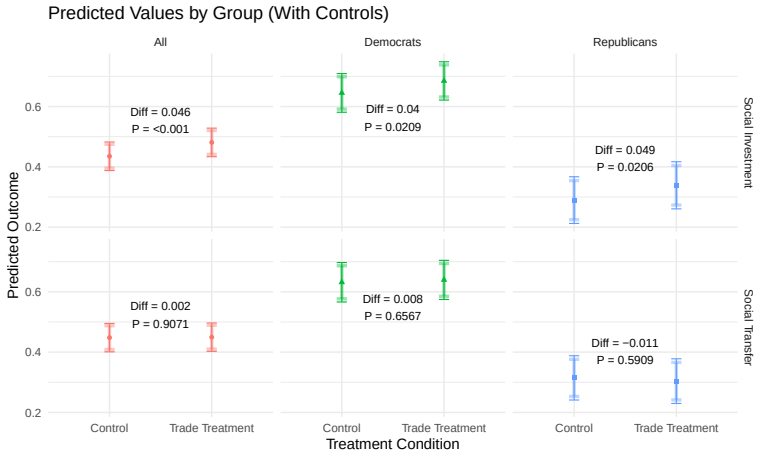


Figure 11: Predicted values, pooled sample with controls

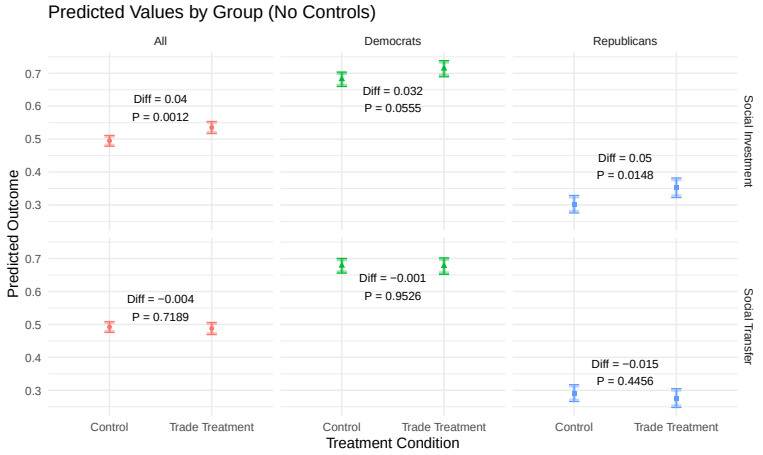


Figure 12: Predicted values, pooled sample without controls

These split sample results are also robust to interaction term models, in which we also include Independents as a separate category, as in Table 16.

Table 14: Effect of Trade Treatment on Social Outcomes (With Controls)

	Dependent variable:					
	Social Investment All			Social Transfer Republicans		
	All	Rep.	Dem.	All	Rep.	Dem.
Trade. Tmt.	0.05^{***}	0.05^{**}	0.04^{**}	0.002	-0.01	0.01
	(0.01)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)
Age	-0.002^{***}	-0.003^{***}	-0.0002	-0.003^{***}	-0.01^{***}	-0.001^{**}
	(0.0004)	(0.001)	(0.001)	(0.0004)	(0.001)	(0.001)
Female	-0.02^{*}	-0.02	-0.07^{***}	0.02	0.01	-0.05^{***}
	(0.01)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)
Has Kids	-0.03^{**}	0.05^{**}	-0.04^{*}	-0.03^{**}	0.06^{**}	-0.06^{***}
	(0.01)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)
Working	-0.004	0.02	-0.01	-0.02	0.01	-0.01
	(0.01)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)
HHI > med.	0.03^{**}	0.01	0.05^{**}	-0.04^{**}	-0.08^{***}	-0.0002
	(0.01)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)
BA or higher	0.10^{***}	-0.03	0.11^{***}	0.08^{***}	-0.02	0.09^{***}
	(0.01)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)
Midwest	-0.05^{**}	-0.09^{**}	-0.02	-0.06^{***}	-0.09^{***}	-0.02
	(0.02)	(0.03)	(0.03)	(0.02)	(0.03)	(0.03)
South	-0.05^{**}	-0.05	0.02	-0.06^{***}	-0.06^{**}	0.02
	(0.02)	(0.03)	(0.02)	(0.02)	(0.03)	(0.02)
West	-0.05^{**}	-0.03	-0.03	-0.05^{**}	-0.08^{**}	0.01
	(0.02)	(0.04)	(0.03)	(0.02)	(0.03)	(0.03)
Hispanic	-0.01	-0.01	0.02	-0.02	-0.02	-0.01
	(0.01)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)
White	-0.01	-0.03	0.08^{***}	-0.04^{**}	-0.03	0.07^{***}
	(0.02)	(0.03)	(0.02)	(0.02)	(0.03)	(0.02)
Black	0.10^{***}	0.13^{**}	-0.003	0.13^{***}	0.18^{***}	0.05^{**}
	(0.02)	(0.05)	(0.03)	(0.02)	(0.05)	(0.03)
Constant	0.60^{***}	0.54^{***}	0.63^{***}	0.72^{***}	0.68^{***}	0.70^{***}
	(0.03)	(0.06)	(0.04)	(0.03)	(0.06)	(0.04)
Observations	6,005	1,977	2,828	6,003	1,976	2,827
R^2	0.02	0.04	0.04	0.04	0.08	0.02
Adjusted R^2	0.02	0.04	0.03	0.03	0.08	0.02
Note:						*p<0.1; **p<0.05; ***p<0.01

Table 15: Effect of Trade Treatment on Social Outcomes (No Controls)

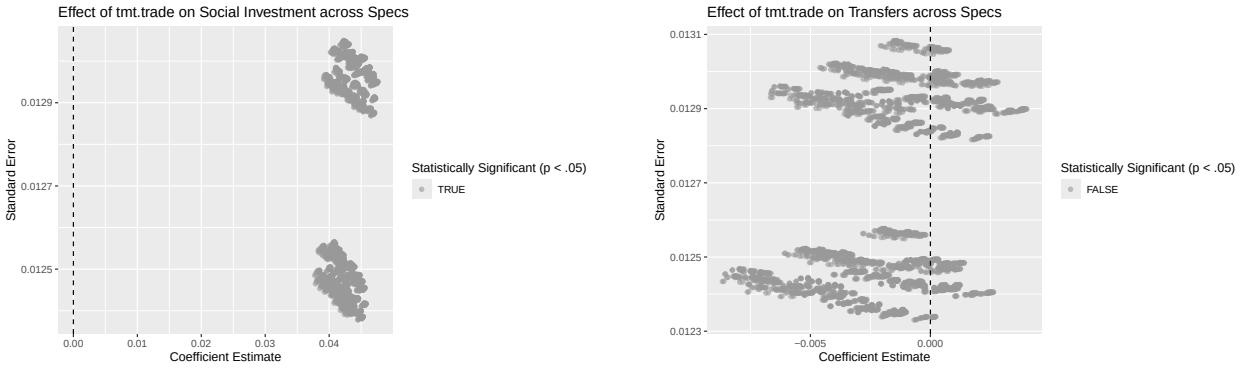
	Dependent variable:					
	Social Investment			Social Transfer		
	All	Rep.	Dem.	All	Rep.	Dem.
Trade. Tmt.	0.04***	0.05**	0.03*	−0.004	−0.02	−0.001
	(0.01)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)
Constant	0.49***	0.30***	0.68***	0.49***	0.29***	0.68***
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Observations	6,490	2,125	3,023	6,488	2,124	3,022
R^2	0.002	0.003	0.001	0.0000	0.0003	0.0000
Adjusted R^2	0.001	0.002	0.001	−0.0001	−0.0002	−0.0003
Note:						*p<0.1; **p<0.05; ***p<0.01

Table 16: Party-Specific Effects of Trade Treatment on Redistribution Preferences

	Dependent variable:			
	Transfers		Soc. Investment	
	Transfers (No Ctrls)	Transfers (+Ctrls)	Social Inv. (No Ctrls)	Social Inv. (+Ctrls)
	(1)	(2)	(3)	(4)
Democrat	0.273***	0.248***	0.372***	0.340***
	(0.052)	(0.059)	(0.052)	(0.059)
Republican	-0.113**	-0.113*	-0.007	-0.030
	(0.053)	(0.059)	(0.053)	(0.060)
Independent	-0.014	-0.036	0.072	0.055
	(0.054)	(0.060)	(0.054)	(0.061)
Trade x Dem.	-0.001	0.013	0.032*	0.044**
	(0.017)	(0.018)	(0.017)	(0.018)
Trade x Rep.	-0.015	-0.010	0.050**	0.053**
	(0.020)	(0.021)	(0.020)	(0.021)
Trade x Ind.	0.004	-0.002	0.051*	0.045
	(0.027)	(0.028)	(0.027)	(0.028)
Constant	0.405***	0.627***	0.310***	0.421***
	(0.051)	(0.064)	(0.051)	(0.064)
Observations	6,488	6,003	6,490	6,005
R^2	0.129	0.142	0.122	0.129
Adjusted R^2	0.128	0.140	0.121	0.127
Note:				*p<0.1; **p<0.05; ***p<0.01

7.2.3 Specification Robustness: Control variables

The results are very robust to different specifications that use combinations of control variables. In fact, for every single permutation, the coefficient on the trade treatment is insignificant and near zero for the social transfers outcome measure. And for every single specification, the coefficient is positive and significant for the social investment outcome. The coefficients tend to cluster based on whether race variables are included.



(a) Social Investment (b) Social Transfers

Figure 13: Specification curve estimates for social investment and transfers

7.2.4 Specification robustness: Binary DV models

Table 17 and Table 18 replicate the main regressions, using logit instead of OLS, with and without controls. The results are again very similar to those using OLS. Results are very similar with probit too, in terms of sign, significance, and interpretation.

7.2.5 Differences between the two surveys

There were some minor differences between the two surveys. For example, in the Lucid survey, we included a second treatment condition that asked respondents about automation. Every aspect of the treatment was the same, except the first sentence read "*Many US companies have increased their use of automation technology. They have replaced workers with advanced robots or used software and artificial intelligence to do the jobs once done by workers.*". The final condition was

Table 17: Effect of Trade Treatment on Social Outcomes (Logit, With Controls)

	Dependent variable:					
	Social Investment			Social Transfer		
	(1)	(2)	(3)	(4)	(5)	(6)
Trade. Tmt.	0.19***	0.23**	0.20**	0.01	−0.06	0.04
	(0.05)	(0.10)	(0.08)	(0.05)	(0.11)	(0.08)
Age	−0.01***	−0.02***	−0.001	−0.01***	−0.03***	−0.01**
	(0.002)	(0.003)	(0.003)	(0.002)	(0.004)	(0.003)
Female	−0.09*	−0.08	−0.34***	0.06	0.07	−0.22***
	(0.05)	(0.10)	(0.09)	(0.05)	(0.11)	(0.08)
Has Kids	−0.13**	0.25**	−0.18*	−0.14**	0.30***	−0.30***
	(0.06)	(0.11)	(0.10)	(0.06)	(0.11)	(0.09)
Working	−0.02	0.10	−0.04	−0.07	0.09	−0.05
	(0.06)	(0.11)	(0.10)	(0.06)	(0.12)	(0.10)
HHI > med.	0.12**	0.03	0.23**	−0.15**	−0.42***	−0.004
	(0.06)	(0.11)	(0.10)	(0.06)	(0.12)	(0.10)
BA or higher	0.40***	−0.12	0.52***	0.33***	−0.13	0.42***
	(0.06)	(0.11)	(0.09)	(0.06)	(0.12)	(0.09)
Midwest	−0.20**	−0.40**	−0.12	−0.23***	−0.47***	−0.09
	(0.08)	(0.16)	(0.13)	(0.08)	(0.17)	(0.13)
South	−0.19**	−0.21	0.08	−0.25***	−0.32**	0.11
	(0.08)	(0.15)	(0.12)	(0.08)	(0.15)	(0.12)
West	−0.19**	−0.14	−0.13	−0.20**	−0.42**	0.05
	(0.08)	(0.17)	(0.13)	(0.09)	(0.18)	(0.13)
Hispanic	−0.05	−0.08	0.10	−0.09	−0.11	−0.03
	(0.06)	(0.11)	(0.09)	(0.06)	(0.11)	(0.09)
White	−0.06	−0.15	0.41***	−0.14**	−0.15	0.34***
	(0.06)	(0.13)	(0.10)	(0.06)	(0.14)	(0.10)
Black	0.40***	0.52**	−0.01	0.54***	0.75***	0.25**
	(0.09)	(0.23)	(0.12)	(0.09)	(0.24)	(0.12)
Constant	0.42***	0.26	0.55***	0.92***	0.97***	0.86***
	(0.14)	(0.28)	(0.21)	(0.14)	(0.29)	(0.21)
Observations	6,005	1,977	2,828	6,003	1,976	2,827
Log Likelihood	−4,084.37	−1,211.48	−1,681.75	−4,053.60	−1,114.38	−1,736.66

Note: *p<0.1; **p<0.05; ***p<0.01

Table 18: Effect of Trade Treatment on Social Outcomes (Logit, No Controls)

	Dependent variable:					
	Social Investment			Social Transfer		
	(1)	(2)	(3)	(4)	(5)	(6)
Trade. Tmt.	0.16^{***}	0.23^{**}	0.15^{*}	-0.02	-0.07	-0.005
	(0.05)	(0.09)	(0.08)	(0.05)	(0.10)	(0.08)
Constant	-0.02	-0.84^{***}	0.76^{***}	-0.03	-0.89^{***}	0.75^{***}
	(0.03)	(0.06)	(0.05)	(0.03)	(0.06)	(0.05)
Observations	6,490	2,125	3,023	6,488	2,124	3,022
Log Likelihood	$-4{,}491.15$	$-1{,}336.56$	$-1{,}854.94$	$-4{,}495.81$	$-1{,}268.73$	$-1{,}899.61$

Note: *p<0.1; **p<0.05; ***p<0.01

a control condition, where respondents were not asked to write about anything.

There are also some small differences in the control variables vector. For example, in the YouGov data, there is not a home ownership question. YouGov also asks "how many children under 18 live in your household" and the Lucid survey included a question about whether the respondent had kids.

7.2.6 Results for two surveys, not pooled

The main manuscript showed results from pooling the data from the two surveys. Results are very similar when analyzing each survey individually. Figure 14 and Figure 15 show the estimated treatment effects for the Lucid and AIC surveys individually, without controls. The only difference worth flagging is that the treatment effects are not as strongly significant in the Democratic respondent subsamples. They are still positive, but the magnitude of the effect in the Lucid sample is not as large and is insignificant.

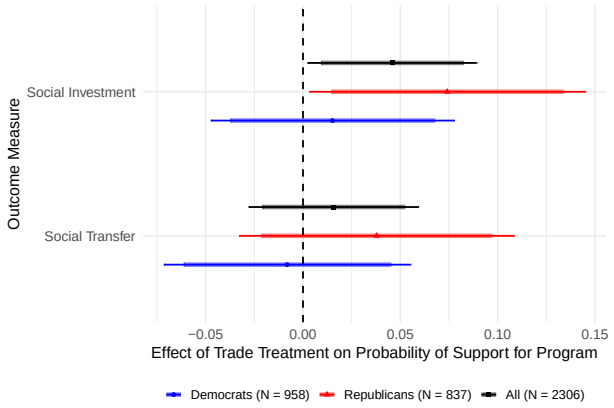


Figure 14: Effect of Trade Treatment, Lucid sample without controls

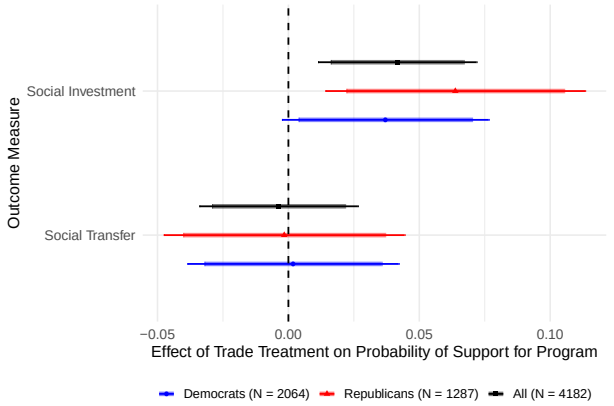


Figure 15: Effect of Trade Treatment, AIC sample without controls

7.2.7 Balance and sensitivity

Table 19 shows balance tests to assess whether respondents were similar along observable characteristics, in the treatment and control groups. We use the approach described in Hansen and Bowers (2008). There are some differences in the control and tratement groups. For example, the average age in the treatment group is 1.2 years lower than in the control group.

These differences are statistically different from zero in some cases, but they are extremely unlikely to affect inferences. Imbalance in these observables is unlikely to affect results since we can show similar effects with and without controlling for each of these characteristics.

It is also possible that if our sample is imbalanced in some observables, that there are also unobservables that are imbalanced across treatment and control groups. This potential imbalance is also extremely unlikely to affect our estimates. Cinelli and Hazlett (2020) and Chaudoin, Hays and Hicks (2018) describe approaches to sensitivity testing in the presence of unobservables. We use the approach described in the former to assess how bad imbalance in unobservables would need to be, relative to observables, in order to drive treatment effects to zero. The contour plot in Figure 16 shows this thought exercise. An unobservable would need to be approximately four times as imbalanced compared to our binary indicator for Hispanic respondents (which was our most imbalanced covariate) *and* that observable would have to have a similar effect as party identification, in order to drive our estimated effect for treatment on support for social investment to zero. This is extremely unlikely.

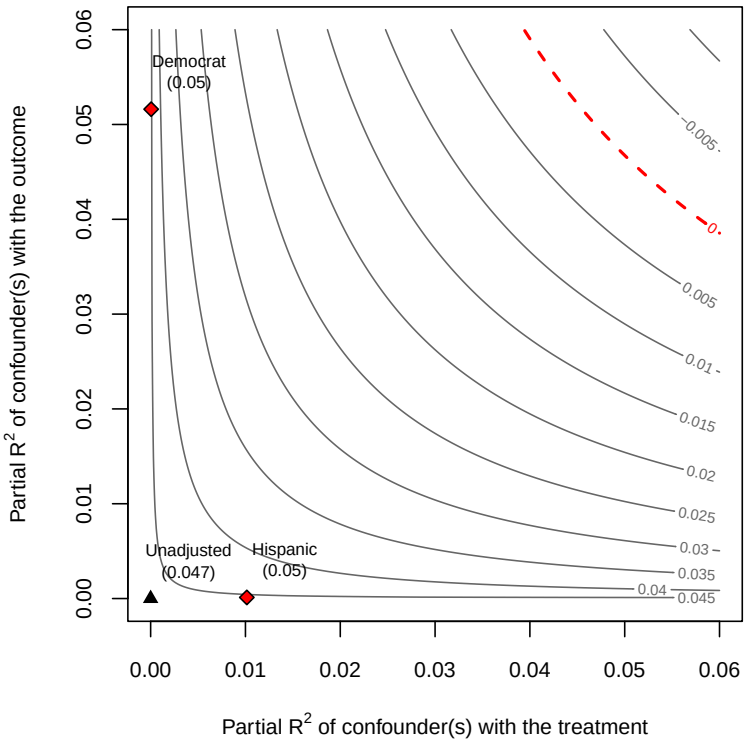


Figure 16: Sensitivity plot

Table 19: Covariate Balance Across Treatment Groups

Variable	Control Mean	Treatment Mean	Diff	Std. Diff	t-stat	Signif.
pidind	0.195	0.204	-0.00871	-0.02	-0.84	
pidrep	0.332	0.327	0.00516	0.01	0.42	
piddem	0.473	0.469	0.00355	0.01	0.27	
age	51.6	50.4	1.12	0.07	2.56	*
female	0.515	0.521	-0.00623	-0.01	-0.48	
haskids	0.305	0.354	-0.0492	-0.11	-4.01	***
working	0.513	0.531	-0.0186	-0.04	-1.43	
hhi.abovemed	0.319	0.309	0.00994	0.02	0.82	
baorhigher	0.407	0.433	-0.0254	-0.05	-1.98	*
region.midwest	0.231	0.226	0.00419	0.01	0.38	
region.south	0.360	0.373	-0.0124	-0.03	-0.99	
region.west	0.233	0.231	0.00172	0.00	0.16	
hispanic.bin	0.649	0.539	0.110	0.23	8.61	***
white.bin	0.571	0.600	-0.0298	-0.06	-2.33	*
black.bin	0.158	0.157	0.000591	0.00	0.06	

7.3 Automation

Does automation trigger the same reactions as globalization? A full exploration of this is beyond the scope of our current paper, but initial results suggest that there is more support for social investment as a response to automation than for social assistance. The patterns we see in reactions to automation are similar to those we found for globalization, though they are generally not as stark.

In the 2023 Lucid survey, we also included a treatment that asked about automation.[64] It was very similar to the trade treatment:

> Many US companies have increased their use of automation technology. They have replaced workers with advanced robots or used software and artificial intelligence to do the jobs once done by workers.
>
> Some economists think that automation has had large effects on the US economy - some good and some bad. These effects may get stronger in the future.

[64] We did not include this treatment arm in the AIC survey.

> Please write a few sentences about this question: How do you think increased automation will affect employment in the future?

Figure 17 and Figure 18 show the estimated effects of the automation treatment on support for social investment and social assistance. As with the trade treatment, treatment increases support for social investment, though the effect is often statistically insignificant. The magnitudes of the coefficients are generally similar to those found from the trade treatment. As with the trade treatment, the effects are similar for Republicans and Democrats. The effect of the automation treatment on support for social assistance is generally more negative than the effect of the trade treatment.

We view this as initial, exploratory analysis. The narrative around automation is changing rapidly, in part because technological shifts are happening at astonishing speeds. The full effects of automation on dislocation are yet to be realized. It is possible that automation will also trigger a narrative about unfairness, albeit with capital- and tech-heavy corporations "to blame" instead of foreign workers. If so, that may further drive support for social investment.

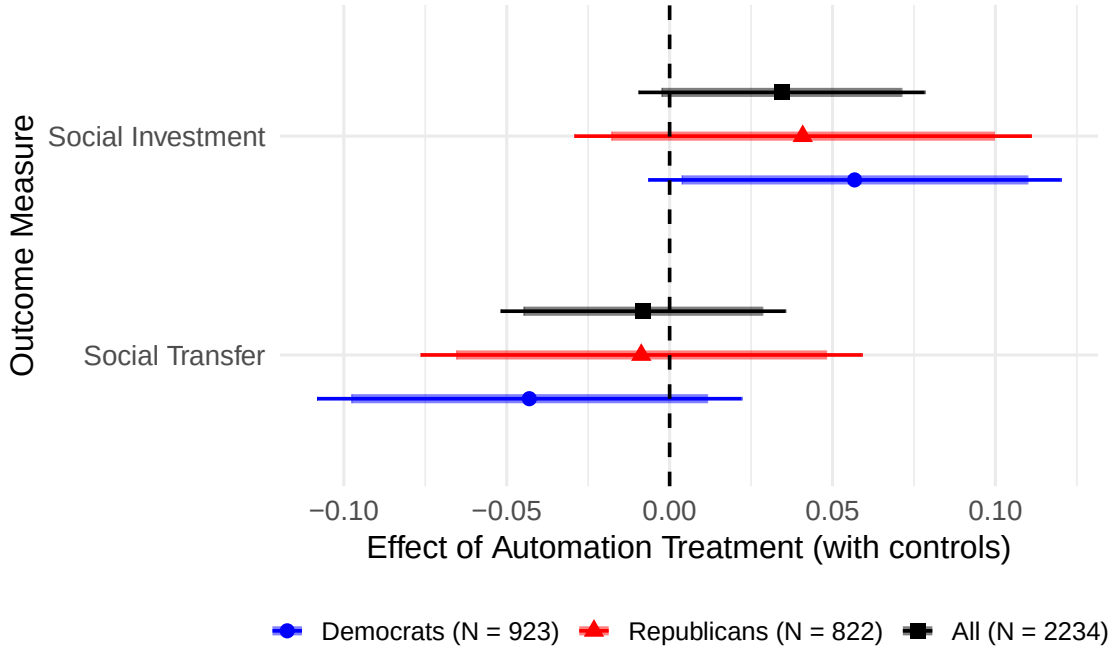


Figure 17: Effect of Automation Treatment on Outcomes, no controls

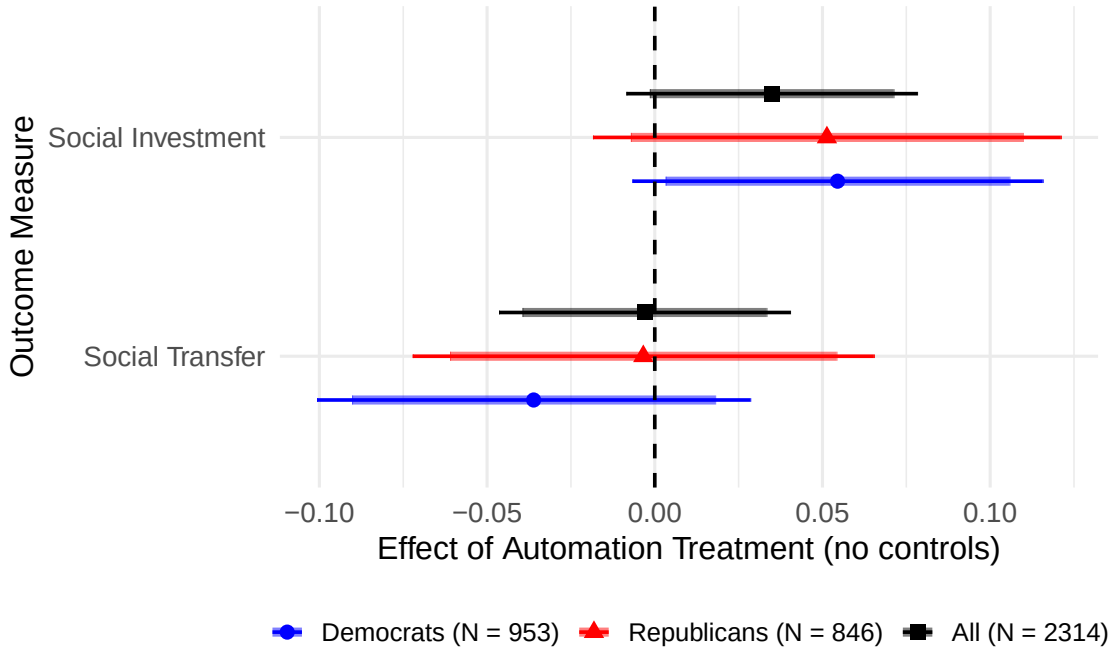


Figure 18: Effect of Automation Treatment on Outcomes, with controls

Appendix Only References

Chaudoin, Stephen, Jude Hays and Raymond Hicks. 2018. "Do we really know the WTO cures cancer?" *British Journal of Political Science* 48(4):903–928.

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