Labor Market Shocks and the Demand for Trade Protection

Dani Rodrik

November 2019

Based on Rafael di Tella and Dani Rodrik, “Labor Market Shocks and the Demand for Trade Protection: Evidence from Online Surveys,” August 2019.

What conventional economics says

- Trade can have very sharp distributional effects in labor markets
  - recent evidence on NAFTA and China shock
- But other labor market shocks tend to quantitatively dominate
  - SBTC, automation, demand shifts, etc.
- And there is no reason to treat/respond to labor market displacement due to trade differently from other sources of labor market churn
  - compensation preferred to protection, regardless of source of shock

A thought experiment

Suppose we can engineer a social reordering that leaves Harry $5 richer and John $4 poorer. Should we do it?

The scenarios below describe different mechanisms that achieve those ends. Should they be blocked or allowed to run their course?

A. Harry works hard, saves and invests a lot, and comes up with new techniques and products, while John lags behind.
B. Harry finds a cheaper (or higher quality) supplier in Germany.
C. Harry outsources to a supplier in Bangladesh, which employs child workers in 12-hour a day shifts and under hazardous conditions.
D. Harry brings Bangladeshi workers to the U.S. under temporary contracts, and puts them to work under conditions that violate domestic labor, environmental, and safety laws.

Mechanisms matter to evaluations. Students tend to respond differently to scenarios. For economists, B and C are alike; but then not clear why they reject D.

The questions

- Do people respond differently to job displacement due to:
  - technological change
  - demand shifts
  - bad management
  - trade shocks
    - outsourcing to high-income countries
    - outsourcing to developing countries
    - outsourcing to developing countries, with poor labor standards
- What are the relative preferences for financial compensation versus trade protection?
- How malleable are preferences for different kinds of government response?

Treatments (1)

T1: Technology shock:

Local garment plant facing changes

YGF garment plant in Creekstown.

CREEKSTOWN - Nine hundred jobs are at risk at the YGF garment plant in Creekstown, which is facing closure. A YGF spokesman said: "As we continue our quest to serve our consumers better, we have been making investments in automation and other new technologies. This has required that we phase out our Creekstown operation and consolidate manufacturing in our other plants in the country." Many industries have been affected in recent years by technological progress, which lowers costs and raises productivity.

An employee at the plant, who has been employed there for eighteen years, said the closure of the plant would have devastating consequences for the workers. "Many will become unemployed and the rest will have to accept lower-paying jobs," he added.

T2: Demand shock:

Local garment plant facing changes

YGF garment plant in Creekstown.

CREEKSTOWN - Nine hundred jobs are at risk at the YGF garment plant in Creekstown, which is facing closure. A YGF spokesman said: "As we continue our quest to serve our consumers better, we have had to adjust to lower consumer demand for the type of products we make here. This has required that we phase out our Creekstown operation and consolidate manufacturing in our other plants in the country." Many industries have been affected in recent years by shifts in consumer tastes or spending habits.

An employee at the plant, who has been employed there for eighteen years, said the closure of the plant would have devastating consequences for the workers. "Many will become unemployed and the rest will have to accept lower-paying jobs," he added.

Implemented on Amazon's Mechanical Turk, n = 6,328/5,685

Treatments (2)

T3: Bad management

Local garment plant facing changes

YGF garment plant in Creekstown.

CREEKSTOWN - Nine hundred jobs are at risk at the YGF garment plant in Creekstown, which is facing closure. A YGF spokesman said: "We have been hit by a number of management failures in our local operation. As we continue our quest to serve our consumers better, we need to phase out our Creekstown operation and consolidate manufacturing in our other plants in the country." Many industries have been affected in recent years by bad management decisions, requiring significant adjustments in operations.

An employee at the plant, who has been employed there for eighteen years, said the closure of the plant would have devastating consequences for the workers. "Many will become unemployed and the rest will have to accept lower-paying jobs," he added.

T4: Trade shock (advanced nation):

Local garment plant facing changes

YGF garment plant in Creekstown.

CREEKSTOWN - Nine hundred jobs are at risk at the YGF garment plant in Creekstown, which is facing closure. A YGF spokesman said: "As we continue our quest to serve our consumers better, we have to ensure we remain competitive with other global firms. This has required that we phase out our Creekstown operation and outsource the production to France." Many industries have been affected in recent years by the greater ease of trading with other nations, which lowers costs and raises productivity.

An employee at the plant, who has been employed there for eighteen years, said the closure of the plant would have devastating consequences for the workers. "Many will become unemployed and the rest will have to accept lower-paying jobs," he added.

Treatments (3)

T5: Trade shock (developing nation):

Local garment plant facing changes

YGF garment plant in Creekstown.

CREEKSTOWN - Nine hundred jobs are at risk at the YGF garment plant in Creekstown, which is facing closure. A YGF spokesman said: "As we continue our quest to serve our consumers better, we have to ensure we remain competitive with other global firms. This has required that we phase out our Creekstown operation and outsource the production to Cambodia." Many industries have been affected in recent years by the greater ease of trading with other nations, which lowers costs and raises productivity.

An employee at the plant, who has been employed there for eighteen years, said the closure of the plant would have devastating consequences for the workers. "Many will become unemployed and the rest will have to accept lower-paying jobs," he added.

T6: Trade shock (developing, labor):

Local garment plant facing changes

YGF garment plant in Creekstown.

CREEKSTOWN - Nine hundred jobs are at risk at the YGF garment plant in Creekstown, which is facing closure. A YGF spokesman said: "As we continue our quest to serve our consumers better, we have to ensure we remain competitive with other global firms. This has required that we phase out our Creekstown operation and outsource the production to Cambodia." Many industries have been affected in recent years by the greater ease of trading with other nations, which lowers costs and raises productivity.

Labor abuses such as unsafe working conditions and use of child labor can be common in developing countries. An employee at the Creekstown plant, who has been employed there for eighteen years, said the closure of the plant would have devastating consequences for the workers. "Many will become unemployed and the rest will have to accept lower-paying jobs," he added.

Control

Local garment plant facing changes

YGF garment plant in Creekstown.

CREEKSTOWN - The YGF garment plant in Creekstown, employing nine hundred workers, announced its plans for the year. A YGF spokesman said: "As we continue our quest to serve our consumers better, we have been making changes in our plant to keep it competitive in a changing world. This has required us to phase out old technologies, customize our production lines to new consumer demands, and change management practices. Our Creekstown operation has managed to make these changes while maintaining production and labor standards."

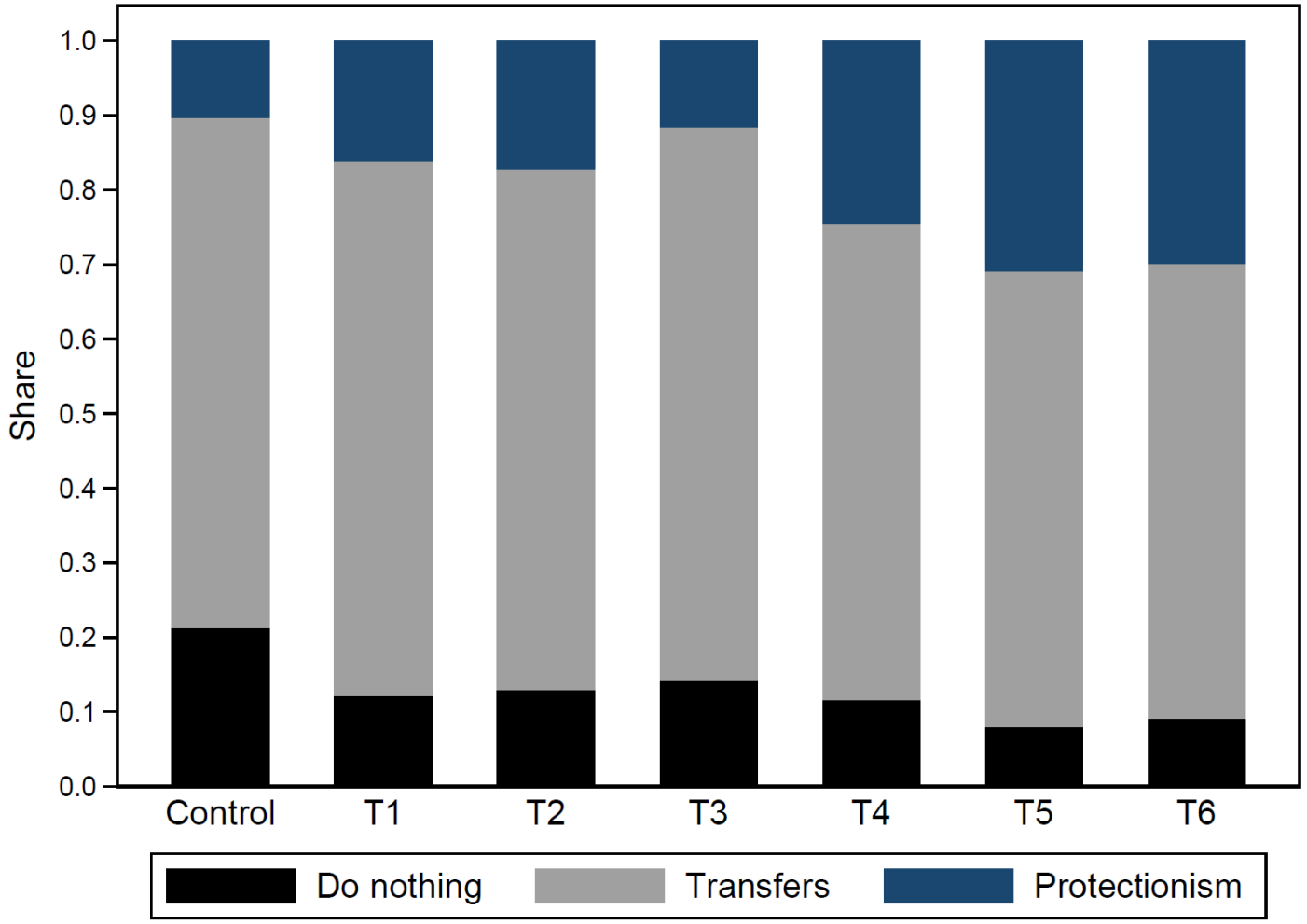
An employee at the plant, who has been employed there for eighteen years, said the changes at the plant had not been adequately communicated to the workers. "Many were unaware of the changes and were caught unprepared," he added.

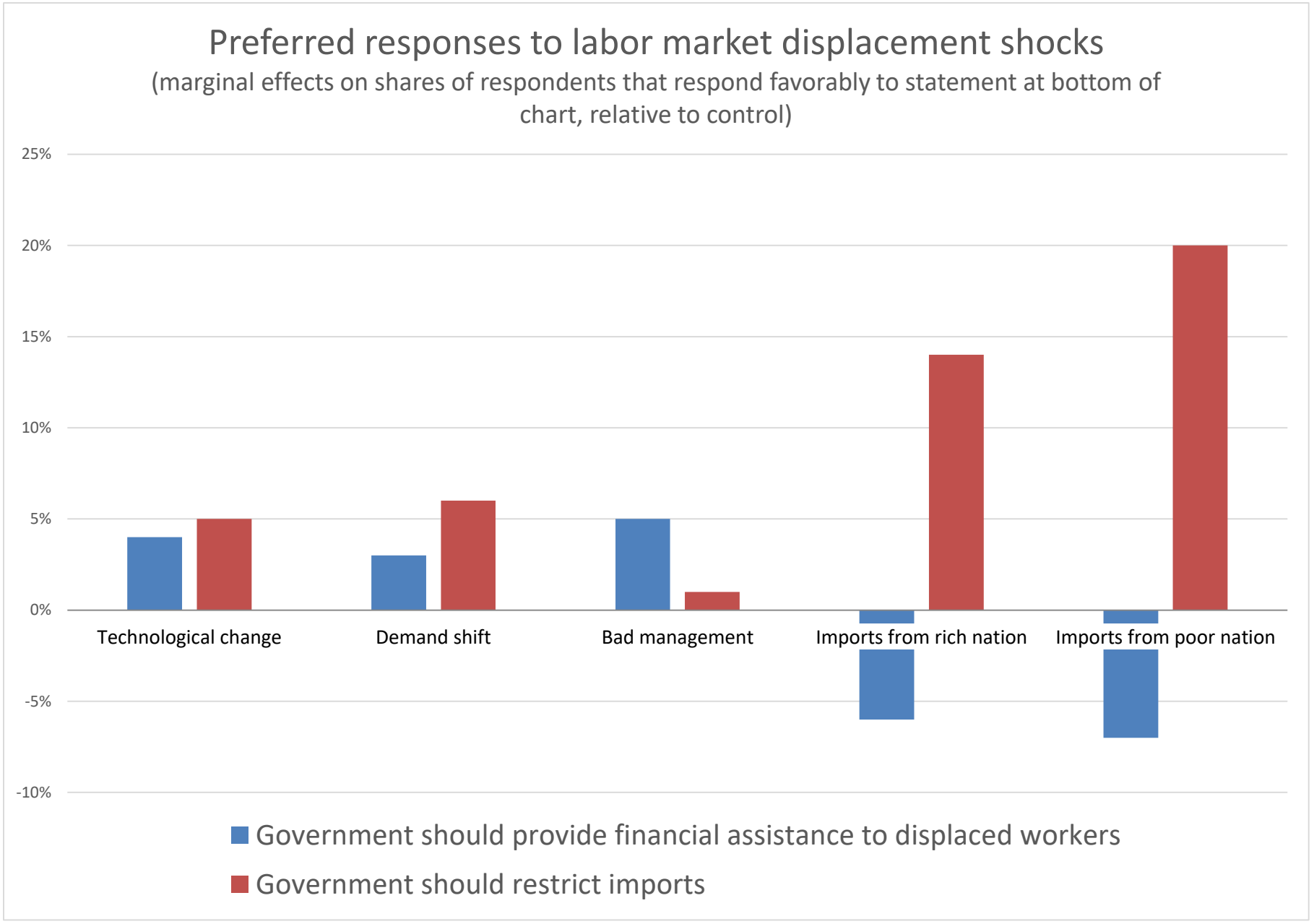
The question

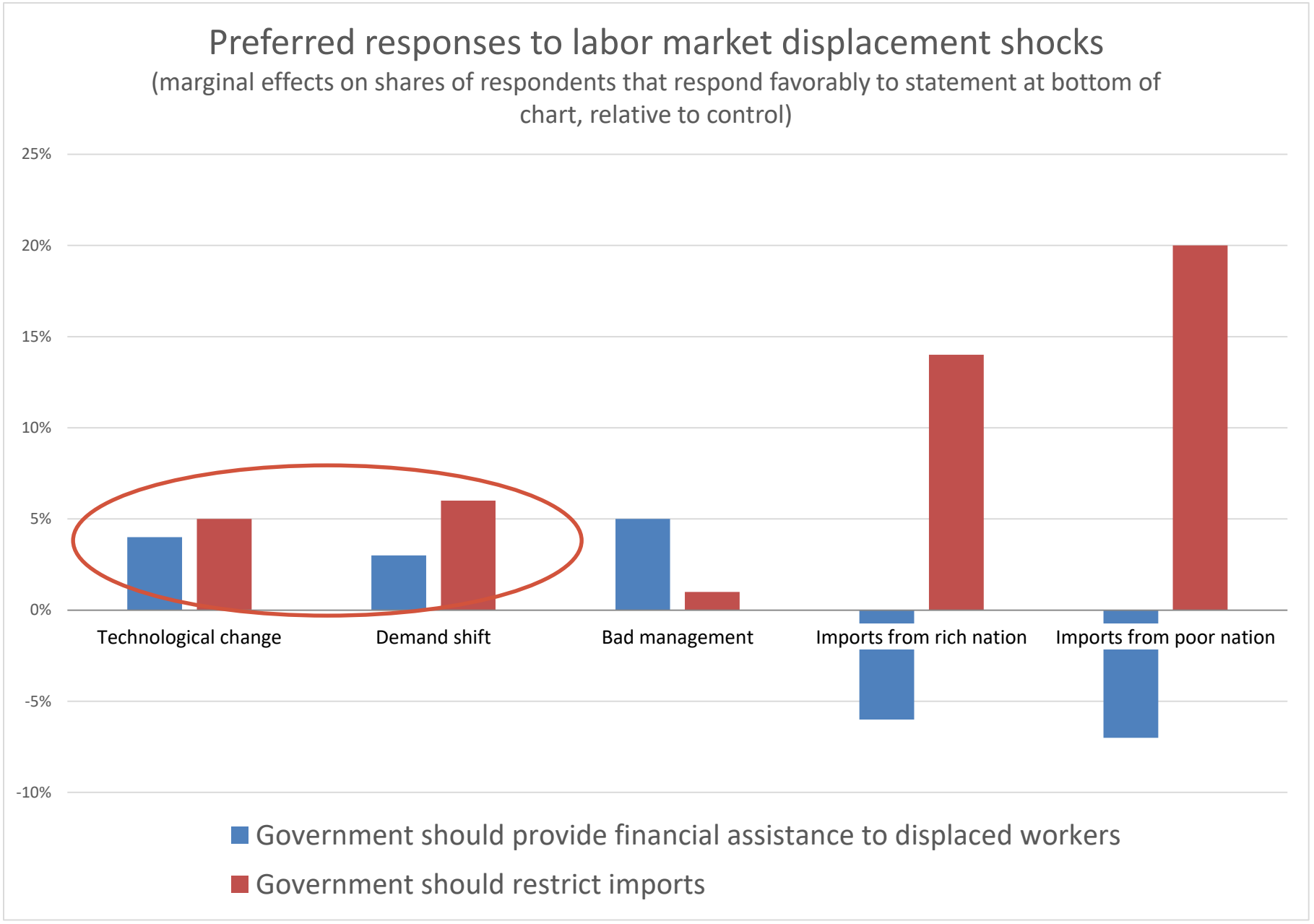
What, if anything, do you think should be the response of the government?

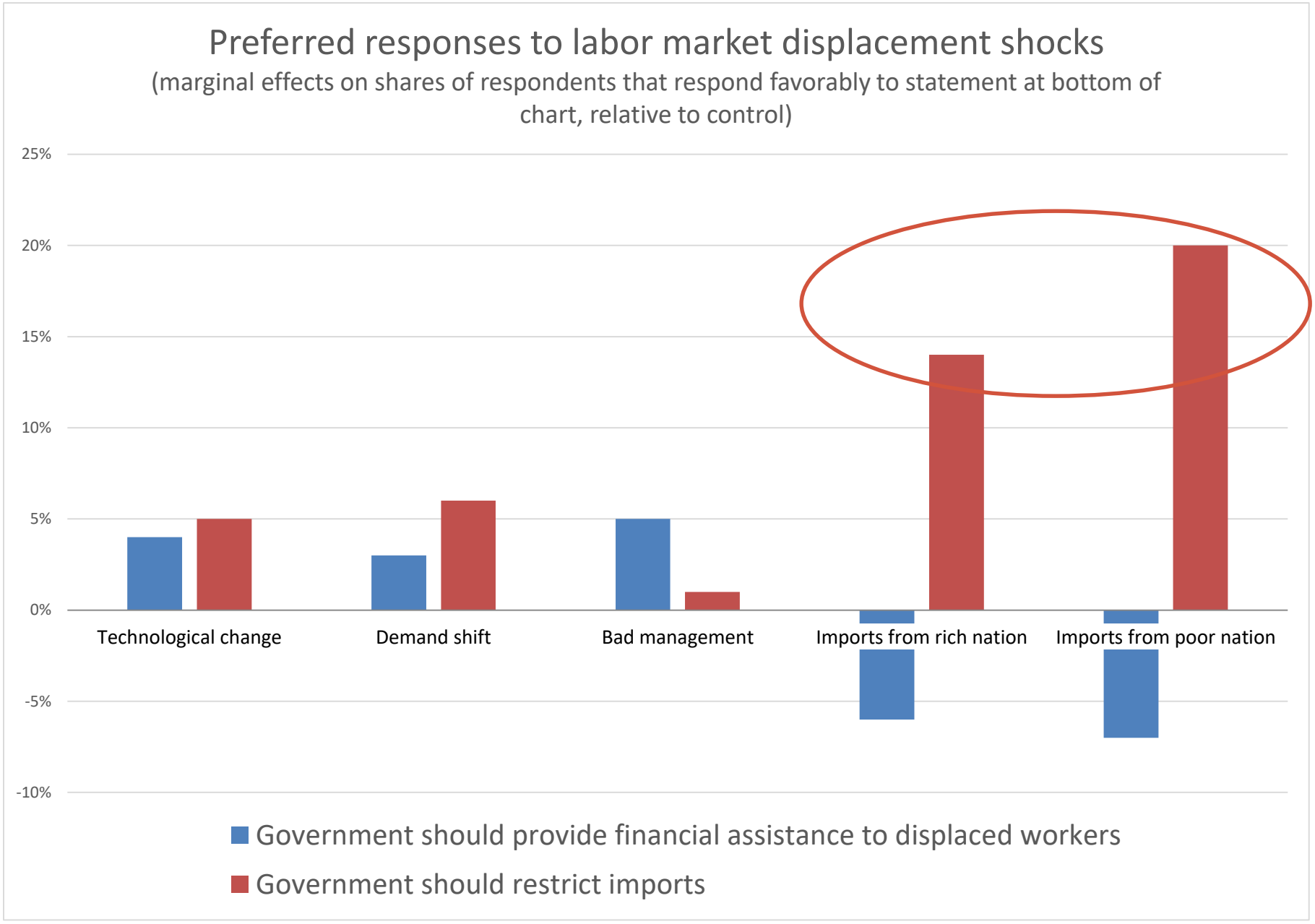
- Government should do nothing
- Government should provide some financial assistance to workers who lose their jobs (e.g., unemployment compensation or training assistance)
- Government should restrict imports of garments from overseas, by placing import tariffs on such imports for example

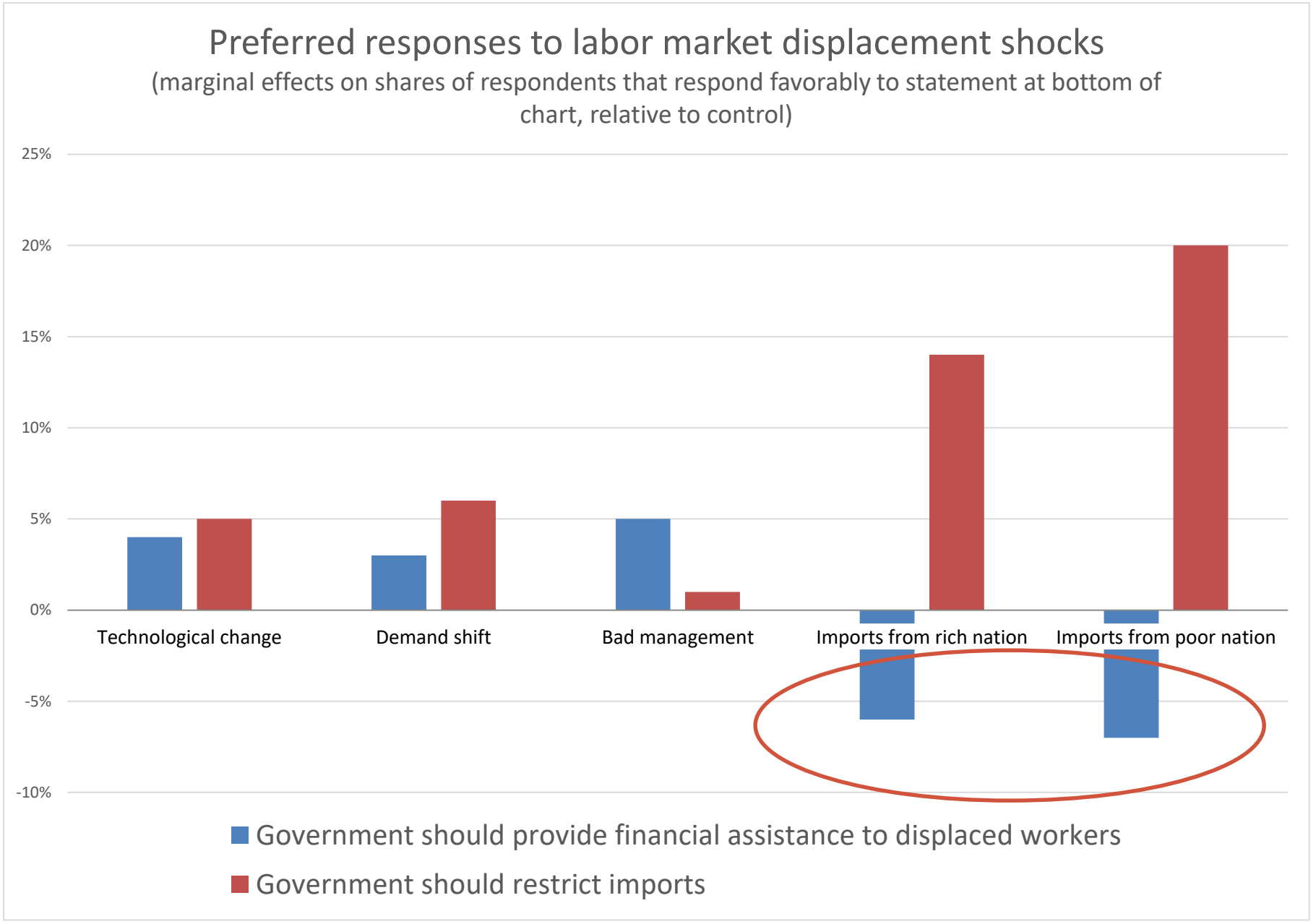
Policy responses by treatment

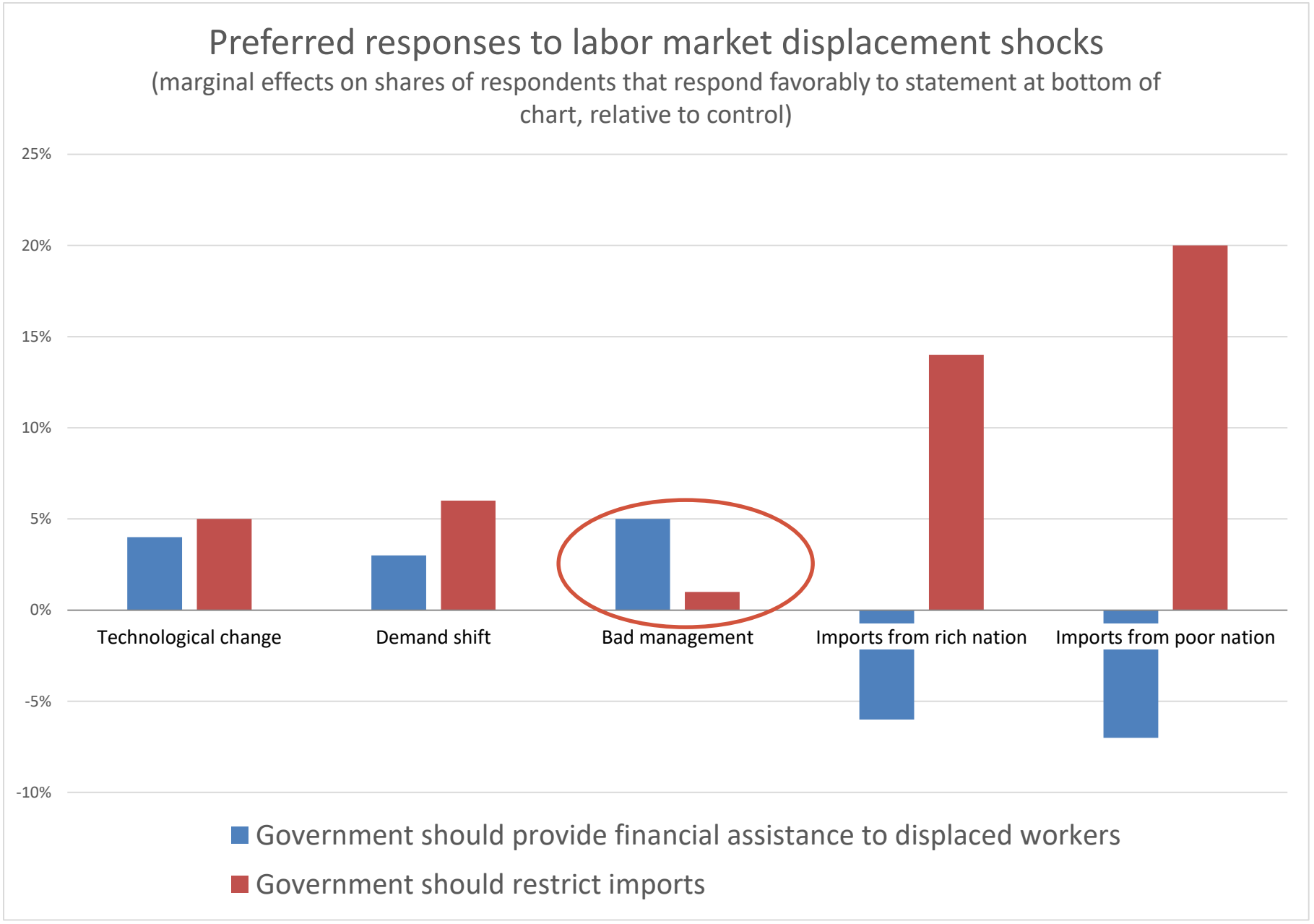



Preferred responses to labor market displacement shocks
(marginal effects on shares of respondents that respond favorably to statement at bottom of chart, relative to control)
25%
20%
15%
10%
5%
0%
-5%
-10%
Technological change
Demand shift
Bad management
Imports from rich nation
Imports from poor nation
Government should provide financial assistance to displaced workers
Government should restrict imports


Preferred responses to labor market displacement shocks
(marginal effects on shares of respondents that respond favorably to statement at bottom of chart, relative to control)
25%
20%
15%
10%
5%
0%
-5%
-10%
Technological change
Demand shift
Bad management
Imports from rich nation
Imports from poor nation
Government should provide financial assistance to displaced workers
Government should restrict imports


Preferred responses to labor market displacement shocks
(marginal effects on shares of respondents that respond favorably to statement at bottom of chart, relative to control)
25%
20%
15%
10%
5%
0%
-5%
-10%
Technological change
Demand shift
Bad management
Imports from rich nation
Imports from poor nation
Government should provide financial assistance to displaced workers
Government should restrict imports


Preferred responses to labor market displacement shocks
(marginal effects on shares of respondents that respond favorably to statement at bottom of chart, relative to control)
25%
20%
15%
10%
5%
0%
-5%
-10%
Technological change
Demand shift
Bad management
Imports from rich nation
Imports from poor nation
Government should provide financial assistance to displaced workers
Government should restrict imports


Preferred responses to labor market displacement shocks
(marginal effects on shares of respondents that respond favorably to statement at bottom of chart, relative to control)
25%
20%
15%
10%
5%
0%
-5%
-10%
Technological change
Demand shift
Bad management
Imports from rich nation
Imports from poor nation
Government should provide financial assistance to displaced workers
Government should restrict imports

Adjusting for baseline preferences

Table 5: Persuasion rates

	Transfers	Protectionism
T1: Technology shock	10%	7%
T2: Demand shock	5%	8%
T3: Bad management shock	18%	1%
T4: Advanced nation	-14%	16%
T5: Developing nation	-23%	23%
T6: Developing nation (poor labor standards)	-23%	22%
Non-trade shock	11%	5%
Trade Shock	-20%	20%

The "persuasion rate" is based on DellaVigna and Kaplan (2007) and DellaVigna and Gentzkow (2010) and is calculated as $f = 100 * \frac{y_T - y_C}{1 - y_C}$.

Data and representativeness

	All (our sample)	Clinton (our sample)	Trump (our sample)	Di Tella, et al. (2017)	Kuziemko, et al. (2015)	WVS 6th Wave	ACS 2015
Demographics							
Male	46.4%	42.9%	52.1%	43.8%	42.8%	48.4%	48.6%
Age	37.1	36	39	34.9	35.4	46.5	47.1
White	73.1%	68.4%	81%	80.5%	77.8%	69.8%	74.8%
Black	8.8%	11.3%	4.6%	9.2%	7.6%	10.4%	12.2%
Hispanic	5%	5.7%	4%	6.6%	4.4%	13.4%	15.5%
Asian	6.3%	7.6%	4.2%	6.8%	7.6%	-	6.2%
Other race	6.6%	6.9%	6.2%	2.6%	2.6%	-	2.8%
Postgraduate degree	17.7%	18.8%	15.7%	13.3%	12.6%	11.5%	10.2%
Only college degree	49.8%	50.4%	48.8%	47.4%	40.7%	24.8%	25.7%
No college degree	32.6%	30.9%	35.4%	39.3%	46.7%	63.7%	64.1%
Full-time employee	56%	56.1%	55.8%	46.7%	38.2%	42.7%	43.9%
Part-time employee	11.7%	11.7%	11.7%	12.8%	13.3%	8.8%	16.7%
Self-employed	12.2%	11.8%	12.8%	12.4%	10.5%	5.1%	7.2%
Unemployed	5%	5.2%	4.8%	8.0%	12.4%	9.4%	3.9%
Student	5.5%	6.8%	3.4%	8.7%	15.8%	4.7%	3.8%
Not in Labor Force	9.6%	8.4%	11.5%	11.5%	14.8%	23.8%	31.7%
Beliefs and political preferences							
Trust	5.1	5.2	5.1	4.9	-	-	-
Poor were unlucky	5.6	6.3	4.5	-	-	-	-
Rich work hard	57.2%	51.1%	67.2%	-	-	-	-
Rich were lucky	59.7%	63.5%	53.5%	-	-	-	-
Rich took advantage	51.1%	54.2%	46%	-	-	-	-
Competiton_Bad	3.4	3.7	2.8	2.6	-	2.7	-
More_Gov_Resp	4.3	5.2	2.7	3.9	-	4.2	-
Support Clinton	37.5%	60.25%	0%	-	-	-	-
Center (leaning Clinton)	24.8%	39.75%	0%	-	-	-	-
Center (leaning Trump)	18.4%	0%	48.83%	-	-	-	-
Support Trump	19.3%	0%	51.17%	-	-	-	-
Democrat	62.3%	100%	0%	68.8%	67.5%	-	-
Outcome variables after treatment (for control group)							
Do nothing	21.3%	14%	33.7%	-	-	-	-
Transfers	68.4%	78.2%	51.6%	-	-	-	-
Protectionism	10.3%	7.8%	14.7%	-	-	-	-
Observations	5,685	3,545	2,140	5,974	3,746	2,138	2,490,616

Notes. Column 1-3: We consider the regression sample, which corresponds to i) the sample of people who belong to the 90% that took more time to finish the survey, separating those who answered financial assistance in the post treatment question from those who didn't; and ii) people who answered affirmative the attention check. Column 4: We considered the sample of people that spent at least three minutes in the main survey (not considering the candy experiment and time spent in the treatment windows) and at least three seconds in every treatment (when applicable) of Di Tella, et al. (2017). Individuals primed with punishment treatments are not included. Column 5: We considered the respondents that took any of the omnibus treatment surveys of Kuziemko, et al. (2015); participants could only choose one ethnicity in this study; variable Democrat is actually a variable that takes value 1 if individual answered Clinton or Center (leaning Clinton) when asked "In the last election, where did you stand politically?"; for the question on outcomes variables we considered the sample corresponding to the control group (sample size 822). Column 6: data source is the 6th wave of the World Value Survey US sample; individuals whose employment status was "Other" were omitted; variables Competition_Bad and More_Gov_Resp were constructed with the same questions than used in our study (the only difference is that in the WVS answers range from 1-10 so we rescaled these answers to a 0-10 scale). Column 7: data source is the American Community Survey 2015; we considered individuals with 18 years old or older.

Baseline effects of covariates

Table 2: Unemployment and government intervention

	(1)	(2)	(3)	(4)	(5)	(6)
	Do nothing		Transfers		Protectionism	
	Mean	Marginal change	Mean	Marginal change	Mean	Marginal change
Control group (822)	0.19***		0.70***		0.09***	
	(0.011)		(0.013)		(0.010)	
Labor shock (4,863)	0.10***	-0.09***	0.69***	-0.02	0.20***	0.11***
	(0.004)	(0.012)	(0.007)	(0.015)	(0.005)	(0.012)
Gender						
No female (2,630)	0.13***		0.69***		0.16***	
	(0.006)		(0.011)		(0.006)	
Female (3,055)	0.09***	-0.04***	0.69***	-0.00	0.20***	0.05***
	(0.005)	(0.009)	(0.008)	(0.014)	(0.006)	(0.008)
Race						
White (4,160)	0.11***		0.68***		0.18***	
	(0.005)		(0.007)		(0.006)	
Black (501)	0.08***	-0.03**	0.72***	0.04*	0.17***	-0.01
	(0.011)	(0.013)	(0.022)	(0.021)	(0.017)	(0.017)
Hispanic or Latino (287)	0.11***	-0.01	0.66***	-0.03	0.21***	0.03*
	(0.021)	(0.024)	(0.034)	(0.038)	(0.016)	(0.019)
Asian (360)	0.11***	-0.01	0.68***	0.00	0.18***	0.00
	(0.015)	(0.016)	(0.023)	(0.026)	(0.018)	(0.017)
Other (377)	0.09***	-0.03*	0.72***	0.04*	0.17***	-0.01
	(0.014)	(0.014)	(0.026)	(0.023)	(0.016)	(0.016)
Education level						
Low education – No college (1,852)	0.09***		0.69***		0.20***	
	(0.005)		(0.010)		(0.009)	
Medium education – College (2,831)	0.12***	0.03***	0.68***	-0.01	0.18***	-0.03**
	(0.006)	(0.009)	(0.010)	(0.014)	(0.006)	(0.011)
High education – Post-college (1,002)	0.12***	0.03**	0.71***	0.01	0.15***	-0.05***
	(0.012)	(0.014)	(0.017)	(0.021)	(0.012)	(0.015)
Employment status						
Full time (3,184)	0.11***		0.68***		0.18***	
	(0.005)		(0.009)		(0.006)	
Part-time (663)	0.09***	-0.02**	0.71***	0.03	0.18***	-0.00
	(0.010)	(0.011)	(0.017)	(0.018)	(0.017)	(0.019)
Self-employed (691)	0.10***	-0.01	0.72***	0.04*	0.16***	-0.02
	(0.012)	(0.013)	(0.019)	(0.023)	(0.012)	(0.014)
Student (315)	0.11***	-0.01	0.67***	-0.01	0.20***	0.01
	(0.021)	(0.021)	(0.037)	(0.038)	(0.027)	(0.027)
Unemployed (287)	0.09***	-0.02	0.74***	0.06**	0.16***	-0.03
	(0.015)	(0.015)	(0.028)	(0.030)	(0.020)	(0.021)
Not in labor force (545)	0.12***	0.01	0.68***	0.00	0.18***	-0.01
	(0.010)	(0.011)	(0.017)	(0.016)	(0.016)	(0.015)
Supported past election						
Clinton (2,136)	0.06***		0.82***		0.11***	
	(0.006)		(0.007)		(0.006)	
Center – leaning Clinton (1,409)	0.11***	0.05***	0.72***	-0.11***	0.16***	0.05***
	(0.008)	(0.010)	(0.012)	(0.015)	(0.008)	(0.011)
Center – leaning Trump (1,045)	0.18***	0.12***	0.53***	-0.29***	0.27***	0.17***
	(0.012)	(0.015)	(0.016)	(0.016)	(0.014)	(0.015)
Trump (1,095)	0.19***	0.13***	0.45***	-0.38***	0.35***	0.24***
	(0.013)	(0.016)	(0.011)	(0.014)	(0.015)	(0.018)
Observations	5,685	5,685	5,685	5,685	5,685	5,685

Individual treatments

Dependent variable: do nothing

Table 3, Panel A: Unemployment and government intervention by shock

	(1) Pr[Do nothing]	(2) Marginal change	(3) Pr[Do nothing]	(4) Marginal change
Control group	0.22***		0.19***	
	(0.012)		(0.011)	
T1: Technology shock	0.12***	-0.09***	0.10***	-0.09***
	(0.013)	(0.018)	(0.012)	(0.017)
T2: Demand shock	0.13***	-0.08***	0.11***	-0.08***
	(0.011)	(0.015)	(0.011)	(0.013)
T3: Bad management shock	0.14***	-0.07***	0.13***	-0.06***
	(0.010)	(0.016)	(0.010)	(0.014)
T4: Advanced nation	0.12***	-0.10***	0.10***	-0.09***
	(0.008)	(0.015)	(0.008)	(0.014)
T5: Developing nation	0.08***	-0.13***	0.06***	-0.13***
	(0.009)	(0.016)	(0.008)	(0.014)
T6: Developing nation (poor labor standards)	0.09***	-0.12***	0.08***	-0.11***
	(0.008)	(0.017)	(0.008)	(0.015)
Observations	5,685	5,685	5,685	5,685
Controls	No	No	Yes	Yes

Dependent variable: transfers

Table 3, Panel B: Unemployment and government intervention by shock

	(1) Pr[Transfers]	(2) Marginal change	(3) Pr[Transfers]	(4) Marginal change
Control group	0.68***		0.70***	
	(0.014)		(0.013)	
T1: Technology shock	0.72***	0.03	0.74***	0.04*
	(0.017)	(0.021)	(0.018)	(0.021)
T2: Demand shock	0.70***	0.02	0.73***	0.03
	(0.019)	(0.024)	(0.018)	(0.023)
T3: Bad management shock	0.74***	0.06***	0.75***	0.05***
	(0.014)	(0.019)	(0.014)	(0.019)
T4: Advanced nation	0.64***	-0.05*	0.64***	-0.06***
	(0.019)	(0.024)	(0.018)	(0.023)
T5: Developing nation	0.61***	-0.07***	0.63***	-0.07***
	(0.014)	(0.020)	(0.019)	(0.023)
T6: Developing nation (poor labor standards)	0.61***	-0.07***	0.62***	-0.08***
	(0.015)	(0.021)	(0.014)	(0.022)
Observations	5,685	5,685	5,685	5,685
Controls	No	No	Yes	Yes

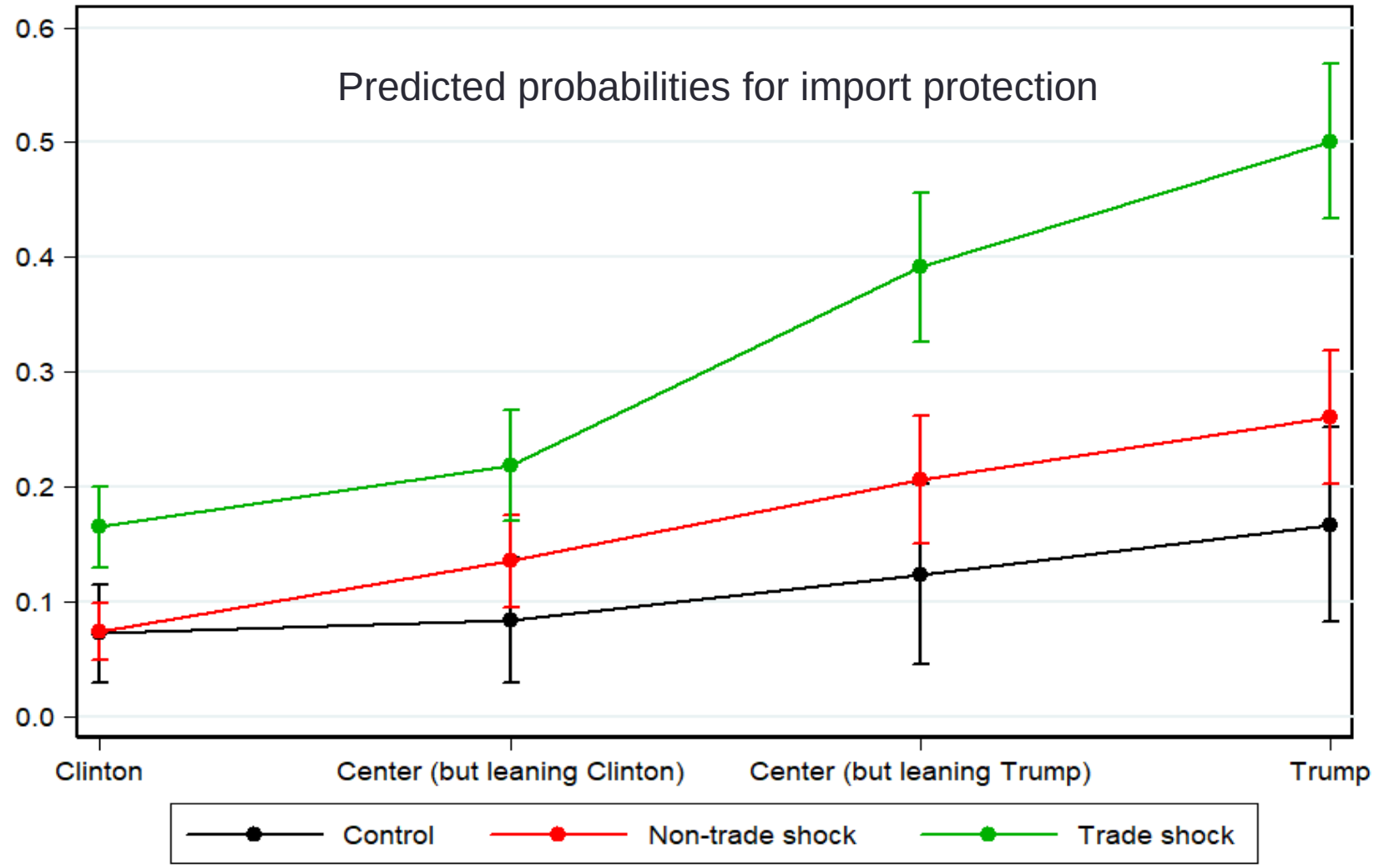
Dependent variable: import protection

Table 3, Panel C: Unemployment and government intervention by shock

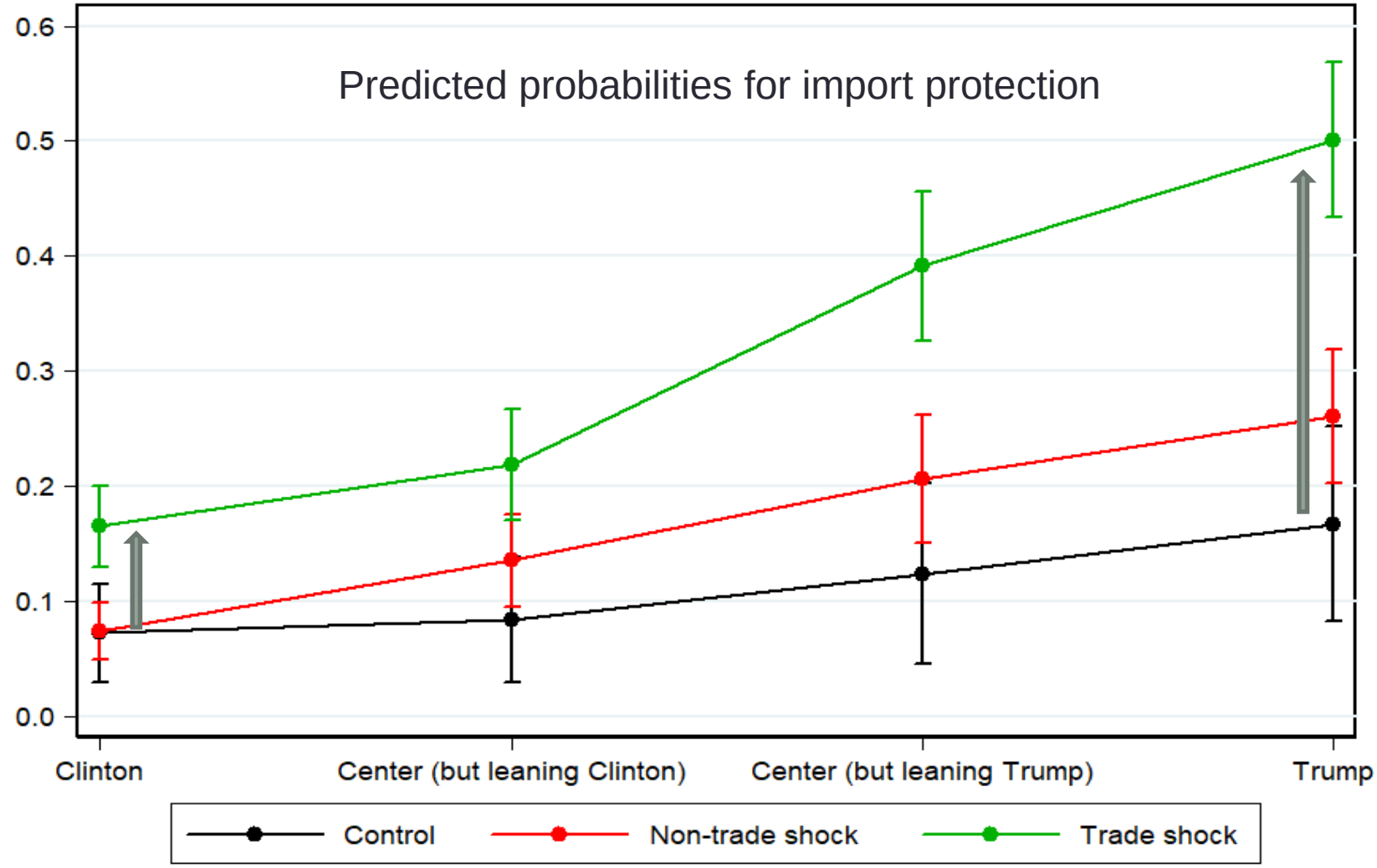
	(1) Pr[Protectionism]	(2) Marginal change	(3) Pr[Protectionism]	(4) Marginal change
Control group	0.10***		0.09***	
	(0.011)		(0.010)	
T1: Technology shock	0.16***	0.06***	0.14***	0.05***
	(0.012)	(0.014)	(0.011)	(0.012)
T2: Demand shock	0.17***	0.07***	0.15***	0.06***
	(0.013)	(0.017)	(0.011)	(0.014)
T3: Bad management shock	0.12***	0.01	0.10***	0.01
	(0.012)	(0.016)	(0.011)	(0.014)
T4: Advanced nation	0.25***	0.14***	0.23***	0.14***
	(0.019)	(0.024)	(0.017)	(0.022)
T5: Developing nation	0.31***	0.21***	0.29***	0.20***
	(0.014)	(0.017)	(0.017)	(0.020)
T6: Developing nation (poor labor standards)	0.30***	0.20***	0.29***	0.20***
	(0.015)	(0.021)	(0.014)	(0.020)
Observations	5,685	5,685	5,685	5,685
Controls	No	No	Yes	Yes

The role of political preferences

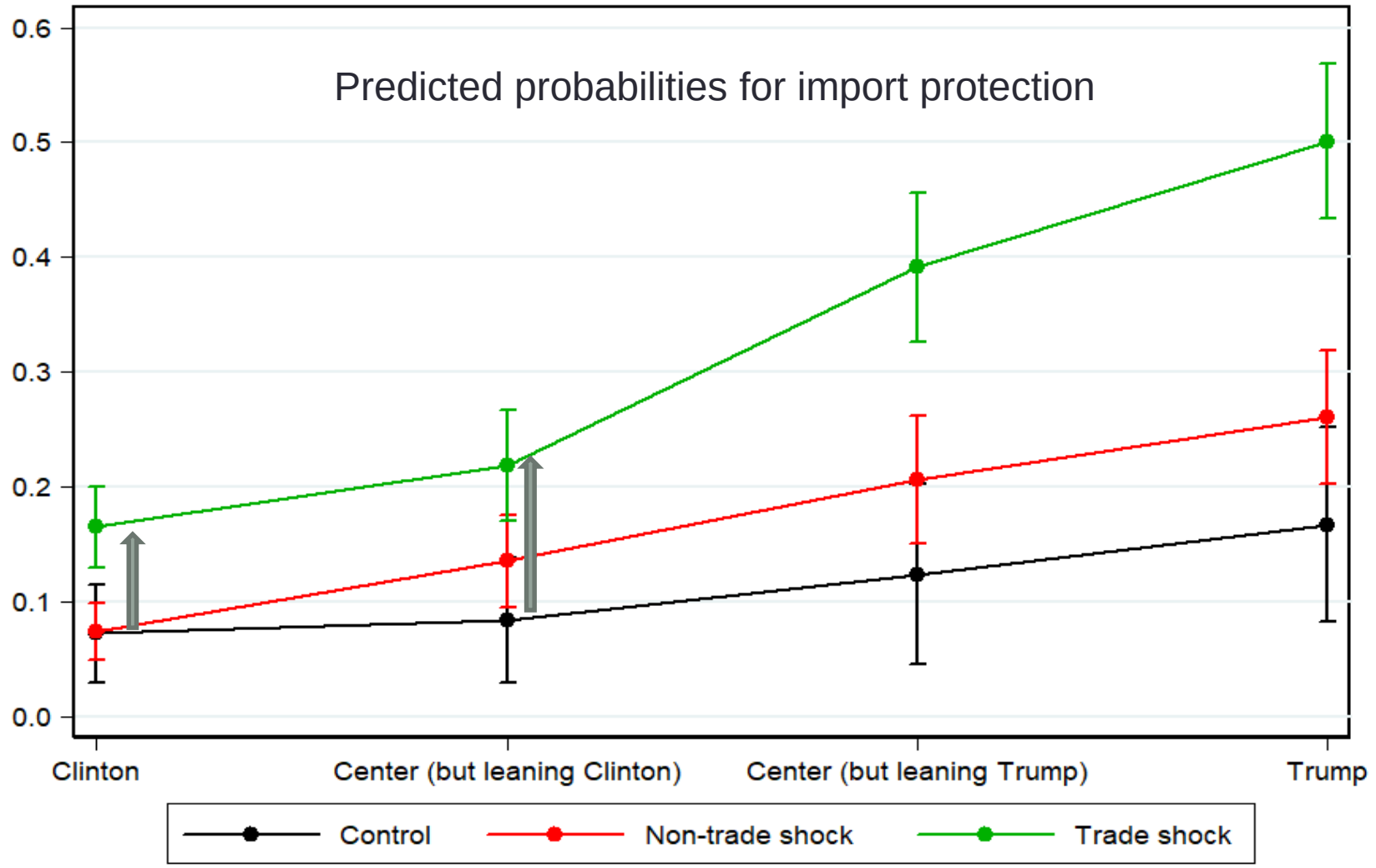
Trump voters are more protectionist in general



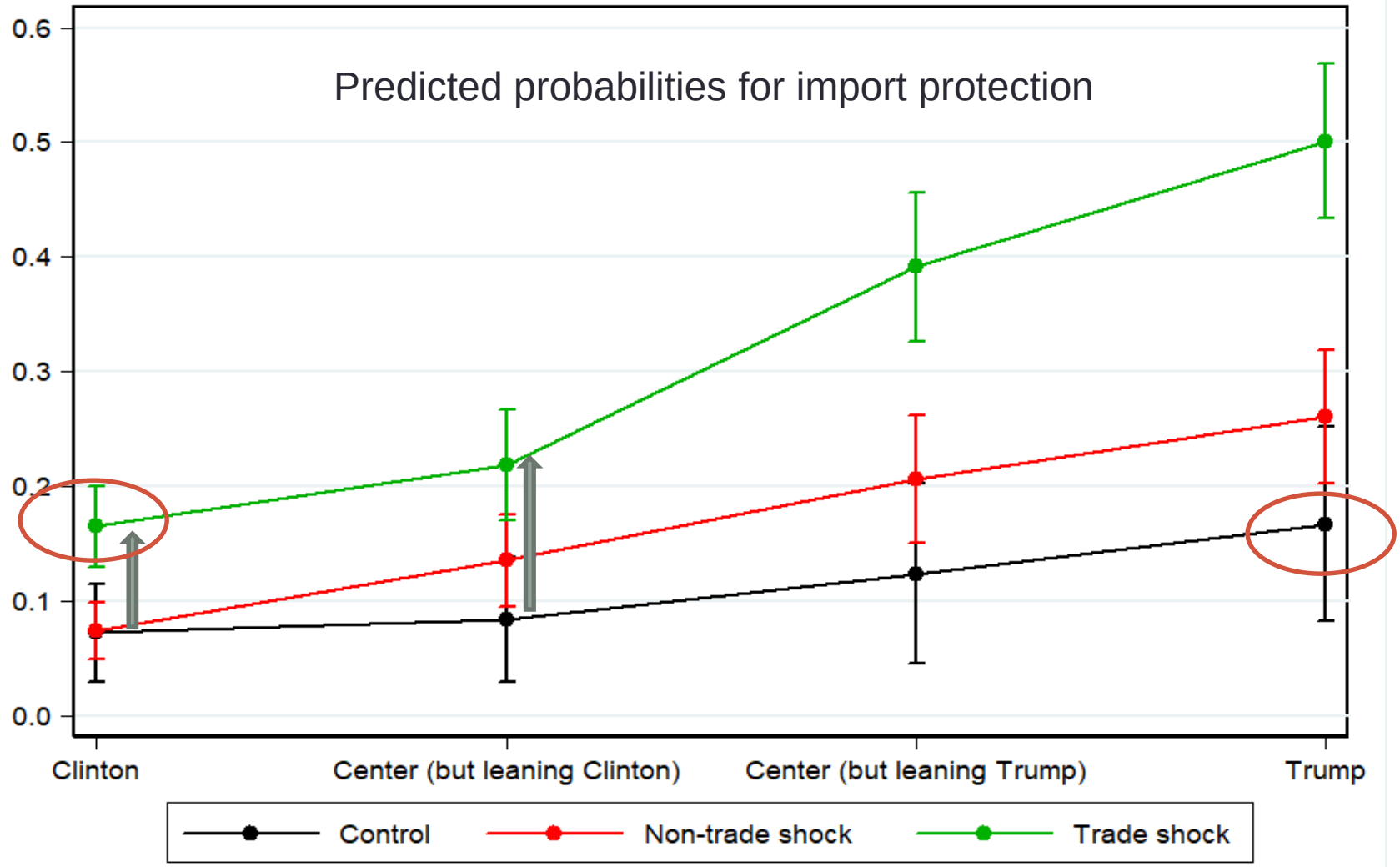
And Trump voters are more susceptible to "trade priming"



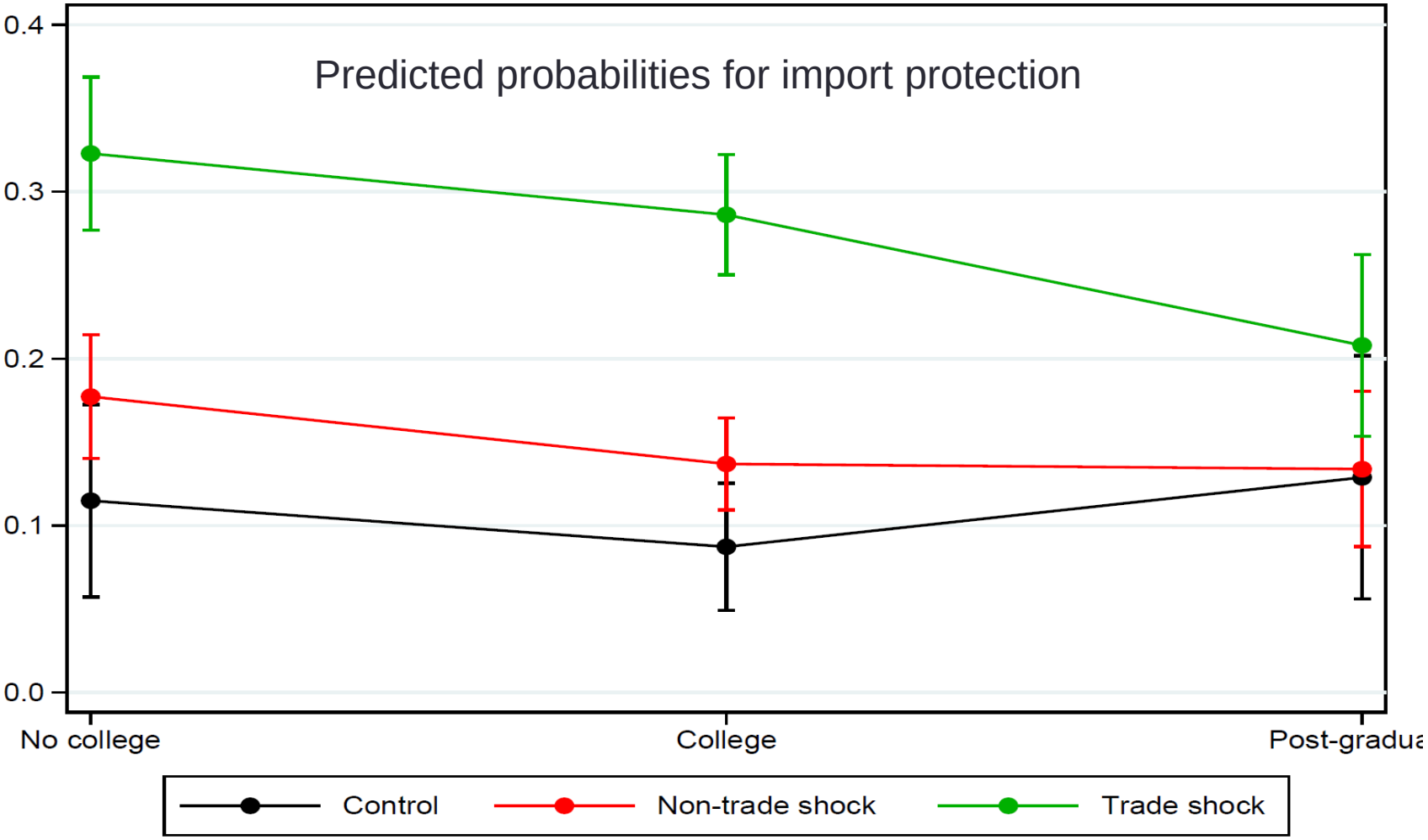
But trade shock makes non-Trump voters as protectionist as baseline Trump voters



But trade shock makes non-Trump voters as protectionist as baseline Trump voters



Responses also differ by educational attainment



Trade with developed versus developing nations

Table 4: People demand more protectionism when trade competition is less developed nations

	(1)	(2)	(3)	(4)
	Pr[Protectionism]	Marginal change	Pr[Protectionism]	Marginal change
Control group	0.10***		0.09***	
	(0.011)		(0.010)	
Non-Trade shock	0.15***	0.05***	0.13***	0.04***
	(0.008)	(0.012)	(0.007)	(0.011)
Trade shock (advanced nation)	0.25***	0.14***	0.23***	0.14***
	(0.019)	(0.024)	(0.017)	(0.023)
Trade shock (developing nation)	0.30***	0.20***	0.29***	0.20***
	(0.009)	(0.016)	(0.011)	(0.016)
Observations	5,685	5,685	5,685	5,685
Controls	No	No	Yes	Yes
p-value		0.003		0.009

Labor standards and ideology of respondents

Table: Protectionism demand and political support, by shock

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Clinton		Center (leaning Clinton)		Center (leaning Trump)		Trump	
	Prediction	Marginal change	Prediction	Marginal change	Prediction	Marginal change	Prediction	Marginal change
Control group	0.07***		0.09***		0.12***		0.17***	
	(0.015)		(0.020)		(0.027)		(0.029)	
T1: Technology shock	0.08***	0.00	0.16***	0.07**	0.22***	0.09**	0.25***	0.08*
	(0.015)	(0.021)	(0.025)	(0.032)	(0.035)	(0.044)	(0.034)	(0.045)
T2: Demand shock	0.09***	0.01	0.14***	0.05	0.24***	0.11***	0.29***	0.13***
	(0.016)	(0.022)	(0.025)	(0.032)	(0.034)	(0.044)	(0.035)	(0.046)
T3: Bad management shock	0.05***	-0.02	0.11***	0.02	0.17***	0.05	0.22***	0.05
	(0.012)	(0.019)	(0.022)	(0.029)	(0.032)	(0.042)	(0.035)	(0.045)
T4: Advanced nation	0.14***	0.07***	0.16***	0.08**	0.39***	0.27***	0.45***	0.28***
	(0.020)	(0.024)	(0.026)	(0.033)	(0.041)	(0.050)	(0.042)	(0.051)
T5: Developing nation	0.16***	0.09***	0.24***	0.15***	0.42***	0.30***	0.56***	0.39***
	(0.022)	(0.026)	(0.032)	(0.037)	(0.039)	(0.048)	(0.039)	(0.049)
T6: Developing nation (poor labor standards)	0.19***	0.12***	0.26***	0.18***	0.38***	0.25***	0.50***	0.34***
	(0.022)	(0.027)	(0.031)	(0.036)	(0.040)	(0.048)	(0.041)	(0.051)
Observations	2,136	2,136	1,409	1,409	1,045	1,045	1,095	1,095
p-value partial: [T6-T5][(2)] = [T6-T5][(8)]	0.223							
p-value: [T6-T5][(2)+(4)] = [T6-T5][(6)+(8)]	0.114							

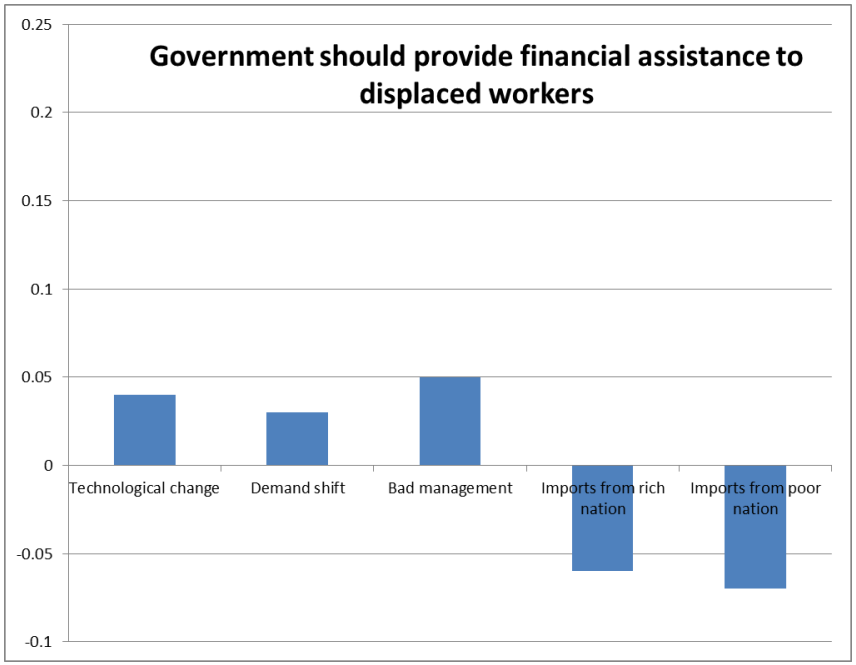
"p-value partial" corresponds to a Wald test of equality of marginal effects between a trade shock in a developing nation with and without poor labor standards (T6 and T5 respectively) for Clinton supporters versus Trump supporters. "p-value" corresponds to the same test but also using "center" supporters leaning either Clinton or Trump.

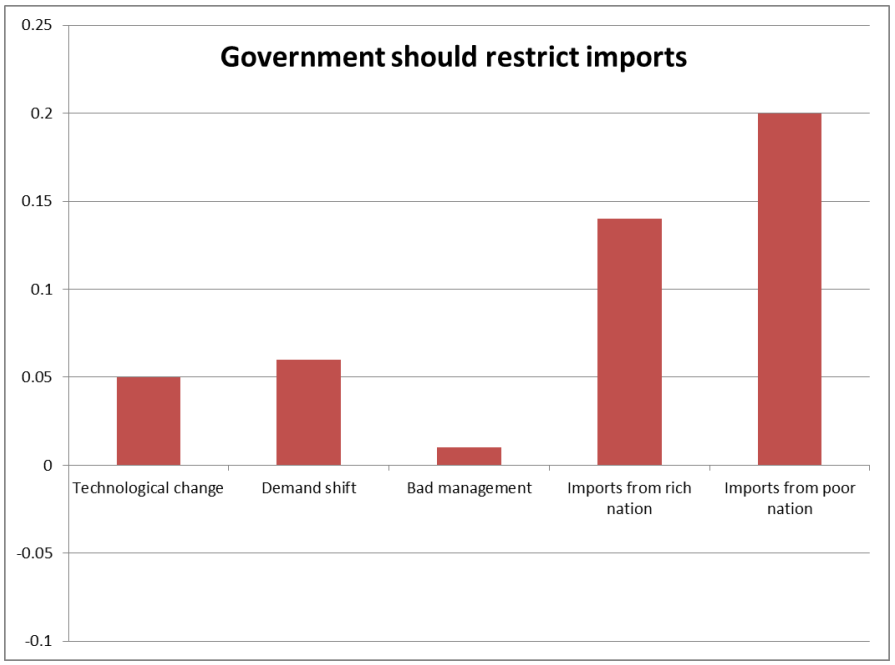
Contributions

- Political economy of trade policy
  - determinants of preferences for import protection
    - role of trade versus other shocks
  - preferences for trade protection versus compensatory transfers
- “Ideas versus (material) interests”
  - persuasion, worldviews, and malleability of interests

Additional slides

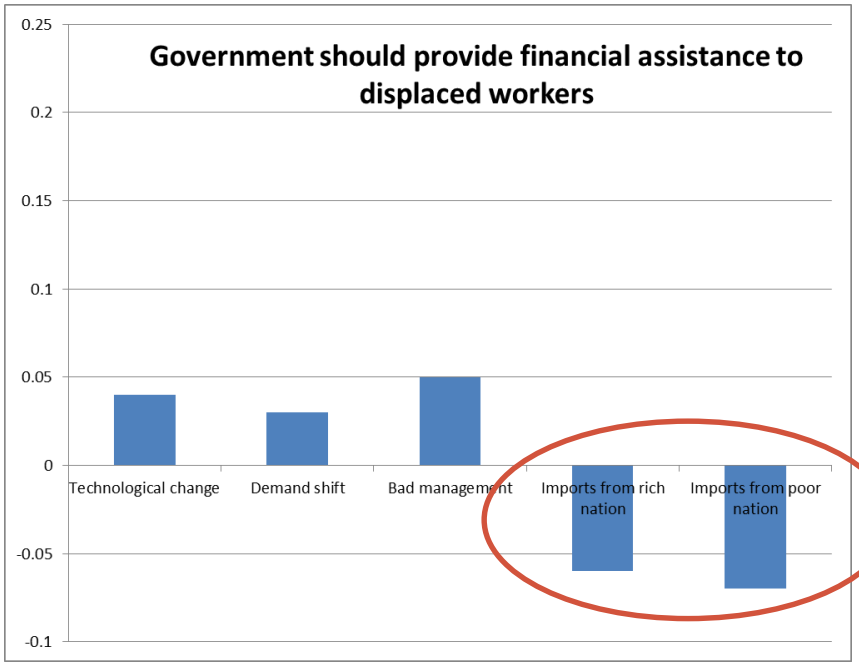
How people respond to different types of labor-market shocks

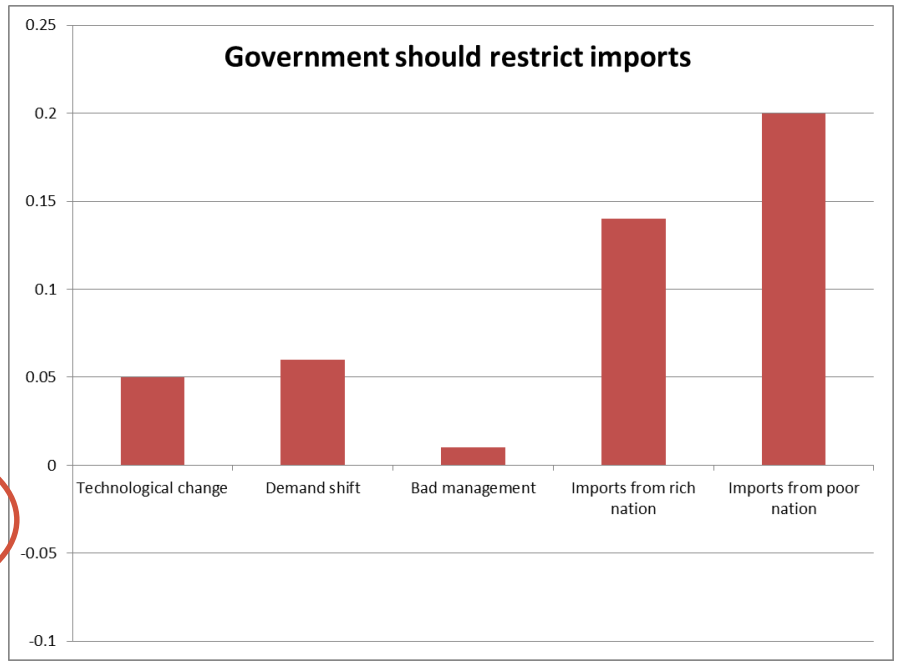




Marginal effects on shares of respondents that respond favorably to statement on the chart (relative to control)
(with demographic and other controls)

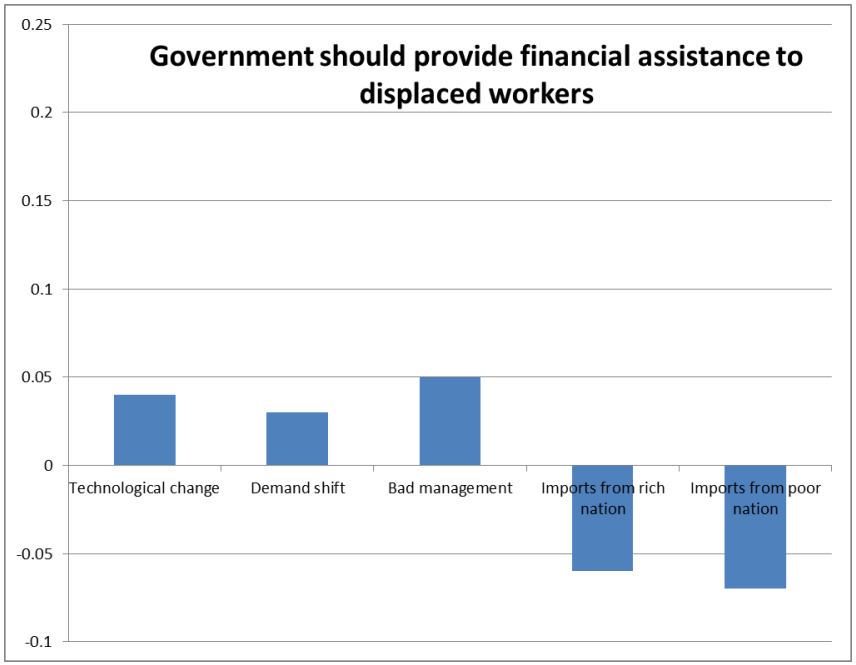
How people respond to different types of labor-market shocks

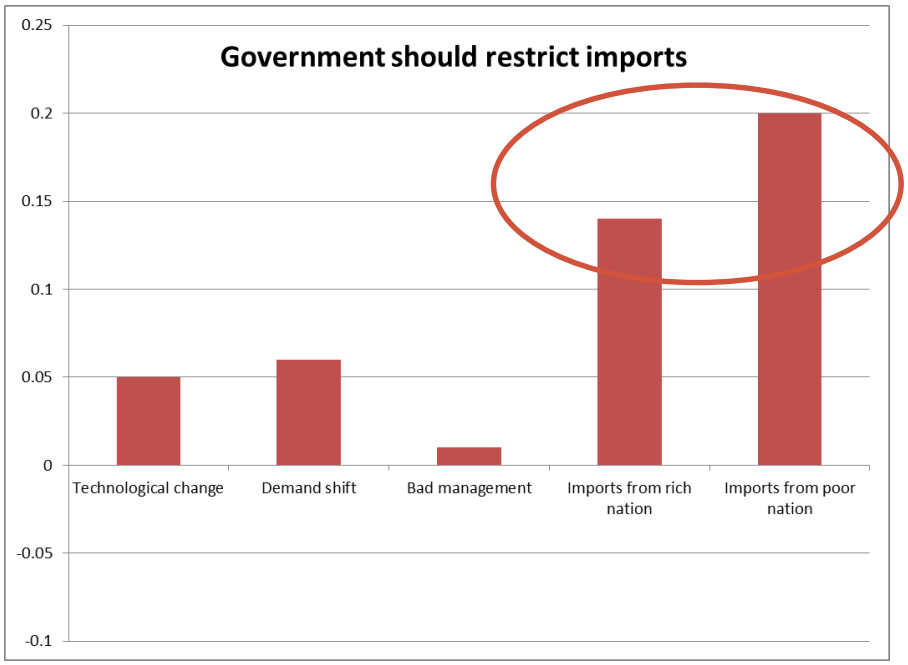




Marginal effects on shares of respondents that respond favorably to statement on the chart (relative to control)
(with demographic and other controls)

How people respond to different types of labor-market shocks





Marginal effects on shares of respondents that respond favorably to statement on the chart (relative to control)
(with demographic and other controls)

Randomization and balance

	Treatment group						
Variables	Control	T1	T2	T3	T4	T5	T6
Demographics							
Male	44.69%	45.81%	43.72%	45.35%	46.40%	52.04%***	46.81%
	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)
Age	36.38	37.85***	37.04	37.54**	37.00	36.72	37.27*
	(12.02)	(12.81)	(12.23)	(12.59)	(12.53)	(11.84)	(12.79)
White	72.87%	76.74%**	73.46%	73.55%	70.63%	72.56%	72.44%
	(0.44)	(0.42)	(0.44)	(0.44)	(0.46)	(0.45)	(0.45)
Black	9.12%	7.21%*	7.86%	10.51%	8.92%	8.65%	9.39%
	(0.29)	(0.26)	(0.27)	(0.31)	(0.29)	(0.28)	(0.29)
Hispanic	5.11%	4.98%	5.53%	4.82%	5.08%	4.70%	5.12%
	(0.22)	(0.22)	(0.23)	(0.21)	(0.22)	(0.21)	(0.22)
Asian	5.96%	5.35%	6.14%	6.67%	6.44%	6.55%	7.20%
	(0.24)	(0.23)	(0.24)	(0.25)	(0.25)	(0.25)	(0.26)
Other race	6.93%	5.72%	7.00%	4.45%**	8.92%*	7.54%	5.85%
	(0.25)	(0.23)	(0.26)	(0.21)	(0.29)	(0.26)	(0.23)
Postgraduate degree	19.83%	16.04%**	17.81%	16.93%*	18.34%	17.31%*	17.07%*
	(0.40)	(0.37)	(0.38)	(0.38)	(0.39)	(0.38)	(0.38)
Only college degree	51.58%	49.50%	46.81%**	51.79%	48.70%	49.44%	50.73%
	0.50	0.50	0.50	0.50	0.50	0.50	0.50
No college degree	28.59%	34.45%***	35.38%***	31.27%	32.96%**	33.25%**	32.20%*
	0.45	0.48	0.48	0.46	0.47	0.47	0.47
Full-time employee	56.45%	57.96%	54.79%	55.25%	54.89%	58.71%	54.02%
	(0.50)	(0.49)	(0.50)	(0.50)	(0.50)	(0.49)	(0.50)
Part-time employee	13.26%	9.95%**	12.41%	11.37%	13.01%	10.75%*	10.85%*
	(0.34)	(0.30)	(0.33)	(0.32)	(0.34)	(0.31)	(0.31)
Self-employed	13.02%	11.19%	11.92%	14.09%	11.15%	10.26%**	13.41%
	(0.34)	(0.32)	(0.32)	(0.35)	(0.31)	(0.30)	(0.34)
Unemployed	5.23%	3.98%	5.28%	4.45%	5.08%	5.32%	5.98%
	(0.22)	(0.20)	(0.22)	(0.21)	(0.22)	(0.22)	(0.24)
Student	4.50%	5.72%	5.90%	5.81%	5.08%	5.69%	6.10%*
	(0.21)	(0.23)	(0.24)	(0.23)	(0.22)	(0.23)	(0.24)
Not in labor force	7.54%	11.19%***	9.71%*	9.02%	10.78%**	9.27%	9.63%*
	(0.26)	(0.32)	(0.30)	(0.29)	(0.31)	(0.29)	(0.30)
Beliefs and political preferences							
Trust	5.17	5.25	5.15	5.10	5.19	5.08	4.99*
	(2.46)	(2.34)	(2.41)	(2.43)	(2.39)	(2.43)	(2.42)
Poor were unlucky	5.78	5.63*	5.56**	5.61*	5.75	5.50***	5.65
	(2.32)	(2.30)	(2.33)	(2.28)	(2.26)	(2.31)	(2.33)
Rich work hard	56.07	58.62**	57.70*	56.34	57.06**	58.22	56.22
	(24.18)	(22.69)	(24.22)	(23.19)	(23.32)	(23.35)	(24.23)
Rich were lucky	61.30	60.02	59.30**	59.62*	59.22**	59.74*	58.93**
	(23.83)	(23.75)	(24.07)	(23.78)	(23.96)	(24.57)	(24.46)
Rich took advantage	52.32	50.14**	51.74	51.42	49.68**	51.17	51.22
	(25.38)	(25.44)	(26.17)	(26.11)	(25.98)	(25.80)	(26.83)
Competition	3.39	3.43	3.42	3.36	3.38	3.27	3.27
	(2.37)	(2.42)	(2.44)	(2.38)	(2.35)	(2.39)	(2.35)
People/Gov more responsibilities	4.40	4.24	4.21*	4.45	4.28	4.10**	4.19**
	(2.91)	(2.83)	(2.96)	(2.87)	(2.85)	(2.89)	(2.86)
Support Clinton	36.74%	35.70%	36.98%	40.42%*	39.28%	36.34%	37.56%
	(0.48)	(0.48)	(0.48)	(0.49)	(0.49)	(0.48)	(0.48)
Support Trump	19.59%	20.15%	20.76%	17.80%	17.60%	20.40%	18.54%
	(0.40)	(0.40)	(0.41)	(0.38)	(0.38)	(0.40)	(0.39)
Observations (regression sample)	822	804	814	809	807	809	820
Observations (unrestricted)	899	897	901	902	897	896	901

Notes. Mean value of the variable is presented in the first row; standard deviation is presented in parentheses. *, **, *** indicate statistical significance at the 10%, 5% and 1% levels, respectively. All these statistics are computed using the regression sample. Regression sample corresponds to i) the sample of people who belong to the 90% that took more time to finish the survey, separating those who answered financial assistance in the post treatment question from those who didn't; and ii) people who answered affirmative the attention check. Unrestricted sample corresponds to all the individuals (within treatments) that took and finished the survey.