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# Where does opportunity knock? On doors that voted for the executive

Cameron A. Shelton[1]

*Claremont McKenna College, 500 E 9th St Claremont, CA 91711, United States of America*

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ABSTRACT

The Trump Tax Bill of 2017 gave U.S. state governors a one-time opportunity to select an exogenously fixed number of census tracts for preferential tax treatment. We model a governors' choice of tracts to maximize competing goals of mobilizing voters, rewarding co-partisan legislators, and alleviating poverty. We estimate the likelihood that an eligible tract is selected as a function of both the economic characteristics of the tract and the political characteristics of the governor and the relevant state and federal legislators. Our results show that the executive accountability engendered by eligibility for reelection is weakened by the dual constituency hypothesis.

## 1. Introduction

Legislation is necessarily incomplete, allowing executives discretion during implementation. While potentially enhancing efficiency by enabling the executive to tailor the policy to the specifics of time and place, the exercise of this discretion in pursuit of the executive's personal goals may distort the distribution of public benefits away from programmatic intent. As several theoretical pieces have made clear, characterizing such distortions is relevant to various aspects of constitutional design such as the separation of powers, federalism, and term limits (Persson et al., 1997; Fuchs and Herold, 2011; Besley, 2006).

Several papers quantifying accountability find that term-limited office-holders are less accountable to voters and behave more according to their personal preferences (Figlio, 1995; Ferraz and Finan, 2011; Carey et al., 2006). These results illustrate that upcoming elections induce executives to work for the electorate. But which electorate? Work on legislative voting (Mian et al., 2010; Brunner et al., 2013; Levitt, 1996) has found strong support for the dual constituency hypothesis (Fiorina, 1974; Fenno, 1978), the notion that politicians disproportionately reward constituents from their own party. Studies of executives have found evidence that executives distribute perks to both build support among their own voters (Kriner and Andrew, 2012) and members of the legislative branch (Kousser and Phillips, 2012). Moreover, Berry et al. (2010) find that U.S. federal funds are more likely to be spent in counties that supported the President, suggesting the dual constituency hypothesis also holds for executives. This would dampen the salutary effects of elections by limiting the extent of the public on whose behalf the executive is engendered to work. We believe we are the first to bring direct evidence of this intersection in a program where executive influence is unfettered and undeniable.

Analyzing a recent US policy —the Opportunity Zone program which emanated from the 2017 Tax Cuts and Jobs Act —we show that while elections force governors to be accountable, they are accountable to their own constituency rather than the electorate as a whole. Moreover, this accountability depends on the degree to which programmatic goals naturally target the governor's political allies.

Opportunity Zones (henceforth OZs) are a one-time geographically-targeted federal tax incentive in which the federal government indicated certain census tracts as eligible for preferential tax treatment after which state governors designated the subset of those eligible tracts that would actually receive the preferential status. Several aspects of the program make for an ideal setting in which to measure the causal relation between the constraints on the executive and the distribution of these benefits. The program's development was exogenous to state-level conditions and eligibility criteria were identical across states. Each of the states' 50 governors received an identical allocation of benefits to distribute. Governors were given scant notice of its passage and a narrow time-span within which to select which census tracts to reward. Finally, Governors were given sole control over the designation with no oversight from state legislatures. In short, Governors were simultaneously handed identical batches of cookies and told to choose who would get dessert. Chico or Chino? Redding or Redlands? In doing so, each governor fielded lobbying from cities (Charles, 2019), neighborhoods (Cullen Neighborhood, 2018), and legislators (Rhode Island GA News, 2018) and weighed the relative merits of hundreds

*E-mail address:* cshelton@cmc.edu.

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or thousands of eligible tracts on the way to an up-or-down decision on each.

In our sample, among governors who are eligible for reelection, Democrats and Republicans target poverty at statistically indistinguishable rates whereas among those who are not eligible for reelection, Democrats target poverty two and a half times as strongly as Republicans. Here is the disciplining effect of elections leading parties to converge.

But even when elections lead to convergence, there remains asymmetry in who is rewarded. We find that reelection-eligible Democratic governors do not systematically reward legislative co-partisans above and beyond what they can achieve simply by targeting poverty. However, reelection-eligible Republican governors are 4.33 percentage points more likely to designate a tract if that tract is represented by a Republican in the state legislature. On a base chance of designation of 25%, this is a very large effect, equivalent to the effect of a 10.3 percentage point increase in the poverty rate.

The greater tendency of Republican governors to reward legislative co-partisans could be due to asymmetry of internal party structure and norms of collective judgement. But while such asymmetry is possible, it is not required to produce this result. As we demonstrate with a formal model (in the Appendix), this result can obtain simply because Opportunity Zones, being clearly intended to alleviate poverty, are more easily targeted to the governor's co-partisan voters and legislators when the governor is a Democrat. Thus, Republican governors face a starker trade-off between their competing goals of rewarding co-partisans and following programmatic intent. In short, the election disciplines Democratic governors to adhere to the stated programmatic goal (poverty alleviation) only because the goal enables them to reward their constituents.

For term-limited governors who no longer need to appeal to voters, the trade-off is between rewarding co-partisans and pursuing programmatic goals. Behavior of term-limited governors is thus a straightforward measure of the relative importance placed on the programmatic goal. As our model makes clear, the fact that term-limited Democrats target poverty even more heavily while term limited Republicans cease targeting poverty cannot be explained by this differential ability to target constituents but must be the result of ideological differences.

Finally, we show that the dual constituency hypothesis is alive and well; governors facing reelection tend to reward their own voters, even once we have controlled for the party of the legislative representative. Meanwhile, term-limited governors show insignificant favoritism, suggesting it was the prospect of reelection that drove the executive to court their own constituents.

Our results weaken the salutary effects of eligibility for reelection. While reelection encourages governors to moderate their ideological positions during allocation, governors display clear bias towards their own constituents. Furthermore, even in the face of reelection, faithful implementation of the program depends on alignment between the programmatic goals and the ideology of the executive.

Our approach carries several advantages over past work. First and foremost, the outcome in question is solely in the hands of the governor rather than the product of a bargain with the legislature (as with budgeting). Second, the outcome is neither a matter of personal effort nor is the choice in a context in which the executive can directly reward herself. The executive's choices thus cleanly reveal to us which constituencies are of highest value to her, shedding light on a favoritism that surely colors myriad other decisions. Third, the clear nature of programmatic intent, coupled with the fact that this intent is clearly tilted towards the supporters of one party, allows us to confirm that the extent to which executive discretion leads to distortions depends on the alignment of executive preferences and programmatic intent. Fourth, the unique position of US state governors enables us to comment on the changing value of connections with the state and federal legislatures.

Our work contributes to several literatures. We confirm prior results on the deleterious effects of term limits on accountability (Besley and Case, 1995; Alt et al., 2011; Ferraz and Finan, 2011; Carey et al., 2006), the clearest predecessor to our work being de Janvry et al. (2012). Most importantly, we show that the dual constituency hypothesis offers an important qualification to the accountability induced by elections. Accountability not only requires elections, it also requires that the programmatic intent be aligned with the constituents the executive is courting for reelection.

Our results supporting the importance of differential targetability are, as best we can tell, new to this literature. Nonetheless, the partisan asymmetries we find do fit nicely with papers on the asymmetry in the American party system which tend to argue that legitimacy within the Democratic party is connected to representing a group while legitimacy within the Republican party springs from connections to party leaders (Freeman, 1986; Grossman and Hopkins, 2015).

The plan of the paper is as follows. The following section provides more detail about opportunity zones and mentions two prior analyses of the zones selected along with relevant literature addressing distributive politics. Sections 2 and 3 lay out the empirical design and describe the data. Section 4 is a presentation of results. Section 5 concludes. The formal model and additional tables are included in the Appendices.

## 2. Background and relevant literature

On December 22, 2017 when President Trump signed into law the Tax Cuts and Jobs Act, a provision of that law created a class of geographically-targeted investment incentives called opportunity zones. Realized capital gains reinvested in designated opportunity zones would be eligible for deferral and a step-up in basis while capital gains from the investments in opportunity zones would be tax-free if held at least ten years. These significant incentives were intended to encourage new investment in low-income communities. Crucially, the designation of which geographic areas qualified as opportunity zones was delegated to state governors.

Upon passage, the Act designated a set of eligible low-income census tracts from which governors would make their selections. Eligible tracts had either poverty rates of at least 20 percent or median family incomes no greater than 80 percent of that in the surrounding area, as measured by the American Community Survey of 2011–2015. Governors then nominated up to 25 percent of the eligible tracts (or up to 25 if the state had fewer than 100 eligible low-income tracts) to be certified by the Secretary of the Treasury as "opportunity zones".[2] Nominations were due 90 days from enactment, on March 21, 2018 though a 30-day extension was granted, pushing the final deadline to April 20, 2018. Treasury then had 30 days to approve submissions and in practice, governor's submissions were simply accepted and certified by Treasury. The qualified tracts retain the designation for ten years.

That tract eligibility was solely contingent on tract income is indicative of the program's single-minded focus on poverty alleviation. Virtually all the messaging and reporting, from the initial proposal and the official IRS website through research briefs and reportage, focused on poverty alleviation via the attraction of geographically-targeted investment (e.g. Looney, 2018). While it is not infrequently mentioned that poverty-rates are imprecise metrics, or that certain areas are more conducive to investment than others, the difficulty in measuring investment suitability ensured most attention was paid to the poverty rate of the tracts chosen. For instance, this discussion of Ohio's selection process makes clear that while poverty rate was certainly not the only criterion under local consideration, it was the only criterion consistently considered everywhere in the state (Patton and Leonard, 2023). Certainly, within the relevant timeline, this was the sole available measure of adherence to programmatic goals that

[2] Up to five percent of the nominated tracts were allowed to be moderate income tracts adjacent to nominated qualifying low-income tracts so as to create a coherent, contiguous zone.

could be agreed on for standardization, broad evaluation, and political judgement of a governor.

In the wake of the seminal study by Berry et al. (2010), a wealth of recent papers have explored the role of the executive in the geographic allocation of federal outlays. Kriner and Andrew (2015) find that the electoral college significantly distorts spending in the US as Presidents reward swing states (specifically the strongly supportive counties within these swing states). Larcinese et al. (2006) find that the President directs spending to co-partisan governors and congressmen as well as rewarding states that voted for him. Using data from Brazil and a regression discontinuity design to focus on close electoral races, Brollo and Nannicini (2012) find that the executive rewards districts narrowly won and punishes districts narrowly lost. On the other hand, Boone et al. (2014) find no evidence of political targeting in the disbursement of American Recovery and Reinvestment Act funds in 2009, concluding that funding formulas carried the day.

Studying budget allocations is a direct measure of the outcome of greatest interest but affords an oblique look at the priorities of the executive as the influence of the executive is moderated by the legislative process and the necessity of courting legislators to secure passage. By contrast, the power to designate opportunity zones rests solely with the governor thus studying opportunity zones provides an unfiltered view of the motives of the executive. The panel of 50 states provides a degree of variation in the political position of the executive – size of legislative majority, time to election, and approval rating – comparable if not superior to what is achieved in the longest panels of federal spending. Moreover, within each state, a governor evaluated hundreds of eligible tracts, providing repeated observations of each governor's priorities. The time-span of 120 days between enactment and final deadline provides a relatively narrow political event window within which the executive's political position remains reasonably constant and measurable. Moreover, it allows us to gather evidence of credit-claiming on social media by state legislators to demonstrate the value of this particular benefit.[3]

Dynes and Huber (2015) note that it is challenging to distinguish between rewarding supportive legislators and rewarding supportive voters because the latter often elect and are therefore co-located with the former. Because most legislative districts encompass multiple eligible tracts, a governor has the opportunity to reward his/her more supportive voters within a legislative district. While data on gubernatorial electoral returns are not available at the tract level, they are available at the county level which, where districts encompass multiple counties, enables an isolated investigation of voter targeting.

To our knowledge, Glick and Palmer (2022) offer the only peer-reviewed research article on Opportunity Zones besides our own. Also examining the allocation of Opportunity Zones at the census-tract level, they find no evidence that Governors consistently reward areas of their states where political supporters reside or that legislators of their party represent. Rather, they find that geography is paramount and emphasize that the behavior they witness is not particular to party. Their key result is that governors from both parties try to spread the benefits across all counties. In addition to providing a theory which structurally grounds the estimation, our results differ in three important respects.

First, we find that Republican and Democratic governors do behave differently. Democrats eligible for reelection target poverty more than do reelection-eligible Republicans. Glick and Palmer do not explore the role of term limits and thus do not uncover this aspect of behavior. Moreover, we find that Republican governors are more likely to designate a tract if that tract is represented by a co-partisan in the state assembly.[4]

Explaining these results is an important service of our model. Why would Republican governors reward co-partisans more often than do their Democratic counterparts? One possibility, which we note, is fundamental asymmetries in party norms and organization such that Republicans value such favor trading more than Democrats. But our model raises a simpler possibility: that it depends on the opportunity cost suffered by distorting the programmatic goal. In this case, the program naturally targets Democratic voters, thus Republican governors lose less by distorting to do favors. We find this a more elegant hypothesis in that it does not break symmetry via an ad hoc assumption, but builds from deeper foundations. It is testable by examination of a (separate) program that naturally targets Republican voters.

Second, our focus on accountability and the interaction between institutional design and the (possibly partisan) motives of the governor differs fundamentally from Glick and Palmer's investigation. By considering how incentives depend on whether a governor is eligible for reelection or enjoys co-partisan control of the state legislature, we find fundamentally different results. For instance, Glick and Palmer find no bias towards co-partisan legislators whereas we find such distortions precisely where predicted *once the sample is appropriately split by party and term limits*. Glick and Palmer find that governors do not reward co-partisan voters whereas we find the opposite *among governors who face reelection*. Under the conditions identified by our model, clear favoritism towards co-partisans exists.

There is a second, earlier study of opportunity zones, though it is not peer-reviewed and does not consider political targeting. Using their own constructed measure of prior investment flows for commercial projects and residential housing, Theodos et al. (2018) assessed the extent to which governors targeted their opportunity zone selections towards communities in need of investment. They find relatively little evidence of targeting based on investment need. Considering the strong evidence of targeting to demographic indicators of low socioeconomic status such as elevated unemployment and substandard household income, it seems unlikely that governors failed to consider need. Rather, given the short decision window, governors may not have systematically assessed the prior investment flows and current capital deficit of each tract, choosing median household income as a sufficient proxy.

### 2.1. Hypotheses

Our first four hypotheses derive directly from the model. Because tracts with higher poverty tend to be represented by Democrats, Republican governors face a starker tradeoff between rewarding co-partisans and pursuing the programmatic goal of targeting poverty. Thus, we expect:

**Hypothesis 1.** Republican governors will place less emphasis on poverty than Democratic governors.

**Hypothesis 2.** Republican governors will place more emphasis on co-partisan control than Democratic governors.

When term-limited, governors are less concerned with pursuing the programmatic goals expected by voters. As a result, they can pursue their ideological agendas and reward their co-partisans.

**Hypothesis 3a.** Term-limited Republicans will place less emphasis on poverty.

[3] Several state legislators made mentions of opportunity zones on their Twitter accounts. Analyzing tweets collected by Butler and Kousser (n.d.) since before the inception of the TCJA, we identified 141 distinct tweets mentioning opportunity zones in some format. These tweets came from 95 unique legislators across 20 states. Of these tweets, 73 percent came from Republican legislators.

[4] While the variable Glick and Palmer construct – the inverse of the number of tracts selected in the county – is significant when added to our specification, it does not alter our results (Table B.4). As best we can tell, they do not uncover the rewarding of co-partisans because they do not allow for party-specific motives or condition on electoral circumstances.

**Hypothesis 3b.** Term-limited Democrats will place more emphasis on poverty.

**Hypothesis 3c.** Term-limited Democrats will place more emphasis on privileging co-partisans.

**Hypothesis 4.** Under unified government, Republican governors will place less weight on poverty.

Our final hypothesis does not relate directly to the model, because we do not explicitly model the relative merits of courting state assembly members and congressional representatives. We believe being term-limited will shift a governor's focus from passing legislation to future career concerns. As such, it would likely shift emphasis from state assembly members to Congressional representatives as the latter are more powerful allies within the party. We have no reason to believe this effect would differ by party of the governor. However, our theory suggests, as noted in Hypothesis 1, that Democratic governors need not give special consideration to their own co-partisans as they will receive adequate attention from a focus on need. Thus we may have difficulty observing this effect among Democratic governors.

**Hypothesis 5.** Term-limited Governors will shift emphasis from state legislative co-partisans to Congressional co-partisans.

## 3. Empirical design

Before proceeding to a tract-level analysis, we first note that the effects are visible even across 48 states. For each of the 48 states, we have calculated the average tract poverty rate among two different subsets of tracts that were designated for opportunity zone classification. Those within the district of an assembly member of the same party as the governor and those within the district of an assembly member of the other party. The geographic handicap of finding high poverty tracts within Republican control affects both Democrat and Republican governors. But on top of this, we predict that Republican governors will be attempting to reward co-partisans even when relevant districts are harder to find, reducing the average poverty rate of the districts they designate (Hypothesis 2). Indeed, we find that while all governors show higher poverty rates for Democratic-controlled tracts, the gap between the average poverty rates of Democratic and Republican-controlled tracts is greater under Republican governors than under Democrats (Fig. 1). A t-test of this difference in state level averages is highly significant (t-statistic 2.32, $p$-value 0.013).

State-level averages also support the hypothesis that governors facing unified government reward co-partisan legislators more than governors facing divided government. Again, we look at the average poverty rate of designated tracts, taking the difference between those tracts under co-partisan control and those under the control of the opposition party. The difference is a measure of favoritism for the governor's own party. Governors with unified government exhibit more favoritism (t-statistic 4.09, $p$-value 0.0002).

Our model and hypotheses result in a probability of selection that is a function of need and whether the tract is located in a district controlled by a co-partisan of the governor. This suggests a bi-variate logistic regression. The hypotheses also suggest that the coefficients should vary by the party of the governor and the circumstances the governor is facing (e.g. term limited, divided government). Thus the probability that tract $t$ in state assembly district $d$ in state $s$ is selected, $Y_{tds} = 1$, is a function of a constant, a measure of what fraction of the tract is within a co-partisan's district (this is usually 0 or 1, but see below),[5] measures of need, a spatial lag of the dependent variable, and a vector of controls, $\overrightarrow{X}$, including log of tract population, % white, urbanity, and whether it is a low-income or low-income adjacent tract (Eq. (1)). Political data are compiled by Klarner (2018) while demographic data come from the American Community Survey.[6]

$$prob(Y_{tds} = 1) = \beta_0 + \beta_1 co-partisan + \beta_2 Need + \vec{\beta}\overrightarrow{X} + \overrightarrow{Y}\overrightarrow{W} + \alpha_s + \epsilon_d + \epsilon_t \quad (1)$$

Many of our hypotheses suggest effects that differ by the party of the governor. To make the relevant tables more easily comprehensible, we split the sample by party of the governor, run seemingly unrelated regressions, and report chi-square tests on whether the coefficients differ by gubernatorial party. Conventional specifications using interactions between the governor's partisan affiliation and the remainder of the independent variables, which tell the same story, are reported in the Appendix.

The sample consists of the 42,176 tracts designated as eligible by the Federal government. Of these, we have information on legislative co-partisanship for 36,158. The dependent variable is a binary indicator of whether the tract was selected by the state governor. Some tracts are split across multiple legislative districts. Within our sample, 92% of tracts are assigned to a single party control, 6% are split across two legislators of different parties and the remaining 2% are more complex. The lone independent variable at the district level is an indicator of whether the governor and legislator are of the same party. Where tracts include multiple districts we take the fraction of legislators of the same party as the governor. These data were compiled by the Urban Institute, which has written extensively on opportunity zones.

Because each governor was given an independent budget of tracts to select, each state is an econometrically separate subsample. Because the decision-maker, and thus the data generating process, varies by state, we suspect correlation between the errors within any state. Likewise, if a governor is receiving and acting upon information from local representatives, there is likely to be local correlation among the error terms. While such petitioning seems to have taken place at many levels, including by city officials, we feel we must select one such local level. Given the appearance of lower chamber characteristics in our analysis and the inability to partition an entire state into incorporated cities, we believe the state legislative district is the proper choice. For ease of interpretation, we employ OLS to estimate a multi-level model with state level fixed effects and random effects at the state legislative lower chamber and tract levels. We cluster the standard errors at the state level.[7]

We have reason to believe our data are characterized by spatial auto-correlation. Maps of the designated zones (e.g. Fig. 6) reveal significant spatial clustering of the designated zones. This is partially because of the well-known clustering of poverty which drives both eligibility and economic targeting. But a reading of the press coverage suggests a belief in a minimum viable area requiring multiple adjacent tracts. The 5% allowance of tracts that are somewhat above the income threshold but adjacent to other chosen tracts is consistent with this view. As a result, we include a spatial lag of the dependent variable, $\overrightarrow{Y}$, defined by an adjacency matrix at the tract level, $W$. In essence, this admits that the probability of designation is influenced by whether a tract's neighbors are designated.

[5] Tracts are always contained within a single county within a single state.

[6] In preliminary specifications, we also included the representative's vote-share in the prior election, and the legislator's seniority in the chamber. Because there is extremely high covariance between the partisan vote-shares for a tract's upper and lower chamber representatives, we included only the representative from the lower chamber. In these specifications using the vote-share of the incumbent assembly member, we excluded states with multi-member districts. Surprisingly, such variables were not significant. Unfortunately, while the theory suggests its incorporation, we do not have sufficient coverage for tract-level gubernatorial voteshare data. In Table 5, we include county level gubernatorial voteshare.

[7] Versions of the main tables estimated using logit are included in the Appendix.

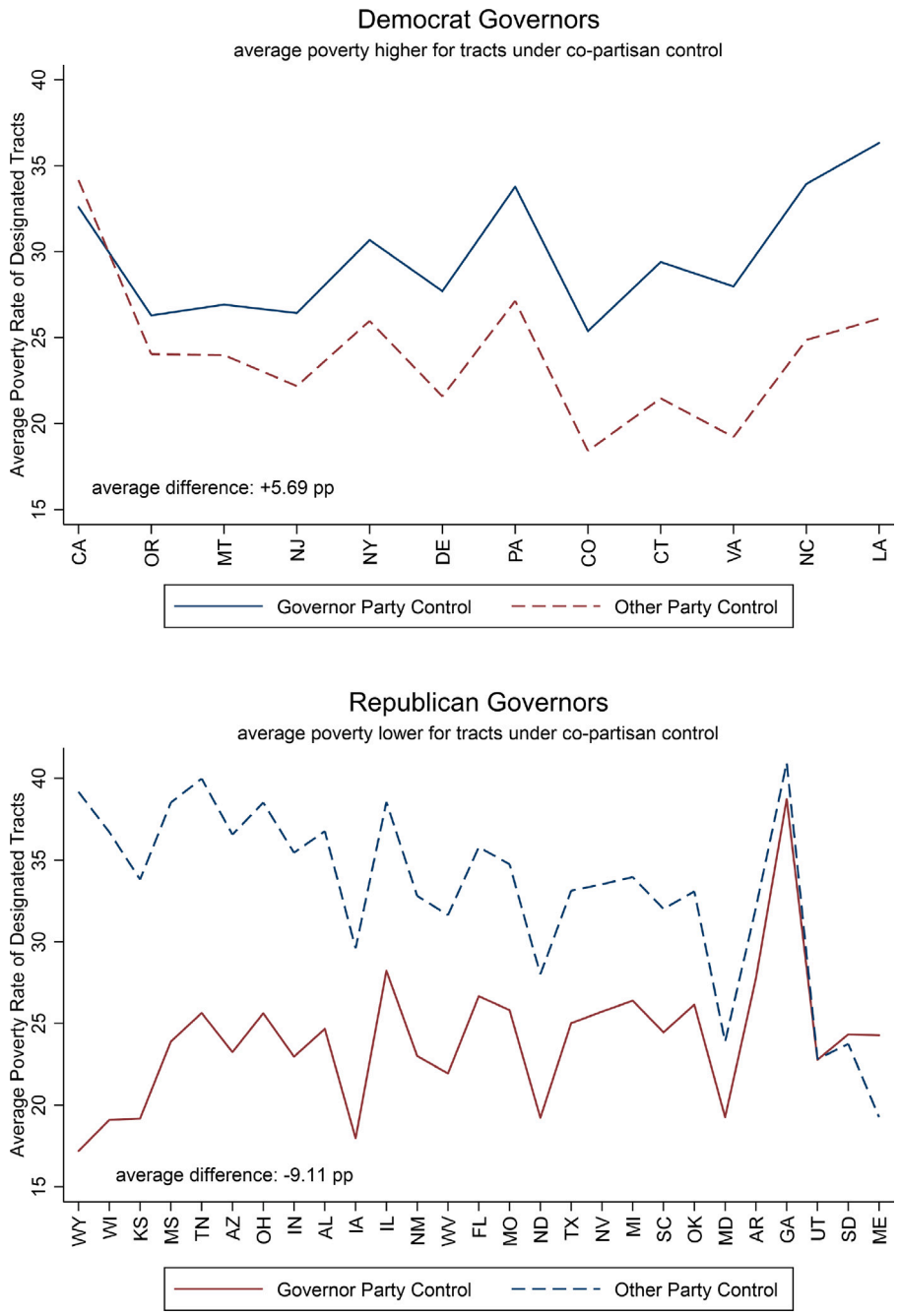


**Fig. 1.** Average poverty rate of tracts selected by party of governor and Assembly member. The states are ordered by the size of the gap between the two averages.

The 5% allowance for adjacent moderate-income tracts presents a minor econometric challenge which we address in two ways. First, we have estimated the model with a sample restricted to the eligible low-income tracts. Second, we have estimated the model including both low-income and low-income adjacent tracts, but with a dummy variable for the latter to capture the fact that, even after controlling for the effect of their relatively positive economic characteristics and whether a neighboring low-income tract was actually selected, these tracts are less likely to be selected on account of the limited number of slots and the program clearly not intending them as a primary target. We report the latter. The former are available in the Appendix.

We use poverty rate as our measure of need. Effective poverty alleviation requires more than simply targeting the most impoverished tracts.[8] Governors may have information regarding suitability that is unavailable to the researcher. Moreover, a governor's measure of suitability may be related to their party. Nonetheless, we do not believe this undercuts our methodology. As noted above, the sole stated intent of the program was poverty alleviation: media coverage emphasized this point with criticisms focusing on designations of relatively low poverty tracts. In large part, this is because "investment suitability" is hard for the media to define and communicate. Thus, the sitting governor would clearly be judged by voters based on targeting of the sole measurable, communicable metric: tract poverty rates.

[8] We thank an anonymous reviewer for encouraging us to address this point.

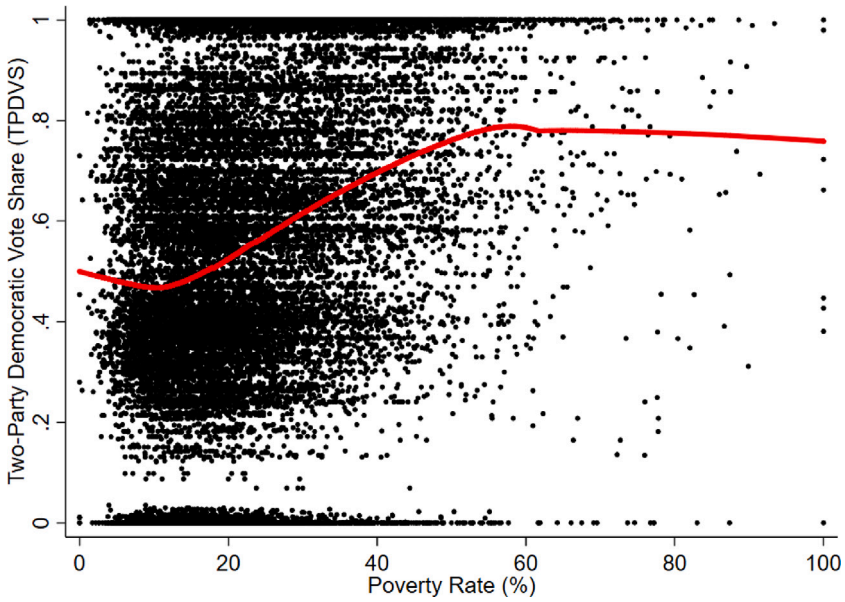


**Fig. 2.** Each dot is a tract eligible for the Opportunity Zones program. There is a strong association between poverty rate and two-party democratic vote-share between poverty rates of 10% and 55%. These represent roughly the 10th and 97th percentiles of the eligible tracts. Thus it is clear the positive relationship holds in the bulk of the data.

Glick and Palmer employ the Urban Institute's constructed measure of prior investment flows for commercial projects and residential housing. One could interpret this as a measure of suitability only if one believes that the density of projects on the margin (to be crowded in by an OZ tax break) is related to the volume of projects recently undertaken. We think that is a tenuous assumption. Not surprisingly, neither they nor we find this measure to have been a significant determinant of gubernatorial choices.

So, "investment suitability" remains an omitted variable. Two questions arise. First, after controlling for poverty rate and past investment, unless there is good reason to believe that a region's suitability is correlated with the partisanship of their representative to the state assembly, we can take the econometric estimates as valid. The second question is how we ought to interpret these estimates. We find it entirely reasonable that, say, Republican governors are sincerely targeting a metric for investment suitability that is orthogonal to poverty (this is our $\widetilde{r}$). This could explain the partisan difference in poverty-targeting that we see among term-limited governors.

## 4. Data

Nebraska is not in our sample because the state does not report the partisan affiliation of state legislators. We drop Alaska because the governor at the time was not affiliated with either major party. Among the 48 State Governors in our sample for the first quarter of 2018, there were 32 Republicans and 16 Democrats. Of these governors, 15 were term-limited (12 Republican, 3 Democrat) and 32 enjoyed unified legislative control (25 Republican, 7 Democrat). State assemblies range in size from 41 members (Delaware) to 400 members (New Hampshire) with a median size of 100.

Tracts were considered eligible low-income communities if their poverty rates were at least 20% or median family incomes did not exceed 80% of the local area median. Tracts adjacent to these communities were also considered eligible so long as their median family income did not exceed 125% of the bordering low-income tract. However, adjacent tracts were not allowed to account for more than 5% of the designated tracts. A surprisingly high 57% of tracts nationwide were eligible through one of these paths. Governors were allowed to nominate up to 25% of the eligible low-income tracts in their state or up to 25 tracts if their state had fewer than 100 eligible tracts. In all, 11.8% of US census tracts received opportunity zone certification. As our sample is limited to the eligible tracts selected by poverty and income (or adjacency), the demographics of Table 2 are not representative of the country as a whole, being higher poverty (22.3% to 12.3%), higher unemployment (9.7% to 4.1%), less Caucasian (53.5% to 72%), and more frequently urban.

Figs. 2, 3, and 4 offer support for the assumptions upon which the theory, and thus our hypotheses, are built. Fig. 2 shows the strong association at the tract level between poverty and two party democratic vote-share. Fig. 3 shows that higher poverty tracts are more often represented by Democrats. Fig. 4 shows that higher poverty tracts have more swing voters.

Fig. 5 depicts the non-eligible, eligible but not selected, and selected tracts for the state of Missouri. Note the relatively even geographic distribution of designated tracts across the state, including the two large metropolitan areas of St Louis and Kansas City; mid-sized towns such as Columbia, Jefferson City, and Springfield; and many rural areas. This pattern – observed in virtually every state – is a casual indication that governors distribute benefits to a wide set of constituents as noted by Glick and Palmer.

Fig. 6 displays selection within the metropolitan area of Los Angeles. In this case, tracts are shaded in quintiles by their poverty rates while those tracts that were designated by Governor Brown are outlined in green. The map makes clear that while poverty is strongly predictive of designation, and poverty is itself clustered, there is spatial clustering of designation beyond that which can be explained by the spatial clustering of poverty. In other words, Governor Brown sought to designate contiguous multi-tract areas. Hence the need to control for spatial autocorrelation.

## 5. Results

We first show the importance of accounting for spatial autocorrelation and the effects of state FE (Table 1). In order to avoid complexities arising from the specification, we do so with the set of demographic variables which are easiest to operationalize. We start with a simple OLS (column 1), add spatial autocorrelation (column 2), add state FE (column 3), and finally include both (column 4). Notice that while there are 5411 districts in the combined lower chambers of all state legislatures, we have only 4127 in our sample because many districts do not contain any tracts that met the eligibility criteria or were from

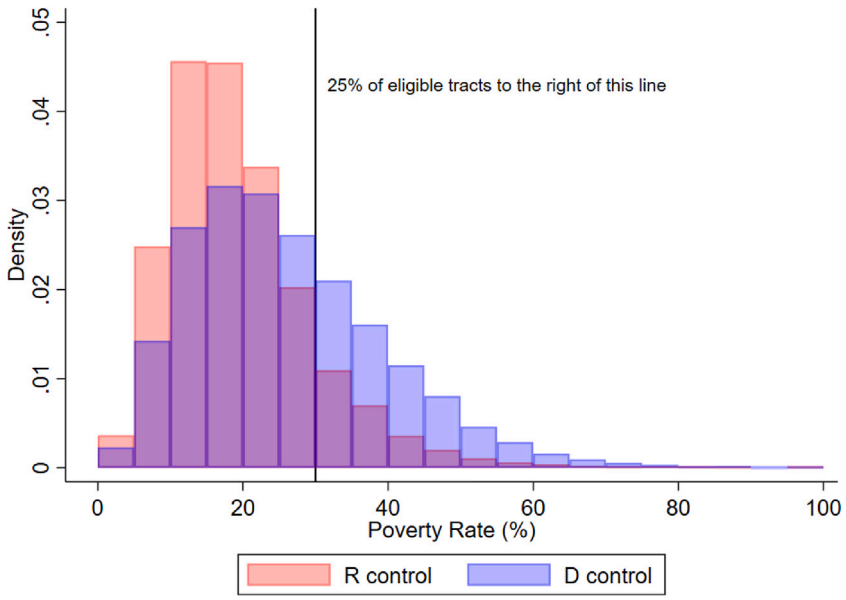


**Fig. 3.** Higher poverty tracts are more often represented by Democrats.

**Table 1**
Spatial autocorrelation and multi-level random effects.

| Dependent variable<br>Estimator | Indicator: Tract designated<br>Multilevel OLS w/clustering by state | | | |
|---|---|---|---|---|
| Specification | [1]<br>Baseline | [2]<br>Spatial autocorrelation | [3]<br>State FE | [4]<br>Both |
| Poverty rate (%) | 0.00548** | 0.00386** | 0.00577** | 0.00422** |
| | (0.001) | (0.001) | (0.001) | (0.001) |
| Unemployment rate (%) | 0.00528* | 0.004 | 0.00578* | 0.00480* |
| | (0.002) | (0.002) | (0.003) | (0.002) |
| Caucasian (%) | −0.000163 | 0.000397* | −0.000164 | 0.000495* |
| | (0.000) | (0.000) | (0.000) | (0.000) |
| Ln [tract population] | 0.0159* | 0.0247** | 0.0170* | 0.0255** |
| | (0.007) | (0.006) | (0.007) | (0.006) |
| Tract within a metropolitan area | −0.0645** | −0.0619** | −0.0669** | −0.0634** |
| | (0.016) | (0.013) | (0.015) | (0.012) |
| Tract within a micropolitan area | −0.0118 | −0.0161 | −0.00954 | −0.0142 |
| | (0.015) | (0.011) | (0.015) | (0.010) |
| Low-income tract | 0.133** | 0.141** | 0.129** | 0.136** |
| | (0.017) | (0.016) | (0.017) | (0.017) |
| # Adjacent tracts selected | | 0.0834** | | 0.0832** |
| | | (0.006) | | (0.006) |
| Constant | −0.156* | −0.298** | −0.158* | −0.307** |
| | (0.073) | (0.061) | (0.077) | (0.064) |
| Observations | 40,714 | 40,714 | 40,714 | 40,714 |
| Number of groups | 4127 | 4127 | 4127 | 4127 |
| Hausman test statistic | | | | 20.51 |
| p-value | | | | 0.00857 |

Standard errors in parentheses: ** $p < 0.01$, * $p < 0.05$.

the two omitted states. A Hausman test clearly rejects random effects in favor of fixed effects at the state level.

Three things are clear. First, spatial auto-correlation is, as expected, very strong. Each additional neighboring tract selected increases the odds of selection by 8.3%, a result that remains across all our later complex specifications. Second, the state FE are relevant but tend to have quite modest impact on the estimates of other effects. Third, each of the included demographic factors has a strong and significant effect on the likelihood of designation. For example, a one percentage point increase in a tract's poverty rate increases the odds of designation by 0.42 percentage points on a base chance of 25%. The inter-quartile range of poverty rates among the eligible tracts is [13.3%, 28.9%] implying that a tract with 75th percentile poverty is 6.6 percentage points more likely to be designated than a tract with 25th percentile poverty. This is a large difference on a base chance of 25%. In other words, even among the tracts deemed eligible because they are relatively poor, the poorest were heavily targeted, as the program envisioned.

Turning to the political calculus of governors, our first step is to ask whether the partisan affiliation of the governor is systematically related to this demographic targeting (Table 2). Relative to their Democratic counterparts, Republican governors target poverty just over half as strongly, consistent with hypothesis one. At this point, as discussed in our development of hypothesis one above, partisan differences could be due either to partisan differences in adherence to the programmatic intent, or to the differential ability to simultaneously implement programmatic intent and reward co-partisans. Later results from the

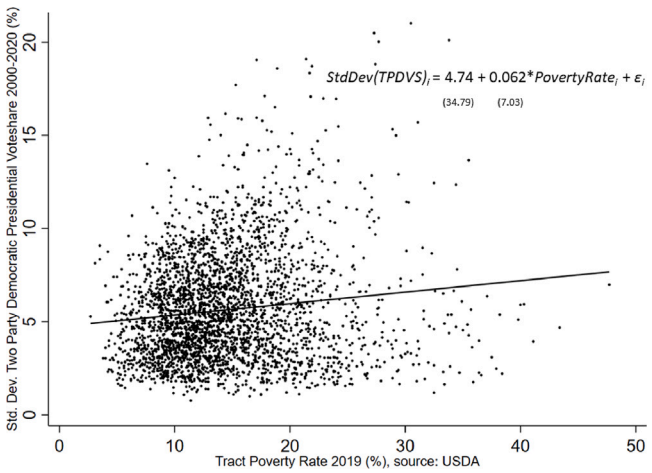


**Fig. 4.** Higher poverty tracts display more voteshare volatility.

**Table 2**
Republican governors aid republican legislators.

| Dependent variable | Indicator: Tract designated | |
|---|---|---|
| Estimator | Multi-level OLS w/clustering by state<br>Seemingly unrelated regressions | |
| Subsample | Democrats | Republicans |
| Poverty rate (%) ($\alpha$) | 0.00554** | 0.00303* |
| | (0.001) | (0.001) |
| State assembly copartisan ($\beta$) | −0.00885 | 0.0305** |
| | (0.007) | (0.008) |
| Congressional copartisan ($\gamma$) | −0.00163 | 0.0164* |
| | (0.009) | (0.008) |
| Low income tract | 0.101** | 0.159** |
| | (0.019) | (0.024) |
| Constant | −0.395** | −0.527** |
| | (0.078) | (0.089) |
| Observations | 13,774 | 21,493 |
| Adj R squared | 0.177 | 0.161 |
| Test $\alpha_{Dem} = \alpha_{Rep}$ : $\chi^2$ stat | | 1.84 |
| p-value | | 0.175 |
| Test $\beta_{Dem} = \beta_{Rep}$ : $\chi^2$ stat | | 14.38 |
| p-value | | 0.0001 |
| Test $\gamma_{Dem} = \gamma_{Rep}$ : $\chi^2$ stat | | 2.26 |
| p-value | | 0.133 |

Standard errors in parentheses: ** p < 0.01, * p < 0.05.
Additional controls: tract population, metro, micro, unemp. rate, number of adjacent tracts selected.

analysis of term limits will clearly point to partisan differences in ideology.

Our next question is whether governors reward co-partisans in the state and federal legislatures. We find exactly the stark difference by party which is predicted by our theory and constitutes our second hypothesis (Table 2, test of $\beta_{Dem} = \beta_{Rep}$).[9] Democratic governors do not systematically target co-partisans (above and beyond what they can achieve simply by targeting poverty.). However, Republican governors are significantly more likely to designate a tract if that tract is represented by a Republican in the state legislature. The difference is 3.1 percentage points on the base chance of 25%. This is a very large effect; the former is equivalent to a 7.22 percentage point increase in the poverty rate. Notice that we can rule out the possibility that this is a targeting of rural districts as we control for population and the census categorization of the tract as metro, micro, or rural. Adding these political considerations does not greatly change the estimated impact of the demographic variables.[10]

If co-partisan legislators are rewarded, one might expect vulnerable members of the caucus to place greater value on the credit-taking opportunity and be more likely to ask for and receive this favor. However, we find the reverse. Republican governors tend to designate tracts in districts where their state Assembly co-partisans had large vote shares in the prior election. (See the F test at the bottom of Table B.1, column 3). That is, Republican governors cite opportunity zones in safely Republican districts. It would seem a governor prefers to bank favors she knows can be repaid. Mindful that the process might be driven by outliers, we repeat the specification from Table 2 while dropping each state in turn. Fig. 7 displays the results, which make clear that no single state is driving the sample.

Now we distinguish between term-limited governors and those eligible for reelection. We rerun the specification from Table 2 with all independent variables interacted with an indicator that the governor is term limited. When eligible for reelection, both Democratic and Republican Governors target the Poverty Rate with indistinguishable strength (Table 3, test $\alpha_{Dem} = \alpha_{Rep}$). But when term limited, Democrats more than double their responsiveness to it while Republican emphasis on poverty remains unchanged, leading to significant differences between parties (test $\alpha_{Dem} + \beta_{Dem} = \alpha_{Rep} + \beta_{Rep}$). For a softer relief of electoral pressure, we also estimate the case where the governor's party enjoys unified control of the legislature, implying within-state dominance by her party (Table 4). We find the same story: unified control leads to a substantial increase in Democratic targeting of poverty and a strong decline from Republicans. These results cannot be explained by our model without the ideological differences postulated in the $\gamma_I$ term.[11]

Term limits and unified government also change the extent to which Republican governors target co-partisans in the state and federal legislatures, in the manner predicted by Hypothesis 5. Republican governors who are term-limited or enjoying unified government target state assembly co-partisans more weakly but strongly reward Congressional co-partisans (Tables 3 and 4, test $\delta_{Rep} + \theta_{Rep}$=0).

While each governor makes hundreds or thousands of decisions, one might reasonably object that splitting the sample by party affiliation and eligibility leaves relatively few governors of any given type (e.g. term-limited Democrats). To back up our pooled tract-level regressions, we present state-level results in Fig. 8. Each bubble records the result of a tract-level regression of our main specification for a single state. The $y$-axis plots the coefficient on poverty rate, while the bubble size indicates the number of tracts in the state. The states are grouped along the $x$-axis by the party of the governor and reelection eligibility (thus all term-limited Republicans are grouped). Within groups, the states are ordered by the magnitude of the coefficient. The figure is intended to make clear that our main results of term-limits are evident even at the state level. For instance, the three term-limited Democrats are each more responsive to poverty than all 45 other governors. To make the point statistically, we calculate the Kolmogorov–Smirnov statistic testing whether members from adjacent groups are drawn from

[9] The high colinearity between demographics and the party of a district's representative requires dropping %white for these specifications.

[10] Investigating when hurricanes earn Presidential disaster declarations (and the accompanying aid), Schneider and Kunze (2021) find that political considerations operate on cases of middling merit. The largest disasters are sure to receive aid and the smallest sure not to. In our case, we find weak evidence of such non-linearity. See Table B.6 and Fig. B.1 in the Appendix.

[11] One might suspect that, if governors first seek to secure their own reelection by courting voters and turn to rewarding co-partisans only when they feel secure, this would show up in an interaction between gubernatorial approval ratings and courting of co-partisans. We find no interaction between a governor's net approval rating in January 2018 and their willingness to reward legislative co-partisans. See Table B.7. We suspect that, given the volatility of political fortunes, no reelection eligible governor will give up on reelection this early no matter how well or poorly things seem to be going.

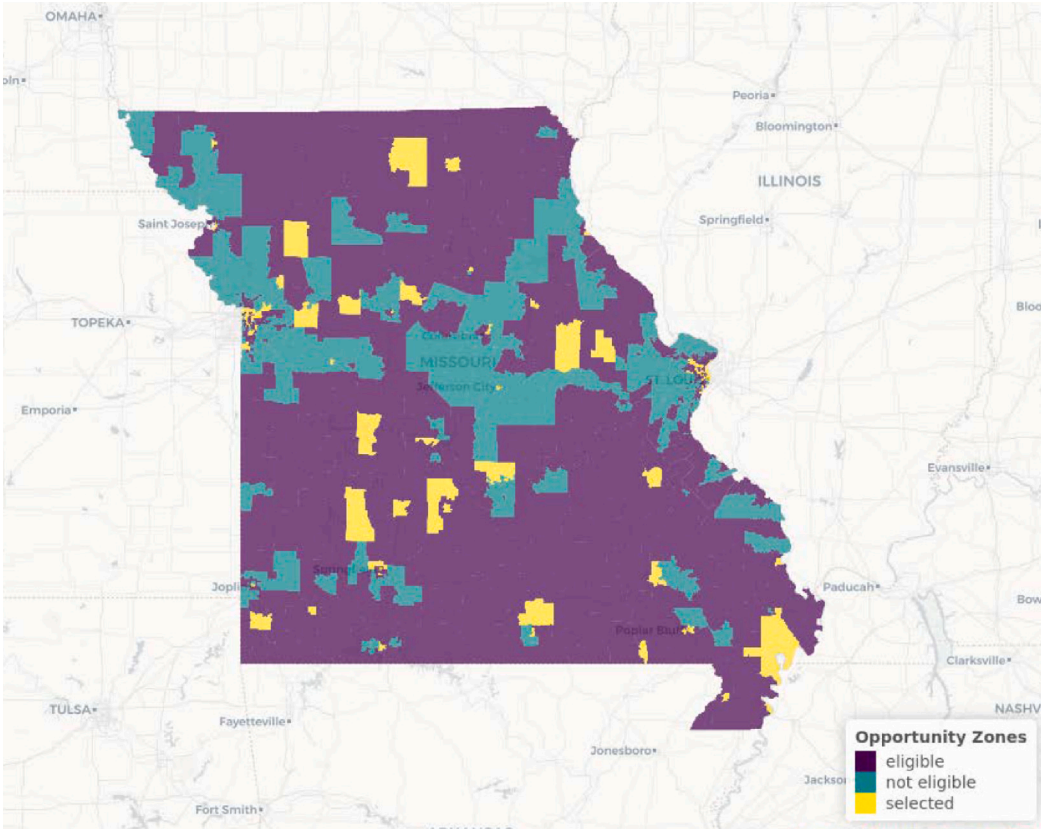


**Fig. 5.** Tract eligibility and selection in Missouri.

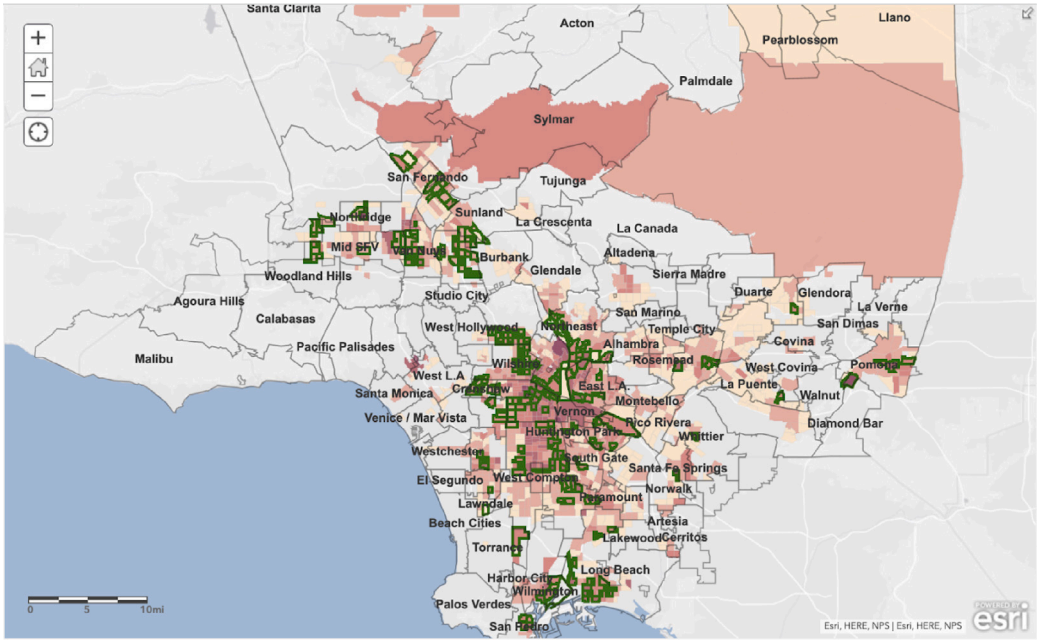


**Fig. 6.** Tract selection and poverty rates in Los Angeles County. (For interpretation of the references to color in this figure legend, the reader is referred to the web version of this article.)

distinct distributions. These KS statistics, reported in the Figure, corroborate our message. Reelection eligible Democrats and Republicans are indistinguishable while term limited governors of either party are distinguishable from their reelection eligible co-partisans.

Finally, to address the heart of our contention that the dual-constituency hypothesis complicates electoral accountability, we examine the extent to which governors seek to reward areas of the state that voted for them in the hopes of shoring up support for their next election. Because precinct level gubernatorial data is sparse, available only for the nine governors' races in 2016, we measure the county-level vote-share of the incumbent governor in the most recent gubernatorial race in every state. As discussed previously, local partisanship allows

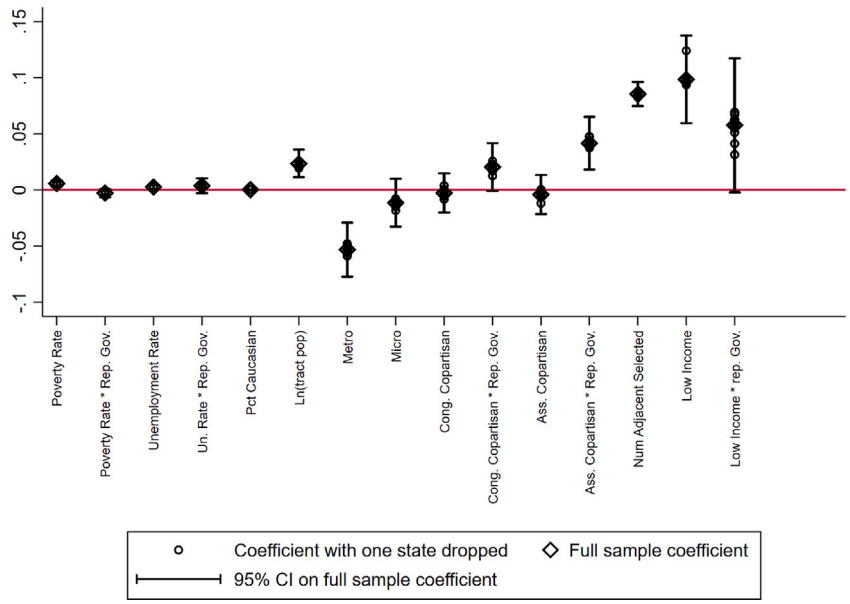


**Fig. 7.** Dropping one state at a time, we repeat the specification from Table B.1. The coefficients from each sub-sample are within the confidence interval and reasonably close to the full sample value.

**Table 3**
Term limits.

| Dependent variable | Indicator: Tract designated | |
|---|---|---|
| Estimator | Multi-level OLS w/clustering by state<br>Seemingly unrelated regressions | |
| Subsample | Democrats | Republicans |
| PovertyRate ($\alpha$) | 0.00386** | 0.00285 |
| | (0.001) | (0.001) |
| Poverty rate $*$ Term limited ($\beta$) | 0.00498** | 0.000612 |
| | (0.001) | (0.002) |
| State assembly copartisan ($\gamma$) | −0.0104 | 0.0399** |
| | (0.007) | (0.010) |
| Congressional copartisan ($\delta$) | −0.00358 | 0.0118 |
| | (0.012) | (0.010) |
| Assembly copartisan $*$ Term limited ($\eta$) | 0.0101 | −0.0202 |
| | (0.011) | (0.014) |
| Congressional copartisan $*$ Term limited ($\theta$) | 0.00783 | 0.00991 |
| | (0.013) | (0.013) |
| Constant | −0.380** | −0.631** |
| | (0.084) | (0.136) |
| Observations | 13,774 | 21,493 |
| Adj R squared | 0.184 | 0.162 |
| Test $\alpha_{Dem} = \alpha_{Rep} : \chi^2$ stat | | 0.43 |
| p-value | | 0.514 |
| Test $\alpha_{Dem} + \beta_{Dem} = \alpha_{Rep} + \beta_{Rep} : \chi^2$ stat | | 6.20 |
| p-value | | 0.013 |
| Test $\gamma_{Dem} = \gamma_{Rep} : \chi^2$ stat | | 17.44 |
| p-value | | 0.000 |
| Test $\delta_{Dem} = \delta_{Rep} : \chi^2$ stat | | 0.96 |
| p-value | | 0.327 |
| Test $\gamma_{Rep} + \eta_{Rep} = 0 : \chi^2$ stat | | 3.98 |
| p-value | | 0.046 |
| Test $\delta_{Rep} + \theta_{Rep} = 0 : \chi^2$ stat | | 6.16 |
| p-value | | 0.013 |

Standard errors in parentheses: ** p < 0.01, * p < 0.05.
Specification is the same as Table 2 plus the full set of interactions with the Term Limits. Many terms not shown to focus on results of interest.

us to disentangle instances when a governor was supporting their own voters from cases of boosting a co-partisan in the legislature, addressing the identification dilemma noted by Dynes and Huber (2015). The results (Table 5, column 2) show clearly that governors targeted their own supporters for OZs. Tellingly, this targeting of one's own supporters was not undertaken by term-limited governors (see the test statistic for column 2). Moreover, by comparing the magnitude of the coefficients on the interaction between Assembly co-partisan and Republican Governor from Tables B.1 and 5, we can see that roughly half the targeting of legislative co-partisans is due to the targeting of co-partisan voters, providing a direct answer to Dynes and Huber's question.

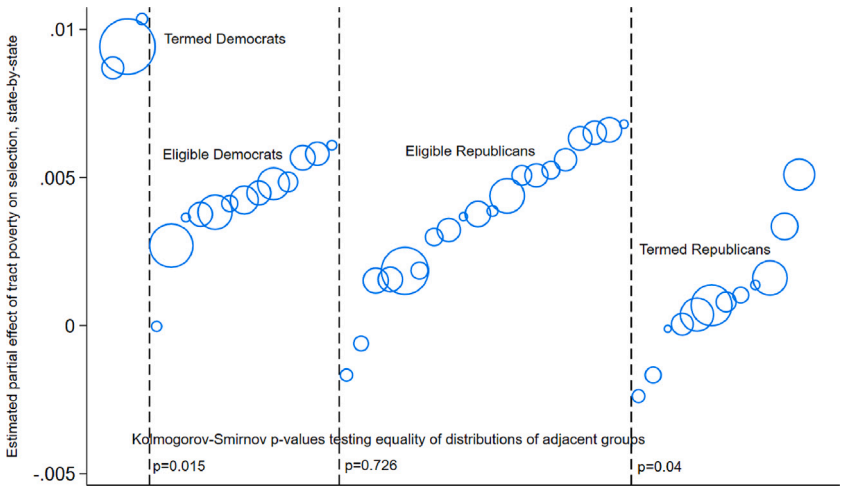


**Fig. 8.** We repeat the specification from Table 1 for each state. We report the coefficient on poverty rate. Bubble size corresponds to the number of tracts. States are grouped by party and reelection eligibility of the governor. We then test whether groups evince distinct distributions. Termed Democrats are distinguishable from eligible Democrats. Likewise for Republicans. But eligible Republicans are indistinguishable from eligible Democrats. Partisan differences are driven by the term-limited governors.

**Table 4**
Trifectas.

| Dependent variable<br>Estimator | Indicator: Tract designated<br>Multi-level OLS w/clustering by state<br>Seemingly unrelated regressions | |
|---|---|---|
| Subsample | Democrats | Republicans |
| PovertyRate ($\alpha$) | 0.00363** | 0.00633** |
| | (0.000) | (0.002) |
| Poverty rate $*$ Trifecta ($\beta$) | 0.00489** | −0.00376 |
| | (0.001) | (0.002) |
| State assembly copartisan ($\gamma$) | −0.0115 | 0.0474* |
| | (0.009) | (0.021) |
| Congressional copartisan ($\delta$) | −0.00354 | −0.0248** |
| | (0.013) | (0.010) |
| Assembly copartisan $*$ Trifecta ($\eta$) | 0.0177 | −0.0188 |
| | (0.013) | (0.022) |
| Congressional copartisan $*$ Trifecta ($\theta$) | −0.00102 | 0.0445** |
| | (0.022) | (0.013) |
| Constant | −0.314** | −0.955** |
| | (0.084) | (0.235) |
| Observations | 13,774 | 21,493 |
| Adj R squared | 0.181 | 0.164 |
| Test $\alpha_{Dem} = \alpha_{Rep}$ : $\chi^2$ stat | | 2.21 |
| p-value | | 0.137 |
| Test $\alpha_{Dem} + \beta_{Dem} = \alpha_{Rep} + \beta_{Rep}$ : $\chi^2$ stat | | 12.38 |
| p-value | | 0.0004 |
| Test $\gamma_{Dem} = \gamma_{Rep}$ : $\chi^2$ stat | | 6.96 |
| p-value | | 0.0083 |
| Test $\delta_{Dem} = \delta_{Rep}$ : $\chi^2$ stat | | 1.76 |
| p-value | | 0.185 |
| Test $\gamma_{Rep} + \eta_{Rep} = 0$ : $\chi^2$ stat | | 13.71 |
| p-value | | 0.000 |
| Test $\delta_{Rep} + \theta_{Rep} = 0$ : $\chi^2$ stat | | 5.69 |
| p-value | | 0.017 |

Standard errors in parentheses: ** p < 0.01, * p < 0.05.
Specification is the same as Table 2 plus the full set of interactions with the Trifecta. Many terms not shown to focus on results of interest.

**Table 5**
Voters or Copartisans?.

| Dependent variable<br>Estimator | Indicator: Tract designated<br>Multilevel OLS w/clustering by state | |
|---|---|---|
| | [1] | [2] |
| Poverty rate (%) | 0.00588** | 0.00587** |
| | (0.001) | (0.001) |
| Poverty rate $*$ Rep. Gov. | −0.00307** | −0.00306** |
| | (0.001) | (0.001) |
| State assembly copartisan | 0.0144 | 0.014 |
| | (0.008) | (0.008) |
| Assembly copartisan $*$ Rep. Gov. | 0.0215* | 0.0220* |
| | (0.011) | (0.011) |
| Gubernatorial voteshare in county ($\alpha$) | 0.0508** | 0.0565** |
| | (0.018) | (0.021) |
| Gub. voteshare $*$ term limited ($\beta$) | | −0.021 |
| | | (0.031) |
| Constant | −0.303** | −0.306** |
| | (0.048) | (0.048) |
| Observations | 32,987 | 32,987 |
| Groups | 3244 | 3244 |
| Test $\alpha + \beta = 0$: chi2 | | 1.67 |
| p value | | 0.196 |

Standard errors in parentheses: ** p < 0.01, * p < 0.05.
Additional controls: tract population, metro, micro, unemp. rate, number of adjacent tracts selected, %white, low income tract, plus interactions with Republican Governor.

## Conclusion

The incomplete nature of legislation bestows on the executive branch the residual rights of control over implementation of public policy. While one literature quantifies the role of elections in engendering accountability and responsible stewardship, a separate literature notes that politicians often privilege their own supporters. This dual-constituency hypothesis limits the extent to which elections engender responsible stewardship. Even when executives are eligible for reelection, policy is skewed to co-partisans.

Our model makes clear that the targeting of legislative co-partisans by Republican governors but not Democratic governors is partly the result of the differential targetability of the policy in question rather than structural differences between the parties. This could be tested in future work on a geographically-targeted program whose incidence leans Republican.

Ultimately, our results point to several factors that affect accountability. We reiterate the widespread finding that term-limits reduce attention paid to voters, enabling the executive to pursue ideological and career goals. And we note that unified government, as an indication of electoral safety, has some of the same effects. However, we point out this is not necessarily inefficient as programmatic intent and partisan ideology may align (as they do under Democratic governors in the case of Opportunity Zones). We further note that electoral accountability is biased towards localities that supported the governor, undermining its salutary effects. Thus, we are left with the sense that electoral

accountability is not completely pure while those accountable only to party ideology and career prospects may nonetheless do good.

## Declaration of competing interest

All authors have participated in (a) conception and design, or analysis and interpretation of the data; (b) drafting the article or revising it critically for important intellectual content; and (c) approval of the final version.

This manuscript has not been submitted to, nor is under review at, another journal or other publishing venue.

The authors have no affiliation with any organization with a direct or indirect financial interest in the subject matter discussed in the manuscript

The following authors have affiliations with organizations with direct or indirect financial interest in the subject matter discussed in the manuscript:

Cameron A. Shelton
Claremont McKenna College

## Data availability

Data will be made available on request.

## Appendix A. Formal model

With many constituencies to please, we presume that governors attempt to motivate their base, persuade swing voters, reward co-partisan legislators, and achieve their ideological goals which may include the programmatic goal of targeting poverty. Tracts differ in how much they contribute to each of these goals. Tracts with greater poverty are demonstrably congruent with programmatic intent, tracts with many co-partisan voters may deliver greater electoral benefit via increased turnout, and tracts in districts held by legislative co-partisan may result in favors at a future date. In navigating these trade-offs, certain correlations will break the symmetry between governors from different parties, delivering testable implications. To the extent that districts with greater need tend to be full of Democratic voters and represented by Democratic legislators, a Democratic governor faces a kinder trade-off, able to satisfy multiple goals with the same set of tracts. By contrast, a Republican governor must often choose between a tract that supports his co-partisans and one that promotes the goals of the program.

### *Distributions of tracts*

The governor will select for the program those tracts which will best promote their goals. We characterize tracts by two dimensions: a level of need, $n$, measured by poverty rate and a partisan leaning, $v$, which we will think of as the two-party vote share (TPV) of the incumbent governor. We say that a tract is under control by party $i$ when a member of party $i$ holds the state Assembly seat to which the tract is districted.

Define $f_i(n,v), i \in \{D,R\}$ to be the probability density function describing the distribution of those tracts under the control of party $i$ by need, $n$, and TPV, $v$. Define the conditional distribution $f_i(v|n)$ as the distribution of TPV, $v$, for tracts under control of party $i$, at given need, $n$. Define $F_i(n) = \int f_i(n,v)dv$ to be the total weight of tracts at need $n$ under control of party $i$. We normalize so as to be discussing the fraction of tracts within the state. Thus, integration over all tracts sums to one: $\int (F_R(n) + F_D(n))dn = 1$.

We assume that poorer tracts are more likely to be represented by Democrats. Or rather, that the fraction of the tracts at a certain level of need which is under Democratic control is increasing with need. That is:

$$\frac{\partial[F_D(n)/F_R(n)]}{\partial n} > 0 \tag{2}$$

We also assume that poorer tracts have more Democratic voters. That is, the share of Democratic voters is increasing with need. Specifically:

$$f_D(v|n) >_{FOSD} f_D(v|n') \iff n > n' \tag{3}$$

Figs. 1 and 2 show strong support in the data for these assumptions.

We define $z_i^j(n,v)$ to be the fraction of tracts with need, $n$, and TPDV, $v$, under (state legislative) control of party $i$, that are selected for opportunity zones by a governor of party, $j$. We confine our analysis to eligible tracts, of which the governor must choose a fixed fraction, $\kappa$. Thus the governor's budget constraint is written

$$\sum_i \iint z_i^j(n,v) f_i(n) dn dv = \kappa \tag{4}$$

While the normalization is:

$$\sum_i \iint f_i(n) dn dv = 1 \tag{5}$$

### *Utility*

A governors' utility function consists of four pieces: mobilizing of the party's base (B), targeting swing voters (S), courting co-partisans in the legislature both to pass the governor's legislative priorities and to build support and reputation within the party for future career opportunities (C), and ideological priorities which may include the programmatic goal of targeting poverty (I). For simplicity's sake, we presume an additively separable utility function with weights, $\gamma$, that may change with the political circumstances, and functional forms, $g()$ that remain generic. We presume only that $g' > 0, g'' < 0$ for each of $g_B, g_S, g_C, g_I$. The latter assumption represents diminishing returns in any single type of political capital.

$$U^j = \gamma_S g_S(\cdot) + \gamma_B g_B(\cdot) + \gamma_C g_C(\cdot) + \gamma_I g_I(\cdot) \tag{6}$$

The arguments to each of these functions are developed next.

### *Mobilizing the base (B)*

We presume that awarding an opportunity zone to a tract will increase the governor's support from that tract (and only that tract) in the subsequent election. One effect is by increasing turnout among supporters, which is consistent with dual-constituency theory (Fiorina, 1974; Fenno, 1978). Thus, we presume an electoral benefit is proportional to the number of supporters in the tract, $v$. Notice this intrinsically presumes all tracts have an equally responsive base and are of equal size, normalized to 1. Thus the argument of $g_B(\cdot)$ is:

$$\sum_{i=D,R} \iint v z_i^j(n,v) f_i(n,v) dn dv \tag{7}$$

### *Targeting swing voters(S)*

The second potential electoral benefit from designation is the persuasion of swing voters from that tract. Fig. 3 shows a positive correlation between a tract's poverty rate and its Presidential vote share volatility over the period 2000–2020. Accordingly, we model the electoral benefit as a function of the total number of swing voters reached where each tract contains a number of swing voters, $s_i$ that is a linear function of need, $n$, and an unobserved component, $\tilde{s}$, that is orthogonal to both need and TPV.[12] The argument of $g_S(\cdot)$ is:

$$\sum_{i=D,R} \iint s_i(n,v) z_i^j(n,v) f_i(n,v) dn dv$$
$$s_i(n,v) = \phi n + \tilde{s}, \phi \in (0,1) \tag{8}$$

[12] We are defining swing voters as those willing to change which party they vote for from one election to the next. Tracts with a lot of swing voters will have high partisan vote share volatility. But this is distinct from the idea that a tract swings back and forth across the 50% threshold. Thus it is conceptually distinct from the widely discussed concept of a swing state, which, due to the electoral college, is focused on whether a state flips between over and under 50% for a particular party.

*Coalition building and career concerns (C)*

We presume that legislators can claim credit with constituents for getting an opportunity zone designated in their district and are thus willing to offer in exchange either legislative cooperation or help with the next phase of the governor's career. Because we assume within-party homogeneity, the identity of the targeted district is irrelevant. We presume that the dominant motive is to reward one's co-partisans. But it is possible that the weight, $\gamma_C$, may vary with the political necessity of doing so and could even be very low if the governor must court opposition legislators. The argument of $g_C(\cdot)$ is:

$$\iint z^j_{i=j}(n,v) f_{i=j}(n,v) dn dv \tag{9}$$

Which tabulates the fraction of selected tracts that are controlled by the governor's party.

*Targeting poverty (I)*

We presume that each party consists of homogeneous members. All Democrats are alike. All Republicans are alike. One may take this as the dominant public ideology within the party; that which one must espouse to maximize one's future role in the party; that which the governor probably believes maximizes the public good. However, we wish to allow for asymmetry between parties in the degree to which the party values the programmatic goal of targeting OZs to poverty.[13] To make the differences stark, we presume Democratic governors value targeting poverty while Republican governors value some unobserved component, $\tilde{r}$, that is orthogonal to control, two-party vote-share, and need. Thus the ideological component to utility, the argument to $g_P(\cdot)$, depends on the governor's party:

$$\begin{aligned} &\sum_{i=D,R} \iint n z^D_i(n,v) f_i(n,v) dn dv \\ &\sum_{i=D,R} \iint \tilde{r} z^R_i(n,v) f_i(n,v) dn dv \end{aligned} \tag{10}$$

For Democrats, this is simply the expected value of need, $n$, for the tracts selected. Diminishing returns to $g_P(\cdot)$ presumes that the more tracts the governor designates in areas of high need, the less politically costly it is to divert a tract to an area of lesser need to fulfill alternate goals.

*The governor's problem*

We can now write down the maximization problem of the Democratic Governor (that of the Republican governor is quite similar).

$$\begin{aligned} \max_{z^D_i(n,v), z_{\sim i} D(n,v)} \; & \gamma_B g_B \left( \sum_{i=L,R} \iint v z^D_i(n,v) f_i(n,v) dn dv \right) \\ & + \gamma_S g_S \left( \sum_{i=L,R} \iint (\phi n + \tilde{s}) z^D_i(n,v) f_i(n,v) dn dv \right) \\ & + \gamma_C g_C \left( \iint z^D_i(n,v) f_{i=D}(n,v) dn dv \right) \\ & + \gamma_I g_I \left( \sum_{i=L,R} \iint n z^D_i(n,v) f_i(n,v) dn dv \right) \end{aligned} \tag{11}$$

subject to

$$\sum_i \iint z^D_i(n,v) f_i(n,v) dn dv = \kappa$$

$$z^D_i(n,v) \in [0,1] \quad \forall i, n, v$$

[13] Ideological differences are widely discussed. At present we have presumed structural symmetry. See Freeman (1986) and Grossman and Hopkins (2015) for a discussion of structural asymmetries between Republicans and Democrats which we will touch on briefly in the discussion as a possible rationale for $\gamma_C$ differing by party.

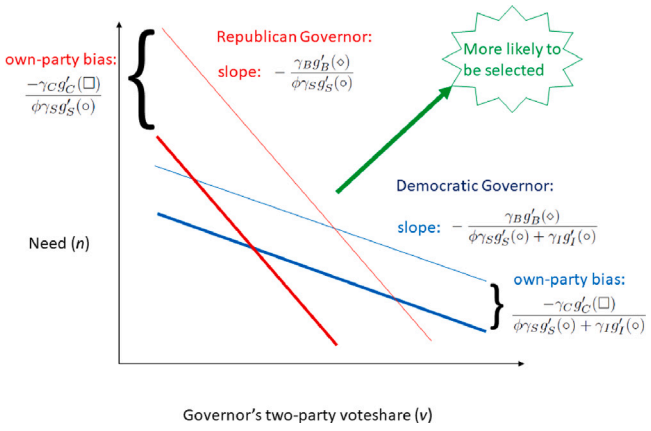


**Fig. A.1.** Selection loci in n-v space.

Each first order condition is with respect to $z^D_i(n,v)$ for each $i$, for a specific $n$ and $v$. Because tracts with higher $n$ and higher $v$ are strictly better, tracts are ordered in attractiveness to the governor. As a result, there is not an interior solution for $z^j_i(n,v)$. At any point in $n$-$v$ space, $z$ will be either 0 or 1.

A solution is defined by a pair of loci in $v$-$n$ space. Each locus defines a *selection threshold*. Below this threshold, tracts are not selected, $z^j_i(n,v) = 0$, while above the threshold they are selected with certainty $z^j_i(n,v) = 1$. Because utility depends on the control of the legislative district in which the designated tract is located, there will be different selection loci for tracts under own-party control and other-party control. Essentially, the governor will privilege his/her own party with a more lenient locus. All tracts along a selection threshold would yield equal marginal utility to the governor if selected. The total number of tracts above the loci equals the number of tracts the governor is allowed to select, $\kappa$.

By taking the generic first order conditions for $z^j_{i=j}(n,v)$ and $z^j_{i\neq j}(n,v)$ we can find the slope of the loci and infer certain testable hypotheses. The slope of the selection locus indicates how strongly the governor targets need and can be tested by regressing an indicator of selection on the poverty rate. As we will see, this should vary by the party of the Governor, with Democrats targeting more strongly than Republicans. The difference between the own- and other-party loci can be measured by adding an intercept for party control of the state legislative district. This is also predicted to vary between parties. Finally, as the circumstances of the governor vary—such as those who are term-limited or those with unified control of government—so should the strength of these effects. Fig. A.1 illustrates.[14] Using $\lambda_j$ as the Lagrange multiplier, the first order conditions are:

$$z^D_{i=j}(n,v) : \gamma_B g'_B v^D_i + \gamma_S g'_S(\phi n + \tilde{s}) + \gamma_C g'_C + \gamma_I g'_I n = \lambda_D, if\, z^D_{i=j}(n,v) > 0 \tag{12}$$

$$z^D_{i\neq j}(n,v) : \gamma_B g'_B v^D_i + \gamma_S g'_S(\phi n + \tilde{s}) + \gamma_I g'_I n = \lambda_D, \quad if\, z^j_{i\neq j}(n,v) > 0 \tag{13}$$

We can rearrange to find the slope of the selection threshold loci in v-n space.

$$n = \frac{\lambda_D}{\phi\gamma_S g'_S(\circ) + \gamma_I g'_I(\circ)} - \frac{\gamma_B g'_B(\diamond)}{\phi\gamma_S g'_S(\circ) + \gamma_I g'_I(\circ)} v$$

[14] The figure shows linear loci, which is correct and does not require further assumptions on the g() functions. See Eqs. (13) and (14), in which the slope depends on $g_C()$, $g_I()$, $g_S()$, $g_B()$ evaluated at specific equilibrium values. These are thus constant across tracts. Conceptually, the relative price of need vs. aiding co-partisans depends on the marginal value of meeting programmatic goals vs. the marginal value of banking credit with another legislative ally. These marginal values depend on the total advantage accrued across the entire allocation rather than the local contribution of the tract in question.

$$-\frac{\gamma_S g'_S(\circ)}{\phi\gamma_S g'_S(\circ)+\gamma_I g'_I(\circ)}\tilde{s},\quad i\neq j,\ j=D \tag{14}$$

$$n=\frac{\lambda_D-\gamma_C g'_C(\square)}{\phi\gamma_S g'_S(\circ)+\gamma_I g'_I(\circ)}-\frac{\gamma_B g'_B(\diamond)}{\phi\gamma_S g'_S(\circ)+\gamma_I g'_I(\circ)}\upsilon -\frac{\gamma_S g'_S(\circ)}{\phi\gamma_S g'_S(\circ)+\gamma_I g'_I(\circ)}\tilde{s},\quad i=j,\ j=D \tag{15}$$

where $\circ$ is the average need of the tracts selected, $\diamond$ is the average friendly vote share of the tracts selected, and $\square$ is the fraction of tracts selected that are in own-party control. The Republican equivalents are:

$$n=\frac{\lambda_R}{\phi\gamma_S g'_S(\circ)}-\frac{\gamma_B g'_B(\diamond)}{\phi\gamma_S g'_S(\circ)}\upsilon-\frac{\gamma_I g'_I(.)}{\phi\gamma_S g'_S(\circ)}\tilde{r}+\frac{1}{\phi}\tilde{s},\quad i\neq j,\ j=R \tag{16}$$

$$n=\frac{\lambda_R-\gamma_C g'_C(\square)}{\phi\gamma_S g'_S(\circ)}-\frac{\gamma_B g'_B(\diamond)}{\phi\gamma_S g'_S(\circ)}\upsilon-\frac{\gamma_I g'_I(.)}{\phi\gamma_S g'_S(\circ)}\tilde{r}+\frac{1}{\phi}\tilde{s},\quad i=j,\ j=R \tag{17}$$

Inspection of Eqs. (14) through (17) in concert with assumptions (2) and (3) deliver several testable hypotheses.

**Hypothesis 1.** Republican governors will place less emphasis on poverty than Democratic governors.

**Proof.** We proceed by contradiction. If governors of both parties chose the same locus, then they would, for a given distribution of voters, *f(n,v)*, have identical values of $\circ$ and $g'_P(\circ)$. Eq. (3) implies that the Democratic governor will enjoy greater turnout benefit, because his voters are concentrated in the high-need tracts above the selection locus. By the assumption of diminishing returns, $g''_V<0, g'_V(\diamond)$ will be lower for the democratic governor. Thus, for a given *f(n,v)*, the same locus cannot be optimal for both Democratic and Republic governors. For the Republican governor, with higher marginal value of friendly voters, the optimal locus involves a greater willingness to sacrifice poverty for friendly voters. As the selection locus steepens in *v-n* space, this implies a weaker relationship between poverty and selection. Notice that the slope of the own- and other-party loci are identical, a consequence of the assumption of additively separable utility. Secondly and relatedly, the Republican loci have larger intercepts due to the lack of an ideological motivation in favor for poverty. For a given distribution of voters, the budget constraint necessitates a steeper slope to ensure the loci encompass the allotted fraction, $\kappa$.

**Hypothesis 2.** Republican governors will place more emphasis on co-partisan control than Democratic governors.

**Proof.** Eq. (2) implies that the Democratic governor would enjoy a greater number of designated tracts under co-partisan control and thus a higher value of $\square$ and lower value of $g'_C(\square)$. It follows from Eqs. (14) through (17) that the gap between the loci is smaller for the Democrat than the Republican. As a result, a regression of selection on poverty and control should reveal a larger coefficient on control for Republic governors.

**Hypothesis 3a.** Term-limited Republicans will place less emphasis on need.

**Proof.** We presume that being term-limited reduces the governor's interest in getting out the vote, represented by $\gamma_B, \gamma_S \to 0$. Eqs. (16) and (17) show this will steepen the slope of both selection loci, meaning need is less determinative of selection.

**Hypothesis 3b.** Term-limited Democrats will place more emphasis on need.

**Proof.** With the weight on $v$ going to zero, selection becomes entirely about poverty.

**Table B.1**
Table 2 with interaction terms rather than SUR.

| Dependent variable | Indicator: Tract designated | | |
|---|---|---|---|
| Estimator | Multi-level OLS w/clustering by state | | |
| | [1] | [2] | [3] |
| Specification | Interact w/ Gov's Party | Co-partisan legislators | Legislator vulnerability |
| Poverty rate (%) | 0.00597** | 0.00581** | 0.00583** |
| | (0.001) | (0.001) | (0.001) |
| Poverty rate * Rep. Gov. | −0.00307 | −0.00276 | −0.00276 |
| | (0.002) | (0.002) | (0.002) |
| Congressional copartisan | | −0.00239 | |
| | | (0.009) | |
| Congressional copartisan * Rep. Gov. | | 0.0197 | |
| | | (0.011) | |
| State assembly copartisan | | −0.00475 | |
| | | (0.009) | |
| Assembly copartisan * Rep. Gov. | | 0.0426** | |
| | | (0.012) | |
| Low income tract | 0.102** | 0.0996** | 0.0999** |
| | (0.020) | (0.020) | (0.020) |
| Low income tract * Rep. Gov. | 0.0533 | 0.0569 | 0.0573 |
| | (0.030) | (0.030) | (0.030) |
| Assemblyman voteshare ($\alpha$) | | | −0.0059 |
| | | | (0.017) |
| Ass. VS * Rep. Gov. ($\beta$) | | | −0.0149 |
| | | | (0.024) |
| Ass. VS. * Assembly copartisan ($\gamma$) | | | −0.0032 |
| | | | (0.011) |
| Ass. VS * Ass. Copartisan * Rep. Gov. ($\delta$) | | | 0.0571** |
| | | | (0.012) |
| Constant | −0.298** | −0.261** | −0.262** |
| | (0.060) | (0.061) | (0.059) |
| Observations | 35,097 | 35,097 | 35,097 |
| R squared | 0.171 | 0.172 | 0.172 |
| Test $\alpha+\beta+\gamma+\delta=0$: F statistic | | | 3.53 |
| p-value | | | 0.0675 |

Standard errors in parentheses: ** p < 0.01, * p < 0.05.
Additional controls: tract population, metro, micro, unemp. rate, %white, number of adjacent tracts selected.

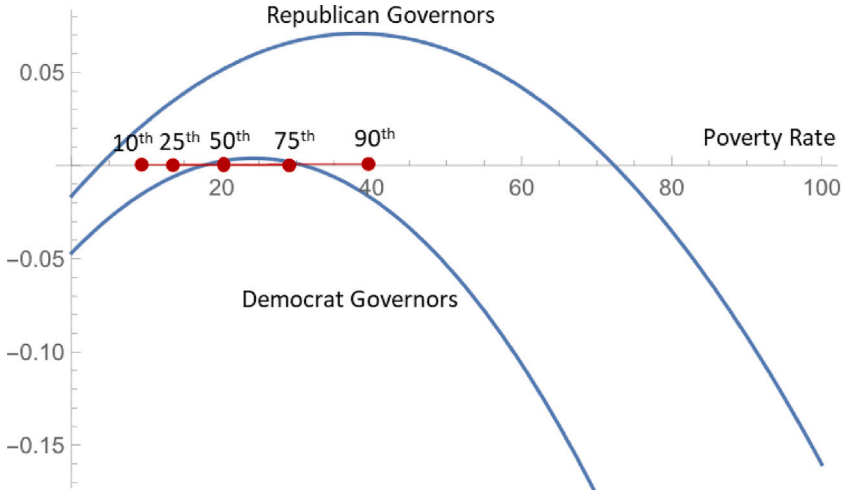


**Fig. B.1.** This is a graphical representation of Table B.6. While the eligible tracts do cover the entire range of poverty rates from 0 to 100%, the red dots indicate the 10th, 25th, 50th, 75th, and 90th percentiles to show where the bulk of the sample lies. In this range it is clear that Democrat governors do little for their copartisans while Republicans do a fair amount. Given that the peak of the advantage among Republican governors comes at the 88th percentile of poverty, the benefits of partisanship are increasing throughout most of the range. This is not strong evidence of the effect noted by Schneider and Kunze.

**Table B.2**
Table 3 with interaction terms rather than SUR.

| Dependent variable<br>Estimator | Indicator: Tract designated<br>Multilevel OLS w/clustering by state | | |
|---|---|---|---|
| | [1] | [2] | [3] |
| PovertyRate | 0.00406** | 0.00409** | 0.00402** |
| | (0.001) | (0.001) | (0.001) |
| PovertyRate ∗ Rep Gov | −0.00145 | −0.0017 | −0.00143 |
| | (0.002) | (0.002) | (0.002) |
| Poverty rate ∗ Term limited | 0.00499** | 0.00494** | 0.00499** |
| | (0.001) | (0.001) | (0.001) |
| Poverty rate ∗ Term limited ∗ Rep. Gov. | −0.00401 | −0.00381 | −0.00404 |
| | (0.003) | (0.003) | (0.003) |
| Rep. Assemblyman | 0.00259 | | 0.000413 |
| | (0.010) | | (0.009) |
| Rep Assemblyman ∗ Term limited | −0.00718 | | 0.00364 |
| | (0.013) | | (0.017) |
| Rep. Gov. ∗ Rep. Ass. ($\alpha$) | 0.0588** | | 0.0538** |
| | (0.015) | | (0.013) |
| Rep Gov ∗ Rep Ass ∗ Term limited ($\beta$) | −0.0296 | | −0.0449* |
| | (0.018) | | (0.022) |
| Rep. Congressman | | 0.00488 | 0.0092 |
| | | (0.013) | (0.014) |
| Rep Congressman ∗ Term limited | | −0.0154 | −0.0218 |
| | | (0.014) | (0.018) |
| Rep. Gov. ∗ Rep Cong. ($\gamma$) | | 0.0381 | 0.00999 |
| | | (0.021) | (0.019) |
| Rep Gov ∗ Rep. Cong. ∗ Term limited ($\delta$) | | 0.00566 | 0.0301 |
| | | (0.022) | (0.024) |
| Constant | −0.247** | −0.259** | −0.240** |
| | (0.085) | (0.083) | (0.083) |
| Observations | 32 337 | 32 337 | 32 337 |
| Number of groups | 3230 | 3230 | 3230 |
| Test $\alpha + \beta = 0$: chi2 | 6.901 | | 0.253 |
| p value | 0.00861 | | 0.615 |
| Test $\gamma + \delta = 0$: chi2 | | 36.44 | 7.532 |
| p value | | 1.57E−09 | 0.00606 |

Standard errors in parentheses: ** p < 0.01, * p < 0.05.
Specification is the same as Table 2 plus the full set of interactions with the Term Limits or Trifecta. Many terms not shown to focus on results of interest.

**Hypothesis 3c.** Term-limited Democrats will place more emphasis on privileging co-partisans.

**Proof.** The denominator of the intercept term lessens, widening the gap between the intercepts of the own- and other-party loci.

**Hypothesis 4.** Under unified government, Republican governors will place less weight on poverty.

**Proof.** We presume that enjoying unified government reduces the need to court swing voters: $\gamma \to 0$. In the limit, the selection locus becomes vertical, meaning poverty is irrelevant.

**Table B.3**
Table 4 with interaction terms rather than SUR.

| Dependent variable<br>Estimator | Indicator: Tract designated<br>Multilevel OLS w/clustering by state | | |
|---|---|---|---|
| | [1] | [2] | [3] |
| PovertyRate | 0.00366** | 0.00365** | 0.00365** |
| | (0.000) | (0.000) | (0.000) |
| PovertyRate ∗ Rep Gov | 0.00333* | 0.00319* | 0.00330* |
| | (0.001) | (0.001) | (0.001) |
| Poverty rate ∗ Trifecta | 0.00514** | 0.00517** | 0.00511** |
| | (0.001) | (0.001) | (0.001) |
| Poverty rate ∗ Trifecta ∗ Rep. Gov. | −0.00970** | −0.00969** | −0.00965** |
| | (0.002) | (0.002) | (0.002) |
| Rep. Assemblyman | 0.00916 | | 0.00843 |
| | (0.008) | | (0.011) |
| Rep Assemblyman ∗ Trifecta | −0.0111 | | −0.016 |
| | (0.016) | | (0.013) |
| Rep. Gov. ∗ Rep. Ass. ($\alpha$) | 0.0501** | | 0.0478** |
| | (0.015) | | (0.019) |
| Rep Gov ∗ Rep Ass ∗ Trifecta ($\beta$) | −0.00953 | | −0.00877 |
| | (0.023) | | (0.022) |
| Rep. Congressman | | 0.00394 | 0.00305 |
| | | (0.013) | (0.015) |
| Rep Congressman ∗ Trifecta | | 0.000831 | 0.00892 |
| | | (0.021) | (0.020) |
| Rep. Gov. ∗ Rep Cong. ($\gamma$) | | 0.0251 | 0.00836 |
| | | (0.013) | (0.019) |
| Rep Gov ∗ Rep. Cong. ∗ Trifecta ($\delta$) | | 0.00248 | −0.00198 |
| | | (0.025) | (0.026) |
| Constant | −0.187* | −0.197* | −0.185* |
| | (0.082) | (0.080) | (0.080) |
| Observations | 32 337 | 32 337 | 32 337 |
| R-squared | 3230 | 3230 | 3230 |
| Test $\alpha + \beta = 0$: chi2 | 5.084 | | 9.821 |
| p value | 0.0241 | | 0.00173 |
| Test $\gamma + \delta = 0$: chi2 | | 1.641 | 0.128 |
| p value | | 0.2 | 0.721 |

Standard errors in parentheses: ** p < 0.01, * p < 0.05.
Specification is the same as Table 2 plus the full set of interactions with the Term Limits or Trifecta. Many terms not shown to focus on results of interest.

**Table B.4**
Glick and Palmer's measure of tracts per county.

| Specification | Glick-Palmer replication | Table 2, Column 3[a] | Adding GP's variable to Table 2, col3 |
|---|---|---|---|
| Dependent variable | Indicator: Tract designated | | |
| Estimator | OLS | Multilevel OLS clustered by state | |
| Poverty rate (%) | 0.00964** | 0.00593** | 0.00589** |
| | (0.000) | (0.001) | (0.001) |
| Poverty rate ∗ Rep. Gov. | | −0.00286 | −0.00292 |
| | | (0.002) | (0.002) |
| 1/(tracts selected in county) | 0.0470** | | 0.0704** |
| | (0.008) | | (0.013) |
| Assemblyman voteshare ($\alpha$) | | −0.00802 | 0.00149 |
| | | (0.018) | (0.018) |
| Ass. VS ∗ Rep. Gov. ($\beta$) | | −0.0134 | −0.0154 |
| | | (0.026) | (0.025) |
| Ass. VS. ∗ Rep. Assemblyman ($\gamma$) | | −0.00261 | −0.0032 |
| | | (0.011) | (0.011) |
| Ass. VS ∗ Rep. Ass. ∗ Rep. Gov. ($\delta$) | | 0.0695** | 0.0679** |
| | | (0.014) | (0.015) |
| Low income tract | | 0.103** | 0.105** |
| | | (0.021) | (0.022) |
| Low income tract ∗ Rep. Gov. | | 0.0713* | 0.0719* |
| | | (0.033) | (0.033) |
| Governor's vote share in county | 0.0224 | | |
| | (0.025) | | |
| State legislative co-partisan | 0.0212** | | |
| | (0.007) | | |
| Median HH income (2014) | 5.88e−07** | | |
| | (0.000) | | |
| Urban institute investment score | 0.00194* | | |
| | (0.001) | | |
| Constant | −0.0954** | −0.207** | −0.312** |
| | (0.016) | (0.066) | (0.066) |
| Observations | 32,842 | 32,842 | 32,842 |
| R-squared | 0.084 | 0.173 | 0.170 |
| Test $\alpha+\beta+\gamma+\delta=0$: F statistic | | 5.28 | 5.66 |
| p-value | | 0.0268 | 0.0211 |

Standard errors in parentheses: ** p < 0.01, * p < 0.05.
Column 2 contains most of the same additional controls as in Table 2: tract population, unemp. rate, %white, number of adjacent tracts. Metro and Micro have been replace with 1/(tracts selected in county).
[a]Results differ slightly from Table 2 because the sample has been restricted to match the other columns. The specification is identical.

**Table B.5**
Repeat of Table 1 with low income tracts only.

| Dependent variable<br>Estimator | Indicator: Tract designated<br>Multi-level OLS w/clustering by state | | | |
|---|---|---|---|---|
| Specification | [1]<br>Baseline | [2]<br>Spatial autocorrelation | [3]<br>State FE | [4]<br>Both |
| Poverty rate (%) | 0.00576** | 0.00398** | 0.00610** | 0.00436** |
| | (0.001) | (0.001) | (0.001) | (0.001) |
| Unemployment rate (%) | 0.00577* | 0.004 | 0.00634* | 0.00525* |
| | (0.003) | (0.002) | (0.003) | (0.003) |
| Caucasian (%) | −0.000222 | 0.000461* | −0.000225 | 0.000602* |
| | (0.000) | (0.000) | (0.000) | (0.000) |
| Ln [tract population] | 0.0205* | 0.0326** | 0.0211* | 0.0323** |
| | (0.009) | (0.008) | (0.009) | (0.008) |
| Tract within a metropolitan area | −0.0964** | −0.0982** | −0.103** | −0.103** |
| | (0.022) | (0.019) | (0.021) | (0.018) |
| Tract within a micropolitan area | −0.0175 | −0.0213 | −0.0144 | −0.0198 |
| | (0.020) | (0.016) | (0.020) | (0.016) |
| # Adjacent tracts selected | | 0.0943** | | 0.0946** |
| | | (0.007) | | (0.007) |
| Constant | −0.0447 | −0.213** | −0.0459 | −0.220** |
| | (0.093) | (0.078) | (0.097) | (0.081) |
| Observations | 30,572 | 30,572 | 30,572 | 30,572 |
| Number of groups | 3849 | 3849 | 3849 | 3849 |

Standard errors in parentheses: ** p < 0.01, * p < 0.05.

**Table B.6**
Nonlinearities in which tracts gain from political connections.

| Dependent variable<br>Estimator | Indicator: Tract designated<br>Multilevel OLS w/clustering by state | |
|---|---|---|
| Specification | [1]<br>Interact w/ Gov's Party | [2]<br>Co-partisan legislators |
| Poverty rate (%) | 0.00603** | 0.00716** |
| | (0.001) | (0.002) |
| Poverty rate ∗ Rep. Gov. | −0.00288 | −0.00421* |
| | (0.002) | (0.002) |
| State assembly copartisan | −0.00686 | −0.0469** |
| | −0.0109 | (0.015) |
| Assembly copartisan ∗ Rep. Gov. | 0.0676** | 0.0366 |
| | −0.0132 | (0.043) |
| Assembly copartisan ∗ Poverty rate | | 0.00419** |
| | | (0.001) |
| Assembly copartisan ∗ Poverty rate$^2$ | | −8.64e−05** |
| | | (0.000) |
| Assembly copartisan ∗ Poverty rate ∗ Rep. Gov. | | 0.000391 |
| | | (0.002) |
| Assembly copartisan ∗ Poverty rate$^2$ ∗ Rep. Gov. | | 0.0000262 |
| | | (0.000) |
| Constant | −0.201* | −0.209** |
| | (0.078) | (0.080) |
| Observations | 27,224 | 27,224 |
| Number of groups | 3254 | 3254 |

Standard errors in parentheses: ** $p < 0.01$, * $p < 0.05$.
Additional controls: tract population, metro, micro, unemp. rate, %white, number of adjacent tracts selected.

**Table B.7**
The Governor's approval rating does not affect political favoritism.

| Dependent variable<br>Estimator | Indicator: Tract designated<br>Multilevel OLS w/clustering by state | |
|---|---|---|
| Specification | [1]<br>Interact w/ Gov's Party | [2]<br>Co-partisan legislators |
| Poverty rate (%) | 0.00619** | 0.00619** |
| | (0.002) | (0.002) |
| Poverty rate ∗ Rep. Gov. | −0.00322 | −0.00322 |
| | (0.002) | (0.002) |
| State assembly copartisan | −0.00598 | −0.00136 |
| | −0.00888 | (0.007) |
| Assembly copartisan ∗ Rep. Gov. | 0.0496** | 0.0523** |
| | −0.0104 | (0.013) |
| State assembly copartisan ∗ High approval | | −0.0143 |
| | | (0.021) |
| Ass. copartisan ∗ Rep. Gov. ∗ High approval | | 0.00359 |
| | | (0.027) |
| Constant | −0.269** | −0.274** |
| | (0.065) | (0.065) |
| Observations | 33,836 | 33,836 |
| Number of groups | 3238 | 3238 |

Standard errors in parentheses: ** $p < 0.01$, * $p < 0.05$.
Additional controls: tract population, metro, micro, unemp. rate, %white, number of adjacent tracts selected.

## Appendix B. Additional tables

See Tables B.1–B.7 and Fig. B.1.

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