Do Consumers Spend Their Money Where Their Votes Are? Ideology Distance and Local Sales †

Lei Chen‡ — *Melbourne*
Muhan Hu§ — *Strathclyde*
Linxiang Ma¶ — *Strathclyde*
Xiaoke Ye* — *Liverpool*

Abstract

We examine how ideological distance between firms and consumers influences firm sales. Using granular retail scanner data, we find that, compared with a county where ideological distance is lower, a firm's annual sales of an average product can be about (30%) lower in a county where it faces a one standard deviation higher ideological distance. This effect translates into as much as $127,000 in lost revenue per county per year. This relationship has strengthened since the 2016 election. Heterogeneity analyses reveal that the magnitude of this relationship varies systematically with county demographics, firm characteristics, and product attributes. To understand the underlying mechanisms, we explore both demand- and supply-side factors. Leveraging the staggered entry of a conservative media and Donald Trump's 2016 campaign rallies as exogenous shocks to county-level ideology, we provide evidence that consumers prefer purchasing products from firms that align with their political beliefs. On the supply side, firms are less likely to enter politically distant markets but, once present, do not reduce product variability. Our findings highlight the cash flow consequences of political ideology and illustrate how firms may adapt their market strategies in response to ideological polarization.

JEL Classifications: D12, D22, G32, L11, P16,
Keywords: Political ideology, political polarization, consumption, cash flow, market strategy

†For helpful comments, we thank Jacob Conway, Tony Cookson (discussant), Cláudia Custódio (discussant), Michelle Lowry, Jean Tirole, and Yonghao Zhai (discussant), as well as the conference and seminar participants at FMA Vancouver, Politics in Finance 2025, Stigler Center-CEPR Conference 2025, Lancaster, Liverpool, SUIBE, Melbourne, and Strathclyde. The usual disclaimer applies. Our analyses are calculated (or derived) based in part on data from Nielsen Consumer LLC and marketing databases provided through the NielsenIQ Datasets at the Kilts Center for Marketing Data Center at The University of Chicago Booth School of Business. The conclusions drawn from the NielsenIQ data are those of the researcher(s) and do not reflect the views of NielsenIQ. NielsenIQ is not responsible for, had no role in, and was not involved in analyzing and preparing the results reported herein.

‡Department of Finance, The University of Melbourne. Email: lei.chen3@student.unimelb.edu.au.
§Department of Accounting & Finance, University of Strathclyde. Email: muhan.hu@strath.ac.uk.
¶Department of Accounting & Finance, University of Strathclyde. Email: linxiang.ma@strath.ac.uk.
*Management School, University of Liverpool. Email: xiaoke.ye@liverpool.ac.uk.

1 Introduction

The U.S. has witnessed a deepening partisan divide over the last decades (Boxell et al., 2017; Flamino et al., 2023; Iyengar et al., 2019). Manifesting in various aspects of society (e.g., Huber and Malhotra, 2017; Iyengar et al., 2018), this trend also extends to the business realm (e.g, Duchin et al., 2024; Engelberg et al., 2023a; Kempf et al., 2024; Kempf and Tsoutsoura, 2024; Mccartney et al., 2024). While a growing body of research explores the impact of political polarization on firm-level outcomes (Colonnelli et al., 2023; Kempf and Tsoutsoura, 2021; Rice, 2023), its effects on corporate cash flow and strategy remain unclear. This paper fills this gap by assessing how partisan-driven shifts in retail consumer behavior influence firms' financial outcomes and shape their operating strategies.

Evidence from the 2024 YouGov US bipartisan brand survey highlights the role of political polarization in shaping consumer preferences. Over two-thirds of surveyed brands show a clear ideological skew, with some brands resonating strongly with either liberal or conservative consumers. For instance, Patagonia, known for its progressive environmental advocacy, is strongly associated with liberal-leaning consumers, with 17% of liberals considering purchasing it compared to 6.8% conservatives. Conversely, Wrangler is more popular among conservative consumers, with 12% more conservatives than liberals expressing interest in the brand.[1] While firms publicly deny tailoring their marketing strategies based on consumers' political af-

[1]For the full report, see: https://business.yougov.com/content/50424-us-bipartisan-brands-report-2024

fliction,[2] consumer purchasing patterns an implicit awareness of brands' perceived ideological positions (DellaPosta et al., 2015; Liaukonytė et al., 2023; Schoenmueller et al., 2023; Warren, 2019).

Building on this anecdote of partisan-driven consumer behavior, we investigate how the ideological alignment between firms and local markets influences product sales. Specifically, we examine how the ideological distance between a firm and a county affects the sales volume of that firm's products in the county. To do so, we utilize product-level sales data from the NielsenIQ Retail Scanner Dataset, which provides detailed weekly sales information across the U.S. at a highly granular level. The extensive coverage of this dataset offers a unique opportunity to extract rich insights into the relationship between ideology and consumer behavior. To proxy ideology, we use a firm's share of total employee donations to the Republican Party and a county's share of total votes for the Republican Party, both measured over the last election cycle. We then define firm–county ideology distance as the absolute difference between these two values. As an auxiliary measure, we also construct a dummy variable indicating whether the firm and county support the same party.

Using a sample from 2007 to 2021, we find that a firm's ideology distance from a county is negatively related to the firm's sales in that county. Specifically, if a firm plans to sell the same product category in two counties next year, then in the county where its ideological distance is one standard deviation higher this year, sales of that

[2]CEO of Kontoor Brands, the parent company of Wrangler, noted that "Our brands have not and will not employ commercial or marketing strategies based on consumers' political party affiliations, nor do we believe that those affiliations are any of our business."

product would be 30% lower. This amount is equivalent to $5,700 lower sales per year. When aggregated across all products, an average firm could expect to earn $80,000 to $127,000 less in the county with the larger (i.e., one standard deviation higher) ideological gap.

Our results remain robust when using a range of alternative ideological distance measures and incorporating firm-level variables that may be correlated with both sales and ideology. Moreover, the granularity of our data enables us to explore different sources of variation by applying alternative fixed effects in our estimations. We find that the estimated negative relationship is not sensitive to these modifications or standard error clustering schemes.

Next, we study how this negative relationship varies over time. Through year-by-year regressions, we identify a growing negative relationship between firm-county ideology distance and sales, particularly since the 2016 presidential election. In terms of sales decline, the impact of a one standard deviation increase in firm-county ideology distance rose from about 10% in 2012 to more than 80% in 2021. This pattern echoes the increasing polarization observed across the country documented in other domains.

This relationship also differs across counties. First, we find that this relationship is more pronounced in counties with higher real income, higher employment rates, and higher educational attainment. We interpret these results as suggestive evidence that more affluent consumers are better able to incorporate their political beliefs into their purchasing decisions. However, the fact that the estimates remain significantly

negative even in less privileged counties highlights that ideology-driven consumption is a widespread phenomenon across the U.S. Second, we find that a county's political atmosphere also influences the relationship between ideology and consumption. Specifically, in swing counties — where the vote share for either party falls between 45% and 55% — the negative association between ideology distance and firm sales is markedly weaker. This result suggests that in less partisan counties, consumption behaviors are also less politically driven. When comparing Republican-leaning and Democratic-leaning counties, we find that the former exhibit stronger partisan consumption patterns. Finally, we find that the negative ideology–sales relationship is stronger in counties with higher shares of female, White, or working-age residents, and weaker in counties with larger elderly or Hispanic populations, suggesting that partisan consumption behaviour also depends on consumer demographics.

We further examine heterogeneity across firms and products. We find that bipartisan firms—defined as those whose Republican contribution share falls between 45% and 55%—also experience lower sales when ideology distance increases. We further document that deeply Republican firms (those donating more than 75% to the Republican Party) face lower sales in Republican-leaning counties if they are perceived as not sufficiently aligned, whereas we do not observe a comparable pattern for Democratic firms in Democratic-leaning counties. In addition, firms with greater product market power experience more severe sales losses associated with ideology distance. On the other hand, having a larger ideology distance from a firm's headquarters county does not lead to lower sales in that county. Finally, the ideology–sales

relationship is more pronounced for products whose consumers are more sensitive to brand image.

We investigate the potential mechanisms underlying this negative ideology distance-sales relationship. On one hand, this relationship may stem from consumer choice — where purchasing decisions are influenced, at least in part, by ideological alignment (demand channel). On the other hand, it may result from firm's strategy, as companies may self-select into markets where their political beliefs align with local consumers (supply channel). In theory, both channels can coexist.

We leverage two exogenous shocks that arguably shift a county's political attitudes toward a more conservative stance. First, we examine the staggered entry of the Sinclair Broadcast Group into different counties, an event that has been shown to increase local residents' likelihood of supporting the Republican Party (Levendusky, 2022; Martin and Yurukoglu, 2017). Using a stacked difference-in-difference design (Cengiz et al., 2019), we show that in the years following Sinclair's entry and for Democratic-leaning counties, firms that experience an increase (decrease) in ideological distance see a decline (boost) in their sales. However, we do not observe a similar effect in Republican-leaning counties. In addition, employing a triple-difference type model, we show that in treated counties - regardless of their political stance - pro-Democratic firms experience an almost 10% drop in sales. In contrast, pro-Republican firms do not face the same negative impact. In fact, they see an increase in sales of about 6% in Democratic-leaning counties.

Although Sinclair's entry is a widely recognized ideology shock in studying ide-

ology's impact in the US (Dasgupta et al., 2021; Pan et al., 2024; Yi, 2025), the long investigation timeline (at the annual level) may introduce confounding factors. For instance, Democratic-leaning firms may be less likely to advertise on Sinclair stations, a supply-side factor that could influence local sales. Leveraging the high granularity of our data, we exploit a second shock, Donald Trump's 2016 political campaign, to examine the consequential short-term demand shifts. Trump rallies have been shown to produce both short- and long-term ideological effects (Enke, 2020; Grosjean et al., 2022), and we hypothesize that in counties hosting these rallies, sales of firms with different political leanings may be affected in distinct ways.

Event study reveals that in counties hosting Trump's campaign rallies, Republican-leaning firms experience an increase in sales following the events. This effect begins to emerge within the first four weeks and peaks approximately two months after the rally. Our estimates indicate that a single Trump rally in a county can generate up to a $\$2,000$ increase in annual sales for an average Republican firm. In contrast, we find no statistically significant change in sales for Democratic-leaning firms following these rallies.

Finally, we investigate whether firms' ideology-driven strategies also contribute to the negative relationship between ideology distance and sales. We find evidence consistent with this channel through the extensive but not intensive margin. Specifically, we show that firms are less likely to sell or introduce new products in counties where they face a greater ideological distance. However, if they do enter or introduce new products, they do not reduce product variability in those counties.

This paper contributes to the growing literature on how partisan and ideological divisions shape firm outcomes. Extant work demonstrates that partisanship influences economic perceptions, which in turn can affect firms' investment decisions and cost of capital (Dagostino et al., 2023; Kempf and Tsoutsoura, 2021; Rice, 2023). Additionally, both inter-organizational and intra-organizational political alignments play a role in shaping firm dynamics. For example, polarized media coverage can heighten investor disagreement, potentially limiting the stock market's efficiency in fairly valuing firms (Goldman et al., 2024; Luo et al., 2023). At the organizational level, ideological alignment among employees can significantly impact productivity and decision-making (Colonnelli et al., 2022; Duchin et al., 2024; Lee et al., 2014). While prior studies examine these broader implications, our paper specifically focuses on the cash flow channel of political polarization. By analyzing how ideological divisions influence firms' sales performance, this study provides novel insights into the tangible economic consequences of political polarization.

In addition, our work relates to the recent literature studying the interaction between stakeholders' political beliefs and firm strategies. Recent studies show that CEO activism can influence consumer choices (Hou and Poliquin, 2023; Jin et al., 2024), employee satisfaction (Mkrtchyan et al., 2024), and investor reactions (Mkrtchyan et al., 2023), among other outcomes. As a result, firms may adopt strategic actions to cater to their stakeholders' preferences (Conway and Boxell, 2024; Homroy and Gangopadhyay, 2023). We add to this literature by showing that firms strategically adjust their sales locations to enhance revenue.

Our paper also contributes to the broader literature on how political beliefs shape individual behavior. Ideology has been shown to influence the actions of various agents, including depositors (Jeung, 2021), investors (Cookson et al., 2020; Meeuwis et al., 2022), judges (Ash et al., 2024), regulators (Engelberg et al., 2023b), and consumers (Davis et al., 2025; Hou and Poliquin, 2023; Qin et al., 2025). Our study extends this literature by examining the financial consequences of ideological alignment between firms and consumers. Specifically, we quantify the impact of ideological misalignment on firms' cash flows, providing the first monetary estimate of how consumer ideology affects revenue.

This paper is particularly closely related to recent endeavors documenting consumer political behavior. For instance, Hsieh et al. (2024) employ a machine learning approach to show increasing partisan sorting in consumer purchases, while Schoenmueller et al. (2023) show that brand-preference polarization intensified after the 2016 election. While these studies illuminate the patterns and mechanisms of consumer sorting and preference shifts, our analysis quantifies their direct financial implications by providing a monetary estimate of how ideological misalignment reduces firm sales. In addition, different from Conway and Boxell (2024), who examine acute consumer responses (buycotts and boycotts) to salient corporate social stances, our study focuses on the persistent, structural effects of ideological distance between firms and local markets. We complement this event-driven literature by demonstrating the economic consequences of the broader ideological landscape persist even in the absence of major media events. Finally, by investigating both demand- and supply-side chan-

nels, we extend the literature to demonstrate that consumer ideology shapes not only revenues but also firms' strategic market-entry decisions.

The rest of the paper is organized as follows. Section 2 introduces the data. Section 3 shows the results, including the baseline regressions, robustness tests, and additional analyses. Section 4 explores the demand and supply mechanisms, and section 5 concludes.

2 Data

2.1 Retail Product Sales

We obtain product-level sale data from the NielsenIQ Retail Scanner Dataset, provided by the Kilts Center for Marketing at the University of Chicago. The retail scanner data which is collected from point-of-sale system in retail stores, is a comprehensive and granular data source. NielsenIQ data have been widely employed and accepted in research across economics, accounting, and finance, examining topics such as consumer purchasing behaviors, manufacturers' strategic decisions, product innovation, and stock market information efficiency (Argente et al., 2020, 2018; Dichev and Qian, 2022; Granja and Moreira, 2023; Meier et al., 2022).

This dataset comprises extensive retail scanner data that captures weekly sales, average prices, units sold and promotions of approximately 10.2 million products across a broad range of goods between 2006 and 2021. Each product in the dataset is identified by a unique 12-digit Universal Product Code (UPC), enabling precise tracking of

sales trends at the barcode level. Additionally, the dataset supplements general sales information with numerous product-level attributes. The data encompass a vast network of retail outlets across the United States, providing a representative snapshot of the nationwide consumer market. They are collected from more than 54,000 distinct stores, including grocery, drug, mass merchandiser, and other retail establishments, spanning approximately 140 retail chains in 387 metropolitan statistical areas (MSAs) and 2,804 counties, identified by 5-digit state and county FIPS codes.

The dataset offers extensive coverage of the full range of products and the complete portfolio of companies within the consumer goods sector, enabling us to explore how market dynamics and economic trends are shaped by political ideologies and consumer behavior. NielsenIQ covers approximately $289 billion in retail sales annually, totaling around $4.91 trillion between 2006 and 2021. These sales represent a very large fraction of all retail sales in the United States (Argente et al., 2018).[3]

NielsenIQ categorizes each UPC within a structured hierarchy. Each UPC falls under one of 1,460 product modules, which are then sorted into 118 product groups. These groups are further consolidated into 10 product departments.[4] For instance, a box of Chocolate Creme Pie (UPC 032100082907) produced by Kraft Foods, Inc. (gvkey 142953) is categorized under the product module "Bakery - Pies - Frozen," within the product group "Baked Goods-Frozen," which is part of the "Frozen Foods" department.

[3]NielsenIQ claims that the database encompasses more than 50% of the total sales volume of US grocery and drug stores, and more than 30% of all US mass merchandiser sales volume.

[4]NielsenIQ completely changed the product hierarchy from 2021 onwards, but it continues to provide the product module code to enhance data comparability before and after 2021.

To match each UPC to Compustat firm, we first obtain the producers' names for each UPC using the linking table provided by GS1 US, the official source of UPCs (Granja and Moreira, 2023). Each UPC is 12-digits long and includes a critical 6-9 digit company prefix issued by GS1 US. This prefix uniquely identifies the owner of a given UPC, and large companies with extensive product portfolios, such as *P&G*, often acquire more than one prefix. The *GS1 US Complete US Prefix List Active and Inactive* from GS1 US includes 691,565 UPC prefixes assigned to both US and non-US owners. Each record contains the owner's name, country, and address. Following Argente et al. (2020) and Granja and Moreira (2023), we match each UPC provided by NielsenIQ with prefixes obtained from GS1 US to collect the name of the producer in the US only. We successfully match 5,235,446 UPCs out of 10,264,206 total samples, 51% of the entire NielsenIQ.

Secondly, we fuzzy-match the standardized company names provided by GS1 US with the standardized historical company names reported by Compustat North America using a bigram matching method with a similarity score threshold of 0.9.[5] To maximize the pool of potential UPC owners, we additionally collect all company names from Orbis and Osiris to complement those from Compustat, as the same company may have multiple name variations.[6] We match Orbis and Osiris with Compustat using *cusip* and *cik* codes.

[5]We account for the possibility that firms may change names by collecting all historical company names from the Compustat history file *Comphist* in the fuzzy-matching process.

[6]For example, *The Procter & Gamble Company* may be listed as *PROCTER & GAMBLE CO*, *Procter & Gamble Co (The)*, or *P&G Wholesale*; all these names refer to the same company. Name standardization can eliminate some of these discrepancies, but it will not align *P&G Wholesale*, as provided by GS1 US, with its corresponding name in Compustat.

Thirdly, we perform two additional rounds of fuzzy matching: first, by matching the standardized company names from GS1 US with the unstandardized company names from Compustat, and second, by matching the unstandardized company names from GS1 US with the standardized company names from Compustat. After each round of fuzzy matching, we manually verify each name pair with a similarity score above 0.9 and retain only the matches we are confident are correct to minimize Type I (false positive) errors.

One limitation of using GS1 US data is that the UPC issuer only provides the UPC owner's name as recorded in the year the prefixes were originally purchased. As a result, we cannot track ownership changes for a given UPC if its original owner was later acquired by another company. Since our goal is to track UPC sales over time, it is essential to determine the historical ultimate ownership of each brand. We follow Arqué-Castells and Spulber (2022) and use SDC Platinum to collect M&A data, and obtain subsidiary ownership information from Orbis and Osiris to construct a dynamic corporate tree to track the change in UPC ownership. For example, a large national organic grocery retailer owns several UPC prefixes and was formerly listed as an independent public company in Compustat. Following its acquisition by a major e-commerce conglomerate in 2017, it ceased to be publicly traded and exited Compustat. Relying solely on the entity names provided by GS1 US would therefore omit all sales associated with the retailer's private-label brand after the acquisition. To address this limitation, we employ the dynamic corporate tree to trace changes in ownership of UPC prefixes over time, attributing sales to the grocery retailer prior to

2016 and to the acquiring e-commerce company thereafter. [7]

We have successfully matched 811,181 unique UPCs to 1,202 Compustat firms. Our coverage of Compustat firms is more extensive than previous studies that used NielsenIQ, such as Argente et al. (2018) and Dichev and Qian (2022), for three reasons. First, NielsenIQ significantly expanded its store and product coverage in 2021, leading to greater data availability. Second, we incorporate additional names from supplementary data sources to improve matching accuracy. Third, we construct a dynamic corporate tree to more comprehensively account for subsidiary relationships, ensuring continued coverage of prefixes acquired by other public companies.[8]

2.2 Ideology Distance

Our independent variable, political ideology distance, is measured at the firm-county level. Following the literature, we measure firm ideology using the donations made by its employees over the last presidential election cycle. We collect employee donation data from the Database on Ideology, Money in Politics, and Elections (DIME) (Bonica, 2024). This dataset contains over 850 million itemized political contributions made by individuals and organizations to local, state, and federal elections from 1979 to 2024. DIME assigns unique identifiers to all individual and institutional donors,

[7]See the online supplemental material of Arqué-Castells and Spulber (2022) for a detailed method of constructing the corporate tree.

[8]Unlike previous studies, we do not use firms' geographic information in the matching process because companies frequently change their names and headquarters locations, as recorded in the Compustat history file *Comphist*. After conducting several rounds of pilot fuzzy matching, we determined that relying solely on name-based matching, followed by manual verification of every name pair, produces the most accurate results.

allowing for the tracking of contributions across election cycles and levels of government. Similarly, all candidates are assigned unique identifiers, enabling tracking when they run for different offices or districts. Recipient IDs can also be used to match against the database of contribution records.

Specifically, we begin by filtering out all contribution records made to presidential candidates from individuals with employer information between Cycle 2006 and Cycle 2022. To ensure consistency and improve the accuracy of our matching process, we first clean and standardize the format of employer names, addressing variations in spelling, abbreviations, and formatting inconsistencies. We then match these cleaned employer names with our cleaned sample firm names in a two-stage process.

In the first stage, we extract all exact matches between employer names in the contribution records and our sample firm names. This provides an initial set of matched records. In the second stage, to capture potential matches that may have slight discrepancies due to typographical errors, alternate spellings, or naming conventions, we employ the Levenshtein distance score for a fuzzy matching process. This method assigns a similarity score to each potential match, allowing us to systematically identify employer names that closely resemble those in our sample. To further ensure the accuracy of our matches, we manually review the results, verifying that contributions are correctly attributed to the intended firms.

Through this process, we successfully matched 1,476,743 employee contribution records from 1,107 firms over the sample period. Additionally, we identify the party affiliation of the contribution recipients by categorizing them into three distinct

groups: the Democratic Party, the Republican Party, and others. Lastly, we aggregate the total contribution amounts from all employees within each firm to each political party at the firm-year level. This aggregation allows us to assess the overall political leanings of firms based on their employees' donation behavior year by year.

We define firm i's ideology in year t as the proportion of the total dollar amount donated to the Republican Party divided by the total amount given to both parties over the last election cycle:

$$Ideology_{i,t} = \frac{\sum_{lastcycle} \#Employee\ Contri.\ to\ Rep.}{\sum_{lastcycle}(\#Employee\ Contri.\ to\ Rep. + \#Employee\ Contri.\ to\ Dem.)}$$

We measure the county-level ideology using the county-level election return of the presidential elections obtained from the MIT Election Lab. For county c in year t, we measure its ideology using the bi-party voting share to the Republican party in the previous election:

$$Ideology_{c,t} = \frac{\#Votes^{Rep}_{c,lastcycle}}{\#Votes^{Rep}_{c,lastcycle} + \#Votes^{Dem}_{c,lastcycle}}$$

We then construct our explanatory variable, the ideology distance between firm i and county c in year t as the absolute value of the distance between the above two ideology measures:

$$Ideology\ Distance_{i,c,t} = |Ideology_{c,t} - Ideology_{i,t}|$$

This construction closely follows the literature in measuring ideology disagreement between two parties (Lee et al., 2014; Pan et al., 2024; Rice, 2023). In our sample, the average ideology distance is 0.334 with a standard deviation of 0.204. This measure also exhibits substantial time-series variation. During our sample period, the average ideology distance was lowest in 2012, at the level of 0.301. Since then, it has gradually increased, peaking at 0.394 in 2020 (the final year of the ideology distance measure) — the highest level observed in our sample. We plot the geographic distribution of average firm-county ideology distance in Figure 1. Comparing the Year 2008 to the Year 2020, we observe a substantial increase in the average ideology distance across the U.S..

[——Insert Figure 1 About Here——]

To complement this continuous measure, we construct an ideology misalignment dummy that equals one if a firm–county pair supported the different party in the previous election cycle. For robustness, we also use various alternative measures of ideology distance, which we will discuss in more detail in the later section.

2.3 Other Data

We draw on several alternative sources for other data used in the paper. To control for county-level characteristics, we obtain population, GDP, and real income data from the U.S. Bureau of Economic Analysis, unemployment data from the USDA Economic Research Service, and house price data from the Federal Housing Finance

Agency. We also obtain firm-level characteristics from WRDS Compustat database. We also get Sinclar Group's operation region data during our sample period from its annual report, and detailed information on Donald Trump's presidential campaign rally in 2016 from the *Democracy in Action* website.

Our analyses use samples aggregated at different levels. The summary statistics of these samples are presented in Table 1. Specifically, Panel A is the sample used for the main analysis. This sample includes 1,106 product categories produced by 614 firms being sold in 2,546 counties across 13 years. Panel B is a sub-sample of Panel A, focusing on the years immediately following each presidential election. Finally, Panel C aggregates data at the firm-county level, which we use for firm-level analyses and mechanism tests.

[——Insert Table 1 About Here——]

3 Ideology Distance and Consumption

3.1 Baseline Analyses

We conduct our baseline analyses at the product-firm-county-year level by estimating the following regression:

$$\log Sales_{p,i,c,t} = \alpha + \beta Ideology\ Distance_{i,c,t-1} + \delta X_{c,t-1} + \gamma_{p,i,t} + \lambda_{s,t} + \varepsilon_{p,i,c,t} \quad (1)$$

where $\log Sales_{p,i,c,t}$ is the natural logarithm of aggregate annual dollar sales of product module p produced by firm i in county c and year t. Our main explanatory variable, $Ideology\ Distance_{i,c,t-1}$, is the ideology distance between firm i and county c in year $t-1$. Benefiting from the high granularity of our data, we include product $\times$ firm $\times$ year fixed effect, $\gamma_{p,i,t}$, which allows us to compare sales of the same product module by the same firm in the same year across different counties. We also include county-level population growth, GDP growth, income per capita growth, house price growth, and unemployment rate growth as control variables, and a state $\times$ year fixed effect to absorb state-specific trends.[9] We cluster the standard errors at the firm $\times$ county level to match the main variation in the explanatory variable, and the product level to account for the possibility that sales of a particular product might be systematically similar across different counties and years.

Table 2 Panel A shows the results. Column (1) suggests that, for the same product sold by the same firm, moving from one county to another where the firm–county ideology distance is one standard deviation higher is associated with $30\%(= 0.204 \times 1.484 \times 100\%)$ or $\$5,750(= 30\% \times \$19,150)$ lower annual sales. The results remain consistent when using the *Misaligned* dummy (Column (2)). A closer examination of the sales–ideology distance relationship shows that the effect is stronger than average when firm and county ideologies are misaligned (Column (4)). These two columns

[9]We do not include county $\times$ year fixed effect as it will remove a substantial amount of the cross-county variations in our firm-county level ideology distance measure (approximately 75% of its variation comes from differences between firm-county units). In the robustness check, we explore alternative fixed effect schemes, among which we also include the county $\times$ year fixed effect. The result is qualitatively similar, while the magnitude is smaller.

indicate the presence of both extensive and intensive margins. However, when the firm and county support the same party, there is no evidence that the degree of alignment in their support is correlated with sales.

Next, we decompose these estimates into units sold and price per unit. Panels B and C show that this lower level of sales stems from both fewer products sold and the lower average price. Specifically, a one standard deviation higher firm-county ideology distance is associated with a 30% lower unit sold and a 0.9% lower price per unit. The results are consistent if we use *alignment* instead of *distance* as the ideology difference measure, and the effects mainly come from the misaligned firm-county pairs. We interpret these results as an indication that the ideology-sales relationship operates through both the demand and supply channels: on the one hand, consumers purchase more products from firms they have aligned ideology; on the other hand, firms may adjust their product mix or pricing strategy depending on whether they are ideologically aligned with a county.

[——Insert Table 2 About Here——]

3.2 Robustness Checks

Our baseline results are robust to an extensive set of alternative ideology distance measures, as reported in Table 3. First, by using ideology proxies during the previous election cycle, our main distance measure avoids the forward-looking bias but may be less accurate than using the most recent election cycle. To alleviate this concern,

we construct an alternative distance measure by using proxies from the closest election cycle to each year[10] and find an even stronger relationship (Column (1)). Next, using either a rolling four-year window or annual donations to proxy firm ideology produces quantitatively similar results to the baseline (Columns (2) and (3)). We then measure a firm's ideology exclusively using its CEO's donation, and the estimate remains statistically significant, although the magnitude declines substantially (Column (4)). This pattern is consistent with the interpretation that CEO contributions may incorporate strategic considerations (e.g., balancing the firm's political image). Finally, Column (5) allows for asymmetric effects by including both the raw ideology distance and its interaction with a positive-distance indicator. The results indicate that ideology distance has a more pronounced negative correlation with sales when the county is more pro-Republican than the firm, relative to when the county is more pro-Democratic.

Another potential concern with our baseline distance measure is that it combines different ideology proxies: donation fractions for firms and voting fractions for counties. While each measure is arguably well-suited to capturing the political preferences of the respective subject, this disconnection may introduce noise that complicates interpretation. To address this issue, we employ alternative frameworks to measure firm–county political distance. Table 3 columns (5) to (7) show that the baseline ideology distance–sales relation remains robust across these frameworks. Specifically, we construct ideology distance measures using: (1) the difference between a firm's

[10]For example, for 2011, we now use the donations made for the 2012 presidential election cycle (2009-2012) instead of the 2008 election cycle (2005-2008).

headquarter county Republican vote share and that of the sales county, both over the last election cycle, (2) the difference in firm- and county-level proportions of contributions to the Republican Party in the last election cycle, and (3) the difference in firm- and county-level proportions of Republican donors over the last election cycle.[11] Moreover, results based on the corresponding *Alignment* measures yield the same conclusion, with the negative ideology distance-sales relationship stronger among misaligned firm-county pairs (see Online Appendix).

[——Insert Table 3 About Here——]

We then examine whether our results are sensitive to model specifications, with results reported in Table 4. First, our baseline finding is robust to excluding all county-level controls, the inclusion of an additional set of demographic controls, or including firm-level controls (Columns (1) to (3)).[12] Next, the effect persists after replacing the state × year fixed effect with the county × year fixed effect (Column (4)), although the magnitude is substantially reduced due to the new fixed effect absorbing the majority of the variation in our ideology distance measure. Our result also remains robust when we use four-way clustered standard errors at the product, firm, county, and year levels (Column (5)). In addition, continues to hold after we include the retailer chain (Column (6)) or store (Column (7)) fixed effects to absorb store-specific characteristics. Finally, when incorporating product × county × year

[11] We do not have access to voter registration to construct firm ideology based on voting record.

[12] Demographic controls include population shares for eight age and four racial groups, the share of females, and the share of Hispanics. Firm controls include size, advertising expenditure, leverage, Tobin's Q, and capital expenditure.

fixed effects, Column (8) shows that, for the same product in the same county, a firm with an ideology distance one standard deviation higher than its competitor sells 14.5% less every year, corresponding to an approximately $2,770 lower revenue. This result indicates that the ideology distance–sales relationship operates not only across counties but also within the same county.

[——Insert Table 4 About Here——]

3.3 Additional Analyses

In this section, we delve deeper into the ideology distance-sales relationship by exploring the time series and cross-sectional heterogeneity, as well as the aggregated effect. A growing literature has documented the increasing polarization in the US business world (for a survey, see Kempf and Tsoutsoura, 2024), a natural question is hence whether this trend also manifests itself in the partisan consumption pattern. Using by-year regression, Figure 2 shows clear evidence of polarization since the 2016 presidential election. Restricting the sample to post-election years or collapsing the analysis to the election-cycle level yields similar results (Table 5): the negative impact of a one standard deviation increase in firm-county ideology on the firm's sales jumped from just below 10% in 2012 to more than 70% in 2021. This timeline matches with polarization patterns documented in other domains (e.g., Autor et al., 2020; Kempf et al., 2024; Pan et al., 2024).

[——Insert Figure 2 About Here——]

[——Insert Table 5 About Here——]

Next, we explore whether this negative association varies across county characteristics. Specifically, we re-estimate the baseline regression by interacting the ideology distance measure with several county-level characteristics. The results are presented in Table 6. Our models are otherwise identical to those in the baseline regression.

We first find that the negative relationship between firm-county ideology and sales volumes is more pronounced in wealthier counties. Specifically, for counties that lie in the bottom tercile of real income in a year, a one standard deviation increase in ideology distance to a firm reduces sales of that firm in these counties by 20%. This relationship intensifies to 26% in middle tercile income counties and 29% in top tercile income counties (Panel A Column (1)). Additionally, this negative association is also stronger for counties with above-median employment rates and counties with higher levels of education, measured using the percentage of residents with a bachelor's and above degree (Panel A Columns (2) and (3)).

We interpret these results as suggesting that more affluent consumers can afford to incorporate their ideological preferences into purchasing decisions, as higher income, higher employment rates, and higher education levels all suggest a county's affluence. On the other hand, it is important to note that even in less affluent counties, consumer behavior remains strongly aligned with ideological preferences, highlighting the significant role of personal beliefs in purchasing decisions.

We then investigate whether a county's overall political atmosphere affects the ideology-consumption pattern. It is possible that in counties that are not particu-

larly partisan, the negative relationship between ideology distance and consumption would be less pronounced. Interacting the ideology distance measure with a dummy variable indicating whether the votes to any party in the previous election are in the range of 45% to 55%, we find evidence consistent with this conjecture. Specifically, in these swing counties, a one standard deviation increase in ideology-distance-related sales drop is 10% lower than in partisan counties. On the other hand, ideology-driven consumption patterns differ between Republican-leaning counties and Democratic-leaning counties.[13] The last column of Panel A suggests that while both types of counties exhibit significant partisan preferences in consumption, the effect is notably stronger in Republican counties: the estimated coefficient for Republican counties is more than 50% larger than that for Democratic counties.

In Panel B, we further assess whether the ideology-sales relationship conditions on county demographics. To facilitate more straightforward interpretation, we normalize all demographic data such that the baseline category captures the median county for each measure. The ideology distance-sales relationship is consistently negative in these baseline counties. On the other hand, demographics indeed substantially moderate this relationship. For instance, Column (1) indicates that, when comparing the same firm's sales of the same product in one county to two otherwise similar counties that have a higher—but equally large—ideology distance from the firm, the sales level drop is 15% larger for the county whose female share is one standard deviation

[13]To avoid overlapping with the swing counties, we define Republican-leaning counties as those where Republican candidates received more than 55% of the vote in the last election. The results remain consistent when using alternative thresholds.

higher. This result may suggest that, because females likely constitute the main population segment that shops for groceries, a higher female share amplifies the impact of ideology distance on sales.

Columns (2) and (3) show that counties with a higher share of working-age residents (20–59) exhibit a more pronounced ideological impact on sales, whereas the relationship is attenuated in counties with a higher share of retired residents (60+). This pattern suggests that working-age consumers may be more responsive to ideological alignment in their purchasing behavior. Finally, racial composition also moderates the ideology distance-sales relationship. Columns (4) and (5) indicate that a higher share of Hispanic residents is associated with a weaker effect of ideology distance on sales, whereas a higher share of White residents is associated with a stronger effect.

[——Insert Table 6 About Here——]

We then investigate whether the strength of the ideology-sales relationship varies systematically with firm attributes. First, Table 7 Column (1) shows that this relationship also holds for bipartisan firms (those whose Republican contributions account for 45% and 55% of total donations). The magnitude of the estimate is even larger than for the average firm, possibly reflecting that these firms are more ideologically distant from most counties than the typical firm. Using within-county variation, Column (2) shows that, relative to other firms, bipartisan firms have higher average sales, although the difference is not statistically significant ($t = 1.1$). Next, we shift our fo-

cus to more partisan firms, defined as those allocating at least 75% of their donations to a single party, and assess their performance in counties that share their ideology. To allow for asymmetric effects, we interact the ideology distance measure with the positive-distance indicator. Column (3) shows that, among Republican-leaning counties, firms that are more pro-Republican than the county tend to have higher sales. However, in strongly Republican counties, firms that are relatively less Republican may experience substantially lower sales, suggesting that consumers may "punish" firms that are perceived as insufficiently aligned with their political preferences, even when those firms are already strongly Republican. On the other hand, being either less or more pro-Democratic than Democratic-leaning counties does not appear to affect a pro-Democratic firm's sales in those counties (Column (4)).

We also examine whether a firm's market power moderates the ideology-sales relationship. We construct two product-level market power measures: (1) the firm's share of sales of a given product within a county, and (2) the firm's share of sales of that product across all counties. Columns (5) and (6) show that a firm's market power, both within a county and across the country, would amplify the negative impact of ideology on sales. One interpretation of these results is that politically polarized environments fragment the customer base. Firms with broad product-market reach face higher downside risk when ideology distance increases, because taking (or being perceived as taking) a political stance can alienate a substantial portion of their heterogeneous consumer base, and any sales gains from ideologically aligned consumers are unlikely to offset those losses. By contrast, firms with narrower or more

concentrated product-market presence may face less risk of broad consumer backlash and may even strengthen loyalty among ideologically aligned customers, resulting in a smaller net sales penalty (Hydock et al., 2020).

Furthermore, we examine whether the ideology–sales relationship differs between a firm's headquarters county and other counties. Using cross-county variation, Column (7) shows that a firm's sales are substantially higher in its headquarters county than in otherwise similar non-headquarters counties. Importantly, having a higher ideology distance from its headquarters county does not lead to significantly lower sales relative to its competitors. Comparing different firms in the same county, Column (8) suggests that a firm does not earn more revenue on an average product in its headquarters county than its non-headquartersed competitors. However, having a larger ideology distance from its headquarters county than its competitor also does not lead to lower sales.

[——Insert Table 7 About Here——]

Finally, we study whether the ideology-sales relationship differs across product types. We hypothesize that this relationship may be more pronounced for products whose consumers are more sensitive to brand image. For instance, consumers are more likely to factor ideology into their decisions when purchasing non-necessity goods such as cosmetics, compared with routine grocery items like meat and vegetables. Based on this conjecture, we aggregate products to the product-group level and assess their brand sensitivity using both human and generative AI evaluations.

Specifically, the author team, ChatGPT, and Google Gemini independently classify each product group into low, medium, or high sensitivity using a three-point scale. We then sum the three scores to obtain an aggregate sensitivity measure for each product group. Product groups receiving a total score of 3 or 4 are labeled as low-sensitivity, those scoring 8 or 9 as high-sensitivity, and the remainder as medium-sensitivity.

We then estimate the baseline model for these categories separately. Consistent with our expectation, Figure 3 Panel A shows that the estimated negative correlations increase monotonically with brand sensitivity. Comparing high- versus low-sensitivity products, a one standard deviation increase in ideology distance is associated with an additional 5% reduction in sales for the former relative to the latter. This pattern is even stronger within the same county, where high-sensitivity products exhibit more than a 14% larger sales decline than low-sensitivity products.

[——Insert Figure 3 About Here——]

We also aggregate sales to the firm-county level and investigate whether the documented negative relationship holds at the firm level. Table 8 reports results from several different specifications and confirms that this relationship exists in aggregated data. Specifically, a one standard deviation increase in firm-county ideology distance is associated with a 40% to 65% lower sales by that firm in that county next year, depending on specifications (Columns (1) to (3)). For an average firm, this corresponds to an annual revenue loss of approximately $\$80,000$ to $\$127,000$ per county, under-

scoring the economic significance of the effect. Similar to the product-level results, using ideology misalignment as the main explanatory variable yields qualitatively similar findings (Columns (4) and (5)).

[—Insert Table 8 About Here—]

4 Mechanism: Demand versus Supply Channels

Two potential mechanisms could explain the strong negative relationship between firm-county political distance and sales. On the one hand, we can interpret this result as consumers adjusting their purchasing decisions based on how closely a producing firm's political stance aligns with their own beliefs. On the other hand, firms might strategically target sales in regions that share their political beliefs. In this section, we examine the presence of both channels.

4.1 Demand Channel

To identify the demand channel, we use two exogenous shocks that arguably alter the political attitudes in a county, but at the same time are unlikely to affect other economic determinants of firms' sales. Our first empirical laboratory is the staggered expansion of the conservative TV network, the Sinclair Broadcast Group, into different counties during our sample period.

As of 2024, the Sinclair Broadcast Group is one of the largest television broadcasters in the US, owning or operating 185 stations across 86 Designated Market

Areas (DMAs). This coverage allows them to reach nearly 40% of the US households. Sinclair's business strategy is to acquire television stations in different DMAs and replace more costly local news with national news that is shared across DMAs to achieve economies of scale. The acquired stations experience a shift in their broadcast content toward a right-leaning perspective (Martin and McCrain, 2019). Importantly, this change in content influences the political leaning of counties where these stations enter, moving them to favor the Republican Party (Levendusky, 2022; Miho, 2025).

We collect data on the DMAs where Sinclair operates during the sample period from the company's annual report and then match them to the county level. During our sample period, Sinclair expanded from owning local TV stations in 626 counties to more than 1500 counties. One might worry that Sinclair's expansion is not random. However, Sinclair typically enters DMAs in bundles by acquiring other broadcast companies that operate in multiple DMAs (Mastrorocco and Ornaghi, 2025). This strategy makes the entries unlikely to be driven by DMA-specific characteristics. Second, the acquired stations by Sinclair are geographically and economically dispersed (Dyer et al., 2024), further mitigating the concern of a selection bias.

Nevertheless, similar to Pan et al. (2024), we match each county that experiences the Sinclair entry (treated counties) with a county that has never experienced the Sinclair entry (never-treated counties). The matching is based on pre-entry local demographics, including population growth, income growth, college degree attainment, and the Republican Party's vote share in the last election. To ensure comparability, we restrict the matching criteria so that the propensity score difference between treated

and control counties is less than 0.05. We repeat this exercise for each entry cohort to take advantage of the staggered nature of Sinclair's entry. We then normalize the entry time to create a stacked balanced panel, starting two years before the entry year and extending to three years after.

For the matched sample, we conduct a balance test by comparing the baseline characteristics for the treated and the matched control counties. We do not find that, in the year leading to the Sinclair entry, these two groups differ in terms of ideology, economic, and demographic factors (Internet Appendix). In addition, we use the stacked difference-in-differences (DiD) and find that following Sinclair's entry, treated counties experience a 1.4% increase in shares voted to the Republican party (Internet Appendix). Finally, we also show that Sinclair's entry does not affect county-level economic and demographic conditions, suggesting that Sinclair's entry affects local political preferences but not other factors that may affect consumption in our matched sample.

Since our treatment is at the firm-county level, we aggregate the sales to the firm-county level for analysis. How Sinclair's entry into a county affects our firm-county ideology distance measure depends on the pre-entry relationship between the firm ideology and the county ideology. Specifically, if Sinclair enters a county-firm pair with $Ideology_{c,t} > Ideology_{i,t}$ ($Ideology_{c,t} < Ideology_{i,t}$), then $Ideology\ Dis_{i,c,t}$ would increase (decrease) based on our construct. To account for this asymmetric effect, we introduce a treatment direction indicator for each firm-county pair, $Treatment\ Direction_{i,c}$, that equals $+1$ (-1) if the Sinclair-entered county has a higher

(lower) ideology score than the firm. We then run the following stacked-DID model:

$$\log Sales_{i,c,t} = \beta Treatment\ Direction_{i,c} \times Treated_{i,c} \times Post_{i,c,t} + \gamma' X + \alpha_i + \theta_{c,h} + \zeta_{c,t} + \varepsilon_{i,c,t}$$

in which we control for county- and firm-level characteristics, firm fixed effect (α_i), treatment cohort $\times$ county fixed effect ($\theta_{c,h}$), and the treatment cohort $\times$ year fixed effect ($\zeta_{c,t}$). We cluster the standard errors at the county and firm levels. The average treatment effect is captured by the coefficient β.

Table 9 Column (1) shows the estimated treatment effect. For the overall sample, although the sign of the estimated coefficient suggests that an increase in the firm-county ideology distance would reduce the firm's sales in that county, the coefficient is not statistically significant at the conventional levels. However, when we break down our sample into Republican-leaning (column (2)) and Democratic-leaning (column (3)) counties, an interesting pattern emerges. Specifically, for Democratic-leaning counties, we discover a 7.4% drop in sales after the Sinclair-induced firm-ideology distance increase relative to never-treated Democratic counties, whereas for Republican counties, we do not observe a similar treatment effect. These results are consistent with those in Table 6, which indicate that Republican-leaning counties are *a priori* more partisan in their consumption. Consequently, an exogenous shock to local ideology mostly makes the former Democratic consumers become more partisan in their consumption. We also estimate a dynamic version of the above stacked-DID model and document a steady increase in the treatment effect for Democratic coun-

ties. On the other hand, there is no obvious treatment effect in Republican-leaning counties (Internet Appendix).

[—Insert Table 9 About Here—]

Next, we explore whether, in treated counties, the effect differed for Democratic versus Republican firms. Using a triple-difference model, in which we indicate a county experiencing Sinclair's entry as *Treated* and the years after the entry as *Post*, the last three columns of Table 9 show that Democratic-leaning companies saw substantial sales drops after Sinclair entered a county, and this drop is about 70% larger in Republican counties than in Democratic counties. On the other hand, while we observe little differential impact for Republican-leaning firms in Republican counties, in Democratic counties, Republican-leaning firms enjoy a nearly 7.2% increase in sales following the Sinclair entry. Overall, these results present compelling evidence that when a county becomes more conservative, its consumers tend to shift their purchases toward companies with a Republican political orientation. A decomposition of the dynamic effect lends further support to these findings (Internet Appendix).

We then investigate whether this effect on sales arises from changes in the quantity purchased or from a shift in the composition of products purchased. Table 10 re-estimates the triple-difference model using the logarithm of quantity sold and the logarithm of unit price as dependent variables. The results indicate a combination of both mechanisms. Following Sinclair's entry, Democratic-leaning firms experience declines in both quantity sold and average price, regardless of the county's ideolog-

ical orientation. This pattern suggests that consumers in treated counties not only purchase fewer products from Democratic-leaning firms but also shift toward lower-priced products by these firms. In contrast, Republican-leaning firms see gains in both quantity sold and average price, with the effects being particularly pronounced in Democratic-leaning counties. The same-direction changes in price and quantity support the conclusion that Sinclair's entry altered consumer preferences, leading them to buy less (more) from Democratic- (Republican-) leaning firms and shift to these firms' less (more) expensive products.

[——Insert Table 10 About Here——]

Although the entry of Sinclair into a county is arguably unrelated to firms' sales in that county, one might still worry about the existence of confounding factors from outside the demand channel. For example, it might be possible that Democratic-leaning firms are less likely to advertise their products through the Sinclair network, causing residents from treated counties to be exposed to these products less. Since Sinclair stations are not the only broadcasting network in those counties, this concern is unlikely to be valid. Nevertheless, we use an alternative event to test for the demand channel.

We examine how Donald Trump's 2016 political campaign affected consumption patterns in the counties that hosted his rallies. The United States has seen a rising trend in identity politics (Bonomi et al., 2021), alongside a shift in political discourse where politicians have become more vocal on social issues (Enke, 2020; Gennaro and

Ash, 2022). This transformation has deepened polarization among citizens (Burszty et al., 2020; Newman et al., 2021). Building on this trend which was arguably catalyzed by Trump's 2016 political campaign (Enke, 2020), we hypothesize that in the counties hosting the Trump rallies, identity politics influenced consumer behavior (Grosjean et al., 2022), leading to increased support for products from Republican-leaning parties, at least in the short run.

Benefiting from the high granularity of the data, we can focus on a short period (in terms of weeks) surrounding the Trump rallies. This short window allows us to exclude as many confounding supply-side effects as possible. Specifically, we conduct an event-study type of analysis at the firm-county level to evaluate whether a Trump campaign rally leads to an increase (decrease) in the sales of Republican (Democratic) firms in the hosting county in the weeks after the campaign. Specifically, we estimate the following equation:

$$\begin{aligned}\log Sales_{i,c,w} = \alpha + \beta_1 Trump_w + \beta_2 Trump_{w-4,w-1} + \beta_3 Trump_{w-8,w-5} \\ + \beta_4 Trump_{w-12,w-9} + \delta Trump_{w+1,w+4} + FE + \varepsilon_{i,c,w}\end{aligned}$$

The dependent variable, $\log Sales_{i,c,w}$, is the natural logarithm of sales of firm i in county c in week w. The independent variables are the counts of Trump rallies in county c during weeks $w-12$ to $w-9$, $w-8$ to $w-5$, and $w-4$ to $w-1$. We also include a dummy variable of whether there is a Trump rally in week w, and counts of Trump rallies during weeks $w+1$ to $w+4$ as the placebo period. We

include different fixed effects to exploit different sources of variation. We also cluster standard errors at the county and week levels, as well as the firm and county levels, to account for different unobserved factors.[14] We estimate this model separately for Republican-leaning firms and Democratic-leaning firms. Table 11 shows the results.

The results in Table 11 confirm our hypothesis that, in counties that hold Trump rallies, Republican-leaning firms experience an increase in sales in the weeks after the rally. Specifically, the presence of one additional rally in the four weeks prior to a given week is associated with a 0.7% to 1% increase in sales for the average Republican-leaning firm, equivalent to approximately $1,300 to $1,800. Moreover, this impact persists for at least another two months. On the other hand, we do not find a statistically meaningful effect for Democratic-leaning firms, although the sign of the estimated coefficients suggests a decline in their sales after Trump's rallies. We further disaggregate the estimated effects into weeks and plot the coefficients in Figure 4. The figure shows an evident upward trend for Republican-leaning firms. On the other hand, Democratic-leaning firms do not seem to experience a change in their sales. In terms of county heterogeneity, we find that Trump rallies' positive impact on Republican firms' sales is concentrated in Republican-leaning counties (Online Appendix).

[——Insert Table 11 About Here——]

[——Insert Figure 4 About Here——]

[14]Three-way clustering at the firm, county, and week levels is overly restrictive to obtain estimates of standard errors.

Next, we decompose sales into quantity sold and average price. The results indicate that the sales boost for Republican-leaning firms is driven by higher quantities purchased (Figure 5, Panel (a)). By contrast, we find no differential effect of Trump's rallies on the average prices charged by Republican- versus Democratic-leaning firms (Figure 5, Panel (b)). Consistent evidence based on monthly aggregates is tabulated in the Online Appendix.

[——Insert Figure 5 About Here——]

Finally, we find no evidence that Clinton's campaign rallies affect firms' sales, regardless of their political ideology. In addition, placebo tests using dates 16 weeks prior to the actual Trump rallies yield no significant effects on sales in rally counties.

4.2 Supply Channel

While our demand-channel analyses provide strong evidence supporting its existence, we cannot rule out the influence of supply-side factors. In fact, the negative association between firm-county ideology distance and the firm's price per unit in that county (see **??** Panel B) suggests that firms may adjust their product mix based on their political alignment with the region.

We first investigate whether firm-county political distance influences a firm's decision to enter a county and, conditional on entering, whether the firm offers fewer products in that county. To examine the extensive margin, we construct all possible firm-county pairs for each year and create a variable to indicate whether a firm

is selling products in a county in a given year. We then regress this indicator on the firm-county ideology distance and control for firm and county characteristics in the model. Moreover, we use different fixed effect schemes to control for different potential confounders. The results are presented in Table 12 Panel A.

We find robust evidence that the firm-county ideology distance is negatively associated with a firm's probability of entering a county. Specifically, a one standard deviation increase in the firm-county ideology distance would lead to a 0.4 to 0.7 percentage points drop in the firm's entering probability.

To test the intensive margin, we count the number of products a firm sells in a county in any given year. We then regress this number on the firm-county ideology distance measure and report the results in Table 12 Panel B. In this case, we do not find evidence supporting the conjecture that firms supply fewer products in regions where they have less aligned political beliefs.

[——Insert Table 12 About Here——]

Next, we investigate whether ideological distance affects a firm's decision to introduce new products in a county. Following Granja and Moreira (2023), we consider two types of product introductions: the launch of a new product module, and the launch of a new product in an existing product module. For each firm-county pair, we construct a dummy variable indicating whether there is a new product introduction (of either type) and the rate of new product introduction (number of new products divided by the beginning-of-year product count), capturing the extensive

and intensive margins, respectively. Table 13 Panel A shows the results.

We find evidence that firms are less likely to introduce new products—whether entirely new modules or products within existing modules—in counties where they are less politically aligned. Consistent with our earlier findings on firm presence, the intensive margin estimates are not statistically significant, though the coefficients point in the expected direction.

A firm's decision to introduce a new product in a county may depend on the county's importance to it. To assess whether this importance moderates the relationship between ideological distance and new product introduction, we classify, for each firm–year, counties as *high-sales* or *low-sales* based on whether the firm's sales were above or below its median in the previous year. Comparing these two groups reveals a more nuanced pattern.

At the extensive margin, ideological alignment does not significantly affect a firm's likelihood of introducing a new product in high-sales counties. In contrast, in less important counties, greater ideological distance is associated with a lower probability of the introduction of new products within existing modules. At the intensive margin, greater ideological distance is linked to fewer new products relative to the firm's existing product base in high-sales counties. However, there is no statistically significant evidence that this relationship differs significantly between high- and low-sales counties, albeit the positive coefficients suggest firms may be more aggressive in low-sales counties.

[——Insert Table 13 About Here——]

Overall, we find evidence of the existence of a supply channel. This mechanism operates mainly through the extensive margin–firms are less likely to enter (or introduce new products to) counties that have larger ideology distance gaps with them. However, on the intensive margin, once firms enter (or introduce new product), they do not appear to discriminate against these counties by offering fewer product choices.

5 Conclusion

This paper provides compelling evidence that political ideology critically shapes consumer behavior and firm strategy in the US. Using barcode-level sales data, we find that firms experience lower sales in counties where their ideological distance from the local population is greater. This effect is economically substantial, as a one standard deviation increase in firm-county ideological distance can reduce the firm's annual sales in that county by nearly $300,000.

Both demand and supply mechanisms drive this pattern. On the demand side, consumers adjust their purchasing decisions based on ideological alignment with firms. To identify this effect, we leverage two exogenous shocks: the expansion of Sinclair Broadcast Group and Donald Trump's 2016 campaign rallies. After Sinclair enters a Democratic-leaning county, firms with greater ideological distance from that county experience a decline in sales over the following three years, an effect primarily driven by Democratic-leaning firms. Similarly, analyzing weekly sales patterns

around Trump's rallies, we find that consumers increase spending on Republican-leaning firms in the short term. On the supply side, we show that firms are less likely to enter counties that do not share their ideological beliefs. However, conditional on entering, they do not reduce the variety of products offered in those counties.

Our findings have important implications for firms operating in an increasingly polarized market. As political beliefs increasingly shape consumer decisions, companies may need to incorporate ideological factors into their market entry and branding strategies. Consumers should also be mindful that making purchasing decisions based on political alignment rather than economic factors could lead to suboptimal welfare outcomes. Additionally, our results suggest that policymakers should consider the role of ideological polarization when shaping economic policy, as political alignment may influence market dynamics in ways that extend beyond traditional economic considerations.

References

Argente, D., Baslandze, S., Hanley, D., and Moreira, S. (2020). Patents to Products: Product Innovation and Firm Dynamics. *SSRN Electronic Journal*.

Argente, D., Lee, M., and Moreira, S. (2018). Innovation and product reallocation in the great recession. *Journal of Monetary Economics*, 93.

Arqué-Castells, P. and Spulber, D. F. (2022). Measuring the Private and Social Returns to R&D: Unintended Spillovers versus Technology Markets. *Journal of Political Economy*, 130(7).

Ash, E., Chen, D. L., and Naidu, S. (2024). Ideas have consequences: The impact of law and economics on American justice. *SSRN Electronic Journal*.

Autor, D., Dorn, D., Hanson, G., and Majlesi, K. (2020). Importing political polarization? The electoral consequences of rising trade exposure. *American Economic Review*, 110(10).

Bonica, A. (2024). Database on Ideology, Money in Politics, and Elections (DIME): Public version 4.0 — Stanford Libraries Social Science Data Collection.

Bonomi, G., Gennaioli, N., and Tabellini, G. (2021). Identity, beliefs, and political conflict. *Quarterly Journal of Economics*, 136(4).

Boxell, L., Gentzkow, M., and Shapiro, J. M. (2017). Greater Internet use is not associated with faster growth in political polarization among US demographic groups. *Proceedings of the National Academy of Sciences of the United States of America*, 114(40).

Burszty, L., Egorov, G., and Fiorin, S. (2020). From extreme to mainstream: The erosion of social norms. *American Economic Review*, 110(11).

Cengiz, D., Dube, A., Lindner, A., and Zipperer, B. (2019). The effect of minimum wages on low-wage jobs. *The Quarterly Journal of Economics*, 134(3).

Colonnelli, E., McQuade, T., Ramos, G., Rauter, T., and Xiong, O. (2023). Polarizing corporations: Does talent flow to "good" firms? *SSRN Electronic Journal*.

Colonnelli, E., Pinho Neto, V., and Teso, E. (2022). Politics at work. *NBER Working Paper*.

Conway, J. and Boxell, L. (2024). Consuming values.

Cookson, J. A., Engelberg, J. E., and Mullins, W. (2020). Does partisanship shape investor beliefs? Evidence from the COVID-19 pandemic. *Review of Asset Pricing Studies*, 10(4):863–893.

Dagostino, R., Gao, J., and Ma, P. (2023). Partisanship in loan pricing. *Journal of Financial Economics*, 150(3).

Dasgupta, S., Guo, R., Ren, X., and Shu, T. (2021). Similarity breeds trust: political homophily and CEO-board communication. *SSRN Electronic Journal*.

Davis, L. W., Li, J., and Springel, K. (2025). Political ideology and U.S. electric vehicle adoption. *NBER Working Paper*.

DellaPosta, D., Shi, Y., and Macy, M. (2015). Why do liberals drink lattes? *American Journal of Sociology*, 120(5).

Dichev, I. D. and Qian, J. (2022). The benefits of transaction-level data: The case of NielsenIQ scanner data. *Journal of Accounting and Economics*, 74(1).

Duchin, R., El Karim Farroukh, A., Harford, J., and Patel, T. (2024). The economic effects of political polarization: Evidence from the real asset market. *SSRN Electronic Journal*.

Dyer, T., Lang, M., and Oh, J. (2024). Media conglomeration, local news, and capital market consequences. *Management Science*.

Engelberg, J., Guzman, J., Lu, R., and Mullins, W. (2023a). Partisan entrepreneurship. *SSRN Electronic Journal*.

Engelberg, J., Henriksson, M., Manela, A., and Williams, J. (2023b). The partisanship of financial regulators. *Review of Financial Studies*, 36(11).

Enke, B. (2020). Moral values and voting. *Journal of Political Economy*, 128(10):3679–3729.

Flamino, J., Galeazzi, A., Feldman, S., Macy, M. W., Cross, B., Zhou, Z., Serafino, M., Bovet, A., Makse, H. A., and Szymanski, B. K. (2023). Political polarization of news media and influencers on Twitter in the 2016 and 2020 US presidential elections. *Nature Human Behaviour*, 7(6).

Gennaro, G. and Ash, E. (2022). Emotion and reason in political language. *Economic Journal*, 132(643).

Goldman, E., Gupta, N., and Israelsen, R. (2024). Political polarization in financial news. *Journal of Financial Economics*, 155.

Granja, J. and Moreira, S. (2023). Product innovation and credit market disruptions. *Review of Financial Studies*, 36(5).

Grosjean, P., Masera, F., and Yousaf, H. (2022). Inflammatory political campaigns and racial bias in policing. *The Quarterly Journal of Economics*, 138(1):413–463.

Homroy, S. and Gangopadhyay, S. (2023). Strategic CEO activism in polarized markets. *Journal of Financial and Quantitative Analysis*.

Hou, Y. and Poliquin, C. W. (2023). The effects of CEO activism: Partisan consumer behavior and its duration. *Strategic Management Journal*, 44(3).

Hsieh, C. H., Low, A., Sharma, V., and Zhu, Q. (2024). Partisan Consumers. *SSRN Electronic Journal*.

Huber, G. A. and Malhotra, N. (2017). Political homophily in social relationships: Evidence from online dating behavior. *Journal of Politics*, 79(1).

Hydock, C., Paharia, N., and Blair, S. (2020). Should your brand pick a side? How market share determines the impact of corporate political advocacy. *Journal of Marketing Research*, 57(6).

Iyengar, S., Konitzer, T., and Tedin, K. (2018). The home as a political fortress: Family agreement in an era of polarization. *Journal of Politics*, 80(4).

Iyengar, S., Lelkes, Y., Levendusky, M., Malhotra, N., and Westwood, S. J. (2019). The origins and consequences of affective polarization in the United States.

Jeung, J. (2021). Politically polarized depositors. *SSRN Electronic Journal*.

Jin, H., Merkley, K., Sharma, A., and Ton, K. (2024). Customers' response to firms' disclosure of social stances: evidence from voting reform laws. *Review of Accounting Studies*.

Kempf, E., Fos, V., and Tsoutsoura, M. (2024). The political polarization of corporate America. *SSRN Electronic Journal*.

Kempf, E. and Tsoutsoura, M. (2021). Partisan professionals: Evidence from credit rating analysts. *Journal of Finance*, 76(6):2805–2856.

Kempf, E. and Tsoutsoura, M. (2024). Political polarization and finance. *Annual Review of Financial Economics*, 16.

Lee, J., Lee, K. J., and Nagarajan, N. J. (2014). Birds of a feather: Value implications of political alignment between top management and directors. *Journal of Financial Economics*, 112(2).

Levendusky, M. S. (2022). How does local TV news change viewers' attitudes? The case of Sinclair Broadcasting. *Political Communication*, 39(1).

Liaukonytė, J., Tuchman, A., and Zhu, X. (2023). Spilling the beans on political consumerism: Do social media boycotts and buycotts translate to real sales impact? *Marketing Science*, 42(1).

Luo, M., Manconi, A., and Massa, M. (2023). Political affiliation and media distrust: Evidence from stock market investors. *SSRN Electronic Journal*.

Martin, G. J. and McCrain, J. (2019). Local news and national politics. *American Political Science Review*, 113(2):372–384.

Martin, G. J. and Yurukoglu, A. (2017). Bias in cable news: Persuasion and polarization. *American Economic Review*, 107(9).

Mastrorocco, N. and Ornaghi, A. (2025). Who watches the watchmen? Local news and police behavior in the United States. *American Economic Journal: Economic Policy*.

Mccartney, W. B., Orellana-Li, J., and Zhang, C. (2024). Political polarization affects households' financial decisions: Evidence from home sales. *Journal of Finance*, 79(2).

Meeuwis, M., Parker, J. A., Schoar, A., and Simester, D. (2022). Belief disagreement and portfolio choice. *Journal of Finance*, 77(6):3191–3247.

Meier, J.-M., Servaes, H., Wei, J., and Xiao, S. C. (2022). Do Consumers Care About ESG? Evidence from Barcode-Level Sales. *SSRN Electronic Journal*.

Miho, A. (2025). Small screen, Big echo? Political persuasion of local TV news: Evidence from Sinclair. *SSRN Electronic Journal*.

Mkrtchyan, A., Sandvik, J., and Xu, D. (2024). Employee responses to CEO activism. *Journal of Accounting and Economics*, 78(1):101701.

Mkrtchyan, A., Sandvik, J., and Zhu, V. Z. (2023). CEO activism and firm value. *Management Science*.

Newman, B., Merolla, J. L., Shah, S., Lemi, D. C., Collingwood, L., and Ramakrishnan, S. K. (2021). The Trump effect: An experimental investigation of the emboldening effect of racially inflammatory elite communication. *British Journal of Political Science*, 51(3).

Pan, Y., Pikulina, E. S., Siegel, S., and Wang, T. Y. (2024). Political Divide and Partisan Portfolio Disagreement. *SSRN Electronic Journal*.

Qin, M. S., Luo, X., Schifeling, T., and Wang, Y. (2025). When corporate silence is costly: Negative consumer responses to corporate silence on social issues. *Strategic Management Journal*, 46(4):994–1026.

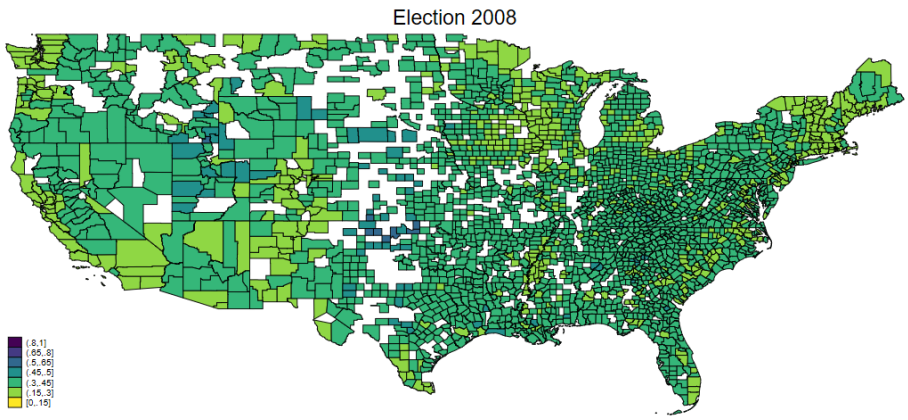
Rice, A. B. (2023). Executive partisanship and corporate investment. *Journal of Financial and Quantitative Analysis*.

Schoenmueller, V., Netzer, O., and Stahl, F. (2023). Polarized America: From political polarization to preference polarization. *Marketing Science*, 42(1).

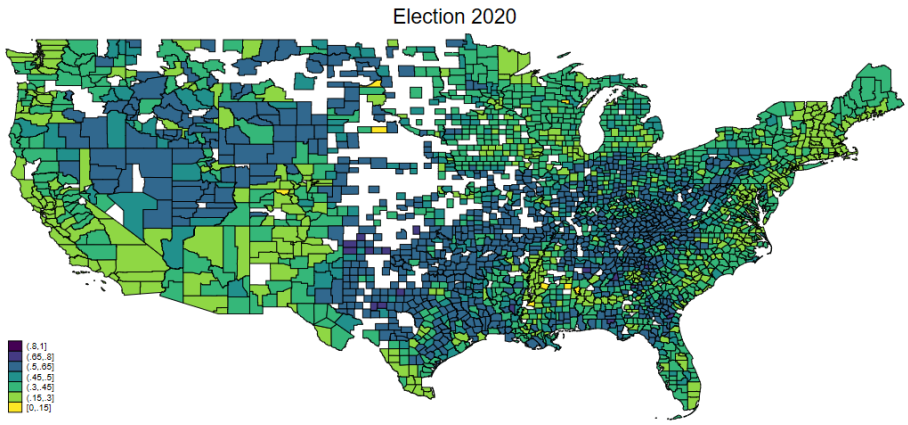
Warren, L. (2019). WSJ Report Shows Political Leanings of Levi's, Wrangler Shoppers.

Yi, Y. (2025). Does partisanship affect household consumption? *SSRN Electronic Journal*.

Figures and Tables



(a) Ideology Distance (2008)



(b) Ideology Distance (2020)

Figure 1: Geographic Distribution of Ideology Distance. This figure plots the geographic distribution of average firm-county ideology distance in 2008 (top panel) and 2020 (bottom panel). The darker color indicates a higher distance. The blank counties are not available in the NelsonIQ dataset in the corresponding years.

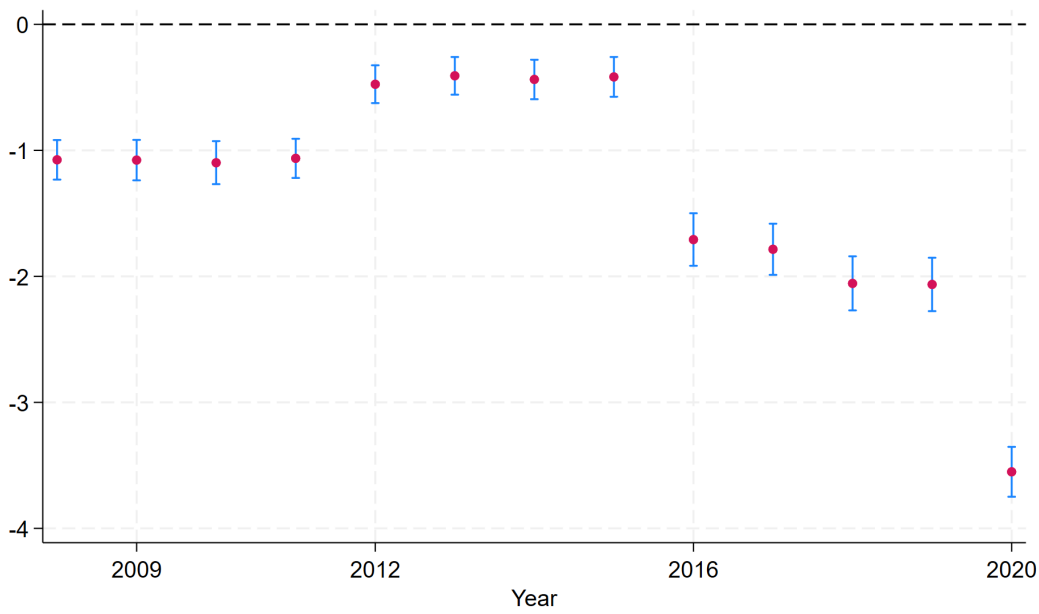
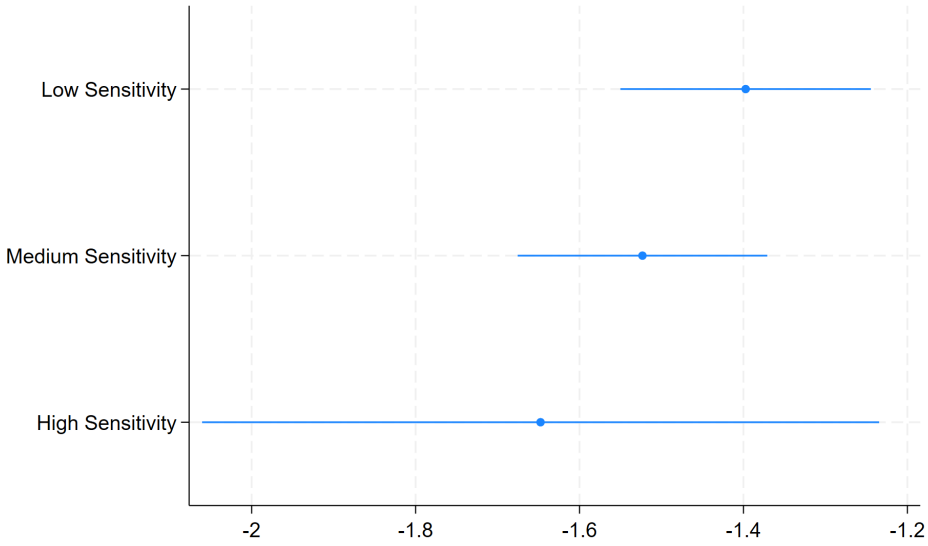
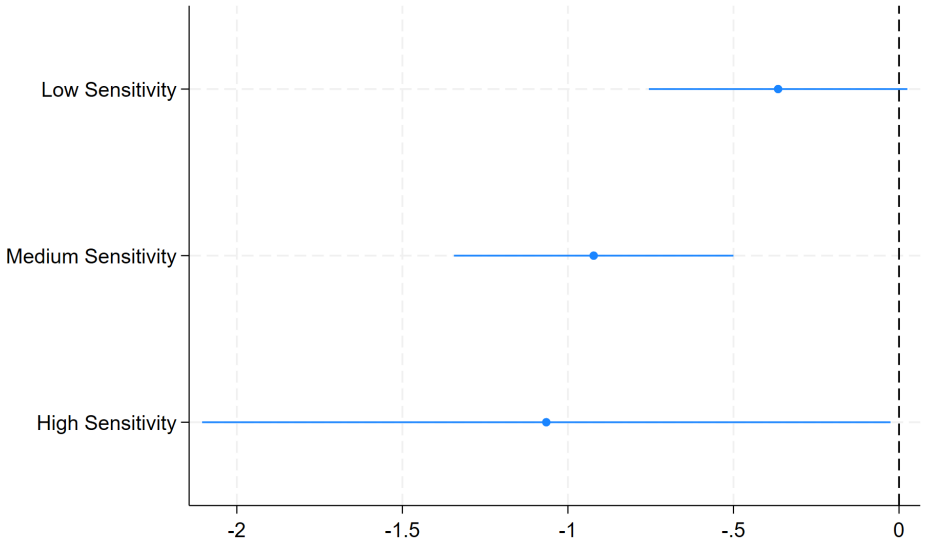


Figure 2: Effect of firm-county ideology distance on product sales over time. This figure plots regression coefficients and their 95% confidence intervals for annual cross-sectional product-level regressions of *Log (Sales)* on lagged one-year firm-county *Ideology Distance*. The specification is the same as the baseline model.



(a) Cross-county Variation



(b) Within-county Variation

Figure 3: Heterogeneous impact of ideology distance by brand sensitivity to product group.. This figure plots the estimated coefficients of firm-county ideology distance on local sales for product groups with different brand sensitivity. High (Low) means the product group is (not) considered to be more (less) sensitive to brand image.

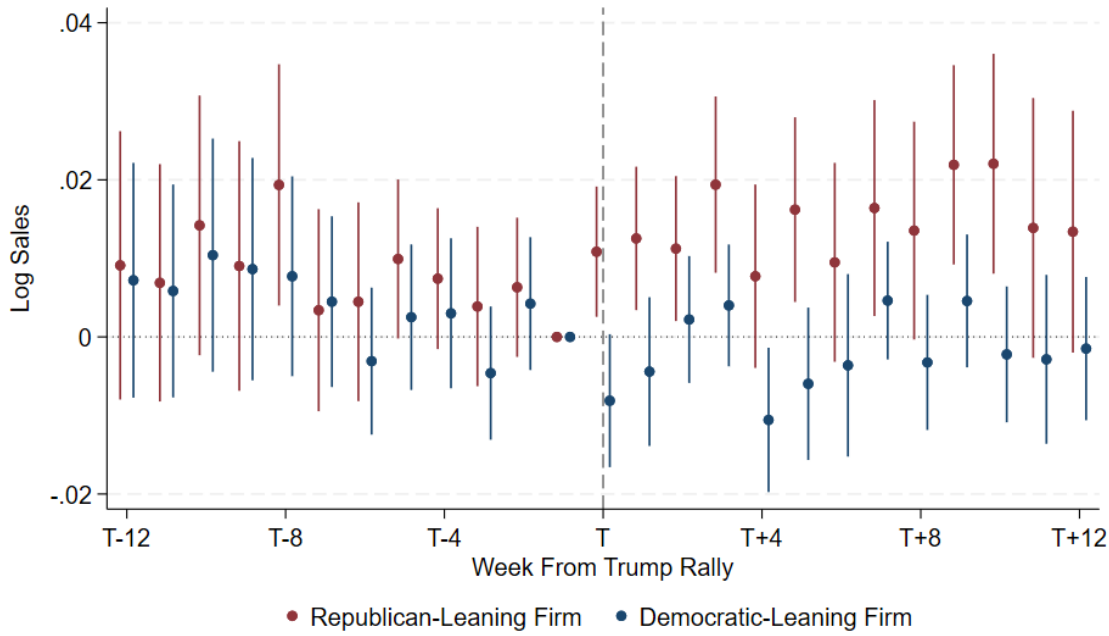
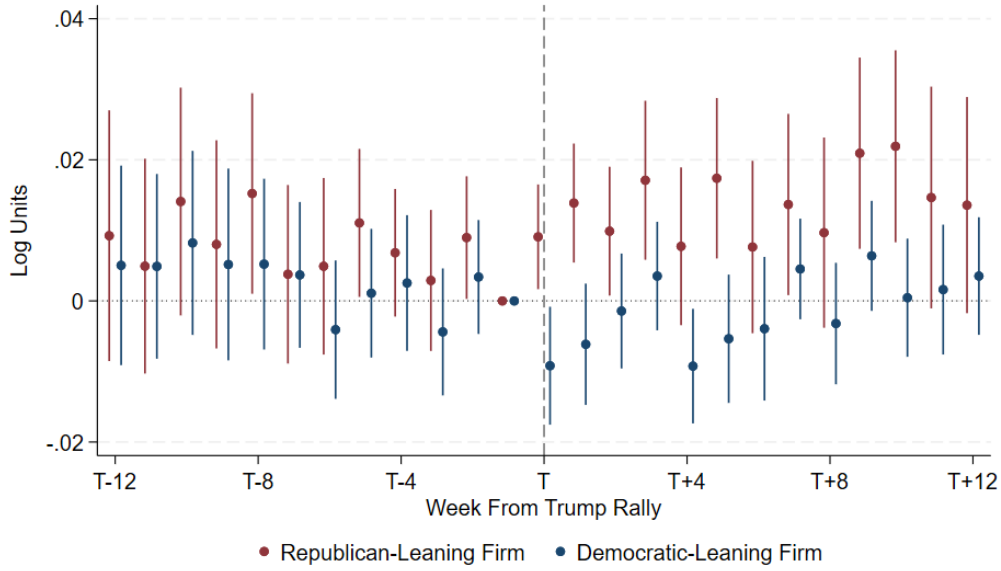
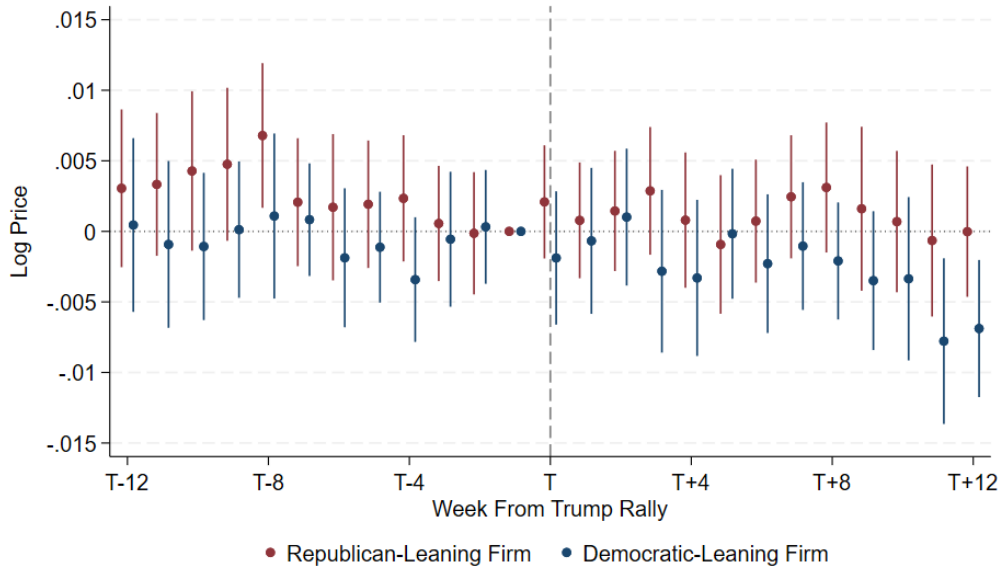


Figure 4: Effect of Trump Campaign Rally on Firm Sales. This figure plots the event studies of Trump's presidential campaign rally's effect on weekly sales of the Republican-leaning firms (red) and the Democratic-leaning firms (blue) in the campaign counties. Period T is the Trump Rally week. The regression controls for county $\times$ firm and week fixed effects. Standard errors are clustered at the firm and county levels.



(a) Quantity Sold



(b) Average Price

Figure 5: Effect of Trump Campaign Rally on Quantity Sold and Average Price. This figure plots the event studies of Trump's presidential campaign rallies' effect on Republican-leaning firms (red) and Democratic-leaning firms (blue) in the campaign counties. Period T is the Trump Rally week. Panel (a) shows the result for (log of) quantity sold, while Panel (b)shows the (log of) average price. Both models control for county $\times$ firm and week fixed effects. All regressions cluster standard errors at the firm and county levels.

Table 1: Summary Statistics

This table presents the summary statistics. Variable definitions can be found in Table IA.1.

Panel A: Sample at Product-Firm-County-Year Level

	Obs	Mean	SD	p25	p75
Sales	37,314,818	19,150.882	184,903.653	184,903.653	184,903.653
Log Sales	37,314,818	6.562	2.602	4.726	8.335
Units	37,314,818	5,191	55,205	27	1,053
Price	37,314,818	6.515	11.439	2.437	7.212
Ideology Distance	37,314,818	0.334	0.202	0.167	0.481
Ideology Misalign	37,314,818	0.553	0.497	0	1
Ideology Distance$_{roll}$	25,253,983	0.383	0.209	0.215	0.545
Ideology Distance$_{ann}$	24,215,501	0.388	0.209	0.223	0.549
Ideology Distance$_{close}$	40,467,198	0.338	0.204	0.169	0.488
Ideology Distance$_{CEO}$	37,314,818	0.215	0.183	0.081	0.296
Ideology Distance$_{raw}$	37,314,818	0.170	0.354	-0.096	0.449
Ideology Distance$_{pos}$	37,314,818	0.685	0.464	0	1
Ideology Distance$_{vote-vote}$	41,497,695	0.225	0.156	0.098	0.327
Ideology Distance$_{contri-contri}$	37,314,818	0.376	0.243	0.170	0.557
Ideology Distance$_{donor-donor}$	37,292,270	0.401	0.211	0.236	0.558
Female Ratio	37,299,751	50.408	1.591	49.958	51.261
Working Age Ratio	37,299,751	51.510	3.686	49.321	53.736
Elder Ratio	37,299,751	22.846	5.400	19.187	25.856
Hispanic Ratio	37,299,751	9.590	12.371	2.477	10.981
White Ratio	37,299,751	83.684	14.490	77.535	94.342
Present	19,291,266	0.209	0.407	0	0

Panel B: Sample at Firm-County-Year Level

	Obs	Mean	SD	p25	p75
Sales	3,830,269	200,577.294	2,053,393.271	465.360	36,366.590
Log Sales	3,830,269	8.317	3.075	6.143	10.501
Ideology Distance	3,830,269	0.378	0.213	0.206	0.538
Ideology Misalign	3,830,269	0.378	0.213	0	1
LogNum	4,031,447	1.356	1.273	0	2.197

Table 2: Ideology Distance and Local Product Sales

This table presents the product-level relationship between firm-county ideology distance and (log) sales (Panel A), (log) quantity sold (Panel B), and (log) price (Panel C). All regressions control for Product × Firm × Year fixed effects and State × Year fixed effects. Standard errors are clustered at the product and firm-by-county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

Panel A: Sales

	(1) Full	(2) Full	(3) Aligned	(4) Misaligned
Ideology Distance	-1.484***		0.046	-3.171***
	(0.067)		(0.081)	(0.079)
Misaligned		-0.278***		
		(0.017)		
Product × Firm × Year FE	Yes	Yes	Yes	Yes
State × Year FE	Yes	Yes	Yes	Yes
Adj. R^2	0.585	0.582	0.629	0.614
Observations	37,314,818	37,314,818	16,665,016	20,645,491

Panel B: Quantity

	(1) Full	(2) Full	(3) Aligned	(4) Misaligned
Ideology Distance	-1.449***		0.059	-3.096***
	(0.065)		(0.079)	(0.078)
Misaligned		-0.272***		
		(0.016)		
Product × Firm × Year FE	Yes	Yes	Yes	Yes
State × Year FE	Yes	Yes	Yes	Yes
Adj. R^2	0.608	0.605	0.648	0.637
Observations	37,314,818	37,314,818	16,665,016	20,645,491

Panel C: Price

	(1) Full	(2) Full	(3) Aligned	(4) Misaligned
Ideology Distance	-0.047***		-0.008	-0.115***
	(0.004)		(0.006)	(0.007)
Misaligned		-0.007***		
		(0.001)		
Product × Firm × Year FE	Yes	Yes	Yes	Yes
State × Year FE	Yes	Yes	Yes	Yes
Adj. R^2	0.891	0.891	0.896	0.890
Observations	37,314,818	37,314,818	16,665,016	20,645,491

Table 3: Ideology Distance and Local Sales - Alternative Ideology Measures

This table reports the ideology distance-local sales relationship using a set of alternative distance measures. Columns (1)–(5) rely on the county vote–firm contribution framework from the baseline specification, but implement different methods for computing county/firm ideology. Columns (6)–(8) report results based on alternative distance constructions. All variables are defined in Table IA.1. All models include county-level controls, Product × Firm × Year fixed effects, and State × Year fixed effects. Standard errors clustered at the product and firm × county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

	County Vote - Firm Contribution					Alternative Frameworks		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Ideology Distance$_{close}$	-4.434***							
	(0.048)							
Ideology Distance$_{roll}$		-1.454***						
		(0.049)						
Ideology Distance$_{ann}$			-1.690***					
			(0.045)					
Ideology Distance$_{CEO}$				-0.574***				
				(0.062)				
Ideology Distance$_{raw}$					-3.980***			
					(0.064)			
Ideology Distance$_{pos}$					-0.032**			
					(0.016)			
Ideology Distance$_{pos}$ × Ideology Distance$_{raw}$					-0.613***			
					(0.073)			
Ideology Distance$_{vote-vote}$						-3.698***		
						(0.073)		
Ideology Distance$_{contri-contri}$							-0.667***	
							(0.026)	
Ideology Distance$_{donor-donor}$								-1.992***
								(0.045)
Adj. R^2	0.594	0.594	0.621	0.580	0.622	0.605	0.582	0.590
Observations	25,253,983	24,215,501	40,467,198	37,314,818	37,314,818	41,497,695	37,314,818	37,292,270

Table 4: Ideology Distance and Local Product Sales - Alternative Specifications

This table presents robustness tests using alternative fixed effects to explore different types of variations, and different clustering schemes to allow correlations across different dimensions. *,**, and *** denote significance levels at 1%, 5%, and 10%.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Ideology Distance	-1.521***	-0.362***	-1.852***	-0.136***	-1.484***	-0.374***	-0.362***	-0.709***
	(0.069)	(0.036)	(0.079)	(0.030)	(0.461)	(0.060)	(0.062)	(0.157)
County Control		✓	✓		✓	✓	✓	
Additional Controls		✓						
Firm Control			✓					
Fixed Effects								
Product × Firm × Year	✓	✓	✓	✓	✓	✓	✓	
Product × County × Year								✓
County × Year				✓				
State × Year	✓	✓	✓		✓	✓	✓	
State								✓
Retailer Chain						✓		
Store							✓	
Cluster SEs								
Product	✓	✓	✓	✓	✓	✓	✓	✓
Firm × County	✓	✓	✓	✓		✓	✓	✓
Firm					✓			
County					✓			
Year					✓			
Adj. R^2	0.550	0.678	0.790	0.585	0.594	0.326	0.349	0.210
Observations	37,314,818	37,299,751	37,314,818	37,314,818	26,549,370	212,815,333	212,815,983	30,343,852

Table 5: Ideology Distance and Local Product Sales - Polarization

This table presents the product-level relationship between firm-county ideology distance and sales for each of the years immediately following the presidential election years **Panel A** and each election cycle **Panel B**. All regressions include the same county-level controls as the main regressions. Both panels include product × firm × year/cycle FE and state × year/cycle FE. Standard errors are clustered at the product and the firm × county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

Panel A: Years After Presidental Elections				
	2009	2013	2017	2021
Ideology Distance	-1.075***	-0.475***	-1.708***	-3.551***
	(0.082)	(0.077)	(0.106)	(0.101)
County Controls	Yes	Yes	Yes	Yes
Product × Firm × Year FE	Yes	Yes	Yes	Yes
State × Year FE	Yes	Yes	Yes	Yes
Adj. R^2	0.614	0.598	0.583	0.627
Observations	2,808,872	2,891,825	2,794,362	3,098,059
Panel B: By Election Cycles				
	2008-11	2012-15	2016-19	2020+
Ideology Distance	-1.093***	-0.464***	-2.064***	-3.551***
	(0.076)	(0.072)	(0.100)	(0.101)
County Controls	Yes	Yes	Yes	Yes
Product × Firm × Cycle FE	Yes	Yes	Yes	Yes
State × Cycle FE	Yes	Yes	Yes	Yes
Adj. R^2	0.631	0.628	0.608	0.627
Observations	3,643,246	3,795,760	3,822,159	3,098,059

Table 6: Ideology Distance and Local Product Sales - County Heterogeniety

This table presents the heterogeneous product-level relationship between firm-county ideology distance and (log) sales across different county characteristics (Panel A) and county demographics (Panel B). Demographic information is normalized so that the baseline category represents the median level county. All regressions include county-level controls, product × firm × year FE, and state × year FE. Standard errors are clustered at the product and the firm × county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

Panel A: County Characteristics

	(1)	(2)	(3)	(4)	(5)
Ideology Distance	-0.977***	-1.433***	-0.826***	-1.413***	-0.567***
	(0.061)	(0.069)	(0.056)	(0.066)	(0.056)
Ideology Distance × Middle Income	-0.289***				
	(0.034)				
Ideology Distance × Upper Income	-0.445***				
	(0.050)				
Ideology Distance × High Employment		-0.133***			
		(0.031)			
Ideology Distance × High Education			-0.433***		
			(0.041)		
Ideology Distance × Swing County				0.140***	
				(0.049)	
Ideology Distance × Republican-leaning					-0.345***
					(0.047)
Controls	Yes	Yes	Yes	Yes	Yes
Product × Firm × Year FE	Yes	Yes	Yes	Yes	Yes
State × Year FE	Yes	Yes	Yes	Yes	Yes
Adj. R^2	0.619	0.589	0.624	0.587	0.607
Observations	37,314,818	37,314,818	37,245,084	37,314,818	37,314,818

(*continued*)

Panel B: County Demographics

	(1)	(2)	(3)	(4)	(5)
Ideology Distance	-1.281***	-0.954***	-1.096***	-1.446***	-1.025***
	(0.060)	(0.051)	(0.055)	(0.066)	(0.053)
Ideology Distance × Female Ratio	-0.095***				
	(0.010)				
Ideology Distance × Working Ratio		-0.023***			
		(0.005)			
Ideology Distance × Elder Ratio			0.029***		
			(0.004)		
Ideology Distance × Hispanic Ratio				0.005***	
				(0.002)	
Ideology Distance × White Ratio					-0.012***
					(0.001)
Controls	Yes	Yes	Yes	Yes	Yes
Product × Firm × Year FE	Yes	Yes	Yes	Yes	Yes
State × Year FE	Yes	Yes	Yes	Yes	Yes
Adj. R^2	0.604	0.622	0.615	0.589	0.607
Observations	37,299,751	37,299,751	37,299,751	37,299,751	37,299,751

Table 7: Ideology Distance and Local Product Sales - Firm Heterogeneity

This table presents the heterogeneous product-level relationship between firm-county ideology distance and (log) sales across different firm types. Columns (1) and (2) examine neutral firms by exploiting cross-county and within-county variations. Columns (3) ((4)) study deep Republican (Democratic) firms ($\geq$ 75% contributions) in Republican-(Democratic-) leaning counties ($\geq$ 55% votes). Columns (5) and (6) investigate the impact of a firm's within-county product market share and overall product market share affect the relationship. Columns (7) and (8) differentiate firm performance in its headquarter county versus other counties. Standard errors are clustered at the product and the firm $\times$ county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

	Neutral Firms		Partisan Firms		Market Power		Headquarter County	
	(1) Cross	(2) Within	(3) Rep	(4) Dem	(5) All	(6) All	(7) Cross	(8) Within
Ideology Distance	-3.200***		3.996***	-1.389	-1.417***	-1.216***	-1.479***	-0.675***
	(0.171)		(0.112)	(1.708)	(0.074)	(0.072)	(0.067)	(0.142)
Neutral		0.126						
		(0.117)						
Ideology Distance$_{pos}$			-0.062	0.041				
			(0.040)	(0.111)				
Ideology Distance$_{pos}$			-8.478***	-0.939				
$\times$ Ideology Distance			(0.774)	(1.726)				
Ideology Distance					-0.216*			
$\times$ Within-county Share					(0.122)			
Ideology Distance						-0.767***		
$\times$ Overall Share						(0.157)		
Headquarter County							1.919***	-0.335
							(0.246)	(0.641)
Ideology Distance							-0.518	0.266
$\times$ Headquarter County							(0.607)	(1.336)
County Controls	Yes	No	Yes	Yes	Yes	Yes	Yes	No
Product $\times$ Firm $\times$ Year FE	Yes	No	Yes	Yes	Yes	Yes	Yes	No
Product $\times$ County $\times$ Year FE	No	Yes	No	No	No	No	No	Yes
State $\times$ Year FE	Yes	No	Yes	Yes	Yes	Yes	Yes	No
Adj. R^2	0.665	0.192	0.584	0.674	0.589	0.585	0.585	0.195
Observations	2,948,009	28,754,764	4,650,995	2,764,313	37,314,818	37,314,818	37,314,818	28,754,764

Table 8: Ideology Distance and Local Product Sales - Firm-Level Results

This table shows the firm-level estimates of firm-county ideology distance and sales using different specifications. Columns (1) to (3) use the ideology distance measure as the independent variable, and Columns (4) and (5) use the ideology misalignment dummy. Standard errors are clustered at the firm × county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

	(1)	(2)	(3)	(4)	(5)
Ideology Distance	-1.685***	-1.644***	-1.080***		
	(0.019)	(0.018)	(0.016)		
Ideology Misalign				-0.303***	-0.019***
				(0.005)	(0.006)
County Control	No	Yes	Yes	Yes	Yes
Firm Control	No	No	Yes	No	Yes
Firm × Year FE	Yes	Yes	No	Yes	No
Firm FE	No	No	Yes	No	Yes
State × Year FE	Yes	Yes	Yes	Yes	Yes
Adj. R^2	0.569	0.601	0.563	0.598	0.580
Observations	3,830,269	3,830,269	1,966,657	3,830,269	2,810,815

Table 9: Firm Sales After Sinclair Entry

This table presents the effects of Sinclair's entry on county-level firm sales. For all columns, the outcome variable is the logarithm of sales measured at the firm-county-year level. Columns *Rep* (*Dem*) use Republican- (Democratic-) leaning counties as the sample. Column *All* uses all counties. *Treatment Direction* takes the value of 1 (-1) if the treatment increases (decreases) the ideology distance at the county-firm level. *Treated* equals 1 if a county experiences Sinclair's entry during the sample period. *Post* equals one for years after Sinclair enters a county. *Republican Firm* equals one (zero) if the firm's total employee contribution to the Republican party exceeds 55% (45%). All regressions use a balanced panel with two periods before and three periods after the entry. All models include Firm FE, cohort × county FE, and cohort × calendar year FE. Standard errors are two-way clustered at the firm and county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

	Stacked DiD			**Triple Difference**		
	All	Rep	Dem	All	Rep	Dem
Treatment Direction × Treated × Post	-0.035	-0.026	-0.074**			
	(0.025)	(0.032)	(0.031)			
Treated × Post				-0.100***	-0.135***	-0.080*
				(0.036)	(0.047)	(0.047)
Republican Firm				-0.056	-0.041	-0.062
				(0.073)	(0.068)	(0.096)
Treated × Post × Republican Firm				0.081*	0.075	0.152***
				(0.047)	(0.050)	(0.056)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Cohort × County FE	Yes	Yes	Yes	Yes	Yes	Yes
Cohort × Time FE	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Adj. R^2	0.813	0.796	0.843	0.825	0.812	0.853
Observations	268,561	155,832	46,761	317,542	181,624	56,366

Table 10: Price and Quantity After Sinclair Entry

This table presents the effects of Sinclair's entry on different firms' (log) price and (log) quantity of products sold in different counties. All regressions are the triple difference model as in Table 9. Columns *Rep* (*Dem*) use Republican- (Democratic-) leaning counties as the sample. Column *All* uses all counties. *Treated* equals 1 if a county experiences Sinclair's entry during the sample period. *Post* equals one for years after Sinclair enters a county. *Republican Firm* equals one (zero) if the firm's total employee contribution to the Republican party exceeds 55% (45%). All regressions use a balanced panel with two periods before and three periods after the entry. All models include Firm FE, cohort × county FE, and cohort × calendar year FE. Standard errors are two-way clustered at the firm and county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

	Quantity			**Price**		
	All	Rep	Dem	All	Rep	Dem
Treated × Post	-0.081**	-0.095**	-0.046	-0.026**	-0.024**	-0.021*
	(0.036)	(0.043)	(0.039)	(0.012)	(0.010)	(0.012)
Republican Firm	0.006	0.035	0.015	-0.082**	-0.053	-0.057
	(0.076)	(0.069)	(0.086)	(0.036)	(0.033)	(0.036)
Treated × Post	0.061	0.026	0.106**	0.035**	0.027**	0.026
× Republican Firm	(0.049)	(0.044)	(0.048)	(0.016)	(0.012)	(0.017)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Cohort × County FE	Yes	Yes	Yes	Yes	Yes	Yes
Cohort × Time FE	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Adj. R^2	0.864	0.857	0.893	0.864	0.856	0.888
Observations	318,879	154,271	48,668	318,879	154,271	48,668

Table 11: Trump Rally and Monthly Sales

This table presents the effect of Trump Rally on firm sales in the rally county. *Rep* (*Dem*) columns are sub-sample of Republican- (Democratic-) leaning firms. The independent variable is the dummy variable indicating whether there is a Trump rally campaign in the county during the corresponding week interval. We use different fixed effects to explore alternative variations. Standard errors are clustered at the county and week levels (brackets) and the firm and county levels (square brackets). *,**, and *** (†,††,†††) denote significance levels at 1%, 5%, and 10% for county by week (firm by county) clusters.

	(1) Rep	(2) Rep	(3) Rep	(4) Dem	(5) Dem	(6) Dem
TRUMP_0	0.009	0.008	0.009	0.005	0.004	0.005
	(0.008)	(0.007)	(0.008)	(0.006)	(0.006)	(0.006)
	[0.007]	[0.006]	[0.007]	[0.005]	[0.005]	[0.007]
$\text{TRUMP}_{[-4,-1]}$	0.010	0.007	0.009	-0.003	0.001	-0.001
	(0.005)**	(0.004)*	(0.004)**	(0.004)	(0.004)	(0.004)
	[0.005]††	[0.004]†	[0.005]†	[0.003]	[0.002]	[0.004]
$\text{TRUMP}_{[-8,-5]}$	0.008	0.006	0.010	-0.001	0.000	-0.000
	(0.005)*	(0.004)	(0.005)**	(0.004)	(0.004)	(0.004)
	[0.005]	[0.005]	[0.005]†	[0.003]	[0.003]	[0.004]
$\text{TRUMP}_{[-12,-9]}$	0.009	0.009	0.009	-0.004	-0.003	-0.004
	(0.005)*	(0.004)**	(0.004)*	(0.005)	(0.004)	(0.004)
	[0.005]†	[0.005]††	[0.005]†	[0.003]	[0.003]	[0.004]
$\text{TRUMP}_{[+1,+4]}$	0.002	-0.000	0.002	0.008	0.006	0.009
	(0.006)	(0.006)	(0.006)	(0.005)*	(0.005)	(0.004)*
	[0.006]	[0.005]	[0.006]	[0.004]††	[0.004]	[0.005]
County FE	Yes	No	Yes	Yes	No	Yes
Firm FE	Yes	No	No	Yes	No	No
Week FE	Yes	Yes	No	Yes	Yes	No
Firm × County FE	No	Yes	No	No	Yes	No
Firm × Week FE	No	No	Yes	No	No	Yes
Adj. R^2	0.862	0.965	0.871	0.877	0.957	0.894
Observations	598,649	598,147	597,719	553,422	552,997	553,067

Table 12: Ideology Distance and Firm Presence

This table presents the relationship between firm-county ideology distance and the firm's supply in that county. **Panel A** uses whether a firm sells products in a county as the outcome variable, whereas **Panel B** uses the number of products sold in a county as the outcome variable. Standard errors are two-way clustered at the firm and county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

Panel A: Firm Presence in County

	Present	Present	Present	Present
Ideology Dis	-0.019**	-0.032**	-0.035**	-0.029*
	(0.008)	(0.013)	(0.014)	(0.015)
Firm Control	No	Yes	Yes	Yes
County Control	No	No	Yes	No
Firm FE	Yes	Yes	Yes	Yes
County FE	Yes	Yes	Yes	No
Year FE	Yes	Yes	Yes	No
County × Year FE	No	No	No	Yes
Adj. R^2	0.602	0.629	0.640	0.648
Observations	19,291,266	7,139,592	6,545,224	6,545,224

Panel B: Number of Products Sold in County

	logNumber	logNumber	logNumber	logNumber
Ideology Dis	-0.035	-0.050	-0.050	-0.048
	(0.034)	(0.046)	(0.047)	(0.048)
Firm Control	No	Yes	Yes	Yes
County Control	No	No	Yes	No
Firm FE	Yes	Yes	Yes	Yes
County FE	Yes	Yes	Yes	No
Year FE	Yes	Yes	Yes	No
County × Year FE	No	No	No	Yes
Adj. R^2	0.837	0.855	0.858	0.862
Observations	4,031,447	2,075,669	1,966,658	2,075,669

Table 13: Ideology Distance and New Product Introduction

This table presents the relationship between firm-county ideology distance and the firm's introduction of new products in that county. **Panel A** presents the overall result, whereas **Panel B** studies the heterogeneous impact conditional on whether the firm's sales in the county were above median across all counties last year. Standard errors are two-way clustered at the firm and county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

Panel A: Overall Effect

	$\mathbb{1}_{all}$	$\mathbb{1}_{new}$	$Rate_{all}$	$Rate_{new}$	$Rate_{old}$
Ideology Dis	-0.051*	-0.058*	0.005	0.006	0.036
	(0.029)	(0.030)	(0.044)	(0.032)	(0.055)
Firm Control	Yes	Yes	Yes	Yes	Yes
County Control	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes
CountyFE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Adj. R^2	0.388	0.299	0.069	0.059	0.073
Observations	1,379,070	1,379,070	956,367	956,367	470,881

Panel B: High versus Low Sales Counties

	$\mathbb{1}_{all}$	$\mathbb{1}_{new}$	$Rate_{all}$	$Rate_{new}$	$Rate_{old}$
Ideology Dis	0.011	-0.062	-0.092**	-0.035**	-0.074*
	(0.034)	(0.044)	(0.042)	(0.016)	(0.040)
$\mathbb{1}_{low}$	-0.130***	-0.056***	0.172***	0.060***	0.135***
	(0.029)	(0.021)	(0.048)	(0.0179)	(0.051)
Ideology Dis	-0.106*	0.012	0.211	0.074	0.237
$\times \mathbb{1}_{low}$	(0.062)	(0.048)	(0.136)	(0.046)	(0.160)
Firm Control	Yes	Yes	Yes	Yes	Yes
County Control	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes
CountyFE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Adj. R^2	0.395	0.306	0.074	0.084	0.078
Observations	1,299,387	1,299,387	956,367	956,367	470,881

Online Appendix

Do Consumers Spend Their Money Where Their Votes Are?

Evidence From Barcode-level Sales Data

A Variable Definitions

Table IA.1: Definition of Variables

Variable	Definition
Ideology Distance	Absolute value of the difference between county ideology and firm ideology. County ideology is measured as the proportion of votes for the Republican candidate over the votes for Republican and Democratic candidates at the last election. Firm ideology is measured as the proportion of total employee contribution to the Republican candidate over the contribution to both parties' candidates during the last presidential election cycle.
Ideology Misalign	Dummy value equals one if the firm and county have different ideologies. Firm and county ideology are defined the same as above.
Ideology Distance$_{close}$	Absolute value of the difference between county ideology and firm ideology, both calculated with the closest election cycle.
Ideology Distance$_{roll}$	Absolute value of the difference between county ideology and firm ideology. County ideology is defined the same as the baseline. Firm ideology is measured for the past four years.
Ideology Distance$_{ann}$	Absolute value of the difference between county ideology and firm ideology. County ideology is defined the same as the baseline. Firm ideology is measured during the last year.
Ideology Distance$_{CEO}$	Absolute value of the difference between county ideology and firm ideology. County ideology is defined the same as the baseline. Firm ideology is measured with the CEO's contribution over the last election cycle.
Ideology Distance$_{raw}$	Raw difference between county ideology and firm ideology, both measured the same as the baseline.
Ideology Distance$_{pos}$	Dummy variable eqauls one if Ideology Distance$_{raw}$ is larger than zero.

(*continued*)

Table A1 Continued

Ideology Distance$_{vote-vote}$	Absolute value of the difference between county ideology and firm ideology. County ideology is the same as the baseline. Firm ideology is the proportion of votes for the Republican candidate during the last election in the firm's headquarter county.
Ideology Distance$_{contri-contri}$	Absolute value of the difference between county ideology and firm ideology. County ideology is the proportion of resident donations made to the Republican candidate during the last election cycle. Firm ideology is the same as the baseline.
Ideology Distance$_{donor-donor}$	Absolute value of the difference between county ideology and firm ideology. County (Firm) ideology is the proportion of residents (employees) who contributed to the Republican candidate in the county during the last election cycle.
LogSales	Natural logarithm of sales.
Sales	Sales in USD term.
GDP	Annual growth rate of GDP per capita.
Population	Annual growth rate of population.
Income	Annual growth rate of real income per capita.
House Price	Annual growth rate of house price.
Unemployment	Annual growth rate of unemployment rate.
Middle Income	Dummy variable equals 1 if a county lies in the middle tercile of real income across all counties in a year.
Upper Income	Dummy variable equals 1 if a county lies in the top tercile of real income across all counties in a year.
High Employment	Dummy variable equals 1 if a county has an above-median employment rate across all counties in a year.
High Education	Dummy variable equals 1 if a county has an above-median percentage of adults with bachelor's and above degrees across all counties in a year.
Swing County	Dummy variable equals 1 if a county's votes to the Republican candidate are between $45\% - 55\%$ at the last presidential election.
Republican-leaning	Dummy variable equals 1 if a county's votes to the Republican candidate is higher than 55% at the last presidential election.
Female Ratio	Proportion of females in a county's population, normalized by annual median.
Working Ratio	Proportion of working age residents (20-59) in a county's population, normalized by annual median.

(*continued*)

Table A1 Continued

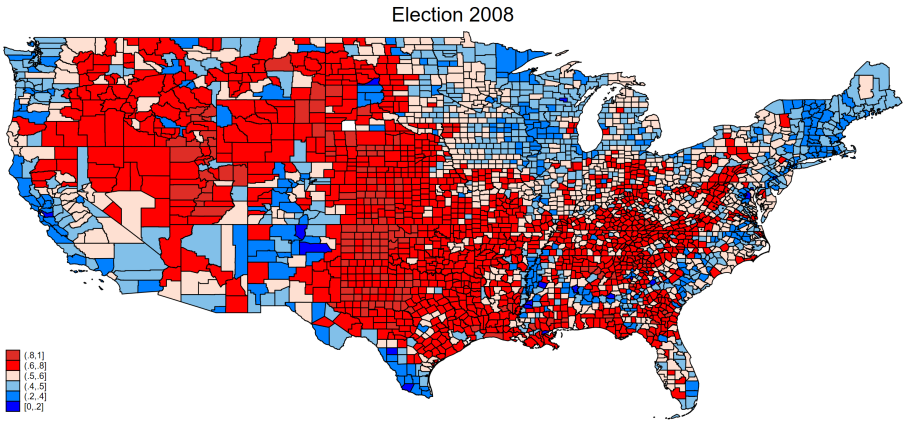
Elder Ratio	Proportion of elder residents (60+) in a county's population, normalized by annual median.
Hispanic Ratio	Proportion of Hispanic population in a county, normalized by annual median.
White Ratio	Proportion of White Alone population in a county, normalized by annual median.
Treated	Dummy variable equals 1 if Sinclair enters a county.
Post	Dummy variable equals 1 for all years after Sinclair enters a county.
Treatment Direction	Category variable equals 1 (-1) if Sinclair enters a county-firm pair that increases (decreases) the Ideology Distance of the county and the firm.
Rep Firm	Dummy variable equals 1 if a firm's donation to the Republican candidate is more than 55% of its total donations to the two parties.
Dem Firm	Dummy variable equals 1 if a firm's donation to the Republican candidate is less than 55% of its total donations to the two parties.
Neutral Firm	Dummy variable equals 1 if a firm's contribution to the Republican candidate is between 45% and 55% over the last election cycle.
Within-county Share	Proportion of sales of a product module comes from the firm within a county.
Overall Share	Proportion of sales of a product module comes from the firm across all counties.
$\text{TRUMP}_{i,j}$	Dummy variable equals 1 if during the week i and j (relative to the focal week), Trump holds a campaign rally in the focal county.
Present	Dummy equals 1 if a firm is selling a product in a county
LogNum	Natural logarithm of number of products sold.
$\mathbb{1}_{all}$	Dummy variable equals 1 if a firm introduces a new product or a new product module in a county in a given year.
$\mathbb{1}_{new}$	Dummy variable equals 1 if a firm introduces a new product module in a county in a given year
$Rate_{all}$	The rate of new product or product module entry, calculated as the number of new products or new product modules a firm introduces in a county in a given year divided by the number of exiting products this firm had in this county last year.

(*continued*)

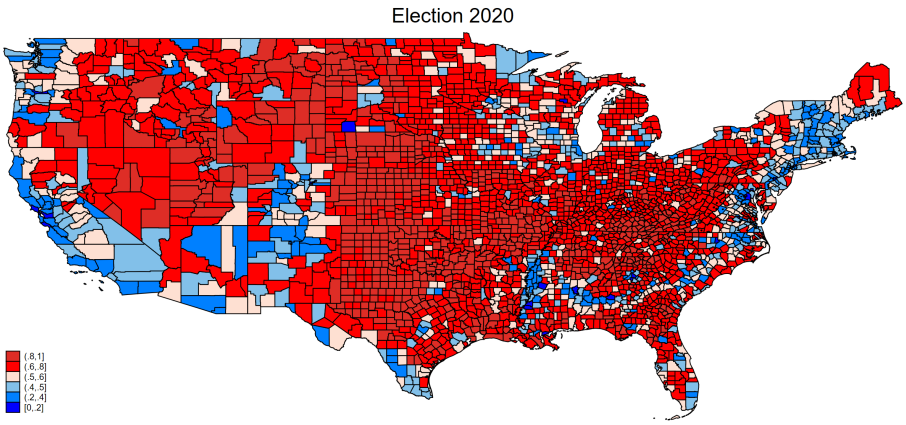
Table A1 Continued

$Rate_{new}$	The rate of new product module entry, calculated as the number of new product modules a firm introduces in a county in a given year divided by the number of exiting products this firm had in this county last year.
$Rate_{old}$	The rate of new product entry, calculated as the number of new products from exiting product modules a firm introduces in a county in a given year divided by the number of exiting products this firm had in this county last year.

B Additional Figures and Tables

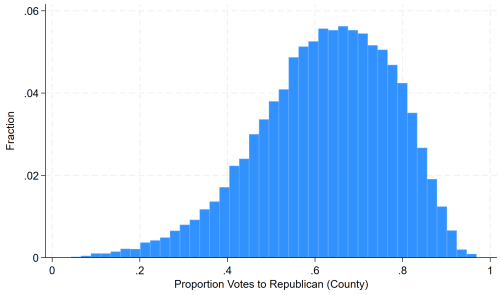


(a) County Ideology (2008)

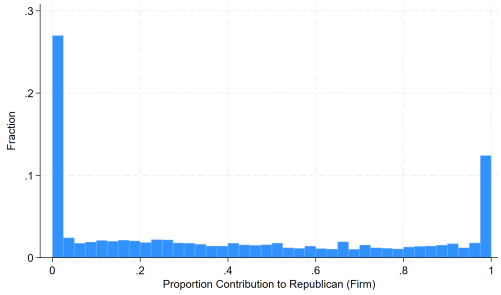


(b) County Ideology (2020)

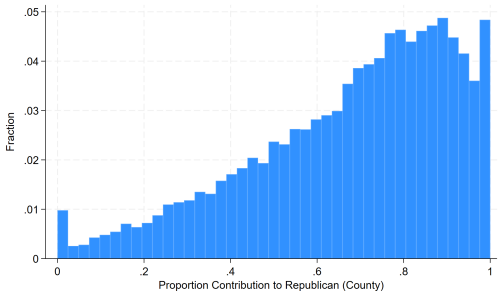
Figure IB.1: Geographic Distribution of County Ideology. This figure plots the ideology distribution at the county level using election returns (proportion votes to Democratic party candidates) in 2008 (top panel) and 2020 (bottom panel). Red (blue) indicates more votes to the Republican (Democratic) Party Candidate.



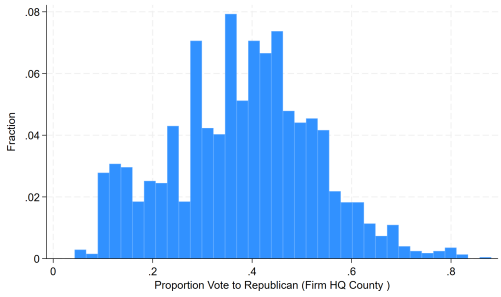
(a) County Residents Vote



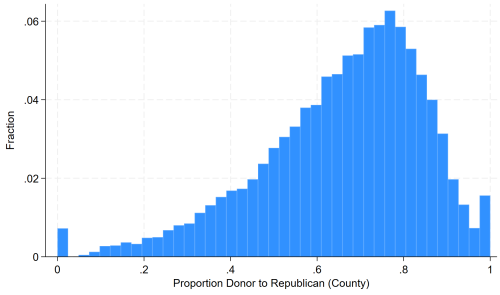
(b) Firm Employee Contribution



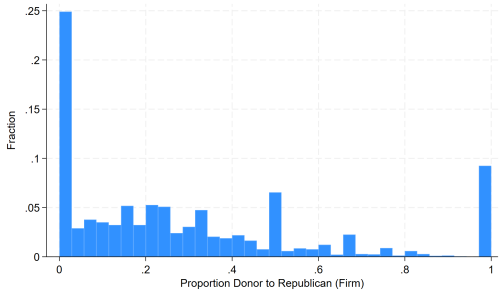
(c) County Residents Contribution



(d) Firm HQ County Vote



(e) County Donor



(f) Firm Donor

Figure IB.2: Density of Different Ideology Measures. This figure plots the density of different ideology measures used in the paper.

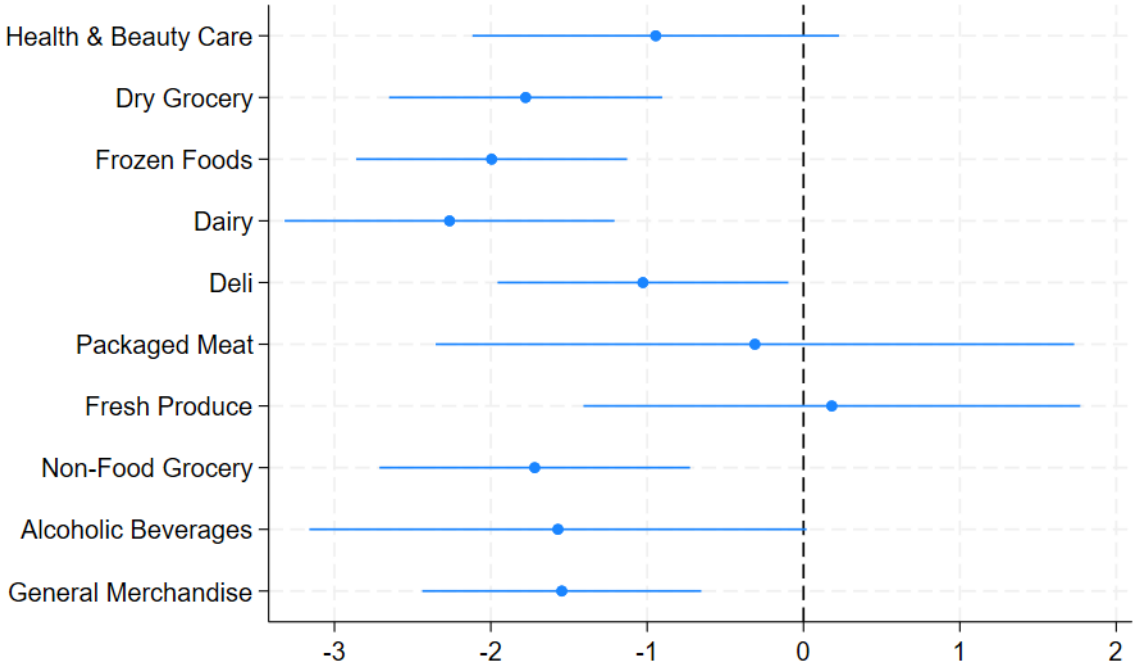


Figure IB.3: Ideology Distance-Sales Relationship for Different Product Departments. This figure illustrates the heterogeneous relationship between ideology distance and local sales for different product departments.

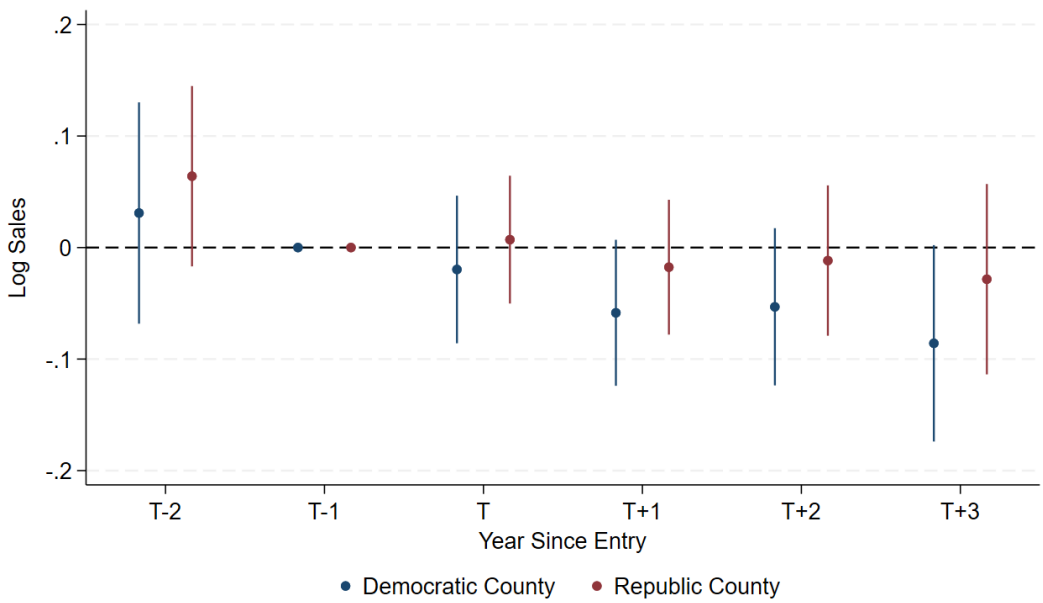
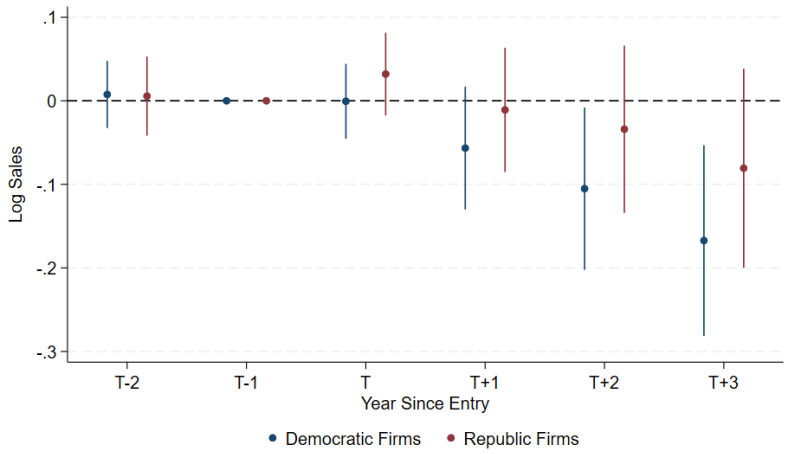
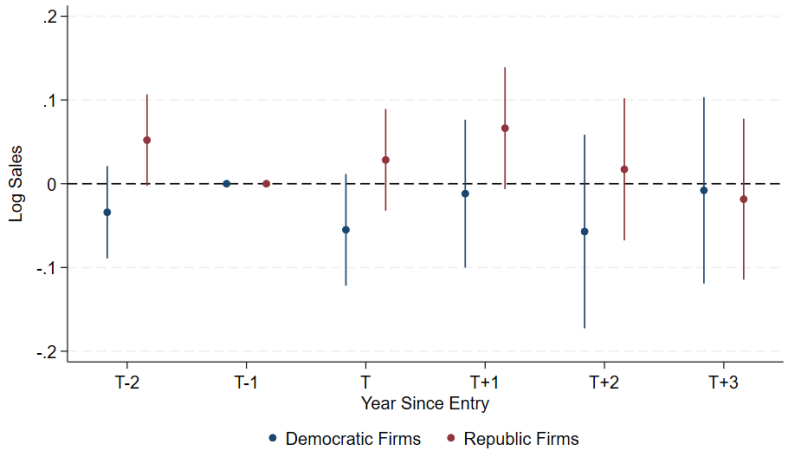


Figure IB.4: Effect of Sinclair's entry on firm sales. This figure plots the dynamic treatment effect of Sinclair's entry in Democratic-leaning (blue) and Republican-leaning (red) counties. Period T is the year Sinclair enters a county. $T-1$ is the excluded baseline period.

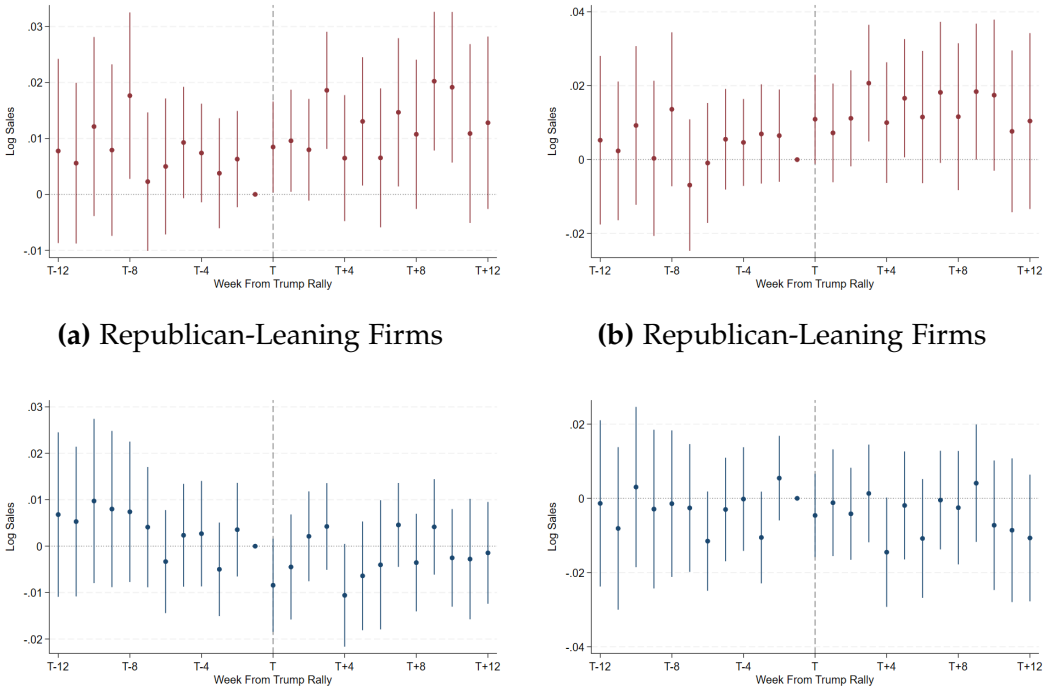


(a) Republican-leaning Counties



(b) Democratic-leaning Counties

Figure IB.5: Effect of Sinclair's entry on firm sales. This figure plots the dynamic treatment effect of Sinclair's entry in Republican-leaning firms (red line) versus Democratic-leaning firms (blue line). Panel (a) is the Republican-leaning county sample, and Panel (b)is the Democratic-leaning county sample. Period T is the year Sinclair enters a county. $T-1$ is the excluded baseline period.



(a) Republican-Leaning Firms

(b) Republican-Leaning Firms

(c) Democratic-leaning Firms

(d) Democratic-leaning Firms

Figure IB.6: Effect of Trump Campaign Rally on Firm Sales (50% Threshold). This figure plots the event studies of Trump's presidential campaign rally's effect on weekly sales of the Republican-leaning firms (Panels (a) & (b)) and the Democratic-leaning firms (Panels (c) & (d)) in the campaign county. A firm's political leaning is defined by whether its employees' total contribution to one party exceeds 50% of the aggregate contributions to both parties. Period T indicates the Trump Rally week. Panels (a) and (c) control for county $\times$ firm and week fixed effects, whereas Panels (b) and (d) control for county and firm $\times$ week fixed effects. All regressions cluster standard errors at the firm and county levels.

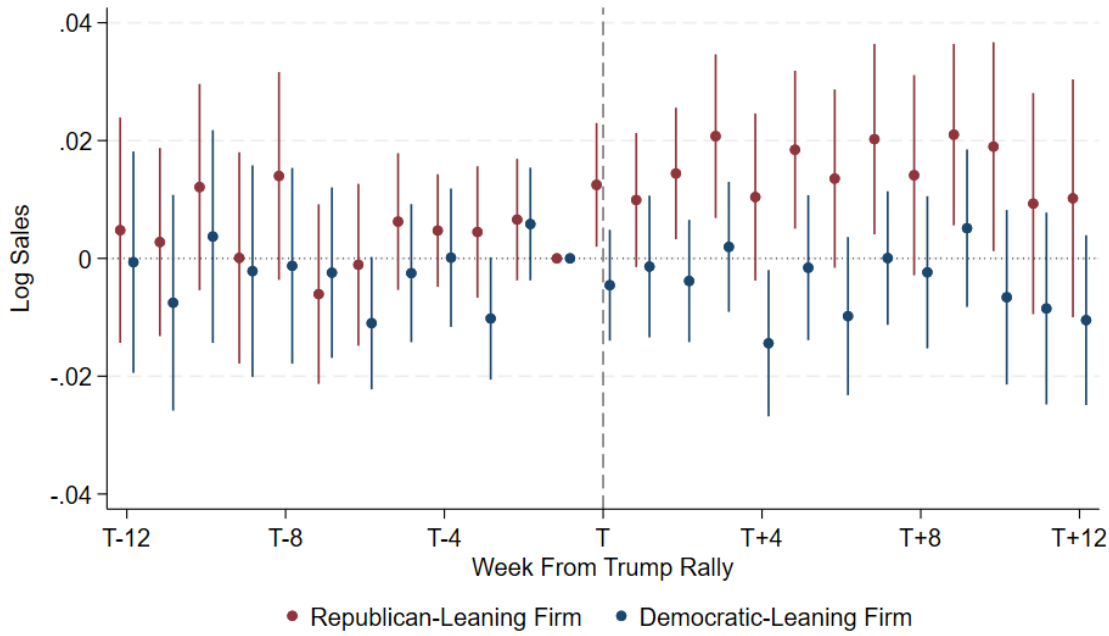
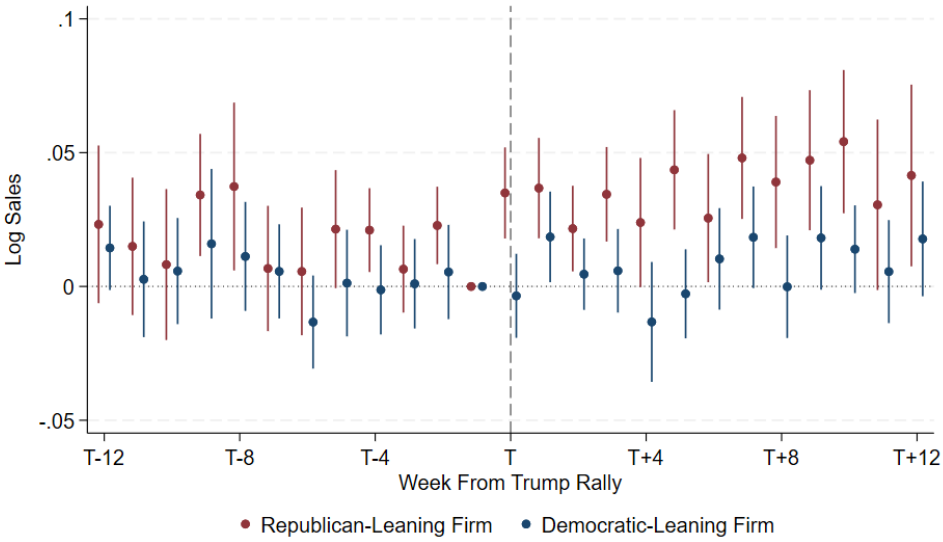
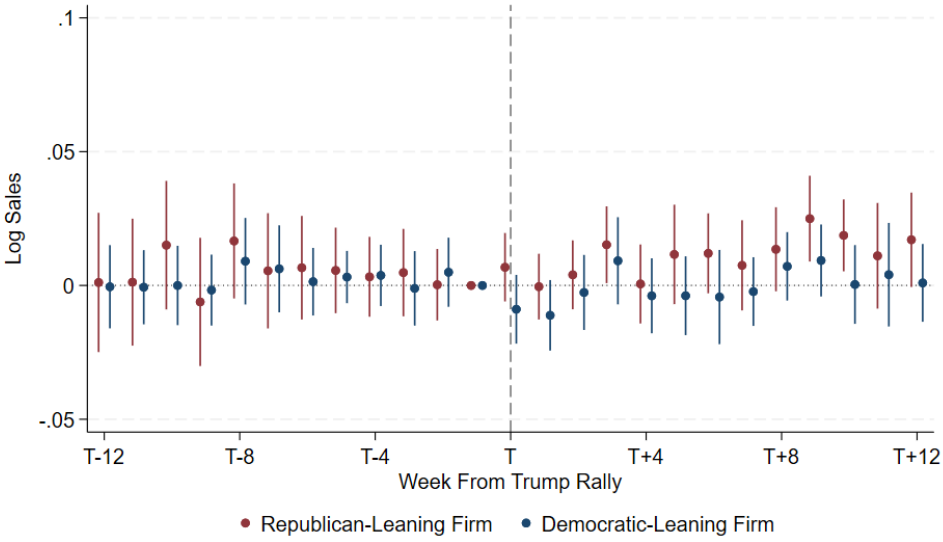


Figure IB.7: Effect of Trump Campaign Rally on Firm Sales. This figure plots the event studies of Trump's presidential campaign rally's effect on weekly sales of the Republican-leaning firms (red) and the Democratic-leaning firms (blue) in the campaign counties. Period T is the Trump Rally week. The regression controls for county and firm $\times$ week fixed effects. Standard errors are clustered at the firm and county levels.

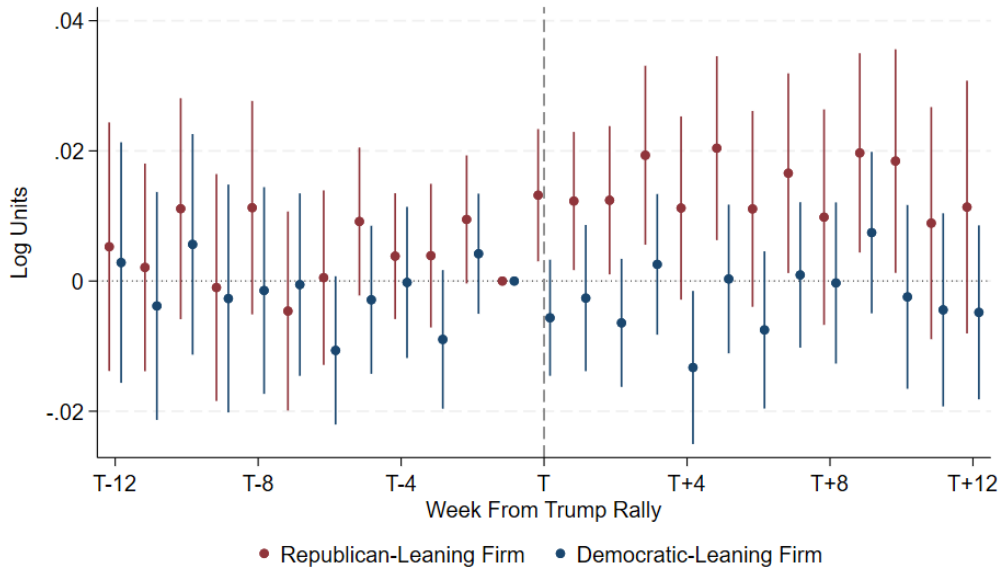


(a) Republican-leaning Counties

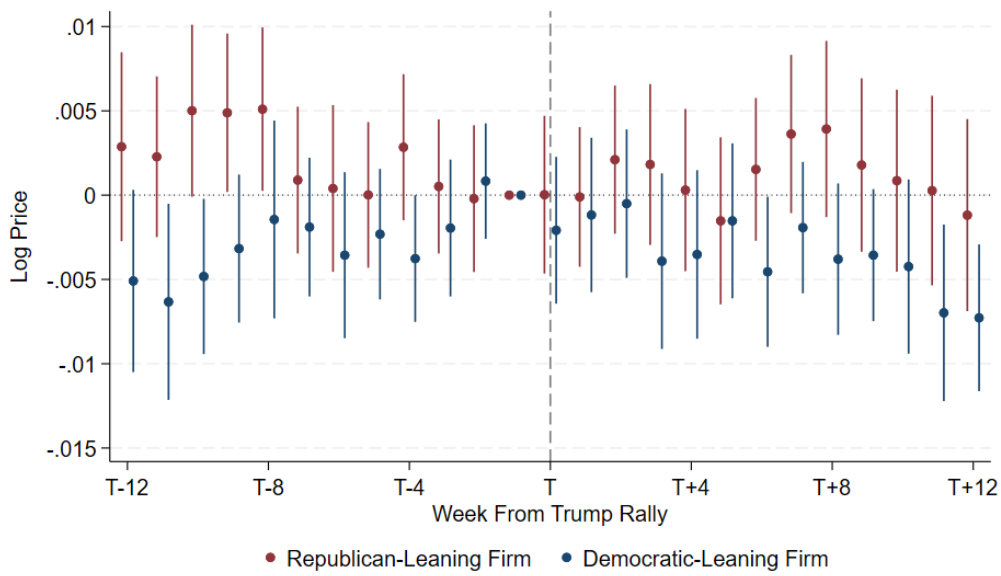


(b) Democratic-leaning Counties

Figure IB.8: Effect of Trump Campaign Rally on Firm Sales in Republican-leaning versus Democratic-leaning counties. This figure plots the event studies of Trump's presidential campaign rallies' effect on Republican-leaning firms (red) and Democratic-leaning firms (blue) in the campaign counties. Period T is the Trump Rally week. Panel (a) shows the result for Republican-leaning counties, while Panel (b)shows that of Democratic-leaning Counties. Both models control for county and firm $\times$ week fixed effects. All regressions cluster standard errors at the firm and county levels.

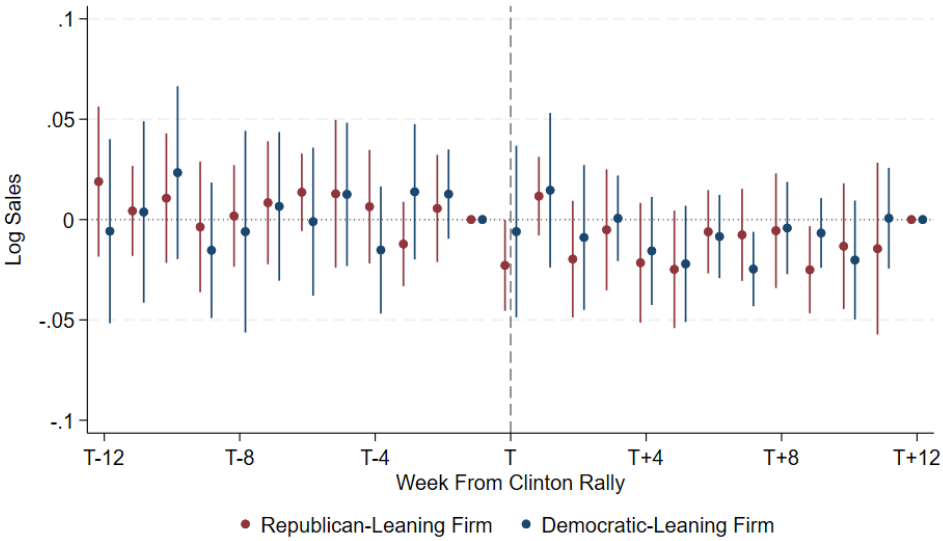


(a) Quantity Sold

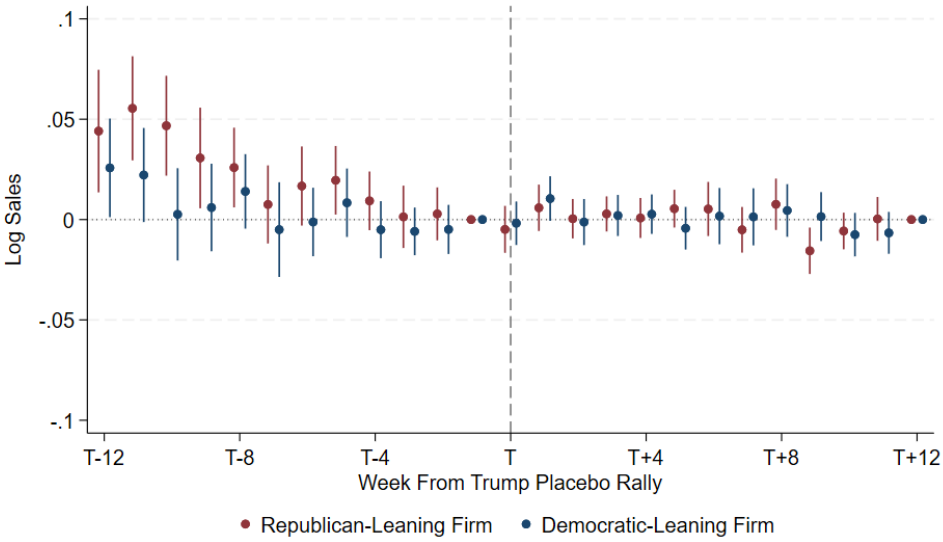


(b) Average Price

Figure IB.9: Effect of Trump Campaign Rally on Quantity Sold and Average Price. This figure plots the event studies of Trump's presidential campaign rallies' effect on Republican-leaning firms (red) and Democratic-leaning firms (blue) in the campaign counties. Period T is the Trump Rally week. Panel (a) shows the result for (log of) quantity sold, while Panel (b)shows the (log of) average price. Both models control for county and firm $\times$ week fixed effects. All regressions cluster standard errors at the firm and county levels.



(a) Clinton Rally



(b) Placebo Trump Rally

Figure IB.10: Effect of Clinton Campaign Rally and Placebo Trump Rally on Firm Sales. This figure plots the event studies of Clinton's presidential campaign rally (Panel (a)) and placebo Trump rally (Panel (b), 16 weeks before the actual rally) on firm sales in rally counties. Period T is the Rally (or placebo) week. Both models control for county $\times$ firm and week fixed effects. All regressions cluster standard errors at the firm and county levels.

Table IB.1: List of Departments and Examples of Product Groups

This table lists the departments, the number of product groups under each department, and the top 5 product groups in terms of sales volume under each department (or all product groups in cases of less than 5).

Department	Product Groups (Number of groups and Top 5 groups in terms of sales)	
Health & Beauty Care	18	Medications/Remedies/Health Aids; Vitamins; Hair Care; Cough and Cold Remedies; Skin Care Preparations...
Dry Grocery	38	Carbonated Beverages; Snacks; Bread and Baked Goods; Candy; Juice, Drinks-Canned, Bottled...
Frozen Foods	10	Prepared Foods-Frozen; Ice Cream, Novelties; Pizza/Snacks/Hors Dóeuvres-Frozen; Unprep Meat/Poultry/Seafood-Frozen; Vegetables-Frozen...
Dairy	10	Cheese; Milk; Yogurt; Eggs; Butter and Margarine...
Deli	1	Dressings/Salads/Prep Foods-Deli
Packaged Meat	2	Packaged Meats-Deli; Fresh Meat
Fresh Produce	1	Fresh Produce
Non-Food Grocery	12	Tobacco & Paper Products; Detergents; Pet Care; Personal Care; Soap and Bath Additives...
Alcohol	3	Beer; Wine; Liquor
General Merchandise	23	Stationery, School Supplies; Housewares, Appliances; Electronics, Records, Tapes; Kitchen Gadgets; Batteries and Flashlights...

Table IB.2: Correlation Matrix Among Ideology Distance and Alignment Measures

This table presents the pair-wise correlation of ideology distance measures.

	Dis	Dis_{close}	Dis_{roll}	Dis_{ann}	Dis_{CEO}	$Dis_{contri-contri}$	$Dis_{donor-donor}$	$Dis_{vote-vote}$	Dis_{raw}	Dis_{pos}
Dis	1									
Dis_{close}	0.7852	1								
Dis_{roll}	0.5760	0.6904	1							
Dis_{ann}	0.5021	0.6172	0.9217	1						
Dis_{CEO}	0.0695	0.0952	0.0256	0.0182	1					
$Dis_{contri-contri}$	0.3593	0.3861	0.2812	0.3134	0.0971	1				
$Dis_{donor-donor}$	0.7075	0.5642	0.4091	0.3638	0.0410	0.2649	1			
$Dis_{vote-vote}$	0.5067	0.4680	0.3205	0.3336	0.0460	0.4351	0.6346	1		
Dis_{raw}	0.5351	0.4765	0.3094	0.2922	0.0171	0.4265	0.5692	0.6090	1	
Dis_{pos}	0.2366	0.2359	0.1304	0.1296	-0.0251	0.2385	0.3692	0.4497	0.7973	1

Table IB.3: Ideology Distance and Local Sales - Alternative Ideology Measures

This table reports further robustness tests using alternative ideology alignment/distance frameworks. Columns (1)–(3) use the county vote-firm headquarter county vote, columns (4)-(6) use the county contribution-firm contribution, and columns (7)-(9) use the county donors-firm donors. All models include county-level controls, Product × Firm × Year fixed effects, and State × Year fixed effects. Standard errors clustered at the product, firm, and county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

	County Vote - Firm HQ Vote			**County $Contri - Firm $Contri**			**County Donor - Firm Donor**		
	(1) Full	(2) Aligned	(3) Misaligned	(4) Full	(5) Aligned	(6) Misaligned	(7) Full	(8) Aligned	(9) Misaligned
Ideology Alignment	0.603***			0.071***			0.371***		
	(0.100)			(0.021)			(0.054)		
Ideology Distance		-1.571***	-3.888***		-0.085	-2.045***		-0.932***	-3.163***
		(0.358)	(0.348)		(0.253)	(0.181)		(0.271)	(0.252)
Adj. R^2	0.594	0.638	0.616	0.580	0.586	0.591	0.583	0.606	0.598
Observations	41,497,695	15,675,891	25,817,172	37,314,818	16,226,428	21,083,874	37,292,270	12,283,509	25,004,340

Table IB.4: Ideology Distance/Alignment and Local Product Sales - Election Cycle (Alternative Measures)

This table presents the product-level relationship between firm-county ideology distance/alignment and sales/price/quantity using alternative distance and alignment frameworks. The sample is pooled over each election cycle. Sales and quantity are cycle-summed, whereas price is cycle-averaged. All models include cycle-averaged county characteristics, product × firm × cycle, and state × cycle fixed effects. Standard errors are clustered at the firm, product, and county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

Panel A: County Vote - Firm HQ Vote

	(1) Full	(2) Full	(3) Aligned	(4) Misaligned
Ideology Distance	-3.869***		-1.763***	-4.108***
	(0.344)		(0.357)	(0.348)
Ideology Align		0.595***		
		(0.096)		
Adj. R^2	0.625	0.613	0.657	0.636
Observations	16,969,019	16,969,019	6,214,772	10,187,847

Panel B: County $Contri - Firm $Contri

	(1) Full	(2) Full	(3) Aligned	(4) Misaligned
Ideology Distance	-0.777***		-0.121	-2.099***
	(0.105)		(0.233)	(0.179)
Ideology Align		0.110***		
		(0.025)		
Adj. R^2	0.606	0.604	0.610	0.614
Observations	14,359,224	14,359,224	5,957,483	8,400,059

Panel C: County Donor - Firm Donor

	(1) Full	(2) Full	(3) Aligned	(4) Misaligned
Ideology Distance	-2.161***		-1.074***	-3.298***
	(0.191)		(0.271)	(0.252)
Ideology Align		0.426***		
		(0.054)		
Adj. R^2	0.614	0.607	0.631	0.620
Observations	14,353,570	14,353,570	4,590,758	9,761,168

Table IB.5: Ideology Distance and Sales (Quantity and Price in Election Years)

This table presents the product-level relationship between: firm-county ideology distance and quantity sold (Panel A), firm-county ideology distance and price (Panel B). The sample is for the years immediately after the election years. Standard errors are clustered at the product and county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

Panel A: Quantity				
	logUnits	logUnits	logUnits	logUnits
Ideology Dis	-2.585***	-2.452***	-2.065***	-1.897***
	(0.112)	(0.103)	(0.346)	(0.328)
County Controls	No	Yes	No	Yes
Product × Firm × Year FE	Yes	Yes	Yes	Yes
State × Year FE	No	No	Yes	Yes
Adj. R^2	0.547	0.584	0.586	0.619
Observations	11,593,118	11,593,118	11,593,118	11,593,118
Panel B: Price				
	logPrice	logPrice	logPrice	logPrice
Ideology Dis	-0.113***	-0.106***	-0.066***	-0.060***
	(0.007)	(0.006)	(0.012)	(0.011)
County Controls	No	Yes	No	Yes
Product × Firm × Year FE	Yes	Yes	Yes	Yes
State × Year FE	No	No	Yes	Yes
Adj. R^2	0.892	0.892	0.894	0.894
Observations	11,593,118	11,593,118	11,593,118	11,593,118

Table IB.6: Sinclair Entry and County Characteristics

This table presents the balance test between treated and matched control counties for the Sinclair entry sample. Panel A presents the summary statistics of county-level demographic characteristics for the treated and matched control counties. Panel B presents the effects of Sinclair's entry on county-level characteristics using the stacked DiD specification, in which standard errors are double-clustered at the county and year levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

Panel A: Balance Test at Year before Entry for Matched Counties

	N	%Rep Vote	GDP	Income	Unemploy	College
Treated	577	0.595	1.235	3.529	-0.334	19.523
Control	589	0.602	1.229	3.419	-0.294	19.896
Difference		-0.007	0.006	0.110	-0.040	-0.373

Panel B: Sinclair Entry and County Characteristics

	(1) %Rep Vote	(2) GDP	(3) Income	(4) Unemploy	(5) College
Treated × Post	0.014**	0.161	-0.477	0.070	-0.072
	(0.005)	(0.959)	(0.879)	(0.134)	(0.141)
Cohort × County FE	Yes	Yes	Yes	Yes	Yes
Cohort × Year FE	Yes	Yes	Yes	Yes	Yes
Adj. R^2	0.978	0.054	0.113	0.561	0.983
Observations	7,934	7,934	7,934	7,934	7,932

Table IB.7: Firm Sales After Sinclair Entry

This table presents the effects of Sinclair's entry on county-level firm sales. For all columns, the outcome variable is the logarithm of sales measured at the firm-county-year level. Columns *Rep* (*Dem*) use Republican- (Democratic-) leaning counties as the sample. Column *All* uses all counties. *Treatment Direction* takes the value of 1 (-1) if the treatment increases (decreases) the ideology distance at the county-firm level. *Treated* equals 1 if a county experiences Sinclair's entry during the sample period. *Post* equals one for years after Sinclair enters a county. *Republican Firm* equals one (zero) if the firm's total employee contribution to the Republican party exceeds 50%. All regressions use a balanced panel with two periods before and three periods after the entry. All models include Firm FE, cohort × county FE, and cohort × calendar year FE. Standard errors are two-way clustered at the firm and county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

	Stacked DiD			**Triple Difference**		
	All	Rep	Dem	All	Rep	Dem
Treatment Direction × Treated × Post	-0.031	-0.019	-0.067**			
	(0.021)	(0.021)	(0.027)			
Treated × Post				-0.097***	-0.101**	-0.101**
				(0.034)	(0.039)	(0.044)
Republican Firm				-0.027	-0.015	-0.064
				(0.064)	(0.060)	(0.091)
Treated × Post × Republican Firm				0.076*	0.046	0.160***
				(0.043)	(0.043)	(0.056)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Cohort × County FE	Yes	Yes	Yes	Yes	Yes	Yes
Cohort × Time FE	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Adj. R^2	0.829	0.816	0.852	0.829	0.816	0.852
Observations	345,556	252,797	92,759	345,556	252,797	92,759

Table IB.8: Trump Rally and Weekly Sales - Alternative Threshold

This table presents the effect of Trump Rally on firm sales in the rally county. *Rep* (*Dem*) columns are sub-samples of Republican- (Democratic-) leaning firms (defined as whether the donation to a party exceeds 50% of the total donations during a cycle). The independent variable is the dummy variable indicating whether there is a Trump rally campaign in the county during the corresponding week interval. We use different fixed effects to explore alternative variations. Standard errors are clustered at the county and week levels (brackets) and the firm and county levels (square brackets). *,**, and *** (†,††,†††) denote significance levels at 1%, 5%, and 10% for county by week (firm by county) clusters.

	Rep	Rep	Rep	Dem	Dem	Dem
TRUMP_0	0.008	0.007	0.008	0.005	0.004	0.006
	(0.008)	(0.007)	(0.007)	(0.006)	(0.006)	(0.006)
	[0.006]	[0.005]	[0.007]	[0.005]	[0.005]	[0.007]
$\text{TRUMP}_{[-4,-1]}$	0.009	0.007	0.008	-0.002	0.002	-0.001
	(0.005)*	(0.004)*	(0.004)*	(0.004)	(0.004)	(0.004)
	[0.005]†	[0.004]†	[0.005]	[0.003]	[0.002]	[0.004]
$\text{TRUMP}_{[-8,-5]}$	0.006	0.005	0.008	-0.001	0.001	-0.000
	(0.005)	(0.004)	(0.004)*	(0.004)	(0.004)	(0.004)
	[0.005]	[0.004]	[0.005]	[0.003]	[0.003]	[0.004]
$\text{TRUMP}_{[-12,-9]}$	0.008	0.008	0.007	-0.004	-0.003	-0.004
	(0.005)*	(0.004)*	(0.004)*	(0.005)	(0.004)	(0.005)
	[0.005]†	[0.004]†	[0.005]	[0.004]	[0.003]	[0.004]
$\text{TRUMP}_{[+1,+4]}$	0.003	0.001	0.003	0.008	0.006	0.009
	(0.006)	(0.005)	(0.006)	(0.005)*	(0.005)	(0.004)*
	[0.005]	[0.005]	[0.005]	[0.004]††	[0.004]	[0.005]†
County FE	Yes	No	Yes	Yes	No	Yes
Firm FE	Yes	No	No	Yes	No	No
Firm × County FE	No	Yes	No	No	Yes	No
Firm × Week FE	No	No	Yes	No	No	Yes
Week FE	Yes	Yes	No	Yes	Yes	No
Adj. R^2	0.858	0.965	0.867	0.876	0.957	0.893
Observations	646,893	646,357	645,891	554,646	554,191	554,236

Table IB.9: Trump Rally and Quantity Sold

This table presents the effect of the Trump Rally on firms' quantity sold in the rally county. *Rep* (*Dem*) columns are a sub-sample of Republican- (Democratic-) leaning firms. The independent variable is the dummy variable indicating whether there is a Trump rally campaign in the county during the corresponding week interval. We use different fixed effects to explore alternative variations. Standard errors are clustered at the county and week levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

	(1) Rep	(2) Rep	(3) Rep	(4) Dem	(5) Dem	(6) Dem
TRUMP_0	0.011	0.008	0.010	0.002	0.002	0.002
	(0.008)	(0.007)	(0.007)	(0.006)	(0.006)	(0.006)
$\text{TRUMP}_{[-4,-1]}$	0.011**	0.008*	0.010**	-0.003	0.001	-0.003
	(0.005)	(0.004)	(0.005)	(0.004)	(0.004)	(0.004)
$\text{TRUMP}_{[-8,-5]}$	0.008*	0.007	0.010**	-0.001	0.001	0.000
	(0.005)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
$\text{TRUMP}_{[-12,-9]}$	0.010**	0.010**	0.010**	-0.002	-0.002	-0.003
	(0.004)	(0.004)	(0.004)	(0.005)	(0.004)	(0.004)
County FE	Yes	No	Yes	Yes	No	Yes
Firm FE	Yes	No	No	Yes	No	No
Week FE	Yes	Yes	No	Yes	Yes	No
Firm × County FE	No	Yes	No	No	Yes	No
Firm × Week FE	No	No	Yes	No	No	Yes
Adj. R^2	0.875	0.968	0.884	0.902	0.967	0.917
Observations	598,648	598,146	597,718	553,419	552,994	553,064

Table IB.10: Trump Rally and Average Price

This table presents the effect of Trump Rally on the average price of products sold in the rally county. *Rep* (*Dem*) columns are a sub-sample of Republican- (Democratic-) leaning firms. The independent variable is the dummy variable indicating whether there is a Trump rally campaign in the county during the corresponding week interval. We use different fixed effects to explore alternative variations. Standard errors are clustered at the county and week levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

	(1) Rep	(2) Rep	(3) Rep	(4) Dem	(5) Dem	(6) Dem
TRUMP_0	-0.002	0.000	-0.001	0.002	0.000	0.003
	(0.001)	(0.001)	(0.001)	(0.002)	(0.002)	(0.002)
$\text{TRUMP}_{[-4,-1]}$	-0.001	-0.000	-0.000	-0.000	-0.000	0.001
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
$\text{TRUMP}_{[-8,-5]}$	0.000	-0.000	-0.000	0.000	-0.000	0.000
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
$\text{TRUMP}_{[-12,-9]}$	0.000	0.001	-0.000	-0.001	-0.001	-0.001
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
County FE	Yes	No	Yes	Yes	No	Yes
Firm FE	Yes	No	No	Yes	No	No
Week FE	Yes	Yes	No	Yes	Yes	No
Firm $\times$ County FE	No	Yes	No	No	Yes	No
Firm $\times$ Week FE	No	No	Yes	No	No	Yes
Adj. R^2	0.878	0.940	0.889	0.901	0.937	0.911
Observations	598,648	598,146	597,718	553,419	552,994	553,064

Table IB.11: Ideology Distance and New Product Introduction

This table presents the relationship between firm-county ideology distance (Panel A)/alignment (Panel B) and the firm's introduction of new products in that county. Standard errors are two-way clustered at the firm and county levels. *,**, and *** denote significance levels at 1%, 5%, and 10%.

Panel A: Alternative Fixed Effect

	$\mathbb{1}_{all}$	$\mathbb{1}_{new}$	$\mathbb{1}_{old}$	$Rate_{all}$	$Rate_{new}$	$Rate_{old}$
Ideology Dis	-0.053*	-0.059*	-0.053*	-0.018	-0.005	0.008
	(0.028)	(0.030)	(0.028)	(0.042)	(0.014)	(0.050)
Firm Control	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
County × Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Adj. R^2	0.412	0.327	0.412	0.145	0.139	0.139
Observations	1,455,511	1,455,511	1,455,511	1,005,174	1,005,174	496,852

Panel A: Alternative Ideology Distance Measure

	$\mathbb{1}_{all}$	$\mathbb{1}_{new}$	$\mathbb{1}_{old}$	$Rate_{all}$	$Rate_{new}$	$Rate_{old}$
Ideology Algin	0.013*	0.005	0.013*	-0.008	-0.005	-0.006
	(0.007)	(0.005)	(0.007)	(0.009)	(0.005)	(0.006)
Firm Control	Yes	Yes	Yes	Yes	Yes	Yes
County Control	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
CountyFE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Adj. R^2	0.389	0.295	0.389	0.062	0.089	0.056
Observations	1,953,705	1,953,705	1,953,705	1,309,838	657,628	1,309,838