The Impact of Earnings Season on Election Day*

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Abstract

Due to the statutory timeline for general elections, U.S. elections always fall in the middle of the third-quarter earnings season. Our analyses exploit voter-level stock market ownership to provide evidence on the impact corporate earnings news has on voter perceptions and behavior. For the five most recent U.S. presidential elections, we show that earnings news released by S&P 500 firms prior to Election Day has a statistically and economically significant impact on the likelihood that stock-owning voters will cast an incumbent vote. We conclude that corporate earnings announcements serve as a timely and relevant signal influencing voter perceptions of economic performance at a critical time in the election cycle. In addition, our findings suggest that firms with a September 30th fiscal quarter-end may have a disproportionate impact on voters' behavior on Election Day.

Key Words: *Earnings announcements, Information environment, Economic voting, U.S. presidential elections*

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1. Introduction

Due to the statutory timeline for general elections, U.S. presidential elections always fall in the middle of the third-quarter earnings season. This study investigates whether and how third-quarter earnings announcements during presidential election years influence voter choices. For the five most recent U.S. presidential elections, we predict and find a positive association between corporate earnings news released prior to Election Day and the likelihood that voters who own stock cast an incumbent vote.[1,2]

The intuition that corporate earnings announcements may affect an individual's presidential vote stems from the large economic voting literature examining Key's (1966) reward-punish hypothesis, which formalizes a theoretical link between the economy and election outcomes. In the reward-punish hypothesis, individuals vote for incumbent candidates if the economy is doing well and against incumbents if it is not. Decades of economic voting research provide robust empirical support for the reward-punish hypothesis.

In relation to the economic voting literature, three stylized facts about corporate earnings announcements support our prediction that third-quarter corporate earnings news functions as an unbiased signal of economic performance, with the potential to influence an individual's presidential vote choice. First, earnings announcements contain significant information content about capital market performance. More importantly, accounting information is informative about historical and verifiable economic events. Second, the timing of third-quarter earnings announcements and U.S. elections places elections in the middle of earnings season. Specifically,

[1] Our definition of "corporate earnings news" is earnings released by firms belonging to the S&P 500 Index. We focus on S&P 500 firms because voters are more likely to be aware of these bellwether stocks associated with broader and more persistent news dissemination through traditional and social media outlets.

[2] Consistent with the economic voting literature, we define "incumbent vote" as a vote for the incumbent president or the candidate of the incumbent president's party.

most earnings announcements occur between 16 and 40 days after quarter-end, and depending on the year, U.S. elections occur between 33 and 39 days after the September 30th quarter-end.[3] Given the co-occurrence of earnings season and Election Day, earnings news provides timely economic information that voters continuously receive in the three weeks leading up to Election Day. Third, earnings news is often covered by national and local media outlets, reaching a large audience of potential voters and lowering information acquisition costs. Therefore, we posit that recently announced corporate earnings news—and its subsequent dissemination—may influence a voter's perception of the economy and, potentially, their choice of presidential candidate.

The primary concern in examining our research question is the identification of corporate earnings announcements as driving the estimated effects on economic perception and voting behavior, rather than some unobserved signals of the underlying economy. Our primary method of addressing this concern utilizes region-election fixed effects in conjunction with heterogeneity in the likelihood that voters incorporate earnings news into their perception of the economy. Specifically, we posit that voters who own stock are more likely to monitor and pay attention to firms' earnings announcements and that such voters are more likely to have earnings news influence their perception of the economy than those who do not own stock. The underlying intuition is similar to the process of investors making trading decisions based on accounting information; a necessary first condition for corporate earnings news to influence voters is awareness of the news. Thus, we hypothesize that the effect of corporate earnings news on

[3] In the U.S., Election Day is statutorily set as "the first Tuesday after the first Monday in the month of November", which is equivalent to "the first Tuesday after November 1st." The earliest possible date is November 2nd, and the latest possible date is November 8th. The 10-Q filing is due no later than 45 calendar days after the end of the fiscal quarter. In September 2002, the SEC approved a final rule that changed the due date to 40 calendar days after the end of the fiscal quarter for Accelerated Filers (i.e., public float of $75mm or more). If a filing date falls on a weekend or Federal Holiday, the due date will fall on the next business day. During our sample period, the earliest possible date is November 9th, and the latest possible date is November 14th.

economic perception and presidential vote choice is higher for voters who own stock than voters without "skin in the game."

To examine our research question, we use American National Election Studies (ANES) survey data on a representative sample of individual voters.[4] Individual-level survey data provides several benefits over aggregate vote-share data.[5] First, the data provides granular details on individual voters, enabling us to exploit heterogeneity in stock ownership to identify the effect of earnings news across voters within an election as described above. Second, individual-level survey data avoids the ecological fallacy (Robinson 1950), which arises from falsely inferring individual behavior from the observation of aggregate relationships.[6]

We begin our analysis by confirming the existence of economic voting behavior in our sample. Specifically, consistent with the economic voting literature, voters' perceptions of economic performance affects their vote choices, and voters' perceptions of past economic performance has a stronger influence on their vote choices than their perceptions of future economic performance. We also validate that economic voting behavior does not differ across voters who own stock and those who do not—an important aspect of our research design.

In our main analyses, we find a positive association between earnings growth[7] announced prior to Election Day and the probability of casting an incumbent vote for voters who own stock relative to voters who are not. This evidence is consistent with the awareness of positive earnings

[4] Section 3.1 describes the ANES survey data in more detail.

[5] In the United States, vote share is the percentage of the two-party vote that is received by a party.

[6] For example, it is false to infer that firm-level earnings surprises and stock returns are negatively correlated after observing a negative correlation between aggregate earnings and returns. Another related example in a political science context is that at the state level, wealth is a predictor of Democratic Party votes. However, using individual data, wealth is a predictor of Republican Party votes. Katz, McCubbins, and McMullin (2018) investigate the ecological fallacy's implications for capital markets accounting and finance research.

[7] We measure earnings growth as the mean third-quarter seasonally-differenced earnings growth (scaled by sales) of S&P 500 firms.

news influencing presidential vote choice in favor of the incumbent. The effect is both statistically and economically significant. For example, a one standard deviation change in seasonally-differenced earnings growth (i.e., a change in earnings equal to 1.5% of sales) is associated with a 3.2% increase in the propensity to vote for the incumbent party for voters who own stock relative to voters who do not own stock. In comparison, a one standard deviation change in state GDP growth is associated with an increase of 1.73% in the propensity to vote for the incumbent party. In other words, for voters who own stock, third-quarter earnings news has an effect on voting behavior comparable to other primary indicators of economic growth. In cross-sectional analysis, we show that the effect is more pronounced for undecided voters and bipartisan voters relative to voters with strong party affiliations. Finally, we present evidence that third-quarter earnings news affects voters' perceptions of past economic performance, consistent with changes in voters' economic perceptions acting as the mechanism through which earnings news leads to changes in voters' behavior on Election Day.

To corroborate our main results, we explore the role of media dissemination in capturing voters' awareness of earnings news. First, we find that earnings news influences voters who own stock to a greater extent when earnings announcements are more widely covered by national media and when these national media outlets portray the earnings announcements in a more positive light. Second and more importantly, we use local media coverage as an alternative identification strategy to stock ownership for capturing voter awareness of earnings news. Local media coverage is defined based on the media organization being based in the same state as the voter. We find evidence that when local media outlets portray the earnings announcement in a more positive light (i.e., higher media sentiment score), the voters who are exposed to these local news reports are more likely to be influenced by the positive news and vote in favor of the incumbent.

The inferences we draw from our main analyses rely on the assumption that our empirical identification strategy is able to separate the effects of earnings news from other factors potentially affecting voters' perceptions of the economy (e.g., local layoffs, local business expansions, etc.) and ultimately their vote choices. While we cannot completely rule out the possibility that alternative factors may contribute to our findings, we conduct several analyses to further support our main inferences in light of potential alternative explanations. First, we show that our results are robust to the inclusion of additional controls for underlying economic conditions. Second, we provide direct evidence that third-quarter earnings news has a measurable effect on *changes* in vote choice during the short period between the pre-election voter interview and Election Day. Finally, as described above, we use local media coverage as an alternative identification strategy for voter awareness of earnings news. Collectively, these results are consistent with earnings news, rather than other signals of economic conditions, being the primary driver of our results.

This study contributes to several strands of literature. First, it provides evidence on the usefulness of accounting information in general. Beginning with Ball and Brown (1968) and Beaver (1968), a large literature documents that earnings announcements have significant information content. This study is one of the first to show that the relevance of accounting information extends beyond capital markets to political voting.[8]

Second, our study highlights a unique feature of the third-quarter earnings season in the U.S.—it overlaps with Election Day. This feature is particularly relevant post-2000, since firms are increasingly disclosing earnings announcements concurrently with their 10-Q filing rather than issuing 'stand-alone' earnings announcements (Arif et al. 2019), which delay earnings

[8] A working paper by Wiesen (2016) shows that monthly changes in aggregate earnings is positively associated with contemporaneous changes in the price of the incumbent futures contract on the U.S. Presidential Elections Market. See Section 2 for more details.

announcements and bring them closer to Election Day. Therefore, firms with a September 30th fiscal quarter-end may have a disproportionate impact on voter behavior on Election Day.

Finally, our findings also contribute to the literature on how elections influence firms' and governments' accounting choices. For example, Ramanna and Roychowdhury (2010) find that politically connected firms with prior outsourcing activities were more likely to report earnings-decreasing discretionary accruals in the two calendar quarters immediately preceding the 2004 election, when corporate outsourcing was a major campaign issue. Kido, Petacchi and Weber (2012) show that state governments manipulate the discretionary components of state liability accounts during gubernatorial election years in order to paint a more positive picture of the financial health of the state. These papers rest in part on the intuition that elections are impacted by accounting information. Our study provides evidence supporting the validity of this intuition.

The remainder of the paper proceeds as follows. In Section 2, we discuss the related literature and develop our hypothesis. In Section 3, we describe our data selection and provide descriptive statistics. Our research design and empirical results are presented in Section 4. We conclude in Section 5.

2. Related Literature and Hypothesis Development

Although evidence of the link between the economy and elections can be traced back to at least 1878, *The American Voter* (Campbell et al. 1960) is the first to propose the link as an object of empirical study (Lewis-Beck and Stegmaier 2019). Key (1966) formalized the relation between the economy and electoral outcomes by proposing the reward-punish hypothesis, according to which the individual votes for the incumbent if the economy is doing alright; otherwise, the vote is against. Empirical work relating to the presidency started by documenting a positive relationship between economic fluctuations and presidential approval ratings (Mueller 1973). Fair (1978) and

Tufte (1978) are two of the first archival studies to investigate the economy and presidential vote share. Using a time-series model of elections and economic fluctuations, Fair (1978) concludes that economic fluctuations in an election year impact presidential vote choice. Tufte (1978) arrives at a similar conclusion; voters punish the incumbent party following declines in disposable income. In the United States, the reward-punish hypothesis is widely accepted.

In addition to the robust empirical support for the reward-punish hypothesis, the economic voting literature establishes two well-attested regularities. First, individuals in the United States primarily vote retrospectively. That is, voters' perceptions of past economic performance have a stronger influence than their expectations of future economic performance at the time their votes are cast. Second, voters in the U.S. tend to vote "sociotropically," meaning the perceived performance of the economy for society more broadly, more than economic outcomes for individual voters' pocketbooks, seems to drive economic voting behavior (Kinder and Kiewiet 1979). While there has been debate concerning the direction of causality (i.e., one's political orientation may influence how one responds to questions about the performance of the economy), two recent, important papers establish that the causal path runs from real economic performance to economic perception and economic perception to the vote decision (De Vries, Hobolt, and Tilley 2018; Lewis-Beck, Nadeau, and Elias 2008).

Voters are broadly knowledgeable about the current state of the economy and rely on perceptions of election-year economic performance to evaluate a candidate's entire term. American voters are generally aware of key economic indicators such as GDP growth, stock market performance, inflation, and unemployment rate (Lewis-Beck, Martini, and Kiewiet 2013). For instance, in a 2008 survey, 74% of respondents correctly recalled the unemployment rate of 6% (Lewis-Beck and Nadeau 2009). Such evidence seems to suggest that economic voters

rationally reward or punish the incumbent party and that their subjective evaluations of the economy have some factual basis. However, voters also appear to act irrationally. Although voters intend to judge the performance of an incumbent using cumulative growth over the term (Healy and Lenz 2014), it is well documented that voter decisions are largely based on the six to twelve months prior to Election Day (e.g., Fair 1978; Kiewiet 1983). Healy and Lenz (2014) use a series of surveys and experiments to study this seemingly irrational behavior and conclude that voters use election-year information in forming their opinions because more recent information is readily available relative to information on cumulative growth.[9] This substitution of recent, more easily accessible information for cumulative information is consistent with voters exhibiting a common psychological bias called the end bias. Put simply, the end bias suggests that voters will simplify an evaluation problem by substituting end conditions for the whole (Varey and Kahneman 1992).

We propose that third-quarter earnings season influences voters' perceptions of the economy and candidate choice on Election Day. First, a large literature documents that earnings announcements have significant information content in capital markets (e.g., Ball and Brown 1968; Beaver 1968; Beaver, McNichols, and Wang 2018). Specifically, accounting information is primarily concerned with recording past, verifiable economic transactions, and is thus informative about historical economic events (e.g., Ball, Jayaraman, and Shivakumar 2012). Second, earnings announcements typically occur between 17 and 40 days after quarter-end.[10] Depending on the year, U.S. elections fall between 33 and 39 days after the September 30th quarter-end, placing elections in the middle of earnings season. This co-occurrence between earnings season and Election Day

[9] For example, 96% of media transcripts covering the U.S. economy prior to the 2000, 2004, and 2008 elections were about economic conditions during the election-year (Healy and Lenz 2014).

[10] For each election season, there are an average of over 50 U.S. publicly-listed firms per day announcing earnings during the period between the 17th and the 40th day after September 30th.

means that earnings news is potentially some of the most timely and salient economic information voters receive prior to Election Day.

Finally, while earnings announcements are largely viewed as public information, prior literature has established the importance of "disclosure processing costs."[11] Specifically, the first step of incorporating an accounting disclosure (e.g., an earnings announcement) into a trading decision is to become aware that a disclosure exists (e.g., Merton 1987; Blankespoor, deHaan, Wertz, and Zhu 2018). Similarly, in the voting context, voters need to be aware of the existence of the earnings announcements in order to use the earnings news to form their economic perception, and ultimately their voting decisions. We posit that voters who own stock are more likely to exert the time and effort to monitor and become aware of firms' earnings announcements than those who do not. This discussion leads to our hypothesis in the alternative form:

H_1: Earnings news released during third-quarter earnings season influences voters' election decisions, particularly for voters who own stock.

In the accounting literature, there are a few studies that investigate how elections may influence firms' accounting and disclosure choices. For example, Ramanna and Roychowdhury (2010) find that politically connected firms with prior outsourcing activities were more likely to report earnings-decreasing discretionary accruals in the two calendar quarters immediately preceding the 2004 election, when corporate outsourcing was a major campaign issue. Piotroski, Wong, and Zhang (2015) find that Chinese politicians and their affiliated firms temporarily suppress negative information in advance of certain highly visible political events (i.e., meetings

[11] According to a recent review by Blankespoor, deHaan, and Marinovic (2020): "The literature identifies three steps to processing a disclosure for use in a trading decision, where "disclosure" refers to a signal from a firm or communication. An investor must: (i) learn that the disclosure exists; (ii) obtain the report and extract the disclosure; and (iii) analyze the implication of the disclosure for firm value. Each of these steps is costly, and we refer to those costs as: (i) awareness costs; (ii) acquisition costs; and (iii) integration costs."

of the National Congress of the Chinese Communist Party and the promotions of high-level provincial politicians). From a governmental financial reporting perspective, Kido, Petacchi, and Weber (2012) present evidence that state governments manipulate the discretionary components of state liability accounts during gubernatorial election years in order to paint a more positive picture of the financial health of the state. These papers rest in part on the intuition that elections are affected by accounting information. Our study provides evidence supporting the validity of this intuition.

Our study is also related to two working papers. Wiesen (2016) shows that monthly changes in aggregate earnings are positively associated with contemporaneous changes in the price of the incumbent futures contract on the U.S. Presidential Elections Market. Our study differs from Wiesen (2016) in two important ways. First, our primary research question is motivated by the empirical observation that U.S. elections always fall in the middle of the third-quarter earnings season. Wiesen (2016), on the other hand, is interested in whether aggregate earnings information is useful in explaining changes in the expectations of presidential election vote share over a continuous time horizon. Second, we use individual voter-level survey data as a direct measure of voter preferences and perceptions, whereas Wiesen (2016) uses an indirect measure determined by the expectations of participants in the futures market. Since prices in the futures market are determined by the expectations of voter preferences in the future (i.e., actual voter choices on Election Day), it is not clear whether current aggregate earnings are associated with current changes in voter preferences. In another working paper based on aggregate vote shares, Crane, Koch, and Lin (2019) show that recent stock returns relate more positively to incumbent vote shares in presidential elections in counties with higher stock market participation. Instead of using stock returns, which impound forward-looking information, our study focuses on the effect of

corporate earnings, mitigating the concerns of reverse causality (i.e., it is difficult to infer whether stocks returns lead vote choice or if the market simply predicts how voters vote).

3. Data and Sample

3.1 American National Election Studies data

The American National Election Studies (ANES) survey is the most comprehensive election-based data available to researchers studying U.S. elections.[12] The primary purpose of the ANES survey is to provide researchers with high-quality data to study the question, "Why does America vote as it does on Election Day?" The first ANES survey was conducted for the 1948 presidential election and a survey has been conducted for every presidential election year since. From 1956 onwards, the primary survey is conducted every two years during biennial national elections and covers topics such as voting behavior, elections, public opinion, and attitudes of the electorate.

The ANES's biennial survey is designed to enable scholars to monitor trends in voting behavior and public opinion over time. In most years, the survey is conducted on a fresh cross-section of the American electorate, giving the data a repeated cross-sectional format. The ANES uses several procedures, collectively known as complex sampling, in determining each year's respondent pool. When the complex sampling design is used in conjunction with a respondent's probability weight, the sample is representative of the national population. In presidential election years, the respondents are interviewed pre- and post-election with the pre-election interviews occurring between September and Election Day and the post-election interviews occurring

[12] The American National Election Studies (www.electionstudies.org). These materials are based on work supported by the National Science Foundation under grant numbers SES 1444721, 2014-2017, the University of Michigan, and Stanford University.

between Election Day and late December. We utilize the timing of the pre- and post-election interviews in later analyses.

3.2 Sample Selection and Composition

Our voter sample begins with all ANES respondents for each survey conducted during presidential election years between 2000 and 2016. We start our sample in 2000 when the ANES survey begins collecting stock ownership information. We exclude respondents who do not cast a presidential vote. We require a valid state of residency code to match state-level economic data to each respondent. Lastly, we exclude respondents when we have incomplete information about their stock ownership, political party and ideological affiliation, age, gender, race, household income, employment status, or education level. These restrictions result in a final sample of 9,295 voter observations over the five most recent U.S. presidential elections.

Our earnings announcements sample begins with all S&P 500 firm-quarter observations during the five U.S. presidential election years between 2000 and 2016. We require firm-quarters to have a September 30th quarter-end date, a non-missing earnings announcement date, and sufficient data to calculate seasonally-differenced earnings growth. Our September 30th quarter-end earnings announcements sample consists of 1,715 firm-quarter observations. Table 1 provides details of our sample selection process.

Table 2 presents sample composition by election. The descriptive statistics highlight that the percentage of earnings news released prior to Election Day varies depending on the date of the election. For example, 88% of S&P 500 earnings news was available to the American voter prior to the November 2nd, 2004 election, whereas 98% of earnings news was available prior to the election on November 8th, 2016. The percentage of voters who own stock also varies between 43.1% in 2008 to 67.0% in 2000.

Figure 1 presents a graphic illustration of the earnings announcements properties around Election Day. In Panel A, we plot the average number of S&P 500 firms' earnings announcements for each day following the fiscal quarter-end of September 30th. The figure indicates that earnings season starts around 10 days after fiscal quarter-end and peaks around 15 days later. More importantly, the figure confirms significant corporate earnings news activity leading up to and throughout the November election window. In Panel B, we plot the average seasonally-differenced change in announced quarterly earnings for each day following the fiscal quarter-end. The pattern suggests that late announcements convey worse earnings news than early announcements do on average, consistent with the prior literature examining the relation between firms' earnings news and the timing of their announcements (e.g., Kross 1981; Bagnoli, Kross, and Watts 2002).

4. Research Design and Results

4.1 Economic Voting Behavior

We begin our analysis by confirming the existence of economic voting behavior in our sample. We use a respondent's survey probability weight when conducting all of our analyses to comply with the complex sampling procedures used in the ANES survey. We estimate the following linear probability model to examine economic voting behavior:

$$Pr(Incumbent\ Vote_{i,t}) = \beta_0 + \beta_1\ Past\ Perception_{i,t} + \beta_2\ Future\ Perception_{i,t} + \sum \beta_i\ VoterControls_{i,t} + \sum \beta_j\ StateControls_{j,t} + \sum \beta_k\ Fixed\ Effects_k + \varepsilon. \quad (1)$$

The dependent variable, *Incumbent Vote*, is an indicator variable indicating whether the individual voted for the presidential candidate that shares a political party with the incumbent president (set equal to '1'). In our analyses, this candidate could be the incumbent president or, if the incumbent president is not running for re-election, it could be a new candidate that shares the

same party. If a voter casts a vote for the non-incumbent party, then *Incumbent Vote* is set to '0'. We use a linear probability model throughout our analyses because non-linear fixed effects models generate biased estimates for interaction terms, which are the main coefficients of interest in our study (e.g., Ai and Norton, 2003; Duchin and Sosyura, 2014). To ensure that our results are not sensitive to this research design choice, we repeat our primary analyses using both logit and probit specifications and obtain the same conclusions.

Past Perception represents a 3-point rating scale indicating whether the respondent rated the current economic performance equal to '-1' (Worse), '0' (Same), and '1' (Better) compared to the economy 12 months prior. *Future Perception* is coded in the same manner as *Past Perception*, except now the respondent is rating how the economy will be in 12 months relative to the present. The economic voting literature finds that while both past and future perception of economic performance influences an individual's presidential vote choice, the effect of past perception dominates the effect of future perception. As a result, we expect $\beta_1 > 0$, $\beta_2 > 0$, and $\beta_1 > \beta_2$.

Equation (1) includes a set of state- and voter-level control variables and fixed effects. We include state-level controls because voters have a sense of the economic performance of their state and corporate earnings is likely correlated with state-level economics. We use *Δ State GDP* and *Δ State Unemployment*, which are important macroeconomic indicators of economic performance. In addition, our main specification uses region-election fixed effects.[13] For each region-election, the intercept controls for factors common to a region-election that influences *Incumbent Vote*. These factors include, but are not limited to, the relative quality of candidates, regional economic performance, and national economic performance.

[13] The ANES survey segments the United States into the four U.S. Census regions: Northeast, North Central, South, and West. Thus, there are 20 region-elections (four regions times five elections) in our sample.

Voter-level controls are important because personal characteristics influence what voters care about and how they perceive economic events. Following prior economic voting literature (e.g., Hansford and Gomez, 2015; Lewis-Beck and Nadeau, 2011), we use a battery of voter-level controls that include: *Party, Ideology, Age, Female, Black, Income, Unemployed,* and *Education*. *Party* equals '1' for voters who identify as Republicans, '0.5' for Independents, and '0' for Democrats. *Ideology* is a 7-point scale from '0' (Liberal) to '1' (Conservative). *Age* is the natural logarithm of the respondent's age in years. *Female, Black, and Unemployed* are indicator variables equal to '1' if the voter is female, black, or unemployed, respectively. The *Income* control variable is a 5-point scale measuring the respondent's household income ranging from '0' (income < 20% of households) to '1' (income > 80% of households). *Education* is a 7-point scale from '0' (8^{th} grade or less) to '1' (graduate degree). We present descriptive statistics for variables used in regression analyses in Table 3.

Since voter characteristics influence whether an individual votes for one party over the other, and to be consistent with the economic voting literature (Nadeau, Lewis-Beck, and Belanger 2012), we transform our voter-level variables so the coefficients can be interpreted as the effect on the propensity to vote for the Republican candidate. *Party* and *Ideology* are exceptions to this interpretation and should be interpreted as the effect of sharing political beliefs with the incumbent candidate. We apply the following transformation to voter-level controls that range from '0' to '1' (all except for *Age*) when the incumbent president belongs to the Democratic Party: [(*Variable**-1) + 1]. Our transformation for *Age* is [*Age**-1].

The results of Equation (1) are provided in Table 4. Column 1 shows that voters' perceptions of economic performance significantly impact the vote decision, and *Past Perception* has over three times the effect of *Future Perception*. The coefficient on *Past (Future) Perception*

implies that voters who perceive the economy as 'better' relative to voters who evaluate the economy as 'the same' will have a 9.4% (2.9%) higher propensity to vote for the incumbent party. Our results confirm findings in the economic voting literature that voters' retrospective economic evaluations have a significantly larger influence than voters' prospective evaluations on vote choice.

Next, we validate that the economic voting behavior does not differ across voters who own stock and those who do not—an important aspect of our research design. Specifically, we split our sample into voters who own stock and those who do not and separately estimate Equation (1) for these two sub-samples. The results are reported in Columns 2 and 3 of Table 4. Comparing the coefficient estimates on both *Past* and *Future Perception* across Columns 2 and 3, it is clear that economic perceptions have a similar effect on the presidential vote choice of voters who own stock and voters who do not. This evidence supports the use of stock market ownership as an identification strategy (discussed in more detail in Section 4.2).

4.2 Earnings Announcements, Voter Awareness, and Voter Behavior

Our main analyses examine the effect of S&P 500 firms' earnings news on voters' presidential preferences based on the following linear probability model:

$$Pr(Incumbent\ Vote_{i,t}) = \beta_0 + \beta_1\ Own\ Stock_{i,t} * \Delta\ Earnings_t + \sum \beta_i\ VoterControls_{i,t} + \sum \beta_j\ StateControls_{j,t} + \sum \beta_k\ Fixed\ Effects_k + \varepsilon. \quad (2)$$

The dependent variable, *Incumbent Vote*, is the same as described in Equation (1). The coefficient of interest in Equation (2) is β_1, the interaction between *Δ Earnings* and *Own Stock*. *Δ Earnings* is the average seasonally-differenced change in announced quarterly earnings before extraordinary items scaled by sales, which captures the S&P 500 firms' earnings news available

to voters prior to Election Day. *Own Stock* is an indicator variable equal to '1' if a voter reports owning stock and '0' otherwise. The β_1 coefficient measures the incremental change in voter behavior for voters who own stock relative to voters who do not. To the extent that stock market ownership represents a meaningful change in voters' knowledge of earnings news and awareness of positive earnings news influences presidential vote choice in favor of the incumbent, we expect $\beta_1 > 0$.

We use the interaction between earnings news and an individual's stock market ownership to identify the effect of earnings news on voter behavior. This is important in our research setting to account for the possibility that the association between corporate earnings news and voter behavior might be driven by some unobserved factors influencing voter perceptions of the underlying economy. This identification strategy assumes that any omitted factors correlated with both corporate earnings and voting behavior have the same effect on voters who own stock and those who do not. Consequently, any differences we observe in voting behavior can be attributed to the awareness of earnings news.

Equation (2) includes the same set of state- and voter-level controls and fixed effects as Equation (1). We do not include *Δ Earnings* as a non-interacted variable since it is subsumed by the inclusion of region-election fixed effects. We include the main effect of *Own Stock* as an additional voter-level control variable.

The results from Equation (2) are presented in Table 5. Across the first two columns, we include election and region-election fixed effects, respectively. In both models, our coefficient of interest β_1, the interaction between *Δ Earnings* and *Own Stock*, is positive and significant, consistent with the idea that awareness of positive earnings news influences presidential vote choice in favor of the incumbent. Since both models provide similar inferences, we discuss the

interpretation of our results based on our main specification in Column 2. Conditional on a voter's awareness of corporate earnings news (i.e., a voter owning stock), the effect of *Δ Earnings* on *Incumbent Vote* is both statistically and economically significant. A one standard deviation change in *Δ Earnings* (i.e., a change in earnings equal to 1.5% of sales) is associated with a 3.2% increase in the propensity to vote for the incumbent party. In comparison, a one standard deviation change in *Δ State GDP* is associated with an increase of 1.73% in the propensity to vote for the incumbent party. Overall, for a voter who owns stock, third-quarter earnings announcements affect voting behavior comparable to other primary indicators of economic growth.

Next, we investigate the mechanism through which earnings news impacts presidential vote choice by examining whether *Δ Earnings* is associated with voters' economic perceptions. In Columns 3 and 4, we replace *Incumbent Vote* with *Better Perception* and estimate the following linear probability model:

$$Pr(Better\ Perception_{i,t}) = \beta_0 + \beta_1\ Own\ Stock_{i,t} * \Delta\ Earnings_t + \sum \beta_i\ VoterControls_{i,t} + \sum \beta_j\ StateControls_{j,t} + \sum \beta_k\ Fixed\ Effects_k + \varepsilon. \quad (3)$$

We measure *Better Perception* in two ways. *Better Past* (*Future*) *Perception* is set to '1' if the respondent rated the current economy (economy 12 months in the future) as "better" or "the same" compared to the economy 12 months before (current economy), or set to '0' if the respondent rated the economy as "worse". We use the same independent variables as Equation (2), however, we do not transform *Own Stock, Age, Female, Black, Income, Unemployed,* and *Education* when a Democratic president is the incumbent. We continue to transform *Party* and *Ideology* because an individual perceives the economy as performing better when a president with similar political beliefs holds office (Lewis-Beck, Martini, and Kiewiet 2013).

The results from Equation (3) are presented in Table 5, Columns 3 and 4. Our variable of interest, *Own Stock*Δ Earnings* is associated with voters' past, but not future, perceptions. Focusing on Column 3, the magnitude of β_1 is 1.946, which estimates that a one standard deviation change in *Δ Earnings* influences the probability of voters perceiving the economy as 'better' by 2.9%. In contrast, the results in Column 4 indicate that corporate earnings news does not affect voters' economic evaluations of the next 12 months. The significant association with *Past Perception* and the statistically insignificant association with *Future Perception* is consistent with accounting information being primarily concerned with recording past economic transactions. Further, and more importantly, the significant effect of corporate earnings news on voters' past perceptions is consistent with economic perception acting as a mechanism through which earnings news impacts presidential vote choice.

To strengthen our identification, we next focus on whether corporate earnings news is associated with *changes* in voter behavior. Specifically, we identify two sub-samples of respondents who change their vote choice; one group changes their vote choice between the pre-election survey and Election Day while the other group changes the party for whom they voted for between the past and current elections. To examine these two groups of voters, we replace *Pr(Incumbent Vote)* in Equation (1) with *ΔVote* and estimate the following linear regression model for each sub-sample:

$$\Delta Vote_{i,t} = \beta_0 + \beta_1 \, Own\ Stock_{i,t} * \Delta\ Earnings_t + \sum \beta_i \, VoterControls_{i,t} + \sum \beta_j \, StateControls_{j,t} + \sum \beta_k \, Fixed\ Effects_k + \varepsilon. \quad (4)$$

We measure our new dependent variable, *ΔVote*, in two ways, corresponding with the two sub-samples of voters who changed their votes. *ΔVote (Intention)* compares a voter's actual vote choice to the voter's intended presidential vote. *ΔVote (Intention)* is calculated as *Incumbent Vote*

– *Intended Incumbent Vote. Incumbent Vote* is calculated as described above. *Intended Incumbent Vote* is the individual's presidential vote intention as elicited in the pre-election survey and equals '1' ('0') if the voter intends to vote for the incumbent (any challenger) party and '0.5' if the voter is undecided or intends not to vote. We exclude voters whose actual and intended vote choice are the same. Thus, *ΔVote (Intention)* equals '-1' ('-0.5') if the voter intended to vote for the incumbent (was undecided or intended not to vote) but actually voted for the challenger or '1' ('0.5') if the voter intended to vote for another party (was undecided or intended not to vote) but actually voted for the incumbent. Thus, larger values of *ΔVote (Intention)* imply a "better" outcome for the incumbent party.

ΔVote (Past) compares a voter's current presidential vote choice to their vote choice in the previous election. This comparison identifies a sub-sample of voters who demonstrate a willingness to "cross party lines" depending on the performance of the incumbent president between elections. The dependent variable in this regression is *ΔVote (Past)* and is calculated as *Incumbent Vote - Past Presidential Vote. Past Presidential Vote* equals '1' ('0') if the respondent voted for the current incumbent (challenger) party in the previous election and '0.5' if the voter is undecided, voted for a third party, or intends not to vote. We exclude voters whose vote choice did not change. Similar to *ΔVote (Intention)*, larger values of *ΔVote (Past)* imply a "better" outcome for the incumbent party.

The results from the changes analyses are presented in Table 6. In both sub-samples of voters who changed their vote choice, the coefficients on *Own Stock*Δ Earnings* is significant and positively associated with a more beneficial vote outcome for the incumbent. For example, for voters who own stock, a one standard deviation increase in *Δ Earnings* is associated with a 21.5 percentage point increase in *ΔVote (Intention)*. This represents a 10.5 percent increase relative to

its range value of two.[14] This result, while based on a limited sample, provides direct evidence that third-quarter earnings news has a measurable effect on changes in vote choice during the short period between the pre-election interview and Election Day. Further, the changes analyses allow us to better disentangle the effect of earnings announcements news from the underlying economic performance. Specifically, third-quarter earnings measure the impact of firms' economic events that occurred between July 1st and September 30th. To the extent such events were observable outside of the firm, they would have already been observed by the voters at the time of the pre-election survey. Thus, any changes in vote choices between the pre-election survey and Election Day can be attributed in part to the news contained in earnings announcements (i.e., accounting earnings as a verifiable summary statistic of these known economic events).

4.3 Cross-sectional Analyses

We conduct two cross-sectional analyses, in which we allow the coefficient on *Own Stock*Δ Earnings* to vary depending on voter characteristics. We expect undecided voters and bipartisan voters to be more likely to incorporate the timely earnings news and place greater weight on third-quarter earnings news when forming their perception of the economy. Consequently, we expect to find a more pronounced effect in these subsets of voters, relative to voters who have strong party affiliations.

Our results are presented in Table 7. In our first cross-sectional analysis we partition voters based on the timing of their vote decision. Individuals making their decision after the party nominating conventions are classified as 'undecided voters' and those voters who decide at or before the conventions are 'decided voters'. By this definition, decided voters make their vote

[14] We calculate the percentage change in *ΔVote (Intention)* as follows. In column (1) of Table 6, the coefficient on *Own Stock*Δ Earnings* is 14.031. We multiply this coefficient by the standard deviation of *Δ Earnings*, reported in Table 3 as 0.015, to estimate the change in the dependent variable, *ΔVote (Intention)*, of 0.2105.

decision prior to any third-quarter earnings news. If the third-quarter earnings season affects voter choices, then β_1 should be larger for undecided voters relative to decided voters. The results are presented in Columns 1 and 2 and align with expectations. For undecided voters (Column 1), the coefficient estimate on *Own Stock*Δ Earnings* of 2.60 is significantly positive and of slightly greater magnitude than the same parameter estimate of 2.16 in our main specification (i.e., Column 2 of Table 5). In contrast, the results for decided voters (Column 2) shows no statistically significant relationship between *Own Stock*Δ Earnings* and *Incumbent Vote*. Further, the coefficient estimate of *Own Stock*Δ Earnings* for undecided voters is twice the magnitude of the undecided sample. These cross-sectional results provide evidence that third-quarter earnings news only influences those individuals whose vote is still undecided prior to the third-quarter earnings season.

Next, in Columns 3 and 4, we partition voters into those who did not vote for the same party in the presidential and House of Representatives elections ("bipartisan voters"; Column 3) and those who voted for the same party ("partisan voters"; Column 4). Bipartisan voters are more likely to consider factors other than political party and ideology when deciding their vote choice, so we expect that *Δ Earnings* will have a larger influence on *Incumbent Vote* for these individuals. Indeed, the coefficient on *Own Stock*Δ Earnings* is significantly larger for bipartisan voters compared to partisan voters, suggesting that *Δ Earnings* has nearly double the effect on bipartisan voters. However, the coefficient estimate in the bipartisan voter group is less-precisely estimated than the partisan voter group, which could be an accurate representation of the two populations or a function of unequal sample size. Overall, results from cross-sectional analyses reveal that the effect is stronger in cases where greater weight is likely to be placed on the third-quarter earnings

news in forming voter perception, consistent with earnings news being the primary driver of our main results.

4.4 The Role of Media Dissemination

In this section, we focus on the role of media dissemination in capturing voters' awareness of earnings news to further corroborate our main results. We use RavenPack Analytics to identify articles published in national and local media around firms' earnings announcements[15] and conduct two sets of analyses. First, we utilize variation in national media coverage around firms' earnings announcements to identify earnings news likely to have a greater influence on presidential vote choice. Second and more importantly, we use local media coverage as an alternative identification strategy to stock ownership for capturing voter awareness of earnings news.

Our first set of media analyses exploit variation in national media coverage. Specifically, we re-estimate Equation (1) for our main specification (i.e., Column 2 of Table 5) using three media-based definitions of earnings news (i.e., Δ *Earnings*). First, we differentiate between earnings announcements that are covered by at least one national news outlet versus earnings announcements that are not covered at the national level. Second, we use an article-weighted earnings news measure, because voters should be more aware of earnings news that has been more widely disseminated. Third, if voters acquire their earnings news through the media, then how the media writes about earnings news is likely to influence voting decisions. Consequently, we use the

[15] Our media analyses are limited to the three most recent elections due to RavenPack Analytics coverage restrictions. We collect articles published between the day before a firm's earnings announcement and seven days after and require a minimum relevance score of 75. The list of national news outlets include the fifteen most influential media organizations in the United States (Kennedy and Prat 2019): News Corp. (Fox News and Wall St. Journal), Time Warner (CNN), Comcast (NBC, MSNBC, CNBC), ABC, CBS, Yahoo News, Huffington Post, The New York Times, NPR, Washington Post, BBC, USA Today, MSN News, Facebook, and Google. Facebook and Google are not considered in our analyses because they are not tracked by RavenPack Analytics.

RavenPack Analytics sentiment score assigned to each news article as an alternative measure of earnings news.

The results of our national media analyses are presented in Table 8 Panel A. In Column 1, we decompose *Δ Earnings* into *Covered Δ Earnings* and *Uncovered Δ Earnings*. A firm's earnings are "covered" if at least one article meets the criteria above; otherwise a firm's earnings are "uncovered". If media coverage increases awareness of earnings news, then we expect *Covered Δ Earnings* to affect vote choice to a greater extent than *Uncovered Δ Earnings.* The results are consistent with our expectations; the coefficient on *Own Stock*Covered Δ Earnings* is over five times larger than the coefficient on *Own Stock*Uncovered Δ Earnings.* In addition, under the assumption that underlying economic factors affect *Covered Δ Earnings* and *Uncovered Δ Earnings* similarly, *Uncovered Δ Earnings* serves as a direct proxy for the "unobservable" economic factors that are associated with both *Δ Earnings* and *Incumbent Vote.* Thus, the fact that *Covered Δ Earnings* has a larger coefficient relative to *Uncovered Δ Earnings* is consistent with earnings announcements being the primary driver of presidential vote choice.

In Column 2 of Table 8 Panel A, we replace *Δ Earnings* by *Article-weighted Δ Earnings*, which weights firm-level earnings growth proportional to the national media coverage the firm's earnings announcement received. We find a positive and significant coefficient on our variable of interest, the interaction between *Article-weighted Δ Earnings* and *Own Stock*, consistent with the idea that widely disseminated positive earnings news influences presidential vote choice in favor of the incumbent. The results for our final national media analyses are presented in Columns 3 and 4 where we replace *Δ Earnings* (*Article-weighted Δ Earnings*) with *Article Sentiment* (*Article-weighted Sentiment*), measured by the mean composite sentiment score (CSS) from RavenPack Analytics for the national media articles that covered the firm's earnings announcements. In

Column 3, we find a positive and significant coefficient on the interaction between *Article Sentiment* and *Own Stock*, consistent with the idea that how the media portrays earnings news influences voter choices. Specifically, when national media outlets portray the earnings announcement in a more positive light (i.e., higher sentiment score), voters who own stock are more likely to be influenced by the positive news and vote in favor of the incumbent. Results in Column 4 using *Article-weighted Sentiment* are similar in magnitude. Overall, the national media analyses present evidence consistent with our main findings.

Our second set of media analyses exploit local media coverage as an alternative identification strategy to stock market ownership for within-election differences in voters' awareness of earnings news. Engelberg and Parsons (2011) show a causal impact of media on financial markets by comparing the trading behavior of investors with access to different media coverage (i.e., local media reporting and dissemination) of the same information event (i.e., earnings announcement of S&P 500 firms). We adopt a similar strategy and exploit variation in local media coverage of S&P 500 firms' earnings announcements to identify the effect of voters' awareness of earnings news. We estimate the following linear probability model to analyze local media coverage:

$$Pr(Incumbent\ Vote_{i,t}) = \beta_0 + \beta_1 Local\ Media\ Earnings\ Announcements_{j,t} + \sum \beta_i\ VoterControls_{i,t} + \sum \beta_j\ StateControls_{j,t} + \sum \beta_k\ Fixed\ Effects_k + \varepsilon. \quad (5)$$

The dependent variable *Incumbent Vote,* the voter-level and state-level control variables, and the fixed effects are defined identically as in Equation (1). We measure the main construct of interest, *Local Media Earnings Announcements*, in three different ways (explained below). All three *Local Media Earnings Announcements* measures use information about S&P 500 firms' earnings announcements that are disseminated exclusively through a voter's local media

organizations and available prior to Election Day. Local media coverage is defined based on the media organization being local (i.e., in the same state) to the voter. Consequently, a voter's set of local earnings announcements includes only those covered by at least one local media outlet and not covered by national media, allowing us to identify variation in earnings news across voters within an election without relying on variation in stock ownership.

The results from Equation (5) are presented in Table 8 Panel B. In Column 1, *Local Media EA* is proxied by *Local Media Δ Earnings*, measured as the average seasonally-differenced change in announced quarterly earnings before extraordinary items scaled by sales.[16] We find a positive but insignificant effect. In Column 2, *Local Media Earnings Announcements* is proxied by *Local Media Sentiment,* measured as the mean composite sentiment score (CSS) from RavenPack Analytics of the local media articles that covered the firm's earnings announcements. We find a positive and significant coefficient on the variable of interest, consistent with the idea that how the local media portrays earnings news influences voter choices. Specifically, when local media outlets portray the earnings announcement in a more positive light (i.e., higher sentiment score), the voters who are exposed to these news are more likely to be influenced by the positive news and vote in favor of the incumbent. The statistical significance of this result is stronger when we use an article-weighted sentiment score in Column 3. These results highlight that in this setting, how the local media portrays earnings news plays a more prominent role in forming voter perceptions than hard, quantitative earnings growth measures. This difference may be attributed to local media sentiment reflecting a multi-dimensional, more comprehensive assessment of earnings news than the single quantitative number represented by earnings growth. Moreover,

[16] In other words, *Local Media Δ Earnings* is analogous to *Δ Earnings* in our main analyses, but only locally covered earnings announcements are used to calculate *Local Media Δ Earnings*.

these results illustrate that while *Own Stock* serves as a proxy for voter awareness in our primary identification strategy, it is not necessarily reducible to being the sole source of voter awareness, consistent with the intuition that the causal forces behind changes in voter awareness are likely to be manifold.

4.5 Sensitivity Analyses

In Table 9, we present a number of robustness analyses. If not mentioned otherwise, all tests build on our base specification (i.e., Column 2 of Table 5). The first three columns add additional economic control variables to Equation (1) to help alleviate concerns that the coefficient on *Own Stock*Δ Earnings* is only reflecting the performance of the economy. First, since lagged aggregate quarterly earnings are informative about today's economic performance (Konchitchki and Patatoukas 2014), we include lagged earnings growth ($\Delta\ Earnings_{q-1}$) as a control. In Column 2, we add the return of the S&P 500 for the year ending one day prior to Election Day. The model in Column 3 allows the effects of *Δ State GDP* and *Δ State Unemployment* to differ across voters who own stock and those who do not own stock by including an interaction between these variables and *Own Stock*. These additional economic performance controls do not significantly change our coefficients of interest, implying that our primary economic performance controls, *Δ State GDP* and *Δ State Unemployment*, along with the region-election fixed effects, satisfactorily capture the economic performance of the economy.

In Columns 4 and 5, we present our results with alternative design choices. In Column 4, we use market value of equity-weighted earnings growth as larger firms may have a larger influence on voters' perceptions through higher visibility. Our results in Column 4 indicate that market value of equity-weighted earnings growth continues to have an influence on presidential vote choice. In Column 5, we replace *Δ Earnings* with the mean three-day abnormal return centered

on each firm's earnings announcement date. Column 5 demonstrates that our inferences are robust to using a market-based measure of earnings announcement news. Finally, deHaan, Shevlin, and Thornock (2015) provide evidence consistent with managers strategically scheduling and timing earnings announcements. As a preliminary analysis of whether strategic firm behavior drives our results, we use the date of the previous year's earnings announcement to classify a firm as announcing pre- or post-Election Day in Column 6. We continue to use the actual earnings of the election year to calculate average earnings news. This finding suggests that strategic behavior does not drive our results.

5. Conclusion

This paper uses comprehensive election-based survey data to examine whether and how the co-occurrence between third-quarter earnings season and Election Day influences voting behavior. Presidential elections are one of the most important events in determining the future policies and welfare of the country. Since voters' perceptions of economic performance play a major role in voting decisions, it is crucial to understand which signals influence voters' economic perceptions.

For the five most recent U.S. presidential elections, we find a positive association between earnings growth information announced prior to Election Day and the probability of casting an incumbent vote for voters who own stock relative to voters who are not. This evidence is consistent with the awareness of positive earnings news influencing presidential vote choice in favor of the incumbent. The effect is both statistically and economically significant. We further find that the effect is stronger for undecided voters and bipartisan voters.

We conduct several analyses to ensure that our main inferences prevail in light of potential competing explanations. First, we show that corporate earnings news is associated with *changes*

in voter behavior based on the timing of the ANES survey. Second, we find that earnings news influences voters who own stock to a greater extent when earnings announcements are more widely covered by national media and when these national media outlets portray the earnings announcements in a more positive light. More importantly, we find evidence that in addition to stock ownership, local media acts as an alternative source of voter awareness, and the voters who are exposed to positive local media sentiment are more likely to vote in favor of the incumbent. Collectively, these results confirm that the awareness of earnings news, rather than unobserved factors that influence voter perceptions of underlying economic conditions, is the primary driver of our results.

Our primary contribution is to provide evidence that the usefulness and impact of accounting information extends beyond capital markets to political voting. In addition, prior work has shown how elections influence firms' and governments' accounting choices (e.g., Ramanna and Roychowdhury 2010; Kido, Petacchi and Weber 2012). These papers rest in part on the intuition that elections are impacted by accounting information. Our paper provides evidence supporting the validity of this intuition.

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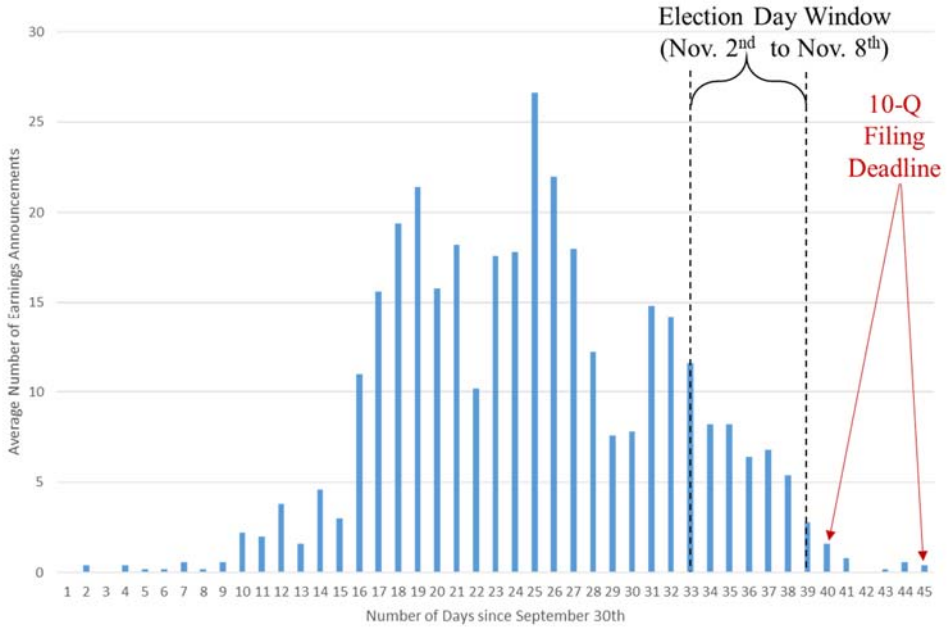
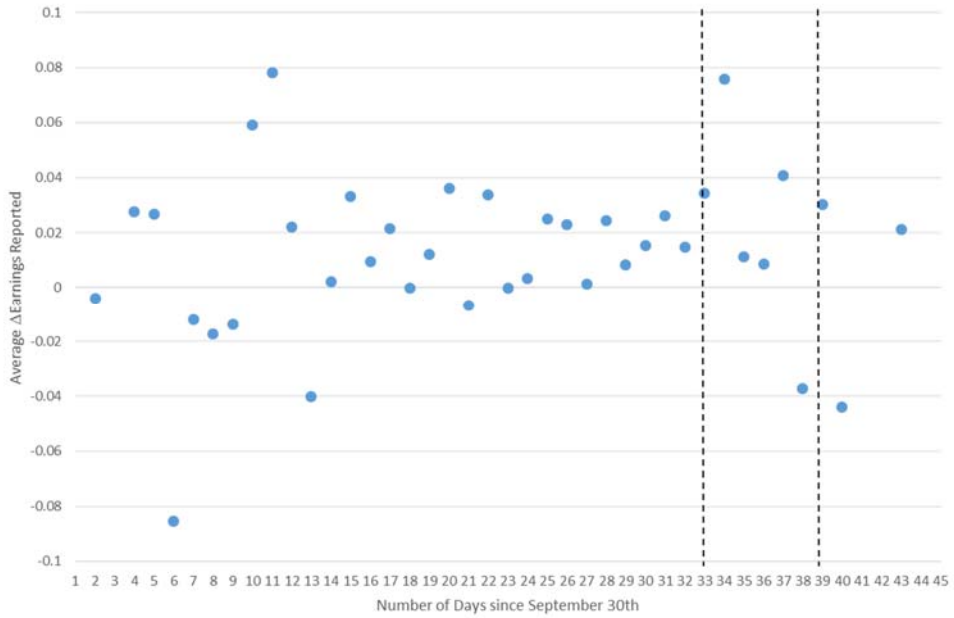
Figure 1: Illustration of S&P 500 Firms' Earnings Announcements Properties around Election Day

Panel A: Daily Average Number of Earnings Announcements



Panel B: Daily Average Seasonally Differenced Change in Announced Quarterly Earnings



The figure provides a graphic illustration of S&P 500 firms' earnings announcements properties around Election Day. Panel A (B) plots average number of earnings announcements (average *Δ Earnings*) for each day following the fiscal quarter-end of September 30th. *Δ Earnings* equals the mean announced quarterly earnings growth (scaled by sales) over the same quarter last year. For ease of exposition, Panel B excludes three observations with average *Δ Earnings* of -0.205 (Day 41), -0.222 (Day 44) and 0.246 (Day 45).

Table 1: Sample Formation

Panel A: Voters

Sample Selection Criteria	*# of Voters*
ANES respondents for presidential election years 2000-2016	15,525
Exclude: Missing state code	(4)
Exclude: Did not vote	(4,854)
Initial Sample	10,667
Exclude: Missing stock ownership data	(182)
Exclude: Missing individual-level controls	(1,190)
ANES Respondent Sample	9,295

Panel B: Firm-Quarters

Sample Selection Criteria	*# of Firm-Quarters*
S&P 500 firm-quarters during presidential election years (2000-2016)	9,794
Exclude: Fiscal quarters not ending on 9/30	(7,942)
Initial Sample	1,852
Exclude: Missing *Δ Earnings* construction variables or non-positive scaling variable	(44)
Exclude: 9/30 fiscal year-end firms	(89)
Exclude: Missing EA dates	(4)
September 30th Quarter-end Firm Earnings & Returns Sample	1,715

The table lists the sample selection criteria for voters (Panel A) and firm-quarters (Panel B). In Panel A, the starting point for the voters sample is the American National Election Survey cumulative data file, which lists 15,525 respondents to the surveys conducted during presidential election years, 2000-2016. We exclude respondents missing a state code (4 individuals). We eliminate respondents who did not vote (4,854). Lastly, we exclude respondents who lacked stock ownership data (182) or the proper controls for our analyses (1,190). In Panel B, we begin with the Compustat universe of S&P 500 firm-quarters during presidential election years from 2000-2016 (9,794 firm-quarters). Our investigation is focused on the earnings seasons that are co-concurrent with presidential election dates, so we exclude fiscal-quarters not ending on September 30th (7,942). We exclude firms that are missing current or one-year lagged earnings and that have missing or non-positive one-year lagged scalers [revenue, book equity, market value of equity] (44). Because the 10-K filing deadline is significantly later than the 10-Q deadline, we eliminate firms whose fiscal year ends on September 30th (89). Lastly, we eliminate firms missing an earnings announcement date (4). Our September 30th quarter-end firm sample comprises 1,715 firm-quarters.

Table 2: Sample Composition by Presidential Election

Election	*Election Day*	*Incumbent Party*	*Number of Voters*	*% of Own Stock Voters*	*Number of Firms*	*% EA Pre Election Day*	*10-Q Filing Due Date*
2000	November 7	Democratic	470	67.0%	376	97.9%	November 14
2004	November 2	Republican	729	60.6%	320	87.8%	November 9
2008	November 4	Republican	1,430	43.1%	323	82.0%	November 10
2012	November 6	Democratic	4,036	47.5%	350	88.9%	November 9
2016	November 8	Democratic	2,630	53.7%	346	98.3%	November 9
Total			9,295		1,715		

The sample contains a maximum of 9,295 individual voters and 1,715 firm-quarter observations from the 5 most recent U.S. presidential elections for which we have sufficient data based on the sample selection criteria in Table 1. The table also lists the Election Day, Incumbent Party, percentage of voters that report owning stock, average percentage of S&P 500 firm earnings announcements prior to Election Day, and the prevailing 10-Q filing deadline for fiscal quarters ending September 30th. The 10-Q filing is due no later than 45 calendar days after the end of the fiscal quarter. In September 2002, the SEC approved a final rule that changed the due date to 40 calendar days after the end of the fiscal quarter for Accelerated Filers (i.e., public float of $75mm or more). If a filing date falls on a weekend or Federal Holiday, the due date will fall on the next business day.

Table 3: Descriptive Statistics for Variables Used in the Regression Analyses

Variable	*N*	*Mean*	*Std. Dev.*	*P1*	*P25*	*Median*	*P75*	*P99*
Dependent Variables:								
Incumbent Vote	9,295	0.506	0.500					
Economic Perception Variables:								
Past Perception	9,270	-0.105	0.816	-1.000	-1.000	0.000	1.000	1.000
Future Perception	8,445	0.212	0.710	-1.000	0.000	0.000	1.000	1.000
Better Past Perception	9,270	0.609	0.488					
Better Future Perception	8,445	0.831	0.374					
Earnings Announcements & Voter Awareness Variables:								
Δ Earnings	9,295	0.012	0.015	0.000	0.000	0.003	0.032	0.032
Own Stock	9,295	0.506	0.500					
Control Variables:								
Δ State GDP	9,295	0.017	0.021	-0.039	0.004	0.016	0.031	0.081
Δ State Unemployment	9,295	0.000	0.012	-0.015	-0.007	-0.004	0.001	0.036
Party	9,295	0.425	0.473	0.000	0.000	0.000	1.000	1.000
Ideology	9,295	0.525	0.242	0.000	0.333	0.500	0.667	1.000
Age	9,295	50.426	16.643	19.000	37.000	51.000	63.000	86.000
Female	9,295	0.530	0.499					
Black	9,295	0.163	0.369					
Income	9,295	0.487	0.279	0.000	0.250	0.500	0.750	1.000
Unemployment	9,295	0.102	0.303					
Education	9,295	0.637	0.259	0.000	0.333	0.667	0.833	1.000

The table presents descriptive statistics for the variables used in the regression analyses for voter-level choice in U.S. presidential elections. Our primary dependent variable is *Incumbent Vote*, which is an indicator variable equal to '1' when the voter reports having voted for the incumbent president or the candidate of the incumbent president's party or '0' when the vote is for a candidate of any other party. We use four variables to capture voter's economic perception. *Past (Future) Perception* represents a 3-point rating scale indicating whether the respondent rated the economic performance equal to '-1' (Worse), '0' (Same), and '1' (Better), comparing the current economy (economy 12 months in the future) to the economy 12 months prior (current economy). *Better Past (Future) Perception* is an indicator variable set to '1' if *Past (Future) Perception* equals to '1' or '0', or set to '0' if *Past (Future) Perception* equals to '-1'. We use two variables to capture the earnings announcements available and voters' awareness of such news prior to Election Day: (1) *Δ Earnings* equals the mean announced quarterly earnings growth (scaled by sales) over the same quarter last year. (2) *Own Stock* is an indicator variable equal to 1 when the voter reports owning stocks. We use two state-level and eight voter-level control variables: (1) *Δ State GDP* is the GDP growth for the election year (source: Bureau of Economic Analysis). (2) *Δ State Unemployment* is the change in unemployment rate for the election year (source: St. Louis Federal Reserve Economic Data (FRED)). (3) *Party* equals '0' for Democrats, '0.5' for Independents, and '1' for Republicans. (4) *Ideology* is a 7-point scale from '0' (Liberal) to '1' (Conservative). (5) *Age* equals the age of the voter. (6) *Female* equals '1' for female voters, and '0' otherwise. (7) *Black* equals '1' for black voters, and '0' otherwise. (8) *Income* is a 5-point scale measuring the respondent's household income percentile that ranges from '0' (income < 20% of households) to '1' (income > 80% of households). (9) *Unemployment* equals '1' for unemployed voters, and '0' otherwise. (10) *Education* a 7-point scale from '0' (8th grade or less) to '1' (graduate degree). The eight voter-level control variables are based on Hansford and Gomez (2015). Accounting data and market values are measured as of the fiscal quarter-end. Except for variables with natural lower or upper bounds, we winsorize firm (state) variables at the 1st and 99th percentiles of firms (voters).

Table 4: The Role of Economic Perception in Individual-level Vote Choice

Dependent Variable (Sample)	*(1)* *Incumbent Vote* (Full Sample)	*(2)* *Incumbent Vote* (Own Stock Sample)	*(3)* *Incumbent Vote* (No Stock Sample)
Economic Perception Variables:			
Past Perception	0.094***	0.091***	0.095***
	(15.20)	(9.23)	(9.87)
Future Perception	0.029***	0.026***	0.030***
	(4.69)	(3.63)	(2.90)
Control Variables:			
Δ State GDP	0.721***	0.373	1.031***
	(2.76)	(1.02)	(3.45)
Δ State Unemployment	-0.044	0.939	-0.953
	(-0.04)	(0.72)	(-0.66)
Party	0.612***	0.621***	0.595***
	(34.71)	(24.80)	(28.30)
Ideology	0.268***	0.295***	0.229***
	(10.42)	(7.94)	(7.93)
Ln (Age)	0.007	-0.037*	0.036**
	(0.58)	(-1.89)	(2.31)
Female	-0.010*	0.001	-0.021*
	(-1.82)	(0.15)	(-1.75)
Black	-0.148***	-0.119***	-0.158***
	(-8.27)	(-6.67)	(-6.83)
Income	0.025	0.004	0.030
	(1.60)	(0.18)	(1.31)
Unemployed	-0.030**	-0.042*	-0.022
	(-2.47)	(-1.76)	(-1.33)
Education	-0.024	-0.092***	0.031
	(-1.30)	(-3.49)	(1.52)
Region-Election Fixed Effects	Included	Included	Included
Adjusted R^2	0.652	0.678	0.630
N	8,427	4,332	4,095

(*continued*)

Table 4 (continued)
The table provides evidence consistent with economic voting behavior in our sample. The dependent variable is *Incumbent Vote*, which is an indicator variable equal to '1' when the voter reports having voted for the incumbent president or the candidate of the incumbent president's party. *Past (Future) Perception* represents a 3-point rating scale indicating whether the respondent rated the economic performance equal to '-1' (Worse), '0' (Same), and '1' (Better), comparing the current economy (economy 12 months in the future) to the economy 12 months prior (current economy). For details on the remaining variables see Table 3. All voter-level variables (i.e., *Party, Ideology, Age*, *Female*, *Black*, *Income*, *Unemployed*, *Education*) are their nominal values when the incumbent president is from the Republican Party, whereas voter-level control variables are transformed when the incumbent president is from the Democratic Party. The transformation is: [(*Variable**-1) + 1]. This transformation means the coefficient on the voter-level control variables (except for *Party* and *Ideology*) is the effect of the variable on the propensity to vote for the Republican candidate. *Party* and *Ideology* coefficients can be interpreted as the effect of sharing political beliefs with the incumbent party candidate. In Columns (2) and (3), we repeat the same regression for two subsamples: voters that report owning stock (Column 2) and voters that report not owning stock (Column 3). The table reports OLS coefficient estimates and (in parentheses) *t*-statistics based on robust standard errors clustered by state. We include region-election fixed effects in the regressions as indicated but do not report the coefficients. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% p-levels (two-tailed), respectively.

Table 5: Earnings Announcements News, Voter Awareness and Voter Behavior

Dependent variables:	*(1)* *Incumbent Vote*	*(2)* *Incumbent Vote*	*(3)* *Better Past Perception*	*(4)* *Better Future Perception*
Earnings Announcements Variable:				
Own Stock*Δ Earnings	2.159***	2.155***	1.946**	-0.073
	(5.81)	(5.65)	(2.19)	(-0.10)
Control Variables:				
Δ State GDP	0.937***	0.823***	0.139	0.196
	(4.57)	(3.34)	(0.43)	(0.48)
Δ State Unemployment	-0.316	0.023	-2.112*	-2.454
	(-0.36)	(-0.02)	(-1.76)	(-1.67)
Own Stock	0.029***	0.030***	0.005	0.018
	(3.15)	(3.33)	(0.33)	(1.07)
Party	0.675***	0.672***	0.246***	0.095***
	(40.40)	(39.67)	(16.95)	(7.20)
Ideology	0.326***	0.321***	0.254***	0.072***
	(13.89)	(13.43)	(8.65)	(2.86)
Ln (Age)	0.014	0.012	-0.037***	-0.006
	(1.26)	(1.08)	(-2.77)	(-0.39)
Female	-0.001	-0.002	-0.035***	-0.004
	(-0.18)	(-0.35)	(-4.26)	(-0.42)
Black	-0.151***	-0.161***	0.078***	0.027
	(-8.40)	(-8.74)	(4.98)	(1.49)
Income	0.009	0.010	0.030	-0.003
	(0.54)	(0.64)	(1.45)	(-0.13)
Unemployed	-0.029**	-0.028**	-0.023	-0.014
	(-2.47)	(-2.40)	(-1.35)	(-0.77)
Education	-0.048***	-0.048***	0.111***	-0.011
	(-2.87)	(-2.79)	(5.63)	(-0.41)
Election Fixed Effects	Included	-	-	-
Region-Election Fixed Effects	-	Included	Included	Included
Adjusted R^2	0.637	0.638	0.344	0.040
N	9,295	9,295	9,270	8,445

(*continued*)

Table 5 (continued)
The table reports analyses for the effect of available earnings announcements and voter awareness of these announcements on individual voters' choices (Columns 1 and 2) and individual voter's perception of the economy (Columns 3 and 4). The dependent variable in Columns (1) and (2) is *Incumbent Vote*, which is an indicator variable equal to '1' when the voter reports having voted for the incumbent president or the candidate of the incumbent president's party. In Columns (3) and (4), the dependent variables are *Better Past (Future) Perception*, which are indicator variables equal to 1 if the respondent rated the current economy (economy 12 months in the future) as "better" or "the same" compared to the economy 12 months before (current economy) or set to '0' if the voter rated the economy as "worse". *Own Stock* is an indicator variable equal to '1' when the voter reports owning stocks. We transform the main effect of *Own Stock* in the same manner as other voter-level variables (explained below), but we do not transform *Own Stock* in any interaction term. *Δ Earnings* equals the mean announced quarterly earnings growth (scaled by sales) over the same quarter last year for earnings announced prior to Election Day. For details on the remaining variables see Table 3. All voter-level variables (i.e., *Party, Ideology, Age*, *Female*, *Black*, *Income*, *Unemployed*, *Education*) are their nominal values when the incumbent president is from the Republican Party, whereas these variables are transformed when the incumbent president is from the Democratic Party. The transformation is: [(*Variable**-1) + 1]. This transformation means the coefficient on voter-level variables (except for *Party* and *Ideology*) is the effect of the variable on the propensity to vote for the incumbent when the incumbent is a Republican candidate. *Party* and *Ideology* coefficients can be interpreted as the effect of sharing political beliefs with the incumbent party candidate. For Columns (3) and (4), *Party* and *Ideology* are transformed as described above but the other voter-level controls are not. Observations for which the ANES is missing data on economic perceptions are dropped from the analyses. The table reports OLS coefficient estimates and (in parentheses) *t*-statistics based on robust standard errors clustered by state. We include election and region-election fixed effects in the regressions as indicated but do not report the coefficients. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% p-levels (two-tailed), respectively.

Table 6: Earnings Announcements News, Voter Awareness and Changes in Voter Behavior

Dependent variables:	*(1)* *ΔVote (Intention)*	*(2)* *ΔVote (Past Vote)*
Earnings Announcements Variable:		
Own Stock*Δ Earnings	14.031***	12.519***
	(4.12)	(4.50)
Control Variables:		
Δ State GDP	0.236	1.777
	(0.10)	(0.98)
Δ State Unemployment	2.322	-6.664
	(0.29)	(-1.46)
Own Stock	0.165**	0.006
	(2.13)	(0.06)
Party	0.248***	-0.011
	(3.16)	(-0.16)
Ideology	0.230	0.201
	(0.89)	(1.25)
Ln (Age)	0.024	0.158
	(0.28)	(1.59)
Female	-0.007	-0.103
	(-0.10)	(-1.38)
Black	-0.195	-0.037
	(-1.65)	(-0.28)
Income	-0.118	-0.101
	(-0.89)	(-0.63)
Unemployed	-0.384***	-0.074
	(-5.06)	(-0.86)
Education	-0.101	-0.154
	(-0.73)	(-1.08)
Region-Election Fixed Effects	Included	Included
Adjusted R^2	0.074	0.079
N	707	700

(*continued*)

Table 6 (continued)
The table reports changes analyses for the effect of available earnings announcements and voter awareness of these announcements on individual voters' propensities to switch their votes for a limited sample. The dependent variable in Column (1) is *ΔVote (Intention)*, which can take the values of [-1, -0.5, 0.5, 1] and is calculated as *Incumbent Vote – Intended Incumbent Vote*. *Incumbent Vote* is an indicator variable equal to '1' when the voter reports having voted for the incumbent president or the candidate of the incumbent president's party in the post-election survey. *Intended Incumbent Vote* is determined by the individual's presidential vote intention as elicited in the pre-election survey and equals '1' ('0') if the voter intends to vote for the incumbent (any challenger) party and '0.5' if the voter is undecided or intends not to vote. In Column (2), the dependent variable is *ΔVote (Past)*, which can take the values of [-1, -0.5, 0.5, 1] and is calculated as *Incumbent Vote – Past Presidential Vote*. *Past Presidential Vote* is determined by the individual's vote in the previous presidential election and equals '1' ('0') if the individual cast their vote for the current election incumbent (challenger) party and '0.5' if the individual voted for a third party candidate or did not recall their previous vote. For both columns, we eliminate individuals if the dependent variable equals '0', indicating no switching behavior. The remaining variables use the same definitions as Column (2) in Table 5. The table reports OLS coefficient estimates and (in parentheses) *t*-statistics based on robust standard errors clustered by state. We include region-election fixed effects in the regressions as indicated but do not report the coefficients. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% p-levels (two-tailed), respectively.

Table 7: Cross-sectional Analyses Using Voter Characteristics

	Undecided Voter		*Bipartisan Voter*	
	(1)	*(2)*	*(3)*	*(4)*
Incumbent Vote as Dependent Variable	*Yes*	*No*	*Yes*	*No*
Earnings Announcements Variable:				
Own Stock*Δ Earnings	2.604*	1.227	3.325*	1.702***
	(2.00)	(1.60)	(1.81)	(4.55)
Control Variables:				
Δ State GDP	1.042	0.391	3.466***	0.251
	(1.12)	(1.16)	(2.84)	(1.46)
Δ State Unemployment	-2.911	0.638	4.296	-0.550
	(-0.84)	(0.32)	(0.94)	(-0.87)
Own Stock	0.071*	0.005	0.030	0.019**
	(1.96)	(0.24)	(0.87)	(2.08)
Party	0.539***	0.699***	0.230***	0.779***
	(16.80)	(19.53)	(4.80)	(43.22)
Ideology	0.253***	0.354***	0.229**	0.263***
	(3.98)	(6.13)	(2.17)	(10.34)
Ln (Age)	0.039	-0.013	0.083*	0.019**
	(1.16)	(-0.51)	(1.80)	(2.08)
Female	-0.001	0.010	-0.030	-0.008
	(-0.04)	(0.78)	(-0.91)	(-1.56)
Black	-0.235***	-0.171***	-0.218***	-0.123***
	(-4.36)	(-4.99)	(-3.94)	(-7.48)
Income	-0.097**	-0.003	-0.065	0.001
	(-2.04)	(-0.13)	(-0.85)	(0.13)
Unemployed	-0.061	0.010	-0.087	-0.008
	(-1.02)	(0.28)	(-1.64)	(-0.53)
Education	-0.036	-0.044	0.005	-0.048**
	(-0.65)	(-1.61)	(0.05)	(-2.38)
Region-Election Fixed Effects	Included	Included	Included	Included
Adjusted R^2	0.415	0.728	0.127	0.794
N	1,286	2,152	1,066	6,609

The table presents cross-sectional analyses examining the effect of available earnings announcements and voter awareness of these announcements on individual voters' choices. We use *Incumbent Vote* as the dependent variable. We use the following individual voter characteristics to partition the sample: (1) *Undecided Voter* is defined as an individual who made their presidential vote decision after the party nomination convention period; (2) *Bipartisan Voter* is defined as not voting for the same party's candidate in the presidential and House of Representatives races. The remaining variables use the same definitions as Column (2) in Table 5. The table reports OLS coefficient estimates and (in parentheses) *t*-statistics based on robust standard errors clustered by state. We include region-election fixed effects in the regressions as indicated but do not report the coefficients. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% p-levels (two-tailed), respectively.

Table 8: The Role of Media Dissemination

Panel A: National Media Coverage

Dependent variables:	*(1) Incumbent Vote*	*(2) Incumbent Vote*	*(3) Incumbent Vote*	*(4) Incumbent Vote*
Earnings Announcements & Voter Awareness Variables:				
Own Stock*Covered Δ Earnings	2.144***			
	(3.30)			
Own Stock*Uncovered Δ Earnings	0.450***			
	(3.34)			
Own stock*Article-weighted Δ Earnings		1.494***		
		(4.87)		
Own stock*Article Sentiment			0.052**	
			(2.56)	
Own stock*Article-weighted Sentiment				0.053**
				(2.62)
Control Variables:				
Δ State GDP	0.946***	0.967***	0.958***	0.958***
	(3.06)	(3.11)	(3.04)	(3.03)
Δ State Unemployment	-0.114	0.034	-0.152	-0.154
	(-0.09)	(0.03)	(-0.12)	(-0.13)
Own Stock	0.045***	0.059***	0.025*	0.026**
	(3.68)	(3.96)	(1.99)	(2.02)
Party	0.672***	0.672***	0.671***	0.671***
	(35.05)	(34.89)	(35.01)	(35.01)
Ideology	0.319***	0.320***	0.320***	0.320***
	(11.98)	(11.91)	(12.09)	(12.09)
Ln (Age)	0.017	0.017	0.015	0.015
	(1.61)	(1.53)	(1.37)	(1.38)
Female	-0.003	-0.002	-0.003	-0.003
	(-0.37)	(-0.33)	(-0.41)	(-0.41)
Black	-0.163***	-0.163***	-0.163***	-0.163***
	(-9.09)	(-8.99)	(-9.29)	(-9.29)
Income	0.013	0.014	0.012	0.012
	(0.74)	(0.79)	(0.64)	(0.64)
Unemployed	-0.027**	-0.027**	-0.028**	-0.028**
	(-2.23)	(-2.19)	(-2.32)	(-2.32)
Education	-0.049**	-0.050**	-0.048**	-0.048**
	(-2.39)	(-2.43)	(-2.34)	(-2.34)
Region-Election Fixed Effects	Included	Included	Included	Included
Adjusted R^2	0.642	0.642	0.641	0.641
N	8,058	8,058	8,058	8,058

(*continued*)

Table 8 (continued)

Panel B: Local Media Coverage

Dependent variables:	*(1) Incumbent Vote*	*(2) Incumbent Vote*	*(3) Incumbent Vote*
Earnings Announcements & Voter Awareness Variables:			
Local Media Δ Earnings	0.056		
	(0.36)		
Local Media Sentiment		0.686*	
		(2.06)	
Local Media Article-weighted Sentiment			0.681**
			(2.28)
Control Variables:			
Δ State GDP	1.520*	0.919	1.164
	(1.98)	(1.11)	(1.57)
Δ State Unemployment	0.466	-0.527	-1.515
	(0.30)	(-0.33)	(-0.81)
Party	0.663***	0.661***	0.662***
	(18.34)	(18.26)	(18.31)
Ideology	0.359***	0.358***	0.356***
	(5.26)	(5.30)	(5.29)
Ln (Age)	0.018	0.017	0.017
	(1.18)	(1.09)	(1.08)
Female	0.012	0.012	0.012
	(1.01)	(1.00)	(0.98)
Black	-0.159***	-0.159***	-0.158***
	(-4.55)	(-4.58)	(-4.56)
Income	-0.018	-0.015	-0.016
	(-0.59)	(-0.49)	(-0.51)
Unemployed	-0.004	-0.003	-0.004
	(-0.15)	(-0.11)	(-0.14)
Education	-0.070***	-0.070***	-0.069***
	(-3.14)	(-3.22)	(-3.19)
Region-Election Fixed Effects	Included	Included	Included
Adjusted R^2	0.641	0.642	0.642
N	2,445	2,445	2,445

(*continued*)

Table 8 (continued)
The table reports analyses examining the role of media dissemination of earnings news. The dependent variable is *Incumbent Vote*. In Panel A, *Covered Δ Earnings* is calculated in the same manner as *Δ Earnings* for firms whose earnings announcements were covered by at least one national media outlet. *Uncovered Δ Earnings* is calculated in the same manner as *Δ Earnings* for firms whose earnings announcements were not covered by any national media outlet. *Article Sentiment* is the mean composite sentiment score (CSS) from RavenPack Analytics for the national media articles that cover our sample of earnings announcements. *Article-weighted Δ Earnings (Sentiment)* weights firm-level *Δ Earnings (Sentiment)* proportional to the national media coverage the earnings announcement receives. The remaining variables use the same definitions as Column (2) in Table 5. The list of national news outlets include the fifteen most influential media organizations in the United States (Kennedy and Prat 2019). The influential organizations in Kennedy and Prat (2019) include: News Corp. (Fox News and Wall St. Journal), Time Warner (CNN), Comcast (NBC, MSNBC, CNBC), ABC, CBS, Yahoo News, Huffington Post, The New York Times, NPR, Washington Post, BBC, USA Today, MSN News, Facebook, and Google. Facebook and Google are not considered in our analyses because they are not tracked by RavenPack Analytics. In Panel B, we construct the independent variables of interest in the same manner as Panel A but use local media coverage of a firm's earnings announcement as the inclusion criteria. Local media coverage is defined based on the media organization being local (i.e., in the same state) to the voter. Consequently, a voter's set of local earnings announcements includes only those covered by at least one local media outlet and not covered by a national media outlet, allowing us to identify variation in earnings news across voters within an election. The table reports OLS coefficient estimates and (in parentheses) *t*-statistics based on robust standard errors clustered by state. We include a full set of controls and fixed effects (see Column 2 in Table 5) as indicated but do not report the coefficients. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% p-levels (two-tailed), respectively.

Table 9: Sensitivity Analyses

Incumbent Vote as Dependent Variable	*(1)* Plus Earnings$_{q-1}$ as Control	*(2)* Plus Stock Returns as Control	*(3)* Plus Interaction w/State Controls	*(4)* Use Value-Weighted Δ Earnings	*(5)* Replace Δ Earnings with 3-Day EA Return	*(6)* Shift EA Date
Earnings Announcements Variable:						
Own Stock*Δ Earnings	2.964***	1.977***	2.550***	2.082***	5.528***	1.978***
	(5.59)	(4.09)	(5.50)	(5.60)	(2.98)	(4.52)
Control Variables:						
Δ State GDP	0.807***	0.811***	1.305***	0.825***	0.837***	0.832***
	(3.27)	(3.29)	(4.88)	(3.34)	(3.36)	(3.37)
Δ State Unemployment	-0.023	-0.021	-0.435	0.003	0.146	0.093
	(-0.02)	(-0.02)	(-0.37)	(0.00)	(0.13)	(0.08)
Own Stock	0.035***	0.015	0.015	0.029***	0.010	0.028***
	(3.43)	(0.97)	(1.35)	(3.41)	(1.10)	(3.06)
Party	0.672***	0.672***	0.671***	0.672***	0.672***	0.672***
	(39.69)	(39.67)	(39.91)	(39.64)	(39.52)	(39.63)
Ideology	0.321***	0.321***	0.321***	0.321***	0.322***	0.321***
	(13.46)	(13.43)	(13.50)	(13.40)	(13.47)	(13.42)
Ln (Age)	0.013	0.012	0.012	0.012	0.011	0.012
	(1.13)	(1.11)	(1.08)	(1.04)	(0.95)	(1.05)
Female	-0.002	-0.002	-0.002	-0.003	-0.002	-0.002
	(-0.34)	(-0.36)	(-0.31)	(-0.39)	(-0.27)	(-0.32)
Black	-0.160***	-0.160***	-0.161***	-0.161***	-0.161***	-0.161***
	(-8.79)	(-8.79)	(-8.76)	(-8.77)	(-8.74)	(-8.69)
Income	0.009	0.010	0.012	0.010	0.011	0.010
	(0.63)	(0.65)	(0.77)	(0.66)	(0.71)	(0.67)
Unemployed	-0.028**	-0.028**	-0.027**	-0.028**	-0.027**	-0.028**
	(-2.39)	(-2.37)	(-2.31)	(-2.38)	(-2.29)	(-2.37)
Education	-0.048***	-0.048***	-0.049***	-0.048***	-0.049***	-0.049***
	(-2.76)	(-2.78)	(-2.83)	(-2.80)	(-2.85)	(-2.82)
Own Stock*Δ Earnings$_{q-1}$	-1.693					
	(-1.39)					
Own Stock*S&P 500 Returns		-0.097				
		(-1.15)				
Own Stock*Δ State GDP			-0.962***			
			(-2.96)			
Own Stock* Δ State Unemp.			0.887			
			(1.27)			
Region-Election F.E.	Included	Included	Included	Included	Included	Included
Adjusted R^2	0.638	0.638	0.639	0.638	0.637	0.638
N	9,295	9,295	9,295	9,295	9,295	9,295

(*continued*)

Table 9 (continued)
The table reports sensitivity analyses of our base specification (see Column 2 in Table 5) examining the relation between available earnings announcements, voter awareness of these announcements and voter behavior. We report results for the following models: (1) we add $\Delta\ Earnings_{q-1}$ as a control, i.e., earnings for all S&P 500 firms that are included in our sample for the prior quarter ending June 30th. (2) We include *S&P 500 Returns* as a control, i.e., the returns on the value-weighted S&P 500 index from November 1st of the prior year through the day prior to Election Day. (3) We include interactions between *Own Stock* and our state-level economic control variables. (4) We use an alternative *Δ Earnings* measure weighted by quarter-end market value of equity. (5) We replace *Δ Earnings* with 3-day EA returns defined as the mean cumulative abnormal return over trading days t-1, t, and t+1 where t is each firm's earnings announcement date. (6) We replace the earnings announcement dates with last year's date when classifying a firm as a pre-election day announcer. The remaining variables use the same definitions as Column (2) in Table 5. The table reports OLS coefficient estimates and (in parentheses) *t*-statistics based on robust standard errors clustered by state. We include region-election fixed effects in the regressions but do not report the coefficients. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% p-levels (two-tailed), respectively.