Divide-the-Quarter: Testing Distributive Politics Theories in the States Using Federal Opportunity Zones

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Abstract

Allocating valuable resources is one of the central functions of government. A large literature focuses on, and finds, evidence of political targeting when government officials distribute assets. In this short paper we use case in which all 50 governors simultaneously faced similar decisions about allocating a constrained set of valuable resources—tax advantaged status for economic development— to test political alignment theories of resource allocation alongside two less explored alternatives: spreading the wealth by geography, and policy need. We find that governors prioritized county lines such that sites in counties with fewer opportunities to distribute were disproportionately selected. We also find they were responsive to policy need. However, we do not find evidence of particularism based on the politics of an area's voters or its local elected officials. This work thus provides reason for caution when generalizing from the presidential particularism literature to different institutional contexts and different types of resources. It also underscores the primacy of geographic boundaries in political decision making, relative to population and other factors, even when they are not units of vote aggregation.

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Allocating valuable resources is one of the central functions of government. Accordingly, questions of how governments do so have long motivated political science research into geographic targeting and the distribution of goods. Infrastructure projects, intergovernmental transfers, disaster aid, and other types of spending all prompt questions about how those with control over valuable resources decide where to send them. Most of this work focuses on political alignment mechanisms - that is how the relationship between the politics of a geographic area and those in change of resource distribution affects who gets what. For example, in what they call "Presidential Particularism," Kriner and Reeves (2015) show that presidential administrations steer money to areas inhabited by their voters in "swing" states, and to "core" states—those primarily inhabited by their supporters in general. The literature addressing these questions, and consistently reporting evidence of distributive particularism, crosses institutions, levels of government, and subfields (e.g. Kriner and Reeves 2015; Berry, Burden, and Howell 2010; Dahlberg and Johansson 2002; Brollo and Nannicini 2012; Reeves 2011).

In this short paper we examine an ideal case for expanding the study of distributive politics mechanisms to U.S. governors, and for evaluating the generalizability of particurlism across and within levels of government. We build on the executive distributive politics literature by focusing a different set of executives, U.S. governors, allocating a different type of resource, tax-advantaged "Opportunity Zone" status for economic development. This case is both substantively important, *and* empirically advantageous. Critically, thanks to federal policy, all U.S. governors were tasked with allocating a valuable resource by geography. Specifically, they designated a predetermined fraction (25%) of their eligible low income census tracts (LICs) from a transparent and exogenously determined list to become "opportunity zones." Selected tracts would become more attractive for economic development. This case allows us to observe 50 political executives, split across party lines, facing the same opportunity to distribute valuable resources, among a well defined set of geographies, with a strict budget constraint.

By examining 50 sets of decisions from 50 different executives, we can see how frequently particular mechanisms manifest, and better identify any widespread that may or may not exist. Specifically, we assess how well political particularism explains 50 governors' distributive decisions alongside a) relatively direct measures of policy need, and b) an alternative geographic mechanism that we call "spreading the wealth." The basic idea behind this alternative mechanism is that geography and geographic units are disproportionately influential relative to factors like population, need, or even partisan politics such that sites in areas (e.g. counties) that offer fewer locations to which one can send resources are more likely to be chosen.

We find considerable evidence that governors spread the wealth, in particular, by making sure that counties with few LICs got at least one Opportunity Zone. We also find evidence that policy need matters. However, contra a literature full of findings showing various politicians practicing particularism, we do not find much evidence of political alignment effects. Importantly, this null finding is not the product of a lack of data or of sampling error. We observe the full universe of actors (50 governors), and the full universe of thousands of decisions. This null finding raises important questions about the limits of general rules of distributive politics. It cautions against overgeneralizing and speaks to the importance of expanding the literature to other institutions and to broadening the scope of particularistic resources beyond financial transfers.

Expanding the study of particularism to governors is important. Recent studies of the Presidency have demonstrated the importance of incorporating executives into the distributive politics literature which had long focused on legislatures (e.g. Kriner and Reeves 2015; Larcinese, Rizzo, and Testa 2006; Berry and Fowler 2016; Lee 2003; Rogowski 2017). However, there are only a small number of presidencies to study while numerous other executives in the U.S. system have discretion over important resources (Nicholson-Crotty 2015). Beyond issues of Ns and scope, the institutions that underlie theories of presidential particularism (e.g. winner take all electoral college system and money distributed though

a giant bureaucrac (Kriner and Reeves 2015)) do not vary. Studies of multiple executives facing different institutional arrangements offer better opportunities to address questions. Namely, do political leaders engage in particularism as a rule – as a broad reading aggregating all of the published findings might suggest, or is it conditional on nuances of institutional arrangements and the resources that are being distributed?

Substantively, states' influence over the allocation of their own resources, and some federal ones, shapes critical policy and political outcomes (Michener 2018). However, our knowledge of state, and especially state executive level, distributive politics is limited (but see Ansolabehere and Snyder 2006; Herron and Theodos 2004; Nicholson-Crotty 2015). Even some of the closest work to our own focuses on political motivations in substantive spending categories and priorities rather than geographic distribution (Nicholson-Crotty 2015, see also for a thorough review of the broader literature).

Finally, beyond extending into the states, we also extend the study of resource distribution beyond things like infrastructure projects, disaster spending, and other grants into a new policy realm. Our work raises questions about the need to think more broadly about the resources that political leaders allocate, and how allocation strategies and political opportunities vary across them.

Mechanisms and Measurement: The Opportunity Zones Program

The Opportunity Zone program in the 2017 tax bill provided substantial tax advantages to investments in designated "low income communities" to encourage economic activity and development (Buhayar 2019). In short, the program created a new financial instrument— "opportunity funds"—which must invest 90% of assets in businesses or properties located in opportunity zones. Capital gains taxes from other investments are deferred as long as they are reinvested in opportunity funds (max 10 years) and the amount owed declines with

time. Moreover, new gains on opportunity fund investments are tax free they are held in such funds for 10 years.

The opportunity zone designation process is the focus of our study. Governors were empowered to designate (subject to certification by the Treasury Department) up to 25% of their states' eligible "economically distressed" tracts (poverty and income criteria) as "qualified opportunity zones."[1] Each governor thus had discretion over which eligible tracts were to become more attractive to outside investment.This discretion required governors to make tradeoffs across urban and rural areas, commercial and residential ones, different types of economic struggles, and worries about potentially adverse effects. With varying degrees of specificity, states announced selection procedures and principles. Not surprisingly, they did not announce that they planned to allocate tracts to political allies or connected business interests. Some did however include geographic diversity as a formal criteria (e.g. Washington 2018) or incorporate structured input from local and state level political officials.

Designating tax-advantaged opportunity zones is, of course, somewhat different from more familiar forms of distributive politics. These differences are an important benefit of studying this case since as they allow us to expand the literature to other types of resource allocation beyond financial transfers. They also provide valuable theoretical empirical leverage. On the other hand, there are also key similarities between our case and prior ones. Some roads or schools may merit improvements more than others and some eligible tracts may offer more economic promise. The ability to approximate policy need is a key advantage in the opportunity zones case (shared with disaster relief e.g. Reeves (2011)) as we know the poverty, employment, and economic trends in each eligible area.[2] Moreover, while opportunity zones may not present literal permanent symbols for credit claiming like a new bridge or school, a governor could easily conduct a ribbon cutting ceremony at any new project and tout the

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[1]They could also designate tracts that did not qualify based on their economic statistics but were are adjacent to designated qualified tracts.

[2]While it is true that sometimes giving communities what they want means not designating their tracts for fear of gentrification and related issues, such dynamics are not unique to this case. Certainly some localities may resist, for example, infrastructure projects.

opportunity zone designation decision.

It is usually difficult to define the set of potential projects or plausible grantees in each geographic region. In the case of opportunity zones, we know the full set of possible options in each region and their policy relevant characteristics. Finally, Presidential Particularism works through political appointees in a vast bureaucracy directing an ongoing stream of resources. Thus, political motivations may be obscured, and those that do not get their fair share may not know. In contrast, Opportunity Zone decisions are transparent, happen at once in a given state, and, even if agencies or commissions were involved, are directly attributable to the governor. For example, the Boston Globe covered Governor Charlie Baker's announcement of his selected Opportunity zones (Logan 2018). These realities also made it relatively easy for journalists to identify ostensible scandalous designations and allocate blame to governors (e.g. Elliott, Ernsthausen, and Edwards 2019). This difference could constrain particularism and differences by it could support one of the key planks of the presidency theory.

Data

We assembled a data set of all eligible tracts using information provided by the Department of the Treasury, census data from the ACS, and additional measures of tract level economic performance collected by the Urban Institute (Theodos, Meixell, and Hedman 2018).[3] We merged these data with county-level gubernatorial election results for the most recent election, and with the party affiliations of the state legislators representing each census tract.[4] We exclude Alaska from the analysis because gubernatorial election results are not available at the county level, and West Virginia because the governor changed parties shortly after his 2016 election.

Overall, there were 30,852 low-income communities (LICs) that could be designated

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[3]We used the 2016 ACS, to match the data that governors and other policy makers would have had available in 2018 at the time of the opportunity zone designations.

[4]Gubernatorial election results from David Leip's Election Atlas. Parties of state legislators provided by Alex Fouirnaies. For states with multimember districts, we counted the district as belonging to the same party as the governor if any of the legislators elected from that district belong to the governor's party.

as qualified opportunity zones (QOZs), and an additional 10,249 census tracts that were contiguous to LICs, and could be designated as QOZs only if a neighboring LIC was also designated. Of these contiguous tracts, only 201 were designated as QOZs. Consequently, we exclude them from our analysis.[5]

We test three types of mechanisms. The first is *political alignment.* Specifically, we focus on "core" targeting. The literature splits on whether leaders direct resources to areas in which their supporters live or areas represented by their political allies (e.g. Cox and McCubbins 1986; Ansolabehere and Snyder 2006; Larcinese, Rizzo, and Testa 2006; Nicholson-Crotty 2015; Kriner and Reeves 2015; Berry, Burden, and Howell 2010; Christenson, Kriner, and Reeves 2017; Dynes and Huber 2015). Thus, we test whether governors target 1) their **political supporters in the electorate** using county level governor vote share, and 2) areas represented by their **political allies** using the partisan match between the governor and local representatives. The general tenor of the literature in which numerous articles report political alignment results leads to a strong expectation that we should find them as well. On the other hand, the leading theory of presidential particularism provides reasons not to expect it among governors because they don't face an electoral college type system (Kriner and Reeves 2015) among other things. Others posit that politicians target "swing" areas (e.g. Kriner and Reeves 2015; Bickers and Stein 1996). Because governors do not face an equivalent of swing states (every vote counts the same) we do not feature this prediction, but we do test for (and do not find) allocation to electorally competitive areas in the Appendix.

The second mechanism is *policy fit.* Even allowing for some high profile scandalous selections, governors may generally target based on economic conditions (e.g. Theodos, Meixell, and Hedman 2018). While a few (e.g. Reeves 2011) are able to include measures of underlying need, and find that it affects decisions, a finding that decisions correlate with underlying conditions but not particularism would be noteworthy. One possibility is that the **neediest** tracts were prioritized. An alternative is that areas that were already doing

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[5]Including these tracts complicates the analysis because the contiguity requirement means that the selection of these tracts is directly dependent on the selection of a neighboring LIC.

relatively well and may have been most **attractive to investors** were. For the former we test for a relationship between tract-level a) poverty rates and b) median income and the likelihood of being selected. For the latter, we test whether places that were already attractive to investment (measured by prior capital flows) were disproportionately selected.

The third mechanism is *spreading the wealth* geographically. Under this model, leaders may make sure that each area gets something such that the distribution is more proportionate geographically than it is by population or other traits or they may make sure that no areas get what appears to be too much. Rodden (2019) elucidates systematic reasons that city interests are consistently underrepresented in politics relative to their size and economic power (see also Gamm and Kousser 2013; Weir, Wolman, and Swanstrom 2005; Einstein and Glick 2017). Indeed, cities hire lobbyists to try to make up for their lack of influence (Payson 2020) at the statehouse. On the other hand, a key part of rural identity politics is the belief that it is the cities that that get a disproportionate share of a state's resources and favorable treatment from the capital (Walsh 2012). There are also, additional potential reasons that overlap considerably with urban rural political divides but may be at least somewhat distinct. Political leaders may believe that places that are already getting resources may not notice the marginal ones they are not getting, but that giving some places, would be conspicuous and violate expectations of fairness. They may also believe that geographic diffusion has more policy benefits or they may be responding to a general tendency in American politics to take even arbitrary geographic designations seriously. For all of these reasons, governors may disproportionately distribute resources to places in which they have fewer opportunities to distribute them. We test for this with a variable: $\frac{1}{\text{\# of LICs in the County}}$ which is at its maximum if a county only has one eligible tract. This variable represents the probability that an LIC in the county would be chosen if the governor were to randomly select one LIC in each county. Multiplied by the number selected in the county it is the proportion selected which is intuitive against the 25% base rate. We consider other measures in the appendix. We also briefly try to parse what may be driving any such (overlapping) effects – i.e. making

everyone gets something (tracts in counties with the fewest options are disproportionately selected) or making sure the biggest don't get "too much."

Results

We begin our analysis with simple t-tests comparing the levels of the variables of interest between the LICs that were and were not designated in each state. These bivariate tests provide an easy way to visualize the prevalence of associations, or lack thereof, across 50 different sets of decisions. Beyond capturing our unique 50 governor setup, they also provide full transparency (Lenz and Sahn 2020) given the potential for suppression effects in models (see below). For each variable in each state, we report (Figure 1) whether the difference between selected (QOZs) and non-selected eligible tracts is positive and statistically significant, negative and statistically significant, or not significantly different. While this rough categorization omits the actual differences (see Appendix Table A1 for the underlying differences by state), it makes it easy to visualize patterns among the states.

This direct analysis yields no evidence of systematic political distribution. Only five governors appear to favor tracts in counties that supported them. This is only one more than the number who appear to favor tracts in which non-supporters predominate. Similarly, governors in nine states appear to favor co-partisan state legislators, while governors in seven states disproportionately selected tracts in areas represented by the other party. For both voter match and legislator match mechanisms, no political differences between selected and non-selected tracts was by far the most common outcome.

We find considerably more support for the spreading the wealth hypothesis. Nineteen governors designated a higher proportion of tracts in counties with fewer eligible options to choose from. Only three did the opposite. We find even more support for the proposition that governors allocated based on actual policy need by favoring the places facing the deepest economic struggles. Substantial majorities of governors favored tracts with lower median

Gov County Vote %

LD Party-Match

LICs In County (Inv)

Negative | None | Positive

Median HH Income

Poverty Rate

UI Investment Score

Negative | None | Positive
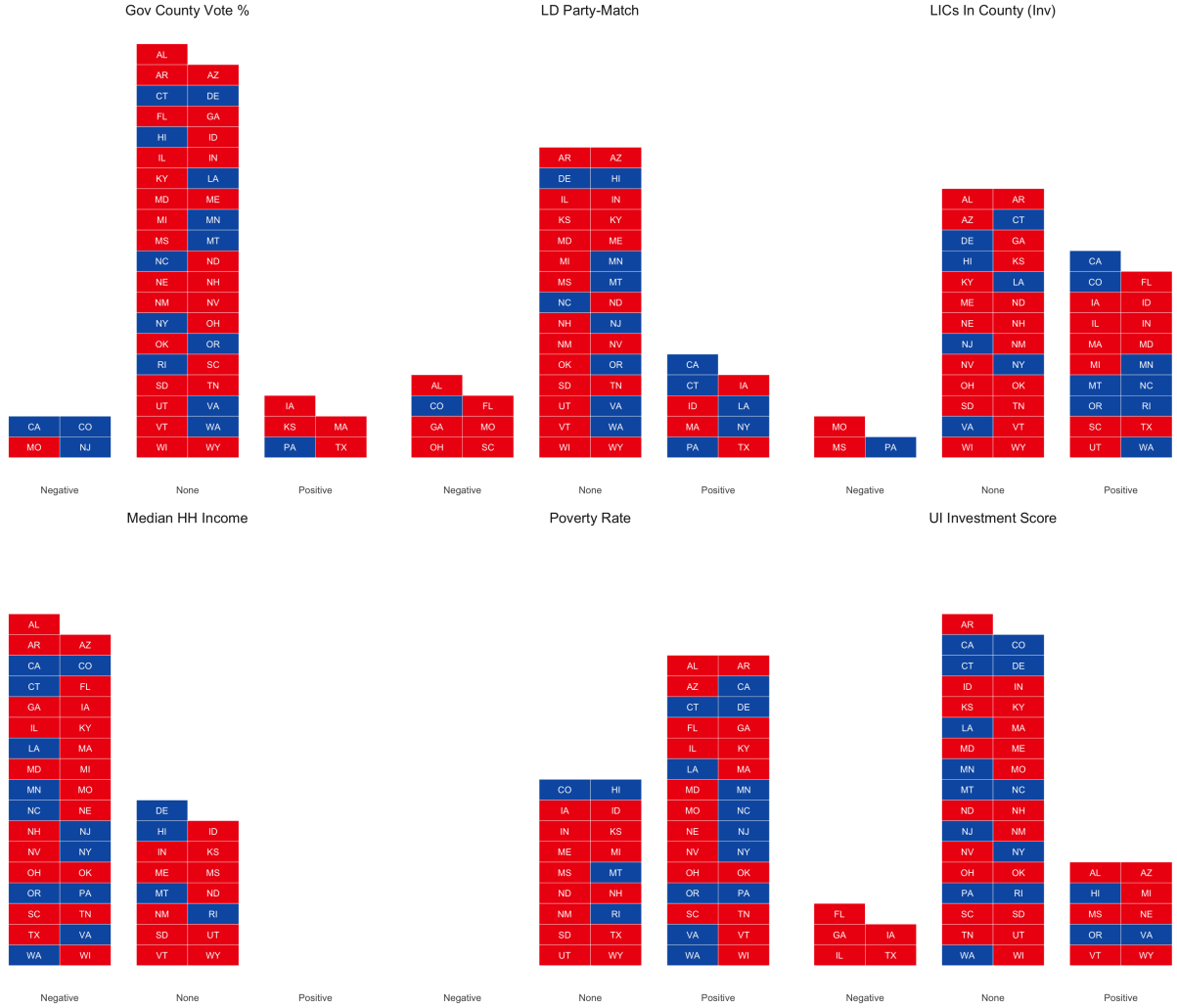
Figure 1: T-tests comparing variables of interest between QOZs and non-QOZs. "Negative" corresponds to a negative statically significant difference between QOZs and non-selected LICs, "Positive" corresponds to a positive statistically significant difference, and "None" corresponds to cases where there was not a statistically significant difference. Full results available in Table A1.

household incomes and higher poverty levels (even within a universe of economically distressed places); no governor did the opposite. However, using the measure of preexisting investment activity, we find mixed results.

The bivariate analysis provides considerable support for both the policy need and spreading the wealth hypotheses. However, it also shows that even these mechanisms only play out in roughly 2/3s and 2/5s of states respectively. We now turn to OLS models pooling a) all states, b) states by governor party, and c) breaking out two illustrative big states separately, to test the mechanisms alongside each other and with controls. In each model we predict governors' designation decisions using our six variables of interest.

Table 1: OLS Regression Results

	All	Republicans	Democrats	Tex.	N. Car.
	(1)	(2)	(3)	(4)	(5)
Gov. Vote County	0.029	0.126	−0.054	0.518***	−0.215
	(0.057)	(0.090)	(0.042)	(0.084)	(0.148)
LD Party Match	0.009	−0.018	0.045***	−0.027	0.060
	(0.012)	(0.013)	(0.008)	(0.025)	(0.040)
LICS in County Inv.	0.404***	0.363***	0.509***	0.314***	0.536***
	(0.048)	(0.056)	(0.086)	(0.060)	(0.121)
Med HH Income	−0.005***	−0.005***	−0.004***	−0.001	−0.006**
	(0.001)	(0.001)	(0.001)	(0.001)	(0.002)
Poverty Rate	0.570***	0.497***	0.688***	0.272*	0.467*
	(0.106)	(0.128)	(0.150)	(0.113)	(0.187)
UI Investment Score	0.010***	0.010**	0.011***	−0.001	0.015**
	(0.002)	(0.003)	(0.002)	(0.003)	(0.005)
Observations	30,271	18,007	12,264	2,482	1,001
R^2	0.072	0.063	0.089	0.062	0.071
Adjusted R^2	0.070	0.061	0.087	0.060	0.066

Note: * $p<0.05$; ** $p<0.01$; *** $p<0.001$
Models 1–3 include state FEs and standard errors clustered by state.

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These regression models corroborate the state-level bivariate plots. They provide strong support in the aggregate for both the spreading the wealth by geography mechanism and the policy need one. They do so when pooling all governors, and they do so across party lines.The spreading the wealth finding is noteworthy both because it has not been the focus of other distributive politics work, and because it speaks to broader questions about the primacy of geographic units over other considerations in U.S. politics. Potentially arbitrary county lines play an independent role in state level allocation decisions and sites in counties that offer fewer opportunities for governors send resources are more likely to be selected. These effects are robust to alternative operationalizations. In the appendix we report models that substitute the log of the LICs in country variable and a dichotomous variable that distinguishes counties with three of fewer LICs (such that allocating one to the county is above the 25% base rate) from all other counties.

Additional analysis suggests that the most of the spreading the wealth action is in the counties with very few tracts and that it is not simply a reflection of an urban/rural divide. Overall, tracts in census defined metro areas were selected at a 23.5% rate compared to the 25% base rate. Overall, tracts in counties that had three of fewer eligible ones were selected 38% of the time. Tracts in the largest 5% of counties (averaging 112 eligible ones) are selected 22% of the time. Most of the largest counties in the country (with a few exceptions, notably in Texas) had selection rates close to 25% give or take a couple of points. Governors tend to make sure each county gets at least one selection, but do not dramatically keep them away (proportionately) from large counties. One of the best ways to get selected was to be one of a small number of eligible tracts in a county.

Nothing in the models provides grounds for claiming political targeting effects. Governor vote share is not significant in any of the three pooled models, and it is not even consistently signed. The LD party match variable is significant in the model for Democrats only, though it is also inconsistently signed across models, and there was no strong theoretical reason to only expect an effect using that measure of particularism for that political party. Additional

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models in the Appendix only further this null finding. Table A2 includes different measures of the spreading the wealth variable, and models with and without the two biggest states (Texas and California). It consistently shows no aggregate political effects. Table A3 shows political effects in only some specifications for Republican governors. It also shows that what significant results exist, are largely driven by Texas. Table A4 shows political effects in some specifications for Democratic governors. Critically, the results are very unstable – some models show vote share effects, some show legislator match effects, some show neither. The coefficient signs, irrespective of significance, are inconsistent.

In short, we do not find grounds for claiming political effects. Any such effects one could claim are very sensitive to exact set of controls variables, as well as the operationalization of the political variable itself along with the spreading the wealth measure and there is not even any consistency in the direction of the signs across models. Most importantly, as the t-tests above demonstrated, any political effects are confined to just a few states, and, regardless of the statistical significance of the differences, the magnitudes of the coefficients are small. Indeed, even specifications most favorable to political effects only show them in a small number of states when we estimate each state separately.

The bottom line is that the t-tests strongly contradict political particularism and modeling does not support a different conclusion. It is likely that a small number of governors disproportionately allocated resources to their supporters' areas. It is also very unlikely that governors consistently did so. As we show in columns four and five of Table 1, it is not that some governors did not prioritize their supporters' counties. In Texas, we observe a large positive effect of the governor's county vote share on QOZ designation – and as we noted earlier, multiple large counties in Texas got very few designations. In North Carolina there is a negative but statistically insignificant effect. This comparison, as well the state by state reporting, highlights the benefits of having 50 analogous sets of decisions. A researcher focusing, in perfectly good faith on Texas a case study, or an alternative world in which this program only happened in Texas, would conclude that governors are highly particularistic

and that they punish large urban counties. The bigger perspective we offer shows that this is the exception rather than the rule.

Conclusion

Our analysis of this empirically rich case of governors allocating resources provides support for two less studied mechanisms of distributive politics, and suggests limitations on one that is prominent in the literature. First, the affirmative findings. Governors' decisions, in general, are consistent with spreading things around geographically – by prioritizing giving at least something to each unit, and targeting based on policy need. Notably: even these mechanisms which are robust to a variety of measurement and model approaches still only manifest in at most 2/3s of governors' decisions. There are tendencies in these decisions, but nothing approaching universal laws.

As significant is what we do not find. We do not find generalized gubernatorial particularism. Why we do not find similar dynamics that those studying U.S. presidents do will hopefully become fodder for future research. One possibility concerns differences in the resources. Perhaps Opportunity Zones – a finite, valuable, and geographically distributed resource – are not tangible enough, work on too long a time horizon, or have too diffuse benefits to trigger particularism. Or perhaps, consistent with an untested premise in Kriner and Reeves (2015) the relative ease of attribution for the decisions constrained political targeting in a way that spendings routed through a vast bureaucracy do not. A second possibility is that governors are different than Presidents because they do not face elections with winner take all sub-units. While this idea can easily speak to swing area mechanisms, it is less clear why this would make overemphasizing geographic fairness a uniquely state level priority. An additional possibility is less theoretical and more methodological. Perhaps our unusual ability to observe the full set of possible choices and their underlying policy attributes muted ostensible political effects and highlighted policy based ones. Regardless,

our findings should provide a key source of caution on any temptations to assert broad rules of political particularism in distributive politics and prompt more attention to understanding the sources of variation in resource distribution. If nothing else, it may help us understand what constraints naked partisanship and what makes some decisions responsive to actual policy need.

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A   Appendix

Table A1: T-Test Results by State and Variable
Positive result indicates that QOZs have higher level than non-selected LICs; negative result indicates that QOZs have lower level than non-selected LICs.

st	gov_vote_cty	ld_party_match_any	lics_in_county_inv	med_income_hh	poverty_rate	ui_investment_score
AL	-0.01	-0.09*	0.01	-3**	0.05**	0.64*
AR	0	0	0.04	-2.4**	0.03*	-0.11
AZ	0	-0.08	0.01	-2.9**	0.03**	0.57*
CA	-0.01**	0.03*	0.01**	-10**	0.1**	0
CO	-0.05**	-0.14**	0.14**	-4.2**	0.02	-0.17
CT	0	0.15**	0	-9.2**	0.07**	0.24
DE	0	0.06	0	-4.5	0.08*	1.2
FL	0	-0.12**	0.02**	-5.7**	0.07**	-0.6**
GA	-0.01	-0.08*	-0.01	-12**	0.15**	-0.8**
HI	0.01	0.09	0.05	-3.4	0.04	1.7*
IA	0.03*	0.22**	0.21**	-4.6**	0.02	-0.88*
ID	-0.01	0.12*	0.22**	-0.45	-0.02	0.1
IL	0	-0.01	0.05**	-10**	0.13**	-0.62**
IN	0.01	0.04	0.06**	-1.5	0.02	0.34
KS	0.04*	0.11	0.08	-1.8	0.02	-0.3
KY	0	0	0.03	-4.2**	0.05**	0.11
LA	0.01	0.15**	0	-3.2**	0.04**	0.31
MA	0.02*	0.11**	0.01*	-7.2**	0.04**	-0.18
MD	0.04	0.07	0.04**	-6.7**	0.06**	0.09
ME	0	-0.15	0	-0.56	-0.01	0.78
MI	0.01	0.01	0.05**	-1.6*	0.01	0.72**
MN	0	-0.05	0.08**	-8.2**	0.07**	-0.51
MO	-0.07**	-0.17**	-0.06**	-6**	0.07**	0.2
MS	0.03	0.09	-0.05**	0.19	-0.01	1.3**
MT	-0.02	-0.07	0.17*	-2.2	0.02	-0.89
NC	-0.01	0.05	0.03**	-4.4**	0.05**	0.1
ND	-0.03	-0.14	0.08	-4.6	0.06	-0.25
NE	0		0.04	-6.7**	0.08**	1.3**
NH	0	0.18	0.02	-5*	0.03	-0.94
NJ	-0.04**	-0.01	0.01	-3.6**	0.04**	0.37
NM	0.02	0.04	0.02	1.1	0	0.66
NV	0	-0.06	-0.01	-8.6**	0.06**	0
NY	0	0.04*	0.01	-6.3**	0.06**	0.18
OH	0	-0.07*	0.02	-4.2**	0.05**	0.35
OK	0.01	0.05	0.04	-2.5*	0.04**	0.45
OR	-0.02	-0.1	0.05*	-3.3**	0.03*	0.98**
PA	0.04**	0.15**	-0.02*	-8.2**	0.09**	-0.26
RI	0		0.09*	-1.6	0	1.2
SC	-0.02	-0.16**	0.03*	-4.4**	0.05**	-0.3
SD	0.01	0.05	0.11	-2.9	0.03	0.46
TN	0	-0.06	0.02	-5**	0.07**	0.17
TX	0.08**	0.15**	0.07**	-1.3**	0.01	-0.35**
UT	0.01	0.01	0.11*	-1.2	0	-0.21
VA	0.03	0.06	0.02	-3.2**	0.04**	0.59*
VT	-0.04	0.11	0.04	-4.2	0.05*	2.1*
WA	0	0.05	0.05**	-5.7**	0.04**	-0.46
WI	0.01	-0.03	0.02	-5.5**	0.05**	0.52
WY	0.02	0.21	0.15	-0.2	0.04	2.2*

* p<0.05; ** p<0.01

Table A2: OLS Regression Results, All States

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Gov. Vote County	0.061	0.071	0.056	0.038	0.014	0.014	0.018	−0.003
	(0.074)	(0.068)	(0.058)	(0.067)	(0.044)	(0.040)	(0.045)	(0.042)
LD Party Match	0.023	0.020	0.003	0.018	0.016	0.012	−0.003	0.010
	(0.012)	(0.013)	(0.015)	(0.012)	(0.012)	(0.013)	(0.013)	(0.011)
LICs in County		−0.0001***				−0.0001		
		(0.00003)				(0.0001)		
LICs in County ln			−0.035***				−0.031***	
			(0.006)				(0.006)	
LICS in County > 3				−0.168***				−0.158***
				(0.028)				(0.029)
Med HH Income	−0.005***	−0.005***	−0.005***	−0.005***	−0.005***	−0.005***	−0.005***	−0.005***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Poverty Rate	0.465***	0.475***	0.563***	0.523***	0.444***	0.461***	0.537***	0.500***
	(0.110)	(0.106)	(0.098)	(0.109)	(0.100)	(0.096)	(0.095)	(0.100)
UI Investment Score	0.007**	0.007***	0.010***	0.009***	0.008**	0.008***	0.010***	0.010***
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Observations	30,271	30,271	30,271	30,271	24,305	24,305	24,305	24,305
R^2	0.056	0.058	0.068	0.065	0.053	0.054	0.061	0.062
Adjusted R^2	0.055	0.057	0.066	0.064	0.052	0.052	0.059	0.060

Note: * $p<0.05$; ** $p<0.01$; *** $p<0.001$
Models include state FEs and standard errors clustered by state. Models 5-8 exclude California and Texas

The models in Table A2 show that when governors are pooled, there are not significant and robust relationship between either political factor (Gov. Vote County and LD Party Match), and QOZ designation across various specifications of the key "spreading the wealth" measure. Models 1-4 vary the specification regarding the spreading the wealth variable. Model 1 doesn't include it at all. Model 2 uses the 1/LIC measure we report in the body of the paper. Model 3 takes the log of this variable. Model 4 dichtomizes it to distinguishes counties with fewer than four eligible tracts and those with four or more. Models 5-8 are the same specifications but exclude Texas and California – the two states with by far the most tracts.

Table A3: OLS Regression Results, Republican Governors

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Gov. Vote County	0.238*	0.203*	0.031	0.191	0.136*	0.111	−0.045	0.093
	(0.097)	(0.092)	(0.081)	(0.094)	(0.052)	(0.059)	(0.058)	(0.052)
LD Party Match	0.003	0.001	−0.028	−0.004	0.008	0.007	−0.019	−0.001
	(0.015)	(0.017)	(0.017)	(0.014)	(0.016)	(0.016)	(0.016)	(0.015)
LICs in County		−0.0001				−0.0001		
		(0.0001)				(0.0001)		
LICs in County ln			−0.042***				−0.037***	
			(0.007)				(0.006)	
LICS in County > 3				−0.133***				−0.135***
				(0.032)				(0.035)
Med HH Income	−0.005***	−0.005***	−0.004***	−0.005***	−0.005***	−0.005***	−0.005***	−0.005***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Poverty Rate	0.440**	0.442**	0.485***	0.475***	0.472**	0.474**	0.515***	0.506**
	(0.129)	(0.127)	(0.122)	(0.130)	(0.146)	(0.144)	(0.140)	(0.148)
UI Investment Score	0.006*	0.007*	0.009**	0.008**	0.008*	0.008*	0.010**	0.010**
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Observations	18,007	18,007	18,007	18,007	15,525	15,525	15,525	15,525
R^2	0.049	0.050	0.060	0.056	0.057	0.057	0.065	0.064
Adjusted R^2	0.047	0.048	0.058	0.054	0.055	0.055	0.063	0.062

Note: * $p<0.05$; ** $p<0.01$; *** $p<0.001$

Models include state FEs and standard errors clustered by state. Models 5-8 exclude Texas.

The models in Table A3 show that there are not significant and robust relationship between either political factor (Gov. Vote County and LD Party Match) for Republican governors. As in Table A2, models 1-4 vary the specification regarding the spreading the wealth variable and 5-8 are the same models excluding Texas. While the coefficient on Gov. Vote County is statistically significant in Models 1 and 2, the coeffcient is halved when Texas is excluded (Model 5) and there is no statically significant relationship in Model 6. Thus, any ostensible effects in some models for Republican governors are not robust to different measures of the key spreading the wealth variable and they appear to be driven by one state.

Table A4: OLS Regression Results, Democratic Governors

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Gov. Vote County	−0.138**	−0.101	0.045	−0.114*	−0.122*	−0.139*	0.120	−0.101
	(0.045)	(0.049)	(0.059)	(0.043)	(0.054)	(0.059)	(0.073)	(0.051)
LD Party Match	0.026*	0.027	0.036**	0.037**	0.023	0.024	0.033*	0.036*
	(0.012)	(0.013)	(0.010)	(0.009)	(0.017)	(0.017)	(0.013)	(0.013)
LICs in County		−0.0001**				0.00003		
		(0.00001)				(0.0001)		
LICs in County ln			−0.038***				−0.046**	
			(0.007)				(0.014)	
LICS in County > 3				−0.231***				−0.210***
				(0.051)				(0.045)
Med HH Income	−0.004***	−0.005***	−0.005***	−0.004***	−0.004**	−0.004**	−0.004***	−0.004***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Poverty Rate	0.647***	0.635***	0.652***	0.674***	0.478***	0.479***	0.484***	0.504***
	(0.144)	(0.135)	(0.144)	(0.144)	(0.051)	(0.051)	(0.044)	(0.043)
UI Investment Score	0.009***	0.009***	0.011***	0.010***	0.009**	0.009**	0.011***	0.010***
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.003)	(0.002)
Observations	12,264	12,264	12,264	12,264	8,780	8,780	8,780	8,780
R^2	0.075	0.076	0.083	0.085	0.051	0.051	0.059	0.063
Adjusted R^2	0.074	0.075	0.081	0.084	0.049	0.049	0.057	0.060

Note: * $p<0.05$; ** $p<0.01$; *** $p<0.001$

Models include state FEs and standard errors clustered by state. Models 5-8 exclude California

The models in Table A4 show that there are not significant and robust relationship between either political factor (Gov. Vote County and LD Party Match) for Democratic governors. As in Table A2, models 1-4 vary the specification regarding the spreading the wealth variable and 5-8 are the same models excluding Texas. The coefficient on Gov. Vote County is statistically significant in Models 1 and 5, with no controls for LICs in County. When these controls are added, the results are inconsistent. In Models 2 and 6, the results are only significant using the number of LICs in County if California is included. Conversely, in Models 4 and 8, the results are only statistically significant if California is included. In some models there is a statistically significant relationship between legislative district party match and QOZ designation, but this is not robust across the models. The point estimates are also not consistently signed.