

**A LAND OF OPPORTUNITY? HOW PERCEPTIONS OF FINANCIAL  
PROSPECTS AFFECT RACIAL AND ETHNIC GROUPS' POLITICAL  
PARTICIPATION**

A Dissertation

by

CHRISTINA MARIE SUTHAMMANONT

Submitted to the Office of Graduate Studies of  
Texas A&M University  
in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

May 2006

Major Subject: Political Science

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**ABSTRACT**

A Land of Opportunity? How Perceptions of Financial Prospects Affect Racial and Ethnic Groups' Political Participation. (May 2006)

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This dissertation develops and empirically tests a theory of political participation that posits that the local economic context moderates the effects of individuals' socioeconomic status by influencing their prospective financial outlooks. These perceptions, in turn, affect individuals' likelihood of engaging in various political activities. I examine the theory using indicators of economic vitality and status both for the entire population and for racial and ethnic group-specific economic conditions. This two-pronged approach allows me to assess the extent to which group-specific conditions are more salient for minority group members than are more traditional contextual (full population) measures that reflect the economic status of the entire population. Thus, such questions as whether blacks' financial outlooks are influenced more by the visibility of black-owned businesses or by the total visibility of business activity are addressed. Hypotheses are tested using the 1992 National Election Study, the 1995 Texas Minority Survey, and economic data collected from the U.S. Census Bureau, 1992 Economic Census. Results indicate that the financial perceptions of blacks and Latinos are significantly related to levels of political activity while the financial outlooks of Asians and whites are not significantly related to their political activity.

## **DEDICATION**

For my two favorite men in the whole wide world: my husband, Chai, and my son, Derek, who have patiently and lovingly encouraged and supported me from beginning to end.

## ACKNOWLEDGEMENTS

The completion of this dissertation would not have been possible without the support, guidance, and patience of many people. Jan Leighley's instruction and advice have been invaluable to me throughout this process, and her patience and encouragement helped me see this project through to its completion. I am grateful to Jan for being more than just an advisor; she has also been a good friend.

I would also like to thank Dave Peterson, Kim Hill, Alex Pacek, and Carol Silva for finding time in their busy schedules to serve on my committee (I am especially grateful to Dr. Peterson for generously agreeing to act as a co-chair on the committee). I appreciate their sacrifices of time and energy in order to help me achieve my professional goal of a doctorate in political science as well as my personal goal of stretching myself as far as I could both intellectually and methodologically. Each committee member's willingness to engage in formal and casual conversations about the project (sometimes on a seemingly endless basis) is greatly appreciated.

I am grateful to the Department of Political Science at Texas A&M for the material support provided to me during my graduate studies, without which I could not have completed this dissertation. The resources and financial assistance provided to me by the department allowed me to present research from this dissertation at professional conferences, which, in turn, helped me to improve the work contained herein. The quality of support provided to me by the department is due in no small measure to the efforts of the current department chair, Dr. Patricia Hurley, as well as graduate director, Cary Nederman. I am truly grateful to them for their efforts.

The office staff of the political science department is genuinely special. The outstanding support I have received from staff members in the department has allowed me to navigate the bureaucratic entanglements of graduate school with minimal hassle. I particularly appreciate the efforts of Lou Ellen Herr, Carrie Kilpatrick, Avis Munson, Dianne Adams, Ludim Garcia, and Carl Richard, all of whom have made my time at Texas A&M much more pleasant and worry-free than it might have been without them.

I also recognize that not all learning takes place in the classroom. On a personal level, I have benefited both intellectually and socially from the friendship of my fellow graduate students. I am particularly grateful to Joe Clare, Chris Owens, Quan Li, Edward Yang, Belinda Bragg, and Danette Brickman for helping to keep me relatively sane throughout graduate school with their hefty senses of humor and solid senses of perspective.

Most importantly, I thank my family, especially my husband and son, for their love and support over the years. My parents, Wayne and Susan, instilled in me the belief that, with tenacity and focus, anything is possible. Finally, my in-laws, from my mother- and father-in-law to my brothers- and sisters-in-law, have provided steady support to both my husband and me. Their encouraging words during difficult times and laughter during easier times has been a constant stream from which to draw inspiration and guidance.

## TABLE OF CONTENTS

		Page
ABSTRACT.....		iii
DEDICATION.....		iv
ACKNOWLEDGEMENTS.....		v
TABLE OF CONTENTS.....		vii
LIST OF TABLES.....		ix
CHAPTER		
I	INTRODUCTION.....	1
	Mass, Racial, and Ethnic Political Participation.....	2
	Theoretical Framework.....	9
	Data and Measures.....	12
	Economic Context Measures.....	19
	Dissertation Outline.....	23
	Contributions.....	25
II	THE LOCAL ECONOMIC CONTEXT AND PERCEPTIONS OF FINANCIAL PROSPECTS.....	28
	Theoretical Motivation.....	32
	The Local Economic Context and Financial Perceptions.....	40
	Hypotheses.....	44
	Results and Analysis.....	45
	Summary and Conclusion.....	51
III	PERCEPTIONS OF FINANCIAL PROSPECTS AND POLITICAL PARTICIPATION.....	53
	Mass Political Participation.....	53
	Financial Perceptions and Political Participation.....	54
	Results and Analysis.....	56
	Economic Context, Financial Prospects, and Participation.....	62
	Summary and Conclusion.....	64

CHAPTER	Page
IV	RACIAL AND ETHNIC GROUPS' PERCEPTIONS AND PARTICIPATION..... 66
	Minorities and Financial Perceptions..... 66
	The Local Economic Context and Minorities' Financial Perceptions..... 67
	Results and Analysis..... 72
	Minorities' Financial Perceptions..... 73
	Group-Specific Economic Contexts and Perceptions of Financial Prospects..... 75
	Racial and Ethnic Groups' Political Participation..... 83
	Financial Perceptions and Political Behavior and Attitudes..... 86
	Results and Analysis..... 87
	Perceptions of Financial Prospects and Political Participation..... 88
	Discussion..... 90
V	SUMMARY AND CONCLUSION..... 94
	Summary of Findings..... 95
	Implications..... 97
	Future Research and Conclusion..... 99
	REFERENCES..... 103
	APPENDIX..... 115
	VITA..... 123



## LIST OF TABLES

TABLE		Page
2.1	Individual Attributes and Perceptions of Financial Prospects (Whites Only).....	47
2.2	Economic Context and Perceptions of Financial Prospects (Whites Only).....	49
2.3	Ideal Types and Probability of Favorable Financial Outlooks.....	51
3.1	Financial Perceptions and Individually and Socially Based Political Participation (Whites Only).....	59
3.2	Financial Perceptions and Individuals' Probability of Engaging In One or More Individually and Socially Based Political Activities..	61
3.3	Financial Perceptions, Economic Context, and Individually and Socially Based Political Participation (Whites Only).....	63
4.1	Economic Context and Minorities' Perceptions of Financial Prospects.....	74
4.2	Group-Specific Local Economic Context and Minorities' Perceptions of Financial Prospects.....	77
4.3	Group-Specific Versus General Economic Contexts and Minorities' Financial Outlooks.....	80
4.4	Financial Perceptions and Individually Based Political Participation, By Group.....	89
4.5	Financial Perceptions and Socially Based Political Participation, By Group.....	90
3.1-A	Individual Attributes and Political Participation.....	115
3.2-A	Financial Perceptions and Political Participation.....	116
3.3-A	Financial Perceptions and Individuals' Likelihood of Political Participation.....	117

TABLE		Page
3.4-A	Financial Perceptions and Individuals' Probability of Engaging In One or More Individually and Socially Based Political Activities..	118
3.5-A	The Economic Context and Political Participation (Whites only)..	119
3.6-A	Visibility of Business Activity and Individuals' Likelihood of Political Participation.....	120
3.7-A	The Economic Context, Perceptions of Financial Prospects and the Likelihood of Political Participation (Whites only).....	121
3.8-A	Visibility of Business Activity, Perceptions, and Individuals' Likelihood of Political Participation.....	122

## CHAPTER I

### INTRODUCTION

The importance of socioeconomic status<sup>1</sup> as a predictor of political participation among whites has been firmly established by scholars. As Wolfinger and Rosenstone (1980, 24) state, “education has a very powerful independent effect on the likelihood of voting” among whites. Among racial and ethnic minorities, however, the effects of socioeconomic status are less pronounced. Verba, Schlozman, and Brady (1995, 360), for example, find that among different racial groups, “education is not a significant predictor of voting once [additional] variables are taken into account.” Hence, the theory that is predominantly relied upon to explain whites’ political behavior fails to adequately account for the political behavior of Asian-Americans, blacks, or Latinos.<sup>2</sup>

In the absence of consistent findings related to the effects of socioeconomic status on minority political participation, numerous theoretical arguments have been proposed to account for racial and ethnic groups’ political behavior. In so doing, however, scholars have failed to contemplate the behavior of these groups within a shared or common theoretical framework. In essence, “studies of minority participation

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This dissertation follows the style of *The American Journal of Political Science*.

<sup>1</sup> Socioeconomic status, or SES, has typically been measured with individuals’ educational attainment, income, or occupation or some combination of the three. Of these three indicators, education has been the most consistent and strong predictor of an individual’s likelihood to participate in political activities. Although income, independent of education, exerts little influence on political activity (Wolfinger and Rosenstone 1980), it is nonetheless overwhelmingly included in measures of SES.

<sup>2</sup> Scholars have referred to racial and ethnic minority groups variously over the years. In this paper, I refer to these groups in the following manner: Asian-Americans as Asians. Because of the heterogeneity among the black population (e.g., people from the West Indies often refer to themselves as distinct from African-Americans), I refer to this group as blacks. I use the term Latino to refer to Hispanics and Puerto Ricans, as well as those who derive from Latin (South) America. The majority, non-minority group is referred to as whites, as is typically done. When citing specific studies, however, I use the terms originally used by authors of such studies.

are motivated by different theoretical frameworks and typically focus on a single group, ignoring the question of the extent to which these alternative theories might generalize to other groups” (Leighley 2001, 15).

This dissertation contributes to what accounts for the political behavior of Asian, black, Latino, and white Americans’ levels of political participation. Although socioeconomic status is expected to remain a significant predictor of whites’ political behavior, whites and minority groups’ levels of political participation may be further accounted for by considering the role of prospective financial outlooks. In particular, I postulate that *individuals’ political behavior is not only a product of their socioeconomic status, but also of their perceptions of their financial prospects. In addition, such perceptions are shaped, at least in part, by the local economic conditions in which the individual lives.* As such, the political behavior of individuals is assessed with a special emphasis on the local economic context.

I begin with an overview of empirical research on the political behavior of whites and racial and ethnic minority groups. This is followed by a brief discussion of the social context and what scholars know about its effects upon political participation. I then make the argument that individuals’ perceptions of their financial prospects is a critical link missing from these previous studies. After laying out the data and measures used in this study, I conclude with an outline of the chapters to follow.

### **Mass, Racial, and Ethnic Political Participation**

Over the years, a number of empirical studies have validated the effects of socioeconomic status on whites’ political behavior. Whites with higher levels of

socioeconomic status tend to participate in political activities more than whites with lower levels of socioeconomic status (Conway 1985; Teixeira 1987; Verba and Nie 1972; Verba, Schlozman, and Brady 1995; Wolfinger and Rosenstone 1980). Higher levels of socioeconomic status among whites are significantly associated with political interest, which is a strong predictor of voting (Berelson, Lazarsfeld, and McPhee 1954; Bennett and Resnick 1990) and political efficacy (Verba and Nie 1972). According to Verba and Nie (1972, 126), “individuals of higher social status develop such civic orientations as concern for politics, information, and feelings of efficacy, and these orientations lead to political participation.”

Racial and ethnic minority groups typically have lower levels of education and income than whites. According to the 2000 U.S. Census, 83.6% of whites were high school graduates and 26.1% have a college degree whereas 72.3% of blacks are high school graduates and 14.3% of blacks have a college degree. Latinos have the lowest educational attainment among whites, blacks, and Asians: 52.4% are high school graduates and 10.4% have a college degree. Participation levels, thus, appear to reflect educational attainment of the various groups: blacks have participation levels comparable to whites while Latinos have the lowest levels of political activity.

As mentioned above, although income has not, in general, exert as strong an influence on levels of political participation as education does, it is still overwhelmingly included in discussions of socioeconomic status. Still, income levels undermine the otherwise straightforward explanation of political behavior; that levels of participation reflect educational attainment among groups. Blacks have the lowest median income

among whites and Latinos (U.S. Census Bureau, Current Population Survey 2001) yet blacks have participation rates comparable to whites. Latinos, as a group, have a higher median income than blacks, yet have lower levels of political participation (Verba, Schlozman, and Brady 1995, 232-235). Thus, although educational attainment and participation rates appear to parallel one another among whites, blacks, and Latinos, levels of income do not conform to the expected pattern. That is, while scholars expect higher levels of socioeconomic status to lead to higher levels of political participation, income does not.

What scholars know about the relationship between socioeconomic status and political participation for racial and ethnic groups is almost exclusively based upon black and Latino behavior (Leighley and Vedlitz 1999). Theoretically motivated studies of the relationship between Asians' socioeconomic status and their political participation levels are rare. Yet Asians have the highest levels of educational attainment (80.4% of this group are high school graduates and 44.1% have a college degree) and the highest median income of any of the groups (\$55,500 for Asians followed by \$45,900 for whites, \$30,400 for blacks and \$33,400 for Latinos) (U.S. Census Bureau, Current Population Survey 2001). While some scholars have found that Asians' socioeconomic status, in general, increases their likelihood to be politically active (Leighley and Vedlitz 1999), others have found that Asians remain the least likely to vote (Uhlener, Cain, and Kiewiet 1989). In fact, some have found a negative relationship between socioeconomic status and political participation for Asians (Lien 1994).

Theories of racial and ethnic minority groups' political behavior tend to emphasize in-group characteristics or contexts, such as citizenship and acculturation in the U.S. (Lien 1994; Pachon and Desipio 1992), racial group identity or consciousness (Lien 1997, 2001; Reese and Brown 1995; Thornton and Mizuno 1999), religious affiliation (Jones-Correa and Leal 2001; Mattis 2001)<sup>3</sup> or contextual elements such as religious institutions (Calhoun-Brown 1996; Harris 1994; Wong 2000). Also examined are the racial or ethnic environment (Leighley 2001, esp. ch. 7; McClain and Karnig 1990; Ramakrishnan and Espenshade 2001; Santiago and Wilder 1991), community organizational environment (Garcia and de la Garza 1985), and the political context itself, which may include elite mobilization efforts and group empowerment (Bobo and Gilliam 1990; Cassel 2002; Gay 2001; Jackson, Gerber, and Cain 1994; Leighley 2001; Pachon and DeSipio 1992; Pantoja, Ramirez, and Segura 2001; Shaw, de la Garza, and Lee 2000).

Empirical studies of theories of racial and ethnic minority groups have produced relatively weak and often conflicting results, either within particular groups or across groups. For instance, while the role of religious organization and affiliation has generally been found to be a significant factor in blacks' political participation (Calhoun-Brown 1996; Harris 1994; Mattis 2001), its importance for Latino participation remains the subject of some scholarly debate (Jones-Correa and Leal 2001).

Moreover, theories of minority groups' participation are generally particularistic with respect to the psychological or contextual traits associated with the group's political

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<sup>3</sup> But see Leighley and Vedlitz 1999 for a comparison of several key models used in evaluating minority group political behavior.

behavior. In other words, previous theories of minority groups' political participation have tended to focus quite narrowly upon factors that are relevant to one group but may lack relevance or comparability with other groups. As Leighley and Vedlitz observe, "most studies consider only one or two models at a time, usually testing the effects of socioeconomic status and psychological resources or group identity, and fail to include any other group-related or contextual factors" (1999, 1093).

My intellectual interest in the political behavior of racial and ethnic groups begins with the question of what common motivations might be found that account for the political activity of Asian, blacks, Latino, *and* white Americans. While theories of particular groups' behavior are important for understanding *particular* groups, such theories generally do not help scholars account for similarities, or differences, between groups. Still, before possible similarities or differences can be rigorously evaluated, we need to explore the political activity of individuals within racial and ethnic groups within a common theoretical framework. For this goal to be achieved, one must identify an element common within minority group theories of participation.

The various theories posited to affect particular group's political behavior does not mean that these theories do not share a similar underlying premise. What each of the minority theories shares is the implicit assumption that individuals within each of these groups believes his or her quality of living (either directly or indirectly) will be *better* under certain circumstances. For instance, according to group empowerment theory (Bobo and Gilliam 1990; Gay 2001; Leighley 2001), individuals of a particular minority group believe their personal, or group's, interests will be more strongly advocated when



a member of one's racial or ethnic background is in power. Likewise, greater levels of citizenship among a particular minority group facilitates electoral power, thereby exerting greater influence on elected officials and increasing the group's chances of obtaining desired goals or benefits. In each case there is an, often implicit, assumption that the group's political and social standing improves as a function of aggregate increases in the group's electoral size (via citizenship), positions of power (via group empowerment), or mobilization (via group identity or consciousness or organizational structures).

In essence, explicitly addressing the issue of whether individuals believe their conditions will be better is needed. While there are undoubtedly numerous dimensions on which one may evaluate 'better conditions,' I focus on individuals' beliefs about their personal financial well-being because it is, arguably, the singular root that links Americans to the notion of the American Dream (Hochschild 1995). For many, America, as a land of opportunity, freedom, and equality, means the opportunity, freedom, and protection to pursue one's financial goals. So while separate minority groups may be influenced by different group-related issues (e.g., citizenship), each individual within racial and ethnic groups, I would argue, is motivated by the desire to achieve some semblance of the American Dream (e.g., owning a home, providing their children with a good education, living in a safe neighborhood, etc.).

Citizens with positive prospective financial outlooks may be more likely to engage in political activity because those with positive financial outlooks have likely benefited from the current social environment and, as such, have a vested interest in

issues affecting the community. Alternatively, based on studies of the influence of economic adversity on individuals' participation, those with less positive financial outlooks may lack the energy to pay attention to policy issues (even if the issue affects their current status) due to their preoccupation with their current financial predicament (e.g., Rosenstone 1982).

Although the effects of individuals' perceptions of their financial prospects on their likelihood of engaging in political activities have not been explicitly addressed within the extant literature, the effects of personal economic adversity on participation have received scholars' attention (Rosenstone 1982; Scott and Acock 1979). Three claims dominate this line of research. The "mobilization theory" posits that financial adversity increases voter turnout since people under financial strain hold the government accountable for their situation (Schlozman and Verba 1979; see also Kernell 1977; Lipset 1960).

Alternatively, the "withdrawal" perspective argues that people with financial difficulties are less likely to vote since they are preoccupied with personal economic well-being. As a result, people who suffer economic reversals may be so consumed with solving their financial problems that they may lack the time or the energy to engage in even the least demanding of political activities, such as voting (Brody and Sniderman 1977). Finally, if people with financial problems neither experience personal duress nor link their personal financial circumstances to political issues, then, according to the "no effect" perspective, economic adversity will not affect the likelihood of voting (Fiorina

1978). Still, some scholars have claimed that the general finding within such studies is that financial adversity reduces the likelihood of voting (Rosenstone 1982).

These studies, however, have not considered the prospective financial perceptions of individuals as a determinant of their political behavior. Because studies examining the effects of economic adversity on political participation have typically focused on the individual's *current* work status (employed or unemployed), we do not know whether it is, in fact, economic adversity or the psychological response to adversity (i.e., negative prospective financial outlooks) that affects political participation. In essence, while previous studies have examined the effects of current economic conditions on individuals' political behavior, they have not considered the psychological component of such circumstances.

### **Theoretical Framework**

The underlying theoretical framework of this study is drawn from social-psychological models of citizens' political attitudes and behavior, described in greater detail in Chapter II. These models posit that citizens do not form their political attitudes and resultant political behavior based solely on individual attributes such as socioeconomic status. Rather, citizens' political attitudes and behavior are strongly influenced by the traits of the social context in which they live.

Direct tests of whether citizens actually recognize the trait believed to influence their behavior (e.g., racial composition, the percentage of the population with a certain level of education, etc.) are rarely conducted. Instead, contextual studies rely on casual

references to perceptions but do not *measure* individuals' perceptions.<sup>4</sup> All too often, such a practice does not reflect theoretical shortcomings of scholars. Rather it likely reflects both the complexity of examining the social environment and the limitations of available data. As noted by Erbring and Young, "the case becomes doubly confounded in conjunction with the empirical problems of separating the effects of individual attributes from the effects of social context in the determination of individual outcomes" (1979, 397). Perhaps due to this difficulty, scholars have increasingly tried to understand how individuals' attitudes or opinions are processed, transmitted, and received (Huckfeldt, et al. 1995; Huckfeldt, et al. 1998). While examining the ways in which political communication are transmitted or the clarity with which political signals are interpreted offer new insights into social communication processes, such studies fail to shed new light on the effects of the social environment itself.

To better understand the influence of the social environment upon individuals' political behavior I advance the notion that we need to develop a better understanding of the social-structural environment, itself. Where traditional studies have relied upon conceptualizations of the social environment as some aggregated attribute of the individuals within the environment, I argue for the need to examine the structural economic element within the environment, thereby gaining some knowledge about how it contributes to individuals' perceptions of their financial prospects. Ultimately, I am

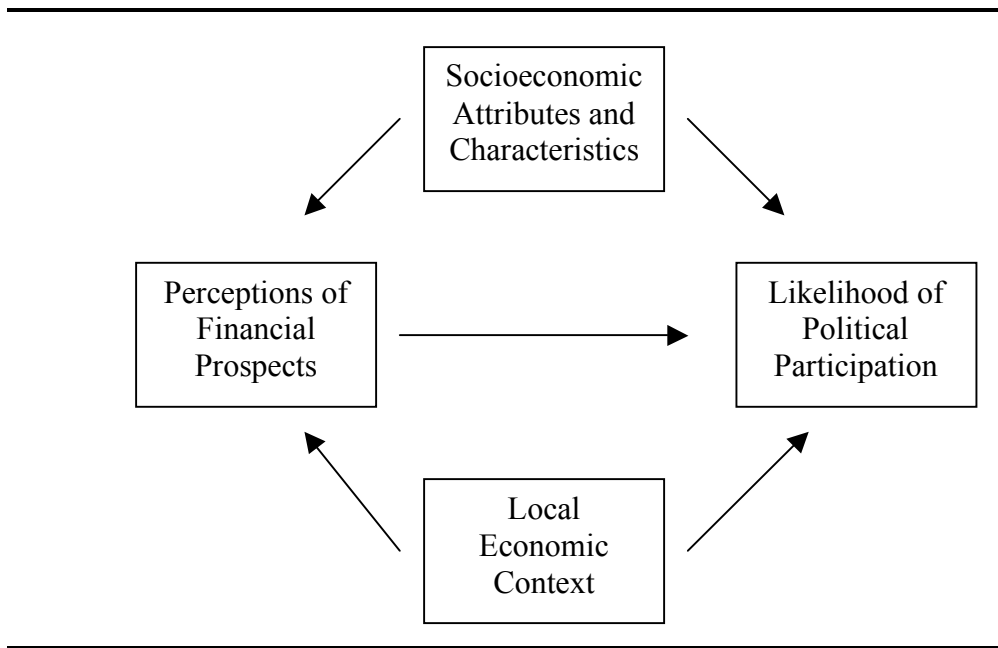
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<sup>4</sup> For example: The proportion black of a population is X, the proportion of the same population that supports a particular candidate, who is anti-black, is Y. The conclusion is that supporters of candidate Y *perceive* X as a threat. Or, a majority of a population is Democrat. More members of the minority party support a Democratic candidate as the proportion of Democrats in their neighborhood increases. Therefore, minority party members must be *influenced* by the number of Democrats in their environment.

interested in whether these perceptions affect individuals' likelihood of engaging in various political activities.

By evaluating the role of individuals' perceptions of their financial prospects as the link between socioeconomic attributes and political participation, a more refined understanding of why socioeconomic status functions differently across racial and ethnic groups may be gained. In addition, because the interest here is in individuals' perceptions of their financial *prospects*, the frequently implicit assumption that citizens are motivated by the potential of something being *better* is explicitly addressed. As illustrated in Figure 1.1, this relationship may be modeled as:

**FIGURE 1.1 Model of Political Participation: SES, Context, and Perceptions**



Democratic theorists have traditionally regarded citizen participation as *the* defining characteristic of a thriving democracy by allowing citizens to voice

dissatisfaction with the system. Others have postulated that there is also an intrinsic value of participation as a source of satisfaction, responsibility, and as an education device (Verba and Nie 1972). In addition, research has shown that politically active citizens actually benefit from elected officials who reward those who participate (Hill and Leighley 1992), which suggests citizens with positive financial outlooks may engage in instrumental participation. That is, citizens with favorable perceptions are motivated to participate when they stand to gain by such engagement while those with less favorable financial outlooks may be too consumed with their financial hardships to even pay attention to the issues of potential interest.

### **Data and Measures**

The central argument proposed is *citizens' perceptions of their financial prospects influence their likelihood of political activity. Moreover, such perceptions are shaped, at least in part, by the visibility of local economic activity.* The visibility of local economic activity acts as a cue to individuals about their financial prospects. Previous studies of individuals' political behavior have either focused on the correlation between socioeconomic status and political participation (for whites) or levels of participation despite individuals' socioeconomic status (for racial and ethnic minorities). Yet, the effects of socioeconomic attributes such as education and income on political participation may be better understood by accounting for individuals' perceptions of their financial prospects for two reasons. First, individuals' socioeconomic status is largely dependent upon the local resources available to sustain one's status. In other words, even high status citizens must live in areas that can provide employment

opportunities that match their skill or income levels. Second, by providing some account of the psychological responses to cues about economic opportunities, a theoretical link is formed between the individual and his or her environment. As such, some traction may be gained on what accounts for political activity among even those with lower socioeconomic status.

Data are drawn mainly from three datasets. Chapters II and III rely upon data drawn from the 1992 National Election Studies, Center for Political Studies, University of Michigan (NES).<sup>5</sup> The NES is conducted around each national election, with pre-election interviews and post-election re-interviews administered in presidential election years. The 1992 study yielded 2,485 respondents in 144 counties who were U.S. citizens of voting age on or before the 1992 Election Day. A particularly appealing feature of the NES is that it contains numerous questions about individuals' social and policy opinions as well as their political behavior and attitudes.

Research evaluating the orientation of voters' judgments (retrospective vs. prospective) provides ample evidence in support of the prospective nature of such judgments (Conover, Feldman, and Knight 1987; Kuklinski and West 1981). For instance, based upon Downs' economic voting model, which asserts that voters seek to maximize their expected utility, Kuklinski and West point out that Downs' theory "emphasizes that as purposive actors, voters are future-oriented in their political decision

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<sup>5</sup> The ANES Guide to Public Opinion and Electoral Behavior. Ann Arbor, MI: University of Michigan, Center for Political Studies, 1995-2000. The NES is supported by the National Science Foundation, under grant numbers SBR-9707741, SBR-9317631, SES-9209410, SES-9009379, SES-8808361, SES-8341310, SES-8207580, and SOC77-08885, as well as the Russell Sage Foundation under grant number 82-00-01, and the University of Michigan. Any opinions, findings and conclusions or recommendations expressed in these materials are those of the author(s) and do not necessarily reflect those of the funding agencies.

making, i.e., they base their election decisions on what lies ahead” (1981, 437). In addition, it doesn’t make sense to gauge individuals’ beliefs about the *future* with survey questions on their assessments of the *past* (Kuklinski and West 1981). I use as the measure of individuals’ perceptions of their financial prospects, one dependent variable, the question asked on the 1992 NES survey:

- Now looking ahead, do you think that a year from now you (and your family living here) will be better off financially, or worse off, or just about the same as now?

Individual attributes that have been shown to significantly influence voters’ financial assessments are educational attainment, family income levels, current work status, and age. Higher levels of education and family income influence individuals’ financial perceptions since individuals with such characteristics are not as vulnerable to economic fluctuations as a result of having the personal resources necessary to adapt to changing economic conditions (e.g., change of occupational vocation or relocate to another area).

Current work status is whether the individual is currently employed or not employed. Previous studies have shown that those who are unemployed have less favorable outlooks on their financial prospects (Weatherford 1983). Age is also a factor in assessing individuals’ financial perceptions. Previous studies have determined that age is influential on citizens’ political attitudes and behavior (Verba and Nie 1972; Wolfinger and Rosenstone 1980). When it comes to financial perceptions, older citizens who may be approaching retirement and the reality of living on a fixed income (e.g., social security benefits) may have less optimistic financial outlooks while younger



citizens may be more optimistic about their financial prospects since they are approaching -- or enjoying -- the years of optimal earnings. Other factors that may account for individuals' financial outlooks are whether the respondent is male or female and party identification.

The NES includes the 1990 population size of the town in which the interview was actually conducted, rather than the county population size. To match NES data with the Economic Census data (described below), the NES population size of towns was replaced with the U.S. Census Bureau's 1990 county population in which the town exists.

In Chapter III, individuals' likelihood of engaging in various political activities is the dependent variable. Political participation measures were drawn from the NES and include whether the respondent *voted* in the 1992 presidential election, *persuaded* others to vote for or against a particular party or candidate, *displayed* a political sign or wore a button, *attended* a meeting or rally, *contributed* money to a candidate or political party, *volunteered* work in the past 12 months, joined a community organization to solve a community problem (*comwrk*), or worked on behalf of a political candidate or party (*polwrk*). Each of these activities is coded 1 if the respondent engaged in the particular activity or 0 if they did not.

Following others (Huckfeldt 1979; Verba, Schlozman, and Brady 1995), two indices were also generated to measure the extent of participation in both individually and socially based political activities. The measure of *individual political activity* represents activities that require little or no social interaction. It is comprised of whether

or not the respondent voted, contributed money, or displayed a political sign or wore a button. *Social political activity* reflects activities that require greater social interaction and is comprised of whether or not the respondent attended a rally or meeting, volunteered work, or engaged in community organization. I omit persuading others' votes from both measures primarily because the conditions under which the respondent would try to persuade another's vote are ambiguous. The respondent may have actively attempted to recruit passersby to vote for his or her preferred candidate or party or the respondent may have had a casual conversation with a co-worker about the campaign.

Each of these political activities was summed and coded to reflect whether the respondent had engaged in at least one of the activities (=1) or none of the activities (=0). While these indices suffer from some degree of conceptual and empirical overlap (Pearson's  $R = .40$ ), they represent sets of activities that require different levels of social interaction on the part of the participant.

The NES data were sorted by the county Federal Identification Processing Standard (FIPS) code and merged with economic survey data. Because I consider the financial perceptions and political activity of individuals of racial and ethnic minority backgrounds in Chapter IV, the analyses in Chapters II and III are limited to 2,074 white respondents. The dependent variables are either categorical or dichotomous, thus I use either ordered logit or logit to estimate the models.

Analyses in Chapter IV are based upon data drawn from a 1995 statewide public opinion survey of Texans that oversampled blacks, Latinos, and Asians.<sup>6</sup> The survey was conducted using randomly selected telephone households in Texas between October 29, 1993 and February 23, 1994. The survey yielded 457 blacks, 716 Hispanics, 483 Asians, and 497 Anglos, a total of 2,153 U.S. citizens across 172 Texas counties for analyses. The Texas survey data were sorted by the county FIPS code and merged with economic census data. The fact that the economic data were collected in 1992 yet the Texas survey was conducted in 1993 and 1994 raises the question of whether citizens' responses accurately reflect responses to the economic conditions during 1992. While it is preferable that the years of the surveys were identical, the difference is not problematic due to the realistic speed with which economic conditions change. Any shift in local economic conditions between the economic environment in 1992 and 1993 would have been either incremental (and therefore not a significant influence on perceptions) or the culmination of conditions already underway (thus capturing individuals' anticipation of the trend).

The Texas survey does not specifically ask respondents about their prospective financial perceptions. Rather, respondents are asked whether they think their family will be *better off* in five years. While this question does not specify one's financial

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<sup>6</sup> I thank Arnold Vedlitz of the Bush School of Government and Public Policy for providing these data. Research funding for the project was provided primarily by the Office of the Associate Provost for Research and Graduate Studies, Texas A&M University, through the Interdisciplinary Research Initiatives Program, along with the Center for Biotechnology Policy and Ethics, through the Institute of Biosciences and Technology; The Racial and Ethnic Studies Institute (RESI), the Public Policy Research Institute (PPRI); and the Department of Political Science, all academic units of Texas A&M University. Principal investigators are James Dyer, Jan Leighley, George Rogers, and Gail Thomas. See Leighley and Vedlitz (1999) for a more detailed discussion of the Texas Minority Survey project.

expectation, I assume most would interpret “better off” in a financial sense. Other individual level variables that have been shown to influence financial perceptions such as education, family income, age, party identification, and marital status are also included.<sup>7</sup>

Although the Texas survey covers a broad range of diverse counties, the fact that most minorities live in urban locations must be accounted for. Thus, for blacks, Latinos, and whites *urban* is measured with a dummy variable, coded either 1 if the respondent lives in a Metropolitan Statistical Area (MSA) or 0 if the respondent does not. The MSA measure of urban, however, could not be used for Asian models due to completely determined observations. In other words, all Asian respondents reside in MSAs in these data. As a result, in models of Asians’ perceptions and behavior I use as the measure of *urban* the percent of the population ages 18-64 based on the logic that areas with a greater percentage of individuals within this age range are more likely to be urban than are areas with a proportionally greater or equal number of younger and older residents.

In Chapter IV, the *individual political activity* measure includes voting, contributing money, or contacting an elected official.<sup>8</sup> The *social political activity* measure is comprised of whether the respondent attended a political meeting or rally, joined a political organization, or volunteered work. As in Chapter III, each of these political activities was summed and coded to reflect whether the respondent had engaged in at least one of the activities (=1) or none of the activities (=0).

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<sup>7</sup> Initial models also considered the work status and sex of respondents. These variables were omitted from the models presented herein due to a consistent lack of statistical significance.

<sup>8</sup> In Chapter III, individually based political participation is measured with voting, contributing money, or displaying a sign/wearing a button. Socially based political participation in Chapter III is identical to that used in Chapter IV.

Measures of the economic context were collected by the author from a variety of U.S. government sources, including the 1992 Economic Census, as issued by the U.S. Department of Commerce. Since these data have not been frequently used, I describe them in some detail. The economic census is conducted every five years covering years ending in 2 and 7 and surveys individual proprietorships, partnerships, and subchapter S corporations (collectively referred to as firms or businesses) throughout the United States. Businesses are required by law<sup>9</sup> to complete these surveys, or face a fine (which does not relieve them of their obligation to complete the survey).

Since being fully integrated in 1954 (it was not on the 5-year interval until 1967), the economic census has been the leading source of facts about the structure and functioning of the nation's economy. The economic, agriculture, and governments' censuses now collectively cover nearly 98 percent of all economic activity and, as such, these data provide essential information for government, business, industry, and the general public. In fact, many of the measures used in economic voting studies are derived from the economic census: "The economic census furnishes an important part of the framework for such composite measures as the gross domestic product, input/output measures, production and price indexes, and other statistical series that measure short-term changes in economic conditions" (U.S. Economic Census).

### **Economic Context Measures**

Scholars of urban ghettos have identified three simultaneous changes in metropolitan labor markets that adversely affect the economic situation of residents (Jargowsky 1996;

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<sup>9</sup> Title 13 of U.S. Code (sections 131, 191, and 224).

Wilson 1987): *deindustrialization*, a decrease in the share of metropolitan jobs in the manufacturing sector; *employment deconcentration*, a decrease in the share of all jobs; and *occupational bifurcation*, changes in production technology in all sectors that result in fewer middle income jobs. Still, each of these factors has received mixed empirical support in studies assessing their influence on various aspects of blacks' sociological environments.

Deindustrialization, for example, does not appear to increase ghetto poverty (Jargowsky 1996, 121) and the deconcentration of jobs matters only if the physical distance affects access to jobs and if [residents] cannot readily pursue jobs that move to suburbs (Jargowsky 1996, 123). Empirical evidence of the effects of occupational bifurcation appears to be largely dependent on how individual scholars categorize various industries into high-wage and low-wage sectors. In addition, they also suffer from considerable empirical overlap: a decrease in the share of manufacturing jobs, particularly in metropolitan areas, *should* directly contribute to a decrease in the share of all jobs.

Still, these changes may be used to gain some tractability for assessing the local economic context. Since my interests lay in determining the extent to which individuals obtain cues within their local contexts about their financial prospects, I consider the *visibility of business activity* rather than whether a decrease has occurred in any one economic sector (e.g., manufacture). Doing so avoids the problem of selecting a particular sector (which may or may not appropriately reflect the dominant industry within a particular region). This approach also has intuitive appeal in that a decrease in a

major economic sector, or several smaller sectors, in a particular region will affect the visibility of overall economic activity.

In addition, some scholars have suggested that as the economy develops, “industrial specialization and the range of industries increase” from which the number of technological linkages within and between industries also grow. As a result of these developments, one may infer that there tends to be a “growing ‘quality’ multiplier as the economy develops” (Thomas 1969, 51). Since my interest here is in the *visibility* of economic activity rather than – in the strictest sense – industrial growth, I take the total number of firms as the measure of the level of industrial specialization and range and divide that number by the square miles of the county to gauge the visibility of business activity.

The number of people competing for local jobs influences individuals’ perceptions of their financial prospects through affecting their likelihood of not only obtaining jobs but also the wages they earn. Population growth, while increasing consumer demand -- thereby increasing productivity and utilizing capital -- must also not exceed that which the market can absorb since excessive population sizes would lead to unemployment or reduced wages. In short, if large workforce populations exceed the production capabilities of the economy, economic stagnation or decline occurs (Hamberg 1952). Where employment deconcentration has focused on a general decrease of all jobs, irrespective of the workforce population, here, I measure workforce competition as the total population ages 18 to 64 divided by the total number of local businesses within each county.

While the Bureau of Labor and other government organizations typically define the workforce population as citizens ages 16 to 64, I omit 16 and 17 year olds for two reasons. First, minors are (usually) dependent on parents or legal guardians for their financial well-being and, as such, do not choose where they live. Second, NES respondents must be at least 18 years old. As a result, data on individuals within these ages are not available for consideration (if one wanted to use the traditional workforce population measure).

The economic context, thus, is measured with the total number of businesses with 100 or more employees divided by county square miles (*visibility of business activity*) and the population ages 18 to 64 divided by the number of businesses with 100 or more employees (*workforce competition*). In addition to the visibility of business activity and workforce competition, I also consider the gross number of businesses with 100 or more employees in the community. This measure, referred to as *business activity*, is distinguished from the *visibility of business activity* both conceptually and empirically. The business activity measure assesses the total number of businesses in the community, regardless of the density – or visibility – of such businesses. Hence, citizens may not be influenced by the visibility of such businesses but rather by the sheer *number* of businesses. Further, business activity is empirically different from the visibility measure; the Pearson's R between the two measures is .18, indicating that the two measures do not significantly overlap.

In addition to these measures of the general economic context, data were collected for each group. The Survey of Minority-Owned Business Enterprises (MB92-1, MB92-2, MB92-3, MB92-4, MB92-3RV) produces reports that are issued separately by the



U.S. Department of Commerce. Each report provides information on the number of businesses owned by blacks, Hispanics, and Asians and Native-Americans, respectively. One deficiency of the Asian and Native-American report is the inability to separate these two groups. As a result, the measure of Asian-owned businesses actually reflects Asian- and Native-American-owned businesses. However, the number of Native-American-owned businesses in Texas is relatively small.<sup>10</sup> Thus, the measure of Asian-owned businesses is expected to be fairly representative of businesses that are actually owned by Asians. The measure of a *group's visibility of business activity*, then, is the total number of businesses owned by each group divided by county size (in square miles). Supplemental data were collected from the 1990 U.S. Census, the Bureau of Labor Statistics, and the Bureau of Economic Analysis.

As Wacquant and Wilson have duly noted, “it is the net effect of several types of economic change and their possible interactions that ought to concern” scholars (1989, cited by Jargowsky 1996, 128). Collectively, the measures of the local economic context employed herein offer an alternative to gross domestic product, unemployment rates, and inflation levels typically used to conceptualize economic conditions at both national and local levels (e.g., Weatherford 1983).

### **Dissertation Outline**

In Chapter II, previous research on the political behavior of both whites and racial and ethnic minorities is reviewed along with studies of economic voting and the important role of economic perceptions. Establishing the connection between these two bodies of

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<sup>10</sup> American Indian and Alaska Native persons constitute 0.6% of the Texas population (2000 U.S. Census Bureau. Accessed 6 February 2006 at <http://quickfacts.census.gov/qfd/states/48000.html>.)

literature lays the foundation for the subsequent analyses within the dissertation. The relationship between the local economic context and whites' perceptions of their financial prospects is also tested. Because the nature of the relationship between local economic conditions, financial perceptions, and political behavior has not been systematically evaluated, I focus on whites in Chapters II and III in order to establish, in some senses, a baseline measure consisting of a representative national sample of whites of the relationship between the local economic context, financial outlooks, and political participation.

Chapter III considers the effects of whites' prospective financial outlooks on the likelihood of engaging in political activity. Analysis reveals that, among whites, better financial outlooks significantly *decrease* participation in some forms of political activities. In addition, local economic factors are shown to have significant effects upon individuals' political engagement, even when their perceptions do not. Differences exist between social and individual forms of political activity, as well. I discuss these results according to their implications for previous explanations for whites' political activity.

The relationships between the local economic environment and racial and ethnic minorities' prospective financial outlooks are established in Chapter IV. In addition to considering the effects of the broader economic environment and such individuals' financial perceptions, the effects of group-specific economic conditions are assessed. In other words, the questions of how blacks' financial outlooks are influenced by black-owned businesses, how Latinos' financial outlooks are influenced by Latino-owned

businesses, and how Asians' financial outlooks are influenced by Asian-owned businesses are addressed.

The effects of prospective financial perceptions of individuals within the four racial and ethnic groups on their political behavior are also evaluated in Chapter IV. As with whites, there is great variation among the groups when it comes to the effects of financial perceptions and the types of political activities in which they engage. Some surprising similarities, and some surprising differences, among the groups emerge that challenge the ways racial and ethnic groups' political behavior might be studied in the future. And this is the issue addressed in the final chapter. Some preliminary conclusions are drawn from the analyses within the chapters with an eye toward their meaning for future research on the political behavior of racial and ethnic groups, both within the United States and within a comparative politics framework.

### **Contributions**

This dissertation addresses three fundamental questions. To what extent does the local economic context influence citizens' prospective financial outlooks? Do such perceptions affect individuals' likelihood of engaging in political activity? Finally, how are racial and ethnic groups' financial perceptions influenced by group-specific economic conditions as opposed to the general economic environment?

Democratic theorists have long maintained that a politically involved citizenry is necessary for democracy to thrive (Nagel 1987). The question of how individuals respond to their local economic environments, however, has implications for a broader understanding of political activities that may be either unconventional at best or directed

at subverting a political regime at worst. In the United States, the civil rights movement of the 1960s was comprised of thousands of blacks and their sympathizers who peacefully demonstrated in the streets, boycotted businesses, and broke down barriers to their participation in the electoral arena. Those who were unsatisfied with the progress of the movement advocated a more radical, and violent, approach. Still, the goal of both groups – those who were conventional and those who were less so – was to affect political changes that would enable economic and social advancement and opportunity.

For the past forty years, black, Latino, and, more recently, Asian Americans have made both political and economic strides; but not without occasional sparks of racial tension that have, at times, flared into riots. Yet the story of minorities, especially blacks, in the U.S., is not unique. In 2005 riots in France lasted ten long nights and resulted in hundreds of arrests, more than 1,000 vehicles burned, and many buildings destroyed. These riots arose from public housing developments largely occupied by French Arabs who have among the highest unemployment rates and who regularly encounter discrimination.

The unique integration model of France, which subordinates race, ethnicity, or religion to the common goal of being French, has allowed minorities to be left behind – and not just economically. “...discrimination has flourished behind the oft-stated ideals, leaving immigrants and their French-born offspring increasingly *isolated* in government-subsidized apartment blocks to face high unemployment and dwindling hope for the future” (Smith 2005; italics mine). This isolation comes in many forms, be it political, economic, or social, and culminates in less optimism for one’s future.

While economic conditions have generally been assessed in terms of third-world GDP and inflation, the general conclusions may be equally applied to mass reactions to economic frustrations at the individual level in Western democracies. To wit, economic conditions influence “the timing and terms of democratic transitions and posttransition political alignments” (Haggard and Kaufman 1997, 266) and such “crisis conditions provide oppositions with new opportunities to draw adherents by linking economic circumstances to the exclusionary nature of the political order” (ibid., 268).

Extrapolating from this line of research and the example that the recent riots in France provide, it seems likely that financial frustrations, especially when combined with racially motivated barriers to economic and social advancement, render a potentially significant threat to an existing political order.

The following empirical evidence underscores the importance of integrating contextual influences and addressing psychological factors affecting individuals’ decisions to participate. While the general model introduced earlier receives mixed support, depending on the particular ethnic or racial group considered, the analyses contribute to the broader intellectual community by addressing several gaps in our empirical evidence regarding the nature of the relationship between the social context, individuals’ psychological responses to the context in which they reside, and political participation. The chapters that follow support that which is already widely acknowledged in both academic and social settings: citizens’ responses to their local environments are highly complex and such variations primarily reflect ethnic and racial differences.

**CHAPTER II**  
**THE LOCAL ECONOMIC CONTEXT AND PERCEPTIONS**  
**OF FINANCIAL PROSPECTS**

Flint is the fourth largest city in Michigan. Located in Genesee County along the Flint River, the city lies about 60 miles northwest of Detroit. Many scholars consider the vicinity of Flint to be the oldest continually inhabited part of Michigan, though its population has recently fallen roughly 3.7% (from 124,943 in 2000 to 120,292 in 2003) (U.S. Census Bureau).<sup>11</sup> Genesee County is overwhelmingly white, although its black population is sizeable (78% and 19.5% respectively).<sup>12</sup> Flint is perhaps best known for its auto industry – both its ascension and its decline. During World War II, the city was a major contributor of tanks and other war material due to its extensive manufacturing facilities. As a major population center and an economic powerhouse, Flint enjoyed both political importance and economic security.

However, since the 1960s, Flint has suffered from disinvestment, deindustrialization, and depopulation. Most recently the economic bedrock of Flint, the auto industry, including the largest automaker in the world, has proposed drastically reducing both wages and benefits of its employees (Hakim 2005). Blacks have been disproportionately affected by the demise of Detroit's labor unions (Uchitelle 2005), perhaps leading to increased racial tension. The city has one of the highest crime rates in

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<sup>11</sup> U.S. Census Bureau. (Accessed 22 January 2006 at <http://quickfacts.census.gov>.)

<sup>12</sup> According to the 1990 U.S. Census, Genesee County is 78% white, 19.5 black, 2% Hispanic of any race, and less than 1% American Indian and Asian groups combined. (U.S. Census Bureau 1990 Summary Tape File. Accessed 21 November 2005 at <http://factfinder.census.gov>.)

Michigan and, in 2004, the 2<sup>nd</sup> highest violent crime rate in the United States.<sup>13</sup> In 2002 the city was placed into receivership because it could not pay its debts, although it has since regained local control.

Factors blamed for the economic and social malaise afflicting Flint include Reaganomics, outsourcing and exporting jobs abroad and to non-union facilities, unionization and exorbitant overhead, globalization as well as the decline of the American auto industry. Such rationales are, according to some, applied along partisan lines with labor issues the most divisive and polarizing local issue.

The economic rise and fall of Flint, Michigan, is not unique. Indeed, communities experience economic peaks and valleys regularly. Some regain economic strength quickly while others languish for decades. Yet, despite the centrality of local economies to people's lives, its implications for mass political behavior remains largely unknown. As communities' economic conditions thrive and decline, how do local residents react politically?

Opportunities and resources are unevenly distributed in space. In response, people attempt to convert improved socioeconomic standing into "improved residential circumstances, which not only yield immediate tangible benefits but also enhance the prospects for success by providing greater access to important resources such as higher education" (Massey 2000, 44). Such "attempts" are based, in part, upon how the individual views his or her financial prospects. According to some, the ideology of the

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<sup>13</sup> According to the 2003 FBI Report of Offenses Known to Law Enforcement, Flint's murder rate is 3.00 times the national average, forcible rape is 2.79 times the national average, and all violent crimes are 2.03 times the national average. (Accessed 21 January 2006 at <http://www.cityrating.com/citycrime>.)

American Dream – the faith that an individual can attain success and virtue through strenuous effort – is the very soul of the American nation (Hochschild 1995). People living in thriving<sup>14</sup> communities -- with their bustling Main Street stores, filled restaurants and cafes, corner banks, and indoor malls – should have more favorable financial prospects due to greater economic opportunities available within such communities. In contrast, individuals within economically declining communities, characterized less by busy streets than by littered ones, more by fast food chains than by dine-in restaurants, and more by loitering unemployed males rather than by strolling shoppers – should have, relative to people in thriving communities, less favorable perceptions of their financial prospects.

Local economic conditions affect citizens' perceptions of their financial prospects for at least two reasons. First, individuals' financial livelihoods are dependent upon not only the availability of employment within their immediate geographic space but also on how well individual skills match the available jobs (Moss and Tilly 2001). Most jobs require skilled tasks, educational or skill credentials, or both and businesses are demanding higher levels of qualifications and abilities. Moreover, increased demands by businesses for higher levels of qualifications and abilities have a significant influence on those with limited education. Research has shown that “black and Latino men, in particular, are disproportionately selected out of the jobs that have skill

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<sup>14</sup> Adjectives such as ‘thriving,’ ‘flourishing,’ or ‘declining’ do not imply *changes* in the empirical sense of a change between, say,  $t$  and  $t-1$ . Rather, such adjectives refer to a general, static impression one might gain of the environment. Analogously, although a human being is constantly changing, we nonetheless observe the general health of individuals as healthy, sick, etc. even though they may be physically recovering from an illness or getting sick. Still, I try to use the most accurate language when doing so is not cumbersome or confusing.



requirements” (Moss and Tilly 2001, 463). Hence, one might expect members of racial and ethnic minority groups to be more sensitive to local economic conditions.

Further, research showing that local economic factors directly affect individuals’ economic well-being is strong. For instance, Thomas found that increases in productivity among local businesses resulted in an autonomous rise in real income (1969, 44). In addition, studies assessing whether economic growth leads to income inequality have, thus far, yielded no empirical link between the rate of short-run economic growth or of faster rates of economic growth with income inequality (Chang and Ram 2000). Therefore, it is likely that local economic conditions influence individuals’ perceptions of their financial prospects since it affects their personal income.

Second, individuals’ financial perceptions, regardless of whether they are optimistic or pessimistic, may act as stimuli for them to pay greater attention to political issues. As observed with the example of Flint, Michigan, economic malaise may lead to attributions of blame, which may act to strengthen one’s partisanship. In addition, some groups’ beliefs on social issues such as poverty vary according to whether individuals attribute responsibility to either individuals or structural factors (Hunt 1996, 304), suggesting that groups who see structuralist reasons for poverty as important are more likely to turn to the political arena for a solution to such a problem. Hence, while there is reason to believe strong negative *and* positive financial outlooks may increase one’s likelihood to participate, as an exploratory analysis of the role of financial perceptions in

political activity, this dissertation focuses on the influence of positive financial outlooks due to previous research showing that economic adversity decreases turnout.

### **Theoretical Motivation**

People respond in different ways to a variety of community factors. In addition to individual responses to the opportunities and resources available in their neighborhood communities (Massey 2000), citizens display different political attitudes and behaviors in response to the racial composition (Wright 1976) and socioeconomic characteristics (Giles and Dantico 1982; Huckfeldt 1979; Kenny 1992) of local communities. Local economic conditions also influence individuals' perceptions of economic policy (Weatherford 1983). Thus, it seems likely that individuals form judgments of their financial prospects in response to local economic conditions.

Research on individuals' political attitudes and behavior has been conducted under numerous contextual frameworks. Within the broad range of such studies on participation four major dimensions may be identified: (1) the institutional and legal dimension (Hill and Leighley 1993, 1996; Lijphart 1997; Wolfinger and Rosenstone 1980); (2) the political environment itself (Beck and Jennings 1979; Cox and Munger 1989; Hill and Leighley 1993; Huckfeldt and Sprague 1995; Leighley 2001; Rosenstone and Hansen 1996); (3) the individual psychological dimension (Beck and Jennings 1979; Berelson, Lazarsfeld, and McPhee 1954; Zipp 1985); and (4) the social environmental dimension (Foladare 1968; Giles and Dantico 1982; Huckfeldt 1979, 1980, 1984; Huckfeldt, Pluzer, and Sprague 1993; Kenny 1992; Weatherford 1982, 1983; Wright, Jr. 1976).

These studies have consistently shown that each of these contextual frameworks affects individuals' political attitudes and participation. They differ, however, in two important respects. The first difference is in the underlying perspective of the individual as either *mobilized* (or demobilized) by political elites and conditions or as *passive recipient* of social or political cues. The second important difference lies in the types of interaction between the contextual factor and the individual. As Weatherford notes, "distinctions have been drawn between types of contextual effects in terms of their dependence on interpersonal processes" (1982, 122). Hence, while the differences between these contextual studies are not mutually exclusive, distinguishing such studies along these lines facilitates identifying where the local economic context and citizens' perceptions fit into the broader contextual literature.

Studies within the institutional and legal dimension consider the extent to which institutional structures or electoral laws affect citizens' political behavior. State registration rules -- as one general context -- provide an example of a legalistic condition affecting individuals' likelihood of voting. Numerous studies have empirically demonstrated that restrictive registration requirements negatively influence voter turnout (Hill and Leighley 1993, 1996; Rosenstone and Wolfinger 1978; Timpone 1998; Wolfinger and Rosenstone 1980).

The political contest itself also provides a general context within which citizens may be mobilized to engage in various political activities, usually voting. Such studies have found individuals' participation is affected by the closeness of elections (Cox and Munger 1989), party competitiveness (Hill and Leighley 1993), the candidates'

ideological placement (Beck and Jennings 1979), and elite and social mobilization efforts (Huckfeldt and Sprague 1992, 1995; Rosenstone and Hansen 1996).

The political contest and institutional/legal dimensions of contextual studies have clearly shown that such environments have important implications for citizen participation. Still, the underlying premise of such studies is that the individual is *actively* recruited – or mobilized – to participate. For instance, Huckfeldt and Sprague assert that electoral politics is characterized by their “socially coercive, interactive, and dynamic” aspects (1995, 5). While citizens may respond differently to political, institutional, and legal conditions, such conditions are *intended* to alter the behavior of citizens, whether by deliberately encouraging or inadvertently discouraging their political participation.

These two dimensions do not rely upon theories of social or personal interaction for the effects of the particular contextual factor to be present. Rather, they largely rely upon individuals responding to the abstract, impersonal nature of such contexts. For example, Huckfeldt and Sprague claim that citizens’ responses to electoral politics are based upon the *intangible effects* of localized political information (1995, 5 italics mine; see also Huckfeldt et al. 1995). Likewise, studies finding that party competition influences turnout have argued that individuals are more likely to vote in competitive campaign environments since such contexts alter the individuals’ calculations of their probability of affecting the outcome (Hill and Leighley 1993, 1161).

While the institutional/legal and political contest dimensions are largely characterized by their mobilizing and abstract qualities, studies within the individual

psychological and social environmental dimensions view individuals as passive recipients of, and responders to, the social and political cues within the social context. These studies examine citizens' political responses to the broader social climate. For example, Berelson, Lazarsfeld, and McPhee (1954) found that cross-pressured individuals (e.g., citizens with partisan loyalties different from those of their family or associates) displayed less interest in the 1948 presidential campaign and made their vote choices later than did individuals who did not experience such cross-pressures (see also Campbell et al. 1960; Lazarsfeld, Berelson, and Gaudet 1968). Over the years, studies within this dimension have increasingly been incorporated into research on the effects of the social environment as scholars have reached a general consensus that political decision-making and attitudes are interdependent and social in nature.

The importance of the local social environment as an influence on citizens' political behavior and attitudes has been firmly established (Foladare 1968; Giles and Dantico 1982; Huckfeldt 1979, 1980, 1984; Huckfeldt, Pluzer, and Sprague 1993; Kenny 1992; Weatherford 1982, 1983; Wright, Jr. 1976). Huckfeldt (1979), measuring the local social context using the percentage of Buffalo, NY residents with 12 or more years of schooling, found that higher status neighborhoods encouraged political participation among higher status citizens but discouraged political activity among lower status citizens. Moreover, lower status citizens in lower status neighborhoods were *more* likely to be politically active than their counterparts in higher status contexts. Others have largely substantiated these findings, albeit using different data (Giles and Dantico 1982; Kenny 1992).

Foladare (1968) evaluates whether the occupational character of the neighborhood influences residents' partisanship and candidate preferences. Also using data collected in Buffalo, NY, Foladare found that "members of manual families are progressively more likely to be Democrats as the proportion of manual workers living in the neighborhood increases" (ibid., 519). The effects of such "occupational clustering" are more pronounced upon individuals' candidate preferences: as the proportion of the population becomes more "manual," preferences for presidential candidate Kennedy also increase (in heavily manual neighborhoods the ratio climbs to eleven to one). Based upon these findings, Foladare concludes that the greater the exposure of individuals to members of their own group, the greater the likelihood that such groups will act as a positive reference group for individuals' political behavior due to the reinforcing effect of the same influence.

In a study reaching similar conclusions, Wright, Jr. found that whites in southern counties with greater black populations were more likely to support presidential candidate Wallace (a pro-segregationist candidate) than were whites in counties with relatively smaller black populations. Moreover, the effects differ between urban and rural areas. Whites in rural areas where a greater proportion of the population is black were significantly more likely to support candidate Wallace than whites in urban areas. Further, increases in the black population led to a greater preference for Wallace, regardless of issue (1976, 211). The author attributes these differences to the levels of support for Wallace by individuals' primary group members. "Black concentration and urbanism influence voting for Wallace through affecting people's primary groups and

their relative proximity to Wallace on the issue” (1976, 210) (see also Huckfeldt 1984 for similar findings).

Within the psychological and social environmental dimensions, research has tended to focus on political attitudes and behavior (e.g., Foladare 1968; Giles and Dantico 1982; Huckfeldt 1979, 1980, 1984), social networking (Weatherford 1982) and, increasingly, communication (Huckfeldt et al. 1995; Huckfeldt et al. 1998) processes. These studies have clearly shown that individuals’ attitudes and behavior are significantly influenced by social environmental factors. Moreover, the effects of the social context endure even when individual attributes, such as education, are controlled for in the models; attributes that have consistently been strong predictors of political participation (Leighley and Nagler 1992; Verba and Nie 1972; Verba, Schlozman, and Brady 1995; Wolfinger and Rosenstone 1980; see also Leighley 1995 for field essay on political participation). And scholars of the social context have explicitly noted the interdependency of individual characteristics and contextual properties (e.g., Huckfeldt 1979, 1980).

When compared to the other contextual dimensions already considered, these studies tend to view individuals as passive recipients of cues as supplied by the social environment. Essentially, where institutional/legal and political contest studies contend that such contexts *actively* alter individuals’ behavior, studies within the psychological and social environmental dimensions generally function from the perspective that such contexts have no such intention; their “influence” being a by-product of population

characteristics. As stated by Huckfeldt, people “respond to political events, *cues*, and opportunities which are specific to a given environment” (1979, 579; italics mine).

Research along these dimensions also differs from the institutional/legal and political contest dimensions in the types of interaction postulated. Here, the theoretical frameworks rely upon some form of *social interaction* among individuals as the vehicle for transmitting cues about social and political norms. Moreover, interaction may be personal or impersonal. Such “social interactions take different forms: standing in line at the post office, getting together with friends, talking across a backyard fence or on a street corner, sharing the same public facilities --- supermarkets, gas stations, laundromats. None of the interactions are politically neutral” (Huckfeldt 1980, 231).

While studies of the social context have yielded a rich body of knowledge on the effects of the local environment on participation, they have failed to account for the important role that the local economy plays in any community, which falls *between* the legal/institutional dimension and the psychological and social environmental dimension. The local economic context, like the institutional/legal context, affects individuals through its abstract, impersonal nature. At the same time, it does not actively or intentionally alter citizens’ behavior. Rather, effects of the local economic context are believed to be the result of passively received cues by individuals.

Considering the role of the local economic context is important for several reasons beyond simply looking at one “new” contextual characteristic. Critics of (social) context studies have asserted that such studies provide no empirically tested link between the observed behavior and the community beyond correlations (Erbring and



Young 1979). Since previous contextual studies have overwhelmingly relied upon aggregated individual attributes (e.g., educational attainment or party identification), the transmission of such effects is *assumed* to stem from social interaction. Considering the local economy avoids the need to make assumptions about personal interaction since the economy doesn't *choose* whom and how it affects individuals: it affects, to one degree or another, all members of the community.

A second concern with previous contextual studies is the argument that people within geographic spaces “have a more difficult time avoiding each other” (Huckfeldt 1980, 231). Scholars have challenged this notion of “boundedness,” the assumption that most of the politically important social relations of an individual occur within the local district, as being of limited applicability in an increasingly mobile society (Weatherford 1982). The local economic context is not subject to the concern of “boundedness” since residents, who may work or socialize elsewhere, nonetheless return to their local community to live, shop, and otherwise engage in daily activities.

A third reason evaluating the local economic context is important stems from the fact that economic issues largely fall under the purview of that which is considered in the political domain. Political issues are, in most instances, distributional issues; the amount of money to be spent on one project necessarily takes money from another project. Moreover, the advantages and disadvantages of local projects are often a function of how the particular project may affect one's well-being. For example, economic policies, such as offering tax abatements to entice businesses (good for businessmen) at the expense of public housing (bad for low income people), are debated by elected officials.

So while contextual studies have contributed to our knowledge about citizens' political attitudes and behavior, they have failed to adequately account for the theoretical reason *why* aggregated socioeconomic attributes of the community affect individuals' political behavior.

### **The Local Economic Context and Financial Perceptions**

There is good reason to expect the local economic context to affect citizens' political attitudes and behavior since the economic conditions most clearly perceived by the individual are those close to home (Weatherford 1983, 869). Weatherford, for instance, examined the effects of local economic conditions and individuals' experiences with unemployment on the formation of economic issue attitudes. Using the local Labor Market Area (LMA) as his geographic unit and its percent unemployed, he found that contextual economic conditions appear to motivate citizens' opinions about the macroeconomy, even when demographic and attitudinal factors were controlled for in the model (Weatherford 1983, 879). According to this study, economic perceptions function as summary indicators of local economic grievances (i.e., unemployment and inflation)(1983, 881). Further, individuals "combine information about *personal* and *local* conditions to form subjective impressions of family financial situation and of the trend of national business conditions" (1983, 884, italics mine).

Assessing individuals' economic perceptions is not novel. Indeed, evaluating the effects of voters' economic perceptions has been a key component of studies on presidential approval (Brooks and Brady 1999; Chappell, Jr. 1990; Clarke and Stewart 1994; Funk and Garcia-Monet 1997; MacKuen, Erikson, and Stimson 1992; Norpoth

1996), presidential economic performance (Conover and Feldman 1986; Lau and Sears 1981) and vote choice (Alford and Legge, Jr. 1984; Gomez and Wilson 2001; Sigelman 1991; Wlezien, Franklin and Twiggs 1997).<sup>15</sup>

Two intellectual debates define the economic voting literature. The first debate revolves around the question of whether individuals make their political judgments based on retrospective economic conditions or on prospective economic evaluations (Alvarez, Nagler, and Bowler 2000; Clarke and Stewart 1994; Haller and Norpoth 1994; Lanoue 1994; Lewis-Beck 1986, 1988; Lockerbie 1991; MacKuen, Erikson, and Stimson 1992; Norpoth 1996; Uslander 1989). The second debate centers on whether such judgments are shaped by the individual's economic circumstances (the "pocketbook" or egocentric perspective) or by assessments of the national economy (the sociotropic perspective) (Brooks and Brady 1999; Funk and Garcia-Monet 1997; Gomez and Wilson 2001; Sigelman 1991; Welch and Hibbing 1992).<sup>16</sup>

While I do not attempt to resolve the dilemmas within these scholarly discussions, I do observe that, despite the plethora of research on the sources of or influences on voters' economic perceptions, few systematic evaluations have been done on how such perceptions are influenced by local economic conditions. One exception is Weatherford, who found that the local economic context not only provides citizens with evidence about the condition of the national economy but also, and more importantly,

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<sup>15</sup> For comparative studies along these lines, see Alford and Legge, Jr. 1984 (German national elections); Alvarez, Nagler and Bowler 2000 and Whiteley 1984 (British general elections); Lewis-Beck 1986 (cross-national study); and Uslander 1989 (Canadian federal elections).

<sup>16</sup> See Feldman 1984 for a review of literature on economic self-interest and evaluating the extent to which people are most likely to act on the basis of financial well-being and when they are most likely to do so.

that “living in a declining area predisposes one toward a slightly more pessimistic outlook on personal economic fortunes” (Weatherford 1983, 879).

These studies presuppose two conditions: first, that unemployment and inflation rates have adversely affected individuals’ day-to-day living, and second that individuals are aware of changes in such economic indicators.<sup>17</sup> While unemployment and inflation rates are certainly factored into individuals’ assessments of national economic policies, they are probably less likely to tangibly affect individuals’ daily experiences until they have reached a level at which point their impact is felt by local businesses. As Conover, Feldman, and Knight point out, “people may be especially insensitive to relatively minor or gradual shifts in the economy; they may only respond to changes that are large enough or dramatic enough to exceed some threshold of perceptions” (1986, 567; see also Alt and Chrystal 1983).

Several scholars have noted the questionable effects of unemployment and inflation on citizens’ perceptions (Conover et al. 1986; Kraus 1997; Rosenstone 1982) and the relevance of such measures in today’s Western democracies (Tóka, nd). For instance, Krause, distinguishing between multiple groups with varying levels of

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<sup>17</sup> National unemployment rates typically hover around five percentage points. An increase of less than about two percentage points is not likely to alter individuals’ economic perceptions. An increase from an average of five percent unemployed to about seven percent unemployed, on the other hand, is more likely to cause concerns about the overall health of the economy. For example, it is debatable the extent to which individuals are aware of, much less feel any ramifications of, the .5% decrease in unemployment over the past year; January of 2005 rate being 5.2%, January of 2004 was 5.7% among people 16 years and older. Source: U.S. Department of Labor, Bureau of Labor Statistics. Likewise, inflation has fluctuated between 2.3% (2004 first quarter) and 2.5% (2005 first quarter). Source: <http://www.money-rates.com/indicators>. Regional changes in these economic indicators vary even less significantly. In Texas, for example, unemployment has alternated between 6.0% and 5.9% since August of 2004. California’s unemployment rate has fluctuated a total of .3% since August of 2004. Source: U.S. Department of Labor, Bureau of Labor Statistics, accessed March 2005 at [www.bls.gov/eag/home](http://www.bls.gov/eag/home). Given the size of these states, and their economies, it is unlikely that any one community was particularly hard-hit by state unemployment rates.

“information” (i.e., education level), finds no instance in which changes in unemployment rates over a twenty-two year period significantly affected personal financial expectations and that inflation was an insignificant factor explaining variation in most of the groups’ expectations about the future (Krause 1997, 1186). As such, this scholar concluded that the effects of unemployment, inflation, and other conventional measures have differing impacts upon a heterogeneous electorate and, moreover, the influence of such measures is often felt by one segment of the population; i.e., either the least or the most informed. As noted by other scholars, “unemployment levels may [also] be irrelevant for some major social groups: those whose capital is mostly in land, savings, or social entitlements and those whose major stock is human capital, respectively” (Tóka, nd). So while unemployment and inflation rates have been shown to be factors in individuals’ assessments of national economic policies and conditions, they are probably unlikely to tangibly affect individuals’ daily experiences until they have reached a level at which point their impact is felt at the level of the local economy.

In sum, on the one hand, studies of political participation within the social context have relied upon theories of social interaction. Yet theoretical linkages between the citizen and his or her social environment rely upon the assumption that citizens are, in fact, interacting with others in the community. In addition, such studies have overwhelmingly relied upon aggregated individual attributes to measure the social context.

## Hypotheses

The visibility of local business activity provides cues to individuals about the economic opportunities available to them. For instance, residents of communities in which economic opportunities are not readily perceptible are less likely to have favorable perceptions of their financial prospects. Hence, *greater visibility of business activity is expected to increase the likelihood with which citizens will have positive prospective financial perceptions (H<sub>1</sub>).*

Competition in the workforce is also likely to influence citizens' financial perceptions. The more competition there is, not only for local jobs but also for jobs with better pay, the less likely people are to believe they have a chance at either increasing or sustaining their overall standard of living. In addition, those of lower socioeconomic status are particularly vulnerable to greater levels of workforce competition since the jobs they are likely to seek generally have fewer educational requirements. Thus, *relatively greater levels of workforce competition will reduce the likelihood with which citizens will have positive perceptions of their financial prospects (H<sub>2</sub>).*

Finally, local economic conditions have distinct impacts on communities that are readily perceptible to residents since the local economic context is the one most clearly perceived by individuals (Weatherford 1983). Thriving economic communities have a more stable tax base, better schools, nicer recreational facilities (e.g., parks), and more social services (e.g., street cleaning, garbage collection). These attributes of better economic communities stand in stark contrast to stagnant, or declining, communities characterized by fewer homeowners, under-funded schools, run down recreational

outlets (if any), and empty storefronts or businesses. In short, various aspects of the local economic context, collectively, influence individuals' perceptions of their financial prospects. Thus, each of these factors is considered simultaneously in the multivariate models in order to assess their relative influence on individuals' financial perceptions.

### **Results and Analysis**

Before assessing the effects of the economic context, it is useful to establish the extent to which citizens' perceptions of their personal financial prospects are shaped by their individual attributes. As shown in Table 2.1, educational attainment has a significant influence on citizens' perceptions of their financial prospects ( $p < .05$ ). Scholars of economic perceptions have attributed the effects of education on voters' financial assessments to their increased levels of sophistication (Lockerbie 1991) and information (Krause 1997).

Family income levels also affect citizens' personal financial evaluations. Quite unexpectedly, however, higher levels of family income significantly *decrease* the likelihood of whites having positive perceptions of their financial prospects ( $p < .01$ ). To a limited extent, this finding is supported in the literature. In their study of citizens' prospective evaluations of inflation and unemployment, Conover, Feldman, and Knight showed that income was negatively related to positive assessments of inflation. However, these scholars also found that income increased the probability of having favorable assessments of unemployment (i.e., that it would be better in the future) (1987, 574). So while the effect of one's family income on policy evaluations remains unclear, the results of the analysis here

suggest that individuals with higher family incomes adopt more conservative outlooks about their personal financial prospects.

Age, too, dramatically decreases the likelihood of positive financial assessments. In addition to studies finding that age is negatively associated with positive evaluations of financial well-being (Feldman 1984), these results support other research showing that older individuals demonstrate less support for both reductions in federal income taxes and cuts in social security benefits (Lau and Sears 1981).

The 1992 presidential election resulted in the defeat of incumbent Bush, a Republican. President Bush's defeat has been attributed to the mass perception of a stagnant economy, although this perception was divided largely along partisan lines. Thus, self-identified Democrats may be less likely to have favorable financial outlooks since the president of their party had not yet taken office.

Results show that Democrats, in fact, are significantly less likely to have favorable perceptions of their financial prospects ( $p < .01$ ). These results are consistent with previous studies showing that partisan predispositions influence economic perceptions (Wlezien, Franklin, and Twiggs 1997). In addition, partisanship, which is a stronger predictor of perceptions than education, appears to provide support for Gomez and Wilson's research, which indicated that partisanship significantly predicts candidate preferences at all levels of political sophistication (2001, 908-909). Finally, being married or a homeowner does not significantly influence one's prospective financial perceptions.



**TABLE 2.1 Individual Attributes and Perceptions of Financial Prospects (Whites only)**

Variable	Favorable Perceptions of Financial Prospects
Education	.06* (.03)
Family Income (ln)	-.03** (.01)
Age	-.03** (.00)
Homeowner (yes = 1)	-.05 (.12)
Democrat	-.23** (.06)
Married	-.03 (.07)
Log Likelihood	-1470.61
LR $\chi^2$	157.13
Prob > $\chi^2$	.000
N	1701
_cut1	-4.47

*Notes:* Ordered Logit model. Standard errors in parentheses. \*\*  $p < .01$ ,

\*  $p < .05$ , one-tailed test

*Source:* 1992 NES

Testing how the components of the local economic context affect citizens' prospective financial assessments requires a methodology whereby the relative effects of individuals' attributes and the economic context on citizens' financial perceptions may be determined. I use an ordered logit model to produce estimates of the relative effects of the local economic context on citizens' prospective financial perceptions. Specifically, perceptions of personal financial prospects were estimated with (1) economic context variables, i.e., the visibility of business activity measure, workforce

competition, etc and (2) individuals' attribute variables. The results are presented in Table 2.2.

None of the hypothesized relationships between the economic context measures and individuals' perceptions of their financial prospects is supported by the analysis. Even more puzzling is the positive, yet insignificant, effect of unemployment on whites' financial outlooks. Only the size of workforce competition and the total number of local businesses are in the hypothesized directions, although they also lack statistical significance.

Rather than the local economic context exerting any influence upon citizens' financial outlooks, the results show that only educational attainment significantly increases individuals' probability of positive financial outlooks ( $p < .05$ ). However, family income and age continue to decrease this likelihood ( $p < .01$ , respectively). Thus, an initial analysis of the data indicates that citizens' positive assessments of their financial prospects are almost exclusively determined by their educational attainment.

To further examine these results, I calculated individual predicted probabilities using Long's *Spost* program for interpreting nonlinear models (see Long and Freese 2003 for details). Setting the values of the independent variables of different ideal types while all other variables are held at their means reveals a more nuanced relationship between the economic context, individuals' attributes, and their financial perceptions.

**TABLE 2.2 Economic Context and Perceptions of Financial Prospects  
(Whites only)**

<b>Variable</b>	<b>Favorable Perceptions of Financial Prospects</b>	<b>Δ Pr(Better)</b>
Visibility of Business Activity	-.00 (.00)	- 18%
Workforce Competition	-.02 (.03)	- 9%
Education	.07* (.03)	9%
Family Income (ln)	-.03** (.01)	- 21%
Age	-.03** (.00)	- 44%
Homeowner (yes = 1)	-.06 (.12)	- 1%
Urban (msa)	.11 (.12)	2%
Unemployed (1990)	.02 (.02)	5%
Business Activity	.00 (.00)	52%
Workforce population (18 – 64)	-.00 (.00)	- 29%
County Size (sqmi)	-.00 (.00)	- 10%
Log Likelihood	-1482.951	
LR $\chi^2$	153.00	
Prob > $\chi^2$	.000	
N	1711	
_cut1	-4.20	

*Notes:* Ordered Logit model. Standard errors in parentheses. \*\*  $p < .01$ ,

\*  $p < .05$ , one-tailed test

*Source:* 1992 NES; 1992 Economic Census

The regression models show that education has the most significant effect on an individual's likelihood of having positive financial outlooks. However, predicting the

values based upon hypothetical types of citizens reveal that outlooks of one's financial prospects are affected by the local economic context.

As shown in Table 2.3, a 35-year old with a high school diploma who is earning between \$40,000 and \$44,999 has a 36% probability of assessing his or her financial prospects as better, all else being equal. When the income is reduced to between \$15,000 and \$16,999 but the visibility of business activity is increased by one standard deviation, a 35-year old with a high school diploma has a 40% probability of having a favorable financial outlook with all other variables held at the mean. The likelihood of such perceptions increases by another 7% when the total number of businesses is increased. It is noteworthy that the average citizen, based upon these data, has a 32% chance of having positive financial outlooks.

Further, some leverage may be gained on why education has such a powerful effect upon the likelihood of positive financial outlooks by adjusting our ideal citizen to have a Bachelor's degree rather than a high school diploma. Compared to a 35-year old with a high school diploma in a community with a greater total number of businesses, a 35-year old with a Bachelor's degree in the same environment has a 52% likelihood of having positive financial outlooks; a full .20 greater probability than the average citizen.

**TABLE 2.3 Ideal Types and Probability of Favorable Financial Outlooks**

<b>Ideal Type</b>	<b>Pr(better)</b>
35-year old with a high school diploma earning between \$40,000 and \$45,000 (all else held at the mean)	0.36
35-year old with a high school diploma earning between \$15,000 and \$17,000 in community with greater visibility of business activity (all else held at the mean)	0.40
35-year old with a high school diploma in community with a greater total number of businesses (all else held at the mean)	0.47
35-year old with a Bachelor's degree in community with a greater total number of businesses (all else held at the mean)	0.52
An "average" citizen	0.32

### Summary and Conclusion

While some scholarly debate exists about the motivations and orientations of voters' attitudes and decisions, it is nonetheless clear that macroeconomic factors are significant influences such behavior (e.g., Alvarez, Nagler, and Bowler 2000; Clarke and Stewart 1994; Lewis-Beck 1986, 1988; Uslander 1989). Still, national studies of voters' attitudes and choices have not accounted for the effects of economic conditions on citizens' attitudes within local communities. Moreover, "in considering the nature of national and regional growth there is a great variance between regional economic patterns and those for the nation as a whole during the last several hundred years" (Thomas 1969, 45; but see Hendrick and Garand 1991 for variations in state, regional, and national influences

on states' economic growth patterns). Yet, contextual studies have largely failed to account for the local economic conditions in which citizens live.

The purpose of this chapter has been to, first, evaluate the extent to which local economic factors influence citizens' perceptions of their financial prospects and, second, to offer an alternative conceptual framework in which to evaluate such perceptions. Rather than framing the discussion in terms of personal or collective, prospective or retrospective, the purview of this chapter has been to establish the effects of the local economic context on citizens' prospective financial outlooks.

In addition to individual attributes, most of which have statistically significant effects on the likelihood with which citizens will have positive financial outlooks, greater visibility of business activity and a greater number of total businesses also may, substantively, increase individuals' probability of having positive prospective financial perceptions, although the empirical effects are marginal at best. Still, while the results presented here are far from conclusive, one general conclusion is that the effects of socioeconomic attributes, especially education, on individuals' financial outlooks should be considered, based on substantive patterns observed in Table 2.3, in conjunction with the local economic environment in which individuals live. Of course, the question of whether such economic conditions and financial perceptions are strong enough to propel citizens to become voters is the topic of the next chapter.

### **CHAPTER III**

## **PERCEPTIONS OF FINANCIAL PROSPECTS AND POLITICAL PARTICIPATION**

Chapter II showed that individual attributes, such as education, exert a strong influence on the probability with which citizens will have more favorable perceptions of their financial prospects. In this chapter, I argue that citizens' perceptions of their financial prospects affect their likelihood of participation. I begin with a brief review of the relevant literature showing the importance of individuals' socioeconomic attributes as determinants of their political behavior. This is followed by a consideration of the literature on economic perceptions and individuals' political decisions based upon such perceptions. Hypotheses derived from these considerations are then empirically tested and the results discussed.

### **Mass Political Participation**

As observed in Chapter I, the importance of socioeconomic status as a predictor of political participation among whites has been firmly established by scholars. As Wolfinger and Rosenstone (1980, 24) state, "education has a very powerful independent effect on the likelihood of voting" among whites. Over the years, a number of empirical studies have demonstrated that whites with higher levels of socioeconomic status tend to participate in political activities more than whites with lower levels of socioeconomic status (Conway 1985; Teixeira 1987; Verba and Nie 1972; Verba, Schlozman, and Brady 1995; Wolfinger and Rosenstone 1980).

Scholars of mass political participation have found that higher levels of socioeconomic status are significantly associated with political interest, which is a strong predictor of voting (Berelson, Lazarsfeld, and McPhee 1954; Bennett and Resnick 1990). In addition, “individuals of higher social status develop such civic orientations as concern for politics, information, and feelings of efficacy, and these orientations lead to political participation” (Verba and Nie 1972, 126).

Perhaps the most extensive consideration of why socioeconomic status is consistently associated with political participation is the work of Verba, Scholzman, and Brady (1995). These scholars’ *resources theory*, which is comprised of time, skills, and money, postulates that individuals with such resources are more likely to participate than those without time, skills, or money since the absence of such resources increases the costs of political activity.

### **Financial Perceptions and Political Participation**

Surprisingly little research exists on how financial perceptions affect one’s propensity to engage in political activities. Studies of economic voting have demonstrated that voters’ economic perceptions are a key component of presidential approval (Brooks and Brady 1999; Chappell, Jr. 1990; Clarke and Stewart 1994; Funk and Garcia-Monet 1997; MacKuen, Erikson, and Stimson 1992; Norpoth 1996), presidential economic performance (Conover and Feldman 1986; Lau and Sears 1981) and vote choice (Alford



and Legge, Jr. 1984; Gomez and Wilson 2001; Sigelman 1991; Wlezien, Franklin and Twigg 1997).<sup>18</sup>

These studies have nearly always focused on the attitudes and choices of *voters*. As a result, research has tended to be motivated by theories of accountability of elected officials, citing the democratic function of elections as one of empowering citizens to hold elected officials accountable for the general state of the economy: voters either reward or punish incumbents for their actions while in office. As noted by Kuklinski and West (1981), “nothing is more fundamental to popular control than the idea that citizens hold officials accountable for their collective actions” (437).

By and large, studies of economic voting (i.e., assessments of “changes in vote probabilities due to changing economic perceptions” (Duch, Palmer, and Anderson 2004, 4)<sup>19</sup>) in both presidential and congressional elections have shown that a growing or stable economic environment has helped incumbent party candidates while economic decline benefited candidates of the opposition (Kuklinski and West 1981; see also Erikson 1989; Jacobson and Kernell 1992; Kramer 1971; Tufte 1975).

While the question of whether financial perceptions affect political participation appears to have received little attention in the scholarly literature, the negative effects of individuals’ adverse financial conditions on their political behavior have been

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<sup>18</sup> Alternatively, scholars have considered how citizens form their economic judgments (Conover, Feldman, and Knight 1987).

<sup>19</sup> A more thorough definition is provided by Gábor Tóka: Economic voting is an expression referring to a behavioural phenomena, namely that changes in economic conditions or in their perception (supposedly) lead to changes in individual voting preferences and via that in election outcomes. Voting merely on the ground of economic ideology is not economic voting in the above sense” (nd).

extensively evaluated (Brody and Sniderman 1977; Fiorina 1978; Rosenstone 1982; Schlozman and Verba 1979).

In sum, research within the economic voting literature has provided consistent evidence that economic perceptions affect voters' attitudes and choices. In addition, adverse financial circumstances decrease individuals' likelihood of voting (Rosenstone 1982). Based upon the findings within both the economic voting and political participation literatures, I hypothesize that citizens' prospective financial perceptions affect the likelihood with which they will participate. More specifically, *citizens with positive financial assessments will be more likely to participate than those with less favorable financial outlooks.*

This hypothesis is predicated upon previous research showing voters' financial outlooks as well as personal financial conditions (e.g., Rosenstone 1982) influence their political behavior. Since personal economic adversity decreases turnout due not only to the physical challenges associated with economic difficulties (Brody and Sniderman 1977; Rosenstone 1982) but also the *psychological* component of economic troubles, I expect less positive financial outlooks to decrease one's likelihood to engage in political activities since such outlooks may depress one's ability to pay attention to political issues, even if such issues have potential relevance to the disadvantaged individual.

### **Results and Analysis**

Individuals' socioeconomic status significantly increases the probability with which they will engage in various political activities (see Table 3.1-A in the appendix). Education is consistently the strongest predictor of voting, persuading others, displaying political

statements, attending political events, and contributing money. Education also increases the probability of civic engagement through increasing the likelihood with which one does volunteer work or joins a community organization to try to solve a local problem. These findings are consistent with previous studies of political participation that have repeatedly shown that education is linked to multiple political activities (Verba and Nie 1972; Wolfinger and Rosenstone 1980).

Scholars have postulated several reasons for the link between education and voting. Berelson, Lazarsfeld, and McPhee (1954) found that males with higher education levels demonstrated more interest in the 1948 presidential campaign. Wolfinger and Rosenstone (1980), Verba, Schlozman, and Brady (1995), and others attribute the effects of education on the likelihood of voting to the skills associated with education that make learning about politics easier and more gratifying.

Individuals with higher family income levels are also more likely to engage in a variety of political activities. Higher family income significantly increases the probability with which individuals of such families will vote or make political contributions. Income also increases the probability that individuals will be active within their community. However, consistent with previous research, the relationship between income and political activity is not as strong as that of educational attainment (e.g., Verba and Nie 1972; Wolfinger and Rosenstone 1980).

While citizens who identify themselves as upper class are more likely to vote, work on political campaigns, and make contributions, social class is not significantly related to the other forms of political participation considered here. To check whether

the inconsistency observed may be due to underlying correlation issues, I examined the extent to which these factors overlap. While social class and education (corr. = .41), social class and income (corr. = .40), and income and education (corr. = .46) are somewhat correlated, their levels are not believed to be problematic.

Previous studies have shown, when it comes to voting, that education and age were of primary importance (Wolfinger and Rosenstone 1980). Results here appear to support these prior studies: as people age, they are more likely to vote, contribute money, and be active in solving community problems. However, older citizens are significantly less likely to try to persuade others' votes ( $p = .00$ ) or display their political preferences ( $p < .05$ )

Whites identifying themselves as either strong Democrats or strong Republicans are also more likely to be active in almost every respect, except working for a political campaign, contributing money, or volunteering work. However, strong partisans are significantly less likely to join an organization to try to solve a community problem, although the relationship is relatively weak ( $p < .05$ ).

Consistent with previous research demonstrating that gender differences in voting behavior have largely disappeared, no significant difference exists between males and females when it comes to voting, displaying political sentiments, attending political functions, or working on a political campaign. However, males are significantly more likely to make financial contributions and try to persuade others' votes ( $p < .01$ ). The results of individual political participation measures and predicted probabilities are presented in Tables 3.2-A through 3.7-A located in the appendix.

The results of these data support what has been well established in the participation literature: socioeconomic status, age, and strong partisanship all positively affect the likelihood of being politically active.

**TABLE 3.1 Financial Perceptions and Individually and Socially Based Political Participation (Whites Only)**

Independent Variable	Index of Individually Based Participation	Index of Socially Based Participation
Perceptions of Financial Prospects	.03 (.09)	-.18* (.08)
Education	.35*** (.04)	.31*** (.04)
Family income	.06*** (.01)	.03** (.01)
Social Class	.14 (.09)	.02 (.09)
Age	.02*** (.00)	.01** (.00)
Male	.07 (.10)	.01 (.10)
Strong Partisans	.31*** (.06)	-.03 (.06)
Log Likelihood	-1527.91	-1737.99
LR $\chi^2$	309.68	156.65
Prob > $\chi^2$	0.000	0.000
Observations	1617	1615

*Notes:* Ordered logit estimates. Standard errors are in parentheses. Significance based on one-tailed  $p$ -values. \*\*\*  $p = .000$  \*\*  $p < .01$  \*  $p < .05$

*Source:* 1992 NES.

Individuals' attributes were also shown to influence the likelihood with which citizens will have positive perceptions of their financial prospects (Chapter III, Table 1). In this chapter, I hypothesize that, when controlling for individual attributes, citizens with more positive perceptions of their financial prospects are more likely to be politically active than citizens with less positive financial outlooks ( $H_1$ ). In the interest

of brevity, the results of individually and socially based political activity are reported and discussed here as opposed to evaluating the influence of such perceptions upon each measure of political participation (e.g., *vote, display, contact, volunteer, contribute*, etc.).

Consistent with the separate measures of participation, individuals' perceptions of their financial prospects fail to influence the likelihood of engaging in individually based political activities, as shown in Table 3.1. Also consistent with individual measures of political activity, individuals with more favorable outlooks are significantly less likely to participate in socially based political activities ( $p < .05$ ). Once again, socioeconomic attributes continue to significantly and positively influence the likelihood of engaging in these types of participation. Interestingly, while strong partisans are more likely to be involved in individually based political activities ( $p = .00$ ), strong partisanship is not significantly related to socially based participation. As Table 3.2 shows, all else being equal, an increase in the standard deviation of individuals' perceptions decreases citizens' likelihood of engaging in social political activities by a slight 2%.

On the one hand, research on political participation has shown that economic adversity decreases one's likelihood of voting. Scholars have attributed such findings to either the physical hardships or psychological aspects of economic adversity (Brody and Sniderman 1977; Rosenstone 1982). Yet, on the other hand, it appears that those who have even favorable financial outlooks (regardless of current economic condition) are also less likely to be active in socially based political activities. This raises the question of *who* participates? If neither those with negative economic conditions nor those with

positive financial outlooks are socially active, what accounts for social political engagement?

**TABLE 3.2 Financial Perceptions and Individuals' Probability of Engaging In One or More Individually and Socially Based Political Activities**

Perceptions of Financial Prospects	Pr(At least one Individually Based Activity)	Pr(At least one Socially Based Activity)
Worse	0.84	0.50
Same	0.85	0.46
Better	0.86	0.43
Mean	0.79	0.45
Observations	1776	1776

*Notes:* Standard deviations are in parentheses.

*Source:* 1992 NES.

Previous research on the effects of financial perceptions has found that such perceptions significantly affect voters' choices and political attitudes. Yet, financial perceptions do not appear to affect whether citizens become politically active in the first place. Moreover, such perceptions actually decrease the odds of being socially engaged. These findings raise questions about theories motivating economic voting studies, which have stressed the importance of holding elected officials accountable for economic conditions. Such theories imply that citizens, angered by their financial conditions, will become voters; thereby holding elected officials accountable. While personal financial perceptions may affect levels of candidate support through vote choice or attitude, it appears unlikely that such perceptions *motivate* citizens to become voters or otherwise politically active in the first place. These findings also do not support the contention that

those with positive financial perceptions are more likely to participate due to any sense of receiving instrumental benefits.

Still, as scholars of the social context have asserted, the importance of individuals' psychological and socioeconomic attributes need to be considered while taking into account the social environment in which the individual lives. Where previous contextual scholars have primarily focused on aggregated socioeconomic attributes to conceptualize the local environment, I argue that the economic context is a crucial environmental factor in understanding how socioeconomic status influences individuals' political behavior.

### **Economic Context, Financial Prospects, and Participation**

While citizens' financial outlooks continue to lack any statistically significant effect upon their probability of engaging in individually based political activities, workforce competition significantly influences citizens' likelihood of participating in at least one such activity ( $p < .05$ ). This suggests that individuals are not significantly motivated to vote, contribute money, or display their political sentiments unless they feel vulnerable to workforce competition. These results further suggest that those with higher educational attainment and incomes may be those who feel most threatened by such conditions, perhaps as a result of increased competition for fewer elite jobs.

As Table 3.3 reveals, when the economic measures are added to the socially based participation model, citizens' perceptions of their financial prospects are no longer significant. This result suggests that the effects of individuals' perceptions on the likelihood of attending a political rally or meeting, volunteering work, or otherwise



involved with a community organization cannot be fully evaluated without some accounting of local economic conditions.

**TABLE 3.3 Financial Perceptions, Economic Context, and Individually and Socially Based Political Participation (Whites Only)**

<b>Independent Variable</b>	<b>Index of Individually Based Participation</b>	<b>Index of Socially Based Participation</b>
Perceptions of Financial Prospects	.10 (.12)	-.14 (.09)
Visibility of Business Activity	.00 (.00)	.00 (.00)
Workforce Competition	-.07* (.03)	-.02 (.03)
Business Activity	-.00 (.00)	-.00 (.00)
Education	.53*** (.06)	.31*** (.04)
Family income	.07*** (.01)	.03** (.01)
Social Class	.12 (.13)	-.01 (.09)
Age	.03*** (.00)	.01* (.00)
Male	-.12 (.14)	.03 (.11)
Strong Partisans	.45*** (.09)	-.03 (.07)
Log Likelihood	-663.60	-1027.79
LR $\chi^2$	296.89	141.32
Prob > $\chi^2$	0.000	0.000
Observations	1596	1593

*Notes:* Ordered logit estimates. Standard errors are in parentheses. Significance based on one-tailed  $p$ -values. \*\*\*  $p = .000$  \*\*  $p < .01$  \*  $p < .05$

*Source:* 1992 NES.

The generally weak and inconsistent effects of individuals' perceptions of their financial prospects and the local economic context upon whites' political behavior stand

in stark contrast to the overwhelmingly consistent and significant effects of education, family income, age, and partisan strength on such behavior. Higher levels of education, family income, age, and partisan strength consistently affect whites' chances of being politically active.

### **Summary and Conclusion**

While theoretical reasons exist for expecting otherwise, whites' perceptions of their financial prospects simply do not account for much of their political behavior. Yet some scholars have suggested such findings, in fact, are a sign of economic net worth. In particular, the more prosperous the aggregate economic conditions, the less voters will be influenced by personal financial perceptions (Alford 1982, cited in Welch and Foster 1992).

Still, the findings presented in this chapter raise questions about previous research claiming that voters' financial assessments have consequences for election outcomes and approval rates of elected leaders. If *citizens'* perceptions of their financial prospects do not significantly affect the probability with which they will engage in various political activities, why do such perceptions appear to play such a prominent role in *voters'* vote decisions? In addition to this intellectual conundrum, the analysis here also raises questions about theories of accountability. That is, scholars of economic voting have asserted that voters, who are unhappy with economic conditions, presumably because economic decline hurts either the voter or society, punish incumbents by casting a vote for another candidate (or abstaining from the polls altogether). The results here do not necessarily challenge previous studies. Rather, they

suggest, substantively, that citizens with *positive financial outlooks* are more likely to vote in the first place, which does raise the question of what circumstances would cause voters with positive financial outlooks to punish incumbents, if ever.

The results presented here also raise issues relevant to studies of the social context. In particular, why is there consistent evidence that the social context, when comprised of aggregated socioeconomic attributes such as education or class, affects residents' political behavior but local economic conditions appear to exert little or no influence on political behavior? Some leverage on this question might be gained after first examining the extent to which local economic conditions influence racial and ethnic minority groups' perceptions of their financial prospects, the task to which I now turn.

## CHAPTER IV

### **RACIAL AND ETHNIC GROUPS' PERCEPTIONS AND PARTICIPATION**

In Chapter II the local economic context was shown to exert only minimal statistical effects upon whites' perceptions of their financial prospects and, as shown in Chapter III, such perceptions fail to account for individually or socially based political activity among whites when objective economic conditions are considered in the models. In this chapter, I examine, first, whether the local economic context influences black, Asian, and Latino citizens' perceptions of their financial prospects similarly and, second, whether such perceptions influence the likelihood of political participation. I begin with an evaluation of what is known about minority groups' financial perceptions. I then make the case for why the local economic context might differentially affect minority groups' financial perceptions. This is followed by an overview of theories of racial and ethnic minorities political participation. Hypotheses derived from these discussions are then empirically tested and the results discussed.

#### **Minorities and Financial Perceptions**

Despite widespread public commentary on the economic conditions of racial and ethnic minority groups, surprisingly little research has been done to examine the effects of economic conditions, whether national or local, on minority groups' financial perceptions. Are blacks' perceptions of their financial prospects shaped more by personal attributes or by the broader economic context in which they live? Do Asians, who as a group has the highest educational attainment and median income of any other group, have more positive financial outlooks despite the widespread social

discrimination they also encounter? These are just a sampling of the questions that might be better answered by, first, establishing what the financial perceptions are of racial and ethnic minority group members and, second, gaining some leverage on factors contributing to such perceptions.

Of the handful of studies addressing minorities' financial perceptions, most have focused on political attitudes and vote choices. Moreover, the sole minority group of study appears to be blacks. Still, this line of research shows that income levels affect blacks' partisan identification, presidential support, and attitudes regarding progress on civil rights (Parent and Stekler 1985, 527-529). Other research demonstrates blacks' vote choices are influenced by perceptions of national economic conditions (Welch and Foster 1992).

#### **The Local Economic Context and Minorities' Financial Perceptions**

Despite the plethora of research assessing whites' political responses to the social environment (Foladare 1968; Giles and Dantico 1982; Huckfeldt 1979, 1980, 1984; Huckfeldt, Pluzer, and Sprague 1993; Kenny 1992; Weatherford 1982, 1983; Wright, Jr. 1976), political scientists have largely neglected consideration of how the political behavior of racial and ethnic minorities is influenced by the social context. Yet little reason exists to expect minority citizens' political behavior to be any less affected by their particular social environments.

In fact, since some groups disproportionately inhabit communities rife with social, political, and economic problems, it seems plausible that residents of such communities might be *more* affected by the social context...and more likely to be

politically active. In other words, those with less positive perceptions of their financial prospects might be expected to participate more as a result of such perceptions (the “mobilizing” perspective; see Rosenstone 1982). Further, there is some evidence suggesting that individuals who believed a particular problem was related to their ethnicity were more likely to work in a civic group, contact an official, or contact the news media (Uhlener, Cain, and Kiewiet 1989).

Understanding the economic conditions minority citizens are likely to see warrants an examination of what is known about their residential patterns since the opportunities available to them are largely dependent upon where they live (Massey 2000). In addition, “the way that a group is spatially incorporated in a city is as important for its socioeconomic well-being as the manner in which it is incorporated in the labor force” (ibid. 45). Different groups experience varying levels of residential segregation, which is the extent to which a particular spatial unit is comprised of a particular group.<sup>20</sup>

Blacks, as a group, have the highest levels of residential segregation of any of the four “umbrella” racial and ethnic groups in the United States, meaning that blacks are disproportionately likely to live in overwhelming black neighborhoods. These high levels of residential segregation, according to Massey, “imply a restriction on the opportunities and resources available to African Americans in comparison with other groups” (2000, 45). For blacks, scores of segregation increased steadily between 1970 and 1990 while, for Latinos, there is tremendous regional variation. While Latinos have

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<sup>20</sup> For a discussion on measurements of residential segregation, see Jaret 1995; Massey and Denton 1988.

more moderate scores of residential segregation than blacks, scholars nonetheless attribute the group's relatively high levels of segregation to the "large size and rapid growth of the Hispanic population" (Massey 2000, 53). For Asians, however, "despite rapid immigration and population growth, Asian segregation levels remained quite moderate in 1990" (ibid. 55). The pattern among Asians is attributed to the initial small population size: "where a sudden massive immigration overwhelms a small established community, levels of segregation often decline initially as new arrivals distribute themselves widely and then rise as these pioneers attract subsequent settlers to the same area" (ibid. 55).

Thus, minority groups experience varying degrees of residential segregation, and this segregation significantly reduces the economic and social opportunities available to them. Massey and Denton assert that the urban ghetto "represents the key institutional arrangement ensuring the continued subordination of blacks in the United States" (1993, 18). According to these scholars, early twentieth century ethnic enclaves such as "Jewish," "Polish," or "Italian" neighborhoods differed from black ghettos since earlier immigrant enclaves were never homogenous, always contained a wide variety of nationalities, and were "a fleeting, transitory stage in the process of immigrant assimilation" (ibid. 33). The permanency of the black ghetto in American society, marked by densely populated vertical public housing projects and economic as well as social isolation, has brought about a "a geographic concentration of poverty that was previously unimaginable" (ibid. 57).

Residential patterns of minority groups have very real consequences for their perceptions of their financial prospects. Not only is race an important factor in hiring decisions but “it is race in a complex interaction with employers’ perceptions of class and space, or inner-city residence” that affects employment (Kirschenman and Neckerman 1991, 204). Inner-city residency communicates an array of signals to employers. The term, according to employers, connotes “black, poor, uneducated, unskilled, lacking in values, crime, gangs, drugs, and unstable families” (ibid. 215).

Although Latino and Asian groups have lower residential segregation scores than blacks, these groups nonetheless experience lower employment opportunities than whites (Kirschenman and Neckerman 1991). Perhaps to offset the negative effects of workplace discrimination and other barriers to economic integration, Asians and some Latino subgroups (i.e., Cubans), have developed economic enclaves. An enclave is “a concentration of ethnic firms in physical space – generally metropolitan area – that employ a significant proportion of workers from the same minority” (Portes and Jensen 1992, cited in Waters and Eschbach 1995, 437-438). While some studies have shown an overrepresentation of immigrants in entrepreneurial activities (Aldrich and Waldinger 1990; Waldinger 1986, 1989; Waldinger, Aldrich, and Ward 1990), others have shown all minority groups to be significantly less likely to be self-employed (Butler and Herring 1991). Still, some research has demonstrated the importance of small-business ownership as a channel of intergenerational educational mobility among Chinese Americans (Sanchirico 1991).



The large proportion of blacks residing in ghettos and the attendant disadvantages of such neighborhoods suggests that blacks' economic contexts are structurally different from those of other groups. In other words, the high levels of residential segregation of blacks imply that individuals within this group live in areas that should depress their financial outlooks. In particular, I hypothesize that the local economic context will reduce the probability of blacks having more favorable financial outlooks. Although Latinos and Asians experience more moderate levels of residential segregation and there is some evidence suggesting that these groups have compensated for reduced economic opportunities through developing ethnic enclaves, the results of such studies are inconclusive. As such, the hypothesis that the local economic context is expected to have a positive effect on Latino and Asians' perceptions of their financial prospects is largely based on their more moderate levels of residential segregation, which suggests these groups are exposed to greater economic opportunity than are blacks but still not as much as are whites.

Research on the effects of economic perceptions has found blacks were influenced by "their perceptions of the economic fortunes of blacks as a group and of the nation as a whole" (Welch and Foster 1992, 232). While this is a very weak foundation upon which to establish broad expectations of other minority group's behavior, it does suggest that citizens of a minority background base their prospective financial perceptions not only on their personal financial conditions but also on the group's economic situation. As such, prospective financial perceptions of individuals within particular racial and ethnic minority groups may be influenced more by their particular

group's economic context than by the general economic context. In other words, blacks' (Asians' or Latinos') perceptions of their personal financial prospects may be more strongly influenced by the visibility of black-owned (or Asian- or Latino-owned) businesses than by the visibility of all businesses within the local economic context.

In sum, previous research has shown that living in areas of economic decline can lead to more pessimistic economic outlooks (Weatherford 1983). Results of previous studies are based on white sample populations and, as such, we do not know how racial and ethnic minority individuals respond to economic conditions. Still, given the levels of residential segregation prevalent among minority groups one would expect less positive perceptions of one's financial prospects for individuals within these groups. Moreover, based on evidence suggesting minority citizens incorporate into their financial perceptions group economic circumstances, the effects of one's group economic conditions should exert as strong or stronger an influence than the general local economic context on such perceptions. Specifically, the following hypotheses are tested:

*H<sub>1</sub>: Among minority group members, greater visibility of business activity will increase positive perceptions of individuals' financial prospects whereas lower levels of visibility of business activity will result in less positive perceptions of financial prospects, controlling for socioeconomic attributes and individual characteristics.*

*H<sub>2</sub>: When controlling for socioeconomic and individual attributes, minority group members' perceptions of their financial prospects will be influenced equal to or more by the group's economic condition than by the general visibility of business activity.*

## **Results and Analysis**

Before assessing the influence of the economic context upon racial and ethnic groups' perceptions of their financial prospects, the effects of socioeconomic attributes upon

such perceptions are first considered. When controlling for race and ethnicity, higher levels of educational attainment significantly increase the probability of having more favorable financial outlooks. In addition, older citizens and homeowners are considerably less likely to have positive perceptions of their financial prospects ( $p < .01$ , respectively). Most surprising, each of the racial and ethnic minority groups is significantly *more* likely to assess their financial prospects more favorably than are whites.

### **Minorities' Financial Perceptions**

Whites and Hispanics are significantly less likely to have favorable financial outlooks as the visibility of business activity increases ( $p < .06$  and  $p < .05$ , respectively). As shown in Table 4.1, workforce competition, while in the expected negative direction for all models, except Asian, fails to have a significant effect upon any of the racial or ethnic groups' perceptions of their financial prospects. The total number of businesses within the community rather than the visibility of such businesses, however, significantly influences Asians' perceptions. Further, as the sheer population between the ages of 18 and 64 increases, Asians' probability of positive financial outlooks decreases.

The effects of socioeconomic status attributes on racial and ethnic groups' financial perceptions vary. Educational attainment has a positive effect on the likelihood that individuals across racial and ethnic groups will have positive perceptions. However, it reaches statistical significance only for whites ( $p < .001$ ) and blacks ( $p < .05$ ).

**TABLE 4.1 Economic Context and Minorities' Perceptions of Financial Prospects**

	<b>Model 1</b>	<b>Hispanic PFP</b>	<b>Black PFP</b>	<b>Asian PFP</b>	<b>Anglo PFP</b>
Visibility of Business Activity	-0.00 (0.00)	-0.01* (0.01)	0.00 (0.01)	-0.01 (0.01)	-0.01 (0.00)
Workforce Competition	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)
Total number of businesses	0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	0.00** (0.00)	-0.00 (0.00)
Education	0.15*** (0.04)	0.03 (0.09)	0.20* (0.11)	0.04 (0.10)	0.30*** (0.08)
Household Income	0.00 (0.03)	0.07 (0.07)	-0.02 (0.07)	-0.01 (0.06)	0.02 (0.06)
Age <sup>2</sup>	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	0.00** (0.00)
Own home	-0.38*** (0.11)	-0.61** (0.23)	-0.23 (0.22)	-0.47* (0.26)	-0.05 (0.23)
Urban	0.17 (0.19)	0.42 (0.40)	-1.10* (0.53)	-0.00 (0.00)	0.15 (0.29)
County Size (in sqmi)	0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
Population size: 18 – 64	-0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	-0.00** (0.00)	0.00 (0.00)
Unemployment	-0.11 (1.52)	0.78 (1.83)	-8.08 (7.54)	8.78 (6.61)	-12.48* (6.10)
Asian	0.51*** (0.14)				
Black	0.26* (0.14)				
Hispanic	0.75*** (0.15)				
_cut 1	-6.24	-11.02	3.08	-53.42	17.93
Log Likelihood	-1579.23	-371.41	-385.55	-315.83	-449.53
LR $\chi^2$ (11)	194.31	22.42	46.02	33.83	84.39
Prob > $\chi^2$	0.0000	0.0331	0.0000	0.0007	0.0000
Observations	1830	474	437	425	472

*Notes:* Ordered logit estimates. Standard errors are in parentheses. Significance based on one-tailed  $p$ -values. \*\*\*  $p = .000$  \*\*  $p < .01$  \*  $p < .05$ . Urban variable measured with MSA in Hispanic, black, and Anglo models. It is measured with the percent of the population ages 18-64 in Asian model.

*Source:* 1992 Economic Census: Survey of Minority-Owned Business Enterprises; 1995 Texas Minority Survey.

Still, none of the group's financial perceptions is considerably influenced by household income, although blacks and Asians appear to be somewhat less likely to have favorable outlooks as their incomes increase. Strong inferences based on these results, however, are unwarranted due to the lack of significance.

As whites age they are substantially more likely to assess their financial prospects more favorably. While the coefficients for Hispanics and blacks are insignificant, they are positive. Homeownership continues to have a negative and significant effect upon the probability with which Hispanics ( $p < .01$ ) and Asians ( $p < .05$ ) will have positive financial outlooks. This suggests that, while these two ethnic groups may be able to buy a home, they also experience some degree of anxiety about their ability to maintain such a standard of living. It is noteworthy that the estimates for whites and blacks, too, are negative, although, once again, not statistically significant.

As the extant literature would suggest, living in an urban area decreases blacks' probability of having positive financial perceptions ( $p < .05$ ). This finding indicates that blacks' urban living conditions, such as residential segregation, significantly affect their financial outlooks. Living in an urban area fails to significantly influence any of the other groups.

### **Group-Specific Economic Contexts and Perceptions of Financial Prospects**

Previous research has suggested the financial perceptions of racial and ethnic minorities may be influenced not only by broader economic concerns but also by one's group economic status (Welch and Foster 1992). Based on this research, it was hypothesized that the financial perceptions of members of racial and ethnic groups would be

influenced as much as, or more, by the group's economic context than by the general economic context. As Table 4.2 reveals, support for this hypothesis is mixed.

While the financial prospects of Hispanics are influenced by the visibility of Hispanic-owned business activity, the effect is negative. So, on the one hand, greater visibility of Hispanic-owned business activity decreases the probability that Hispanic individuals will assess their future financial conditions as better. On the other hand, Hispanics living in urban areas with greater number of Hispanic-owned businesses are significantly more likely to have positive financial outlooks. These results suggest that an increased density of Hispanic-owned businesses may indicate greater levels of residential segregation and that residents of such communities recognize the limited economic opportunities available to them.

None of the group-economic context measures plays a significant role in blacks' prospective financial outlooks. Educational attainment continues to have the strongest effect upon the likelihood of blacks' assessing their financial futures as better ( $p < .05$ ). Blacks living in urban areas, too, continue to be less likely to have positive financial perceptions. These results support previous research suggesting individuals "combine information about personal and local conditions to form subjective impressions of family financial situation and of the trend of national business conditions" (Weatherford 1983, 884). It may be that the lack of effect of the black economic context on blacks' financial outlooks suggests black individuals rely upon urban living conditions as summary measures of their group's economic situation.

**TABLE 4.2 Group-Specific Local Economic Context and Minorities' Perceptions of Financial Prospects**

	<b>Hispanics' PFP</b>	<b>Blacks' PFP</b>	<b>Asians' PFP</b>	<b>Anglos' PFP</b>
Group's Visibility of Business Activity	-0.10*** (0.04)	0.06 (0.08)	0.08 (0.08)	-0.01** (0.01)
Education	0.02 (0.09)	0.19* (0.11)	0.04 (0.10)	0.30*** (0.08)
Household Income	0.08 (0.07)	-0.02 (0.07)	-0.02 (0.06)	-0.01 (0.06)
Age <sup>2</sup>	0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	0.00** (0.00)
Own home	-0.60** (0.23)	-0.24 (0.21)	-0.49* (0.25)	-0.06 (0.23)
Urban	0.57* (0.28)	-0.61* (0.36)	0.00 (0.00)	0.31 (0.24)
Number of Group-Owned Firms	0.00** (0.00)	-0.00 (0.00)	-0.00 (0.00)	0.00** (0.00)
County size (in sqmi)	-0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
Unemployment	0.56 (1.73)	-8.33 (7.46)	4.71 (5.54)	-10.59 (5.91)
_cut 1	-2.85	-4.62	-3.41	-4.63
Log Likelihood	-369.18	-386.22	-317.89	-450.34
LR $\chi^2$ (12)	26.88	44.67	29.70	82.76
Prob > $\chi^2$	0.0027	0.0000	0.0010	0.0000
Observations	474	437	425	472

*Notes:* Ordered logit estimates. Standard errors are in parentheses. Significance based on one-tailed  $p$ -values. \*\*\*  $p = .000$  \*\*  $p < .01$  \*  $p < .05$ . Urban variable measured with MSA in Hispanic, black, and Anglo models. It is measured with the percent of the population ages 18-64 in Asian model.

*Source:* 1992 Economic Census: Survey of Minority-Owned Business Enterprises; 1995 Texas Minority Survey.

The visibility of Asian-owned business activity does not significantly influence Asians' prospective financial perceptions. The primary influence upon such perceptions for this group continues to be whether the respondent owns a home ( $p < .05$ ).

Individuals' socioeconomic attributes also fail to exert much influence on Asians' financial perceptions. Thus, regardless of the personal or social benefits of ethnic enclaves, such enclaves do not appear to influence Asians' perceptions of their financial prospects.

Whites' financial perceptions are less likely to be positive as the group's visibility of business activity increases ( $p < .01$ ). However, as with Hispanics, the total number of white-owned businesses positively influences this group's financial perceptions. In addition, greater levels of educational attainment increase the probability with which whites will assess their financial futures as better. Age, too, continues to factor prominently into whether whites will have positive perceptions.

These results must be ingested with some caution since likelihood ratio tests indicate that white-, Asian-, and black-visibility of business activity measures are not statistically different from zero. As such, the null hypothesis that the respective group's visibility of business activity does not influence financial perceptions cannot be rejected. Only the visibility of Hispanic-owned businesses is statistically different from zero (LR  $\chi^2(1)=9.25$ ;  $p < \chi^2=.01$ ), meaning the null can be rejected and one can, with relative confidence, assert that the effects of the visibility of Hispanic-owned businesses on Hispanics' financial perceptions is significant.

An examination of whether the prospective financial perceptions of blacks, Asians, Hispanics, and whites are influenced more by their group's visibility of business activity or by the general visibility of business activity reveals some intriguing results. As shown in Table 4.3, the visibility of Hispanic-owned business activity continues to



reduce the probability of Hispanics having more favorable financial outlooks. The visibility of general business activity, while positive, fails to be a significant factor. Moreover, these measures are statistically different, as indicated by Wald tests of significance ( $\chi^2(2)=7.19$ ;  $p > \chi = .03$ ). Hispanics' perceptions of their financial prospects continue to be positively influenced by the total number of Hispanic-owned firms, rather than the visibility of such businesses. While homeownership continues to decrease Hispanics' likelihood of positive financial outlooks, results also indicate that Hispanics who live in urban areas with greater amounts of Hispanic-owned businesses are significantly more likely to have positive financial outlooks.

Blacks' perceptions of their financial prospects are neither significantly influenced by the visibility of black-owned businesses nor by the general visibility of business activity. Once again, such perceptions among blacks are significantly influenced by educational attainment ( $p < .05$ ) and living in an urban area ( $p < .05$ ). These results are consistent with earlier analysis of the effects of the local economic context on blacks' financial perceptions. Still, one problem is that the visibility of black-owned businesses is not statistically distinguishable from the general visibility of business activity ( $\chi^2(2) = .17$ ;  $p > \chi = .92$ ). This problem may be the result of a heavy concentration of black-owned businesses in black neighborhoods. An unexplored potential consequence, then, of high levels of residential segregation is the economic concentration of a group and what it means for the group's economic advancement.

**TABLE 4.3 Group-Specific Versus General Economic Contexts and Minorities' Financial Outlooks**

	<b>Hispanics'</b> <b>PFP</b>	<b>Blacks'</b> <b>PFP</b>	<b>Asians'</b> <b>PFP</b>	<b>Anglos'</b> <b>PFP</b>
Group's Visibility of Business Activity	-0.10*** (0.04)	-0.11 (0.19)	0.40* (0.20)	-0.01** (0.01)
Visibility of Business Activity	0.00 (0.00)	0.01 (0.01)	-0.01* (0.01)	0.03 (0.03)
Education	0.02 (0.09)	0.18* (0.11)	0.04 (0.10)	0.29*** (0.08)
Household Income	0.08 (0.07)	-0.01 (0.07)	-0.02 (0.06)	-0.01 (0.06)
Age <sup>2</sup>	0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	0.00** (0.00)
Own home	-0.59*** (0.23)	-0.23 (0.21)	-0.58** (0.26)	-0.05 (0.23)
Urban	0.56* (0.29)	-0.68* (0.37)	0.00 (0.00)	0.31 (0.24)
Number of Group-Owned Firms	0.00** (0.00)	-0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)
County size (in sqmi)	-0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
Unemployment	0.62 (1.78)	-8.81 (7.43)	5.98 (5.91)	-11.96* (6.12)
_cut 1	-2.84	-4.70	-3.73	-4.79
Log Likelihood	-369.17	-385.75	-316.38	-449.96
LR $\chi^2$ (12)	26.90	45.61	32.73	83.51
Prob > $\chi^2$	0.0048	0.0000	0.0006	0.0000
Observations	474	437	425	472

*Notes:* Ordered logit estimates. Standard errors are in parentheses. Significance based on one-tailed *p*-values. \*\*\* *p* = .000 \*\* *p* < .01 \* *p* < .05. Urban variable measured with MSA in Hispanic, black, and Anglo models. It is measured with the percent of the population ages 18-64 in Asian model.

*Source:* 1992 Economic Census: Survey of Minority-Owned Business Enterprises; 1995 Texas Minority Survey.

When the effects of the visibility of Asian-owned firms on their perceptions of financial prospects are evaluated with the general visibility of business activity, a strikingly different picture emerges on what influences this group's financial outlooks. Asians' financial perceptions are significantly and positively influenced by their group's visibility of business activity ( $p < .05$ ) whereas the probability of such perceptions is reduced as the visibility of general business activity increases ( $p < .05$ ). These results lend support to the notion that economic enclaves among certain immigrant groups provide group members with an alternative to the dominant economic system (Butler and Herring 1991), which may discriminate on the basis of race or gender (McCall 2001) or language ability (Kossoudji 1988).

Whites are significantly less likely to have positive financial outlooks as the visibility of white-owned businesses increases ( $p < .01$ ). Scholars who have shown that whites living in areas with large black populations tend to vote more segregationist have explained whites' behavior by postulating that such behavior is the result of perceived greater threat of racial competition (Wright, Jr. 1976). Yet, the findings here suggest whites even respond negatively to increases in *their own group's* economic activity. In addition, previous studies have shown that whites' financial perceptions are influenced by such factors as unemployment. The results here support these earlier studies. Whites' perceptions of their financial prospects are significantly less likely to be positive as unemployment increases. It is the only group for which unemployment has any effect.

In sum, Hispanics and whites are significantly *less likely* to assess their financial prospects as more favorable as the visibility of local business activity increases. While Asians' perceptions of their financial prospects are significantly and positively influenced by the visibility of Asian-owned business activity, blacks' perceptions are largely shaped by whether one lives in an urban environment or not. Blacks who live in urban areas are significantly less likely to have positive financial outlooks. The very high levels of residential segregation and educational attainment, thus, appear to be the primary factors influencing blacks' perceptions of their financial prospects.

Whites in Texas have different responses to local economic conditions than do whites in the national survey sample, and this fact should give pause to accepting the findings presented here without further investigation. Whites in Texas are significantly less likely to have positive financial prospects as the visibility of business activity increases ( $p < .06$ ). Whites in the national sample, while the sign on the coefficient is in the same direction, were not significantly influenced by the visibility of business activity. The financial perceptions of whites in both studies are not substantially shaped by workforce competition, although those in Texas were significantly and negatively affected by unemployment.

The one factor that consistently and significantly influences whites' financial perceptions in both samples is educational attainment. The only other group whose financial perceptions were strongly shaped by educational attainment is blacks. Asians and Hispanics' perceptions are consistently and negatively affected by homeownership, a finding that suggests these groups experience considerable pressure to maintain a

certain standard of living. While group-specific models cannot be directly compared, the pattern suggests, for blacks and whites, a shared socialization process whereby education is perceived as the route to success. Hispanics and Asians, however, appear to share a common integration process whereby homeownership is, perhaps, viewed as a positive step toward achieving the American Dream but, simultaneously, depressing these individuals' perceptions of their financial prospects.

Do these perceptions stimulate political activity? Are racial and ethnic minority individuals with positive financial outlooks more likely to engage in political activity or less likely? The question of how the prospective financial outlooks of individuals within these racial and ethnic groups affect their political behavior is the subject of the analysis below.

### **Racial and Ethnic Groups' Political Participation**

I have argued that evaluating the extent to which a single context influences the political behavior of blacks, Asians, Latinos, and whites --while accounting for their socioeconomic status -- takes an initial step toward gaining some insight into why socioeconomic status functions differently as a predictor of racial and ethnic groups' political participation. The local economic context and its influence on individuals' financial perceptions allows for a comparison of these groups' behavior within not only the same context but also as an environment that one simply cannot avoid. As discussed earlier, minority groups live in very different environments and their perceptions of their financial prospects are, to varying degrees, influenced by their respective neighborhoods. The issue now is whether these perceptions influence minority political behavior.

Theories of racial and ethnic minority groups' political behavior tend to emphasize ingroup characteristics or contexts. The church or religious affiliation, for example, has been shown to be an important context, both as an organizational and psychological resource for political action among blacks (e.g., Calhoun-Brown 1996; Harris 1994; Mattis 2001; Reese and Brown 1995). While some scholars have asserted otherwise (Verba et al. 1993; Verba, Schlozman, and Brady 1995), religious affiliation has been positively related to political activity among Latinos (Jones-Correa and Leal 2001). Still, the role of religion in Asians' political behavior appears to have *never* been considered. Thus, scholars' understanding of religion and religious affiliation is based solely upon blacks and Latinos. Nonetheless, the religious institutional context has been linked to increased political activity, at least among blacks and Latinos.

The legal context has also been considered with respect to some groups' political behavior. The citizenship hypothesis may be regarded under this rubric (Lien 1994; Pachon 1987; Pachon and Desipio 1992). Evidence of the effects of citizenship is conflicting. Some have found little empirical support that citizenship is a significant predictor of political activity (Lien 1994). Other scholars, however, have found noncitizens are no less active than citizens. Uhlaner, Cain, and Kiewiet (1989) found that the longer a noncitizen has spent in the U.S., the more likely he or she is to work in a civic group, contact an official, or contact the news media. These scholars also found "noncitizens who believe that they do have a problem related to their ethnicity are clearly more likely to report having worked in a community group to solve a problem" (1989, 213).

Within the political context, theories of elite mobilization efforts and group empowerment have received considerable attention (Bobo and Gilliam 1990; Cassel 2002; Gay 2001; Jackson, Gerber, and Cain 1994; Leighley 2001; Pachon and DeSipio 1992; Pantoja, Ramirez, and Segura 2001; Shaw, de la Garza, and Lee 2000). Empirical evidence of this phenomenon, at least for blacks, is conflicting. Bobo and Gilliam (1990) found that black empowerment increases blacks' participation by influencing levels of trust and political efficacy. However, Gay (2001) shows that the election of blacks to Congress only rarely increases participation among blacks. Leighley (2001) also finds that political empowerment has no effect upon Latino participation.

Closely related to group empowerment is racial group identity or consciousness (Lien 1997, 2001; Reese and Brown 1995; Thornton and Mizuno 1999)<sup>21</sup>. Among blacks, increased levels of group identity have been associated with church attendance, especially political churches (Calhoun-Brown 1996; Reese and Brown 1995). Such increases have also been associated with greater levels of pro-coalitional or positive attitudes to other racial and ethnic groups (Jackson, Gerber, and Cain 1994).

Support for the group identity hypothesis as a motivator for political participation is mixed. Leighley and Vedlitz (1999) find that group identity is not significantly related to political participation among Anglos, blacks, Asians, or Latinos in Texas. Tam (1995) found Asians of Chinese-background were *less* likely to vote for the Democratic candidate of Chinese-decent. Others, however, have found group identity to be an

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<sup>21</sup> Several terms that are conceptually indistinguishable from 'group identity' are used within the extant literature (Leighley and Vedlitz (1999) use 'group closeness'; Uhlaner, Cain, and Kiewiet (1989) refer to group consciousness).

important factor in racial and ethnic minorities' political participation (Lien 1994). Uhlaner, Cain, and Kiewiet (1989) found that group consciousness "derives its force from its positive effects for Latinos and foreign-born Asians [but it] generally has little effect for Asians in the U.S., whites, and blacks" (1989, 211). Lien (1994) found that, for both Asian- and Mexican-Americans, group identification was a significant mobilizing factor in activities other than voting (1994, 253).

Although empirical support for many of the predominant theories of racial and ethnic minority groups' political behavior varies, each of these theories demonstrate the importance of evaluating the political behavior of individuals of a racial or ethnic minority background within certain contexts.<sup>22</sup> Still, such theories are generally particularistic with respect to the contextual traits associated with racial and ethnic groups' political behavior. In other words, previous racial and ethnic theories of such groups' political participation have tended to focus quite narrowly upon factors that are relevant to one or two groups but may lack relevance or comparability with other groups. Further, empirical evidence of such theories is generally weak.

### **Financial Perceptions and Political Behavior and Attitudes**

Of the few studies on minorities' economic perceptions, evidence of sociotropic considerations on voters' electoral decisions appears to be consistent across various groups. Welch and Foster (1992) found that blacks' perceptions of their groups' economic well-being, as well as that of the national economy, positively influenced

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<sup>22</sup> In addition, the racial or ethnic environment (Leighley 2001, esp. ch. 7; McClain and Karnig 1990; Ramakrishnan and Espenshade 2001; Santiago and Wilder 1991) and the community organizational environment (Garcia and de la Garza 1985) have also been evaluated in the extant literature.



blacks' likelihood to vote Republican. Sigelman's (1991) study on whether Jews were more likely than other groups to cast a pocketbook-oriented vote, found that such voting was no more prominent among Jews than among Catholics and Protestants. Women, although less likely to cast pocketbook votes than men, were also found to be as likely or more as men to cast sociotropic economic votes (Welch and Hibbing 1992). Still, whether racial and ethnic minority individuals' financial perceptions influence their likelihood to be politically active is a question that has not been considered in the extant literature.

Still, minority individuals may be more likely to participate as a result of an increased sense of having a vested interest in the community. Alternatively, if members of a group feel their financial prospects are good they may be *less* likely to be politically active, particularly if such groups have typically not looked to government for assistance (the "withdrawal perspective; see Rosenstone 1982). Nonetheless, *positive perceptions increase one's likelihood of political participation while negative perceptions will decrease one's likelihood of political participation* (H<sub>1</sub>).

### **Results and Analysis**

Socioeconomic status, in general, increases individuals' likelihood of engaging in political activity, which is consistent with earlier research (Leighley and Vedlitz 1999; Verba and Nie 1972; Verba, Schlozman, and Brady 1995). In general, educational attainment, family income, age, and partisan strength are associated with increased probabilities of political participation, although Asians remain significantly less likely to be politically active. [Results not shown.]

Higher levels of educational attainment and family income positively and significantly increase the likelihood of individual and social political engagement. Strong partisanship also increases these probabilities. However, age significantly decreases the likelihood of engaging in at least one individually based political activity ( $p < .05$ ). Consistent with previous studies, Asians are significantly less likely than are whites (the omitted reference group) to be active in either individually or socially based political activities. Neither Hispanics nor blacks are significantly less likely than whites to either have voted in the 1992 presidential election, contributed money, or contacted an official.

#### **Perceptions of Financial Prospects and Political Participation**

As Table 4.4 shows, Hispanic and black citizens' perceptions of their financial prospects significantly influence their likelihood to engage in at least one individually based political activity. However, where blacks with favorable financial outlooks are more likely to participate in such activities ( $p < .01$ ) Hispanics with positive financial outlooks are less likely to engage in an individually based activity ( $p < .01$ ).

Blacks with favorable financial outlooks are roughly 5% more likely to be active in at least one individually based activity, all else being equal. Hispanics with positive financial outlooks, however, are an astounding 9% *less* likely to engage in such activities. Neither Asian nor white citizens' financial perceptions significantly affect their odds of participating in individually based political activities.

Individually based political activity also appears motivated by educational attainment among Hispanics and whites while family income is significantly related to

an increased likelihood of such engagement for Hispanics and blacks. Older Hispanics, blacks, and whites are all significantly more likely to have voted, contributed money, displayed their political sentiments, or some combination of the three.

**TABLE 4.4 Financial Perceptions and Individually Based Political Participation, By Group**

Independent Variable	Hispanics	Blacks	Asians	Whites
Perceptions of Financial Prospects	-.69** (.29)	.51** (.23)	.18 (.34)	-.17 (.31)
Education	.76*** (.17)	.27 (.18)	.01 (.20)	.76*** (.22)
Family income	.23** (.10)	.20* (.12)	.10 (.11)	.03 (.14)
Age	.08* (.05)	.12** (.05)	.09 (.10)	.15* (.07)
Homeowner	-.09 (.34)	.86** (.35)	.34 (.43)	1.37** (.54)
Strong Partisans	.16 (.33)	.63* (.32)	1.08* (.43)	2.06*** (.57)
Constant	-2.38**	-4.18***	-3.02*	-4.72**
Log Likelihood	-127.52	-123.80	-81.02	-73.05
LR $\chi^2$	62.30	45.38	27.55	54.23
Prob > $\chi^2$	.0000	.0000	.0003	.0000
Observations	262	265	152	243

*Notes:* Logit estimates. Standard errors are in parentheses. Significance based on one-tailed  $p$ -values. \*\*\*  $p = .000$  \*\*  $p < .01$  \*  $p < .05$

*Source:* 1992 Economic Census: Survey of Minority-Owned Business Enterprises; 1995 Texas Minority Survey.

Regardless of racial or ethnic group background, citizens' perceptions of their financial prospects do not significantly influence their decisions to engage in socially based political activity [Table 4.5]. Rather, educational attainment increases the odds of such participation among Hispanics, blacks, and whites. Family income is also positively and significantly related to an increased likelihood of social political

participation for Hispanics and blacks but not among Asians or whites. These latter two groups' socially based participation appears to be motivated most strongly by homeownership status and, for Asians, strong partisanship.

**TABLE 4.5 Financial Perceptions and Socially Based Political Participation, By Group**

Independent Variable	Hispanics	Blacks	Asians	Whites
Perceptions of Financial Prospects	-.16	.30	.08	.01
Education	.23	(.21)	(.34)	(.20)
Family income	.23*	.35**	.26	.37**
Age	.14	(.15)	(.20)	(.13)
Homeowner	.20**	.20*	.11	.12
Strong Partisans	.09	(.09)	(.12)	(.09)
Constant	-.02	.01	-.16*	-.06
Log Likelihood	.05	(.04)	(.09)	(.05)
LR $\chi^2$	-.08	.21	1.11**	.79*
Prob > $\chi^2$	.33	(.30)	(.48)	(.40)
Observations	.43	.26	.98**	.32
	.30	(.29)	(.38)	(.29)
	-.92	-2.68**	-.12	-.903
	-146.53	-148.53	-85.40	-147.83
	17.81	25.62	21.66	25.68
	.0129	.0006	.0029	.0006
	234	234	144	232

*Notes:* Logit estimates. Standard errors are in parentheses. Significance based on one-tailed  $p$ -values.

\*\*\*  $p = .000$  \*\*  $p < .01$  \*  $p < .05$

*Source:* 1992 Economic Census: Survey of Minority-Owned Business Enterprises; 1995 Texas Minority Survey.

### Discussion

Previous research on racial and ethnic groups' political participation has emphasized the importance of individuals' socioeconomic status as a determinant of political participation (Leighley and Vedlitz 1999; Verba and Nie 1972; Verba, Schlozman, and Brady 1995; Wolfinger and Rosenstone 1980). While educational attainment and family income, as well as other individual attributes, have been shown in this study to have

mixed effects on such groups' likelihood of engaging in various political activities, the role of citizens' perceptions of their financial prospects is also an important factor in individually based political participation.

In addition, studies of economic voting have only considered the effects of macro-level economic conditions on voters' economic perceptions and decisions (e.g., Brooks and Brady 1999; MacKuen, Erikson, and Stimson 1992). Studies assessing the influence of local economic conditions have considered its effects only upon citizens' opinion formation of economic policies (Weatherford 1983), but have failed to explicitly evaluate the psychological link between such conditions and behavior.

I have argued that the link between economic conditions and political behavior is the effect of such conditions upon citizens' perceptions of their financial prospects. When racial and ethnic groups are considered at the local level, it appears that whites' financial outlooks are sensitive to unemployment rates as well as the visibility of white-owned business activity. Further, Latinos' perceptions are influenced by both the visibility of general business activity *and* the visibility of their group's business activity. The financial perceptions of blacks and Asians, however, are neither influenced by the visibility of general business activity nor by their group's business activity, although Asians are significantly more likely to have positive financial outlooks as the amount of businesses increases. In short, the only group for whom local economic conditions (as conceptualized here) have absolutely no effect is blacks. Among black citizens, educational attainment is consistently the strongest predictor of positive financial outlooks.

Despite the effects of local economic conditions upon whites' financial outlooks, such perceptions do not influence whether members of this racial group engage in individually or socially based political activity. Rather, educational attainment continues to most strongly predict whites' political participation. Among Asians, while their financial perceptions do not influence participation probabilities, homeownership does increase the probability of socially based political activity (although not individually based activity). In addition, although the source of blacks' prospective financial outlooks remains unclear, it is clear that such perceptions have a positive effect upon black individuals' likelihood of engaging in individually based political activity.

The group for whom this study has revealed most is Latinos. The observation that Hispanics are significantly less likely to have positive financial perceptions as a result of increases in both the general and group's visibility of business activity raises at least two considerations. First, as the group with the lowest levels of educational attainment, Latinos may not feel adequately qualified for many of the jobs in areas with greater visibility of general business activity. Second, greater visibility of Hispanic-owned businesses may reflect greater degrees of residential segregation among this sub-population. Further, Latinos' lower levels of political participation may reflect a group conundrum. Individually, Latinos with higher education levels are more likely to participate in both individually- and socially-based political activities. But, as a group, Latinos are also more likely to live in urban areas, where business activity is more concentrated. As a result, it seems plausible that the effects of the visibility of business

activity somewhat neutralizes the positive effects of educational attainment on the likelihood of political engagement.

While the results of this endeavor are far from conclusive, they provide some guidance for future studies assessing racial and ethnic political participation in the United States. Moreover, findings emerging out of the present chapter's analyses raise several questions about theories purporting to explain white, black, Asian, and Hispanic levels of political participation. In addition to some conclusions that may be drawn from this study, a few of these questions and as well as selected suggestions for how future research might proceed with addressing them are the subject of Chapter V, the concluding chapter of this dissertation.

## CHAPTER V

### SUMMARY AND CONCLUSION

Scholars of racial and ethnic minority group political participation have tended to focus on theories particular to certain groups. While such studies have yielded a rich body of knowledge about specific racial and ethnic groups' political behavior, they have neglected to consider these groups' behavior within a theoretical framework that includes all individuals, regardless of their racial or ethnic group background. I have attempted to address these issues within the extant literatures through assessing the effects of citizens' financial perceptions on their political participation.

In particular, I have postulated that *individuals' political behavior is not only a product of their socioeconomic status, but also of their perceptions of their financial prospects. In addition, such perceptions are shaped, at least in part, by the local economic conditions in which the individual lives.* This theory is based on the observation that, within studies of mass, racial, and ethnic political participation, the role of financial perceptions has largely been ignored. Yet, economic voting studies have extensively shown that such perceptions influence voters' political attitudes and choices, but not political participation. Moreover, social context studies have repeatedly shown that the local social environment influences individual's political behavior. Nonetheless, these studies have neglected to consider minorities' political responses to the social environment and, further, have failed to examine the local economic context as a source of influence upon such behavior.



Based upon these gaps within the extant literatures, three questions were assessed: the extent to which the local economic context influences individuals' prospective financial outlooks; whether Asian, black, Latino, and white citizens' perceptions are influenced more or less by their respective group's economic conditions as opposed to the general economic environment; and how such perceptions affect individuals' likelihood of engaging in political activity. Empirical evaluations of these questions have produced, at best, mixed results.

### **Summary of Findings**

Among a national sample of whites, neither the visibility of business activity nor workforce competition significantly affects individuals' perceptions of their financial prospects. Rather, whites with higher levels of educational attainment are more likely to have such perceptions while family income and age decrease this probability. Further, positive perceptions of one's financial prospects do not significantly increase the likelihood of engaging in individually based political activities. Even more surprising, whites with positive financial outlooks are about 5% *less* likely to engage in socially based political activities.

When the four racial and ethnic groups are considered, results show that Latino and white citizens are significantly less likely to have positive financial assessments as the visibility of local business activity increases while Asians' perceptions are more likely to be favorable as the amount of business activity increases (as opposed to the visibility of activity). Moreover, none of the groups is influenced by workforce competition. Rather, for blacks and whites, educational attainment is the key indicator

of better financial outlooks. Among Asians and Latinos, however, homeownership is the primary deterrent to positive financial evaluations. Finally, living in an urban area is only significantly related to less positive perceptions among black citizens.

Thus, possible answers to the question of the extent to which local economic conditions influence individuals' prospective financial outlooks of different racial and ethnic groups, beyond those which may be inferred by the empirical results, must take into account which group is being considered as well as the measure of the economic context being employed. For instance, whites' financial perceptions are clearly influenced more by unemployment levels than by economic opportunities or workforce competition but living in an urban area, for blacks, is a prominent factor in these individuals' financial assessments.

Perhaps of greater interest in the pursuit of identifying a common context that acts as an influence on racial and ethnic group members' financial outlooks is that of the group-specific economic context. Although the nature of the influence varies, group-specific economic conditions influence individuals' financial perceptions more consistently across groups, suggesting that there is something about individuals' responses to their particular group's economic conditions that warrant further examination.

When group-specific economic conditions are evaluated along with the general economic context, Latinos' financial outlooks continue to be negatively influenced by their group's visibility of business activity while Asian and white citizens' financial perceptions are now significantly influenced by their respective group's economic

condition. But, for Asians, the effect is positive while, for whites, it is negative. Thus, although group-specific economic conditions influence three of the four groups' perceptions, they do so in different ways.

Responses to the third question addressing the issue of whether positive financial outlooks increase the likelihood of political participation must be tendered cautiously. While the financial perceptions of Latinos significantly decrease the likelihood of engaging in individually based political acts, such perceptions increase this likelihood among blacks. Further such perceptions do not appear to influence Asians or whites' political behavior.

### **Implications**

Results of previous economic voting studies show macroeconomic indicators such as unemployment rates affect voters' political attitudes and vote choices. The theoretical underpinnings of such studies, that white *voters* punish incumbents for downturns in the economy, however, are only partially substantiated. While whites are less likely to have positive perceptions of their financial prospects as unemployment rates increase, such perceptions among *citizens* do not directly influence the likelihood of engaging in individually based political activities. Moreover, unemployment does not significantly affect the financial perceptions of any of the other racial and ethnic groups considered here. Rather, homeownership (for Asians and Latinos) and educational attainment (for blacks and whites) explain the financial perceptions of members of these groups more consistently than traditional economic context measures.

In addition, research on the effects of the social context on citizens' political behavior and attitudes have consistently shown the social environment exerts a strong influence on such behavior. Still, these studies have not explicitly accounted for the psychological link between the individual and the social context being evaluated. The present analysis has attempted to address this shortcoming through explicitly accounting for the psychological response, those of financial perceptions, and the local economic context. The results are less than compelling: Asians and, in particular, whites (the group almost exclusively studied in contextual studies) do not appear to be any more or less likely participate as a result of their financial perceptions. However, Latinos are significantly less likely, while blacks are more likely, to engage in individually based political activity as a result of their financial perceptions. Whether these findings offer significant insight into these groups' levels of political participation remains a subject for future research.

The results of this dissertation also encourage scholars within the field of economic voting to further explore, first, what accounts for the financial perceptions of racial and ethnic minority groups and, second, whether voters' financial outlooks differ from non-voters. In addition, such research may also consider more explicitly the differences between national and local economic factors as sources of influence on voters' (or citizens, more generally) political attitudes and choices.

Likewise, social context studies, which have overwhelmingly relied upon aggregated measures of individual attributes as indicators of the social environment, would be enriched through more theoretically and empirically explicit connections

between the individual's behavior and the environment by which such behavior is believed to be *influenced*. Particularly in light of the findings here that show individuals of different racial or ethnic backgrounds are sensitive to their group's economic contexts, research evaluating the effects of the social context on these individuals' political behavior could be enriched through further investigation. Indeed, the finding that three of the four groups are significantly influenced by group-specific contexts suggests these groups have more in common than previous minority studies have indicated.

### **Future Research and Conclusion**

Despite the mixed results of this study, this dissertation has revealed that racial and ethnic groups share common motivations behind their political behavior. For instance, political participation among Latinos and whites in Texas (the two dominant groups both politically and socially) with higher levels of educational attainment are more likely to participate. Yet, Latinos' positive financial perceptions decrease their likelihood of political activity while such perceptions do not significantly influence whites' political behavior. Moreover, the sources of those perceptions for these two groups are very different: educational attainment for whites, visibility of business activity for Latinos. The observation that the financial perceptions of any of the groups do not influence the likelihood of engaging in socially based political activities, while not initially hypothesized, raises questions worth pursuing. For example, if whites' political activity is motivated by such concerns as group threat, why are not whites *more* likely to participate as a result of less positive financial outlooks?

And therein lies the rub: while individuals within the four racial and ethnic groups considered in the present analysis are neither motivated by the same economic factors nor do their financial perceptions consistently influence their political behavior, this, in-and-of-itself, indicates a commonality among individuals across groups. In other words, while the nature of the relationship was unanticipated, the fact that the prospective financial outlooks of individuals within *any of the groups* do not influence their likelihood of political participation is an observation shared by each group's citizens.

The implications of this finding for a country such as the United States, a nation that regards itself as a nation of opportunity and individual liberty to pursue the American Dream, regardless of race, creed, religion, or sex, are extensive. If economic opportunity does not increase one's propensity to engage in the political system, is political activity merely an exercise in non-substantive self-gratification? If individuals are neither more nor less likely to participate based on their financial outlooks, what other common psychological factors might account for their political behavior? Is the likelihood of political activity largely dependent on the mobilization efforts of political elites? These are just a sampling of the questions future studies of race and ethnic group political behavior may pursue.

The implications of the analysis presented here extend beyond the borders of the United States. As mentioned in Chapter I, economic, social, and political isolation among racial and ethnic groups has the very real potential to lead to social and political upheaval, as the 2005 riots in France illustrate. This potential has not been lost on

scholars of ethnic conflict. Gurr and Moore (1997), for instance, found that ethnopolitical rebellion is significantly related to group grievances and that such grievances stem from a host of factors, including economic discrimination. At the same time, studies on regime stability have shown that “[per capita] income has a large and statistically significant coup-inhibiting effect” (Londregan and Poole 1990, 165).

Together, studies of ethnic conflict and political stability suggest, first, a need to further explore the influence of *local* economic conditions and opportunities on *ethnic* groups’ political behavior within a comparative framework. For instance, if per capita income (pci) decreases a government’s tendency to be overthrown through extralegal means, might ethnic groups be more likely to engage in conventional (as opposed to unconventional or illegal) forms of political activity as their group pci increases? What behavioral differences might scholars expect not only between racial and ethnic groups but also between third world and developing countries, which are overwhelmingly the focus of research, and long-established democracies?

Future research that builds upon this dissertation, then, takes two paths. The first involves further consideration of why citizens’ perceptions of their financial prospects do not more consistently affect Asian, black, Latino, and white Americans’ political behavior. As part of this consideration, one cannot rule out the possibility that the measures employed to test individuals’ perceptions and the local economic context may be insufficient and, as such, require further development.

The second path is not entirely divergent from the first. Given the abundance of comparative studies on ethnic conflict but the dearth of research on racial and ethnic

groups' *participation*, fertile ground for research lies in the field of evaluating the political behavior of racial and ethnic groups *prior* to points of conflict. By building upon the theoretical framework of psychological responses to local economic opportunities, notwithstanding the empirical challenges of such an endeavor, some insight might be gained on such questions as why various groups form coalitions and others do not or, alternatively, what the influences are of differential distribution policies among racial and ethnic groups on these groups' political behavior.



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## APPENDIX

**TABLE 3.1-A Individual Attributes and Political Participation**

<b>Socioeconomic Status and Attributes</b>	<b>Vote</b>	<b>Talk</b>	<b>Display</b>	<b>Attend</b>	<b>Work</b>	<b>Money</b>	<b>Volunteer</b>	<b>Community</b>
Education	.52*** (.06)	.13*** (.04)	.15** (.05)	.24*** (.06)	.24** (.10)	.32*** (.05)	.28*** (.04)	.30*** (.04)
Family Income	.08*** (.01)	.01 (.01)	.01 (.02)	.03 (.02)	-.00 (.03)	.06*** (.02)	.02** (.01)	.04** (.01)
Class (3 pt)	.13** (.12)	.08 (.09)	-.05 (.14)	.16 (.16)	.51* (.25)	.32** (.14)	.00 (.09)	-.09 (.11)
Age	.03*** (.00)	-.01*** (.00)	-.01* (.00)	-.00 (.01)	.01 (.01)	.02** (.01)	.00 (.00)	.02*** (.00)
Male	-.15 (.13)	.32** (.10)	.03 (.16)	.16 (.18)	-.16 (.28)	.41** (.16)	-.05 (.11)	-.16 (.12)
Strong Partisans	.43*** (.09)	.36*** (.07)	.22* (.10)	.28** (.11)	.07 (.17)	.17 (.10)	-.06 (.07)	-.16* (.08)
Constant	- 2.77*** (.29)	-.79*** (.22)	-2.38*** (.34)	- 4.11*** (.34)	- 5.03*** (.66)	- 5.32*** (.42)	-1.87*** (.24)	-3.29*** (.29)
Log Likelihood	-709.90	- 1066.63	-589.41	-451.50	-226.10	-550.47	-1027.79	-823.99
LR $\chi^2$	313.97	95.44	23.02	49.85	23.06	150.35	102.18	106.76
Prob > $\chi^2$	0.0000	0.0000	0.0008	0.0000	0.0008	0.0000	0.0000	0.0000
Observations	1645	1645	1646	1645	1646	1640	1637	1642

Notes: Logit estimates. Standard errors are in parentheses. Significance based on one-tailed  $p$ -values.

\*\*\*  $p = .000$  \*\*  $p < .01$  \*  $p < .05$

Source: 1992 Economic Census; 1992 NES.

**TABLE 3.2-A**                      **Financial Perceptions and Political Participation**

<b>Socioeconomic Status and Attributes</b>	<b>Vote</b>	<b>Talk</b>	<b>Display</b>	<b>Attend</b>	<b>Work</b>	<b>Money</b>	<b>Volunt</b>	<b>Comm</b>
Perceptions of Financial Prospects	.17 (.10)	.00 (.09)	-.03 (.13)	-.17 (.15)	-.27 (.24)	-.04 (.13)	-.12 (.09)	-.17* (.11)
Education	.51*** (.06)	.12*** (.04)	.14** (.06)	.23*** (.06)	.21* (.10)	.31*** (.05)	.27*** (.04)	.30*** (.04)
Family Income	.08*** (.01)	.01 (.01)	.01 (.02)	.03 (.02)	-.00 (.03)	.06** (.02)	.02* (.01)	.04** (.01)
Class (3 pt)	.14 (.12)	.09 (.09)	-.02 (.12)	.19 (.16)	.53* (.25)	.34* (.14)	.01 (.09)	-.08 (.11)
Age	.03*** (.00)	-.01*** (.00)	-.01* (.01)	-.00 (.01)	.01 (.01)	.02* (.01)	.00 (.00)	.02*** (.00)
Male	-.16 (.14)	.32** (.11)	.06 (.16)	.23 (.19)	-.10 (.29)	.47** (.16)	-.02 (.11)	-.13 (.13)
Strong Partisans	.43*** (.09)	.35*** (.07)	.20* (.10)	.25* (.12)	.08 (.18)	.10 (.10)	-.06 (.07)	-.13* (.08)
Constant	-3.05***	-0.80**	-2.33***	-3.80***	-4.58***	-5.26***	-1.68***	-3.04***
Log Likelihood	-692.93	-1042.55	-571.40	-432.38	-218.51	-537.45	-999.77	-797.57
LR $\chi^2$	306.29	86.90	20.11	47.06	21.84	145.41	97.16	105.52
Prob > $\chi^2$	0.0000	0.0000	0.0053	0.0000	0.0027	0.0000	0.0000	0.0000
Observations	1602	1603	1603	1602	1603	1597	1594	1599

Notes: Logit estimates. Standard errors are in parentheses. Significance based on one-tailed  $p$ -values.

\*\*\*  $p = .000$  \*\*  $p < .01$  \*  $p < .05$

Source: 1992 Economic Census; 1992 NES.

**TABLE 3.3-A Financial Perceptions and Individuals' Likelihood of Political Participation**

Perceptions of Financial Prospects	Pr (Vote)	Pr (Talk)	Pr (Display)	Pr (Attend)	Pr (Work)	Pr (Money)	Pr (Volunt)	Pr (Comm)
Worse	0.81	0.41	0.12	0.09	0.04	0.10	0.40	0.24
Same	0.83	0.41	0.11	0.07	0.03	0.10	0.37	0.21
Better	0.86	0.41	0.11	0.06	0.02	0.09	0.34	0.19
Mean	0.78 (0.18)	0.41 (0.11)	0.12 (0.04)	0.08 (0.05)	0.32 (0.02)	0.13 (0.11)	0.37 (0.12)	0.22 (0.11)
Observations	1776	1776	1776	1776	1776	1776	1776	1776

*Notes:* Standard deviations are in parentheses.

**TABLE 3.4-A Financial Perceptions and Individuals' Probability of Engaging In One or More Individually and Socially Based Political Activities**

<b>Perceptions of Financial Prospects</b>	<b>Pr(At least one Individually Based Activity)</b>	<b>Pr(At least one Socially Based Activity)</b>
Worse	0.84	0.50
Same	0.85	0.46
Better	0.86	0.43
Mean	0.79 (0.17)	0.45 (0.14)
Observations	1776	1776

*Notes:* Standard deviations are in parentheses.



**TABLE 3.5-A The Economic Context and Political Participation (Whites only)**

<b>Independent Variable</b>	<b>Vote</b>	<b>Talk</b>	<b>Display</b>	<b>Attend</b>	<b>Work</b>	<b>Money</b>	<b>Volunt</b>	<b>Comm</b>
Visibility of Business Activity	.00 (.00)	.00 (.00)	-.00 (.00)	-.00 (.00)	-.00 (.00)	.00* (.00)	.00 (.00)	.00 (.00)
Workforce Competition	-.08** (.03)	.03 (.03)	-.05 (.04)	-.02 (.05)	.14* (.07)	-.01 (.00)	-.03 (.03)	-.05 (.03)
Education	.51*** (.06)	.12*** (.04)	.15** (.05)	.25*** (.06)	.24** (.10)	.31*** (.05)	.29*** (.04)	.31*** (.04)
Family Income	.07*** (.01)	.01 (.01)	.01 (.02)	.03 (.02)	-.00 (.03)	.06*** (.02)	.03** (.01)	.04*** (.01)
Class (3 pt)	.12 (.12)	.06 (.09)	-.06 (.14)	.19 (.16)	.52* (.25)	.31** (.14)	.03 (.09)	-.07 (.11)
Age	.03*** (.00)	-.01*** (.00)	-.01* (.01)	-.00 (.01)	.01 (.01)	.02** (.01)	.00 (.00)	.02*** (.00)
Male	-.15 (.14)	.32** (.10)	.03 (.16)	.16 (.18)	-.15 (.29)	.43** (.16)	-.06 (.11)	-.17 (.11)
Strong Partisans	.44*** (.09)	.36*** (.07)	.23** (.10)	.28** (.11)	.08 (.17)	.11 (.10)	-.06 (.07)	-.16* (.08)
Business Activity	-.00 (.00)	.00 (.00)	.00 (.00)	-.00 (.00)	.00** (.00)	.00 (.00)	-.00 (.00)	-.00* (.00)
County size	-.00 (.00)	.00 (.00)	.00 (.00)	-.00 (.00)	.00 (.00)	.00* (.00)	.00 (.00)	-.00 (.00)
Urban	.21 (.16)	.11 (.13)	.12 (.20)	-.18 (.23)	.49 (.40)	.13 (.22)	-.22* (.13)	-.09 (.16)
Population, 18-64	.00 (.00)	-.00 (.00)	-.00 (.00)	.00 (.00)	-.00** (.00)	-.00 (.00)	.00 (.00)	.00 (.00)
Constant	- 2.05***	- 1.22***	-2.96***	-3.76***	-6.50***	-5.33***	-1.47***	-2.71***
Log Likelihood	-704.97	- 1064.32	-587.24	-449.11	-219.87	-544.78	-1021.83	-818.87
LR $\chi^2$	323.84	100.06	27.36	54.63	35.52	161.73	114.10	117.00
Prob > $\chi^2$	0.0000	0.0000	0.0069	0.0000	0.0004	0.0000	0.0000	0.0000
Observations	1645	1645	1646	1645	1646	1640	1637	1642

Notes: Logit estimates. Standard errors are in parentheses. Significance based on one-tailed  $p$ -values.

\*\*\*  $p = .000$  \*\*  $p < .01$  \*  $p < .05$

Source: 1992 Economic Census; 1992 NES.

**TABLE 3.6-A Visibility of Business Activity and Individuals' Likelihood of Political Participation**

<b>Visibility of Business Activity</b>	<b>Pr (Vote)</b>	<b>Pr (Talk)</b>	<b>Pr (Display)</b>	<b>Pr (Attend)</b>	<b>Pr (Work)</b>	<b>Pr (Money)</b>	<b>Pr (Volunt)</b>	<b>Pr (Comm)</b>
Mean	0.78 (0.19)	0.41 (0.12)	0.12 (0.04)	0.08 (0.05)	0.03 (0.03)	0.13 (0.12)	0.37 (0.13)	0.22 (0.12)
1-unit increase	0.85	0.43	0.10	0.04	0.01	0.12	0.38	0.22
$\Delta$	0.07	0.02	-0.02	-0.04	-0.02	-0.01	0.01	0.00
N	1827	1827	1827	1827	1827	1827	1827	1827

*Notes:* Standard deviations are in parentheses.

**Table 3.7-A The Economic Context, Perceptions of Financial Prospects and the Likelihood of Political Participation (Whites only)**

Independent Variables	Vote	Talk	Display	Attend	Work	Money	Volunt	Comm
Financial Prospects	.17 (.11)	.00 (.09)	-.03 (.13)	-.17 (.16)	-.34 (.25)	-.05 (.13)	-.12 (.09)	-.18* (.11)
Visibility of Business Activity	-.00 (.00)	.00 (.00)	-.00 (.00)	-.00 (.00)	-.00 (.00)	.00* (.00)	.00 (.00)	.00 (.00)
Workforce Competition	-.08** (.03)	.04 (.03)	-.05 (.04)	-.02 (.05)	.13* (.07)	-.01 (.04)	-.02 (.03)	-.04 (.03)
Education	.51*** (.06)	.12** (.04)	.14** (.06)	.25*** (.06)	.21* (.10)	.30*** (.06)	.28*** (.04)	.31*** (.04)
Family Income	.07*** (.01)	.01 (.01)	.01 (.02)	.03 (.02)	-.00 (.03)	.06** (.02)	.02** (.01)	.04** (.01)
Class (3 pt)	.13** (.12)	.07 (.09)	-.03 (.14)	.21 (.16)	.52* (.25)	.32** (.14)	.04 (.10)	-.06 (.11)
Age	.03*** (.00)	-.01*** (.00)	-.01* (.01)	-.00 (.01)	.01 (.01)	.02** (.01)	.00 (.00)	.02*** (.00)
Male	-.15 (.14)	.33** (.11)	.06 (.16)	.23 (.19)	-.07 (.29)	.49** (.16)	-.03 (.11)	-.14 (.13)
Strong Partisans	.43*** (.09)	.35*** (.07)	.21* (.10)	.25* (.12)	.09 (.18)	.09 (.10)	-.06 (.07)	-.14 (.13)
Business Activity	-.00 (.00)	.00 (.00)	.00 (.00)	-.00 (.00)	.00** (.00)	.00 (.00)	-.00 (.00)	-.00 (.00)
County size	-.00 (.00)	.00 (.00)	.00 (.00)	-.00 (.00)	.00 (.00)	.00* (.00)	-.00 (.00)	-.00 (.00)
Urban	.22 (.16)	.12 (.13)	.15 (.20)	-.10 (.24)	.64 (.41)	.18 (.22)	-.21 (.13)	-.11 (.16)
Population, 18-64	.00 (.00)	-.00 (.00)	-.00 (.00)	.00 (.00)	-.00** (.00)	-.00 (.00)	.00 (.00)	.00 (.00)
Constant	-2.33***	-1.29**	-2.92***	-3.54***	-5.98***	-5.30***	-1.38***	-2.52***
Log Likelihood	-688.16	-1039.67	-569.06	-430.03	-211.47	531.43	-994.22	-792.73
LR $\chi^2$	315.83	92.66	24.80	51.75	25.90	157.47	108.24	115.20
Prob > $\chi^2$	0.0000	0.0000	0.0246	0.0000	0.0006	0.0000	0.0000	0.0000
Observations	1602	1603	1603	1602	1603	1597	1594	1599

Notes: Logit estimates. Standard errors are in parentheses. Significance based on one-tailed  $p$ -values.

\*\*\*  $p = .000$  \*\*  $p < .01$  \*  $p < .05$

Source: 1992 Economic Census; 1992 NES.

**TABLE 3.8-A Visibility of Business Activity, Perceptions, and Individuals' Likelihood of Political Participation**

<b>VBA and Financial Perceptions</b>	<b>Pr (Vote)</b>	<b>Pr (Talk)</b>	<b>Pr (Display)</b>	<b>Pr (Attend)</b>	<b>Pr (Work)</b>	<b>Pr (Money)</b>	<b>Pr (Volunt)</b>	<b>Pr (Comm)</b>
Mean	0.78 (0.19)	0.41 (0.12)	0.12 (0.04)	0.08 (0.05)	0.03 (0.03)	0.13 (0.12)	0.37 (0.13)	0.22 (0.12)
1-unit increase	0.84	0.43	0.09	0.03	0.00	0.12	0.38	0.22
$\Delta$	0.06	0.02	-0.03	-0.05	-0.03	-0.01	0.01	0.00
Observations	1776	1776	1776	1776	1776	1776	1776	1776

Standard deviations are in parentheses.

## VITA

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## PUBLICATIONS

Suthammanont, Christina. 2004. "Experimental Methods." Appendix B In Jan E. Leighley's *Mass Media and Politics*. Boston, MA: Houghton Mifflin. Located at [http://college.hmco.com/polisci/leighley/mass\\_media/1e/students/appendix/index.html](http://college.hmco.com/polisci/leighley/mass_media/1e/students/appendix/index.html)

## CONFERENCE PRESENTATIONS

- "Illusions Matter: Perceptions and Prospects as Determinants of Political Participation." Presented at the 2005 annual meeting of the Midwest Political Science Association, Chicago.
- "Socioeconomic Development and Perceptions of Economic Prospects as Determinants of Ethnic and Racial Groups' Political Participation." Presented at the 2005 annual meeting of the American Political Science Association, Washington, D.C.
- "Cognition, Affect, and the Conditional Nature of Race-Related Policy Attitudes." Presented at the 2004 annual meeting of the Midwest Political Science Association, Chicago (with David A.M. Peterson and Jan E. Leighley).

## RESEARCH GRANTS

Co-principal investigator, Race and Ethnic Studies Institute: "Cognition, Affect, and the Conditional Nature of Race-Related Policy Attitudes," with David A.M. Peterson, Jan E. Leighley, and Chris Owens. 2003, \$1,800