The Effect of Democratic Governors on Internal Migration of Low-Skilled Immigrants and U.S.-born Workers

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Abstract

This paper estimates the causal impact of Democratic victories at the state level on interstate low-skilled migration. We compare states narrowly won by Democrats to those narrowly won by Republicans, using 2000–2019 data on U.S.-born and Hispanic immigrants without a college degree. We find that Democratic victories *reduce* net interstate migration inflows of low-skilled Hispanic immigrants, and *increase* those of low-skilled U.S.-born whites and blacks. This divergence is driven by heterogenous impacts in the labor-market. Democratic governors worsen Hispanic immigrants' employment prospects, and have the opposite effect on U.S.-born workers. Policy differences associated with Democratic control (higher minimum wages and more generous earned income tax credits) interact with imperfect substitutability between immigrants and natives, shifting employment towards native-born workers. These findings suggest that interstate migration of low-skilled Hispanic immigrants is driven primarily by economic returns rather than ideological alignment.

Keywords: Internal migration; Immigration; Partisan policy; Labor market substitution; Minimum wage; Regression discontinuity

JEL Classification Numbers: D72, H73, J15, J61, J82

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1 Introduction

What drives people to move, and who responds to which incentives? A long tradition models migration as a utility-maximizing choice over locations (McFadden 1973), and abundant evidence shows that economic incentives shape domestic mobility.[1]Yet as political polarization has deepened, political alignment has become a salient non-pecuniary motive behind geographic sorting.[2] Existing work typically studies economic conditions, leaving limited causal evidence on how political environments shape migration decisions.[3] Political changes can produce policy-driven economic changes and interact with them in shaping internal migration flows. This paper addresses this gap by estimating the causal effect of narrowly electing a Democratic governor on interstate migration among low-skilled Hispanic immigrants and U.S.-born workers without a college degree.

To study how concurrent shifts in economic and political incentives shape internal migration, we exploit the close election of a Democratic governor. Partisan control of the governorship changes both policy instruments and the governing stance that define the local opportunity set for immigrants. On the economic side, Democratic governors tend to pursue more interventionist labor-market and redistributive policies—such as higher minimum wages and a stronger emphasis on welfare spending—that affect migrants' expected returns through wages and employment prospects, and thereby real expected income.[4] On the political side, Democratic governors tend to promote inclusion, whereas Republican governors emphasize stricter enforcement and more exclusionary approaches.[5] Political messaging and hostility can deter immigrant inflows,[6] consistent with evidence that Republicans are less likely to support pro-immigrant measures and hold stronger anti-immigrant views.[7]

Identifying the causal effect of Democratic governors on migration is challenging because partisan control is endogenous: immigrants can influence electoral outcomes (Mayda, Peri, and Steingress 2022), and location choices may be jointly determined with politics through residential sorting (Tiebout and the Big Sort narrative).[8] To address these concerns, the analysis employs a bias-corrected local linear regression discontinuity design (RDD) with covariate adjustment to estimate the effect of narrowly electing a Democratic governor.[9] The main analysis focuses on elections decided within a ± 5 percentage-point margin, which sharpens the local comparison at the cutoff and limits bias that can arise when wider windows

1. U.S. evidence shows that immigrants respond more strongly than natives to regional labor-market shocks; see Orrenius and Zavodny 2008; Cadena 2014; Cadena and Kovak 2016; Churchill and Sabia 2019.

2. For political sorting, see Tam Cho, Gimpel, and Hui 2013; Gimpel and Hui 2015; Johnston, Manley, and Jones 2016; Brown and Enos 2021.

3. An exception is evidence from Italy which shows far-right mayoral victories reduce immigrant inflows, an effect attributed to an "inhospitality" channel rather than pecuniary policy changes; see Bracco et al. 2018; Farina 2017; Cerqua and Zampollo 2022. Because Italian mayors have limited fiscal authority, this evidence primarily captures political incentives, with little scope to work through economic channels.

4. See Leigh 2008; L. P. Beland and Oloomi 2017; and the related close-election evidence on various outcomes in L.-P. Beland 2015; L.-P. Beland 2016; L. P. Beland and Unel 2018; Keita and Mandon 2018; L. P. Beland and Unel 2019.

5. For example, Republican governors are more likely to sign 287(g) agreements that facilitate state cooperation with federal immigration enforcement; see Creek and Yoder 2012.

6. See Bracco et al. 2018; Cerqua and Zampollo 2022.

7. See Facchini and Steinhardt 2011; Conconi et al. 2020; Mayda, Peri, and Steingress 2022.

8. Complementing the peer-reviewed evidence cited above, widely read accounts in books, reports, and the media frame the "Big Sort" narrative as an extension of Tiebout's hypothesis: migration is shaped not only by economic considerations (e.g., taxes and public-good provision) but also by political and ideological preferences, which can reinforce regional political homogeneity and polarization; see *The Big Sort*, NPR (2022), UVA Center for Politics (2022), and Brooks (2023) in *The New York Times*.

9. Following the methodological advances in Calonico, Matias D. Cattaneo, and Rocio Titiunik 2014, Gelman and Imbens 2019, and Calonico, Matias D. Cattaneo, and Max H. Farrell 2018. See D. S. Lee and Lemieux 2010, L.-P. Beland 2015, and Potrafke 2017 for applications of RDD to close elections.

pool less comparable states. The recent RDD inference procedure addresses the high variance that arises in small samples with narrow bandwidths, improving the reliability of causal estimates. Using a common ± 5 pp. window across specifications facilitates comparisons across outcomes and groups; as robustness checks, the results are similar under standard data-driven bandwidth choices. The main analysis uses American Community Survey (ACS) data from 2000–2019 to measure interstate migration flows of low-skilled Hispanic immigrants and, for comparison, low-skilled U.S.-born White and Black individuals.

Widely recognized partisan gaps across demographic groups—documented in descriptive evidence from the Cooperative Election Study (CES, 2006–2019) and in survey evidence—show that Hispanic-Latino and Black populations overwhelmingly support Democrats, whereas White natives display weaker alignment.[10] In turn, partisan sorting would predict that narrowly electing a Democratic governor raises net inflows of low-skilled Hispanic immigrants into the state. Contrary to this expectation, low-skilled Hispanic immigrants exhibit lower annual net interstate migration flows under Democratic governors, driven by both smaller inflows and larger outflows. Over a four-year Democratic gubernatorial term, the cumulative change in the low-skilled Hispanic immigrant population is estimated to be 11.34 percent lower than in Republican states, with this decline concentrated among non-citizen immigrants. By contrast, low-skilled White and Black natives experience higher net migration flows under Democratic governors, implying subpopulations that are about 1.6 and 1.62 percent larger over a typical Democratic term.

The evidence suggests that, despite the Democratic Party's pro-immigrant stance, economic conditions in Democratic-led states reduce the attractiveness of residence for low-skilled Hispanic immigrants. Under Democratic governors, unemployment rises disproportionately for this group: the unemployment rate for low-skilled Hispanic immigrants is 6.9 percentage points higher, whereas it is 1.3 and 6.1 percentage points lower for low-skilled White and Black natives, respectively, consistent with sectoral labor market adjustments in construction and food services where low-skilled Hispanic immigrants have increasingly been displaced by native workers. Expected labor market returns also weaken for low-skilled Hispanic immigrants, especially among non-citizens, whose expected unit payoff in blue states is 5.2 percent lower than in Republican states. Housing costs reinforce these disparities: the annual increase in the housing price index is 2.7 percentage points higher in Democratic states, and higher living expenses combined with weaker employment prospects further diminish incentives for low-skilled Hispanic immigrants—particularly those without citizenship and with limited access to social safety nets—to reside in Democratic-led states.

One plausible mechanism behind these heterogeneous labor-market and migration responses is the more interventionist labor-market policy mix typically implemented under Democratic governors. Democratic-led states exhibit a 2.8 percent higher real minimum wage, are 74.5 percent more likely to raise it, and record 0.743 additional increases over a gubernatorial term.[11] They also feature an earned income tax credit (EITC) rate roughly two percentage points higher than that in Republican states. This mechanism is consistent with Edo and Rapoport 2019, who show that immigration-induced reductions in natives' wages and employment at the state–skill-cell level are more pronounced in low-minimum-wage states and interpret this heterogeneity as evidence that higher minimum wages mitigate adverse labor-market impacts on natives, especially among low-skilled workers. Higher EITC rates can reinforce this buffering role by raising natives' effective returns to work without proportionally increasing firms' labor costs, thereby strengthening native labor supply precisely in the low-wage jobs where minimum-wage policies bind.

10. See Pew Research statistics; Doherty and Kiley 2018; Krogstad, Edwards, and Lopez 2022.

11. Related evidence shows that Republican governors are less likely than Democrats to raise the minimum wage (Besley and Case 1995), whereas Democratic governors are more inclined to do so (Keita and Mandon 2018; Leigh 2008).

Within an imperfect substitution framework,[12] these policy differences can shift both labor demand and labor supply in ways that change the composition of the local low-skilled workforce. On the demand side, higher minimum wages raise the marginal cost of employing the least productive workers, strengthening incentives to substitute toward more productive native-born workers with greater U.S.-specific human capital (e.g., language proficiency and institutional familiarity). On the supply side, the interaction of minimum wages and the EITC increases the effective return to work and can draw natives into low-wage employment by lifting expected after-tax earnings above reservation wages. This supply response is particularly plausible if immigrants have lower reservation wages due to higher search costs, weaker outside options, higher costs of unemployment abroad, and more limited access to the safety net (e.g., Battisti et al. 2018; Chassamboulli and Palivos 2014). Together, demand-side substitution and supply-side crowd-in can tighten job prospects for low-skilled immigrants while improving outcomes for low-skilled natives, helping reconcile why Democratic-led states may offer ideological affinity yet nonetheless experience lower net inflows of low-skilled Hispanic immigrants—consistent with the documented responsiveness of immigrant populations to economic incentives (Orrenius and Zavodny 2008; Cadena 2014; Churchill and Sabia 2019; Cadena and Kovak 2016). These forces also have direct implications for natives' location choices: low-skilled White natives appear to trade political disutility and higher housing costs for better employment outcomes, while low-skilled Black natives' net inflows rise mainly through reduced outmigration as labor-market gains and ideological alignment offset the housing-cost penalty.

This study contributes to the literature by bringing together two strands that have rarely been analyzed in a unified empirical framework: the political economy of migration and the role of economic conditions in spatial adjustment. While prior work documents that economic shocks and local labor-market conditions shape regional mobility, and a separate literature emphasizes political sorting and political climates, relatively little empirical evidence traces how partisan shifts translate into changes in economic opportunity sets that then affect migration decisions. Exploiting the quasi-random election of Democratic governors, this paper provides new evidence that partisan shocks influence internal migration through both ideological and material channels, and that these effects are sharply heterogeneous across low-skilled Hispanic immigrants and low-skilled White and Black natives. The setting further allows a direct comparison of political affinity and economic incentives, and the evidence indicates that economic opportunities dominate political alignment in shaping low-skilled Hispanic immigrants' location choices.

The remainder of the paper proceeds as follows. Section 2 develops a simple location-choice framework that maps changes in key utility components into migration responses and, ultimately, the spatial distribution of demographic groups. Section 3 documents heterogeneous shifts in political alignment across groups following Democratic gubernatorial victories using the Cooperative Election Study (CES), 2006–2019. Section 4 describes the migration and policy data, presents descriptive evidence, and lays out the identification strategy. Section 5 estimates the effects of Democratic gubernatorial victories on interstate migration flows over 2000–2019 and characterizes heterogeneity across groups. Section 6 examines labor-market adjustments that help account for the migration responses. Section 7 investigates the policy mechanisms and economic outcomes underlying these adjustments. Section 8 concludes.

2 Theoretical Framework

Living in a region governed by a preferred political party offers multiple utilities. Supporters benefit from policies aligned with their interests and values, which enhance political represen-

12. See Peri and Sparber 2009; Card 2009; Peri and Sparber 2011; Ottaviano and Peri 2012.

tation and satisfaction. This alignment reinforces social and political identity while fostering a sense of belonging and significance in society. Additionally, the predictability of policy changes under a familiar party reduces adaptation costs, and the promotion of shared social values provides broader societal affirmation.

Building on Diamond 2016 and Kim, J. Lee, and Peri 2025, consider the indirect utility[13] V of a *low-skilled*[14] individual j of nativity $k \in \{native, immigrant\}$ in state i, modeled as a log-linear approximation of real expected income, real local expenditures, and individual-nativity-specific political alignment:

$$V_{ijk} = ln(\frac{W_{ik} \times \lambda_{ik}}{P}) - \chi ln(\frac{R_i}{P}) + \phi_k(PA_{ijk}) + \epsilon_{ijk} \tag{1}$$

The term $\frac{W_{ik} \times \lambda_{ik}}{P}$ denotes real expected wages, adjusted for employment probability λ_{ik} and the national price level P. The term $\chi ln \frac{R_i}{P}$ represents real local housing expenditure, with χ as the income share spent on housing. Political alignment, $\phi_k(PA_{ijk})$, contributes to utility based on the weight ϕ_k, reflecting the importance of political factors relative to income. Positive utility arises when the preferred party governs, while negative utility arises under the opposing party.

This framework aligns with the utility maximization approach of McFadden 1973 using a conditional logit model. Differences in average utility across states for individuals of type $T = d, r$(Democratic or Republican supporters) predict variations in their population distribution. Assuming the idiosyncratic term ϵ_{ijk} follows an extreme value distribution, the population N_{iTk} is proportional to the exponential of their average utility:

$$N_{iTk} = exp(ln(\frac{W_{ik} \times \lambda_{ik}}{P}) - \chi ln(\frac{R_i}{P}) + \phi_k(PA_{iTk})) \tag{2}$$

Taking logarithms and incorporating an exogenous shock, such as a narrowly decided Democratic gubernatorial election, the resulting population shift for each nativity k and type T in state i is proportional to the weighted changes in utility components, with weights reflecting their respective coefficients.

$$\Delta ln(N_{iTk}) = \Delta ln(\frac{W_{ik} \times \lambda_{ik}}{P}) - \chi \Delta ln(\frac{R_i}{P}) + \phi_k \Delta(PA_{iTk}) \tag{3}$$

From Equation 3, if the migration response of low-skilled individuals of type T and nativity k is significantly larger (smaller) after a Democratic governor's narrow victory compared to the alternative, the political shock's total effect on this group is correspondingly greater (smaller). This utility-based framework enables an analysis of how such electoral outcomes shape migration responses and utility components. Integrating empirical results with the theoretical model identifies the dominant component and provides insights into their relative contributions, even when components exert opposing effects.

3 Political Orientation of Key Groups

The political alignment of low-skilled workers in the United States varies across groups, shaped by historical, economic, and cultural factors. Low-skilled Hispanic immigrants and Black natives predominantly support the Democratic Party due to its focus on inclusive immigration

13. The model assumes a utility maximization problem under a Cobb-Douglas utility function and a budget constraint: $ln(H_i^{\chi}) + ln(T^{1-\chi}) + \phi_j PA_{ijk}$ and $RH + PT \leq W_{ijk} \times \lambda_{ijk}$, where H is a local housing good and T is tradable consumption good.

14. One can set up a generalized model integrating different skill levels.

policies, social equity, and welfare policies, while white low-skilled workers have increasingly shifted toward the Republican Party in recent decades, reflecting differing socioeconomic priorities.

Surveys indicate that immigrants, Hispanic/Latino, and Black populations predominantly align with the Democratic Party, perceiving it as more attentive to their needs and committed to securing their support[15]. Figures 1a and 1c, based on Cooperative Election Study data, show a strong Democratic alignment among low-skilled Hispanic immigrants and Black natives, regardless of citizenship status or immigrant generation.

In contrast, white natives show a slightly higher support for the Republican Party (Doherty and Kiley 2018). The share of Democratic supporters among low-skilled white natives in Figure 1b, based on CES data, is comparatively lower, making it difficult to categorize them as a strong Democratic base when compared to the other two groups of interest.

Given the expected ideological and economic shifts under Democratic governors, who tend to support migration[16] and low-income earners, significant migration responses from low-skilled immigrants are anticipated. The "big sort" literature suggests that individuals often relocate to areas where political views align with local representatives' partisanship and policies[17]. However, the findings of this paper do not support this expectation.

4 Data and Identification

4.1 Data

We use American Community Survey (ACS) data from 2000 to 2019, provided by IPUMS USA (Ruggles et al. 2022), to construct annual interstate migration flows. The ACS offers detailed information on both U.S.-born and foreign-born individuals, covering various characteristics such as educational attainment, race, and ethnicity. It also includes undocumented immigrants[18], allowing comprehensive coverage of the low-skilled immigrant population. While imputation may inflate migration estimates in other datasets[19], this is less of a concern in the ACS. For precaution, we treat imputed migration data as stayers in the main analysis. Given the impact of COVID-19 on migration, the primary analysis focuses on the pre-2020 period.

We count *actual* interstate movers, individuals who reported having moved from one state to another in the past year. We define annual interstate migration flows as

$$\begin{aligned}
\text{Netflow}_{i,t} &\equiv \frac{\text{Individuals Moved In}_{i,t} - \text{Individuals Moved From}_{i,t}}{\text{State Working-age Total Population}_{i,e(it)}} \times 100 \\
\text{Inflow}_{i,t} &\equiv \frac{\text{Individuals Moved In}_{i,t}}{\text{State Working-age Total Population}_{i,e(it)}} \times 100 \\
\text{Outflow}_{i,t} &\equiv \frac{\text{Individuals Moved From}_{i,t}}{\text{State Working-age Total Population}_{i,e(it)}} \times 100
\end{aligned} \tag{4}$$

of each population group of interest normalized by the state's total working-age population (ages 18–64) in the election year $e(it)$ of a state i in year t. The main sample focuses on

15. See Pew Research statistics; Doherty and Kiley 2018; Krogstad, Edwards, and Lopez 2022

16. Low-skilled immigrants are more likely to be undocumented, with an estimated 18%-20% undocumented share. They face ongoing deportation risks. Creek (2012) found a positive correlation between Republican governors and the adoption of 287(g) MOA, which enables state law enforcement to assist in detaining individuals violating federal immigration law.

17. See Tam Cho, Gimpel, and Hui 2013; Gimpel and Hui 2015; Johnston, Manley, and Jones 2016; Brown and Enos 2021; The Big Sort; NPR (2022); UVA Center for Politics (2022).

18. See Cadena and Kovak 2016

19. See Kaplan and Schulhofer-Wohl 2012; Molloy, Smith, and Wozniak 2011

working-age individuals (ages 18–64) who are not enrolled in school and do not reside in group quarters[20] We define immigrants as those born abroad and natives as those born in the US[21]. Unilateral migration flows are generated by aggregating interstate movers by origin (outflow) or destination (inflow) state[22].

We use state-level voting data from US gubernatorial elections (2000–2019), provided by Leip 2022. The running variable in the regression discontinuity design is the Democratic Party's vote share margin of victory:

$$MV_{it} = \frac{v_{it}^{1st} - v_{it}^{2nd}}{v_{it}} = \frac{v_{e(it)}^{1st} - v_{e(it)}^{2nd}}{v_{e(it)}} \tag{5}$$

which is the percent difference of votes cast for the winner and the second-place contender in elections where either the Democratic or Republican Party won. A positive value indicates a Democratic victory, while a negative value indicates a Republican victory[23]. The margin of victory remains constant throughout an office term, meaning the RDD estimates reflect the average annual effect of the unexpected election of a Democratic governor on migration flows of the foreign-born population over the full office term.

To validate the research design and explore potential channels, we use National Welfare Data from Kentucky Center for Poverty Research 2023 for additional state-level data on population, employment, unemployment, welfare, poverty, and politics. Economic outcomes, such as per-capita personal income, are sourced from the Bureau of Economic Analysis (BEA). State tax rates by year are obtained from the Book of the State, while the Housing Price Index is provided by the Federal Housing Finance Agency. Individual-level party identification, shown in Figure 1, is derived from the Cooperative Election Study.

Table 1 provides information about state-level demographic, economic, and political circumstances in the pre-treatment period, the years when the gubernatorial elections are held. The table also contains the balanced covariate test result, which is a formal continuity-based analysis for covariates that examines if variables are predetermined before treatment assignment and responsible for erroneous associations.[24] In the |5| pp bandwidth, the main specification, all variables are balanced across the cutoff in the election year, which serves as the pre-treatment period before the governor's terms analyzed. The total number of state-year observations in the governor's terms analyzed within this bandwidth is 233. For detailed information on the distribution of state-year observations and vote share margins, see Table 2 and Figure 2.

4.2 Identification

The main empirical challenge in estimating the causal effect of Democratic Party governance on interstate migration flows is endogeneity, stemming from omitted-variable bias. Political,

20. Excluding group quarters residents is important (Molloy, Smith, and Wozniak 2011). Prior to 2006, the ACS did not cover group quarters residents, who had a higher tendency to migrate. IPUMS' warning also recommends excluding group quarters.

21. Individuals born abroad to US citizens are counted as natives.

22. Outflows from Washington DC and Puerto Rico to other states are included, but inflows to Washington DC and Puerto Rico from other states are excluded.

23. For example, if Democrats receive 50% and Republicans receive 45%, the Democratic margin of victory is 5 percentage points (pp). If Democrats receive 40% and Republicans receive 50%, the Democratic margin of victory is -10 pp, and this election is excluded from the |5|pp bandwidth.

24. The trend in the RDD literature moves from simply presenting the T-test for variables across the threshold to conducting a formal balanced covariate test. The official strategy is to conduct RDD regressions without controlling for any additional covariates and use the baseline covariates as the dependent variables (Matias D. Cattaneo, Idrobo, and Rocío Titiunik 2019).

cultural, and religious factors, along with unmeasured economic conditions and ideological attitudes, may simultaneously affect both vote shares and a state's attractiveness.

Reverse causality also contributes to endogeneity. Previous immigrant (or native) location influences voting patterns and election outcomes, as demonstrated by Mayda, Peri, and Steingress 2022 in their analysis of first-generation immigrants' effects on U.S. elections. Voters may anticipate future demographic changes and their economic and non-economic impacts. Given that local voting behavior is influenced by immigrant distribution, reverse causality arises, as immigrants' location decisions are shaped by the existing immigrant distribution and local (non)economic conditions, as noted by researchers using the shift-share instrumental variable (IV) approach (Card 2001).

These factors can lead to a spurious association between governors' political affiliation and interstate mobility. Close election results provide exogenous variation to address this identification issue, as shown by D. S. Lee 2008 and Eggers et al. 2015. This approach relies on the random assignment of the winner when the margin of victory is near zero, resembling a *coin toss*. Given the winner-takes-all nature of U.S. elections, this setup reflects a sharp RDD. Political economy has frequently employed this method[25].

We employ a bias-corrected local linear RDD with covariate adjustment[26] to estimate the causal effect of electing a Democratic governor by a small margin on interstate migration of the foreign-born population. We conduct local estimations within bandwidths of |5| pp. State characteristics may differ when comparing observations from landslide elections at each extreme. However, for observations near the cutoff, we expect similarities across all factors except for the treatment of interest: gubernatorial election results. The small bandwidth provides both strong identifying variation and facilitates convenient comparisons of migration flows across different groups.

The empirical model estimates the causal effect, τ, of having a Democratic governor on migration flows through the following weighted least-squares regression of Y_{it} in a state i in year t in election year *e(it)* using triangular kernel weight (Matias D. Cattaneo, Idrobo, and Rocío Titiunik 2019) $K(u) = (1 - |u|)\mathbf{1}\{|u| \leq 1\}$ for a transformed vote margin of victory, $\frac{MV_{it}}{h}$, within bandwidth h:

$$
\begin{aligned}
&\forall MV_{it} \in [-h, h], \\
&Y_{it} = \alpha + \tau Demwon_{it} + \mu_{-} MV_{it} + \mu_{+} Demwon_{it} \times MV_{it} + \mathbf{Z}'_{it}\gamma + \epsilon_{it} \qquad (6) \\
&where \\
&\mathbf{Z}_{it} \equiv \{\delta_i,\ \eta_{e(it)},\ \lambda \cdot \mathbf{1}\{e(it) \in P\}\} \\
&P = \{years\ that\ presidential\ elections\ were\ held\}.
\end{aligned}
$$

where $Demwon_{it}$ is the indicator function that equals 1 if a Democratic candidate wins the election, MV_{it} is vote share margin of victory controlled separated across the cutoff. δ_i represents the state fixed effects, capturing factors such as state population, economic size, and political history. $\eta_{e(it)}$ accounts for national-level influences in the election year. We control for the interaction between the gubernatorial and presidential election years ($\lambda \cdot \mathbf{1}\{e(it) \in P\}\}$) to address any differences in migration effects due to the timing of elections. The idiosyncratic error term is ϵ_{it}. We take |5|pp. as h that defines the bandwidth. Standard errors are clustered at the state level (D. S. Lee and Card 2008; Bartalotti and Brummet 2017). Following the literature suggesting lower-order polynomials, we use local-linear regressions for point estimation and local-quadratic regressions for bias correction to balance the bias-variance

25. See D. S. Lee and Lemieux 2010; Potrafke 2017

26. We follow methods suggested by Calonico, Matias D. Cattaneo, and Rocio Titiunik 2014, Gelman and Imbens 2019, and Calonico, Matias D. Cattaneo, and Max H. Farrell 2018.

trade-off[27]. Thus, $\hat{\tau}$ captures the average change in annual interstate migration flows at the cutoff over a full office term, after controlling for the covariate vector $\mathbf{Z}_{it}$, which is assumed to be predetermined.

To test the validity of the research design, we conduct a manipulation test inspired by McCrary (2008), examining continuity in the vote margin density around the cutoff, as shown in Figure 3. The test fails to reject the null hypothesis (p-value = 0.6023), indicating no evidence of manipulation, which supports the validity of the RDD and suggests that governors cannot influence the election outcome.

5 Migration Responses

Figure 4 illustrates the effect of electing a Democratic governor on net interstate migration flows for the low-skilled groups. The scatter plots depict the average values within bins, with 50 bins allocated on each side of the threshold, where each bin corresponds to a 0.1 percentage point voting margin. Linear polynomial fits are applied separately on each side of the threshold, with Democratic governors on the right, to estimate their effect, indicated by the discontinuity at the cutoff. Low-skilled Hispanic immigrants exhibit lower net interstate migration flows under Democratic governors compared to the cases under Republican governors. Their population size and mobility appear to drive the overall migration patterns of low-skilled immigrants. In contrast, low-skilled White and Black natives display higher netflows under Democratic governors, shaping the overall migration patterns of low-skilled natives. Figure 5, using a second-order polynomial fit, visualizes consistent results. Although first- and second-order polynomial fits indicate possible jumps at the threshold, the scatter plots do not clearly reveal decisive discontinuities. Thus, validating the statistical significance of the discontinuity requires a more rigorous RDD analysis.

Table 3 presents RDD estimates of the impact of narrowly electing a Democratic governor, |5| pp. margin, on interstate migration flows. It includes estimates, standard errors, and the mean and standard deviation of the dependent variables within this bandwidth over the past two decades. Panel A examines the full sample without skill divisions, Panel B focuses on low-skilled individuals, and Panel C highlights the key groups driving the patterns observed in Panel B. For low-skilled Hispanic immigrants, Democratic governors are associated with lower average annual netflows by 0.095 percentage points, driven by lower inflows and higher outflows. In contrast, low-skilled White natives experience 0.12 higher netflows due to higher inflows and lower outflows, while low-skilled Black natives' 0.017 higher netflows result from lower outflows. Using the mean group shares in election years (Table 1, Column 3) and the estimates from Table 3, Panel C, Column 1, the average population change over a 4-year Democratic governor term is projected as follows: 11.34% lower for low-skilled Hispanic immigrants, 1.6% higher for low-skilled White natives, and 1.62% higher for low-skilled Black natives[28].

The migration patterns of key groups diverge from prevailing perceptions of U.S. politics and party identification depicted in Figure 1. Low-skilled Hispanic immigrants and White natives exhibit migration responses inconsistent with their party affiliations. Notably, the differing migration responses between low-skilled Hispanic immigrants and Black natives—both strong Democratic supporters—are particularly striking. Another noteworthy aspect of eco-

27. The use of higher-order polynomials and the bias-variance trade-off are concerns of the recent regression discontinuity design estimation approach. Recently, bias-corrected local linear estimations have been proposed. See Gelman and Imbens 2019; Calonico, Matias D Cattaneo, and Max H Farrell 2017.

28. Calculated as (annual netflow effect × 4 years) divided by the group's mean population share in the state (expressed as a proportion): (-0.095 × 4)/0.03351 = -11.34, (0.12 × 4)/0.29956 = 1.60, and (0.017 × 4)/0.0419 = 1.62.

nomic significance is the more pronounced expected change among immigrants compared to natives. This aligns with existing literature showing that low-skilled immigrants exhibit higher geographic mobility than their native counterparts in response to economic incentives[29]. Building on this, we further investigate the mechanisms through which political shocks shape these migration patterns.

5.1 Robustness and Sensitivity Checks

5.1.1 MSE-optimal Bandwidth

To ensure a more rigorous data-driven bandwidth, we test the migration response results using the mean squared error (MSE) optimal bandwidth. Table 4 reports RDD coefficients, standard errors, and the number of effective state-year observations corresponding to each MSE-optimal bandwidth, which varies across flow types and subgroups. The results confirm that the main findings are robust to the data-driven bandwidths. Using a single smaller bandwidth facilitates easier comparisons across subgroups and their flows, potentially yielding genuine identifying variation despite the strong rigidity of each party's voters.

5.1.2 Arbitrary Cutoff

To enhance the reliability of the main results and validate the research design, we employ placebo cutoffs. Testing artificial cutoffs examines the continuity of control and treatment groups at points distant from the actual cutoff. This indirect approach assesses the assumption of continuity at the cutoff in the absence of treatment, which cannot be directly tested. The arbitrary cutoffs of (-10) and $(+10)$ percentage points provide reasonable boundaries, offering sufficient state-year observations between these and the original cutoff of zero (0). Figure 6 plots net interstate migration flows of low-skilled Hispanic immigrants, White natives, and Black natives using these artificial cutoffs. The figures show no strong evidence of discontinuity at the alternative cutoffs. Although continuity away from the true threshold does not definitively confirm continuity at the actual cutoff in the absence of treatment, the results highlight the importance of selecting the correct baseline cutoff for accurate estimation of the key findings.

5.1.3 Additional Control Variables

The main specification relies on the exogeneity of close elections, with no additional controls beyond the three sets of fixed effects. Explicitly controlling for subsequent variations from endogenous political decisions would not establish clear causality. To enhance understanding and ensure robustness, we controlled for various sources of variation in the election year. Table 5 shows that the main findings remain robust in specifications controlling for potential variations in the pre-treatment period within a $|5$ pp. bandwidth.

The additional control variables include states' economic outcomes, benefits, political composition of state legislation[30], and state demographic composition[31]. In the various speci-

29. See Cadena and Kovak 2016, Basso, D'Amuri, and Peri 2019, and Yu 2023.

30. Whether the Democratic Party is more than half in the state house and senate serves as a proxy for policy orientation on taxes, spending, and benefits (Besley and Case 2003).

31. Immigrant enclaves play a significant role in immigrants' location choices (Altonji and Card 1991; Card 2001). Racial segregation has also been a subject of attention.

fications in Table 5, Columns 7, 8, and 9 show that low-skilled Hispanic immigrants experience lower netflows, while low-skilled White and Black natives experience higher netflows[32].

5.2 Migration Response of Low-Skilled Hispanic Immigrants by Citizenship

The migration response of low-skilled immigrants, primarily driven by Hispanics, challenges the prevailing narrative about US politics, particularly the strong association between the Democratic Party and low-skilled immigrants and Hispanics[33]. This raises questions about the potential impact of losing low-skilled Hispanic immigrants on future voting behavior and political support for the Democratic Party. Additionally, this unexpected migration pattern prompts further investigation into whether undocumented immigrants make different internal migration decisions compared to documented immigrants following the election of Democratic governors. A preliminary approach to address these questions involves decomposing data on low-skilled Hispanic immigrants by citizenship status[34]. From pooled ACS 2000–2019, the share of citizens among low-skilled Hispanic immigrants is 23.92%. The citizenship rate is 18.92% for those without a high school diploma and 31.01% for those who completed high school. Among low-skilled Hispanic immigrants, 58.67% have less than a high school education, while 41.33% have completed high school.

Table 6 presents RDD estimates for low-skilled Hispanic immigrants, separated by citizenship status. Means and standard deviations of state-year averages within the |5|pp bandwidth are presented for each variable. Both citizens and non-citizens show lower netflows under Democratic governors. Non-citizen low-skilled Hispanic immigrants experience lower inflows and higher outflows, while citizens' migration response is primarily driven by higher outflows. Given their larger numbers, non-citizens, including undocumented immigrants, appear to drive the overall migration response of low-skilled Hispanic immigrants. The inter-state migration behavior of undocumented immigrants may not significantly differ from that of non-citizens, or if it does, it is not enough to alter the overall trend.

These patterns offer another key insight: the loss of low-skilled Hispanic immigrants is unlikely to significantly harm the Democratic Party's political support and future votes; in fact, it could be beneficial for them. While there may be some loss of low-skilled Hispanic immigrant voters supporting the Democratic Party, drawing on the findings of Mayda, Peri, and Steingress 2022, a reduction in low-skilled Hispanic immigrant non-citizens could indirectly affect other voters, potentially diminishing support for the Republican Party. Therefore, the fact that immigrants who leave are mostly non-citizens does not contradict the conventional view that Democrats support immigrants; they may simply prioritize immigrant *voters*.

6 Labor Market Outcomes

People may prefer governors who align with their values and views on social issues. However, as highlighted by the concept of pocketbook voting in political science, individuals tend to favor governors whose decisions serve their economic interests. We examine how the first

32. Low-skilled White natives show exceptions in specifications controlling for racial share. However, they display positive coefficients in other specifications, underscoring the role of spatial adjustment across race and nativity. When spatial adjustment is constrained by controlling for demographic shares, their netflows diverge from the main results

33. We do not assume that first-generation Hispanic immigrants from Cuba share the same party affiliation due to their historical context with the Castro regime.

34. Low-skilled Hispanic immigrant non-citizens may serve as a proxy for the undocumented population, though studies such as Amuedo-Dorantes, Arenas-Arroyo, and Sevilla 2018 highlight the prevalence of mixed-status households.

term on the right-hand side of Equation 3 influences "voting by their feet" of key groups of interest.

Table 7 presents the effect of electing a Democratic governor on the labor market outcomes of low-skilled Hispanic immigrants[35], White natives, Black natives, and native teenagers[36], who are often considered to be competing with one another in the labor market. Means and standard deviations of state-year averages within the |5|pp bandwidth are presented for each variable. Column 1 presents RDD estimates for the unemployment rate based on questions about respondents' current labor force participation and employment status. It is notable that low-skilled Hispanic immigrants, regardless of citizenship, experience very higher unemployment rate[37] in the Democratic states, while the other native groups exhibit significantly smaller unemployment rates. Low-skilled Hispanic immigrants face higher unemployment rates in the Democratic states by 6.9pp for all, 8.5pp for citizens, and 5.2pp for non-citizens[38]. The magnitude of the unemployment effect is smaller in non-citizens that include undocumented immigrants. On the other hand, White and Black adult natives and native teenagers exhibit lower unemployment rates by 1.3pp, 6.1pp, and 2.2pp, respectively.

Columns 2 and 3 examine the intensive margin of labor supply for past 12 months. For low-skilled Hispanic immigrants, no statistically significant effects are observed at the aggregate level. However, outcomes differ by citizenship status: Hispanic citizens work 0.859 fewer hours per week and 1.718 fewer weeks in the past 12 months, whereas non-citizens report 0.808 more hours per week and 2.574 more weeks. In contrast, White and Black adult natives, as well as native teenagers, experience higher coefficients in hours worked per week and weeks worked in the past 12 months.

Column 4 presents RDD estimates for the average log of real hourly wages among paid employees. Overall low-skilled Hispanic immigrants earn 7.1% higher wages, with citizens earning 24.9% higher wages[39]. Interestingly, no statistically significant effect on real hourly wages is observed for non-citizens. On the other hand, White and Black adult natives earned

35. The effective number of state-year observations within |5|pp. is slightly smaller for low-skilled Hispanic immigrant citizens compared to the main analysis ($N - /+ = 108/125$), as some state-year observations have no individuals from this group in the labor force and the overall sample size is smaller. For their labor supply (extensive and intensive margins), observations are 105/121, and for hourly wages of paid employees, 103/121, due to stricter sample restrictions. For low-skilled Hispanic immigrant non-citizens, the reduction is minor, with 108/124 observations across all measures. Note that RDD estimates for all low-skilled Hispanic immigrants cannot be directly recovered as a convex combination of estimates for citizens and non-citizens, adjusted by their share, because these estimates reflect group-specific differences between Democratic and Republican states.

36. See Smith 2012 and Cadena 2014 for intense competition for jobs in the labor market, due to considerable overlap in the types of occupations typically held by native teens and low-skilled adult immigrants.

37. L. P. Beland and Unel 2018 observed a positive employment effect for low-skilled immigrants when Democrats win the gubernatorial election. They used a linear probability model in a traditional parametric RDD at the individual level, with various controls, spanning the entire vote margin. Our approach differs in several ways: (1) we use a local linear RDD with a bias-correction method, (2) analyzing the state-level unemployment rate, (3) with a parsimonious specification including only three fixed effects, (4) within a |5| pp bandwidth that ensures significant treatment randomness, and (5) focusing on low-skilled Hispanic immigrants as the specific subgroup. These differences may explain the contrasting findings.

38. The magnitudes of these RDD estimates may seem very big. The average unemployment rate for low-skilled Hispanic immigrants within the |5|pp bandwidth is 6.6%, with Republican state-year observations averaging 6% and Democratic state-year observations averaging 7.1%. Notably, 38 state-year observations exhibit unemployment rates ranging from 10% to 54.8%, including a record 54.8% in West Virginia in 2014 (vote margin: 4.84), which may drive the big discontinuity in the RDD fitting.

39. The large magnitude seems to be driven by extreme values in a small subset of low-skilled Hispanic immigrant citizens in certain Republican states. For instance, in 2017, Maine (vote margin: -4.81) recorded an average log of real hourly wages of 1.323623 among 471 individuals in the group, while in 2003, Vermont (vote margin: -2.55) recorded a value of 0.8491936 with 96 individuals, including ones with very low total wage income in past 12 months.

higher real hourly wages, by 2.5% and 9.4%, respectively. Native teenagers earn lower hourly wages by 3.8%.

Admitting that it might not be a meticulous measure, Column 5 calculates the share of expected hourly payoffs in Democratic states relative to Republican states using only statistically significant RDD coefficients from Columns 1 and 4 to provide a simple measure for comparison[40]. Column 6 reports the resulting percentage difference in expected payoffs between Democratic and Republican states[41]. Despite higher hourly wages, overall low-skilled Hispanic immigrants face slightly lower expected unit payoffs in Democratic states due to a lower likelihood of employment. For citizens, the small sample size introduces high magnitude, but they may experience some benefits in expected unit payoffs, which could be moderated by reduced labor hours when considering total payoffs. Non-citizens, including both documented and undocumented immigrants, tend to face lower expected unit payoffs due to reduced employment probability, though this may be partially offset by a higher intensive labor supply. On the other hand, White and Black adult natives would experience higher expected unit payoffs, driven by both a higher probability of employment and higher unit labor prices. Combined with a higher intensive margin of labor supply, these groups would have stronger incentives to live in Democratic states. Native teens may face slightly lower expected unit payoffs due to a lower hourly wages, but longer weeks worked could offset this effect. Additionally, unlike other groups, their location decision is constrained by their family's residence, making mobility less likely. The diverging labor market outcomes across the groups presented in Table 7 will be further discussed in relation to a channel introduced in Section 7.2.

This paper examines spatial adjustments driven by changes in incentives resulting from political shocks, highlighting the need for caution when interpreting the combined effects on employment and geographic mobility. Changes in population composition, even within specific subpopulations, can affect the calculation of employment rates. For example, previous studies on the employment effects of minimum wage increases and the mobility of low-skilled immigrant workers emphasize the challenges posed by such composition changes and the difficulty of fully addressing them[42]. Disentangling the impact of Democratic governors on labor market outcomes from the effects of interstate migration they prompt ideally requires comparing populations with and without mobility. However, isolating a population that strictly excludes movers—those who have relocated or will relocate—is challenging without access to detailed, high-quality panel data. In the absence of such ideal conditions, a feasible approach is to focus on "stayers," defined as individuals who did not report living in another state one year ago, to partially mitigate composition changes.

Table 8, representing a (a bit closer to) "no-spatial-adjustment" scenario, confirms that the heterogeneous unemployment effects of Democratic governors are robust: adverse effects for low-skilled Hispanic immigrants and positive effects for low-skilled White and Black adult natives and native teenagers. Compared to Table 7, which reflects a "spatial-adjustment-allowed" scenario, the negative employment impact on low-skilled Hispanic immigrants is smaller. This difference may be attributed to their lower net interstate migration flows to Democratic states, coupled with poorer employment prospects in those states, which could widen the unemployment rate gap between Democratic and Republican states.

Conversely, the positive employment effects for natives are more pronounced in Table 8, possibly reflecting disparities in migration responses and job opportunities between Democratic and Republican states. Similarly, reliance, in the intensive margin, on low-skilled Hispanic immigrant non-citizens, White and Black adult natives, and native teenagers is bigger,

40. We apply the formula $(1 - Column\mathbf{(1)}) \times (1 + Column\mathbf{(4)})$.
41. We apply $(Column\mathbf{(5)} - 1) \times 100$.
42. See Orrenius and Zavodny 2008; Cadena 2014; Churchill and Sabia 2019.

while the use of low-skilled Hispanic immigrant citizen labor lower than "spatial-adjustment-allowed" scenario.

Hourly wages also show differences across groups when comparing the two tables. Notably, in Table 8, low-skilled Hispanic non-citizen stayers in Democratic states now earn 3.7% higher hourly wages than their counterparts in Republican states. This may reflect greater bargaining power among those who remain, compared to the post-spatial-adjustment scenario, which is characterized by lower inflows and higher outflows (resulting in lower netflows). While selection and sorting cannot be ruled out, as the remaining individuals may be relatively more competitive, this dynamic appears to contribute to their improved bargaining position. Therefore, comparing the two tables and examining the differing labor market outcomes across groups provides evidence suggesting that spatial adjustment is occurring.

Note that the groups in Table 7 overlap significantly in industries, particularly in the construction and food service sectors, suggesting potential competition among them. Analyzing workforce composition dynamics in these sectors helps clarify how labor market effects and spatial adjustments unfold following the political shock. Table 9 estimates the impact of a Democratic governor on the worker composition within the construction and restaurant sectors. Panel A uses a measure that divides specific subgroups in the sector by all low-skilled workers in the state working in that sector. Panel B uses the election-year state's total working-age population as the denominator, offering a more stable reference. The key finding in Table 9 is that the composition change substitutes Hispanic immigrants with White and Black adult natives and native teens in the overlapping sectors. In Panel A, in both sectors, the loss of Hispanic-immigrant share is offset by gains in adult natives and native teen share. This substitution is also evident in Panel B, particularly in the construction sector.

Low-skilled Hispanic immigrants, particularly those at the lower end of the income distribution, may rely more heavily on labor income than their native counterparts. Therefore, their primary concern is likely immediate earnings in the labor market. If they face joblessness and reduced employment prospects, they are more likely to relocate than natives in search of economic opportunities[43], unless they have access to safety-net policies like unemployment insurance.

7 Economic Policies and Outcomes

Previous research has shown that Democratic governors differ from Republicans in economic policies and outcomes, such as taxation, workers' compensation, public expenditure, inequality, poverty, unemployment, and labor market outcomes[44]. In this section, we examine the factors shaping the labor market outcomes discussed earlier, as well as the second term of Equation 3. Table 10 presents RDD estimates of potential channels using the same specifications as the main analysis. The results align with existing literature, the Democratic Party platform, and public perceptions, showing that Democratic states perform well economically.

7.1 Housing Price Index

Regardless of political affiliation, excessively low or high housing prices negatively impact approval ratings. Low housing prices may signal economic instability or a sluggish real estate

43. See Orrenius and Zavodny 2008; Cadena 2014; Cadena and Kovak 2016; Churchill and Sabia 2019; Basso, D'Amuri, and Peri 2019; Yu 2023.

44. Since governors have a significant impact on state-level decision-making, there exist many studies employing sharp RDD in gubernatorial elections including Keita and Mandon 2018; L. P. Beland and Unel 2019; Leigh 2008; L.-P. Beland 2015; L.-P. Beland 2016; L. P. Beland and Oloomi 2017; L. P. Beland and Unel 2018.

market, which can cause dissatisfaction among homeowners and harm political support. On the other hand, high housing prices increase living costs, especially for middle- and low-income households, creating discontent among potential homebuyers and contributing to distrust in the ruling party's policies.

Therefore, governors, regardless of party, aim to maintain appropriate housing prices. They may do so by increasing supply through government intervention or improving access to public housing, or by easing regulations to encourage market-driven housing supply. This paper focuses not on governors' housing policy approaches but on the finding in Table 10 that housing price indices and their growth rates are higher in Democratic states. In states where Democratic governors win narrowly, the annual housing price growth rate is 2.7 percentage points higher. This indicates an increase in housing cost burdens, and there may be heterogeneous effects between low-skilled Hispanic immigrants and natives, particularly in terms of access to public housing under Democratic governors.

7.2 State Minimum Wage and Earned Income Tax Credit Rate

Based on the estimates in Table 10, we argue that the divergent labor market outcomes for low-skilled Hispanic immigrants and natives can be primarily explained by the combination of 2.8% higher state minimum wages and 2 percentage points higher state earned income tax credit (EITC) rates. Research indicates that Democratic governors are more likely to implement higher minimum wages[45]. Consistently, Table 10 shows that Democratic governors are 74.5% more likely to adjust the nominal minimum wage during their term, doing so 0.743 times more frequently.[46]

To determine if the channel has substantial influence, the next question to address is whether the key subpopulations are constrained by minimum wage changes. Figure 7 shows the cumulative distribution function of wage differences for low-skilled groups. We define wage difference as the difference between the log real hourly wage and the log real effective minimum wage, where the effective minimum wage is the higher of the federal or state minimum wage. A significant share of individuals earn around the minimum wage. Over 20% of low-skilled Hispanic immigrants, 16% of low-skilled White natives, 20% of low-skilled Black natives, and 55% of low-skilled native teens[47] are paid below the minimum wage.

Furthermore, a substantial share of the population,—both immigrants and natives—are paid at the minimum wage level and just above it. Higher minimum wages under Democratic governors would affect a sizable share of people who were paid just above the original minimum wage. The immigrants who are paid just a bit more than the minimum wage would already face significant competition with natives in the labor market, even before an increase in minimum wage, and a minimum wage increase would amplify the competition, leading to subsequent changes in worker composition. Therefore, this sizable share of immigrant and native populations who were paid less than and just above minimum wages makes the explanation based on an increase in minimum wage more credible in this context.

Taken together, the evidence points to a coherent partisan-policy mechanism behind the observed divergence in low-skilled labor market outcomes. Table 10 shows that Democratic governors systematically operate in a policy environment with higher state minimum wages and higher state EITC rates, and that they are substantially more likely to enact nominal minimum-wage increases and to do so more frequently during their terms. At the same

45. Democratic governors are known for minimum wage increases; see Besley and Case 1995; Leigh 2008; Keita and Mandon 2018.

46. Changes to the nominal state minimum wage tend to occur earlier in a governor's term, especially in states with Democratic governors.

47. The fact that very significant share of native teenagers are paid below and just above the minimum-wage level is in line with existing literature; see Smith 2012 and Cadena 2014.

time, the labor-market outcome estimates in Tables 7 and 8 indicate a clear asymmetry: low-skilled Hispanic immigrants experience higher unemployment, whereas low-skilled natives exhibit lower unemployment and higher wages. Given that a nontrivial share of both groups is clustered at and just above the effective minimum wage (Figure 7), these patterns are consistent with the idea that partisan differences in wage floors and in-work tax credits can generate compositional shifts and differential employment effects across imperfectly substitutable worker groups.

This interpretation aligns closely with the evidence in Edo and Rapoport 2019, who show that the negative impact of immigration on natives' wages and employment at the state–skill-cell level is more pronounced in low-minimum-wage states. They interpret this heterogeneity as implying that higher minimum wages buffer or protect native labor-market outcomes, and they further document that the pattern is primarily driven by low-skilled workers. In that sense, the inference that partisan differences in minimum wages and EITC generosity can simultaneously worsen low-skilled Hispanic immigrants' employment prospects while improving those of low-skilled natives is not ad hoc, but consistent with a well-established empirical regularity in the literature.

Building on the graphical framework in Edo and Rapoport 2019, Figure 8 summarizes how a higher minimum wage and a more generous EITC rate can insulate similarly educated natives from the adverse labor-market consequences of an immigration-induced labor supply expansion. In the baseline competitive setting, an increase in immigration shifts labor supply outward and pushes the market wage down from W_0 to W_1. As the wage falls, some native-born workers—whose participation decisions are sensitive to the return to work—exit employment, so native employment declines from N_0 to N_1. Even though native employment falls, total employment rises from N_0 to E_1 because immigrants absorb part of the expansion in labor supply. Now consider the introduction of a binding minimum wage $\tilde{W}$ satisfying $W_1 < \tilde{W} < W_0$. The wage floor limits how far wages can adjust downward, thereby attenuating the displacement of natives: the reduction in native employment is smaller, with native employment moving from N_0 to $\tilde{N}$ rather than to N_1. Total employment still increases relative to the pre-immigration benchmark, but it rises by less than under full wage adjustment, reaching $\tilde{E}$ instead of E_1. Because the wage is held above the competitive level, the equilibrium features involuntary unemployment, denoted $\tilde{U}$. Under imperfect substitutability within an education cell, this unemployment is borne disproportionately by immigrants. Finally, adding a more generous EITC strengthens the insulation for natives by raising the effective return to work without increasing the employer's per-hour labor cost. At the higher effective wage $\hat{W}$ faced by eligible workers and increased natives' labor supply, native employment is supported further, increasing from $\tilde{N}$ to $\hat{N}$. Since the EITC is financed outside the firm's wage bill, total employment remains at $\tilde{E}$ in this simplified diagram. The counterpart to this additional support for natives is a larger amount of involuntary unemployment among immigrants, which rises from $\tilde{U}$ to $\hat{U}$.

Given this interpretation, we propose a simplified framework to contextualize the dynamics of partisan labor market policies, focusing on two key outcomes: (1) how higher minimum wages and Earned Income Tax Credit (EITC) rates in Democratic states can form higher unemployment rates for low-skilled Hispanic immigrants and lower unemployment rates for low-skilled natives, and (2) how these unemployment shifts contribute to lower netflows of low-skilled Hispanic immigrants and higher netflows of low-skilled natives to Democratic states. This framework emphasizes the role of imperfect substitution between immigrants and natives[48] in shaping these patterns.

48. The interchangeability of native labor and immigrant labor has been a topic of discussion. Numerous studies show that immigrants are not perfect replacements for natives in the labor market of their host nation, even in the same (or close) skill cell, for a variety of reasons, such as different skill sets and legal status. Refer to Peri and Sparber 2009, Card 2009, Peri and Sparber 2011, and Ottaviano and Peri 2012.

On the labor demand side, an increase in the minimum wage raises the marginal cost of employing the least productive workers, narrowing the gap between their marginal return and cost. This shift may incentivize employers to prioritize slightly more productive workers over the least-skilled ones. Immigrants are often considered less productive, while natives are viewed as more productive due to their US-specific skills, such as language proficiency.

This channel may be more pronounced among low-skilled Hispanic immigrant citizens, as shown in Table 7, where a significant increase in unit labor costs occurs due to the need to comply with the minimum wage increase. Given the substantial impact on unit wages for this group and the mean real hourly wages across groups, the labor price of low-skilled Hispanic immigrant citizens is comparable to that of low-skilled white natives. However, disparities in productivity result in a sharply lower probability of obtaining a job, and, coupled with a lower intensive margin, employers may reduce their use of labor from this group.

Moreover, this channel may have mixed effects for low-skilled Hispanic immigrant non-citizens, with different outcomes for documented and undocumented individuals. Although the data does not allow for a clear distinction between the two, based on this framework and the results from Table 7, undocumented immigrants—who were likely already earning lower wages than other adult groups—may continue to be employed at a price below the new market rate for labor at their productivity level, as employers are more willing to take on the risk of non-compliance with the minimum wage increase. As a result, demand for undocumented workers may increase, leading to positive impacts on both the extensive and intensive margins. In contrast, for documented non-citizens, if their minimum wage compliance rate is similar to that of citizens, employers will be less likely to hire them at a price below the new market rate, reducing incentives for hiring. Therefore, non-citizens as a whole may experience higher unemployment rates, though the difference will not be as pronounced as for citizens. Conditional on being employed, the intensive margin—hours worked per week and weeks worked—may show a positive impact, particularly for undocumented workers.

On the labor supply side, reservation wages are likely to differ systematically across worker groups, even within the same observed education category. In particular, the literature emphasizes that immigrants may have lower reservation wages than natives (e.g., Battisti et al. 2018; Chassamboulli and Palivos 2014). One reason is that immigrants often face different job-search frictions and weaker outside options, including more limited access to unemployment insurance and other safety-net programs. In addition, nonemployment can be especially costly for immigrants because remaining in the host country without work may be difficult to finance and may be tied to legal-status or residence constraints. These factors imply a higher cost of joblessness and, therefore, a lower wage threshold at which immigrants are willing to accept employment.

If immigrants are willing to accept lower wages, it follows that natives—who generally have stronger fallback options and better access to social insurance and in-work benefits—tend to exhibit higher reservation wages. As a result, jobs that would be profitable for immigrants at prevailing wages may not attract slightly more productive natives unless the effective return to work rises sufficiently. This intuition is consistent with the argument that native workers would take jobs typically held by immigrants if wages were high enough.[49] This labor-supply logic is central to the interaction between minimum wages and the EITC: while a higher wage floor raises the offered wage, a more generous EITC increases the net-of-tax return to work, making it more likely that the effective wage clears natives' reservation-wage threshold and draws them into low-wage jobs.

Building on the graph in Neumark and Wascher 2011, Figure 9 illustrates how higher minimum wages and EITC rates together incentivize labor supply of high-productivity workers. Without policy intervention, high-productivity workers are unlikely to take jobs that

49. Dukakis and Mitchell, New York Times.

were previously filled by the least productive workers, due to their higher reservation wages. Neither policy alone—higher minimum wages or increased EITC rates—would suffice; only their combined effect raises the effective wage above the reservation threshold, encouraging labor supply from high-productivity workers. As a result, these workers may now be willing to take jobs previously filled by the least productive workers.

This allows employers to upgrade their workforce by replacing less productive workers with relatively more productive ones, given higher unit labor costs. The influx of (slightly) more productive native workers, driven by economic incentives, intensifies competition in the labor market and reduces demand for low-skilled Hispanic immigrant citizens and documented non-citizens. As a result, their job prospects are likely to deteriorate. On the other hand, driven by the robust gap between their marginal labor cost and return even under a minimum wage increase, low-skilled Hispanic undocumented immigrants are likely to occupy a niche labor market.

As a result, low-skilled Hispanic immigrants, known for their mobility in seeking economic opportunities, may relocate to states with lower minimum wages[50] and more favorable conditions. In contrast, low-skilled White and Black native workers may be drawn to the improved opportunities in states with higher wages and EITC rates, in addition to their better access to extended benefits in Democratic states.

As noted by Peri and Sparber 2009 and Peri and Sparber 2011, horizontal specialization may occur, with natives and immigrants specializing in tasks such as communication-intensive versus manual labor-intensive jobs. Additionally, a productivity hierarchy may exist, where natives, with their local labor market-specific skills, can replace immigrants who are less productive. We think both scenarios can happen together in the labor market. This paper provides empirical evidence supporting the notion of imperfect substitution between immigrants and natives, which is explained by a productivity hierarchy.

Consistent with findings in existing literature, we find that low-skilled immigrants are more geographically mobile than natives in response to economic incentives[51]. This paper identifies partisan policy differences as a key factor driving divergent migration responses to political shocks. Higher state minimum wages and EITC rates reduce job prospects for low-skilled Hispanic immigrants while attracting low-skilled White and Black natives. Although high housing costs deter both groups, natives may benefit from better access to public housing and welfare programs, helping to mitigate the impact.

Considering both Equation 3 and the empirical results, the weight and/or magnitude of political alignment utility for low-skilled Hispanic immigrants may not be sufficient to offset the negative effects of expected labor income and housing costs. Conversely, despite political disalignment, the weight and/or magnitude of the disutility that low-skilled White natives gauge may not outweigh the positive effects from improved job prospects and (possibly mitigated) housing costs. Higher housing costs, though potentially mitigated, may make Democratic states a less attractive destination for low-skilled Black natives. However, better job prospects and political alignment utility likely make their outflows remain lower, leading to higher netflows.

50. The impact of minimum wages on employment has been debated for over a century. Despite differing views, a substantial body of research, as summarized by Neumark and Shirley 2022, consistently finds negative employment effects from minimum wage increases. Regarding immigrants, some studies, such as Zavodny 2014, find no evidence that minimum wage increases harm them, while others, like Boffy-Ramirez 2013 and Giulietti 2014, suggest that higher minimum wages attract low-skilled immigrants. In contrast, Orrenius and Zavodny 2008, Cadena 2014, and Churchill and Sabia 2019 report adverse employment effects for immigrants and find that lower minimum wages influence their location choices, drawing them to regions with less stringent wage policies. Our results provide evidence suggesting that a higher minimum wage repels low-skilled immigrants and attracts low-skilled natives.

51. Again, see Orrenius and Zavodny 2008; Cadena and Kovak 2016; Churchill and Sabia 2019; Basso, D'Amuri, and Peri 2019; Yu 2023.

8 Conclusion

There have been attempts to investigate drivers of internal migration, while the analysis on how political impacts shape migration responses in the US remained scarce. Using a bias-corrected local linear RDD, this paper analyzes the impact of the close election of Democratic governors, between 2000 and 2019, on interstate migration flows of low-skilled Hispanic immigrants, White natives, and Black natives. The unexpected election of Democratic governors, compared to the other scenario, resulted in lower annual net interstate migration flows for low-skilled Hispanic immigrants, driven by a combination of smaller inflows and larger outflows. In contrast, low-skilled White and Black natives show higher netflows resulting from larger inflows and smaller outflows. These migration responses are particularly interesting as survey data and CES findings highlight the strong political alignment of Hispanic-Latino and Black populations with the Democratic Party, while White natives show limited support for the party.

A potential factor behind these migration patterns is the heterogenous unemployment effects of Democratic governors across groups. In Democratic states, the unemployment rate of low-skilled Hispanic immigrants is 6.9 percentage points higher, whereas low-skilled White and Black natives experience a 1.3 and 6.1 percentage points lower unemployment rate, respectively. Additionally, the annual increase in the housing price index is 2.7 percentage points higher in Democratic states, reflecting a greater housing cost burden.

The empirical results suggest that for low-skilled Hispanic immigrants, the political alignment utility is insufficient to offset the negative impacts of worsened job prospects and higher housing costs. In contrast, for low-skilled White natives, political misalignment may be outweighed by the benefits of improved employment opportunities and potentially mitigated housing burdens. Higher housing costs, though potentially mitigated, may make Democratic states less attractive for low-skilled Black natives. However, better job prospects and political alignment utility likely make their outflows remain low, leading to higher netflows.

The 2.8% higher real state minimum wage and 2 percentage point higher state EITC rate under Democratic governors can contribute to the diverging labor market outcomes and migration responses. Under imperfect substitution between immigrants and natives (Peri and Sparber 2009; Card 2009; Peri and Sparber 2011; Ottaviano and Peri 2012), a higher minimum wage may lead employers to favor more productive workers, typically natives with U.S.-specific skills such as language proficiency. Combined with higher EITC rates, the minimum wage increases raise effective wage levels and incentivize the labor supply of more productive workers. In contrast, low-skilled immigrants, facing weaker job prospects, may seek opportunities elsewhere, consistent with their documented geographic mobility in response to economic incentives(Orrenius and Zavodny 2008, Cadena 2014, Churchill and Sabia 2019, and Cadena and Kovak 2016).

The findings of this paper can be extended in several ways. The lower netflows of low-skilled immigrants to Democratic states, according to Mayda, Senses, and Steingress 2023, could improve state-government fiscal health by increasing the per-capita tax base, boosting public revenues, and reducing the need for benefits, thereby enhancing the provision of local public goods. Demographically, fewer low-skilled immigrants—who tend to be younger and have higher fertility rates—would shift demographic composition in Democratic states. In production, the Rybczynski effect may occur, as fewer low-skilled immigrants could lead to a contraction in sectors heavily reliant on their labor, typically nontradable goods and services, while expanding other sectors. Finally, in terms of trade (Parsons and Vezina 2018; Steingress 2018) and foreign investment (Burchardi, Chaney, and Hassan 2019), fewer low-skilled Hispanic immigrants could diminish trade and foreign investment between Democratic states and the immigrants' countries of origin, particularly Mexico.

This paper provides baseline analysis by examining whether political shocks influence internal migration in the United States, using unilateral migration flows at the state level. However, future studies that incorporate bilateral migration flows, controlling for characteristics of both origins and destinations—including political factors—and apply methods like gravity models, could offer valuable insights and further enrich the literature this paper seeks to contribute to.

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Tables

Table 1: Descriptive Statistics in Election Year

		Mean and S.D. of Pre-treatment, |5|pp.			Balanced Covariate Test		
		(1)	(2)	(3)	(4)	(5)	
					|5|pp.	MSE-Opt.	
		Republican	Democratic	All in |5|pp.	Coeff.. / S.E.	Coeff.. / S.E.	N-/+ / BW
Panel A: (Election Year Group / Election Year Working-aged Population)*100							
Native	Mean	88.767	91.014	89.984	-4.116	-4.928	69/74
	S.D.	(7.898)	(8.222)	(8.097)	(9.989)	(4.583)	10.9
Immigrant	Mean	12.655	9.990	11.212	-4.116	-4.928	70/75
	S.D.	(8.549)	(8.264)	(8.443)	(9.989)	(4.583)	11.5
Low-skilled Immigrant	Mean	6.478	5.356	5.870	0.694	0.021	72/75
	S.D.	(4.679)	(4.943)	(4.823)	(1.431)	(0.844)	11.8
Low-skilled Hispanic Immigrant	Mean	3.535	3.195	3.351	-1.865	-1.677	76/80
	S.D.	(3.556)	(3.880)	(3.713)	(3.406)	(1.548)	12.6
Low-skilled White Native	Mean	28.199	31.443	29.956	0.300	0.132	69/74
	S.D.	(7.853)	(11.615)	(10.132)	(1.117)	(0.725)	10.9
Low-skilled Black Native	Mean	4.845	3.636	4.190	-1.775	-0.796	80/83
	S.D.	(4.577)	(4.728)	(4.666)	(2.320)	(1.045)	13.4
Panel B: State-level Information in Election Year							
ln(Working-age Population)	Mean	14.721	14.360	14.526	-0.548	-0.819*	69 / 74
	S.D.	0.985	0.943	0.973	0.741	0.479	10.7
Share of Low-skilled ($\leq$ HS grad)	Mean	0.418	0.435	0.428	-0.07	0.014	75 / 76
	S.D.	0.047	0.078	0.066	0.052	0.026	12.1
ln(Real Gross State Product)	Mean	25.814	25.408	25.594	-0.313	-0.853*	69 / 73
	S.D.	1.034	1.020	1.039	0.803	0.49	10.6
ln(Real Per Capita Personal Income)	Mean	10.358	10.319	10.337	0.11	-0.085	77 / 81
	S.D.	0.137	0.192	0.169	0.127	0.082	12.8
State Unemployment Rate	Mean	5.609	5.836	5.732	1.582	1.014	69 / 74
	S.D.	2.303	1.855	2.060	1.198	0.883	10.7
ln(Real State Minimum Wage)	Mean	1.664	1.668	1.666	0.057	0.028	93 / 95
	S.D.	0.105	0.134	0.121	0.086	0.049	15.6
State Poverty Rate	Mean	11.873	11.636	11.744	-1.66	0.454	75 / 76
	S.D.	2.868	3.096	2.975	1.881	1.415	12.1
I(Democrat House Majority)	Mean	0.485	0.641	0.569	0.434	0.37	67 / 70
	S.D.	0.508	0.486	0.499	0.48	0.236	10.1
I(Democrat Senate Majority)	Mean	0.455	0.692	0.583	0.136	0.324	79 / 83
	S.D.	0.506	0.468	0.496	0.49	0.215	13.3
Observations (Election Year)		33	39	72	33/39		

Notes: Washington D.C. and Puerto Rico are excluded. All of the variables are in the election year (pre-treatment period). State-level information variables come from UKCPR data except for the working age population, low-skilled share, immigrant share (own calculation based on ACS and CPS (1996-1999 for the year 2000)), and per capita personal income (BEA). Real dollar values are in terms of 1999 dollars. Formal RD balanced covariate test: |5|pp BW and MES-optimal BW (data-driven), triangular kernel, SE clustered at state, no controls. N- and N+ denote the number of cases within the bandwidth below and above the threshold, respectively.

Table 2: Number of Elections and State×Year Observations within |5|, |10| pp Bandwidth

State	5 pp BW		10 pp BW	
	Elections	Obs	Elections	Obs
ALABAMA	1	4	1	4
ARIZONA	1	4	1	4
CALIFORNIA	1	1	1	1
COLORADO	2	7	2	7
CONNECTICUT	3	9	3	9
FLORIDA	3	9	4	13
GEORGIA	1	1	4	12
HAWAII	2	7	2	7
ILLINOIS	3	11	4	15
INDIANA	2	5	4	12
IOWA	1	1	5	16
KANSAS	1	4	3	9
LOUISIANA	1	4	1	4
MAINE	2	8	5	17
MARYLAND	2	8	3	12
MASSACHUSETTS	3	11	4	15
MICHIGAN	2	8	3	9
MINNESOTA	2	8	4	16
MISSISSIPPI	1	4	2	8
MISSOURI	2	8	3	11
MONTANA	4	15	4	15
NEVADA	2	5	3	8
NEW HAMPSHIRE	4	8	6	11
NEW JERSEY	2	6	2	6
NORTH CAROLINA	2	7	3	11
OHIO	2	5	3	8
OKLAHOMA	1	4	1	4
OREGON	2	8	6	17
RHODE ISLAND	2	8	4	15
SOUTH CAROLINA	1	4	4	12
SOUTH DAKOTA	1	1	1	1
TENNESSEE	1	4	1	4
VERMONT	3	6	4	8
VIRGINIA	1	4	4	14
WASHINGTON	2	8	4	15
WEST VIRGINIA	3	9	5	13
WISCONSIN	2	5	6	17
WYOMING	1	4	1	4
ALASKA			2	5
ARKANSAS			1	4
DELAWARE			1	4
IDAHO			1	4
KENTUCKY			1	4
NEBRASKA			1	3
NEW MEXICO			2	7
PENNSYLVANIA			3	12
TEXAS			1	4
Total	72	233	134	431

Table 3: Effect of Democratic Governor on Interstate Migration

$\hat{\tau}$ Demwon |5|pp BW (N-/+: 108/125)		(1) Netflow	(2) Inflow	(3) Outflow
Panel A: Total Individuals				
Individuals	Coeff.	-0.278***	-0.147***	0.131***
	SE	(0.042)	(0.030)	(0.044)
	Mean	0.099	2.895	2.796
	SD	(0.756)	(1.022)	(0.806)
Immigrants	Coeff.	-0.091***	-0.108***	-0.017
	SE	(0.012)	(0.011)	(0.015)
	Mean	0.008	0.319	0.311
	SD	(0.168)	(0.194)	(0.171)
Natives	Coeff.	-0.187***	-0.039	0.148***
	SE	(0.037)	(0.026)	(0.039)
	Mean	0.092	2.576	2.485
	SD	(0.674)	(0.964)	(0.763)
Panel B: Low-skilled				
Individuals	Coeff.	-0.026	-0.054***	-0.028
	SE	(0.027)	(0.015)	(0.028)
	Mean	0.033	0.943	0.910
	SD	(0.331)	(0.456)	(0.398)
Immigrants	Coeff.	-0.086***	-0.062***	0.025***
	SE	(0.007)	(0.010)	(0.006)
	Mean	0.016	0.125	0.109
	SD	(0.103)	(0.108)	(0.086)
Natives	Coeff.	0.061**	0.008	-0.052*
	SE	(0.024)	(0.012)	(0.027)
	Mean	0.017	0.819	0.802
	SD	(0.300)	(0.412)	(0.374)
Panel C: Low-skilled Subgroup of Interest				
Hispanic Immigrants	Coeff.	-0.095***	-0.065***	0.029***
	SE	(0.008)	(0.010)	(0.006)
	Mean	0.015	0.077	0.062
	SD	(0.073)	(0.082)	(0.067)
White Natives	Coeff.	0.120***	0.051***	-0.069**
	SE	(0.026)	(0.010)	(0.028)
	Mean	0.002	0.628	0.625
	SD	(0.241)	(0.374)	(0.316)
Black Natives	Coeff.	0.017***	-0.003	-0.019***
	SE	(0.006)	(0.003)	(0.006)
	Mean	-0.002	0.094	0.095
	SD	(0.119)	(0.097)	(0.136)

Note: Interstate Migration flows are calculated, from ACS 2000-2019, using working-aged (aged 18-64) individuals who are neither in group quarters or enrolled in school. I classify individuals with educational attainment up to high school completion as *low-skilled*. The local linear RD estimates and Robust bias-corrected SEs are from *rdrobust* package, using triangular kernel weight and SE is clustered at state ($^*p < 0.1$; $^{**}p < 0.05$; $^{***}p < 0.01$). Control variables: Election year FE, State FE, and Cycle sync with Presidential election FE. The means and standard deviations are calculated from 233 state-year observations within a ± 5 percentage point bandwidth over the past 20 years for each dependent variable. $N-/+$: effective number of state-year observations, within the |5|pp. bandwidth, below and above the threshold.

Table 4: Effect of Democratic Governor on Interstate Migration, MSE-optimal Bandwidth

$\hat{\tau}$ Demwon MSE-Optimal BW		(1) Netflow	(2) Inflow	(3) Outflow
Panel A: Total Individuals				
Individuals	Coeff.	-0.237***	-0.237***	0.015
	SE	(0.074)	(0.047)	(0.080)
	N-/+	136/168	112/134	136/155
	BW	6.6	5.3	6.3
Immigrants	Coeff.	-0.091***	-0.041***	0.033*
	SE	(0.017)	(0.016)	(0.017)
	N-/+	172/203	182/206	136/168
	BW	8.4	8.8	6.6
Natives	Coeff.	-0.123*	-0.153***	-0.031
	SE	(0.063)	(0.039)	(0.066)
	N-/+	136/164	112/134	136/155
	BW	6.5	5.2	6.2
Panel B: Low-skilled				
Individuals	Coeff.	0.048	0.030	-0.021
	SE	(0.032)	(0.021)	(0.029)
	N-/+	176/206	156/183	171/196
	BW	8.6	7.7	8.0
Immigrants	Coeff.	-0.060***	-0.025**	0.033***
	SE	(0.011)	(0.012)	(0.007)
	N-/+	160/188	180/206	172/203
	BW	7.9	8.7	8.3
Natives	Coeff.	0.092***	-0.002	-0.088**
	SE	(0.027)	(0.020)	(0.036)
	N-/+	160/188	115/134	148/171
	BW	7.8	5.5	7.0
Panel C: Low-skilled Subgroup of Interest				
Hispanic Immigrants	Coeff.	-0.047***	-0.033***	0.012
	SE	(0.009)	(0.012)	(0.009)
	N-/+	172/206	192/215	152/177
	BW	8.5	9.1	7.3
White Natives	Coeff.	0.136***	0.027	-0.060**
	SE	(0.024)	(0.018)	(0.023)
	N-/+	152/171	124/152	172/206
	BW	7.1	5.8	8.5
Black Natives	Coeff.	0.013	0.003	-0.018
	SE	(0.012)	(0.006)	(0.012)
	N-/+	136/164	112/134	136/155
	BW	6.5	5.2	6.1

Note: See notes in Table 3. A data-driven bandwidth, MSE-optimal bandwidth, is employed. $N-/+$: effective number of state-year observations within the bandwidth below and above the threshold.

$\hat{\tau}$ Demwon, Netflow Specifications within |5|pp BW (N-/+: 108/125)	Total Individuals			Low-skilled					
	(1) Individuals	(2) Immigrant	(3) Native	(4) Individuals	(5) Immigrant	(6) Native	(7) Hispanic Immigrnats	(8) White Natives	(9) Black Natives
No Control	-0.311	-0.032	-0.279	-0.185	-0.059	-0.125	-0.066*	-0.060	-0.086
	(0.347)	(0.076)	(0.294)	(0.117)	(0.039)	(0.120)	(0.037)	(0.092)	(0.062)
3 FEs + AFDC/TANF FS - 2 person	-0.281***	-0.093***	-0.187***	0.019	-0.073***	0.092***	-0.079***	0.138***	0.022***
	(0.042)	(0.012)	(0.037)	(0.024)	(0.006)	(0.022)	(0.008)	(0.025)	(0.006)
3 FEs + Gross State Product	-0.341***	-0.099***	-0.242***	0.025	-0.060***	0.085***	-0.068***	0.115***	0.034***
	(0.038)	(0.012)	(0.033)	(0.028)	(0.006)	(0.025)	(0.005)	(0.026)	(0.007)
3 FEs + Per Capita Personal Income	-0.290***	-0.066***	-0.225***	-0.046*	-0.065***	0.018	-0.082***	0.049**	0.036***
	(0.041)	(0.012)	(0.034)	(0.026)	(0.008)	(0.022)	(0.008)	(0.022)	(0.006)
3 FEs + Poverty Rate	-0.145***	-0.065***	-0.081*	-0.040	-0.093***	0.053**	-0.095***	0.051**	0.031***
	(0.047)	(0.011)	(0.041)	(0.027)	(0.007)	(0.024)	(0.008)	(0.022)	(0.005)
3 FEs + Personal Income	-0.369***	-0.085***	-0.284***	0.050*	-0.043***	0.093***	-0.058***	0.123***	0.035***
	(0.037)	(0.012)	(0.031)	(0.028)	(0.006)	(0.025)	(0.005)	(0.026)	(0.007)
3 FEs + Unemployment Rate	-0.518***	-0.083***	-0.435***	-0.064**	-0.077***	0.013	-0.088***	0.029	0.054***
	(0.044)	(0.012)	(0.038)	(0.026)	(0.008)	(0.023)	(0.008)	(0.023)	(0.005)
3 FEs + Worker's Compensation	-0.276***	-0.077***	-0.199***	-0.037	-0.068***	0.031	-0.078***	0.108***	-0.005
	(0.042)	(0.012)	(0.036)	(0.028)	(0.006)	(0.025)	(0.007)	(0.027)	(0.005)
3 FEs + State Senate/House Composition	-0.212***	-0.106***	-0.106***	0.109***	-0.069***	0.178***	-0.091***	0.209***	0.022***
	(0.038)	(0.012)	(0.032)	(0.023)	(0.007)	(0.020)	(0.007)	(0.024)	(0.005)
3 FEs + Imm share	-0.202***	-0.030***	-0.172***	-0.055**	-0.089***	0.034	-0.117***	0.079***	0.023***
	(0.041)	(0.011)	(0.036)	(0.027)	(0.007)	(0.024)	(0.007)	(0.025)	(0.005)
3 FEs + Race share	-0.446***	-0.069***	-0.377***	-0.182***	-0.103***	-0.079***	-0.130***	-0.071***	0.052***
	(0.038)	(0.010)	(0.035)	(0.026)	(0.007)	(0.025)	(0.006)	(0.025)	(0.003)
3 FEs + State Senate/House Composition + Imm share	-0.139***	-0.050***	-0.089***	0.058***	-0.075***	0.133***	-0.114***	0.153***	0.029***
	(0.038)	(0.010)	(0.032)	(0.021)	(0.007)	(0.019)	(0.006)	(0.022)	(0.005)
3 FEs + State Senate/House Composition + Race share	-0.364***	-0.052***	-0.312***	-0.064***	-0.073***	0.008	-0.107***	0.005	0.065***
	(0.033)	(0.010)	(0.030)	(0.018)	(0.006)	(0.019)	(0.006)	(0.020)	(0.004)
3 FEs + Imm share + Race share	-0.441***	-0.072***	-0.369***	-0.185***	-0.106***	-0.079***	-0.129***	-0.072***	0.052***
	(0.038)	(0.010)	(0.035)	(0.025)	(0.005)	(0.025)	(0.006)	(0.025)	(0.004)
3 FEs + State Senate/House Composition + Imm share + Race share	-0.354***	-0.059***	-0.295***	-0.071***	-0.081***	0.009	-0.103***	0.003	0.064***
	(0.032)	(0.010)	(0.029)	(0.018)	(0.005)	(0.019)	(0.006)	(0.020)	(0.004)

Table 5: Effect of Democratic Governors on Interstate Net Migration Flows from Various Specifications

Note: See the note in Table 3 for detailed information. Control variables are the values of the election year, the pre-treatment period. AFDC (Aid to Families with Dependent Children), TANF (Temporary Assistance for Needy Families), and FS (Food Stamp) monthly maximum benefits are combined and the 2-person family amount has a very high correlation with the other categories of families by size. State Senate and House Composition consists of dummies indicating whether the Democratic party is more than half in the state house and senate, respectively.

Table 6: Effect of Democratic Governor on Interstate Migration Flows of Low-skilled Hispanic Immigrants by Citizenship

		Low-skilled Hispanic Immigrant		
$\hat{\tau}$ Demwon		(1)	(2)	(3)
|5|pp BW (N-/+: 108/125)		Netflow	Inflow	Outflow
Citizen	Coeff.	-0.005***	0.000	0.005***
	SE	(0.001)	(0.002)	(0.002)
	Mean	0.004	0.014	0.010
	SD	(0.026)	(0.023)	(0.016)
Non-Citizen	Coeff.	-0.090***	-0.066***	0.024***
	SE	(0.008)	(0.008)	(0.005)
	Mean	0.012	0.063	0.051
	SD	(0.066)	(0.068)	(0.061)

Note: See the note in Table 3 for detailed information. The sample is restricted to low-skilled Hispanic immigrants. The means and standard deviations are calculated from 233 state-year observations within a ±5 percentage point bandwidth over the past 20 years for each dependent variable. $N-/+$: effective number of state-year observations within the |5|pp bandwidth below and above the threshold.

		Low-skilled					
|5| pp. BW.		(1)	(2)	(3)	(4)	(5)	(6)
Dep. Var.		Unemployment Rate	Usual Hours Worked per Week	Weeks Worked	ln(Real Hourly Wage)	Exp. Unit Payoff Ratio (Dem/Rep)	Perc. Diff.
Hispanic Immigrants	Coeff.	0.069***	0.255	0.365	0.071***	0.997	-0.290
	S.E.	(0.006)	(0.330)	(0.295)	(0.013)		
	Mean	0.066	39.869	45.327	2.161		
	S.D.	0.059	3.231	2.795	0.201		
Hispanic Immigrant Citizen	Coeff.	0.085***	-0.859***	-1.718***	0.249***	1.143	14.284
	S.E.	(0.005)	(0.190)	(0.350)	(0.056)		
	Mean	0.056	39.804	46.354	2.302		
	S.D.	0.062	4.994	3.447	0.217		
Hispanic Immigrant Non-Citizen	Coeff.	0.052***	0.808*	2.574***	0.027	0.948	-5.200
	S.E.	(0.007)	(0.460)	(0.397)	(0.024)		
	Mean	0.067	40.196	44.935	2.119		
	S.D.	0.064	3.956	4.620	0.226		
White Natives	Coeff.	-0.013***	0.448***	0.224***	0.025***	1.038	3.832
	S.E.	(0.002)	(0.036)	(0.050)	(0.005)		
	Mean	0.080	39.575	45.209	2.363		
	S.D.	0.027	1.108	0.963	0.113		
Black Natives	Coeff.	-0.061***	3.100***	2.471***	0.094***	1.161	16.073
	S.E.	(0.010)	(0.235)	(0.356)	(0.027)		
	Mean	0.163	37.101	42.585	2.190		
	S.D.	0.094	3.538	4.754	0.264		
Teen Natives	Coeff.	-0.021***	0.283*	2.540***	-0.038***	0.982	-1.780
	S.E.	(0.006)	(0.167)	(0.219)	(0.009)		
	Mean	0.235	18.320	21.117	1.591		
	S.D.	0.079	2.066	2.228	0.111		

Table 7: Effect of Democratic Governor on Labor Market Outcomes of Low-skilled Group of Interest

Note: Specification is same as the main specification in Table 3. Hispanic Immigrants exclude those from abroad one year ago. Native teens are defined as U.S. citizens aged 16-17, following the criteria established by Smith 2012. The unemployment rate is defined as the proportion of unemployed individuals within the labor force for each group for each state-year observation. Both employment status and labor force participation reflect the respondent's situation at the time of the ACS interview and include both paid employees and unpaid family workers. Variables representing the intensive margin of labor supply are calculated as the average value for each state-year observation, considering both paid employees and unpaid family workers. The "usual hours worked" variable measures the number of hours worked per week. For "weeks worked," which is originally a categorical variable, I converted it into a continuous variable by assigning the midpoint of each interval, excluding the lowest interval labeled as "N/A." The log of real hourly wages is calculated as the average value for each state-year observation. To provide a very pin-pointed picture on paid worker, I calculate hourly wages using wage income during past 12 months from individuals with non-zero wage income, excluding top-coded values to reduce the influence of outliers. This measure is further restricted to individuals who worked last year, at least one week, and at least one hour per week during the past 12 months. The wage is adjusted for year-round responses about the past 12 months ' information (The ACS collects responses throughout the whole year. ACS asks for income information for the previous 12-month period. The Census Bureau offers an additional variable called ADJUST, which adjusts dollar amounts to what they would have been if earned totally throughout the calendar year.).Wages are expressed in real terms, adjusted to 1999 dollars. Hourly wages are calculated by dividing the real adjusted total wage income by the product of the number of weeks worked and the usual hours worked per week. Column 5 calculates the share of expected payoffs in Democratic states relative to Republican states using statistically significant RDD coefficients from Columns 1 and 4, applying the formula $(1 - \mathbf{(1)}) \times (1 + \mathbf{(4)})$. Column 6 reports the resulting percentage difference in expected payoffs between Democratic and Republican states: $(\mathbf{(5)} - 1) \times 100$.

		Low-skilled Stayers					
|5| pp. BW.		(1)	(2)	(3)	(4)	(5)	(6)
Dep. Var.		Unemployment Rate	Usual Hours Worked per Week	Weeks Worked	ln(Real Hourly Wage)	Exp. Unit Payoff Ratio (Dem/Rep)	Perc. Diff.
Hispanic Immigrants	Coeff.	0.065***	-0.103	0.118	0.066***	0.997	-0.329
	S.E.	(0.006)	(0.350)	(0.304)	(0.011)		
	Mean	0.065	39.824	45.469	2.163		
	S.D.	0.059	3.203	2.772	0.193		
Hispanic Immigrant Citizen	Coeff.	0.082***	-1.239***	-1.818***	0.227***	1.126	12.639
	S.E.	(0.005)	(0.177)	(0.347)	(0.054)		
	Mean	0.054	39.739	46.483	2.306		
	S.D.	0.061	5.095	3.537	0.215		
Hispanic Immigrant Non-Citizen	Coeff.	0.044***	-0.121	2.488***	0.037*	0.991	-0.863
	S.E.	(0.008)	(0.474)	(0.301)	(0.022)		
	Mean	0.067	40.061	45.092	2.130		
	S.D.	0.065	3.987	4.445	0.203		
White Natives	Coeff.	-0.014***	0.448***	0.350***	0.027***	1.041	4.138
	S.E.	(0.002)	(0.037)	(0.050)	(0.005)		
	Mean	0.078	39.571	45.353	2.367		
	S.D.	0.027	1.116	0.912	0.112		
Black Natives	Coeff.	-0.065***	3.641***	2.754***	0.095***	1.166	16.617
	S.E.	(0.011)	(0.232)	(0.348)	(0.027)		
	Mean	0.163	37.118	42.776	2.194		
	S.D.	0.107	3.547	4.884	0.266		
Teen Natives	Coeff.	-0.025***	0.323*	2.752***	-0.039***	0.985	-1.498
	S.E.	(0.006)	(0.168)	(0.209)	(0.010)		
	Mean	0.233	18.276	21.139	1.592		
	S.D.	0.079	2.042	2.252	0.112		

Table 8: Effect of Democratic Governor on Labor Market Outcomes of Low-skilled Group of Interest - Stayer

Note: See notes in Table 7. Stayer indicates individuals whose state of residence one year ago is the same as their current state of residence. When I further restrict the data to stayers, the number of effective state-year observations for low-skilled Hispanic immigrant citizens is reduced to 105/121 for labor supply variables and 103/121 for wages. In contrast, the attenuation is milder for non-citizens, with 108/122 observations remaining. For overall low-skilled Hispanic immigrant stayers, the count is 108/124.

Table 9: Effect of Democratic Governor on Share of Low-skilled Subgroups in Construction and Food Service Sectors

		(1)	(2)
Panel A: (Low-skilled Group / Total Low-skilled working in the Industry each Year) × 100			
$\hat{\tau}$ Demwon |5|pp. BW, At least one worker from each group		Construction	Restaurants & Food Services
N-/+		80/101	93/100
Hispanic Immigrants	Coeff.	-5.360***	-1.393***
	S.E.	(0.265)	(0.286)
White Natives	Coeff.	4.357***	-1.227***
	S.E.	(0.355)	(0.270)
Black Natives	Coeff.	0.789***	0.772***
	S.E.	(0.148)	(0.123)
Teen Natives	Coeff.	0.517***	4.097***
	S.E.	(0.031)	(0.216)
Others	Coeff.	-0.303	-2.249***
	S.E.	(0.269)	(0.289)
Panel B: (Low-skilled Group / Election Year Total State Working-aged Population) × 100			
$\hat{\tau}$ Demwon |5|pp. BW, At least one worker from each group		Construction	Restaurants & Food Services
N-/+		80/101	93/100
Total Low-skilled in the Industry	Coeff.	0.173***	0.157***
	S.E.	(0.034)	(0.040)
Hispanic Immigrants	Coeff.	-0.050***	-0.018
	S.E.	(0.017)	(0.011)
White Natives	Coeff.	0.087***	0.047***
	S.E.	(0.019)	(0.015)
Black Natives	Coeff.	0.041***	0.050***
	S.E.	(0.006)	(0.004)
Teen Natives	Coeff.	0.017***	0.138***
	S.E.	(0.001)	(0.007)
Others	Coeff.	0.078***	-0.060***
	S.E.	(0.014)	(0.015)

Note: Specification is same as the main specification in Table 3. The low-skilled individuals aged 16-64 who are currently working in either the construction or restaurant sector are counted. Native teens are defined as U.S. citizens aged 16-17, following the criteria established by Smith 2012. This age definition differs from the working age sample used in the main analysis, which starts at 18 years old. The state × year observations are restricted to those that have at least one (1) worker in the key groups.

Table 10: Effect of Democratic Governor on Economic Outcomes and Policies

RDD Estimation in 5 pp. BW. (N -/+: 108/125)

Panel A: Economic Outcomes

	(1) Gross State Product	(2) Personal Income	(3) Per Capita Personal Income	(4) Unemployment rate	(5) Poverty Rate	(6) Housing Price Index	(7) ln(HPI)
RDD	0.032***	0.069***	0.016***	-0.278***	-1.747***	18.885**	0.027***
SE.	(0.009)	(0.011)	(0.006)	(0.095)	(0.171)	(8.543)	(0.005)

Panel B: Economic Policies - Minimum Wages and EITC Rate

	(1) State Minimum Wage °	(2) Number of Changes in Nominal State Minimum Wage in a Governor Term	(3) Prob(Any Changes in Nominal State Minimum Wage in a Governor Term)	(4) State EITC Rate
RDD	0.028***	0.743***	0.745***	0.020***
SE.	(0.010)	(0.213)	(0.088)	(0.005)

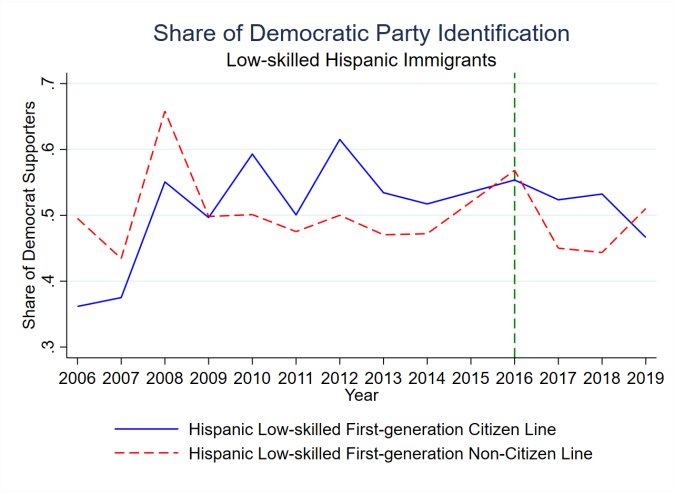
Panel C: Economic Policies - Tax and Benefits

	(1) State individual income tax rate (bottom)	(2) State individual income tax rate (top)	(3) State individual income tax rate spread(top-bottom)	(4) AFDC/TANF/FS 2 person °°	(5) AFDC/TANF/FS 3 person °°	(6) AFDC/TANF/FS 4 person °°
RDD	0.000	-0.003*	-0.007***	0.070***	0.054***	0.039***
SE.	(0.001)	(0.002)	(0.001)	(0.010)	(0.010)	(0.009)

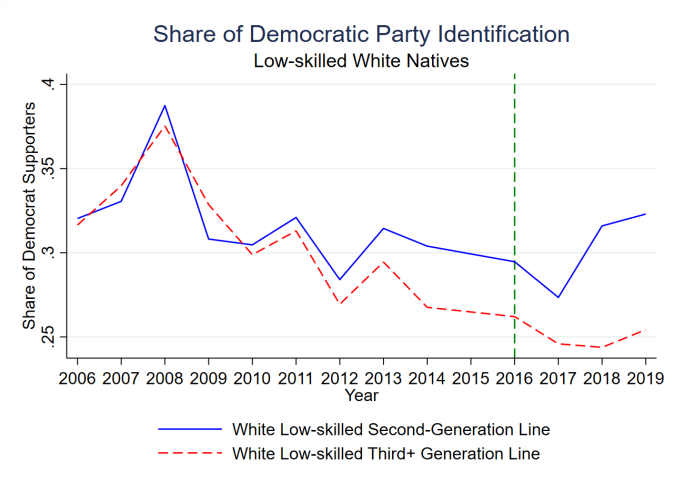
Note: Specification is same as the main specification in Table 3. ^{o}: log real-term of variables in 1999 dollars. ^{oo}: log real combined (Aid to Families with Dependent Children (AFDC)/Temporary Assistance for Needy Families (TANF) and Food Stamp (FS)) monthly maximum benefit for n-person family in 1999 dollars. State Earned income tax credit, which is a refundable tax credit for low- to moderate-income working individuals and couples, benefit rate as a percentage of the federal EITC rate. Housing price index is yearly average of not seasonally adjusted index with 1980 Q1=100. $\Delta ln(HPI)$ is yearly first difference. Sources: BEA, UKCPR, the Book of the State, and FHFA.

Figures

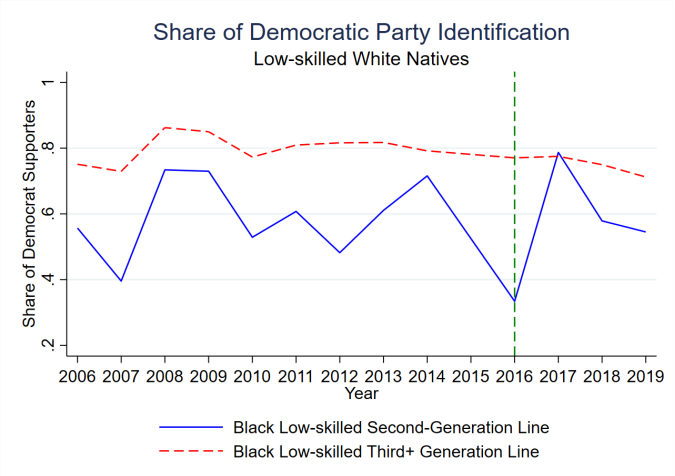
Figure 1: Share of Democratic Party Supporters in Low-skilled Group of Interest



(a) Hispanic Immigrants



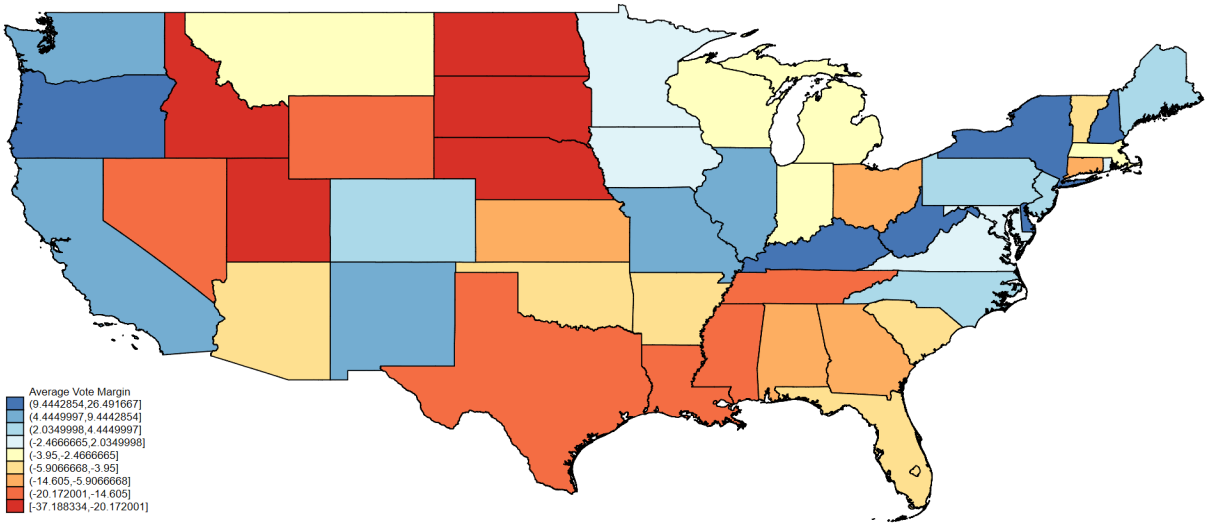
(b) White Natives



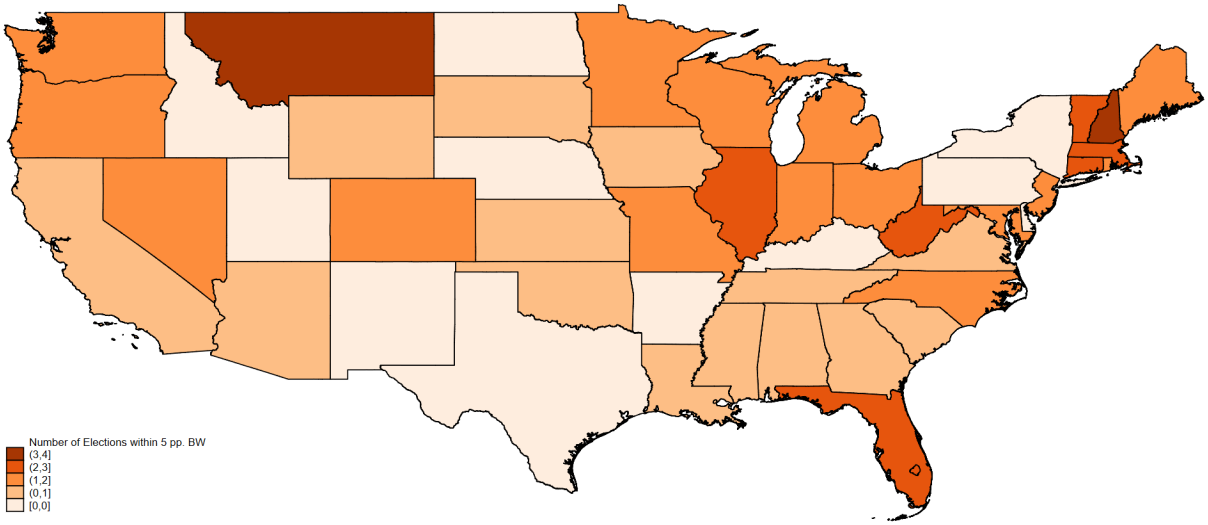
(c) Black Natives

Note: The proportion of individuals in low-skilled groups of interest identifying as Democrats (among those who disclosed their party identification as Democrat, Republican, or Independent) was measured using Cooperative Election Study (CES) data. Second-generation refers to individuals with at least one foreign-born parent, while third-generation and beyond have no foreign-born parents.

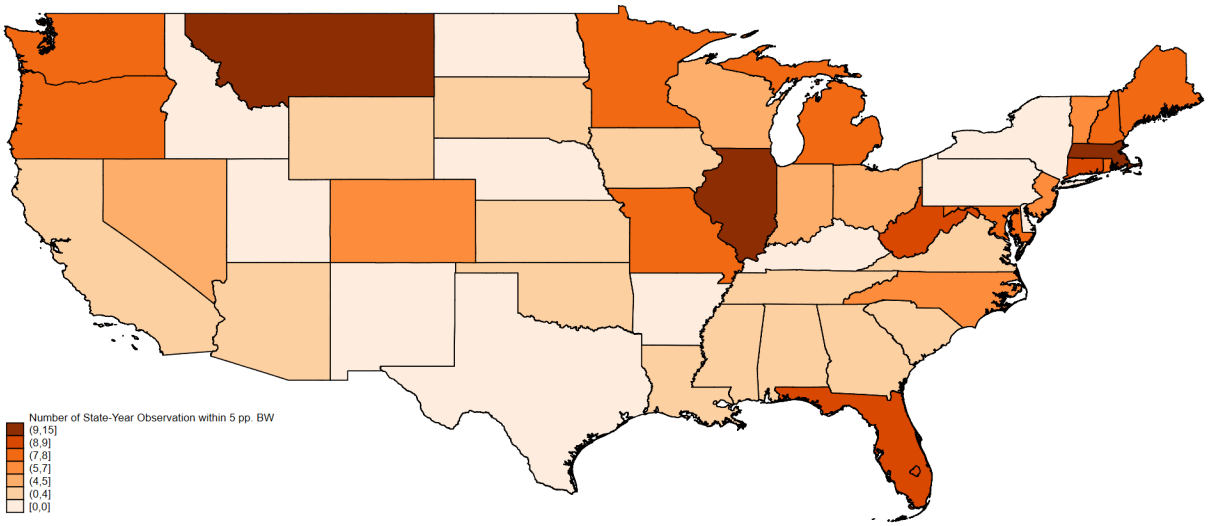
Figure 2: Spatial Distribution of Average Vote Margin, Elections/Observations in 5pp BW



(a) Average Vote Margin by State

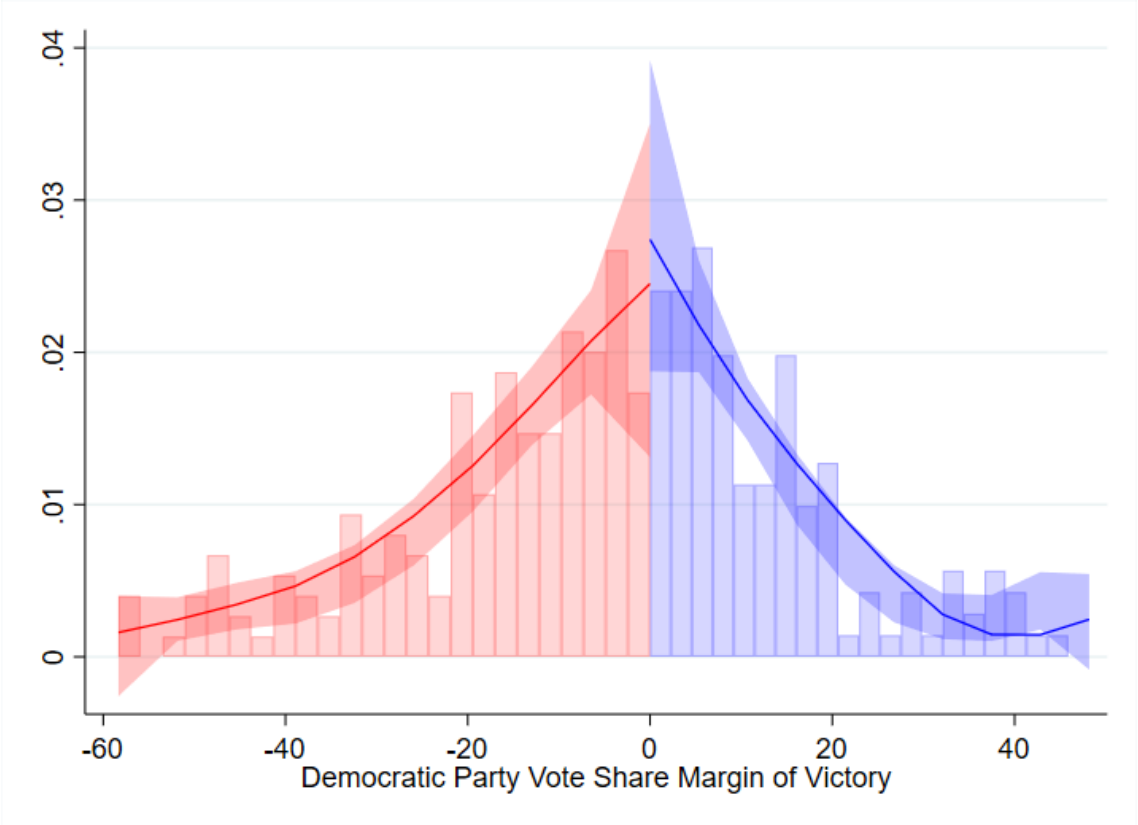


(b) Number of Elections within 5 pp BW by State



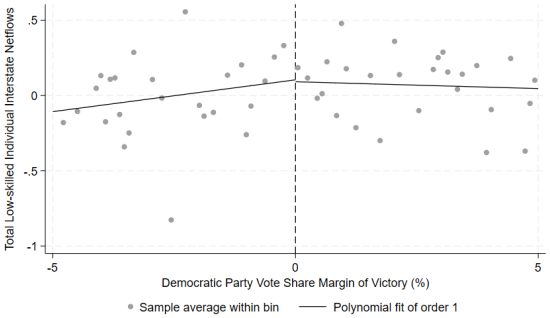
(c) Number of State-Year Observation within 5 pp BW by State

Figure 3: Manipulation Test on Estimated Density of Elections Over Vote Margin of Victory, 2000-2019

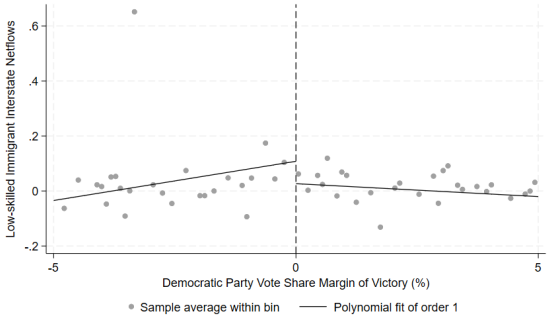


Note: The figure shows the estimated density of elections over the vote margin of victory in the year gubernatorial elections were held (pre-treatment period), from 2000 to 2019. The solid lines are the point estimate of the density function and the shaded area presents a 95% confidence interval. It failed to reject the null hypothesis in this case, as shown by the p-value of 0.6023 and T-statistic of 0.5211.

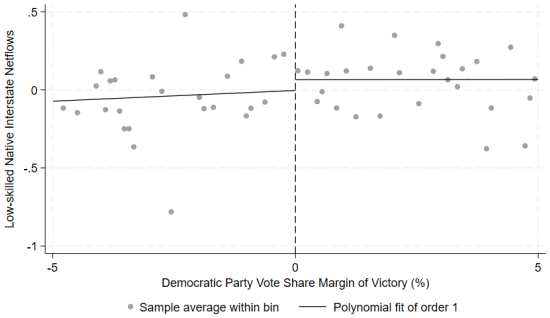
Figure 4: RDD Plot - Net Interstate Migration Flows of Low-skilled Groups



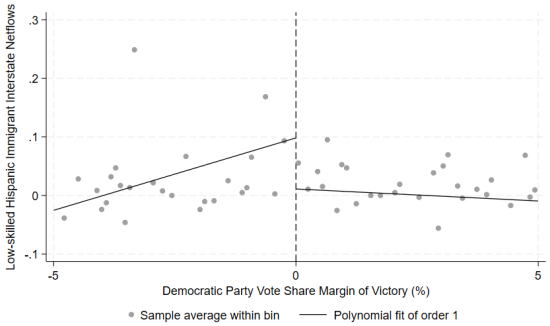
(a) Total Individuals



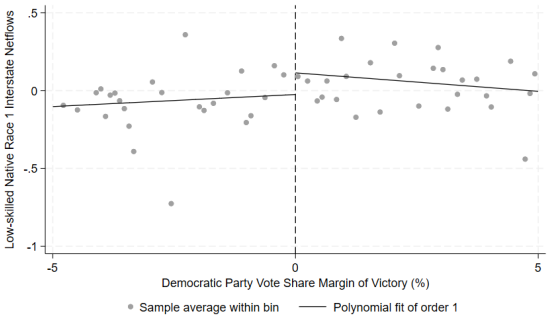
(b) Immigrants



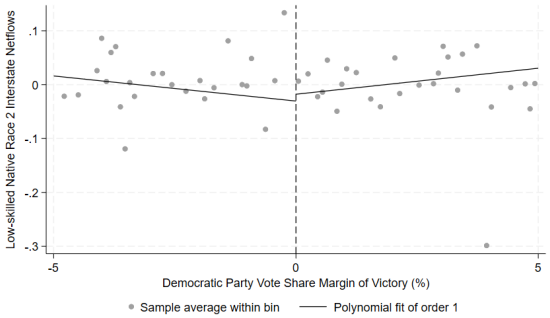
(c) Natives



(d) Hispanic Immigrants



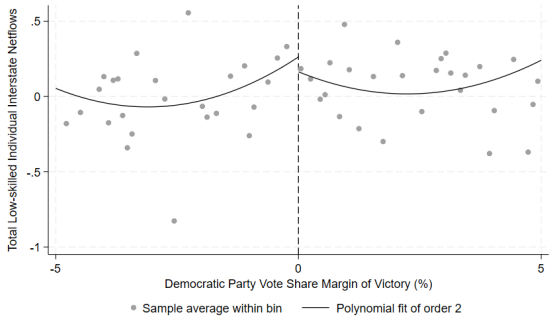
(e) White Natives



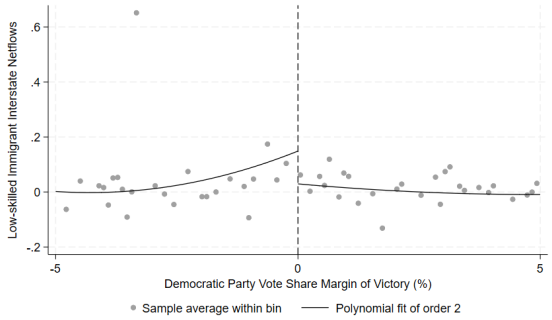
(f) Black Natives

Notes:The figures are generated using the Stata package *rdplot*. The scatter plots depict the average values within bins, with 50 bins allocated on each side of the threshold, where each bin corresponds to a 0.1 percentage point voting margin. Linear polynomial fits are applied separately on either side of the threshold. A triangular kernel is used, and the control variables are consistent with those in the main analysis: election-year fixed effects, state fixed effects, and fixed effects for synchronization with the Presidential election cycle.

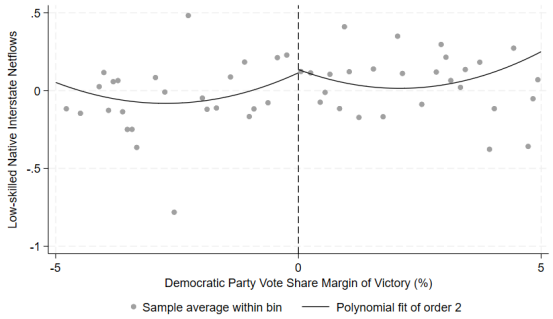
Figure 5: RDD Plot - Net Interstate Migration Flows of Low-skilled Groups, Second-order Polynomial Fit



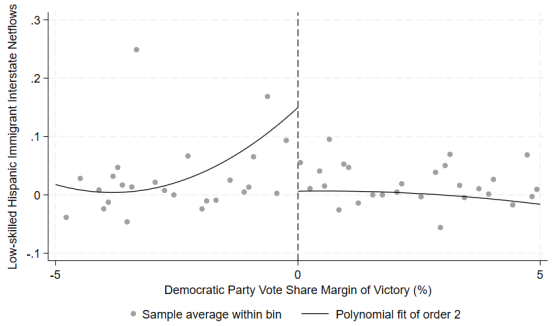
(a) Total Individuals



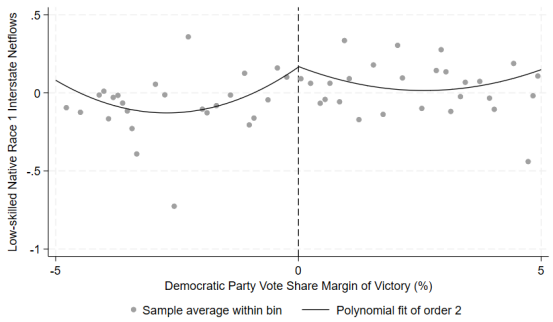
(b) Immigrants



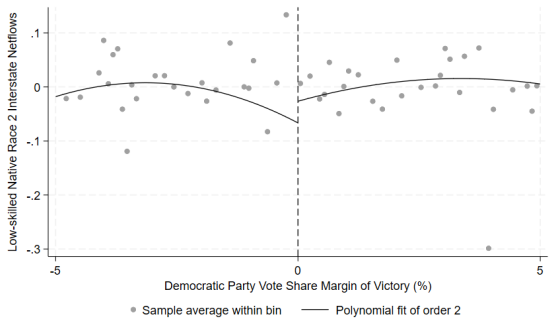
(c) Natives



(d) Hispanic Immigrants



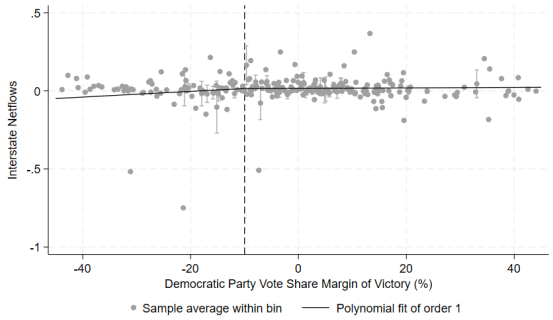
(e) White Natives



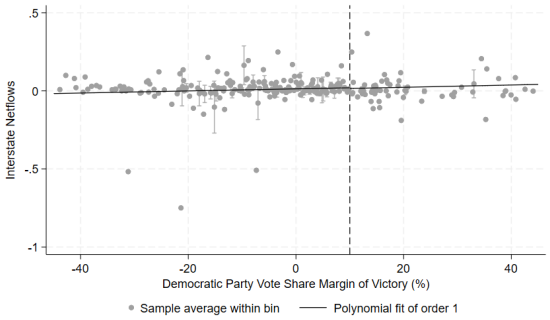
(f) Black Natives

Notes:The figures are generated using the Stata package *rdplot*. The scatter plots depict the average values within bins, with 50 bins allocated on each side of the threshold, where each bin corresponds to a 0.1 percentage point voting margin. Second-order polynomial fits are applied separately to each side of the threshold. A triangular kernel is used, and the control variables are consistent with those in the main analysis: election-year fixed effects, state fixed effects, and fixed effects for synchronization with the Presidential election cycle.

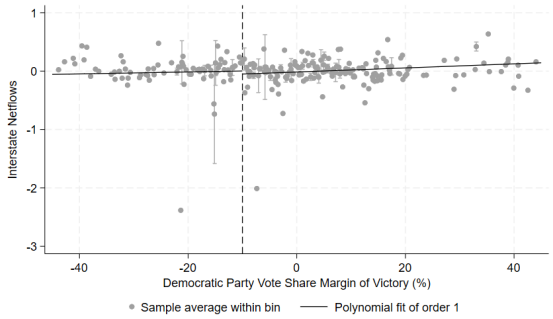
Figure 6: RDD Plot - Net Interstate Migration Flows of Low-skilled Groups, Placebo Graph of Arbitrary Cutoffs:−10 pp and +10 pp



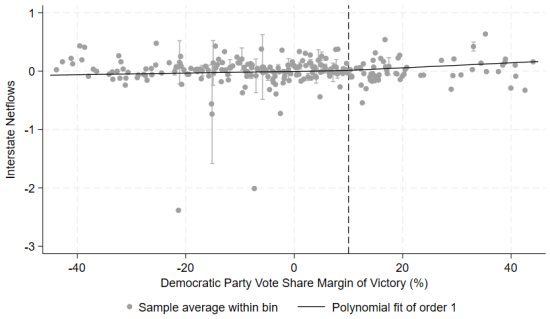
(a) −10 pp Hispanic Immigrant



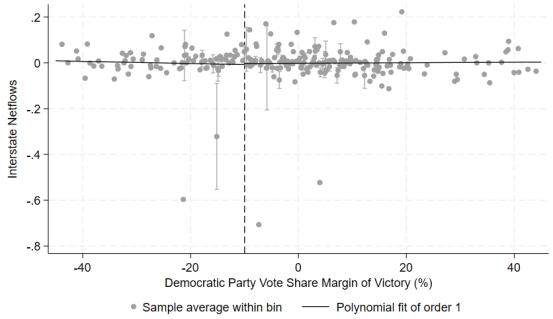
(b) +10 pp Hispanic Immigrant



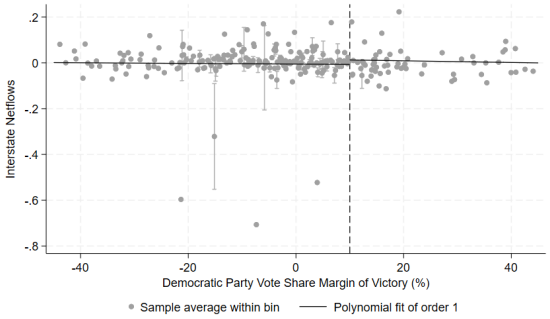
(c) −10 pp White Native



(d) +10 pp White Native



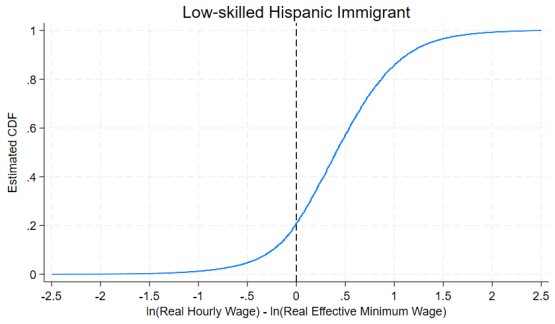
(e) −10 pp Black Native



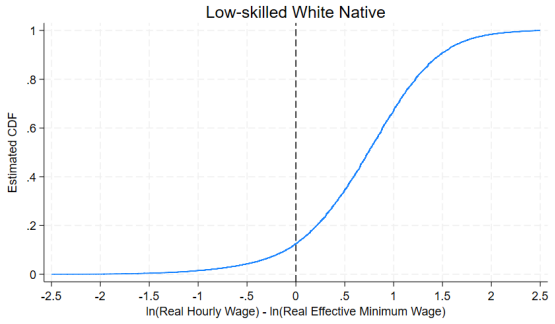
(f) +10 pp Black Native

Note: The figures are generated using the Stata package *rdplot*. The scatter plots depict the average values within bins, where each bin corresponds to 0.1 pp vote margin. The specification is the same as in Figure 4. 95% Confidence Interval is presented.

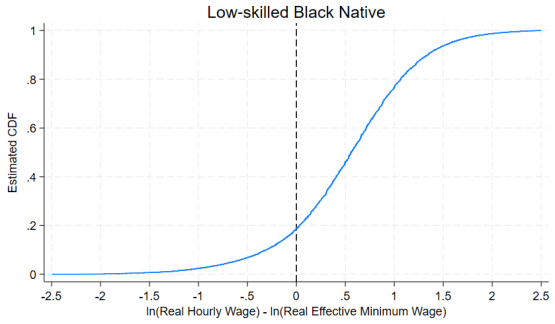
Figure 7: Estimated CDF of Wage Relative to Minimum Wage for Low-skilled Groups



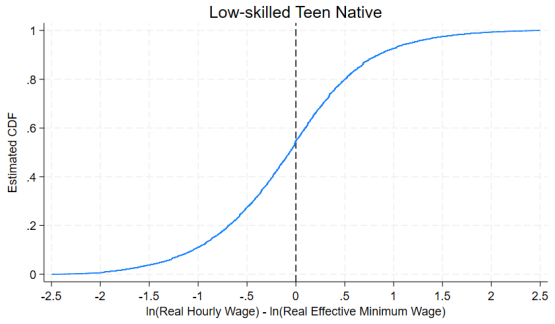
(a) Hispanic Immigrants



(b) White Natives



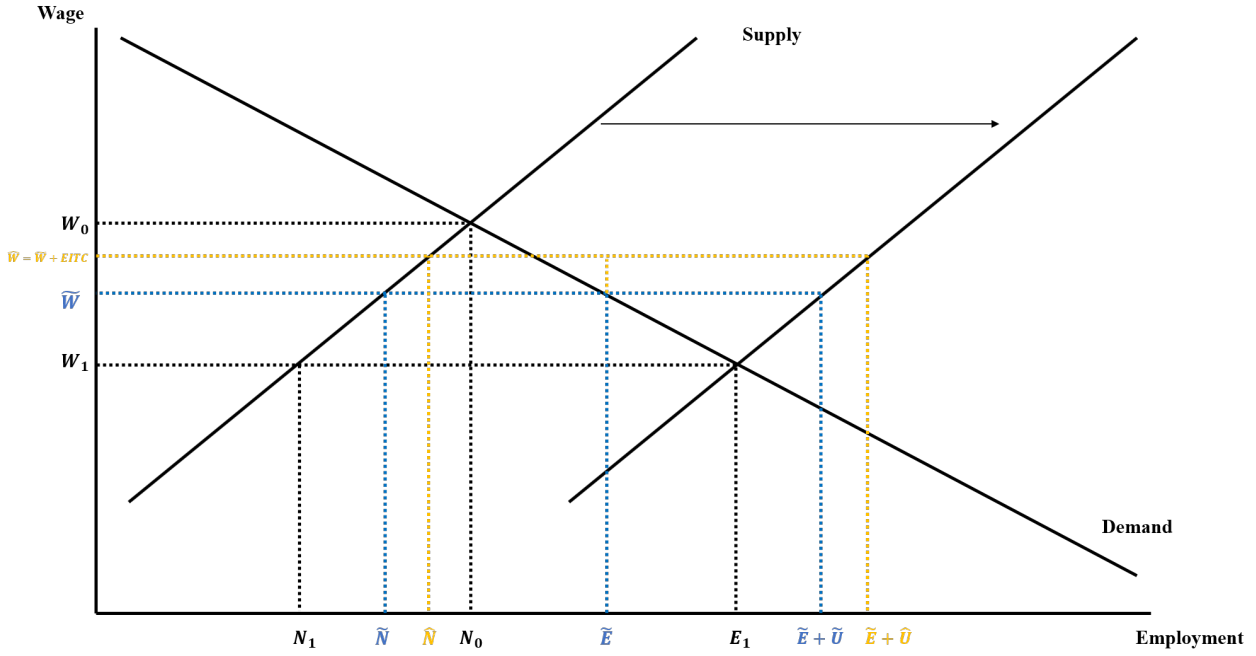
(c) Black Natives



(d) Teen Natives

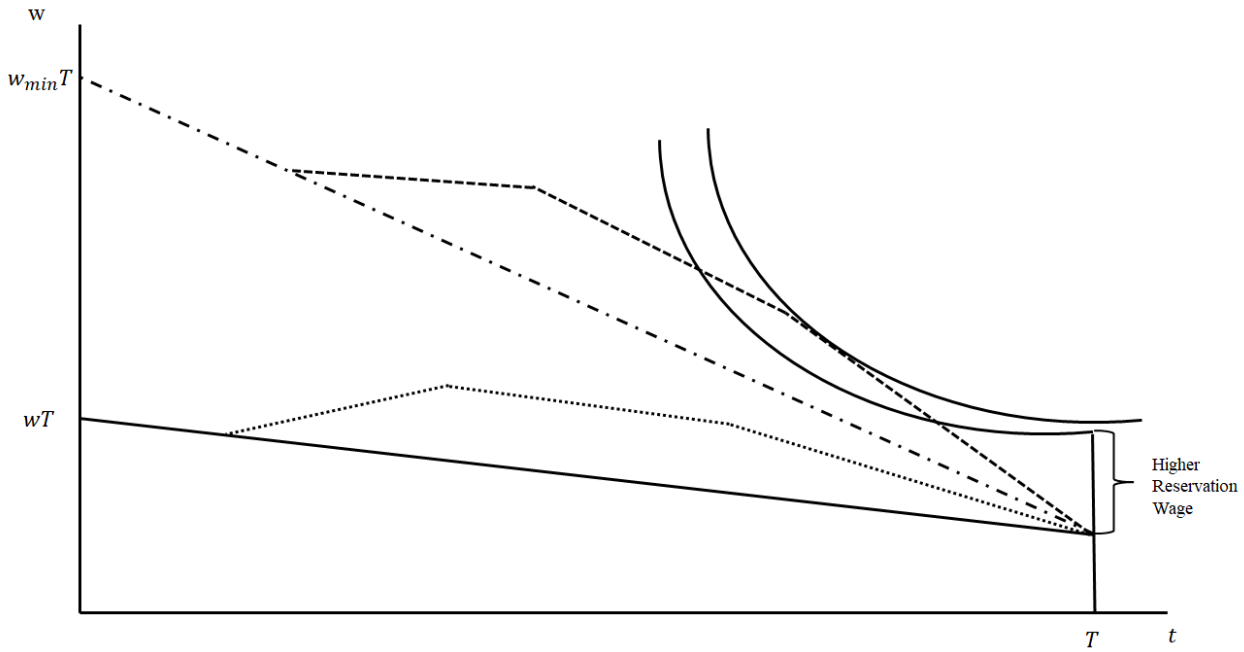
Note: *Wage relative to minimum wage* is defined as *ln(real hourly wage) − ln(real effective minimum wage)*. The *effective minimum wage* is defined as *max(federal minimum wage, state minimum wage)*. Real values are in 1999 dollars. The differences exceeding |2.5| are excluded from the analysis for a better illustrative purpose. To capture the full distribution, including paid employees, unpaid family workers, and those with little wage income, I analyze wage income over the past 12 months without excluding the top-coded or bottom 5% and without restricting the sample to individuals with positive working hours, weeks, or wage income. Wage is adjusted for year-round responses about the past 12 months ' information (The ACS collects responses throughout the whole year. ACS asks for income information for the previous 12-month period. The Census Bureau offers an additional variable called ADJUST, which adjusts dollar amounts to what they would have been if earned totally throughout the calendar year.). Hispanic Immigrants exclude those from abroad one year ago. Native teens are defined as U.S. citizens aged 16-17, following the criteria established by Smith 2012. This age definition differs from the working age sample used in the main analysis, which starts at 18 years old.

Figure 8: The Short-Run Impact of Immigration on Natives with Comparable Education



Note: This figure is an augmented version of the graph for a better illustration of the mechanism of the migration responses reported in the paper, based on the explanation in Edo and Rapoport 2019.

Figure 9: Minimum Wage & EITC - Labor Supply of High Productivity Type



Note: This figure is an augmented version of the graph for a better illustration of the mechanism of the migration responses reported in the paper, based on the explanation in Neumark and Wascher 2011.

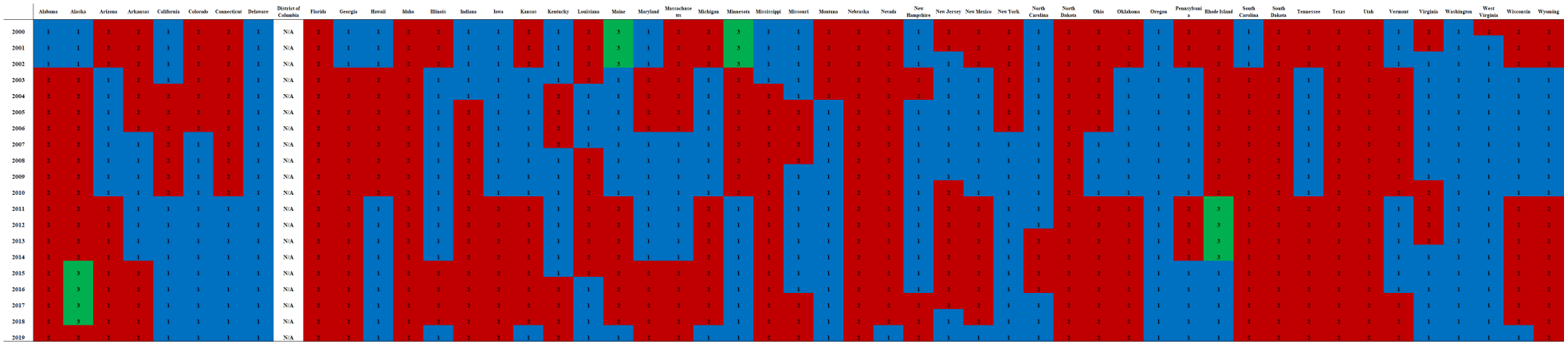
A Appendix

A.1 Appendix Tables

Table A.1: Descriptive Statistics of Annual Net Interstate Migration Flows in the First Year of a Governor Term

(Net Interstate Migration Flows / Election Year Pop Universe) * 100		In the First Year of a Governor Term within the Margin of Victory of |5| pp		
		Republican	Democratic	All
Total Working-aged Individuals	Mean	-0.011	0.254	0.133
	S.D.	0.638	0.719	0.691
Native	Mean	-0.062	0.256	0.110
	S.D.	0.515	0.634	0.600
Immigrant	Mean	0.050	-0.001	0.022
	S.D.	0.233	0.166	0.199
Immigrant < High School	Mean	0.025	0.008	0.016
	S.D.	0.104	0.048	0.079
Immigrant HS Grad.	Mean	0.016	0.003	0.009
	S.D.	0.090	0.063	0.076
Hispanic Immigrant < High School	Mean	0.017	0.008	0.012
	S.D.	0.060	0.039	0.049
Hispanic Immigrant HS Grad.	Mean	0.016	0.006	0.010
	S.D.	0.070	0.033	0.053
White Native < High School	Mean	-0.015	0.026	0.007
	S.D.	0.104	0.105	0.106
White Native HS Grad.	Mean	-0.104	0.023	-0.035
	S.D.	0.191	0.223	0.217
Observations (First Year)		33	39	72

Notes: Washington D.C. and Puerto Rico are excluded. The values are from the first year of an office term. The flows are normalized by the election year state total working age population (see Section **??**).



	Alabama	Alaska	Arizona	Arkansas	California	Colorado	Connecticut	Delaware	District of Columbia	Florida	Georgia	Hawaii	Idaho	Illinois	Indiana	Iowa	Kansas	Kentucky	Louisiana	Maine	Maryland	Massachusetts	Michigan	Minnesota	Mississippi	Missouri	Montana	Nebraska	Nevada	New Hampshire	New Jersey	New Mexico	New York	North Carolina	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina	South Dakota	Tennessee	Texas	Utah	Vermont	Virginia	Washington	West Virginia	Wisconsin	Wyoming
2000	1	1	2	2	1	2	2	1	N/A	2	1	1	2	2	1	1	2	1	2	3	1	2	2	3	1	1	2	2	2	1	2	2	2	1	2	2	2	1	2	2	1	2	2	2	2	1	2	1	2	2	2
2001	1	1	2	2	1	2	2	1	N/A	2	1	1	2	2	1	1	2	1	2	3	1	2	2	3	1	1	2	2	2	1	2	2	2	1	2	2	2	1	2	2	1	2	2	2	2	1	2	1	1	2	2
2002	1	1	2	2	1	2	2	1	N/A	2	1	1	2	2	1	1	2	1	2	3	1	2	2	3	1	1	2	2	2	1	1	2	2	1	2	2	2	1	2	2	1	2	2	2	2	1	1	1	1	2	2
2003	2	2	1	2	1	2	2	1	N/A	2	2	2	2	1	1	1	1	1	2	1	2	2	1	2	1	1	2	2	2	2	1	1	2	1	2	2	1	1	1	2	2	2	1	2	2	2	1	1	1	1	1
2004	2	2	1	2	2	2	2	1	N/A	2	2	2	2	1	1	1	1	2	1	1	2	2	1	2	2	1	2	2	2	2	1	1	2	1	2	2	1	1	1	2	2	2	1	2	2	2	1	1	1	1	1
2005	2	2	1	2	2	2	2	1	N/A	2	2	2	2	1	2	1	1	2	1	1	2	2	1	2	2	2	1	2	2	1	1	1	2	1	2	2	1	1	1	2	2	2	1	2	2	2	1	1	1	1	1
2006	2	2	1	2	2	2	2	1	N/A	2	2	2	2	1	2	1	1	2	1	1	2	2	1	2	2	2	1	2	2	1	1	1	2	1	2	2	1	1	1	2	2	2	1	2	2	2	1	1	1	1	1
2007	2	2	1	1	2	1	2	1	N/A	2	2	2	2	1	2	1	1	2	1	1	1	1	1	2	2	2	1	2	2	1	1	1	1	1	2	1	1	1	1	2	2	2	1	2	2	2	1	1	1	1	1
2008	2	2	1	1	2	1	2	1	N/A	2	2	2	2	1	2	1	1	1	2	1	1	1	1	2	2	2	1	2	2	1	1	1	1	1	2	1	1	1	1	2	2	2	1	2	2	2	1	1	1	1	1
2009	2	2	1	1	2	1	2	1	N/A	2	2	2	2	1	2	1	1	1	2	1	1	1	1	2	2	1	1	2	2	1	1	1	1	1	2	1	1	1	1	2	2	2	1	2	2	2	1	1	1	1	1
2010	2	2	1	1	2	1	2	1	N/A	2	2	2	2	1	2	1	1	1	2	1	1	1	1	2	2	1	1	2	2	1	2	1	1	1	2	1	1	1	1	2	2	2	1	2	2	2	2	1	1	1	1
2011	2	2	2	1	1	1	1	1	N/A	2	2	1	2	1	2	2	2	1	2	2	1	1	2	1	2	1	1	2	2	1	2	2	1	1	2	2	2	1	2	3	2	2	2	2	2	1	2	1	1	2	2
2012	2	2	2	1	1	1	1	1	N/A	2	2	1	2	1	2	2	2	1	2	2	1	1	2	1	2	1	1	2	2	1	2	2	1	1	2	2	2	1	2	3	2	2	2	2	2	1	2	1	1	2	2
2013	2	2	2	1	1	1	1	1	N/A	2	2	1	2	1	2	2	2	1	2	2	1	1	2	1	2	1	1	2	2	1	2	2	1	2	2	2	2	1	2	3	2	2	2	2	2	1	2	1	1	2	2
2014	2	2	2	1	1	1	1	1	N/A	2	2	1	2	1	2	2	2	1	2	2	1	1	2	1	2	1	1	2	2	1	2	2	1	2	2	2	2	1	2	3	2	2	2	2	2	1	1	1	1	2	2
2015	2	3	2	2	1	1	1	1	N/A	2	2	1	2	2	2	2	2	1	2	2	2	2	2	1	2	1	1	2	2	1	2	2	2	1	1	1	2	2	2	2	1	2	2	2	2	1	1	1	1	2	2
2016	2	3	2	2	1	1	1	1	N/A	2	2	1	2	2	2	2	2	1	2	2	2	2	2	1	2	1	1	2	2	1	2	2	1	2	2	2	2	1	1	1	2	2	2	2	2	1	1	1	1	2	2
2017	2	3	2	2	1	1	1	1	N/A	2	2	1	2	2	2	2	2	2	1	2	2	2	2	1	2	2	1	2	2	2	2	2	1	1	2	2	2	1	1	1	2	2	2	2	2	2	1	1	1	2	2
2018	2	3	2	2	1	1	1	1	N/A	2	2	1	2	2	2	2	2	2	1	2	2	2	2	1	2	2	1	2	2	2	1	2	1	1	2	2	2	1	1	1	2	2	2	2	2	2	1	1	1	2	2
2019	2	2	2	2	1	1	1	1	N/A	2	2	1	2	1	2	2	1	2	1	1	2	2	1	1	2	2	1	2	2	1	2	1	1	1	2	2	2	1	1	1	2	2	2	2	2	2	1	1	1	1	2

Table A.2: History of Partisanship of Governors by State 2000-2019

Note: Just for the readers who print this paper in black/white setting, I label the Democraticas 1; the Republican as 2; the rest as 3. There is no particular political intention or affiliation of the author in numbering.

Table A.3: Effect of Democratic Governor on Interstate Migration Flows - Restricted Sample

Treated: Rep-to-Dem Switched Control: Rep-to-Rep Remained 5pp BW (N -/+: 61/61)	Netflow	Inflow	Outflow	Netflow	Inflow	Outflow
Immigrant	0.034***	0.245***	0.211***	-0.001	0.053***	0.054***
	(0.000)	(0.000)	(0.000)	(0.006)	(0.011)	(0.011)
Low-skilled Immigrant						
<High School	-0.085***	0.070***	0.155***	0.015***	0.039***	0.025***
	(0.000)	(0.000)	(0.000)	(0.005)	(0.004)	(0.005)
HS Grad.	-0.015***	0.072***	0.087***	-0.022**	-0.018***	0.004
	(0.000)	(0.000)	(0.000)	(0.010)	(0.005)	(0.006)
Low-skilled Hispanic Immigrant						
<High School	-0.086***	0.064***	0.150***	-0.011	0.017***	0.027***
	(0.000)	(0.000)	(0.000)	(0.007)	(0.004)	(0.006)
HS Grad.	-0.053***	0.048***	0.101***	-0.026***	-0.013***	0.013***
	(0.000)	(0.000)	(0.000)	(0.002)	(0.003)	(0.003)
Low-skilled White Native						
<High School	0.006***	0.075***	0.068***	0.014	0.015**	0.001
	(0.000)	(0.000)	(0.000)	(0.014)	(0.006)	(0.011)
HS Grad.	0.070***	0.246***	0.176***	0.044	0.052***	0.008
	(0.000)	(0.000)	(0.000)	(0.028)	(0.010)	(0.022)
State FE	Y	Y	Y	Y	Y	Y
Election Year FE	Y	Y	Y	N	N	N
Same Year with Presidential Election	Y	Y	Y	N	N	N

Note: See notes in Table 3 and explanation in Section B.1. The sample is restricted to observations that had a Republican governor in the previous office term. $N-/+$: effective number of state-year observations within the bandwidth below and above the threshold.

Table A.4: Effect of Democratic Governor on ΔAverage Interstate Migration Flows - Restricted Sample

Treated: Rep-to-Dem Switched Control: Rep-to-Rep Remained |5|pp BW (N -/+: 53/57)	Δ ln(flow + 1)		Δ asinh(flow)		Δ ln(flow + 1)		Δ asinh(flow)	
	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow
Immigrant	-0.018***	0.135***	-0.038***	0.185***	0.041***	0.001	0.053***	0.001
	(0.000)	(0.000)	(0.000)	(0.000)	(0.006)	(0.021)	(0.008)	(0.026)
Low-skilled Immigrant								
<High school	-0.081***	0.110***	-0.098***	0.123***	0.006	0.010	0.007	0.011
	(0.000)	(0.000)	(0.000)	(0.000)	(0.005)	(0.010)	(0.005)	(0.010)
High School Grad.	-0.019***	0.144***	-0.034***	0.160***	-0.036***	-0.016**	-0.038***	-0.018**
	(0.000)	(0.000)	(0.000)	(0.000)	(0.002)	(0.007)	(0.002)	(0.008)
Low-skilled Hispanic Immigrant								
<High school	-0.067***	0.123***	-0.083***	0.132***	-0.022***	0.026***	-0.024***	0.027***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.008)	(0.008)	(0.009)	(0.009)
High School Grad.	-0.061***	0.126***	-0.071***	0.135***	-0.037***	0.005	-0.038***	0.006
	(0.000)	(0.000)	(0.000)	(0.000)	(0.005)	(0.007)	(0.005)	(0.007)
Low-skilled White Native								
<High school	0.100***	-0.032***	0.106***	-0.037***	0.038***	-0.056***	0.039***	-0.064***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.003)	(0.010)	(0.004)	(0.012)
High School Grad.	0.063***	-0.108***	0.054***	-0.155***	0.075***	-0.071***	0.086***	-0.090***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.004)	(0.024)	(0.006)	(0.032)
State FE	Y	Y	Y	Y	Y	Y	Y	Y
Election Year FE	Y	Y	Y	Y	N	N	N	N
Same Year with Presidential Election	Y	Y	Y	Y	N	N	N	N

Note: See notes in Table 3 and explanation in Section B.1. Δaverage interstate migration flows are different in average flows between the current governor term and the previous governor term. The sample is restricted to observations that had a Republican governor in the previous office term. $N-/+$: effective number of state-year observations within the bandwidth below and above the threshold.

Table A.5: DID under Staggered Adoption of Reversible Treatment: Effect of Democratic Governor Shift

Treatment: Democratic Governor Control: Republican Governor	DID_M Point Estimates Interstate Migration Flows		
Group	Netflow	Inflow	Outflow
Immigrant	-0.012 (0.024)	-0.002 (0.019)	0.011 (0.021)
Low-skilled Immigrant			
<High School	-0.018 (0.014)	-0.012 (0.011)	0.007 (0.008)
High School Grad.	0.005 (0.016)	0.006 (0.010)	0.001 (0.013)
Low-skilled Hispanic Immigrant			
<High School	-0.013 (0.013)	-0.008 (0.010)	0.005 (0.008)
High School Grad.	-0.005 (0.012)	0.002 (0.007)	0.008 (0.009)
Low-skilled White Native			
<High School	0.029 (0.020)	-0.007 (0.015)	-0.036 (0.020)
High School Grad.	0.045 (0.070)	0.025 (0.034)	-0.020 (0.049)

Table A.6: Effect of Democratic Governor on Unemployment Rate and Wage of Low-skilled Hispanic Immigrants and White Natives: Divided by Change in the Nominal State Minimum Wage

|5| pp BW.	Low-skilled Hispanic Immigrant			Low-skilled White Native		
	Total	Less than HS	HS Grad	Total	Less than HS	HS Grad
Panel A: No change in the nominal state minimum wage in a mandate						
Unemployment Rate	0.022***	-0.004***	0.011***	0.000***	0.004***	0.004***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
N-/+	45 / 49	44 / 47	44 / 46	52 / 50	52 / 50	52 / 50
ln(Real Hourly Wage)	0.160***	0.150***	0.178***	0.008***	-0.018***	-0.005***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
N-/+	52 / 50	50 / 50	52 / 49	52 / 50	52 / 50	52 / 50
Panel B: Change in the nominal state minimum wage in a mandate						
Unemployment Rate	0.176***	0.128***	0.091***	-0.023***	-0.150***	-0.010***
	(0.004)	(0.003)	(0.002)	(0.002)	(0.007)	(0.002)
N-/+	52 / 66	49 / 58	52 / 62	56 / 75	56 / 75	56 / 75
ln(Real Hourly Wage)	0.240***	0.569***	0.347***	0.090***	0.096***	0.087***
	(0.015)	(0.011)	(0.021)	(0.003)	(0.011)	(0.003)
N-/+	56 / 75	52 / 73	56 / 74	56 / 75	56 / 75	56 / 75

Note: All of the detailed information is the same as Table **??**.

Table A.7: Top 5 NAICS Sectors among Low-skilled Hispanic Immigrant, White Native, and Native Teens from ACS 2000-2019

Panel A: Low-skilled Hispanic Immigrants			
NAICS Code	Industry Title	Freq.	Percent
23	Construction	28,612,501	19.4
722Z	Restaurants and other food services	16,775,115	11.37
56173	Landscaping services	6,907,900	4.68
5617Z	Services to buildings and dwellings	5,528,336	3.75
111	Crop production	5,425,895	3.68

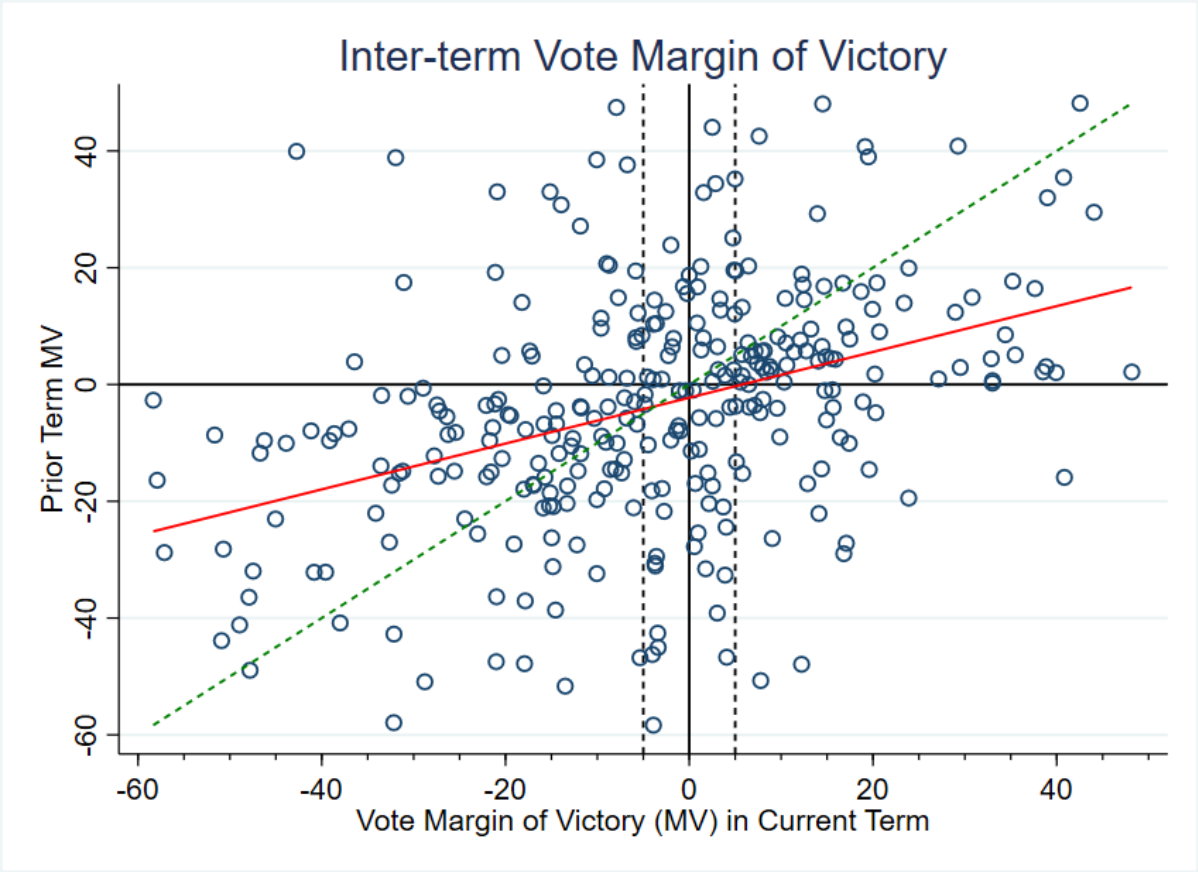
Panel B: Low-skilled White Natives			
NAICS Code	Industry Title	Freq.	Percent
23	Construction	65,101,693	12.43
722Z	Restaurants and other food services	29,887,569	5.71
6111	Elementary and secondary schools	15,278,787	2.92
4451	Grocery stores	13,788,921	2.63
484	Truck transportation	13,423,704	2.56

Panel C: Low-skilled Native Teens			
NAICS Code	Industry Title	Freq.	Percent
722Z	Restaurants and other food services	4,998,672	39.12
4451	Grocery stores	1,169,429	9.15
713Z	Other amusement, gambling, and recreation industries	868,976	6.8
45211	Department stores	278,901	2.18
23	Construction	227,275	1.78

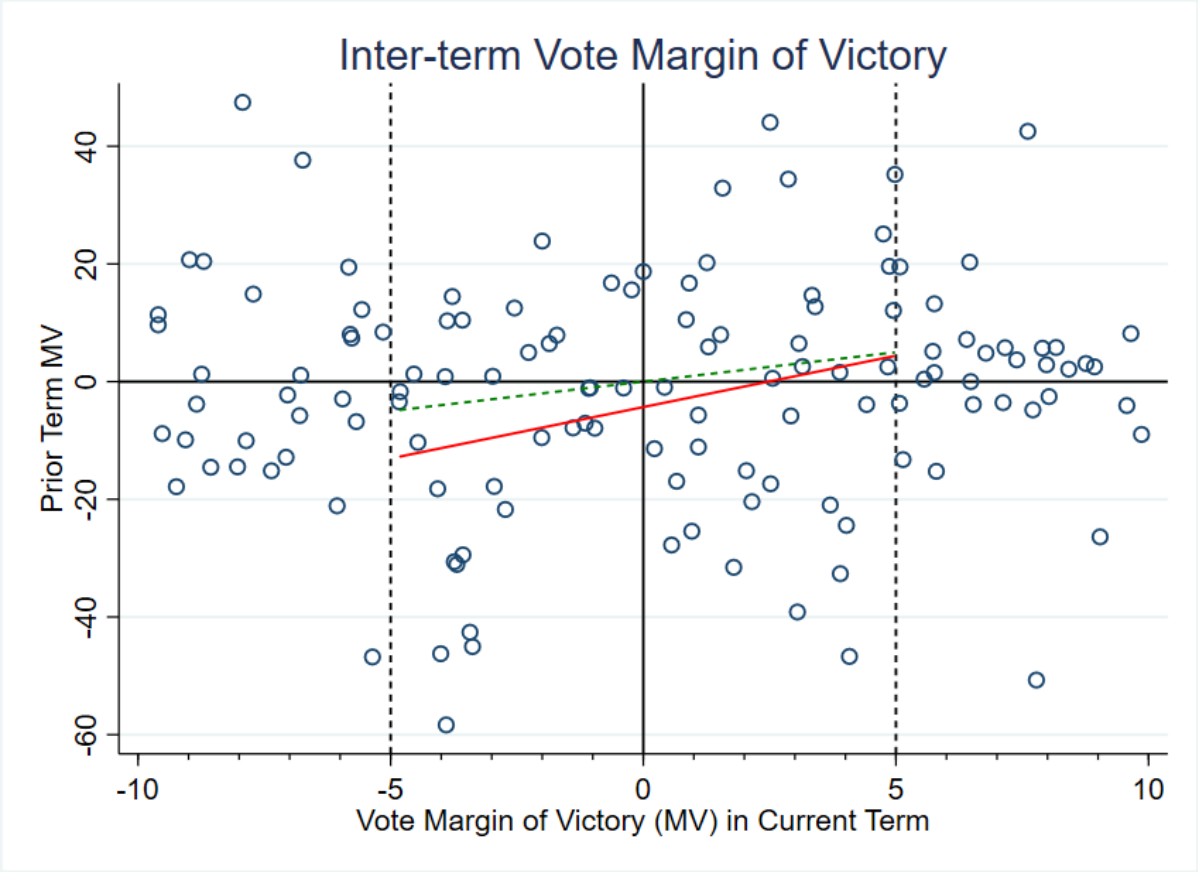
Note: Top five (5) industries in which low-skilled Hispanic immigrants, white natives, and (low-skilled) native adolescents work. It is based on the ACS 2000-2019 working-age population (teens aged 16-17).

A.2 Appendix Figures

Figure A.1: Scatter of Elections Prior/Current Term Vote Share Margin of Victory $MV_{e(it)-1}$, $MV_{e(it)}$

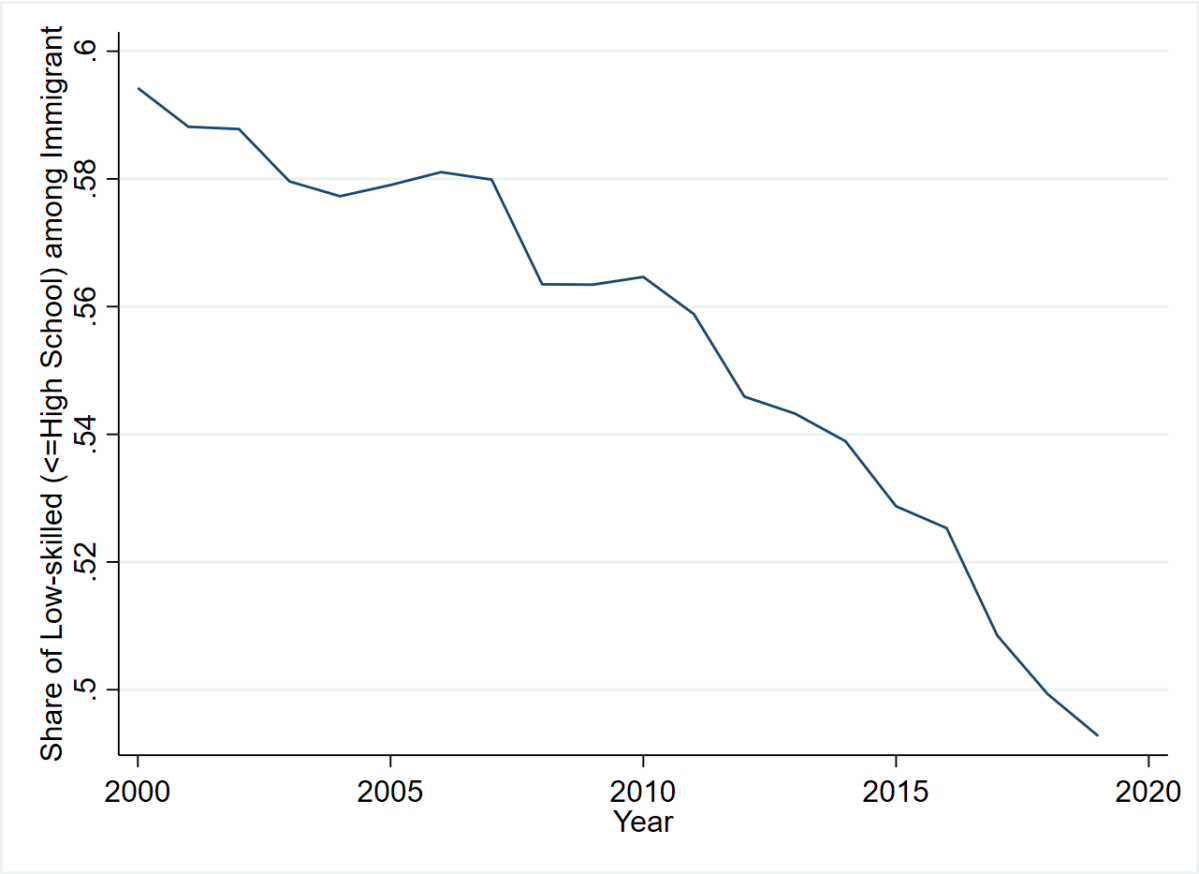


(a) Whole Domain



(b) $|MV_{e(it)}| \leq 10$

Figure A.2: Share of Low-skilled (≤ High School Grad) among Immigrants, ACS 2000-2019

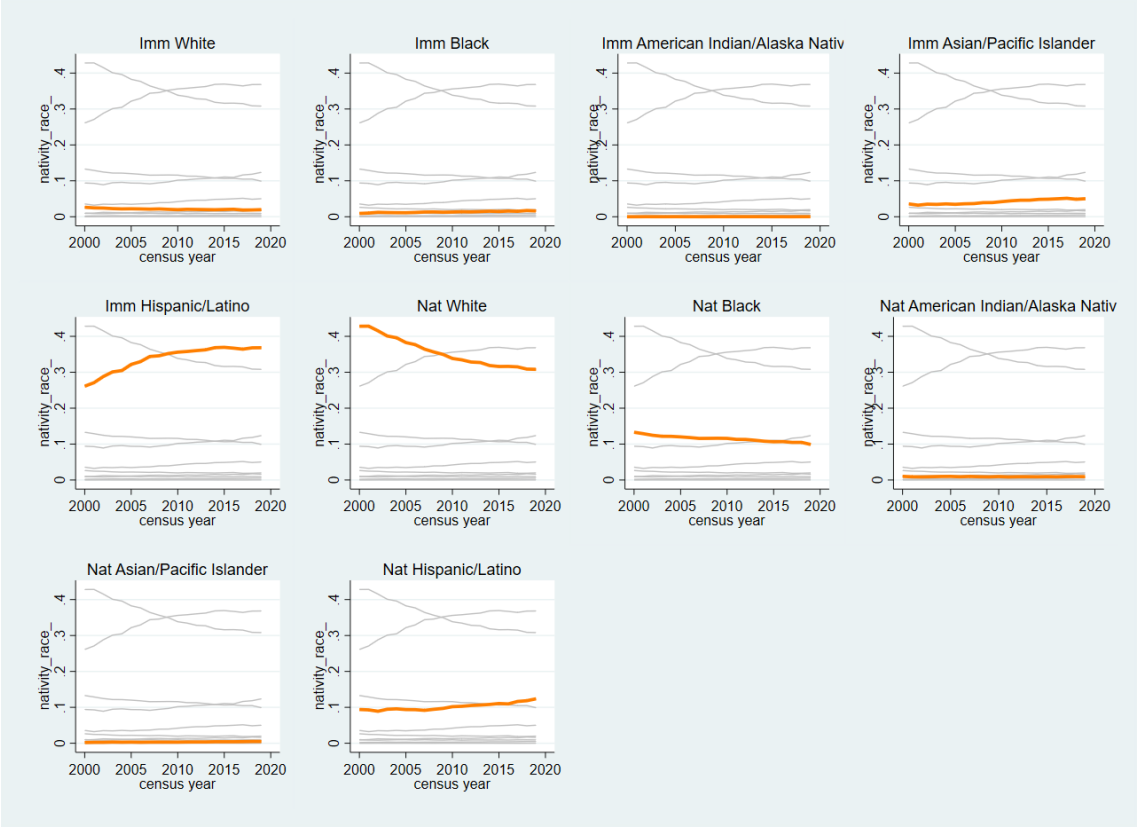


(a) National-level

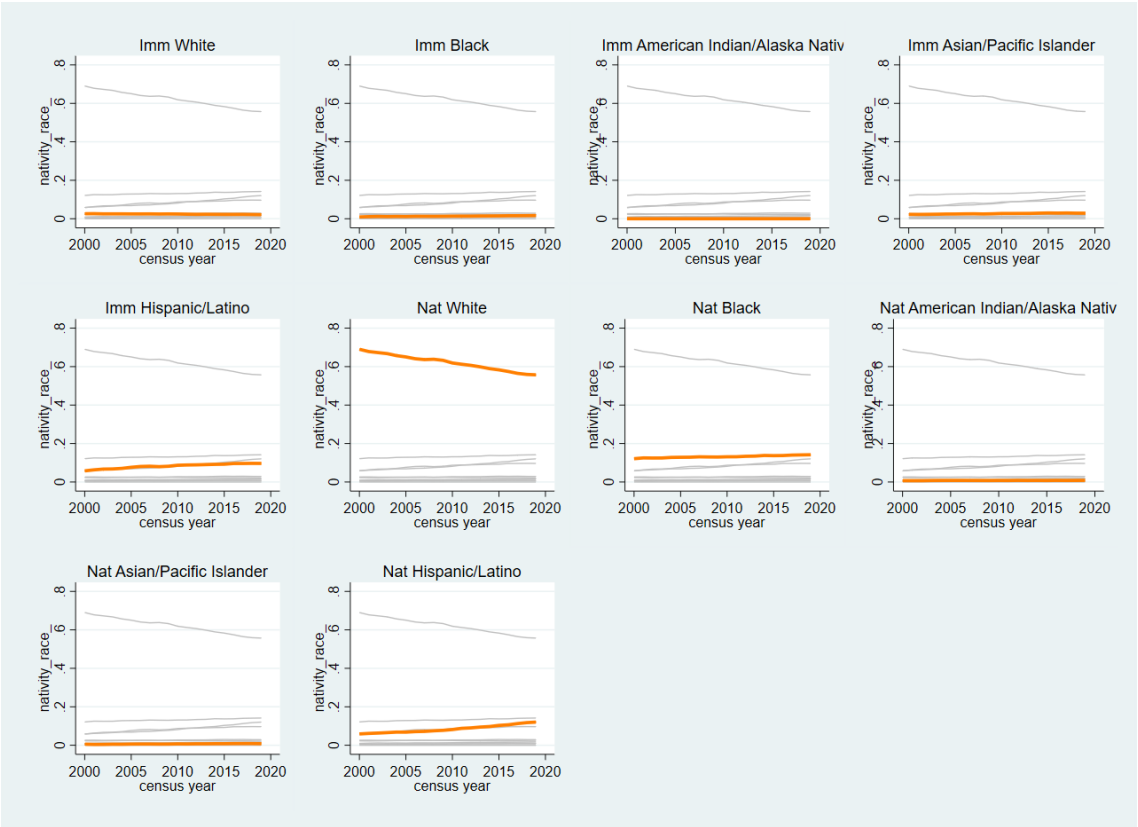


(b) State-level

Figure A.3: Share of Nativity-Racial Groups in Low-skilled ($\leq$ High School Grad) Population, ACS 2000-2019

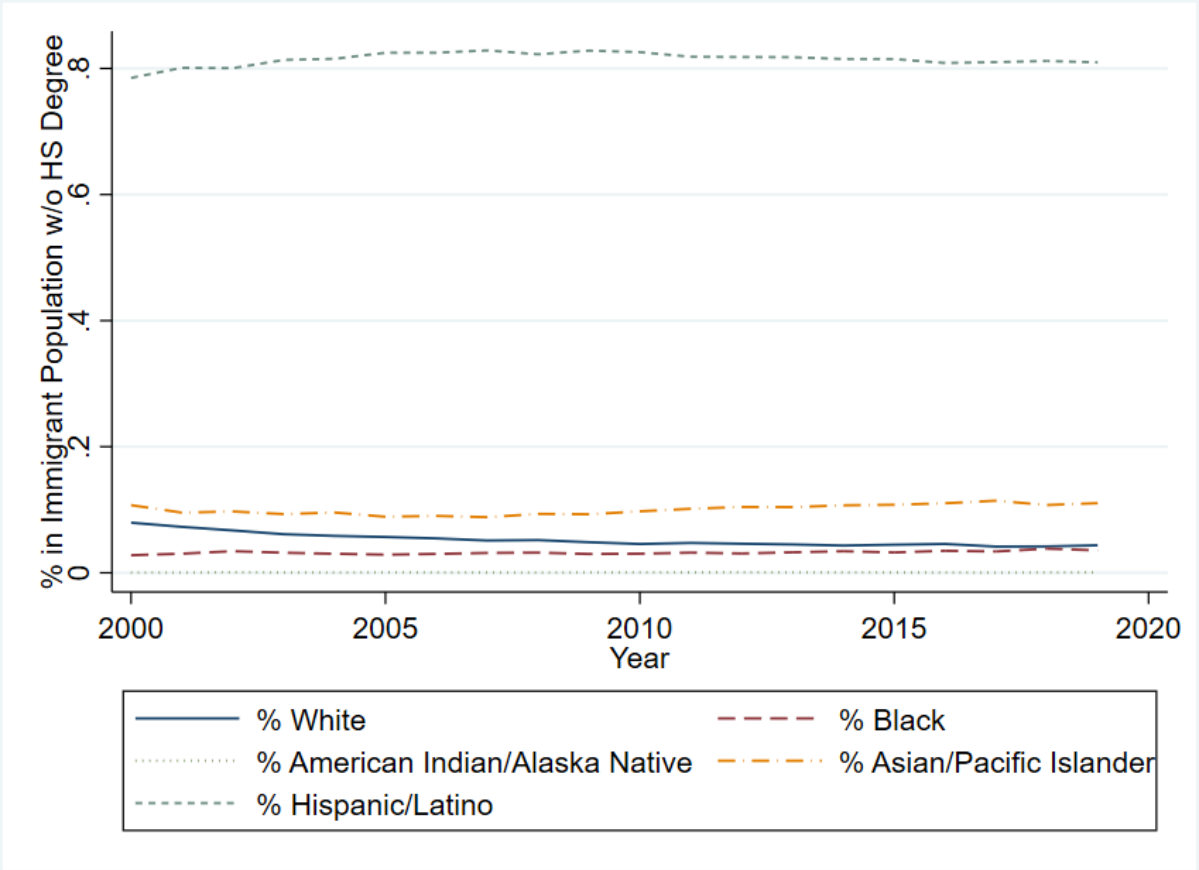


(a) Less than High School

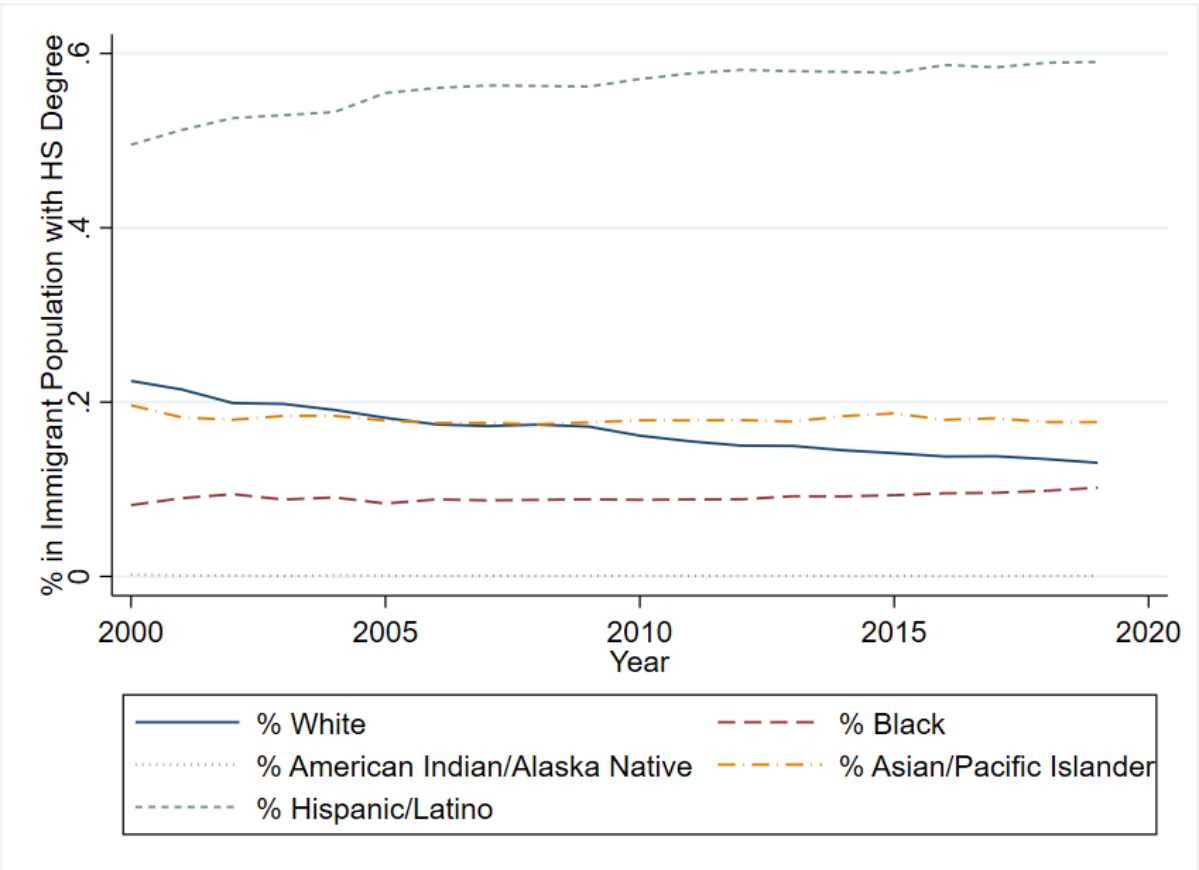


(b) High School Graduate

Figure A.4: Share of Racial Groups in Low-skilled (≤ High School Grad) Immigrants, ACS 2000-2019

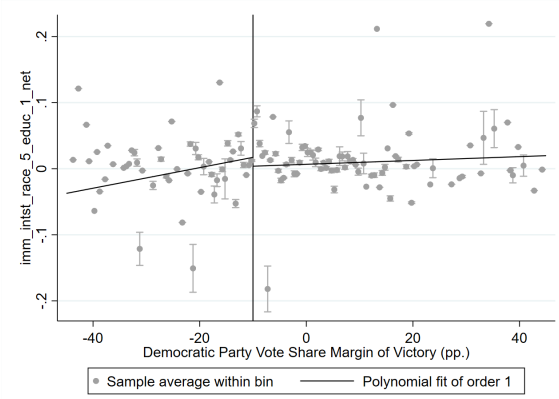


(a) Less than High School

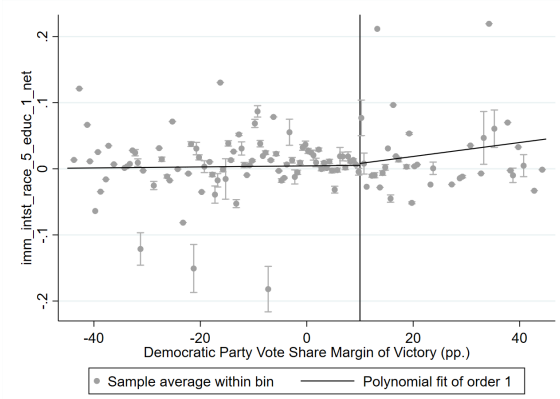


(b) High School Graduate

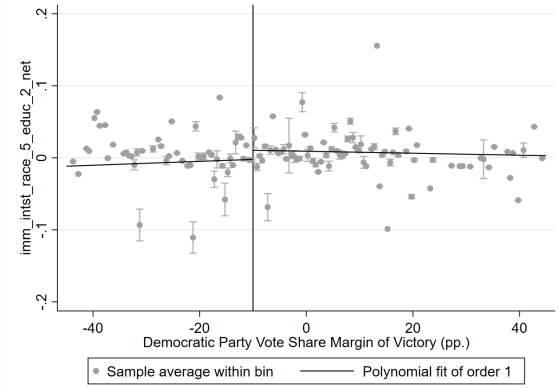
Figure A.5: Placebo Graph of Arbitrary Cutoffs (−10 pp and +10 pp) for Hispanic Immigrant Interstate Netflow



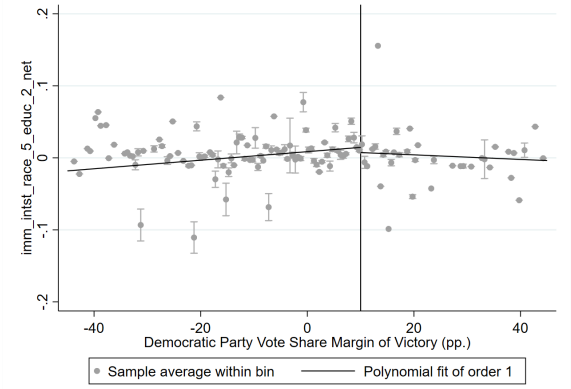
(a) −10 pp Hispanic Immigrant w/o HS Degree



(b) +10 pp Hispanic Immigrant w/o HS Degree



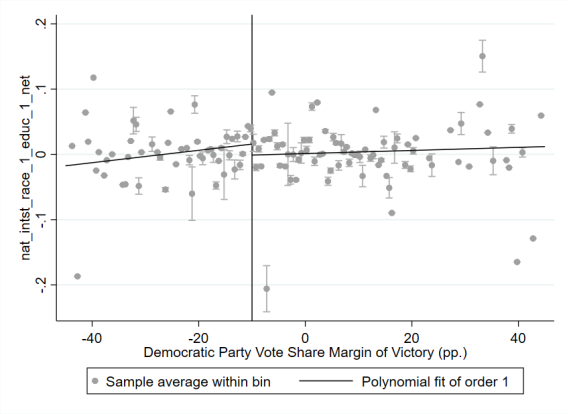
(c) −10 pp Hispanic Immigrant with HS Degree



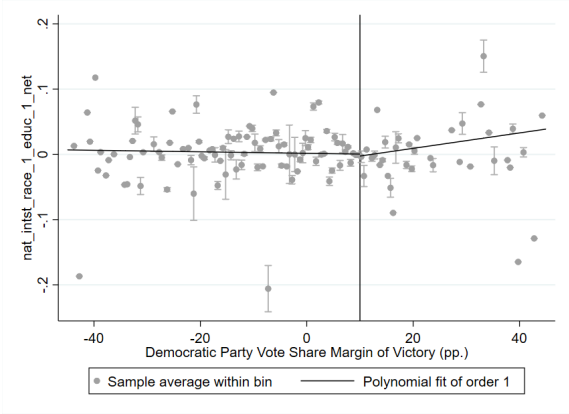
(d) +10 pp Hispanic Immigrant with HS Degree

Note: Each bin corresponds to 0.5 pp vote margin. The specification is the same as the main analysis in Table 3. 95% Confidence Interval is presented.

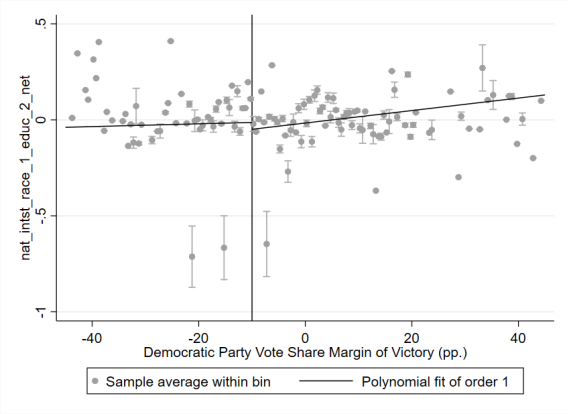
Figure A.6: Placebo Graph of Arbitrary Cutoffs (−10 pp and +10 pp) for White Native Interstate Netflow



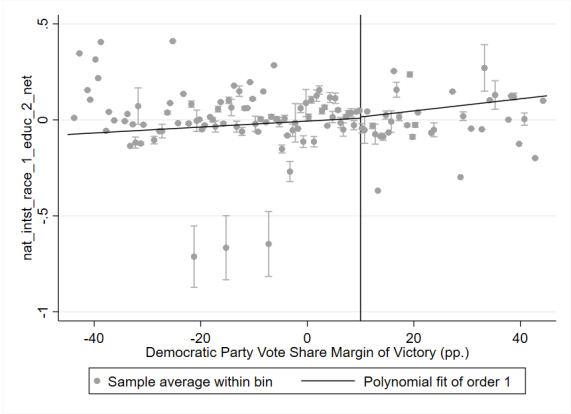
(a) −10 pp White Native w/o HS Degree



(b) +10 pp White Native w/o HS Degree



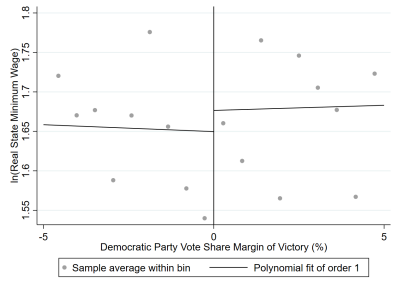
(c) −10 pp White Native with HS Degree



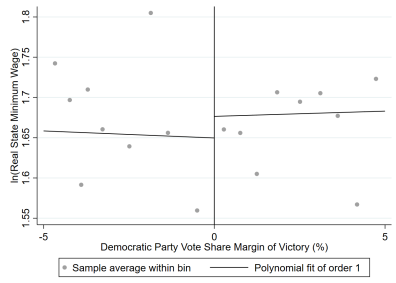
(d) +10 pp White Native with HS Degree

Note: Each bin corresponds to 0.5 pp vote margin. The specification is the same as the main analysis in Table 3. 95% Confidence Interval is presented.

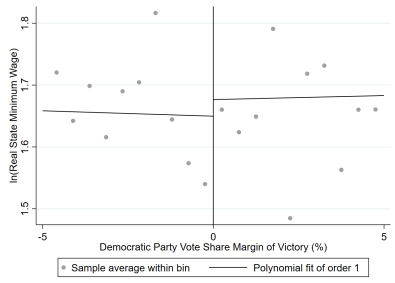
Figure A.7: RD plot - ln(Real State Minimum Wage)



(a) ESMV



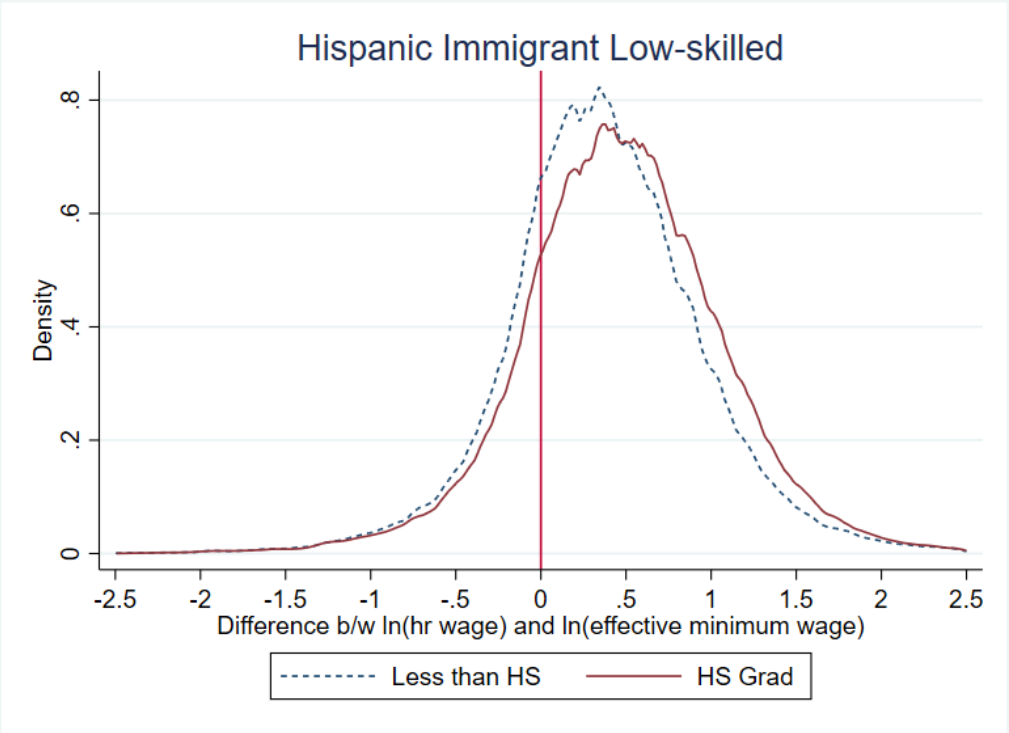
(b) QSMV



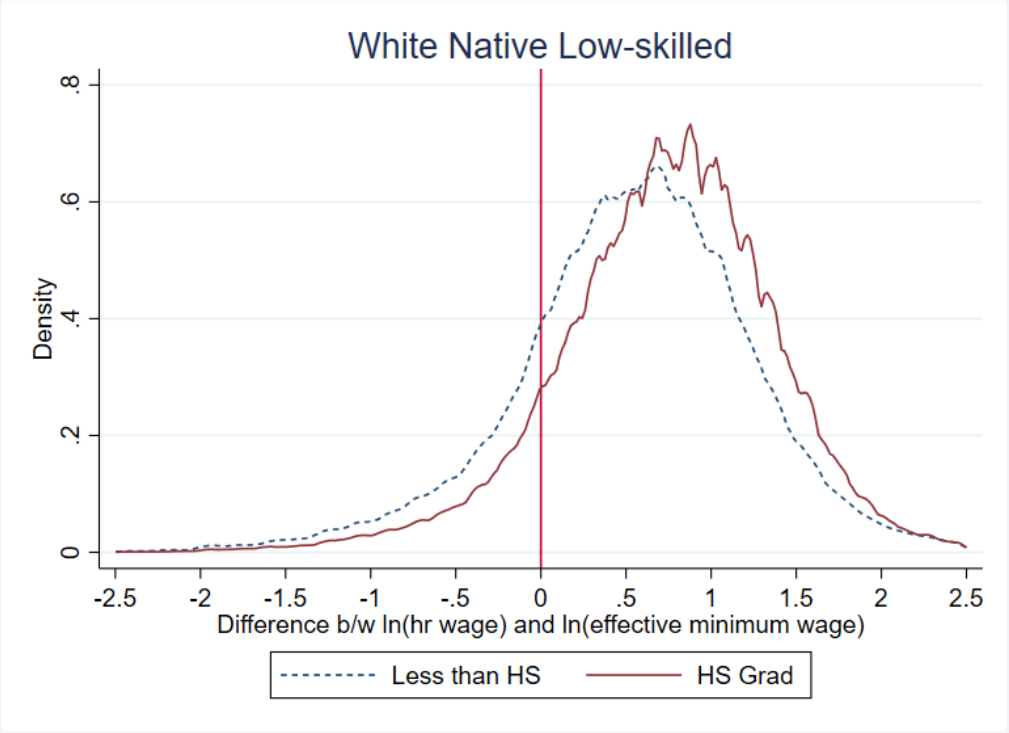
(c) 0.5pp

Note: Specification is same as the main specification in Table 3. Figures are made based on approaches including Evenly-spaced bins from Mimicking Variance method (ESMV), Quantile-spaced bins from Mimicking Variance method (QSMV), and Bins divided by 0.5 pp

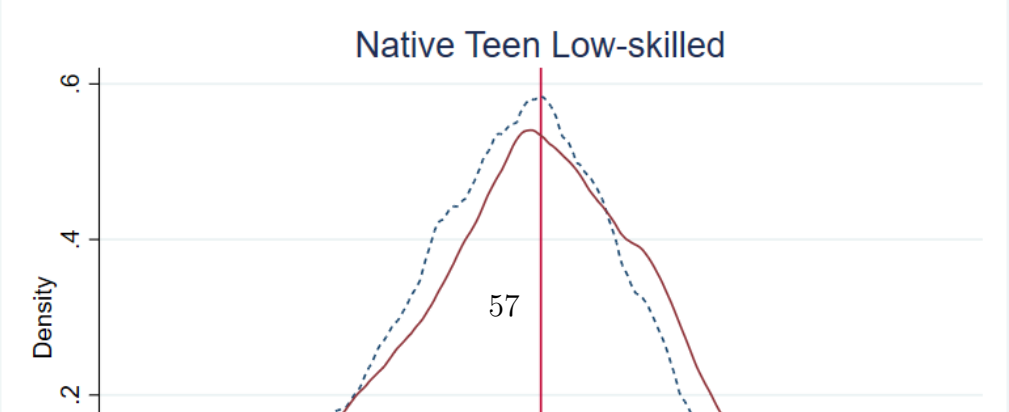
Figure A.8: Kernel Density Estimates of Wage Difference Distributions of Low-skilled Hispanic Immigrants and White Natives



(a) Hispanic Immigrants



(b) White Natives



A.3 Actual Movers

In this study, I focus on annual interstate migration flows by counting individuals who reported they had moved from one state to another. Using *actual movers* in calculating migration flows has some advantages. First, information about relocation offers excludes variations stemming from factors other than internal migration. Factors such as fertility and mortality constantly contribute to the changes observed. Across different generations and diverse demographic groups, the factors amplify variation.

The dynamics of the labor market also play a role in shaping migration flows. Many papers about labor shock, mobility, and spatial adjustment employ the model and empirical approach in the seminal work by Blanchard and Katz 1992. The standard practice identifies the net migration flows as the residual from a regression of change in log population on change in log employment, change in log employment rate, and change in log labor participation rate. Using the relocation information of individuals does not require assumptions for identification based on the residuals.

Furthermore, using *actual movers* also allows separate identification of interstate migration inflows and outflows. Rather than just getting a net change in population stock, such decomposition of net interstate migration flows would point out the primary element that causes the overall migration pattern. Moreover, using *actual movers* and focusing on interstate migration explicitly excludes variations caused by migration abroad. Reliable measurement for emigration out of the US is limited, and a systematic difference seems to exist in migration incentives between interstate movers and newcomers from abroad.[52]

Therefore, I use the relocation information of individuals and focus on interstate migration. I implement the measures of studies that examine the impact of the political shock on the internal migration of immigrants in European cases (Bracco et al. 2018; Cerqua and Zampollo 2022) and augment them for internal migration flows of the working-age population.

The main sample focuses on working-age individuals ages 18-64 who are not actively enrolled in school and do not live in group quarters.[53] I define everyone born abroad as an immigrant and anyone born in the US as native[54]. If an individual replies he/she resided in another state a year ago, I consider the individual an interstate mover. The unilateral migration flows are generated by aggregating interstate movers by either an origin (outflow) state or a destination (inflow) state.[55]

I specifically focus on low-skilled native white individuals as a comparison group for low-skilled Hispanic immigrants for the following straightforward reasons: (1) Low-skilled white natives are known as the key group competing with low-skilled (Hispanic) immigrants in the US labor market, and (2) low-skilled white natives and low-skilled Hispanic immigrants represent the largest skill-nativity-race cells among low-skilled workers in the U.S. economy. As depicted in Figure A.3, throughout 2000-2019, the proportion of Hispanic immigrants without a high school diploma increased from 26% to 37%, while native white workers without a high school diploma saw a decline from 43% to 31%, but still remain one of the two largest groups. Among workers with a high school diploma, native white workers consistently have the highest share, although it decreased from 69% to 56%. On the other hand, Hispanic immigrants maintain their presence as one of the top four groups among workers with a high school diploma, albeit with a smaller share.

52. Appendix A.4 addresses The problem of measurement and the difference in migration incentives.

53. According to Molloy, Smith, and Wozniak 2011, excluding individuals in group quarters is important. Before 2006, ACS did not cover group quarters residents, who had a higher inclination to move than other residents. IPUMS' warning also suggests excluding the group quarters in the main analysis for all years.

54. I count an individual born abroad to a US citizen as native.

55. I take outflows from Washington DC and Puerto Rico to other states, while excluding inflows to Washington DC and Puerto Rico from other states. See Appendix section A.5.

A.3.1 Using Change in Log Population

This paper is closely related to the literature on labor shock, mobility, and spatial adjustment. This literature embraces papers using the vector autoregressive (VAR) approach and IV approach[56]. The papers employing the VAR approach are based on the model and empirical approach in the seminal work by Blanchard and Katz 1992. The standard measure of migration in the VAR approach is the change in log population. The papers identify the net migration flows of labor as the residual from a VAR regression of change in log population on change in log employment, change in log employment rate, and change in the log labor participation rate. Also, some papers use the change in log population as the main dependent variable through different identification approaches and consider the variables in the BK model papers. They further extend this literature by employing Bartik IV (Cadena and Kovak 2016; Basso, D'Amuri, and Peri 2019) and the Great Recession (Cadena and Kovak 2016) as instruments.

By contrast, the main analysis of this paper is based on actual movers who stated they moved to another state a year ago. Using the relocation information of individuals does not require assumptions for identification based on the residuals. It also allows the identification of both inflows and outflows. Nonetheless, testing the robustness of this project's key takeaways using change in log population as the measure and the control variables found in the literature is worthwhile.

In Table **??**, the dependent variable is the yearly change in the log population of low-skilled immigrants and low-skilled Hispanic immigrants. Only the three FE from the main analysis are included in the first three columns: state, election year, and on-off cycle with the presidential election. The next three columns control for the yearly change in the population's log employment, the annual change in the population's employment rate, and the annual change in the population's labor participation rate. The last three columns further limit the samples to state-year observations with populations greater than 1,000.

In column 5, the coefficient estimates for those without a high school diploma is -0.010 and -0.045. This finding suggests a state with a Democratic governor experienced a 1 pp and 4.5 pp smaller yearly change in population of immigrants and Hispanic immigrants without a high school diploma, respectively. Similarly, the coefficient estimate of -0.017 for Hispanic immigrants with a high school diploma in column 6 means a state with a Democratic governor saw a 1.7 pp smaller yearly change in Hispanic immigrants. Therefore, the main findings of the paper remain robust to using change in log population as the measure and the control variables found in the literature using the VAR approach.

A.4 Measurement

In migration studies, a common approach is to assess population changes over time in a specific geographic region, like a state, county, or metropolitan statistical area (MSA). This can be done by examining annual population growth rates or comparing growth rates between two years at the start and end of the analysis period. These measures can be expressed in logarithmic form, as proportions of specific groups within the population, or as simple numerical values. The population of interest could be divided into different subgroups based on factors like nativity, age, gender, education level, occupation, industry, and more.

However, in this project, I use individuals who reported that they lived in another state one year ago to generate annual interstate migration flows. It is to avoid potential variation

56. There are many approaches to study spatial adjustment. Such approaches include VAR, (Bartik) IV, and exogenous shocks like The Great Recession: Blanchard and Katz 1992; Decressin and Fatás 1995; Obstfeld and Peri 1998; Beyer, Smets, and Pijoan-Mas 2015; Arpaia et al. 2016; Cadena and Kovak 2016; Dao, Furceri, and Loungani 2017; Basso, D'Amuri, and Peri 2019.

in population due to reasons other than interstate migration such as mortality, fertility, and outmigration to abroad.

It is true that moving from the US to another country is always a potential option for anyone. For immigrants in the US, who make up a significant portion of the population, return migration would be an outside option that always exists. Additionally, it is important to consider the higher risk of deportation faced by low-skilled immigrants in the US.

However, I focus on interstate migration flows, not migration in/outflows from abroad. ACS basically does not provide information about individuals who move from the US to abroad each year. Therefore, there is no measure of outflows to abroad if I count individuals as I do in generating other flows. Nevertheless, I could get the *outflow to abroad* by getting residuals from the following:

$$S_{i,t} = S_{i,t-1} + I_{i.t}^{Intst} - O_{i.t}^{Intst} + I_{i.t}^{Abrd} - O_{i.t}^{Abrd} + \epsilon_{i,t}$$
$$O_{i.t}^{Abrd} = S_{i,t-1} - S_{i,t} + I_{i.t}^{Intst} - O_{i.t}^{Intst} + I_{i.t}^{Abrd} + \epsilon_{i,t}$$

where I assume $S_{i,t}, S_{i,t-1}, I_{i.t}^{Intst}, O_{i.t}^{Intst}, I_{i.t}^{Abrd}, O_{i.t}^{Abrd} \geq 0$. That is, annual change in the stock of population of interest minus netflow from interstate migration will give net change from international migration; I have inflow from abroad which means I have outflow to abroad and some errors left.

However, there is a significant share of cases in which I get negative $O_{i.t}^{Abrd}$, which might be due to $\epsilon_{i,t}$ or measurement errors. The number of observations is very significant in their size among 1020 state $\times$ year observations.

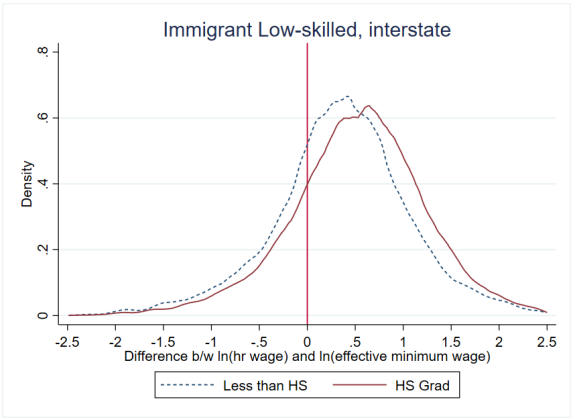
Furthermore, (Hispanic) low-skilled immigrants coming from abroad are paid less than (Hispanic) low-skilled immigrant interstate movers. Table A.8, Figures A.9, and A.10 show this fact. This fact is likely due to their very short experience in the US labor market among newcomers. Different wage distributions could indicate different incentive schemes. Also, most individuals who moved from abroad just got into the US and they could have less information about the US labor market that is related to form migration incentives than the interstate movers. Therefore, it is possible that there is a systematic difference in migration incentives between newcomers from abroad and interstate movers. Thus, this paper just focuses on the interstate migration flows, leaving migration flows from and to abroad for a future project.

Table A.8: Mean Log Real Wage of Interstate Movers vs. Newcomers from Abroad - Low-skilled Immigrants

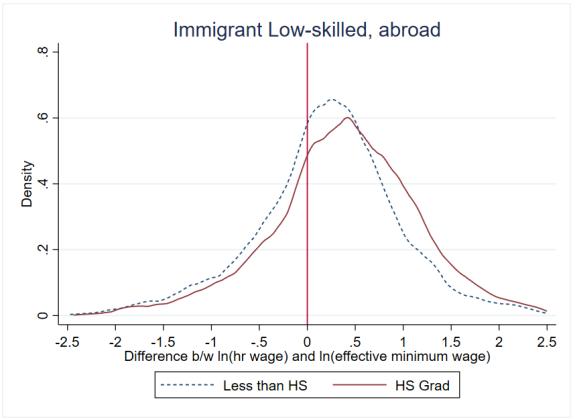
Mean log real wage from ACS 2000-2019	Interstate Movers	Newcomers from Abroad
Low-skilled Immigrants		
$<$ HS	2.002911	1.890162
HS Grad.	2.188377	2.077788
Low-skilled Hispanic Immigrants		
$<$ HS	2.012669	1.847604
HS Grad.	2.09715	1.880695

Note: From ACS 2000-2019, individuals are restricted in the same way as the main analysis. Real values are in 1999 dollars.

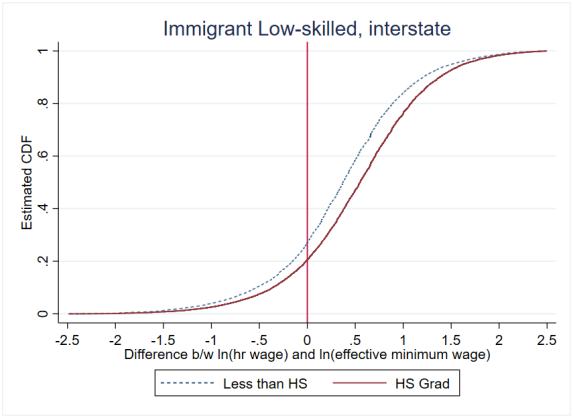
Figure A.9: Density Estimates of Wage Difference of Low-skilled Immigrants



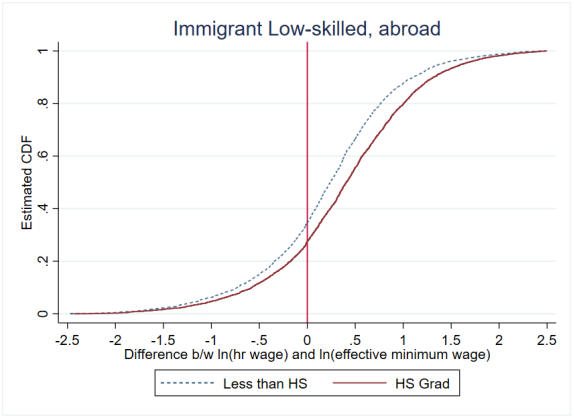
(a) Imm. interstate movers - Kernel Density



(b) Imm. from abroad - Kernel Density



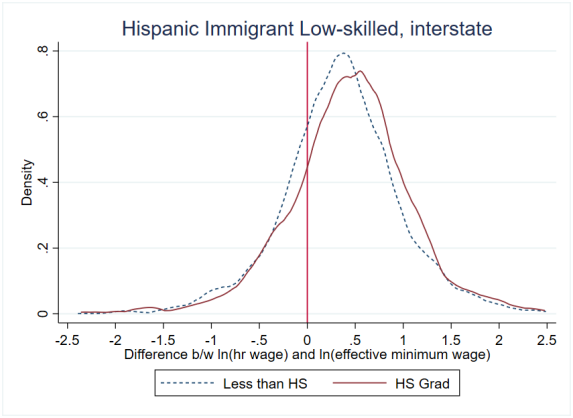
(c) Imm. interstate movers - CDF



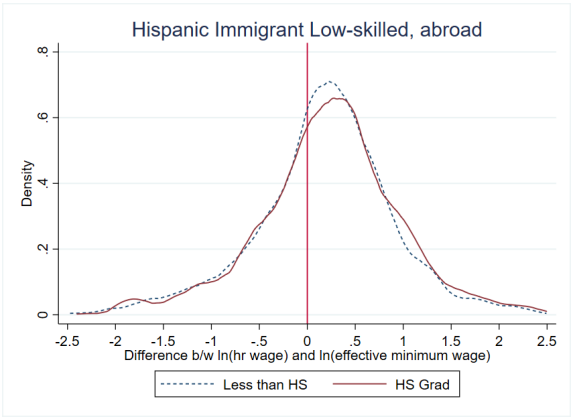
(d) Imm. from abroad - CDF

Note: From ACS 2000-2019, individuals are restricted in the same way as the main analysis. Wage difference = log(real hourly wage) − log(real effective hourly minimum wage). Effective minimum wage := max(Federal minimum wage, State minimum wage). Real values are in 1999 dollars. The differences exceeding |2.5| are excluded from the analysis for a better illustrative purpose. Wage is adjusted for year-round responses about the past 12 months ' information (The ACS collects responses throughout the whole year. ACS asks for income information for the previous 12-month period. The Census Bureau offers an additional variable called ADJUST, which adjusts dollar amounts to what they would have been if earned totally throughout the calendar year.).

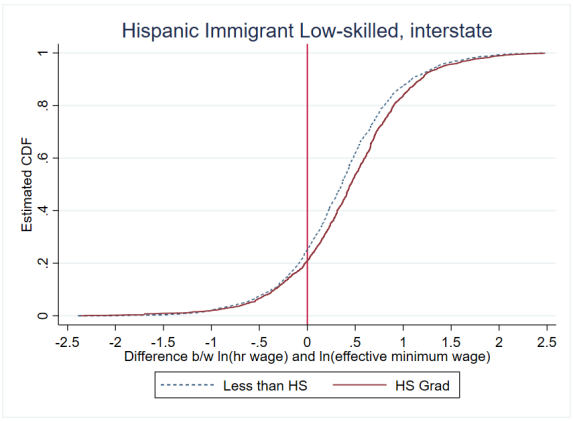
Figure A.10: Density Estimates of Wage Difference of Low-skilled Hispanic Immigrants - Interstate Movers vs. Newcomers from Abroad



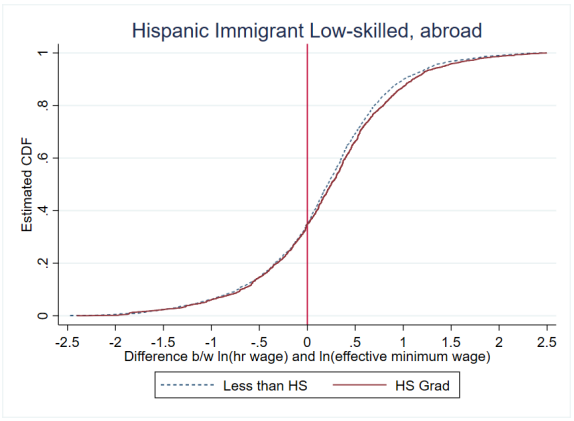
(a) Hisp. Imm. interstate movers - Kernel Density



(b) Hisp. Imm. from abroad - Kernel Density



(c) Hisp. Imm. interstate movers - CDF



(d) Hisp. Imm. from abroad - CDF

Note: From ACS 2000-2019, individuals are restricted in the same way as the main analysis. Wage difference = log(real hourly wage) − log(real effective hourly minimum wage). Effective minimum wage := max(Federal minimum wage, State minimum wage). Real values are in 1999 dollars. The differences exceeding |2.5| are excluded from the analysis for a better illustrative purpose. Wage is adjusted for year-round responses about the past 12 months ' information (The ACS collects responses throughout the whole year. ACS asks for income information for the previous 12-month period. The Census Bureau offers an additional variable called ADJUST, which adjusts dollar amounts to what they would have been if earned totally throughout the calendar year.).

A.5 Data - American Community Survey, 2000-2019

Table A.1 presents summary statistics of annual net interstate migration flows in the first year of an office term. Within the |5|pp vote share margin of victory bandwidth, the statistics are divided by partisanship. I further categorize low-skilled individuals based on whether they completed high school. This division enables a more detailed analysis of migration responses, capturing the skill distributions of key subpopulations: Hispanic low-skilled immigrants and white low-skilled natives.[57] The average annual net interstate migration flows of immigrants, low-skilled immigrants, and low-skilled Hispanic immigrants are smaller in states with Democratic governors than in states with Republican governors. On the other hand, netflows of low-skilled white natives are higher in Democratic states than in Republican states. Given the fact that low-skilled white natives and low-skilled Hispanic immigrants represent two largest

57. It is true that individuals without high school diploma and with the diploma may work on the same job and tasks, in particular among immigrants partly due to skill downgrading, the skill distributions of Hispanic low-skilled immigrants and white low-skilled natives are different. Most of Hispanic low-skilled immigrants do not have high school diploma while white low-skilled natives have both groups with a good size. See Figure A.3.

nativity-race cells among low-skilled workers in the U.S. economy[58] and that they are known for competition in the labor market, their opposite migration patterns are very interesting.

I use the ACS for 2000–2019 provided by IPUMS USA Ruggles et al. 2022 to compute the annual interstate migration flows. The data include the important mobility variables from 2000. Due to the effect of COVID-19, the primary study only covers the period from 2000 to 2019 and does not include 2020 or later[59]. The migration information includes whether an individual moved, the timing of the move, the type (by crossing county/state/national border) of migration, origin, and destination.

Using ACS provides some advantages. First, ACS is a representative dataset that provides accurate counting and analysis in studying interstate migration of foreign-born (and US-born) individuals divided by nativity, education level, race, and ethnicity. Second, both legal and illegal immigrants are represented in the ACS sample (Cadena and Kovak 2016). I focus on low-skilled immigrants, and the estimated share of undocumented individuals among them ranges from 18% to 20%. Including (possibly) unauthorized immigrants in the analysis is important.[60] Third, imputation-induced migratory response inflation poses no risk to ACS. In other publicly available data sources, exclusion from imputation is important because of highly weighted migration estimates in certain periods[61]. In ACS, this problem is not a big concern[62].

The main sample focuses on working-age individuals ages 18-64 who are not actively enrolled in school and do not live in group quarters.[63] I define everyone born abroad as an immigrant and anyone born in the US as native[64]. If an individual replies he/she resided in another state a year ago, I consider the individual an interstate mover. The unilateral migration flows are generated by aggregating interstate movers by either an origin (outflow) state or a destination (inflow) state.[65]

I use state-level voting data in US gubernatorial elections from 2000-2019 from the Atlas of US Elections by Leip 2022 to derive important election variables, including the winning party and vote-share margin of victory. It is the percent difference of votes cast for the winner and the second-place contender in elections in which either a Democraticor Republican won. If a Democraticwon, the value is positive; if a Republican won, it is negative. The margin of victory remains constant across years in an office term.

National Welfare Data from Kentucky Center for Poverty Research 2023 provide additional state-level data on the population, employment, unemployment, welfare, poverty, and politics. Economic outcomes such as per-capita personal income come from the Bureau of Economic Analysis (BEA). State tax rates by year come from the Book of the State.

Due to the effect of COVID-19, the main analysis of this study covers the period from 2000 to 2019 and does not include 2020 or later. The majority of industries stopped operating in the early stages of the pandemic, and the supply crisis persisted for a very long period of time. It should be highlighted that the industries where immigrants, especially those with

58. Also, among low-skilled immigrants in the US, Hispanic individuals constitute about 80% of those without a high school diploma and just less than 60% of those with a high school diploma. See Figure A.4.

59. A detailed explanation is in Appendix Section A.5.

60. In immigration enforcement literature (Amuedo-Dorantes, Bansak, and Zebedee 2015; Bohn, Lofstrom, and Raphael 2014), Hispanic immigrants with less than a high school diploma are often assumed to be undocumented if they are not naturalized.

61. See Kaplan and Schulhofer-Wohl 2012, Molloy, Smith, and Wozniak 2011, and Appendix Section A.5.

62. Nevertheless, to be safe, I changed the imputed migration data to *stayers* in the main analysis.

63. According to Molloy, Smith, and Wozniak 2011, excluding individuals in group quarters is important. Before 2006, ACS did not cover group quarters residents, who had a higher inclination to move than other residents. IPUMS' warning also suggests excluding the group quarters in the main analysis for all years.

64. I count an individual born abroad to a US citizen as native.

65. I take outflows from Washington DC and Puerto Rico to other states, while excluding inflows to Washington DC and Puerto Rico from other states. See Appendix section A.5.

low skill levels, make up a sizable portion of the workforce were those whose closure and sluggish recovery had a big influence on the economy. The abrupt reduction in employment opportunities in these sectors brought on by the closure and the sluggish economic recovery may have an impact on everyone in the economy, regardless of nationality or degree of skill. The fact that immigrants may always migrate back home should be emphasized. Furthermore, low-skilled immigrants may be more affected by Covid-19 than natives because, according to the literature (Borjas 2001; Cadena 2014; Cadena and Kovak 2016; Jaeger 2007), they are more likely to be mobile and respond to economic opportunities than natives.

Papers about internal migration in the US, such as Molloy, Smith, and Wozniak 2011 and Basso and Peri 2020, provide a better understanding of data sources, measures, migration trends, and summary statistics using publicly available data such as Internal Revenue Service (IRS) migration data, Current Population Survey (CPS), and American Community Survey (ACS). In this section, I want to highlight some benefits of using one publicly accessible data, ACS, in this situation. First, ACS offers representative data that enables accurate counting and analysis even when you study interstate migration of groups divided by factors such as nativity, skill level, race and ethnicity, and country of birth. In IRS migration data, it is impossible to split people into groups based on such a wide range of characteristics, and CPS is a bit debatable on the degree of representativeness for the in-depth sub-population at the sub-national level.

Second, both legal and illegal immigrants are represented in the ACS sample (Cadena and Kovak 2016). Note that the main analysis also focuses on low-skilled Hispanic immigrants with/without high school diplomas. Therefore, it is crucial to include (possibly) unauthorized immigrants. In immigration enforcement literature (Amuedo-Dorantes, Bansak, and Zebedee 2015; Bohn, Lofstrom, and Raphael 2014), Hispanic immigrants with less than a high school diploma are often assumed to be undocumented if they are not naturalized.

Third, imputation-induced migratory response inflation poses no risk to ACS. Kaplan and Schulhofer-Wohl 2012 emphasize that imputed values overstate migration in CPS. There are imputed values for migration variables in ACS, but Kaplan and Schulhofer-Wohl 2012 and Molloy, Smith, and Wozniak 2011 both emphasize that the exclusion from imputation is important for the CPS because their approach to imputation caused migration estimates to be weighted higher from 1999 to 2005. In ACS, this problem is not a big concern. Nevertheless, to be on the safe side, I changed the imputed migration data to *stayers* in the main analysis.

There are various instances that should be taken into account in the analysis that employs unilateral migration flows that are collapsed into either an origin (outflow) state or a destination (inflow) state: (1) Since there isn't a governor in Washington, DC, the inflow to that city is not counted in the main analysis. It is unclear if I can compare Washington DC and states on an equal footing, yet the mayor of Washington DC can make decisions that governors can also make. (2) Nevertheless, outflow from Washington DC is counted. Specifically, the migration from DC to each state is condensed into the inflows that each state (unilaterally) receives; (3) No inflows into Puerto Rico or Abroad (emigration) will be counted; (4) However, the migration from Puerto Rico or abroad to each state is combined into the inflows that each state unilaterally receives.

To give a sense of the state-year observations and the number of elections that are included in the main bandwidth, Table 2 presents the number of elections and state-year observations by states that lie in the bandwidth of the |5| pp and |10| pp voting margin. Missing states indicate the state does not lie in the given exemplary bandwidth.[66] The information about the |5| pp voting margin in the table corresponds to the graphical illustration in Panels 2b

66. Table A.2 contains the full history of partisanship of governors from 2000-2019, regardless of vote margin of victory.

and 2c of Figure 2.[67] Panel 2a of Figure 2 illustrates the spatial distribution of the average vote margin over the elections in the time period of the analysis, 2000-2019. The figures could give us a broad sense of the distribution of political orientation over US states.

A.5.1 5pp bandwidth

For all of the regressions of the different dependent variables in the main analysis, I use a |5| pp bandwidth. Although choosing a bandwidth of |5| percentage points in the preferred specifications may appear arbitrary and suboptimal, I suggest several reasons for supporting the particular bandwidth. First, the |5| pp bandwidth provides a more complete picture that makes comparisons easier and more cohesive because I use migration flows of population divided by nativity, skill, and race/ethnicity.[68]

Moreover, the |5| pp bandwidth is crucial to obtain the identifying variation within a *small* bandwidth. Considering political polarization, which is now manifested in geographic political sorting[69], a sizeable number of each party's followers are expected to continue to remain committed in terms of anticipated vote shares in elections. Therefore, the motivation to boost political expenditure even for just a few more votes would be even greater, which in turn stimulates political rivalry (Akey et al. 2022). That being said, the real identifying variation of the effects of a Democratic governor's leadership would be in a narrower bandwidth. The |5| pp bandwidth is sufficiently small, consistent with the tradition of political economy and political science literature, and provides a thorough picture of the migration pattern of the foreign-born population.

A.5.2 Validity of the Research Design

This section further examines the internal validity of the RDD by testing the continuity of the running variable along the cutoff on either density of the vote margin of victory. The key assumption that must hold to use RDD to determine the impact of discontinuity in the outcome of interest is that the players cannot interfere with the assignment of treatment. In this specific instance, the density of the gubernatorial election should be smooth on either side of the cutoff and should not be biased.

Figure 3 provides a result of a manipulation test, which is inspired by the seminary work by McCrary 2008. It contains the estimated density of elections over the vote margin of victory in the year gubernatorial elections were held (pre-treatment period) from 2000 to 2019, 95% confidence interval, and histogram.[70] It failed to reject the null hypothesis. The p-value is 0.6023 and T-statistic is 0.5211. The null hypothesis here is no *manipulation* of the running variable's density at the cutoff has occurred, or more precisely, the density functions for the control and treatment units are continuous at the cutoff. Failure to reject suggests no statistical support exists for sorting or manipulation at the cutoff, which provides proof for the validity of the RDD in this situation and indicates governors have no control over the outcome of the election.

67. Although Hawaii is in the |5| pp bandwidth, along with Alaska, it is omitted from Figure 2 for a clearer presentation of the spatial distribution. The states are counted in the RDD estimation of the main analysis.
68. For example, each dependent variable has its own bandwidth that minimizes mean squared error (MSE) because the distribution of each dependent variable varies across the running variable. When comparing RDD estimates across different dependent variables, obtaining a comprehensive understanding of the interaction between net/in/out flows *within* a specific sub-population and *across* sub-populations can be challenging.
69. See Brown and Enos 2021; Rohla et al. 2018; Cantoni and Pons 2022; Tam Cho, Gimpel, and Hui 2013.
70. The *rddensity* command in the *rdrobust* package developed by Calonico, Matias D Cattaneo, and Max H Farrell 2017 implements manipulation-testing procedures using the global polynomial density estimators and graphical procedures with valid confidence bands, and that provides complementary manipulation testing based on finite-sample exact binomial testing.

A.5.3 Inter-term dynamics of voting margin of victory

Another way to visualize the US gubernatorial elections during 2000-2019 is to focus on inter-term dynamics of the voting margin of victory, as depicted in Figure A.1. For clear visualization, I take only the first year of the term because the voting margin of victory is the same across years within a governor term. From Figure A.1a, I see some interesting facts in the election data: (1) The share of elections within a small vote margin of victory, |5|pp (also |10|pp), is significant; (2) also, a non-negligible number of elections experienced a *shift* in partisanship, supported by the upper-left (*Democrat-to-Republican*) and lower-right (*Republican-to-Democrat*) quadrants; (3) the inter-term-dynamics vote margin of victory shows a positive correlation (solid line); and (4) the positive correlation between two consecutive terms shows political polarization. When you compare the 45-degree line (dashed line), the overall correlation linear fit has a flatter slope. Centered at some point where both margin of victory (MV) is negative and small, political polarization in terms of MV to each side is observed. For example, a Democratic state in the previous term increases the Democratic vote-share margin of victory in the current term; similarly, a Republican state in the previous term lowers the Democratic vote-share margin of victory in the current term. Because this effect also occurs in both the upper right (*Democrat-to-Democrat*) and lower left (*Republican-to-Republican*), political sorting occurs across states throughout time. Figure A.1b restricts the vote margin of victory in the current term to take a closer look at the main sample of RDD analysis. Still, the share of elections within the vote margin of victory of |5| pp is significant. Also, a significant number of both *sifters* and *stayers* are within the |5| pp bandwidth. Within the |5| pp bandwidth, the 45-degree line lies above the linear fit and they do not intersect. Therefore, within the |5| pp bandwidth, the Democratic vote-share margin is extended across states throughout time.

A.5.4 Low-skilled Hispanic Immigrants by Citizenship

Table A.9: Low-skilled Hispanic Immigrant Election-Year Population by Citizenship within |5|pp BW

Variable	Obs	Mean	Std. dev.	Min	Max
Citizen	72	0.755	0.911	0.027	3.950
Citizen, HS	72	0.314	0.375	0	2.266
Citizen, HS Grad	72	0.441	0.587	0	2.569
Non-Citizen	72	2.502	2.682	0	13.641
Non-Citizen, HS	72	1.501	1.667	0	9.444
Non-Citizen, HS Grad	72	1.001	1.093	0	4.664

A.6 Different Estimates of Unemployment Rate between Scenarios by Extent of Spatial Adjustment

Indeed, as the starting point of this exercise highlighted, I also find different estimates of unemployment rates among the low-skilled subgroups between *no-spatial-adjustment* scenario and *spatial-adjustment-allowed* scenario. Having different estimates indirectly indicates that spatial adjustment is really happening after the political shock.

The negative impact of Democratic Governors on the unemployment rate of Hispanic immigrants without high school diplomas is stronger in the *no-spatial-adjustment* scenario in Table **??** compared to the *spatial-adjustment-allowed* case in Table **??**. To enhance comprehension, let's consider an extreme yet illustrative example:

1. Let's begin with a scenario where there are 50 individuals employed and 50 individuals unemployed, resulting in an unemployment rate of 0.5.

2. Now, consider the impact of an increase in the state minimum wage and EITC rate. This may negatively affect the employment prospects of low-skilled Hispanic immigrants and, say, ten of them lost their jobs (or faced a higher likelihood of losing a job or a reduced probability of finding employment). The following two scenarios highlight the difference in unemployment rates:

   (a) In the absence of spatial adjustment, the ten individuals who lost their jobs remain in the state: $\frac{60\ unemployed}{40\ employed\ +\ 60\ unemployed} = 0.6$ unemployment rate

   (b) When spatial adjustment is allowed, to make it extreme but more illustrative, assume that the ten people who lost their job moved out: $\frac{50\ unemployed}{40\ employed\ +\ 50\ unemployed} = 0.555$ unemployment rate

3. In the *no-spatial-adjustment* scenario, the unemployment rate is higher compared to the *spatial-adjustment-allowed* case.

It is worth noting that the positive impact of Democratic Governors on the unemployment rate of low-skilled white natives is stronger in the *no-spatial-adjustment* scenario presented in Table **??** compared to the *spatial-adjustment-allowed* case shown in Table **??**. It is still true that the magnitude of the positive employment effect for white native never-movers without high school diploma is bigger than the case under spatial adjustment. To further aid understanding, let's consider another extreme yet illustrative example:

1. Let's begin again with the scenario of 50 employed and 50 unemployed, so the unemployment rate is 0.5.

2. The impact of the increase in state minimum wage and EITC rate, both directly and indirectly, promotes job prospects of low-skilled white native workers. Say, ten of them got new jobs (or face a reduced risk of job loss or an increased likelihood of finding employment). Furthermore, in the case of spatial adjustment, an additional ten unemployed individuals express a desire to move into the state from another state. The following two scenarios highlight the contrast in unemployment rates:

   (a) In the absence of spatial adjustment, the ten individuals who newly got jobs remain in the state: $\frac{40\ unemployed}{60\ employed\ +\ 40\ unemployed} = 0.4$ unemployment rate

   (b) Assuming spatial adjustment, let's consider a scenario where the ten individuals who have recently obtained jobs choose to remain in the state, while another ten individuals who are currently unemployed move in from another state due to the anticipated higher payoffs resulting from the minimum wage increase, higher EITC rate, and resulting migration dynamics[71]: $\frac{50\ unemployed}{60\ employed\ +\ 50\ unemployed} = 0.4545$ unemployment rate

71. It is generally more likely for people to relocate to another state when they have job offers or at least a reasonable level of certainty regarding employment opportunities in the new location. However, it is worth noting that there may still be unemployed individuals who decide to enter a state (or choose not to leave) in search of improved labor market prospects. To provide a more extreme yet illustrative example, let's assume a relatively high proportion.

3. In the *no-spatial-adjustment* scenario, the unemployment rate is lower compared to the *spatial-adjustment-allowed* case.

A.7 Some Key Papers about Minimum Wage and Location Choice of Immigrants

My results add pieces of evidence that are in line with the papers suggesting that a higher minimum wage repels low-skilled immigrants and attracts low-skilled natives. For example, Cadena 2014 employs variation in minimum wage policies across states in the US and found that a 10% increase in a state's minimum wage corresponds to an 8% decrease in the population of low-skilled recent immigrants[72]. Orrenius and Zavodny 2008[73] and Churchill and Sabia 2019[74] discovered that immigrants may have been discouraged from settling in states with a higher minimum wage. They found several correlations associated with state minimum wage increases: (1) a decline in the proportion of low-skilled (Hispanic/Mexican/non-Hispanic)immigrants residing in the state; (2) an increase in the average years of education among the adult immigrant population in the state; (3) a decrease in the proportion of the state's immigrant population without a high school diploma. (4) an increase in the percentage of native residents with lower levels of education residing in the state[75]. Also, Von Scheven and Light 2012 found that migrants from Mexico and Central America were less inclined to settle in states where the minimum wage exceeded the federal minimum wage during the 1990s.

It is also possible to think of the prediction of the model in Cadena 2014, where price elasticity of labor demand and the separation rate play crucial roles in shaping the relationship between location decisions and the minimum wage[76]. His model concludes that labor markets with less (more) elastic demand and higher (lower) turnover rates[77] are more likely to attract (repel) geographically mobile individuals because they may experience an increase (decrease) in expected income when there is an increase in the minimum wage. When there is an increase in the minimum wage in a labor market with a less elastic demand curve, there would be a smaller decline in equilibrium employment and a smaller decrement in the number of job openings over time. Simultaneously, a less elastic demand curve would result in a smaller

72. He defined *recent* immigrants as those who have been in the United States for fewer than 10 years.

73. Orrenius and Zavodny 2008 used state-level panel regression with state-/year-fixed effects and discovered that immigrants may have been discouraged from settling in states where the minimum wage was significantly higher than the federal minimum. They found no evidence of the statistically significant impact of higher minimum wage on employment or hours reductions among low-skilled adult immigrants without high school diploma. However, they found a positive wage effect. They posed that the geographic mobility, particularly interstate migration (or outmigration to the outside of the US), of the low-skilled immigrants' Mobility induced by the change in minimum wage could possibly explain not finding adverse employment effects of the minimum wage increase from the low-skilled immigrants.

74. Churchill and Sabia 2019 refine Orrenius and Zavodny 2008's work by updating data and empirical approaches and employing additional controls. They control endogenous demographic shares to take into account possible outflows/inflows. To address the endogenous mobility of immigrants in reaction to change in the minimum wage, they control the share of (1) low-skilled Hispanic immigrants (2) low-skilled non-Hispanic immigrants (3) low-skilled natives in the state each year. They found that minimum Wage has an adverse employment effect on Hispanic low-skilled (<high school) Immigrants (aged 20-54), with estimated elasticities of around –0.1. On the other hand, they found mixed but insignificant employment effects for low-skilled natives and they found negative but insignificant employment effects for native teens.

75. This also corresponds to what I have shown in Section **??**.

76. See Equation (3) in Cadena 2014.

77. When there is an increase in the minimum wage in a labor market with a higher separation rate, there is a lower cost associated with being unemployed and getting into the job-seekers pool. At the same time, there will be a greater number of job openings available for job seekers to target. A higher separation rate leads to more new job vacancies at any desired employment level for the firm, which either increases the probability of getting a job or decreases it but not as much as it repels workers who are geographically mobile. However, the findings presented so far cannot tell anything about the separation rate at the moment.

increase in the number of newly unemployed individuals who will get into the job-seekers pool. When these effects are combined, the likelihood of finding employment is reduced to a lesser extent. If the impact of a minimum wage increase on unit labor price dominates, the expected payoff in the labor market could be either increased or it might be decreased but not as much as it repels workers who are geographically mobile. Then, one can think of a conjecture that low-skilled Hispanic immigrants face more elastic demand than low-skilled white natives. Assuming different elasticity of demand for the two groups to explain different migration flows and employment effects implicitly poses that the demand curve for low-skilled Hispanic immigrants and that for low-skilled white natives are different. This might be looking at them as imperfect substitutes for each other.

Turning to the positive employment effect among native teens, there is also a possibility that the labor supply of native teenagers, along with low-skilled white native workers, could meet the labor demand in states where low-skilled Hispanic immigrants have migrated out[78]. The hypothesis in Cadena 2014 shed light on the existence and role of spatial adjustment, suggesting that even among native teenagers, the adverse local employment effects he observed would be lessened compared to a scenario without mobility. He argues that this attenuation would be stronger in areas where a larger proportion of low-skilled workers are in the local labor market[79]. So he hypothesizes that immigrants' relocation away from areas with minimum wage increases can reduce competition for available job openings. Similarly, I argue that the positive employment effect for native teens in Table **??** may result from the mobility of immigrants.

B Identification Strategies with Focus on Within-State Variation

RDD is a valuable tool to address potential endogeneity issues in the context of the paper, in particular, the one that might arise from reverse causality through the argument of *voting-with-their-feet*, for example. RDD assumes the states with close election outcomes in each party are comparable to each other as long as the bandwidth is narrow enough.

However, one may still think the effect of having a Democratic governor should be captured by "switches" in the party of governors *within* a state across office terms. According to this argument, the "shock" in incentives would be realized only if a significant "shift" occurs in policies in a state. I may use a "flip"[80] in a political party that wins the state's gubernatorial election as a proxy for the shift in relative attractiveness caused by policies.

Although I should focus on within-state variation through a switch of partisanship, note the core identifying assumptions of RDD and DID are different from each other. As mentioned earlier, local linear RDD estimation in this paper focuses on observations that are close to the cutoff to get very *similar* ones to each other except for treatment assignment, the governance of the Democratic Party in this context, which is random (or as good as a random situation, such as a *coin-toss*). On the other hand, DID requires a parallel pretend to get a good pairing

78. The increase in the state minimum wage may have a negative first-order impact on the employment prospects of native teenagers (and potentially low-skilled white native workers as well). Because the majority of native teenagers, particularly those aged 16 to 17, are still enrolled in school, they have limited geographic mobility. Their location choices are tied to their families, rather than being independent decisions, which further restricts their ability to seek employment opportunities in different areas.

79. To address this assertion, Table 6 in Cadena 2014 introduces an interaction term that examines the varying local employment impacts of the minimum wage based on the share of recently arrived low-skilled immigrants. Although the statistical significance of the interaction term is not extremely strong, it shows a sizable positive employment effect. According to this positive correlation, when the minimum wage is increased, the shift in teen employment is less severe in states with higher immigrant populations.

80. I use the terms "shift," "switches," and "flips" interchangeably in this paper.

of treatment group and control group. Treatment assignment in this context is not random unless I put more restrictions on samples and assumptions. Nevertheless, both RDD and DID provide advantages in this study. Therefore, this section addresses possible approaches that exploit within-state variation over time, by using both RDD and DID. I extend RDD in a DID style and employ DID that accounts for staggered adoption of treatment that is reversible.

B.1 Extension of RDD: Within-State Variation

Note the main results from RDD include close election outcomes that saw a switch in partisanship and that stayed the same in either party, for at least two consecutive terms. To utilize the within-state variation more intensively, an intuitive extension of the RDD estimator in a DID framework can be done by restricting the RDD sample to state $\times$ year observations where they have Republican governors in the prior office term. The RDD will then divide the election outcome of the second term to be either Republican (*stay*) or Democratic(*switch*) by a small margin. This approach would correspond to getting an effect from *treatment* (Republican-to-Democraticswitch) term in typical 2 $\times$ 2 DID specifications. Then, running RDD using the restricted sample would provide some advantages: (1) Within-state variation is taken into account; (2) within the two-term window, I use never-treated units as the control group. Therefore, I can avoid potential bias from negative weights that may be posed on already treated units when they are counted in the control group (De Chaisemartin and D'Haultfœuille 2020); and (3) I have exogenous identification of partisanship divergence in the second period provided by the randomness from a small bandwidth.

Table A.3 presents the results from RDD estimation using the restricted sample. Here, the treated group is the group that switched from Republican to Democratic(Republican-to-Democrat) and the control group is the group that started out and remained Republican (Republican-to-Republican). Due to the restriction, the number of observations and the standard errors are small. The results are consistent with the main results in Table 3. Remarkably, the results from the entire group are impressive. Compared with states that maintained Republican leadership, Republican-to-Democraticstates demonstrate smaller inflows and bigger outflows from low-skilled Hispanic immigrants and bigger inflows and smaller outflows from low-skilled white natives. These findings emphasize the robustness of the paper's main results, even in a straightforward but intuitively extended RDD analysis. Due to the small number of observations, when I control for all three FE, state, election year, and sync with the presidential election, the standard errors are small because I push the data with restrictions and many parameters. Nevertheless, the results remain robust when I keep only state FE, which are the most essential in this exercise that focuses on within-state variation.[81]

With the restricted sample, I can take one more step to extend the RDD estimator, by using $\Delta Flows = AVG\ Flow_{e(it)} - AVG\ Flow_{e(it)-1}$, which is the difference in average flows between two consecutive office terms. Having the first-difference feature corresponds to getting the effect from the *post* term in typical 2 $\times$ 2 DID specifications. Also, it is a first-difference approach across two consecutive governor terms. Then, I run RDD using the

81. I point out that state FE are the most essential among the three FE, because this exercise that restricts the sample is related to the election year and its cycle. For the whole restricted group, both shifted and remained, they are concentrated in *off-the-Presidential-election-cycle* years: 1998, 2002, 2006, 2010, 2014, and 2018. Also, the observations that shifted are concentrated in the *off-the-cycle* years: 1998, 2002, 2006, and 2010. Therefore, to loosen the constraint from the number of parameters, I lifted election-year FE and election-cycle sync FE that potentially weigh observations in off-the-cycle years. Still, I kept state FE that captures time-invariant state factors, including own political history and the political orientation of each state, because I think the time-invariant state factors should be controlled for even when I focus on *within-state* variation for better estimation.

difference as the dependent variable based on the restricted sample. It provides estimates in the RDD-DID style. The advantages of this exercise are the same as above.

Table A.4 presents the results from RDD estimation using $\Delta Flows$ as the dependent variable based on the restricted sample. In particular, I take $\Delta ln(AVG\ Flow + 1)$ as a measure to account for zero values in annual flows when calculating the average annual flow at the governor-term level. Due to its mechanical nature, one can infer the outcomes for netflows from estimates coming from inflows and outflows. I also employ $\Delta asinh(AVG\ Flow)$, the difference in inverse hyperbolic sine (IHS) transformation[82] as another type of dependent variable, because it is defined at zero. One can also infer the outcomes for netflows from estimates coming from inflows and outflows.[83] The results show the robustness of the main findings of the paper. Again, when compared to states that maintained Republican leadership, states that underwent a transition in governor partisanship from Republican to Democraticdemonstrate smaller inflows and bigger outflows from low-skilled Hispanic immigrants and bigger inflows and smaller outflows from low-skilled white natives. Due to an even smaller number of observations, when I control for all three FE, state, election year, and sync with the presidential election, the standard errors are small because I push the data with restriction, first difference, and many parameters. Nevertheless, the results remain robust when I keep only state FE, which is the most essential in this exercise that focuses on within-state variation.

B.2 DID under Staggered Adoption of Reversible Treatment

Nonetheless, the idea that the effect of having a Democratic Governor should be captured by "switches" in the party of governors *within* a state may still hold. Furthermore, the question about the external validity of the research design may still exist, whereas RDD approaches have strong interval validity within a specific small bandwidth, due to the nature of RDD. If the main takeaways of the paper are robust under an identification strategy that covers all observations on the space of the vote margin of victory, the credibility of the main finding would be reinforced.

In this regard, DID can be an effective empirical tool for using the switches within a state to capture the influence of having a Democratic governor. I define having a Democratic governor as being treated and having a Republican governor as being untreated.[84] In framing the US gubernatorial election records as the DID setting, understanding its nature is vital. One of the important features is that the treatment, switching from Republican to Democraticin this context, is realized in different states at different times (elections). Therefore, I have to think about problems arising from the *staggered adoption of treatment* and the problem of having negative weights in two-way FE (TWFE) models receiving attention in the econometric literature.

Another important feature in this setting is that switches from Republican to Democraticis *reversible*. The opposite switches from Democraticto Republican can always happen; that is, *reversibility of treatment* can occur. Technically, this switching back is possible for all states and is presumably more likely for swing states. Therefore, the "on-and-off" of treatment status should be taken into account when identifying the impact of interest.

Fortunately, the recent renaissance of the DID literature provides approaches that deal with these problems. To implement a more rigorous DID approach with broader use of units in the data, I take De Chaisemartin and D'Haultfœuille 2020's approach, which allows

82. The definition of the function in terms of logarithms is $arsinh\ x = ln(x + \sqrt{x^2 + 1}),\ -\infty < x < \infty$.

83. Because IHS transformation covers the entire range of real numbers, from negative to positive infinity, one can apply IHS transformation to netflows and run the same set of regressions. The estimates are in line with the main findings except for the fact that the magnitude of the estimates increased, due to the bimodal distribution of the IHS-transformed netflows in the data. The results are available upon request.

84. I consider only elections that either a Democraticor Republican won.

both *joiners* and *leavers*. They use *stable groups* that correspond to joiners and leavers as the control group. To be more specific, they use *never-treated* units as the control group for joiners; similarly, they use *always-treated* units as the control group for leavers. They get separate DID estimates, and their $\mathbf{DID_M}$ estimator is a weighted average of these DID estimators.[85] Their approach avoids the potential negative-weight problem that stems from using *already-treated* units as a part of control groups. De Chaisemartin and D'Haultfœuille 2020 require the joiners, leavers, always-treated, and never-treated units exist in the data. Table A.2 indicates that there are all of the types of units, at least 20% of states are in the stable group, and I can exploit all state-year units in the data.[86] One caveat is that the number of state-year units is small due to data limitation, which could lead to a big variance. Nonetheless, using all of the observations is always better.

The point estimates of DID proposed in De Chaisemartin and D'Haultfœuille 2020 (CD) style from their *TwoWayFEWeights* package are presented in Table A.5. Although none of the point estimates are statistically significant, they are generally in line with the main findings. Immigrants, low-skilled immigrants, and Hispanic low-skilled immigrants show lower netflows, due to lower inflows and bigger outflows. On the other hand, low-skilled white natives show higher netflows, due to higher inflows and lower outflows.

C Minimum Wage as the Key Channel

The evidence presented so far concerns the impact of the Democrat's election on minimum wages and on employment rates, but not a more direct investigation of the impact of minimum wages on employment rates, along with the election of Democratic governors. An exercise that resembles the specification of an interaction term of Democratic governance and increase in minimum wages may shed light on the linkage between minimum wage and employment rates while incorporating the political shock. It compares the results from RDD regressions for employment rates of both low-skilled immigrants and white natives using two separate samples: states that increased the minimum wage and states that did not.[87]

The results of the exercise are summarized in Table A.6. The standard errors are small because I push the data with restrictions and many parameters. Panel A presents estimates from observations without a change in minimum wage during an office term, whereas Panel B presents estimates from the group with a minimum-wage change.

Comparing the two panels in Table A.6 reveals intriguing insights. Among low-skilled Hispanic immigrants, a Democratic governor altering the nominal state minimum wage leads to notably negative employment effects but positive wage effects, in contrast to states with Democratic governors who maintain the nominal minimum wage unchanged, where estimates of the unemployment rate are mixed but generally high. This finding suggests any adjustment in the state minimum wage induces significant adverse employment impacts for low-skilled Hispanic immigrants, even within Democrat-led states. Comparing the two panels indirectly shows minimum-wage changes under Democratic governors work as a significant channel in worsening job prospects of low-skilled Hispanic immigrants. The substantial difference in estimates between the two samples might arise due to the smaller number of low-skilled Hispanic immigrant workers in each state-year observation when categorized by minimum-wage alterations.

85. De Chaisemartin and D'Haultfœuille 2020 explains corresponding Stata packages called *did-multiplegt*.

86. The fact that I use all state-year units could be one answer to the RDD setting's intrinsic limitation of external validity.

87. I use the package that performs an RD implementation called *rdrobust* made by many contributors including S. Calonico, M. Cattaneo, and N. Idrobo. The *rdrobust* command returns the point estimators of the discontinuity and does not return the coefficients of covariates. Therefore, I ran two separate RD regressions from two different samples divided by whether any change occurred in the nominal state minimum wage.

By contrast, examining the two panels in the table for low-skilled white natives shows a Democratic governor's modification of the nominal state minimum wage corresponds to considerable positive employment and wage effects compared with scenarios where the minimum wage within Democratic states does not change. Likewise, this finding implies any change in the state minimum wage brings about notably favorable employment effects for low-skilled white natives, even in comparisons across Democratic states. Therefore, comparing the two panels indirectly shows minimum-wage changes under Democratic Governors play a significant role in promoting the job prospects of low-skilled white natives.

This evidence potentially reinforces the minimum-wage channel's role in elucidating the dual phenomena: the decline in net interstate migration among low-skilled Hispanic immigrants and the rise among low-skilled white natives. The divergent employment outcomes for these two groups within each panel further underscore that altering the minimum wage adversely affects low-skilled Hispanic immigrants while benefiting low-skilled white natives, even when examining comparisons across Democrat-led states.