

## *Relative Unemployment and Gubernatorial Popularity*

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Considerable debate exists over whether the public holds the governor accountable for the state's economy. Part of the controversy stems from weak design and limitations in data, but part also from weakness in theory. We argue that voters recognize the limitations of state governments to affect the state economy and that they judge their governors on the state's unemployment situation relative to the unemployment situation of the national economy. To test this theory we use the Official State Job Approval Ratings (JAR) database. Our analysis finds that citizens grade the governor's job performance consistent with our theory: no matter the level of unemployment in the state, when state unemployment is lower than the national average, governors are rewarded; when it is higher than the national average, governors are punished with lower approval levels.

### Relative Unemployment and Gubernatorial Popularity

**J**ob approval ratings now are seemingly ubiquitous in American politics. Most research on job approval focuses on the president; we possess comparatively little research on gubernatorial approval, the topic of this paper. As with presidents, job approval is important to governors. Job approval ratings provide governors with clues about their reelection prospects; research indicates that job approval affects gubernatorial elections (Kenney and Rice 1983; King 2001; Svoboda 1995). California Governor Gray Davis's low approval ratings, arguably, emboldened his opponents in their successful recall efforts in 2003. Approval also provides governors with a resource to motivate legislators and bureaucrats to accept their policy initiatives. Research finds that governors with higher approval levels receive more support from the legislature (Crew 1998; Ferguson 2003) and from bureaucrats (Dometrius 2002).

Job approval also provides a mechanism for the public to hold governors accountable. Through approval polls, the public can voice its support or opposition to the governor between elections, and governors may alter their policies and behavior in office in reaction to their approval level. But considerable debate exists over whether the public actually holds governors accountable in approval

polls for policies and issues over which governors claim some responsibility, like jobs and unemployment.

Specifically, governors take credit for the state economy when it is healthy, pointing to their actions and policies in office as evidence of their economic stewardship and publicizing their efforts to improve the economic climate and performance of the state. Factory openings or expansions, announcements of a new employer coming to the state, and the like are often greeted with great fanfare, photo opportunities, and media events, all designed to create positive publicity for the incumbent governor's economic leadership. And electoral challengers to sitting governors often run campaigns that target the incumbent's economic policy failures. It is, as Grady observes, "good politics for the governor to be seen aggressively engaged in fostering [economic] growth" (1991, 109).

Despite such an environment, considerable debate exists as to whether the public holds the governor accountable for the state's economy. Crew et al. (2002), Hansen (1999a, 1999b), Howell and Vanderleeuw (1990), and Orth (2001) find that state unemployment lowers gubernatorial approval. In contrast, Crew and Weiher (1996) find no impact, Adams and Squire (2001) detect only spotty effects of state unemployment on gubernatorial approval, and MacDonald and Sigelman (1999) unearth no relationship between state economic health and gubernatorial popularity. All told, the literature offers a mixed picture of the effect of the state economy on gubernatorial approval.

Several factors may account for these divergent findings. First, studies use different samples of states. Designs also differ, with some using time series (Adams and Squire 2001; Crew and Weiher 1996; Crew et al. 2002; Hansen 1999b), others conduct cross-sectional analyses with states as the units of analysis (MacDonald and Sigelman 1999), while still others analyze individual-level survey data (Cohen 1983; Howell and Vanderleeuw 1990; Orth 2001). Studies also differ in their model specifications. Some control for national economic conditions (Crew and Weiher 1996; Crew et al. 2002; Hansen 1999a, 1999b; Howell and Vanderleeuw 1990; Orth 2001), while others do not (Adams and Squire 2001; MacDonald and Sigelman 1999). Political variables, such as presidential approval, political predispositions, and time in office are also used inconsistently. Rarely is presidential popularity included (but see Crew and Weiher 1996; Crew et al. 2002; Orth 2001), although studies report that presidential approval affects gubernatorial elections (e.g., Atkeson and Partin 1995; Carsey and Wright 1998; King 2001; Simon 1989). Moreover, the theoretical linkage between state unemployment and gubernatorial popularity is not well specified.

We revisit the issue of the impact of state economic conditions on gubernatorial approval. We use the Official State Job Approval Ratings (JAR) database (Beyle, Niemi, and Sigelman 2002), which provides approximately 2000 gubernatorial approval readings across all 50 states over 20 years. We also employ a more comprehensive set of control variables to guard against spurious results. Plus, we develop a theory of accountability that recognizes that governors serve in a complex federal system in which national economic policies and perform-

ance affect state-level economic performance. The public, in our model, grades the governor not by the absolute level of the economy, but by how well the state economy performs relative to the national economy. In the next section, we develop our theoretical model. Then we introduce the data, discuss our variables, and present the data analysis.

### State Economic Conditions and Gubernatorial Approval

A large literature demonstrates that the American public holds its political leaders accountable for economic performance. Most of these studies focus on the president and demonstrate that presidential approval cycles with the performance of the macroeconomy and with people's attitudes about the national economy (Erikson, MacKuen, and Stimson 2002; Gronke and Newman 2003). We assume the public wants to hold the governor accountable for state economic performance, but the federal context complicates matters for the public.

The first complication is that state economies are to some degree integrated into the national economy. While some evidence suggests that state economies are becoming more independent of national economic forces (Brace 1993; Hendrick and Garand 1991), there is little doubt that national economic conditions and policies affect a state's economy. Furthermore, state policy makers do not possess the necessary tools to influence all types of economic conditions. Most notably, state policy makers have little ability to manage a state's inflation rate or money supply. Consequently, state policy makers possess only limited means of affecting their state's economic performance.

We assume that the public takes into account these two limitations—the lack of state economic autonomy and state policy makers' limited economic policy toolkit. Still, governors are the most visible political leaders in their states (Squire and Fastnow 1994), and they often focus people's attention on their ability to generate jobs for the state's economy and to maintain a healthy job climate. Herzik (1991) found two-fifths of governors mentioning economic development in their 1988 state-of-the-state addresses; only education was mentioned more frequently. Many states have established offices to attract jobs and help employers, and state industrial policy initiatives often focus on attracting new employers (Brace 1993; Grady 1991). When it comes to job retention or expansion, states often compete with each other. During economic expansion, employers must make decisions, not only about how many new employees to hire, but where they will work. Such locational decisions foster jobs competition among states.

This context leads us to hypothesize that state publics will hold governors accountable for the employment situation in the state, but the *absolute* level of unemployment will be less relevant to state voters than the level of state employment compared to the national unemployment level, the *relative* level of unemployment. Thus, in good times, when the absolute unemployment level is low, public support for the governor will erode if the state's unemployment level supersedes the national level. And in bad times, when state unemployment is high,

governors should receive an approval boost if the state level falls below the national level.<sup>1</sup>

This hypothesis assumes a somewhat sophisticated state electorate, which is contrary to much research on public opinion. However, research suggests that state publics reasonably discriminate between the state and national economies (Niemi, Bremer, and Heel 1999) and that they are reasonably knowledgeable with regard to unemployment rates (Holbrook and Garand 1996). Limited evidence of voters distinguishing between national and state economic conditions is found in King's (1999) analysis showing Wyoming voters evaluating state economic performance more negatively at a time when the state's economy was mired in recession during the national economic boom of the 1990s. Furthermore, voters in Wyoming acted on this distinction, as evaluation of state economic performance significantly influenced vote choice for governor while evaluation of national economic performance did not. Finally, some research argues that the public is more responsive to changes in unemployment rates than to changes in other economic indicators (Conover, Feldman, and Knight 1986; Haller and Norpoth 1997).<sup>2</sup>

Two studies employ variables that resemble our relative unemployment concept. Hansen (1999b) uses a variable that measures the difference between national and state unemployment, but does not find it to be statistically significant.<sup>3</sup> Crew et al. (2002) set the problem up slightly differently than we do, using the level of state unemployment and the difference between national and state unemployment. As we detail below, we too use the difference between state and national unemployment, but we control for national unemployment rather than state unemployment. While Crew et al. (2002) find that the level of state unemployment is consistently significant, the difference variable is not. It is not clear why state publics would punish or reward the governor when the national economy is performing better or worse than the state economy.

<sup>1</sup> Another hypothesis is that the state electorate compares current unemployment levels today with past levels. Unfortunately, we cannot test this hypothesis with the JAR data because we do not possess enough contiguous data points for gubernatorial popularity. Thus, we were forced to keep gubernatorial approval in levels form. We experimented with change indexes for the unemployment data, but results were far from satisfying because of the cyclical nature of economic data. More often than not, when we use change economic variables in estimation, we get contrary signs (increases in unemployment leads to higher approval). The reason for this is the cyclical nature of the economic data. When the economy is at the top of a cycle, with low unemployment, gubernatorial approval is likely to be at its peak. But at the same time, because the economy is at the top of a cycle, there is a greater likelihood of economic decline, which will produce higher unemployment. Thus, we tend to find that change in unemployment is often associated with higher levels of gubernatorial approval. If we had enough gubernatorial approval data, we could correct for such cyclical effects by creating change scores for the approval data. Consequently, we retain the levels analysis, which produces results for the economic variables that make sense—high unemployment is associated with low approval, etc.

<sup>2</sup> However, a large literature finds that aggregate inflation, rather than unemployment, affects trends in presidential approval (see Gronke and Newman 2003).

<sup>3</sup> This conclusion is based on an analysis that pools data from eight states. In a separate analysis focusing only on California, Hansen (1999a) finds the relative unemployment variable to be significant. However, Hansen spends little time discussing the theoretical basis for using this variable.

We formally define relative unemployment as *the one-month lagged state unemployment percentage minus the one-month lagged national unemployment percentage*. By applying a control for national unemployment, we can assess whether the public rewards (or punishes) the governor when state unemployment is lower (or higher) than national unemployment.<sup>4</sup> We cannot easily enter both state and national at the same time because of their high correlation ( $r = .64$ ,  $p < .0001$ ). Doing so produces multicollinearity and considerable coefficient instability.<sup>5</sup> As our theoretical model focuses on the unemployment situation of the state relative to the nation, theory calls for controls for the national unemployment level, rather than for the state level. The national unemployment level serves as a base against which voters' judge the state's performance. We include national unemployment to fully specify the voters' decision calculus.<sup>6</sup>

### The Official State Job Approval Data Set

Data limitations have plagued research on gubernatorial approval. The paucity of data and the lack of comparability in data sets and designs may be one source of the differences in findings across studies. Data limitations, too, may force compromises on estimated models, leading to model misspecification, which may result in spurious and/or suppressor effects. We use the most comprehensive collection of data on gubernatorial approval yet gathered, the Official State Job Approval Ratings (JAR) project.<sup>7</sup> This project collected state-level job approval ratings for governors from numerous survey organizations from 1947 through 2001. All told, the JAR project supplies us with approximately 2,000 readings of state-level gubernatorial popularity. We focus on the data from 1980 through 2001 because of difficulty in collecting data on some variables of interest for earlier years and because the overwhelming number of cases come from this period.<sup>8</sup>

<sup>4</sup> It makes little difference whether we use lagged or nonlagged forms of these variables. Analysis, not shown, produces similar results.

<sup>5</sup> State (national) income also highly correlates with state (national) unemployment and thus will also produce multicollinearity.

<sup>6</sup> The state-national unemployment difference is correlated with state unemployment ( $r = .76$ ,  $p < .0001$ ), but is not related to national unemployment ( $r = -.0001$ ,  $p > .99$ ).

<sup>7</sup> This data were collected by Beyle, Niemi, and Sigelman and funded by the NSF (Grant No. SES-9974176). We thank them for allowing us to use the data.

<sup>8</sup> Some 76 cases date prior to 1980, almost all from California and Iowa. Other cases are lost due to missing or incomplete data. For instance, we require monthly observations, but JAR poll data does not always provide the month of the poll. We also lose some cases when a presidential transition occurs, because we code the lagged presidential popularity variable as missing data during the transition month (January) from one president to another. All told, we have complete and reliable data on 2,016 cases. The data are not evenly distributed across states, yet no subset of states dominates the data set either. The top five states, (CA, CT, NY, AL, FL), each with 5% or more of the cases, account for only 29.5% of cases. California, the leader, accounts for only 7%. The standard deviation of the percentage of cases per state is also quite tight at 1.6. The JOP Web site (<http://www.journalofpolitics.org>) presents more detailed information on the distribution of cases by state.

There are several complications in using the JAR data. First, because the data come from a variety of data sources and polling organizations, data quality varies. For instance, sometimes only positive evaluations of the governor were available (Beyle, Niemi, and Sigelman 2002) and the percentage of “don’t know” responses appears to vary because of the large variety of question wordings and other factors. In order to retain as many cases as possible, we need to make the data as comparable as possible and compensate when comparability is at issue. To correct for the variability in “don’t know” responses, we use the formula “Percent Positive / (Percent Positive + Percent Negative)” to measure gubernatorial approval.<sup>9</sup> On average, governors received a 55% approval rating, which varies widely from a low of 10 to a high of 97, with a standard deviation of 16. Our dependent variable is this adjusted gubernatorial popularity score.

Second, this data set combines numerous variations on the general approval question.<sup>10</sup> Some questions presumably ask about gubernatorial job performance in a manner similar to the Gallup Poll’s presidential approval question; others ask how much the respondent likes the governor. Exact question wordings are not available, but the response categories (e.g., approval versus disapproval, like versus dislike) are. Beyle, Niemi, and Sigelman (2002) find the likelihood of a negative rating rises as the number of response categories increase. Third, house effects may be present because the data set combines polls across many firms. To illustrate the potential impact of these factors, we created dummy variables when 30 or more observations from a single polling firm exist, a total of 41 dummies, as well as three dummies for response categories (for three, four, or five response categories). A regression analysis (not shown) of gubernatorial approval on three response category dummies and polling firm dummies produced an  $R^2$  of .31. Each of the response category dummies is statistically significant as are 25 of the firm dummies.<sup>11</sup>

## Control Variables

More than relative unemployment may affect citizens’ approval of their governor. The literatures on gubernatorial approval and elections find that state and national factors affect gubernatorial approval and voting. From these literatures we identify relevant control variables, which we arrange into two sets, state factors and national factors.

<sup>9</sup> Beyle, Niemi, and Sigelman (2002) also recommend this correction.

<sup>10</sup> The data set contains general approval as well as policy specific approval questions. We only use the general approval questions.

<sup>11</sup> In several instances, more than one firm asked a gubernatorial evaluation question of a state’s citizens. We decided to keep both readings in the data set as separate data points because we have no assured way to combine them into one reading.

*Other State Factors and Gubernatorial Approval*

STATE PARTISAN AND IDEOLOGICAL COMPOSITION. The structural political context of the state may affect the governor's popularity. Strong evidence exists that presidential copartisans' and those whose ideological leanings correspond to the president's are more likely to judge the president approvingly than disapprovingly (Bond and Fleisher 2001). Agreement with the executive's policies may account for this effect. We expect a similar dynamic to occur at the state level. Everything else being equal, we expect governors to find more support from members of their own party than from opposition party members and from people who hold similar ideological leanings than from people who hold divergent ones. Hence, we expect gubernatorial popularity to co-vary positively with the partisan or ideological advantage in the mass public.

To measure partisan advantage, we use the updated Erikson-Wright-McIver (EWM) state partisanship data.<sup>12</sup> Following EWM, we calculate the percentage of Democratic and Republican identifiers for subsets of years (1977–1984, 1985–1992, and 1993–2001). The subsets are long enough to protect against short-term variation that may result from sampling and other error, but still remain relatively close in time to the measurement of the governor's popularity. We calculate partisan advantage as: (Percentage of Gubernatorial Party Identifiers) – (Percentage of Opposition Party Identifiers).

We use ideological identification to indicate agreement or disagreement with the governor's policies, assuming that liberal identifiers are more likely to agree with the policies of Democrats than Republicans, while the opposite will hold true for conservative identifiers. Again, we use the updated EWM data and define net ideological advantage for Democratic governors as: (Percentage of Liberal Identifiers) – (Percentage of Conservative Identifiers) and the reverse for Republican governors. For independent governors, the partisan and ideological scores are set to "0."

The partisan advantage argument also implies that independent governors may have a harder time rallying public support than partisan governors, who possess a ready-made core of supporters.<sup>13</sup> Thus, we add a dummy variable for whether the governor was an independent, expecting independents to have lower approval levels. Lastly, we include a Republican dummy variable to distinguish any other unmeasured partisan effects.

ELECTION PERFORMANCE. Governors may also possess a personal support coalition, which may cross party and ideological lines. Gubernatorial election campaigns provide opportunities for governors to build such a personal base of

<sup>12</sup>These data are from McIver's web page: <http://socsci.colorado.edu/~mciverj/wip.html>. See Erikson, Wright, and McIver 1993.

<sup>13</sup>Moreover, the maverick behavior of many independents (e.g., Jesse Ventura) may alienate voters. Many independents came to office in three-way contests, and thus, rarely enjoyed majority vote support in winning the election.

support that can translate into votes at reelection time (Adams and Kenny 1989) and likely into positive assessments in opinion polls. To measure this personal support base we use the percentage of the total vote that the governor received in the last election.

**GOVERNING DIFFICULTY: STATE DIVERSITY AND SIZE.** Some states may be harder to govern than others. Policies are likely to be more popular when large segments of the population are like-minded and homogeneous. As the population becomes more dissimilar, some segment of the population is likely to dislike the policy. Although severe political divisions may appear in states with few but deep socioeconomic distinctions, in general, more heterogeneous states are likely to possess greater levels of dissimilarity than homogeneous ones. We measure heterogeneity-homogeneity with two variables, an index of sociocultural diversity (Morgan and Wilson 1990) and population size. As diversity and population size increase, we expect gubernatorial popularity to fall.<sup>14</sup>

**LENGTH OF TENURE.** Several studies detect a temporal pattern to gubernatorial approval (Beyle, Niemi, and Sigelman 2002; Crew and Weiher 1996; Hansen 1999b), as do many studies of presidential popularity (Brace and Hinckley 1991; Mueller 1970; Stimson 1976).<sup>15</sup> Several different theoretical accounts have been offered for approval's temporal path, including Mueller's (1970) coalition of minorities' notion, Stimson's (1976) cycle of expectation and disillusionment, and Brace and Hinckley's (1991) cycle of deflating expectations. We cannot resolve these issues here but we need to control for the possible effect of time in office on approval. Accordingly, we test both the linear and cyclical models on gubernatorial popularity, measuring length of tenure as months in office. The linear model predicts a negative impact of tenure on approval. The cyclical model predicts the same, but further predicts that as tenure extends, approval will increase. To test this cyclical model, we use tenure in months squared, which we hypothesize to have a positive sign.

**UNITED GOVERNMENT.** Lastly, divided government may affect public approval of the governor. When the opposition party holds at least one house of the legislature, tensions between the governor and the legislature are likely to rise. Open conflict between the executive and legislature may undermine public confidence in gubernatorial leadership. But Nicholson, Segura, and Woods (2002) argue that presidents (executives) will garner higher popularity under divided than unified government. Under divided government, the executive and legislature can point the finger of blame at each other, making it difficult for the public to assess blame. As a result, some people will blame the legislature and others the executive. But

<sup>14</sup> Gronke (2001) notes that population size and diversity are conceptually distinguishable, but in this data set the two are highly correlated ( $r = .50, p = .000$ ).

<sup>15</sup> Kernell (1978) argues that time is atheoretic and tries to model it substantively.

when government is united, the executive will bear the full brunt of public outcry and criticism, being unable to deflect blame onto a legislature of his party. Lowry, Alt, and Ferree (1998) find a similar result in state elections, with a greater impact of economic factors under united government. Unified government is a dummy variable defined as the governorship and both chambers of the state legislature controlled by one political party equal to one, and zero otherwise.

### *National Factors*

**PRESIDENTIAL EFFECTS.** Despite the fact that the public seems easily able to recognize or recall their governor's name (Squire and Fastnow 1994), we should not infer that knowledge about the governor or state politics and policy runs very deep. Studies indicate that the public possesses only a limited amount of attention and interest in political affairs (e.g., Delli Carpini and Keeter 1996). Consequently, people may use heuristics, cues, or other short-cuts to organize their thinking about state-level politics. The president and the parties often are used as referents for people in organizing their political world. Voters who rely on such short-cut devices may associate all politicians of a particular party as part of one team, rewarding or blaming the entire set, rather than distinguishing between national and state politicians (Carsey and Wright 1998). People also may be inclined to see parties in terms of the president and generalize their attitudes about the president to all politicians of his party. Through such a mechanism (Simon, Ostrom and Marra 1991), the president's approval may affect the approval level of governors of the president's party, much as it has been found to influence gubernatorial voting decisions and elections (e.g., Atkeson and Partin 1995; King 2001; Simon 1989).

We measure this presidential effect with the Gallup presidential approval measure, lagged one month and corrected for party of the governor. That is, when the president and governor share party affiliation, we use the Gallup approval reading. When they come from different parties, we subtract approval from 100 (100 – approval). This suggests a process in which opposition party governors are helped when the president is unpopular, but harmed when he is popular. Lastly, we enter a dummy variable, indicating whether the governor comes from the president's party to pick up any aspect of presidential-gubernatorial partisanship that the approval variable leaves unmeasured.

**NATIONAL ECONOMY.** Our theoretical model implies that people distinguish between the state and national economy and that they understand the limited ability of state policy makers to affect the state economy (unemployment). Despite the fact that people seem to distinguish between the two economies in reasonable ways (Niemi, Bremer, and Heel 1999), they may still target the governor based on the condition of the national economy. They may do so in part because the governor is a handy target, being a relatively well-known public figure, and people may feel a need to vent their discontent. Moreover, despite

being aware of differences between the state and national economies, people may hold all public officials accountable for the health of the economy. With fixed terms of office, often withholding approval is the only way that the public can signal displeasure with the way things are going during the interim between elections. To national unemployment, which we discussed above, we add the monthly national inflation rate, lagged one month, defined as the percentage change in the consumer price index.<sup>16</sup>

## Results

Table 1 presents results of three estimations: OLS, robust regression, and fixed-effects regression (fixed on state). We use robust regression because the gubernatorial approval ratings are not necessarily randomly distributed over time and state. The state fixed effects control for other factors associated with the states that are unmeasured and may affect levels of gubernatorial approval across the states.<sup>17</sup> Both of these estimations essentially duplicate the OLS results, with only minor changes in statistical significance and regression coefficient magnitudes.<sup>18</sup> Unless otherwise noted, our discussion focuses on the OLS results.

Results indicate that gubernatorial approval is highly responsive to relative state unemployment and the effect is strongly significant, with *p* values of .000 or better in all estimations. The OLS and robust regression estimations find that each one-percentage-point spread between state and national unemployment leads to a 3.14% point shift in approval. The fixed-effects estimation slightly dampens the effect of relative unemployment to 2.54. Based upon the OLS results, when state and national unemployment diverge by one standard deviation

<sup>16</sup> National income cannot be added because of its high correlation with national unemployment, which will produce multicollinearity. Since our theoretical focus is on the importance of unemployment for gubernatorial approval, we retain the unemployment variables. We also experimented with economic perceptions data by entering monthly (lagged) consumer economic confidence and monthly (lagged) consumer economic expectations from the University of Michigan's Survey of Consumers. Results (not shown) indicate that both variables are statistically significant and signed properly and do not detract from other variables in the estimation. Given the theoretical importance that economic perceptions has taken in recent studies of presidential approval, it would be of interest to incorporate economic perceptions data into studies of gubernatorial approval. Howell and Vanderleeuw (1990) and Orth (2001) use perceptual economic data in their studies from their surveys of Louisiana and Michigan voters, respectively.

<sup>17</sup> The *xtreg* procedure in Stata 8.0 was used to estimate the fixed-effects model.

<sup>18</sup> Above we also noted complications in using the JAR data. Thus, we also ran numerous other estimations to ensure that our results are robust and that these identified data set complications do not affect our findings. Hence, we add controls for polling firm, number of response categories, the response scale used, and governor into the OLS, robust regression, and state fixed effects estimations. Although overall model fit usually improves with these additional control variables, in each case, relative unemployment and national unemployment retain their significant effects, although in some instances the impact of some control variables changes. Details of these analyses can be found in the appendix on the JOP Web page.

Table 1. Impact of Relative Unemployment on Gubernatorial Popularity

Variable	OLS			Robust Regression			Fixed (State) Effects Regression*		
	b	Se	p	b	SE	p	b	SE	p
Relative Unem.	-3.14	.24	.000	-3.14	.24	.000	-2.54	.31	.000
Inflation	-.07	.02	.000	-.07	.02	.000	-.12	.02	.000
Nat. Unem.	-4.53	.36	.000	-4.53	.36	.000	-4.68	.34	.000
Pres. Pop.	.11	.03	.001	.11	.03	.001	.10	.03	.001
Gov-Pres. Same	-6.13	.78	.000	-6.13	.78	.000	-5.75	.77	.000
St. PID	-.13	.04	.001	-.13	.04	.002	-.09	.04	.025
St. Ideol.	-.11	.04	.007	-.11	.04	.012	-.10	.04	.013
Months	-.38	.09	.000	-.38	.12	.001	-.48	.08	.000
Months-sq.	.004	.001	.001	.004	.002	.006	.005	.001	.000
Rep. Gov.	4.83	1.35	.000	4.83	1.46	.001	5.78	1.36	.000
Indep. Gov.	-2.26	1.79	.207	-2.26	1.68	.180	.33	1.98	.867
Diversity	-59.50	9.02	.000	-59.50	8.97	.000	-72.03	28.12	.010
Population	.00004	.00005	.438	.00004	.00006	.482	.0002	.0002	.310
Unified Govt.	-.89	.78	.259	-.89	.77	.250	-.37	.78	.638
Gov. Elect. %	.33	.04	.000	.33	.05	.000	.24	.04	.000
Constant	104.08	7.34	.000	104.08	7.65	.000	124.93	14.09	.000
N	2016			2016			2016		
R <sup>2</sup> / Adj. R <sup>2</sup>	.27	.26		.27			.26		
F /Prob. F	49.11	.0000		61.03	.0000				
Wald chi2/ Prob. chi2							573.30	.0000	
Root MSE	13.88			13.88					
sigma_u							6.34		
sigma_e							12.52		
Rho							0.20		

\* R<sup>2</sup> within= .22, R<sup>2</sup> between = .46

(1.4), we can expect a shift of about 4.4 points in gubernatorial approval. Governors in states with the best relative unemployment performance (-4.5) can expect to see a whopping 14.2 points added to their approval levels. In contrast, those serving in states lagging behind the nation at maximum levels (6) can expect an approval loss approaching 19.1%.

National unemployment also affects gubernatorial approval in expected ways. Each 1% shift in national unemployment leads to a 4.5 percentage point shift in gubernatorial approval.<sup>19</sup> We can compare the impact of relative and national unemployment. Where a one standard deviation rise in relative unemployment depresses gubernatorial approval about 4.4 points, a similar one standard deviation (1.2) rise in national unemployment will dampen approval about 5.4 points, which is only marginally higher than the impact of relative unemployment. The combined impact of both forms of unemployment suggests that state publics are highly sensitive to the state's job climate.

Overall, this provides strong confirmation of our hypothesis that voters grade the governor based on how well their state's job climate fairs compared to the nation. Furthermore, relative unemployment affects gubernatorial job approval controlling for other state and national factors, under varying model specifications, points to which we now turn.

<sup>19</sup> The strong correlation between national and state unemployment precludes us from arguing that national as opposed to state-level unemployment is affecting voters.

*Impact of Control Variables*

Other state-level factors affect gubernatorial approval. Gubernatorial tenure has curvilinear effects, as hypothesized. The longer a governor stays in office, the lower his/her approval, up to a point, when approval begins to rise with tenure. These results suggest that each month in office leads to a drop of .39 in gubernatorial approval, counterbalanced by a rise of .004 from the squared term. The curvilinear model anticipates that after one year in office a governor will see a drop in approval of 3.95 points just as a function of being in office. At the end of one term, the net effect of tenure is -8.45 approval points. For a governor to be reelected, much else must be working to the governor's advantage. Only well into the second term does the effect of service show a positive effect on approval. At 96 months, two full years, the net effect of tenure stands at 2.7. The net effect of tenure only begins to turn positive at month 90, when the effect of tenure nets the governor .2 approval points.

As expected, more diverse states depress gubernatorial approval, but population size adds little over and above the effects of diversity. Approval of the governor in the most diverse state will be about 9.3 points less than that of the governor of the least diverse state and about 4.7 points lower than a governor of a state of average diversity.

Unified government, however, does not affect gubernatorial approval.<sup>20</sup> But governors who come to office with stronger election support can expect to see higher approval than those who enter office with less voter support. The results indicate that each one percentage point in electoral support produces a .33 approval base for the governor. Thus, governors elected with a landslide of 60% will see approval that is about three points higher than those elected at a bare majority of 50.1%. Independent governors do not seem to see a significant approval loss. The Republican governor dummy suggests an additional 4.8 point boost in approval.<sup>21</sup>

Both state ideological and partisan advantage work opposite to expectations, however. Substantively, each 10 percentage point shift in partisan advantage produces a corresponding shift of 1.3 points in gubernatorial approval. Governors with the largest net partisan bases will see approval about 4.6 points lower than a governor serving in a state with perfectly balanced partisanship. Governors serving in states most deficient in their partisan base will see approval that is 3.1 points higher than governors in states with equally sized partisan electorates and nine points higher than those in the most partisan advantaged states.<sup>22</sup> State

<sup>20</sup> This variable becomes significant with the correct sign when controls for governor dummies are applied. See the appendix on the JOP Web page.

<sup>21</sup> Both of these variables are unstable when other variables, such as gubernatorial dummies, are entered as controls because of the multicollinearity. Details on these additional controls are provided on the JOP Web page for this article.

<sup>22</sup> With the added controls, such as governor (see the JOP Web page), the ideology variable tends not to maintain statistical significance. But the partisan advantage variable keeps its statistical significance and unexpected sign no matter what controls are used.

ideology has comparable impacts. Each 10 percentage point shift in a state's ideological make up will shift gubernatorial approval about 1.1 points. A governor serving in a state with the greatest ideological advantage can expect to see an approval level some 3.2 points lower than a governor with an ideologically balanced state public. When the ideological balance tips to the maximum against the governor, approval is predicted to rise about 3.2 points above that for governors in balanced states.

Why this seemingly counterintuitive effect for partisan and ideological advantage in state publics? Perhaps minority executives try harder to appeal to a broader set of voters because they have too few copartisans (or coideologues) to rely upon them exclusively. In contrast, majority governors do not have to seek public support from outside of the ranks of their copartisans (or coideologues) in the mass public. Hence their public style may be more intensely partisan and/or ideologically extreme or rigid. As a consequence these governors may more easily (or intentionally?) alienate citizens who are not members of their party or ideological temperament.

Turning to national factors, governors of the president's party can expect to see a .11 change in their approval with every one percentage point change in presidential approval. Although highly statistically significant, the substantive implications of presidential approval do not appear major. A one standard deviation change in presidential approval (11.2) translates into only about a 1.2 percentage point change in gubernatorial approval. A change from the lowest (11) to the highest level of presidential (82) approval produces a 7.8 point shift in gubernatorial approval, but such great swings in presidential approval are rare. Results also indicate that governors see a drop of about 6.13 approval points when they come from the president's party, indicating that the presidency affects gubernatorial approval beyond the swings in presidential approval. If we drop the president-governor same party dummy from the estimation the presidential approval variable fails to reach statistical significance, also indicating a more complex relationship than the simple presidential approval spillover effect.

Lastly, inflation affects gubernatorial approval. The regression coefficient points to a  $-.07$  drop in approval for each 1% point increase in inflation, which suggests that gubernatorial approval substantively is not highly sensitive to national inflation tides. Moreover, inflation moves very slightly from month to month, on average 1.4% in these data. Still, over a longer period of time, sustained inflationary spirals may cumulate into substantively significant impacts on gubernatorial approval.

## Conclusion

The literature on unemployment and gubernatorial approval is rife with controversy, with some studies finding state unemployment effects (Barth and Ferguson 2002; Crew et al. 2002; Hansen 1999a, 1999b; Orth 2001), but others failing to do so (Adams and Squire 2001; Crew and Weiher 1996). Our analysis

reformulates the issue into one in which voters compare national and state unemployment levels.

We argue that the federal structure of the political system, the integration of state economies into the national economy, and the limited economic policy tools available to the governor present barriers for citizens who want to hold their governor accountable for the state economy. Voters resolve this complex situation by holding the governor accountable for how well or poorly the state's unemployment level fares compared to the national unemployment level.

The actions of governors help the public in rendering such a comparative assessment. Governors often possess policy tools that may marginally affect unemployment, making a focus on jobs substantively reasonable. They publicize their efforts to bring jobs to the state, while electoral opponents often chastise the incumbent administration's performance with regard to jobs. The focus on relative unemployment provides a way for citizens to grade their governor, while also recognizing the fact that the national economy and economic policy decisions by national policy makers will affect the performance of the state's economy. Under different specifications, using different control variables, and different estimation assumptions, we find that relative unemployment levels affect gubernatorial approval as our model predicts. Our findings are robust to these alterations in estimation, and the magnitude of effect is relatively stable across the various specifications. And our results support our theory, which assumes that state electorates are sophisticated enough to distinguish between the state and national economies when evaluating the governor's performance in office, and accordingly hold the governor accountable for the state economy.

This study also demonstrates the benefit of using a more comprehensive data collection on gubernatorial approval than used in past research. The JAR data set, which provides 2,000 cases for analysis, allows us to include a larger array of control variables than past research has been able to do. Our theoretical model and analysis suggests that the public rates governors based upon the outcomes and policies over which they have some control or impact. One direction for future research is to extend to other areas over which governors possess some ability to affect policy and performance, and which are often high priorities in gubernatorial agendas, such as education.

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