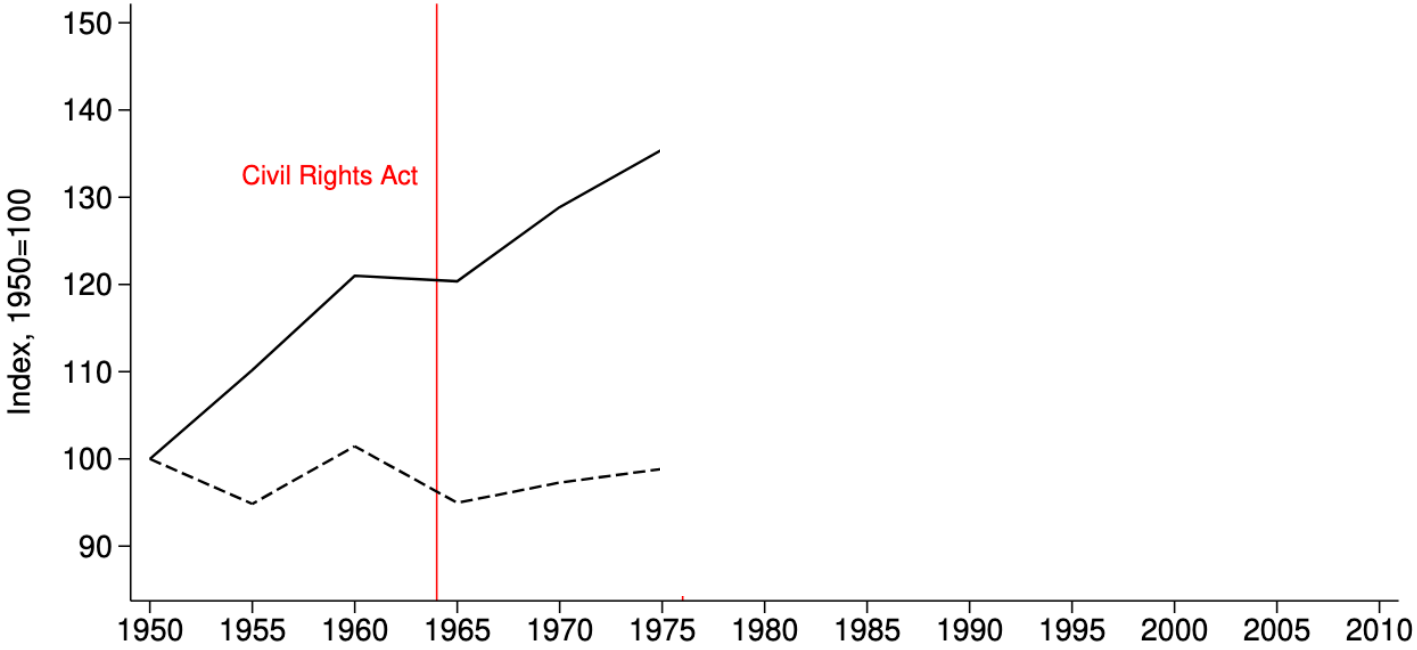
Does Racial Animus Determine Redistributive Policy in the U.S.?

Jeffrey Carpenter
Jakina Debnam Guzman
Peter Matthews
Erin Wolcott

Middlebury College

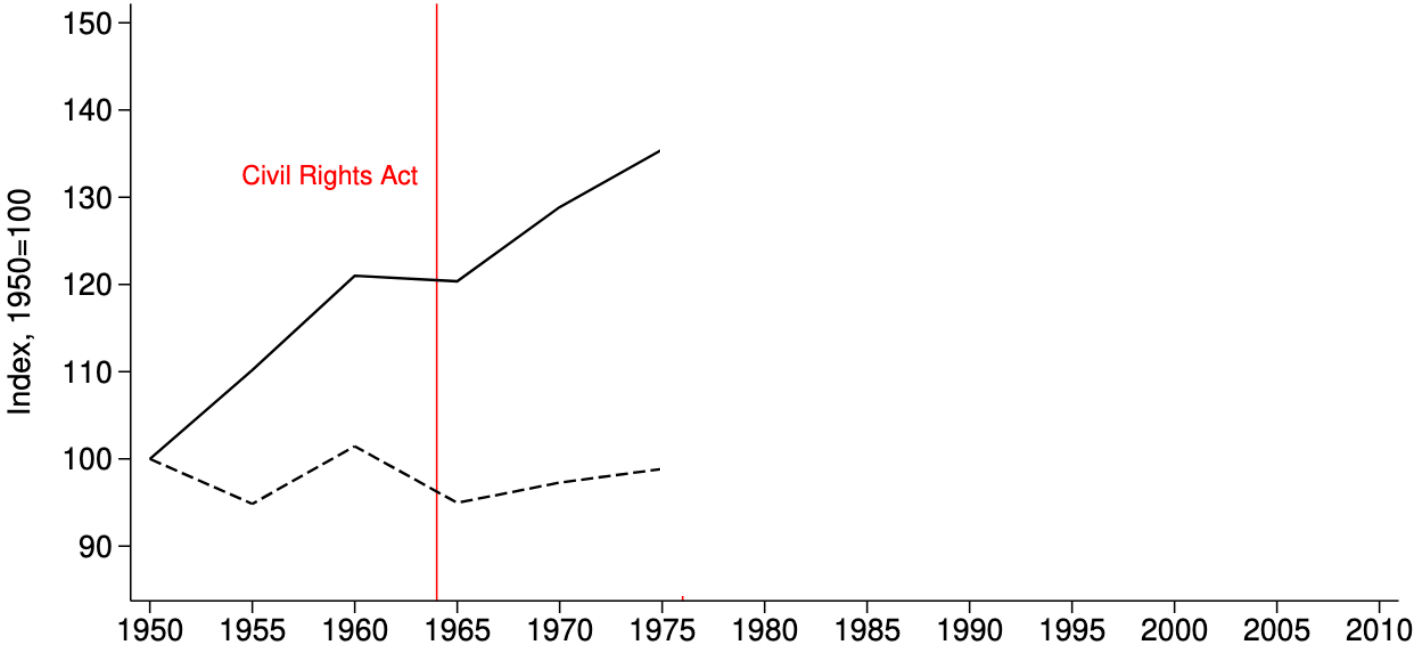
NBER Race and Stratification
April 2025

Is support for safety net polices racialized?



- Real benefits levels for UI (dash) and Welfare (solid) were maintained or grew through the civil rights (and "Great Society") era.
- However, they began to fall after 1975.

Is support for safety net polices racialized?



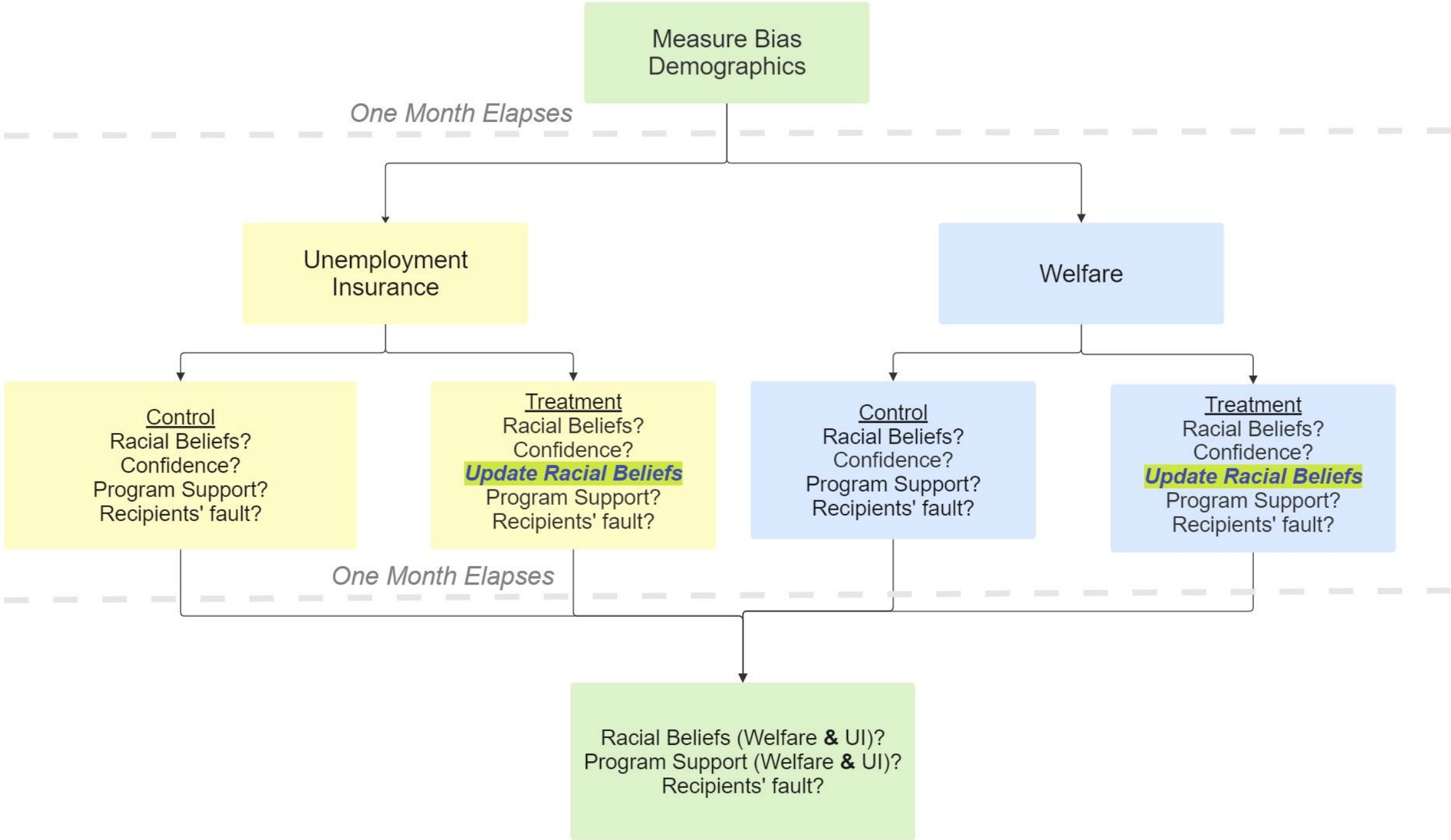
- Real benefits levels for UI (dash) and Welfare (solid) were maintained or grew through the civil rights (and "Great Society") era.
- However, they began to fall after 1975.

Motivation

- Racial beliefs are associated with support for redistributive policy (Alesina et al., 2021; Alesina & La Ferrara, 2000; Luttmer, 2001; McGhee, 2021; Quadagno, 1996; Wolcott, 2022)
- And specifically, beliefs about Black Americans matter (Akesson et al., 2022; Alesina et al., 2021; Fong & Luttmer, 2011; Gilens, 1996)

But are these relationships causal?

- We use two parallel information experiments ($n \approx 3000$) (Akesson et al., 2022; Alesina et al., 2021; Haaland & Roth, 2020, 2023; Kuziemko et al., 2015) to explore the causal impact of racial beliefs on redistributive policy preferences.


Measure Bias
Demographics
One Month Elapses
Unemployment Insurance
Welfare
Control
Racial Beliefs?
Confidence?
Program Support?
Recipients' fault?
Treatment
Racial Beliefs?
Confidence?
Update Racial Beliefs
Program Support?
Recipients' fault?
Control
Racial Beliefs?
Confidence?
Program Support?
Recipients' fault?
Treatment
Racial Beliefs?
Confidence?
Update Racial Beliefs
Program Support?
Recipients' fault?
One Month Elapses
Racial Beliefs (Welfare & UI)?
Program Support (Welfare & UI)?
Recipients' fault?

What does the correlation look like?

- Consistent with Luttmer and Gilens.

Consider two respondents, one has no racial preference and the other has ill feelings toward Black people.

- Before asking for their support of welfare, suppose they are both told the correct number, 29.
  - If they both guessed 29, how should this information affect their support choices?
    - Both learn nothing new → no effect for either.
  - If they both guessed less than 29 (say 5), what should happen?
    - No preference → no effect.
    - Animus → "bad surprise" and reduce support.
  - If they both guessed more than 29 (say 65), what should happen?
    - No preference → no effect.
    - Animus → "good surprise" and increase support.
- Hence, we can compare respondents with the same belief, one of whom is "corrected," to estimate the causal effect of racial animus on policy support.

What should (and what does) happen?

- If treated animus-motivated respondents update completely, they should (on average) support TANF as much as the control respondents with correct beliefs.
- We are the first to estimate a large and significant treatment effect.

Subgroup effects

- We expected the treatment effects to be stronger in certain subgroups (and pre-registered these hypotheses).
- We consider:
  - Race (are white respondents different from the others?)
  - Measured racial animus (both implicit and explicit)
  - Political ideology (liberal versus conservative)
  - Belief confidence (are those more confident of their beliefs more surprised?)

Participant characteristics

Table 1: Participant characteristics.

	CPS	*Stage* 1		*Stage* 2		*Stage* 3	
		Mean	S.D.	Mean	S.D.	Mean	S.D.
Age (18 - 64)	0.774	0.890	0.313	0.890	0.313	0.870	0.336
Female	0.505	0.511	0.500	0.512	0.500	0.516	0.500
White	0.753	0.717	0.450	0.719	0.450	0.740	0.439
Black	0.137	0.126	0.332	0.125	0.330	0.103	0.304
Observations	-	3029		2834		2324	

Notes: The Census age categories reflect that fact that participants must be at least 18.

- Our experiment is "powered" to detect a 0.15 sd effect.
- Connect was able to give us a representative sample (except people older than 64).
- With 94% of people returning for Stage 2, there was no selection.
- 82% returned for Stage 3 and the only difference at the 5% level is that returners are 1.4 years older, on average.

Randomization to treatment

Table 2: Treatment balance on observables.

	TANF control		*TANF treatment*		*UI control*		*UI treatment*	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Age	42.570	15.004	43.632	15.331	42.667	14.570	42.99	15.134
Female	0.523	0.500	0.502	0.500	0.520	0.500	0.505	0.500
White	0.700	0.459	0.752	0.432	0.715	0.452	0.710	0.454
Black	0.124	0.330	0.105	0.306	0.137	0.345	0.131	0.337
College	0.433	0.496	0.424	0.494	0.411	0.492	0.420	0.494
Masters or more	0.159	0.366	0.167	0.373	0.157	0.364	0.156	0.363
Income over $75k	0.408	0.492	0.436	0.496	0.442	0.497	0.394	0.489
Observations	709		707		706		703	

Notes: The F statistic from: (1) regressing a TANF indicator on the observables is 1.16 ($p = 0.32$), (2) regressing an UI indicator on the observables is 0.76 ($p = 0.62$).

- Appears to have worked.

Estimation (Information Gradient)

$$Y_i^k = \beta_0 + \beta_1 T_i + \beta_2(Belief_i - True_i) + \beta_3 T_i(Belief_i - True_i) + \beta_4 X_i + \epsilon_i$$

- We expect:
  - When participant beliefs are correct, those who are treated learn nothing and $\beta_1 = \beta_2 = \beta_3 = 0$.
  - $\beta_2 < 0$ is the slope for respondents biased against Black people.
  - $\beta_3 > 0$ is the flattening response of biased participants to "good" and "bad" news.
  - Also, is information the perfect antidote to misperception (i.e., $\beta_3 = -\beta_2$)?

Average treatment effects in the welfare experiment

Table 1: Policy support treatment effects.

	(1) TANF	(2) TANF+
β_1: Corrected Welfare Belief	-2.805	-2.451
	(2.284)	(2.290)
β_2: Misbelief (Welfare Belief - 29)	-0.401***	-0.390***
	(0.085)	(0.085)
β_3: Corrected × Misbelief (Welfare Belief - 29)	0.299**	0.298**
	(0.121)	(0.121)
β_0: Constant	35.605***	37.742***
	(1.584)	(4.255)
Observations	1415	1412

Dependent variable is support for TANF. Controls include age, sex, education, income and geographic region. OLS with robust standard errors reported.
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Average donation treatment effects

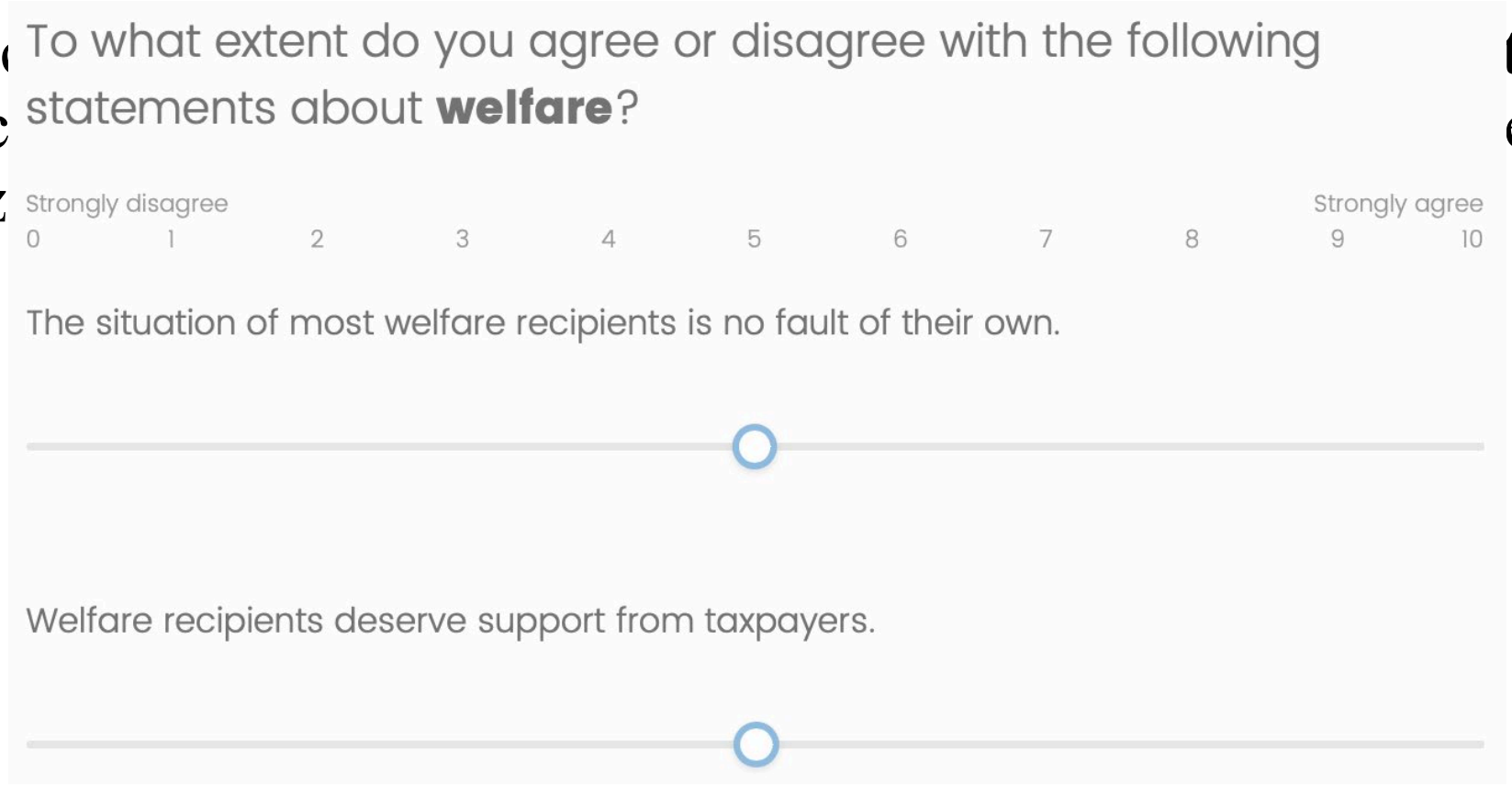
Table 2: Welfare recipient donation treatment effects.

	(1) TANF	(2) TANF+
β_1: Corrected Welfare Belief	-0.037*	-0.037*
	(0.019)	(0.019)
β_2: Misbelief (Welfare Belief - 29)	-0.002**	-0.001*
	(0.001)	(0.001)
β_3: Corrected × Misbelief (Welfare Belief - 29)	0.003***	0.003***
	(0.001)	(0.001)
β_0: Constant	0.384***	0.236***
	(0.014)	(0.036)
Observations	1416	1413

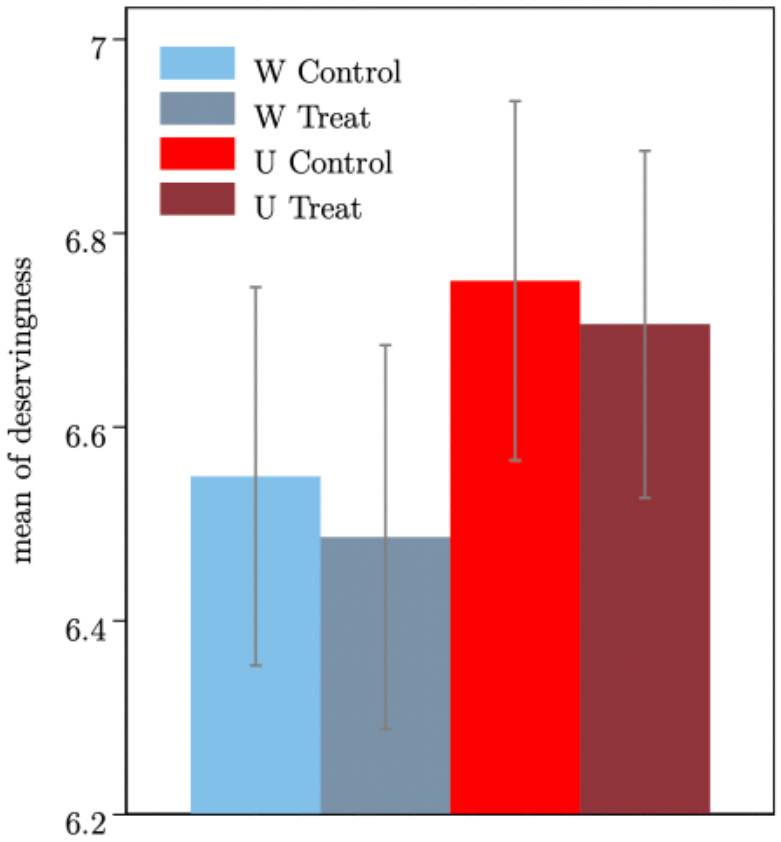
Dependent variable is donation to a TANF recipient. Controls include age, sex, education, income and geographic region. OLS with robust standard errors reported.
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

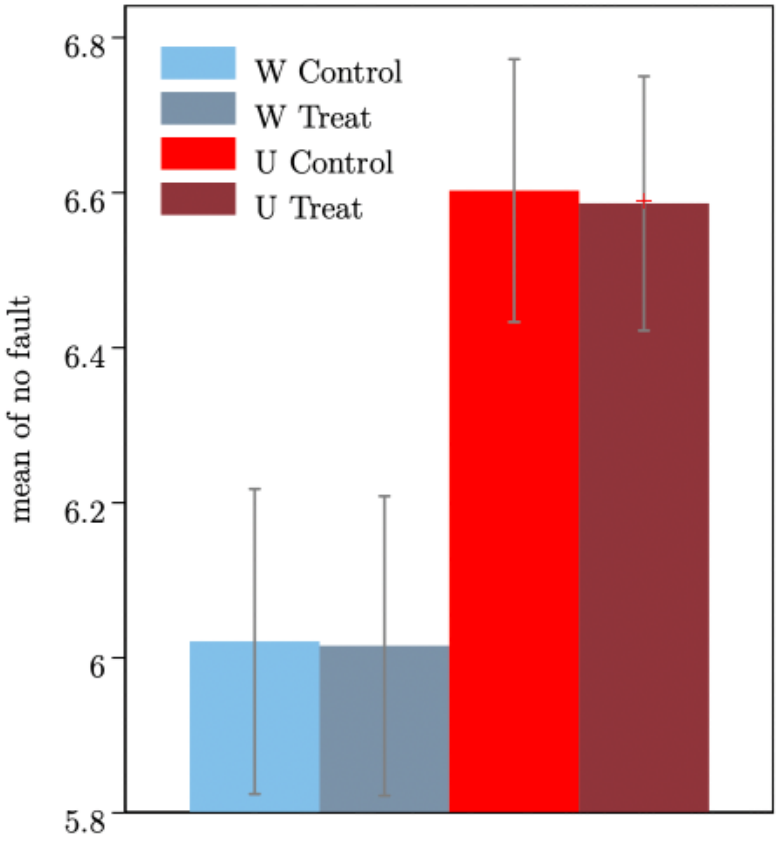
Are all safety net programs treated similarly?

- We ran two parallel experiments in which we hypothesized our results would change because the programs differ in the extent to which there is racial stigmatization of the beneficiaries.
- Specifi thos of Americ e less racializ
- To this



Fault and deservingness (mean by condition)





- As expected, respondents think that UI recipients are more deserving and less at fault for their situation.

Average treatment effects in the UI experiment

Table 3: UI support treatment effects.

	(1) UI	(2) UI+
β_1: Corrected UI Belief	-0.147	-0.078
	(1.809)	(1.804)
β_2: Misbelief (UI Belief - 18)	-0.095	-0.125
	(0.086)	(0.086)
β_3: Corrected × Misbelief (UI Belief - 18)	-0.066	-0.057
	(0.111)	(0.109)
β_0: Constant	22.473***	29.605***
	(1.337)	(3.513)
Observations	1417	1408

Dependent variable is unemployment insurance support. Controls include age, sex, education, income and geographic region. OLS with robust standard errors reported.
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

- Broader support and less stigmatization result in no significant correlation between misbeliefs and support and no animus-based treatment effect.

External validity (sort of)

- We argue that for information provision to be policy relevant, treatment effects must persist beyond the immediate timeframe of the intervention.
- It must be the case that:
  - Uncorrected misbeliefs are persistent/stable.
  - Corrected misbeliefs are updated in the direction of the correct statistic.
- Stage 3 of the experiment collected posterior beliefs in both experiments one month after the intervention.
  - Like in Stage 2, these beliefs are also incentivized.

Posterior beliefs (one month later)

- Respondents in both experiments appear Bayesian:
  - Uncorrected misbeliefs are highly correlated with prior misbeliefs in both experiments.
  - Corrected misbeliefs are much closer to the true statistic in both experiments.
  - Because the effects are similar in both experiments, they are additional evidence that the racial history of the programs accounts for the treatment effect differences.

Conclusion

- Ours appears to be the first causal evidence of the effect of racial animus on social safety net policy support.
- These estimates:
  - are robust to experimenter demand effects.
  - are stronger in the anticipated subgroups.
  - vary in strength by the deservingness of program recipients.
  - indicate that the information provided is salient and persistent.
- Although we provide strong evidence of the effects of racial animus, we do not think that simply providing information about actual recipients will solve the problem.