

## **Ebonya Washington, Research**

Political Economy » Financial Behavior of Low-Income Households » Health

[“The Mommy Effect: Do Women Anticipate the Employment Effects of Motherhood?”](#) (with Ilyana Kuziemko, Jessica Pan, and Jenny Shen)

After decades of convergence, the gender gap in employment outcomes has recently plateaued in many rich countries, despite the fact that women have increased their investment in human capital over this period. We propose a hypothesis to reconcile these two trends: that when they are making key human capital decisions, women in modern cohorts underestimate the impact of motherhood on their future labor supply. Using an event-study framework, we show substantial and persistent employment effects of motherhood in U.K. and U.S. data. We then provide evidence that women do not anticipate these effects. Upon becoming parents, women (and especially more educated women) adopt more negative views toward female employment (e.g., they are more likely to say that women working hurts family life), suggesting that motherhood serves as an information shock to their beliefs. Women on average (and, again, more educated women in particular) report that parenthood is harder than they expected. We then look at longer horizons—are young women’s expectations about future labor supply correct when they make their key educational decisions? In fact, female high school seniors are increasingly and substantially overestimating the likelihood they will be in the labor market in their thirties, a sharp reversal from previous cohorts who substantially underestimated their future labor supply. Finally, we specify a model of women’s choice of educational investment in the face of uncertain employment costs of motherhood, which demonstrates that our results can be reconciled only if these costs increased unexpectedly across generations. We end by documenting a collage of empirical evidence consistent with such a trend.

[“Political Alignment and Tax Evasion”](#) (with Julie Berry Cullen and Nicholas Turner)

We ask whether attitudes toward government play a causal role in the evasion of U.S. personal income taxes. We use individual-level survey data to demonstrate a link between sharing the party of the president and trust in the administration generally and opinions on taxation and spending policy, more specifically. Next, we move to the county level, and measure tax behavior as elections, decided by the voting behavior in swing counties, push voters in partisan counties into and out of alignment with the party of the president. We provide three types of evidence of alignment causally reducing evasion. As a county moves into alignment we find 1) conditional on county economic activity, taxpayers report more easily-evaded Schedule C&E income, with no changes in income that is third-party reported; 2) sharp-bunching around the EITC threshold decreases; and 3) audits, generally instigated by computer algorithms that identify suspect returns, decrease as do audits that result in additional tax liabilities assessed. Our results provide real-world evidence that a positive outlook on government lowers tax evasion.

[“Why Did the Democrats Lose the South? Bringing New Data to an Old Debate,”](#) forthcoming, *American Economic Review*, (with Ilyana Kuziemko) [[Online appendix](#)]

A long-standing debate in political economy is whether voters are driven primarily by economic self-interest or by less pecuniary motives such as ethnocentrism. Using newly available data, we reexamine one of the largest partisan shifts in a modern democracy: Southern whites’ exodus from the Democratic Party, concentrated in the 1960s. Combining high-frequency survey data and textual newspaper analysis, we show that defection among racially conservative whites explains all of the large decline in white Southern Democratic identification between 1958 and 1980. Racial attitudes also predict whites’ partisan shifts earlier in the century. Relative to recent work, we find a much larger role for racial views and essentially no role for income growth or (non-race-related) policy preferences in explaining why Democrats

“lost” the South.

[“Support for Redistribution in an Age of Rising Inequality: New Stylized Facts and Some Tentative Explanations,”](#) *Brookings Papers on Economic Activity*, Spring 2015: 367-405 (with Vivekinan Ashok and Ilyana Kuziemko)

Despite the large increases in economic inequality since 1970, American survey respondents exhibit no increase in support for redistribution, in contrast to the predictions from standard theories of redistributive preferences. We replicate these results but further demonstrate substantial heterogeneity by demographic groups. In particular, the two groups who have most moved against income redistribution are the elderly and African-Americans. We find little evidence that these subgroup trends are explained by relative economic gains or growing cultural conservatism, two common explanations. We further show that the elderly trend is uniquely American, at least relative to other developed countries with comparable survey data. While we are unable to provide definitive evidence on the cause of these two groups’ declining redistributive support, we offer additional correlations which may offer fruitful directions for future research on the topic. One story consistent with the data on elderly trends is that older Americans worry that redistribution will come at their expense, in particular via cuts to Medicare. We find that the elderly have grown increasingly opposed to government provision of health insurance and that controlling for this tendency explains about 40% of their declining support for redistribution. For blacks, controlling for their declining support of race-targeted aid explains nearly 45% of their differential decline in redistributive preferences (raising the question of why support for race-targeted aid has fallen during a period when black economic catch-up to whites has stalled).

[“Valuing the Vote: The Redistribution of Voting Rights and State Funds Following the Voting Rights Act of 1965,”](#) *Quarterly Journal of Economics* (2014), 129(1): 376-433 (with Elizabeth U. Cascio)

The Voting Rights Act of 1965, called one of the most effective pieces of civil rights legislation in U.S. history, generated dramatic increases in black voter registration across the South. We ask whether the increase in black voting rights was accompanied by an increase in blacks’ share of public spending. We exploit a key provision of the Act — removal of literacy tests at registration — for identification. Employing a triple-difference framework over a twenty-year period, we find that counties with higher black population shares in former literacy test states saw greater increases in both voter turnout and state transfers than comparison counties in non-literacy test states, a finding that is consistent with models of distributive politics.

[“Does Less Income Mean Less Representation?”](#) forthcoming, *American Economic Journal: Economic Policy* (2013), 5(2): 53-76 (with Eric Brunner and Stephen L. Ross) [[Data Appendix](#)]

We assemble a novel dataset of matched legislative and constituent votes and demonstrate that less income does not mean less representation. We show 1) The opinions of high and low income voters are highly correlated; the legislator’s vote often reflects the desire of both. 2) What differences in representation by income exist, vary by legislator party. Republicans more often vote the will of their higher income over their lower income constituents; Democratic legislators do the reverse. 3) Differences in representation by income are largely explained by the correlation between constituent income and party affiliation.

[“Do Majority Black Districts Limit Blacks’ Representation? The Case of the 1990 Redistricting,”](#) *Journal of Law and Economics* (2012), 55(2): 251-274

Conventional wisdom and empirical academic research conclude that majority Black districts decrease Black representation by increasing conservatism in Congress. However, this research generally suffers from three limitations: 1) too low a level of aggregation, 2) lack of a counterfactual and 3) failure to account for the endogeneity of the creation of majority minority districts. I compare congressional delegations of states that during the 1990 redistricting were under greater pressure to create majority minority districts with those under lesser pressure in a difference-in-difference framework. I find no evidence that the creation of majority minority districts leads to more conservative

House delegations. In fact, point estimates indicate that states that increased their share of majority Black districts saw their delegations grow increasingly liberal. I find similar results for majority Latino districts in the southwest. Thus I find no evidence for the common view that majority minority districts decrease minority representation in Congress.

[“Economics and Policy Preferences: Causal Evidence of the Impact of Economic Conditions on Support for Redistribution and Other Proposals,”](#) *Review of Economics and Statistics* (2011), 93(3): 888-906 (with Eric Brunner and Stephen L. Ross)

Using California ballot proposition returns and exogenous shifts to labor demand, we provide the first large-scale causal evidence of the impact of economic conditions on policy preferences. Consistent with economic theory, we find that positive economic shocks decrease support for redistributive policies. More notably, we find evidence of a need for cognitive consistency in voting behavior as economic shocks have a smaller significant impact on voting on non-economic ballot issues. While we also demonstrate that positive shocks decrease turnout, we present evidence that our results reflect changes to the electorate's preferences and not simply to its composition.

[“The First of the Month Effect: Consumer Behavior and Store Responses,”](#) *American Economic Journal: Economic Policy* (2010), 2: 142-162 (with Justine Hastings)

Previous research has used survey and diary data to carefully document that Food Stamp recipients decrease their expenditures and consumption of food throughout the benefit month, the beginning of which is defined by the date on which benefits are distributed. The reliance on survey and diary data has meant that researchers could not test two rational hypotheses for why food consumption cycles. Using detailed grocery store scanner data we ask 1) whether cycling is due to a desire for variation in foods consumed that leads to substitution across product quality within the month and 2) whether cycling is driven by countercyclical pricing by grocery retailers. We find support for neither of these hypotheses. We find that the decrease in food expenditures is largely driven by reductions in food quantity, not quality, and that prices for foods purchased by benefit households vary pro-cyclically with demand implying that benefit households could save money by delaying their food purchases until later in the month. The price effects are small relative to demand changes and relative to impacts found for other subsidy programs such as EITC, suggesting that most of the benefits accrue to the intended recipients particularly in product categories and stores where benefit recipients represent a small fraction of overall demand. We conclude by concurring with previous literature that food cycling behavior is most likely due to short-run impatience.

[“Partisan Affiliation, Partisanship and Political Beliefs: A Field Experiment,”](#) *American Political Science Review* (2010), 104(4): 720-744 (with Alan Gerber and Greg Huber)

Partisanship is strongly correlated with attitudes and behavior, but it is unclear from this pattern whether partisanship has a causal effect on political behavior and attitudes. We report the results of a field experiment designed to investigate the causal effect of party identification. Prior to the February 2008 Connecticut presidential primary, researchers sent a mailing to a random sample of unaffiliated registered voters who, in a pre-treatment survey, leaned toward a political party. The mailing informed the subjects that only voters registered with a party were able to participate in the upcoming presidential primary. Subjects were surveyed again in June 2008. Comparing post-treatment survey responses to subjects' baseline survey responses, we find that those informed of the need to register with a party were more likely to affiliate with a party and subsequently showed stronger partisanship. Further, we find that the treatment group also demonstrated greater concordance than the control group between their pre-treatment latent partisanship and their post-treatment reported voting behavior and intentions and evaluations of partisan figures. Thus our treatment, which caused a strengthening of partisan identity, also caused a shift in subjects' candidate preferences and evaluations of salient political figures. This finding is consistent with the claim that partisanship is an active force changing how citizens behave in and perceive the political world.

[“Segregation and Black Political Efficacy,”](#) *Journal of Public Economics* (2009), 5-6: 807-822 (with Elizabeth

Oltmans Ananat)

The impact of segregation on Black political efficacy is theoretically ambiguous. On one hand, increased contact among Blacks in more segregated areas may mean that Blacks are better able to coordinate political behavior. On the other hand, lesser contact with non-Blacks may mean that Blacks have less political influence over voters of other races. As for non-Blacks, inter-group conflict theory suggests that greater contact yields greater conflict between the groups while inter-group contact theory suggests exactly the reverse. We investigate this question empirically. We find that exogenous increases in segregation lead to decreases in Black civic efficacy, as measured by an ability to elect Representatives who vote liberally and more specifically in favor of legislation that is favored by Blacks. This tendency for Representatives from more segregated MSAs to vote more conservatively arises in spite of the fact that Blacks in more segregated areas hold more liberal political views than do Blacks in less segregated locales. We find evidence that this decrease in efficacy is driven by more conservative attitudes amongst non-Blacks in more segregated areas.

[“Sticking with Your Vote: Cognitive Dissonance and Political Attitudes,”](#) *American Economic Journal: Applied Economics* (2009), 1(1): 86-111 (with Sendhil Mullainathan)

Cognitive dissonance theory predicts that the act of voting for a candidate leads to a more favorable opinion of the candidate in the future. We find support for the empirical relevance of cognitive dissonance to political attitudes. We examine the presidential opinion ratings of voting age eligibles and ineligibles two years after the president’s election. We find that eligibles show 2-3 times greater polarization of opinions than comparable ineligibles. We find smaller effects when we compare polarization in opinions of senators elected during high turnout presidential campaign years with senators elected during non-presidential campaign years.

[“Female Socialization: How Daughters Affect Their Legislator Fathers’ Voting on Women’s Issues,”](#) *American Economic Review* (2008), 98(1): 311-332

Parenting daughters, sociologists have shown, increases feminist sympathies. I test the hypothesis that children, much like neighbors or peers, can influence parental behavior. I demonstrate that conditional on total number of children, each daughter increases a congress person’s propensity to vote liberally, particularly on reproductive rights issues. The results identify an important (and previously omitted) explanatory variable in the literature on congressional decision making. Additionally the paper highlights the relevance of child to parent behavioral influence.

[“How Black Candidates Affect Voter Turnout,”](#) *Quarterly Journal of Economics* (2006), 121(3): 973-998

Both Black and White voter turnout increases 2-3 percentage points with each Black Democrat on the ballot. Given the groups’ representations in the population, the White response is numerically greater. Whites of both parties are less likely to vote for their parties’ candidate when s/he is Black. The turnout findings are not explained away by voter, election, or politician characteristics. However the fact that there is no turnout response to Black Republicans suggests that a perception of Blacks’ ideology may be a factor.

[“The Impact of Banking and Fringe Banking Regulation on the Number of Unbanked Americans,”](#) *Journal of Human Resources* (2006), 41(1): 106-137

Thirty-five to forty-five percent of low-income American households do not possess a bank account. This statistic coupled with claims of price gouging by check cashers has prompted government intervention. I find that state legislation requiring banks to offer low-cost accounts slightly decreases the number of low-income minority unbanked

households, but only with a substantial lag. Caps on check cashing fees also lead to a small, but more immediate, reduction in the number of unbanked amongst this population. Because price caps may lead to a reduction in supply, welfare effects are indeterminate.

[“Subsidies to Employee Health Insurance Premiums and the Health Insurance Market,”](#) *Journal of Health Economics* (March 2005), 24(2): 253-276 (with Jonathan Gruber)

One approach to covering the uninsured that is frequently advocated by policy-makers is subsidizing the employee portion of employer-provided health insurance premiums. But, since the vast majority of those offered employer-provided health insurance already take it up, such an approach is only appealing if there is a very high takeup elasticity among those who are offered and uninsured. Moreover, if plan choice decisions are price elastic, then such subsidies can at the same time increase health care costs by inducing selection of more expensive plans. We study an excellent example of such subsidies: the introduction of pre-tax premiums for postal employees in 1994, and then for the remaining federal employees in 2000. We do so using a census of personnel records for all federal employees from 1991 through 2002. We find that there is a very small elasticity of insurance takeup with respect to its after-tax price, and a modest elasticity of plan choice. Our results suggest that the federal government did little to improve insurance coverage, but much to increase health care expenditures, through this policy change.

[Back to bio page](#)

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