Internet Appendix

for

CEO Political Ideology and Voluntary Forward-Looking Disclosure

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Introduction

This online supplementary material complements and extends our main analysis in "Political orientation and the information revelation preferences of Red and Blue CEOs" in multiple ways. First, we investigate the effect of CEO political ideology on earnings forecast news types and earnings surprises. Second, we conduct additional tests to further address the endogeneity issues that could arise from measurement error, selection bias, and/or correlated omitted variables. Third, we use alternative measures of CEO political ideology and management earnings forecasts to mitigate concerns about error-in-variable problems. Fourth, we conduct a range of robustness tests to address various specification issues that could otherwise confound our main results. Fifth, we conduct a battery of cross-sectional tests that supports the conservatism hypothesis further by investigating the effect of different CEO and firm characteristics on our baseline results. Lastly, we used several alternative subsamples to address possible effects of sample selection bias on our baseline results.

I. Earnings Forecast News and Earnings Surprise

We examine the association between CEO political ideology and earnings forecasts news type. Specifically, we differentiate between bad and good news forecasts and examine how CEO political ideology affects the issuance of each type. Further, Skinner and Sloan (2002) show that the market response to negative earnings surprises is much stronger than the market response to positive earnings surprises. Corporate managers thus take actions to avoid negative earnings surprises to avoid their negative impact on stock prices. Matsumoto (2002) argues that managers voluntarily disclose bad news forecasts, or forecasts that are lower than expected, to guide analysts' earnings expectations downward, and thus to avoid missing expectations at the earnings

announcement date. Although negative earnings surprises are detrimental to firms with both Republican and Democrat CEOs, Republican CEOs are expected to be more sensitive to such incidents because of their higher preference for the avoidance of loss and ambiguity. Consistent with this expectation, our earlier results show that Republican CEOs are more likely to issue bad news forecasts. We, therefore, conjecture that firms run by Republican CEOs would be more (less) likely to experience positive (negative) earnings surprises, compared to firms run by non-Republican CEOs. We replicate our baseline tests for five variables that capture news type and earnings surprise (namely: *Bad_News*, *Good_News*, *Positive_Surprise*, *Negative_Surprise*, and *Neutral_Surprise*, respectively) and report the results in Tables A1 and A2.[1]

Consistent with the conservatism hypothesis, the results of these tests indicate that Republican CEOs are more likely to issue bad news forecasts compared to non-Republican CEOs. Specifically, on average, firms with Republican CEOs have around 13 percent more bad news forecasts than those with non-Republican CEOs. Further, the results in Tables A1 and A2 indicate that firms run by Republican CEOs are more likely to experience positive earnings surprises and less likely to experience negative earnings surprises than other firms, which is consistent with our expectations. However, when it comes to the neutral surprises, we find that the coefficients on *Rep_Dum* and *Rep-Index* are both insignificant, suggesting that CEO Republican ideology plays no significant role in determining the likelihood of having neutral earnings surprises. We also find that research and development intensity, return on assets, analysts following, institutional ownership, and earnings news type are positively associated with positive earnings surprises and

[1]In this appendix, we report the results for the baseline regression models as well as the PSM analysis. The results for the DID test, tests that control for CEO characteristics, incentives, and overconfidence, tests that use alternative measures of CEO Republican ideology, and the cross-sectional tests based on institutional ownership and litigation risk are consistent with those in our main manuscript. These results are un-tabulated to save space and are available upon request.

negatively associated with negative earnings surprises. In contrast, firm size, leverage, and volatility are negatively associated with positive earnings surprises and positively associated with negative earnings surprises. Collectively, our results presented in Tables A1 and A2 lend support to the notion that Republican CEOs tend to impose downward pressure on analysts' forecasts, aiming at a higher probability of experiencing positive earnings surprises.

II. Management Earnings Forecasts around CEO Turnover.

Our baseline DID test uses a [-3, +3] window around CEO turnover events. To address the possibility that our DID results are affected by the window selection, we repeat our DID test using a [-2, +2] window and report results in Table A3. *After* is an indicator variable that equals 1 for the years after the CEO turnover. We only consider turnover events where long-term old CEOs are replaced by long-term new CEOs (long-term is defined as holding the position for at least two years). *Rep_Leaving* is an indicator variable that equals one if a firm replaces a Rep CEO with a non-Rep CEO, 0 otherwise. Republican CEOs are defined using $Rep\_dum_{Only,}$ which is an indicator variable that equals one if all donations of a CEO in an election cycle are directed to the Republican Party only (neither Democratic nor others). We find that the coefficient of *After*Rep_Leaving is* significantly negative in the models of MEF *Issue*, *Accuracy*, *Bad_News, and Positive_Surprise*, while it is insignificant, albeit negative, in the models of *Frequency*, *Range*, and *Horizon*. We also find that the same coefficient is significantly positive in the model of *Negative_Surprise.* The above findings are largely in line with our baseline results,

Next, we examine the effect of change in CEO political ideology due to CEO turnover on change in earnings forecasts (Table A4). Specifically, *Δdependent* is the difference between the first full fiscal year under the new CEO and the last full fiscal year under the old CEO. ΔREP_{CEO}

is defined as the changes in CEO political ideology due to CEO turnover, where ΔREP_{CEO} =1 if a Republican CEO replaces a Democratic CEO, 0 if CEO political ideology does not change with turnover, and -1 if a Democratic CEO replaces a Republican CEO.[2] Even though this test uses a significantly smaller sample size, the results are largely similar to our baseline results.

Next, following Chava, Livdan, and Purnanandam (2009), we use change-on-change regressions to examine the active managerial influence on management earnings forecasts. Specifically, we estimate annual changes in all management earnings forecast variables, key Republican measures, and control variables similar to our baseline regressions. Following Hutton, Jiang, and Kumar (2014), we restrict our sample to those firm-years where annual changes in both Republican measures and management earnings forecast variables are non-zero. As presented in Table A5, the results of this test are largely in alignment with our baseline results.

III. Alternative Measures of CEO Political Ideology and Overconfidence

Table A6 presents the results using two alternative measures of Republican ideology, $Rep\_index_{year,}$ which is an index calculated as total donations to the Republican Party minus total donations to the Democratic Party divided by total donations to both parties in each fiscal year, and $Rep\_index_{tenure,}$ which is an index calculated as total donations to the Republican Party minus total donations to the Democratic Party divided by total donations to both parties in a CEO's entire tenure. In Tables A7 and A8, we use alternative measures of Democratic and Other ideologies. Results are similar to our main findings, which mitigate the concerns that our findings are sensitive to our baseline measures of Republican ideology.

[2] Due to this restrictive definition of changes in CEO political ideology measures around CEO turnover event, our sample size is reduced significantly.

Results in Table A7 lend strong support to the main premises of this paper. CEO Democratic ideology is negatively associated with forecast issuance, frequency, range, horizon, accuracy, bad news, and positive earnings surprise and positively associated with negative surprise, albeit some of these effects are not statistically significant. Specifically, these results show, on average, that Democratic CEOs are around 8.8% less likely to issue forecasts, compared to CEOs with other political ideologies (model 1). Further, on average, Democratic CEOs are 9% to 12% less likely to miss forecast, 3.6% to 7.4% more likely to experience negative earnings surprise, 4.5% to 7.7% less likely to experience positive earnings surprise and have 2.5% to 4.3% lower forecast accuracy, compared to non-Democratic CEOs. Further,

Table A9 uses *Net_buyer* as an alternative measure of CEO overconfidence in addition to other CEO and firm characteristics. The results using this alternative measure are, overall, consistent with our main findings.

IV. Controlling for Other Possible Omitted Variables.

In this section, we control for several possible omitted variables that may affect managers' voluntary disclosure. First, Baik, Farber, and Lee (2011) find that CEO ability is positively associated with the likelihood, frequency, and accuracy of earnings forecasts. Republican CEOs may have higher ability compared to non-Republican CEOs driving our main findings. Thus, following Demerjian, Lev, and McVay (2012), we control for managerial ability, *MA_Score*. The results of this test are presented in Table A10. As shown in Table A10, we find similar results to our baseline regression.[3] Next, we investigate whether our results are caused by the political orientation of a firm CEO, or alternatively by the orientation of the CFO (*REP_Dum*$_{CFO}$ and

[3] We thank Demerjian, Lev, and McVay (2012) for sharing their data. Managerial ability data is available at: https://faculty.washington.edu/pdemerj/data.html. Last accessed on May 24, 2020.

Rep_Index$_{CFO}$) or other members of the top management team (*Rep_Dum*$_{TMT}$ and *Rep_Index*$_{TMT}$). The results in Table A11 show that TMT political ideology does not affect voluntary disclosure, while the political orientation of the CFO has a weak effect on some aspects such as frequency, range, and accuracy. The effect is weak and sensitive to the measure of CFO political ideology though.

Our baseline results suggest a positive association between CEOs' conservative political ideology (Republican) and the quality of earnings forecasts. However, political activism can represent an alternative explanation of our ideology interpretation of the results. To address this issue, we estimate models that concurrently control for CEOs' Republican as well as Democratic ideologies. (Table A12). Coefficient estimates of measures of Republican and Democratic ideologies are opposite, which is consistent with the ideology rather than the activism explanation of our results.

V. Propensity Score Matching: Alternative Specifications[4]

We rerun our PSM using alternative measures of CEO political ideology. First, we identify *Treatment* using *Rep_dum*$_{only,}$ which is an indicator variable that equals one if all donations of a CEO in an election cycle are directed to the Republican Party only (neither Democratic nor others), and *Control* refer to a matching sample of CEOs who donated to other parties or never donated (Table A13, Panel A). Next, we identify *Treatment* using *Rep_dum*$_{cycle,}$ which is an indicator variable that equals one if all donations of a CEO in an election cycle are directed to the Republican Party, and *Control* refers to the matching sample if the donations of a CEO in an election cycle are all directed toward the Democratic Party (Table A13, Panel B). Lastly, we identify *Treatment*

[4] We do not report the diagnostic tests for the difference in mean matching variables between treatment and control groups for brevity. These tests are available upon request.

using $Rep\_dum_{tenure,}$ which is an indicator variable that equals one if all donations of a CEO during her/his entire tenure are directed to the Republican Party and *Control* refers to the matching sample if all donations of a CEO during her/his entire tenure are directed to the Democratic Party (Table A13, Panel C). We carefully match the *Treatment* and *Control* groups on multiple firm characteristics as well as year and industry to mitigate the endogeneity issue. Further, it could be argued that differences in the political orientation of a firm's location could affect our results. So, we replicate our PSM tests using the same set of matching variables in addition to the political orientations of a firm's headquarters state. We report the results of this alternative PSM specification in Table A14.

VI. Is It Really Conservatism? Cross-sectional Tests

We interpret our results as evidence that due to their conservative ideology, Republican CEOs tend to choose a less opaque (or more transparent) voluntary disclosure style. If our conjecture about conservatism is correct, we should observe a variation within conservative CEOs based on their demographic and other characteristics. In our main analysis, we present such results for our baseline variables. In this section, we present the same results for the variables that capture news types and earnings surprises.

Table A15 reports results for the cross-sectional tests based on CEO age (Panel A), CEO inside debt (Panel B), CEO marital status (Panel C), CEO tenure (Panel D), political orientation of a firm's headquarters state (Panel E), policy uncertainty (PU) (Panel F), and high PU index in red (blue) states (Panel G).[5] Table A16 reports results for the subsample of firms with long-term

[5] Our results are similar when we use the PU news index. These results are un-tabulated and are available upon request.

(transient) institutional ownership in Panel A (B).[6] Table A17 reports results for subsamples of firms with higher (lower) than median analyst coverage in Panel A (B).

Consistent with our conservatism hypothesis, our results are stronger for older CEOs, CEOs with higher inside debt, married CEOs, CEOs with shorter tenure (possibly higher career concern), and for firms with long-term institutional ownership, with high analyst coverage, and located in Republican counties. Further, the results are stronger during the high PU period, especially for firms located in red states.

VII. Controlling for Variations in CEO Donation

Political ideology data include a significant variation in CEO donation. While some CEOs consistently donate in each election cycle, others never make any political donations. To make sure that such variation does not affect our baseline results, we run a subsample analysis after excluding CEOs who never donated during the sample period (Table A18, Panels A1 and A2). Further, we run a subsample analysis by restricting the sample to CEO donation years only (Table A18, Panels B1 and B2). Results using these restrictive subsamples are similar to our baseline results.

Moreover, we restrict our samples to firms that appear at least once in the I/B/E/S to address the database coverage issue (Chuk, Matsumoto, and Miller (2013); Houston et al. (2019)). Specifically, we exclude those firms that have never issued any earnings forecast during our sample period. This setting should eliminate the possible bias in our results caused by the effect of firms that have never issued any EPS forecasting in our sample period. The results of this test are

[6] We also follow Goetzman et al. (2015) and Jiang et al. (2021) to collect the location information for the institutions. We also thank Alok Kumar and Danling Jiang for providing their data to us. However, the location based pollical ideology is noisy, thus not reported here.

presented in Table A19, and are largely similar to our baseline results. Next, we attempt to refute the possibility that our results are driven by the large number of non-forecast years in our sample. We run our models using a subsample that excludes firm/year observations with no management earnings forecast. The results of this test are reported in Table A20 and are similar to our baseline results.

Table A21 presents our results for the subsample of pre-crisis observations (1993-2007) and the subsample of post-crisis observations (2010-2016). Further, to rule out the possibility that our results are not affected by other confounding events taking place in the CEOs' turnover years, we exclude firm-years in which CEO turnover occurred (Table A22, Panels A1 & A2). To further check the persistency of our baseline results, we exclude the first three years of CEO tenure (Table A22, Panels B1 & B2). Our baseline results are, overall, robust to the above sensitivity checks.

VIII. Additional Robustness Checks

To capture the state-level variations in CEO political ideology and management earnings forecasts, we control for state fixed effects (headquarters) (Table A23, Panels A1 & A2), and find that the results are largely consistent with our main results. We also find that the results continue to hold even when we cluster the standard error at the firm level (Table A23, Panels B1 & B2).

Lastly, although it is beyond the scope of this paper which aims to investigate the voluntary disclosure preferences of Republican CEOs, it could be equally interesting to see the effect of such preferences on outcomes such as access to capital, measured by the Kaplan-Zingales (KZ: 1997) index, the Hadlock-Pierce (HP: 2010) index, and Whited-Wu (WW: 2006) index, Kusnadi-Wei (2017) and Chen et al. (2017) measures of investment inefficiency (*InvIneff* and *InvIneff_Alt*, respectively), and firm value measured by Tobin's Q. The detailed definitions of the above

measures are available in Appendix AA. Table A24 provides preliminary evidence that voluntary disclosure could alter the association between CEO political ideology and such outcome variables. Specifically, it seems that, when issuing highly accurate forecasts, Republican CEOs have higher access to capital (models (1) - (6)) and lower investment inefficiency (models (7) – (10)), and higher firm value (models (11) and (12)).

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Appendix AA. Variable definition

Variable	Definition
CEO political ideology (Baseline)	
Rep_Dum	An indicator variable that equals one if a CEO donated more to the Republican party than to the Democratic party during her/his entire tenure [Bhandari et al. 2018].
Rep_Index	The percentage of a CEO's support for the Republican Party calculated as the number of cycles in which a CEO donates exclusively to the Republican Party divided by her/his number of donation cycles in the sample period [Hong and Kostovetsky, 2012].
CEO political ideology (Robustness)	
Dem_Dum	An indicator variable that equals one if a CEO donated more to the Democratic Party than to the Republican Party during her/his entire tenure.
Dem_Index	The percentage of a CEO's support for the Democratic Party calculated as the number of cycles in which a CEO donates exclusively to the Democratic Party divided by her/his number of donation cycles in the sample period.
Rep_dum_{cycle}	An indicator variable that equals one if all donations of a CEO in an election cycle are directed to the Republican Party [Hutton et al. 2014].
Rep_dum_{tenure}	An indicator variable that equals one if all donations of a CEO during her/his entire tenure are directed to the Republican Party [Elnahas and Kim, 2017].
Rep_index_{cycle}	An index calculated as total donations to the Republican Party minus total donations to the Democratic Party divided by total donations to both parties in each election cycle. This index ranges between -1 (strong Democrat) and 1 (strong Republican) [Hutton et al. 2014].
Rep_dum_{Only}	An indicator variable that equals one if all donations of a CEO in an election cycle are directed to the Republican Party only (neither Democratic nor others).
Political ideology (Internet appendix)	
Rep_index_{year}	An index calculated as total donations to the Republican Party minus total donations to the Democratic Party divided by total donations to both parties in each fiscal year. This index ranges between -1 (strong Democrat) and 1 (strong Republican).
Rep_index_{tenure}	An index calculated as total donations to the Republican Party minus total donations to the Democratic Party divided by total donations to both parties in a CEO's entire tenure. This index ranges between -1 (strong Democrat) and 1 (strong Republican).
Dem_dum_{cycle}	An indicator variable that equals one if the donations of a CEO in an election cycle are all directed toward the Democratic Party.
Dem_dum_{tenure}	An indicator variable that equals one if all donations of a CEO during her/his entire tenure are directed to the Democratic Party.
Dem_dum_{cycle2}	An indicator variable that equals one if the donations of a CEO in an election cycle are all directed toward the Democratic Party but not the Republican Party.
Other_Index	Percentage of a CEO's support for other Parties calculated as the number of cycles in which a CEO donates exclusively to other parties divided by her/his total number of donation cycles in the sample period.
$Other\_dum_{cycle}$	An indicator variable that equals one if the donations of a CEO in an election cycle are all directed toward the other parties (neither Republican nor Democratic).
Rep_Dum_{CFO}	An indicator variable that equals one if a CFO donated more to the Republican Party than to the Democratic Party during their tenure [Bhandari et al., 2018].

Appendix AA. Variable definition- Cont'd

Rep_Index$_{CFO}$	The percentage of a CFO's support for the Republican Party is calculated as the number of cycles in which a CFO donates exclusively to the Republican Party divided by the number of donation cycles in the sample period [Hong and Kostovetsky, 2012].
Rep_Dum$_{TMT}$	An indicator variable that equals one if a TMT donated more to the Republican Party than to the Democratic Party during their tenure [Bhandari et al., 2018].
Rep_Index$_{TMT}$	The percentage of a TMT's support for the Republican Party, calculated as the number of cycles in which a TMT donates exclusively to the Republican Party divided by the number of donation cycles in the sample period [Hong and Kostovetsky, 2012].
Voluntary disclosure	
Issue	An indicator variable that equals one if a firm makes annual earnings forecasts in a fiscal year.
Frequency	The total number of annual earnings forecasts made by a firm in a fiscal year.
Ln(Horizon)	The natural logarithm of one plus the average horizon of annual earnings forecasts made by a firm in a fiscal year. For each forecast, the horizon is defined as the number of calendar days between the forecast announcement date and the corresponding period end date. We assign a value of zero when a firm makes no forecasts in a fiscal year.
Range	An indicator variable of range estimates. For each forecast, we first assign 1 for range estimates and zero otherwise. This indicator variable is then averaged for each firm-year. The Range is then defined as an indicator variable that equals one if the average range is greater than 0.5, and zero otherwise.
Accuracy	The average Forecast accuracy for all annual earnings forecasts made by a firm in a fiscal year. For each estimate, we first calculate the absolute difference between management earnings forecasts and actual earnings scaled by the stock price at the end of the month before the forecast. Next, we identify forecast accuracy as the quintile ranking of the scaled difference, where one is assigned to the top quintile (largest error), five is assigned to the bottom quintile (lowest error), and zero if no forecasts are made.
Bad_News	An indicator variable that equals one if forecast news is negative, and zero otherwise. Where forecast news is the difference between the management earnings forecasts and the most recent mean analyst estimate deflated by the stock price one trading day before the management forecast release date.
Good_News	An indicator variable equals one if forecast news is non-negative, and zero otherwise. Forecast news is the difference between the management earnings forecasts and the most recent mean analyst estimate scaled by the stock price one trading day before the management forecast release date.
Positive_Surprise	An indicator variable that equals one if an earnings surprise is greater than 0.0001, and zero otherwise. Earnings surprise is calculated as the difference between the actual earnings and the mean analyst estimate scaled by the stock price three trading days before an earnings announcement.
Negative_Surprise	An indicator variable that equals one if an earnings surprise is less than -0.0001, and zero otherwise. Earnings surprise is calculated as the difference between the actual earnings and the mean analyst estimate scaled by the stock price three trading days before an earnings announcement.
Neutral_Surprise	An indicator variable that equals one if an earnings surprise is between 0.0001 and -0.0001, and zero otherwise. Earnings surprise is calculated as the difference between the actual earnings and the mean analyst estimate scaled by the stock price three trading days before an earnings announcement.

Appendix AA. Variable definition- Cont'd

Firm Characteristics	
Ln(assets)	The natural logarithm of total assets (at).
MB	The ratio of market-to-book value of equity. [(prcc_f*csho) / ceq].
Leverage	The ratio of total debt divided by the market value of total assets. [(Dltt+Dlc) / (at-ceq+csho*prcc_f)].
RD	Expenditures on research and development scaled by total assets. [xrd/at]
ROA	Return on assets measured as income before extraordinary items scaled by total assets. [ib/at]
Volatility	The standard deviation of daily stock return (CRSP variable ret) of a firm over the last fiscal year.
Ln(Analyst)	The natural logarithm of the number of analysts following a firm.
Institutional_Own	The percentage of shares owned by institutional investors.
Litigation	An indicator variable that equals one if a firm's SIC code is in industries subject to increased litigation (2833-2836, 3570-3577, 3600-3674, and 7370-7374), and zero otherwise.
News	An indicator variable that equals one if the current period EPS is greater than or equal to the previous-period EPS, and zero otherwise.
Equity_Issue	An indicator variable that equals one if a firm issued shares in a year.
Acquisition	An indicator variable that equals one if a firm's annual acquisitions or merger-related costs exceeded five percent of net income (loss) in year t, and zero otherwise. [aqc/ni]
Industry_Conc	A firm's industry concentration, measured as the sum of sales of the top five firms in its two-digit SIC code scaled by total sales of all firms in its two-digit SIC code in year t. $[\sum_{i=1}^{5} Sale_{i,j} \,/\, \sum_{i=1}^{n} Sale_{i,j}]$
Long-term IO	Long-term institutional investors are those classified as dedicated or quasi-indexers (i.e., long-term institutional investors per Bushee (2001). Institutional ownership classification data are publicly available at Bushee's personal website: https://accounting-faculty.wharton.upenn.edu/bushee/
Transient IO	Transient institutional investors are those classified as transient (i.e., short-term institutional investors per Bushee (2001). Institutional ownership classification data are publicly available at Bushee's personal website: https://accounting-faculty.wharton.upenn.edu/bushee/
Tobin's Q	The ratio of the market value of equity plus total assets less the book value of equity all divided by total assets. [((prcc_f*csho)+at-ceq)/ at]
InvIneff	*InvIneff* is the residuals calculated from the following Equation: $INVEST1_{i,t} = \alpha_0 + \beta_1 \text{CAPX}_{i,t} + \beta_2 \text{XRD}_{i,t} + \epsilon_{i,t}$ Where *INVEST1* is the sum of R&D expenditure and the capital expenditures, all deflated by lagged total assets (Kusnadi & Wei (2017)).
InvIneff_Alt	*InvIneff_Alt* is the residuals calculated from the following Equation: $INVEST2_{i,t} = \alpha_0 + \beta_1 PPEGT_{i,t} + \beta_2 \text{PPEGT}_{i,t-1} + \beta_3 INVT_{i,t} + \beta_4 \text{INVT}_{i,t-1} + \beta_4 \text{XRD}_{i,t} + \epsilon_{i,t}$ Where *INVEST2* is the sum of the yearly growth in property, plant, and equipment, plus growth in inventory, plus R&D expenditure, all deflated by lagged total assets (Chen et al.,2017).
KZ Index	KZ index is calculated as: KZ_index = -1.001909* cash flow + 0.2826389* *Tobin's Q* + 3.139193*leverage - 39.3678*dividend - 1.315*cash, where leverage is the ratio of total debt divided by the book value of total assets, dividend is the ratio of common dividend divided book value of total assets, cash is the ratio of cash plus marketable securities to the book value of assets. [Kaplan & Zingales (1997)]

Appendix AA. Variable definition- Cont'd

HP Index	HP index is calculated as: HP index = -0.737* Ln(assets) + 0.043*Ln(assets)^2 – 0.040*firmage, where firm age is the number of years the firm has been on Compustat. [Hadlock & Pierce (2010)]
WW Index	The Whited-Wu index is calculated as: WW index = -0.091*Cash flow – 0.062*dividend dummy + 0.021*long-term debt - 0.044* *Ln(assets)*+ 0.102*industry sales growth - 0.035*sales growth. Cash flow is the sum of the operating income before depreciation subtracting interest and related expenses, income taxes, and common dividend, all deflated by total assets. Dividend dummy is an indicator variable that equals one if a firm pays a dividend, and zero otherwise. Long-term debt is the ratio of long-term debt divided by the book value of total assets. Sales growth is the annual growth in total revenues during the fiscal year [Whited & Wu (2006)]
CEO Characteristics	
Ln(Tenure)	The natural logarithm of CEO tenure, where tenure is defined as the length of a CEO's tenure with her/his current firm.
Ln(Age)	The natural logarithm of the age of a CEO as of the year in which a management earnings forecast was released.
Duality	An indicator variable that equals one if a CEO is also the chairman, and zero otherwise.
Ln(Delta)	The natural logarithm of the expected dollar changes in CEO wealth for a 1% change in stock price computed as in Core and Guay (2002).
Ln(Vega)	The natural logarithm of the expected dollar changes in CEO wealth for a 1% change in stock return volatility computed as in Guay (1999).
CEO_Own	The percentage of shares outstanding owned by a CEO.
CEO Gender	CEO Gender equals 1 if a CEO is female, 0 otherwise.
Married	Married equals one if a CEO is married, zero otherwise. [Roussanov & Savor (2014)]. We thank Roussanov & Savor (2014) for sharing their CEOs' marital status data, which is available at http://dx.doi.org/10.1287/mnsc.2014.1926
Inside Debt	The natural logarithm of one plus the debt-to-equity ratio of CEO compensation.
Net_buyer	An indicator variable that equals one if the number of years at which a CEO is a net-buyer is higher than those at which she/he is a net seller. *Net_buyer* is calculated as follows: first, we compute the net stock purchases by a CEO as purchases minus sales, both in units of shares *[net_purchase = (SHROWN_EXCL_OPTS$_t$ - SHROWN_EXCL_OPTS$_{t-1}$)],* then we calculate the number of years at which a CEO has bought more shares than he/she sold. [Malmendier and Tate, 2005; Campbell et al. 2011]
Holder67	An indicator variable that equals one if a CEO holds vested options with average moneyness greater than 67 percent starting in the first year a CEO displays this behavior. Option moneyness is calculated as follows: first, we calculate the realizable value per option as the total realizable value of the exercisable options divided by the number of exercisable options *[Value_Per_option = (OPT_UNEX_EXER_EST_VAL / OPT_UNEX_EXER_NUM)]*. Second, we compute the estimate of the average exercise price of the options by subtracting the per-option realizable value from the stock price at the fiscal year-*end [avg_exercise_price = (prccf - Value_Per_option)]*. Lastly, the average percent moneyness of an option equals the per-option realizable value divided by the estimated average exercise price *[avg_pctg_moneyness_opt = (Value_Per_option / avg_exercise_price)]*. [Malmendier and Tate, 2005; Campbell et al. 2011; Hirshleifer et al. 2012]

Table A1. CEO Political Ideology: Bad news, Good news, and Earnings Surprise.

This table presents the results of the logistic regression models of the association between CEO political ideology and the credibility of the management earnings forecasts news. The dependent variable in models (1) and (2) is *Bad_News,* which is an indicator variable that equals one if forecast news is negative, and 0 otherwise. The dependent variable in models (3) and (4) is *Good_News,* which is an indicator variable equals one if forecast news is non-negative, and zero otherwise. Where forecast news is the difference between the management earnings forecasts and the most recent mean analyst estimate deflated by the stock price one trading day before the management forecast release date. The dependent variable in models (5) and (6) is *Positive_Surprise,* which is an indicator variable that equals one if an earnings surprise is greater than 0.0001, and zero otherwise. The dependent variable in models (7) and (8) is *Negative_Surprise,* which is an indicator variable that equals one if an earnings surprise is less than -0.0001, and zero otherwise. The dependent variable in models (9) and (10) is *Neutral_Surprise,* which is an indicator variable that equals one if an earnings surprise is between 0.0001 and -0.0001, and zero otherwise. Measures of CEO political ideology, *Rep_Dum*, *Rep_Index*, and all other independent variables are defined in Appendix AA. All models include year and industry fixed effects. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Bad_News		*Good_News*		*Positive_ Surprise*		*Negative_ Surprise*		*Neutral_ Surprise*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rep_Dum	0.133†		0.052		0.058**		-0.090†		0.029	
	(3.84)		(1.40)		(2.07)		(-2.97)		(0.64)	
Rep_Index		0.144†		0.011		0.052		-0.094**		0.065
		(3.35)		(0.23)		(1.51)		(-2.54)		(1.18)
Ln(assets)	0.052†	0.055†	-0.016	-0.014	-0.023**	-0.022*	0.042†	0.040†	-0.077†	-0.077†
	(3.56)	(3.78)	(-1.07)	(-0.93)	(-2.04)	(-1.92)	(3.32)	(3.19)	(-4.07)	(-4.09)
MB	0.006	0.006*	-0.010**	-0.009**	-0.009†	-0.009†	-0.011†	-0.011†	0.030†	0.030†
	(1.60)	(1.65)	(-2.29)	(-2.26)	(-2.86)	(-2.84)	(-3.20)	(-3.22)	(7.05)	(7.05)
Leverage	0.184	0.184	0.799†	0.801†	-0.409†	-0.410†	0.837†	0.838†	-1.304†	-1.304†
	(1.38)	(1.39)	(5.99)	(6.00)	(-4.07)	(-4.08)	(7.91)	(7.92)	(-6.51)	(-6.51)
RD	-3.800†	-3.781†	-3.119†	-3.120†	1.951†	1.955†	-1.751†	-1.760†	-1.264†	-1.253†
	(-9.16)	(-9.12)	(-7.12)	(-7.12)	(6.79)	(6.81)	(-5.62)	(-5.65)	(-2.67)	(-2.64)
ROA	2.503†	2.511†	0.454**	0.459**	1.392†	1.394†	-1.849†	-1.851†	1.036†	1.036†
	(12.05)	(12.08)	(2.44)	(2.46)	(10.58)	(10.59)	(-13.18)	(-13.19)	(4.27)	(4.27)
Volatility	-21.817†	-21.758†	-18.305†	-18.294†	-0.466	-0.458	2.559**	2.550**	-9.098†	-9.080†
	(-14.51)	(-14.48)	(-11.75)	(-11.75)	(-0.42)	(-0.42)	(2.19)	(2.18)	(-4.88)	(-4.87)
Ln(Analyst)	0.582†	0.583†	0.563†	0.563†	0.353†	0.353†	-0.595†	-0.595†	0.614†	0.614†
	(21.80)	(21.81)	(19.58)	(19.62)	(17.57)	(17.59)	(-27.71)	(-27.73)	(16.87)	(16.85)
Instit_Own	0.252†	0.249†	0.323†	0.322†	0.295†	0.294†	-0.313†	-0.311†	0.046	0.044
	(5.74)	(5.66)	(6.78)	(6.77)	(8.25)	(8.22)	(-8.28)	(-8.22)	(0.76)	(0.74)
Litigation	0.277†	0.279†	0.059	0.058	-0.010	-0.010	-0.054	-0.055	0.055	0.057
	(4.73)	(4.77)	(0.92)	(0.90)	(-0.21)	(-0.20)	(-1.07)	(-1.08)	(0.74)	(0.77)
News	0.290†	0.290†	-0.782†	-0.782†	0.505†	0.505†	-0.663†	-0.664†	0.260†	0.260†
	(8.99)	(8.99)	(-23.43)	(-23.42)	(20.14)	(20.15)	(-25.04)	(-25.04)	(5.86)	(5.86)
Equity_Issue	0.022	0.022	-0.109**	-0.109**	-0.019	-0.019	0.006	0.006	0.038	0.038
	(0.55)	(0.54)	(-2.49)	(-2.51)	(-0.62)	(-0.62)	(0.17)	(0.17)	(0.77)	(0.78)
Acquisition	0.316†	0.317†	0.279†	0.279†	0.030	0.030	-0.098†	-0.098†	0.195†	0.195†
	(10.40)	(10.42)	(8.57)	(8.58)	(1.24)	(1.24)	(-3.76)	(-3.77)	(4.93)	(4.93)
Industry_Conc	0.835†	0.838†	0.354**	0.350**	-0.370†	-0.371†	0.181	0.182	0.444**	0.447**
	(5.59)	(5.61)	(2.17)	(2.14)	(-3.29)	(-3.30)	(1.52)	(1.53)	(2.43)	(2.45)
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951
Pseudo R^2	0.257	0.257	0.180	0.180	0.052	0.052	0.102	0.102	0.077	0.077

Table A2. Propensity Score Matching

This table presents the test of management earnings forecasts between Republican and matching samples of control firm-years with non-Republican CEOs matched primarily on the firm characteristics, year, and industry. Panel A presents results for the diagnostic- differences in means of firm characteristics where *Treatment* denotes Rep_dum_{cycle} which is an indicator variable that equals one if all donations of a CEO in an election cycle are directed to the Republican Party and *controls* refers to matching sample of CEOs who donated to other parties or never donated. *Difference* represents the difference between treated and control groups. Panel B & C presents the results for the models of the association between management earnings forecasts and CEO political ideology from matched firm-years. All other variables are defined in Appendix AA. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A: Diagnostic- differences in means of variables

Variable	*Treatment*	*Control*	*Difference*	*T-stat*
Ln(assets)	7.620	7.604	0.015	0.48
MB	3.209	3.250	-0.041	-0.53
Leverage	0.164	0.160	0.004	1.55
RD	0.023	0.023	0.000	-0.31
ROA	0.049	0.051	-0.002	-1.09
Return_Volatility	0.025	0.025	0.000	0.40
Ln(Analyst)	2.268	2.264	0.004	0.25
Instit_Own	0.558	0.550	0.009	1.20
Litigation	0.157	0.151	0.005	0.74
News	0.650	0.649	0.001	0.15
Equity_Issue	0.156	0.160	-0.004	-0.53
Acquisition	0.416	0.412	0.004	0.39
Industry_Conc	0.482	0.480	0.002	0.59

Panel B. CEO Political ideology and management earnings forecast (PSM)

	Bad_ News	*Good_ News*	*Positive_ Surprise*	*Negative_ Surprise*	*Neutral_ Surprise*
	(1)	(2)	(3)	(4)	(5)
Rep_dum_{cycle}	0.090*	-0.031	0.071*	-0.096**	0.017
	(1.68)	(-0.55)	(1.68)	(-2.12)	(0.24)
Controls	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes
Observations	9,578	9,578	9,578	9,578	9,578
Pseudo / Adj. R^2	0.265	0.168	0.046	0.093	0.093

Table A3. Management earnings forecasts around CEO turnover. A DID test

This table presents estimates from the Difference-in-Difference (DID) regressions of the association between CEO political ideology and management earnings forecasts around CEO turnover events (-2, +2). *After* is an indicator variable that equals one for the years after the CEO turnover. We only consider turnover events where long-term old CEOs are replaced by long-term new CEOs (long-term is defined as holding the position for at least two years). *Rep_Leaving* is an indicator variable that equals 1 if a firm replaces a Rep CEO with a non-Rep CEO, 0 otherwise. Republican CEOs are defined using $Rep\_dum_{Only,}$ which is an indicator variable that equals 1 if all donations of a CEO in an election cycle are directed to the Republican Party only (neither Democratic nor others). All models include control variables, year, and industry fixed effects. All control variables are defined in Appendix AA. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Issue	*Frequency*	*Range*	*Ln(Horizon)*	*Accuracy*	*Bad_ News*	*Good_ News*	*Positive_ Surprise*	*Negative_ Surprise*	*Neutral_ Surprise*
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
After Rep_Leaving*	-0.215*	-0.012	-0.119	-0.150	-0.135*	-0.207*	0.010	-0.191*	0.261**	-0.149
	(-1.83)	(-0.11)	(-0.98)	(-1.35)	(-1.89)	(-1.71)	(0.08)	(-1.90)	(2.41)	(-0.90)
Rep_Leaving	0.109	0.017	-0.033	0.071	0.107*	0.109	-0.051	-0.000	-0.021	0.049
	(1.15)	(0.20)	(-0.33)	(0.81)	(1.88)	(1.12)	(-0.48)	(-0.00)	(-0.24)	(0.38)
After	0.109*	0.130**	0.184†	0.085	0.040	0.174†	-0.050	-0.033	0.047	-0.020
	(1.87)	(2.50)	(2.85)	(1.58)	(1.15)	(2.78)	(-0.77)	(-0.65)	(0.87)	(-0.24)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pseudo / Adj. R^2	0.224	0.292	0.228	0.256	0.270	0.232	0.151	0.054	0.101	0.073
Observations	11,815	11,815	11,815	11,815	11,815	11,815	11,815	11,815	11,815	11,815

Table A4. The effect of change in CEO political ideology due to CEO turnover on Change in management earnings forecasts.

This table presents tests of the association between changes in CEO political ideology due to CEO turnover and changes in management earnings forecasts. *Δdependent* is the difference between the first full fiscal year under the new CEO and the last full fiscal year under the old CEO. ΔREP_{CEO} is defined as the changes in CEO political ideology due to CEO turnover, where ΔREP_{CEO} =1 if a Republican CEO (Rep_dum_{Only}) replaces a Democratic CEO (Dem_dum_{Only}), 0 if the political ideology is similar after a CEO turnover, and -1 if a Democratic CEO replaces a Republican minded CEO. Panel A reports results for all CEO turnover events. Panel B reports results only when an old CEO is in position for at least three years. All models include control variables, year, and industry fixed effects. All variables are defined in Appendix AA. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A. CEO turnover sample

	ΔIssue	*ΔFrequency*	*ΔRange*	*ΔLn (Horizon)*	*ΔAccuracy*	*ΔBad_ News*	*ΔGood_ News*	*ΔPositive_ Surprise*	*ΔNegative_S urprise*	*ΔNeutral_ Surprise*
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ΔREP_{CEO}	0.201**	0.199	0.247**	0.883*	0.782**	0.193	0.002	-0.059	0.012	0.047
	(2.28)	(0.49)	(2.36)	(1.88)	(2.26)	(1.59)	(0.02)	(-0.37)	(0.08)	(0.49)
ΔControls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	172	172	172	172	172	172	172	172	172	172
Pseudo/Adj. R^2	0.489	0.483	0.463	0.458	0.418	0.438	0.369	0.451	0.431	0.533

Panel B. Long-term old CEO turnover sample

	ΔIssue	*ΔFrequency*	*ΔRange*	*ΔLn (Horizon)*	*ΔAccuracy*	*ΔBad_ News*	*ΔGood_ News*	*ΔPositive_ Surprise*	*ΔNegative_S urprise*	*ΔNeutral_ Surprise*
ΔREP_{CEO}	0.158*	-0.228	0.274**	0.633	0.719*	0.174	-0.104	-0.004	-0.049	0.054
	(1.79)	(-0.56)	(2.48)	(1.39)	(1.76)	(1.43)	(-0.98)	(-0.03)	(-0.28)	(0.46)
ΔControls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	162	162	162	162	162	162	162	162	162	162
Pseudo/Adj. R^2	0.534	0.504	0.476	0.521	0.421	0.457	0.404	0.500	0.485	0.547

Table A5. Change-on-change regression

This table presents tests of the association between CEO political ideology and management earnings forecast where all dependent and independent variables are annual changes. We exclude the firm-years with 0 changes in either dependent or independent variables. All models include control variables, firm, and year fixed effects. All control variables are defined in Appendix AA. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A1. Change-on-change models (1)

	ΔIssue		*ΔFrequency*		*ΔRange*		*ΔLn(Horizon)*		*ΔAccuracy*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ΔRep_index_{year}	0.168†		0.036		0.059		0.152†		0.126†	
	(2.80)		(0.60)		(0.89)		(3.29)		(3.46)	
ΔRep_dum_{Only}		0.382*		0.300*		0.292		0.399†		0.335†
		(1.73)		(1.94)		(0.67)		(3.63)		(3.49)
ΔControls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm & Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,118	315	3,203	794	1,013	266	3,857	973	3,600	905
Pseudo/Adj. R^2	0.518	0.814	0.240	0.523	0.459	0.846	0.298	0.535	0.252	0.498

Panel A2. Change-on-change models (2)

	ΔBad_News		*ΔGood_News*		*ΔPositive_Surprise*		*ΔNegative_Surprise*		*ΔNeutral_Surprise*	
ΔRep_index_{year}	0.050		0.061*		0.047**		-0.055**		0.010	
	(1.04)		(1.81)		(1.99)		(-2.15)		(0.22)	
ΔRep_dum_{Only}		-0.040		0.165		-0.028		0.039		0.308
		(-0.19)		(1.28)		(-0.40)		(0.50)		(1.63)
ΔControls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm & Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,256	334	1,699	403	3,590	924	3,078	812	1,360	340
Pseudo/Adj. R^2	0.437	0.795	0.429	0.758	0.281	0.534	0.327	0.578	0.368	0.779

Table A6. Alternative Measures of CEO Political Ideology (Republican)

This table presents tests of the association between CEO political ideology and management earnings forecast using alternative measures of CEO Republican ideology (Panel A & B), measures of CEO Democratic ideology (Panel C & D) as well as Other ideologies (Panel E & F). All models include control variables, year, and industry fixed effects. All variables are defined in Appendix AA. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A1. Alternative measures of Republican ideology (1)										
	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rep_index$_{year}$	0.102†		0.080†		0.109†		0.087†		0.057†	
	(3.52)		(2.83)		(3.56)		(3.42)		(3.40)	
Rep_index$_{tenure}$		0.142†		0.126†		0.141†		0.119†		0.082†
		(4.72)		(4.23)		(4.45)		(4.49)		(4.65)
Pseudo / Adj. R^2	0.257	0.257	0.279	0.280	0.253	0.253	0.268	0.269	0.266	0.266
Panel A2. Alternative measures of Republican ideology (2)										
	Bad_News		*Good_News*		*Positive_Surprise*		*Negative_Surprise*		*Neutral_Surprise*	
Rep_index$_{year}$	0.072**		0.038		0.058**		-0.067**		0.003	
	(2.38)		(1.17)		(2.35)		(-2.53)		(0.08)	
Rep_index$_{tenure}$		0.126†		0.041		0.051**		-0.076†		0.032
		(4.01)		(1.19)		(1.98)		(-2.75)		(0.77)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951
Pseudo / Adj. R^2	0.257	0.257	0.180	0.180	0.052	0.052	0.102	0.102	0.077	0.077

Table A7. Robustness check. CEO Democratic ideology and MEF

This table presents tests of the association between CEO political ideology and management earnings forecast using the measure of a CEO's political ideology that captures Democratic affiliation. *Dem_Dum* is an indicator variable that equals one if a CEO donated more to the Democratic Party than to the Republican Party during her/his tenure. *Dem_Index* is the percentage of a CEO's support for the Democratic Party calculated as the number of cycles in which a CEO donates exclusively to the Democratic Party divided by her/his number of donation cycles in the sample period. Panel A reports results for the models of the association between CEO political ideology and *Issue, Frequency, Range, Ln(Horizon),* and *Accuracy*. Panel B reports results for the models of the association between CEO political ideology and *Bad_News, Good_News, Positive_Surprise, Negative_Surprise,* and *Neutral_Surprise*. All other independent variables are defined in Appendix AA. All models include year and industry fixed effects. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A1. CEO Political ideology and MEF: measures of CEO Democratic ideology (1)

	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Dem_Dum	-0.088**		-0.008		-0.069		-0.063*		-0.025	
	(-2.18)		(-0.20)		(-1.61)		(-1.72)		(-0.70)	
Dem_Index		-0.085		-0.006		-0.142**		-0.076		-0.043*
		(-1.40)		(-0.10)		(-2.23)		(-1.38)		(-1.79)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951
Pseudo / Adj. R^2	0.257	0.257	0.279	0279	0.253	0.253	0.268	0.268	0.259	0.259

Panel A2. CEO Political ideology and MEF: measures of CEO Democratic ideology (2)

	Bad_News		*Good_News*		*Positive_Surprise*		*Negative_Surprise*		*Neutral_Surprise*	
Dem_Dum	-0.038		0.032		-0.077**		0.036		0.031	
	(-0.59)		(0.48)		(-2.20)		(0.65)		(0.57)	
Dem_Index		-0.056		-0.016		-0.045		0.074**		0.014
		(-1.33)		(-0.36)		(-0.86)		(2.00)		(0.18)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951
Pseudo / Adj. R^2	0.257	0.257	0.180	0.180	0.052	0.052	0.102	0.102	0.077	0.077

Table A8. Alternative measures of CEO political Ideology (Democratic & Other)

This table presents tests of the association between CEO political ideology and management earnings forecast using measures of CEO Democratic ideology (Panel A & B) as well as Other ideologies (Panel C & D). All models include control variables, year, and industry fixed effects. All variables are defined in Appendix AA. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A1. Alternative measures of Democratic ideology (1)

	Issue			*Frequency*			*Range*			*Ln(Horizon)*			*Accuracy*		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Dem_dum$_{cycle}$	0.115			0.121			0.046			0.078			0.073		
	(1.26)			(1.33)			(0.47)			(0.94)			(1.34)		
Dem_dum$_{cycle2}$		0.007			-0.008			-0.082			-0.015			0.016	
		(0.12)			(-0.15)			(-1.40)			(-0.30)			(0.48)	
Dem_dum$_{tenure}$			-0.044			-0.007			-0.065			-0.059			-0.022
			(-0.61)			(-0.10)			(-0.86)			(-0.89)			(-0.50)
Pseudo/Adj.R^2	0.257	0.257	0.257	0.279	0.279	0.279	0.253	0.253	0.253	0.268	0.268	0.268	0.258	0.258	0.258

Panel A2. Alternative measures of Democratic ideology (2)

	Bad News			*Good News*			*Positive Surprise*			*Negative Surprise*			*Neutral Surprise*		
Dem_dum$_{cycle}$	0.161*			0.020			-0.020			-0.030			0.079		
	(1.71)			(0.20)			(-0.25)			(-0.36)			(0.68)		
Dem_dum$_{cycle2}$		0.055			0.051			-0.050			0.020			0.053	
		(0.94)			(0.82)			(-1.05)			(0.40)			(0.73)	
Dem_dum$_{tenure}$			-0.039			0.116			0.012			0.049			-0.156
			(-0.51)			(1.49)			(0.20)			(0.74)			(-1.53)
Pseudo/Adj. R^2	0.257	0.257	0.257	0.180	0.180	0.180	0.052	0.052	0.052	0.102	0.102	0.102	0.077	0.077	0.077

Panel B1. Alternative measures of Other ideologies (1)

	Issue			*Frequency*			*Range*			*Ln(Horizon)*			*Accuracy*		
Other_Index	0.043			0.265†			0.035			0.093			0.064*		
	(0.67)			(4.03)			(0.52)			(1.62)			(1.70)		
Other_dum$_{cycle}$		0.015			0.188†			0.042			0.056			0.038	
		(0.28)			(3.49)			(0.77)			(1.19)			(1.24)	
All_dum$_{cycle}$			0.014			0.112**			0.070			0.039			0.005
			(0.27)			(2.13)			(1.26)			(0.85)			(0.17)
Pseudo /Adj. R^2	0.257	0.257	0.257	0.280	0.279	0.279	0.253	0.253	0.253	0.268	0.268	0.268	0.258	0.258	0.259

Table A8. Alternative measures of CEO political Ideology (Democratic & Other). Cont'd

Panel B2. Alternative measures of Other ideologies (2)

	Bad News			*Good News*			*Positive Surprise*			*Negative Surprise*			*Neutral Surprise*		
Other_Index	0.078			0.088			0.029			0.005			-0.061		
	(1.18)			(1.23)			(0.53)			(0.08)			(-0.67)		
Other_dum$_{cycle}$		0.055			0.048			0.005			-0.011			0.032	
		(1.00)			(0.81)			(0.11)			(-0.23)			(0.44)	
All_dum$_{cycle}$			-0.003			0.063			0.021			-0.030			-0.033
			(-0.05)			(1.08)			(0.47)			(-0.62)			(-0.46)
Pseudo /Adj. R^2	0.257	0.256	0.257	0.180	0.180	0.180	0.052	0.052	0.052	0.102	0.102	0.102	0.077	0.077	0.077
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951

Table A9. Alternative Measures of CEO Overconfidence

This table presents tests of the association between CEO political ideology and management earnings forecast using Net_buyer as an alternative measure of CEO overconfidence and controlling for CEO characteristics (Ln(Tenure), Ln(Age), Duality, CEO Gender, Ln(Delta), Ln(Vega), and CEO_Own, in addition to baseline control variables. All variables are defined in Appendix AA. All models include year and industry fixed effects. T-statistics are computed using robust standard errors and reported in parentheses. † , ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A1. CEO Political ideology and management earnings forecast (1)

	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rep_Dum	0.122†		0.183†		0.121†		0.114†		0.080†	
	(3.27)		(5.04)		(3.11)		(3.45)		(3.69)	
Rep_Index		0.108**		0.124†		0.128†		0.094**		0.075†
		(2.35)		(2.77)		(2.68)		(2.31)		(2.78)
Net_buyer	0.008	0.011	0.024	0.027	0.046	0.048	-0.005	-0.003	-0.002	-0.000
	(0.22)	(0.28)	(0.72)	(0.79)	(1.12)	(1.18)	(-0.15)	(-0.10)	(-0.08)	(-0.02)
CEO Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	25,562	25,562	25,562	25,562	25,562	25,562	25,562	25,562	25,562	25,562
Pseudo R^2/Adj. R^2	0.250	0.249	0.289	0.289	0.248	0.248	0.273	0.273	0.274	0.274

Panel A2. CEO Political ideology and management earnings forecast (2)

	Bad_News		*Good_News*		*Positive_Surprise*		*Negative_Surprise*		*Neutral_Surprise*	
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Rep_Dum	0.124†		0.042		0.058*		-0.087**		0.025	
	(3.20)		(1.03)		(1.82)		(-2.52)		(0.49)	
Rep_Index		0.119**		-0.010		0.024		-0.072*		0.084
		(2.49)		(-0.20)		(0.62)		(-1.71)		(1.35)
Net_buyer	0.031	0.033	-0.058	-0.057	0.061*	0.061*	-0.053	-0.054	-0.057	-0.056
	(0.75)	(0.81)	(-1.36)	(-1.34)	(1.87)	(1.89)	(-1.51)	(-1.55)	(-1.11)	(-1.09)
CEO Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	25,562	25,562	25,562	25,562	25,562	25,562	25,562	25,562	25,562	25,562
Pseudo R^2/Adj. R^2	0.252	0.252	0.168	0.168	0.0525	0.0524	0.102	0.102	0.0779	0.0780

Table A10. Controlling for CEO characteristics, incentives, and managerial ability

This table presents the results of tests that control for managerial ability, *MA_Score*, controlling for CEO characteristics (Ln(Tenure), Ln(Age), Duality, Ln(Delta), Ln(Vega), CEO_Own, and managerial ability) in addition to the baseline control variables. All variables are defined in Appendix AA. All models include year and industry fixed effects. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A1. Controlling for managerial ability (1)

	Issue			*Frequency*			*Range*			*Ln(Horizon)*			*Accuracy*		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Rep_Dum	0.121†			0.173†			0.121†			0.114†			0.079†		
	(3.44)			(5.17)			(3.27)			(3.75)			(3.94)		
Rep_Index		0.102**			0.111†			0.116**			0.090**			0.064†	
		(2.36)			(2.73)			(2.57)			(2.39)			(2.61)	
Rep_index_{year}			0.109†			0.089†			0.107†			0.100†			0.060†
			(3.60)			(2.99)			(3.35)			(3.76)			(3.41)
MA_Score	-0.581†	-0.584†	-0.579†	-0.361†	-0.366†	-0.360†	-0.680†	-0.685†	-0.679†	-0.654†	-0.657†	-0.653†	-0.481†	-0.483†	-0.480†
	(-4.63)	(-4.65)	(-4.62)	(-2.94)	(-2.98)	(-2.93)	(-5.08)	(-5.11)	(-5.08)	(-6.01)	(-6.04)	(-6.00)	(-6.69)	(-6.71)	(-6.68)
Observations	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638
Pseudo / Adj. R^2	0.262	0.262	0.262	0.290	0.290	0.290	0.255	0.255	0.255	0.277	0.277	0.277	0.277	0.277	0.277

Panel A2. Controlling for managerial ability (2)

	Bad_News			*Good_News*			*Positive_Surprise*			*Negative_Surprise*			*Neutral_Surprise*		
Rep_Dum	0.112†			0.061			0.043			-0.071**			0.027		
	(3.07)			(1.56)			(1.42)			(-2.21)			(0.58)		
Rep_Index		0.100**			0.013			0.021			-0.062			0.072	
		(2.20)			(0.27)			(0.58)			(-1.57)			(1.24)	
Rep_index_{year}			0.071**			0.049			0.053**			-0.069**			0.021
			(2.25)			(1.44)			(2.06)			(-2.46)			(0.53)
MA_Score	-0.531†	-0.534†	-0.530†	-0.317**	-0.319**	-0.317**	-0.291†	-0.292†	-0.290†	0.271**	0.272**	0.270**	-0.139	-0.140	-0.137
	(-4.02)	(-4.04)	(-4.01)	(-2.27)	(-2.29)	(-2.27)	(-2.71)	(-2.72)	(-2.70)	(2.33)	(2.34)	(2.32)	(-0.85)	(-0.86)	(-0.84)
CEO controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638	30,638
Pseudo / Adj. R^2	0.262	0.262	0.262	0.179	0.179	0.179	0.054	0.054	0.054	0.104	0.104	0.104	0.076	0.076	0.076

Table A11. Controlling for CFO and TMT political ideology

This table presents results after controlling for the political ideology of a firm's chief financial officer (CFO) and top management team (TMT). All control variables are included in the models (coefficients are dropped for brevity) and are defined in Appendix AA. All models include year and industry fixed effects. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A1. Controlling for CFO and TMT political ideology (1)

	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rep_Dum	0.120†		0.177†		0.103**		0.100**		0.073**	
	(2.64)		(3.50)		(2.26)		(2.30)		(2.54)	
Rep_Index		0.140**		0.139**		0.122**		0.118**		0.087**
		(2.51)		(2.24)		(2.17)		(2.21)		(2.47)
Rep_Dum_{CFO}	0.117		0.200**		0.180**		0.139*		0.108**	
	(1.43)		(1.96)		(2.20)		(1.70)		(1.98)	
Rep_Index_{CFO}		0.106		0.187		0.153		0.114		0.101
		(1.13)		(1.62)		(1.63)		(1.22)		(1.63)
Rep_Dum_{TMT}	-0.003		-0.009		0.030		0.004		-0.024	
	(-0.05)		(-0.13)		(0.48)		(0.06)		(-0.58)	
Rep_Index_{TMT}		-0.007		0.017		0.045		0.000		-0.022
		(-0.12)		(0.23)		(0.72)		(0.01)		(-0.55)
Observations	16,826	16,826	16,826	16,826	16,625	16,625	16,826	16,826	16,826	16,826
Pseudo /Adj. R^2	0.213	0.213	0.287	0.287	0.209	0.209	0.254	0.254	0.283	0.283

Panel A2. Controlling for CFO and TMT political ideology (2)

	Bad News		*Good News*		*Positive Surprise*		*Negative Surprise*		*Neutral Surprise*	
Rep_Dum	0.134†		0.012		0.036		-0.067		0.031	
	(2.92)		(0.26)		(0.88)		(-1.52)		(0.49)	
Rep_Index		0.165†		-0.013		0.004		-0.032		0.031
		(2.92)		(-0.23)		(0.08)		(-0.60)		(0.40)
Rep_Dum_{CFO}	0.093		0.159*		0.013		0.005		-0.001	
	(1.13)		(1.91)		(0.17)		(0.06)		(-0.01)	
Rep_Index_{CFO}		0.059		0.147		0.058		-0.064		0.024
		(0.62)		(1.58)		(0.67)		(-0.68)		(0.18)
Rep_Dum_{TMT}	-0.056		0.038		-0.096*		0.105*		0.027	
	(-0.90)		(0.61)		(-1.70)		(1.71)		(0.31)	
Rep_Index_{TMT}		-0.039		0.011		-0.121**		0.142**		0.017
		(-0.63)		(0.18)		(-2.13)		(2.29)		(0.19)
Observations	16,826	16,826	16,826	16,826	16,826	16,826	16,826	16,826	16,735	16,735
Pseudo /Adj. R^2	0.220	0.219	0.127	0.127	0.0492	0.0493	0.0941	0.0941	0.0701	0.0701

Table A12. Political ideology vs. Political activism.

This table presents tests that attempt to differentiate between the political ideology and the political activism explanation of our baseline results. Panel A reports results for *Issue, Frequency, Range, Ln(Horizon),* and *Accuracy,* on the other hand. Panel B reports results for the models of the association between CEO political ideology on one hand and *Bad_News, Good_News, Positive_Surprise, Negative_Surprise, and Neutral_Surprise* on the other hand. All models include control variables, year, and industry fixed effects. All other independent variables are defined in Appendix AA. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A1. Ideology vs. activism (1)

	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rep_Dum	0.117†		0.174†		0.120†		0.105†		0.083†	
	(3.41)		(5.47)		(3.31)		(3.55)		(4.29)	
Dem_Dum	-0.053		0.044		-0.031		-0.031		-0.018	
	(-1.26)		(1.07)		(-0.71)		(-0.83)		(-0.72)	
Rep_dum_{tenure}		0.120†		0.110†		0.106**		0.085**		0.069†
		(2.72)		(2.65)		(2.28)		(2.23)		(2.79)
Dem_dum_{tenure}		-0.032		0.004		-0.054		-0.050		-0.014
		(-0.44)		(0.06)		(-0.72)		(-0.76)		(-0.33)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Industry FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951
Pseudo /Adj. R^2	0.257	0.257	0.280	0.279	0.253	0.253	0.269	0.268	0.266	0.266

Panel A2. Ideology vs. activism (2)

	Bad News		*Good News*		*Positive Surprise*		*Negative Surprise*		*Neutral Surprise*	
Rep_Dum	0.130†		0.052		0.046		-0.080†		0.038	
	(3.61)		(1.36)		(1.58)		(-2.58)		(0.81)	
Dem_Dum	-0.016		0.001		-0.063*		0.051		0.043	
	(-0.36)		(0.01)		(-1.75)		(1.32)		(0.76)	
Rep_dum_{tenure}		0.127†		0.062		0.040		-0.066*		0.052
		(2.74)		(1.25)		(1.06)		(-1.66)		(0.87)
Dem_dum_{tenure}		-0.026		0.122		0.017		0.042		-0.150
		(-0.34)		(1.57)		(0.27)		(0.64)		(-1.47)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Industry FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951
Pseudo /Adj. R^2	0.257	0.257	0.180	0.180	0.052	0.052	0.102	0.102	0.077	0.077

Table A13. PSM. Alternative measures of CEO political ideology.

This table presents the test of the difference in management earnings forecast between firms with Republican CEOs and a sample of control firms with non-Republican CEOs matched primarily on firm characteristics, year, and industry—Panel A, B, and present results using *Rep_Dum*$_{only}$ *Rep_Dum*$_{cycle,}$ and *Rep_Dum*$_{tenure,}$ respectively. In panel A, treatment denotes *Rep_Dum*$_{only,}$ which is an indicator variable that equals 1 if all donations of a CEO in an election cycle are directed to the Republican Party only (neither Democratic nor others) and control refers to a matching sample of CEOs who donated to other parties or never donated. In panel B, *treatment* denotes *Rep_Dum*$_{cycle,}$ which is an indicator variable that equals one if all donations of a CEO in an election cycle are directed to the Republican Party and control refers to a matching sample if the donations of a CEO in an election cycle are all directed toward the Democratic Party. In panel C, treatment denotes *Rep_dum*$_{tenure,}$ which is an indicator variable that equals one if all donations of a CEO during her/his entire tenure are directed to the Republican Party and control refers to a matching sample if all donations of a CEO during her/his entire tenure are directed to the Democratic Party. All variables are defined in Appendix AA. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Issue	*Frequency*	*Range*	*Ln(Horizon)*	*Accuracy*	*Bad_ News*	*Good_ News*	*Positive_ Surprise*	*Negative_ Surprise*	*Neutral_ Surprise*
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Panel A. PSM. CEO ideology is measured using *Rep_Dum*$_{only}$										
Rep_Dum$_{only}$	0.132	0.133*	0.190**	0.133*	0.122**	0.133	0.004	0.111	-0.177**	0.138
	(1.58)	(1.79)	(2.08)	(1.78)	(2.55)	(1.47)	(0.04)	(1.53)	(-2.25)	(1.16)
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	3,426	3,426	3,426	3,426	3,426	3,426	3,426	3,426	3,426	3,426
Pseudo / Adj. R^2	0.231	0.249	0.259	0.237	0.244	0.254	0.171	0.0719	0.131	0.111
Panel B. PSM. CEO ideology is measured using *Rep_Dum*$_{cycle}$										
Rep_Dum$_{cycle}$	0.132*	0.187**	0.208**	0.156**	0.090**	0.112	-0.008	0.131**	-0.120*	-0.061
	(1.67)	(2.41)	(2.55)	(2.32)	(1.98)	(1.40)	(-0.09)	(1.98)	(-1.66)	(-0.59)
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	4,172	4,172	4,172	4,172	4,172	4,172	4,172	4,172	4,172	4,172
Pseudo /Adj. R^2	0.298	0.307	0.271	0.325	0.312	0.285	0.179	0.0591	0.116	0.114
Panel C. PSM. CEO ideology is measured using *Rep_dum*$_{tenure}$										
Rep_dum$_{tenure}$	0.199*	0.210**	0.196*	0.211**	0.188†	0.111	0.031	0.043	-0.072	0.104
	(1.87)	(2.00)	(1.81)	(2.33)	(3.05)	(1.04)	(0.28)	(0.49)	(-0.75)	(0.70)
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	2,422	2,422	2,422	2,422	2,422	2,422	2,422	2,422	2,422	2,422
Pseudo / Adj. R^2	0.302	0.302	0.279	0.320	0.310	0.275	0.186	0.07	0.134	0.109

Table A14. PSM. Matching based on firm location.

This table presents the results of the propensity score matching (PSM) at which the matching is based on our original set of matching variables in addition to the political orientation of the firm's headquarters state. All control variables are included in the models (coefficients are dropped for brevity) and are defined in Appendix AA. All models include year and industry fixed effects. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A. PSM. Matching on firm headquarters location political orientation										
	Issue	*Frequency*	*Range*	*Ln(Horizon)*	*Accuracy*	*Bad_ News*	*Good_ News*	*Positive_ Surprise*	*Negative_ Surprise*	*Neutral_ Surprise*
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rep_Dum	0.124†	0.179†	0.104**	0.117†	0.077†	0.084*	0.061	0.054	-0.062	-0.012
	(2.84)	(4.29)	(2.26)	(3.09)	(3.11)	(1.87)	(1.32)	(1.48)	(-1.58)	(-0.21)
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	12,934	12,934	12,934	12,934	12,934	12,934	12,934	12,934	12,934	12,934
Pseudo / Adj. R^2	0.271	0.323	0.269	0.301	0.305	0.272	0.169	0.045	0.098	0.099
Panel B. PSM. Matching on firm headquarters location political orientation										
Rep_Dum_{cycle}	0.136**	0.139**	0.044	0.122**	0.078**	0.111*	0.001	0.075	-0.101*	0.018
	(2.27)	(2.18)	(0.71)	(2.12)	(2.03)	(1.81)	(0.02)	(1.41)	(-1.73)	(0.22)
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	6,122	6,122	6,122	6,122	6,122	6,122	6,122	6,122	6,122	6,122
Pseudo /Adj. R^2	0.221	0.323	0.223	0.268	0.277	0.233	0.134	0.049	0.097	0.102

Table 15. Cross-sectional test: the conservatism hypothesis.

This table presents the results of cross-sectional tests based on CEO age (Panel A), CEO inside debt (Panel B), CEO marital status (Panel C), CEO tenure (Panel D), a firm headquarters county political orientation (Panel E), policy uncertainty (PU) index (Panel F), and high policy uncertainty index within red vs. blue states (Panel G). All control variables are included in the models and are defined in Appendix A. All models include year and industry fixed effects. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A. CEO age

	CEO age > Median										CEO age < Median									
	Bad_News		*Good_News*		*Positive_ Surprise*		*Negative_ Surprise*		*Neutral_ Surprise*		*Bad_News*		*Good_News*		*Positive_ Surprise*		*Negative_ Surprise*		*Neutral_ Surprise*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Rep_Dum	0.123**		0.117**		0.045		-0.072*		0.024		0.116*		-0.036		0.039		-0.052		-0.007	
	(2.53)		(2.29)		(1.12)		(-1.69)		(0.38)		(1.87)		(-0.56)		(0.76)		(-0.94)		(-0.09)	
Rep_Index		0.166†		0.085		-0.017		-0.061		0.163**		0.062		-0.110		0.048		-0.022		-0.083
		(2.80)		(1.37)		(-0.36)		(-1.18)		(2.12)		(0.79)		(-1.31)		(0.76)		(-0.32)		(-0.82)
Observations	15,342	15,342	15,316	15,316	15,342	15,342	15,342	15,342	15,342	15,342	12,569	12,569	12,503	12,503	12,569	12,569	12,569	12,569	12,569	12,569
Pseudo/Adj R^2	0.261	0.261	0.175	0.175	0.0562	0.0561	0.101	0.101	0.0817	0.0821	0.267	0.267	0.187	0.187	0.0577	0.0577	0.111	0.111	0.0745	0.0746

Panel B. CEO inside debt

	CEO inside debt > Median										CEO inside debt < Median									
Rep_Dum	0.090**		0.048		0.055		-0.076**		0.004		0.175*		0.044		0.018		-0.009		-0.014	
	(2.11)		(1.10)		(1.61)		(-2.06)		(0.07)		(1.93)		(0.44)		(0.23)		(-0.10)		(-0.10)	
Rep_Index		0.101*		0.018		0.031		-0.073		0.070		0.176		-0.019		-0.094		0.092		0.048
		(1.93)		(0.33)		(0.75)		(-1.61)		(1.07)		(1.55)		(-0.15)		(-0.95)		(0.88)		(0.28)
Observations	21,661	21,661	21,661	21,661	21,661	21,661	21,661	21,661	21,661	21,661	6,168	6,168	6,156	6,156	6,251	6,251	6,251	6,251	6,110	6,110
Pseudo/Adj R^2	0.289	0.289	0.193	0.193	0.0511	0.0510	0.103	0.103	0.0794	0.0795	0.207	0.206	0.156	0.155	0.0782	0.0783	0.119	0.120	0.0542	0.0542

Panel C. CEO marital status

	Married CEOs										Single CEOs									
Rep_Dum	0.030		0.062		0.075*		-0.079*		-0.027		0.191		0.246*		0.030		-0.195		0.299*	
	(0.57)		(1.15)		(1.84)		(-1.78)		(-0.43)		(1.31)		(1.68)		(0.26)		(-1.57)		(1.78)	
Rep_Index		0.068		0.038		0.036		-0.068		0.054		0.277		0.361**		0.115		-0.191		0.152
		(1.02)		(0.55)		(0.70)		(-1.24)		(0.70)		(1.60)		(2.09)		(0.84)		(-1.30)		(0.71)
Observations	14,582	14,582	14,582	14,582	14,582	14,582	14,582	14,582	14,582	14,582	3,020	3,020	2,904	2,904	3,053	3,053	3,059	3,059	2,941	2,941
Pseudo/Adj R^2	0.279	0.279	0.213	0.213	0.0535	0.0533	0.110	0.110	0.0847	0.0847	0.311	0.311	0.234	0.234	0.0869	0.0871	0.143	0.143	0.0878	0.0866

Table 15. Cross-sectional test: the conservatism hypothesis. Cont'd

Panel D. CEO tenure																				
	CEO tenure > Median										*CEO tenure < median*									
	Bad_News		*Good_News*		*Positive_ Surprise*		*Negative_ Surprise*		*Neutral_ Surprise*		*Bad_News*		*Good_News*		*Positive_ Surprise*		*Negative_ Surprise*		*Neutral_ Surprise*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Rep_Dum	0.089*		0.018		0.125†		-0.129†		-0.049		0.119*		0.102		-0.084*		0.040		0.091	
	(1.81)		(0.35)		(3.09)		(-2.94)		(-0.76)		(1.96)		(1.62)		(-1.67)		(0.76)		(1.17)	
Rep_Index		0.058		-0.053		0.063		-0.113**		0.074		0.169**		0.102		-0.078		0.056		0.065
		(0.92)		(-0.79)		(1.24)		(-2.05)		(0.93)		(2.33)		(1.36)		(-1.31)		(0.90)		(0.68)
Observations	15,316	15,316	15,316	15,316	15,316	15,316	15,316	15,316	15,316	15,316	12,596	12,596	12,596	12,596	12,596	12,596	12,596	12,596	12,447	12,447
Pseudo/Adj R^2	0.265	0.265	0.183	0.183	0.0545	0.0541	0.103	0.103	0.0818	0.0819	0.264	0.264	0.180	0.180	0.0618	0.0617	0.109	0.109	0.0733	0.0732
Panel E. Headquarters states political orientation																				
	Firms located in Republican states										Firms located in Democratic states									
Rep_Dum	0.149**		0.059		-0.016		0.020		-0.005		-0.009		0.067		0.133†		-0.175†		-0.039	
	(2.43)		(0.92)		(-0.33)		(0.39)		(-0.06)		(-0.15)		(1.06)		(2.60)		(-3.08)		(-0.51)	
Rep_Index		0.162**		0.089		-0.087		0.060		0.077		-0.043		0.007		0.157**		-0.212†		0.012
		(2.13)		(1.11)		(-1.46)		(0.95)		(0.78)		(-0.57)		(0.09)		(2.48)		(-3.05)		(0.13)
Observations	9,514	9,514	9,505	9,505	9,578	9,578	9,578	9,578	9,547	9,547	13,732	13,732	13,722	13,722	13,836	13,836	13,831	13,831	13,772	13,772
Pseudo/Adj R^2	0.289	0.289	0.202	0.202	0.0601	0.0603	0.108	0.108	0.0951	0.0952	0.252	0.252	0.177	0.177	0.0585	0.0585	0.107	0.107	0.0703	0.0703
Panel F. Policy uncertainty (PU) index																				
	High Policy uncertainty (PU) index										Low Policy uncertainty (PU) index									
Rep_Dum	0.147†		0.026		0.039		-0.103**		0.108		0.045		0.107*		0.043		-0.020		-0.078	
	(3.04)		(0.50)		(0.92)		(-2.22)		(1.60)		(0.73)		(1.66)		(0.93)		(-0.40)		(-1.07)	
Rep_Index		0.149**		-0.029		0.015		-0.077		0.127		0.056		0.090		0.001		-0.015		0.027
		(2.47)		(-0.45)		(0.29)		(-1.35)		(1.52)		(0.73)		(1.12)		(0.02)		(-0.25)		(0.31)
Observations	15,191	15,191	15,191	15,191	15,191	15,191	15,191	15,191	15,191	15,191	12,721	12,721	12,721	12,721	12,721	12,721	12,721	12,721	12,721	12,721
Pseudo/Adj R^2	0.225	0.224	0.155	0.155	0.0603	0.0602	0.110	0.110	0.0804	0.0804	0.279	0.279	0.198	0.198	0.0535	0.0535	0.102	0.102	0.0724	0.0723
Panel G. High PU in red vs. blue states																				
	High PU index in red states										High PU index in blue states									
Rep_Dum	0.125		0.029		0.018		-0.053		0.061		0.054		0.086		0.079		-0.158**		0.051	
	(1.58)		(0.35)		(0.26)		(-0.74)		(0.53)		(0.70)		(1.07)		(1.11)		(-1.99)		(0.48)	
Rep_Index		0.140		0.060		-0.063		0.020		0.104		0.038		-0.020		0.152*		-0.244**		0.079
		(1.43)		(0.59)		(-0.77)		(0.23)		(0.76)		(0.39)		(-0.19)		(1.74)		(-2.50)		(0.60)
Observations	5,139	5,139	4,867	4,867	5,186	5,186	5,189	5,189	5,033	5,033	7,474	7,474	7,469	7,469	7,516	7,516	7,502	7,502	7,348	7,348
Pseudo/Adj R^2	0.265	0.265	0.163	0.163	0.0713	0.0714	0.122	0.122	0.107	0.107	0.221	0.221	0.158	0.157	0.0631	0.0632	0.110	0.110	0.0714	0.0714

Table A16. Cross-sectional test: Institutional horizon

This table presents results for subsamples constructed based on the horizon of institutional owners. Panel A (B) reports the results for long-term (transient) institutional ownership. All control variables are included in the models (coefficients are dropped for brevity) and are defined in Appendix AA. All models include year and industry fixed effects. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A1. Long-term institutional ownership (1)

	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rep_Dum	0.176†		0.204†		0.111*		0.151†		0.107†	
	(2.91)		(3.07)		(1.89)		(2.67)		(2.75)	
Rep_Index		0.211†		0.144*		0.186**		0.168**		0.141†
		(2.80)		(1.77)		(2.54)		(2.43)		(2.98)
Observations	9,041	9,041	9,124	9,124	9,041	9,041	9,124	9,124	9,124	9,124
Pseudo /Adj. R^2	0.221	0.220	0.315	0.314	0.202	0.202	0.269	0.269	0.299	0.299

Panel A2. Long-term institutional ownership (2)

	Bad_News		*Good_News*		*Positive_Surprise*		*Negative_Surprise*		*Neutral_Surprise*	
Rep_Dum	0.125**		0.062		0.073		-0.084		-0.031	
	(2.07)		(1.04)		(1.37)		(-1.42)		(-0.38)	
Rep_Index		0.190**		0.065		0.037		-0.063		0.015
		(2.53)		(0.88)		(0.56)		(-0.87)		(0.15)
Observations	8,906	8,906	9,111	9,111	9,124	9,124	9,124	9,124	9,120	9,120
Pseudo /Adj. R^2	0.219	0.220	0.129	0.129	0.0499	0.0497	0.106	0.106	0.0859	0.0859

Panel B1. Transient institutional ownership (1)

	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
Rep_Dum	0.080		0.186†		0.129*		0.068		0.039	
	(1.21)		(2.80)		(1.84)		(1.09)		(0.97)	
Rep_Index		0.039		0.168**		0.066		0.034		0.017
		(0.50)		(2.07)		(0.79)		(0.45)		(0.35)
Observations	8,124	8,124	8,131	8,131	8,119	8,119	8,131	8,131	8,131	8,131
Pseudo /Adj. R^2	0.223	0.223	0.286	0.285	0.248	0.248	0.257	0.257	0.252	0.252

Panel B2. Transient institutional ownership (2)

	Bad_News		*Good_News*		*Positive_Surprise*		*Negative_Surprise*		*Neutral_Surprise*	
Rep_Dum	0.100		0.069		0.070		-0.064		-0.047	
	(1.47)		(0.96)		(1.17)		(-1.00)		(-0.49)	
Rep_Index		0.063		0.025		0.060		-0.083		0.012
		(0.77)		(0.29)		(0.83)		(-1.07)		(0.11)
Observations	8,119	8,119	8,104	8,104	8,131	8,131	8,131	8,131	8,043	8,043
Pseudo R^2/Adj. R^2	0.229	0.229	0.151	0.151	0.0586	0.0585	0.0966	0.0966	0.0811	0.0810

Table A17. Cross-sectional test: High vs. low analyst coverage.

This table presents results for firms with high (above-median) analyst coverage (Panel A) and firms with low (below-median) analyst coverage (Panel B). All variables are defined in Appendix AA. All models include year and industry fixed effects. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively

Panel A1. High analyst coverage (1)										
	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rep_Dum	0.147†		0.215†		0.109**		0.117†		0.094†	
	(3.20)		(4.71)		(2.28)		(3.04)		(3.52)	
Rep_Index		0.107*		0.106*		0.096		0.061		0.061*
		(1.87)		(1.86)		(1.62)		(1.29)		(1.85)
Observations	16,003	16,003	16,006	16,006	16,006	16,006	16,006	16,006	16,006	16,006
Pseudo /Adj. R^2	0.291	0.290	0.325	0.324	0.285	0.285	0.319	0.319	0.305	0.305
Panel A2. High analyst coverage (2)										
	Bad News		*Good News*		*Positive Surprise*		*Negative Surprise*		*Neutral Surprise*	
Rep_Dum	0.135†		0.031		0.027		-0.054		0.018	
	(2.85)		(0.64)		(0.72)		(-1.28)		(0.32)	
Rep_Index		0.105*		-0.065		-0.013		-0.031		0.065
		(1.79)		(-1.06)		(-0.27)		(-0.60)		(0.91)
Observations	16,003	16,003	15,955	15,955	16,002	16,002	16,002	16,002	16,002	16,002
Pseudo /Adj. R^2	0.286	0.286	0.179	0.179	0.032	0.032	0.072	0.072	0.079	0.079
Panel B1. Low analyst coverage (1)										
	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
Rep_Dum	0.126**		0.094**		0.185†		0.099**		0.076†	
	(2.50)		(2.33)		(3.42)		(2.33)		(2.91)	
Rep_Index		0.166†		0.100**		0.226†		0.124**		0.098†
		(2.71)		(2.05)		(3.45)		(2.40)		(3.09)
Observations	17,945	17,945	17,945	17,945	17,945	17,945	17,945	17,945	17,945	17,945
Pseudo /Adj. R^2	0.226	0.227	0.227	0.227	0.239	0.239	0.224	0.224	0.209	0.209
Panel B2. Low analyst coverage (2)										
	Bad News		*Good News*		*Positive Surprise*		*Negative Surprise*		*Neutral Surprise*	
Rep_Dum	0.144†		0.103*		0.125†		-0.147†		0.044	
	(2.67)		(1.75)		(2.90)		(-3.29)		(0.56)	
Rep_Index		0.198†		0.133*		0.130**		-0.162†		0.075
		(3.01)		(1.85)		(2.50)		(-2.99)		(0.81)
Observations	17,898	17,898	17,945	17,945	17,945	17,945	17,945	17,945	17,945	17,945
Pseudo R^2/Adj. R^2	0.224	0.225	0.184	0.184	0.085	0.085	0.123	0.123	0.064	0.064

Table A18. Subsamples based on CEO donation activity.

This table presents results using a restricted sample of firms in which CEOs make at least one donation during the sample period (Panels A) and a restricted sample of donation years (Panel B). All variables are defined in Appendix AA. All models include control variables, year, and industry fixed effects. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively. n=21,042 in Panel A and 12,258 in Panel B

Panel A1. Donation activity subsample (1)										
	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rep_Dum	0.099†		0.119†		0.093**		0.077**		0.068†	
	(2.68)		(3.43)		(2.42)		(2.40)		(3.25)	
Rep_Index		0.082*		0.046		0.101**		0.053		0.056**
		(1.84)		(1.10)		(2.14)		(1.37)		(2.22)
Pseudo / Adj. R^2	0.263	0.263	0.297	0.296	0.256	0.256	0.281	0.281	0.279	0.279
Panel A2. Donation activity subsample (2)										
	Bad_News		*Good_News*		*Positive_Surprise*		*Negative_Surprise*		*Neutral_Surprise*	
Rep_Dum	0.085**		0.028		0.061*		-0.088†		0.012	
	(2.21)		(0.70)		(1.96)		(-2.64)		(0.24)	
Rep_Index		0.083*		-0.025		0.046		-0.084**		0.051
		(1.77)		(-0.50)		(1.22)		(-2.08)		(0.85)
Pseudo / Adj. R^2	0.265	0.265	0.175	0.175	0.045	0.045	0.096	0.095	0.083	0.083
Panel B1. Donation years (1)										
	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
Rep_Dum	0.161†		0.155†		0.156†		0.144†		0.109†	
	(3.32)		(3.20)		(3.05)		(3.39)		(3.85)	
Rep_Index		0.124**		0.021		0.150**		0.099**		0.080**
		(2.18)		(0.37)		(2.49)		(2.03)		(2.45)
Pseudo / Adj. R^2	0.272	0.272	0.305	0.304	0.270	0.270	0.291	0.291	0.292	0.292
Panel B2. Donation years (2)										
	Bad_News		*Good_News*		*Positive_Surprise*		*Negative_Surprise*		*Neutral_Surprise*	
Rep_Dum	0.134†		0.032		0.084**		-0.101**		-0.023	
	(2.68)		(0.61)		(2.06)		(-2.27)		(-0.36)	
Rep_Index		0.110*		-0.052		0.042		-0.077		0.045
		(1.85)		(-0.84)		(0.87)		(-1.49)		(0.58)
Pseudo / Adj. R^2	0.272	0.272	0.170	0.170	0.045	0.045	0.097	0.097	0.102	0.102

Table A19. Active earnings forecast subsample

This table presents tests of the association between CEO political ideology and management earnings forecast using a subsample of the firm that have at least one earnings forecast during our sample period. All models include year and industry fixed effects. All other independent variables are defined in Appendix AA. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A1. Active earnings forecast subsample (1)

	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rep_Dum	0.123†		0.180†		0.122†		0.110†		0.088†	
	(3.39)		(4.66)		(3.30)		(3.18)		(3.82)	
Rep_Index		0.126†		0.139†		0.150†		0.108**		0.093†
		(2.85)		(2.96)		(3.31)		(2.56)		(3.29)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	25,437	25,437	25,437	25,437	25,437	25,437	25,437	25,437	25,437	25,437
Pseudo / Adj. R^2	0.222	0.222	0.295	0.294	0.226	0.226	0.261	0.261	0.269	0.269

Panel A2. Active earnings forecast subsample (2)

	Bad_News		*Good_News*		*Positive_Surprise*		*Negative_Surprise*		*Neutral_Surprise*	
Rep_Dum	0.125†		0.046		0.070**		-0.105†		0.020	
	(3.39)		(1.19)		(2.17)		(-2.97)		(0.41)	
Rep_Index		0.148†		0.005		0.072*		-0.107**		0.024
		(3.26)		(0.10)		(1.81)		(-2.48)		(0.40)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	25,437	25,437	25,437	25,437	25,437	25,437	25,437	25,437	25,437	25,437
Pseudo / Adj. R^2	0.226	0.226	0.144	0.144	0.043	0.043	0.090	0.089	0.076	0.076

Table A20. A subsample of firms with management earnings forecasts.

This table presents the effect of the CEO's political ideology on the management earnings forecasts by restricting the sample only to the guidance year. *Rep_Dum* is an indicator variable that equals 1 if a CEO donated more to the Republican party than to the Democratic party during her/his entire tenure. *Rep_Index* is the percentage of a CEO's support for the Republican Party calculated as the number of cycles in which a CEO donates exclusively to the Republican Party divided by her/his number of donation cycles in the sample period. All other independent variables are defined in Appendix AA. All models include year and industry fixed effects. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Frequency		*Range*		*Ln(Horizon)*		*Accuracy*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Rep_Dum	0.155†		0.096*		0.004		0.062†	
	(3.05)		(1.72)		(0.39)		(2.60)	
Rep_Index		0.059		0.123*		0.006		0.074**
		(0.94)		(1.76)		(0.45)		(2.50)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	11,988	11,988	11,988	11,988	11,988	11,988	11,988	11,988
Pseudo R^2/ Adj. R^2	0.286	0.285	0.146	0.146	0.069	0.069	0.278	0.278

Table A21. Pre- and post-the financial crisis.

This table presents results for the pre-financial crisis subsample (1993-2007) in Panel A, and the post-financial crisis subsample (2010-2016) in Panel B. All variables are defined in Appendix AA. All models include year and industry fixed effects. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively

Panel A1. Pre-crisis (1)										
	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rep_Dum	0.109**		0.112†		0.086*		0.086**		0.065†	
	(2.50)		(3.26)		(1.78)		(2.47)		(2.77)	
Rep_Index		0.137**		0.096**		0.140**		0.099**		0.063**
		(2.48)		(2.27)		(2.31)		(2.30)		(2.17)
Observations	21,046	21,046	21,046	21,046	21,046	21,046	21,046	21,046	21,046	21,046
Pseudo /Adj. R^2	0.280	0.280	0.303	0.302	0.271	0.271	0.282	0.282	0.258	0.258
Panel A2. Pre-crisis (2)										
	Bad News		*Good News*		*Positive Surprise*		*Negative Surprise*		*Neutral Surprise*	
Rep_Dum	0.068		0.093*		0.092†		-0.144†		0.043	
	(1.44)		(1.91)		(2.61)		(-3.76)		(0.80)	
Rep_Index		0.122**		0.080		0.105**		-0.167†		0.075
		(2.06)		(1.29)		(2.39)		(-3.51)		(1.13)
Observations	21,046	21,046	21,046	21,046	21,046	21,046	21,046	21,046	21,046	21,046
Pseudo /Adj. R^2	0.275	0.275	0.218	0.218	0.0514	0.0514	0.111	0.111	0.0805	0.0805
Panel B1. Post-crisis (1)										
	Issue		*Frequency*		*Range*		*Ln(Horizon)*		*Accuracy*	
Rep_Dum	0.127**		0.201†		0.166†		0.118**		0.103†	
	(2.11)		(2.94)		(2.78)		(2.08)		(2.81)	
Rep_Index		0.057		0.089		0.130*		0.052		0.085*
		(0.81)		(1.12)		(1.83)		(0.78)		(1.93)
Observations	9,840	9,840	9,840	9,840	9,840	9,840	9,840	9,840	9,840	9,840
Pseudo /Adj. R^2	0.225	0.224	0.252	0.251	0.200	0.199	0.256	0.256	0.282	0.281
Panel B2. Post-crisis (2)										
	Bad News		*Good News*		*Positive Surprise*		*Negative Surprise*		*Neutral Surprise*	
Rep_Dum	0.207†		-0.044		0.034		0.006		-0.124	
	(3.40)		(-0.64)		(0.63)		(0.10)		(-1.28)	
Rep_Index		0.162**		-0.128		-0.002		0.015		-0.030
		(2.23)		(-1.53)		(-0.04)		(0.22)		(-0.26)
Observations	9,840	9,840	9,840	9,840	9,840	9,840	9,840	9,840	9,840	9,840
Pseudo R^2/Adj. R^2	0.221	0.220	0.128	0.128	0.05	0.05	0.089	0.089	0.069	0.068

Table A22. Controlling for CEO turnover and tenure.

This table presents results when excluding CEO turnover years (Panels A & B), and the first three years of CEO tenure (Panels C & D). All models include control variables, year, and industry fixed effects. All variables are defined in Appendix AA. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively. n = 30,319 in Panels A & B and 20,681 in Panels C & D.

Panel A1. Excluding CEO turnover years (1)															
	Issue			*Frequency*			*Range*			*Ln(Horizon)*			*Accuracy*		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Rep_Dum	0.140†			0.166†			0.133†			0.118†			0.088†		
	(4.02)			(5.07)			(3.63)			(3.94)			(4.44)		
Rep_Index		0.139†			0.121†			0.161†			0.106†			0.088†	
		(3.22)			(3.01)			(3.54)			(2.88)			(3.59)	
Rep_index$_{year}$			0.111†			0.090†			0.115†			0.095†			0.064†
			(3.68)			(3.05)			(3.61)			(3.60)			(3.66)
Pseudo /Adj.R^2	0.260	0.260	0.260	0.282	0.281	0.281	0.257	0.257	0.257	0.271	0.271	0.271	0.266	0.266	0.266
Panel A2. Excluding CEO turnover years (2)															
	Bad_News			*Good_News*			*Positive_Surprise*			*Negative_Surprise*			*Neutral_Surprise*		
Rep_Dum	0.150†			0.052			0.064**			-0.097†			0.028		
	(4.14)			(1.33)			(2.16)			(-3.06)			(0.59)		
Rep_Index		0.169†			0.005			0.045			-0.095**			0.080	
		(3.74)			(0.10)			(1.23)			(-2.43)			(1.38)	
Rep_index$_{year}$			0.083†			0.046			0.056**			-0.071**			0.014
			(2.61)			(1.33)			(2.18)			(-2.56)			(0.35)
Pseudo/Adj. R^2	0.259	0.259	0.259	0.173	0.173	0.173	0.050	0.050	0.050	0.099	0.099	0.099	0.077	0.077	0.077
Panel B1. Excluding first 3 years of CEO tenure (1)															
	Issue			*Frequency*			*Range*			*Ln(Horizon)*			*Accuracy*		
Rep_Dum	0.107†			0.147†			0.102**			0.095†			0.067†		
	(2.61)			(3.83)			(2.36)			(2.67)			(2.89)		
Rep_Index		0.101*			0.094*			0.131**			0.079*			0.063**	
		(1.94)			(1.96)			(2.38)			(1.78)			(2.18)	
Rep_index$_{year}$			0.095†			0.077**			0.112†			0.079†			0.050**
			(2.72)			(2.28)			(3.02)			(2.58)			(2.47)
Pseud /Adj. R^2	0.262	0.262	0.262	0.283	0.282	0.282	0.258	0.258	0.259	0.275	0.275	0.275	0.270	0.270	0.270

Table A22. Controlling for CEO turnover and tenure. Cont'd

Panel B2. Excluding first 3 years of CEO tenure (2)															
	Bad_News			*Good_News*			*Positive_Surprise*			*Negative_Surprise*			*Neutral_Surprise*		
Rep_Dum	0.101**			0.039			0.102†			-0.122†			-0.013		
	(2.35)			(0.84)			(2.95)			(-3.24)			(-0.24)		
Rep_Index		0.112**			-0.018			0.076*			-0.121†			0.058	
		(2.05)			(-0.29)			(1.75)			(-2.57)			(0.85)	
Rep_index_{year}			0.069*			0.025			0.075**			-0.092†			0.013
			(1.90)			(0.62)			(2.52)			(-2.87)			(0.27)
Pseudo/Adj. R^2	0.260	0.260	0.260	0.179	0.179	0.179	0.050	0.050	0.050	0.098	0.098	0.098	0.082	0.082	0.082
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table A23. Additional statistical specifications.

This table presents results using state fixed effects (Panels A & B), and standard errors clustered at the firm level (Panels C & D). All models include control variables, year, and industry fixed effects. All variables are defined in Appendix AA. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A1. State fixed effects (1)

	Issue			*Frequency*			*Range*			*Ln(Horizon)*			*Accuracy*		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Rep_Dum	0.079**			0.160†			0.059			0.078†			0.067†		
	(2.28)			(5.04)			(1.61)			(2.67)			(3.53)		
Rep_Index		0.058			0.098**			0.047			0.053			0.056**	
		(1.35)			(2.52)			(1.03)			(1.46)			(2.38)	
Rep_index_{year}			0.068**			0.069**			0.056*			0.063**			0.042**
			(2.27)			(2.45)			(1.79)			(2.46)			(2.46)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pseudo/Adj. R^2	0.269	0.269	0.269	0.289	0.288	0.288	0.266	0.266	0.266	0.278	0.278	0.278	0.277	0.277	0.277
Observations	33,316	33,316	33,316	33,348	33,348	33,348	33,309	33,309	33,309	33,348	33,348	33,348	33,348	33,348	33,348

Panel A2. State fixed effects (2)

	Bad_News			*Good_News*			*Positive_Surprise*			*Negative_Surprise*			*Neutral_Surprise*		
Rep_Dum	0.080**			0.026			0.058**			-0.084†			0.012		
	(2.23)			(0.67)			(1.99)			(-2.69)			(0.26)		
Rep_Index		0.066			-0.025			0.045			-0.080**			0.044	
		(1.47)			(-0.53)			(1.26)			(-2.10)			(0.76)	
Rep_index_{year}			0.033			0.016			0.060**			-0.069**			-0.002
			(1.06)			(0.47)			(2.36)			(-2.55)			(-0.06)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pseudo/Adj. R^2	0.268	0.268	0.268	0.188	0.188	0.188	0.054	0.054	0.054	0.104	0.104	0.104	0.082	0.082	0.082
Observations	33,297	33,297	33,297	33,320	33,320	33,320	33,348	33,348	33,348	33,348	33,348	33,348	33,291	33,291	33,291

Table A23. Additional statistical specifications. Cont'd

Panel B1. Standard errors clustered at the firm level (1)

	Issue			*Frequency*			*Range*			*Ln(Horizon)*			*Accuracy*		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Rep_Dum	0.128**			0.165**			0.127*			0.111**			0.087**		
	(2.07)			(2.58)			(1.95)			(2.04)			(2.52)		
Rep_Index		0.126*			0.117			0.144*			0.100			0.084**	
		(1.74)			(1.55)			(1.86)			(1.56)			(2.07)	
Rep_index_{year}			0.102**			0.080*			0.109**			0.087**			0.057**
			(2.37)			(1.73)			(2.33)			(2.26)		(2.21)	
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pseudo / Adj. R^2	0.257	0.257	0.257	0.279	0.280	0.279	0.253	0.253	0.253	0.268	0.269	0.268	0.266	0.266	0.266
Observations	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951

Panel B2. Standard errors clustered at the firm level (2)

	Bad_News			*Good_News*			*Positive_Surprise*			*Negative_Surprise*			*Neutral_Surprise*		
Rep_Dum	0.133**			0.052			0.058*			-0.090†			0.029		
	(2.15)			(0.96)			(1.87)			(-2.75)			(0.58)		
Rep_Index		0.144**			0.011			0.052			-0.094**			0.065	
		(1.98)			(0.16)			(1.37)			(-2.36)			(1.04)	
Rep_index_{year}			0.072*			0.038			0.058**			-0.067**			0.003
			(1.67)			(0.93)			(2.28)			(-2.48)			(0.07)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pseudo / Adj. R^2	0.257	0.257	0.257	0.180	0.180	0.180	0.052	0.052	0.052	0.102	0.102	0.102	0.077	0.077	0.077
Observations	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951	33,951

Table A24. Access to capital, investment efficiency, and firm value

This table presents the results of the test of the association between the foreclosure accuracy of Republican CEOs on access to capital, investment efficiency, and firm value, respectively. All control variables are included in the models (coefficients are dropped for brevity) and are defined in Appendix AA. All models include year and industry fixed effects. T-statistics are computed using robust standard errors and reported in parentheses. †, ** and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A. High Forecast Accuracy

	KZ Index		*HP Index*		*WW Index*		*InvIneff*		*InvIneff Alt*		*Tobin's Q*	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Rep_Dum	-0.113†		-0.043†		-0.003†		-0.008†		-0.012**		0.069**	
	(-4.96)		(-3.57)		(-4.05)		(-3.77)		(-2.25)		(2.02)	
Rep_Index		-0.134†		-0.077†		-0.006†		-0.006**		-0.007		0.026
		(-4.91)		(-5.22)		(-5.54)		(-2.22)		(-1.15)		(0.67)
Observations	5,557	5,557	5,557	5,557	5,557	5,557	5,410	5,410	5,421	5,421	5,557	5,557
Pseudo /Adj. R^2	0.444	0.443	0.542	0.543	0.901	0.901	0.931	0.931	0.962	0.962	0.387	0.387

Panel B. Low forecast Accuracy

	KZ Index		*HP Index*		*WW Index*		*InvIneff*		*InvIneff Alt*		*Tobin's Q*	
Rep_Dum	-0.050**		-0.027**		-0.002**		-0.001		-0.007		0.047	
	(-2.30)		(-1.99)		(-2.23)		(-0.38)		(-1.07)		(1.64)	
Rep_Index		-0.050*		-0.033*		-0.004†		0.002		-0.003		0.014
		(-1.86)		(-1.94)		(-3.38)		(0.98)		(-0.38)		(0.41)
Observations	5,693	5,693	5,693	5,693	5,693	5,693	5,435	5,435	5,447	5,447	5,693	5,693
Pseudo /Adj. R^2	0.477	0.477	0.521	0.521	0.884	0.884	0.930	0.930	0.965	0.965	0.309	0.308