

Online Appendix

to accompany

Corporate Policies of Republican Managers*

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This online appendix provides supplementary material to support the analyses in the main text. Section A reports robustness tests using alternative measures of managers’ political orientation. Section B describes the construction of political orientation variables based on donations by firm PACs, local residents, and members of the board of directors. Section C presents the evidence of matching between firms and managers based on their political orientation. Section D examines several alternative explanations for our main findings.

A. Alternative Political Orientation Measures

A.1. Look-Ahead Bias Free Measures

In our main analyses, we use a firm-level measure of Republican leaning REP that is constructed by aggregating individual manager’s REPMGR based on their full-sample contributions. The key advantage of using the full-sample REPMGR over the cycle-specific REPDUMMGR measure is that the full-sample measure is more immune to the changing party popularity and less likely to reflect opportunistic campaign contributions. The main drawback of the full-sample measure, however, is the look-ahead bias, as it incorporates political contributions made after the time period in which we measure firm policies. In addition, if some managers’ donations are indeed strategic and vary by Party from cycle to cycle, combining donations from all election cycles can obscure this strategic motivation, which serves an alternative explanation for our findings.

To address these shortcomings, we consider two alternative measures. The first measure, REP_{FIRST}, is defined using REPDUMMGR of managers’ first political donation. The first donation is not completely free of the look ahead bias and is a noisy measure of strategic donations or political preferences. However, if political donations reflect stable political preferences of managers, the results obtained with this measure should be similar to the results obtained using a full-sample REP.

Thus, $\text{REP}_{\text{FIRST}}$ can help distinguish whether manager’s personal political contributions are strategic or expressions of personal preferences.

The second one, $\text{REP}_{\text{PRIOR}}$, is free of the look-ahead bias, which is defined using the $\text{REP}_{\text{DUMMGR}}$ of managerial political contributions from election cycles prior to the current fiscal year. For both measures, the manager-level Republican indices are aggregated to obtain firm-level measures of political preferences.

As expected, these measures are strongly positively correlated. In particular, our primary measure of firm-level political orientation (i.e., REP) has correlations of 0.93 and 0.63 with $\text{REP}_{\text{FIRST}}$ and $\text{REP}_{\text{PRIOR}}$, respectively. The very strong correlation between REP and $\text{REP}_{\text{FIRST}}$ indicates that REP captures the expression of political preferences of managers, which remain stable over time.

We examine the relation between these alternative measures of political orientation and the five corporate policy variables using the same specifications as those used in Panel A of Tables 4 and 5. We report regression estimates for $\text{REP}_{\text{FIRST}}$ in Table A1, Panel A, and for $\text{REP}_{\text{PRIOR}}$ in Panel B. We find that our baseline policy regression estimates are robust to the use of these two alternative political orientation measures. The coefficient estimates of $\text{REP}_{\text{FIRST}}$ are statistically significant in all policy regressions and the coefficient estimates of $\text{REP}_{\text{PRIOR}}$ are significant or marginally significant in all cases. Overall, our results are reasonably robust to using alternative measures of political preferences.

A.2. Continuous Measures of Political Orientation

Our next alternative measure of firm-level political preferences is the relative Republican index (RELREP), which is a continuous measure covering the full political spectrum. To compute firm-level RELREP , first, for each manager, we measure the cycle-specific RELREPMGR , which is defined as the difference between the manager’s contributions to the Republican and Democratic parties divided by the total contribution to both parties by the manager during a certain election cycle. We then average the cycle-specific RELREPMGR estimates to compute the full-sample measure for each manager.

Then, similar to the construction of the firm-level REP measure, we aggregate the full-sample measures to the firm-level to obtain the firm-level RELREP measures. RELREP is bounded between -1 and $+1$ within each election cycle. When the index assumes a value of $+1$, it indicates that all contributions by the manager in all election cycles are made to the Republican Party. And when the index equals -1 , it indicates that all managerial contributions are directed toward the Democratic Party.

Our primary measure of firm-level political orientation (i.e., REP) has a correlation of 0.84 with RELREP. This suggests that constructing a measure of political leaning using a dummy variable or a continuous variable is likely to have little effect on our results. Nevertheless, for robustness, in Table A1, Panel C, we report policy regression estimates using the relative Republican index (RELREP) as the key independent variable. We find that the RELREP estimate is significant or marginally significant in all regressions.

Overall, our main findings hold using these alternative measures of manager’s political orientation. Thus, our results are unlikely to be affected by strategic donations, look-ahead bias, or inaccurate classification of politically neutral, non-donor and Democratic managers. In all instances, consistent with our previous findings, we find that firms with Democratic managers have a considerably different set of policies compared to firms with Republican managers.

B. Political Orientation of Other Groups

Under the Federal Election Campaign Act of 1974 (FECA), interest groups such as firms, unions, trade associations, and non-profit organizations, are not allowed to contribute directly to candidate or party committees. Instead, they must create “separate and segregated funds,” commonly known as Political Action Committees (PACs) to collect contributions from their members and distribute them to political candidates and party committees.

Firm PACs can solicit contributions from the corporation’s executives and administrative per-

sonnel, the stockholders, and the families of these individuals. They are formed with an economic agenda and contributions to candidates or parties are often associated with the likelihood of a candidate winning a seat (Snyder 1990). Thus, contributions from firm PACs can be viewed as a form of political investment to extract private benefits from public policies. This view is consistent with the observation that most firm PACs contribute to candidates in both Republican and Democratic parties and their contributions are positively correlated with future stock returns (Cooper, Gulen, and Ovtchinnikov 2010). Thus, we assume that company PAC contributions capture the collective strategic political contributions of top management and shareholders. It also reflects the corporate political culture, especially when a firm contributes predominantly to a single political party.

B.1. Firm PAC Political Orientation Measure

To measure contributions by firm PACs, we follow Cooper, Gulen, and Ovtchinnikov (2010) and match the corporate sponsors of firm PACs to Compustat firms using firm names and subsidiary names. After excluding utilities and financials, we are able to identify 2,240 unique Compustat firms that sponsor 2,420 unique firm PACs during the 1979 to 2008 period. This sample is comparable to that of Cooper, Gulen, and Ovtchinnikov (2010), who identify 1,930 unique firms as PAC sponsors during the 1979 to 2004 period.

Similar to our cycle-specific relative Republican index (RELREP) based on managers' individual contributions, we define the firm PAC relative Republican index (REP_{PAC}) as the difference between PAC's contributions to the Republican and Democratic parties, including House, Senate, and presidential candidates and its total contributions to the two parties in the most recent election cycle.¹ The contributions are obtained from the PAC end-of-cycle financial summary files compiled by the FEC. When multiple PACs are sponsored by the same company in an election cycle, we aggregate the contributions across those PACs. In all our regressions, firms without PACs are assigned a zero

¹We do not use dummy variables since most PACs usually contribute to both parties.

REP_{PAC} value. We use REP_{PAC} to proxy for the corporate political culture and political connections of firms. REP_{PAC} is observable for 4,538 firm-years and has a mean of 0.353, suggesting a Republican lean of an average firm.

B.2. Political Orientation of Local Residents

Local political environment, based on the firm’s location in a “Red” (Republican) or a “Blue” (Democratic) state, is known to affect corporate social responsibility, a firm attribute closely associated with Democratic agendas (Rubin 2008). We define a new measure of the local political environment based on the political contributions of local residents and interest groups to the House of Representatives and Senate candidates as recorded in the FEC summary files.

For each election cycle, we separately aggregate all contributions to Republican and Democratic candidates whose campaign committees headquartered in a given state. Similar to REP_{PAC}, we define the relative Republican index of a state, REP_{STATE}, as the difference in the contributions to the Republican and Democratic parties scaled by the total contributions to both parties in the most recent election cycle. When REP_{STATE} is missing for a firm year, we assign it a value of zero.

B.3. Political Orientation of Board of Directors

We measure political orientation of the firm’s Board of Directors much like the REP_{STATE} measure. The board membership data is obtained from Risk Metrics. We exclude non-independent directors (e.g., CEOs, CFOs, etc.) to avoid double-counting political orientation of firm employees. First, we compute the cycle-specific director-level RELREP, defined as the difference between a director’s political contributions to Republicans and Democrats, divided by the director’s total contributions to both parties in the most recent election cycle. Directors who do not make any political contributions during the cycle are assigned a director-level RELREP value of zero. We obtain REP_{BOARD} by equal-weighting the director-level RELREP variables across all directors for the year covered by the election

cycle. This sample spans a shorter time period, as director data is available only from 1996.

C. Firm-Manager Matching

There are two channels through which political orientation induced managerial conservatism could influence corporate policies. First, certain firms and industries may seek out conservative managers to maintain and implement conservative policies, which may be optimal for them. While the magnitude of managerial influence on firm policies may be obscured in this “matched” setting, the deliberate choice of a Republican manager to implement a conservative corporate agenda highlights the importance of political orientation-induced managerial conservatism. Second, Republican managers can play an active role in implementing conservative policies.

In this section, we focus on the passive channel or “matching” of firms and managers with similar political preferences. Specifically, we examine whether managers are hired into firms and geographical locations with similar political preferences and cultures. Our conjecture is that managers with strong Republican preferences are more likely to work for Republican firms and firms that are located in “Red” regions. We also investigate whether managers move across firms with similar political cultures. Our main conjecture is that Republican managers are more likely to move to firms with Republican cultures than to firms with Democratic cultures.

C.1. Political Orientation or Political Culture?

We first examine the correlation between political preferences of managers and corporate as well as local political cultures. We measure corporate political culture by the relative firm PAC Republican index (REP_{PAC}). Similarly, we measure the local political culture by the relative Republican index of a state (REP_{STATE}).

We annually sort firms into four groups based on the firm-level measure of managerial political orientation, i.e., REP . The first group contains all firms with zero REP , which are usually the firms that

either have strongly Democratic managers or have no donating managers. Groups 2 to 4 are formed using the 30th and the 70th percentile breakpoints of REP in each fiscal year, and they are identified as low, medium, and high REP groups reflecting the degree of political conservatism. For each of the four groups, we first average REP_{PAC} and REP_{STATE} for each fiscal year and then over the full sample period. We focus mainly on the difference between low and high REP groups.

If matching exists between managerial and firm or local political cultures, we expect that firms in the high REP group will be associated with more conservative corporate cultures and are more likely to be located in “Red” rather than “Blue” states. In this scenario, corporate policies are likely to reflect political preferences of managers, employees, and shareholders, and those preferences would be aligned closely with the local political culture.

The sorting results in Table A2, Panel A support our conjecture. Across the four REP groups, both REP_{PAC} and REP_{STATE} increase monotonically. The mean difference in REP_{PAC} between the high and the low REP groups is 0.071 (t -statistic = 4.11) and the REP_{STATE} estimates are qualitatively similar. The differences in local political culture are even larger when we compare the means of the high and the zero REP groups.

Taken together, the sorting results indicate that there is matching between managerial political preferences and firm/local political cultures. These results are consistent with our conjecture that managerial political preferences are likely to be aligned with those of the firm and local residents.

C.2. Firm-Manager Matching When Managers Move

The second set of the matching hypothesis tests focuses on the political characteristics of employers around managerial turnover events. We posit that conservative managers are more likely to move between firms with similar political cultures. This test is motivated by the evidence in Hilary and Hui (2009), who show that the local religiosity of the manager’s old employer is a good predictor of the new employer’s local religiosity.

For the subsample of managers who switch firms, we calculate the mean five-year political orientation measures for other top managers, the firm political action committee (PAC), and the state in which the firm is located. We obtain these measures separately for the old and the new firms. Specifically, using the manager-level Republican index (i.e., REPMGR) from years $t - 5$ through $t - 1$, where year t represents the move year, we compute its mean for the old firm ($\text{OLD REP}_{\text{MGR}}$) and the new firm ($\text{NEW REP}_{\text{MGR}}$). In all calculations, we exclude the political preferences of the moving manager. We measure the PAC and state-level political orientation using REP_{PAC} and $\text{REP}_{\text{STATE}}$ observed in the most recent election cycle.²

Using the political orientation measures of old and new firms, we estimate cross-sectional regressions for each of the political orientation measures associated with the new firm. The set of independent variables includes the political orientation measures associated with the old firm. Since a manager can move between firms in the same state or in the same industry, we add the same state dummy and the same industry dummy to the move regression specifications. We also include year fixed effects. Our final sample consists of 1,900 managerial moves.

The turnover regression estimates are presented in Table A2, Panel B. We find that managers are more likely to move across firms with similar political environments, as reflected by the political orientation measures associated with other managers, PACs, and the firm state. For example, in Column (1) where the dependent variable is $\text{NEW REP}_{\text{MGR}}$, the coefficient estimate of $\text{OLD REP}_{\text{MGR}}$ is 0.068 (t -statistic = 3.09). Further, in Columns (2) and (3), the coefficient estimates of old PAC and old state political values variables are positive and statistically significant. When we include all three political orientation variables associated with the old firm as independent variables, the firm-level managerial political values measure (i.e., $\text{OLD REP}_{\text{MGR}}$) has a positive and significant estimate in all three regressions (see Columns (4) to (6)). In contrast, the estimates of PAC and state-level political

²We also collect measures of political preferences of firm directors. However, less than a quarter of our sample firms with managerial turnover can be matched with the Board of Directors data, which results in limited statistical power. Therefore, we exclude political preferences of the Board from this analysis.

orientation measures have mixed signs or weak statistical significance.

Collectively, these move regression estimates indicate that managers are hired by firms with corporate and local political cultures that are aligned with their own political preferences. Conservative firms are more likely to be matched with conservative managers and political orientation-induced managerial clienteles exist.

D. Alternative Explanations

In this section, we entertain several alternative interpretations of our main results. The results from these additional tests are summarized in Table A3.

D.1. Managerial Political Orientation or Political Culture?

One alternative interpretation of our findings is that our results reflect the impact of firm or local political culture rather than the political preferences of managers. In our first test, we compare the relative influences of managerial, corporate, and local state political values on corporate policies. We estimate extended policy regressions that include all three political orientation measures, all control variables from the baseline policy regression specifications in Tables 3 and 4, and year as well as industry fixed effects.

The results are reported in Table A3, Panel A. We find that firm-level REP retains its expected sign and statistical significance in all policy regressions. The REP_{PAC} estimates are insignificant in many cases and often have counterintuitive signs. The REP_{STATE} estimates have the expected signs in all regressions except the leverage regression, but they are statistically insignificant in three instances. Examining the overall significance levels of the three political orientation measures, we find that political leaning of managers, firm, as well as the state where firm is headquartered influence corporate policies. However, among the three effects, the political preferences of managers have the strongest impact.

D.2. Managerial or Board Conservatism?

In the next test, we compare the relative influences of political preferences of managers and the Board of Directors. We repeat the analyses from Panel A of Table A3 by replacing the PAC and local state-level political orientation variable with the Board’s political orientation variable (REP_{BOARD}), which is defined using the political contributions of its directors. Boards with no donor directors are assigned a zero value of REP_{BOARD} . The sample starts from 1996 rather than 1992 due to the availability of the board data.

We report the regression estimates in Panel B. We find that the coefficient estimate of the managerial Republican index (REP) retains its expected sign and statistical significance in all firm policy regressions. In contrast, the coefficient estimates of REP_{BOARD} are statistically significant only in INV and VOL regressions. This evidence indicates that although conservative boards are likely to be associated with conservative firm policies, conservative managers have a stronger and more consistent association with conservative policies. This evidence also suggests that an alternative hypothesis, which posits that board members strongly influence firm policies and even hire managers to passively implement those policies has little empirical support.

D.3. Political Preferences or Other Conservative Attributes?

In the third test, we examine whether managers’ demographic attributes or local attributes correlated with political orientation and financial conservatism may drive our results. For example, older or female managers, or managers located in high religiosity regions may exhibit financial conservatism and may also have conservative political values. To ensure that our results do not merely reflect the effects of these demographic attributes, we include age, gender, and local religiosity in the policy regression specifications and examine whether REP is still strongly correlated with firm policies. The age and gender information about top managers are obtained from ExecuComp, and the local religiosity data are obtained from American Religion Data Archive (Churches and Church Membership files).

In these extended regression specifications, the local religiosity variable is defined as the number of religious adherents in a county divided by the total county population and matched to firms headquartered within the same county. We compute the average age of the top five managers for each firm-year. Gender is defined in an analogous manner by averaging the female dummy of the top five managers for each firm-year.

The estimates from extended policy regressions are presented in Table A3, Panel C. Consistent with the evidence in Hilary and Hui (2009), we find that higher local religiosity levels are associated with lower levels of capital investment and return volatility. Further, among the three managerial attributes, age has a strongest effect on corporate policies while gender has the weakest effect. From our perspective, most importantly, the inclusion of the three demographic attributes does not weaken the relation between REP and corporate policies. REP retains its significant coefficient estimates with the expected signs in all policy regressions.

Taken together, these results from extended policy regressions indicate that financial conservatism as captured by local religiosity and manager's age and gender encourages conservative firm policies. However, their effects on corporate policies are weaker than the impact of political orientation induced financial conservatism.

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TABLE A1

Policy Regression Estimates Using Alternative Measures of Political Orientation

This table reports the policy regression estimates using alternative measures of managerial political orientation. The dependent variable is one of the five corporate policy variables: TDA is the total book debt over total assets ratio, INV is the investment rate in tangible capital, R&D is research & development over total assets, VOL is the daily return volatility, and ROA is return on assets. In Panel A, the key independent variable is firm-level REP_{FIRST} , defined using managers' political contributions from the first election cycle in which a manager donates. In Panel B, the key independent variable is firm-level REP_{PRIOR} , defined using managers' political contributions from all election cycles prior to the beginning of the current fiscal year. In Panel C, the key independent variable is the firm-level relative Republican index ($RELREP$). This is continuous measure between +1 and -1. For TDA regressions of Panels A and C, the control variables are identical to those used in regression (1) in Table 4, Panel A, while for others, the controls are identical to those in Table 5, Panel A. All regressions are pooled cross-sectional regressions with year and industry fixed effects, where industry is defined using two-digit SIC codes. The t -statistics reported in parentheses below the respective estimates are computed using standard errors corrected for clustering at the firm level. Intercepts are included in all regressions but are unreported. To improve readability, all coefficients are multiplied by 100. The sample period is from 1992 to 2008. Additional details about all variables are available in the Appendix of the main text.

Panel A. Managerial Political Orientation Estimated Using the First Contribution					
Independent Variable	Dependent Variable				
	TDA (1)	INV (2)	R&D (3)	VOL (4)	ROA (5)
REP_{FIRST}	-2.05 (-2.24)	-1.45 (-2.30)	-0.93 (-3.39)	-0.21 (-4.90)	2.02 (4.52)
Controls	Yes	Yes	Yes	Yes	Yes
Year Fixed Effects	Yes	Yes	Yes	Yes	Yes
Industry Fixed Effects	Yes	Yes	Yes	Yes	Yes
# of Obs	24,142	23,625	23,625	23,055	23,625
Adj. R^2	23.84%	32.13%	39.52%	51.64%	21.69%
Panel B. Managerial Political Orientation Estimated Using Prior Contributions					
REP_{PRIOR}	-2.21 (-1.86)	-1.27 (-1.85)	-0.66 (-2.60)	-0.20 (-4.34)	1.88 (3.90)
Controls and Fixed Effects	<i>Same as in Panel A</i>				
# of Obs	24,142	23,625	23,625	23,055	23,625
Adj. R^2	23.79%	32.16%	39.63%	51.71%	21.76%
Panel C. Managerial Political Orientation as a Continuous Measure					
$RELREP$	-1.36 (-1.75)	-1.82 (-3.25)	-0.97 (-4.14)	-0.12 (-3.34)	1.08 (3.13)
Controls and Fixed Effects	<i>Same as in Panel A</i>				
# of Obs	24,142	23,674	23,674	23,100	23,674
Adj. R^2	23.86%	32.28%	39.73%	51.65%	21.73%

TABLE A2

Manager-Firm and Manager-Location Matching Results

Panel A reports the mean corporate and local political culture measures for REP sorted into categories. Each fiscal year, we sort firms into four groups by REP: zero and low, medium, and high based on the breakpoints of the 30th and 70th percentiles. REP_{PAC} is the company PAC-level Republican index and REP_{STATE} is the state-level Republican index. We first compute the annual mean REP_{PAC} and REP_{STATE} in each group and then average these mean measures across the full sample period. The *t*-statistics are reported in brackets that test the difference in these time-series means. Panel B reports the results from cross-sectional regressions using political orientation measures around manager moves. The dependent variable is one of the political environment measures associated with the new firm and the main independent variables are the political environment measures associated with the old firm. We consider political orientation measures defined at the manager, firm, and local levels. NEW REP_{MGR} is the mean firm-level managerial REP of the new firm from year $t - 5$ through $t - 1$ (excluding the moving manager), where year $t = 0$ refers to the year of move. NEW REP_{PAC} is the PAC-level Republican index of the new firm in year $t = 0$. NEW REP_{STATE} is the state-level Republican index of the new firm in year $t = 0$. The independent variables corresponding to the old employer of the manager are defined in an analogous manner and are denoted by OLD REP_{MGR}, OLD REP_{PAC}, and OLD REP_{STATE}, respectively. The Same State Dummy takes the value of one if the manager moves within the same state and, zero otherwise. The Same Industry Dummy takes the value of one if the manager moves within the same industry and, zero otherwise. Industries are defined using two-digit SIC codes. Intercepts are included in all regressions but are unreported. Year fixed effects are included. The *t*-statistics are reported in brackets below the estimates. This sample period is also from 1992 to 2008. Additional details about all variables are available in the Appendix of the main text.

Panel A. Sorting Results

Variable	REP Rank				High–Low
	Zero	Low	Medium	High	
REP _{PAC}	0.022	0.062	0.091	0.133	0.071
					(4.11)
REP _{STATE}	−0.045	−0.006	0.021	0.074	0.079
					(3.26)

Panel B. Cross-Sectional Regression Estimates

Independent Variable	Dependent Variable: NEW					
	REP _{MGR}	REP _{PAC}	REP _{STATE}	REP _{MGR}	REP _{PAC}	REP _{STATE}
	(1)	(2)	(3)	(4)	(5)	(6)
OLD REP _{MGR}	0.068			0.064	0.063	0.104
	(3.09)			(2.86)	(2.67)	(3.57)
OLD REP _{PAC}		0.054		−0.011	0.039	−0.018
		(2.15)		(−0.43)	(1.53)	(−0.57)
OLD REP _{STATE}			0.245	0.042	0.011	0.235
			(9.04)	(2.02)	(0.51)	(8.59)
Same State Dummy	−0.047	−0.010	−0.036	−0.046	−0.009	−0.036
	(−4.46)	(−0.88)	(−2.61)	(−4.36)	(−0.84)	(−2.62)
Same Industry Dummy	0.007	−0.006	−0.001	0.008	−0.009	−0.007
	(0.62)	(−0.45)	(−0.07)	(0.65)	(−0.75)	(−0.48)
Year Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
# of Obs	1,900	1,900	1,900	1,900	1,900	1,900
<i>R</i> ²	3.45%	4.61%	8.32%	3.66%	5.00%	8.94%

TABLE A3**Policy Regression Estimates Using Local Political and Demographics Measures**

This table reports the policy regression estimates from extended specifications that include controls for demographics and firm/local/board political environment. The dependent variable is one of the five corporate policy variables: TDA is the total book debt over total assets ratio, INV is the investment rate in tangible capital, R&D is research & development over total assets, VOL is the daily return volatility, and ROA is return on assets. The key independent variable is the firm-level Republican index (REP) defined using the political orientation measures of top five managers. The specification in Panel A additionally controls for measures of firm and local political environments. REP_{PAC} is the firm PAC relative Republican index. REP_{STATE} is the state-level relative Republican index. Panel B additionally controls for the the relative Republican index of the board of directors, REP_{BOARD}. Panel C additionally controls for several measures of financial conservatism, including local religiosity, average manager age, and the percentage of female managers. RELIGIOSITY is the number of religious adherents divided by the total population of the county in which the firm is headquartered. AGE is the average age of the top five managers and FEMALE is the percentage of females in the top five managers. For TDA regressions of Panels A and C, the control variables are identical to those used in Table 4, Panel A, while for other regressions, the controls are identical to those in Table 5, Panel A. All regressions are pooled cross-sectional regressions with year and industry fixed effects, where industry is defined using two-digit SIC codes. The *t*-statistics reported in parentheses below the respective estimates are computed using standard errors corrected for clustering at the firm level. Intercepts are included in all regressions but are unreported. To improve readability, all dependent variables are multiplied by 100. The sample period is from 1992 to 2008 for Panels A and C and from 1996 to 2008 for Panel B. Additional details about all variables are available in the Appendix of the main text.

Panel A. Estimates with Controls for Corporate and Local Political Environments

Independent Variable	Dependent Variable				
	TDA	INV	R&D	VOL	ROA
	(1)	(2)	(3)	(4)	(5)
REP	−2.36	−1.99	−1.16	−0.25	2.18
	(−2.34)	(−2.88)	(−4.12)	(−5.42)	(4.69)
REP _{PAC}	−0.32	−0.02	0.27	−0.09	−0.15
	(−0.37)	(−0.04)	(1.34)	(−2.21)	(−0.46)
REP _{STATE}	1.24	−1.50	−1.65	−0.06	2.00
	(1.46)	(−2.52)	(−6.38)	(−1.31)	(4.77)
Controls	Yes	Yes	Yes	Yes	Yes
Year Fixed Effects	Yes	Yes	Yes	Yes	Yes
Industry Fixed Effects	Yes	Yes	Yes	Yes	Yes
# of Obs	24,195	23,674	23,674	23,100	23,674
R ²	23.92%	32.32%	40.28%	51.79%	21.95%

Panel B. Estimates with Controls for Board Political Preferences

REP	−2.29	−2.59	−1.36	−0.28	2.60
	(−1.97)	(−3.40)	(−4.34)	(−5.20)	(4.44)
REP _{BOARD}	−0.50	−4.46	−0.08	−0.38	1.08
	(−0.28)	(−3.01)	(−0.17)	(−3.50)	(0.86)
Controls and Fixed Effects	<i>Same as in Panel A</i>				
# of Obs	19,602	19,238	19,238	18,758	19,238
R ²	23.82%	32.76%	39.00%	50.77%	21.33%

Panel C. Estimates with Controls for Religiosity, Age, and Gender

REP	−1.86	−2.46	−1.37	−0.26	2.55
	(−1.56)	(−3.10)	(−4.22)	(−4.71)	(5.01)
RELIGIOSITY	0.23	−4.25	−1.49	−0.28	1.16
	(0.08)	(−2.27)	(−1.61)	(−2.13)	(0.85)
AGE	−0.05	−0.20	−0.05	−0.01	0.05
	(−1.30)	(−8.11)	(−4.74)	(−7.65)	(3.03)
FEMALE	−0.78	−1.75	−0.64	−0.06	0.69
	(−0.38)	(−1.40)	(−0.98)	(−0.57)	(0.86)
Controls and Fixed Effects	<i>Same as in Panel A</i>				
# of Obs	18,684	18,489	18,489	18,240	18,489
R ²	23.88%	33.03%	41.06%	53.01%	21.89%