Table A1: The Effect of State Fiscal Shocks on Income Inequality (90/10 Ratio)

	(1) b/se	(2) b/se	(3) b/se	(4) b/se
Inequality Ratio$_{t-1}$	0.359***	0.367***	0.358***	0.363***
	(0.028)	(0.028)	(0.028)	(0.028)
Inequality Ratio$_{t-2}$	0.085***	0.082***	0.083***	0.081***
	(0.027)	(0.028)	(0.027)	(0.028)
Negative Budget Shock$_t$	-0.001		0.004	
	(0.028)		(0.029)	
Negative Budget Shock$_{t-1}$	0.107***		0.117***	
	(0.025)		(0.025)	
Revenue Shock$_t$		-0.002	-0.006	
		(0.010)	(0.010)	
Revenue Shock$_{t-1}$		-0.005	-0.017*	
		(0.010)	(0.010)	
Negative Fiscal Shock$_t$				0.013
				(0.014)
Negative Fiscal Shock$_{t-1}$				0.045***
				(0.014)
Δ % Econ. Health Index	0.015	0.017*	0.014	0.016*
	(0.009)	(0.009)	(0.010)	(0.009)
Government Liberalism$_t$	-0.001	-0.001	-0.001	-0.000
	(0.001)	(0.001)	(0.001)	(0.001)
Δ % Union	-0.016	-0.021	-0.018	-0.022
	(0.021)	(0.021)	(0.021)	(0.021)
Federal Revenue Change$_t$	0.004	0.005**	0.004	0.005**
	(0.002)	(0.002)	(0.002)	(0.002)
Δ Age 60+ Change	0.053**	0.053**	0.052**	0.052**
	(0.025)	(0.025)	(0.025)	(0.025)
Δ % Non-White	0.126**	0.135**	0.128**	0.135**
	(0.055)	(0.055)	(0.055)	(0.055)
Time Trend	0.035***	0.036***	0.034***	0.034***
	(0.003)	(0.003)	(0.003)	(0.003)
Constant	3.736***	3.706***	3.755***	3.742***
	(0.232)	(0.234)	(0.232)	(0.233)
N	1250	1250	1250	1250
R^2	0.374	0.364	0.375	0.369

* p<0.10, ** p<0.05, *** p<0.01

Note: Estimates are from autoregressive distributed lag (ADL) models with state fixed effects. All variables were examined to determine levels of integration using Fisher augmented Dickey-Fuller stationarity tests (specifically designed for TSCS data). A first difference (Δ) version of the variable is used when tests indicated that it is a non-stationary series. In all cases when non-stationarity was detected, the first difference version of the series was determined to be stationary.

Table A2: The Effect of State Fiscal Shocks on Income Inequality (80/20 Ratio), Shocks Limited to Periods of Negative State Economic Growth

	(1)	(2)
	b/se	b/se
Inequality Ratio$_{t-1}$	0.344***	0.345***
	(0.028)	(0.028)
Inequality Ratio$_{t-2}$	0.097***	0.095***
	(0.028)	(0.028)
Negative Budget Shock$_t$	0.050**	
	(0.021)	
Negative Budget Shock$_{t-1}$	0.022	
	(0.018)	
Revenue Shock$_t$	-0.009	
	(0.008)	
Revenue Shock$_{t-1}$	-0.027***	
	(0.008)	
Negative Fiscal Shock$_t$		0.022*
		(0.012)
Negative Fiscal Shock$_{t-1}$		0.036***
		(0.012)
Δ % Econ. Health Index	0.018***	0.013***
	(0.005)	(0.004)
Government Liberalism$_t$	-0.000	-0.000
	(0.001)	(0.001)
Δ Age 60+ Change	0.039***	0.039***
	(0.012)	(0.012)
Δ % Non-White	0.057**	0.056**
	(0.026)	(0.026)
Δ % Union	-0.014	-0.012
	(0.010)	(0.010)
Federal Revenue Change$_t$	0.002	0.001
	(0.001)	(0.001)
Time Trend	0.022***	0.022***
	(0.002)	(0.002)
Constant	2.377***	2.402***
	(0.143)	(0.142)
N	1250	1250
R^2	0.465	0.464

* p<0.10, ** p<0.05, *** p<0.01

Note: Estimates are from autoregressive distributed lag (ADL) models with state fixed effects. All variables were examined to determine levels of integration using Fisher augmented Dickey-Fuller stationarity tests (specifically designed for TSCS data). A first difference (Δ) version of the variable is used when tests indicated that it is a non-stationary series. In all cases when non-stationarity was detected, the first difference version of the series was determined to be stationary.

Table A3: Estimated Long-Run Effects of State Fiscal Policy Shocks on Income Inequality (80/20 Ratio)

Variable	All periods Long-run effect / [90% c.i.]	Only periods of negative growth Long-run effect / [90% c.i.]
Negative Budget Shock	0.070 [0.020, 0.120]	0.128 [0.046, 0.211]
Revenue Shock	-0.013 [-0.033, 0.007]	-0.064 [-0.100, -0.028]
Negative Fiscal Shock	0.034 [0.005, 0.062]	0.103 [0.053 0.153]

Note: Estimated long-run effects for all periods (column 1) are based on results in Table 1. Long-run effects for periods of negative economic growth (column 2) are calculated from the results found in Table A2.

Table A4: The Effect of State Revenue Shocks on Income Inequality by Revenue Source

	80/20 ratio		Bot. 20% share		Top 20% share	
	b	se	b	se	b	se
Inequality Ratio$_{t-1}$	0.350***	(0.028)				
Inequality Ratio$_{t-2}$	0.095***	(0.028)				
Bottom 20% Inc. Share$_{t-1}$			0.431***	(0.025)		
Top 20% Inc. Share$_{t-1}$					0.395***	(0.026)
Personal Inc. Tax Change$_t$	-0.001	(0.002)	0.006**	(0.002)	-0.050***	(0.013)
Personal Inc. Tax Change$_{t-1}$	-0.006**	(0.002)	0.000	(0.002)	-0.012	(0.013)
Corp. Inc. Tax Change$_t$	-0.000	(0.002)	-0.001	(0.002)	0.001	(0.009)
Corp. Inc. Tax Change$_{t-1}$	-0.001	(0.002)	-0.001	(0.002)	-0.007	(0.009)
Sales Tax Change$_t$	0.004	(0.004)	-0.002	(0.004)	-0.017	(0.020)
Sales Tax Change$_{t-1}$	0.001	(0.004)	-0.003	(0.004)	-0.019	(0.020)
Tobacco Tax Change$_t$	-0.000	(0.000)	0.000	(0.000)	-0.000	(0.002)
Tobacco Tax Change$_{t-1}$	0.000	(0.000)	0.001**	(0.000)	-0.001	(0.002)
Fuel Tax Change$_t$	0.001	(0.002)	-0.001	(0.002)	0.017	(0.011)
Fuel Tax Change$_{t-1}$	0.001	(0.002)	0.000	(0.002)	-0.009	(0.011)
Alcohol Tax Change$_t$	-0.001	(0.001)	0.001	(0.001)	0.000	(0.005)
Alcohol Tax Change$_{t-1}$	-0.001	(0.001)	-0.000	(0.001)	-0.002	(0.005)
Δ % Econ. Health Index	0.013***	(0.004)	0.002	(0.005)	0.038	(0.024)
Government Liberalism$_t$	-0.000	(0.001)	-0.000	(0.001)	-0.004	(0.003)
Δ % Union	-0.012	(0.010)	0.018*	(0.011)	-0.132**	(0.057)
Federal Revenue Change$_t$	0.002	(0.001)	-0.000	(0.001)	-0.003	(0.006)
Δ Age 60+ Change	0.038***	(0.012)	0.014	(0.013)	-0.116*	(0.068)
Δ % Non-White	0.056**	(0.026)	0.075***	(0.028)	-0.063	(0.150)
Time Trend	0.022***	(0.002)	-0.014***	(0.002)	0.040***	(0.008)
Constant	2.367***	(0.144)	2.535***	(0.122)	27.150***	(1.194)
N	1250		1300		1300	
R^2	0.464		0.320		0.243	

* p<0.10, ** p<0.05, *** p<0.01

Note: Estimates are from autoregressive distributed lag (ADL) models with state fixed effects. All variables were examined to determine levels of integration using Fisher augmented Dickey-Fuller stationarity tests (specifically designed for TSCS data). A first difference (Δ) version of the variable is used when tests indicated that it is a non-stationary series. In all cases when non-stationarity was detected, the first difference version of the series was determined to be stationary.

Table A5: The Effect of State Budget Shocks on Income Inequality (2010-2012 only)

	80/20 ratio	Bot. 20% share	Top 20% share
	b/se	b/se	b/se
K12 Cut	-0.097	0.047	0.028
	(0.156)	(0.128)	(0.551)
Higher Edu. Cut	1.467***	-0.761*	1.414
	(0.556)	(0.455)	(1.962)
Public Assist. Cuts	3.016***	-1.609**	5.435
	(0.945)	(0.774)	(3.336)
Medicaid Cuts	-0.293	-0.121	-1.186
	(0.326)	(0.267)	(1.152)
Corrections Cuts	-1.200	1.553*	-4.850
	(1.098)	(0.900)	(3.878)
Transportation Cuts	0.186	0.029	2.849
	(0.696)	(0.570)	(2.459)
Econ. Health Index	-0.026**	0.009	-0.052
	(0.010)	(0.008)	(0.036)
Government Liberalism	0.006***	-0.004**	0.019***
	(0.002)	(0.002)	(0.007)
% Union	-0.013	-0.004	-0.016
	(0.012)	(0.010)	(0.044)
% Federal Revenue	0.035***	-0.031***	0.016
	(0.010)	(0.008)	(0.034)
% Age 60+	0.000***	-0.000***	0.000***
	(0.000)	(0.000)	(0.000)
% Non-White	0.014***	-0.016***	0.036**
	(0.004)	(0.003)	(0.015)
Year 2010 (ref.)			
Year 2011	0.372***	-0.186*	1.106**
	(0.130)	(0.106)	(0.458)
Year 2012	0.570***	-0.301**	1.573***
	(0.150)	(0.123)	(0.530)
Constant	5.570***	4.873***	47.519***
	(1.182)	(0.968)	(4.172)
N	150	150	150
R^2	0.477	0.420	0.279

* $p<0.10$, ** $p<0.05$, *** $p<0.01$

Note: Estimates are from OLS regression with standard errors in parentheses.

Table A6: The Effect of State Revenue Shocks on Income Inequality by Progressive and Regressive Revenue Source

	80/20 ratio b/se	Bot. 20% share b/se	Top 20% share b/se
Inequality Ratio$_{t-1}$	0.352***		
	(0.028)		
Inequality Ratio$_{t-2}$	0.096***		
	(0.028)		
Bottom 20% Inc. Share$_{t-1}$		0.435***	
		(0.025)	
Top 20% Inc. Share$_{t-1}$			0.355***
			(0.029)
Top 20% Inc. Share$_{t-2}$			0.072**
			(0.029)
Progressive Tax Change$_t$	0.002	0.010***	-0.075***
	(0.003)	(0.003)	(0.019)
Progressive Tax Change$_{t-1}$	-0.008**	0.003	-0.038**
	(0.003)	(0.003)	(0.018)
Regressive Tax Change$_t$	0.005	-0.004	0.023
	(0.003)	(0.004)	(0.020)
Regressive Tax Change$_{t-1}$	0.005	-0.001	-0.013
	(0.003)	(0.004)	(0.019)
Δ % Econ. Health Index	0.014***	0.003	0.041*
	(0.004)	(0.005)	(0.024)
Government Liberalism$_t$	-0.000	-0.001	-0.003
	(0.001)	(0.001)	(0.003)
Δ % Union	-0.012	0.019*	-0.151**
	(0.010)	(0.011)	(0.058)
Federal Revenue Change$_t$	0.002	-0.000	-0.003
	(0.001)	(0.001)	(0.007)
Δ Age 60+ Change	0.039***	0.015	-0.122*
	(0.012)	(0.013)	(0.069)
Δ % Non-White	0.057**	0.079***	-0.072
	(0.026)	(0.028)	(0.150)
Time Trend	0.022***	-0.013***	0.032***
	(0.002)	(0.002)	(0.009)
Constant	2.344***	2.520***	25.774***
	(0.142)	(0.121)	(1.439)
N	1250	1300	1250
R^2	0.463	0.318	0.231

* p<0.10, ** p<0.05, *** p<0.01

Note: Estimates are from autoregressive distributed lag (ADL) models with state fixed effects. All variables were examined to determine levels of integration using Fisher augmented Dickey-Fuller stationarity tests (specifically designed for TSCS data). A first difference (Δ) version of the variable is used when tests indicated that it is a non-stationary series. In all cases when non-stationarity was detected, the first difference version of the series was determined to be stationary.

Table A7: The Effect of State Fiscal Shocks on Income Inequality (80/20 Ratio), Including Total Per Capita Spending and Revenue Measures

	(1)		(2)	
	b	se	b	se
Inequality Ratio$_{t-1}$	0.345***	(0.028)	0.346***	(0.028)
Inequality Ratio$_{t-2}$	0.100***	(0.028)	0.099***	(0.028)
Negative Budget Shock$_t$	0.004	(0.014)		
Negative Budget Shock$_{t-1}$	0.024*	(0.013)		
Revenue Shock$_t$	0.000	(0.005)		
Revenue Shock$_{t-1}$	-0.008*	(0.005)		
Negative Fiscal Shock$_t$			0.002	(0.007)
Negative Fiscal Shock$_{t-1}$			0.015**	(0.007)
Δ % Econ. Health Index	0.014***	(0.005)	0.013***	(0.005)
Government Liberalism$_t$	0.000	(0.001)	0.000	(0.001)
Δ % Union	-0.012	(0.010)	-0.012	(0.010)
Federal Revenue Change$_t$	0.002	(0.001)	0.002	(0.001)
Δ Age 60+ Change	0.039***	(0.012)	0.039***	(0.012)
Δ % Non-White	0.051*	(0.026)	0.052**	(0.026)
Total Spending Change$_t$	-0.002	(0.002)	-0.002	(0.002)
Total Spending Change$_{t-1}$	-0.002	(0.002)	-0.001	(0.002)
Total Revenue Change$_t$	-0.001	(0.002)	-0.001	(0.002)
Total Revenue Change$_{t-1}$	-0.004**	(0.002)	-0.004**	(0.002)
Time Trend	0.021***	(0.002)	0.021***	(0.002)
Constant	2.378***	(0.143)	2.385***	(0.142)
N	1250		1250	
R^2	0.465		0.465	

* p<0.10, ** p<0.05, *** p<0.01

Note: Estimates are from autoregressive distributed lag (ADL) models with state fixed effects. All variables were examined to determine levels of integration using Fisher augmented Dickey-Fuller stationarity tests (specifically designed for TSCS data). A first difference (Δ) version of the variable is used when tests indicated that it is a non-stationary series. In all cases when non-stationarity was detected, the first difference version of the series was determined to be stationary.

Table A8: The Effect of State Fiscal Shocks on Income Inequality (80/20 Ratio), Including Government Party Control Measure

	(1) b/se	(2) b/se	(3) b/se	(4) b/se
Inequality Ratio$_{t-1}$	0.349***	0.350***	0.346***	0.347***
	(0.028)	(0.028)	(0.028)	(0.028)
Inequality Ratio$_{t-2}$	0.101***	0.099***	0.099***	0.097***
	(0.028)	(0.028)	(0.028)	(0.028)
Negative Budget Shock$_t$	0.009		0.007	
	(0.014)		(0.014)	
Negative Budget Shock$_{t-1}$	0.030**		0.030**	
	(0.012)		(0.012)	
Revenue Shock$_t$	0.000		-0.000	
	(0.005)		(0.005)	
Revenue Shock$_{t-1}$	-0.009*		-0.009*	
	(0.005)		(0.005)	
Negative Fiscal Shock$_t$		0.003		0.003
		(0.007)		(0.007)
Negative Fiscal Shock$_{t-1}$		0.017**		0.017**
		(0.007)		(0.007)
Δ % Econ. Health Index	0.015***	0.014***	0.014***	0.013***
	(0.005)	(0.004)	(0.005)	(0.004)
Government Liberalism$_t$			-0.003**	-0.003**
			(0.001)	(0.001)
Gov. Party Control$_t$	0.006	0.008	0.032**	0.034**
	(0.007)	(0.007)	(0.014)	(0.014)
Δ % Union	-0.012	-0.012	-0.012	-0.012
	(0.010)	(0.010)	(0.010)	(0.010)
Federal Revenue Change$_t$	0.001	0.001	0.001	0.001
	(0.001)	(0.001)	(0.001)	(0.001)
Δ Age 60+ Change	0.038***	0.038***	0.038***	0.038***
	(0.012)	(0.012)	(0.012)	(0.012)
Δ % Non-White	0.053**	0.055**	0.055**	0.057**
	(0.026)	(0.026)	(0.026)	(0.026)
Time Trend	0.022***	0.022***	0.022***	0.022***
	(0.002)	(0.002)	(0.002)	(0.002)
Constant	2.332***	2.345***	2.486***	2.503***
	(0.137)	(0.136)	(0.155)	(0.154)
N	1250	1250	1250	1250
R^2	0.463	0.462	0.465	0.464

* p<0.10, ** p<0.05, *** p<0.01

Note: Estimates are from autoregressive distributed lag (ADL) models with state fixed effects. All variables were examined to determine levels of integration using Fisher augmented Dickey-Fuller stationarity tests (specifically designed for TSCS data). A first difference (Δ) version of the variable is used when tests indicated that it is a non-stationary series. In all cases when non-stationarity was detected, the first difference version of the series was determined to be stationary.

Table A9: Overview of Pew Surveys Used in Great Recession Analysis

Survey	Collection dates	Sample	N
February 2011 Political Survey	February 2-7, 2011	Nationally representative	1,385
January 2012 Political Survey	January 11-16, 2012	Nationally representative	1,502
September 2013 Political Survey	September 4-8, 2013	Nationally representative	1,506
Febuary 2015 Political Survey	Febuary 18-22, 2015	Nationally representative	1,504

Table A10: Descriptive Statistics for Pew Survey Variables

	Mean	Std. Dev.	Min.	Max.
Financial Situation	1.96	0.84	1.00	3.00
Income	5.04	2.39	1.00	9.00
Education	4.81	1.80	1.00	8.00
Party ID	2.11	0.86	1.00	3.00
Age	51.59	18.06	18.00	97.00
Female	0.51	0.50	0.00	1.00
White, Non-Hisp.	0.73	0.45	0.00	1.00
Negative Budget Shock	1.00	0.72	0.00	3.10
Revenue Shock	0.81	1.18	-2.00	4.48
Negative Fiscal Shock	0.53	0.87	-3.05	2.77
Recession Econ. Health Index	96.50	3.47	85.94	104.48
Econ. Health in Survey Year	106.62	8.52	85.05	131.97