

1, 2, 3, MANY TEA PARTIES?

A CLOSER LOOK AT THE 2010 MASSACHUSETTS SENATE RACE

Thomas Ferguson and Jie Chen • Roosevelt Institute Working Paper

ABSTRACT

Passage of the health care reform bill has convinced some analysts that the Massachusetts Senate election might be a fluke. In fact, polls taken after the legislation passed show Republicans widening their lead in fall congressional races. This paper takes a closer look at the Massachusetts earthquake. It reviews popular interpretations of the election, especially those highlighting the influence of the “Tea Party” movement, and examines the role political money played in the outcome. Its main contribution, though, is an analysis of voting patterns by towns. Using spatial regression techniques, it shows that unemployment and housing price declines contributed to the Republican swing, along with a proportionately heavier drop in voting turnout in poorer towns that usually provide many votes to Democratic candidates. All these factors are likely to remain important in the November congressional elections.¹

On the 19th of January, Massachusetts, reputedly the most liberal state in America, fired a shot heard round the world. In an epic political upset, Republican Scott Brown, who had once posed naked for *Cosmopolitan* magazine and now ardently championed tax cuts, smaller government, and waterboarding, defeated his heavily favored Democratic opponent. He thus succeeded to the Senate seat held in splendor for over forty years by the most famous of all liberal Democrats, the late Senator Edward Kennedy.

Brown’s stunning triumph meant that the Republicans now controlled 41 votes – the minimum required to dethrone Independent Connecticut Senator Joseph Lieberman as uncrowned king of the U.S. Senate by giving the GOP just enough votes to block efforts to shut off debate. Senator Brown was thus not really “41,” as many took quickly to styling him. He was 007, for his triumph handed his party a license to kill by talking bills to death in the upper chamber.²

Even before the polls closed on Election Day, health care stocks were shooting up as giddy investors jumped to the conclusion that President Barack Obama’s signature reform bill was dead in the water.³ But the new Senate math just as certainly appeared to doom the rest of the President’s proposals. Financial reform, labor law, climate change – suddenly none any longer represented change anyone could believe in. Over the next few weeks, American politics came as close as it ever has to a true Zen moment: The One, who had towered over the political landscape since the presidential primaries in 2008, suddenly looked like Nothing.

Not surprisingly, an outpouring of commentary akin to the explosion of a supernova resulted. Unfortunately, the comparison is all too apt. Until the final days, the outcome of the race seemed a foregone conclusion. None of the many news outlets on financial life support ventured to front the expense of conducting exit polls. As a result, election night food for thought was lite even by the standards of American cable news. Arguments about what voters said perforce had to be conducted in a near-perfect vacuum, just as in outer space.

Election analysis in America often amounts to little more than a barely sublimated continuation of politics by other means, as interested parties, with financial and partisan ties that the media do not insist be disclosed to audiences, spin what happened in ways that coincide with their interests.⁴ In the topsy-turvy world of 2010, where politicians like Sarah Palin or Mike Huckabee turn into television commentators and news commentators like Lou Dobbs think about running for office, this meant that the social meaning of the election crystallized overnight into a single catch phrase: *populist revolt*.

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INTERPRETATIONS

Brown himself, and nearly all Republicans, trumpeted his election as a resounding vote of no confidence in the President's programs, especially the much ballyhooed health care proposal. They declared that ordinary voters were fed up with Big Government, bailouts, and the prospect of higher taxes and inflation. What the electorate wanted, they claimed, was a return to traditional values of limited government, individualism, and free markets.

Shocked Democratic commentators, by contrast, spent the first few days after the election whistling past the graveyard. Many wrote off what happened as a fluke, the accidental result of a perfect political storm, brought on by a diabolical coincidence of a lackluster, overconfident Democratic candidate who actually went on vacation for part of the campaign and clever Republican campaign appeals, especially Brown's trademark allusions to his pickup truck. But even among Democrats, not everyone was buying it. In a surprising twist to the "revolt" interpretation, the losing candidate's own pollster emphasized other factors, which most media commentators barely mentioned: the inability of the Democrats to convince independent voters that they were serious about financial reforms and deep public disgust at the coincidence of high unemployment and lavish government aid for banks.⁵

In the weeks since the election, an army of political analysts has elaborated less edgy versions of the "grassroots revolt" motif. Several early accounts highlighted the role "Tea Party" activists played in Brown's campaign. The *New York Times* and other sources quoted Tea Partiers, as they prefer to be styled, viscerally condemning what they perceived to be the Obama administration's embrace of corporate socialism, higher taxes, and limitless budget deficits stretching into the far future.⁶ Never mind that the losing Democratic candidate had released last minute ads attacking Brown and the Republicans as pawns of the banks. Or that many Tea Party activists also condemn the Republican Party, or at least John McCain, George W. Bush, and the GOP establishment. The decisive point is that the Democrats control the Presidency and both houses of Congress. In the context of an anemic economic recovery, the White House's largely passive response to bankers' bonuses, tepid proposals for financial reform, and determination to reappoint the desperately unpopular Federal Reserve Chair Ben Bernanke to a second term, were more than many voters could swallow. The President's sudden and rather clumsy decision, only days after the loss, to bear hug a previously shunned Paul Volcker suggested that the President and his advisors took the point.

DIFFICULTIES - THE ROLE OF POLITICAL MONEY

As the Tea Party script crystallizes into conventional wisdom, however, some jarringly inconsistent facts keep surfacing. Let us look past Brown's little noted comment, in the afterglow of election, that he thought Bernanke deserved confirmation.⁷ Or his demand that his seating be accelerated so he could vote against an Obama administration nominee to the National Labor Relations Board, whom Republicans considered to be too pro-Labor.⁸ This could be rationalized as a "populist" antipathy to "Big Labor," though this expression is now wholly a rhetorical construct, given that unions now enroll barely 12% of the total workforce (and but 7% of private sector workers).⁹

Instead, look past the media buzz and follow the money. In the week leading up to the election, more than \$2 million dollars flooded into Brown's campaign from donors who contributed \$1000 or more. At least \$442,000 of this has been traced to financiers opposed even to the Democrats very modest reform proposals.¹⁰ More broadly, in the last 19 days before the election, a tidal wave of donations of more than \$200 - over six million dollars in all - buoyed Brown's campaign; more than 70% from out of state.¹¹ As the *Washington Post* has documented in detail, Tea Party groups are heavily supported by a renascent right wing infrastructure honeycombed with former (and, likely, still current) Republican Party operatives, including many with ties to the Tom DeLay wing of the party.¹² Though neither the *Post* or the *New York Times* has developed the point, this infrastructure is supported by large inflows of funds from traditional right wing business moguls and corporations, including many that staunchly supported DeLay, Newt Gingrich, & Co.¹³

It is hard to reconcile Tea Partiers' much-expressed reverence for the Constitution with the enthusiasm many reportedly displayed for Vice President Dick Cheney at the recent Conservative Political Action Conference in Washington. Cheney's theory of a monarchical "unitary executive" was one of the things that the Founding Fathers in Philadelphia wrote the Constitution to prevent.¹⁴ Nor is it clear, amid all the noise about the Tenth Amendment, that many Tea Partiers understand just how equivocally the Founding Fathers viewed not only central banks, but corporations in general.¹⁵

CONFLICTING EVIDENCE ABOUT THE ELECTORATE'S VIEWS

There is more. In the weeks since the election, enterprising analysts contrived more or less plausible substitutes for real, publicly available exit polls. Their findings raise searching questions about the messages Massachusetts voters thought they were sending. One study, for example, called up voters after the fact and asked them why they voted the way they did. It discovered that a majority of Brown voters approved of the state's own universal health care law. That analysis also suggested that a large minority (37%) of Brown's voters viewed Congressional Republicans negatively. More than half asserted that their vote was not intended as a statement about the President.¹⁶

A private poll taken on Election Day and released later to some journalists heightened the air of apparent paradox: 61% of all voters agreed that government was paying too much attention to Wall Street, versus 18% who disagreed. Over half (55%) of Brown's supporters indicated that they thought that businesses were not regulated enough. Voters who ranked health care as the most important issue mostly pulled the lever for the Democratic candidate; by contrast, few Republican voters identified health care as their top concern.¹⁷

Not all the data miners' post election claims are easily reconciled; though, as in many cases where polls conflict, a sufficiently serpentine appeal to issues of question wording and response framing might shake out a coherent story. For example, the overwhelming support voters professed for the Massachusetts health care law (68% to 27%) coexisted with a negative view of the very similar Obama proposals (43% for; 48% against).¹⁸ Something like 80% of Brown's voters claimed to be strongly opposed to the latter. If there was no referendum on the President himself, there certainly was on Democratic programs: Almost two-thirds of Brown's supporters said their vote was intended "at least in part to express opposition to the Democratic agenda in Washington."¹⁹

This second wave of studies also turned up intriguing evidence about the "populist" roots of Brown's campaign. The retrospective poll indicated that Brown voters were more concerned with jobs and the economy than Democratic voters.²⁰ The private Election Day poll results buttressed this claim, while carrying it much further - that study brought to light huge difference in the choices of voters with and without a college education. College educated voters narrowly preferred Democratic candidate Martha Coakley by 50% to 46%. By contrast, "non-college" voters broke overwhelmingly for Brown by 57% to 37%.²¹

Combining the facts about political money with the poll results fills out a picture that is suggestive, but hardly dispositive. The Roman emperor Vespasian famously remarked that money does not smell. That was an ironic comment on the imperial monopoly on latrines, not political analysis. It is not necessary to live in a certifiably declining empire to catch the scent not simply of large sums of money, but Big Money, in fanning this "populist revolt."

NEED FOR A FRESH APPROACH

What is happening on the ground, by contrast, is far murkier. Retrospective polls are a decided improvement over talking heads winging it on election night, but their after-the-fact nature makes them peculiarly treacherous. It has long been recognized that some people are reluctant to admit that they did not vote when asked by interviewers. Others will for sure claim falsely to have voted for the winner. And in an age of permanent campaigns, all searches for a usable past are likely to be subtly influenced by post-election commentary, so that at least some responses are shaped after the fact.²²

Private Election Day polls, even when done by reputable firms, require equally cautious assessment. The poll cited earlier had a rather small (810 person) sample. With the best will in the world, it is hard to have too much confidence in what the sample represented statewide, particularly since it was described as an exit poll.²³ Nor has the exact wording of all the questions or the order in which they were asked been published, making inferences about possible framing effects problematic.

For a phenomenon on the scale Brown's victory represents, this much uncertainty is hard to endure. California insurer Anthem Blue Cross's shocking announcement of premium increases of up to 39% breathed just enough life back into the cause of health care reform to induce Democrats to go it alone on a stripped down version via the budgetary "reconciliation process." But polls taken after it passed show Republicans opening a lead over Democratic Congressional candidates in the nation as a whole for the first time.²⁴ In financial markets, the buzz is still

about paralysis and partisan deadlock leading eventually to a monumental debt crisis. Meantime, many Democrats continue to fret that the President has, in the post-modern idiom of one Democratic strategist “lost control of the narrative.”²⁵ Pressure on both the White House and Democratic Congressional leaders remains intense. More than a few Democratic politicians, including Indiana Senator Evan Bayh, have decided that throwing in the towel is the better part of valor.

But the most disturbing sensation, however, is the awakening sense that the Massachusetts election heralds something uncanny that no one understands. It feels as though some primal force is stirring that could radically alter the face of American politics via a process of explosive contagion. It is not necessary to invoke, as some have, the specter of the political realignment of the 1850s, when the Whig Party disintegrated and the Republican Party emerged out of the ashes of the short lived Free Soil and American (“Know Nothing”) parties. Or to agree that talk about building a new “Patriot Party” emanating from parts – only parts – of the Tea Party movement presages the eventual replacement of the *Stars and Stripes Forever* and the *Star Spangled Banner* by *Die Meistersinger von Nürnberg*. It is only necessary to acknowledge that many standard tools of political analysis have not as yet been tried on the Massachusetts results.

A FRESH APPROACH

In the absence of reliable polls, it is surely worth trying some classic methods for making sense of elections by carefully analyzing returns aggregated by geographical units. Because the Massachusetts Secretary of State’s Office, which is responsible for compiling election returns, makes them available by town, this is rather easy to do.²⁶ From previous work on school test scores in the state, we knew that these returns could be supplemented with interesting data from both state and federal sources that promised real illumination.²⁷

It goes without saying that all such efforts have distinct limitations. Taking towns as the unit of analysis, for example, means that some potentially interesting variables, such as religion, are not available at all, or, like income, can be reliably gleaned only from the 2000 Census. But these holes probably add up to less of a problem than they might seem. It has been a long time since Henry Adams memorably described Massachusetts politics as the “systematic organization of hatreds.”²⁸ Even South Boston has changed. Repeated GOP efforts to fan a conservative Catholic lobby in various elections have fallen flat.²⁹ Overall the state is one of the most secular in the U.S. In the campaign, not surprisingly, overt religious appeals were marginal, though talk about “values” by both major candidates predictably filled the airwaves.

Similarly, super-affluent suburban towns like Weston, Lincoln, Wellesley or Wayland undoubtedly experienced substantial rises in income over the decade along with Coney Island like swings during the financial crisis. But most of the state, like America overall, must have witnessed far less dramatic income changes, since U.S. median household income is lower now in real terms than it was in 1999.³⁰ Not that economics does not matter: data by town on unemployment and housing prices is available. As will shortly become evident, these variables – which, to be sure, have a complex relation to income in the medium run – appear to be pivotal.

Some other yellow caution flags need vigorous shaking as well. In the 21st Century, warnings about potential “ecological” fallacies, involving mistaken inferences about individuals from aggregate data, are a staple of social science method.³¹ We take the point, but also take heart, from the many examples, such as Walter Dean Burnham’s seminal discussions of elections in the U.S. and Germany, where aggregate analysis of the type we attempt here has yielded deep insights.³² This is true, we think, even though some questions of real interest – notably differences in the voting choices by gender – are virtually impossible to address using town data.³³

More immediately pressing are modern statistical caveats about analyzing geographical areas, especially through time. We were sure from our previous work on school tests that the Senate election data would show strong spatial correlation.³⁴ That is, neighboring towns would look like each other, in effect yielding fewer independent observations than a simple count of the data would evince. A statistical test for the presence of this spatial autocorrelation – a “Moran I test” – confirmed this. As a consequence, the most common statistical tool for analyzing election returns, ordinary least squares regression, is inappropriate. Instead we employ techniques of spatial regression. The technical details are in our Appendix; here we concentrate on what we believe our findings imply for American politics.

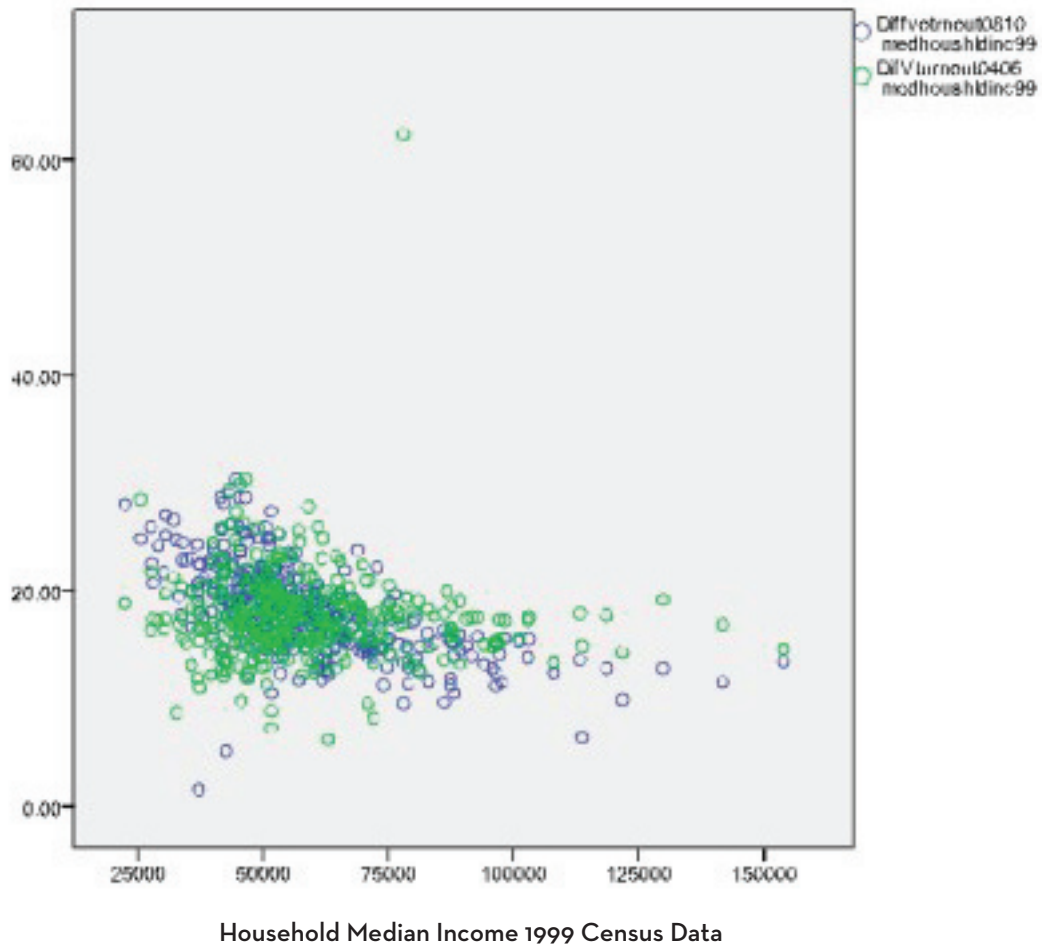
ELECTORAL ROOTS OF THE REPUBLICAN TRIUMPH

We begin with a variable that a handful of analyses mentioned the morning after the election, but which, save for one exception that appeared as this paper was nearing completion, has largely fallen off the radar screen: voter turnout.³⁵ As Walter Dean Burnham has emphasized for many years, differences in voter turnout across social groups, and, especially, levels of income, sensitively reflect patterns of political power and are of first order importance in explaining many election outcomes.³⁶

The 2010 Massachusetts Senate election is no exception to Burnham’s rule. The essential point is simple indeed: Never mind hype about blue collar “Reagan Democrats” – a few such creatures existed, but they are not, and never were, of the essence. Bartels and Gelman emphasize in their careful statistical critiques of Thomas Frank’s otherwise very stimulating analysis of the role culture plays in Republican electoral success, that on a national level, lower income Americans are more likely to vote for Democrats than upper income groups, if they vote at all. The various efforts to talk around this crucial fact, by invoking age or specialized constructions of who truly counts as “working class” are unconvincing.³⁷

Until 2010, voting behavior in Massachusetts towns conformed to the broad national pattern. As even simple scatter plots of income and the Democratic share of the vote testify (not reproduced here), in 2004, 2006, and 2008 lower income Massachusetts towns produced substantially heavier majorities for Democrats than richer areas, though it is also true, as Gelman has emphasized, that the percentage of affluent voters in the Bay State casting ballots in favor of Democrats is unusually high by comparison with the rest of the country.³⁸

FIGURE 1: Voter Turnout Decline and Median Household Income, Massachusetts 2008 to 2010 and 2004 to 2006: In 2010 Turnout Fell Off in Less Affluent Towns



It follows that one sided abstention could potentially play a major role in Democratic losses – and in the Massachusetts election of 2010, it did, though the magnitude defies easy summary because of the way the Massachusetts Secretary of State Office reports voting turnout. As Burnham has emphasized, measures that report turnout as a percentage of registered voters are deceptive, because they take no account of the armies of non-voters with the legal right to vote who are not registered.³⁹ The practice thus makes voting turnout appear higher than it is. Alas, the Massachusetts Secretary of State inflexibly sticks with the sunnier – and quite misleading -- method, though more accurate measures could be easily computed, even by newspapers.

Burnham has recently published the first complete series of state level voting turnout estimates across American history.⁴⁰ Emulating his practice at the town level, however, would be prohibitively time consuming, not least because in small jurisdictions like towns, the nine years that have passed since the last federal census is a long time indeed if one is trying to take stock of changes in non-citizen immigrants. We are thus forced to use the Secretary of State's figures for turnout as a percentage of registered voters. Provided one remembers that on average in 2010 these misrepresent real rates of non-voting by about 5 percent, the figures can still be used to good effect, because there is no reason to believe that registration rates bounced dramatically across towns between 2008, when Barack Obama triumphantly swept the state, and 2010, when the Democratic candidate was badly beaten.⁴¹ Or, for that matter, between 2004 and 2006, which we also use as benchmarks for some purposes.

By contrast, turnout among registered voters did shift across towns – and in a direction deadly to the Democrats. In 2010, as the blue scatterplot in Figure 1 shows, turnout fell in less affluent towns by comparison with richer areas. (The Y axis reflects the size of the drop, so the scatter plot for the turnout decline from 2008 to 2010 slopes down to the right as income increases along the X axis.) It might be responded that 2008 was a presidential election year. Turnout thus figured to be high everywhere. 2010, on the other hand, was an off year election. These typically exhibit much lower turnouts. Given the findings by Burnham and others on the relationship between income and voting, one might ask if a negative relationship between changes in turnout and income might not be precisely what one would expect if one compares presidential with off year elections.

In fact turnout in the 2010 Senate race was very high. Save for the mythic 1990 race that pitted Democrat John Silber against Republican William Weld, it ran higher than any off year election since 1970 – 49.5%.⁴² But it was still an off year election – turnout fell by nearly 18% percent from 2008.⁴³ Whether or not the 2010 decline is distinctive is easy to test. In 2006, Massachusetts Senator John Kerry ran for reelection and won. The two adjacent sets of elections – 2004 and 2006; 2008 and 2010 – can be compared directly.⁴⁴ The second, green scatterplot on Figure 1 shows the result: in 2006, the fall off in turnout was essentially unrelated to town income levels. The conclusion has to be that by comparison with the previous Senate race in 2006, voters did not turn out in towns that normally give Democrats disproportionately heavy shares of the vote.⁴⁵

The obvious next task is to explain the huge shift in votes between the two major parties that occurred in 2010 among those who did cast ballots. For our purposes, the most instructive way to do this is probably one of the simplest: Start with the Democratic share of total votes cast in 2008 for each town and subtract the figure for 2010. The result is shown in Figure 2. Then try to explain the differences between the two figures.

The Appendix describes the results of our statistical analysis using spatial regressions. Firstly, the remoter parts of Cape Cod, in the vicinity of Provincetown, are distinctive. In 2010 they voted more heavily Democratic than most of the rest of the state. Why this is so is conjectural, but it is not difficult to suggest plausible reasons. The area is well known for its strong commitment to gay rights. Brown's record in the legislature on these issues was at best mixed.⁴⁶ By contrast, the losing Democratic candidate adopted the more positive stance typical of Democratic candidates in the state. There is perhaps also a chance, though we doubt it, that our seasonally unadjusted unemployment variable (discussed below) might imperfectly catch the force of unemployment in the Outer Cape, where high winter rates of unemployment are common.⁴⁷

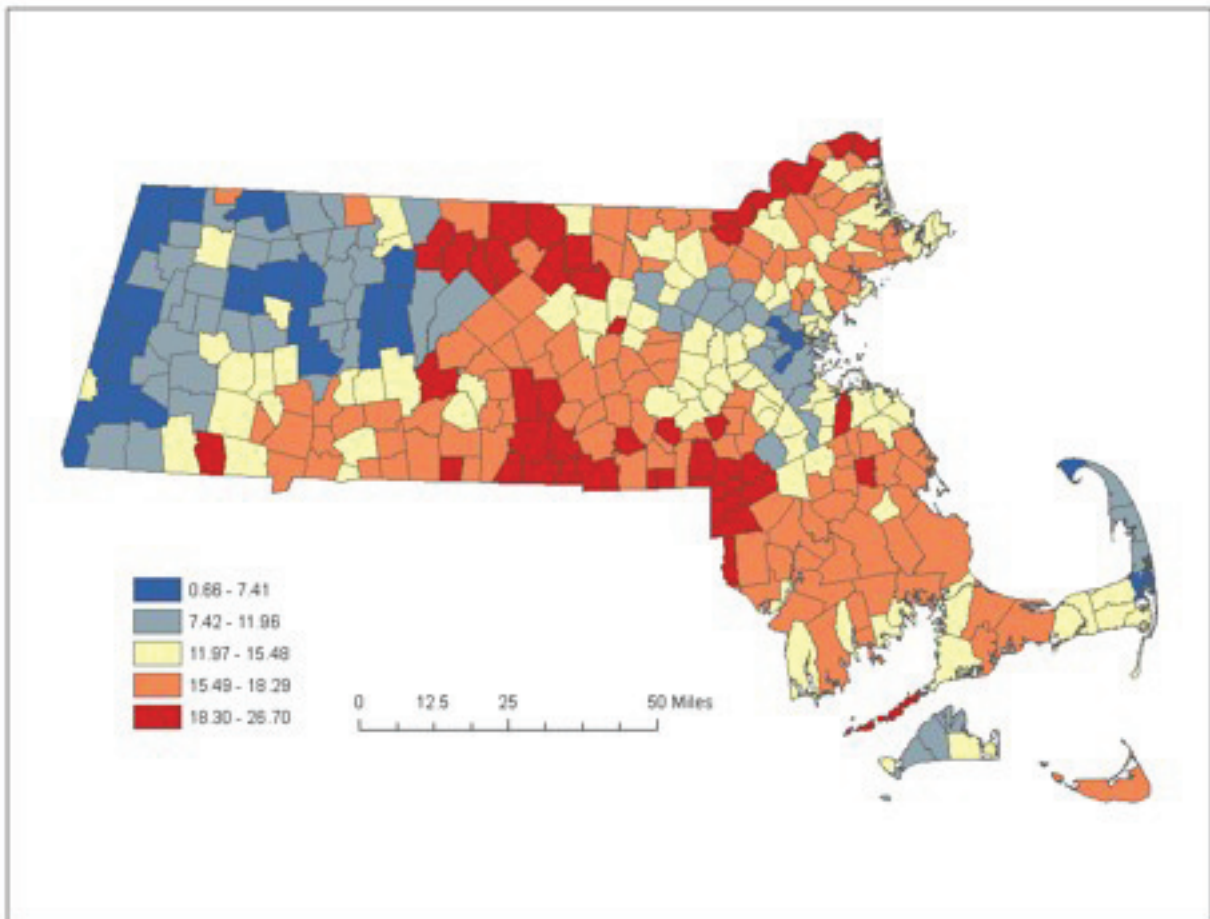
Secondly, two distinct economic factors clearly propelled the Brown vote. Measuring from November 2008 to December 2009, for each 1% unemployment rose in towns, the Democratic share of the vote fell by about a quarter of 1%. That may not sound like much, but the average rise in unemployment was about 4% across the state as a whole,

with many towns hit much harder, including some that experienced double digit rises. Declines in single family house prices also depressed the Democratic share of the vote. Here variations across the state were even wider.⁴⁸ For each 1% prices dropped, the Democratic share of the vote fell off by about a fifth of a percent. Many towns saw price drops of 5% to 9%, with values in one town falling 14%.⁴⁹

We also examined possible demographic factors. Perhaps unsurprisingly, towns with higher percentages of African-American residents showed modestly smaller declines in the Democratic share of the vote. For each 1% of the town's population that was African-American, the drop in the Democratic share of the vote was about a fifth of one percent less. Like the effects for unemployment and housing, though, the small-sounding effect can add up. Some towns have substantial African-American populations - as much as 25%. Another finding is much more equivocal. It points, perhaps, to the importance of distinguishing between political and statistical significance. Towns with higher percentages of Hispanic voters manifested somewhat larger Democratic vote losses. The effect - it is of course an aggregate regression - is once again very small: about .03 of one percent. But, again, population concentrations make can make even this tiny figure add up. According to the Census, the population of one town in the state is 60% Hispanic.

This last result, though, falls in a kind of statistical Twilight Zone. It is well shy of the level of statistical significance that normal, conservative practice in the social sciences would find comfortable. Our ordinary least squares coefficient on this variable is statistically significant at a .15 level; in our more accurate spatial regressions, the level of significance is a good deal worse -- .30. A level of .05 or a bit more would be the normal hurdle. But even the higher values imply that the odds of a real effect are roughly seven out of ten. In politics, if not statistics, this is assuredly a significant result - one that surely helps explain why GOP National Chair Michael Steele and others insist on targeting Hispanic voters.⁵⁰

FIGURE 2: The Suddenly Emerging Republican Majority in 2010 in Massachusetts



Colors Represent the Shift in the Democratic Share of All Votes Cast

THE FUTURE: STORM WARNINGS

Our data analysis is but a single study that takes a particular approach to a limited range of data. And it is subject to all the qualifications described earlier, especially about inference involving aggregate data. But it does reflect a serious effort to look at real data that are not subject to interviewer or question framing effects or filtered through arbitrary, imposed interpretative frames. With all its possible limitations, we think, the tale it tells about American politics is sobering: The steady, across-the-board changes wrought by unemployment and housing prices impress us for what they may foretell about the future. A major storm is indeed blowing up. Whether this ultimately builds into a Level 5 hurricane like Katrina is not clear. But its winds are already beyond any normal gale.

Quite like a hurricane, this tempest has a clear dual structure. Our study suggests that in the eye of the storm - the old Democratic base - an ominous, unnatural calm is settling in that displaces the near-millennarian enthusiasm of 2008. We have seen how the surge in overall voter turnout in the 2010 Senate race disguised a drop in turnout in lower income towns that previously voted heavily Democratic. Recalling one more time the problems with inferences from aggregate data, we think it is safe to conclude that our data are consistent with the claim put forward by the Democratic campaign's chief pollster, that Obama administration's unwillingness to face down the banks and slowness in dealing with the recession have demoralized and outraged the party's electoral base. The disconnect between these disaffected Democrats and the administration and party leaders looks to be deep.

One special factor probably widened that gulf in the Bay State. The rate of unionization in Massachusetts is unusually high - 18% compared to a national average of 12%.⁵¹ According to one election night poll, union members voted for Brown by a margin of 49% to 46%. One can respond, as some Republicans have, that this reflects straightforward disagreements between the rank and file and union leaders, who virtually all backed the Democratic candidate. But the President's highly publicized insistence, repeated on the eve of the election, on taxing medical benefits that had been collectively bargained probably played a role here. Certainly that same poll indicated that voters who believe that the President's plan would tax employer health benefits were much less likely to cast their votes for the Democratic candidate.⁵²

Regardless of how one assesses that issue, our study suggests that the most distinctive feature of the coming storm is the fury of the winds spiraling outward from the eye. These appear to us to be rather stronger than most observers now suppose. Right now analysts who take the storm seriously see it mostly in terms of recycled mantras from the Clinton administration. "It's the economy, moron." Or, "Voters to Democrats: Jobs, Jobs, Jobs."⁵³

This is a bit glib. We would be the last to deny the abiding importance of economic issues in shaping political outcomes, though we would emphasize that now, as before, it remains highly unlikely that most voters vote solely on the economy.⁵⁴ But our evidence about the importance of higher rates of unemployment in garnering votes for the Republicans certainly testifies to the importance of the jobs factor.

Yet jobs alone did not drive the Massachusetts results. Our findings about the fall in housing prices point to something much deeper - something that more jobs by themselves are unlikely to fix, though they might dampen it. Our statistical tests indicate that declines in housing values operated independently to depress the Democratic vote share.

We think it is unlikely that the housing variable is merely a proxy for some other unmeasured factor, such as income.⁵⁵ Instead, we suspect that our result drives to the heart of the "Tea Party" phenomenon. Put simply, our data are consistent with the notion that a good part of the swing toward Scott Brown came from voters who were not only frightened by high unemployment - their own, or their neighbors' - but who also suffered large losses in wealth from the collapse of the housing bubble. For most Americans, their greatest economic asset is their house. We thus suspect that the housing collapse is also likely associated with major declines, or potential declines, in retirement incomes. Particularly for older voters, this has to be very alarming.

Revisiting published interviews with Tea Party activists from this standpoint is instructive.⁵⁶ We tested to see if actual changes in town tax rates thus far (the qualifier is important, since towns adjust rates and valuations only slowly) affected voting in the 2010 Senate race.⁵⁷ They did not. But we would not conclude that the angry talk about taxes

is irrational. On the contrary, complaints about taxes, mortal fears of deficits and a larger role for government (which would have to be financed) are readily understandable, especially when one recognizes how the Democrats' failure to move vigorously against unemployment has eroded public confidence in government's capacity to act.⁵⁸

Even suspicions of the President's health care plan, which one might expect would appeal to at least some Tea Partiers facing retirement, make a kind of practical sense given the nature of the Democratic proposals. Unwilling to face down Big Pharma and other powerful health care lobbies, the Democrats essentially punted on serious efforts to control most, though not all, medical costs. Instead they focused on capturing what are certainly real economies by coming closer to universal coverage. But to middle and lower class Americans who were not bailed out by TARP or the FDIC, the prospect of new, higher charges, along with airy talk about how existing programs will achieve unspecified cost cuts, are as threatening as taxes on their health insurance programs are to union members.

Our evidence thus makes us skeptical of much writing about the Tea Party. Frank Rich of the *New York Times* and other analysts are certainly correct in observing the ties between parts of the Tea Party movement and any number of political fringe groups that have a long history of racism and anti-Semitism.⁵⁹ Rich and Charles M. Blow are also surely right in drawing attention to the glorification of violence by parts of the movement and the way the gun lobby nourishes this.⁶⁰

But we are dubious that such groups are the heart of the Tea Party phenomenon, at least right now. They have been out in force since at least the waning days of the 2008 campaign, when their apocalyptic rhetoric eventually provoked Senator John McCain to repudiate them in public.⁶¹ That they should exfoliate on the scale of the Tea Party this late strikes us as implausible.

It seems more likely that the citizens rallying under the Tea Party banner are pretty much what they say they are. They are ordinary Americans hammered by the almost Biblical series of economic plagues that for most began in the fall of 2008, when the decision to let Lehman Brothers go bankrupt turned a looming economic crisis into a world historical disaster.⁶² They have been driven to the breaking point by watching their jobs and retirement savings melt away as banks hit them with steeply rising fees on their credit and debit cards while paying next to nothing on what is left of their cash holdings.

While few likely understand what Federal Reserve Chair Ben Bernanke, current Treasury Secretary Timothy Geithner, and former Treasury Secretary Hank Paulson did with AIG, TARP, the FDIC guarantees, and the other largess they showered on the big banks, these ordinary Americans see clearly that government moved with the speed of light to rescue Wall Street. They also understand the message that the President's decision to promote Geithner and retain Bernanke sent to Wall Street - and what it heralds for issues important to them, such as consumer finance.⁶³ Looking at years of sub- or unemployment, their exasperation only increases when they hear the President or his economic advisor Lawrence Summers proclaim that the recession is ending and defend the right of bank managements to pay themselves gigantic bonuses barely a year after their institutions were rescued by taxpayers' money.⁶⁴

CONCLUSION: THE LIMITS OF THE TEA PARTY PHENOMENON

Many analysts of the Tea Party have a hard time getting past all the Mad Hatters in its ranks. Most discussions rapidly invoke various arguments about diminished rationality. A common starting point is Richard Hofstadter's famous study of the "paranoid style" in American politics.⁶⁵ We think this approach is likely wrong-headed, though the subject is too big for this essay. Lawrence Goodwyn, Michael Schwartz, and other scholars have shown in detail how misleading Hofstadter's treatment of the actual Populist Party was.⁶⁶ The essence of their critique is directly relevant to the latest populist revolt. It can be stated very simply: Poor Americans of that time had deep grievances that Gilded Age, business dominated American governments simply would not address. So, eventually, they revolted.

In somewhat different ways, Goodwyn and Schwartz both direct attention to the role played by the independent populist press in helping the larger movement clarify what it was and what it wanted. We venture to suggest that here lies a major difference between the current stirring and its forbearers. As Robert McChesney and many others

have documented, democratic enlightenment and exploration of policy alternatives are hardly the principal concern of contemporary corporate media.⁶⁷ But all of them, especially Fox News and the network of right wing talk radio commentators, trumpet conservative economic appeals.

At a time when real disposable per capita income minus government transfer payments (or “take home pay minus government assistance”) has sunk to its lowest levels since the giant recession of the early 1970s, most major television and radio networks continue to trumpet both efficient markets and the imagined evils of Keynesian, counter-cyclical programs.⁶⁸ With only modest exceptions, so does the money-driven world of think tanks, the rest of the press, and the government itself.

We are thus driven to conclude that the sometimes wild assertions and arguments advanced by Tea Partiers largely reflect the poverty of economic and political analysis in the establishment media. Indeed, the U.S. case bears an unsettling similarity to the situation in many parts of the parts of the Middle East. Political establishments and governments refuse to countenance critical discussion of social and economic problems. They marginalize alternative views, while beating the drums unceasingly for orthodoxy. When a crisis hits, however, no one believes them. So disaffected citizens set to work with the only tools they have – bits and snatches of traditional economic and political thinking – to analyze their predicament on their own. It should not be surprising that such efforts often end up being hard to tell apart from *Alice in Wonderland* or even Goya’s Black Paintings.

That still leaves open the question of whether the Democrats or the Republicans are in a position analogous to New Orleans as Katrina approached or whether the storm will fizzle out.

Our statistical findings throw some light on this. First of all, the variables we finally settled on are important, but they are not all-powerful. Elections involve choices between candidates and, as some Democrats have also responded, you can’t beat somebody with nothing. Campaigns also matter, as does political money.

But put all that to one side for a moment. For the Democrats to recover, they plainly need to do two things. They have to rekindle the enthusiasm of the party’s base and they need to reach out to at least some members of the disaffected middle. Whether this can be accomplished by a post-modern juggling of some “master narrative,” as many Beltway analysts now suggest, seems doubtful. Health care reform perhaps is a start to rekindling the base’s enthusiasm, but we suspect that issue is likely secondary to even more basic considerations.

Though the subject is too large for this essay, the key problem confronting the party is the one that has defined it since the halcyon days of the New Deal: the terms of trade between high finance and the rest of the party.⁶⁹ Long before Obama won the nomination, it was plain from analysis of his early money that financial reform would not be a priority of his administration.⁷⁰ Now, however, it is hard to see how the Democrats can hope to do much more than squeak through without revivals in both employment and housing markets. Both of these, however, are probably impossible without facing down Wall Street. With so much of the economy still engaged in “deleveraging” – paring down debt – rapid, large scale job creation requires a willingness to emulate Franklin Roosevelt, not Bill Clinton. A substantial federal effort would be required, because, as Richard Koo, the chief economist of Nomura Securities, has argued most persuasively, the heavily indebted private sector simply will not take risks on the scale required for some years yet.⁷¹

The situation is no better – in fact, it may be worse – in regard to housing. Minimizing foreclosures is obviously a major part of the problem, even though the Tea Party was practically born as a protest against mortgage relief, for another wave of foreclosures will drag down housing values everywhere. Here, again, part of Wall Street blocks the way and the administration has declined to force the issue. Many of the problems afflicting the administration’s half-hearted programs for stemming foreclosures derive from the reluctance of bank-controlled mortgage servicing companies to waive their rights on second mortgages. We are unimpressed by its latest plan to prevent foreclosures, which still leaves too much discretion to mortgage companies and banks.⁷²

No less seriously, nothing has replaced the disastrous “shadow banking” system that formerly hot-housed mortgages as though they were mushrooms. In the absence of anything better, the Federal government has stepped in.

But business and financial pressures to limit federal action on housing finance are powerful. The Fed, for example, has ended its program of buying mortgage backed securities. While the administration appears to be holding Fannie Mae and Freddie Mac in reserve in case long term mortgage rates rise too sharply, both Freddie and Fannie are themselves broken. The Federal Housing Administration (FHA) is also under stress. Any widening of these agencies' roles as mortgage buyers of last resort is guaranteed to bring on a storm of criticism, for reasons both good and bad. With the Peterson Foundation and a bevy of other well-funded think tanks fanning public fears about deficits, through the *Washington Post*, National Public Radio, and a host of other outlets, it is hard to imagine anything on the scale of the New Deal's Home Owners Loan Corporation getting started, even though that showed a profit. Not surprisingly, even many relative optimists about employment worry about the possibility of another real estate crash. Special Federal and some state tax credits for housing are also expiring, though the Obama administration is also announcing some new programs or enlarging old ones.

If, as many expect, the U.S. is facing years of slow job growth coupled with a prolonged housing crisis, then our results raise the possibility that the Tea Party in Massachusetts may look like a tempest in a teapot compared to what's coming in at least some elections in other states. Many have higher unemployment rates and far worse housing numbers than Massachusetts. In Nevada, for example, more than half the state's voters own homes worth less than the value of their mortgages.⁷³ The recent, unexpected strength of the dollar, brought about by the Greek crisis in Europe, is another blow to the economy, at exactly the wrong moment for Democrats. Because interest rates are already so low, there is little the administration can do with monetary policy to offset this. The obvious alternative, running a bigger fiscal stimulus, is off the table for reasons already discussed.⁷⁴ Add to all this the likely effects on campaign spending of the recent Supreme Court decision lifting restrictions on election spending by corporations and it is hard not to imagine that voters will soon be installing swivel chairs in the offices of their representatives. Unless or until both major parties splinter beyond repair, that's probably not Germany, 1933. Instead, in the worst case, since the Democrats now own this crisis, it may be Great Britain, 1931, when another coalition of Liberals and Labor lacking both courage and convictions endured repudiation at the hands of an electorate mortally afraid of both unemployment and budget deficits.⁷⁵

STATISTICAL APPENDIX

Our data are for Massachusetts towns. As discussed in our main text, our previous work on school test scores warned us that election results grouped in this way would likely display spatial autocorrelation: In spatial statistics a standard test for this is the Moran I test. This is applied to the residuals of an actual model, so we begin by displaying the results for our final model estimated via ordinary least squares regression.

The dependent variable is the difference in the Democratic percentage of total votes cast in the 2008 and 2010 elections.⁷⁶ Larger numbers thus imply bigger vote losses.

TABLE 1: OLS with N = 337 and R-squared = .263

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Intercept	12.779	.494		25.858	.000
% African-American population	-.372	.099	-.203	-3.740	.000
% Hispanic population	.070	.047	.078	1.473	.142
Change in Unemployment Nov 2008 to Dec 2009	.254	.120	.126	2.111	.036
Cape dummy	-8.718	2.100	-.247	-4.152	.000
Change in average single family home values 2008-09	.476	.051	.466	9.377	.000

Standard tests for multicollinearity, such as Condition Indices, raise no concerns at all. But tests for spatial autocorrelation of the residuals are a different story. We ran tested using both R and ARCMAP. The R output is below.

TABLE 2: Moran’s I Test Under Randomization for the OLS residuals

```

data: rlm
weights: vote.listw
Moran I statistic standard deviate = 17.3412, p-value < 2.2e-16
Moran I statistic      Expectation      Variance
    0.729717974      -0.002976190      0.001785204
    
```

The small p-value indicates that the town voting returns are indeed spatially autocorrelated. So we estimate a Conditional Autoregressive Model (CAR) that allows for spatial dependence in connected towns. Such models have to be estimated using specialized software. We ran the model using both WinBugs 1.4.1 and R. 2.10.1. WinBugs employs Bayesian methods. The dependent variable is once again the difference in percentage points between the 2008 and 2010 shares of the Democrats in total votes cast; all the other variables are also unchanged.

Both methods yield similar results. All variables except the percent Hispanic variable are clearly significant. As discussed in our main text, that variable’s p-value moves further from statistical significance compared to our OLS results.

This time the residuals are not spatially autocorrelated – they pass the Moran I test with a p-value of .9985.

TABLE 3: Estimated Mean and Standard Errors Based on the CAR Spatial Model using WinBugs 1.4.1

node	mean	sd	MC error	2.50%	median	97.50%
Intercept	13.15	0.357	0.017	12.45	13.15	13.85
% African-American population	-0.217	0.061	0.002	-0.340	-0.218	-0.099
% Hispanic population	0.038	0.033	0.002	-0.026	0.0383	0.103
Change in Unemployment Nov 2008 to Dec 2009	0.307	0.094	0.005	0.127	0.306	0.491
Cape dummy	-8.304	1.251	0.050	-10.73	-8.302	-5.851
Change in average single family home values 2008-09	0.116	0.039	0.002	0.041	0.115	0.190

TABLE 4: Coefficients Estimated via R 2.10.1

	Coefficient	Std. Erro	zvalue	Pr(> z)
Intercept	3.330	0.634	5.252	0.000
% African-American population	-0.227	0.067	-3.410	0.001
% Hispanic population	0.033	0.032	1.035	0.301
Change in Unemployment Nov 2008 - Dec 2009	0.146	0.080	1.817	0.069
Cape dummy	-4.302	1.430	-3.008	0.003
Change in average single family home values 2008-09	0.186	0.035	5.295	0.000

In spatial models, OLS measures of R^2 make, strictly speaking, no sense, because the spatial dependence makes it impossible to neatly separate the explained from the unexplained variance. Instead models are often compared via the Akaike Information Criterion (AIC). In this test, lower is better. By comparison with the OLS model, our's represents a clear improvement. AIC for the spatial model is 1632.1; for the OLS it is 1845.8.⁷⁷ One can also compare against a null spatial model with just an intercept, appealing to either the AIC or a Log Likelihood measure, where, once again, lower is better. Both indicate our model is an improvement.⁷⁸

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NOTES

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Unless otherwise indicated, references to newspapers and magazines are cited according to the dates specified in the electronic versions of their text on their websites; note that those are often published there in the evening before the hard copy comes out.

1. For the polls, see the discussion below of the Gallup Poll released on April 1, 2010. In his *New York Times* column of April 3, 2010, "It's A Bird, It's A Plane, It's Obama!" Frank Rich suggested that "No one is talking about the clout of Scott Brown or Rahm Emanuel any more."
2. Unless, of course, Democrats made use of the complex "reconciliation" process, which for most bills is not a viable option, though Democrats employed it successfully on health care.
3. Jamie Chisholm, "Stocks Rise but Inflation Hits Bonds," *Financial Times*, January 19, 2010.
4. Sebastian Jones, "The Media Lobbying Complex," *The Nation*, February 11, 2010.
5. Celinda Lake, "The Lessons of the Massachusetts Race for the State of the Union," *Huffington Post*, February 26, 2010. Just days before the vote, a special commission chaired by Philip Angelides staged widely televised hearings into the origins of the financial crisis. Testimony by leading bankers defending their bonuses and disclaiming responsibility for the panic had been widely publicized.
6. Adam Nagourney et al., "GOP Used Energy and Stealth to Win Seat," *New York Times*, January 20, 2010.
7. John Amick, "Brown Advocates Big Tent GOP," *Washington Post*, January 31, 2010.
8. Lisa Wangsness and Matt Visier, "Brown's First Vote Not the Deciding One," *Washington Post*, February 10, 2010.
9. Statement by Secretary of Labor Hilda L. Solis on Bureau of Labor Statistics report on Union Members in 2009, U.S. Department of Labor, OPA News Release [01/22/2010], <http://www.dol.gov/opa/media/press/opa/opa20100105.htm>, accessed March 7, 2010.
10. Casey Ross, "Financial Executives Spent Big on Brown," *Boston Globe*, February 1, 2010.
11. Brian Mooney, "Outside Donations Buoyed Brown," *Boston Globe*, February 24, 2010.
12. Jerry Markton, "New Media Help Conservatives Get Their Anti-Obama Message Out," *Washington Post*, February 1, 2010. For the links with the DeLay wing of the GOP, see Thomas Frank, "The Tea Parties Are No 'Great Awakening'," *Wall Street Journal*, February 16, 2010.
13. This is immediately obvious from the list of organizations mentioned or alluded to in the references in the preceding footnote or in Nagourney et al., "GOP Used." On the mid-nineties financial support for the GOP Right, see Thomas Ferguson, "Blowing Smoke: Impeachment, the Clinton Presidency, and the Political Economy," in *The State of Democracy in America*, ed. William Crotty (Washington, D.C.: Georgetown University Press, 2001).
14. Philip Rucker, "Conservative Political Action Conference Begins in Washington," *Washington Post*, February 19, 2010.
15. The point is widely acknowledged across the political spectrum. See, e.g., the discussion in Chapters 7 and 8 of Walker Todd, *Progress and Property Rights* (Great Barrington, MA: American Institute for Economic Research, 2010).
16. Dan Balz and Jon Cohen, "New Poll Finds Voter Anger Drove Results of Mass. Election," January 23, 2010.
17. Dan Payne, "What Voters Were Saying at the Polls," *Boston Globe*, January 27, 2010.
18. Since the election, former Massachusetts Governor Mitt Romney has worked overtime putting distance between the Massachusetts law which he supported and the President's proposals. His efforts are universally dismissed as political posturing and rightly so.
19. Compare Balz and Cohen, *Ibid.*, with Payne, *Ibid.*
20. Balz and Cohen, "New Poll."
21. Payne, "What." Nate Silver concluded that voters were probably misinformed about the President's proposals. Nate Silver, "Massachusetts Liked Universal Health Care before It Voted against It," *Politics Done Right*, January 24, 2010. This is surely correct, though for those working in the health care industry itself - which includes many voters in the affluent suburbs around Boston - it would need to be qualified. The regulatory implications of the President's plan are rather more sweeping; there is little doubt that the drop off in support for Democrats in the rich Boston suburbs is related to this.
22. With cell phones and many Americans working part time at varied hours, it is surely harder for phone polls to be representative without improbably large numbers of call backs to numbers that fail to answer.
23. Payne, "What," once referred to the poll as an "exit poll," though the rest of the article treats it as a poll taken on Election Day. We are privately informed by colleagues who saw some cross tabulations that the poll was the latter. It was not an exit poll.
24. See Gallup Poll, "Republicans Move Ahead in Vote for Congress," April 1, 2010; accessed on the Gallup website, April 4, 2010.
25. Edward Luce, "Obama Urged to Regain 'Political Narrative'," *Washington Post*, February 16, 2010. The quote is from John Podesta, formerly in the Clinton White House and now head of an affluent Washington think tank and predates passage of the health care reform.
26. Official results have not been published, but the *Boston Globe's* website *Boston.com* printed a full set of town returns, crediting the Secretary of State's Office.
27. Jie Chen and Thomas Ferguson, "School District Performance under the Mcas," *New England Journal of Public Policy* 17, no. 2 (2002). Available on the web at <http://www.mccormack.umb.edu/Publications/docs/Chen-Ferguson%20body%20text.pdf>
28. The comment was offered as a generalization, but put forward in the context of Massachusetts politics: "Politics, as a practice, whatever its professions had always been the systematic organization of hatreds, and Massachusetts politics had been as harsh as the climate." See Henry Adams, *The Education of Henry Adams* (Boston: Houghton Mifflin, 1918).

29. See, e.g., Maurice Cunningham, "A Christian Coalition for Catholics? The Massachusetts Model," *Review of Religious Research* 51 (2009).
30. Carmine Denavis-Walt, Bernadette C. Proctor, and Jessica C. Smith, "Current Population Reports, P60-236: Income, Poverty, and Health Insurance Coverage in the United States:2008," ed. U.S. Census Bureau (Washington, D.C.: U.S. Government Printing Office, 2009). Table A-1, p. 29.
31. W. S. Robinson, "Ecological Correlations and the Behavior of Individuals," *American Sociological Review* 15, no. 3 (1950). See also Christopher Achen and W. Phillips Shively, *Cross-Level Inference* (Chicago: University of Chicago Press, 1995).
32. Walter Dean Burnham, *Critical Elections and the Mainsprings of American Politics* (New York: Norton, 1970). ———, "Political Immunization and Political Confessionalism: The United States and Weimar Germany," *Journal of Interdisciplinary History* 3 (1972).
33. We are reliably advised that at least one private poll taken on Election Day indicated a substantially larger swing by males without college education toward Brown than by females. Lake, "Lessons." suggested that some groups of women simply did not turn out.
34. Chen and Ferguson, "District Performance."
35. Stephen Ansolabehere and Charles Stewart III, "What Happened in Massachusetts," *Boston Review*, March/April 2010. p. 6; the reference is to the hardcopy version.
36. See especially Walter Dean Burnham, "The Appearance and Disappearance of the American Voter," in *The Political Economy*, ed. Thomas Ferguson and Joel Rogers (Armonk, New York: M.E. Sharpe, 1984).
37. Lawrence Bartels, *Unequal Democracy* (Princeton: Princeton University Press, 2008); Andrew Gelman et al., *Red State, Blue State, Rich State, Poor State*, 2nd ed. (Princeton: Princeton University Press, 2010). We would caution against purely regional interpretations, either, though the literature is too large to take up here. Thomas Frank, *What's the Matter with Kansas?* (New York: Metropolitan, 2004).
38. Gelman et al., *Red State*.
39. Walter Dean Burnham, "Those High Nineteenth Century American Voter Turnouts: Fact or Fiction?," *Journal of Interdisciplinary History* 16 (1986). ———, "Triumphs and Travails in the Study of American Voting Participation, 1788-2008," in *Voting in American Elections: The Shaping of the American Political Universe since 1788*, ed. Walter Dean Burnham (Palo Alto: Academic Press, 2010).
40. Walter Dean Burnham, *Voting in American Elections: The Shaping of the American Political Universe since 1788* (Palo Alto: Academic Press, 2010).
41. The difference between Burnham's estimate of statewide turnout for 2010 and the Secretary of State's Office. See the discussion below.
42. 54%, by the Secretary of State's reckoning. We have heard of lower published estimates; we are confident that Burnham's estimate is the best.
43. The 2008 estimate comes from the relevant table in Burnham, *Voting*.
44. The town by town comparison uses the Secretary of State's figures, which are the only ones available.
45. Ansolabehere and Stewart, "What," argue that Brown would have won narrowly even if turnout in 2010 had equaled that of 2008. They are probably right, but note that this takes for granted existing differential patterns of voter registration across cities. Some towns have had a difficult time gaining assistance for voter registration. As noted earlier, while on average, voter turnout in Burnham's more careful calculations runs about 5% lower than the Secretary of State's figures, turnout in a number of large cities with many poor and minority potential voters, such as Springfield or Worcester, probably is well below the average.
46. Amy Goldstein, Lucy Shackelford, and Dan Keating, "New Senator Scott Brown Was a Quiet Presence in Massachusetts," *Washington Post*, February 12, 2010. Andrew Gelman has suggested that Brown's record qualifies him as a "Liberal Republican." See Gelman, "Scott Brown is a Liberal Republican," *Five Thirty Eight: Politics Done Right*, January 15, 2010. Brown's record here and his endorsement of waterboarding, a clear effort to reach Neoconservatives of the Cheney stripe, make us more cautious. It would be better, perhaps, to characterize Brown as a "more liberal Republican" than most. That is different from the term's historical usage.
47. Seasonal unemployment is a fact of life in other communities besides caught by our dummy variable. Efforts we made to check for similar effects in those proved fruitless.
48. In response to the obvious query, it should be noted that the two factors are not highly correlated. Condition indexes and other standard tests for multicollinearity indicate no problems at all in any part of our equation.
49. The housing figures are for 2008 to 2009. Data for 2010, which presumably reflect 2009 better, is available only for a substantially smaller set of the towns in our sample and thus could not be employed.
50. Peter Slevin, "Republicans Look to Gain Traction with Hispanic Voters," *Washington Post*, February 19, 2010. It also offers a caution about interpretations of the Brown vote as "white." See below.
51. The figures are for 2009 and come from the Bureau of Labor Statistics. See U.S. Bureau of Labor Statistics, Economic News Release, *Union Members Summary*, January 22, 2010; available on the web at <http://www.bls.gov/news.release/union2.nro.htm>.
52. Without access to the precise questions, it is impossible to sort through this issue with precision. But for the President's determination to tax such plans, see David Herszenhorn, "Obama Urges Excise Tax on High-Cost Insurance," *New York Times*, January 6, 2010. For the issue's possible impact, see Melanie Trottman, "Union Households Gave Boost to GOP's Brown," *Wall Street Journal*, January 22, 2010. Guy Molyneux and Mark Bunge, "Memorandum Re: Election Night Survey of Massachusetts Senate Voters," (Washington, D.C.: Hart Research Associates, 2010).
53. Lake, "Lessons." For the first; Douglas Schoen, "Voters to Democrats: Jobs, Jobs, Jobs," *Wall Street Journal*, February 18, 2010.
54. See Stanley Kelley, *Interpreting Elections* (Princeton: Princeton University Press, 1983) and the discussion in Thomas Ferguson, *Golden Rule: The Investment Theory of Party Competition and the Logic of Money-Driven Political Systems* (Chicago: University of Chicago Press, 1995), p. 335, Note 32. The basic point is elementary, but very powerful: Many voters include some economic considerations in their reckoning as they vote; large scale changes in these thus influence many voters, though none vote exclusively on them.
55. As noted earlier, income figures for recent years by towns are not available. In response to a reader's query, we regressed changes in

- housing values and changes in unemployment on town median household income in 1999. For both, R^2 was less than .01. As mentioned elsewhere, tests for multicollinearity indicate that the two change variables in our equation are not strongly related to each other, which further militates against the notion that that income by itself could be driving our results.
56. Ben McGrath, "The Movement: The Rise of Tea Party Activism," *New Yorker*, February 1, 2010.; Nagourney et al., "GOP Used"; Eric Barstow, "Tea Party Lights Fuse for Rebellion on Right," *New York Times*, February 15, 2010.
 57. Like the data on housing value changes, the tax data are for 2008 and 2009. Missing data made the partial figures for 2010 figures unusable for our purposes. See above.
 58. Compare the answers to standard questions whether the government can be trusted to do the right thing, whether it responds mostly to a few big interests, and related questions the *New York Times*/CBS News Poll taken Feb. 5 to 10, 2010, available at <http://documents.nytimes.com/new-york-times-cbs-news-poll#p=1> As the President took office, Paul Krugman and many analysts warned that failure to mount a larger enough stimulus program would ultimately discredit the whole enterprise.
 59. Frank Rich, "The Axis of the Obsessed and Deranged," *New York Times*, February 27, 2010. McGrath, "The Movement"; John Cassidy, "Tea Party U.S.A: It's Still the Economy, Stupid!," *New Yorker*, February 18, 2010.
 60. Rich, "The Axis"; Charles M. Blow, "Pitchforks and Pistols," *New York Times*, April 3, 2009. which treats the far right in general, not specifically the Tea Party.
 61. John Heilemann and Mark Halperin, *Game Change* (New York: HarperCollins, 2010). Chapters 8-10; David R. Roediger, *How Race Survived Us History: From Settlement and Slavery to the Obama Phenomenon* (London: Verso, 2008), Afterword.
 62. Thomas Ferguson and Robert Johnson, "Too Big to Bail: The 'Paulson Put,' Presidential Politics, and the Global Financial Meltdown Part II: Fatal Reversal- Single Payer and Back," *International Journal of Political Economy* 38, No. 2 (2009). See also Ferguson and Johnson, "Another God That Failed: Free Market Fundamentalism and the Lehman Bankruptcy," *The Economists' Voice* 7, No. 1 (2010).
 63. Thomas Ferguson and Robert Johnson, "Too Big to Bail: The 'Paulson Put,' Presidential Politics, and the Global Financial Meltdown, Part I: From Shadow Banking System to Shadow Bailout," *International Journal of Political Economy* 38, No. 1 (2009); Ferguson and Johnson, "Paulson Put,' Part II." For the Obama administration, see Joseph Stiglitz, *Free Fall* (New York: W. W. Norton, 2010).
 64. Payment of giant bonuses to bankers during a deep recession is something of a first in world history. See Thomas Ferguson and Robert Johnson, "When Wolves Cry 'Wolf': Systemic Financial Crises and the Myth of the Danaid Jar," Paper prepared for the INET Inaugural Conference, King's College, Cambridge University, April 2010; available through the website of the Institute for New Economic Thinking <http://www.ineteconomics.org/>
 65. Richard Hofstadter, *The Paranoid Style in American Politics and Other Essays* (New York: Knopf, 1965).
 66. Lawrence Goodwyn, *Democratic Promise* (New York: Oxford University Press, 1976). Michael Schwartz, *Radical Protest and Social Structure* (New York: Academic Press, 1976). See also the discussion in Thomas Ferguson and Jie Chen, "Investor Blocs and Party Realignments in American History," *Journal of the Historical Society* 5, no. 4 (2005).
 67. Robert McChesney, *The Political Economy of Media* (New York: Monthly Review, 2008).
 68. See the discussion of government economic statistics in Tim Duy's Fed Watch, March 7, 2010, <http://economistsview.typepad.com/timduy/>
 69. Ferguson, *Golden Rule*.
 70. Cf. Thomas Ferguson, "Financial Regulation? Don't Get Your Hopes Up," TPM Cafe Book Club, April 17, 2008.
 71. Richard Koo, *The Holy Grail of Macroeconomics: Lessons from Japan's Great Recession*, Revised ed. (Singapore: Wiley 2009).
 72. Gretchen Morgenson, "Times Topics: Obama Housing Plan (Updated)," *New York Times*, March 8, 2010; "Editorial: Foreclosure Prevention 2.0," *New York Times*, April 4, 2010.
 73. Edward Luce, "'Landslide Harry' At Risk From Political Earthquake," *Financial Times*, March 20, 2010.
 74. A rise in the Chinese exchange rate, which is a reasonable bet, will not happen fast enough to make much difference in November, though it may win some plaudits from certain businesses and unions.
 75. Philip Williamson, *National Crisis and National Government* (Cambridge: Cambridge University Press, 1992) is a standard account, though our reading of the archival evidence sometimes differs from his in regard to the role the banks played.
 76. 14 towns out of 351 had missing data and had to be dropped from the estimation; we had to make corresponding adjustments in the spatial matrix. We looked closely to see if dropping the towns makes any difference; it seems clear it does not.
 77. All sorts of pseudo- R^2 s have been proposed. One common practice is simply to substitute the residuals from the spatial model and then calculate R squared using a conventional OLS formula. By that measure our model's R squared is .30; another measure in R yields an R squared of .666. A formula in Arc Map, which involves various differences in estimation yields .37. We would not recommend taking any of these very seriously.
 78. For the null model the AIC is 1662, which is inferior to our's above; the Log LM of the null model is -828.0718, compared to -808.0428 for our's. Rho , incidentally, for our spatial model is a more than acceptable .72538.