Partisan Pricing*

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Abstract

We study how political beliefs shape firms' price-setting. Linking retail scanner data to convenience store managers' voter registrations, we find that politically misaligned managers raise prices more in response to inflation for identical products sold on the same street; relative to Democrats, Republican managers' pass-through rises 21% under Biden versus Trump. This mirrors partisan divergence in inflation expectations and intensifies after pessimistic local inflation news. Market forces discipline the pricing gap: it concentrates in less competitive markets, is stronger for less elastic products, and fades as customers substitute and revenues fall. Overall, political beliefs meaningfully shape prices despite market discipline.

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1 Introduction

Political affiliation is associated with substantial differences in economic beliefs, but whether those differences affect firms' real decisions is less understood. Their influence should depend on two forces: managers' discretion to act on personal views and markets' ability to discipline those choices. We study this tension in retail pricing, asking whether managers' political alignment with the president shapes firms' responses to inflation and when market forces constrain that influence.

This question connects two broad observations. First, political affiliation shapes how individuals perceive economic conditions. Partisan gaps in economic expectations have become increasingly pronounced over time (Kempf and Tsoutsoura, 2021; Engelberg et al., 2023; Mian et al., 2023), and individuals also tend to view the economy more favorably when their preferred party controls the presidency (McGrath, 2017). At the same time, a central premise in macroeconomics is that economic expectations, especially regarding inflation, play a key role in the determination of product prices (Coibion et al., 2020).

Second, managers can have a meaningful impact on firm policies. Beginning with Bertrand and Mullainathan (2003), a large literature shows that manager fixed effects, styles, and personal characteristics predict corporate decisions (Malmendier and Tate, 2005, 2008; Dittmar and Duchin, 2016). Yet managerial influence depends on discretion and the constraints managers face. In pricing, those constraints come directly from customers and competitors: prices that depart from market conditions induce substitution and competitive responses. Thus, managerial beliefs can shape prices, but their influence should be greatest where market discipline is weakest.

We study this framework in the U.S. convenience-store industry, where we can observe political affiliation, managerial decisions, and market discipline at unusually fine resolution. We combine retail scanner data, covering approximately 44 billion transactions at more than 4,400 independent convenience stores, with business-registration and voter-registration records that identify store managers and their political affiliations. The data contain de-

tailed information on individual products and transaction prices, allowing us to compare the pricing of the same product across nearby stores. Most stores in our sample are small organizations (73% are standalone establishments and 90% belong to chains with five or fewer stores), making local managers particularly capable of influencing pricing. At the same time, convenience store goods are relatively homogeneous and customers often have nearby alternatives, creating scope for product-market forces to discipline idiosyncratic pricing decisions. Convenience stores are also economically important, accounting for a substantial share of U.S. food and beverage retail sales. This setting therefore allows us to study both when managerial beliefs enter prices and what constrains them once they do.

We begin with evidence on beliefs from the University of Michigan Survey of Consumers. Consistent with Binder et al. (2024), we find that the sensitivity of inflation expectations to realized inflation differs sharply by political affiliation. Importantly, we further show that this differential varies across presidential administrations. During the Trump administrations, Republicans' year-ahead inflation expectations are approximately 2.85 percentage points less responsive than Democrats' to a one-percentage-point increase in realized inflation. The Republican–Democrat differential shifts by approximately 3.15 percentage points during the Biden administration, effectively reversing the partisan pattern. Thus, the key empirical pattern is not simply that one party persistently expects more inflation than the other. Rather, political alignment with the sitting president is associated with how individuals incorporate realized inflation into their expectations. These estimates remain similar after controlling for individual characteristics and highly granular time and regional fixed effects.

We next ask whether these partisan differences in beliefs are reflected in managers' actual pricing decisions. Our empirical design compares identical products sold by differently affiliated managers on the same street during the same month. The most demanding specification includes product-by-store fixed effects, which absorb persistent differences in pricing within a store, and product-by-street-by-month-year fixed effects, which absorb highly localized time-varying demand, cost, and competitive conditions. We also control flexibly for lagged

product-level demand. Identification therefore comes from differences in how Republican- and Democratic-managed stores adjust prices for the same products relative to very fine local benchmarks.

The pricing estimates display a pattern similar to the expectations results. During the Trump administration, Republican managers' prices are approximately 0.185 percentage points less responsive than Democratic managers' prices to a one-percentage-point increase in realized inflation. During the Biden administration, the Republican–Democrat differential reverses to approximately 0.026 percentage points. Overall, the effects are economically large: compared to the Trump administrations, Republican managers during the Biden administration pass through an additional 21% of a given inflation increase into prices relative to Democrat managers. The close correspondence between this pattern and the partisan differences in inflation expectations is consistent with heterogeneous beliefs translating into managers' pricing decisions.

Several additional results support this belief-based interpretation. First, we find that managers do not systematically adjust prices more often when politically misaligned with the president. Conditional on changing prices, however, the magnitude of their price adjustments differs. This pattern is less consistent with a pure attention mechanism, under which greater concern about inflation might lead managers simply to update prices more frequently, and more consistent with differences in beliefs about the magnitude or persistence of future inflation.

Second, we examine local news coverage as an information channel through which managers may update their inflation beliefs. Even when managers observe the same realized inflation, they may interpret its persistence and future trajectory differently depending on the tone of their information environment (Jeong et al., 2025; Chahrour et al., 2025; Binder et al., 2025). Consistent with this interpretation, we find that pessimistic local inflation news substantially amplifies the partisan pricing differential. At the sample mean of pessimistic news coverage, the Trump-to-Biden shift in the Republican–Democrat price sensitivity to a

one-percentage-point increase in inflation rises from approximately 0.19 to 0.31 percentage points, an increase of roughly 60–70%. By contrast, optimistic inflation news has little effect, and analogous estimates for a broad set of other macroeconomic variables, including interest rates, unemployment, stock-market conditions, consumer sentiment, house prices, and policy uncertainty, are small and statistically insignificant.

Crucially, however, heterogeneous beliefs do not translate uniformly into prices. Instead, they matter most where managers have greater discretion. The pricing effects are substantially larger when competitive pressure is weaker. Using detailed establishment-location data and road-network information, we measure both travel time to the nearest competitor and the number of competing stores within a short drive. The partisan pricing differential increases monotonically as competitors become more distant and is substantially larger in markets with fewer nearby alternatives. A one-standard-deviation increase in drive time (about 2.2 minutes) increases the pricing differential by roughly 0.15 percentage points. Similarly, five fewer competitors within a two-minute drive (a roughly one-standard-deviation change) increases the differential by about 0.11 percentage points. In locations where the nearest competitor is more than four minutes away (i.e., competition is weaker), the pricing differential is nearly five times the baseline estimate.

We find a parallel pattern across products. Estimating product-specific demand elasticities, we show that the partisan pricing differential is concentrated among the least elastic products and is indistinguishable from zero among the most elastic products. Together with geographic-competition, this evidence provides a consistent picture: managerial beliefs are most likely to enter prices where managers face the least immediate discipline from consumers and competitors. Weak local competition and inelastic demand expand the scope for managers to act on their own assessments of inflation rather than simply follow prices implied by highly competitive market conditions.

We consider several alternative, non-mutually exclusive, explanations for these results. One possibility is that managers respond to politically like-minded customers whose infla-

tion expectations and willingness to pay vary across administrations (Coibion et al., 2022; D'Acunto et al., 2022). We explore this demand-side explanation directly using detailed shopping histories for approximately 85 million consumers. We construct measures of customers' disproportional sorting into Republican- or Democratic-managed stores, and find little evidence that they sort toward stores managed by individuals sharing their political orientation, or that such sorting changes with presidential administrations and inflation. We further show that the pricing differential persists in Republican, Democrat, or split local political environments.

Having found little evidence for demand-side explanations, we next turn to the supply side. The pricing effect persists for PepsiCo and Coca-Cola products, where nearby stores share common regional, monopolistic suppliers, and for liquor products in states where wholesale prices are administratively fixed.

Combined, these results suggest that neither customer-side forces nor supplier pricing explain the results, and narrow the set of plausible explanations. The evidence is difficult to reconcile with differences in attention, customer ideology or sorting, or supplier pricing, and is instead consistent with political beliefs shaping managers' inflation expectations and, where managers have sufficient discretion, their price-setting decisions.

The final part of our analysis examines market discipline. If belief-driven price increases depart from what local demand can sustain, higher prices may initially increase revenue but subsequently induce consumers to become more attentive (Weber et al., 2025) and substitute toward cheaper alternatives (Cavallo et al., 2017). Consistent with this mechanism, stores engaging in partisan pricing experience modest revenue gains during the first several months, followed by significant revenue declines as consumers appear to shift purchases elsewhere. As these revenue losses emerge, the partisan pricing differential also attenuates: larger price increases persist for roughly three months, begin to decline as revenues fall, and disappear within approximately eight months. These dynamics are consistent with models in which price-setters who are uncertain about demand learn from realized sales and revise their

markups accordingly (Rothschild, 1974; Aghion et al., 1991; Bergemann and Välimäki, 1996; Keller and Rady, 1999), as well as with evidence that firms learn about their idiosyncratic demand over time (Foster et al., 2016).

Taken together, the results suggest a three-step mechanism: (1) Political alignment shapes beliefs; (2) Managerial discretion determines whether those beliefs enter firm decisions; and (3) Consumer substitution and competition constrain how long their influence persists. The evidence therefore differs from a view in which partisan managers simply charge persistently different prices. Instead, partisan beliefs generate temporary differences in firms' responses to inflation where managers have sufficient latitude, but product markets eventually limit those differences.

Our findings contribute to the literature on inflation expectations and firm behavior. A large literature shows that inflation expectations are dispersed and shaped by information frictions, personal experiences, salient prices, and political identity (Mankiw and Reis, 2002; Sims, 2003; Coibion and Gorodnichenko, 2015; Cavallo et al., 2017; D'Acunto et al., 2022; D'Acunto et al., 2023; Binder et al., 2024). We show that the sensitivity of inflation expectations to realized inflation varies systematically with political alignment across presidential administrations, and that these same partisan shifts are reflected in managers' actual price-setting decisions. In doing so, we extend evidence that inflation expectations affect firm behavior (Coibion et al., 2020) by showing how partisan variation in those expectations translates into observed operating decisions in the field.

Our work also relates to research on managerial discretion and political polarization inside firms. Existing work shows that political beliefs affect portfolio allocation, investment, lending, entrepreneurship, information production, and other economic decisions (Hong and Kostovetsky, 2012; Hutton et al., 2014; Kaustia and Torstila, 2011; Cookson et al., 2020; Cassidy et al., 2021; Fos et al., 2021; Kempf and Tsoutsoura, 2021; Meeuwis et al., 2022; Dagostino et al., 2023; Engelberg et al., 2023; Kempf et al., 2023; Colonnelli et al., 2025; Duchin et al., 2026). We extend this literature to a core operating decision—product pric-

ing—and show that the effect of managerial beliefs depends importantly on the constraints decision makers face. The results are strongest in geographically less competitive markets and for products with less elastic demand. This pattern is consistent with models of pass-through under imperfect competition, in which the transmission of shocks is greater when the residual demand facing the seller is less elastic (Weyl and Fabinger, 2013; Miller et al., 2017; Miravete et al., 2018). Thus, political beliefs do not mechanically translate into firm policy; their effects emerge when organizational and product-market conditions provide managers with room to act.

Finally, we show that product markets provide an endogenous disciplining mechanism. Existing evidence on political beliefs and firm decisions often focuses on whether ideology affects choices. Our results additionally trace what happens after those choices are made. Consistent with evidence that consumers become more attentive to prices as inflation rises and substitute toward lower-priced alternatives (Cavallo et al., 2017; Weber et al., 2025), belief-driven price increases are followed by declining revenues and a contraction in the pricing differential. This feedback is also consistent with models in which price-setters learn from realized demand and revise their markups over time (Rothschild, 1974; Aghion et al., 1991; Bergemann and Välimäki, 1996; Keller and Rady, 1999), as well as evidence that firms learn about their idiosyncratic demand (Foster et al., 2016). Thus, discretion allows beliefs to influence firm decisions, but competition and consumer substitution limit their persistence.

2 Data and Variables

We combine several unique datasets to examine how political beliefs affect the pricing behavior of managers over the period from 2019-2025. We begin by exploring the role of political affiliation in shaping individual inflation expectations using data from the University of Michigan Survey of Consumers (MSC). Next, we investigate retail pricing using scanner data from convenience stores, available from PDI Technologies. We match convenience stores to owners/managers using OpenCorporates data on business registrations, and link owners

with voter registration records and voting history from L2 Data. In supplemental analyses, we calculate measures of local market power using data from SafeGraph and open-source traffic routing software. Finally, we use data from NewsBank, which covers the scope of local news coverage on inflation across the United States, which we process using a large language model. We provide additional details on data processing, matching, and variable construction in the Data Appendix (Section IA.2).

2.1 Inflation Expectations Data

To motivate our main results and analysis, we obtain data on individuals' political affiliations and inflation expectations from the University of Michigan's Survey of Consumers (MSC). The MSC surveys about 1,000 households each month about their economic expectations—including inflation expectations. Since February 2017, the MSC asks respondents about their political affiliation.

We focus on one-year inflation expectations (*Inflation Expectations*), where respondents are asked the question: "By about what percent do you expect prices to go up or down on average, during the next 12 months?" Following Binder (2017) and Binder et al. (2024), we code responses above 25% and below −10% as missing.

We classify respondents as Republicans or Democrats if they identify as such when asked about their political affiliation.[1] The survey also includes respondents' demographics (e.g., gender, education, homeownership), which we use as controls in our specifications.

We report the summary statistics relating to the MSC data in Panel A of Table 1. The average value of one-year-ahead inflation expectations (*Inflation Expectations*) over the sample period (2019–2025) is about 4.171%, with a median of 3%. We assign indicator variables based on party identification, and the sample is about evenly split between Republicans (*Republican*) and Democrats (*Democrat*), with mean values of 0.47 and 0.53, respectively.

[1] In addition, independents who report being closer to the Republican or Democrat party are also either classified as Republican or Democrat, respectively.

2.2 Linked Scanner Data

For our main dataset, we link retail scanner data from over 4,400 independent convenience stores to business registration records, voter registration records, the universe of local competitors, local newspaper coverage of inflation, and local election outcomes.

We obtain retail scanner data from PDI Technologies to examine fluctuations in product pricing over time. This dataset contains roughly 44 billion transactions from independent convenience stores across the US, as well as information on the store itself, such as name and address. Stores may either be standalone owner-operated or part of a small independent chain. In our sample, 73% of stores are standalone, and 90% of stores belong to chains with five or fewer stores. For each transaction, information on the exact type of product is recorded, including the size, brand, and manufacturer (e.g., 12 pack, Red Bull Watermelon Energy Drink, 12 oz cans).[2] All transaction data are also recorded, including the item price, both before and after the application of the local sales tax, the exact time of the transaction, and each item in the basket of goods purchased by the consumer. We collapse the retail scanner data to the 1,500 most popular products at the product-store-month-year level to capture variation in each specific product's price over time and across stores. This also helps to improve the computational feasibility of the project. We obtain the product price (*Price*) from this dataset, as well as the frequency of price increases and decreases (*Price Change*), and the total size of the price changes (*Markup Size*, *Markdown Size*).[3] We also estimate the total number of products sold in a given month (*Total Products Sold*). Our sample period is January 2019 to October 2025.[4] The summary statistics in Table 1 show that the average product price in the sample is \$4.18, with a median of \$2.79.

We hand match these data with business registration information provided by OpenCor-

[2]In Section IA.3 of the Internet Appendix we provide a table of the most popular 100 products in our sample.

[3]Internet Appendix Figure IA.1 shows that our store prices closely track the CPI over the sample period.

[4]As official inflation estimates are not provided in November 2025 due to a government shutdown, we end our sample in October.

porates based on store name and location.[5] This database allows us to identify the owners and management of each store, along with their home address.

We classify the political party of individual managers using L2 Data. L2 maintains data on voting history and voter registrations across the United States. We link these data to the OpenCorporates data based on first name, last name, and state. We use the party identification as inferred by the provider following Engelberg et al. (2023), as it ensures that each person receives a party assignment even if registered party is not recorded in voter registration data for that state. Also following Engelberg et al. (2023), our analyses focus primarily on stores where the managers are either Democrat or Republican due to clear directional sentiment. However, we perform a separate analysis including Independents (or Non-Partisans) in robustness tests as discussed in Section 4.5. We classify a store as Republican if more than half of the management identifies as a Republican according to their voter registration and voting history, and analogously as Democrat stores.[6] In the final sample, about 63% of stores are Republican-managed, and 36% are Democrat-managed. This is consistent with recent data showing that small business owners tend to favor the Republican party (Malhotra et al., 2025).

We quantify the local market power of each store using data from SafeGraph, which provides POI data for the near-complete universe of retail establishments in the United States. We acquire the address, name, and latitude and longitude coordinates of all independent convenience stores, as well as all non-independent convenience stores (e.g., 7-Eleven), and all general merchandise stores (e.g., Dollar General).[7] Using the OSRM (Open Source Routing Machine) via Python, we estimate the time it takes to drive from each focal store in our sample to the nearest competitor. This calculation takes into account road networks, speed limits, and other relevant factors. From this, we derive two main variables: *Drive Time*, the

[5] See Opencorporates.com for details.

[6] As detailed in Section 4.5, our results are robust to alternative definitions of partisanship, e.g., if we assign party affiliation based on whether the management of the store identifies entirely with one political party, when the results are quantitatively larger than the baseline results.

[7] We classify competitors using the following NAICS codes: 457110 (Convenience Stores with Gas), 445131 (Convenience Stores (No Gas)), and 455219 (General Merchandise Stores).

amount of time in minutes it takes to drive from the focal store to the nearest competitor; and *Competitors*, the total number of competitors that are within a two-minute drive. The summary statistics in Table 1 show that the convenience store industry is very competitive: the average *Drive Time* to the nearest competitor is 2.15 minutes, and the average store has just under 6 competitors within a two-minute drive.

To examine the degree to which a manager is exposed to information on inflation via local news sources, we supplement our main sample with data from NewsBank. NewsBank (https://www.newsbank.com/) collects newspaper articles from local publishers across the United States, including both large metropolitan areas and small communities.[8] We collect 40,300 article headlines from local newspapers that reference inflation, and quantify whether articles are pessimistic, suggesting inflation will continue to worsen and prices will rise, or optimistic, suggesting inflation will ease and price increases will slow, using a large language model, Claude Haiku 4.5. In addition, we include a neutral category for articles on inflation that do not have a directional sentiment. We aggregate the number of pessimistic and optimistic articles by county-month, and label them as *Pessimistic*, *Optimistic*, and *Neutral*, respectively. During the sample period, pessimistic inflation articles were relatively more prevalent, with a monthly average of 0.169. In contrast, the average number of monthly optimistic inflation articles was only 0.077.

Finally, we measure the partisan tilt of a local community using the proportion of voters who supported Donald Trump in the 2020 election. This data comes from National Neighborhood Data Archive (NaNDA): Voter Registration, Turnout, and Partisanship by County, United States, 2004–2022, distributed via ICPSR. We classify counties into three categories: *Republican Lean*, if a county voted 60% or more in favor of Donald Trump; *Democrat Lean*, if a county voted 60% or more in favor of Joseph Biden; or *Split*, if a county did not vote 60% or more in favor of either candidate. Using these definitions, we classify 47% of counties as *Republican Lean*, 16% of counties as *Democrat Lean*, and 37% of counties as *Split*.

[8] We further discuss and illustrate these data and their suitability for our analyses in Section 4.4.

3 Empirical Design

To test whether store managers' political beliefs affect their pricing decisions, we combine the empirical approaches of D'Acunto et al. (2021) and Binder et al. (2024). The former study estimates the impact of past inflation on inflation expectations, and the latter looks at the role of individuals' political affiliation relative to the presidential party in power on inflation expectations. Our empirical approach uses the following triple difference equation:

$$\begin{aligned} ln(Price_{ismt}) =& \alpha_{is} + \alpha_{izmt} + \alpha_{isqt-1} + \beta_1 * R \times Biden \times CPI_{t-1} + \beta_2 * R \times Biden \\ &+ \beta_3 * R \times CPI_{t-1} + \varepsilon_{ismt} \end{aligned} \tag{1}$$

where R is an indicator set to 1 if the store manager is a Republican and 0 otherwise; $Biden$ is an indicator set to 1 between January of 2021 and December of 2024 and 0 otherwise, and CPI_{t-1} is the realized inflation of the year preceding the focal month. The full specification includes product-store, product-street-month-year, and lagged quantity sold (in bins of 5 products) fixed effects (α_{is}, α_{izmt}, and α_{isqt-1} respectively). As such, the regression accounts for time-invariant characteristics of a given product at a given store, lagged localized demand for the product, and time-varying conditions for the product at a granular (street) geographic level. In this setting, identification comes from within-product, within-store variation in price adjustments over time relative to very fine local benchmarks. The coefficient of interest is β_1, which captures the marginal effect of party affiliation during the Biden presidency given the prior year's realized inflation on Republicans' inflation expectations. For the main analysis, we limit the sample to store managers affiliated with either the Republican or Democratic party.[9]

The fixed effects structure allows us to exploit variation in store managers' political affiliation to estimate differences in pricing within a product-store combination, for the same

[9] In Section 4.5, we show that our results are robust to alternative measures of political affiliation and to the inclusion of politically unaffiliated managers.

product in the same month-year on the same street and facing similar demand. As such, our estimation controls for a number of alternative drivers of pricing decisions: product type, local conditions at a given time, and demand-driven factors.

Figure 1 shows the locations of Republican- and Democrat-managed stores in the Detroit-Ann Arbor area. The figure illustrates two important features of the data. First, both Republican- and Democrat-managed stores are well-represented, and many such stores exist for a given area.[10] Second, both types of stores exist in close proximity, e.g., on the same street. This allows for sufficient variation when we include our high-dimensional fixed effects at the store-street-year-month level.

4 Main Results

This section details the main results of the study. First, we examine how inflation expectations vary by an individual's political affiliation across distinct administrations. Then, we examine how the political beliefs of managers shape their pricing behavior in response to inflation across administrations and investigate potential underlying mechanism. Finally, we assess the robustness of this result via a variety of alternative specifications.

4.1 Inflation Expectations

To motivate our main results, we first analyze the effect of political affiliation on consumers' inflation expectations. Binder et al. (2024) show that consumers from different (similar) political affiliations to the sitting U.S. President have higher (lower) inflation expectations during that presidential term. We confirm this relation in Figure 2, which shows a sharp increase in average inflation expectations for Republicans during the Biden Administration relative to Democrats that subsequently reverses after Trump is re-elected.

We formally test the impact of political alignment with the party in power and realized

[10] Internet Appendix Figure IA.2 shows similar dispersion across the U.S.

inflation on consumers' inflation expectations for the next year using the following equation:

$$\begin{aligned} \textit{Inflation Expectations} =& \alpha_p + \alpha_{mt} + \beta_1 * R \times Biden \times CPI_{t-1} + \beta_2 * R \times Biden \\ &+ \beta_3 * R \times CPI_{t-1} + \gamma * X_{it} + \varepsilon \end{aligned} \tag{2}$$

R is an indicator set to 1 if the MSC respondent identifies as a Republican and 0 otherwise; *Biden* is an indicator set to 1 between January of 2021 and December of 2024 and 0 at other time periods, and CPI_{t-1} is realized inflation of the year preceding the survey year-month. X_{it} are survey respondent controls for gender, education, and home ownership. The regression also includes party and month-year fixed effects (α_p and α_{mt}, respectively) in all specifications. The coefficient of interest is β_1, which captures the marginal effect of party affiliation during the Biden presidency given the prior year's realized inflation.

Table 2 presents the results of this test. Column (1) shows the results of the triple difference estimation without respondents' demographic controls. The triple interaction coefficient of interest is positive and significant at the 1% level: comapred to the Trump administrations, Republicans' inflation expectations under Biden are positively related to the level of realized inflation over the previous year. By contrast, the β_3 coefficient is negative and significant at the 1% level, meaning that during the Trump administrations (2019-2020 and 2025), Republicans' inflation expectations are negatively related to realized inflation over the past year. Interestingly, β_2 is negative and statistically significant, pointing to the importance of realized expectation in the negative relationship between consumer opposite-party affiliation and inflation expectations.

Column (2) shows the coefficients on the interaction terms for Equation 2 with controls. In Columns (3) and (4), the estimation includes local (Census Region) and local times time fixed effects, respectively. The coefficients are of the same sign, of similar magnitude, and of the same level of statistical significance across all four specifications. Taken together, the results show that individuals who do not share a political affiliation with the presiding administration exhibit significantly higher inflation expectations in response to realized

inflation.

4.2 Partisan Pricing: Baseline

We next examine the implications of managers' political alignment with the president for retail price-setting in response to inflation. We use transaction-level data from over 4,400 convenience stores for 1,500 of the most popular products, aggregated to the store-product-month level. We then relate the political affiliations of store managers to the observed prices, and examine differential effects across presidential administrations and in response to realized inflation. We begin by evaluating the univariate relation between political affiliation and prices in Figures 3 and 4. Similar to Figure 2 above, these plots show that, compared to the Trump period, Republican store managers are more likely to increase prices during the Biden administration relative to their Democrat counterparts, while Democrats are more likely to raise prices relative to their Republican counterparts during either of the Trump administrations. These figures give compelling initial evidence that political affiliation is related to pricing decisions, potentially through differences in inflation expectations when the opposite party is in power.

Table 3 shows the results of the analysis described in Equation 1 with various combinations of fixed effects. The specification in Column (1) includes store, product, and month-year fixed effects, and shows that Republican managers tend to increase prices by more than their Democrat counterparts during the Biden administration in response to higher realized inflation. The magnitude of the effect is non-trivial: compared to the Trump administrations, Republican managers during the Biden administration pass through an additional 23% of a 1 pp inflation increase into prices relative to Democrat managers. Including increasingly rich fixed effects in Columns (2) through (4) leaves the coefficient virtually unchanged. In the most stringent specification that includes product-store, product-street-month-year, and lagged quantity sold fixed effects, the coefficient estimate suggests that the Trump-to-Biden shift in the Republican–Democrat price sensitivity to a one-percentage-point increase in in-

flation is 0.21 pp. Importantly, this estimate captures the pricing differential of Republicans relative to Democrat managers for the same product during the same month *on the same street*, while also controlling for lagged product demand. The stability of the estimates under this rich set of controls suggests that the results are not driven by differences in product mix, local market conditions, or demand shocks, but instead reflect systematic differences in how managers translate inflation information into pricing decisions.[11]

In Figure IA.4 we plot triple-interaction coefficient estimates for various bins of lagged realized inflation. Specifically, we plot estimates of $R \times Biden \times Inflation\ Bin$, where the bins are <2%, 2-3%, 3-4%, and >4%. The figure shows a monotonic relation between the size of realized inflation and the corresponding increase in prices by Republican managers during the Biden administration. Overall, the evidence suggests that Republican store managers respond more strongly than their local Democrat competitors via price increases as realized inflation grows.

In a similar analysis, we augment our baseline model with a quadratic term, (CPI^2_{t-1}), to test whether the partisan pricing effect increases as inflation becomes larger. We present this result in Table IA.1 in the Internet Appendix. We find that the quadratic term is positive and significant in all specifications, indicating that large increases in realized inflation also increase the pricing gap between Democrat and Republican managers. A subsample analysis in Table IA.2 in the Internet Appendix further shows that the effect disappears when inflation is below 2%, suggesting the dynamics we observe only exist when inflation increases above abnormal levels.

Taken together, the results of this subsection suggest that political affiliation strongly influences the pricing decisions of store managers in response to realized inflation. When Republican managers are misaligned with the presiding administration, they respond to higher inflation by significantly raising prices compared to their local Democrat competitors

[11] We also separately estimate the effects of realized inflation during the Biden Administration separately for Republicans, Democrats, and Independents. Figure 5 shows that only the triple interaction term for Republicans is positive and statistically significant.

for the same product.

4.3 Markups/Price Frequency

In this section, we examine the margins along which prices adjust to distinguish between potential alternative mechanisms. We begin by assessing whether store managers' political viewpoints systematically affect the extent to which they pay attention to inflation. For example, Republican managers may be more attentive than their Democratic counterparts during the Biden administration and therefore make more frequent adjustments to prices. Conversely, if Republican and Democrat managers differ in their inflation expectations, then the former should make larger changes to prices rather than more frequent changes. To examine these distinct channels we estimate our baseline regression substituting the probability of a price change (*Price Change*), the size of a price increase (*Markup Size*), and the size of a price decrease (*Markdown Size*) as dependent variables.

The results in Table 4 show that Republican managers are not more likely than their local Democrat competitors to change prices more frequently during the Biden administration compared to the Trump periods in response to realized inflation (Column (1)). However, conditional on increasing prices, Republican managers are more likely to implement much larger changes. Specifically, the coefficient estimates in Column (2) suggest that price increases in Republican managed stores are 0.11 pp larger for a 1 pp increase in realized inflation during the Biden administration compared to the Trump periods. We find no corresponding effect for the size of price decreases (Column 3). Taken together, the results are difficult to reconcile with a pure attention or salience mechanism. Instead, the larger conditional price increases implemented by Republican managers are consistent with differences in beliefs about future inflation related to partisan misalignment.

4.4 News (Information Environment)

In this subsection, we examine whether exposure to local inflation news affects managers' pricing decisions. Previous literature documents the impact of inflation-related news on inflation expectations (e.g. Cavallo et al., 2017; Coibion et al., 2022; D'Acunto et al., 2023). We therefore investigate whether news about inflation acts as a salience mechanism for Republican managers during the Biden administration.

To do so, we gather inflation-related news articles in local media and use a large language model (LLM) to classify them as pessimistic (optimistic) if they describe an upcoming increase (decrease) in inflation. Figure 7 Panel A shows the count of optimistic and pessimistic inflation news over time. The two counts are low and very close before 2021. A few months into 2021, however, the count of articles pessimistic about inflation news increases sharply and remains elevated until the end of 2022. Optimistic articles on inflation increase slightly between early 2021 and mid 2022, and rise sharply in late 2022–though they never quite reach the level of pessimistic articles. Both counts see variation after 2022, though the levels are generally lower than in 2021-2022. Figure 7 Panel B shows the cross-sectional variation in the number of pessimistic and optimistic news articles on inflation across the U.S. The figure shows that large counts of negative and positive inflation-related news occur throughout the U.S., from the Eastern Seaboard to the Southeast, Midwest, Rocky Mountains as well as up and down the Pacific coast. In all these regions, the data clusters around cities, which are also the centers for press outlets. We use the count of these pessimistic (optimistic) local news articles in the month prior to that of the unit of observation and interact this count with our triple interaction term of interest.

Table 5 presents the results of our analysis on news salience.[12] We find evidence that news about possible inflation increases is related to the price increases we observe in the baseline results: the triple interaction term interacted with the count of *Pessimistic* inflation-related articles from the previous month is positive and significant at the 5% level (Column (1)).

[12]Internet Appendix Table IA.19 shows the results with all the interacted terms in the regression.

However, the effect is not symmetric with respect to *Optimistic* articles about inflation, for which the quadruple interaction term is positive though very small in magnitude, and statistically insignificant (Column (2)). The results on news of possible future inflation increases hold to the inclusion of the quadruple interaction term with the count of optimistic articles describing lower inflation prospects (Column (3)). Internet Appendix Table IA.20 shows that the results on the quadruple interaction term with the count of pessimistic news articles is robust to the inclusion of articles neutral about inflation in the sample. As expected, the interacted term with neutral news articles is not statistically different from zero in those regressions.

Importantly, in all the specifications in Table 5, the coefficient on $R \times Biden \times CPI_{t-1}$ remains positive and strongly significant. This means that, while the salience of news about future inflation might play a role in the relationship between store managers' partisanship given realized inflation and their price-setting behavior, it does not completely drive the baseline results. Rather, pessimistic inflation news exacerbates managers' partisan-driven price increases.

4.5 Robustness

In this subsection, we examine the robustness of the baseline results to a battery of alternative specifications.

First, We estimate the effects using a variety of spatial units to capture the local geography. Appendix Table IA.3 shows that the main results hold whether we include fixed effects for state, city, Zipcode, or street. Across these specifications, the signs, statistical significance, and economic magnitudes of the coefficients are all consistent with the main estimates. We also confirm that our results are robust to clustering standard errors at various levels, such as sstreet-by-month-year, product, product-by-month-year, and product-by-store. Internet Appendix Figure IA.3 shows the coefficient level and 95% confidence interval for the triple interaction term in our strictest specifications. The coefficients remain statistically

significant across all clustering alternatives.

Second, we use alternative definitions for the variables in the triple interaction term of interest. The results hold if we define the *Biden* dummy by the election date as opposed to the inauguration date (see Internet Appendix Table IA.4), and if we use the PCE to measure realized inflation (Internet Appendix Tables IA.5). Also, our results are robust to using lags of two to five months for the realized inflation measure (Internet Appendix Table IA.6).

Third, we re-estimate our baseline analysis with alternative definitions of political affiliation. The results of Internet Appendix Table IA.7 show that inferences are very similar if we only include stores for which managers are either all Republicans or all Democrats. The coefficient estimates are again statistically significant and of almost identical magnitude to the baseline estimates, indicating that measurement error in the identification of managers' political affiliations is unlikely to be affecting the main results. We also estimate the effects for a more flexible definition of political mismatch with the presiding administration. Specifically, we create a *Mismatch* set to 1 if the manager and the current administration are of different party, and interact this variable with lagged CPI. As expected, we find a positive and significant coefficient for the *Mismatch* $\times CPI_{t-1}$ interaction term throughout our four specifications (Internet Appendix Table IA.8).

Next, we re-estimate our baseline specification using an expanded sample that includes Independent managers. In this sample, we find that the coefficient estimates for the triple interaction term of interest are similar to those in the main specification (Internet Appendix Table IA.9). When the triple interaction term instead includes Independent, the coefficients on the triple interaction term are positive, smaller in magnitude and statistically significant at the 5% level only in one of the four specifications (Internet Appendix Table IA.10. By contrast, when the triple interaction term includes an indicator for Democrat managers, the coefficient of interest is negative and significant at the 1% level across all specifications (Internet Appendix Table IA.11). These results echo those of Figure 5.

Finally, we examine whether other macroeconomic information beyond inflation is shap-

ing manager behavior. Political partisanship among economic agents has been shown to impact perception across a variety of macroeconomic factors, such as the unemployment rate and the stock market (Bartels, 2002; Gerber and Huber, 2009; Mian et al., 2023). We include additional interactions in the baseline specification that relate to other, popular measures of national economic health. Specifically, we include interactions replacing CPI_{t-1} with time series measurements of the real interest rate, the unemployment rate, equity market returns, equity market volatility, consumer sentiment, house prices changes, and economic policy uncertainty. All coefficients are standardized to ensure comparison. We report these coefficient estimates in Figure 6. Across all alternative macroeconomic considerations, the estimates on the triple interaction terms are near zero and statistically insignificant. Conversely, the triple interaction term $R \times Biden \times CPI_{t-1}$ continues to be significant and economically meaningful. Overall, this test presents strong evidence that the partisan differences in pricing behavior are driven specifically by realized inflation rather than an alternative correlated macroeconomic variable.

5 Competition and Demand Elasticity

In this section we explore the roles of competition and demand elasticities in determining the main effect. We begin by examining heterogeneity in the effect of political beliefs on pricing by the degree of competition in the local market, then turn to estimated price elasticities among products.

5.1 Market Power

In more competitive environments, managers are more likely to be price-takers, and therefore less able to transmit partisan expectations into prices. In contrast, managers in less competitive environments have more latitude in changing prices according to their expectations. For example, Miravete et al. (2018) find that when a retail chain faces a uniform cost shock, the pass-through concentrates at the stores where demand is most inelastic. Provided managers

treat anticipated inflation as a similar shock, we hypothesize we may see a similar dynamic. Local competition therefore may act as a disciplining mechanism that limits the effects of partisanship on pricing. We test these hypotheses by calculating 2 detailed measures of local competition from open source traffic software: the drive time in minutes to the nearest competitor (*Drive Time)* or alternatively, the number of competitors within a two-minute drive of the focal store (*Competitors*.[13] We then interact these variables with our baseline measures to examine differential effects by local competition.

In Panel A of Table 6, we show results for interactions of $R \times Biden \times CPI_{t-1}$ with *Drive Time*. The positive and significant coefficient estimates in each column suggest that the pricing effects observed in the baseline specification are heightened when the closest competitor is further away. The magnitude of the effects is also sizeable, indicating that a standard deviation increase in drive time (roughly 2.2 minutes) to the closest competitor corresponds to a 44% larger increase in prices by Republican managers during the Biden administration compared to the Trump periods in response to realized inflation. Panel B shows similar results for interactions with our alternative measure of competition, *Competitors*. Specifically, a standard deviation decrease in the number of competitors within a two-minute drive (roughly 5 stores) corresponds to a 52% larger increase in prices.[14]

Panels A and B of Figure 9 plot the coefficient estimates of $R \times Biden \times CPI_{t-1}$ within subsamples based on *Drive Time* and *Competitors*, respectively. The figures both display a negative relation between competition and partisan pricing in response to realized inflation. Panel A shows that the observed relation between *Drive Time* and price increases is monotonic. Notably, in settings where the nearest store is more than four minutes away, a one-percentage-point rise in inflation is associated with a pass-through to prices that is 95%

[13]Figure 8 illustrates the intuition for these tests. Internet Appendix Table IA.12 shows that drive time and the number of competitors are positively and negatively related to prices, respectively, which offers some validation for these measures as proxies of market power.

[14]Internet Appendix Tables IA.13 and IA.14 present the coefficients for all the interaction terms in the regressions with the *Drive Time* and *Competitors* measures, respectively. Internet Appendix Tables IA.15 and IA.16 present the coefficients of those same terms for logged values of the *Drive Time* and *Competitors* measures, respectively.

larger at Republican-managed stores than at Democrat-managed stores – nearly five times the baseline effect. Similarly, Figure 9 Panel B shows that the effects are strongest when there are no competitors within a two-minute drive of the store.

Overall, the results of this subsection demonstrate that local competition plays a disciplining role in partisan pricing. When managers have more market power, they are subsequently able to transmit their politically-influenced expectations into pricing, with important implications for local inflation dynamics.

5.2 Product Price Elasticities

Just as manager's may be more willing to pass on perceived cost increases due to rising inflation in markets where they are likely to see a muted consumer response, we explore whether manager's are more likely to pass on such increases in particular products that may see a muted response. Namely, whether managers increase prices on inelastic goods at a higher rate, such as cigarettes, or elastic goods, such as a bottled soft drink. The union of these behaviors would offer insight into whether the managerial behavior is consistent with canonical models of cost pass-through under imperfect competition (Weyl and Fabinger, 2013).

To perform this analysis, we follow a procedure similar to that found in DellaVigna and Gentzkow (2019) and Hitsch et al. (2021) to calculate the specific price-elasticity of each product in our sample.[15] We then group the products into 4 elasticity quartiles and re-estimate our baseline model for each group. We report the coefficient estimates in Figure 10. This illustration presents a clear trend indicating the price increases concentrate among inelastic goods. The coefficient estimates in the two most inelastic quartiles are statistically significant and higher than the baseline estimates, whereas those in the two most elastic quartiles are statistically indistinguishable from zero.

Taken together with the market-power results, the evidence indicates that managers

[15] We provide more details relating to this procedure in the Data Appendix.

concentrate their inflation-driven price increases precisely where consumers are least able to respond, consistent with an interpretation whereby managers perceive impending inflation as a uniform cost shock to be priced across products. This is consistent with how managers price sets of products when facing uniform cost shocks in other settings, such as tax increases (Chiou and Muehlegger, 2014; Genakos and Pagliero, 2022).

6 Alternate Channels

In this section, we examine other channels that could explain the main results. First, we explore whether the pricing effects are driven by differential consumer responses between Republican and Democrat stores. Then, we study whether the effects are instead determined by suppliers or wholesale pricing.

6.1 Demand-side Factors

We first consider whether increases in prices at partisan stores are driven by the consumers' willingness-to-pay over time or the local political landscape, rather than the beliefs of the manager. For example, Republican customers may be more likely to shop exclusively at Republican stores when Biden is president, and increase their demand at such stores as inflation increases, allowing managers to increase prices accordingly. Alternatively, Republican store managers may increase prices in Democratic-leaning areas, either to foster local awareness of inflation threats and draw voters to the Republican side or as a means of "punishing" local customers. Although the analyses exploit variation in the beliefs of managers operating stores on the same street, and thus exposed to a similar pool of consumers, the results could be confounded by customer sorting to stores with particular political leanings within an area. Nevertheless, for consumer sorting to drive the results, consumers would have to sort into stores based on the political affiliation of the manager both when an unfavored president is in office, and also when inflation rises.

We test for consumer sorting effects in two ways. First, we interact the triple interac-

tion coefficient of interest with indicator variables set to 1 if the local area is predominantly Republican, split, or mostly Democrat.[16] Table IA.21 summarizes the results of these regressions with the quadruple interaction term and the triple interaction term of interest from the main results.[17] The coefficients on the *Republican-Leaning* (Column (1)), *Split* (Column (2)) and *Democrat-Leaning* (Column (3)) quadruple interaction terms are all very close to zero. Moreover, none of them are statistically distinguishable from zero. By contrast, the coefficient on the triple interaction term of interest is positive and significant at the 1% level.[18] These results are similar if we include both the *Republican-Leaning* and *Democrat-Leaning* quadruple interaction terms in the same regression (Column (4)). Taken together, these results indicate that that the local dominant political party plays no role in Republican store managers' Trump-Biden pricing differential in response to inflation.

We next test for consumer sorting directly by identifying the preferences of specific shoppers across stores over time. In total, we are able to track the purchases of about 85 million shoppers across stores. For each month, we calculate the preference of each shopper to visit *other* Republican or Democrat managed stores. We assign shoppers to stores, and construct two variables. First, we create *Republican Sorting*, which measures the degree to which the store's customers sort to other Republican stores for that month.[19] For example, for a particular store in a specific month, a *Republican Sorting* value of 0.8 implies that the customers in that store-month prefer shopping at other Republican-run stores 80% of the time for that month. If consumers do tend to sort based on the management political affiliation, then we should observe an increase in the value of *Republican Sorting* during the Biden period and times of high inflation. Second, we create *Democrat Sorting* analogously. We test for consumer sorting using bother measures and present the results in Internet Appendix Table

[16] Our measure for this local political landscape is based on the 2020 Presidential election voting pattern in the county where the store is located. We label the county as *Republican-leaning* (*Democrat-leaning*) if the store's county voted 60% or more in favor of Donald Trump (Joseph Biden) in 2020. We identify a county as Split if neither candidate earned more than 60% of the vote.

[17] Internet Appendix IA.22 presents the results with all the interacted terms.

[18] Using cross-sectional sample splits by dominant local party shows that the triple interaction terms are positive and significant in all three types of counties (see Internet Appendix Table IA.23).

[19] This is a leave-one-out measure, where the focal store is not included in the calculation.

IA.24.

Across all specifications, we find no evidence of sorting of customers to stores based on managers' political affiliation. The coefficient estimates are insignificant and economically small for both Republicans and Democrats. Further, not only is the triple interaction coefficient insignificant, indicating that the focal store's partisan lean is unrelated to changes in the customer base across presidential administrations and in response to inflation, but so too are the coefficients for the other interaction terms. Overall, this presents compelling evidence that consumer preferences do not drive the main results.

6.2 Suppliers and Distributors

Next, we consider whether the main results are driven by variation in wholesale prices offered by suppliers or distributors. Such variation could arise due to selection between suppliers and store managers, or to negotiation intensity even when two stores share the same supplier.

In the first case, it could be that Republican managers select product suppliers who are also Republicans, and thus share similar expectations about future prices. According to this view, wholesale prices of the *distributor* vary based on the national political environment and realized inflation, and the affiliation of the store manager only matters in that it determines the selection of particular suppliers. We rely on a feature of the convenience store market to test this first potential alternative mechanism. Specifically, we focus our analysis solely on beverage products from PepsiCo Inc. or the Coca-Cola Company, which were granted exclusive distribution monopolies over particular territories by the Soft Drink Interbrand Competition Act of 1980.[20] For this analysis, all retail stores in a particular territory (such as the same street), regardless of the characteristics of the store, share the identical supplier for PepsiCo and Coca-Cola products.[21] We present the results of this subsample analysis in Internet Appendix Table IA.25. Importantly, the results show nearly identical estimated coefficients in this subsample where the suppliers are held constant. As such, differences in

[20] See the description of the Act here: Soft Drink Interbrand Competition Act.
[21] Territories tend to be very large, and can represent nearly 11-12 US states.

supplier selection are unlikely to be driving the results.

In the second case, it could be that even within the same supplier, Republican and Democrat managers vary their degree of wholesale price negotiation. For this explanation to hold, it must also be true that this negotiating power also varies with the prevailing political and inflationary environment. For example, to explain the main results, a Democrat manager would have to negotiate more aggressively while Biden is president and inflation is high, be granted a wholesale price discount, and thus maintain lower prices relative to Republican managers. We directly test for this alternative mechanism by focusing on liquor products in a set of 17 states where wholesale liquor prices are set by governing state authorities and not subject to any kind of price negotiation by retailers.[22] This analysis thus ensures that all stores in the area must pay the identical price for the supplied/distributed products, under all conditions. We present these results in Internet Appendix Table IA.26. Consistent with the main results, we find that Republican managers are still more likely to increase prices in response to realized inflation under the Biden Administration when wholesale prices are held constant. Together, these empirical tests present strong evidence that the role of suppliers, distributors, or wholesalers is unlikely to fully explain the main results.

7 Firm Outcomes

In this section we explore the consequences for firms that engage in the politically partisan pricing behavior that we document. Theory predicts that as certain stores raise prices due to differing inflation expectations, consumers learn over time and substitute to lower priced options (Weber et al., 2025; Cavallo et al., 2017). Consequently, price-setters learn from realized sales and revise their price-setting behavior (Rothschild, 1974; Aghion et al., 1991; Bergemann and Välimäki, 1996; Keller and Rady, 1999). In our setting, we empirically examine the consequences of partisan product pricing behavior on subsequent firm revenue,

[22]The states are Alabama, Idaho, Iowa, Maine, Michigan, Mississippi, Montana, New Hampshire, North Carolina, Ohio, Oregon, Pennsylvania, Utah, Vermont, Virginia, West Virginia, and Wyoming. See State Policies.

and the extent to which managers may revise their behavior over time.

First, we examine store-level revenue by partisan managers over time. Specifically, we employ a store-month panel and regress the natural log of h months ahead store revenue on R $\times$ Biden $\times$ CPI_{t-1}, including product $\times$ store, product $\times$ street $\times$ month-year, and quantity-sold fixed effects. We find that there is a modest significant increase in firm revenue for the first three months, consistent with Coibion et al. (2020). After about three months, we observe significant declines in revenue, likely as consumers begin to substitute towards cheaper options. The main effects we find in Section 4.2 of about a 21% per unit of inflation from Republican managers during Biden's administration become associated with revenue declines of 3% each month after about six months from the focal month. In total, these revenue dynamics are consistent with a loss in customers following price increases.

To observe whether the partisan pricing behavior attenuates over time, we examine prices and mark-up sizes dynamically. We present these results in Panel B of Figure 11. We find that Republican managers sustain both price increases and larger mark-ups for about three months following the realized inflation level during the Biden administration, consistent with the contemporaneous gains in revenue. As the revenue declines begin, we observe the price markups attenuate to zero. Within eight months, the prices increases cease entirely. Overall, this suggests managers are effectively disciplined and learn from realized demand over time.

Figure IA.5 in the Internet Appendix further shows that past revenue declines alone are enough to discipline partisan managers. Specifically, the figure shows that short-term declines in revenue, between one and three months, do not significantly curtail partisan pricing on the part of the manager. Only long term, persistent revenue declines, from about three to eighteen months, effectively discipline the pricing behavior we observe. Absent revenue declines, we find that the partisan pricing behavior actually *accelerates*. If a manager does not experience such declines, after about 18 months the pricing effect is roughly double the baseline. Overall, the results of this subsection suggest that stores run by partisan managers experience negative consequences as a result of partisan pricing behavior.

8 Conclusion

In this study, we explore the influence of retail managers' political beliefs on product pricing decisions during periods of inflation and under various political regimes. We leverage rich transaction-level microdata, business registrations, and voter registration records to examine variation in political affiliations across managers of convenience stores on the same street, pricing identical products. We find that the effect of political beliefs is economically large. Republican managers increase prices by an additional 21% for each one percentage point increase in aggregate inflation during the Biden administration compared to the Trump administrations. The baseline specification accounts for differences in product mix, local market conditions, and demand shocks, and additional analyses suggest that the results are unlikely to be driven by partisan demand, customer willingness to pay, local ideological sorting, supplier/distributor effects, or pure attention/salience to inflation news. We show that the size of the effects is more than double in less competitive markets, demonstrating that competition plays a key disciplining role.

We contend that the results can be best explained by rapidly diverging inflation expectations across presidential administrations. The one-year inflation expectations of Republicans rise more than 3 percentage points relative to Democrats during the Biden administration in response to a one percentage point increase in realized inflation, and this pattern reverses under Republican administrations. Several additional pieces of evidence support a belief-based interpretation. First, the pricing effect operates through the size of price changes rather than the frequency of adjustment, weighing against pure attention or salience mechanisms. Second, The effect is amplified by pessimistic local news coverage of inflation, indicating that the information environment shapes how managers translate beliefs into pricing decisions. Importantly, we find that market forces discipline the pricing gap. The effects are concentrated in less competitive markets and inelastic products, and fades as customers substitute and revenues fall

Overall, this is the first study to link political beliefs of managers to retail pricing. The

results imply that political beliefs are a significant determinant of prices, particularly during periods of high inflation, with important implications for inflation dynamics and consumer welfare.

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Figure 1: Partisan Stores (Detroit, MI)

This figure plots the locations of the convenience stores in our sample within the Detroit–Warren–Ann Arbor metropolitan area. Red dots correspond to stores that are managed predominantly by Republicans (*Republican*), while blue dots correspond to stores managed predominantly by Democrats (*Democrat*).

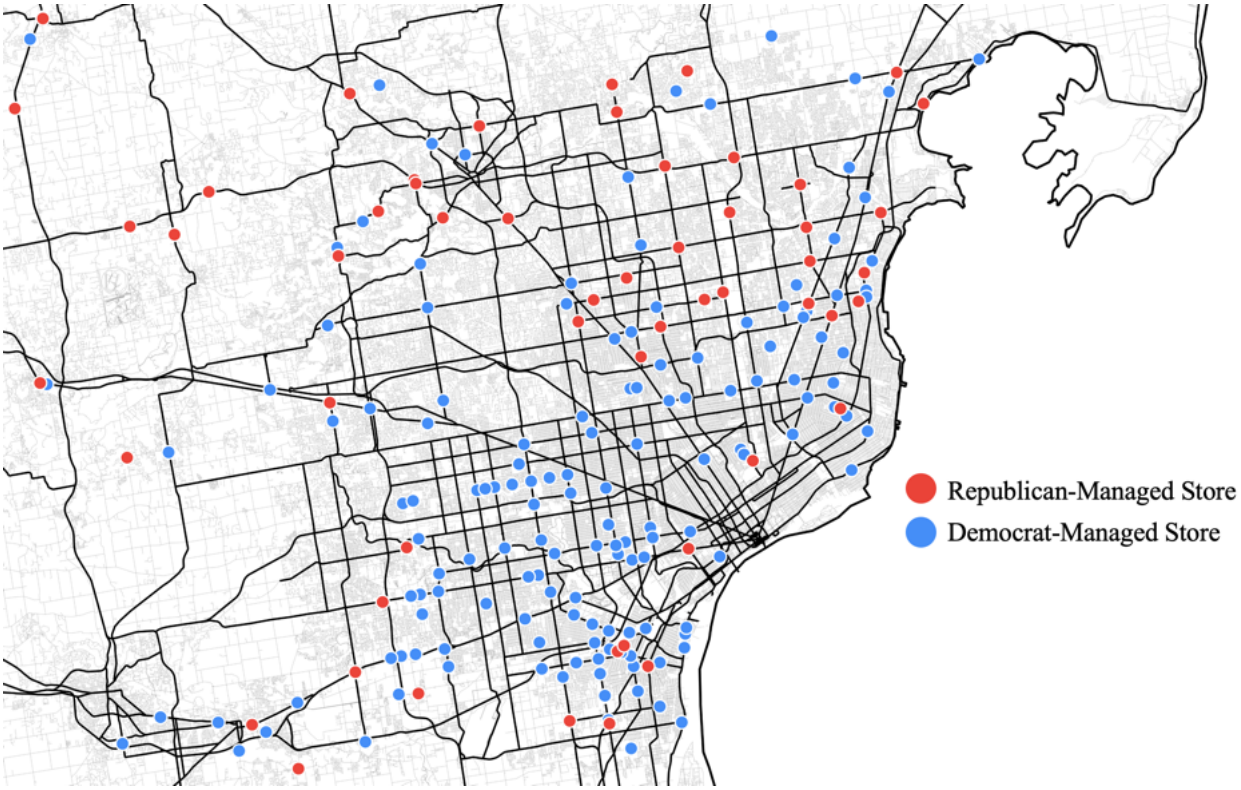


Figure 2: Inflation Expectations by Political Affiliation

This figure plots the average short-term (1-year) inflation expectations of Republican and Democrat respondents from the University of Michigan Survey of Consumers (MSC) between March 2020 and October 2025. The red line corresponds to the average expectation of respondents who identify as Republican, and the blue line corresponds to respondents who identify as Democrat. Both series are smoothed using a three-month trailing moving average. The shaded region between the two series is colored red when Republicans are above Democrats, and blue when Democrats are above Republicans. The dashed vertical lines mark the November 2020 election of Joseph Biden and the November 2024 election of Donald Trump. The solid vertical lines mark the January 2021 inauguration of Joseph Biden and the January 2025 inauguration of Donald Trump.

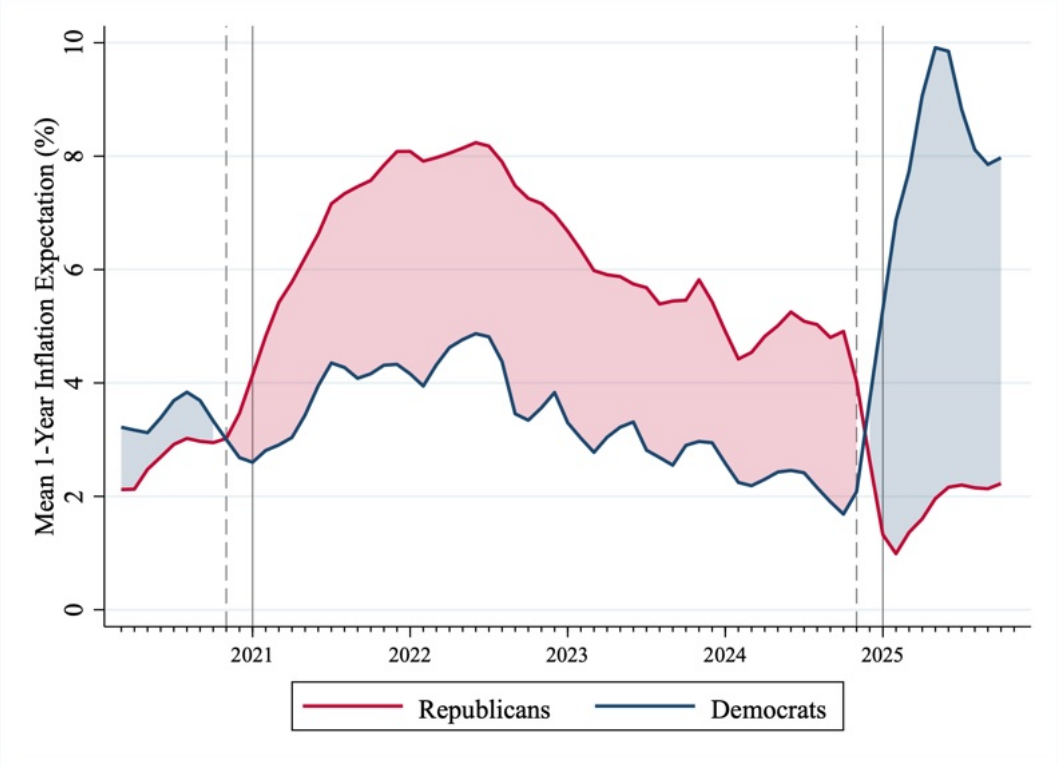


Figure 3: Retail Prices by Store Management Political Affiliation

This figure plots the average annual change in product prices at Republican-managed and Democrat-managed convenience stores in our sample between March 2020 and October 2025. The red line corresponds to the average annual price change at stores predominantly managed by Republicans (*Republican*), and the blue line corresponds to the average annual price change at stores predominantly managed by Democrats (*Democrat*). Both series are smoothed using a three-month trailing moving average. The shaded region between the two series is colored red when Republican-managed stores are above Democrat-managed stores, and blue when Democrat-managed stores are above Republican-managed stores. The dashed vertical lines mark the November 2020 election of Joseph Biden and the November 2024 election of Donald Trump. The solid vertical lines mark the January 2021 inauguration of Joseph Biden and the January 2025 inauguration of Donald Trump.

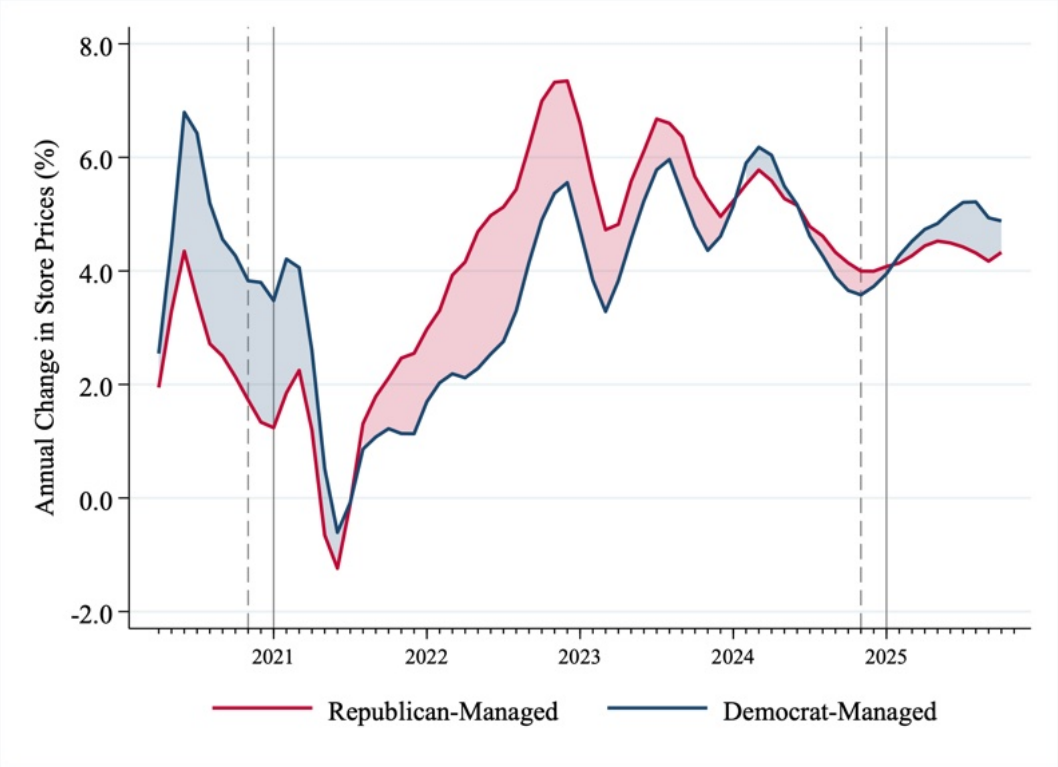
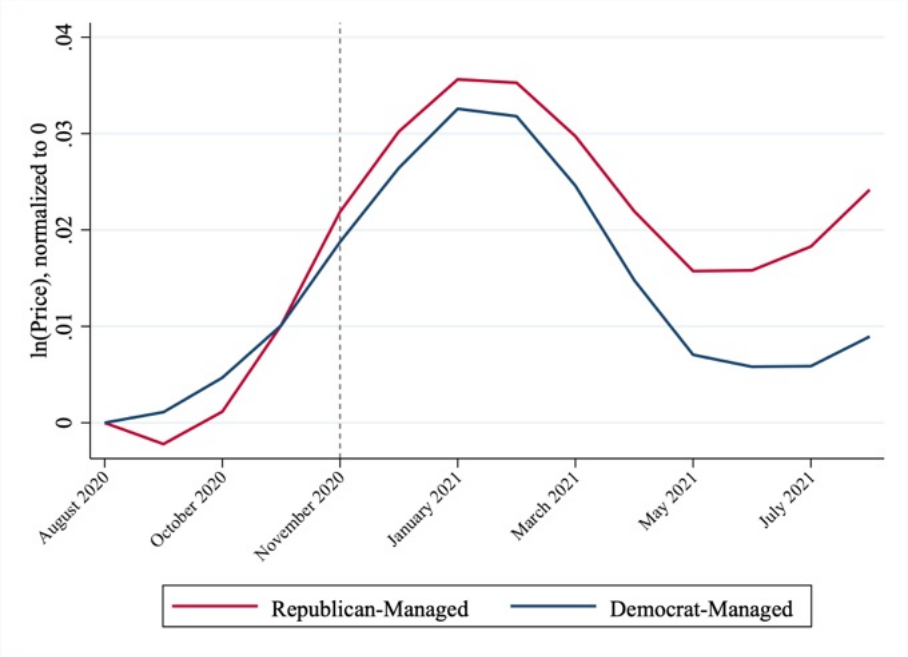


Figure 4: Elections

This figure plots the mean log-transformed price of products (relative to a pre-election baseline) at Republican-managed and Democrat-managed convenience stores in the months surrounding each presidential election. The dashed vertical line marks the election month. Panel A shows the months surrounding the election of Joseph Biden (August 2020–August 2021). Panel B shows the months surrounding the election of Donald Trump (August 2024–August 2025). The red line corresponds to the mean log-transformed price at stores predominantly managed by Republicans (*Republican*), and the blue line corresponds to the mean log price at stores predominantly managed by Democrats (*Democrat*). Log prices are normalized to zero in the first month of each respective sample period.

Panel A. Biden Election



Panel B. Trump Election

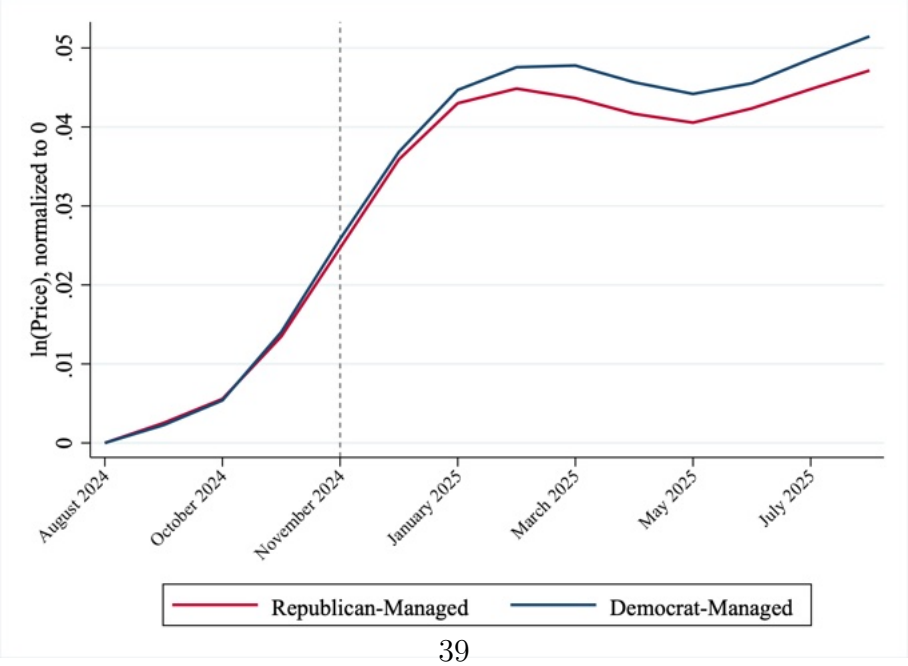


Figure 5: Independents and Non-Partisans

This figure plots the coefficient estimate on the triple interaction *Party Affiliation* × *Biden* × CPI_{t-1} from a specification analogous to Table 3, Column 4, separately defining manager party affiliation as Republican, Independent, or Democrat. In each estimation, the indicated party is identified using a dummy variable that equals one when the store's management is predominantly registered with that party, with the other two parties pooled in the omitted category. The corresponding regression specifications are reported in Internet Appendix Tables IA.9, IA.10, and IA.11. The dependent variable is *ln(Price)*, the log-transformed average price of a given product in the current month. Dots correspond to the point estimate and vertical bars correspond to 95% confidence intervals.

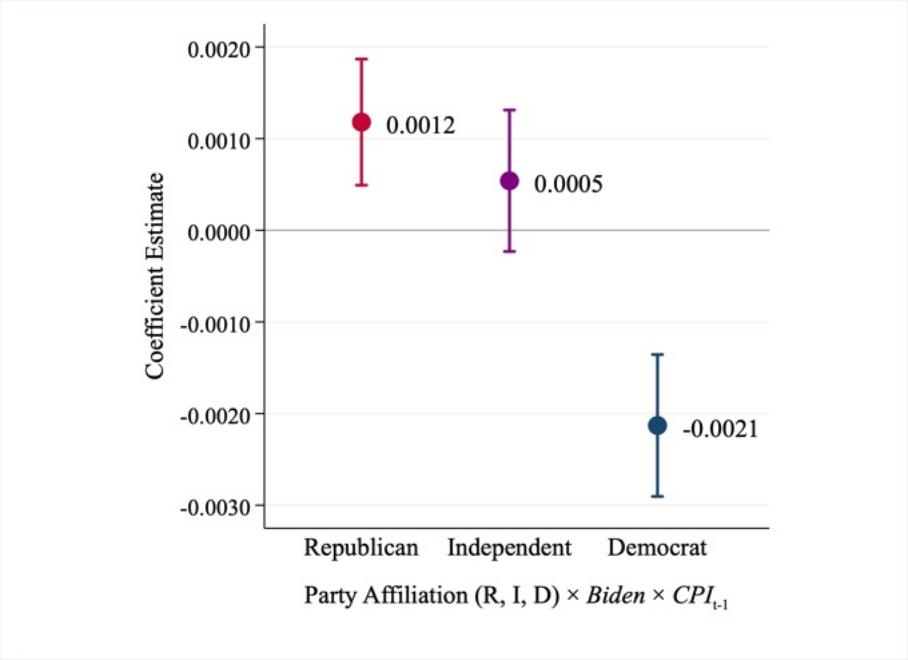


Figure 6: Other Macroeconomic Considerations (Standardized)

This figure plots coefficient estimates for triple interactions with *Republican*, *Biden*, and variety of macroeconomic time series, along with the requisite lower-order interactions (not pictured). The coefficients are standardized to facilitate comparison. *Inflation* represents the triple interaction from the baseline analysis. *Real Interest Rate (10-year)* refers to the triple interaction using the prevailing 10-year real interest rate, while *Unemployment Rate* refers to the triple interaction using the prevailing national unemployment rate. *Equity Returns* and *Equity Market Volatility* use S&P 500 returns. *Consumer Sentiment* uses the change in the University of Michigan Consumer Sentiment Index, *House Prices* use the change in the national Case-Shiller house price index, and *Economic Policy Uncertainty* uses the overall monthly change in the national economic policy uncertainty index. Each alternative macroeconomic factor is lagged by one month following the baseline design. All the macroeconomic variables are collected from FRED, available from the Federal Reserve Bank of St. Louis. In the regression, the dependent variable is *ln(Price)*, the log-transformed average price of a given product in the current month. The specification includes product × store, product × street × month-year, and quantity-sold fixed effects. The vertical bars correspond to 95% confidence intervals. Standard errors are double clustered by store and month. See Section 4 for additional details on the empirical specification.

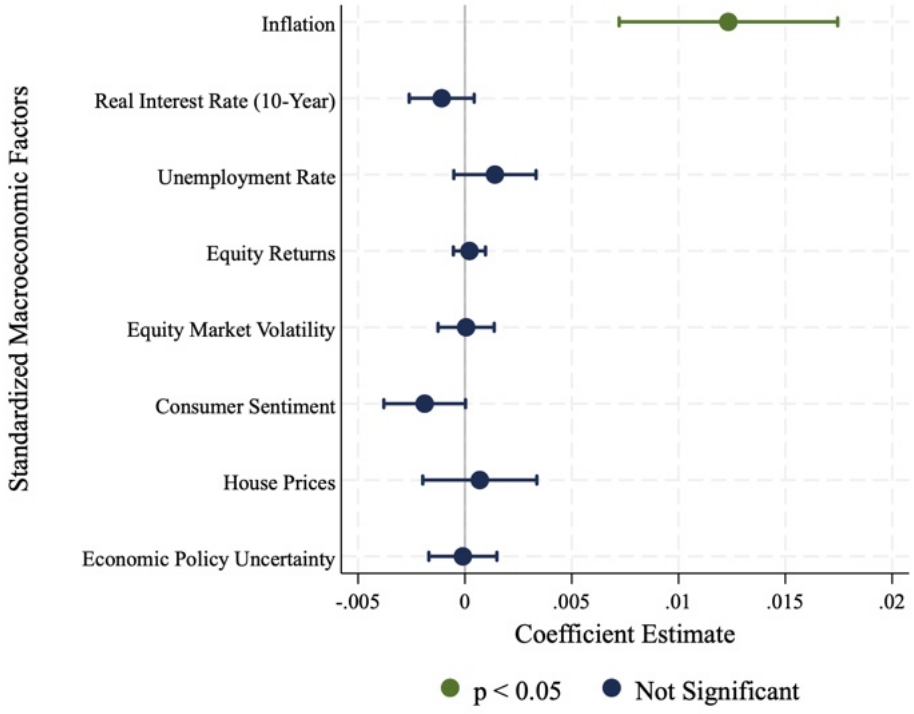
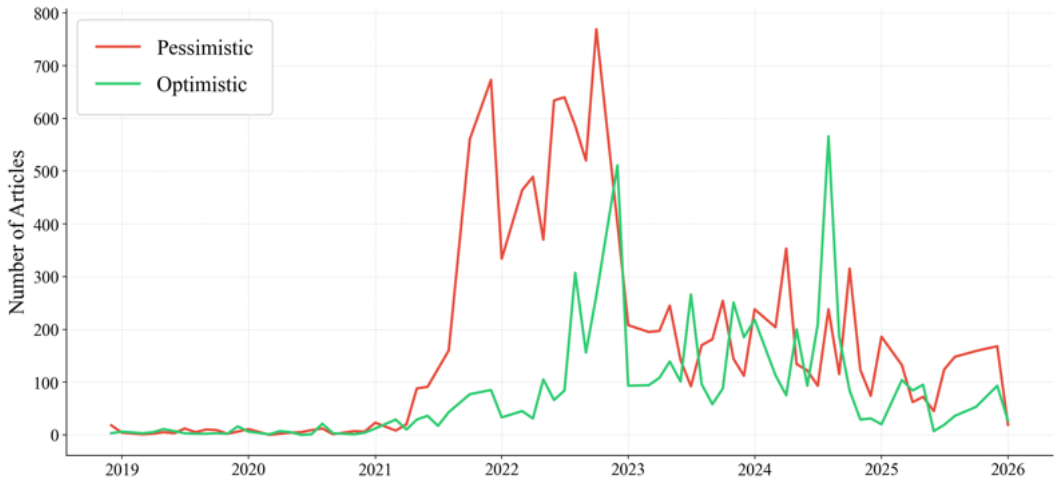


Figure 7: Local News Coverage of Inflation

This figure illustrates the volume and geographic distribution of local news coverage of inflation in the sample. We collect headlines from local news sources across the United States and classify each article as *Pessimistic*, *Optimistic*, or neutral with respect to expectations about future inflation using a large language model (LLM). Pessimistic articles are those suggesting inflation is likely to rise, while optimistic articles are those suggesting inflation is likely to decline. Panel A plots the monthly total number of pessimistic and optimistic articles across all sample counties between January 2019 and December 2025. The red line corresponds to pessimistic articles, and the green line corresponds to optimistic articles. Panel B plots the cumulative total number of pessimistic and optimistic articles over the sample period at the county level. Each circle is centered at the county centroid, and the size of the circle is proportional to the cumulative number of articles in that county. Red circles correspond to pessimistic articles and green circles correspond to optimistic articles.

Panel A. News Article Sentiment Over Time



Panel B. Cumulative News Article Sentiment

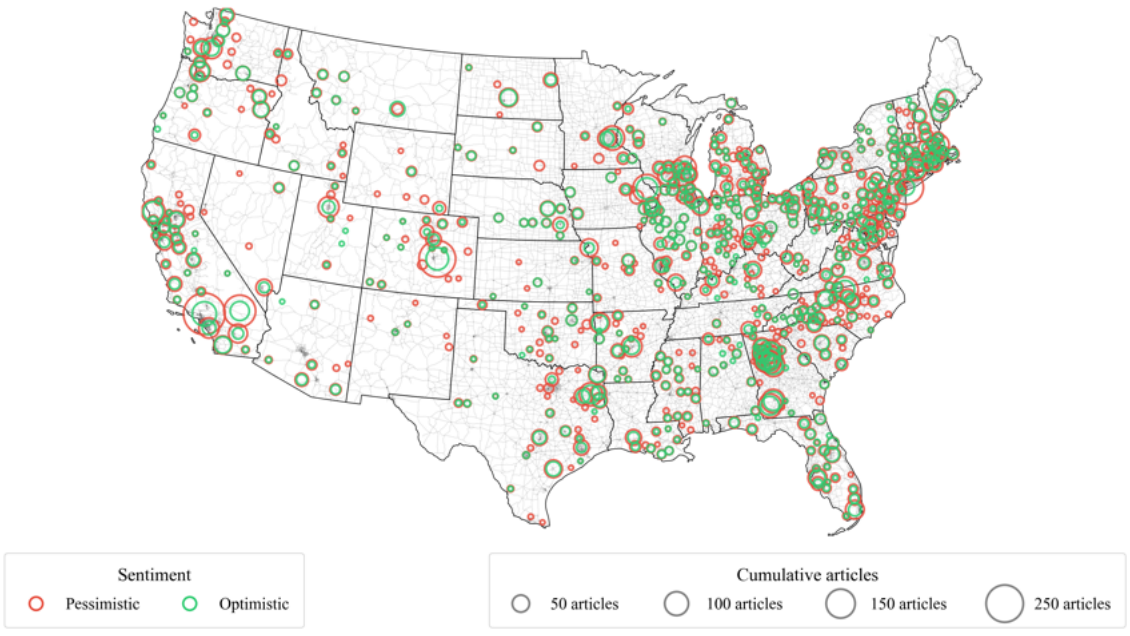


Figure 8: Local Market Competition Illustration (Billings, MT)

This figure illustrates the two local market competition measures used in the study, applied to an example store located in Billings, Montana. Panel A illustrates *Drive Time*, the driving time in minutes from the focal store to the nearest competitor. The focal store is marked in blue, the nearest competitor is marked in black, and the driving route between the two is highlighted in red. Panel B illustrates *Competitors*, the total number of competing stores that can be reached from the focal store within a two-minute drive. The focal store is marked in blue, competing stores reachable within two minutes are marked in black, and the driving routes between the focal store and each competitor are highlighted. Both measures are constructed using open-source traffic routing software.

Panel A. Drive Time to Nearest Competitor



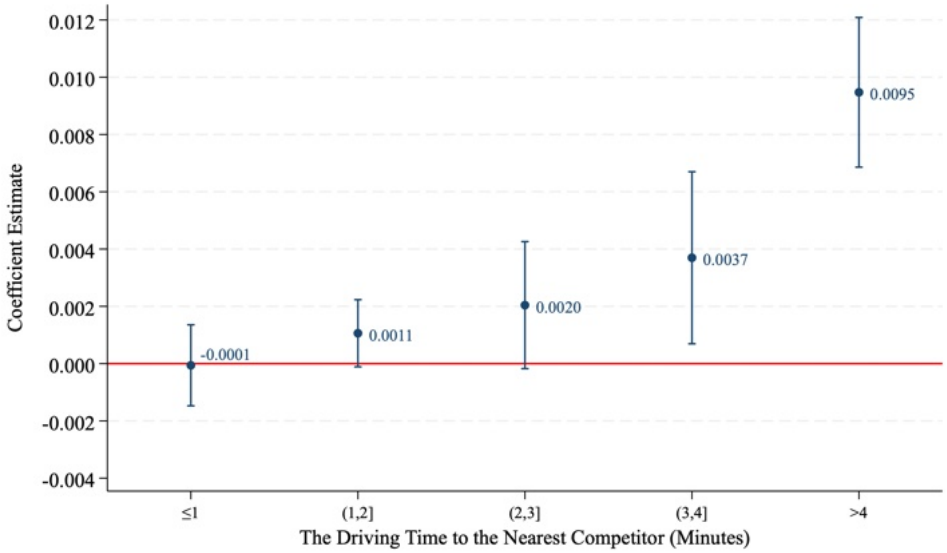
Panel B. Competitors Within a Two-Minute Drive



Figure 9: Local Market Competition Subsamples

This figure plots coefficient estimates of the triple interaction *Republican* × *Biden* × CPI_{t-1} across subsamples defined by local market competition. Panel A reports estimates across five subsamples based on *Drive Time*, the driving time in minutes from the focal store to the nearest competitor: ≤1, (1, 2], (2, 3], (3, 4], and >4 minutes. Panel B reports estimates across five subsamples based on *Competitors*, the total number of competing stores that can be reached from the focal store within a two-minute drive: 0, 1–5, 6–9, 10–14, and >14 competitors. The dependent variable is *ln(Price)*, the log-transformed average price of a given product in the current month. Each specification includes product × store, product × street × month-year, and quantity-sold fixed effects. The vertical bars correspond to 95% confidence intervals. Standard errors are double clustered by store and month.

Panel A. Drive Time to Nearest Competitor



Panel B. Competitors Within a Two-Minute Drive

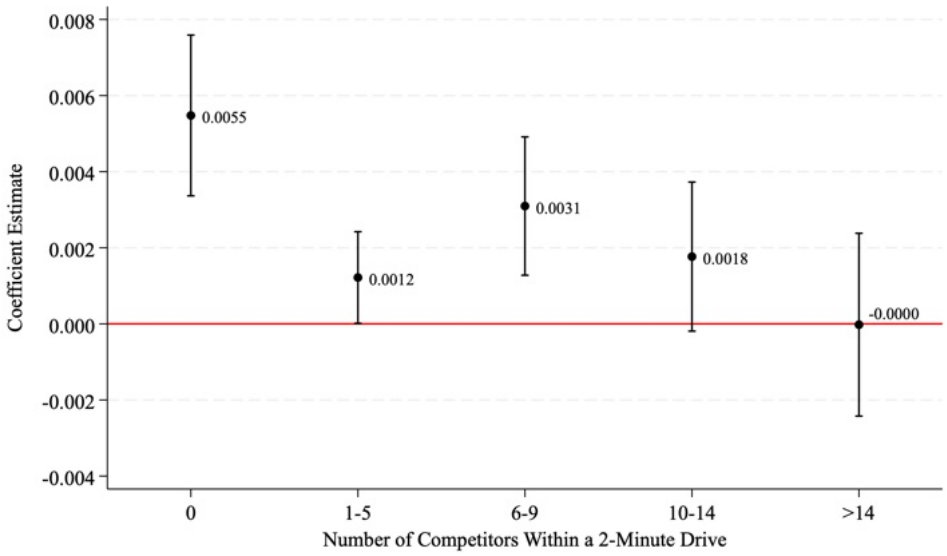


Figure 10: Product Elasticity

This figure plots coefficient estimates of the triple interaction *Republican* × *Biden* × CPI_{t-1} across subsamples defined by product-level demand elasticity. Products are sorted into quartiles by their estimated own-price elasticity of demand, where Q1 contains the most inelastic products and Q4 contains the most elastic products. The dependent variable is *ln(Price)*, the log-transformed average price of a given product in the current month. Each specification includes product × store, product × street × month-year, and quantity-sold fixed effects. The dots correspond to the point estimate and the vertical bars correspond to 95% confidence intervals. The dashed horizontal line marks zero. Standard errors are double clustered by store and month.

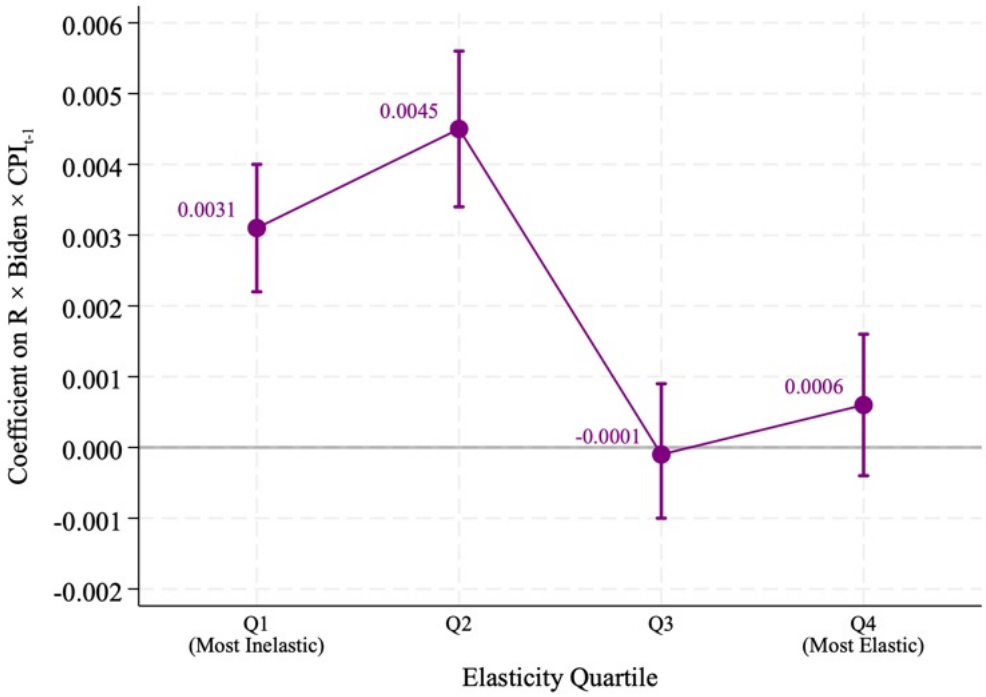
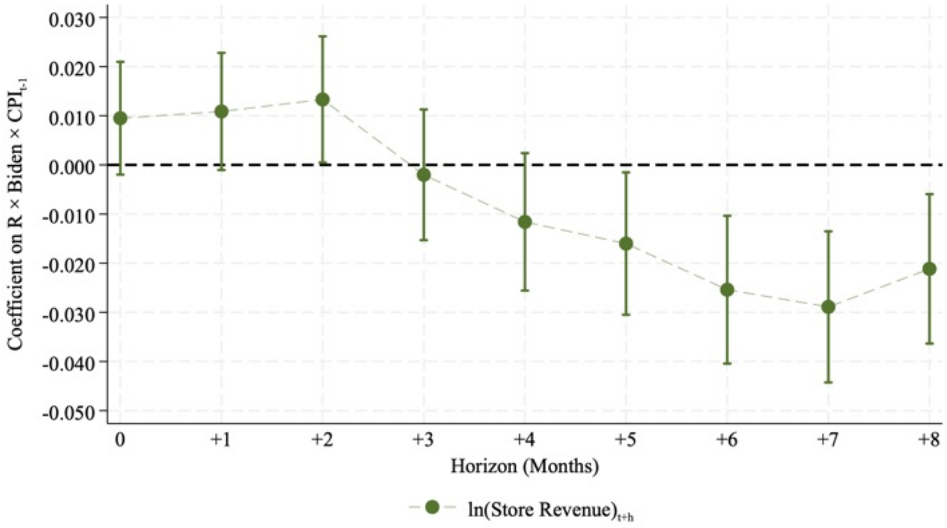


Figure 11: Customer Response

This figure plots coefficient estimates of the triple interaction *Republican* × *Biden* × CPI_{t-1} from local projections estimated at horizons of zero through eight months. Panel A reports estimates for $ln(Store\ Revenue)_{t+h}$, the log-transformed total revenue at the store in month $t+h$, capturing the dynamic demand response. Panel B reports estimates for two pricing outcomes: $ln(Price)_{t+h}$, the log-transformed average product price in month $t+h$, and $Markup\ Size_{t+h}$, the size of price markups in month $t+h$. Each specification includes product × store, product × street × month-year, and quantity-sold fixed effects. The dots correspond to point estimates and the vertical bars correspond to 95% confidence intervals. Standard errors are double clustered by store and month.

Panel A. Demand Response



Panel B. Pricing Response

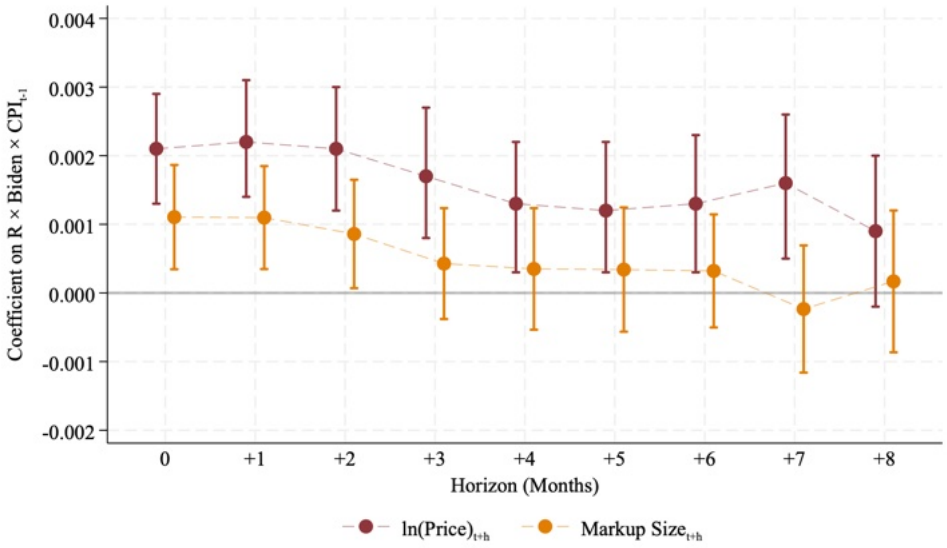


Table 1: Summary Statistics

This table reports the summary statistics of the key variables used in the study. Panel A reports variables from the University of Michigan Survey of Consumers, restricted to respondents who identify as either Republican or Democrat. Panel B reports variables from the retail scanner dataset linked to voter registration records, measured at the product-store-month level, with the exception of *Total Products Sold*, which is measured at the store-month level. All variables are defined in Section 2.

Panel A. Michigan Survey of Consumers

	Mean	SD	25th	Median	75th
Inflation Expectations	4.171	5.154	1	3	5
Republican	0.470	0.499	0	0	1
Democrat	0.530	0.499	0	1	1

Panel B. Retail Scanner Data

	Mean	SD	25th	Median	75th
Price ($)	4.180	3.870	1.99	2.79	5.21
Republican	0.633	0.482	0	1	1
Democrat	0.363	0.451	0	0	1
CPI_{t-1} (%)	3.986	2.290	2.487	3.153	5.390
Biden	0.692	0.462	0	1	1
Drive Time	2.146	2.237	0.95	1.44	2.42
Competitors	5.980	5.700	1	4	9
Total Products Sold	9,943	7,629	4,490	8,230	13,516
Price Change	0.118	0.646	0	0	1
Markup Size	0.040	0.058	0.009	0.022	0.048
Markdown Size	-0.041	0.064	-0.049	-0.021	-0.008
Pessimistic_{t-1}	0.169	0.749	0	0	0
Optimistic_{t-1}	0.077	0.407	0	0	0
Republican Lean	0.469	0.499	0	0	1
Split	0.374	0.484	0	0	1
Democrat Lean	0.157	0.364	0	0	0

Table 2: Inflation Expectations

This table reports the relationship between political affiliation and inflation expectations using data from the University of Michigan Survey of Consumers. The dependent variable of interest is *Inflation Expectations*, a variable equal to the future short-term (1-year) inflation rate that the respondent anticipates. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the respondent identifies with the Republican party; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The control variables include measures for income, education, gender, age, homeownership, and marital status. The sample is restricted to respondents who identify as either Republican or Democrat from 2019 onward. The unit of observation is at the respondent level. Standard errors are clustered at the region-month level. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: Inflation Expectations				
R × Biden × CPI_{t-1}	3.183***	3.147***	3.146***	3.146***
	(12.52)	(12.33)	(12.32)	(12.09)
R × Biden	-1.383**	-1.419**	-1.421**	-1.447**
	(-2.21)	(-2.27)	(-2.27)	(-2.27)
R × CPI_{t-1}	-2.900***	-2.850***	-2.848***	-2.847***
	(-11.72)	(-11.47)	(-11.46)	(-11.24)
Controls	No	Yes	Yes	Yes
Party FE	Yes	Yes	Yes	Yes
Month-Year FE	Yes	Yes	Yes	No
Region FE	No	No	Yes	No
Region × Month-Year FE	No	No	No	Yes
Observations	43,735	41,722	41,722	41,722
R-squared	0.147	0.157	0.157	0.162

Table 3: Partisan Managers and Product Pricing

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1}	0.00226***	0.00213***	0.00216***	0.00211***
	(5.91)	(5.50)	(5.32)	(5.22)
R × Biden	-0.00524***	-0.00438***	-0.00438***	-0.00432***
	(-5.54)	(-4.55)	(-4.34)	(-4.29)
R × CPI_{t-1}	-0.00199***	-0.00187***	-0.00190***	-0.00185***
	(-5.42)	(-5.12)	(-4.96)	(-4.87)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	33,005,873	24,814,025	24,676,178	24,675,884
R-squared	0.9546	0.9895	0.9910	0.9910

Table 4: Price Adjustment

This table reports the effects of managerial partisanship on the direction and magnitude of price adjustments. The dependent variable in column 1 is *Price Change*, a variable equal to +1 if the product price increased in the given month, -1 if the price decreased, and 0 if the price did not change. The dependent variable in column 2 is *Markup Size*, a variable equal to the log change in the product price, conditional on a price increase. The dependent variable in column 3 is *Markdown Size*, a variable equal to the log change in the product price, conditional on a price decrease. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)
DV:	Price Change	Markup Size	Markdown Size
R × Biden × CPI_{t-1}	-0.00091	0.00110***	-0.00074
	(-0.49)	(2.85)	(-1.25)
R × Biden	0.00365	-0.00330***	0.00286*
	(0.78)	(-3.38)	(1.85)
R × CPI_{t-1}	0.00091	-0.00085**	0.00081
	(0.53)	(-2.33)	(1.45)
Product × Store FE	Yes	Yes	Yes
Product × Street × Month-Year FE	Yes	Yes	Yes
Quantity $Sold_{t-1}$ FE	Yes	Yes	Yes
Observations	20,479,944	4,076,934	2,120,063
R-squared	0.3020	0.5454	0.5668

Table 5: Local News Sentiment

This table reports the effects of managerial partisanship on product pricing decisions conditional on local news coverage of inflation. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month; $Pessimistic_{t-1}$, the count of articles in a particular month that suggest inflation is likely to rise, lagged by one month; and $Optimistic_{t-1}$, the count of articles in a particular month that suggest inflation is likely to decline, lagged by one month. We generate both news variables using LLMs processing headlines from local news sources. All lower-order interactions are included but suppressed for brevity. See Table IA.19. for the unsuppressed specifications. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)
DV: ln(Price)			
R × Biden × CPI_{t-1} × $Pessimistic_{t-1}$	0.00694**		0.00745**
	(2.31)		(2.43)
R × Biden × CPI_{t-1} × $Optimistic_{t-1}$		0.00092	0.00063
		(0.50)	(0.35)
R × Biden × CPI_{t-1}	0.00189***	0.00205***	0.00186***
	(4.66)	(5.08)	(4.60)
Lower Order Interactions	Yes	Yes	Yes
Product × Store FE	Yes	Yes	Yes
Product × Street × Month-Year FE	Yes	Yes	Yes
Quantity $Sold_{t-1}$ FE	Yes	Yes	Yes
Observations	24,675,884	24,675,884	24,675,884
R-squared	0.9910	0.9910	0.9910

Table 6: Local Market Competition

This table reports the effects of managerial partisanship on product pricing decisions conditional on local market competition. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month; and, in Panel A, *Drive Time*, a variable equal to the time it takes to drive from the store of interest to the nearest competitor, which we classify using traffic software and measure in minutes; and in Panel B, *Competitors*, a variable equal to the total of competitors that can be driven to within two minutes, which we also classify using traffic software. All lower-order interactions are included but suppressed for brevity. See Table IA.13 and IA.14 for the unsuppressed specifications, respectively. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

Panel A. Drive Time

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1} × Drive Time	0.00042**	0.00065***	0.00069***	0.00070***
	(2.40)	(3.60)	(3.61)	(3.65)
R × Biden × CPI_{t-1}	0.00134***	0.00072	0.00067	0.00060
	(2.60)	(1.38)	(1.22)	(1.10)
Lower Order Interactions	Yes	Yes	Yes	Yes
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	32,837,872	24,687,222	24,550,429	24,550,135
R-squared	0.9546	0.9895	0.9910	0.9911

Panel B. Competitors

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1} × Competitors	-0.00022***	-0.00024***	-0.00024***	-0.00022***
	(-3.46)	(-3.61)	(-3.50)	(-3.29)
R × Biden × CPI_{t-1}	0.00361***	0.00360***	0.00363***	0.00351***
	(6.48)	(6.30)	(6.08)	(5.90)
Lower Order Interactions	Yes	Yes	Yes	Yes
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	32,851,077	24,696,334	24,559,356	24,559,062
R-squared	0.9546	0.9895	0.9910	0.9911

Internet Appendix to:

Partisan Pricing

FOR ONLINE PUBLICATION

Contents

IA.1 Supplemental Figures and Tables

IA.2 Data Appendix

IA.3 Product Examples

IA.4 Local News Articles

IA.1 Supplemental Figures and Tables

Figure IA.1: Sample Store Prices vs. Aggregate Inflation Measures

This figure compares the evolution of average store prices in our sample to two standard aggregate measures of inflation over the sample period (January 2019 through December 2025). The solid black line plots the cumulative percentage change in the average price of products in our sample relative to the baseline month (January 2019). The dashed red line plots the cumulative percentage change in the Consumer Price Index (CPI), and the dotted blue line plots the cumulative percentage change in the Personal Consumption Expenditures (PCE) price index, both relative to the same baseline.

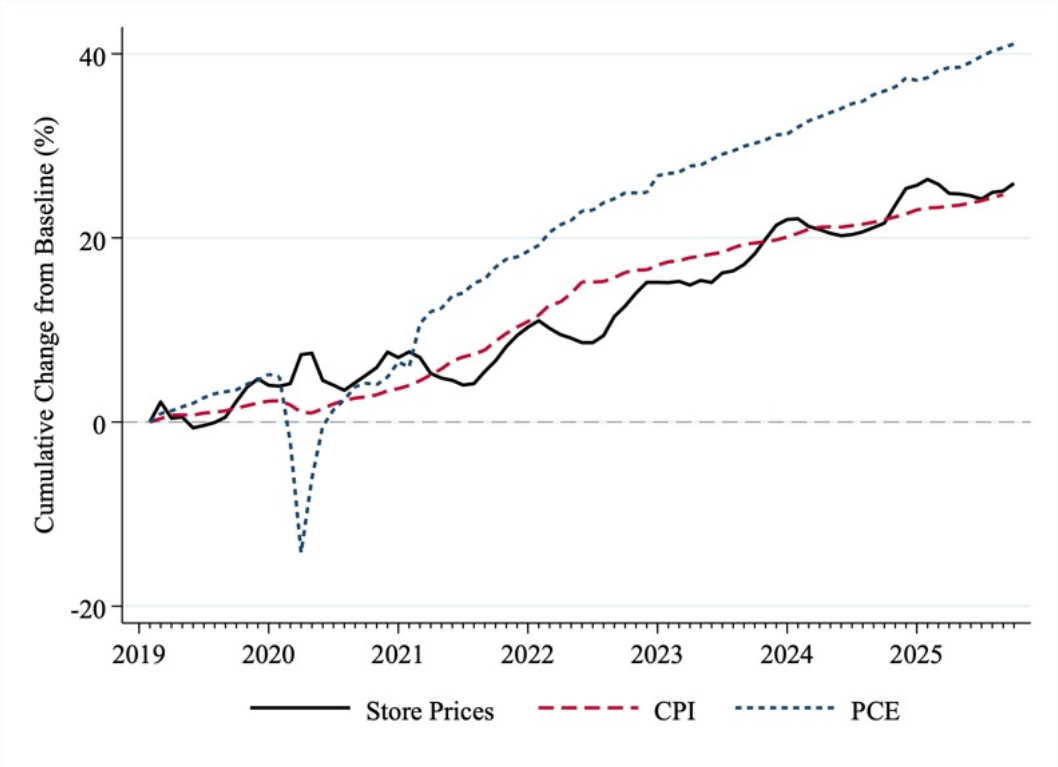


Figure IA.2: Stores (United States)

This figure plots the locations of the convenience stores in our sample across the United States. Red dots correspond to stores that are managed predominantly by Republicans (*Republican*), while blue dots correspond to stores managed predominantly by Democrats (*Democrat*).

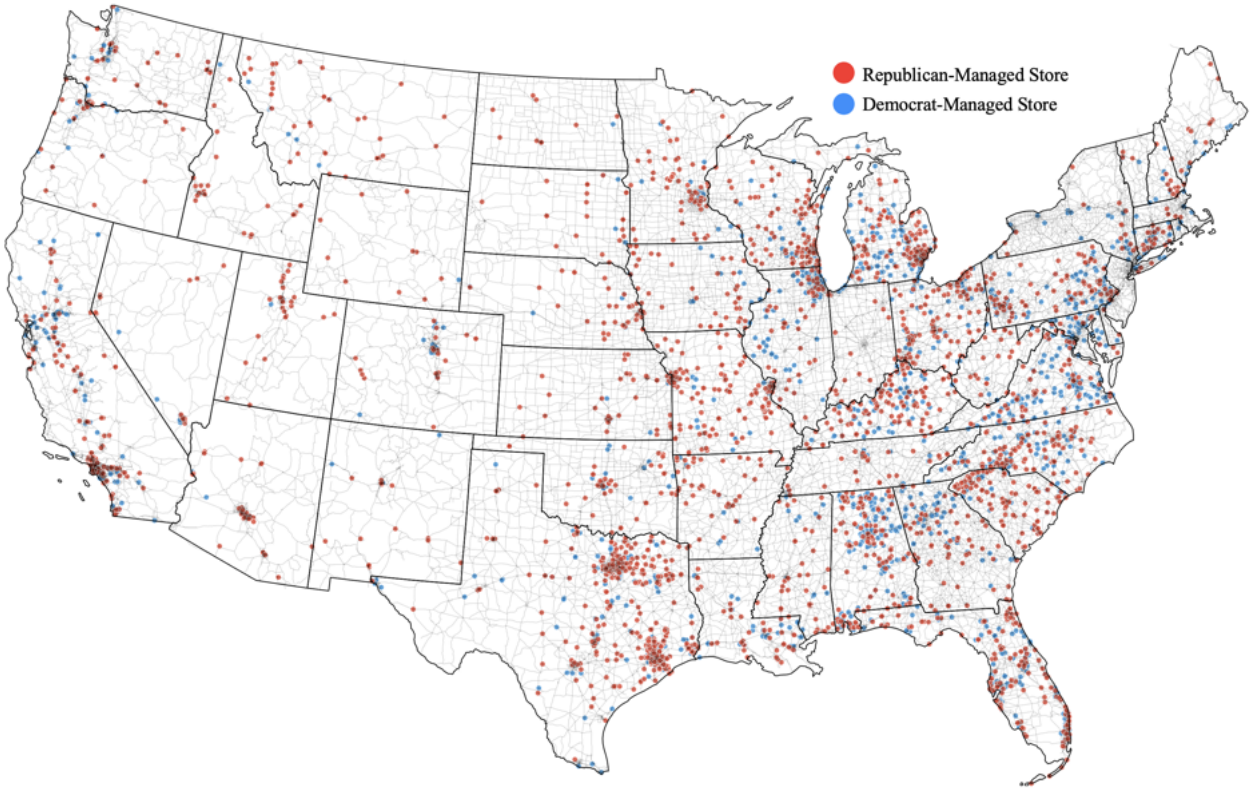


Figure IA.3: Alternative Clustering Levels

This figure plots the coefficient estimate on the triple interaction *Republican* × *Biden* × CPI_{t-1} from the baseline specification of Table 3, Column 4, under a range of alternative standard error clustering levels. The baseline specification clusters standard errors at the store × month-year level, which is highlighted in green on the y-axis. The alternative clustering levels reported are street × month-year, product, product × month-year, and product × store. The dependent variable is *ln(Price)*, the log-transformed average price of a given product in the current month. The dots correspond to the point estimate and the horizontal bars correspond to 95% confidence intervals. The vertical red line marks zero. See Section 4 for additional details on the empirical specification.

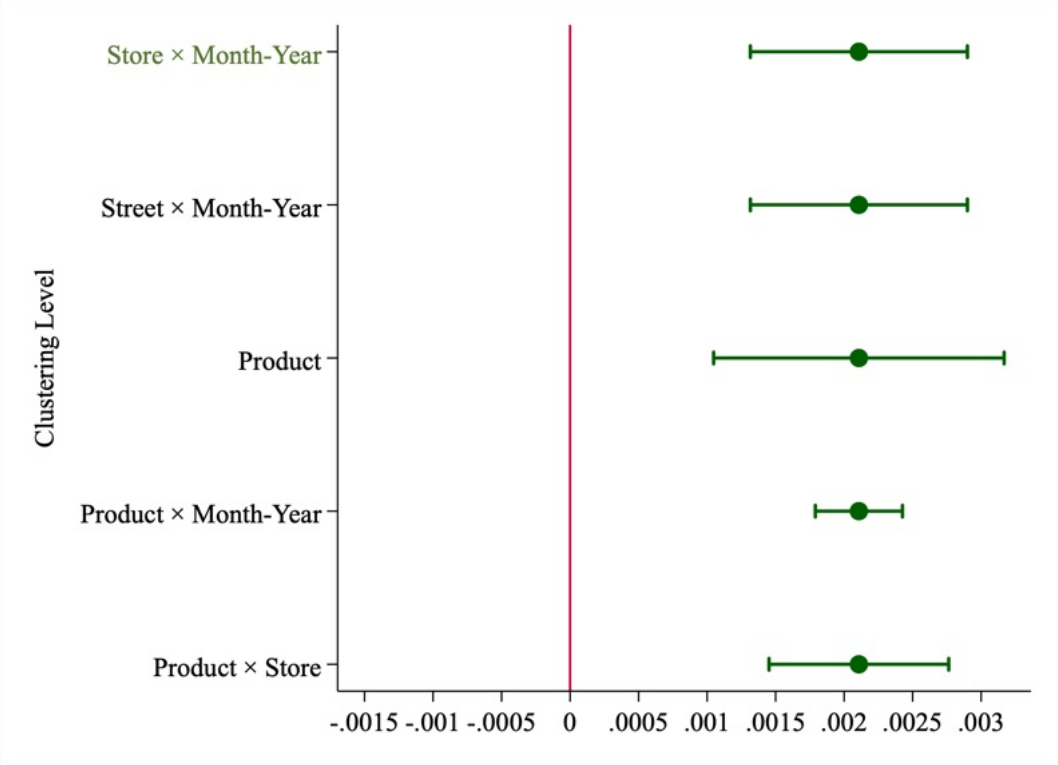


Figure IA.4: Pricing Effect by Inflation Bin

This figure plots coefficient estimates for the triple interaction *Republican* × *Biden* × *Inflation Bin* across four bins of lagged year-over-year CPI inflation: <2%, 2–3%, 3–4%, and >4%. The <2% bin serves as the omitted reference category. The dependent variable is *ln(Price)*, the log-transformed average price of a given product in the current month. The specification replaces the continuous CPI_{t-1} variable of Table 3 with the set of bin indicators, and includes all corresponding lower-order interactions between *Republican*, *Biden*, and the bin dummies. The specification includes product × store, product × street × month-year, and quantity-sold fixed effects. The vertical bars correspond to 95% confidence intervals. Standard errors are double clustered by store and month. See Section 4 for additional details on the empirical specification.

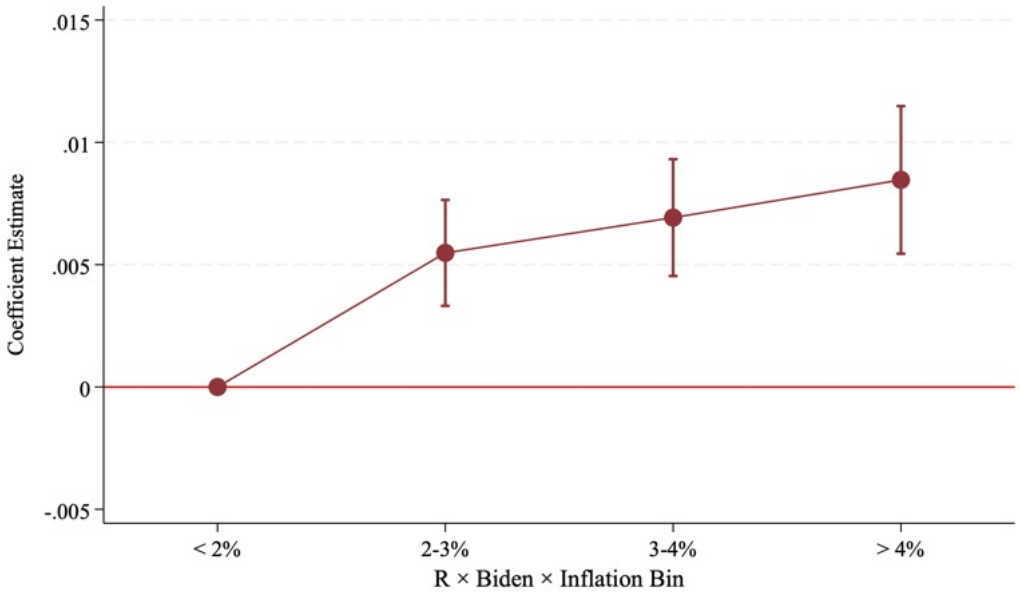


Figure IA.5: Trailing Revenue Growth

This figure plots coefficient estimates of the triple interaction *Republican* × *Biden* × CPI_{t-1} conditional on the pre-existing revenue growth of the store across a variety of trailing time horizons. The x-axis reports four trailing windows over which store revenue growth is measured: the past 18 months, the past 12 months, the past 3 months, and the past month. Within each window, the sample is split into stores with negative trailing revenue growth (red) and stores with positive trailing revenue growth (green). The dependent variable is *ln(Price)*, the log-transformed average price of a given product in the current month. Each specification includes product × store, product × street × month-year, and quantity-sold fixed effects. The dots correspond to point estimates and the vertical bars correspond to 95% confidence intervals. The dashed horizontal line marks zero. Standard errors are double clustered by store and month.

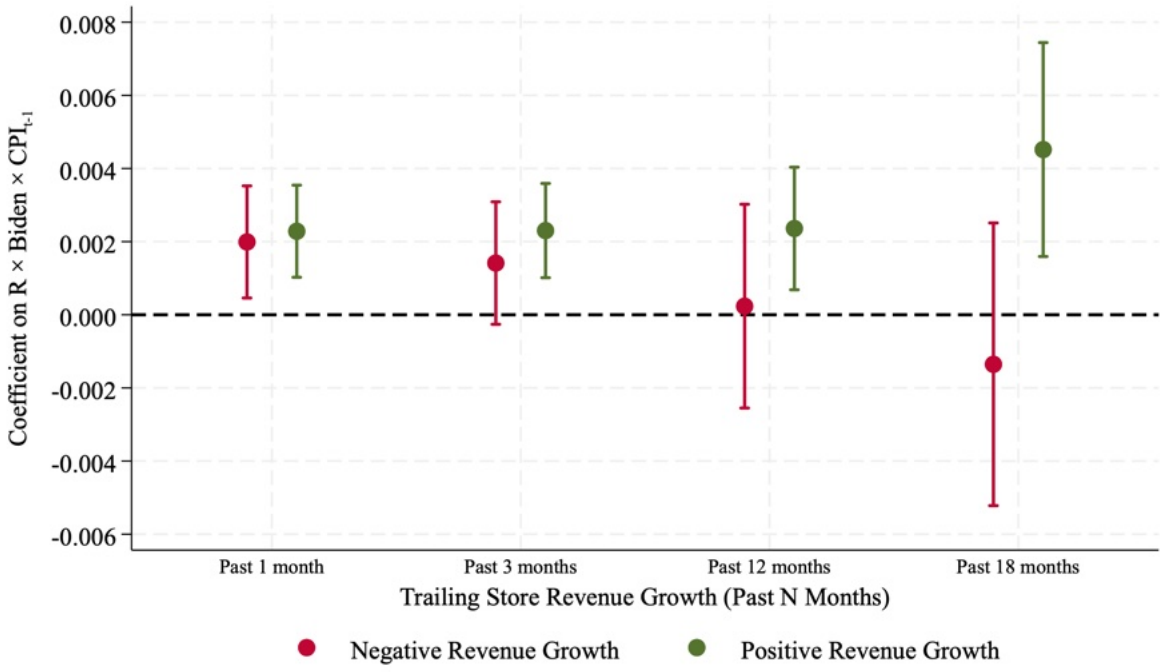


Table IA.1: Nonlinear CPI Specification

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, augmenting the baseline specification with a quadratic CPI term. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month; and CPI^2_{t-1}, the squared lagged CPI-based inflation rate. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI^2_{t-1}	0.00141***	0.00125***	0.00127***	0.00129***
	(3.44)	(3.21)	(3.13)	(3.17)
R × Biden × CPI_{t-1}	-0.00174	-0.00074	-0.00073	-0.00081
	(-1.14)	(-0.51)	(-0.48)	(-0.54)
R × Biden	-0.00462***	-0.00590***	-0.00602***	-0.00598***
	(-2.81)	(-3.63)	(-3.54)	(-3.52)
R × CPI_{t-1}	0.00326**	0.00299**	0.00304**	0.00314**
	(2.25)	(2.19)	(2.13)	(2.21)
R × CPI^2_{t-1}	-0.00152***	-0.00143***	-0.00146***	-0.00148***
	(-3.74)	(-3.69)	(-3.61)	(-3.66)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	33,005,873	24,814,025	24,676,178	24,675,884
R-squared	0.9546	0.9895	0.9910	0.9910

Table IA.2: High and Low Inflation Subsamples

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, separately for months with high and low realized inflation. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. Column 1 restricts the sample to months in which CPI_{t-1} is greater than 2%, and column 2 restricts the sample to months in which CPI_{t-1} is less than or equal to 2%. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)
	CPI > 2%	CPI ≤ 2%
DV: ln(Price)		
R × Biden × CPI_{t-1}	0.00398***	-0.00490
	(3.25)	(-1.07)
R × Biden	-0.00870***	0.00644
	(-2.64)	(0.88)
R × CPI_{t-1}	-0.00375***	0.00154**
	(-3.09)	(2.54)
Product × Store FE	Yes	Yes
Product × Street × Month-Year FE	Yes	Yes
Quantity $Sold_{t-1}$ FE	Yes	Yes
Observations	20,353,956	2,423,157
R-squared	0.9915	0.9974

Table IA.3: Alternative Geographic Fixed Effects

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation using alternative geographic fixed effects. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. In column 1, the product-geography-month-year fixed effect is defined at the state level; in column 2, at the city level; in column 3, at the zip code level; and in column 4, at the street level (the baseline specification). The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
Geography:	State	City	Zip	Street
DV: ln(Price)				
R × Biden × CPI_{t-1}	0.00097***	0.00185***	0.00209***	0.00211***
	(2.96)	(5.72)	(5.25)	(5.22)
R × Biden	-0.00232***	-0.00380***	-0.00426***	-0.00432***
	(-2.87)	(-4.73)	(-4.30)	(-4.29)
R × CPI_{t-1}	-0.00060*	-0.00158***	-0.00186***	-0.00185***
	(-1.92)	(-5.20)	(-4.97)	(-4.87)
Product × Store FE	Yes	Yes	Yes	Yes
Product × Geography × Month-Year FE	Yes	Yes	Yes	Yes
Quantity $Sold_{t-1}$ FE	Yes	Yes	Yes	Yes
Observations	31,984,181	23,373,770	24,978,274	24,675,884
R-squared	0.9929	0.9944	0.9913	0.9910

Table IA.4: Election-Based Biden Indicator

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, using an election-based definition of the Biden period. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; $Biden_e$, an indicator equal to one between the November 2020 election of Joseph Biden and the November 2024 election of Donald Trump, and zero otherwise; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden_e × CPI_{t-1}	0.00235***	0.00223***	0.00229***	0.00225***
	(6.21)	(5.80)	(5.68)	(5.60)
R × Biden_e	-0.00548***	-0.00473***	-0.00482***	-0.00482***
	(-5.70)	(-4.86)	(-4.73)	(-4.74)
R × CPI_{t-1}	-0.00211***	-0.00199***	-0.00204***	-0.00201***
	(-5.75)	(-5.42)	(-5.31)	(-5.23)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity Sold_{t-1} FE	No	No	No	Yes
Observations	33,005,873	24,814,025	24,676,178	24,675,884
R-squared	0.9546	0.9895	0.9910	0.9910

Table IA.5: PCE-Based Inflation

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, using the PCE-based inflation rate in place of the CPI-based measure. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and PCE_{t-1}, the prevailing year-over-year PCE-based inflation rate lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × PCE_{t-1}	0.00381***	0.00342***	0.00344***	0.00337***
	(8.56)	(7.58)	(7.26)	(7.15)
R × Biden	-0.00806***	-0.00679***	-0.00675***	-0.00666***
	(-7.89)	(-6.55)	(-6.22)	(-6.15)
R × PCE_{t-1}	-0.00339***	-0.00300***	-0.00301***	-0.00296***
	(-8.02)	(-7.14)	(-6.85)	(-6.75)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	33,005,873	24,814,025	24,676,178	24,675,884
R-squared	0.9546	0.9895	0.9910	0.9910

Table IA.6: Alternative Lags

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, using alternative lag structures for the CPI-based inflation measure. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-L}, the prevailing year-over-year CPI-based inflation rate lagged by L months, where L ranges from two to five months across the columns. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
Months Lagging:	2	3	4	5
DV: ln(Price)				
R × Biden × CPI_{t-L}	0.00203***	0.00191***	0.00185***	0.00177***
	(4.96)	(4.64)	(4.52)	(4.31)
R × Biden	-0.00425***	-0.00408***	-0.00399***	-0.00385***
	(-4.20)	(-4.03)	(-4.00)	(-3.86)
R × CPI_{t-L}	-0.00173***	-0.00159***	-0.00151***	-0.00143***
	(-4.45)	(-4.02)	(-3.82)	(-3.58)
Product × Store FE	Yes	Yes	Yes	Yes
Product × Street × Month-Year FE	Yes	Yes	Yes	Yes
Quantity $Sold_{t-1}$ FE	Yes	Yes	Yes	Yes
Observations	24,675,884	24,675,884	24,675,884	24,675,884
R-squared	0.9910	0.9910	0.9910	0.9910

Table IA.7: Fully Partisan Managers

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, restricting the sample to stores whose management is fully Republican or fully Democrat. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is entirely registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1}	0.00225***	0.00218***	0.00223***	0.00218***
	(5.43)	(5.19)	(5.08)	(4.99)
R × Biden	-0.00528***	-0.00459***	-0.00462***	-0.00461***
	(-5.16)	(-4.42)	(-4.25)	(-4.24)
R × CPI_{t-1}	-0.00200***	-0.00201***	-0.00206***	-0.00202***
	(-5.01)	(-5.08)	(-4.99)	(-4.90)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	27,918,849	20,905,121	20,802,173	20,801,880
R-squared	0.9549	0.9898	0.9910	0.9911

Table IA.8: Partisan Mismatch

This table reports the effects of partisan mismatch between store management and the sitting U.S. president on product pricing decisions during periods of elevated inflation. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variable of interest is *Mismatch*, an indicator variable equal to one when the management of the store is predominantly registered as Republicans and Joseph Biden (Democrat) is the sitting president, or when the management is predominantly registered as Democrats and Donald Trump (Republican) is the sitting president, and zero otherwise. CPI_{t-1} is the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
Mismatch × CPI_{t-1}	0.00034***	0.00030***	0.00030***	0.00030***
	(4.23)	(3.63)	(3.49)	(3.41)
Mismatch	-0.00108***	-0.00065**	-0.00062*	-0.00063*
	(-3.46)	(-2.07)	(-1.91)	(-1.92)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	33,005,873	24,814,025	24,676,178	24,675,884
R-squared	0.9546	0.9895	0.9910	0.9910

Table IA.9: Republican Managers (Including Independents)

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, estimated on an expanded sample that includes stores managed predominantly by Republicans, Democrats, or Independents. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1}	0.00152***	0.00110***	0.00110***	0.00118***
	(4.55)	(3.30)	(3.13)	(3.36)
R × Biden	-0.00310***	-0.00174**	-0.00155*	-0.00180**
	(-3.72)	(-2.07)	(-1.77)	(-2.05)
R × CPI_{t-1}	-0.00146***	-0.00109***	-0.00109***	-0.00117***
	(-4.54)	(-3.46)	(-3.30)	(-3.55)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	44,815,072	34,039,568	33,790,380	33,789,816
R-squared	0.9548	0.9890	0.9910	0.9911

Table IA.10: Independent Managers

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, estimated on an expanded sample that includes stores managed predominantly by Republicans, Democrats, or Independents. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Independent (I)*, an indicator variable for whether the management of the store is predominantly registered as Independents; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
I × Biden × CPI_{t-1}	0.00009	0.00080**	0.00074*	0.00054
	(0.23)	(2.14)	(1.88)	(1.37)
I × Biden	-0.00085	-0.00264***	-0.00257**	-0.00211**
	(-0.87)	(-2.76)	(-2.56)	(-2.10)
I × CPI_{t-1}	0.00004	-0.00066*	-0.00060	-0.00040
	(0.10)	(-1.85)	(-1.61)	(-1.09)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	44,815,072	34,039,568	33,790,380	33,789,816
R-squared	0.9548	0.9890	0.9910	0.9911

Table IA.11: Democrat Managers (Including Independents)

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, estimated on an expanded sample that includes stores managed predominantly by Republicans, Democrats, or Independents. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Democrat (D)*, an indicator variable for whether the management of the store is predominantly registered as Democrats; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
D × Biden × CPI_{t-1}	-0.00205***	-0.00235***	-0.00226***	-0.00213***
	(-5.39)	(-6.20)	(-5.70)	(-5.39)
D × Biden	0.00503***	0.00534***	0.00503***	0.00481***
	(5.31)	(5.66)	(5.07)	(4.86)
D × CPI_{t-1}	0.00183***	0.00215***	0.00209***	0.00196***
	(4.98)	(6.01)	(5.57)	(5.24)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	44,815,072	34,039,568	33,790,380	33,789,816
R-squared	0.9548	0.9890	0.9911	0.9911

Table IA.12: Local Market Competition and Pricing

This table reports the relationship between local market competition and product prices in the sample. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. In column (1), the independent variable of interest is *Drive Time*, the driving time in minutes from the focal store to the nearest competitor. In column (2), the independent variable of interest is *Competitors*, the total number of competitors that can be driven to within two minutes. The unit of observation is the product-store-month. Standard errors are double-clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)
DV: ln(Price)		
Drive Time	0.00268***	
	(13.89)	
Competitors		-0.00086***
		(-14.54)
Zip Code FE	Yes	Yes
Product FE	Yes	Yes
Month-Year FE	Yes	Yes
Observations	32,837,875	32,851,080
R-squared	0.9541	0.9541

Table IA.13: Full Lower-Order Interactions

This table reports the effects of managerial partisanship on product pricing decisions conditional on local market competition, measured by driving distance to the nearest competitor, with all lower-order interactions reported. This table corresponds to Table 6, Panel A, with the suppressed coefficients included. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month; and *Drive Time*, a variable equal to the time it takes to drive from the store of interest to the nearest competitor, measured in minutes. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1} × Drive Time	0.00042**	0.00065***	0.00069***	0.00070***
	(2.40)	(3.60)	(3.61)	(3.65)
R × Biden × CPI_{t-1}	0.00134***	0.00072	0.00067	0.00060
	(2.60)	(1.38)	(1.22)	(1.10)
Biden × CPI_{t-1} × Drive Time	-0.00045***	-0.00071***	-0.00073***	-0.00074***
	(-3.03)	(-4.67)	(-4.55)	(-4.62)
R × CPI_{t-1} × Drive Time	-0.00042**	-0.00058***	-0.00061***	-0.00063***
	(-2.49)	(-3.40)	(-3.40)	(-3.45)
R × Biden × Drive Time	-0.00139***	-0.00189***	-0.00198***	-0.00201***
	(-3.20)	(-4.14)	(-4.11)	(-4.17)
CPI_{t-1} × Drive Time	0.00051***	0.00069***	0.00071***	0.00073***
	(3.63)	(4.78)	(4.66)	(4.74)
Biden × Drive Time	0.00128***	0.00194***	0.00197***	0.00200***
	(3.49)	(4.96)	(4.80)	(4.84)
R × CPI_{t-1}	-0.00108**	-0.00062	-0.00058	-0.00052
	(-2.20)	(-1.26)	(-1.13)	(-1.00)
R × Biden	-0.00226*	-0.00041	-0.00024	-0.00011
	(-1.79)	(-0.32)	(-0.18)	(-0.08)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	32,837,872	24,687,222	24,550,429	24,550,135
R-squared	0.9546	0.9895	0.9910	0.9911

Table IA.14: Competitors: Full Lower-Order Interactions

This table reports the effects of managerial partisanship on product pricing decisions conditional on local market competition, measured by the number of competitors within a two-minute drive, with all lower-order interactions reported. This table corresponds to Table 6, Panel B, with the suppressed coefficients included. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month; and *Competitors*, the total number of competitors that can be driven to within two minutes. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1} × Competitors	-0.00022***	-0.00024***	-0.00024***	-0.00022***
	(-3.46)	(-3.61)	(-3.50)	(-3.29)
R × Biden × CPI_{t-1}	0.00361***	0.00360***	0.00363***	0.00351***
	(6.48)	(6.30)	(6.08)	(5.90)
Biden × CPI_{t-1} × Competitors	0.00024***	0.00030***	0.00029***	0.00029***
	(4.93)	(5.76)	(5.37)	(5.50)
R × CPI_{t-1} × Competitors	0.00021***	0.00020***	0.00020***	0.00019***
	(3.51)	(3.34)	(3.18)	(3.05)
R × Biden × Competitors	0.00060***	0.00057***	0.00059***	0.00054***
	(3.82)	(3.52)	(3.44)	(3.20)
CPI_{t-1} × Competitors	-0.00028***	-0.00030***	-0.00030***	-0.00030***
	(-5.93)	(-6.25)	(-5.84)	(-5.97)
Biden × Competitors	-0.00048***	-0.00052***	-0.00050***	-0.00050***
	(-3.95)	(-4.04)	(-3.71)	(-3.76)
R × CPI_{t-1}	-0.00335***	-0.00318***	-0.00320***	-0.00311***
	(-6.25)	(-5.91)	(-5.68)	(-5.56)
R × Biden	-0.00886***	-0.00783***	-0.00788***	-0.00759***
	(-6.39)	(-5.47)	(-5.26)	(-5.09)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	32,851,077	24,696,334	24,559,356	24,559,062
R-squared	0.9546	0.9895	0.9910	0.9911

Table IA.15: Log-Transformed Drive Time

This table reports the effects of managerial partisanship on product pricing decisions conditional on local market competition, measured using the log-transformed drive time to the nearest competitor. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month; and *ln(Drive Time)*, the log-transformed driving time in minutes from the store of interest to the nearest competitor. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1} × ln(Drive Time)	0.00215***	0.00260***	0.00277***	0.00276***
	(4.20)	(5.00)	(5.07)	(5.08)
R × Biden × CPI_{t-1}	0.00123***	0.00085**	0.00080*	0.00076*
	(2.90)	(2.00)	(1.79)	(1.70)
Biden × CPI_{t-1} × ln(Drive Time)	-0.00259***	-0.00279***	-0.00288***	-0.00290***
	(-6.01)	(-6.39)	(-6.27)	(-6.35)
R × CPI_{t-1} × ln(Drive Time)	-0.00202***	-0.00233***	-0.00247***	-0.00246***
	(-4.11)	(-4.74)	(-4.81)	(-4.80)
R × Biden × ln(Drive Time)	-0.00766***	-0.00819***	-0.00868***	-0.00873***
	(-6.01)	(-6.26)	(-6.32)	(-6.38)
CPI_{t-1} × ln(Drive Time)	0.00255***	0.00259***	0.00267***	0.00269***
	(6.17)	(6.27)	(6.17)	(6.25)
Biden × ln(Drive Time)	0.00771***	0.00811***	0.00834***	0.00840***
	(7.14)	(7.34)	(7.19)	(7.27)
R × CPI_{t-1}	-0.00102**	-0.00074*	-0.00069*	-0.00066
	(-2.52)	(-1.84)	(-1.65)	(-1.57)
R × Biden	-0.00169	-0.00054	-0.00031	-0.00023
	(-1.64)	(-0.52)	(-0.29)	(-0.21)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	32,837,872	24,687,222	24,550,429	24,550,135
R-squared	0.9546	0.9895	0.9910	0.9911

Table IA.16: Log-Transformed Competitors

This table reports the effects of managerial partisanship on product pricing decisions conditional on local market competition, measured using the log-transformed number of competitors within a two-minute drive. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month; and *ln(1+Competitors)*, the log-transformed number of competitors that can be driven to within two minutes (plus one). The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1} × ln(1+Competitors)	-0.00126***	-0.00150***	-0.00157***	-0.00149***
	(-3.09)	(-3.57)	(-3.54)	(-3.41)
R × Biden × CPI_{t-1}	0.00430***	0.00455***	0.00467***	0.00452***
	(5.63)	(5.75)	(5.62)	(5.51)
Biden × CPI_{t-1} × ln(1+Competitors)	0.00159***	0.00202***	0.00200***	0.00202***
	(4.81)	(5.87)	(5.53)	(5.69)
R × CPI_{t-1} × ln(1+Competitors)	0.00117***	0.00125***	0.00129***	0.00125***
	(2.99)	(3.15)	(3.10)	(3.04)
R × Biden × ln(1+Competitors)	0.00403***	0.00426***	0.00443***	0.00422***
	(3.99)	(4.05)	(4.01)	(3.86)
CPI_{t-1} × ln(1+Competitors)	-0.00173***	-0.00197***	-0.00195***	-0.00197***
	(-5.47)	(-6.05)	(-5.72)	(-5.87)
Biden × ln(1+Competitors)	-0.00375***	-0.00442***	-0.00434***	-0.00436***
	(-4.58)	(-5.11)	(-4.79)	(-4.87)
R × CPI_{t-1}	-0.00392***	-0.00392***	-0.00401***	-0.00391***
	(-5.34)	(-5.24)	(-5.11)	(-5.05)
R × Biden	-0.01170***	-0.01120***	-0.01144***	-0.01107***
	(-6.15)	(-5.62)	(-5.47)	(-5.36)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	32,851,077	24,696,334	24,559,356	24,559,062
R-squared	0.9546	0.9895	0.9910	0.9911

Table IA.17: Number of Products Offered

This table reports the effects of managerial partisanship on the number of products offered at the store level. The dependent variable of interest is *ln(Number of Products)*, the log-transformed number of unique products offered at a store in a given month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Number of Products)				
R × Biden × CPI_{t-1}	0.01858***	0.01718***	0.01508	0.02654
	(5.93)	(5.83)	(1.39)	(0.31)
R × Biden	-0.05622***	-0.05068***	-0.06739**	0.03532
	(-7.22)	(-6.82)	(-2.39)	(0.15)
R × CPI_{t-1}	-0.01795***	-0.01595***	-0.01387	-0.02336
	(-5.93)	(-5.59)	(-1.32)	(-0.30)
Store FE	Yes	Yes	Yes	Yes
Month-Year FE	Yes	Yes	No	No
City × Month-Year FE	No	No	Yes	No
Street × Month-Year FE	No	No	No	Yes
Quantity $Sold_{t-1}$ FE	No	Yes	Yes	Yes
Observations	139,671	133,245	44,234	2,802
R-squared	0.8949	0.9183	0.9575	0.9930

Table IA.18: Excluding the Most Popular Products

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, excluding the 100 most popular products in the sample. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1}	0.00151***	0.00162***	0.00161***	0.00154***
	(3.77)	(3.64)	(3.54)	(3.39)
R × Biden	-0.00422***	-0.00387***	-0.00384***	-0.00368***
	(-4.27)	(-3.52)	(-3.39)	(-3.26)
R × CPI_{t-1}	-0.00138***	-0.00161***	-0.00160***	-0.00156***
	(-3.58)	(-3.84)	(-3.72)	(-3.63)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Month-Year FE	Yes	No	No	No
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	8,328,597	5,958,334	5,948,878	5,948,600
R-squared	0.9553	0.9882	0.9894	0.9895

Table IA.20. Local News Sentiment: Full Lower-Order Interactions

This table reports the effects of managerial partisanship on product pricing decisions conditional on local news coverage of inflation, with all lower-order interactions reported. This table corresponds to Table 5 with the suppressed coefficients included. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month; $Pessimistic_{t-1}$, the count of articles in a particular month that suggest inflation is likely to rise, lagged by one month; and $Optimistic_{t-1}$, the count of articles in a particular month that suggest inflation is likely to decline, lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)
DV: ln(Price)			
R × Biden × CPI_{t-1} × $Pessimistic_{t-1}$	0.00694**		0.00745**
	(2.31)		(2.43)
R × Biden × CPI_{t-1} × $Optimistic_{t-1}$		0.00092	0.00063
		(0.50)	(0.35)
R × Biden × CPI_{t-1}	0.00189***	0.00205***	0.00186***
	(4.66)	(5.08)	(4.60)
Biden × CPI_{t-1} × $Pessimistic_{t-1}$	-0.00323		-0.00323
	(-1.27)		(-1.24)
R × CPI_{t-1} × $Pessimistic_{t-1}$	-0.00661**		-0.00717**
	(-2.20)		(-2.34)
R × Biden × $Pessimistic_{t-1}$	-0.01752**		-0.01879**
	(-2.20)		(-2.31)
CPI_{t-1} × $Pessimistic_{t-1}$	0.00306		0.00311
	(1.20)		(1.20)
Biden × $Pessimistic_{t-1}$	0.01031		0.01011
	(1.53)		(1.46)
R × $Pessimistic_{t-1}$	0.01565**		0.01726**
	(1.97)		(2.13)
Biden × CPI_{t-1} × $Optimistic_{t-1}$		0.00199	0.00166
		(1.34)	(1.15)
R × CPI_{t-1} × $Optimistic_{t-1}$		-0.00044	-0.00033
		(-0.24)	(-0.18)
R × Biden × $Optimistic_{t-1}$		-0.00181	-0.00070
		(-0.44)	(-0.17)
CPI_{t-1} × $Optimistic_{t-1}$		-0.00234	-0.00196
		(-1.58)	(-1.36)
Biden × $Optimistic_{t-1}$		-0.00266	-0.00291
		(-0.78)	(-0.87)
R × $Optimistic_{t-1}$		-0.00108	-0.00145
		(-0.27)	(-0.37)
R × CPI_{t-1}	-0.00173***	-0.00185***	-0.00172***
	(-4.52)	(-4.86)	(-4.51)
R × Biden	-0.00373***	-0.00405***	-0.00360***
	(-3.70)	(-4.02)	(-3.57)
$Pessimistic_{t-1}$	-0.00928		-0.00929
	(-1.38)		(-1.35)
$Optimistic_{t-1}$		0.00436	0.00430
		(1.31)	(1.32)

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Table IA.20 – continued from previous page

	(1)	(2)	(3)
Product × Store FE	Yes	Yes	Yes
Product × Street × Month-Year FE	Yes	Yes	Yes
Quantity Sold$_{t-1}$ FE	Yes	Yes	Yes
Observations	24,675,884	24,675,884	24,675,884
R-squared	0.9910	0.9910	0.9910

Table IA.20: Local News Sentiment Including Neutral Articles

This table reports the effects of managerial partisanship on product pricing decisions conditional on local news coverage of inflation, additionally including neutral articles. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month; $Pessimistic_{t-1}$, the count of articles that suggest inflation is likely to rise, lagged by one month; $Optimistic_{t-1}$, the count of articles that suggest inflation is likely to decline, lagged by one month; and $Neutral_{t-1}$, the count of neutral articles, lagged by one month. All lower-order interactions are included but suppressed for brevity. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
	Pessimistic	Optimistic	Neutral	All
DV: ln(Price)				
R × Biden × CPI_{t-1} × $Pessimistic_{t-1}$	0.00694**			0.00650**
	(2.31)			(2.09)
R × Biden × CPI_{t-1} × $Optimistic_{t-1}$		0.00092		0.00047
		(0.50)		(0.26)
R × Biden × CPI_{t-1} × $Neutral_{t-1}$			0.00255	0.00189
			(1.52)	(1.12)
R × Biden × CPI_{t-1}	0.00189***	0.00205***	0.00193***	0.00180***
	(4.66)	(5.08)	(4.74)	(4.41)
Lower Order Interactions	Yes	Yes	Yes	Yes
Product × Store FE	Yes	Yes	Yes	Yes
Product × Street × Month-Year FE	Yes	Yes	Yes	Yes
Quantity $Sold_{t-1}$ FE	Yes	Yes	Yes	Yes
Observations	24,675,884	24,675,884	24,675,884	24,675,884
R-squared	0.9910	0.9910	0.9910	0.9910

Table IA.21: Partisan Lean of the Local Area

This table reports the effects of managerial partisanship on product pricing decisions conditional on the partisan lean of the store's local area. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month; *Republican Lean*, an indicator for whether the store's county voted 60% or more in favor of Donald Trump (Republican) in 2020; *Split*, an indicator for whether the store's county vote was divided, such that neither candidate earned more than 60% of the vote; and *Democrat Lean*, an indicator for whether the store's county voted 60% or more in favor of Joseph Biden (Democrat) in 2020. In column 4, *Split* is omitted as the reference category. All lower-order interactions are included but suppressed for brevity. See Table IA.22 for the unsuppressed specifications. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1} × Republican Lean	0.00015			0.00103
	(0.18)			(1.09)
R × Biden × CPI_{t-1} × Split		-0.00100		
		(-1.14)		
R × Biden × CPI_{t-1} × Democrat Lean			0.00172	0.00176
			(1.54)	(1.43)
R × Biden × CPI_{t-1}	0.00273***	0.00286***	0.00190***	0.00185***
	(4.77)	(5.50)	(3.99)	(2.62)
Lower Order Interactions	Yes	Yes	Yes	Yes
Product × Store FE	Yes	Yes	Yes	Yes
Product × Street × Month-Year FE	Yes	Yes	Yes	Yes
Quantity $Sold_{t-1}$ FE	Yes	Yes	Yes	Yes
Observations	22,714,631	22,714,631	22,714,631	22,714,631
R-squared	0.9910	0.9910	0.9910	0.9910

IA.23: Partisan Lean: Full Lower-Order Interactions

This table reports the effects of managerial partisanship on product pricing decisions conditional on the partisan lean of the store's local area, with all lower-order interactions reported. This table corresponds to Table IA.21 with the suppressed coefficients included. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month; *Republican Lean*, an indicator for whether the store's county voted 60% or more in favor of Donald Trump in 2020; *Split*, an indicator for whether the county vote was divided such that neither candidate earned more than 60% of the vote; and *Democrat Lean*, an indicator for whether the store's county voted 60% or more in favor of Joseph Biden in 2020. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1} × Republican Lean	0.00015			0.00103
	(0.18)			(1.09)
R × Biden × CPI_{t-1} × Split		-0.00100		
		(-1.14)		
R × Biden × CPI_{t-1} × Democrat Lean			0.00172	0.00176
			(1.54)	(1.43)
R × Biden × CPI_{t-1}	0.00273***	0.00286***	0.00190***	0.00185***
	(4.77)	(5.50)	(3.99)	(2.62)
Biden × CPI_{t-1} × Republican Lean	-0.00255***			-0.00372***
	(-3.78)			(-4.88)
R × CPI_{t-1} × Republican Lean	0.00000			-0.00064
	(0.00)			(-0.72)
R × Biden × Republican Lean	0.00393*			0.00243
	(1.87)			(1.04)
CPI_{t-1} × Republican Lean	0.00260***			0.00350***
	(4.08)			(4.87)
Biden × Republican Lean	0.00275			0.00521***
	(1.63)			(2.73)
Biden × CPI_{t-1} × Split		0.00351***		
		(5.04)		
R × CPI_{t-1} × Split		0.00044		
		(0.53)		
R × Biden × Split		-0.00137		
		(-0.63)		
CPI_{t-1} × Split		-0.00307***		
		(-4.67)		
Biden × Split		-0.00584***		
		(-3.35)		
Biden × CPI_{t-1} × Democrat Lean			-0.00158**	-0.00321***
			(-2.03)	(-3.66)
R × CPI_{t-1} × Democrat Lean			-0.00131	-0.00116
			(-1.24)	(-1.00)
R × Biden × Democrat Lean			-0.00429	-0.00204
			(-1.53)	(-0.66)
CPI_{t-1} × Democrat Lean			0.00093	0.00247***
			(1.27)	(2.99)
Biden × Democrat Lean			0.00443**	0.00667***
			(2.30)	(3.07)

Continued on next page

Table IA.26 – continued from previous page

	(1)	(2)	(3)	(4)
R × CPI_{t-1}	-0.00237***	-0.00218***	-0.00158***	-0.00173***
	(-4.42)	(-4.44)	(-3.54)	(-2.61)
R × Biden	-0.00750***	-0.00463***	-0.00376***	-0.00601***
	(-5.28)	(-3.59)	(-3.17)	(-3.42)
Product × Store FE	Yes	Yes	Yes	Yes
Product × Street × Month-Year FE	Yes	Yes	Yes	Yes
Quantity $Sold_{t-1}$ FE	Yes	Yes	Yes	Yes
Observations	22,714,631	22,714,631	22,714,631	22,714,631
R-squared	0.9910	0.9910	0.9910	0.9910

Table IA.23: Partisan Lean: Subsample Estimates

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, separately within subsamples defined by the partisan lean of the store's local area. Column (1) restricts the sample to stores in counties where Donald Trump received 60% or more of the vote in 2020 (*Republican Lean*). Column (2) restricts the sample to stores in counties where neither candidate received 60% or more of the vote (*Split*). Column (3) restricts the sample to stores in counties where Joseph Biden received 60% or more of the vote in 2020 (*Democrat Lean*). The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1) Republican Lean	(2) Split	(3) Democrat Lean
DV: ln(Price)			
R × Biden × CPI_{t-1}	0.00281***	0.00187***	0.00366***
	(4.52)	(2.64)	(3.61)
R × Biden	-0.00348**	-0.00600***	-0.00812***
	(-2.24)	(-3.41)	(-3.20)
R × CPI_{t-1}	-0.00230***	-0.00175***	-0.00294***
	(-3.93)	(-2.63)	(-3.07)
Product × Store FE	Yes	Yes	Yes
Product × Street × Month-Year FE	Yes	Yes	Yes
Quantity $Sold_{t-1}$ FE	Yes	Yes	Yes
Observations	10,234,581	8,747,968	3,607,475
R-squared	0.9907	0.9910	0.9917

Table IA.24: Customer Political Sorting

This table reports the effects of managerial partisanship on the political sorting of a store's clientele. The dependent variables of interest are *Republican Sorting* and *Democrat Sorting*, which measure how partisan a store's monthly customers are based upon their tendency to visit stores run by a particular political party member during the same month. For example, a store-level *Republican Sorting* score of 0.8 implies the average shopper in that store that month prefers shopping at other stores managed by Republicans 80% of the time during that month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the store-month. At the store-level, *Quantity Sold* is deciles of total products sold in that month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	Republican Sorting		Democrat Sorting	
	(1)	(2)	(3)	(4)
R × Biden × CPI_{t-1}	0.00519	0.00508	0.00034	0.00083
	(1.23)	(1.19)	(0.06)	(0.14)
R × Biden	-0.00071	-0.00078	-0.00776	-0.00880
	(-0.07)	(-0.07)	(-0.67)	(-0.75)
R × CPI_{t-1}	-0.00071	-0.00063	-0.00527	-0.00568
	(-0.18)	(-0.15)	(-0.94)	(-1.00)
Store FE	Yes	Yes	Yes	Yes
Street × Month-Year FE	Yes	Yes	Yes	Yes
Quantity $Sold_{t-1}$ FE	No	Yes	No	Yes
Observations	3,307	3,307	3,307	3,307
R-squared	0.9834	0.9834	0.9780	0.9780

Table IA.25: Regional Beverage Suppliers

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, conditional on the product being beverages and the suppliers being either PepsiCo or the Coca-Cola Company, to ensure all stores face the same suppliers for identical products. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1}	0.00613***	0.00711***	0.00716***	0.00718***
	(9.36)	(9.31)	(8.95)	(9.03)
R × Biden	-0.01501***	-0.01530***	-0.01539***	-0.01554***
	(-9.17)	(-7.89)	(-7.58)	(-7.68)
R × CPI_{t-1}	-0.00550***	-0.00654***	-0.00659***	-0.00661***
	(-8.79)	(-9.10)	(-8.76)	(-8.83)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	8,152,807	4,992,284	4,969,280	4,969,219
R-squared	0.8726	0.9502	0.9537	0.9540

Table IA.26: Liquor Suppliers

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, conditional on the product being liquor within a state that sets state-wide wholesale liquor prices, subject to no possible renegotiation. The dependent variable of interest is *ln(Price)*, the log-transformed average price of a given product in the current month. The independent variables of interest are interactions between the following variables: *Republican (R)*, an indicator variable for whether the management of the store is predominantly registered as Republicans; *Biden*, an indicator for whether Joseph Biden (Democrat) is the sitting U.S. president; and CPI_{t-1}, the prevailing year-over-year CPI-based inflation rate lagged by one month. The unit of observation is the product-store-month. Standard errors are double clustered by store and month. The t-statistics are denoted in parenthesis. Statistical significance is indicated by ***, **, and * at the 1%, 5%, and 10% level, respectively. See Table 1 for sample descriptive characteristics.

	(1)	(2)	(3)	(4)
DV: ln(Price)				
R × Biden × CPI_{t-1}	0.00870***	0.00887***	0.00905***	0.00942***
	(3.25)	(3.63)	(3.67)	(3.80)
R × Biden	-0.01502**	-0.01060*	-0.01070*	-0.01144*
	(-2.19)	(-1.69)	(-1.69)	(-1.80)
R × CPI_{t-1}	-0.00458*	-0.00502**	-0.00520**	-0.00558**
	(-1.77)	(-2.15)	(-2.21)	(-2.36)
Store FE	Yes	Yes	No	No
Product FE	Yes	No	No	No
Product × Store FE	No	No	Yes	Yes
Product × Street × Month-Year FE	No	Yes	Yes	Yes
Quantity $Sold_{t-1}$ FE	No	No	No	Yes
Observations	42,866	42,236	42,168	42,110
R-squared	0.9740	0.9927	0.9932	0.9933

IA.2 Data Appendix

This data appendix details the construction of the main dataset (retail scanner data), with a particular focus on the matching process used to link retail scanner data to manager political affiliations, the classification of local inflation news sentiment, the construction of local market competition measures, and the construction of measures of product price elasticity.

IA.2.1 Matching

Our main dataset is constructed by sequentially linking retail scanner data from PDI Technologies to business registration records from OpenCorporates, voter registration and voting history records from L2 Data, and several supplementary data sources. We describe each stage of the matching process and the resulting sample sizes below.

We begin with 35,377 unique stores in the raw PDI retail scanner data. We match stores to OpenCorporates business registration records based on business name and address to identify the registered management of each store. After this merge, we retain 12,307 stores with identified management. We exclude firms with 10 or more registered managers (>95th Percentile), as the management structure becomes increasingly ambiguous in such stores.

We then link the identified managers to voter registration and voting history records from L2 Data, matching on first name, last name, and state. Following Engelberg et al. (2023), we use L2's inferred party identification, which combines registered party affiliation (where available) with modeled partisanship based on voting history and other public records, ensuring coverage in states that do not record party registration. After this merge, we retain 7,013 stores with 10,026 matched managers.

We classify a store as Republican-managed if more than half of its identified management is classified as Republican, and analogously for Democrat-managed stores. Stores where management is evenly split between Republican and Democrat are excluded. For our main analysis, we restrict to stores that are predominantly Republican- or Democrat-managed,

yielding 4,416 stores.

Prior to excluding non-partisan stores, the dataset contains 108,260,379 product-store-month observations. After restricting to predominantly partisan stores, the sample contains 68,342,475 observations. Restricting to the 1,500 most popular products by total unit sales yields 46,628,816 observations. We measure product popularity as the total number of product-store-month observations for each product in the dataset. This measure captures both the breadth of distribution across stores and the persistence of the product over time. Finally, requiring that the *Quantity Sold* fixed effect can be computed results in a final estimation sample of 36,539,366 observations. Observation counts in the regression tables may differ slightly depending on the fixed effects structure, as some specifications require variation within higher-dimensional fixed effect groups. In terms of geographic coverage, the final sample spans 1,357 counties across 49 states. In our calculation of street-level geographies, particularly as it relates to fixed effects, we require that the stores must be on the same street within the same city. In our sample, 88% of stores are the only store on their street.

IA.2.2 Local Inflation News Classification

We construct measures of local news coverage of inflation using data from NewsBank, which archives newspaper articles from local publishers across the United States. We collect all articles with headlines related to inflation and classify each headline as *Pessimistic* (suggesting inflation is likely to rise or worsen), *Optimistic* (suggesting inflation is likely to decline or ease), or *Neutral* (mentioning inflation without a clear directional signal).

To perform this classification at scale, we use a large language model, Claude Haiku 4.5 (model identifier: `claude-haiku-4-5-20251001`), deployed via Anthropic's Message Batches API. The model receives each headline individually with the following system prompt:

> *You are a research assistant classifying newspaper headlines about inflation. For each headline, respond with exactly one word:*
>
> - *"optimistic" if the headline suggests inflation is improving, decreasing, cooling,*

or under control

- *"pessimistic" if the headline suggests inflation is worsening, increasing, surging, or out of control*
- *"neutral" if the headline does not clearly indicate a direction for inflation (e.g., it merely mentions inflation exists, discusses policy without clear outcome, or is ambiguous)*

Respond with ONLY the single word: optimistic, pessimistic, or neutral. Nothing else.

Each headline is then submitted to the model as a user message of the form: "Classify this headline: [headline text]." We process approximately 40,300 individual article headlines from local newspapers across the country using this approach. We aggregate the classified articles to the county-month level. $Pessimistic_{t-1}$ is the count of pessimistic articles published in the store's county in the prior month, and $Optimistic_{t-1}$ is defined analogously. Both variables are lagged by one month to reflect the information environment available to managers at the time of their pricing decisions. For county-months with no inflation-related articles, we set the count to zero. Figure IA.4 provides examples of headlines classified as pessimistic and optimistic.

IA.2.3 Local Market Competition

We construct two measures of local market competition using point-of-interest (POI) data from SafeGraph and open-source traffic routing software. SafeGraph provides POI data for the near-complete universe of retail establishments in the United States. We identify the full set of competitors for each focal store, including other independent convenience stores, non-independent convenience stores (e.g., 7-Eleven), and general merchandise stores (e.g., Dollar General), classified using NAICS codes 457110 (Convenience Stores with Gas), 445131 (Convenience Stores without Gas), and 455219 (General Merchandise Stores).

We compute driving distances and travel times using the Open Source Routing Machine (OSRM) via Python and the OSMnx library. OSRM computes shortest-path routes on

the OpenStreetMap road network, accounting for road type, speed limits, turn restrictions, and other factors that affect real-world driving time. For each focal store, we first apply a Euclidean (great-circle) prefilter to identify all competitor locations within 1.86 miles (3 km), substantially reducing the computational burden, before computing network-based driving routes.

To avoid spurious self-matches, we exclude all competitor matches within 0.1 miles (approximately 500 feet) of the focal store. This threshold ensures that we do not accidentally match a store to itself, to another business registered at the same address, to a former business at the same location, or to the gasoline pumps at a gas-attached convenience store. Observations for which the nearest competitor falls within this exclusion radius are set to missing.

From these calculations, we derive two variables. *Drive Time* is the driving time in minutes from the focal store to its nearest competitor, computed as the shortest network-based travel time. *Competitors* is the total number of competitor stores reachable within a two-minute drive of the focal store. For this measure, we first download the local road network within a 1.25 mile (2,000-meter) buffer of each focal store and use Dijkstra's algorithm with a travel-time cutoff of 2 minutes to identify all reachable competitor nodes. Both variables are winsorized at the 1st and 99th percentiles.

IA.2.4 Product Price Elasticities

To characterize the demand environment facing each product, we estimate a product-specific price elasticity of demand and use it to rank products from most inelastic to most elastic. Our procedure follows, broadly, the constant-elasticity (log–log) OLS approach used by DellaVigna and Gentzkow (2019) and Hitsch et al. (2021), adapted to the fact that our unit of observation is the product–store–month-year cell and that our object of interest is a single elasticity per product rather than a store-specific pricing benchmark.[23]

[23] DellaVigna and Gentzkow (2019) show in their online appendix that OLS elasticity estimates are correlated with their instrumented estimates, and Hitsch et al. (2021) estimate demand directly by OLS.

For each product i we estimate the log-linear demand relationship

$$\ln Q_{ist} = \eta_i \ln P_{ist} + \alpha_{is} + \delta_{it} + \varepsilon_{ist}, \tag{3}$$

where Q_{ist} and P_{ist} denote units sold and the average price of product i in store s and month-year t, α_{is} is a product–store fixed effect, and δ_{it} is a product–month-year fixed effect. The store fixed effect α_{is} absorbs persistent, store-level differences in price and quantity (for example, differences in local price levels or store size), so that η_i is identified from within-store movements in price and quantity over time. The month-year fixed effect δ_{it} removes variation common to all stores selling product i in a given month—such as national list-price changes, coordinated promotions, or seasonal demand—so that identification comes from deviations of a store's price from the product's contemporaneous cross-store average. This mirrors the role played by the seasonal and market-level controls in DellaVigna and Gentzkow (2019) and Hitsch et al. (2021), and parallels the fixed-effects structure of our main specification in equation (1), albeit at a monthly rather than weekly frequency.

We estimate equation (3) separately for each product. In practice, we recover $\hat{\eta}_i$ by residualizing $\ln P_{ist}$ and $\ln Q_{ist}$—first subtracting product–store means and then subtracting product–month-year means from the resulting residuals—and computing the ordinary least squares slope of residualized log quantity on residualized log price,

$$\hat{\eta}_i = \frac{\sum_{s,t} \tilde{p}_{ist}\, \tilde{q}_{ist}}{\sum_{s,t} \tilde{p}_{ist}^2}, \tag{4}$$

where $\tilde{p}_{ist}$ and $\tilde{q}_{ist}$ denote the doubly-demeaned log price and log quantity. As in DellaVigna and Gentzkow (2019) and Hitsch et al. (2021), we estimate this relationship by OLS. We do not instrument for price, since our aim is a stable ordering of products by their demand sensitivity rather than a structural pricing counterfactual.

We impose two requirements for a product's elasticity to enter the analysis. First, we require at least 100 product–store–month-year observations for the product, so that the slope

is estimated with reasonable precision. Second, we require non-degenerate within-product price variation. We then treat an estimate as usable if it carries the theoretically expected (negative) sign and is not implausibly large in magnitude, retaining products with $-5 \leq \hat{\eta}_i < 0$ and discarding the remainder as likely reflecting measurement error or insufficient identifying variation.

Finally, we sort the usable products into quartiles by $\hat{\eta}_i$, from the most inelastic (quartile 1) to the most elastic (quartile 4), and use these quartiles to examine how the partisan pricing effect varies with demand sensitivity in Figure 10.

IA.3 Product Examples

Table IA.24. Top 100 Products in the Sample

This table reports the 100 most popular products in the sample, as measured by total unit sales across all stores and months. For each product, the table reports its popularity rank, brand, category, product description, and manufacturer.

Rank	Brand	Category	Product Description	Manufacturer
1	Marlboro	Cigarettes	Marlboro Gold Box	Philip Morris USA, Inc.
2	Marlboro	Cigarettes	Marlboro Red Box	Philip Morris USA, Inc.
3	Red Bull	Packaged Beverages (Non-Alcoholic)	Red Bull Original Energy Drink 12 oz Can	Red Bull North America, Inc.
4	Monster	Packaged Beverages (Non-Alcoholic)	Monster	Monster Energy Company
5	Coca-Cola	Packaged Beverages (Non-Alcoholic)	Coca-Cola	The Coca-Cola Company
6	Marlboro	Cigarettes	Marlboro Gold 100 Box	Philip Morris USA, Inc.
7	Red Bull	Packaged Beverages (Non-Alcoholic)	Red Bull	Red Bull North America, Inc.
8	Dr Pepper	Packaged Beverages (Non-Alcoholic)	Dr Pepper	Dr. Pepper/Seven Up, Inc.
9	Mountain Dew	Packaged Beverages (Non-Alcoholic)	Mountain Dew	PepsiCo, Inc.
10	Pepsi	Packaged Beverages (Non-Alcoholic)	Pepsi	PepsiCo, Inc.
11	Sprite	Packaged Beverages (Non-Alcoholic)	Sprite	The Coca-Cola Company
12	Marlboro	Cigarettes	Marlboro 100 Box	Philip Morris USA, Inc.
13	Newport	Cigarettes	Newport Menthol King Pack	Lorillard Tobacco Company
14	Marlboro	Cigarettes	Marlboro Silver Box	Philip Morris USA, Inc.
15	Monster	Packaged Beverages (Non-Alcoholic)	Monster	Monster Energy Company
16	Grizzly	Other Tobacco/Nicotine Products	Grizzly Long Cut Wintergreen	American Snuff Company, LLC
17	BIC	General Merchandise	BIC Classic Lighter 1 ct Lighter	BIC USA Inc.
18	Coca-Cola	Packaged Beverages (Non-Alcoholic)	Coca-Cola	The Coca-Cola Company
19	Newport	Cigarettes	Newport 100 Box	Lorillard Tobacco Company
20	Red Bull	Packaged Beverages (Non-Alcoholic)	Red Bull	Red Bull North America, Inc.
21	Marlboro	Cigarettes	Marlboro	Philip Morris USA, Inc.
22	Camel	Cigarettes	Camel Menthol	RJ Reynolds Tobacco Co
23	Marlboro	Cigarettes	Marlboro Black 100	Philip Morris USA, Inc.
24	Marlboro	Cigarettes	Marlboro	Philip Morris USA, Inc.
25	Snickers	Candy	Snickers Chocolate Candy Bar 1.86 oz Bar	Mars Chocolate North America LLC
26	Marlboro	Cigarettes	Marlboro	Philip Morris USA, Inc.
27	Reese's	Candy	Reese's Chocolate King Size Candy Bar 2.8 oz Bar 4 pk	The Hershey Company
28	Coca-Cola	Packaged Beverages (Non-Alcoholic)	Coca-Cola Original Flavored Soda 20 oz Bottle	The Coca-Cola Company
29	Camel	Cigarettes	Camel Crush Menthol Silver	RJ Reynolds Tobacco Co
30	Red Bull	Packaged Beverages (Non-Alcoholic)	Red Bull Original Energy Drink 20 oz Can	Red Bull North America, Inc.
31	Camel	Cigarettes	Camel Blue Box	RJ Reynolds Tobacco Co
32	Red Bull	Packaged Beverages (Non-Alcoholic)	Red Bull	Red Bull North America, Inc.
33	Coca-Cola	Packaged Beverages (Non-Alcoholic)	Coca-Cola Classic Flavored Soda 16 oz Can	The Coca-Cola Company

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Rank	Brand	Category	Product Description	Manufacturer
34	Mountain Dew	Packaged Beverages (Non-Alcoholic)	Mountain Dew	PepsiCo, Inc.
35	Dr Pepper	Packaged Beverages (Non-Alcoholic)	Dr Pepper	Dr. Pepper/Seven Up, Inc.
36	Gatorade	Packaged Beverages (Non-Alcoholic)	Gatorade Cool Blue Sports Drink 28 oz Bottle	The Quaker Oats Company
37	Nos	Packaged Beverages (Non-Alcoholic)	Nos Original Energy Drink 16 oz Can	Energy Beverages LLC
38	Marlboro	Cigarettes	Marlboro Special Blend Gold 100's Pack	Philip Morris USA, Inc.
39	Bud Light	Beer	Bud Light American Lager Beer 25 oz Aluminum Can	Anheuser-Busch InBev
40	Snickers	Candy	Snickers Chocolate Candy Bar 3.7 oz Bar	Mars Chocolate North America LLC
41	Copenhagen	Other Tobacco/Nicotine Products	Copenhagen LC Wintergreen	United States Tobacco Manufacturing Limited Partnership
42	Pepsi	Packaged Beverages (Non-Alcoholic)	Pepsi	PepsiCo, Inc.
43	Aquafina	Packaged Beverages (Non-Alcoholic)	Aquafina Natural Water 20 oz Bottle	PepsiCo, Inc.
44	Marlboro	Cigarettes	Marlboro	Philip Morris USA, Inc.
45	Starbucks	Packaged Beverages (Non-Alcoholic)	Starbucks Mocha Coffee Drink 13.7 oz Bottle	PepsiCo, Inc.
46	Marlboro	Cigarettes	Marlboro Silver 100	Philip Morris USA, Inc.
47	Monster	Packaged Beverages (Non-Alcoholic)	Monster	Monster Energy Company
48	Starbucks	Packaged Beverages (Non-Alcoholic)	Starbucks Vanilla Coffee Drink 13.7 oz Bottle	PepsiCo, Inc.
49	Smartwater	Packaged Beverages (Non-Alcoholic)	Smartwater Original Water 1 Liter Bottle	The Coca-Cola Company
50	Marlboro	Cigarettes	Marlboro	Philip Morris USA, Inc.
51	Marlboro	Cigarettes	Marlboro 72's Pack	Philip Morris USA, Inc.
52	Coca-Cola	Packaged Beverages (Non-Alcoholic)	Coca-Cola	The Coca-Cola Company
53	Red Bull	Packaged Beverages (Non-Alcoholic)	Red Bull	Red Bull North America, Inc.
54	Red Bull	Packaged Beverages (Non-Alcoholic)	Red Bull Watermelon Energy Drink 12 oz Can 12 pk	Red Bull North America, Inc.
55	Smartwater	Packaged Beverages (Non-Alcoholic)	Smartwater Premium Water 23.8 oz	The Coca-Cola Company
56	Aquafina	Packaged Beverages (Non-Alcoholic)	Aquafina Natural Water 1 Liter Bottle	PepsiCo, Inc.
57	Camel	Cigarettes	Camel Crush	RJ Reynolds Tobacco Co
58	Red Bull	Packaged Beverages (Non-Alcoholic)	Red Bull Blueberry Energy Drink 12 oz Can	Red Bull North America, Inc.
59	Grizzly	Other Tobacco/Nicotine Products	Grizzly	American Snuff Company, LLC
60	Monster	Packaged Beverages (Non-Alcoholic)	Monster	Monster Energy Company
61	BIC	General Merchandise	BIC Mini Lighter 1 ct Lighter	BIC USA Inc.
62	Red Bull	Packaged Beverages (Non-Alcoholic)	Red Bull Original Energy Drink 8.4 oz Can	Red Bull North America, Inc.
63	Dasani	Packaged Beverages (Non-Alcoholic)	Dasani Natural Water 20 oz Bottle	The Coca-Cola Company
64	Gatorade	Packaged Beverages (Non-Alcoholic)	Gatorade	The Quaker Oats Company
65	Pepsi	Packaged Beverages (Non-Alcoholic)	Pepsi	PepsiCo, Inc.
66	Copenhagen	Other Tobacco/Nicotine Products	Copenhagen Original Can	United States Tobacco Manufacturing Limited Partnership
67	Mountain Dew	Packaged Beverages (Non-Alcoholic)	Mountain Dew	PepsiCo, Inc.

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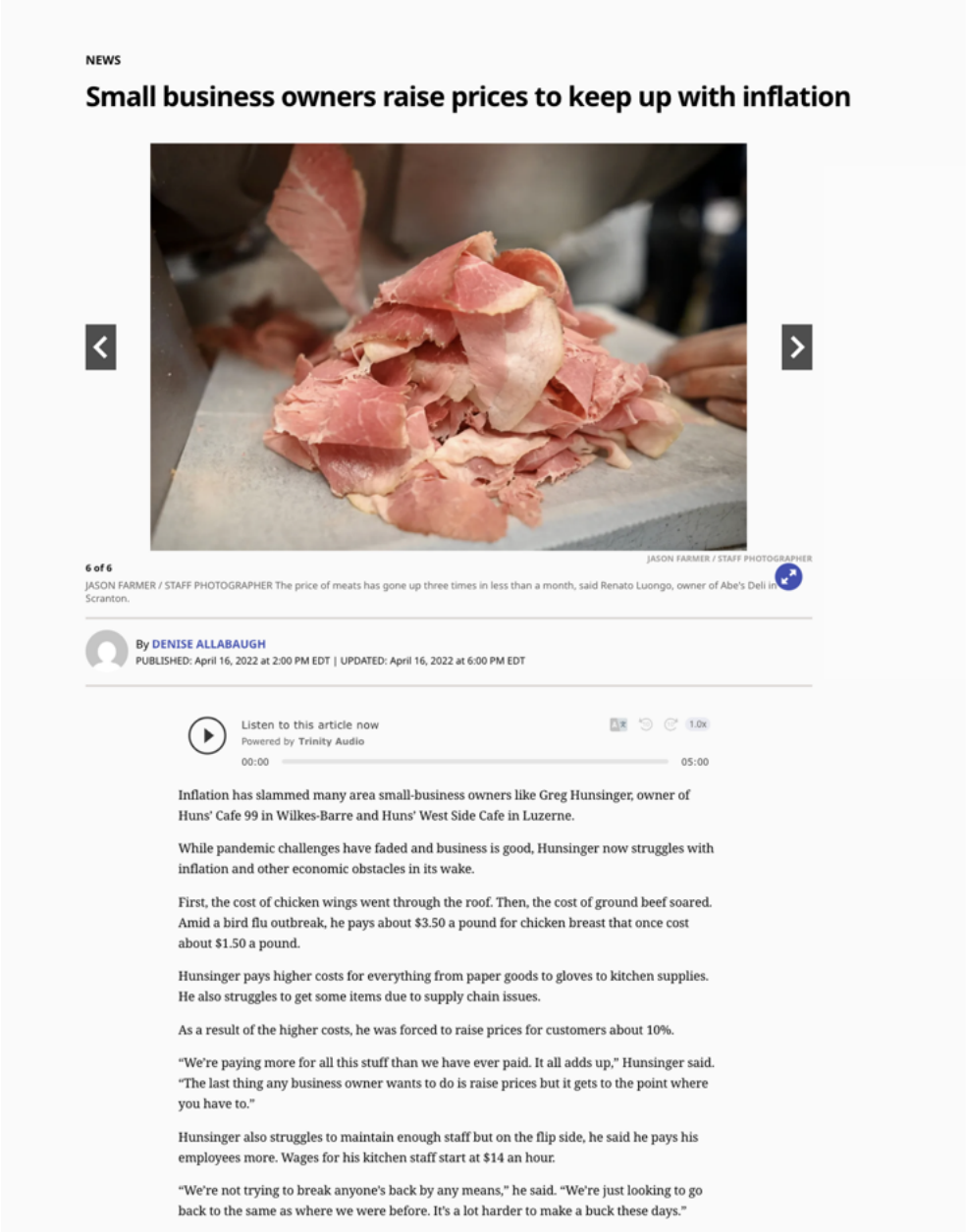
Rank	Brand	Category	Product Description	Manufacturer
68	Gatorade	Packaged Beverages (Non-Alcoholic)	Gatorade	The Quaker Oats Company
69	Budweiser	Beer	Budweiser American Lager Beer 25 oz Aluminum Can	Anheuser-Busch InBev
70	Marlboro	Cigarettes	Marlboro	Philip Morris USA, Inc.
71	Gatorade	Packaged Beverages (Non-Alcoholic)	Gatorade	The Quaker Oats Company
72	Marlboro	Cigarettes	Marlboro Black Menthol 100	Philip Morris USA, Inc.
73	Marlboro	Cigarettes	Marlboro	Philip Morris USA, Inc.
74	Coca-Cola	Packaged Beverages (Non-Alcoholic)	Coca-Cola Original Flavored Soda 67.6 oz Bottle	The Coca-Cola Company
75	Red Bull	Packaged Beverages (Non-Alcoholic)	Red Bull	Red Bull North America, Inc.
76	Reese's	Candy	Reese's White Chocolate, Milk Chocolate 2 Pack Candy Bars 1.5 oz Bar 2 pk	The Hershey Company
77	Fanta	Packaged Beverages (Non-Alcoholic)	Fanta	The Coca-Cola Company
78	Natural American Spirit	Cigarettes	American Spirit Yellow	Santa Fe Natural Tobacco Co., Inc.
79	Copenhagen	Other Tobacco/Nicotine Products	Copenhagen Long Cut Can	United States Tobacco Manufacturing Limited Partnership
80	Twisted Tea	Beer	Twisted Tea Original Flavored Malt 24 oz Aluminum Can	Boston Beer Corporation
81	Slim Jim	Alternative Snacks	Slim Jim Original	Conagra Brands, Inc.
82	Marlboro	Cigarettes	Marlboro Black Menthol	Philip Morris USA, Inc.
83	Gatorade	Packaged Beverages (Non-Alcoholic)	Gatorade Orange Sports Drink 28 oz Bottle	The Quaker Oats Company
84	Mountain Dew	Packaged Beverages (Non-Alcoholic)	Mountain Dew	PepsiCo, Inc.
85	Starbucks	Packaged Beverages (Non-Alcoholic)	Starbucks Caramel Coffee Drink 13.7 oz Bottle	PepsiCo, Inc.
86	Dasani	Packaged Beverages (Non-Alcoholic)	Dasani Natural Water 1 Liter Bottle	The Coca-Cola Company
87	Mountain Dew	Packaged Beverages (Non-Alcoholic)	Mountain Dew	PepsiCo, Inc.
88	Natural American Spirit	Cigarettes	American Spirit Blue	Santa Fe Natural Tobacco Co., Inc.
89	Monster	Packaged Beverages (Non-Alcoholic)	Monster	Monster Energy Company
90	Mountain Dew	Packaged Beverages (Non-Alcoholic)	Mountain Dew	PepsiCo, Inc.
91	Doritos	Salty Snacks	Doritos Cheese 2.75 oz Bag	Frito-Lay Company
92	Michelob Ultra	Beer	Michelob Ultra Superior Light Light Lager 25 oz Aluminum Can	Anheuser-Busch InBev
93	Modelo	Beer	Modelo Imported Lager Beer 24 oz Aluminum Can	Constellation Brands, Inc.
94	Gold Peak	Packaged Beverages (Non-Alcoholic)	Gold Peak Original Iced Tea 18.5 oz Bottle	The Coca-Cola Company
95	Marlboro	Cigarettes	Marlboro	Philip Morris USA, Inc.
96	Pure Leaf	Packaged Beverages (Non-Alcoholic)	Pure Leaf	PepsiCo, Inc.
97	M&M's	Candy	M&M's Peanut King Size Candy Pack 3.27 oz Bag	Mars Chocolate North America LLC
98	Nesquik	Fluid Milk/Milk Alternative Products	Nesquik Chocolate Milk 14 oz Plastic Bottle	Nestle
99	Coors Light	Beer	Coors Light American Lager Beer 24 oz Aluminum Can	Molson Coors Brewing Company
100	L&M	Cigarettes	L&M	Philip Morris USA, Inc.

IA.4 Local News Articles

Figure IA.4. Example Local News Articles

This figure presents two examples of local news articles used to construct the *Pessimistic* and *Optimistic* sentiment variables. Each headline was classified by a large language model (LLM) based on whether it suggests inflation is likely to rise (*Pessimistic*) or decline (*Optimistic*). Panel A displays an example of a pessimistic article from Wilkes-Barre, Pennsylvania, published on April 16, 2022. Panel B displays an example of an optimistic article from Hampton Roads, Virginia, published on January 31, 2024. Both articles were accessed on April 13, 2026.

Panel A. Pessimistic Article (Wilkes-Barre, PA; April 16, 2022)



NEWS

Small business owners raise prices to keep up with inflation

JASON FARMER / STAFF PHOTOGRAPHER

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JASON FARMER / STAFF PHOTOGRAPHER The price of meats has gone up three times in less than a month, said Renato Luongo, owner of Abe's Deli in Scranton.

By DENISE ALLABAUGH

PUBLISHED: April 16, 2022 at 2:00 PM EDT | UPDATED: April 16, 2022 at 6:00 PM EDT

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Inflation has slammed many area small-business owners like Greg Hunsinger, owner of Huns' Cafe 99 in Wilkes-Barre and Huns' West Side Cafe in Luzerne.

While pandemic challenges have faded and business is good, Hunsinger now struggles with inflation and other economic obstacles in its wake.

First, the cost of chicken wings went through the roof. Then, the cost of ground beef soared. Amid a bird flu outbreak, he pays about $3.50 a pound for chicken breast that once cost about $1.50 a pound.

Hunsinger pays higher costs for everything from paper goods to gloves to kitchen supplies. He also struggles to get some items due to supply chain issues.

As a result of the higher costs, he was forced to raise prices for customers about 10%.

"We're paying more for all this stuff than we have ever paid. It all adds up," Hunsinger said. "The last thing any business owner wants to do is raise prices but it gets to the point where you have to."

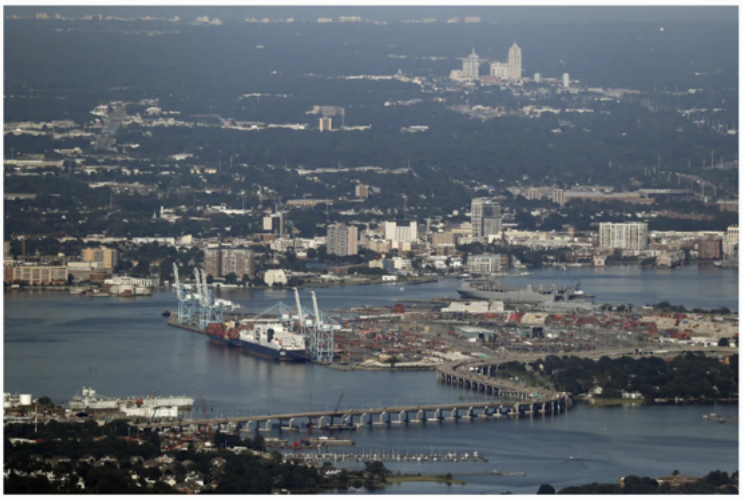
Hunsinger also struggles to maintain enough staff but on the flip side, he said he pays his employees more. Wages for his kitchen staff start at $14 an hour.

"We're not trying to break anyone's back by any means," he said. "We're just looking to go back to the same as where we were before. It's a lot harder to make a buck these days."

Panel B. Optimistic Article (Hampton Roads, VA; January 31, 2024)

BUSINESS › INSIDE BUSINESS

ODU economists predict wage gains, dropping inflation and mortgage rates in 2024



Jonathon Gruenke / Daily Press

Old Dominion University economists say real wages should continue to increase and mortgage rates should decline in 2024 for Hampton Roads. (Staff file)



By TREVOR METCALFE | trevor.metcalfe@pilotonline.com | Staff writer

PUBLISHED: January 31, 2024 at 7:27 PM EST | UPDATED: February 7, 2024 at 12:11 PM EST

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00:00 02:18

Economic conditions are right for workers in Hampton Roads and across the country to continue making real gains in how much they earn, Old Dominion University economists said.

When adjusted for inflation and seasonal patterns, U.S. average hourly wages increased 0.8% from December 2022 to December 2023, according to the Bureau of Labor Statistics. For those in production and nonsupervisory roles (about 80% of the nonfarm workforce), wages increased around 1.1%.

ODU economist Bob McNab said conditions are right for this trend to continue in 2024.

"We've seen sustained demand for labor by employers," McNab said. "Job openings remain above pre-pandemic levels."

Virginia job openings reached around 249,000 in November — above the roughly 220,000 openings in the beginning of 2020, according to federal labor data.

Since the supply of labor is also constrained, McNab said workers should be able to translate conditions into higher wages.

He and fellow economist Vinod Agarwal delivered their 2024 economic predictions Wednesday during an annual forecast event at ODU.