

# “Not as bad as I thought”: Economic attitudes and motivated reasoning in coalition governments

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## Abstract

Two prominent mechanisms have been advanced to explain the effects of election outcomes on economic attitudes/perceptions: partisan competence attribution, based on voters' genuine belief of an elected party's competence; and partisan motivated reasoning, where voters change their economic attitudes so as to remain consistent with their past behavior/view. To date, these two mechanisms have not been considered jointly. We draw on a unique, closely spaced, panel dataset around the 2013 German general elections to consider retrospective (past evaluations) and prospective (future expectations) attitudes about both one's personal economic situation and that of the national economy. We find no evidence for competence attribution; voters of the future coalition parties do not expect higher household incomes nor their job situation to improve. We find changes in retrospective attitudes about the national economy, explained by partisan motivated reasoning given a political alliance that was negated and depreciated throughout the pre-election period. We discuss the implications these results have.

## KEYWORDS

attitudes, elections, motivated reasoning, voting

## INTRODUCTION

Over the past years, literature and political commentators have paid attention to the increasing hostility and distrust across party lines in many democracies around the globe. Recent evidence show that this mass-level animosity across party lines has surged over the last decades (Klein Teeselink & Melios, 2025) and spills over to how citizens perceive the role, and

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evaluate the performance, of governments (Gerber & Huber, 2010; Morisi et al., 2019). As a result, partisans appear to be reluctant to grant legitimacy to governments led by the other side, a phenomenon called the “government-in-power effect” (Klein Teeselink & Melios, 2025; Morisi et al., 2019). Prior work argues that this effect can threaten democratic functioning both by limiting partisans' ability and willingness to hold their own party accountable for their actions and by encouraging attempts to undermine governments led by the opposite side (Gershtenson et al., 2006; Hetherington & Rudolph, 2015; Keele, 2005).

A significant body of research focuses on the level and the evolution of the president-in-power effect—the tendency to report high or low levels of trust in government depending on whether their supported or opposed party runs them. Most studies focus on single-party governments to understand how electoral outcomes influence voters' perceptions/evaluations about government efficiency or the state of the economy (Gerber & Huber, 2010; Ladner & Wlezien, 2007; Vuchelen, 1995). In this context, two prominent mechanisms have been advanced: (a) partisan competence attribution, based on voters' genuine belief in an elected party's competence; and (b) partisan motivated reasoning, where voters change their economic attitudes in order to remain as consistent as possible with their political affiliation. The literature, however, lacks an understanding of how these mechanisms work under coalition governments where partisans align only partly with the government in power.

This study is the first to address this gap by showing these mechanisms in the context of a coalition government. To test our argument, we leverage the fact that a panel survey was in the field at the same time as the 2013 German Elections that resulted in an unexpected government coalition.<sup>1</sup> This allows us to employ the Unexpected Events During Survey Design (UESD) framework proposed by Muñoz et al., 2020. Our identification strategy, based on a natural experiment logic, is well documented in the literature and allows us to provide causal estimates of egotropic and sociotropic motivated reasoning in new coalition members (SPD: Social Democrats) in comparison with incumbent voters (CDU/CSU: Christian Democrats) and voters of the other opposition parties. We show that voters of the new coalition member (SPD) improved their economic attitudes after the 2013 elections, aligning these with the new political situation (the coalition government) that emerged following the election (i.e., the dissonance resolution mechanism).

We contribute to a growing literature suggesting that the mere act of voting for parties/candidates increases the preference for them (Bølstad et al., 2013; Dinas, 2014; Mullainathan & Washington, 2009). Contrary to this, Elinder (2012) finds no effect of voting on political attitudes in Sweden and the US. This study builds on these results and shows that while we find consistent, causal effects of the election's outcome on the economic attitudes of voters of the new coalition member, SPD, these effects cannot be interpreted as a genuine belief that one's party will deliver better economic conditions (i.e., the competence attribution mechanism). Based instead on questions of past evaluations and future expectations of personal financial condition, we find that neither new coalition members (SPD) nor the incumbent voters (CDU/CSU) show any significant signs of motivated reasoning.

Our results have important implications for the literature on partisan biases on economic perceptions. First, they are in line with findings that the state of the economy is an important determinant of voting decisions in countries with high clarity of political responsibility (Nadeau et al., 2002; Powell Jr. & Whitten, 1993; Whitten & Palmer, 1999). Certainly, if clarity of responsibility matters, voters in countries with low clarity should not expect that who takes office will make a difference to the economy. If they believed in such a difference,

<sup>1</sup>The election outcome was highly uncertain until election night due to the liberal FDP party—as one of the incumbent government parties—failing narrowly (by .2%) to pass the 5% vote threshold for parliamentary representation. Arguably, had the FDP attained representation the incumbent coalition of CDU/CSU and FDP would have continued. Given this outcome, the CDU/CSU was now in need of a new coalition partner, who was generally perceived to be the SPD.

the economy would figure prominently in the vote function of rational voters in such countries. We confirm here that whereas effects of election outcomes on economic attitudes can still be traced in coalition systems (such as Germany's in this case), they probably do not reflect any belief that political control of the economy will make a real difference but can be explained by a much simpler desire for cognitive consistency. Second, we show that the findings of Gerber and Huber (2010) on partisan perceptions in the US are not generalized, at least not in Germany's coalition outcome. Third, if dissonance resolution systematically affects the economic attitudes of voters, any research relying on subjective measures of the economy is potentially confounded by it; especially when employing post-election surveys that are already influenced by the voting outcome. Our results suggest that dissonance resolution will lead to inflated coefficients of economic voting (Evans & Andersen, 2006; Pickup & Evans, 2013).

The rest of this study is structured as follows. Section "Background" discusses mechanisms of change in economic attitudes. Section "Identification" presents the data and methodology. Section "Results" presents the results of the study. Section "Discussion" discusses and concludes.

## BACKGROUND

### Economic attitudes and mechanisms of change

A variety of studies have shown that elections directly affect the attitudes of voters, ranging from their political preferences to their satisfaction with democracy and a variety of economic attitudes (Bølstad et al., 2013; Dinas, 2014; Gerber & Huber, 2010; Ladner & Wlezien, 2007; Mullainathan & Washington, 2009), including actual economic activity (Benhabib & Spiegel, 2019; Gillitzer & Prasad, 2018).

Within this setting, evidence suggests that voters of winning parties view the future development of the national economy more positively following elections (Gerber & Huber, 2010). In fact, voters are able to predict election outcomes, and their pre-election attitudes towards the economy are already affected by their prediction (Ladner & Wlezien, 2007). For example, for the 1997 UK general elections, Anderson et al. (2004) find that voters of the future labor government viewed the economic development in the 12 months before the elections even more negatively after their party had replaced the incumbent Conservative government. In the US, Gerber and Huber (2010) suggest that elections not only affect attitudes about the state of the national economy (henceforth referred to as *sociotropic attitudes*) but also expectations regarding personal economic circumstances, including household finances and consumption decisions (henceforth referred to as *egotropic attitudes*). These effects are arguably weaker for individuals who believe in strong economic individualism and who do not cognitively tie their own economic circumstances to macro developments in the economy (Glasgow & Weber, 2005).

Two prominent mechanisms that have been advanced to explain the effects of election outcomes on economic attitudes are *partisan competence attribution* and *partisan dissonance resolution*.

- *Partisan competence attribution* reflects voters' genuine belief that their party is more competent in managing the economy and shaping economic policy-making and, thus, election outcomes that bring that party into office should also improve voters' economic expectations (Gerber & Huber, 2010). Note that we do not focus on whether voters' competence perceptions are rational or whether they are a result of a partisan bias.
- *Partisan dissonance resolution* reflects the idea that voters change their economic attitudes in order to achieve the highest cognitive conformity with their previous voting behavior.

Motivated reasoning, as proposed by Festinger (1957) and expanded by Iyengar (1990) and Bullock (2009), suggests that individuals selectively attend to information that aligns with their pre-existing beliefs while downplaying or ignoring dissonant information. Iyengar (1990) emphasizes that selective exposure to media content not only reinforces existing partisan attitudes but also shapes perceptions of broader sociotropic conditions, such as national economic performance. Similarly, Bullock (2009) demonstrates that partisan biases distort individuals' interpretations of factual information, creating a cognitive feedback loop that strengthens partisan evaluations even when these diverge from objective conditions. These insights are critical for understanding why sociotropic evaluations are more susceptible to change under dissonance resolution mechanisms, as they rely on external narratives rather than personal experiences.

Despite their differences, both imply that individuals seek to appear consistent to themselves (and others). To date, these two mechanisms have not been considered jointly. In order to ascertain their relative importance, we consider two dimensions of attitudes: (a) egotropic vs. sociotropic; and (b) retrospective vs. prospective. The former pair pertains to the question of whether one assesses personal or national economic conditions; the latter pair spans the difference between evaluations of the past and expectations about the future.

Work relying on competence attribution as the main mechanism of attitudinal change has typically investigated prospective attitudes. That is, if one's own party/candidate is believed to be able to improve economic conditions, and that party/candidate wins, this should lead to better prospects for the economy as a whole (sociotropic attitudes) and for one's personal expectations (egotropic attitudes). Hence, under the competence attribution mechanism, retrospective attitudes should be unaffected by election outcomes—unless voters engage in partisan motivated reasoning (Bolsen et al., 2014).

Studies based on dissonance resolution as the main mechanism have mainly focused on sociotropic attitudes. This is because sociotropic attitudes are arguably more susceptible to change as compared to egotropic attitudes (Bassili, 2008) for the following reasons. First, assessing the state of the national economy is relatively less salient to people as compared to assessing their own economic situation. Second, knowledge about the national economy (e.g., from the media) is arguably less “accessible” and more effortful than knowledge about one's own economic situation. Third, there is arguably more ambivalence in the assessment of macroeconomic conditions than in the assessment of one's own economic condition.

In all, dissonance resolution is more likely to result in a change of sociotropic, rather than egotropic, attitudes. That is, if one voted for a particular party that gets elected in office, one can justify this vote *ex post* by improving one's attitude towards this party and one's expectations regarding the party's future achievements. Dissonance resolution could arguably even affect sociotropic attitudes retrospectively; for instance, by devaluing the past state of the economy, one can render their own vote choice for the opposition party more consistent with one's cognition.

This is in line with recent evidence suggesting that while sociotropic evaluations are more influential in shaping voting behavior, their effects are contingent on voters' ability to access and process national economic information. Lewis-Beck and Stegmaier (2000) emphasize the predominance of sociotropic evaluations, highlighting their stability across contexts, whereas Healy and Malhotra (2013) introduce nuance by demonstrating that the timing of economic changes and partisan biases can distort these evaluations. Both papers underscore the limitations of voter rationality: sociotropic evaluations may dominate, but they are not immune to cognitive and informational biases. Both suggest that the salience and timing of events play critical roles in magnifying sociotropic concerns.

A general overview stemming from these two mechanisms is provided in Figure 1. The *x*-axis splits attitudes based on time, between past economic conditions (evaluations) on the left and future economic conditions (expectations) on the right; the *y*-axis relates to the

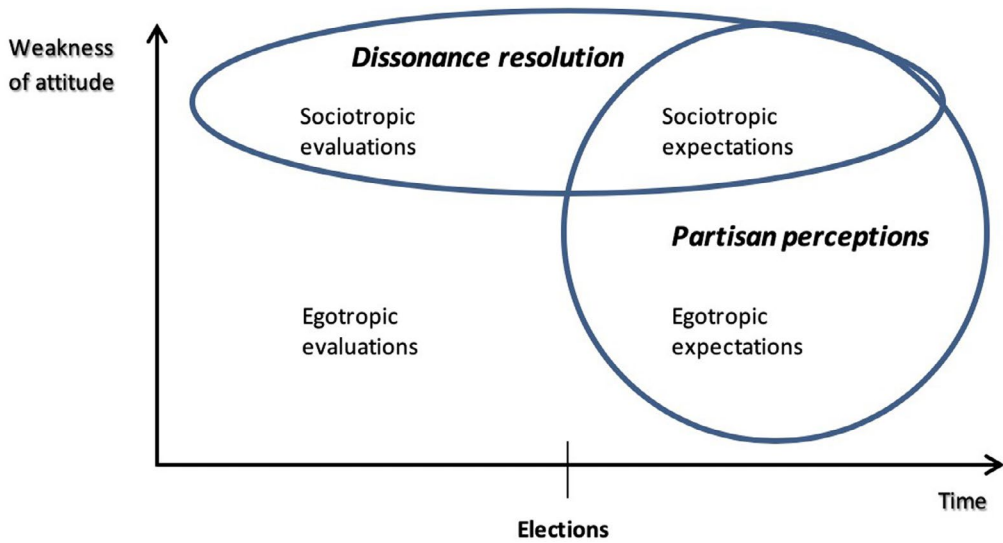


FIGURE 1 Economic attitudes and mechanisms of change.

strength of the attitude, distinguishing these between “strong” personal economic assessments (egotropic) at the bottom and “weaker” national economic assessments (sociotropic) at the top. While the mechanism of dissonance resolution predicts changes in sociotropic attitudes due to election outcomes, the mechanism of competence attribution only accounts for change in economic expectations. This shows that the two mechanisms cannot be distinguished when focusing on sociotropic expectations. By contrast, observed change in sociotropic evaluations or egotropic expectations can offer important insight for the presence of a particular mechanism: dissonance resolution in the case of the former and competence attribution in the case of the latter.

We expect that the functioning of each mechanism is likely to depend on whether a single party or a coalition government prevails. We expect that competence attribution is weakened under coalition governments due to reduced clarity of political responsibility. If voters cannot be certain that the party they voted for will have sufficient impact on economic conditions, improving one's expectations due to a change in political control favoring one's party is less obvious. This idea directly fits findings from the economic voting literature that low levels of clarity of responsibility also lead to weaker patterns of economic voting (Hobolt et al., 2013).

With regard to dissonance resolution, while voters of parties that obtain political control will always increase their expectations of the future economy to justify their voting behavior, attitudinal change with regard to evaluations of the past economy should depend on the nature of turnover. If the coalition is entirely replaced, the voters of the “incoming parties” will devalue the past performance of their predecessors in order to justify their vote against the incumbents (Anderson et al., 2004). If only one party, however, replaces another in office while one coalition partner is retained, voters of the incoming government party will typically not devalue past economic performance to justify their vote. Indeed, this would cause further dissonance since their party is forming a coalition with a party that has borne responsibility in the previous government. On the contrary, it is likely that voters of the incoming party will improve their views of the past economy after elections in order to justify why they voted for an opposition party that is now forming a coalition with one of the incumbent parties it aimed to replace.

## The case of the 2013 German general elections

Against this background, we use the 2013 German general elections to study the relevance of the two mechanisms of attitudinal change. These elections offer an interesting opportunity to do so for two reasons. First, the election outcome induced a partial turnover in the government parties, which enables us to test hitherto untested hypotheses about the functioning of the dissonance resolution mechanism in coalition situations. Second, the election outcome was highly uncertain until election night due to the liberal FDP party—as one of the incumbent government parties—failing narrowly (by .2%) to pass the 5% vote threshold for parliamentary representation. Arguably, had the FDP attained representation, the incumbent coalition of CDU/CSU and FDP would have continued. Given this outcome, the CDU/CSU was now in need of a new coalition partner, who was generally perceived to be the SPD.

Importantly, media and voters had speculated about this scenario of a “grand coalition,” but the outcome was predicted to balance on a knife's edge. Hence, it is appropriate to assume that anticipatory effects regarding the election's outcome were limited. At the same time, at the end of election night, the “grand coalition” was considered to be the future government. We illustrate this point in Figure A1 in the Appendix that shows keyword counts in newspaper headlines for the grand coalition (keywords: “Große Koalition”; “schwarz-rot”) and the only other possible coalition option between the Greens and the CDU/CSU (keywords: “schwarz-grün”).

How do we expect voters of the new coalition between CDU/CSU and SPD to react to this outcome? The possibility of allocating important ministerial offices within the new grand coalition may further shape the expectations of SPD voters. According to Laver and Shepsle (1998), the control of specific ministries allows parties to better implement their policy positions, particularly when ministers have a high degree of discretion within their portfolios. In the case of the 2013 grand coalition, although the SPD did not win control of the Ministry of Finance, they gained control of the Ministry of Economic Affairs. While this ministry is less central to fiscal policy, it still plays a significant role in shaping broader economic and industrial policies. Given the high degree of ministerial discretion in the German political system, SPD voters are likely to perceive this as an important opportunity to influence key areas of economic governance (and therefore performance), such as trade policy, labor market reforms, or industrial strategy. As a result, SPD voters may be more optimistic about the potential for policy change, aligning with the expectation that their party's position in the new government increases its capacity to shape policy outcomes.

Table 1 outlines our hypotheses from the viewpoint of both mechanisms. From the perspective of partisan perceptions, we expect that voters of SPD will improve their sociotropic and egotropic expectations as their party will be part of the government and, to some extent, influence economic policy-making. In turn, the partisan competence attribution mechanism does not hypothesize any change in economic evaluations due to the election outcome.

Likewise, the dissonance resolution mechanism is expected to affect sociotropic expectations in order to justify one's vote for a future government party. However, it does not explain

TABLE 1 Theoretical expectations.

|                       | Expectations |           | Evaluations |           |
|-----------------------|--------------|-----------|-------------|-----------|
|                       | Sociotropic  | Egotropic | Sociotropic | Egotropic |
| Partisan perceptions  | CDU+         | CDU+      | CDU()       | CDU()     |
|                       | SPD+         | SPD+      | SPD()       | SPD()     |
| Dissonance resolution | CDU+         | CDU()     | CDU+        | CDU()     |
|                       | SPD+         | SPD()     | SPD+        | SPD()     |

the change in egotropic expectations that are strong, relatively more salient, attitudes and hence less susceptible to change based on cognitive dissonance.

Importantly, with regard to evaluations, the dissonance resolution mechanism predicts an improvement of sociotropic attitudes. For the CDU/CSU voters, the reasoning is quite simple and stresses voters' desire to over-justify their vote for the returning government party by appreciating its past performance in the last government. For the SPD, it is a consequence of partial government turnover. While the SPD focused its campaign on replacing the incumbent coalition of CDU/CSU and FDP with a red-green coalition, it had to strike a deal with its main opponent, CDU/CSU, following the election outcome. This dissonance between negative cognitions of the CDU/CSU and the need to form a coalition with this party induces cognitive dissonance that can be resolved by revaluing the image of CDU/CSU and its past performance.<sup>2</sup>

This process is quite obvious with the SPD leader Sigmar Gabriel attacking the CDU/CSU Chancellor Angela Merkel before the elections, yet calling her—and her CSU counterpart, Horst Seehofer—“extraordinarily reliable” two weeks later. The prominent role of Angela Merkel as Chancellor and the political identity tied to her leadership likely contributed to the observed shifts in voter evaluations. Williams et al. (2017) demonstrate that the party affiliation of the Chancellor can significantly shape public perceptions of government competence, with voters of the Chancellor's party often viewing economic conditions more favorably. Similarly, Debus et al. (2014) show that the Chancellor's party affiliation moderates attribution of responsibility in coalition governments, where shared accountability blurs clear lines of influence. These dynamics likely magnified the effects of dissonance resolution, as voters reconciled their pre-election opposition to the CDU/CSU with the necessity of forming a grand coalition, ultimately improving their retrospective assessments of economic conditions.

## IDENTIFICATION

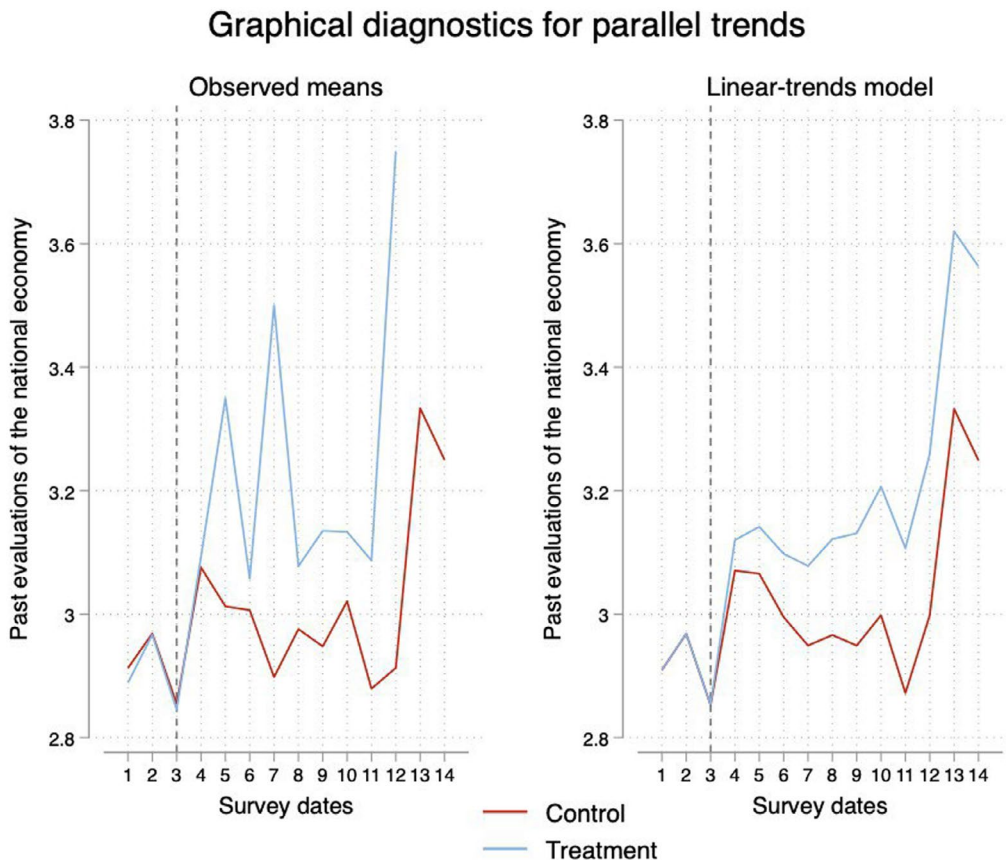
To investigate the effect of the election and the new coalition government on past evaluations and economic attitudes, we use a novel online panel survey fielded around the 2013 German general elections with a pre- and post-election wave. Our sample contains 2,000 respondents in each wave. Respondents completed the same questions in both waves, with only minor differences in “item non-responses” between waves, as described in Table A3. The observation period spans September 9 to October 3, 2013, with the elections being held on September 22.<sup>3</sup> The dataset is available at the [UK Data Service archive](#). Our panel is unique in that (a) it is a closely spaced panel covering only a very short observation period around election day and, thus, is not “contaminated” by other unexpected (confounding) events during this short time span; and (b) includes more items on economic conditions than other datasets such as, for example, the German Longitudinal Election Study (GLES). To the best of our knowledge, there were no unexpected (confounding) events during that closely spaced time window.

<sup>2</sup>In unreported regressions, we also test whether dissonance resolution extends to political preferences. In particular, we find that CDU/CSU as well as SPD voters moderated their left–right self-placement towards the centre following the elections. Left extremist SPD and right extremist CDU/CSU voters became more centrist, which we interpret as an attempt to resolve dissonance between one's political views and one's party entering a coalition with a party from the other side of the ideological spectrum.

<sup>3</sup>We also calculated normalized differences. Contrary to simple differences, normalized differences are scale-free, that is, independent of sample size, and hence more informative about the degree of covariate imbalance, if any, between large samples (Imbens & Rubin, 2015). The normalized difference is calculated as where  $\bar{x}_1$  and  $\bar{x}_2$  are the sample mean of variable  $x$  in the first and second groups, respectively.  $\sigma^2$  denotes the respective variance (Imbens & Rubin, 2015; Imbens & Wooldridge, 2009). None of the normalized differences are above the suggested threshold above which covariates are unbalanced based on Imbens and Wooldridge (2009).

To test our argument, we leverage the fact that our data collection process was in the field at the time of the 2013 German Elections (22/09/2013). This allows us to employ the Unexpected Events During the Survey Design (UESD) framework proposed by Muñoz et al. (2020), the identification of valid causal estimates based on the comparison of respondents interviewed before and after the day of the event hinges on several identifying assumptions. Arguably, there are two key and potentially problematic assumptions in this design. First, the difference between respondents interviewed before and after the event shall be the sole consequence of the event. That is, the timing of the interview should affect the outcome variable only through the event. The second key assumption is temporal ignorability: For any individual, the potential outcomes must be independent of the moment of the interview. This means that, in order to obtain an unbiased estimator, selection of the moment of the interview should be as good as random. To test that, Figure 2 plots the parallel trends assumption between SPD voters and the rest of respondents regarding National Economy evaluations in the past 12 months.

Given our closely spaced panel survey designed around election day, the identifying assumption is that potential confounding factors remain constant over this very short observation window (i.e., between September 9 and October 3). That is, how respondents evaluate, perceive, as well as how they are exposed to information about the economy (e.g., through media coverage) are assumed to remain constant within this relatively short time span. Moreover, no other major changes/events that could affect economic attitudes, other than the general



**FIGURE 2** Evaluations about whether the economy has improved over the past 12 months. Scale is 1–5, with higher values indicating higher valuations.

election, occurred during this short time window. In support of this claim, we (a) conduct keyword searches and count headlines of the economy and finance sections of daily headlines of two leading German newspapers, *Frankfurter Allgemeine Zeitung* and *Süddeutsche Zeitung*, relating to the German and the EU economy; and (b) compare trends in key economic indicators, namely GDP and unemployment rates, between Germany and the EU. Overall, the average number of daily headlines is rather flat, ranging between four and seven for the German (Appendix, Figure A2) and about six for the EU economy (Appendix, Figure A3). Similarly, and despite the quarterly frequency of those data, the macroeconomic indicators do not suggest any major changes in the overall economic/political environment during the observation period (Appendix, Figures A4 and A5). Note that we also obtain the quarterly inflation rate for the German and the EU economy, the daily German share index, and the daily crude oil index; none of which suggest there were major changes in the overall economic and political environment either.

As government evaluations of economic performance, we capture respondents' economic attitudes shortly before and shortly after election day, and we study changes in attitudes within individuals. To capture economic attitudes, we collect data on expectations about the future and evaluations of past economic performance from five-point single-item Likert scales. On expectations, we ask respondents: "What are your expectations for the next 12 months? Will the next 12 months be better, worse, or the same when it comes to (i) your personal job situation, (ii) the financial situation of your household, (iii) the economic situation in Germany, and (iv) the economic situation in the European Union?" On evaluations, we ask the same items of respondents, but use a retrospectively formulated question: "And how about changes during the last 12 months? Compared with 12 months ago, are things better, worse, or the same when it comes to (i) your personal job situation, (ii) the financial situation of your household, (iii) the economic situation in Germany, (iv) the economic situation in the European Union, (v) the economic situation in the world?"

In the post-election wave, we further ask respondents which party they voted for: CDU/CSU (the incumbent), SPD (the contestant), the Greens, the Left party, the FDP, the Alternative for Germany, a selection of fringe parties, whether they abstained from voting, or whether they do not wish to disclose their vote.

Finally, we obtain a rich set of variables—including gender, age, marital status, education, employment status, income, home ownership, and residency in East Germany—as controls at the microlevel. As we face some missing values on income, we use five multiple imputations from an ordered logit model with age, education, employment status, residency in East Germany, and home ownership as regressors. Descriptive statistics of our sample are presented in Table A1.

## Empirical model

We regress respondents' post-election economic attitudes on their pre-election economic attitudes and vote shares. Our baseline specification is given in Equation (1).

$$Attitudes_{i,t} = \beta_0 + \beta_1 Vote_{i,t} + \beta_2 Post + \beta_3 (Vote \times Post)_{i,t} + X'_i \beta_2 + \phi_t + \epsilon_i, \quad (1)$$

where  $Attitudes_{i,t}$  is a vector of different economic attitudes;  $VOTE'_{i,t}$  is a variable indicating which party the respondent voted for;  $Post$  is a post-elections binary variable;  $(Vote \times Post)_{i,t}$  is a dummy variable that is 1 if a respondent voted for the party in question (SPD in column 1, FDP column 2, and CDU/CSU in column 3 in Table 2), and 0 else; and  $X'_i$  is a vector of  $i$  respondent controls. Notably, this vector of controls is time-invariant as, in a closely spaced panel design, respondents are typically interviewed in too quick succession to pick up significant changes in covariates over time; in fact, respondents are being asked these in the pre-election survey only in order to shorten

the post-election questionnaire to avoid attrition. We routinely include interview date dummy variables,  $\phi_p$ , to net out systematic differences between interview dates.  $\epsilon_i$  is the idiosyncratic error of respondent  $i$ .

The economic attitudes include expectations about the future and evaluations of past economic performance, respectively, pertaining to the personal job situation and the financial situation of the respondent's household, as well as to the economic situation in Germany, the EU, and the world. The vote choice variable includes CDU/CSU (the incumbent), FDP (the losing coalition member), SPD (the new coalition party), voting for one of the opposition parties, abstaining from voting, or not to disclose the vote.

## RESULTS

The results from the baseline specification are reported in Table 2. Column 1 shows the effect of the election result on the retrospective evaluations of the national economy for SPD voters (new coalition members). Column 2 shows the same for FDP voters (past coalition members) and Column 3 for CDU voters (the incumbent). The vote choice dummy variables indicate whether the respondent voted for each of the parties, the reference category being a vote for any other parties.<sup>4</sup>

Respondents who voted for the SPD show significantly improved evaluations of the performance of the national economy over the past 12 months. The same is not, however, the case for CDU/CSU voters (incumbents). Moreover, no significant effects (either positive or negative) are present for respondents who voted for FDP, the previous coalition member. These results provide new insights into how motivated reasoning about the state of the economy extends to new members of the government, even if the day before the election they were the opposition.

This is particularly important given the context. SPD up until the evening of the election was fiercely against the incumbent CDU/CSU coalition and campaigned heavily based on that message. On the evening of election day, it became evident that a coalition between CDU/CSU and FDP would not reoccur as FDP failed to reach the threshold required for it to enter Parliament. Moreover, the SPD had a disappointing result, failing to reach the number of seats necessary to engage in a coalition with the Greens (their favored coalition partner) who also failed to meet expectations. Rather, on the evening of election day, it quickly became evident that a grand coalition between CDU/CSU and SPD was the only plausible alternative to a second general election. As such, it is perhaps surprising that respondents who voted for SPD exhibit evidence of motivated reasoning regarding the past performance of the economy under the CDU/CSU-FDP government to mitigate cognitive dissonance for the upcoming coalition.

Interestingly, the change in expectations of SPD voters pertains only to past evaluations of the economic performance and not to other domains of sociotropic or egotropic evaluations (Table A6). Respondents do not seem to translate their beliefs about the economy as a whole into beliefs about their personal economic well-being.

Contrary to the egotropic domain, the sociotropic domain includes items such as expectations about the future performance of the German or the EU economy, which are not straightforward to verify by voters and to which, therefore, weak economic attitudes pertain. As weak economic attitudes are susceptible to both partisan perceptions and dissonance resolution, they cannot be used to discriminate between them, so that items from the egotropic domain have to be used. These are not affected, and this finding speaks strongly in favor of dissonance resolution rather than partisan competence attribution, as we would expect voters who hold

<sup>4</sup>Results remain the same irrespective of the control group. See robustness analysis in Section "Additional Results".

TABLE 2 Retrospective sociotropic evaluations of the national economy.

|                       | New coalition      | Past coalition     | Incumbent          |
|-----------------------|--------------------|--------------------|--------------------|
|                       | (1)                | (2)                | (3)                |
| Post                  | -.324***<br>(.020) | -.315***<br>(.021) | -.333***<br>(.017) |
| SPD                   | -.013**<br>(.005)  |                    |                    |
| SPD × Post            | .135**<br>(.048)   |                    |                    |
| FDP                   |                    | .109<br>(.091)     |                    |
| FDP × Post            |                    | -.025<br>(.103)    |                    |
| CDU/CSU               |                    |                    | .248**<br>(.028)   |
| CDU/CSU × Post        |                    |                    | -.021<br>(.040)    |
| Controls              | Yes                | Yes                | Yes                |
| Date FE               | Yes                | Yes                | Yes                |
| <i>N</i>              | 3023               | 3023               | 3023               |
| <i>R</i> <sup>2</sup> | .064               | .080               | .087               |

Note: Each column stands for one Diff-in-Diff regression model as described in Equation (1). Robust standard errors clustered at the date level are reported in parentheses. Controls include gender, age, marital status, education, employment status, income, and interview date dummy variables.

\*\* $p < .05$ ; \*\*\* $p < .01$ .

the genuine belief that the party they voted for is indeed more capable of managing the economy to also believe that better economic performance at the aggregate level turns into greater personal economic well-being (Table 3).

The results related to the evaluations of future economic performance mirror those discussed above. Post-elections, SPD voters show significantly improved evaluations of economic performance in the sociotropic, but not egotropic domain. Again, no statistically significant effects are estimated for those who abstained from voting or who did not disclose their vote. The fact that voters of the parties which would eventually form the next government view the past more favorably post-election, which seems counterintuitive, as it is at odds with the theory of the rational voter. This finding is also at odds with partisan competence attribution, which is always prospective rather than retrospective. It is, however, consistent with what we would expect under dissonance resolution.

To illustrate, consider the case of SPD as this party was not part of the previous governing coalition. SPD voters also view past economic performance post-elections more favorably, but the cognitive change process is different: SPD voters have to achieve some consistency between their vote for the SPD, the SPD's intention to replace the CDU/CSU in government, and the election outcome that forces the SPD into a coalition with the CDU/CSU. As voting behavior cannot be changed, the straightforward way to reduce dissonance is to revalue the CDU/CSU's past performance, perceiving it more favorably.

To ensure the validity of our main findings, we conduct a series of robustness checks. These address potential concerns about parallel trend violations, estimation methods, and the

TABLE 3 Egotropic and sociotropic evaluations.

|                                    | Egotropic        |                 | Sociotropic       |                   |
|------------------------------------|------------------|-----------------|-------------------|-------------------|
|                                    | Job situation    | HH income       | EU economy        | World economy     |
| <i>Panel A: Past evaluations</i>   |                  |                 |                   |                   |
| Post                               | .026<br>(.021)   | .009<br>(.049)  | .079***<br>(.021) | .063***<br>(.020) |
| SPD                                | -.010<br>(.045)  | -.001<br>(.051) | .007<br>(.046)    | .064<br>(.020)    |
| SPD × Post                         | -.015<br>(.044)  | -.025<br>(.049) | .027<br>(.048)    | -.035<br>(.047)   |
| <i>N</i>                           | 3555             | 3554            | 3618              | 3595              |
| <i>R</i> <sup>2</sup>              | .0003            | .0001           | .003              | .002              |
| <i>Panel B: Future evaluations</i> |                  |                 |                   |                   |
| Post                               | .019<br>(.021)   | .016<br>(.049)  | .097***<br>(.024) | .034<br>(.022)    |
| SPD                                | -.078*<br>(.045) | -.080<br>(.053) | .017<br>(.056)    | .038<br>(.053)    |
| SPD × Post                         | -.029<br>(.047)  | .015<br>(.049)  | .086<br>(.054)    | .004<br>(.051)    |
| <i>N</i>                           | 3485             | 3479            | 2889              | 3446              |
| <i>R</i> <sup>2</sup>              | .002             | .001            | .060              | .001              |
| Controls                           | Yes              | Yes             | Yes               | Yes               |
| Date FE                            | Yes              | Yes             | Yes               | Yes               |

Note: Each column stands for one Diff-in-Diff regression model as described in Equation (1). Robust standard errors clustered at the individual level reported in parentheses. Controls include gender, age, marital status, education, employment status, income and interview date dummy variables.

\* $p < .1$ ; \*\*\* $p < .01$ .

sensitivity of our results to various specification choices (Table A5). First, we examine whether there are parallel trend violations in our difference-in-differences specifications. Given that our design is a canonical  $2 \times 2$  DiD, we leverage the dates of the interviews to pick up pre- and post-election trends in our main outcome variable as reported in Figure 2 and Table A4 in the Appendix. These tests provide no evidence of parallel trend violations. Similarly, we perform the same test for all other outcome variables.

Second, we assess the sensitivity of our main results to different specifications. Our results remain the same whether we treat the sample as a panel of individuals or as a pooled cross-section of individuals pre- and post-election with individual fixed effects (to leverage the date aspect of our panel). Similarly, our results remain the same including or excluding all controls.<sup>5</sup>

Last, we test the extent to which our main results are heterogeneous among different subsamples. We focus on gender, education, income, and whether the participant voted in the election.<sup>6</sup> The main effect varies slightly in magnitude, as reported in Table A4, but the differences

<sup>5</sup>Given that our main estimation relies on a  $2 \times 2$  DiD design with a treatment happening simultaneously to all treated individuals, we do not need to test the robustness of our estimations to recent DiD advancements.

<sup>6</sup>We also test whether there are participants that shifted from one party to another between the pre- and the post-election survey, but the small subsample of these participants ( $N=45$ ) does not allow us to analyze this group independently.

are not statistically significant. As suggested in the previous literature (Klein Teeselink & Melios, 2025), more educated, more engaged (voted), and higher income individuals are more prone to motivated reasoning (Table A6).

## DISCUSSION

Several studies have shown that voters' economic attitudes change around elections. In this paper, we consider two alternative mechanisms influencing this change, namely *partisan competence attribution* and *partisan dissonance resolution*. The former suggests that voters have a genuine belief in the competence of their party and contend that their party is able to obtain some control over economic policy-making once it enters office; the latter interprets attitudinal change as a mere desire for some consistency of behavior and cognition that only affects weak attitudes and does not represent any truthful belief in the competence or ability of parties to improve economic conditions. The results of our study across different economic attitudes cannot be attributed to the competence attribution mechanism: voters of the future coalition partners neither expect higher household incomes nor do they expect their job situation to improve. Moreover, we find patterns of change in retrospective attitudes that cannot be explained with competence attribution but only with dissonance resolution following a ("forced") coalition that was negated and depreciated in the time leading to election day. These results come from a closely spaced primary panel survey of individuals in Germany and are robust to alternative econometric specifications.

Our study does not rule out the presence of partisan competence attribution. This mechanism may still play some role but may simply not be strong enough to significantly affect respondents' egotropic attitudes. Yet, our results suggest that partisan perceptions are weaker than in the US context (e.g., see Gerber and Huber (2010) on evidence for partisan competence attribution in Congress elections). Although the exact reasons for our finding cannot be inferred from a single election case, at least two interpretations can be advanced. One is that coalition politics lead to blurred political responsibility between parties, with voters therefore not expecting their party to be able to make a significant enough impact on economic policy-making. This interpretation derives directly from the extant literature explaining lower levels of voting in many Western European countries by pointing to reduced clarity of responsibility (Anderson, 2000; Hobolt et al., 2013; Whitten & Palmer, 1999).

Our results have important implications for the literature on partisan biases in perceptions of the economy. In particular, scholars relying on retrospective attitudes from post-election surveys have to consider that their data may be confounded by processes of dissonance resolution (Bischoff & Siemers, 2013). In the case of no or alternatively a full turnover in government parties, dissonance resolution is likely to lead to inflated estimates of economic voting. If the incumbent parties are returned, the voters of these parties will improve their economic evaluations of the past, although their vote for the incumbent was not motivated by any genuine belief in the party's ability to deliver better economic conditions. In turn, voters of the opposition parties will deteriorate their economic evaluations, although their vote was not motivated by concerns about the economic competence of the parties.

Our findings should add further caution to strong claims about a causal effect of retrospective economic attitudes on the vote (Evans & Andersen, 2006; Pickup & Evans, 2013). However, while dissonance resolution always leads to conflation, our results demonstrate that under partial turnover in government parties, economic voting coefficients could actually be deflated. In our case, SPD voters improved their retrospective evaluations to consistently integrate the emerging coalition with the CDU/CSU in their cognitions, and yet, they voted for an opposition party. This will diminish any existing, real effects of economic voting in statistical

analyses. Hence, in the event of coalition politics with partial turnover, economic voting may appear *weaker* than it actually is.

Future research should investigate the consequences of partial changes in coalition governments across a greater range of countries and elections. Recently, cases where one of the incoming coalition partners was a mainstream party previously in opposition have become more frequent. Notable examples include the 2019 Italian coalition between the Five Star Movement and the Democratic Party (PD), the Spanish coalition government between the Spanish Socialist Workers' Party (PSOE) and Unidas Podemos, and the 2010 Belgian coalition between the Flemish Christian Democrats (CD&V) and the French-speaking Socialist Party (PS). These examples provide valuable cases for further exploring the mechanisms outlined in our study.

Overall, our results show that economic attitudes change in rather complex ways and in interaction with institutional/political factors around elections. This insight should motivate scholars to collect more high-frequency data when investigating the relationship between economic attitudes and election outcomes.

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## DATA AVAILABILITY STATEMENT

The data that support the findings of this study are openly available in UK data service at <https://beta.ukdataservice.ac.uk/datacatalogue/studies/study?id=8267>, reference number <https://doi.org/10.5255/UKDA-SN-8267-1>.

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## APPENDIX

## Public's interest online

We aggregate keyword searches in the two major German newspapers, Frankfurter Allgemeine Zeitung and Süddeutsche Zeitung. While, three days following the elections, a total of five newspaper articles related to this alternative coalition, the overwhelming majority of headlines during the same period focused on the “grand coalition” option, making 21 headlines. On September 27, media reported that Sigmar Gabriel, leader of the SPD, had the intention to hold a party referendum on the Social Democrats' participation in a new coalition. During the next weeks, this created some limited uncertainty about the grand coalition scenario. However, we obtain substantively the same results if we restrict our sample to individuals completing the survey within five days following the elections when the “grand coalition” was expected to be the only viable coalition. This view is also supported by surveys conducted after election night

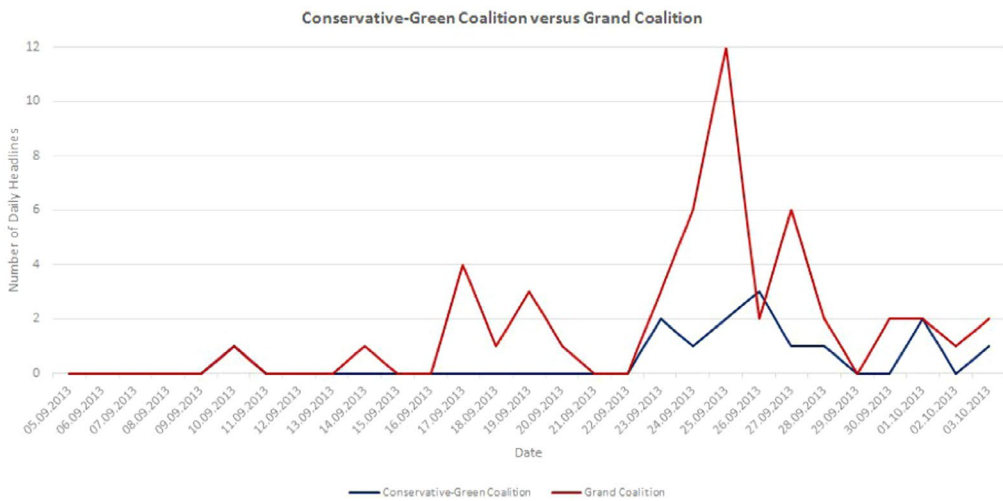


FIGURE A1 Number of daily headlines on selected coalitions.

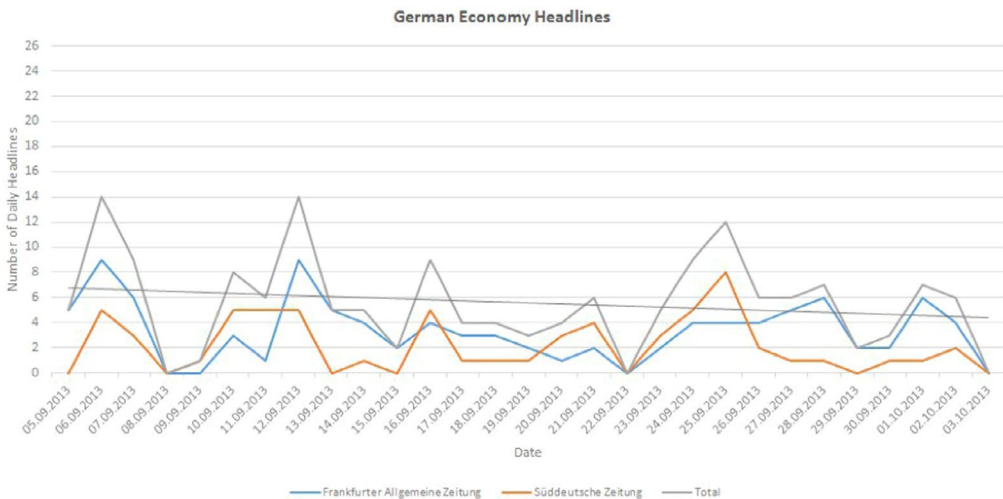


FIGURE A2 Number of daily headlines on the German Economy.

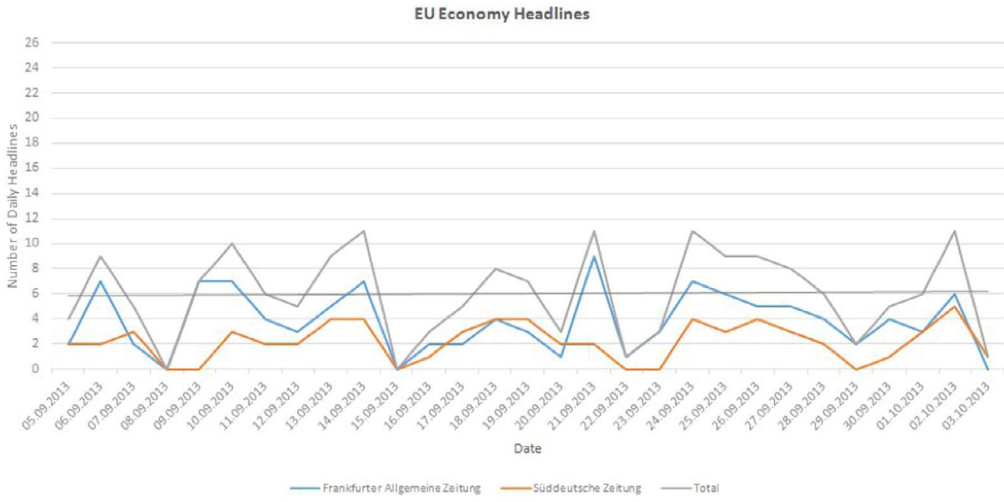


FIGURE A3 Number of daily headlines on EU economy.

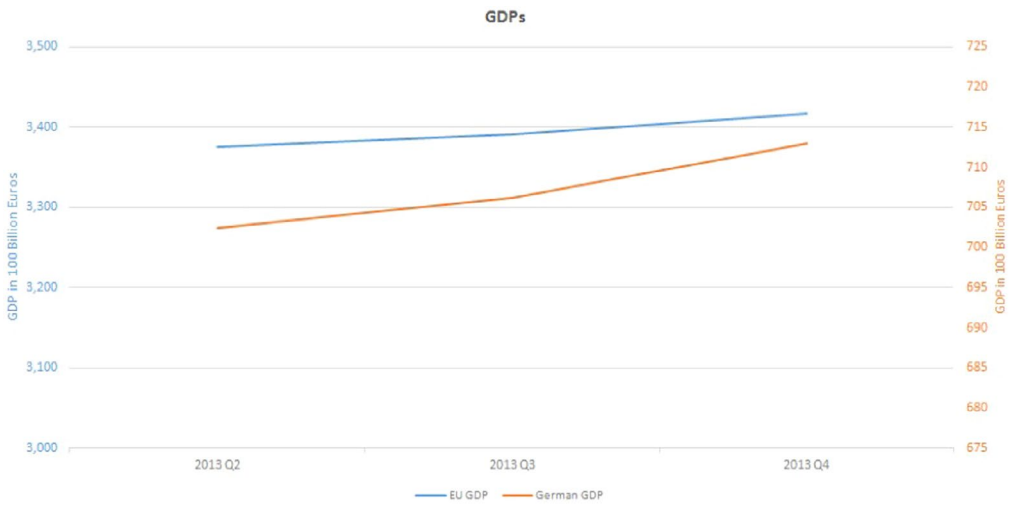


FIGURE A4 GDP figures for EU and Germany around the survey.

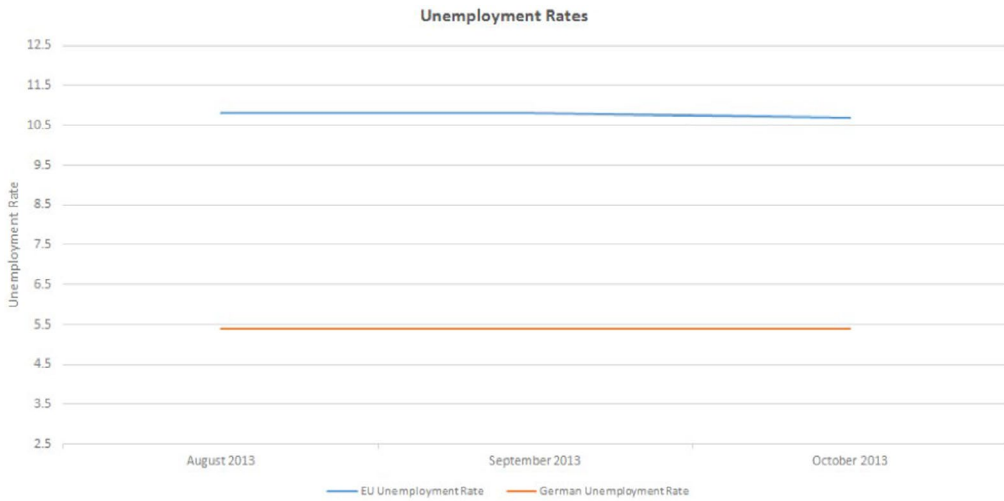


FIGURE A5 Unemployment rates in EU and Germany around the survey.

## Descriptive statistics

TABLE A1 Descriptive statistics of dependent variables.

|                     | Mean (pre) | Mean (post) | Min. | Max. |
|---------------------|------------|-------------|------|------|
| <i>Evaluations</i>  |            |             |      |      |
| Job                 | 3.121      | 3.14        | 1    | 5    |
| Finance             | 3.036      | 3.046       | 1    | 5    |
| Germany             | 2.935      | 3.017       | 1    | 5    |
| EU                  | 2.590      | 2.697       | 1    | 5    |
| <i>Expectations</i> |            |             |      |      |
| Job                 | 3.243      | 3.250       | 1    | 5    |
| Finance             | 3.140      | 3.156       | 1    | 5    |
| Germany             | 2.852      | 2.954       | 1    | 5    |
| EU                  | 2.574      | 2.692       | 1    | 5    |

TABLE A2 Summary statistics for controls.

| Variable  | Mean (pre) | Std. dev. (pre) | Mean (post) | Std. dev. (post) | Min | Max |
|-----------|------------|-----------------|-------------|------------------|-----|-----|
| Age       | 42.15      | 12.83           | 42.15       | 12.83            | 18  | 65  |
| Female    | 1.50       | .50             | 1.50        | .50              | 1   | 2   |
| Employee  | 2.22       | 1.56            | 2.22        | 1.56             | 1   | 5   |
| Marital   | 2.48       | 1.29            | 2.48        | 1.29             | 1   | 6   |
| Income    | 6.17       | 2.40            | 6.17        | 2.40             | 1   | 10  |
| Education | 2.68       | .98             | 2.68        | .98              | 1   | 4   |

## Additional results

Table A2 below reports the statistical test for the parallel trends assumption of the main estimation. Table A3 reports the main effect using a different control group. In column 2, we exclude from the control group voters of the CDU/CSU in case they bias our main estimate.

Table A4 reports the main effect for different subgroups of the sample.

TABLE A3 Balance check of key characteristics.

| Variable | Mean (pre) | SD (pre) | N (pre) | Mean (post) | SD (post) | N (post) | Min | Max |
|----------|------------|----------|---------|-------------|-----------|----------|-----|-----|
| Age      | 42.26      | 12.81    | 1958    | 42.51       | 12.85     | 1685     | 18  | 65  |
| Female   | 1.50       | .50      | 1958    | 1.49        | .50       | 1685     | 1   | 2   |
| Employee | 2.21       | 1.56     | 1958    | 2.23        | 1.57      | 1685     | 1   | 5   |
| Marital  | 2.48       | 1.29     | 1958    | 2.49        | 1.29      | 1685     | 1   | 6   |
| Income   | 6.20       | 2.41     | 1623    | 6.20        | 2.41      | 1400     | 1   | 10  |
| Other    | 2.69       | .98      | 1958    | 2.70        | .98       | 1685     | 1   | 4   |

TABLE A4 Parallel trends test.

| Parallel trends test (pretreatment time period) |            |
|---|------------|
| H0: Linear trends are parallel                  |            |
| $F(1, 1)$                                       | 351,700.15 |
| Prob > $F$                                      | .0011      |

TABLE A5 Alternative control group.

|            | Main estimation    | Excluding CDU/CSU from control |
|------------|--------------------|--------------------------------|
| Post       | -.324***<br>(.020) | .051*<br>(.027)                |
| SPD        | -.013**<br>(.005)  | -.126**<br>(.051)              |
| SPD × Post | .135**<br>(.048)   | .131**<br>(.051)               |
| Controls   | No                 | Yes                            |
| Date FE    | No                 | Yes                            |
| $N$        | 3643               | 2063                           |
| $R^2$      | .004               | .006                           |

Note: Each column stands for one diff-in-diff regression model as described in Equation (1). Robust standard errors clustered at the date level reported in parentheses. Controls include gender, age, marital status, education, employment status, income, and interview date dummy variables.

\* $p < .1$ ; \*\* $p < .05$ ; \*\*\* $p < .01$ .

that indicated that 48% of all Germans approved of a grand coalition with only 18% preferring the alternative option of CDU/CSU and Greens.

In addition to that, we count the number of daily headlines that include the string “deutsch” or “bundesrepublik” for the German and “euro” for the European Union economy. Arguably, these keywords are imperfect measures of changes in the overall economic and political environment. However, this becomes an issue only in case that these keyword searches systematically pick up issues other than those relating to the economy and that this bias changes during the observation period. There is no reason to believe that either is the case.

**TABLE A6** Heterogeneous retrospective sociotropic evaluations of the national economy.

|                       | Voters            | High income      | High education   | Gender(female)  |
|-----------------------|-------------------|------------------|------------------|-----------------|
| Post                  | .065<br>(.023)    | .044*<br>(.027)  | .055**<br>(.022) | .046<br>(.030)  |
| SPD                   | -.012<br>(.049)   | -.020<br>(.059)  | .003<br>(.049)   | -.031<br>(.065) |
| SPD × Post            | .142***<br>(.049) | .141**<br>(.050) |                  |                 |
| Controls              | Yes               | Yes              | Yes              | Yes             |
| Date FE               | Yes               | Yes              | Yes              | Yes             |
| <i>N</i>              | 2781              | 2005             | 3119             | 1764            |
| <i>R</i> <sup>2</sup> | .005              | .006             | .005             | .004            |

*Note:* Each column stands for one diff-in-diff regression model as described in Equation (1). Robust standard errors clustered at the date level are reported in parentheses. Controls include gender, age, marital status, education, employment status, income, and interview date dummy variables.

\* $p < .1$ ; \*\* $p < .05$ ; \*\*\* $p < .01$ .