Partisan Product Pricing

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Abstract

We study how political beliefs shape price-setting decisions within firms. Combining retail scanner data from thousands of independent convenience stores with voter registration records, we link store managers' political affiliation to pricing behavior. We show that managers adjust prices differently in response to inflation depending on their political beliefs: Republican managers respond more strongly to inflation under Democratic administrations and less strongly under Republican administrations. For identification, we exploit variation in the political beliefs of managers across stores selling identical products on the same street. The effects are economically large: during the Biden administration, a one-percentage-point rise in inflation is associated with a pass-through to prices that is 21% larger at Republican-managed stores than at Democrat-managed stores relative to the mean monthly price adjustment. These effects dominate in markets with weaker competition, where managers have greater pricing discretion, and operate through the size of adjustments rather than the frequency. The results suggest that the political beliefs of retail managers are a significant determinant of prices.

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1 Introduction

The rapid increase in political polarization over the last decade both reflects and amplifies growing differences in individuals' economic expectations. Individuals tend to hold more optimistic views about the economy when their preferred party controls the presidency, a phenomenon known as the "partisan perceptual screen" McGrath (2017), and these differences have become increasingly pronounced over time (e.g. Kempf and Tsoutsoura (2021); Engelberg et al. (2023); Mian et al. (2023)). 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. Despite these intuitive links, no empirical study has directly investigated whether partisan differences in beliefs translate into real economic decisions within firms related to retail pricing, which in turn carry significant implications for inflation dynamics and consumer welfare.

The investigation of this question is hampered by the difficulty of identifying individual political affiliation in an environment where such an individual has direct control over product pricing. We overcome this challenge by combining detailed retail scanner data covering thousands of convenience stores across the US with voter registration records that identify the political affiliation of store managers. This novel linkage allows us to examine whether and how partisan differences in beliefs translate into systematic differences in pricing behavior. We focus on how managers adjust prices in response to realized inflation and how these responses vary across political affiliations and presidential administrations. To mitigate confounding factors, including those relating to local demand, we leverage on an empirical design that allows us to exploit variation in the political beliefs of managers across distinct stores sharing the same street, pricing and selling identical products in the same month. Overall, this unique setting allows us to examine for the first time whether managers' political beliefs are a significant determinant of price levels, particularly during periods of high inflation.

We begin with motivating evidence from the Michigan Survey of Consumers. Consistent with prior work (i.e. Binder et al. (2024)), we show that inflation expectations respond

very differently to realized inflation across political affiliations and administrations. Quantitatively, under the Biden administration, a one percentage point increase in lagged CPI is associated with an increase in year-ahead inflation expectations that is roughly 3 percentage points larger for Republicans than for Democrats. In contrast, under the second Trump administration, Republicans' expectations are roughly 2.8–2.9 percentage points less responsive to realized inflation than Democrats', implying that Republicans' expectations are comparatively muted in response to recent inflation during that period. In the most stringent specification, these tests control for a rich set of individual-level characteristics (e.g., income, education, age, and homeownership), along with party and region-by-month-by-year fixed effects, which absorb time-invariant differences by political party and time-varying regional shocks, respectively. Across all specifications, the magnitude and statistical significance of the effects remain virtually unchanged, indicating that the results are not driven by compositional differences or differential exposure to local economic conditions, but instead reflect systematic differences in how individuals process inflation information.

We then turn to our main analysis of firm pricing behavior. Our central finding is that managers' price responses closely mirror these partisan differences in expectations. Under the Biden administration, Republican managers increase prices by approximately 0.30-0.35 percentage points more than Democratic managers in response to a one percentage point increase in realized inflation. This magnitude is economically meaningful: relative to the sample mean price adjustment (1-1.5% at the monthly level), it corresponds to a 20-30% greater price response among Republican managers. In contrast, under the Trump administration, Republican managers increase prices by 0.25-0.30 percentage points less than their Democratic counterparts in response to inflation. This implies a reduction in responsiveness of a similar order of magnitude, approximately 15-25% relative to the mean response, and a clear reversal in pricing behavior across political regimes.

Importantly, these results are identified in the presence of a very demanding set of fixed effects. We include product-by-store fixed effects, which absorb all time-invariant differences

in pricing across products and locations, effectively comparing the same product in the same store over time. We further include product-by-street-by-month-year fixed effects, which flexibly control for highly localized demand conditions, cost shocks, and competitive environments. In addition, we control for quantity sold, capturing time-varying demand at the product-store level. As a result, identification comes from within-product, within-store variation in price adjustments over time relative to very fine local benchmarks. 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 are consistent with systematic differences in how managers translate inflation information into pricing decisions.

Overall, the evidence suggests that differences in how managers form and act on inflation expectations, rather than differences in demand conditions or other confounding factors, are driving the results. We provide several pieces of evidence supporting this manager-level, belief-based interpretation of the results.

First, we find that the effects are significantly stronger in environments where managers have greater scope to act on their beliefs, namely, where competitive pressure is less severe. To capture variation in local competitive intensity we combine competitor location information with traffic-routing software. We show that the partisan differences in price responses are concentrated in markets with weaker competition, such as areas with longer drive times to the nearest competitor or fewer nearby competing stores. Quantitatively, the differential price response associated with political affiliation is roughly 50-100% larger in low-competition environments relative to high-competition ones, implying that the baseline effects are substantially amplified when competitive constraints are relaxed. In more competitive markets, prices are tightly disciplined by competitors, limiting the ability of individual managers to deviate from market-implied pricing. By contrast, in less competitive environments, managers have greater latitude to adjust prices in line with their expectations, allowing partisan differences in beliefs to translate into observable differences in price-setting

behavior.

Second, we examine the role of local news coverage as an information channel through which managers update their beliefs about inflation. Even if managers observe the same realized inflation, they may interpret its persistence and future trajectory differently depending on the tone of the information environment (Jeong et al. (2025); Chahrour et al. (2025); Binder et al. (2025)). News coverage that emphasizes rising inflation provides a more pessimistic signal about future price dynamics, which can reinforce or amplify existing beliefs about inflationary pressures. Consistent with this interpretation, we find that the partisan gap in price responses is significantly larger following periods of pessimistic local news coverage about inflation. Quantitatively, the differential response of Republican managers to inflation under the Biden administration increases by roughly 30-40% in periods with more pessimistic coverage, relative to periods with less pessimistic coverage. This pattern suggests that negative inflation news strengthens the mapping from beliefs to pricing decisions, particularly for managers whose prior views already imply heightened concern about inflation. This evidence also isolates a distinct margin: while competition governs whether managers have the ability to adjust prices, the tone of the information environment shapes how managers interpret inflation signals and how strongly those beliefs are reflected in their pricing decisions. Together, these findings indicate that both competitive constraints and belief formation play a central role in determining price-setting behavior.

Third, we examine the margins along which prices adjust to further distinguish a belief-based mechanism from alternative explanations based on attention or salience. If the results were driven primarily by differences in attention to inflation, we would expect to see changes in the frequency of price adjustments, as more attentive managers update prices more often. Instead, we find that the partisan differences in price responses operate almost entirely through the size of price changes, with little to no effect on the frequency of adjustments. Republican managers do not change prices more frequently in response to inflation under the Biden administration; rather, conditional on adjusting prices, they implement larger price

increases. This pattern is difficult to reconcile with a pure salience or inattention mechanism, but is naturally consistent with differences in beliefs about future inflation, which would primarily affect the magnitude of price changes rather than the timing of adjustments.

Fourth, we investigate whether the partisan pricing results are driven by differential customer demand. If customers of Republican-managed stores were themselves more sensitive to inflation news or more willing to tolerate higher prices under a Democratic administration, one would expect to observe corresponding differences in quantities sold. Yet we find no meaningful partisan differences in product volume responses to inflation across administrations. The estimated effects on quantities sold are small, unstable across specifications, and statistically insignificant. This absence of a quantity response suggests that the pricing results are not primarily reflecting shifts in customer willingness to pay, differential demand elasticity, or partisan differences in local consumption behavior.

Relatedly, we show that the pricing effects are not concentrated in politically aligned customer markets. A natural alternative explanation is that Republican managers charge higher prices under Biden because they serve more Republican customers, who may themselves hold higher inflation expectations and therefore be more willing to accept price increases (Coibion et al. (2022); D'Acunto et al. (2022). To consider this explanation, we interact the baseline pricing effect with the partisan lean of the local county and find that the estimated partisan differences in inflation pass-through are present in Republican-leaning, Democratic-leaning, and politically mixed areas alike. The incremental interaction terms with local partisan composition are economically small and statistically insignificant, while the baseline partisan pricing effect remains strong. This pattern helps rule out a customer-ideology channel in which managers simply accommodate the political beliefs of their clientele. Instead, it suggests that the key source of heterogeneity lies with the beliefs of the managers themselves.

Taken together, these tests narrow the set of plausible mechanisms. The results suggest that partisan demand, customer willingness to pay, local ideological sorting, or pure attention/salience are unlikely to fully explain the observed effects. Instead, the evidence is

broadly consistent with an interpretation in which political beliefs operate primarily through managers' inflation expectations and their translation into price-setting decisions.

Our findings contribute to the literature on inflation expectations by showing that heterogeneity in beliefs is not only pervasive but also systematically shaped by political identity, with direct implications for firm behavior. A large and growing literature documents that inflation expectations are biased, dispersed, and influenced by information frictions, personal experiences, and attention to salient price signals (Mankiw and Reis, 2002; Sims, 2003; Coibion and Gorodnichenko, 2015; Cavallo et al., 2017; D'Acunto et al., 2023). Recent work further shows that expectations vary systematically across individuals and respond to economic and informational shocks (Coibion et al., 2022; D'Acunto et al., 2022). Much of this evidence, however, is based on survey data or experimental settings and focuses primarily on households. As a result, there is limited evidence on whether and how such heterogeneity translates into actual economic decisions in the field, particularly within firms. We provide novel evidence that partisan differences in expectations extend to managers and manifest in observed price-setting behavior. By linking belief heterogeneity to realized firm decisions, our results highlight a new channel through which expectations can influence aggregate inflation dynamics.

Our paper also contributes to the growing literature on political polarization in finance by showing that partisan identity affects core operational decisions within firms. A broad set of studies documents that political beliefs influence financial decisions, including portfolio allocation, investment, lending, entrepreneurship, and information production (Hong and Kostovetsky, 2012; Hutton et al., 2014; Kaustia and Torstila, 2011; Kempf and Tsoutsoura, 2021; Dagostino et al., 2023; Engelberg et al., 2023; Meeuwis et al., 2022). Recent work also emphasizes that polarization leads to systematic differences in beliefs and behavior across households, executives, and financial intermediaries, with potential real economic consequences (Cookson et al., 2020; Cassidy et al., 2021; Kempf et al., 2023; Fos et al., 2021; Colonnelli et al., 2025; Duchin et al., 2021). We extend this literature along a new and

fundamental margin: price-setting. While prior work focuses on investment, financing, and asset allocation decisions, we show that political polarization also shapes firms' responses to inflation shocks through their pricing decisions. This link between partisan beliefs and price-setting behavior provides a novel mechanism through which polarization can affect inflation dynamics and the allocation of economic rents in the economy.

2 Data and Variables

We combine several large datasets to examine how political beliefs affect the pricing behavior of managers. We begin by examining 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 first look at the role of political affiliation on consumers' inflation expectations using 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.

To code political affiliation, we use a two-step process. We classify respondents as Republicans if they identify as such when asked about their political affiliation, and we classify Democrats using the same procedure.[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.

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 partisan demographics.

First, we use retail scanner data, available 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.[2] For each transaction, information of the exact type of product is recorded, including information on the size, brand, and manufacturer (e.g., 12 pack, Red Bull Watermelon Energy Drink, 12 oz cans).[3] All data on the individual

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

[2] In Section 4, we examine the main effect by the number of stores in the organization, and find that the effect is more pronounced in standalone stores.

[3] In Section IA.4 of the Internet Appendix we provide a table of the most popular 100 products in our sample.

transaction is 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 directly capture 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 (*Increase Size*, *Decrease Size*).[4] 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.[5] 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 OpenCorporates. This database allows us to identify the owners and management of each store, along with their home address. For example, Cass Lake Mini-Mart in Cass Lake, Minnesota, records a single manager (denoted as the CEO).

We classify the political party of individual managers using L2 Data. L2 maintains data on voting history and voter registrations across the United States, which We link individuals to the OpenCorporates data based on their 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 4.2. We classify a store as Republican if more than half of the management identifies as a Republican, according to

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

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

their voter registration and voting history. We classify Democrat stores in the same way.[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 in our dataset using information 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. Importantly, this includes other independent convenience stores, but also 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 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 (newsbank.com) archives newspaper articles from local publishers across the United States. Newsbank archives include significant coverage across the entire nation, representing 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, sug-

[6] As detailed in Section 4.3, 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).

[8] We further discuss and illustrate these data and their suitability for our analyses in Section 5.3.

gesting inflation will continue to worsen and prices will rise, or optimistic, suggesting inflation will ease and price increases will slow. In addition, we include a neutral category for articles on inflation that do not have a directional sentiment. We classify article sentiment using a large language model, Claude Haiku 4.5. We aggregate the number of pessimistic and optimistic articles by county-month, and label them as *Pessimistic* and *Optimistic*, 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*.

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 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.

[9] In Section 4.3, we show that our results are robust to alternative measures of political affiliation and to the inclusion of politically unaffiliated managers.

[10] Internet Appendix Figure IA.2 shows that the same is true across the U.S.

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 assess the robustness of this result via a variety of alternative specifications. Finally, we investigate heterogeneity in the effect based on the competitive intensity of the local market.

4.1 Motivating Evidence

To motivate our main results, we first test 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 inflation on consumers' inflation expectations for the next year using the following equation:

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

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 (similar to Binder et al. (2024)). 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 on Republicans' inflation expectations.

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: under the Biden administration, Republicans' inflation expectations 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 administration (2019-2020 and 2025), Republicans' inflation expectations are negatively related to realized inflation over the past year. These effects are in line with Binder et al. (2024)'s findings that consumers with opposite (similar) party affiliation to the U.S. president have higher (lower) inflation expectations. 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.

Columns (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 Baseline Results

We next examine the implications of political beliefs, political mismatch, and realized inflation for retail price-setting. 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 shows that 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: for a 1 pp increase in lagged realized inflation during the Biden administration, Republican managers increase prices by 0.23 pp on average relative to Democrat managers during the same month. 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 Republican managers increase prices by 0.21 pp relative to Democrat managers 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.

In Figure 6 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.

We also separately estimate the effects of realized inflation during the Biden Administration for each of the alternative political affiliations. For these tests, we use the specification from Table 3 Column (4) (our most stringent set of fixed effects) with the political affiliation variable of the triple interaction term defined as either Republican (the main specification of Table 6 Column (4)), Independent, or Democrat. Figure 5 shows the coefficients and 95% confidence intervals for each of these three triple interaction terms. As reported in the main table, the coefficient for Republican managers is positive and statistically significant from 0. For Independent managers, the coefficient is still positive, though its magnitude is less than half that of the coefficient for Republicans. Moreover, this coefficient is statistically insignificant. Interestingly, the coefficient on the triple interaction term for Democratic store managers is negative and statistically significant. 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 for the same product.

4.3 Baseline 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.1 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 (main results Column (4)). 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.2. The results also hold if we use the PCE to measure realized inflation or we include non-linear inflation measures in the regression model (Internet Appendix Tables IA.3 and IA.4, respectively). Also, our results are robust to lags of two to five months for the realized inflation measure instead of the one-month lag in the main specification (Internet Appendix Table IA.5).

Third, we re-run our test with alternative definitions of political affiliation. The results of Internet Appendix Table IA.6 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.7).

Third, we estimate 1 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.8. 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.9. 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.10). These results echo those of Figure 5.

Finally, we test for robustness in different economic environments. we split the sample between managers who own one store and those who own multiple stores. The results in Table IA.11 show that the effect is stronger for managers who own a single store, suggesting that the effects are concentrated in stores where the managers are more likely to exert greater pricing control. We also test for the impact of various inflation levels on the main effect. Figure 6 shows the coefficients on the triple interaction term of interest based on various levels of realized inflation. The coefficients increase monotonically as the inflation signals increase. In a related test, we split the sample in high versus low inflation regimes. We find that the main effect is driven by periods of high inflation (Internet Appendix Table IA.12), consistent with the results on the various inflation levels.

4.4 Mechanism: Market Power

We next investigate heterogeneity in the effect of political beliefs on pricing by the degree of competition in the local market. 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. Local competition therefore acts as a disciplining mechanism that limits the effects of partisanship on pricing. To capture market competition, we utilize open source traffic software to construct two measures: 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.*[11] We then interact these variables with our

[11]Figure 7 illustrates the intuition for these tests. Internet Appendix Table IA.13 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.

baseline measures to examine differential effects by local competition.

In Panel A of Table 4, 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 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.[12]

Panels A and B of Figure 8 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, and the estimated effects are concentrated in stores in which the closest competitor is at least 3 minutes away. Similarly, Figure 8 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.

[12]Internet Appendix Tables IA.14 and IA.15 present the coefficients for all the interaction terms in the regressions with the *Drive Time* and *Competitors* measures, respectively. Internet Appendix Tables IA.16 and IA.17 present the coefficients of those same terms for logged values of the *Drive Time* and *Competitors* measures, respectively.

5 Alternative Channels

In this section, we test other channels that could alternatively explain the main results. Economically, the foremost alternative to the market power effect we document in section 4.4 is a demand-driven response, which we explore first in the section. Then, we turn to behavioral explanations: First, we test for the possibility of systematic differences in attention to inflation between Republican and Democratic managers. Then, we study the impact of local news sentiment. Finally, we test whether managers' pricing decisions respond to the local political landscape.

5.1 Product Demand

We begin our tests of alternative channels with a natural driver of price increases: product demand. Under this mechanism, Republican store managers would increase prices more during the Biden presidency due to a boost in demand in their stores during that period. Hence, to test for this alternative, we re-run equation 1 with the natural logarithm of products sold as the dependent variable. If the demand channel drives the pricing results we observe in the baseline results, we would expect the coefficient on the triple interaction term of interest to be positive, signifying increased demand for Republican store managers during the Biden presidency given realized inflation.

Table 5 shows the results of the test using product volume as the dependent variable. Column (1) includes store and month-year fixed effects. The coefficient of interest is positive but statistically insignificant. The coefficients on the two other interaction terms are negative and also statistically indistinguishable from zero. Column (2) adds quantity sold fixed effects, which controls for the number of that product sold (in bins of 5) in the previous month.

In this specification, the coefficients are slightly smaller in magnitude and have the same sign as the corresponding coefficients in Column (1). Importantly, they remain statistically insignificant. In Columns (3) and (4), we add controls for local time-varying factors using city times month-year and street times month-year fixed effects, respectively. These interacted

fixed effects shrink the sample substantially, especially for the within-street-month-year estimation. On the other hand, they allow us to account for very fine local variation in demand over time. The coefficients' signs and (lack of) statistical significance in Column (3) are similar to those of the previous columns. With street times month-year fixed effects (Column (4)), the signs flip but the coefficients remain far from statistically different from zero.[13]

In Internet Appendix Table IA.19, we run an alternative test of the demand channel by excluding the most popular products from the sample–leaving out the products most likely to drive a demand-based channel. We find that the main results hold across all specifications.

Overall, these results yield no strong evidence of a demand-driven explanation for our main results. Product volume does not change significantly in Republican-managed stores during the Biden administration given past realized inflation.

5.2 Frequency and Size of Price Adjustments

In this section, we examine the margins along which prices adjust to distinguish between potential alternative mechanisms. We focus on the possibility that 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. In this case, we would expect Republican managers to make more frequent adjustments to prices, and the observed effects in the baseline results would be driven by inflation attention rather than expectations. We therefore investigate the effects of political misalignment and realized inflation on the probability of a price change (*Price Change*), and the size of a price increase (*Increase Size*) or decrease (*Decrease Size*).

The results in Table 6 show that Republican managers are no more likely than their local

[13]In Appendix Table IA.18, we repeat those tests with the number of products offered as the dependent variable. We find that the coefficient on the triple interaction term is positive and strongly statistically significant when include store and month-year fixed effects (Column (1)) as well as quantities sold fixed effects (Column (2)). However, the statistical significance disappears when we include geographical unit (city or street) times year-month fixed effects. Therefore, the increase in product offerings in Republican-managed stores during the Biden administration given realized inflation is likely driven by local time varying factors. By contrast, our main effects are robust to those local time varying effects.

Democrat competitors to change prices more frequently during the Biden administration 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. 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.

5.3 Local Inflation News

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 9 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. These patterns conform to expectations in light of the supply chain crunch following the height of the Covid-19 pandemic and the subsequent rise of inflation as a news item. Figure 9 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. If the coefficient on the quadruple interaction term with pessimistic (optimistic) interaction term is positive (negative) and statistically different from zero, then we would have evidence that news salience plays a role in the effect we document in the main results. Moreover, if the coefficient on the quadruple interaction term follows the pattern just described and the coefficient on the $R \times Biden \times CPI_{t-1}$ loses its significance, the regression results would point to evidence that news salience drives the results from the main analysis.

Table 7 presents the results of our analysis on news salience.[14] 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)). 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.21 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.

[14]Internet Appendix Table IA.20 shows the results with all the interacted terms in the regression.

Importantly, in all the specifications in Table 7, 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.

5.4 Local Partisan Landscape

The last alternative channel we study is the possibility that the local political landscape drives store managers' pricing decisions. This channel presents two possible competing explanations for pricing decisions driven by managerial political partisanship and realized inflation. Under the local partisan expectations, Republican managers in Republican-leaning areas might increase prices more during the Biden presidency, since Republicans have higher inflation expectations at the time (Binder et al., 2024). Another possibility is that Republican store managers in Democratic-leaning areas drive the main result, either to foster local awareness of inflation threats and draw voters to the Republican side or as a means of "punishing" local customers with a different leaning from theirs.

To test for these possibilities, we interact the coefficient of interest with indicator variables set to 1 if the local area is predominantly Republican, split or mostly Democrat.[15]

Table 8 summarizes the results of these regressions with the quadruple interaction term and the triple interaction term of interest from the main results.[16] 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

[15]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.

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

term of interest is positive and significant at the 1% level.[17] 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 do not yield any evidence that the local dominant political party plays a role in Republican store managers' pricing decisions under the Biden administration.

6 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 microdata that allow us to examine variation 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. 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, or pure attention/salience to inflation news. We show that the effects are more than double in less competitive markets compared to more 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

[17] 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).

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.

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.

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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*).

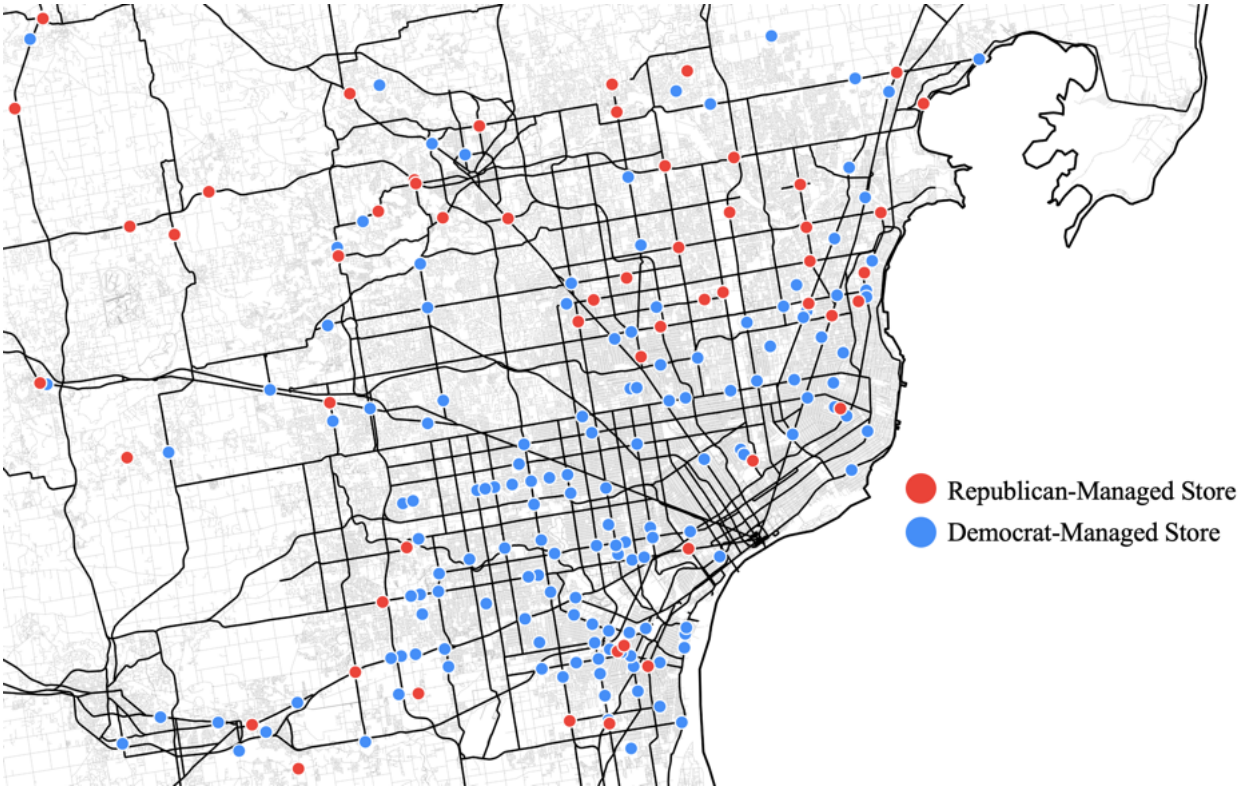


Figure 2: Inflation Expectations by Political Affiliation

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.

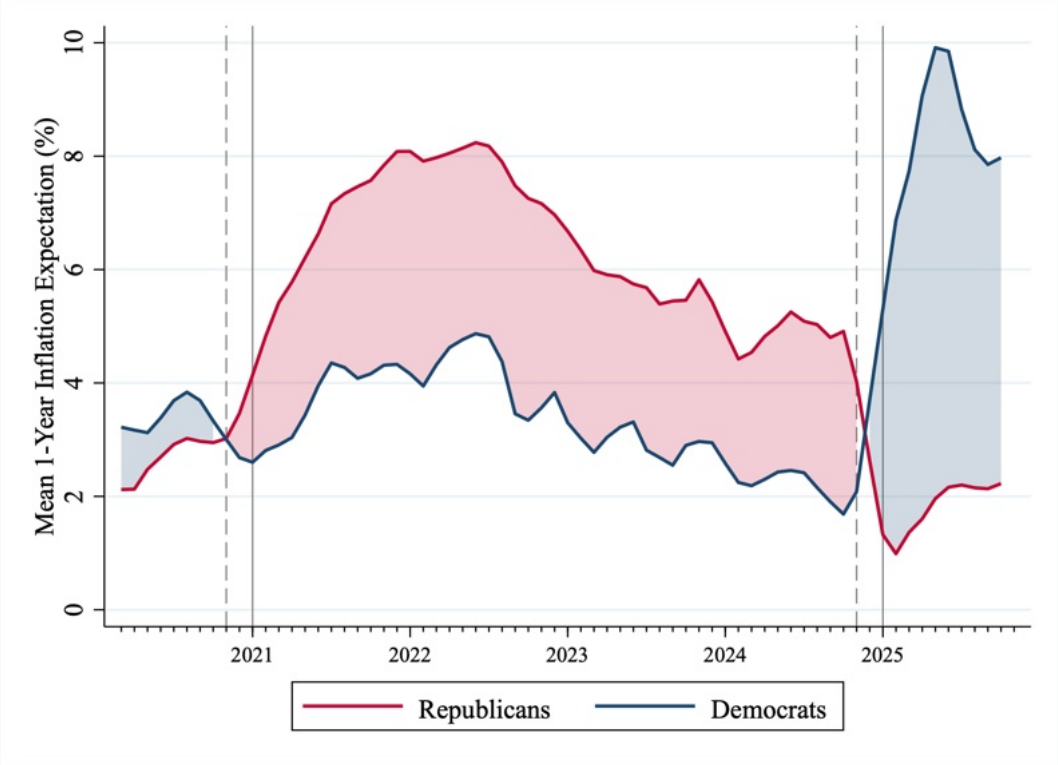


Figure 3: Retail Prices by Store Management Political Affiliation

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.

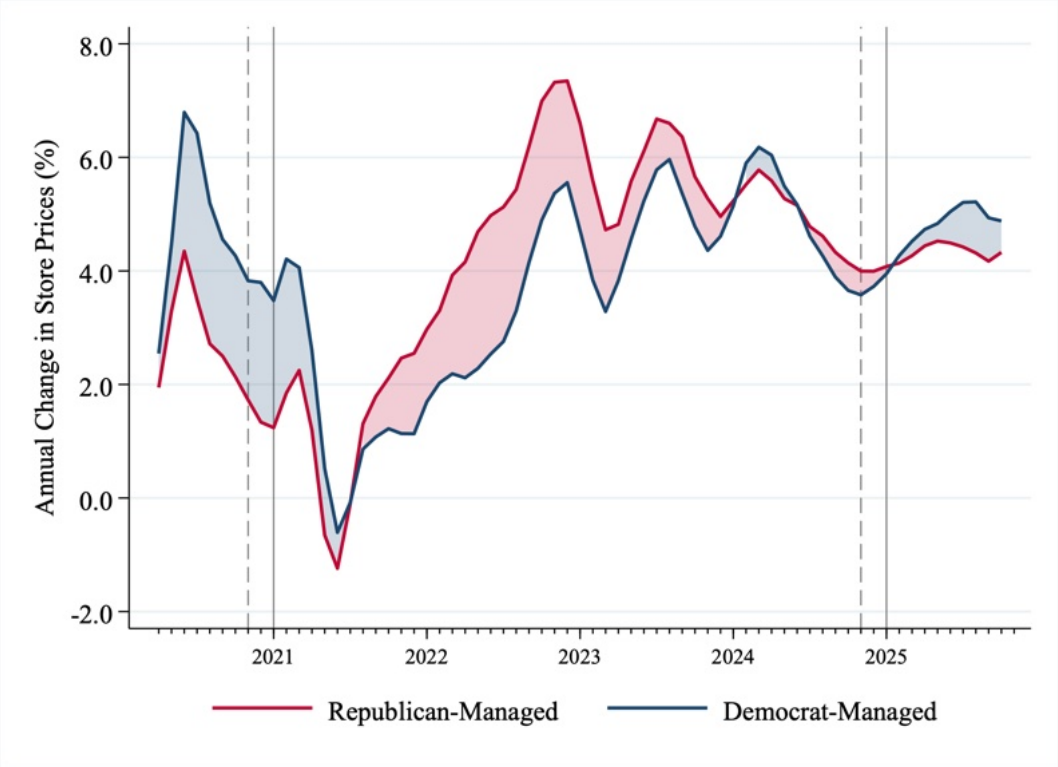
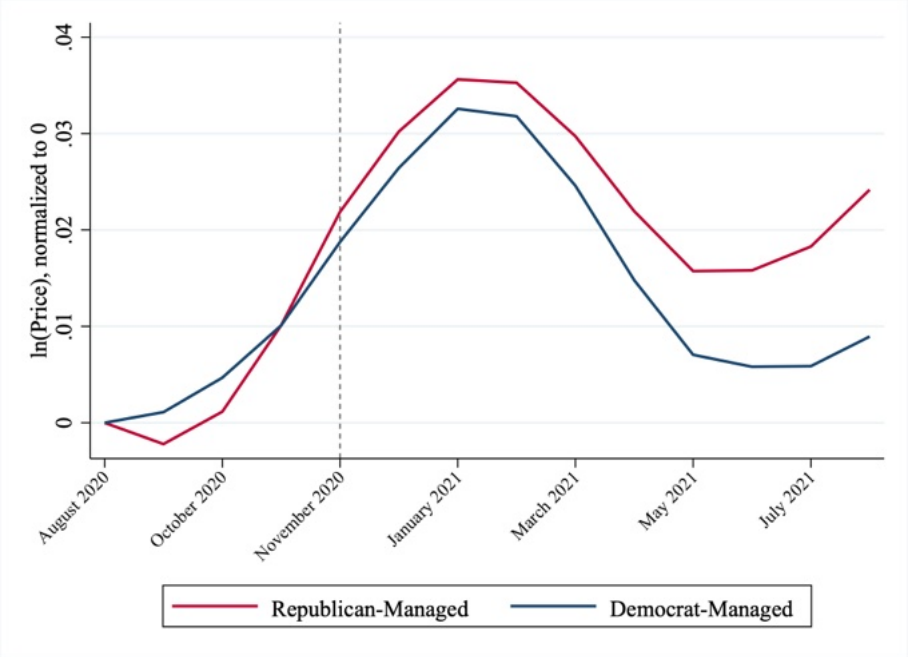


Figure 4: Elections

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

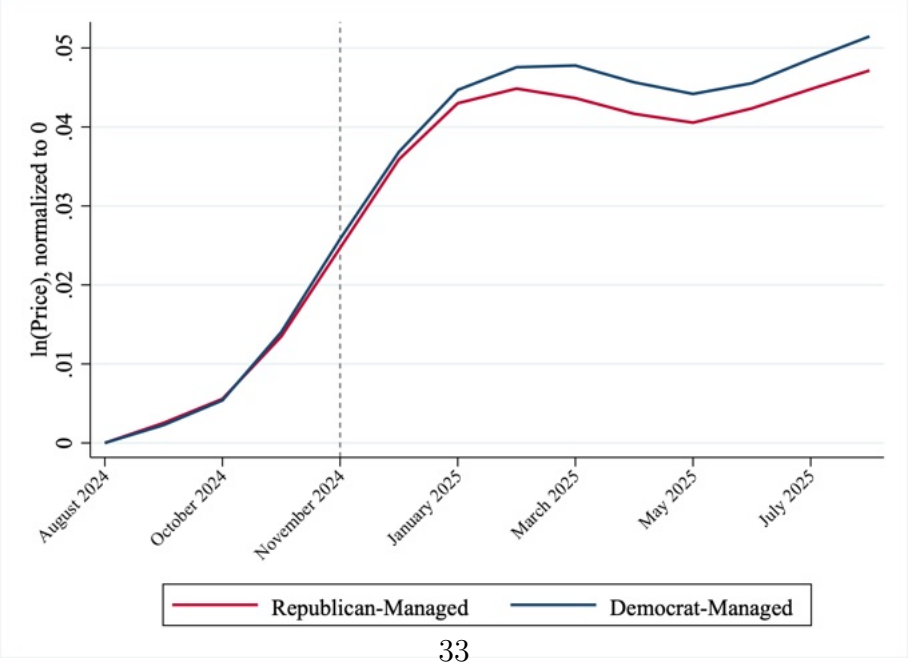


Figure 5: Independents and Non-Partisans

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.8, IA.9, and IA.10. 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.

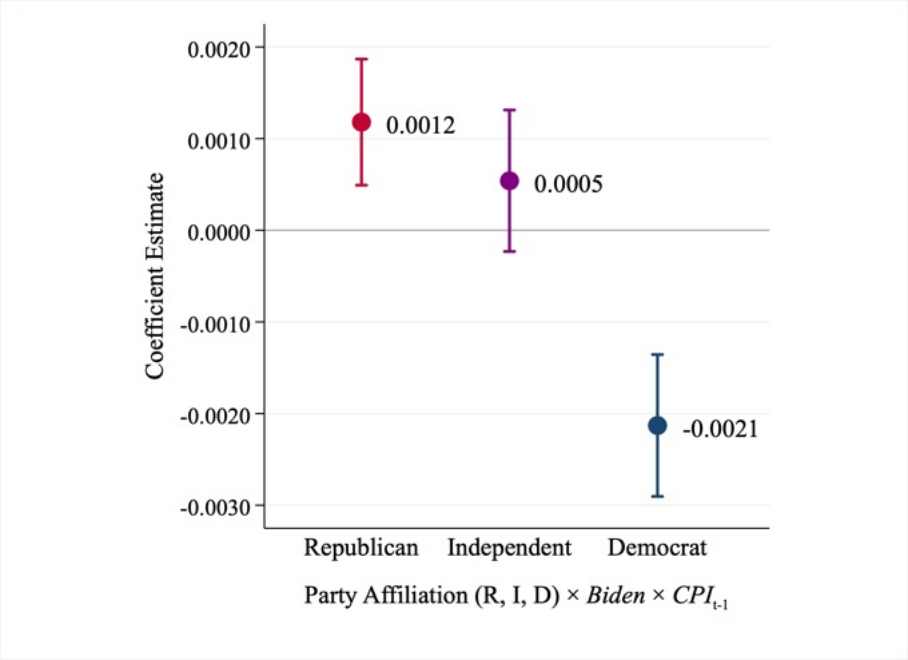


Figure 6: Pricing Effect by Inflation Bin

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.

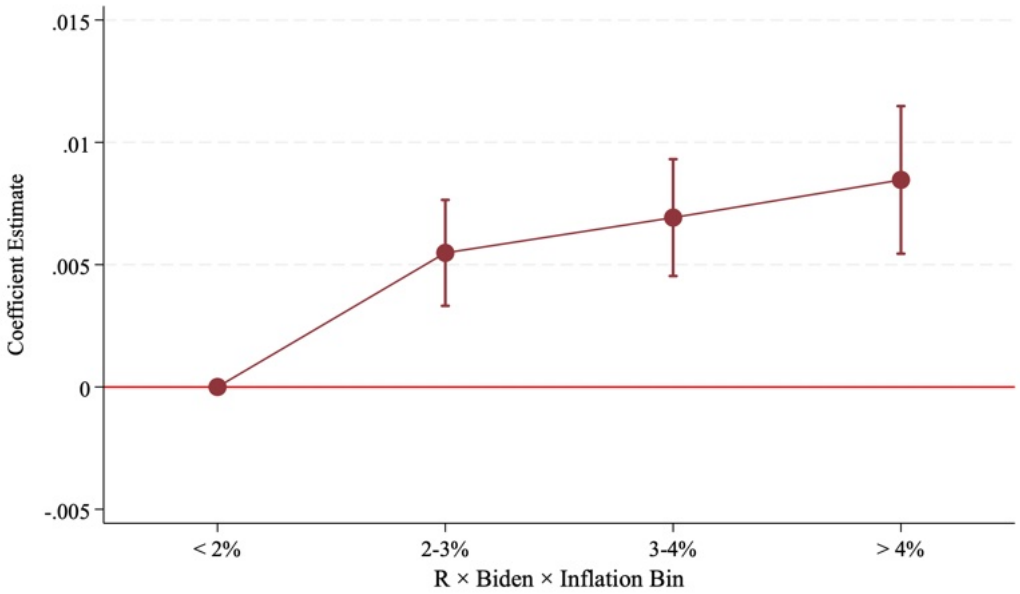


Figure 7: Local Market Competition Illustration (Billings, MT)

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.

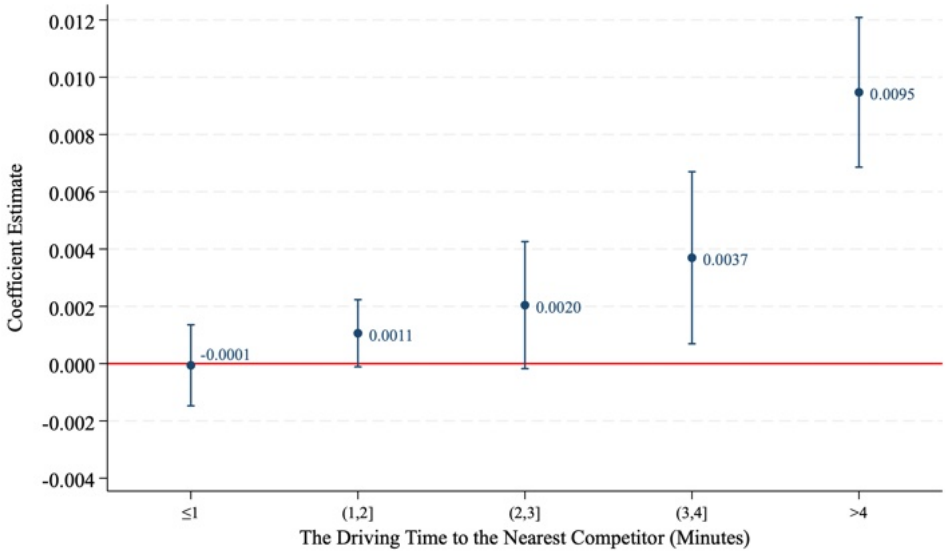
Panel A. Drive Time to Nearest Competitor

Panel B. Competitors Within a Two-Minute Drive

Figure 8: 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

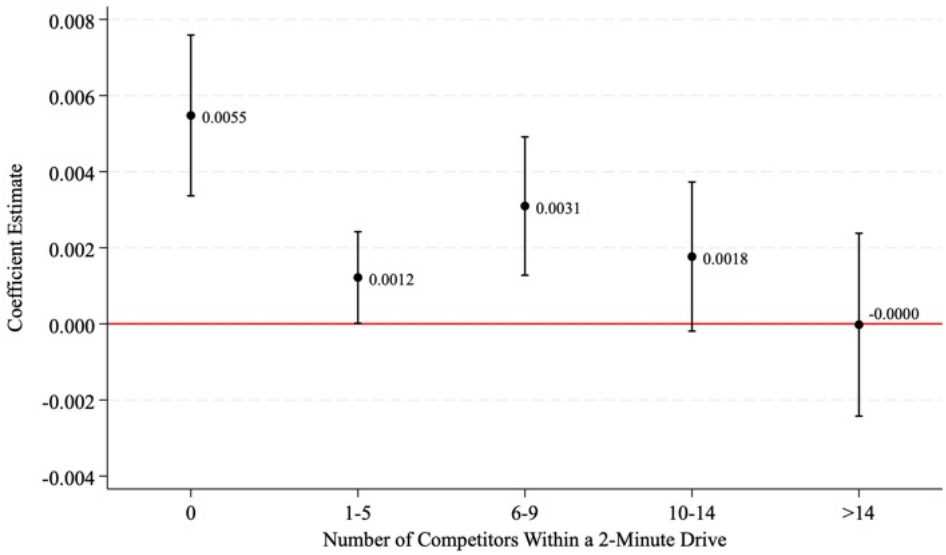
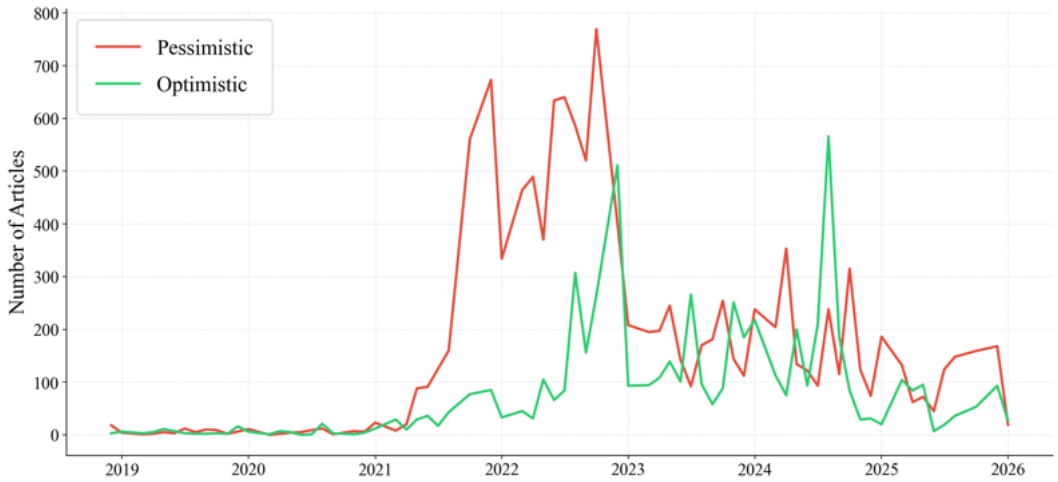


Figure 9: Local News Coverage of Inflation

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

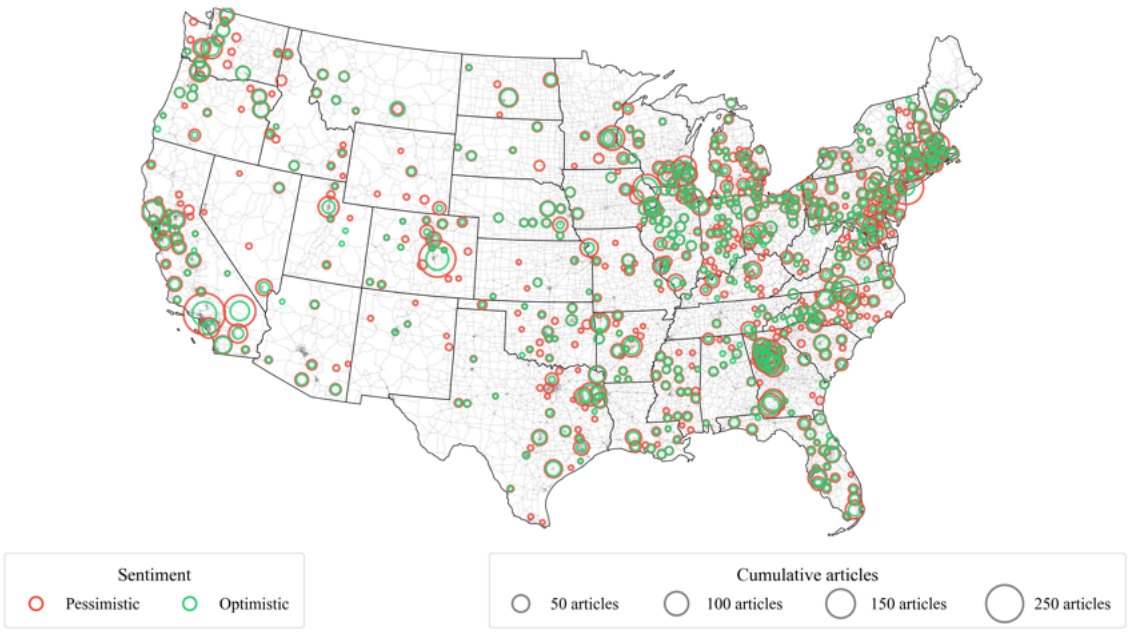


Table 1: Summary Statistics

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
Increase Size	0.040	0.058	0.009	0.022	0.048
Decrease 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: 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.X. and IA.X 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

Table 5: Product Volume Sold

This table reports the effects of managerial partisanship on the total volume of products sold at the store level. The dependent variable of interest is *ln(Products Sold)*, the log-transformed total number of products sold 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(Products Sold)				
R × Biden × CPI_{t-1}	0.00728	0.00496	0.01038	-0.01407
	(1.01)	(0.90)	(0.64)	(-0.13)
R × Biden	-0.02807	-0.01852	-0.04387	0.08243
	(-1.58)	(-1.34)	(-1.02)	(0.31)
R × CPI_{t-1}	-0.00937	-0.00520	-0.00738	0.02545
	(-1.34)	(-0.98)	(-0.47)	(0.25)
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	0.7682	0.8703	0.9347	0.9919

Table 6: 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 *Increase Size*, a variable equal to the log change in the product price, conditional on a price increase. The dependent variable in column 3 is *Decrease 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	Increase Size	Decrease 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 7: 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.X. 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 8: 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.X. 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

Internet Appendix to:

Political Beliefs and Price Setting

FOR ONLINE PUBLICATION

Contents

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.

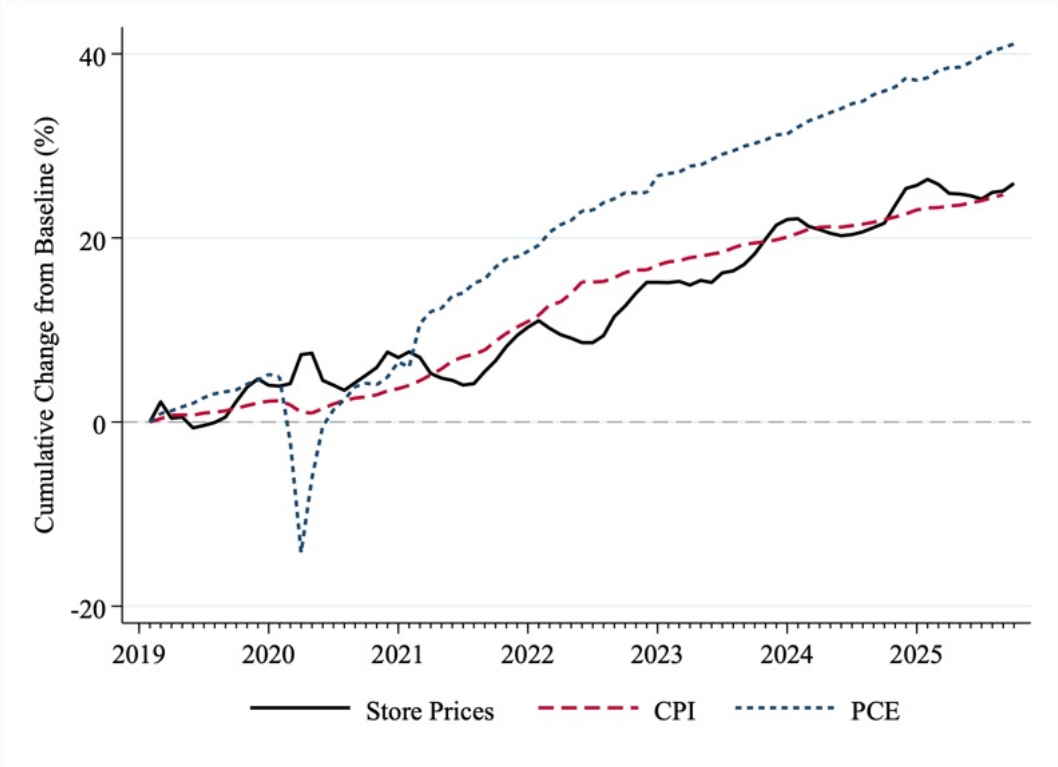


Figure IA.2: Stores (United States)

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*).

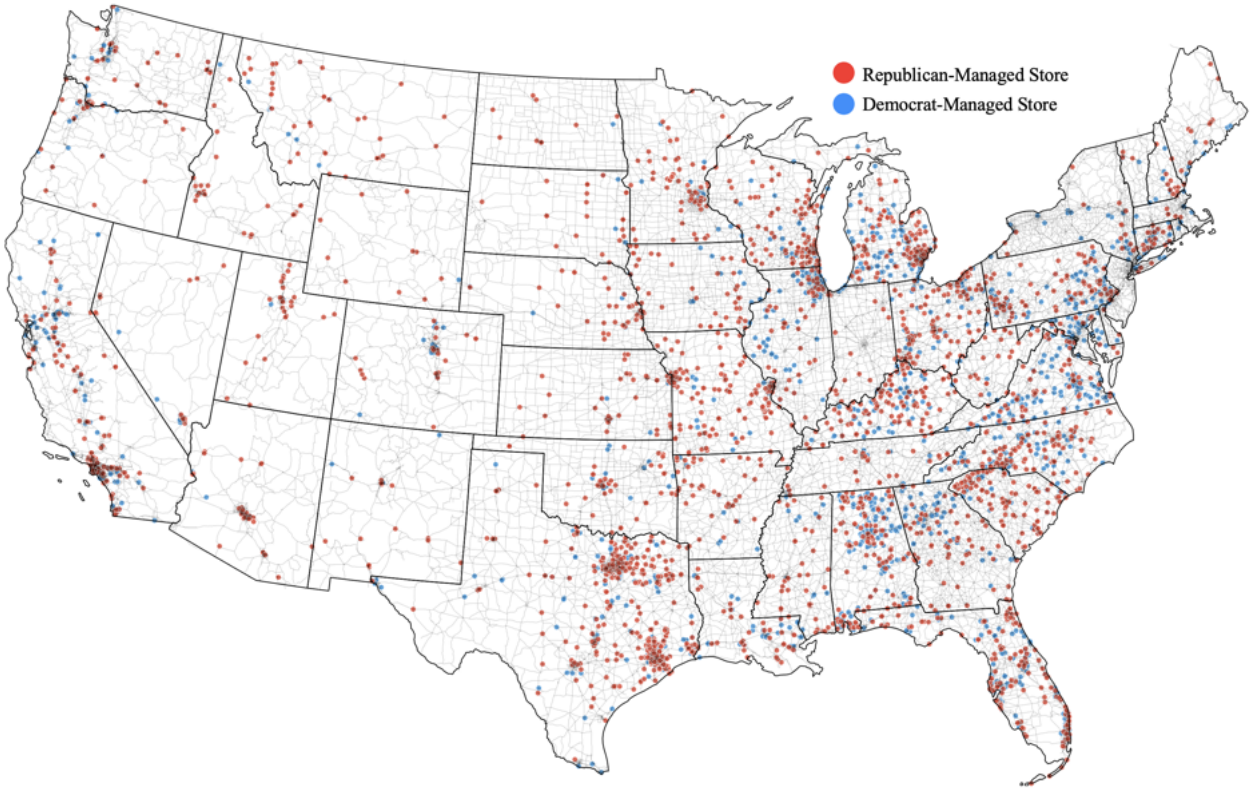


Figure IA.3: Alternative Clustering Levels

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.

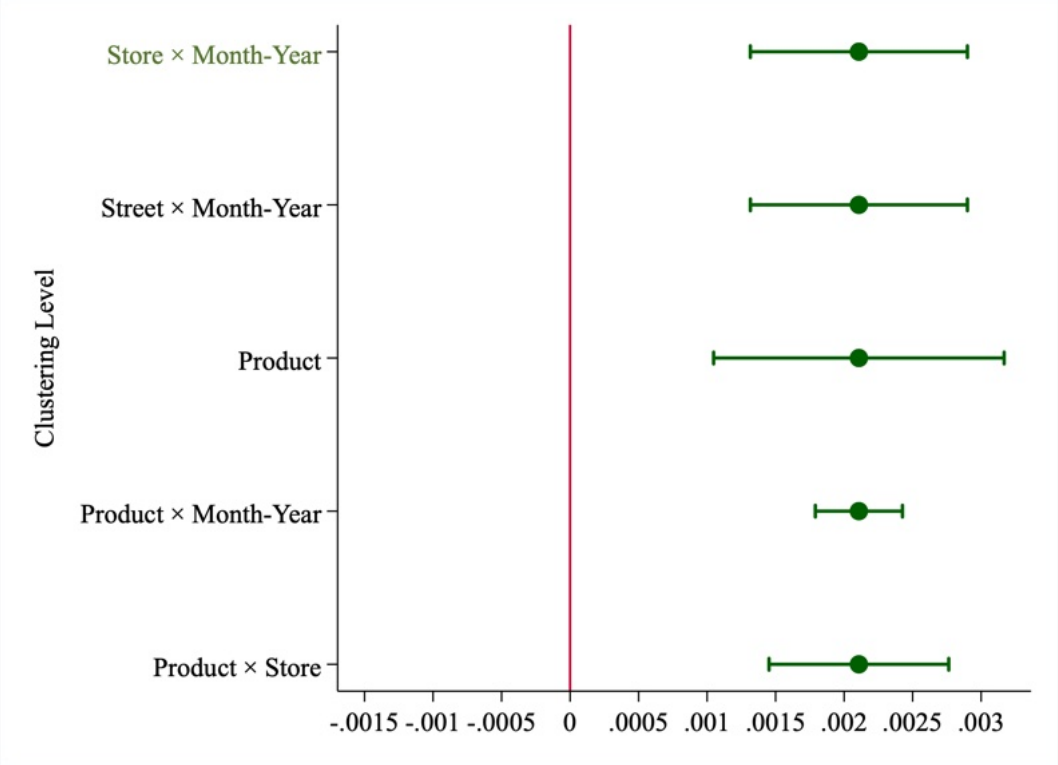


Table IA.1: Alternative Geographic Fixed Effects

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.2: 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.3: 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.4: 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.5: 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.6: 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.7: 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.8: 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.9: 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.10: 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.11: Single-Store vs. Multi-Store Managers

This table reports the effects of managerial partisanship on product pricing decisions during periods of elevated inflation, separately for stores whose management oversees a single store and stores whose management oversees multiple stores. Column (1) restricts the sample to stores whose management manages only a single store. Column (2) restricts the sample to stores whose management manages multiple stores. 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) Single Store	(2) Multiple Stores
DV: ln(Price)		
R × Biden × CPI_{t-1}	0.00245***	0.00115
	(5.13)	(1.54)
R × Biden	-0.00593***	0.00012
	(-4.95)	(0.06)
R × CPI_{t-1}	-0.00221***	-0.00098
	(-4.92)	(-1.39)
Product × Store FE	Yes	Yes
Product × Street × Month-Year FE	Yes	Yes
Quantity $Sold_{t-1}$ FE	Yes	Yes
Observations	17,934,565	6,556,638
R-squared	0.9911	0.9906

Table IA.12: 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 $\leq$ 2%
DV: ln(Price)		
R $\times$ Biden $\times$ CPI_{t-1}	0.00398***	-0.00490
	(3.25)	(-1.07)
R $\times$ Biden	-0.00870***	0.00644
	(-2.64)	(0.88)
R $\times$ CPI_{t-1}	-0.00375***	0.00154**
	(-3.09)	(2.54)
Product $\times$ Store FE	Yes	Yes
Product $\times$ Street $\times$ 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.13: 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.14: 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 5, 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.15: 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 5, 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.16: 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.17: 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.18: 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.19: 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 7 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.21: 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.22. 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 8 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)

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Table IA.22 – 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

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 construction of local market competition measures, and the classification of local inflation news sentiment.

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 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.2.3 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.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

Continued on next page

Table IA.24 – continued from previous page

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.

Continued on next page

Table IA.24 – continued from previous page

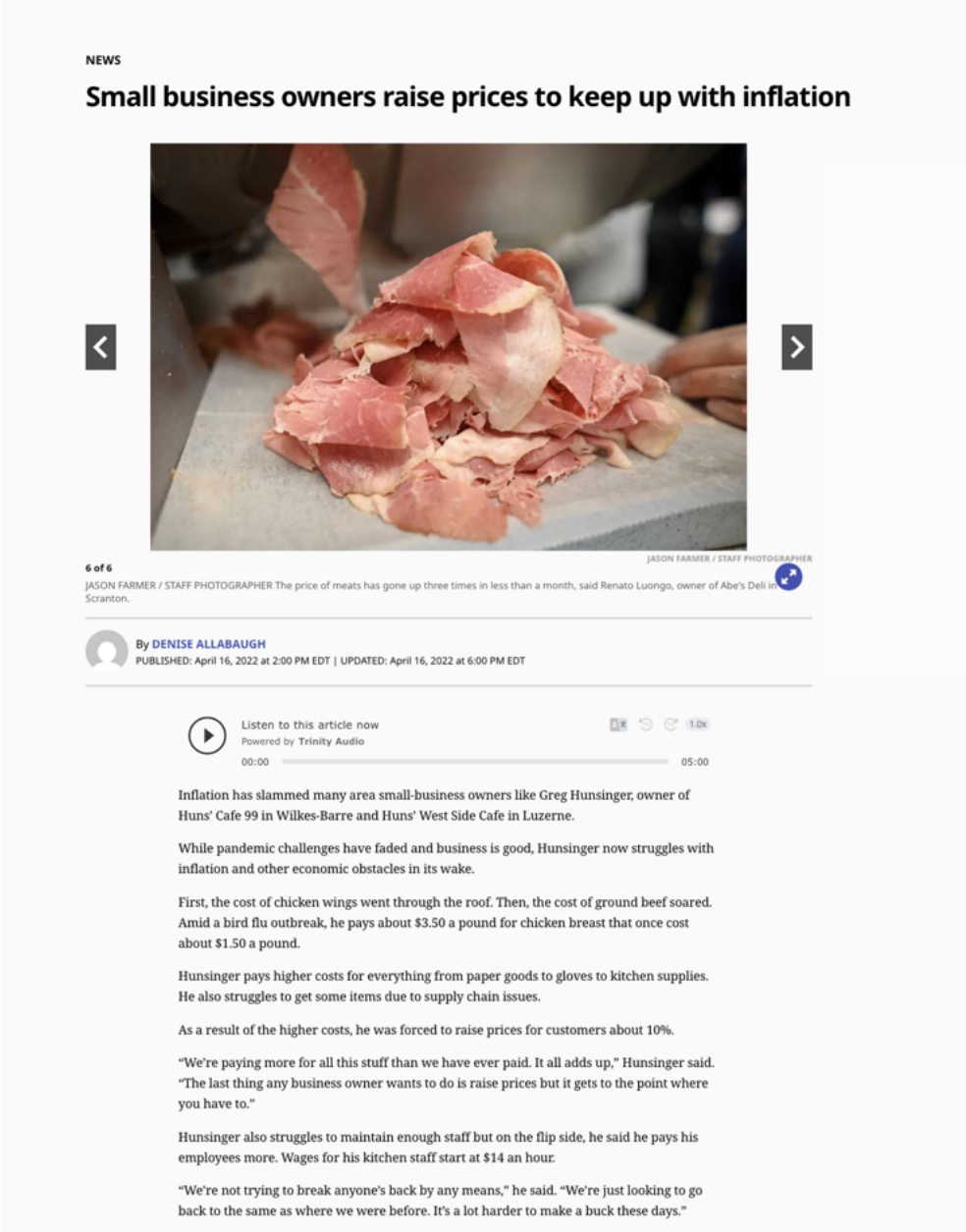
Rank	Brand	Category	Product Description	Manufacturer
68	Gatorade	Packaged Beverages (Non-Alcoholic)	Gatorade	The Quaker Oats Company
69	Budweiser	Beer	Budweiser American Lager Beer 25 oz Aluminum Can	Anheuser-Busch InBev
70	Marlboro	Cigarettes	Marlboro	Philip Morris USA, Inc.
71	Gatorade	Packaged Beverages (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

6 of 6

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."

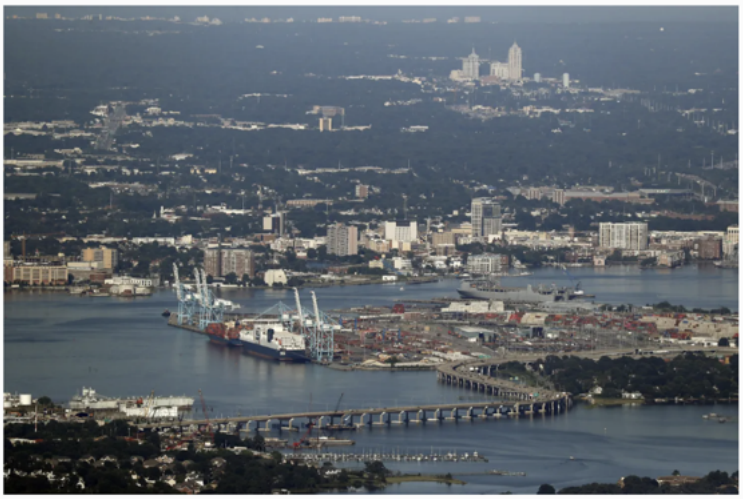
Hunsinger also struggles to maintain enough staff but on the flip side, he said he pays his employees more. Wages for his kitchen staff start at $14 an hour.

"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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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.