



## REES Department Seminar — Winter 2018

# U.S. Economy, Happiness and Anti-Establishment Vote

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**3:30 - 5:00 PM**

**General Services Building Room 550**



Local averages of happiness measures from the Gallup surveys are strong predictors of votes for Mr. Trump in 2016 relative to Mr. Romney in 2012. Across US commuting zones (a proxy of local labour markets covering both urban and rural areas), a single happiness measure explains more than 40% of the variations in the Trump outperformance. It is also a stronger correlate of the vote swings than the prevalence of reported physical pain, suicide rates and drug epidemic combined. The happiness measure is also correlated with votes received by Mr. Trump in the primaries and caucuses.

Both happiness and votes are affected by local economic conditions, but job growth is much more important than income growth. Jobs and job security have greater impacts on the happiness of those without university degrees, whose majority voted for Democrats in 2012 and GOP in 2016 according to exit polls.

The findings confirm the importance of economic factors in the 2016 election outcomes, and are indicative of the political backlashes against economic growth engines that threaten jobs and job security. This paper then proceeds to examine the happiness and political impacts of empirical measures of exposure to imports competition, automation, deindustrialization and creative destruction.