The Financialization of Policy Preferences: Financial Asset Ownership, Regulation and Crisis Management

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Abstract

Political economists have often drawn a hard line between the interests of owners of capital and the interests of labor. Yet over the past 30 years in Anglo-Saxon countries in particular, workers have become increasingly invested in capital markets activity through the privatization of pension systems and other incentives for market-based savings. In this paper we investigate whether this "financialization of everyday life" has generated a convergence of policy preferences whereby individuals support policies traditionally associated with the financial sector. Using three separate datasets on the US population, we find evidence that financial asset ownership is associated with lower support for more stringent financial regulatory policy, and higher support for financial sector bailouts. Such effects on individual preferences are modest on average, but persist even when controlling for indicators of social class and a range of other conditions, circumstances and time periods.

1. Introduction

In September 2008, following the decision to let the bank Lehman Brothers collapse and faced with a major threat to the US financial system, the US Congress voted on a bill proposed by US Treasury Secretary Hank Paulson, the Trouble Relief Asset Program (TARP), which would help to bailout Wall Street banks. The response to the bill, which was woefully underspecified, was negative, both from the media and the legislators. The media discussed the bill in terms related to the differentiation between "Main Street" and "Wall Street," with the conception that it was against the interests of the people (Main Street) to bail out financial firms (Wall Street) using public funds. The Congress, creating, listening to and repeating this discourse, proceeded to vote the bill down. The following day, the Dow Jones industrial average lost 774 points (7% of its value), the worst point decline in US history (Hulse & Herszenhorn, 2008).

What is surprising about this story is not the stock market reaction to the lack of support for the TARP, but rather what happened next. Overwhelmed by emails from constituents about the costs of the failed bailout vote, and shown polling evidence that people generally disagreed with the negative framing that had proceeded the vote, the Congress made a dramatic *volta face*: just under one week later, they voted in favor of a much longer TARP bill designed to do the exact same thing: rescue the financial industry at public expense.

This anecdote encapsulates the dynamic that this paper is investigating: to what extent do individuals have interests which are antithetical to the interests of finance – as the Main Street vs. Wall Street framing would have it? Or to what extent do individuals see their interests more closely aligned to those of financial capital? In theoretical terms, we are interested in determining whether traditional approaches viewing preferences of individuals and households as in conflict with those of the financial industry have been called into question by the fact that these have become increasingly "financialized".

The literature on so-called "financialization" has highlighted the growing importance of financial assets in people's personal wealth (and in their estimations of their own well-being), as a result of the privatization of pension in favor of stock market based 401Ks, and the growing popularity of investing in securitized instruments. While this literature has detailed the implications of the greater exposure of households to the financial markets over their economic welfare and security, the policy implications of this trend are still not well understood. This paper aims to make a contribution towards filling this gap by exploring empirically to what extent the greater holding of financial securities has shaped the preferences of individuals towards different financial policies.

The paper is structured as follows. First, we review the literature on "financialization" of the economy, with a particular emphasis on those developments that occurred at the level of households and individuals. Second, building upon the literature on class-based cleavages in economic policy preferences, we theorize that individual interests may have converged with those of the financial industry on issues specifically related to finance, thus challenging the notion that "Main Street" and "Wall Street" hold competing positions over many economic issues. Third, we test this hypothesis in a series of statistical tests designed to see whether the preferences of individuals in the US who are more exposed to finance (through their own personal financial investments) show greater support for positions traditionally associated with the interests of financial capital in the case of policies targeting the financial industry (specifically banking regulation and bank bailouts). We use data from large representative surveys of the US public, including a novel component that tracked the same individuals from 2010 to 2014, as well as a large dataset on predicted financial consumer behavior. After controlling for a host of other relevant factors, our results show consistent support for the notion that individual financial asset ownership is associated with positions on financial policy that are commensurate with the interest of finance capital, and provides additional explanatory power above and beyond those predicted by other factors. Those who own financial assets support financial regulatory reform initiatives less than those who do not report financial asset ownership, whether it is for the Dodd-Frank package of reforms in 2010, or the notion 'more strict financial regulation' years later, and the opposite is true for reforms designed to redistribute assets to the financial sector, such as the TARP taxpayer-funded bailout of US banks. While our analysis provides some support to those studies that the process of financialization is increasing the support for pro-finance positions, we find that this impact is uneven among socio-economic groups and mostly concentrated upon mostly higher-income individuals.

We structure the paper as follows. After having reviewed the literature on the financialization (Section 2), we outline our hypotheses on how this may shape individual attitudes over financial policies (Section 3). In what follows we test these hypotheses by analyzing the result of a large survey on the US population in 2010 (Section 4), examine market-based predictors of financial asset ownership (Section 5) and then extend our analysis by tracking the individuals from 2010 to 2014 (Section 6). In the final part we examine the interaction between financial asset ownership and economic income (Section 7).

2. Households in an age of "financialization"

'Financialization' is the term that has gained popularity among authors across different social sciences such as economics, political economy, economic sociology, and economic geography "to make empirical and theoretical sense of the tempestuous rise of finance in contemporary capitalism" (Engelen, 2008, p. 111). Scholars have identified a variety of trends that points towards "the increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies" (Epstein, 2005, p. 3).

While the literature on financialization has initially focused on the growing importance of the financial industry in the overall economy (Epstein & Power, 2002; Krippner, 2005; for a critical view on measuring financialization, see Christophers, 2011) and on the impact over corporate actors (Krippner, 2005; Lazonick & O'Sullivan, 2000), in recent years numerous scholars have explored what some have called the 'financialization of everyday life" (Langley, 2008b; Martin, 2002). In particular, different scholars have argued that in recent years also households and individuals have become more deeply integrated into financial markets (Fraser, 2005; Harrington, 2008; Montgomerie, 2009).

The literature details how a series of financial innovations made in recent decades have facilitated an increase in the level of household debt in different countries in the form of mortgages, home loans, student loans, and credit card debt (Wolff, 2010), as well as serving to link more closely everyday borrowing by individuals and households with global capital markets (Aalbers, 2008; Erturk, Froud, Johal, Leaver, & Williams, 2007; Langley, 2008a; Montgomerie, 2009).

Households have become increasingly exposed to capital markets not only as borrowers, but also as investors. While in the past the investment patterns of most households and individuals had been limited to what Langley describes as the "thrifty saving practices of making deposits in commercial bank accounts and purchasing government bonds" (Langley, 2007, p. 69), a series of transformations have increased the extent to which individuals and households come to rely on tradable financial securities to secure their future position. These include changes in government policies such as tax breaks for investment into mutual funds; technological developments such as the creation of internet trading platforms (Langley, 2007); the growth in the attention towards financial investments in the popular media and in newspapers directed to a mainstream audience (Aitken, 2005; Clark, Thrift, & Tickell, 2004; Harmes, 2001); programs to foster early financial literacy (Clark et al., 2004; Erturk et al., 2007; Harmes, 2001), the more widespread use of stock options (Gourevitch & Shinn, 2006, p. 211); and, most

importantly, the changes in retirement systems whereby individuals are increasingly called upon to manage the financial risk for their retirement and to seek an adequate "return on investment" from their pension contributions (Brooks, 2007; Erturk et al., 2007; Naczyk & Palier, 2013).

These developments have significantly expanded the participation of individuals in the stock market. While ownership of financial stocks remains most prevalent among individuals in the upper part of the income distribution, it would be inaccurate to depict this as a niche phenomenon. For instance, while at the time of the stock market crash of 1929 only 3% of US households owned financial stocks, this figure had increased to 25% by 1987, and doubled during the boom of the 1990s (Harmes, 2001). By the early 2000s, one half of US households owned stock market equities either directly or indirectly through mutual funds or pension funds (Fligstein & Goldstein, 2015; Harrington, 2008; Richardson, 2010). Existing research on US households has found that holding financial assets in mutual funds and investment accounts has increased since the 1990s equally across income levels (Fligstein & Goldstein, 2015), as well as across men and women, with the latter making up fifty percent of investors by the end of the 1990s (Harrington, 2008).

What are the implications of these transformations that have increased the extent to which households and individuals engage directly with financial markets? A number of empirical studies have demonstrated that the greater prominence of finance in the economy has had an impact on issues as diverse as the general macroeconomic performance of the economy, income inequality, the behavior of companies and workplace organization, as well as the wealth and security of individuals (Callaghan, 2015; Epstein & Jayadev, 2005; Lin & Tomaskovic-Devey, 2013). But recent interventions in this literature have also started to acknowledge how the consequences of financialization reach beyond the economic sphere but also involve a shift in attitudes (Callaghan, 2015, p. 332). For instance, the increasing centrality of finance in the life of individuals and households has been linked to the emergence of neo-liberal policies (Langley, 2008b) and the resilience of these policies in the aftermath of the financial crisis (Langley, 2014).

However, the mechanisms through which widespread ownership of financial assets shapes the political contest over economic policies are often assumed rather than explored empirically. As Krippner argues, "enthusiasm for the concept of financialization has run far ahead of serious attempts to establish evidence for this phenomenon" (Krippner, 2011, p. 23). In order to further our understanding of the political consequences of the financialization of everyday life, the next section develops a series of testable hypotheses on how this process could shape individual preferences over financial policies.

3. Financialization and Preferences over Financial Policy

How has the rise of finance shaped individual preferences over economic policies? A number of studies have presented the greater role of finance in the economy as further exacerbating the traditional class-based conflict over economic policies by triggering a significant redistribution of wealth away from workers outside the financial industry towards the financial industry (Fligstein & Shin, 2007; Philippon & Reshef, 2012; Tomaskovic-Devey & Lin, 2011; Witko, 2016). In particular, financialization has been linked to negative outcomes for workers in terms of remunerative conditions, job security, and training (Black, Gospel, & Pendleton, 2007; Darcillon, 2015; Lazonick & O'Sullivan, 2000), as greater concern for maximizing shareholder value has led corporate managers to reduce labour costs in order to increase the return on equity (Lazonick & O'Sullivan, 2000, p. 18). From the perspective of its impact over the conditions of individuals as workers, the process of financialization can be understood as further widening the gap between Main Street and Wall Street in terms of economic policy preferences, and in particular policies influencing the role of finance in the economy.

Individuals' position in the labour market is, however, not the only economic factor influencing the preferences of individuals over economic policies. For instance, Ansell claims that there has been a shift from a model where the preferences of individuals are shaped by their labor market status (income, occupational class, or risk of unemployment) towards an "Asset Dominance" model where "macroeconomic policies (or shocks) have their greatest impact on the price level and volatility of assets like equities and housing - in other words not on citizens' income but on their wealth" (Ansell, 2012, p. 533, see also 2014; Scheve & Slaughter, 1999). While Ansell focuses on the ownership of assets in the form of housing, we ask to what extent can the ownership of financial assets - in particular stocks, mutual funds and individual retirement accounts of all kinds - be understood as shaping the individual preferences over economic policies?

It can be argued that as individuals gain a stake in financial markets through their pension funds or direct investments, their preferences over economic policies come to be influenced not only by their labor market position but also by the impact that these may have the safety and return of their financial assets (Cioffi & Höpner, 2006; Perotti & von Thadden, 2006). As a result, the ownership of financial assets may increase the likelihood that individuals will develop policy preferences that are aligned with those associated with finance capital.

Moreover, scholars have theorized how the impact of financialization is not limited to the material economic position of individuals. Fligstein and Goldstein have argued that the process of financialization has been associated with the emergence of a "finance culture" that is leading households to "embrace a more proactive and entrepreneurial management of their finances in order to capitalize on the opportunities these products

present", including increasing their tolerance for financial risk (Fligstein & Goldstein, 2015, p. 3). In a similar way, Langley has argued that the process of financialization entails a transformation in the perception and attitude of individuals towards financial risk and the "summoning up of the investor subjects" (Langley, 2006, p. 929). Thus, financialization could be understood as turning individuals into active "investor subjects" embracing financial risk-taking, thus aligning their preferences more directly with those of the financial industry.

While the literature has theorized how the process of financialization may reshape preferences over economic policies and promote an alignment with the preferences of finance capital, this claim has only rarely been subject to empirical scrutiny.[1] We chose to analyze this in the context of two sets of policies that have frequently been presented as pitting the interests of Wall Street against that of Main Street: 1) the bailouts of financial firms and 2) the regulation of financial firms.

Bailouts of financial institutions are often presented as a form of policy intervention transferring wealth to financial firms from the general public, with workers from outside of the financial industry being forced to absorb the costs created by the mismanagement of financial firms. While individual workers in the same industry as the one being bailed out will have an incentive to support its bailout in order to ensure the security of their income, workers in other sectors who expect to pay the most for bailouts as taxpayers will be the least supportive (Smith, 2013). Given the significant costs (at least in the short term) and large risks that governments and ultimately taxpayers may incur to bailout financial institutions, we can expect individuals whose primary job is outside the financial industry to be mostly opposed to the bailouts of financial institutions, although this opposition is less clear in the case a bailout if presented as necessary to prevent economic disruption and widespread job losses (Berger & Roman, 2015). Given the impact that the failure of a highly interconnected financial institution may have in generating volatility in the stock market and depressing the value of securities, individuals who are also owners of financial assets – regardless of their class and income level - could be expected to be more supportive of a government bailout than the average citizen as this policy intervention would help in forestalling the negative impact that financial instability would have over their financial security.

The impact of the ownership of financial assets over preferences towards the bailout of financial institutions can be formalized in the following hypothesis:

[1] For instance, some work has explored how stock ownership has shaped individual preferences related to policies such as tax cuts and privatization of social security (Cotton Nessler & Davis, 2012), corporate governance reforms (Gourevitch & Shinn, 2006), or more broadly the role of the state in the economy (Richardson, 2010). Within this literature.

Hypothesis 1: We expect that the support for the bailout of financial institutions will be higher among those individuals with investments in tradable financial assets, all else being equal.

Financial regulatory policies are another area where the interests of individuals and households are often presented as in opposition with those of finance capital. While financial institutions are frequently mobilizing in favour of loosening regulatory requirements in order to increase their ability to generate profits, individuals outside of the financial industry are often described as bearing the costs of inadequate regulatory policies that fail to deliver financial stability. Given the significant costs that financial crises pose, workers would benefit from more stringent regulatory policies that mitigate the recurrence of financial crises and generate a stable macroeconomic environment.[2] The ownership of financial assets by the same individuals and households can however be understood as potentially altering their preferences on financial regulatory policies that deviates from the position on the labour market. On the one hand, as individuals become more invested in the financial markets, they may act to demand greater protection from policies and managerial actions that could threaten the safety and return of their financial assets (Gourevitch & Shinn, 2006, p. 66). On the other hand, the literature on financialization suggests that the transformation of workers into "investor subjects" could lead the preferences of same individuals who own financial assets to converge with those of the financial industry in opposing more stringent regulatory policies that may limit their opportunities to invest in the financial markets and increase the regulatory burden on financial intermediaries.

Hypothesis 2: We expect that the support for more financial regulatory policies will be lower among those individuals with higher levels of individual investment in tradable financial assets, all else equal.

4. Exploring Support for US Financial Policies After the Global Financial Crisis using 2010 CCES Survey

[2] This view pitting the interest of the financial industry against those of workers outside finance has been questioned by those claiming that more stringent financial regulatory policies also constrain the capacity of the financial industry to channel credit to the economy and therefore run against the interests of workers (IIF, 2011), although recent interventions in the literature have questioned this dichotomy between regulatory policies promoting stability and growth (Admati & Hellwig, 2013).

To test these hypotheses, this paper focuses on the preferences of US citizens after the global financial crisis that started in 2008. The US provides an excellent context for this analysis given the key policy developments set in motion by the financial crisis. In particular the bailout package known as the Trouble Asset Relief Program (TARP) and the most extensive set of financial regulatory changes since the Great Depression in the form of the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) provide excellent instances of such financial policies that can help us test the above hypotheses.

The focus of the US also reflects the special position that this country occupies in most analyses on financialization. The US is often seen as the "archetypal financialized economy" (Witko, 2016, p. 349) or the frontrunner of a more general trend whose extent varies across different industrialized economies (Assa, 2012; Palley, 2007; van der Zwan, 2014). For these reasons, the US is regarded in much of the literature as an ideal within-country case to observe the implications of the financialization (for a critique of the geographical scale of these analyses, see Christophers, 2012). In terms of the depth of financial asset ownership among households specifically, the US is actually more representative, rather than exceptional, of other countries at similar levels of development.

While there are a variety of data sources on individuals' support or opposition to the bailout of financial institutions and financial regulatory reforms based on surveys of the US population conducted during the time (Young & Yagci, 2018), for our purposes we also require data on financial asset ownership. Such data can be found in the 2010 Cooperative Congressional Election Study (CCES). The CCES is a comprehensive set of omnibus surveys conducted on the American public, and represents the gold standard of large surveys of the public's attitudes toward legislative politics, conducted weeks before every Congressional election (Ansolabhere, 2012). The 2010 CCES involved 30 different teams working cooperative to survey representative samples of the US population, yielding a sample of 55,400 different individual cases, thus allowing significantly more fine-grained analysis of the US population than other surveys.

We make use of two particular questions regarding policy preferences during the time, which was whether a respondent supported or opposed the TARP bailout and the Dodd-Frank Act.[3] Our key explanatory variable of interest is the ownership of financial assets. While we do not have detailed information on the extent of financial asset ownership, our main explanatory variable of interest is a simple dummy variable that was

[3] The Financial Reform bill question was accompanied with a brief description as follows: "Protects consumers against abusive lending. Regulates high-risk investments known as derivatives. Allows government to shut down failing financial institutions." The survey was taken during October 2010, that is, only 3 months after the legislation was signed into law. The TARP question was accompanied with a brief description as follows: "$700 billion loans to banks to stabilize finance." The TARP took place in October 2008, and thus approximately 2 years before the CCES survey was conducted

included in the 2010 CCES and which has a close bearing on our interest in financial asset ownership. The question was worded as "Do you personally (or jointly with a spouse), have any money invested in the stock market right now, either in an individual stock or a mutual fund?".

We controlled for a number of potential confounders in respondent policy preferences and demographic position in society that might otherwise affect their support for policies focusing on the financial industry. Since actual ownership of financial assets is related to household income levels, we included categorical dummy variables for each level of household income available. Appendix A1 details the extent of financial asset ownership by different household income levels, and breaks this down by partisan affiliation as well. Since the literature reviewed in the previous section has argued that financialization had a distinctive impact over individual relying on their labour market income compared to retirees relying uniquely on their pensions, we also included variables on the labour market position of individuals as either employed, unemployed, retired, or not in the labour market.

We also included demographic characteristics. We include a binary gender variable in our analysis because of the different distributional effects of the financial crisis and recovery on men and women, a point made by a range of literature (Maltby & Rutterford, 2012; Walby, 2009). The literature has also found that the effects of the financial crisis and its politicization were often highly racialized, with low-income African-American and Latino/a communities being much more adversely affected (Kochhar & Fry, 2014; Nier & Cyr, 2011).[4] Thus we included dummy variables for all race/ethnicity categories available in the data. We also included data on a respondents' age and their level of formal education (though these introduced some multicollinearity issues, as we discuss below).

Despite their salience during this time, financial policy is still an area that is relatively esoteric for most citizens. Some literature suggests that on these type of issues individuals often rely on elites to form their preferences and simply adopt the position of their favored party (Johnston & Wronski, 2015). Moreover, partisanship has been found to explain not only the preferences of individuals but also their stock market participation (Kaustia & Torstila, 2011). We sought to condition our regression estimations on such factors. First and foremost we included covariates on the partisan affiliation of survey respondents (e.g. Democrat, Republican, Independent, Other).[5] Partisan affiliation – especially whether or not someone was a Democrat or Republican – was actually a hugely

[4] The main results that we report below using the 2010 CCES data are consistent whether we use the gender and race variables or not.

[5] Our results are also robust to using a different 'political spectrum' variable, based on respondents' own self-assessed placement along a left-right continuum (e.g. very liberal, liberal, somewhat liberal, middle of the road, somewhat conservative, conservative, very conservative).

important predictor of support for financial regulatory policies we examine, as we discuss below. Additionally, not just partisanship but the attentiveness of respondents to news media and politics is likely to affect their attitudes as well. In this regard the availability of information that individuals actually have to keep track of their financial wealth and government policies is a relevant consideration (Cotton Nessler & Davis, 2012; Richardson, 2010). While we do not have access to how often individuals monitor their own financial investments, we consider the effect of heavy media consumption (whereby respondents reported media consumption in multiple venues such as TV, radio, or newspapers in the last 24 hours). We also include a variable which conditions on a respondents level interest and attentiveness to politics (worded as 'government and public affairs').

We fit logistic regression models that predict individual's support for 'Financial Reform Bill' (read: Dodd-Frank) as well as support for the TARP, which can be predicted in separate models, using the key explanatory variable of stock ownership. Given the range of predictor variables described above, we ran variance inflation checks to ensure that we were not introducing multicollinearity into the model. Doing so uncovered the (not surprising) result that including factors such as age, family income, level of education and financial asset ownership into the same model introduced risks of multicollinearity.[6] To address this we deployed the following pre-processing and model specification steps to minimize these effects and generate the best possible inference with these data.

We first ran logit models that controlled for the strata of family income and tested the simple bivariate predictive power of financial asset ownership on support for Dodd-Frank and TARP, respectfully, reported in model 1 and 3 below.[7] We then included the range of covariates mentioned above (and reported in Table 1 below), and included dummy variables for partisan affiliation (with Democrat as the base category). To improve the inferences we can make about the relationship between financial asset ownership and support for Dodd-Frank and TARP, we used coarsened exact matching to improve balance in these data for those individuals that own stock and those that do not – the main 'treatment' in our study (Iacus, King, & Porro, 2011). We specifically matched on those covariates where balance might be a particular concern in relation to the treatment - these include education level, age (which we rounded into decades), partisan affiliation, and

[6] Age for example is a particularly thorny concern because the value of the financial assets accumulated tends to increase in parallel with the age of individuals, while the level of risk of the financial asset owned is usually decreasing as households start seeking to ensure they have adequate capital for their retirement (Gourevitch & Shinn, 2006, p. 211; Richardson, 2010). In addition, level of education is found within the existing literature to be a predictor both of stock ownership (Campbell, 2006) and political behavior (Krause, 1997).

[7] We used the CCES survey weights as we were interested in representativeness at this stage. The results are robust to using this option.

family income.[8] Our test for imbalance before pre-processing the data in this way revealed that it could be reduced significantly through coarsened exact matching – we reduced the alpha from .463 to less than .001. Thus in models 5 and 6 below we estimated the same logit models but ensured greater balance on our treatment and non-treatment groups.

Table 1: Regression Results of CCES 2010 Survey

	(1) Support for Dodd-Frank	(2) Support for Dodd-Frank	(3) Support for TARP	(4) Support for TARP	(5) Support for Dodd-Frank	(6) Support for TARP
Owns Stock	-0.368***	-0.101***	-0.0718	0.218**	-0.134***	0.275***
	(0.0286)	(0.0347)	(0.0783)	(0.0929)	(0.0355)	(0.0949)
Female		0.0756**		0.119	0.151***	0.0536
		(0.0340)		(0.0907)	(0.0335)	(0.0863)
Age		0.00470***		-0.0178***	0.00590***	-0.00104
		(0.00147)		(0.00380)	(0.00153)	(0.00406)
Republican		-2.344***		-1.528***	-3.515***	-2.218***
		(0.0518)		(0.121)	(0.0514)	(0.125)
Independent		-1.455***		-1.156***	-2.520***	-1.446***
		(0.0526)		(0.106)	(0.0504)	(0.0952)
Other		-1.743***		-0.621***	-3.195***	-1.424***
		(0.0721)		(0.159)	(0.0718)	(0.286)
Not Working		-0.0557		0.147	-0.0289	-0.160
		(0.0740)		(0.179)	(0.0758)	(0.192)
Working		-0.0783		-0.226*	-0.0221	-0.0859
		(0.0493)		(0.121)	(0.0520)	(0.136)
Retired		-0.0339		0.0831	-0.0510	0.0511
		(0.0636)		(0.160)	(0.0627)	(0.164)
Interest in Public Affairs		-0.749***		-0.219**	-0.994***	-0.0166
		(0.0397)		(0.0986)	(0.0434)	(0.105)
High Media Consumption		-0.185***		0.196**	-0.208***	0.0957
		(0.0351)		(0.0956)	(0.0338)	(0.0874)
Constant	1.055***	2.178***	-0.903***	0.698**	3.674***	0.000724
	(0.0220)	(0.130)	(0.0584)	(0.299)	(0.181)	(0.431)
Observations	54146	52617	7560	7364	46265	6398
Pseudo R^2					0.240	0.136

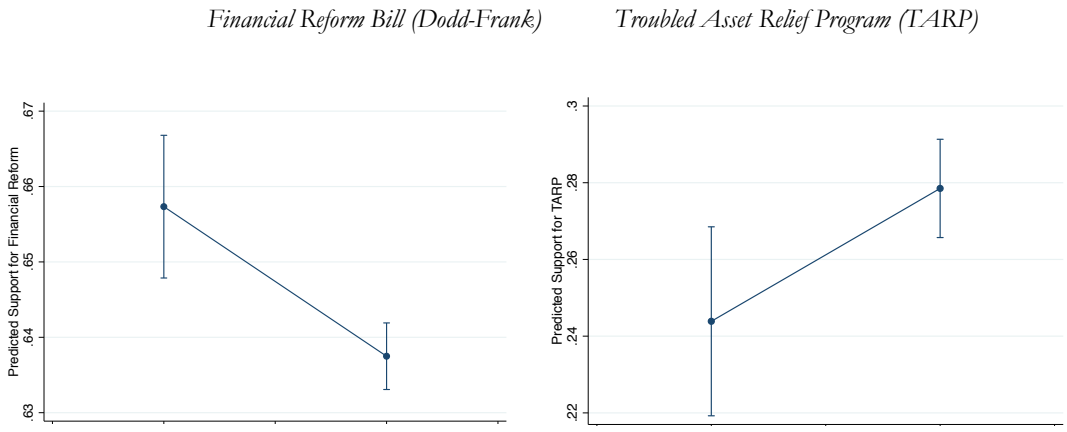
Notes: Survey income strata used in models 1-4; Coarsened exact matching used in models 5-6. Dummies for income levels and for education omitted from results but run in regression for models 2,4,5 and 6. Robust standard errors in parentheses, * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Our results suggest support for the main hypotheses. The estimated statistical association between financial asset ownership and support for Dodd-Frank is negative and statistically significant, while the same treatment is associated with higher support for TARP. The relationship for TARP support is statistically significant only in the later models. While this is supportive evidence for the notion that the ownership of financial assets influences the position of individuals in a direction aligned with the preferences of the financial industry, it is notable that the magnitude of the effect is relatively small. The weaker magnitude of the impact of financial asset ownership on TARP may be in part attributable

[8] Our results are robust also when we include other covariates in the matching algorithm. Matching techniques such as this often risk pruning observations and introduce tradeoffs as a result (King, Lucas, & Nielsen, 2014). While the CCES data is large enough that this is less likely to be a significant concern than in a smaller dataset, we sought to be cautious in terms of missing observations as a result of matching on every covariate.

to the feature mentioned elsewhere in the paper, in particular the fact that the bill was presented as a solution to stem a systemic economic crisis and therefore in the public interest besides the impact on financial markets. Figure 1 below illustrates the estimated treatment effect of financial asset ownership on support for Dodd-Frank and TARP, respectively, based on estimated marginal effects with 90% confidence intervals for moving from the position of not owning financial assets to the position of owning financial assets.

Figure 1: Predicted Effect of Stock Ownership on Support for Different Financial Policies



5. Exploring Other Measures of Financial Asset Ownership

There are two potential weaknesses of the above analysis. The first is that the CCES data, as survey-response data, is not actually picking up financial asset ownership but rather just awareness of such ownership. The second potential weakness is it only tests financial asset ownership as a simple binary variable. It might be the case that it is not only the ownership of financial asset per se that influence the attitude of individuals towards financial policies, but also that the type of financial assets owned that matters. Different types of financial investments differ both in term of the level of risk they entail and also in the extent to which involve an active role of individual investors in in managing their own investments. From this perspective, direct investment in shares (bearing a higher risk) may have a greater influence over the attitudes of individuals than investment into bonds (bearing a lower risk). Along the same lines, direct investment in shares requiring an active role of individuals may have a greater influence over the attitudes of individuals compared to investments into mutual funds or pension funds which require a less active engagement by households (Ponnuru 2004:30, cited in Richardson, 2010). At the same time, differences regarding the level and type of financial asset ownership may not matter as much if financialization is associated with the acquisition of a social identity and "finance culture" as argued by the cultural interpretations of this trend.

To address these potential weaknesses, we utilized a large proprietary database that contains a variety of demographic, political and financial indicators of US individuals, called Catalist. Catalist is a database invented for the purpose of marketing and political targeting of US households. This database has been shown to be highly comprehensive, and has recently been used in combination with CCES data to explore dimensions of us political attitudes (Rhodes & Schaffner, 2017). Of particular interest to us is the fact that Catalist contains data on individual's predicted level of ownership in a variety of financial instruments. Such ownership levels are based on the 'Donnelley Cluster Spectrum' which is an estimation of consumer behavior based on a cluster of demographic traits and industry-driven survey data.

We conducted a multiple match merge on a variety of demographic characteristics that existed in both the CCES and the Catalist data – specifically gender, racial self-identification, income level, age and zip code.[9] This allows us to use the Catalist data on financial asset ownership – which are, after all, a market-based estimate of financial asset ownership – to predict responses to the 2010 CCES data on support for Dodd-Frank and the TARP bailout. Three different alternative 'treatment' variables were obtained from these data: stock ownership, mutual fund ownership and independent retirement account (IRA) ownership. Each are based around the likelihood of owning these kinds of financial assets, calibrated around 100 – for example a person with a value of 200 indicates that an individual is twice as likely than average to own that financial asset, while a score of 100 is average, a score of 50 is 50% less likely than average, etc.

A first look at these data, in Figures 2 and 3 below show the estimated marginal effect for each increase in level of each form of financial asset ownership on support for Dodd-Frank and TARP, respectively. We purposely removed the extremely low and extremely high scores from each of these margin effects plots, since they are associated with so few observations and radically inflate the confidence interval ranges for that reason.[10]

Figure 2: Predicted Effect of Stock Ownership on Support for Financial Reform Bill (Dodd-Frank)

[9] 33054 observations were matched using this method.
[10] Approximately 90% of the data for each variable is captured within the reported ranges.

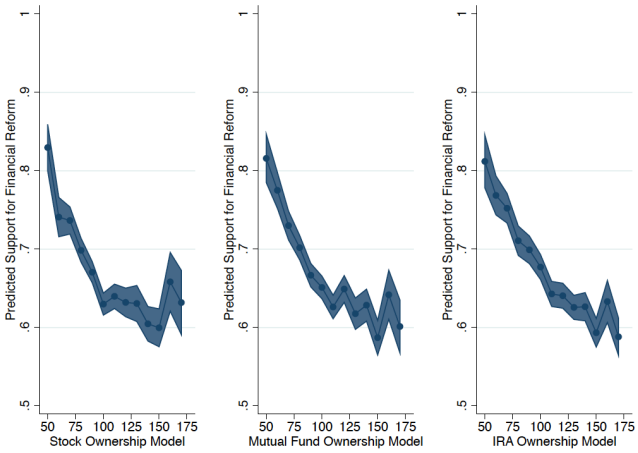
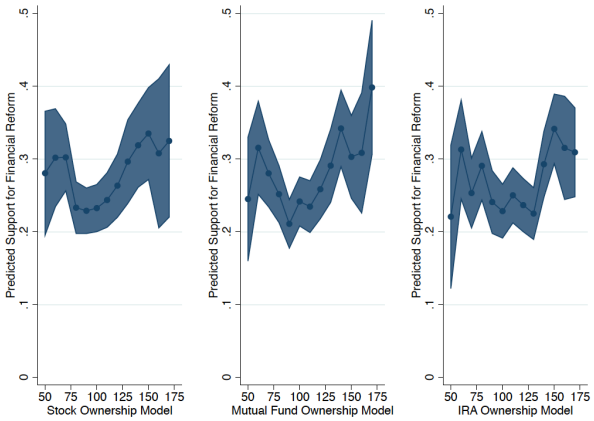


Figure 3: Predicted Effect of Stock Ownership on Support for Troubled Asset Relief Program (TARP)



Using these 'market-based' variables introduces their own set of multicollinearity problems, because the likely predictors used to generate these scores of likely financial asset ownership were based in part on income. To assess this likelihood we ran linear regressions whereby our range of covariates described above (excluding the CCES stock ownership variable) were used to estimate the Catalist stock ownership score. Factors such as family income and age were both highly significant and according to BIC tests contributed substantially to the variance in the outcome. Also, when we ran models 5 and 6 with the new Catalist variables it generated significant variance inflation until we eliminated factors that correlate strongly with variance in stock ownership, such as income, employment status, and education. For these reasons we ran more minimal models, all of which are reported in Table 2 below.[11] The inability to control for factors such as income levels and other socio-economic status variables limits our confidence in these findings. However for each estimate of stock, mutual fund and IRA ownership, there is a statistically significant association with (negative) support for financial regulation and (positive)

[11] The baseline dummy variable for partisan affiliation is 'Democrat'.

support for TARP, as expected and in line with earlier findings for the more simple binary CCES financial asset ownership variable.

Table 2: Regression Results of Catalist Data

	(1) Support for Dodd-Frank	(2) Support for TARP	(3) Support for Dodd-Frank	(4) Support for TARP	(5) Support for Dodd-Frank	(6) Support for TARP
Stock owner	-0.000845**	0.00480***				
	(0.000384)	(0.000941)				
Mutual fund owner			-0.00110**	0.00515***		
			(0.000428)	(0.00109)		
Individual Retirement Account Owner					-0.000926**	0.00488***
					(0.000448)	(0.00113)
Female	0.149***	-0.161**	0.147***	-0.158**	0.147***	-0.152**
	(0.0281)	(0.0738)	(0.0281)	(0.0738)	(0.0281)	(0.0738)
Republican	-3.308***	-2.100***	-3.307***	-2.100***	-3.307***	-2.101***
	(0.0489)	(0.0995)	(0.0489)	(0.0995)	(0.0489)	(0.0996)
Independent	-2.257***	-1.405***	-2.257***	-1.404***	-2.256***	-1.406***
	(0.0494)	(0.0854)	(0.0494)	(0.0854)	(0.0494)	(0.0855)
Other	-2.978***	-1.260***	-2.978***	-1.259***	-2.978***	-1.259***
	(0.0664)	(0.174)	(0.0664)	(0.173)	(0.0664)	(0.173)
Interest in Public Affairs	-0.807***	-0.0146	-0.804***	-0.0127	-0.804***	-0.0216
	(0.0374)	(0.0870)	(0.0374)	(0.0871)	(0.0376)	(0.0877)
High Media Consumption	-0.202***	0.171**	-0.200***	0.168**	-0.202***	0.170**
	(0.0285)	(0.0766)	(0.0285)	(0.0767)	(0.0285)	(0.0767)
Constant	3.459***	-0.325*	3.487***	-0.372**	3.475***	-0.376**
	(0.0875)	(0.172)	(0.0907)	(0.181)	(0.0931)	(0.187)
Observations	32550	4725	32550	4725	32550	4725
Pseudo R^2	0.229	0.117	0.229	0.116	0.229	0.116

Notes: Robust standard errors in parentheses, * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

These results suggest further support for our hypotheses concerning the impact of financial asset ownership in increasing support for bailouts and decreasing support for financial regulation. While each form of financial asset 'owned' is associated with a general decline in support of financial regulation (with the exception of IRAs) and an increase in support of bailouts, we caution against interpreting as conclusive evidence in support of the hypothesis that financial asset ownership in general, rather than specific kinds of financial asset ownership, since different forms of financial asset ownership are highly correlated (see Appendix A2 for a detailed correlation matrix).

6. Exploring the impact of financial asset ownership across "booms" and "busts"

These results beg the question of the importance of context, and in particular of the importance of the impact that the context of financial markets at a given time has over

the impact of the ownership of financial assets over the preferences of households. Most arguments concerning the impact of financial asset ownership in bringing workers to acquire pro-finance positions have been developed in a period of significant growth in the stock market such as the 1990s, when rising stock market prices attracted new households who had no experience of significant downturn in the market and made them more comfortable with financial risk-taking (Akerlof & Shiller, 2009; Richardson, 2010). While periods of financial boom might increase the tolerance for risk-taking by individuals and their sympathetic identification with the financial industry, this outcome may also change as a result of episodes of financial crises. For example, crises might reveal the vulnerability of financialized households to fluctuations in the markets and heightening their sense of insecurity. This view is however disputed by some accounts of the financialization process that have argued that its impact goes much deeper in the culture and it is unlikely to be affected by the financial crisis (Fligstein & Goldstein, 2015; Gamble, 2009).

In order to explore the potential impact of different financial market conditions over attitudes toward financial regulation, we utilized data from two points in time: October 2010 and October 2014. While at the time of the first survey, the stock market was still recovering from the significant drop that followed the peak of the crisis in 2008 and the S&P500 was still below the value of 4 years before, by the time of the second survey the stock market had almost doubled its valuation compared to four years before.

In order to compare the level of support for financial regulation over time we compare the results from the CCES survey from November 2010 with the following CCES survey from November 2014 (Schaffner & Ansolabehere, 2015). One significant advantage of this strategy derives from the fact that the two surveys tracked the same individuals over time. Rather than asking respondents about Dodd-Frank, which by that time was being implemented, the 2014 CCES survey asked respondents "Do you support or oppose more strictly regulating financial institutions?". Appendix A3 details the simple topline results comparing support for Dodd-Frank in 2010 to support for 'more stringent regulation' in 2014. A question related to the bailout of financial institutions was not included in these data, thus not allowing us to extend also that part of our analysis over these two periods.

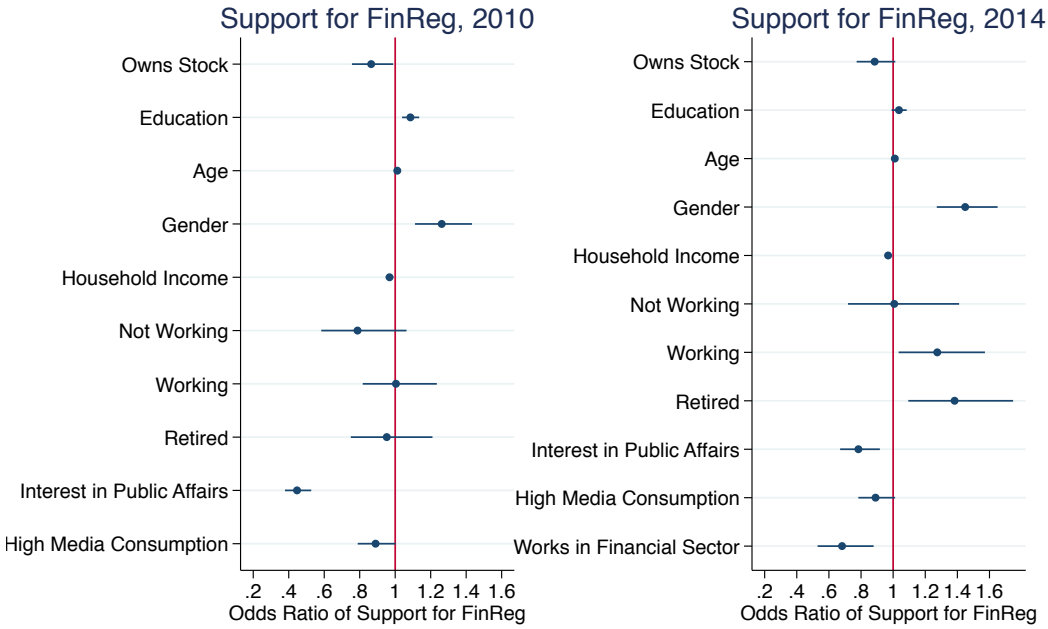
We specified the same kinds of logit models as in our 2010 CCES regressions, and our results are visualized in the coefficient plots in Figure 4 below (see Jann, 2014) . Our results suggest further support for the notion that financial asset ownership was associated with decreased support for financial regulatory reform. What held true in 2010 (above) in the context of Dodd-Frank also appears to hold true in 2014, once Dodd-Frank has been implemented and the question of 'more strictly regulating financial institutions' is being asked. The coefficient plots in Figure 4 give a sense of the magnitude of the effect, via the

odds ratio, with positive estimates and 95% confidence intervals lying on the left hand side of the red line of unity indicating a negative statistical association. The effect size of financial asset ownership is small in comparison to other estimated effects, and can be directly compared to other social institutions such as gender – with females preferring stronger financial regulation.[12] For the 2014 data we include a dummy variable for whether or not a respondent worked for the financial sector (data was only available for 2014). This facilitates a comparison of interests – to what extent does a respondent's support for financial regulation decrease when they work in the sector? We can then compare this effect magnitude to owning financial assets. The effect magnitude of financial asset ownership is approximately half that of working in the financial sector. Thus while financial asset ownership appears to indicate a modest effect, it is an effect comparable to other politically salient characteristics related to social standing.

Figure 4: Regression Estimates of Support for Financial Reform

Support for 'Financial Reform Bill' (Dodd-Frank), 2010

Support for 'More strictly regulating financial institutions', 2014



While these results provide support for the hypothesis that financial asset ownership dampens the support for financial reforms (H_2), they also suggest that this support is *not* highly conditional on the context of what is going on in financial markets,

[12] In order to visualize these coefficients we omitted partisan affiliation from the plotting, but not the regressions themselves.

or in fact a range of other factors which made 2010 and 2014 differ in terms of political context.

As an additional check on the robustness of the general finding, we seek to exclude the possibility that there might be a selection effect at work in which different kinds of people chose to own financial assets in the first place that is not adequately captured in our analysis. In particular, we check for the possibility that people that tend to own financial assets are, at the margin, more conservative in their orientation toward government regulation than their non-financial asset owning but-otherwise-similarly-matched peers. If this was true, we would expect the ownership of financial assets to predict not just support for financial regulatory reform but also other policies that might be associated with a strong conservative aversion, and yet they do *not* involve a potential mechanism between the ownership of financial assets and support or opposition to these policies.

To test this, we ran the same regressions as above but for switched the dependent variable to the support for several other Obama-era policies in different areas that were characterized by significant partisan division and politicization at the time.[13] These are the Clean Energy and Security Act (known as the Waxman-Markey Bill, which was the first bill meant to curb the causes of climate change), support for the nomination of Elena Kagan for the Supreme Court (widely perceived as a progressive), support for the repeal of Don't Ask/Don't Tell in the US military (reducing discrimination and stigma of LGBT people in the active military), and an executive order that made Stem Cell research through the National Institutes of Health (NIH) legal again (after President Bush Jr. had banned it in 2001). If there is a strong conflation of owning financial assets and a conservative orientation that we have not captured already, we would expect the financial asset ownership variable to be significant in explaining the level of support for these policies. Yet our results show that owning financial assets is not a reliable predictor of support (or lack of) for this set of these non-financial policies but it is a reliable predictor of weaker support for financial reform. Thus, while we cannot rule out selection effects in their entirety, this additional evidence suggests further evidence toward the general finding discussed throughout the paper: owning financial assets is associated with a decrease in support for financial reform.

[13] In these regressions, 'Other' is used as the base category, which is itself an artifact of data availability but also seems warranted because of the importance of partisan dummies at the extremes in conducting this test in particular.

Table 3: Regression Results of CCES Survey 2014 – Support for non-financial policies

	(1) Financial Reform	(2) CleanEnergy	(3) Kagan	(4) DADT	(5) StemCell
Financial Asset Owner	-0.122*	0.0781	0.102	0.0782	0.0839
	(0.0691)	(0.0656)	(0.0703)	(0.0633)	(0.0639)
Education	0.0358	0.129***	0.234***	0.167***	0.102***
	(0.0231)	(0.0216)	(0.0232)	(0.0210)	(0.0215)
Age	0.0106***	-0.00562*	-0.0137***	-0.00764***	0.00299
	(0.00319)	(0.00308)	(0.00327)	(0.00294)	(0.00298)
Female	0.371***	0.642***	0.186***	0.417***	-0.0552
	(0.0665)	(0.0617)	(0.0655)	(0.0604)	(0.0607)
Household Income	-0.0316***	-0.0202*	0.00533	0.00525	0.0392***
	(0.0116)	(0.0109)	(0.0117)	(0.0105)	(0.0107)
Democrat	2.385***	2.572***	2.785***	1.982***	2.211***
	(0.143)	(0.125)	(0.132)	(0.121)	(0.125)
Republican	-0.290**	-0.650***	-1.171***	-0.671***	-0.438***
	(0.117)	(0.119)	(0.143)	(0.113)	(0.113)
Independent	0.542***	0.525***	0.633***	0.358***	0.538***
	(0.119)	(0.115)	(0.129)	(0.112)	(0.114)
Not Working	0.00699	-0.128	-0.00908	0.0676	-0.0311
	(0.172)	(0.165)	(0.184)	(0.157)	(0.158)
Working	0.243**	-0.00235	0.0952	0.152	-0.116
	(0.107)	(0.104)	(0.112)	(0.0967)	(0.0981)
Retired	0.324***	0.139	0.360***	0.242**	0.143
	(0.119)	(0.113)	(0.123)	(0.106)	(0.108)
Interest in Public Affairs	-0.244***	-0.565***	0.132	-0.290***	-0.158**
	(0.0802)	(0.0782)	(0.0829)	(0.0728)	(0.0727)
High Media Consumption	-0.116*	-0.182***	0.0392	-0.0594	-0.0413
	(0.0654)	(0.0604)	(0.0640)	(0.0598)	(0.0619)
Works in Financial Sector	-0.383***	-0.0246	-0.141	0.0522	0.124
	(0.129)	(0.126)	(0.137)	(0.125)	(0.129)
Constant	-0.323	-1.130***	-1.780***	-0.695***	-0.403
	(0.264)	(0.256)	(0.275)	(0.244)	(0.250)
Observations	7590	7516	7362	7560	7559
Pseudo R^2	0.157	0.271	0.332	0.189	0.162

Notes: Robust standard errors in parentheses, * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

7. The Effect of Financial Asset Ownership and Class

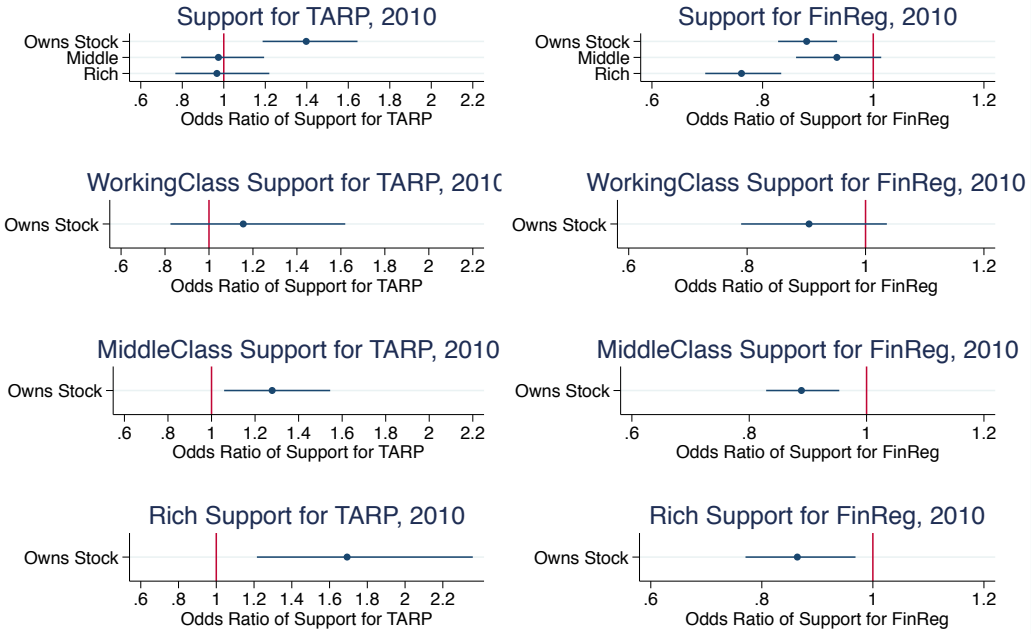
Our results above show a unique effect of financial asset ownership on attitudes toward financial regulation within the US population at large. How universal are such tendencies, and do they vary across different socio-economic classes? In order to answer this question, in this section we further break down the data to investigate the ways in which class may condition the effect of financial asset ownership in creating support for policies that are associated with the interests of the financial industry.

We use total household income to generate a simple, albeit crude, three-category class characterization in the data. We note in this context that, in the American politics literature, social class categories are often constructed by taking three evenly-sized bins of income categories (Bartels, 2008; Bhatti & Erikson, 2012; Hayes, 2013). The Pew Research Center situates middle-class household income as falling between 67 and 200 percent of

the average median household income. Thus we used data from the US census to categorize all individuals within this middle-class category and all those with household incomes below as 'Working Class' and all household incomes above as 'Rich'.[14]

The coefficient plots in Figure 5 below illustrate the magnitude of the effects for financial asset ownership, class location (with working class the base category), when we run the same logistic regression models as reported above, for the support for TARP and for Dodd-Frank in 2010.[15] The top coefficient plot illustrates the net effect of the middle-class and rich category dummies while the financial asset ownership variable in comparison. Financial asset ownership retains its statistical significance. Because these class categories may be unbalanced vis-à-vis the financial asset ownership variable given differences among class categories, we use coarsened exact matching to improve balance between the covariates, as shown in Figure 5. The other panels, in rows 2-4, illustrate the effect when taking only working class, middle and rich in the sample. This analysis suggests that the impact of financial asset ownership over individual attitudes over bailouts and financial regulation are concentrated 'at the top' of the income distribution, with no statistically significant impact among the working class.[16]

Figure 5



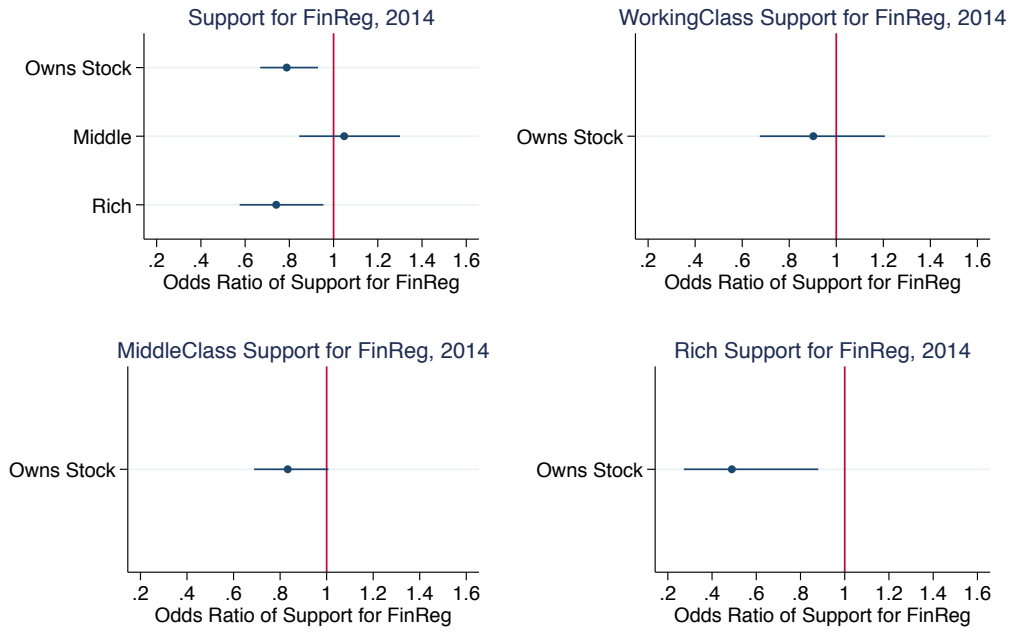
[14] Specifically we used data from HINC-01. Selected Characteristics of Households, by Total Money Income in 2014, available at: https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-hinc/hinc-01.2014.html

[15] Other categories such as gender and party identification are used in this regression but not visualized here.

[16] When we ran an interaction between socio-economic class and financial asset ownership, we get the same general result.

Figure 6 then fits the same regression models but with the 2014 data. Here again we can see that, while there is a modest negative effect of financial asset ownership on support for financial regulatory reform in 2014, when broken down by class category, this effect is most pronounced among the rich.

Figure 6: Coefficient estimates on support for stronger financial regulation



Overall, these results suggest that that the change in individual attitudes towards finance associated with the process of financialization tend to be particularly concentrated toward the top. How do we explain these findings? While the financialization literature has highlighted how ownership of financial assets is widely diffused across different income strata within society, the level of exposure varies significantly across groups. From this perspective, the impact of financialization over economic preferences could be mediated by the level of financial asset ownership, an element that our data is unable to capture.

Relatedly, some existing studies have found that to the extent to which financialization as caused a shift in norms and the emergence of a "finance culture", this process is not uniform across different groups in society. In particular, Fligstein and Goldstein (2015) have argued it is only households in the middle and upper middle part of the socio-economic distribution that have adopted "a more thoroughly financial mindset" (Fligstein & Goldstein, 2015, p. 3) and become accepting of financial risk-taking and going into debt to support their lifestyles (Fligstein & Goldstein, 2015, p. 23). Our findings concerning the differential impact of financialization across different income groups are consistent with this view and provide suggestive evidence that the embracing of a "finance culture"

among wealthier individuals may have had ramification that extends to their policy preferences.

At the same time, this finding has implication for the extent to which we might safely regard financialization to have reshaped traditional class-based cleavages over financial policies. More specifically, in recent years different scholars have argued that the financialization of the economy has triggered the emergence of "split identities" for workers (Boyer, 2010, p. 350), as the economic preferences derived from the position on the labour market are often in tension with those deriving from the ownership of financial assets (Langley, 2007), with Gourevitch & Shinn theorizing how if the weight of pension entitlements and securities holdings in their total wealth of workers becomes large enough, "their preferences can "tip"" and workers are likely join "a cross-class coalition" on the same side as shareholders (Gourevitch & Shinn, 2006, p. 210).

This scenario is not supported by our analysis. Instead, our analysis shows that while exposure to financial asset ownership has strengthened the support for positions on financial policy that are commensurate with the interest of finance capital among individuals on the upper-part of the socio-economic ladder, it does not appear to shift the attitudes towards the financial sector of individuals on the lower part of the socio-economic distribution.

8. Conclusion

In this empirical study we have sought to contribute to a better understanding of the implications of the growing financialization of the economy by exploring the impact that the ownership of financial assets has over the preferences of individuals on policies related to the financial industry. Much has been written on the idea that increased ownership of financial assets is associated with policy positions that are in line with the preferences of the financial sector, though few empirical studies have sought to evaluate this relationship systematically. Our analysis of multiple survey data sources from large representative samples of the US population in the aftermath of the global financial crisis suggests that the ownership of financial assets is associated with lower levels of support for more stringent regulatory policies targeting the financial industry and higher levels of support for government intervention in support of the financial industry in the form of bailouts. These results are consistent across different surveys gathering the preferences of households on financial policies, in 2010 and 2014, respectively, as well as when employing different indicators of financial assets ownership. While there are limits to how far one can test this relationship with survey data, our analysis probed multiple angles of the issue

relevant to existing theoretical concerns. We found that the level of support for policies financial bailouts and opposition to financial regulation is not influenced by the type of financial asset being owned (direct ownership of stocks, indirect ownership via mutual funds, indirect ownership through independent retirement account), and the effect of financial asset ownership over these policy preferences is consistent across periods of boom and bust in financial markets.

While we were constrained to the analysis of two high profile financial policies (the TARP bailout program and post-crisis financial regulation in the US), our results nevertheless provide empirical support for the notion that greater penetration of financial markets in the everyday life of individuals and households influences the attitudes of individuals over economic policies. After controlling for a host of other factors that influence individual's potential positions on financial policies, the effect of owning financial assets does indeed affect the probability of support for these kinds of policies. This effect is not associated with large swings in preferences but rather occur within a relatively small bandwidth, approximately half the magnitude of the effect of actually working in the financial sector. While there is modest an average effect across the population, after breaking down the data across socio-economic groups our analysis suggests that the impact of owning financial assets over financial policy preferences is mostly concentrated among higher income households. Yet even with different measures of operationalizing class, the effect of financial asset ownership persists.

This analysis has implications for understanding the extent to which financialization has altered traditional class-based cleavages over economic policies. In particular, different scholars have suggested that by turning individuals and households into 'active' investors whose personal wealth is tied to financial markets, the financialization of the economy has influenced cleavages over economic policies by contributing to the emergence of new constituencies backing the expansion of the financial markets (Callaghan, 2015; Harmes, 2001; Langley, 2014). Our findings suggests that while financial asset ownership is associated with greater support for pro-finance positions, the modest magnitude of this effect, its concentration upon mostly higher-income individuals suggests that this impact has yet to significant alter traditional cleavages over economic policies, and confirm the insights from recent literature that has argued that the impact of financialization over preferences varies across different socio-economic classes (Fligstein & Goldstein, 2015).

This study also raise a number of issues for further research. Our detailed analysis focused entirely on the US. Given the centrality of the US to the vast majority of theorization on financialization, this can be seen as a strength rather than a weakness. Financialization is not however necessarily a universal process, causing convergence of

different countries towards a model that looks similar to the US economy (Engelen, 2008, p. 114). As we pointed out, even highly developed economies have a wide degree of variation in the penetration of financial asset ownership in the general population, whether through individual accounts/property or through pension systems. Further work is required to uncover to what extent the impact of financial asset ownership is on financial policy preferences across different countries.

Finally, while this study is the first that we are aware of to track the same individuals over time, this dimension could also be expanded in further research. Further empirical work is required to explore the impact of financial ownership across a longer time period. While our focus on the immediate aftermath of the global financial crisis (2010 and 2014) make this a "least likely" period where we can expect a support for the preferences of the financial industry, a broader time horizon is required to fully capture the implications of the greater penetration of financial markets within society, as well as the impact of the financial crisis itself, on individuals' policy positions. Relatedly, more definitive assessment of the impact of financialization on attitudes would include an analysis of the preferences of individuals before and after the acquisition of financial assets (Richardson, 2010).[17]

[17] Unfortunately, our data allows us only to provide a snapshot of the relationship between financial asset ownership and preferences at single points in time. The CCES data only has a very small number of individuals (59) who 'switched' their stock ownership position from 2010 to 2014. With so few observations, a longitudinal analysis is prone to error.

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Appendix Section

Appendix A1
Descriptive Statistics of Financial Ownership %, by year and Partisan Affiliation

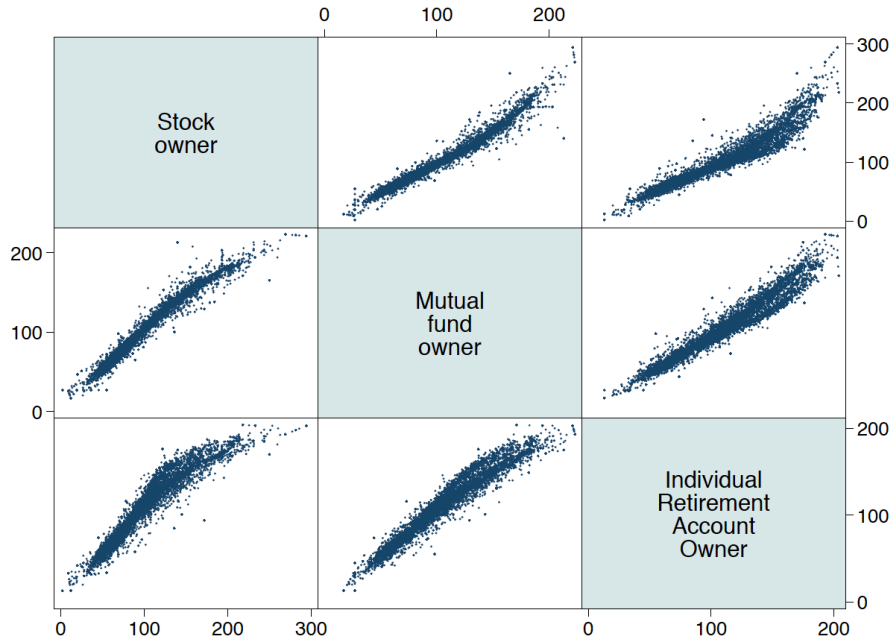
2010

Household Income	ALL	Democrat	Republican	Independent	Other
Less than $20K	22.41%	19.53%	25.93%	26.42%	4.55%
$20,000 - $29,999	31.53%	29.93%	36.56%	30.23%	24.00%
$30,000 - $39,999	43.34%	43.37%	44.17%	41.51%	52.17%
$40,000 - $49,999	53.96%	48.08%	57.83%	58.14%	56.00%
$50,000 - $59,999	56.85%	51.72%	59.92%	60.68%	54.55%
$60,000 - $69,999	65.31%	66.42%	66.25%	63.39%	53.33%
$70,000 - $79,999	72.68%	70.98%	73.87%	73.21%	75.00%
$80,000 - $99,999	75.45%	77.27%	77.26%	71.71%	68.42%
$100,000 - $119,999	80.92%	81.33%	80.98%	80.26%	83.33%
$120,000 - $149,999	84.28%	82.20%	85.87%	85.42%	77.78%
$150,000 or more	88.83%	91.74%	89.80%	83.45%	81.82%

2014

Household Income	ALL	Democrat	Republican	Independent	Other
Less than $20K	20.00%	16.79%	28.47%	20.11%	5.00%
$20,000 - $29,999	35.50%	32.62%	40.72%	35.79%	30.43%
$30,000 - $39,999	42.08%	40.97%	42.52%	44.08%	34.78%
$40,000 - $49,999	53.65%	46.26%	60.67%	55.09%	63.16%
$50,000 - $59,999	58.42%	57.14%	59.43%	59.26%	55.56%
$60,000 - $69,999	58.97%	55.60%	58.14%	64.62%	55.00%
$70,000 - $79,999	69.68%	66.39%	73.66%	69.09%	71.43%
$80,000 - $99,999	74.97%	72.16%	77.36%	76.54%	66.67%
$100,000 - $119,999	79.37%	82.28%	81.25%	74.11%	70.00%
$120,000 - $149,999	81.03%	78.48%	83.59%	81.50%	80.00%
$150,000 or more	87.98%	90.07%	88.24%	84.62%	80.00%

Appendix A2
Correlation Matrix Plot for Different Financial Asset Ownership Estimates



Appendix A3
Descriptive Statistics of Support for Financial Reform, by Partisan Affiliation, 2010-2014

Support for Financial Reform	All	Democrat	Republican	Independent	Other
2010: TARP	47.42	11.61	20.73	14.34	34.33
2010: Dodd-Frank	69.45	95.70	39.47	67.58	46.83
2014: 'More Stringent Regulation'	77.84	95.58	58.61	75.84	61.74