

Appendix

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A COMPARING NEW AND OLD COUNTIES

In this section, we compare and contrast US counties that were first-time FDI recipients during 2009-2011 (“new”) with counties that received FDI during 2003-2008 and 2009-2011 (“old”) and counties that did not receive FDI during 2009-2011 (“none”).¹

With respect to demographics, new counties had higher Republican vote shares in the 2008 US presidential election, less racial diversity, lower educational attainment and household incomes, smaller populations, and were less urban as compared to old counties (Table A9 and Table A10).

With respect to investment composition, new counties received more investments in metals and renewable energy. New counties garnered 41 investments in metals and 11 investments in renewable energy. Older counties secured only 8 investments in metals and 1 renewable energy project (Figure A6). FDI source country composition of FDI was similar in new and old counties (Figure A7). Projects in new counties created fewer jobs on average. Average project value was similar though with greater variance in old counties (Table A1).

Most new counties received one plant during 2009-2011 whereas old counties were more likely to receive multiple plants. 278 firms invested in new counties and 118 firms in old counties. Most foreign firms made a single US investment. 16 firms invested in both new and old counties. The top five states for per capita incentives were Louisiana (\$1,500), Michigan (\$1,100), Kentucky (\$351), Connecticut (\$322), and Oklahoma (\$225).²

B TEXT ANALYSIS OF LOCAL NEWS COVERAGE OF INVESTMENT INCENTIVES AND DOMESTIC INVESTMENT PLACEBO TEST

Local news is the primary source through which voters learn about new investment (Slattery, 2022). For each investment project in our data, we searched local newspapers in the location of the plant for a two-month window following the project announcement. Approximately 75% of those projects received incentives, which ranged between between \$120,000 and \$150 million with an average of \$17 million. Although these estimates

¹2003 is the first year for which county-level FDI are available.

²Data source: Good Jobs First Subsidy Tracker (Mattera & Tarczynska, 2019).

include both tax and real-incentives, they directly link incentives to the projects in our sample.

We wrote a web crawler to scrape NewsBank, a database that provides full-text of many local newspaper articles.³ First, we created a list of all 425 foreign firms that made new greenfield investments in manufacturing during January 2009-December 2011. We removed common words/terms such as “Inc”, “Ltd” and “Co” to broaden the search results. If the company name became a widely used word we added either the source country or the industry next to it.⁴ The Python code for the crawler took the company name, investment receiving state and date investment announced as inputs and searched NewsBank for all local news about the company. We searched for any newspaper article written in the two-month range after the investment was announced.⁵ For example, to find related news on Fujifilm’s investment announcement in South Carolina on July 2009, we searched for “Fujifilm” with the search refined by source location “South Carolina” in July and August 2009. We saved all articles returned by the search engine about a company as one PDF.

After we completed searches for 425 companies, we compiled a corpus combining all company-related articles. To filter articles that mentioned incentives, we did a keyword search with the following keywords: **tax credit, grant, incent*, tax abate, inducement, stimulus fund, job training, subsidi*, relocation, expense, reimbursement, fund, rebate, tax refund, assistance** We created this list of keywords from how other incentives databases characterize company incentives and all the newspaper articles we read about them. We extracted sentences (sometimes paragraphs) that contained one or more of these keywords. We located articles for 264/425 investing companies in our sample. 48/264 companies had no articles that mentioned incentives.

These articles reveal that the role of state and county incentives in attracting foreign companies right after the Great Recession. Excerpts:

“Blade Dynamics, a British designer and manufacturer of wind turbine blades, announced in August it was moving to Michoud, bringing 600 jobs over the next decade in exchange for a \$30 million state incentive

³[NewsBank](#)

⁴For example, on June 6, 2011, Santana, a textile company, announced a new plant opening in Hidalgo County, Texas. To eliminate irrelevant search results, we added “Textiles” next to the company name while we conducted our search.

⁵Most local newspaper coverage of new projects was within two month of the initial announcement.

package.” - New Orleans City Business, New Orleans LA

“On the Jan. 27 editorial that said Shelby County commissioners’ frustration over \$22 million in county funds that’s included in the Electrolux incentives package is understandable, but it’s sometimes necessary to commit public money to attract job-creating businesses. We’ll never know what it takes to get companies to come to Memphis if all we plan to do is to buy their love.” The Commercial Appeal, Memphis TN

“Jobs, but at what cost? Three hundred new jobs in the San Fernando Valley are surely a plus, but let’s not overlook what it costs the taxpayers. It is a reasonable assumption that \$37,440 in tax breaks per employee approximates the average payroll cost per employee, management included. Add to this a reasonable estimate of \$500,000 in equipment tax breaks and we have a total of roughly 12 million dollars that Mission will not have to pay, meaning that the taxpayer has just taken the hit for about 10 years of Mission’s payroll for the new plant. What company wouldn’t take that?” Daily News of Los Angeles, CA

“The state already has a nobid contract with Talgo, a Spanish train manufacturer, to build two 14-car trains for the Hiawatha, using \$43.1 million in state funds, down from \$47.6 million because of a joint purchasing deal with Oregon. State officials are in talks with the Federal Railroad Administration on the purchasing rules that must be followed in spending stimulus money on passenger cars and locomotives, Klein said.” The Freeman, Milwaukee, WI

“Unitex USA is the company that county officials have been calling by the code name “Project Forest” as they have negotiated an incentives package for it.” Anderson Independent-Mail, Anderson, SC

“Zultek credited the Gibson County Economic Development Corp. for helping the company make the decision to locate in Gibson County. Windsor Machine will receive personal property tax phase-in incentives granted by the Gibson County Council.” The Herald, Jasper, IN

“We are grateful to our state funding partners and the entire management team of the local ABB operation that worked tirelessly for months on our behalf to win this project and help secure the continued growth of ABB” Danville Register & Bee, Danville, VA

“Determining who or what was responsible for bringing these jobs to our state can sometimes be an exercise in eeny-meeny-miny-moe. Did Gov. Nikki Haley’s phone calls bring them to South Carolina? Was it a presentation by the state Commerce Department and agency head Bobby Hitt? Was it the tens of millions of

dollars in incentives offered by the state? ... As soon as the Continental announcement was made public, all sorts of S.C. officials commenced patting each other on the back... In North Carolina, the reverse is occurring, as politicians and officials fall over themselves to issue blame for losing Continental, which had considered locating in Brunswick County. Ultimately, however, what matters to most Carolinians – at least for those who aren't in or seeking elected office – is not so much who should get the credit, but simply that jobs are coming.” Sun News, Myrtle Beach, SC

We conduct a placebo test by replacing foreign investment with domestic investment. On average, domestic firms do not suffer from the same degree of information asymmetry as do foreign firms. Domestic investment data are from *fDi Markets*. These data begin in 2007, which almost certainly causes us to overestimate the number of new counties. Nonetheless domestic investment did not exhibit geographic expansion ([Figure A8](#)). [Table A8](#) summarizes our estimates. Model 1 is the second stage of our 2SLS estimation. Models 2 and 3 are ordinary least squares regressions of domestic investment on real and tax incentives, respectively. We find no correlation between incentives and domestic investment.

C COUNTY-LEVEL REGRESSIONS

Our county-level regressions examine the correlation between state-funded real incentives and new county FDI status. We filter the Good Jobs First Subsidy Tracker data to include only state-sponsored incentive projects to calculate the total value of real subsidies by county during 2009-2011. We exclude 10 states and the District of Columbia from our analysis due to missing county indicators.⁶ We take the log of county incentives (in \$ millions) as our final measure.⁷

We derive data for our education stimulus measure by searching the [Recovery Act Recipient Reports Database](#) for stimulus awarded by the US Department of Education during 2009-2011. We restricted our research to “subprime” funds that are distributed by state departments to local governments.⁸ The US Department of Education distributed funds to state governments and tasked them with distributing funds to local education agencies in a manner consistent with the state’s existing education funding formula. We adjusted award amounts for inflation using 2010 dollars. We then aggregated award amounts at the county level by using the county geocodes provided in the database.

We include a county’s unemployment rate as a control to account for excess labor available for production. To the extent that the recession freed up large pools of labor, post-recession greenfield investment may locate accordingly. These data are from the US Bureau of Labor Statistics database. Using the same data, we also control for the labor force in the county. We use lagged greenfield projects to control for FDI agglomeration effects. Our measure includes both new investments and expansions to old investments in order to account for big investment projects that expanded in our sample period. We follow other municipal-level political

⁶Alaska, Arkansas, Idaho, Massachusetts, Minnesota, North Dakota, New Hampshire, Rhode Island, and Wyoming.

⁷We add a small number before we take the log to deal with zeros.

⁸There are three types of recipients for federal awards: prime, subprime, vendors. Recipients are categorized as prime if they receive funds from the awarding agency directly. Prime recipients can be companies, state, county, and city agencies. Recipients are categorized as subprime if they receive funds from the awarding agency indirectly through a middleman (mostly state offices). Vendors are companies that receive the funds to execute the task. We exclude vendors from our analyses.

economy studies of economic activity in measuring local partisanship with county-level presidential vote shares (Gerber & Huber, 2010). Levendusky et al. (2008) show that presidential vote share is a reasonably consistent proxy for partisanship. Tausanovitch and Warshaw (2014) show municipal government policies reflect partisan preferences of constituents. We use county-level Republican presidential vote share in the 2008 election, drawn from Dave Leip’s Atlas of US Elections.

Data for domestic greenfield come from fDi Markets; data for M&A come from Thomson Reuters’ SDC Platinum database. We also add the number of patents as a control. To the extent that foreign firms are drawn to locations with greater technological innovation, patents are an observable and time varying metric of innovation at the county level. Patent data are from US Patent and Trademark Office.⁹

We compose our measure of excess capacity using the Bureau of Labor Statistics’ Mass Layoff statistics. We use the number of initial claimants (in thousands) for unemployment insurance associated with extended mass layoffs at the county level between 2001 and 2006. This measure proxies for excess capacity that a county has to entice new manufacturing investors with idle factories and machinery. We interact this measure with county vote margin to see if politicians can direct location-based incentives to get firms to invest in swing counties conditional on excess capacity.

We further investigate whether governors have political motives to target stimulus funds by exploiting governor term limits. We argue that such targeting should be the most relevant for governors who are facing elections in the near future. We use exogenous variation created by term limits for governors by each state to further examine whether political ambitions are driving the results in our paper. We collect information on governors’ term limits from ballotpedia.org. We only consider immediate term limits since they are a better proxy for immediate election concerns. We coded governors that couldn’t run due to term limits and governors who chose to not run for other reasons as 0.¹⁰ We coded governors who ran in the subsequent election as 1. Out of 49 governors who were in office in 2009, 29% (14) ran in the subsequent election, whereas 71% (35) did not. We then re-ran our multinomial logit model, including an interaction term between our eligibility measure and competitiveness.

⁹https://www.uspto.gov/web/offices/ac/ido/oeip/taf/countyall/usa_county_gd.htm

¹⁰These reasons included: retirement, impeachment, or bid for the presidential election.

C.1 Multinomial Logit Model

We model the log-odds of a county to be classified as the last two categories by the following equations;

$$\ln \left(\frac{P(\text{county}=\text{new})}{P(\text{county}=\text{none})} \right) = \mu_{10} + \mu_{11}S_c + \mu_{12}\mathbf{V}_c + \mu_{13}s_c,$$

$$\ln \left(\frac{P(\text{county}=\text{old})}{P(\text{county}=\text{none})} \right) = \mu_{20} + \mu_{21}S_c + \mu_{22}\mathbf{V}_c + \mu_{23}s_c,$$

where $\ln \left(\frac{P(\text{county}=\text{new})}{P(\text{county}=\text{none})} \right)$ is the log-odds of a new county, $\ln \left(\frac{P(\text{county}=\text{old})}{P(\text{county}=\text{none})} \right)$ is the log-odds of an old county, S_c is received stimulus by county c , V_c is a vector of county-level controls and s_c is state-fixed effects. Our reference category is none counties - counties that have not received any investment in our sample period. We expect receiving more real incentives to differentiate new counties from none counties as sudden influx of cash would allow these counties to attract more FDI.

D ALTERNATIVE EXPLANATIONS

D.1 Education Stimulus-Funded Incentives

We argue that the growth of FDI following the Great Recession reflects, in part, governors' allocation of investment incentives. Local governments, such as county and cities, also offer funds to foreign firms to locate in their region. To rule out the possibility that FDI's geographic expansion is due to local government subsidies, we look at the effect of education stimulus on FDI at the county level. We employ an instrumental variable approach to calculate the local average treatment effect. Our focus is a subset of federal education stimulus designated for K-12 students with eligible for federal disability benefits. The Recovery Act stipulated that these funds be distributed to counties in proportion to the number of students eligible for federal disability benefits just prior to the recession. We construct our instrument by using the number of eligible students in a county's education system in 2006 and scaling it by a county's 2006 population.¹¹ We argue that this is a valid instrument since the number of benefits-eligible students is exogenous and it influences county-level FDI only through its effect on the education stimulus.

Table A16 shows that disabled students as a share of county school-age population is significantly and positively correlated with the amount of education stimulus counties received per working population.

¹¹Data are from [Urban Institute & Brookings Institution Tax Policy Center](#)

Table A17 demonstrates that there is no significant relationship between a county’s education stimulus and greenfield FDI received after the Great Recession. We interpret these results as suggestive, as the F-statistics for the instrumental variable regression are just above the traditional threshold. We also assume that the 2006 share of disabled students in a county influences FDI after the Great Recession only through affecting the distribution of the education stimulus.

D.2 Different Types of Stimulus

The ARRA included several different categories of stimulus. Our analysis in the main text focuses of Medicaid and education stimulus, the top largest categories of spending. An alternative explanation could be that other types of stimulus these counties received alongside education and health stimulus may have made them attractive options for foreign firms.

We evaluate three categories of stimulus that may influenced which counties received new investment. First, we look at whether stimulus distributed for highway infrastructure enhancements played a role in attracting FDI. We scrape the [Recovery Act Recipient Reports Database](#) funds awarded by the Department of Transportation. Unlike our education stimulus measure, our transportation stimulus measure includes funds awarded to prime recipients, in this case mostly states’ transportation departments. The majority of these funds are allocated for highway improvement purposes. Even though controlling for transportation stimulus alleviates some omitted variable bias concerns, we can’t rule out that new counties were more likely to have highways in need of repair.¹²

Second, we construct a measure for energy stimulus to account for FDI attracted to localities due to generous funding available for renewable energy. These funds are distributed under “Title 17 Innovative Technology Direct Loan Financing” and “Energy Efficiency and Renewable Energy” programs. For example, SAFT America, a subsidiary of a French battery company, opened in Jacksonville, Florida after receiving \$95.5 million loan from the US Department of Energy under the “Energy Efficiency and Renewable Energy” program. Thus, we restrict our sample to funds awarded by the Department of Energy under the previously mentioned programs to prime recipients which are mainly solar energy companies and state energy departments.

¹²Results are the same if we replace total Department of Transportation spending with just highway funds.

Finally, we create a stimulus category called infrastructure stimulus using funds awarded under certain programs. Infrastructure stimulus was given to local governments with the aim of improving their soft infrastructure, such as internet access, job training etc, to make them more competitive in the job market. We construct this measure by looking at funds distributed for job training, broadband, and rural broadband. These funds are distributed by the Department of Labor under “Employment and Training Administration-Training and Employment Services”, Department of Commerce under “Federal Communications Commission-Broadband Technology Opportunities Program”, and Department of Agriculture under “Rural Utilities Service-Distance Learning, Telemedicine, and Broadband Direct Loan.”

Table A19 presents the regression results where we include three stimulus categories as controls. All stimulus amounts are normalized to 2010 dollars. Counties that received more transportation and infrastructure stimulus are more likely to be categorized as new counties. Thus, it is possible that foreign firms considered the anticipated stimulus-funded improvements in infrastructure in their investment location decisions. Importantly, our baseline findings regarding real incentives and county vote margins are unchanged. In contrast to our SAFT America example, we do not observe an increase in the probability of receiving FDI post-recession in renewable energy industry. We re-estimate our county models by excluding renewable energy FDI from our sample in Table A20. Our main results do not change.

D.3 FDI to Preempt Trade Restrictions

The aftermath of economic crises are usually characterized by a return to protectionism. Surprisingly, the US trade policy did not take a protectionist turn following the Great Recession. Instead, Congress passed three free trade agreements (FTA) with substantive majorities lowering tariffs with South Korea, Colombia and Panama on January 12, 2011. ¹³

We explore whether the sudden increase in FDI after the Great Recession may have played a role in the continuation of the liberal policies in the US Congress. Foreign firms often advocate for free trade in host country as their operations rely on imported input and/or exporting output to foreign countries. Foreign

¹³South Korea FTA passed with 278 Yeas and 151 Nays in the House, 83 Yeas and 15 Nays in the Senate. Colombia FTA passed with 262 Yeas and 167 Nays in the House, 66 Yeas and 33 Nays in the Senate.

firms that invest in the US market with the aim for producing and exporting their products (firms engaging in vertical integration) oppose high tariff barriers that would hinder their exports. Similarly, even foreign firms that produce and sell for the US market (firms engaging in horizontal integration) may oppose high tariff barriers if they supply raw and intermediary materials from other countries. Thus, we assume that FDI have a stake in the passing of liberal trade policies. Anticipating a turn to protectionism after the economic crisis, foreign companies may have engaged in quid-pro-quo relations with the policymakers: they may have directed their investments to protectionist politicians to lobby for future trade liberalization.

The observable implication for this theory is that we should see more FDI in places where members of Congress have voted against trade liberalization. Given that the timing of the recession and the influx of FDI coincide, we have to test for this alternative explanation to show that our story holds against this possibility. We operationalize protectionist tendencies of House members by looking at their voting records in the 109th and 110th Congress.¹⁴ We obtain this data from Cato Institute’s free trade ratings of the individual Congress members. Cato relies on data on the trade-related bill voting patterns of each members from the Library of Congress to compute the number of protectionist votes for each Congress session. The institute further breaks down this measure by looking at voting patterns for bills that discuss trade barriers and subsidies. In the 109th Congress, House members voted on 13 bills and amendments concerning trade barriers and 5 bills concerning trade subsidies. In the 110th Congress, House members voted on 8 bills and amendments concerning trade barriers and 6 bills concerning subsidies. We stack all individual members from both congresses and aggregate at the congressional district level to obtain the share of protectionist votes (also broken down by barrier and subsidy-related voting). We merge this data with the number of FDI in the district between 2009 and 2010 and take its log to use as our dependent variable. We also control for the rate of unemployment and the partisanship of the district representative as they might be correlated with both protectionist voting and FDI in the district. We add state fixed-effects to account for the unobservable variation between states in attracting FDI.¹⁵

¹⁴109th Congress convened between January 3, 2005 and January 3, 2007. 110th Congress convened between January 3, 2007 and January 3, 2009.

¹⁵Some districts experience a change in the partisanship of the representative. For example, Arizona 5th district switched hands from the Republican J.D. Hayworth to the Democratic Harry Mitchell in the 2006

Table A21 presents the results. Contrary to our expectations, protectionist voting in a district doesn't predict FDI it receives in 2009 and 2010. We repeat our regression by substituting protectionist subsidy and barrier-related voting in our subsequent models. The results don't change. These results suggest that the trends we see in FDI after the Great Recession is not driven by a strategic interaction between politicians and foreign investors, at least regarding trade voting.

elections. In such cases, we code partisanship as the party of the last representative. In the Arizona 5th district case, we coded the district as Democratic. Excluding these districts from the analysis doesn't change the results.

E TABLES

Table A1: New Manufacturing FDI Value and Jobs Created in Old and New Counties

	Old Counties			New Counties		
	Mean	Median	SD	Mean	Median	SD
Jobs	129.23	99.00	120.38	116.12	70.00	146.61
Value (2010\$ million)	71.42	21.37	231.26	54.71	23.21	103.07

We exclude SASOL, a \$10 billion investment from a South African company as an obvious outlier.

Table A2: Summary Statistics and Data Sources for Select State-Level Regressions

Statistic	Mean	St. Dev.	Min	Max	Data Source
New Manufacturing FDI (mil) 2009-2011	436	505	0	1,835	Fdi Markets
New Manufacturing FDI (mil) New Counties 2009-2011	128	237	0	1,116	Fdi Markets
New Manufacturing FDI (mil) Old Counties 2009-2011	308	409	0	1,703	Fdi Markets
New Manufacturing FDI (mil) 2006-2008	152	278	0	1,419	Fdi Markets
New Manufacturing Domestic Investment (mil) 2009-2011	662	670	0	2,405	Fdi Markets
Real Incentives (mil) 2009-2011	115	272	0	1,874	Good Jobs First Subsidy Tracker
Tax Incentives (mil) 2009-2011	384	1,140	0	6,796	Good Jobs First Subsidy Tracker
Land Incentives (mil) 2009-2011	41	254	0	1,812	Good Jobs First Subsidy Tracker
Cash Incentives (mil) 2009-2011	58	84	0	321	Good Jobs First Subsidy Tracker
State and Local Real Incentives (mil) 2009-2011	118	274	0	1,876	Good Jobs First Subsidy Tracker
State and Local Tax Incentives (mil) 2009-2011	489	1,201	0	6,987	Good Jobs First Subsidy Tracker
Medicaid Stimulus (mil) 2009-2010	1,198	1,572	55	7,776	US Recovery Accountability and Transparency Board (recovery.gov)
Medicare Spending (mil) 2007	6,173	8,048	425	43,564	Centers for Medicaid and Medicare Services
% Kerry Vote Share 2004	47	10	26	89	Dave Leip's Atlas
% Union Share 2007	11	5	3	25	Bureau of Labor Statistics
GDP per 16+ person 2008	49,199	17,196	31,907	154,890	Bureau of Economic Analysis
% Manufacturing Employment 2008	11	4	1	20	American Community Survey
Population 16+ (mil) 2008	5	5	0	28	U.S. Census Bureau
Δ Employment					
May-December 2008	-56,212	75,045	-431,300	1,700	Current Employment Statistics
% Unemployment Rate 2008	5	1	3	8	Bureau of Labor Statistics

Table A3: Two-Stage Least Squares Regression of Greenfield FDI on Medicaid Stimulus 2009-2010

	FDI (1)	FDI in New Counties (2)	FDI in Old Counties (3)
Medicaid Stimulus	0.17** (0.07)	0.23*** (0.04)	-0.04 (0.05)
2004 John Kerry Vote Share	-1.57 (3.29)	0.01 (2.70)	0.67 (1.86)
2007 Unionization Share	-29.77*** (10.68)	-15.13** (5.95)	-16.99* (10.06)
GDP Per Capita	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
Manufacturing Employment	8.87 (12.61)	13.32* (7.37)	-3.42 (6.61)
Working Age Population	-57.14 (52.18)	-134.12*** (24.64)	41.88 (31.05)
2003-2008 Greenfield FDI	0.09 (0.06)	0.02*** (0.00)	-0.01 (0.01)
Employment Growth	-0.00 (0.00)	-0.00*** (0.00)	0.00 (0.00)
Unemployment Rate	15.55 (32.48)	-8.39 (19.68)	7.01 (20.33)
Observations	51	51	51
Region-fixed Effects	yes	yes	yes

The dependent variables in Model 1, 2, and 3 are all greenfield FDI, greenfield FDI in new counties, and greenfield FDI in old counties 2009-2010, respectively. 2003-2008 Greenfield FDI is calculated relative to these three groups. Unless otherwise states, variables are from 2008. Robust standard errors are in parentheses. * p<0.10, ** p<0.05, *** p<0.010

Table A4: Placebo Test: Two-Stage Least Squares Regression of 2006-2008 Greenfield FDI on Medicaid Stimulus

	FDI (1)	FDI in New Counties (2)	FDI in Old Counties (3)
Medicaid Stimulus	0.02 (0.04)	0.02 (0.03)	-0.01 (0.03)
2004 John Kerry Vote Share	1.19 (2.25)	-0.59 (1.92)	1.48 (1.58)
Unionization Share	-12.45** (5.76)	-2.59 (3.13)	-9.93 (6.37)
GDP Per Capita	-0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)
Manufacturing Employment	0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)
Labor Force	21.68 (15.31)	4.87 (11.70)	21.71 (13.33)
2003-2005 Greenfield FDI	0.09* (0.05)	0.00 (0.02)	0.03 (0.03)
Unemployment Rate	9.18 (40.17)	50.98 (39.23)	-41.13 (27.52)
Observations	51	51	51
Region-Fixed Effects	yes	yes	yes

The dependent variable for the placebo test is the 2006-2008 total value of new manufacturing greenfield FDI in Model 1, total value of new manufacturing greenfield FDI in new counties in Model 2, and old counties in Model 3. 2003-2005 Greenfield FDI is calculated respective to these three groups. Unless otherwise stated, variables are from 2005. Unlike previous regressions, GDP and manufacturing employment is scaled by state labor force. We leave out the employment growth variable from the regressions due to data unavailability. Robust standard errors are in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.010$

Table A5: Two-Stage Least Squares Regression of Non-Federal Incentives on Medicaid Stimulus

	Real Incentives (1)	Tax Incentives (2)
Medicaid Stimulus	0.12*** (0.03)	0.39* (0.21)
2004 John Kerry Vote Share	0.68 (1.78)	-14.15 (17.62)
2007 Unionization Share	-2.48 (3.52)	42.66 (64.14)
GDP Per Capita	-0.00 (0.00)	-0.00 (0.01)
Manufacturing Employment	5.51 (4.32)	-21.10 (56.84)
Working Age Population	-21.69** (9.30)	-163.38 (102.87)
Prior State Incentive Spending	0.29*** (0.03)	0.05 (0.18)
Employment Growth	0.00* (0.00)	-0.00 (0.00)
Unemployment Rate	3.22 (12.30)	298.89* (179.21)
Observations	51	51
Region-fixed Effects	yes	yes

The dependent variables consist of 2009-2011 real state and local incentives in Model 1, and tax state and local incentives in Model 2. Prior state incentives spending measures respective incentive spending before 2009. Unless otherwise stated, variables are from 2008. Robust standard errors are in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.010$

Table A6: Two-Stage Least Squares Regression of Cash and Land Incentives on Medicaid Stimulus

	Cash Incentives (1)	Land Incentives (2)
Medicaid Stimulus	0.03** (0.01)	0.10** (0.04)
2004 John Kerry Vote Share	0.44 (0.83)	1.58 (1.77)
2007 Unionization Share	-3.23 (2.23)	-4.11** (1.99)
GDP Per Capita	-0.00 (0.00)	-0.00 (0.00)
Manufacturing Employment	3.01 (2.76)	-0.23 (3.20)
Working Age Population	3.49 (5.49)	-25.16** (11.27)
Employment Growth	0.00** (0.00)	-0.00 (0.00)
Unemployment Rate	1.85 (6.65)	-6.14 (8.97)
Prior State Incentive Spending	0.30*** (0.02)	0.38*** (0.04)
Observations	51	51
Region-fixed Effects	yes	yes

The dependent variable in Model 1 comprise 2009-2011 grants and training reimbursements. The dependent variable in Model 2 comprise 2009-2011 enterprise zones and grants. Prior state incentives spending measures respective incentive spending before 2009. Unless otherwise stated, variables are from 2008. Robust standard errors are in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.010$

Table A7: OLS Regression of State Greenfield FDI on Incentives in New and Old Counties

	FDI in New Counties (1)	FDI in New Counties (2)	FDI in Old Counties (3)	FDI in Old Counties (4)
State Real Incentives Spending	0.52*** (0.16)		-0.09 (0.15)	
State Tax Incentives Spending		-0.03 (0.04)		0.03 (0.02)
2004 John Kerry Vote Share	3.30 (5.79)	0.97 (5.83)	-0.08 (2.47)	0.59 (2.91)
2007 Unionization Share	-20.23 (16.79)	-8.19 (16.68)	-16.78 (14.42)	-19.90 (14.06)
GDP Per Capita	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
Manufacturing Employment	30.81* (17.39)	30.43 (19.67)	-3.79 (8.85)	-3.45 (8.47)
Working Age Population	-72.36* (38.32)	-43.97 (44.38)	33.31 (31.52)	29.37 (32.09)
2003-2008 Greenfield FDI	0.01*** (0.00)	0.01** (0.01)	0.00 (0.02)	0.00 (0.01)
Employment Growth	-0.00* (0.00)	-0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Unemployment Rate	16.89 (48.13)	35.43 (55.47)	-1.20 (25.45)	-11.85 (28.13)
Observations	51	51	51	51
Region-Fixed Effects	yes	yes	yes	yes

The dependent variable in the first two models measure the 2009-2011 value of new manufacturing greenfield FDI in new counties. The dependent variable in the last two models measure the 2009-2011 value of new manufacturing greenfield FDI in old counties. The independent variables are state real and tax incentives 2009-2011. Unless otherwise stated, variables are from 2008. Robust standard errors are in parentheses. * p<0.10, ** p<0.05, *** p<0.010

Table A8: Two-Stage and Ordinary Least Squares Regression of Domestic Greenfield Investment on Medicaid Stimulus

	Domestic Investment (2SLS) (1)	Domestic Investment (OLS) (2)	Domestic Investment (OLS) (3)
Medicaid Stimulus	0.09 (0.14)		
State Real Incentives Spending		0.26 (0.34)	
State Tax Incentives Spending			-0.00 (0.10)
2004 John Kerry Vote Share	-3.25 (9.69)	-2.28 (11.54)	-2.02 (11.01)
2007 Unionization Share	-49.56*** (17.76)	-49.52** (22.63)	-44.41** (19.52)
GDP Per Capita	-0.00 (0.00)	-0.00 (0.01)	-0.00 (0.01)
Manufacturing Employment	25.28 (22.17)	25.07 (27.25)	24.98 (26.03)
Working Age Population	14.81 (51.20)	35.35 (26.35)	44.31 (31.04)
2003-2008 Domestic Investment	0.09 (0.07)	0.09 (0.08)	0.11 (0.07)
Employment Growth	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Unemployment Rate	211.80*** (58.39)	209.31*** (69.35)	207.14*** (70.10)
Observations	51	51	51
Region-Fixed Effects	yes	yes	yes

Model 1 is a 2SLS regression that regresses 2009-2011 new domestic manufacturing greenfield investment on post-recession Medicaid stimulus. Model 2 and 3 are OLS regressions that regress 2009-2011 new domestic manufacturing greenfield investment on 2009-2011 state-sponsored real and tax incentives respectively. Unless otherwise states, variables are from 2008. * p<0.10, ** p<0.05, *** p<0.010

Table A9: Summary Statistics of Demographic Variables for None, Old, and New Counties in County-Level Regressions

	None Counties (N=2799)		New Counties (N=217)		Old Counties (N=47)	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
2008 McCain Share	61	12	57	11	52	14
Population	67,746	179,111	221,928	326,429	959,687	1,673,193
% Foreign-Born	4	5	6	6	10	8
% Urban	38	30	63	27	86	17
% White	84	16	79	16	69	15
% College-Educated	5	5	7	4	9	4
Median Income	25,173	4,926	27,938	5,848	28,239	4,334
% Poverty	11	6	11	5	11	4

All demographic variables are from 2010 Census. * p<0.10, ** p<0.05, *** p<0.010

Table A10: Difference in Means T-tests for None, Old, and New Counties in County-Level Regressions

	New-None		New-Old	
	Diff	p-value	Diff	p-value
2008 McCain Share	-0.037	9.314E-6	0.052	0.023
Population	154,182	5.868E-11	-737,759	0.004
% Foreign-Born	0.020	2.882E-6	-0.042	0.002
% Urban	0.243	2.2E-16	-0.229	3.407E-11
% White	-0.053	3.921E-6	0.105	5.076E-5
Median Income	2,764	9.207E-11	-300	0.688
% Poverty	-0.005	0.215	-0.005	0.483
% College-Educated	0.126	1.77E-5	-0.024	0.001

All demographic variables are from 2010 Census. * p<0.10, ** p<0.05, *** p<0.010

Table A11: Summary Statistics and Data Sources for County-Level Regressions

	Mean	St. Dev.	Min	Max	Data Source
Education Stimulus (Logged)	1.58	1.76	-9.21	7.95	Recovery Act Recipient Reports fedspending.org
Transportation Stimulus (Logged)	-1.14	4.66	-9.21	7.30	Recovery Act Recipient Reports fedspending.org
Energy Stimulus (Logged)	-6.68	4.27	-9.21	7.35	Recovery Act Recipient Reports fedspending.org
Infrastructure Stimulus (Logged)	-6.67	4.35	-9.21	4.83	Recovery Act Recipient Reports fedspending.org
Real Incentives (Logged)	-7.35	3.56	-9.21	4.86	Good Jobs First Subsidy Tracker
Cash Incentives (Logged)	-7.62	3.31	-9.21	3.73	Good Jobs First Subsidy Tracker
Land Incentives (Logged)	-9.01	1.36	-9.21	4.86	Good Jobs First Subsidy Tracker
Tax Incentives (Logged)	-7.56	3.76	-9.21	7.43	Good Jobs First Subsidy Tracker
Competitive County	0.26	0.44	0	1	Dave Leip's Atlas
Governor Eligible to Run	0.31	0.46	0	1	Dave Leip's Atlas
Mass Layoffs (in 100,000s) 2000-2006	0.02	0.09	0.00	2.97	Bureau of Labor Statistics
McCain Vote Share 2008	60.46	12.46	12	92	Dave Leip's Atlas
% Unemployment Rate 2008	5.81	2.05	1.30	22.60	Bureau of Labor Statistics
Labor Force (in millions) 2008	0.05	0.15	0.0000	4.93	Bureau of Labor Statistics
Patent Count (Logged) 2008	-2.96	5.54	-9.21	8.88	US Patent and Trademark Office
M&A Count (Logged) 2008	-6.13	4.70	-9.21	6.07	Thomson Reuters SDC Platinum
Domestic Greenfield Investment 2008	-8.76	2.39	-9.21	8.56	Fdi Markets
Foreign Greenfield Investment (Dummy) 2008	0.04	0.20	0	1	Fdi Markets

Table A12: Multinomial Logit Regression of Greenfield FDI on Stimulus and Real Incentives

	Old_Counties (1)	New_Counties (2)	Old_Counties (3)	New_Counties (4)	Old_Counties (5)	New_Counties (6)
Ln(Real Incentives)	-0.01 (0.15)	0.10*** (0.02)				
Ln(Cash Incentives)			-0.15 (0.10)	0.12*** (0.02)		
Ln(Land Incentives)					0.15 (0.13)	0.04*** (0.01)
Ln(Education Stimulus)	0.03 (0.67)	0.67*** (0.12)	0.07 (0.64)	0.66*** (0.12)	-0.01 (0.65)	0.72*** (0.12)
John McCain Vote Share	0.04 (0.07)	0.01 (0.01)	0.05 (0.07)	0.00 (0.01)	0.04 (0.07)	0.01 (0.01)
Unemployment Rate	1.38* (0.71)	0.08** (0.04)	1.35* (0.71)	0.08** (0.04)	1.36* (0.71)	0.09** (0.04)
Labor Force	0.80 (1.15)	0.04 (0.72)	0.61 (1.05)	0.06 (0.71)	0.76 (1.14)	0.02 (0.73)
Representative Partisanship	-1.90 (1.46)	0.22 (0.15)	-2.12 (1.52)	0.23 (0.16)	-1.82 (1.37)	0.20 (0.15)
Ln(Patent Count)	0.82** (0.35)	0.03 (0.02)	0.87** (0.35)	0.03 (0.02)	0.81** (0.36)	0.03* (0.02)
Ln(M&A Count)	0.12 (0.08)	0.02 (0.03)	0.13 (0.09)	0.02 (0.03)	0.12 (0.08)	0.02 (0.03)
Foreign Greenfield Investment	27.87*** (8.90)	-0.70 (0.48)	26.70*** (9.02)	-0.72 (0.47)	27.19*** (8.72)	-0.61 (0.49)
Ln(Domestic Greenfield Investment)	0.08 (0.09)	-0.02 (0.02)	0.09 (0.09)	-0.02 (0.02)	0.09 (0.09)	-0.01 (0.02)
Observations	3059	3059	3059	3059	3059	3059
State-Fixed Effects	yes	yes	yes	yes	yes	yes

Multinomial logit coefficients estimated via maximum likelihood. The outcome is a categorical variable that indicates none, old and new county status. The baseline category is none counties. Model 1 includes all real incentives, Model 2 includes grants and training reimbursements, and Model 3 includes enterprise zones and infrastructure assistance. All models include state-fixed effects. Unless otherwise stated, variables are from 2008. Robust standard errors are in parentheses and clustered by state. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.010$

Table A13: Multinomial Logit Regression of Greenfield FDI on Stimulus and Tax Incentives

	Old_Counties	New_Counties
	(1)	(2)
Ln(Tax Incentives)	-0.13 (0.17)	0.06 (0.04)
Ln(Education Stimulus)	0.27 (0.81)	0.69*** (0.12)
John McCain Vote Share	0.04 (0.07)	0.01 (0.01)
Unemployment Rate	1.41* (0.77)	0.09** (0.04)
Labor Force	0.60 (1.36)	0.04 (0.72)
Representative Partisanship	-1.94 (1.23)	0.19 (0.15)
Ln(Patent Count)	0.83** (0.37)	0.03 (0.02)
Ln(M&A Count)	0.14 (0.10)	0.02 (0.03)
Foreign Greenfield Investment	28.85*** (9.43)	-0.64 (0.51)
Ln(Domestic Greenfield Investment)	0.08 (0.09)	-0.01 (0.02)
Observations	3059	3059
State-Fixed Effects	yes	yes

Multinomial logit coefficients estimated via maximum likelihood. The outcome is a categorical variable that indicates none, old and new county status. The baseline category is none counties. The independent variable is tax incentives. The model includes state-fixed effects. Unless otherwise stated, variables are from 2008. Robust standard errors are in parentheses and clustered by state. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.010$

Table A14: Multinomial Logit Regression of Greenfield FDI on Competitive Counties and Mass Layoffs

	Old_Counties (1)	New_Counties (2)	Old_Counties (3)	New_Counties (4)	Old_Counties (5)	New_Counties (6)
Competitive County=1	-1.13 (0.94)	0.43** (0.17)	-1.31 (0.96)	0.42** (0.18)	0.01 (1.09)	0.27 (0.22)
2000-2006 Mass Layoffs			7.02 (9.84)	4.51 (3.11)	23.64*** (8.33)	2.58 (3.02)
Competitive County=1 $\times$ 2000-2006 Mass Layoffs					-9.05* (5.31)	3.66* (2.12)
Ln(Education Stimulus)	0.14 (0.68)	0.68*** (0.12)	0.27 (0.82)	0.66*** (0.12)	-0.42 (0.96)	0.66*** (0.12)
Ln(Real Incentives)	-0.04 (0.17)	0.10*** (0.02)	-0.06 (0.16)	0.10*** (0.02)	-0.14 (0.16)	0.10*** (0.02)
John McCain Vote Share	0.06 (0.08)	0.00 (0.01)	0.07 (0.09)	0.00 (0.01)	0.07 (0.10)	0.00 (0.01)
Unemployment Rate	1.45* (0.76)	0.08** (0.04)	1.32** (0.67)	0.06 (0.04)	1.47** (0.60)	0.06* (0.03)
Labor Force	0.71 (1.08)	0.02 (0.72)	-2.37 (5.07)	-1.80 (1.38)	-5.32 (3.67)	-1.55 (1.42)
Representative Partisanship	-2.56 (1.74)	0.25* (0.15)	-2.56 (1.80)	0.28* (0.16)	-3.28 (2.12)	0.29* (0.16)
Ln(Patent Count)	0.88** (0.37)	0.03 (0.02)	0.81** (0.38)	0.03* (0.02)	1.08** (0.45)	0.03* (0.02)
Ln(M&A Count)	0.13 (0.08)	0.02 (0.03)	0.14 (0.10)	0.02 (0.03)	0.15 (0.10)	0.02 (0.03)
Foreign Greenfield Investment	28.38*** (9.57)	-0.72 (0.49)	26.14*** (6.78)	-0.70 (0.49)	27.59*** (4.14)	-0.75 (0.53)
Ln(Domestic Greenfield Investment)	0.09 (0.10)	-0.02 (0.02)	0.11 (0.10)	-0.02 (0.02)	0.18 (0.12)	-0.02 (0.02)
Observations	3059	3059	3059	3059	3059	3059
State-Fixed Effects	yes	yes	yes	yes	yes	yes

Multinomial logit coefficients estimated via maximum likelihood. The outcome is a categorical variable that indicates none, old and new county status. The baseline category is none counties. An election is competitive if the difference in two-party vote share is less than 10 percentage points. All models include state fixed effects. Unless otherwise stated, variables are from 2008. Robust standard errors are in parentheses and clustered by state. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.010$

Table A15: Multinomial Logit Regression of Greenfield FDI on Competitive Counties and Governor Term Limits

	Old_Counties	New_Counties
	(1)	(2)
Competitive County=1	-2.08*	0.20
	(1.19)	(0.20)
Eligible to Run=1	-11.17***	-1.63***
	(2.83)	(0.18)
Competitive County=1 × Eligible to Run=1	7.67***	0.69**
	(2.61)	(0.31)
Ln(Education Stimulus)	-0.07	0.68***
	(0.78)	(0.12)
Ln(Real Incentives)	-0.04	0.10***
	(0.18)	(0.02)
John McCain Vote Share	0.03	0.00
	(0.08)	(0.01)
Unemployment Rate	1.74**	0.08**
	(0.80)	(0.04)
Labor Force	0.72	-0.01
	(0.98)	(0.73)
Representative Partisanship	-2.49	0.24
	(1.89)	(0.15)
Ln(Patent Count)	1.08**	0.03
	(0.43)	(0.02)
Ln(M&A Count)	0.13	0.02
	(0.09)	(0.03)
Foreign Greenfield Investment	30.92***	-0.74
	(10.10)	(0.49)
Ln(Domestic Greenfield Investment)	0.06	-0.02
	(0.08)	(0.02)
Observations	3056	3056
State-Fixed Effects	yes	yes

Multinomial logit coefficients estimated via maximum likelihood. The outcome is a categorical variable that indicates none, old and new county status. The baseline category is none counties. An election is competitive if the difference in two-party vote share is less than 10 percentage points. Eligibility to run is determined by whether a governor ran for the subsequent election. All models include state fixed effects. Unless otherwise stated, variables are from 2008. Robust standard errors are in parentheses and clustered by state. * p<0.10, ** p<0.05, *** p<0.010

Table A16: First Stage Regression Results for County-Level Local Government Incentives and Education Stimulus

	Education Stimulus Per Capita (1)
Special Education Children	1366.88*** (419.50)
Ln(Real Incentives)	-1.17 (1.93)
Competitive County=0	0.00 (.)
Competitive County=1	-33.91*** (10.09)
John McCain Vote Share	-6.79*** (1.13)
Unemployment Rate	32.34*** (4.54)
Labor Force	-19.93 (52.79)
Representative Partisanship	24.97 (15.61)
Ln(Patent Count)	-0.95 (1.37)
Ln(M&A Count)	2.18** (0.98)
Foreign Greenfield Investment	7.15 (22.42)
Ln(Domestic Greenfield Investment)	0.31 (1.61)
Observations	3049
State-Fixed Effects	yes

The dependent variable is the amount of education stimulus scaled by a county's labor force. The independent variable is the number of special education students in a county divided by the county's school age population. Models include state fixed-effects. Unless otherwise stated, variables are from 2008. Robust standard errors are in parentheses and clustered by state. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.010$

Table A17: Two-Stage Least Squares Regressions of Greenfield FDI on Education Stimulus, County-Level

	FDI All Counties (1)	FDI New Counties (2)	FDI Old Counties (3)
Education Stimulus Per Capita	0.00 (0.00)	0.00 (0.00)	-0.00** (0.00)
Ln(Real Incentives)	0.06*** (0.02)	0.06*** (0.01)	-0.00 (0.01)
Competitive County	0.17** (0.07)	0.19** (0.08)	-0.02 (0.02)
John McCain Vote Share	0.00 (0.01)	0.00 (0.00)	-0.00 (0.00)
Unemployment Rate	0.00 (0.03)	-0.03 (0.03)	0.03** (0.01)
Labor Force	1.65*** (0.50)	0.51 (0.41)	1.15*** (0.19)
Representative Partisanship	0.06 (0.06)	0.07 (0.05)	-0.01 (0.03)
Ln(Patent Count)	0.02*** (0.01)	0.02*** (0.01)	-0.00 (0.00)
Ln(M&A Count)	0.03*** (0.01)	0.03*** (0.01)	0.00 (0.00)
Foreign Greenfield Investment	1.65*** (0.34)	-0.55*** (0.21)	2.20*** (0.27)
Ln(Domestic Greenfield Investment)	0.03* (0.02)	0.01 (0.01)	0.02* (0.01)
Observations	3049	3049	3049
State-Fixed Effects	yes	yes	yes

The dependent variables are the log of total greenfield FDI in all counties, new counties and old counties respectively. The independent variables are the amount of education stimulus scaled by a county's labor population. Education stimulus is instrumented by the share of special education children in county's schools. Models include state fixed-effects. Unless otherwise stated, variables are from 2008. Robust standard errors are in parentheses and clustered by state. * p<0.10, ** p<0.05, *** p<0.010

Table A18: Multinomial Logit Regression of Greenfield FDI on Education Stimulus to Community Colleges and Real Incentives

	Old_Counties (1)	New_Counties (2)
Competitive County=1	-1.17 (1.04)	0.39** (0.18)
Ln(Education Stimulus to Community Colleges)	-0.06 (0.11)	-0.01 (0.03)
Ln(Real Incentives)	-0.02 (0.16)	0.13*** (0.02)
John McCain Vote Share	0.06 (0.06)	-0.01 (0.01)
Unemployment Rate	1.49* (0.80)	0.08** (0.03)
Labor Force	1.61** (0.79)	1.50* (0.83)
Representative Partisanship	-2.64 (1.66)	0.33** (0.15)
Ln(Patent Count)	0.93** (0.39)	0.10*** (0.02)
Ln(M&A Count)	0.12 (0.09)	0.07*** (0.02)
Foreign Greenfield Investment	27.74*** (10.02)	-0.54 (0.45)
Ln(Domestic Greenfield Investment)	0.09 (0.10)	-0.00 (0.02)
Observations	3059	3059
State-Fixed Effects	yes	yes

Multinomial logit coefficients estimated via maximum likelihood. The outcome is a categorical variable that indicates none, old and new county status. The baseline category is none counties. Education stimulus variable is measured by the subset of state stimulus to local governments allocated to community colleges. All models include state fixed effects. Unless otherwise stated, variables are from 2008. Robust standard errors are in parentheses and clustered by state. * p<0.10, ** p<0.05, *** p<0.010

Table A19: Multinomial Logit Results - Different Types of Stimulus

	Old_Counties	New_Counties	Old_Counties	New_Counties	Old_Counties	New_Counties	Old_Counties	New_Counties
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Ln(Energy Stimulus)	-0.19 (0.14)	0.06** (0.03)					-0.19 (0.15)	0.05 (0.03)
Ln(Transportation Stimulus)			-0.04 (0.09)	0.07** (0.03)			0.01 (0.10)	0.06*** (0.02)
Ln(Infrastructure Stimulus)					0.04 (0.11)	0.06*** (0.02)	0.05 (0.12)	0.05*** (0.02)
Ln(Education Stimulus)	0.57 (0.60)	0.55*** (0.15)	0.16 (0.66)	0.61*** (0.12)	0.08 (0.68)	0.59*** (0.11)	0.49 (0.59)	0.42*** (0.14)
Ln(Real Incentives)	-0.01 (0.18)	0.10*** (0.02)	-0.04 (0.17)	0.10*** (0.02)	-0.04 (0.16)	0.10*** (0.02)	-0.01 (0.17)	0.10*** (0.02)
Competitive County	-1.22 (0.89)	0.43** (0.18)	-1.15 (0.95)	0.43** (0.17)	-1.10 (0.98)	0.45** (0.18)	-1.21 (0.90)	0.46*** (0.18)
John McCain Vote Share	0.05 (0.08)	0.01 (0.01)	0.05 (0.08)	0.00 (0.01)	0.06 (0.08)	0.01 (0.01)	0.06 (0.09)	0.01 (0.01)
Unemployment Rate	1.42* (0.76)	0.09** (0.04)	1.41* (0.75)	0.08** (0.03)	1.45* (0.78)	0.08** (0.04)	1.44* (0.81)	0.09*** (0.04)
Labor Force	0.27 (0.87)	-0.05 (0.67)	0.75 (1.09)	0.03 (0.72)	0.72 (1.07)	-0.03 (0.71)	0.28 (0.86)	-0.08 (0.66)
Representative Partisanship	-2.63 (1.69)	0.22 (0.16)	-2.51 (1.75)	0.25* (0.15)	-2.60 (1.72)	0.25 (0.15)	-2.72 (1.66)	0.22 (0.16)
Ln(Patent Count)	0.95*** (0.36)	0.03 (0.02)	0.87** (0.37)	0.03 (0.02)	0.87** (0.38)	0.03 (0.02)	0.96** (0.37)	0.02 (0.02)
Ln(M&A Count)	0.18** (0.09)	0.01 (0.03)	0.13 (0.09)	0.01 (0.03)	0.12* (0.07)	0.01 (0.03)	0.17** (0.09)	-0.00 (0.03)
Foreign Greenfield Investment	27.97*** (6.69)	-0.69 (0.48)	26.76*** (9.43)	-0.72 (0.48)	28.76*** (10.20)	-0.73 (0.48)	26.85*** (7.77)	-0.71 (0.47)
Ln(Domestic Greenfield Investment)	0.08 (0.11)	-0.02 (0.02)	0.09 (0.10)	-0.02 (0.02)	0.09 (0.10)	-0.02 (0.02)	0.08 (0.11)	-0.02 (0.02)
Observations	3059	3059	3059	3059	3059	3059	3059	
State-Fixed Effects	yes	yes	yes	yes	yes	yes	yes	yes

Multinomial logit coefficients estimated via maximum likelihood. The dependent variables are categorical variables that indicate none, old and new county status. The baseline category is none counties. An election is competitive if the difference in two-party vote share is less than 10 percentage-points. All models include state-fixed effects. Unless otherwise states, variables are from 2008. Robust standard errors are in parentheses and clustered by state. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.010$

Table A20: Multinomial Logit Results - Without Solar Energy

	Old_Counties	New_Counties
	(1)	(2)
Ln(Education Stimulus)	0.32 (0.72)	0.69*** (0.12)
Ln(Real Incentives)	-0.05 (0.18)	0.11*** (0.02)
Competitive County	-1.35 (1.08)	0.44*** (0.16)
John McCain Vote Share	0.06 (0.08)	0.00 (0.01)
Unemployment Rate	1.46** (0.73)	0.08** (0.04)
Labor Force	0.58 (1.09)	-0.05 (0.72)
Representative Partisanship	-2.88 (1.96)	0.29* (0.16)
Ln(Patent Count)	0.85** (0.35)	0.03 (0.02)
Ln(M&A Count)	0.11 (0.10)	0.01 (0.03)
Foreign Greenfield Investment	27.49*** (9.75)	-0.53 (0.49)
Ln(Domestic Greenfield Investment)	0.13 (0.11)	-0.03 (0.02)
Observations	3059	3059
State-Fixed Effects	yes	yes

Multinomial logit coefficients estimated via maximum likelihood. The dependent variable is a categorical variable that indicates none, old and new county status. The baseline category is none counties. An election is competitive if the difference in two-party vote share is less than 10 percentage-points. Model includes state-fixed effects. The sample excludes investment in renewable energy industry. Unless otherwise stated, variables are from 2008. Robust standard errors are in parentheses and clustered by state. * p<0.10, ** p<0.05, *** p<0.010

Table A21: Ordinary Least Squares Regression Results for Quid-Pro-Quo Greenfield FDI

	FDI	FDI	FDI
Share of Protectionist Votes	1.44 (2.00)		
Share of Protectionist Votes on Barriers		1.13 (1.59)	
Share of Protectionist Votes on Subsidies			0.66 (0.96)
Republican District	0.58 (0.56)	0.49 (0.49)	0.48 (0.49)
2008 Unemployment Rate	0.13 (0.13)	0.15 (0.13)	0.14 (0.13)
Observations	392	392	391
State-Fixed Effects	yes	yes	yes

The dependent variable is the logged cumulative value of new manufacturing FDI between 2009 and 2010. The independent variables are the share of all protectionist bills, protectionist bills on subsidies, and protectionist bills on barriers in the 109th and 110th Congresses. Robust standard errors are in parentheses and clustered by state. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.010$

Table A22: Multinomial Logit Results - Without Tax Havens

	Old_Counties	New_Counties
	(1)	(2)
Ln(Education Stimulus)	0.21 (0.62)	0.63*** (0.12)
Ln(Real Incentives)	0.01 (0.13)	0.10*** (0.02)
Competitive County	-0.34 (0.87)	0.47*** (0.17)
John McCain Vote Share	0.02 (0.06)	0.00 (0.01)
Unemployment Rate	1.03** (0.46)	0.06* (0.04)
Labor Force	0.92 (1.20)	-0.05 (0.81)
Representative Partisanship	-1.64 (1.25)	0.34** (0.16)
Ln(Patent Count)	0.67*** (0.26)	0.03 (0.02)
Ln(M&A Count)	0.02 (0.12)	0.02 (0.03)
Foreign Greenfield Investment	23.56*** (4.96)	-0.27 (0.49)
Ln(Domestic Greenfield Investment)	0.14 (0.10)	-0.01 (0.02)
Observations	3059	3059
State-Fixed Effects	yes	yes

Multinomial logit coefficients estimated via maximum likelihood. The dependent variable is a categorical variable that indicates a none, old and new county status. The baseline category is none counties. An election is competitive if the difference in two-party vote share is less than 10 percentage-points. Model 1 and 2 include state-fixed effects. Sample excludes investment from the following countries: Netherlands, Switzerland, Luxembourg, Cayman Islands, Singapore, Panama, Mauritius, Cyprus, Ireland. Unless otherwise stated, variables are from 2008. Robust standard errors are in parentheses and clustered by state. * p<0.10, ** p<0.05, *** p<0.010

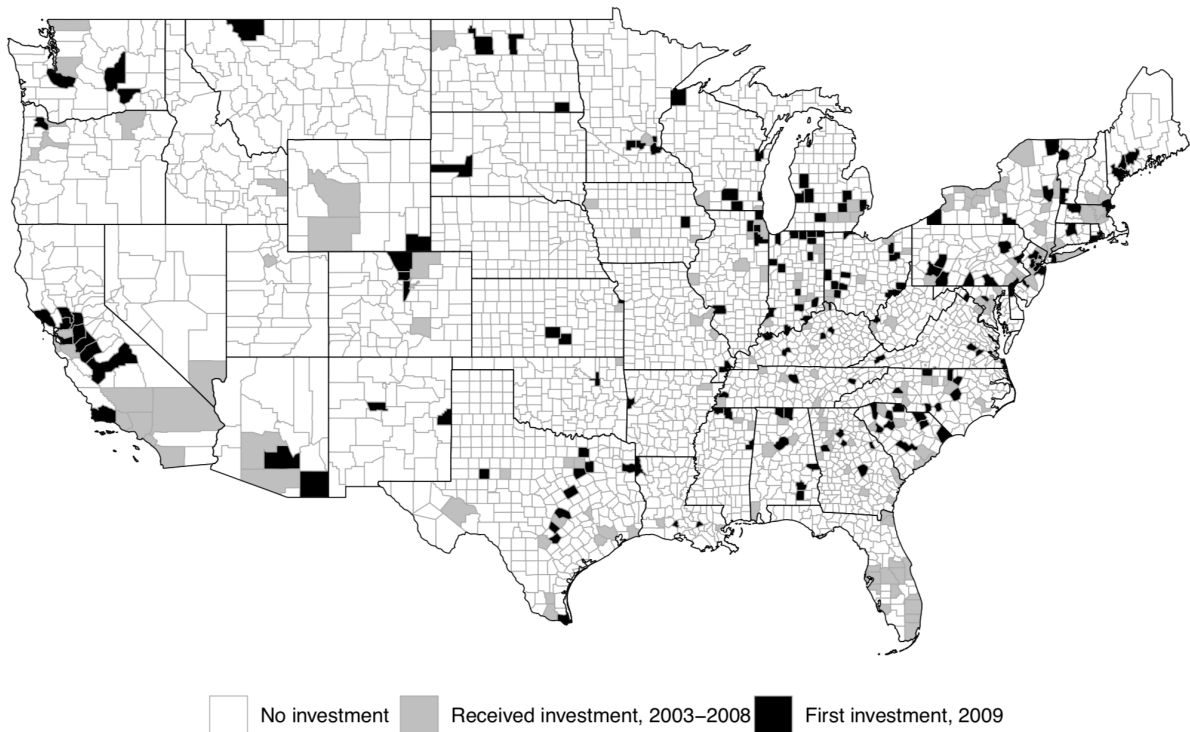
Table A23: Multinomial Logit Results - Including County Market Size

	Old_Counties	New_Counties
	(1)	(2)
Ln(Education Stimulus)	0.31 (0.81)	0.56*** (0.14)
Ln(Real Incentives)	-0.04 (0.17)	0.06 (0.04)
Competitive County	-0.74 (0.88)	0.45** (0.23)
John McCain Vote Share	0.05 (0.09)	-0.00 (0.01)
Unemployment Rate	1.39 (0.90)	0.13* (0.07)
Labor Force	0.57 (1.08)	0.07 (0.76)
Representative Partisanship	-2.12 (1.78)	0.38* (0.22)
Ln(Patent Count)	0.74* (0.41)	0.07 (0.05)
Ln(M&A Count)	0.12 (0.09)	-0.00 (0.03)
Foreign Greenfield Investment	33.19*** (2.23)	-0.77 (0.54)
Ln(Domestic Greenfield Investment)	0.08 (0.09)	-0.03 (0.03)
GDP Per Capita	-0.00 (0.00)	0.00 (0.00)
Observations	1119	1119
State-Fixed Effects	yes	yes

Multinomial logit coefficients estimated via maximum likelihood. The dependent variable is a categorical variable that indicates a none, old and new county status. The baseline category is none counties. An election is competitive if the difference in two-party vote share is less than 10 percentage-points. Model 1 and 2 include state-fixed effects. GDP per capita measure is available only for metropolitan statistical areas. Unless otherwise stated, variables are from 2008. Robust standard errors are in parentheses and clustered by state. * p<0.10, ** p<0.05, *** p<0.010

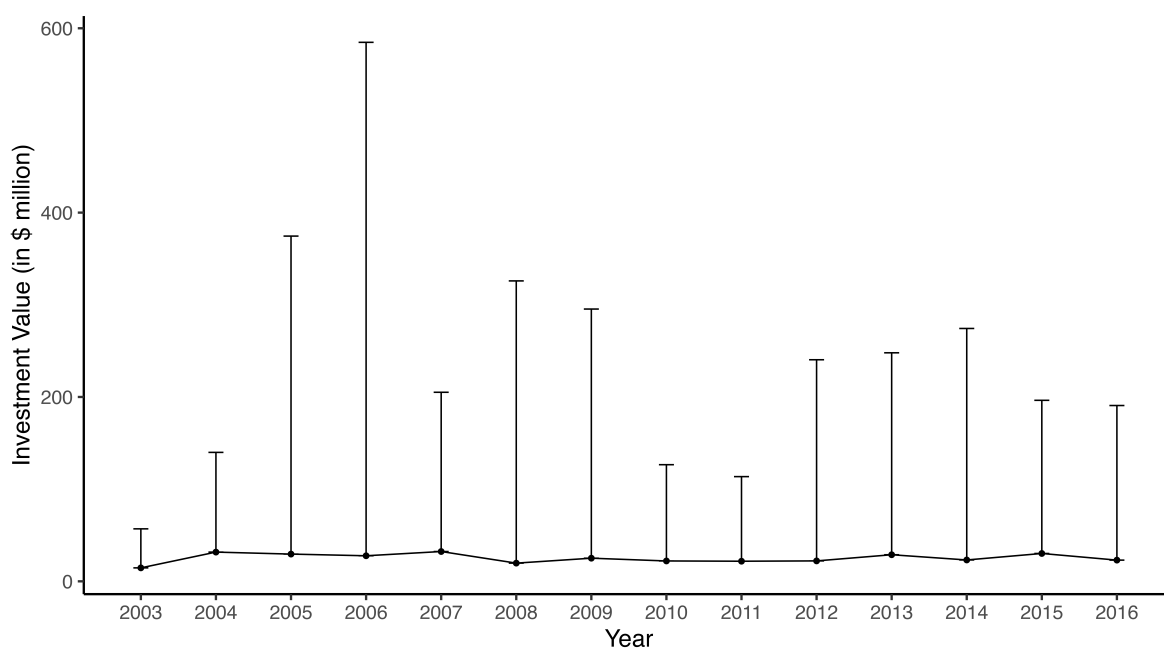
F FIGURES

Figure A1: Greenfield FDI Expansion After Great Recession



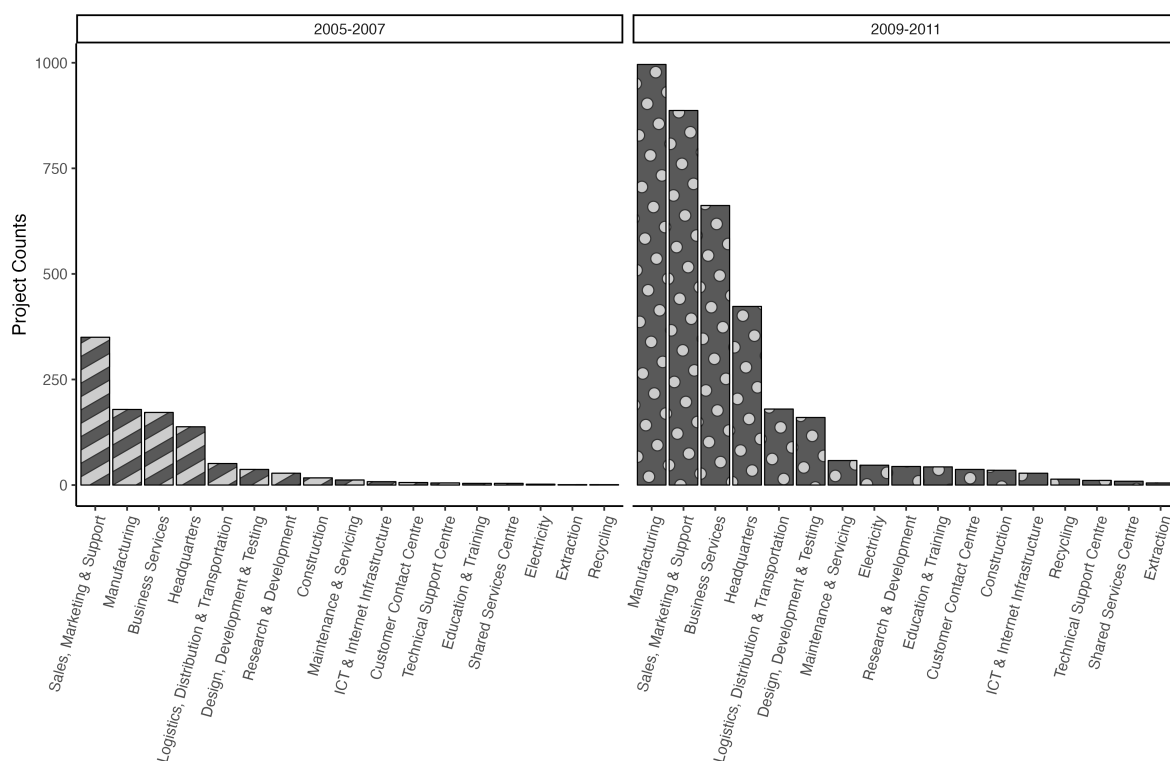
Data Source: fDi Markets database

Figure A2: Manufacturing FDI Project Values, 2003-2016



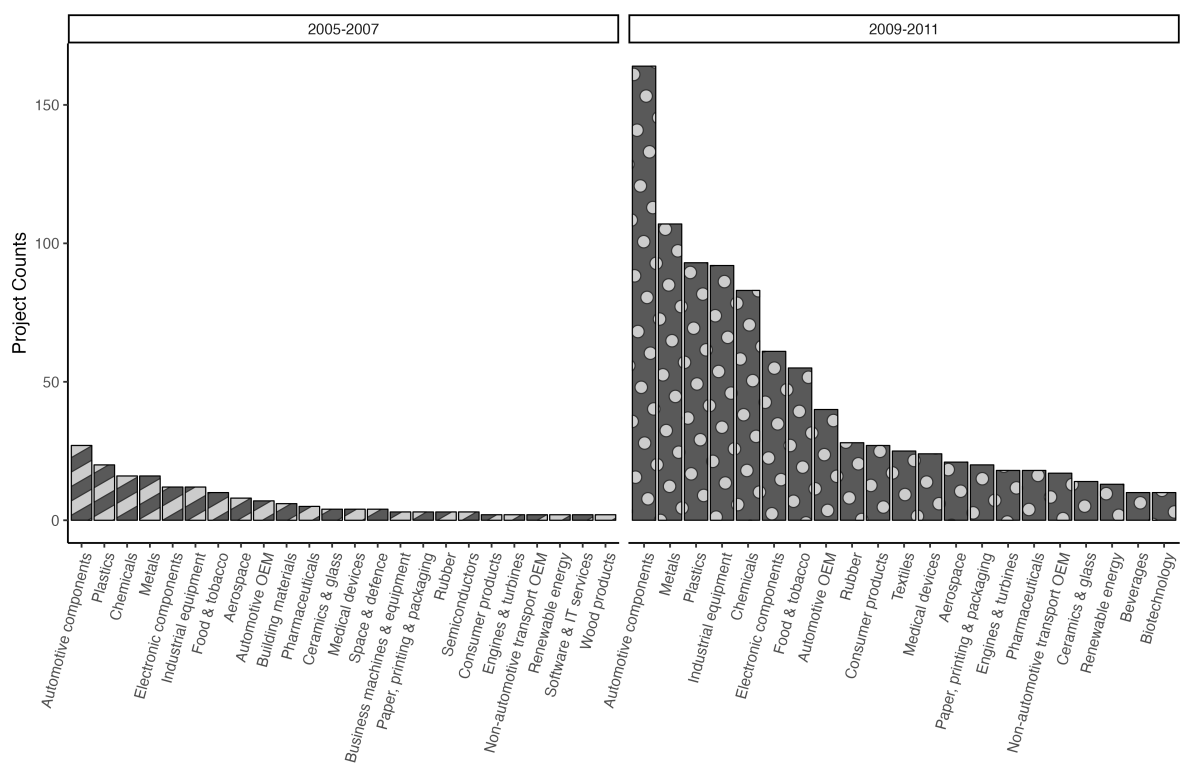
Note: The y-axis indicates the median value of new foreign manufacturing project inflows in 2010 constant million dollars. Bars indicate one standard deviation above median investment value. Figure omits one outlier, a \$10 billion investment by South Africa's SASOL in 2011. Data Source: fDi Markets database

Figure A3: FDI Industry Activities Unchanged Post Recession



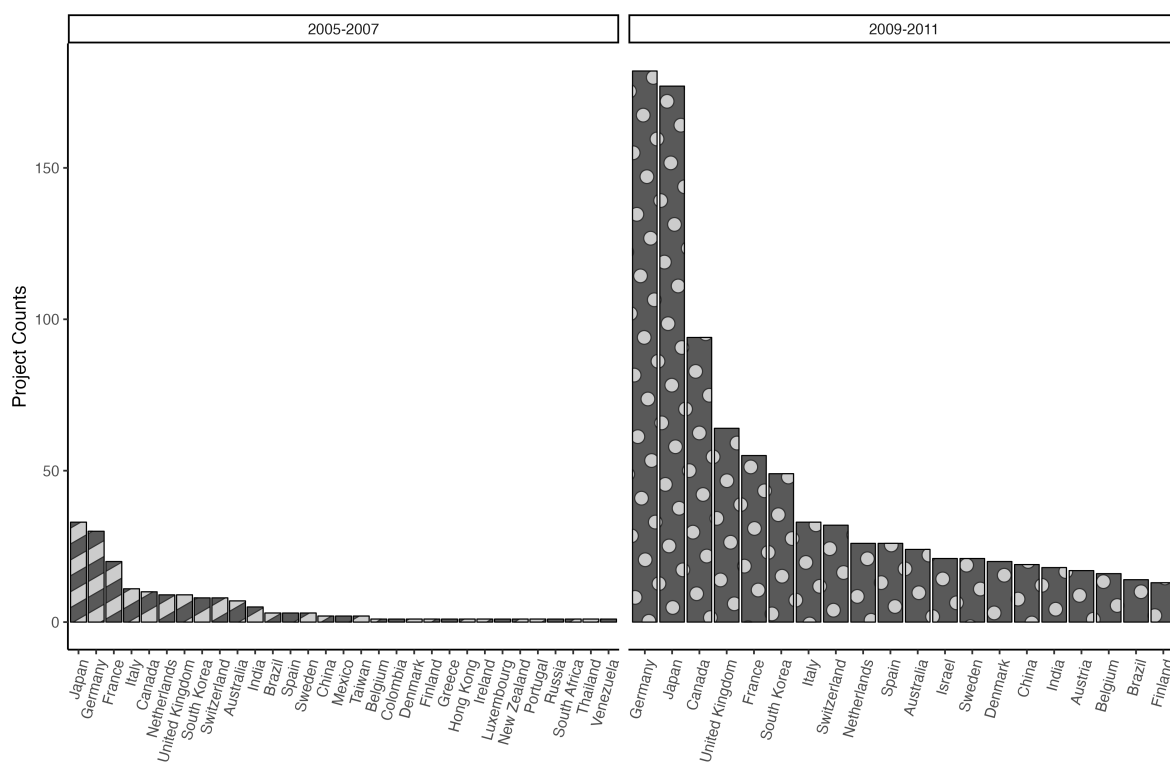
Note: The y-axis indicates the number of new foreign investments in top 20 industry activities. Industry activity refers to specific tasks the project will undertake. For example, a firm in a manufacturing industry may invest to conduct research and development or for sales/marketing. Data Source: fDi Markets database

Figure A4: FDI Manufacturing Industry Composition Unchanged Post Recession



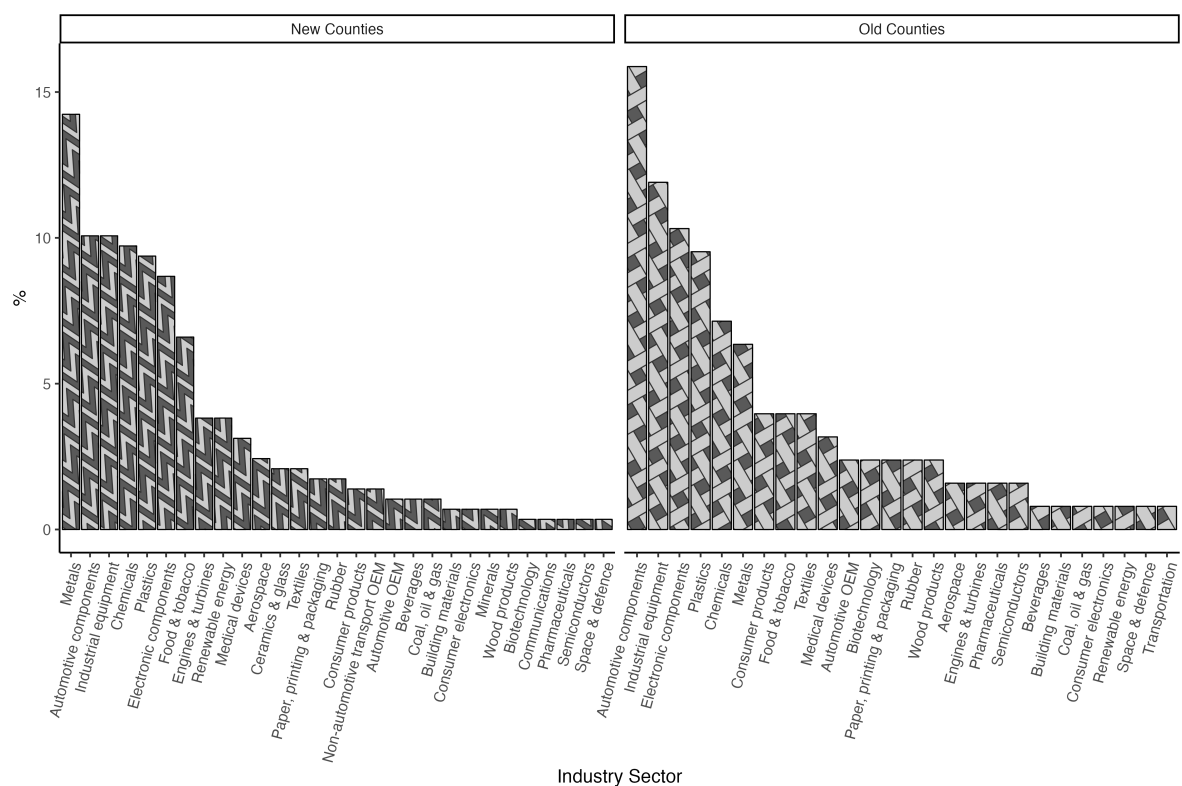
Note: The y-axis indicates the number of new foreign manufacturing investments in the top 20 industry sectors. Data Source: fDi Markets database

Figure A5: FDI Source Country Composition Unchanged Post Recession



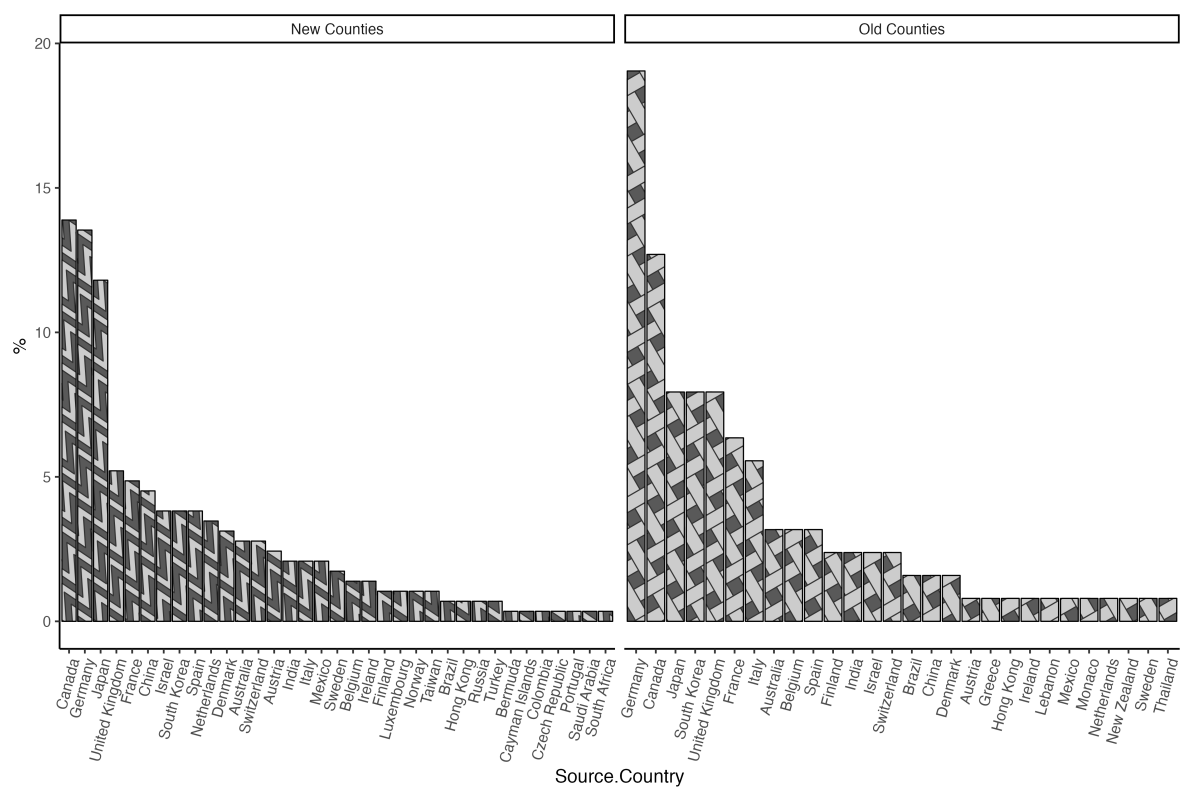
Note: The y-axis indicates the number of new foreign manufacturing investments in the top 20 source countries. Data Source: fDi Markets database

Figure A6: Distribution of New Manufacturing FDI in Old and New Counties by Industry Sector After the Great Recession



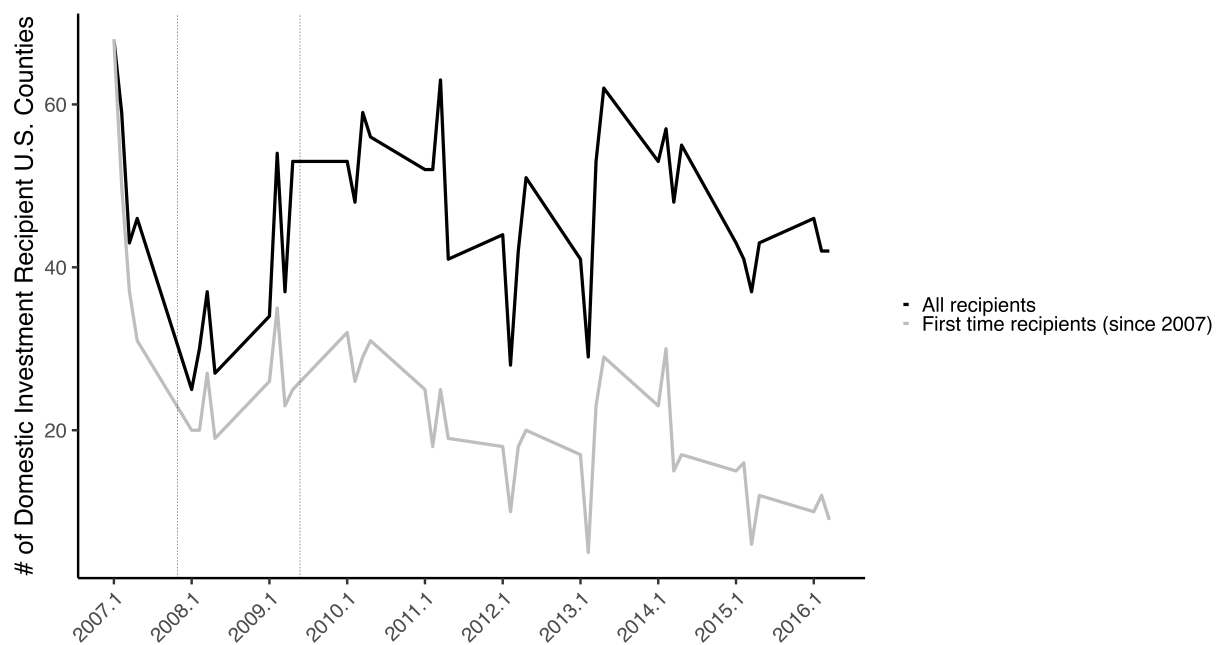
Note: The y-axis indicates the percentage of new foreign manufacturing firms in a certain industry sector.
Data Source: fDi Markets database

Figure A7: Distribution of FDI in Old and New Counties by Home Country After the Great Recession



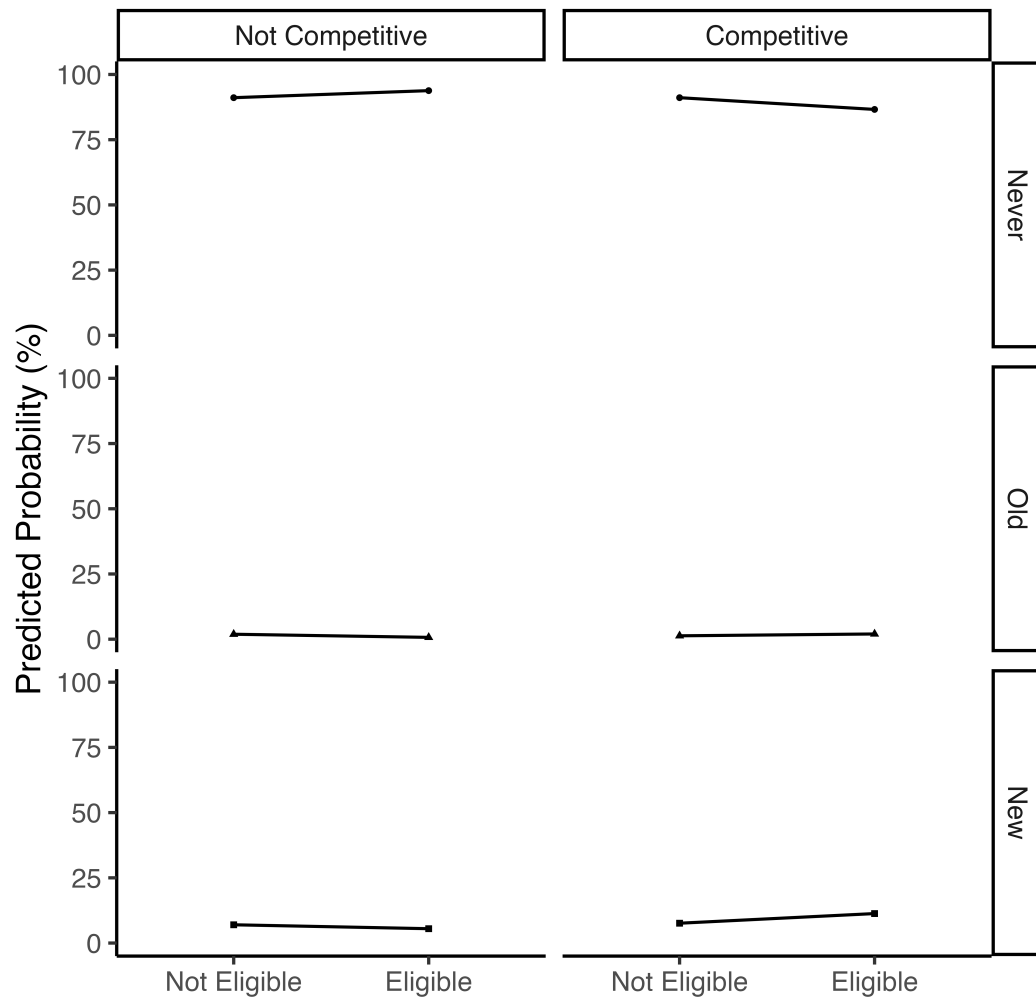
Note: The y-axis indicates the percentage of new foreign manufacturing firms coming from a certain home country. Data Source: fDi Markets database

Figure A8: County Distribution of US Domestic Greenfield Manufacturing Investment, 2007-2016 (Quarterly)



This figure plots the number of US counties that received at least one new domestic greenfield manufacturing investment by quarter. The black line plots the total number of counties that received investment. The gray line is the number the received investment for the first time during the sample. The vertical lines indicate the Great Recession. Data Source: fDi Markets database.

Figure A9: Governors With No Term Limits Facing Competitive Elections Are More Likely to be in New Counties



This figure plots the predicted probability of being categorized as a new county depending on governors' term limits and competitiveness of prior gubernatorial election.

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