

Table 5. Real Income Growth Rates by Income Level, Presidential Partisanship, and Lagged GNP Growth, 1948-2009

<i>Dependent variable: Average annual real pre-tax income growth (%) for families at various percentiles of the income distribution</i>					
<i>Independent variable</i>	<i>Income Percentile</i>				
	<i>20th</i>	<i>40th</i>	<i>60th</i>	<i>80th</i>	<i>95th</i>
Democratic President (lagged one year)	.99 (.80)	.86 (.67)	.74 (.63)	.52 (.61)	.09 (.77)
Lagged Real GNP per capita growth, 4 th qtr	.20* (.10)	.19* (.08)	.13 (.08)	.07 (.08)	-.01 (.10)
Lagged Real GNP per capita growth, 3 rd qtr	.53** (.12)	.30** (.10)	.26** (.10)	.25** (.10)	.18 (.12)
Constant	-.57	.10	.52	.84	1.41
N	62	62	62	62	62
Adjusted R ²	.38	.28	.21	.15	.00
Standard error of estimate	2.96	2.48	2.34	2.26	2.84
Durbin-Watson	1.65	1.69	1.63	1.60	1.82

**p<.01, * p < .05, one-tailed. Data Source: United States Census Bureau (2011).

As the estimates in Table 5 indicate, the state of the economy leading into a year matters most to those at lower income levels. The effects of the lagged effects of both the prior year's third and fourth quarters are statistically significant for income growth only at the two lowest income levels, and neither lagged quarter significantly affects income growth for those in the top five percent of incomes. This is consistent with Bartels' finding that "unemployment and GNP growth have substantial effects on income growth rates for poor and middle-class families, but very little impact of the families near the top of the income distribution" (2008, 50).

The greater effect of lagged economic growth for those at lower incomes levels has two interesting implications. First, it explains why there appeared to be party differences in income growth rates at the lowest income levels when the health of the prior economy was not taken into account. Since economic growth was incorrectly attributed to party differences, income growth rates for those at the lower end of the income distribution would also be incorrectly attributed to party differences. Second, the fact that general economic growth is of greater help