How do Politics Affect the Economy?

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Introduction

Our project was made to test the connection between the political affiliation of certain states and the economic factors of these states in particular. The inspiration of this project was the constant arguments made by both sides of the political spectrum that their economic policies are better than that of the opposing party.

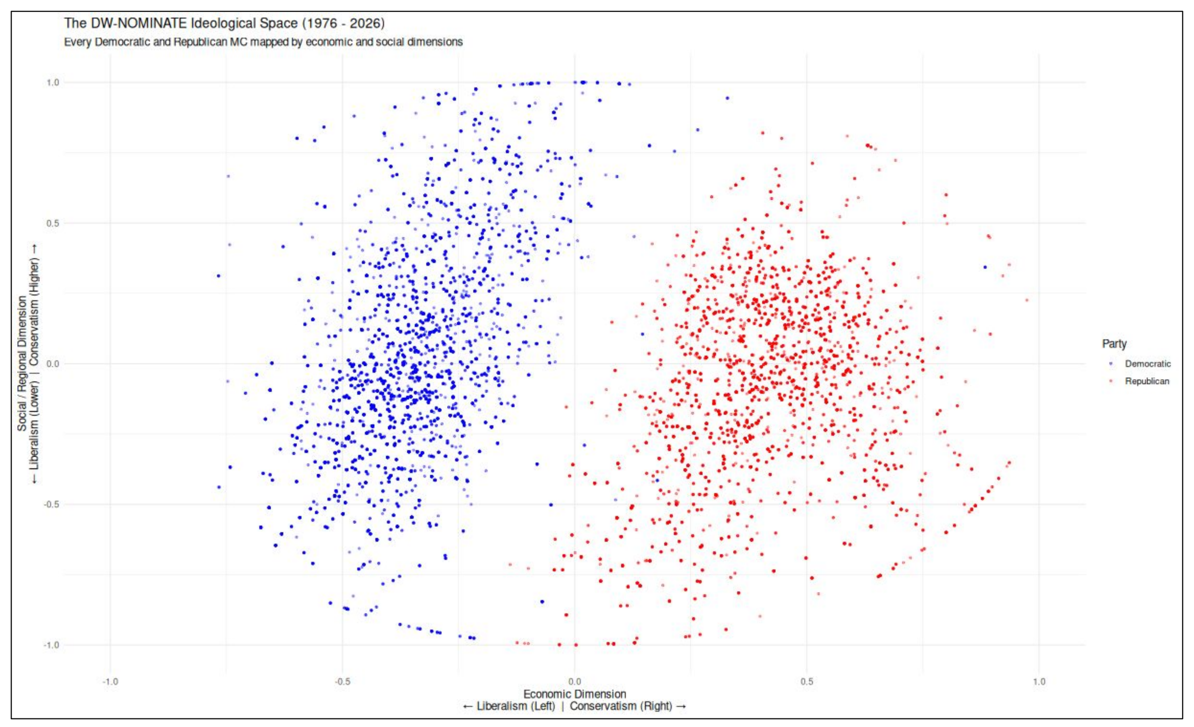


Fig 1.
Map of all congress members based off of political affiliation NOMINATE scores, economic as x-axis and social as y-axis

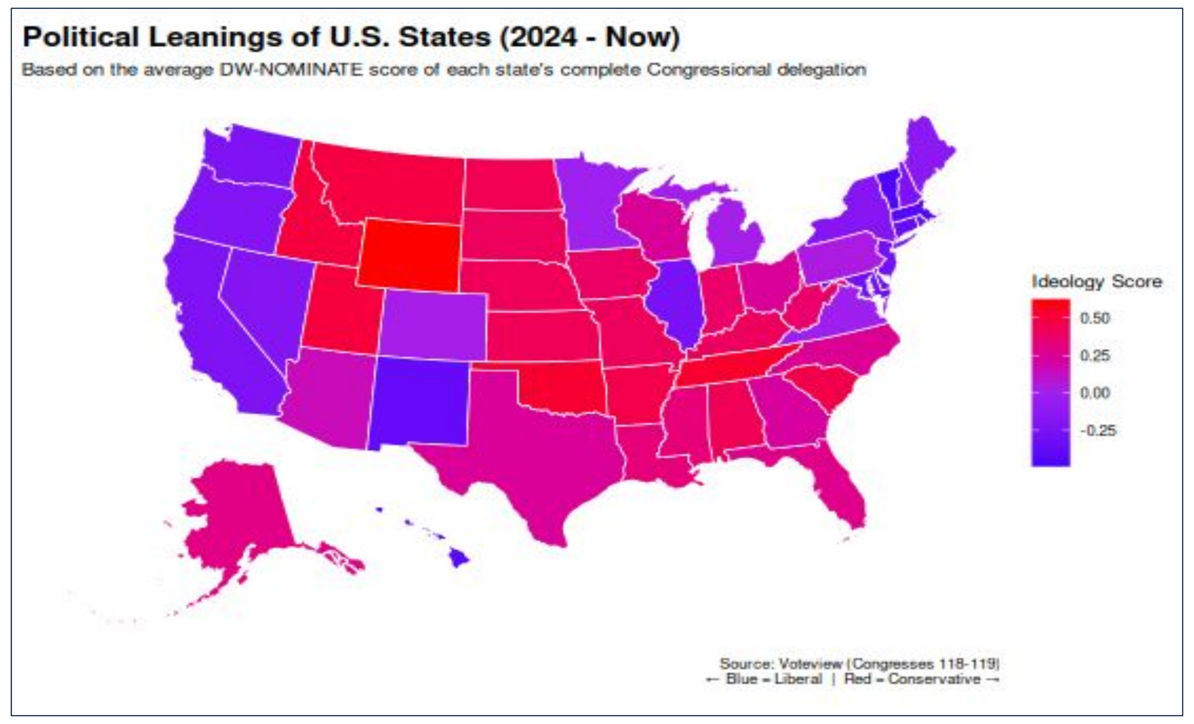


Fig 2.
Map of every US state colored by party affiliation NOMINATE scores

Research Questions

1. To what extent does political affiliation affect economic factors in individual states?
2. To what extent does the political affiliation of Congressional seatings affect the economy as a whole?

How We Did It

We decided that in order to view the economic data, we would look at a few different factors individually, including unemployment rate, Consumer Price Index, and the Real GDP per capita. We choose these measurements as they most accurately displayed three facets of economy that are not based purely on population size, type of economy(i.e. Agricultural based economic factors vs Industrial based economic factors), or observational bias while still having consistent measurement intervals. For the Political data we used measurements from [2] that would measure members of Congress on a liberal and conservative scale based on what they voted in relation to both economic policies and social policies, allowing them to be plotted on a -1 to 1 scale where -1 is the most liberal and 1 being the most conservative. The main factor being considered for this was the economic due to the large disappearance of the social difference in the last 50 years. We would then compare these data points from [1] to the political data found in [2] in order to find how the economic political affiliation of a states representatives would affect its economic factors, along with a larger summary of the country as a whole.

State Graphs

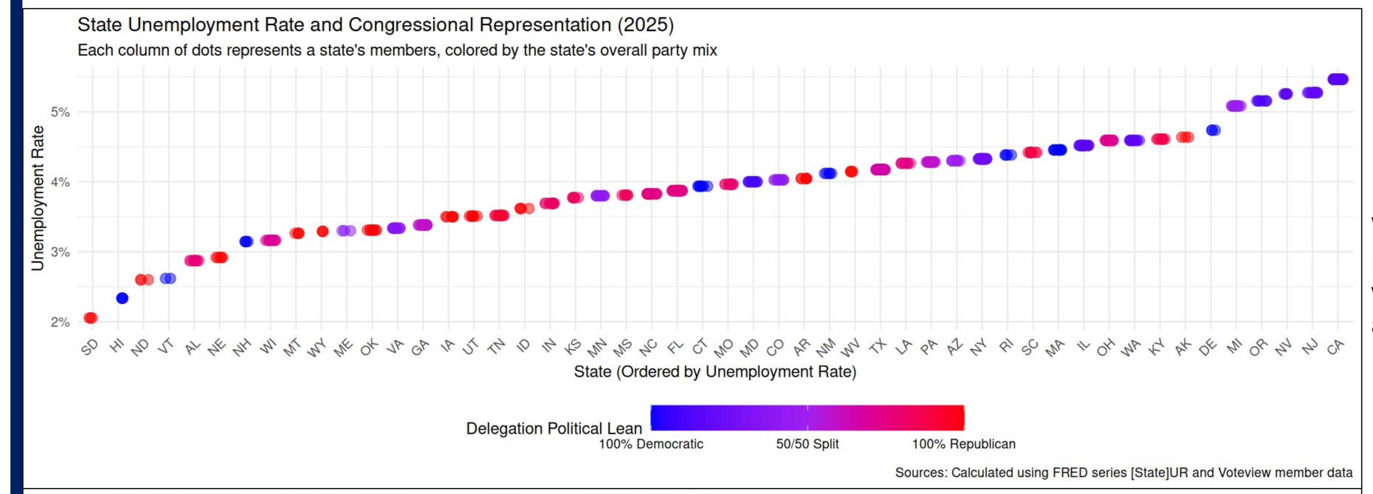


Fig 3.
Politics vs. Economy: State Unemployment Rate
We measured each state's unemployment rate in 2025 and then colored them by party affiliation in order to find a correlation between the two and as shown, the states with higher unemployment rate tend to vote Democratic while the lower rate states are Republican.

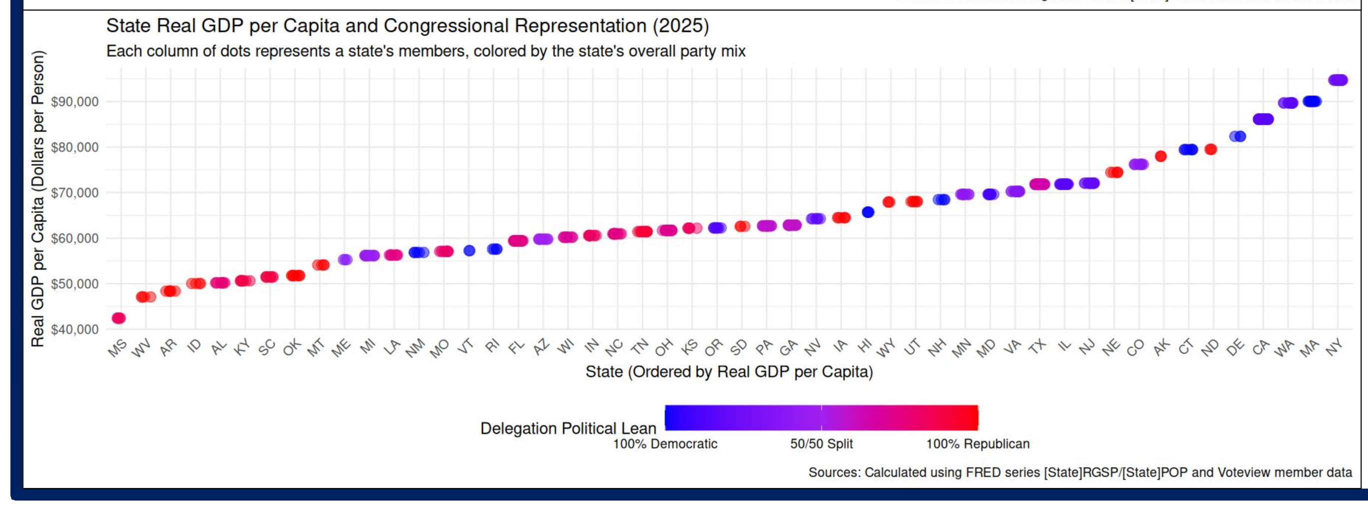


Fig 4.
Politics vs. Economy: State Real GDP per Capita
We measured the Real GDP per capita from 2025 of every single state and, once again, we colored them by party affiliation in order to find a connection and we found that the states with higher Real GDP voted Democratic while those with lower Real GDP tended to be Republican.

National Graphs

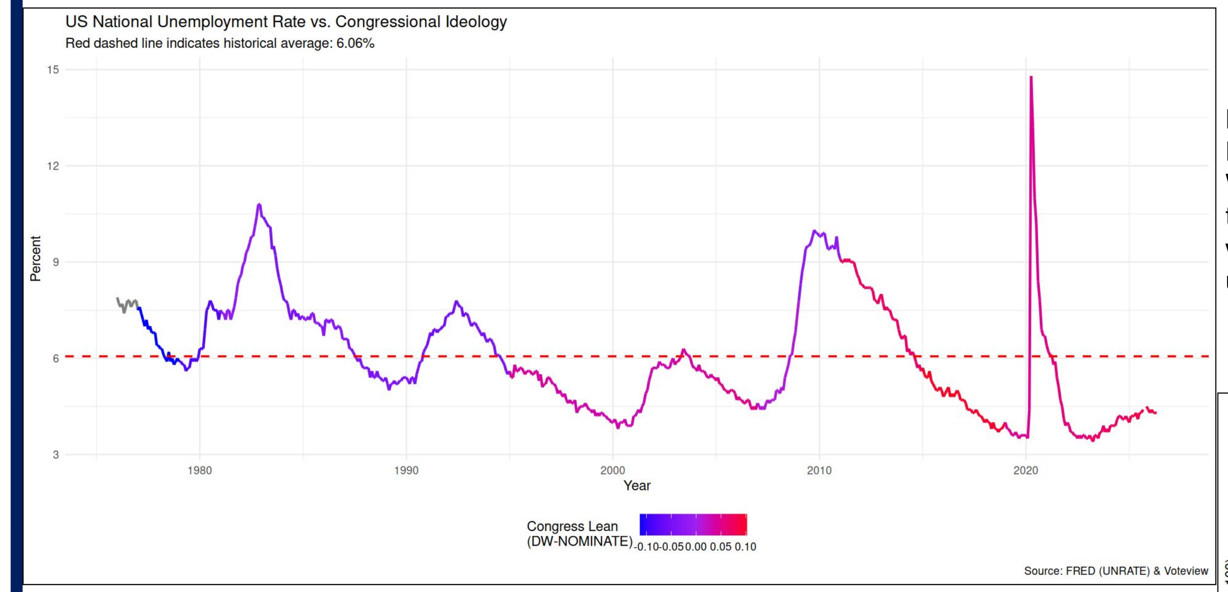
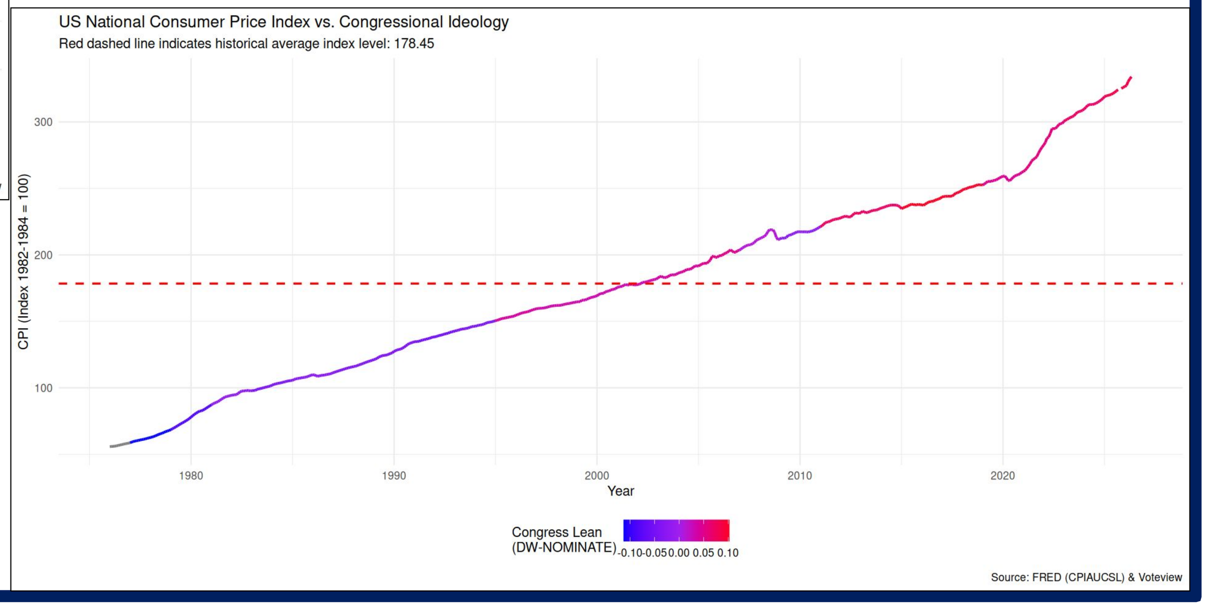


Fig 5.
Politics vs. Economy: National Unemployment Rate
We measured how the national unemployment rate has changed from 1976 to 2026 and made the line change color based on the party affiliation in Congress at a respective time in order to find a correlation of the national level. What we found is that as Congress started to become more and more Republican, the national unemployment rates started dropping, with the exception of the spike in 2020 caused by the COVID-19 Pandemic.

Fig 6.
Politics vs. Economy: National Consumer Price Index
We measured how the national CPI has changed from 1976 to 2026 and, once again, we changed the color of the line based on party affiliation in order to find a connection between the two and what we found is that higher CPIs correlate with Congress being more Republican as the CPI used to be under the historical average when it was more Democratic.



Conclusion

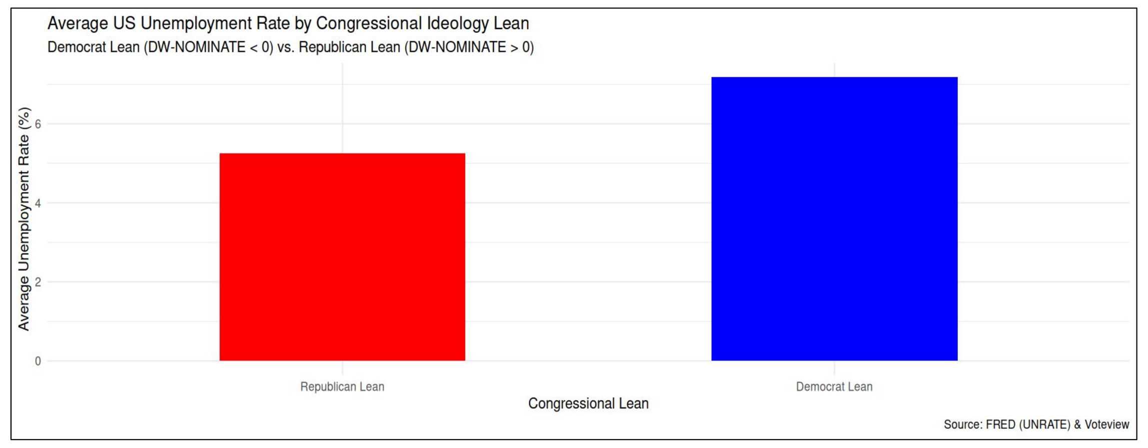


Fig 7. The average U.S. Unemployment rate divided by party

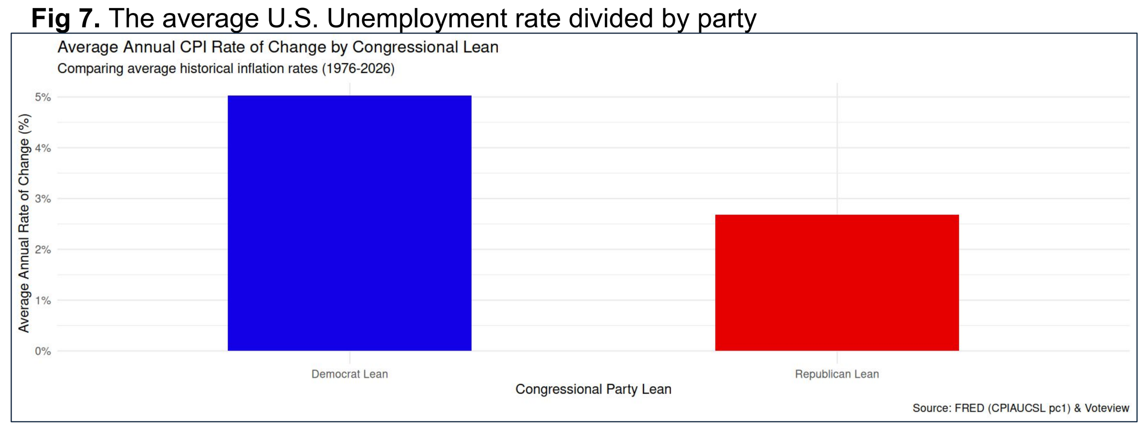


Fig 8. The difference between CPI by party is Significant ($P < 0.001$)

- We learned that states with higher Real GDP per capita tend to vote Democratic while states with lower values tend to be Republican, while the unemployment rate was much higher in the states with Democratic affiliation.
- We also found out that the Democrats saw a higher rate of change of Annual CPI while the Republicans had a lower rate of change, but it was
- Possible data inaccuracies due to the nature of passing of laws along with outside events, resulting in us finding a correlation, not a causation.

Acknowledgments

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Sources

1. Federal Reserve Bank of St. Louis. (n.d.). Fred Economic Data. FRED. (40,300 BYTES)

2. Lewis, Jeffrey B., Keith Poole, Howard Rosenthal, Adam Boche, Aaron Rudkin, and Luke Sonnet (2026). Voteview: Congressional Roll-Call Votes Database. (6,200,945 BYTES)