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4 ***Immigrant Legalization and the Redistribution of State Funds:***
5 ***Evidence from the 1986 IRCA***
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A. Summary Statistics

In Table A.1, we present summary statistics of the key variables in our study.

Table A.1
Summary Statistics

| | Mean | SD | Min | Max | N | Counties |
|-------------------------------------|--------|--------|-----|--------|--------|----------|
| IRCA Applicants per 1,000 capita | 5.20 | 15.02 | 0 | 277 | 65,940 | 3,140 |
| State IGR per 1980 capita | 189.88 | 356.33 | 0 | 11,332 | 48,842 | 2,243 |
| 1980 Population (Log) | 10.11 | 1.32 | 4.5 | 16 | 65,142 | 3,102 |
| 1980 Income (Log) | 11.88 | 1.42 | 6.3 | 18 | 65,919 | 3,139 |
| 1980 School Age Population (1000s) | 17.76 | 55.79 | 0 | 1,746 | 65,938 | 3,139 |
| 1980 Population in poverty (1000s) | 8.67 | 30.83 | 0 | 985 | 66,045 | 3,145 |
| Share Democratic Governors | 0.52 | 0.50 | 0 | 1 | 65,456 | 3,150 |
| Share Democratic State Legislatures | 0.57 | 0.50 | 0 | 1 | 66,336 | 3,168 |
| Share Lame Duck Governors | 0.30 | 0.46 | 0 | 1 | 66,150 | 3,150 |

B. IGR Targets

In this Online Appendix, I present event study estimates using different categories of state IGR as the outcome as well as different categories of county level expenditure. The results are reported in Figure C.2. As shown, there is a positive effect on the IRCA for state IGR for education and, to a lesser extent, for welfare. At the county level, the IRCA increases per capita expenditure on different categories of education. Although the coefficients are not estimated with a great deal of precision, the patterns are clearer: post-1989, there is a gradual increase in education expenditure. The patterns for welfare are less clear. In the mid 90s, there is a short-lived differential increase in welfare spending, but appears only between 1994 and 1996.

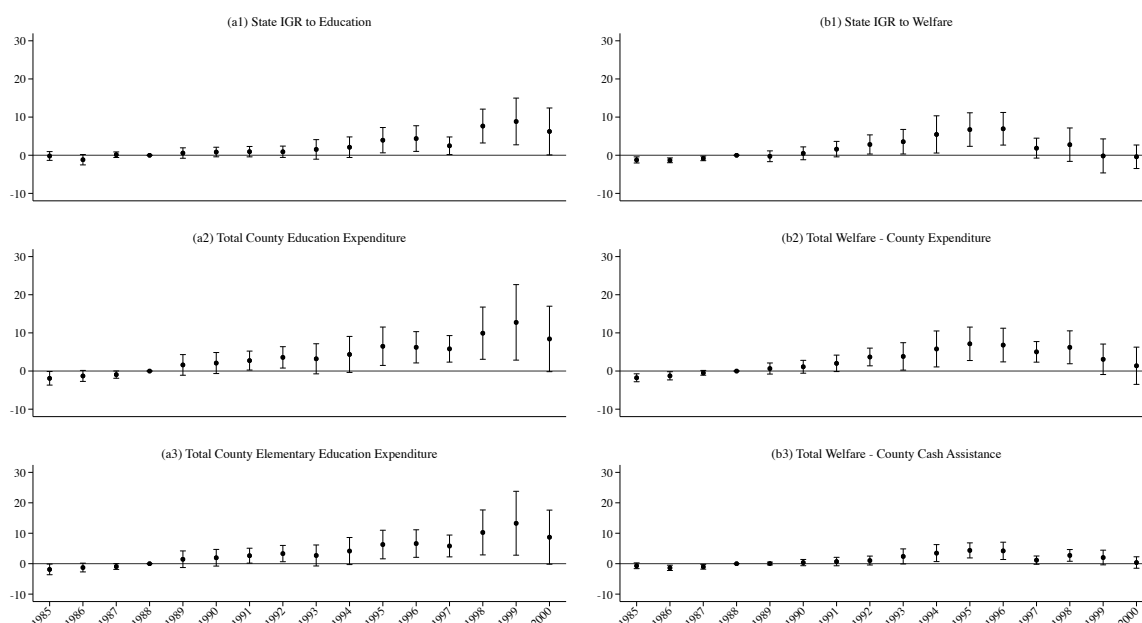


Figure B.1
IRCA and Trends in Per Capita IGR and County Spending

Notes: This figure plots the coefficient on $IRCA_{90}$, the standardized number of IRCA immigrants per 1,000 county inhabitants measured in 1990, interacted with time dummies. The outcome variable is total per capita intergovernmental revenue from state to local governments for education (panel (a1)) and for welfare (panel (b1)). In panels (a2), (a3) as well as (b2) and (b3) the outcome is per capita county spending on different categories, as labelled. The regressions include county fixed effects and state-by-year fixed effects. They also include 1980 measures of county population, income, school-aged population (i.e., between 5 and 19), population that is poor as well as the white, black and Hispanic population size, each interacted with P_{89} which is one for time periods on or after 1989 and zero before. Standard errors are clustered at the county level and confidence intervals are drawn at 90 percent. All regressions are weighted by the size of the 1980 county population.

C. Political Heterogeneities and Robustness

In this online appendix, we present the results of our political heterogeneities when we control for the time-varying effect of very large counties which may act as sanctuary cities and which may drive our results. To this end, we re-run our tests for political heterogeneities but include the interaction of P_{88} with an indicator variable that is 1 if a county has a population in the top 10 percentile of the population distribution and 0 otherwise. As shown in Figure C.1, the results are robust to the inclusion of this important control.

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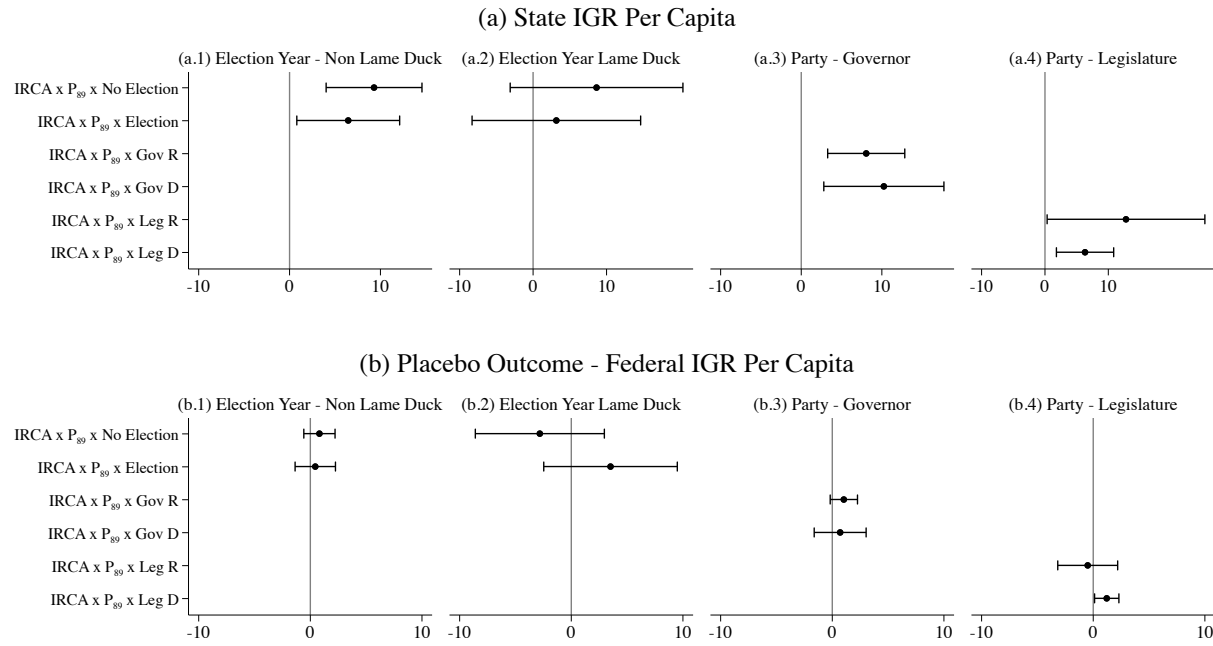


Figure C.1
IRCA, Per Capita IGR and Political Heterogeneity Controlling for Large Counties

Notes: This figure plots the coefficient on IRCA₉₀, the standardized number of IRCA immigrants per 1,000 county inhabitants measured in 1990, interacted with P₈₈, an indicator that is zero for time periods on or before 1988 and 1 for periods after 1988. The outcome in panel (a) is total per 1980 capita intergovernmental revenue from state to local governments and in panel (b) it is total per 1980 capita intergovernmental revenue from federal to local governments. The analysis in sub-panels (a.1) and (b.1) are restricted to governors who are not lame-ducks while the analysis in panels (a.2) and (b.2) are restricted to state's with a lame-duck governor (i.e., ineligible for re-election due to term limits). “Leg R” is one if the state legislature is Republican or split. The regressions include county fixed effects and state-by-year fixed effects. They also include 1980 measures of county population, income, school-aged population (i.e., between 5 and 19), population that is poor as well as the white, black and Hispanic population size, each interacted with P₈₈. They also include the time-varying effect of counties with populations in the top 10 percentile of the population distribution. Standard errors are clustered at the county level and confidence intervals are drawn at 90 percent. All regressions are weighted by the size of the 1980 county population.

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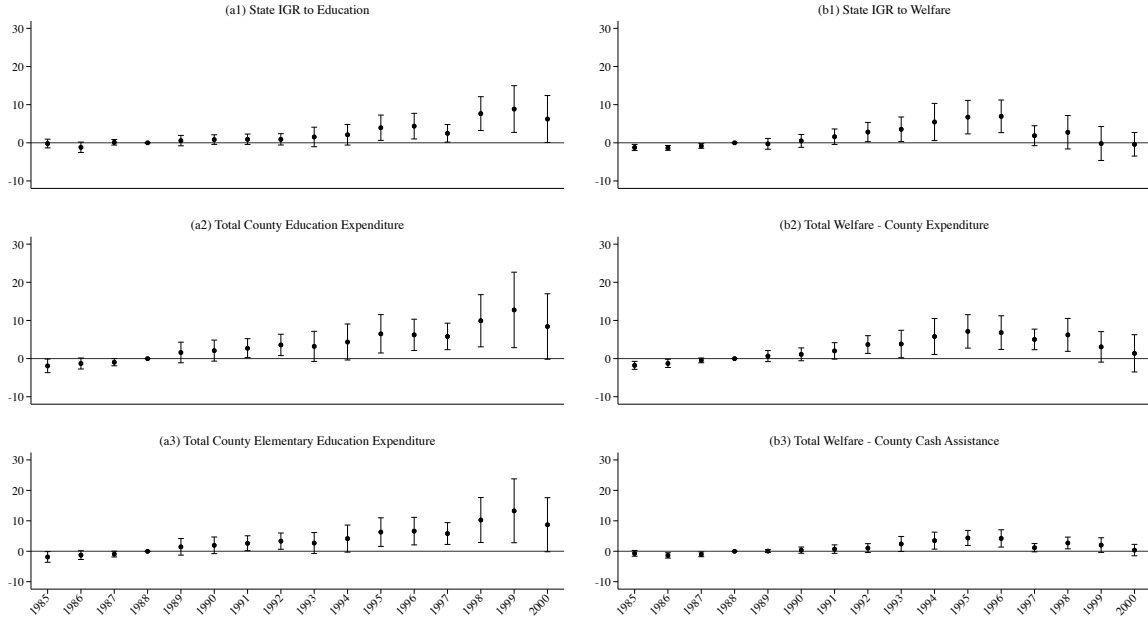


Figure C.2
IRCA and Trends in Per Capita IGR and County Spending

Notes: This figure plots the coefficient on IRCA₉₀, the standardized number of IRCA immigrants per 1,000 county inhabitants measured in 1990, interacted with time dummies. The outcome variable is total per capita intergovernmental revenue from state to local governments for education (panel (a1)) and for welfare (panel (b1)). In panels (a2), (a3) as well as (b2) and (b3) the outcome is per capita county spending on different categories, as labelled. The regressions include county fixed effects and state-by-year fixed effects. They also include 1980 measures of county population, income, school-aged population (i.e., between 5 and 19), population that is poor as well as the white, black and Hispanic population size, each interacted with P_{89} which is one for time periods on or after 1989 and zero before. Standard errors are clustered at the county level and confidence intervals are drawn at 90 percent. All regressions are weighted by the size of the 1980 county population.

D. IRCA and IGR in Counties with High Already Legal Populations

We demonstrate that the differential effect of the IRCA on political participation is stronger in counties with larger pre-existing Hispanic populations that are already legal. As explained in the main manuscript, we construct this measure by deducting the total number of IRCA applicants in a county from its 1980 Hispanic population, arguing that this difference represents a measure of the size of the “already legal” Hispanic population. In this Appendix, we demonstrate that our baseline results are observable only in the sample of counties with already-legal Hispanic population sizes above the sample-median. These results are reported in Table D.1. Column 1 reproduces the baseline estimate. In column 2, we restrict the sample to those counties with already-legal Hispanic population sizes above median. As shown, almost the entire effect is explained in this sample of counties. In column 3, we analyze the relationship of the IRCA with IGR in counties with smaller pre-existing Hispanic populations. As shown, there is a positive coefficient but it is not distinguishable from zero. These results are in line with the fact that political participation is also strongest in counties larger, pre-existing Hispanic populations.

Table D.1
IRCA and IGR in Counties with High and Low
Already Legal Hispanic Migrants

| | (1) Baseline Sample | (2) High Legal | (3) Not High Legal |
|---------------------------|---------------------------|----------------------|--------------------------|
| $IRCA_{90} \times P_{89}$ | 8.743*** (2.933) | 10.76*** (3.547) | 11.77 (7.450) |
| N | 35,349 | 19,813 | 15,502 |
| Clusters | 3,024 | 1,524 | 1,500 |
| \bar{Y}_{Pre} | 147 | 134 | 161 |
| [$S.D$] | [283] | [263] | [302] |

Notes: The outcome variable is per capita intergovernmental revenue (IGR) from state to local governments measured at the county level. $IRCA_{90}$ is the standardized number of IRCA immigrants per 1,000 county inhabitants measured in 1990. P_{89} is an indicator that is one for periods on or after 1989 and zero otherwise. All regressions include county fixed effects and state-by-year fixed effects. They also include 1980 measures of county population, income, school-aged population (i.e., between 5 and 19), population that is poor as well as the white, black and Hispanic population size, each interacted with P_{89} . Standard errors (in parentheses) are clustered at the county. All regressions are weighted by the size of the 1980 county population.

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.