Frozen or Malleable?
Political Ideology in the Face of Job Loss and Unemployment

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ABSTRACT

To what degree do people adjust their political ideology in response to job loss? To answer this question, we draw on Dutch panel data over the period 2007-2016, paying special attention to the potential moderating role of various personal circumstances. We find that, on average, job loss triggers a leftward ideological response. Although small in size, this shock effect persists when people remain unemployed or find new employment, yet in the longer run it wears off. Furthermore, we find that job loss prompts a bigger shift to the left when people are simultaneously confronted with a major drop in household income, when they have fewer financial resources to serve as a buffer, and when they are more pessimistic about the economy. While we also observe many people who revise their ideology to the right during our study window, these rightward shifts do not seem driven by job loss experiences.

Keywords: unemployment, ideology, Europe, political sociology, political economy.
JEL classification: I380, J640.

1. INTRODUCTION

The influence of economic hardship on people's lives, opinions and behaviors has recently attracted renewed attention in the aftermath of the Great Recession and following the advent of the "age of precarious labor" (Kalleberg 2001). Among other things, this has resulted in a growing body of research linking experiences of economic hardship to political views, in line

with the long-standing idea that economic circumstances and political preferences are closely intertwined (e.g., Hacker, Rehm, and Schlesinger 2013; Margalit 2013; Emmenegger, Marx, and Schraff 2015). Similarly, the linkage between economic hardship and voting behavior has also been subjected to renewed scrutiny (e.g., Fossati 2014; Emmenegger et al. 2015; Marx 2016; Häusermann, Kurer, and Wüest 2018).

Our study extends this line of research, focusing on political preferences as critical determinant of political behavior, and making three key contributions. First, we analyze rich panel data that enable us to link *within-individual* variation in economic circumstances to *within-individual* variation in political preferences. This signifies a valuable shift of perspective compared to previous work, which has mostly examined the relationships between economic circumstances and political views at a single point in time (e.g., Iversen and Soskice 2001; Hacker et al. 2013; Häusermann, Kurer, and Schwander 2015). By adopting a longitudinal approach, we follow several recent contributions to the literature (e.g., Margalit 2013; Owens and Pedulla 2014; Naumann, Buβ, and Bähr 2016). Yet, while those studies typically observe each individual two or three times, we exploit up to nine observations per individual, covering a ten-year period. As a consequence, we observe a greater number of people exposed to hardship, and we have more leverage to address whether any effects of hardship on political preferences are transient or persistent. Moreover, the time gaps between our measurements are shorter, namely only one year, compared to as many as five years in Naumann et al. (2016). This means that we can more closely track political preferences surrounding a hardship event.

As to our second contribution, we pay special attention to *variation* in people's political responses to economic hardship, observing that previous studies primarily focus on *average* effects, which may mask a large amount of underlying variation. In particular, we argue that the degree to which economic shocks give rise to shifts in political preferences will depend on the intensity of the shock involved. While this may appear a trivial point, it has been largely neglected in the extant literature on this topic. By contrast, our analyses address four key factors that determine the intensity of the experienced economic shock. First, we consider whether people are hit by a single shock or multiple at the same time (the "dosage"). Second, we take into account whether the hardship experience was already anticipated (the "surprise"). Third, we inspect how much financial resources households possess to cope with adversities (the "buffering capacity"). Finally, we consider people's outlook on the economy as an indicator of

how long they expect the effects of the economic shock to linger on (the "prospects"). By considering these four moderating factors, we gain a better understanding of how different responses to economic hardship are distributed across the electorate.

Our third contribution is that we look at political ideology and more specifically left-right ideology as measure of political preferences. In doing so, we deviate from most previous studies in this area, which consider attitudes toward redistribution, specific social protection schemes, or voting behavior as outcomes of interest. By instead looking at political ideology, we can obtain valuable new insights to complement earlier findings. Indeed, while earlier work has shown that economic hardship influences views on, for example, "government programs for helping the poor and the unemployed" (Margalit 2013:84) and "government's responsibility to provide unemployment benefits" (Naumann et al. 2016:86), it remains unclear whether bad economic times also shape more deeply ingrained ideological convictions. This lack of evidence is unfortunate, given that political ideology is widely regarded as a key construct for structuring political thoughts and beliefs, and given that it is often a stronger predictor of voting behavior than are specific issue positions (in Section A of the supplement to this paper we show that this also holds for the Netherlands, both across and within individuals).

Our empirical analyses cover the Netherlands and exploit high-quality panel data from the Longitudinal Internet Studies for the Social Sciences (LISS), comprising nine survey waves over the period 2007-2016. The LISS panel provides a unique opportunity to address our research questions, closely tracking left-right identification and economic circumstances for a large number of individuals. In terms of economic shocks, we evaluate the influence of job loss and unemployment – disruptive life events that are far-reaching enough to possibly elicit shifts in political preferences, whilst still affecting large swathes of society.

Our analyses yield novel insights that qualify existing knowledge about, firstly, the stability of ideologies and, secondly, the impact of economic hardship on political preferences. In particular, our findings underscore that, overall, left-right ideology exhibits a strong degree of stability within individuals, even when they are confronted with impactful events like job loss. However, ideology does not remain entirely "frozen" in the face of job loss and unemployment. Instead, we find that people tend to revise their ideology slightly toward the left upon losing their job. While this average effect is small (i.e., about 0.2 points on a 0-10 left-right scale), we

uncover substantial variation in people's ideological reactions to job loss, depending on the intensity of this event. That is, job loss triggers a bigger leftward move when it is accompanied by a major decline in household income, when people did not see it coming, when the household was already struggling to make ends meet, and when people are pessimistic about the economy. Especially the latter two factors are important moderators.

That said, although our findings suggest that the ideological effects of job loss persist in the short run – even when people find new employment – they also suggest that people eventually revert to their original ideology. This once again highlights the overall resilience of ideological loyalties. Finally, it is worth noting that, aside from people moving to the left or staying where they are, we observe a substantial number of people moving to the right of the ideological spectrum during our study window. Yet, as our analyses show, these rightward shifts do not seem the (direct) result of job loss and unemployment.

2. THEORY AND LITERATURE

Political ideology is understood as "an interrelated set of moral and political attitudes that possesses cognitive, affective, and motivational components… [which] organizes [people's] values and beliefs and leads to political behavior" (Jost 2006:653). Political ideology has often been approached using the left-right dimension, where the left stands for progressive values and redistributive policies, while the right represents conservative values and laissez-faire policies. The left-right cleavage ranks among the most potent drivers of political behavior, and guides citizens through the political information flow. In this regard, Inglehart and Klingemann (1976:244) argue that "the left-right dimension is more often than not used by political elites and mass communication to label the most important issues of a given era". De Vries, Hakhverdian, and Lancee (2013) substantiate this claim, showing that the meaning of the left-right dimension adjusts over time to the evolving salience of competing issues. The left-right dimension thus remains relevant as individual issues wax and wane. Fortunato, Stevenson, and Vonnahme (2016) demonstrate that the left-right metaphor is especially useful for understanding political processes in Western European democracies, with high levels of partisan left-right knowledge among voters.

It is commonly argued that symbolic attitudes such as ideological beliefs are deeply rooted in early-life socialization processes, exhibiting a strong degree of stability during adult life (Alwin and Krosnick 1991). As time passes by, ideological orientations are assumed to gain emotional strength and to become "frozen" as a result. Ideological labels such as "left" and "right" can thus become an important source of social identification, analogous to the role of partisanship in the American context. Based on such notions, we would expect that people's ideological attachments are largely immune to changes in their economic circumstances. This might partially reflect that people view their situation through "ideological lenses", which filter new information to fit in with pre-existing views (cf. Evans and Andersen 2006).

A competing school of thought, however, insists that ideological convictions remain "malleable" during adulthood. According to this "lifelong openness" model, adult learning often reinforces earlier adopted political views, but this is "in good measure because the life situations of most individuals remain fairly stable" (Miller and Sears 1986:234). Yet, the reasoning goes, when adults do experience significant life changes, this can stimulate them to revise their ideology. In this context, Gallego et al. (2016) show that regional migration can influence left-right ideology. Given the centrality of work and employment to people's lives, we argue that experiences of job loss and unemployment may well have a similar impact.

2.1. Moving left or moving right?

In terms of the direction of change, job loss would most plausibly shift people's ideology to the left. Applying the standard political economy logic, economic adversity represents a threat to people's material interests and can make them more reliant on public welfare schemes. From a material self-interest perspective, job loss thus alters what people stand to gain from redistribution and social protection policies as advocated by the political left (Iversen and Soskice 2001). Moreover, upon experiencing economic hardship, one may come to identify more closely with others in economically vulnerable positions, who will often support the left. Hence, there are both interest- and identity-based arguments for expecting political ideology to move to the left following job loss.

That said, there are several countervailing forces that might offset such leftward moves. First, job losers may not only have an interest in generous welfare schemes, but also in economic

growth and job creation – issues on which the political right often has a better reputation (Lachat 2014). Second, economic hardship may arouse entirely different concerns. Among other things, it is well-documented that people struck by economic adversity are often more hostile toward immigrants and ethnic minorities (Ceobanu and Escandell 2010). Such hostility may push people to the right of the ideological spectrum, as the political right usually takes a sharper stance against immigration and related matters. In line with this narrative, Lee and Roemer (2006) demonstrate for the US that pro-redistribution concerns and anti-minority concerns compete in voters' minds, and De Vries et al. (2013) conclude that anti-immigrant sentiments have gained importance vis-à-vis redistribution preferences for left-right identification in the Netherlands between 1980 and 2006.

Nevertheless, most empirical studies to date point to the leftward pressures that economic hardship exerts on political preferences (Hacker et al. 2013; Margalit 2013; Owens and Pedulla 2014; Emmenegger et al. 2015; Naumann et al. 2016). Margalit (2013), for example, finds that job loss is linked to a marked rise in support for welfare spending in the US (even though this attitudinal shift dissipates when people find new employment). Similarly, Owens and Pedulla (2014) find that becoming unemployed makes Americans more supportive of redistribution. Concerning the Netherlands, Emmenegger et al. (2015) show that cumulative labor market disadvantage is associated with stronger pro-redistribution preferences, making people more likely to vote for the left, and Naumann et al. (2016) conclude that job loss increases support for state-provided unemployment benefits. Naumann and colleagues suggest that this represents a permanent shift in attitudes that persists even when one's labor market situation improves again.

However, we need to bear in mind that all of these studies look at opinions on isolated issues such as welfare assistance, unemployment benefits, and income redistribution, with Emmenegger et al. (2015) also taking into account voting behavior. These outcomes are closely tied to contextual benchmarks such as current policy designs. Ideology, on the other hand, represents a more deeply ingrained and abstract concept, which mixes many ingredients and may be more resistant to change. Furthermore, most of the aforementioned studies are concerned with the *average* effects of economic hardship on political preferences. This focus may hide a great deal of meaningful variation in how people react to hardship events.

2.2 How hard are people hit?

Whether or not people revise their ideology in response to economic hardship likely hinges on the intensity of the experienced shock. If this merely represents a little ripple to one's life, it will probably not lead people to abandon the fundamental views that they adhere to. If the shock, on the other hand, represents a major life disruption, it could act as a later-in-life socialization experience that makes people reconsider their preferences, ideas, and loyalties. In this light, we distinguish four key factors that determine how hard people are hit by job loss.

First, it matters how much misery one is exposed to. We call this the *dosage* of economic hardship, reflecting that different job losers have to swallow a different dose of adversity. Sometimes people are only confronted with a single shock, but as Hacker et al. (2013) note, there are many instances in which multiple shocks coincide. If we fail to take this clustering into account, we may overestimate the ideological impact of a particular shock for some individuals, while underestimating it for others. More specifically, we argue that people are more likely to update their ideology when they are hit from multiple angles. For example, job loss may not immediately urge people to revise their ideological position as long as their partner is able to compensate for the lost earnings. Conversely, if one forms a single-person household or if there is no intra-household compensation, job loss will be a more consequential event, posing a direct threat to one's living standards. This will make ideological shifts more likely, as one now has a far greater interest in income redistribution and public safety nets.

A second factor is whether the shock was already anticipated. We call this the *surprise* dimension. In this context, there is extensive research showing that job loss can be a particularly unsettling experience when it comes as a surprise. Laurence (2015) demonstrates, for example, that unexpected job loss events lower individuals' generalized trust – a concept that is, similar to political ideology, believed to exhibit a strong degree of stability over the life course. Brand (2015:365), in turn, describes unanticipated job loss as a disruptive life event that calls for "personal reassessment in relation to individual values and societal pressures". The crucial condition for such reassessments to occur is that there is an element of surprise. Otherwise, one would have had more time to prepare and thereby dampen the eventual consequences of the shock. Furthermore, the reassessment process may have already started when adversity was looming. Relatedly, past experiences can also play a role. Clark, Georgellis, and Sanfey (2001),

for example, find that the negative impact of current unemployment on psychological well-being is weaker for people who already experienced earlier spells of unemployment.

The intensity of economic shocks is further shaped by the availability of resources to cope with adversity. We refer to this as households' *buffering capacity*. The idea is that ideological change is less likely when households are better able to cushion its consequences. Even if one is unexpectedly hit from multiple angles, this does not need to catalyze an ideological response as long as life can otherwise continue "as usual". In terms of resources that could soften the blow, we can think of factors that attenuate the socio-psychological ramifications of economic misery, but also private financial safety nets. On this topic, Hacker et al. (2013) observe that households that face the biggest economic risks often have the weakest financial buffers, as they are already under financial strain. When such households are subsequently confronted with job loss, this can be the gust that pushes them over the edge.

Lastly, the way in which people politically digest an economic shock may depend on how much of a cloud it casts over their future. We label this the *prospects* dimension, referring to the expected longer-term impact of a shock. In other words, is job loss merely a temporary hiccup or the beginning of longer-term suffering, and how long will it take to find new employment or recover one's income? The answers to such questions partly determine whether people are able to absorb the shock with private buffers or whether they need to turn to public support schemes. As such, prospects can act as a "transmission belt" between economic experiences and political preferences (Hacker et al. 2013). Barfort (2017) shows that political preferences are "forward-looking" in this respect: that is, strongly related to what individuals expect to be their interests in the future, but only weakly related to their current circumstances. Importantly, this reasoning is not based on "objective" prospects, but on the prospects as perceived by the affected individuals, which may reflect individuals' self-confidence as well as their forecasts about the economy.

3. EMPIRICAL SETTING, DATA AND METHODOLOGY

3.1 Political and economic context

The left-right dimension offers a valuable perspective on the Dutch political landscape over the period 2007-2016. This is illustrated in Figure 1, which plots the ideological positions of Dutch political parties along the left-right scale, alongside their views on two prominent policy themes (i.e., redistribution and immigration), based on the Chapel Hill Expert Survey (Bakker et al. 2015). As Figure 1 shows, parties are evenly spread across the left-right axis, with on each end a more extreme option (SP and PVV) and a more moderate, traditional party (PvdA and VVD). All of these parties are well-represented in parliament, making left-right distinctions clearly visible to citizens. Parties' views on redistribution and immigration are closely tied to their left-right positions, with broadly consistent rankings across both panels of Figure 1. In sum, and despite assertions that the rise of populist parties has challenged traditional left-right typologies, the left-right scheme remains highly relevant in the Netherlands. Fortunato et al. (2016) support this claim by showing that Dutch citizens are well able to rank parties along the left-right spectrum.

<INSERT FIGURE 1 HERE>

In terms of administration, our study window covers three governments. First, there was a center-left coalition ("Balkenende IV", consisting of CDA, PvdA and CU), which lasted from February 2007 to October 2010. Subsequently, a center-right coalition took over ("Rutte I", consisting of VVD and CDA, with PVV backing), which held office from October 2010 to November 2012. Both of these governments were dissolved before the end of their term, resulting in early elections, and after the last of those a "purple" coalition emerged ("Rutte II", consisting of VVD and PvdA), which served its full term from November 2012 until October 2017.[1] Our study window also witnessed the rise of Geert Wilders' populist party PVV, which received 6 percent of all votes at its first national election in 2006, followed by vote shares of 10 to 15 percent in 2010, 2012, and 2017. Despite some viewpoints that could be classified as left-wing (e.g., advocating a lowering of the retirement age), the PVV is generally considered right-wing, especially when it comes to immigration and related themes (see Figure 1).

With regard to the state of the economy, the period 2007-2016 comprised much economic turmoil in the Netherlands, including a recession that encompassed several years of negative growth and almost tripled the unemployment rate, from 2.8 percent of the labor force in 2008 to 7.4 percent in 2014. This increased the incidence of job loss and may have made shifts in

ideological attachments more likely. Nonetheless, OECD unemployment statistics show that the recession did not hit the Netherlands as rapidly as the US, where unemployment doubled within two years, or as hard as several Mediterranean countries, where unemployment rose to around 25 percent by 2012.

3.2. Data

We utilize panel data from the Longitudinal Internet Studies for the Social Sciences (LISS), a Dutch Internet panel survey that exists since 2007, administered by CentERdata at Tilburg University. The LISS panel is based on a probability sample of households drawn from the Dutch population register, and each month all household members (aged ≥16) are asked to complete a questionnaire. Each December the survey includes a "Politics and Values" module, of which we use nine waves over the period 2007-2016.[2] Recruitment for the LISS panel occurred via mail, phone and face-to-face visits, and households without an Internet connection were provided with a tailored computer. As a result, the panel is largely representative of the Dutch population, also concerning groups that are often underrepresented in Internet surveys. Around 50 percent of all sampled households joined the panel, with monthly individual-level response rates of 70-90 percent, and an annual individual-level attrition rate of 11 percent.

In total, there are 12,305 respondents to the "Politics and Values" modules over the period 2007-2016. Excluding cases with missing values, we are left with 9,868 respondents. When we subsequently drop all respondents that we only observe once, we have a panel sample of 7,388 individuals, whom we observe on average five times each. If we only include cases for which we know people's economic circumstances in the preceding year, the sample diminishes further to 6,345 individuals, for 29,603 person-year observations. Throughout our analyses, we successively consider all of these samples.

The LISS panel offers multiple key advantages for our analyses. First, its panel design enables us to track economic circumstances and political ideologies over time, facilitating more stringent tests of causal arguments than are possible with cross-sectional data. Second, the availability of up to nine observations per individual – vis-à-vis two or three for most previous longitudinal studies – provides ample leverage to assess whether hardship experiences leave only a temporary or an enduring mark on political views. Third, due to large sample sizes, we

can thoroughly study the effects of job loss, which is even during turbulent times still a rare experience. Fourth, we have access to rich background information on all respondents, allowing for careful analyses of the moderating mechanisms discussed earlier. Finally, the wave-to-wave attrition rate of 11 percent compares favorably to other studies, such as Margalit (2013) and Naumann et al. (2016), which face (average) wave-to-wave attrition rates of 49 and 50 percent, respectively. This makes our study less susceptible to attrition bias, which represents a pertinent threat given that panel attrition is likely related to economic hardship.[3]

3.3. Dependent variable

We measure political ideology using individuals' self-placement on a 0-10 left-right scale, which we treat as continuous. We rely on the following survey question: "In politics, a distinction is often made between 'the left' and 'the right'. Where would you place yourself on the scale below, where 0 means left and 10 means right?" Although studies have shown that the meaning of the left-right distinction has changed over time (De Vries et al. 2013) and differs across individuals (Bauer et al. 2017), as far as the present study is concerned, the challenges posed by these findings are limited. This is because our study covers a fairly compact time window, and variation in people's associations with "left" and "right" is mainly linked to factors such as education and cultural background (Bauer et al. 2017), which remain largely constant during adult life and are thus controlled for by the fixed-effects design of our analyses (see Section 3.6). Finally, Kroh (2007) shows that, among various left-right measures, the 0-10 version is most preferred, due to its large number of response options and the inclusion of an exact mid-point.

In our data, the left-right variable has a mean of 5.2, both when we consider all person-year observations and when we consider within-individual averages. A variance decomposition analysis reveals that about 75 percent of all variation in left-right scores reflects between-individual as opposed to within-individual variation. Figure 2 provides further details, with Panel A depicting the distribution of average left-right scores in our pooled cross-sectional sample, and Panel B plotting the distribution of wave-to-wave changes in left-right positioning in our panel sample. About 45 percent of all wave-to-wave observation pairs exhibit no change in left-right positioning, but if we consider the individuals that we observe at least four times, only 7 percent keep the same left-right position throughout their observation window, with 64

percent covering a range of two points or more. Overall, leftward and rightward shifts in ideology appear roughly equally prevalent.

<INSERT FIGURE 2 HERE>

3.4. Independent variables

Our independent variables relate to labor market status. First, we include a variable that distinguishes between employment, unemployment, and being outside the labor force (NILF). Second, we decompose this variable by people's labor market status one year earlier, based on the idea that the effect of, say, unemployment on left-right ideology may depend on whether one was previously employed, unemployed, or NILF. Through this decomposition, we obtain a nine-category variable that maps individuals' year-to-year trajectories between the three key labor market states. We are primarily interested in the comparison between moving from employment to unemployment (i.e., job loss) versus being continuously employed.

Table 1 presents relative frequencies for the labor market status and trajectory variables across all person-year observations, together with the share of respondents who at any point during their observation window experience a particular status or trajectory, and – conditional on that – how much of their time they spend in that status or trajectory. We also present the relative frequencies of different labor market trajectories given one's labor market status one year earlier. Table 1 shows that a sizeable number of individuals experience unemployment and job loss; more specifically, 637 individuals are at some point unemployed and 293 individuals experience a move from employment to unemployment.

<INSERT TABLE 1 HERE>

Figure 3 provides further background on labor market trends in the Dutch economy. This figure illustrates the unfolding of the recession in the Netherlands by showing trends in unemployment and job loss rates, based on official estimates as well as estimates derived from the LISS panel, which broadly mirror one another. As can be seen, unemployment has been on the rise since 2008, to flatten off and decrease only after 2013. The rise in unemployment occurred in two surges, which are also apparent in the job loss rates.

<INSERT FIGURE 3 HERE>

3.5. Control variables

Our analyses control for various factors that may influence the likelihood of different labor market trajectories (in particular job loss) as well as political views. First, we adjust for age (centered around its grand mean and rescaled to units of decades), including both a linear and quadratic term. Age is plausibly curvilinearly related to job security, with the risk of job loss initially dropping with age but picking up as one approaches retirement, while aging is also frequently linked to the adoption of more conservative political views (Glenn 1974). Second, we control for changes in marital and parental status (via a three-category indicator for being married, being separated, divorced, or widowed, or never having been married, and a dummy variable for whether one is a parent). This is because an event such as divorce represents a major life disruption which can make people more likely to lose their job, while simultaneously increasing the appeal of the left, as the prime protector of those experiencing family troubles. Similarly, the event of becoming a parent – and the responsibilities this brings – may urge people to sort into more secure jobs, thereby influencing their risk of job loss, while at the same time increasing their interest in more generous family-related policies as advocated by the left. Third, we control for educational qualifications (a four-category indicator for one's highest level of education). After all, additional qualifications could influence the likelihood of certain labor market transitions, by strengthening one's labor market position, as well as political views, whether it is through values conveyed via the education system or through peer group influences. Fourth, we control for shifts in health status (measured by self-rated health on a five-point scale from "poor" to "excellent", which we treat as continuous and center around its grand mean), given that health problems may increase the risk of job loss but also influence people's political leanings, in view of the left's commitment to providing for the sick and disabled through public welfare schemes. Fifth, we adjust for household income (net per month, logged and mean-centered), in order to examine to what extent any ideological effect of job loss merely resembles the influence of a decline in income or something more than that. Furthermore, the random-effects panel models that we present at the start of the results section control for gender, as men and women probably differ in terms of the likelihood of various labor market trajectories and their political views. In addition, some analyses contain a dummy

variable for whether someone has been unemployed before, to allow for a permanent shift in political ideology after a spell of unemployment. In the results section, we also introduce measures for the "dosage" and "surprise" of economic hardship and for households' "buffering capacity" and individuals' "prospects". Finally, all analyses include year fixed effects, to control for changes in the economy, the political climate, etc. See Section C of the supplement to this paper for descriptive statistics for all variables discussed in this subsection.

3.6. Method of analysis

Our core analyses exploit the panel structure of the LISS data through linear fixed-effects models that regress individuals' left-right self-placement on their labor market status or trajectory. In these models, the individual-specific fixed effects correct for all time-constant heterogeneity among individuals (Allison 2009). This ensures that the estimated associations between labor market states/trajectories and left-right ideology solely reflect *within-individual* relationships, with individuals effectively acting as their own controls. Our models thus control for the possibility that people who are more likely to end up in certain labor market states (or experience certain labor market transitions) have different benchmark ideologies. We additionally estimate cluster-robust standard errors, to correct for potential serial correlation of the errors within individuals.

This fixed-effects panel design represents a powerful strategy for isolating the causal effects of labor market experiences on political ideology, insofar as reverse causality plays no role – a plausible assumption – and there are no unobserved changes in people's circumstances that affect both their labor market status and political ideology – we believe to have controlled for the most obvious candidates. As such, our fixed-effects design provides a more stringent identification strategy than the strategies applied by earlier studies based on longitudinal data (e.g., Margalit (2013) estimates lagged dependent variable models, Naumann et al. (2016) estimate a variant of a two-wave change-score model), which can ultimately not isolate the *within-individual* effects of economic hardship.

4. RESULTS

In this section, we first examine how left-right ideology is on average linked to unemployment and job loss. Next, we address how ideological responses to job loss vary by the intensity of this event.

4.1. Moving left, right, or not at all?

Table 2 investigates the relationships between unemployment and left-right ideology, using random-effects and fixed-effects panel models. While the random-effects models exploit both between- and within-individual variation in labor market status and ideology, the fixed-effects models solely exploit within-individual variation (see Section 3.6).

<INSERT TABLE 2 HERE>

Model A in Table 2 shows that, compared to employment, unemployment is on average linked to somewhat more left-wing ideologies – an effect of 0.2 points on the 0-10 left-right scale. This gap largely remains when we include all control variables in Model B. In that model we observe that – *ceteris paribus* – women tend to be more left-wing than men, there is a U-shaped relationship between age and left-right ideology, higher levels of education are associated with more left-wing ideologies, higher household incomes are linked to more right-wing ideologies, married people tend to be more right-wing vis-à-vis single, separated, divorced, or widowed people, having children goes together with being more left-wing, and higher health scores are linked to more right-wing ideologies. Model C suggests that previous unemployment is associated with slightly more left-wing convictions (on top of any effect of current unemployment), but this association is only significant at the 10 percent level.

Shifting our attention to the results of the fixed-effects analyses, Model D in Table 2 demonstrates that also within individuals unemployment is linked to a stronger identification with the left – an effect of 0.15 points on the 0-10 left-right scale. This association persists when including all time-varying control variables in Model E. The size of the unemployment effect is bigger than the estimated impact of other major life events such as marriage dissolution or becoming a parent. However, the insignificant coefficient for having been unemployed before in Model F indicates that unemployment does not leave a permanent mark on people's

ideology. This finding stands in contrast to Naumann et al. (2016), who conclude that job loss gives rise to a permanent shift in political views.

In Table 3 we take into account prior labor market status. This enables a comparison between the ideological implications of continuous employment (E→E), continuous unemployment (U→U), job loss (E→U), and regaining employment (U→E).

<INSERT TABLE 3 HERE>

Table 3 demonstrates that the estimated ideological effects of different labor market trajectories are virtually identical regardless of whether we include the control variables. As it turns out, when people who were previously in continuous employment lose their job, they on average shift their ideology to the left by about 0.2 points (i.e., the effect of E→U vis-à-vis E→E). This can be interpreted as the immediate impact of job loss and unemployment.

Table 3 additionally shows that when people are in a situation of stable unemployment (U→U) or when they find new work after having been unemployed (U→E), their ideology is still somewhat more left-oriented than when they are in stable employment (E→E). This demonstrates that – beyond the immediate shock effect of job loss – there also seems to be a "learning effect", whereby job losers remain somewhat more left-wing as they stay unemployed or find new jobs. This result contradicts an earlier finding for the US by Margalit (2013), who concludes that increases in support for welfare assistance among job losers are short-lived, dissipating when circumstances improve again. Our finding for regaining employment in Table 3 also stands in contrast to the insignificant effect of prior unemployment in Model F of Table 2. Together these findings suggest that individuals eventually revert to their ideological benchmark after an unemployment spell, but that this process takes time.

In summary, Tables 2 and 3 reveal small but meaningful effects of job loss and unemployment on left-right ideology. On the one hand, the modest size of these effects supports the common portrayal of political ideology as being stable over the life course: even in the face of a highly disruptive event such as job loss, ideological beliefs appear rather resilient, with the average ideological response amounting to no more than 0.2 points on the 0-10 left-right scale. On a related note, the effect of job loss on ideology that we observe is also weaker than the effects

of job loss on more concrete policy views as reported in Margalit (2013), Owens and Pedulla (2014), and Naumann et al. (2016). However, we should bear in mind that, aside from the outcome variable, those studies differ from ours in terms of their country of focus, modelling strategy, and/or the time lags between observations.

At the same time, the modest ideological responses to job loss and unemployment that we observe are still meaningful. Indeed, their magnitude exceeds the estimated shifts in ideology following other major life events, such as changes in marital or parental status, or severe health or income shocks. Moreover, in light of the common portrayal of ideology as remaining stable over the life course, one might argue that finding *any* shifts in ideology in response to job loss and unemployment is already noteworthy. Another issue is that these small average effects may possibly mask a great deal of variation in people's ideological responses to job loss, with some people moving to the left, others to the right, and still others not moving at all. In the next section, we turn to exploring such effect heterogeneity.

4.2. Ideological updating and the intensity of job loss experiences

Because political ideology concerns deep-rooted beliefs, we expect that it takes a profound disruption of one's life to shake up one's ideology. In this section, we therefore differentiate job loss experiences by four factors that shape their intensity: the *dosage* and *surprise* of the shock, households' *buffering capacity*, and individuals' *prospects*. We rely on fixed-effects panel analyses similar to Model B in Table 3, adding – one at a time – interactions between our labor market trajectory indicators and these four variables. Figure 4 plots predicted left-right scores based on these analyses, focusing on the impact of job loss versus continuous employment. The underlying regression results are provided in Section D of the supplement to this paper and descriptive statistics for the moderator variables can be found in Section C of the supplement. Overall, Figure 4 demonstrates that – despite its small average effect – job loss prompts a more substantial ideological response depending on the circumstances one is in.

<INSERT FIGURE 4 HERE>

Panel A in Figure 4 addresses the influence of the dosage of adversity that people have to swallow when they lose their job. We investigate this by interacting our labor market trajectory

variable with an indicator for whether people experience a drop in household income of 25 percent or more. In our sample, 28 percent of all job losers face such an income shock. This percentage may seem low, but we should consider that unemployment benefits in the Netherlands amount to 70-75 percent of one's prior earnings for a period of three months up to three years, depending on one's employment history. Moreover, there may be intra-household compensation mechanisms in response to a job loss event (e.g., one's partner taking up employment or increasing their hours).

As Panel A shows, job loss has hardly any impact on political ideology when household income remains largely intact. On the other hand, it is associated with a significant pull to the left when people are simultaneously confronted with a major decline in household income. In the former case, the predicted shift in left-right ideology following job loss amounts to 0.14 points, in the latter case to 0.39 points, which is roughly twice the average impact of job loss estimated in Table 3.[4]

In Panel B of Figure 4 we consider how the impact of becoming unemployed varies by individuals' perceived risk of job loss when they were still employed. This taps into the extent to which job loss comes as a surprise. The perceived risk of job loss is measured for all employed individuals in June each year, using the question: "Do you think that there is any chance that you might lose your job in the coming 12 months? You can indicate this in terms of a percentage. 0% means that you are sure that you will not lose your job, and 100% means that you are sure that you will lose your job." For job losers, we take these scores from their last June interview prior to becoming unemployed.[5,6] On average, employed individuals who end up staying employed estimate their probability of job loss at 16 percent, while those who end up losing their job estimate theirs at 62 percent.

The converging lines in Panel B suggest that job loss is less likely to evoke ideological repositioning when it was already anticipated. When individuals are almost certain that they will lose their job, it does not matter for their ideology whether this expectation materializes. Conversely, for perceived job loss probabilities of up to 40 percent, the amount of ideological updating following job loss is comparable to the average effect of job loss estimated in Table 3. Altogether, however, the relatively flat lines in Panel B illustrate that the surprise factor is not particularly influential in shaping ideological responses to job loss.

In Panel C of Figure 4 we turn to households' capacity to cushion the consequences of job loss. More specifically, we examine whether the ideological impact of job loss varies by the degree of financial strain that households are under. We measure this using the following question from respondents' last June interview: "Can you indicate, on a scale from 0 to 10, how hard it is for you to live off your income?" This question is a useful indicator of how much resources households *have* in comparison to how much resources they *need*.[7,8] Job losers score on average 4.1 on this scale, vis-à-vis 3.2 for people in continuous employment.

It turns out that the degree to which job loss gives rise to ideological revisions strongly depends on households' financial situation. When households face no financial difficulties, the shock of becoming unemployed may be fairly smoothly absorbed, and people may feel little urge to revise their political convictions. This is what we see on the left-hand side of Panel C. By contrast, as households struggle more to make ends meet, job loss is accompanied by greater ideological adjustments. For households under maximum financial strain, job loss corresponds to a predicted left-right shift of as much as -0.7 points – almost four times the average impact of job loss estimated in Table 3. What is more, for households with a financial strain score of 6 or above (which covers more than 20 percent of all job losers and almost 10 percent of the continuously employed), the predicted left-right shift amounts to at least -0.37 points – about two times the average impact of job loss estimated in Table 3.

Panel D of Figure 4 illustrates how the effect of job loss on left-right ideology hinges on people's perceptions of their economic prospects. We approximate these perceptions using individuals' outlook on the economy, relying on a question from their most recent December interview, which asks them to rank their confidence in the economy on a scale from 0 to 10. This serves as a proxy for how job losers will view their future chances on the labor market and their prospects of prosperity more generally.[9] On average, people who lost their job during the preceding year have a slightly lower level of confidence in the economy (5.1) than those who remained employed (5.6).

Panel D demonstrates that confidence in the economy only has a modest impact on left-right ideology as long as people remain employed, but a steep gradient emerges when people lose their job. Becoming unemployed has the strongest leftward impact when one has no confidence

in the economy, with a predicted left-right shift of -0.77 points – about four times the average effect estimated in Table 3. Job loss will in that case signify the beginning of a longer period of joblessness. Also for people with more modest confidence levels, there remains a substantial leftward effect: for example, for those with confidence scores up to 4 (around 20 percent of the continuously employed and 26 percent of all job losers), the predicted left-right shift following job loss amounts to -0.32 or more. Conversely, when one has full confidence in the economy, job loss is even associated with a predicted shift toward the right. Under those circumstances, job losers may expect to swiftly return to work. This means that they have a smaller stake in generous social protection and are less likely to adopt a new social identity, but they may still feel attracted to rightist claims that, for example, blame their misfortune on too much immigration. Indeed, such right-wing sentiments can be considered more "affordable" when one has more confidence in the economy.

4.3. Switching ideological sides and attitudes to income inequality and immigration

In the analyses so far we have treated all shifts along the 0-10 left-right axis alike, making no distinction between 3-to-1, 6-to-4, or 9-to-7 shifts, to name a few. However, one may argue that equally large shifts carry a different meaning depending on where one is coming from. In particular, shifts whereby ideological boundaries are crossed (e.g., from the right to the left) could be considered more significant than equally large shifts whereby people stay on the same side of the ideological spectrum. Having established that job loss on average triggers a leftward shift in ideology, we explore in Figure 5 whether it also pushes people across ideological boundaries. This figure summarizes predictions from two random-effects multinomial logit models for whether people identify as leftist (left-right scores of 0-4), centrist (left-right score of 5), or rightist (left-right scores of 6-10), with one model for those who identified as leftist in the preceding year and one for those who used to identify as rightist.

<INSERT FIGURE 5 HERE>

As Panel A of Figure 5 shows, experiencing job loss makes left-wing people slightly less likely to move to the center or the right, and more likely to stick to the left. Conversely, as Panel B illustrates, among those who previously identified with the right, the experience of job loss makes them less likely to remain on the right and somewhat more likely to cross over to the

left. Hence, the patterns in Figure 5 suggest that losing one's job strengthens the ideological commitments of people who already identified with the left, while making people who used to identify with the right more likely to switch ideological allegiance. On a related note, additional analyses demonstrate that the predicted shift along the 0-10 left-right axis is roughly the same regardless of whether one previously resided on the left, the right, or in the center.[10,11]

In order to gain further insight into what it is that makes job losers more likely to move to the left rather than right, we have also replicated our main analyses while substituting left-right ideology as outcome variable by attitudes to inequality (respondents' views on whether income differences should increase or decrease, on a 1-5 scale) and immigration (an index based on respondents' opinions on five statements related to immigration). These analyses indicate that job loss and unemployment are generally related to a greater aversion to income inequality, both between and within individuals. On the other hand, there is no clear relationship with views on immigration. Therefore, in light of our earlier arguments that job loss and unemployment may increase support for redistribution but also intensify anti-immigrant sentiments, the former effect appears to outweigh the latter. See Section E of the supplement to this paper for a more detailed discussion of these analyses.

5. CONCLUSION

This study illuminates the economic underpinnings of political preferences, making three key contributions. First, we utilize high-quality panel data that cover many individuals and many observations per individual, thus facilitating a rigorous longitudinal assessment of the impact of job loss and unemployment on political preferences. Second, we propose an analytical framework that differentiates job loss experiences by their characteristics and implications, recognizing that the extent to which job loss will elicit political reactions plausibly depends on the intensity of this experience. Third, we shift the perspective from a focus on issue positions and voting behavior to political ideology, to assess whether adverse labor market experiences also leave a mark on these more deeply seated convictions.

Our analyses reveal that people on average shift their political ideology toward the left when they lose their job. Hence, as far as there are forces at play that push job losers to the right of the ideological spectrum, these forces appear trumped by other pressures that pull job losers to

the left. In this respect, our findings align well with those of other studies suggesting that, while the recent success of right-wing populist parties is fueled by *fears* of economic hardship, actual *experiences* of economic hardship rather prompt more leftward responses (e.g., Kurer 2018). This may reflect that actual experiences – as opposed to merely the fear – of hardship involve a more pressing need for social protection programs as advocated by the left.

That said, it is important to stress that the average effect of job loss on political ideology that we observe is small and seems to gradually wear off over time, even though this is not an overnight process. From this perspective, our findings have mixed implications for the question of whether ideology remains "frozen" or "malleable" during adulthood. On the one hand, we observe that political ideologies tend to be highly resilient in the face of economic hardship, but on the other hand, they are certainly not immune to economic pressures, as we document systematic – albeit modest – ideological adjustments following job loss experiences.

We furthermore demonstrate that the modest average effect of job loss masks a great deal of variation in how people react to labor market shocks. As it turns out, job loss has for many people hardly any impact on their political ideology, in line with the "frozen ideology" model. However, for others, ideology is not as resilient. In particular, we show that job loss provokes a stronger leftward response when it represents a more disruptive life event: that is, when people have to swallow a bigger dose of hardship, when they have fewer resources to cushion the shock, and when they are more cynical about their economic prospects. There is also evidence that job loss is associated with bigger ideological adjustments when it comes as a greater surprise, but this factor appears less consequential, especially compared to the role of buffering capacity and prospects. While such nuances have gone largely unnoticed in previous research, they signify important variation in how people politically digest economic shocks.

An alternative interpretation of these interaction effects is that, when people are in continuous employment, it does not matter much for their political ideology whether they face severe income shocks, how much financial strain they are under, or how they think the economy will evolve. Yet, when people lose their job, all of these factors gain salience. This underscores the nature of job loss as a critical life event that prompts people to reassess their beliefs and preferences. Likewise, it is worth stressing that the influence of job loss on ideology persists after controlling for household income. This suggests that the nexus between job loss and

political ideology is about more than money alone. Jahoda (1982) argues in this regard that employment represents a source of income, but also offers "latent benefits" such as a sense of identity and social status. As such, job loss not only entails financial troubles, but also has knock-on effects that may require a wider reorientation of one's place in society.

In terms of the broader political implications of our findings, additional analyses demonstrate that – to the extent that job loss experiences shift ideologies toward the left – they do not boost people's probability of voting for left-wing parties, at least not during our study window. Therefore, the electoral implications of our findings seem limited at best. The potential reasons for this discrepancy are manifold, ranging from the fact that we only observe small ideological adjustments among the majority of job losers to the plain reality that voting, although partially ideology-driven, is also shaped by all kinds of other factors, from the charisma of party leaders to strategic concerns. Moreover, it may be relevant that the PvdA (traditionally the largest party on the left in the Netherlands) was in government during most of our study window, co-designing many of the austerity policies that were implemented during this (post-)recessionary period. This may have left some job losers feeling abandoned by left-wing parties, making them less likely to convert any leftward shift in their ideology into a left-wing vote, instead casting a protest vote to an anti-establishment party or not voting at all (see also Emmenegger et al. 2015).

These speculations call for further research on the interplay between the effects of labor market shocks on political ideology, issue positions, and voting behavior, in order to better understand the ways in which such shocks influence different aspects of political preferences. In any case, even though the leftward influence of job loss on political ideology observed in this study is not mirrored by a similar effect of job loss on left-wing voting, we should remind ourselves that political ideologies remain a valuable study object in their own right, as indicator of undercurrents in the electorate that may shape political change in the longer run.

ENDNOTES

1. Although shifts in government might affect the influence of job loss on left-right ideology, we cannot tease out such effects in our analyses. Indeed, while job loss turns out to elicit larger

ideological adjustments during Rutte I and especially Rutte II, it is unclear whether these patterns are driven by the incumbent government or, for example, the state of the economy.

2. In 2014 no "Politics and Values" module was fielded. As a consequence, we do not know respondents' political ideology in 2014, yet we do know their background characteristics for that year.

3. In Section B of the supplement to this paper we explore selective attrition in the LISS panel. We find no relationship between left-right ideology and attrition. Conversely, we do find that attrition is linked to several of our independent variables, including labor market status. However, further analyses provide no evidence that our findings on the relationships between labor market status and left-right ideology are biased as a result.

4. These results are sensitive to the cut-off point used to define negative income shocks. When we instead choose 10 percent as cut-off, the interaction effect disappears. When we choose 40 percent as cut-off, few job losers remain who also experience a major negative income shock, resulting in very wide confidence intervals. We prefer 25 percent as cut-off level, as this is sufficiently high to possibly urge individuals to revisit their ideological beliefs, while still leaving a large number of individuals on either side of the cut-off.

5. Due to missing values for this variable, our sample of analysis shrinks to 27,226 observations for 6,214 individuals (decreases of 8.0 and 2.1 percent, respectively).

6. Our findings are similar if we operationalize the surprise factor by distinguishing between job losers displaced due to a company closure or reorganization and all other job losers. Compared to other forms of job loss, job displacement concerns a more exogenous and thus potentially more surprising event (Brand 2015).

7. This question is only asked to household heads and their partners. For other household members we set the financial strain variable equal to (the average of) the scores reported by the household head and/or their partner. Still, we are left with some missing values, implying that our sample of analysis shrinks to 26,938 observations for 6,178 individuals (decreases of 9.0 and 2.6 percent, respectively).

8. When this question is asked (in June), some job losers still have a job, whereas others have already entered unemployment. Nonetheless, in both scenarios people's answers are indicative of households' buffering capacity, and we obtain similar results if we use the lagged version

of this variable or lagged household income as alternative indicators of households' buffering capacity.

9. Due to missing values for this variable, our sample of analysis diminishes to 29,257 observations for 6,338 individuals (decreases of 1.2 and 0.1 percent, respectively).
10. We have furthermore investigated whether job loss may evoke a sense of ideological disorientation. This might, among other things, express itself in an increased probability of answering "don't know" or nothing at all to the left-right self-placement question. However, we find no evidence that losing one's job is associated with an increased likelihood of these response options.
11. We have also examined whether the ideological impact of job loss varies by age, finding that job loss elicits the biggest leftward shift for individuals aged over 55. This result contradicts classic socialization theories, which argue that people are most "impressionable" early in life, yet might reflect that re-entering the workforce is particularly challenging for the older unemployed, making job loss for them an event with bigger implications.

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Table 1: Descriptive statistics for labor market status and labor market trajectories

Independent variable	Percentage of person-year observations	Percentage of people who ever experience this status/trajectory	Percentage of time spent in status/trajectory, conditional on ever experiencing this status/trajectory	Relative frequency of trajectory, conditional on initial status (%)
Labor market status				
Employment	52.7	60.5	90.2	-
Unemployment	3.0	6.5	48.0	-
NILF	44.3	47.6	88.9	-
Labor market trajectory				
Continuous Employment	49.4	57.2	87.2	94.9
Employment → Unemployment	1.1	4.6	23.4	2.0
Employment → NILF	1.6	7.3	21.1	3.1
Unemployment → Employment	0.7	3.3	25.6	24.5
Continuous Unemployment	1.9	4.6	43.5	62.6
Unemployment → NILF	0.4	1.8	21.6	12.9
NILF → Employment	1.3	5.9	27.1	2.9
NILF → Unemployment	0.2	1.0	25.3	0.5
Continuous NILF	43.4	49.0	86.7	96.7

Notes: Statistics concerning labor market status are based on the pooled cross-sectional sample (N = 9,868, n = 38,548); statistics concerning labor market trajectories are based on the complete panel sample, including information on prior labor market status (N = 6,345, n = 29,603). Column 1 presents relative frequencies of every labor market status and trajectory, across all person-year observations. Column 2 presents the percentage of respondents who at any point during their observation window experience a certain status or trajectory. Column 3 presents the percentage of time individuals on average spend in a particular status or trajectory, conditional on spending any time in that status or trajectory. Column 4 presents the relative frequencies of each labor market trajectory conditional on initial labor market status.

Table 2: Labor market status and left-right ideology, random- and fixed-effects panel models

Left-right self-placement (0 = left, …, 10 = right)		**Model A** Random-effects b		SE	**Model B** Random-effects b		SE	**Model C** Random-effects b		SE	**Model D** Fixed-effects b		SE	**Model E** Fixed-effects B		SE	**Model F** Fixed-effects b		SE
Labor market status	Employed	base			base			base			base			base			base		
	Unemployed	-0.20	**	(0.05)	-0.17	**	(0.05)	-0.13	**	(0.05)	-0.15	**	(0.05)	-0.13	**	(0.05)	-0.10	†	(0.05)
	NILF	-0.04		(0.03)	-0.09	**	(0.03)	-0.09	**	(0.03)	-0.05		(0.04)	-0.04		(0.04)	-0.04		(0.04)
Female					-0.36	**	(0.04)	-0.36	**	(0.04)									
Age					-0.04	*	(0.02)	-0.04	**	(0.02)				-0.04		(0.08)	-0.04		(0.08)
Age ^{2}					0.04	**	(0.01)	0.04	**	(0.01)				0.01		(0.01)	0.01		(0.01)
Subjective health																			
Educational attainment	Lower sec. or less				base			base						base			base		
	Higher sec./Lower voc.				-0.12	**	(0.05)	-0.12	**	(0.05)				-0.03		(0.09)	-0.03		(0.09)
	Higher vocational				-0.25	**	(0.05)	-0.25	**	(0.05)				0.03		(0.11)	0.03		(0.11)
	University				-0.52	**	(0.06)	-0.52	**	(0.06)				-0.16		(0.12)	-0.16		(0.12)
Log hhld income					0.15	**	(0.02)	0.15	**	(0.02)				0.09	**	(0.03)	0.09	**	(0.03)
Marital status	Married				base			base						base			base		
	Sep./Div./Wid.				-0.17	**	(0.05)	-0.17	**	(0.05)				-0.11	†	(0.06)	-0.11	†	(0.06)
	Never married				-0.31	**	(0.05)	-0.31	**	(0.05)				0.01		(0.08)	0.01		(0.08)
Children at home	None				base			base						base			base		
	Any				-0.09	**	(0.03)	-0.09	**	(0.03)				-0.05		(0.05)	-0.06		(0.05)
Subjective health					0.03	*	(0.01)	0.03	*	(0.01)				0.00		(0.01)	0.00		(0.01)
Unemployed before								-0.09	†	(0.05)							-0.08		(0.06)
Constant		5.21	**	(0.03)	5.60	**	(0.05)	5.60	**	(0.05)	5.21	**	(0.03)	5.23	**	(0.09)	5.24	**	(0.09)
Number of observations (n)		38,548			38,548			39,548			36,068			36,068			36,068		
Number of individuals (N)		9,868			9,868			9,868			7,388			7,388			7,388		

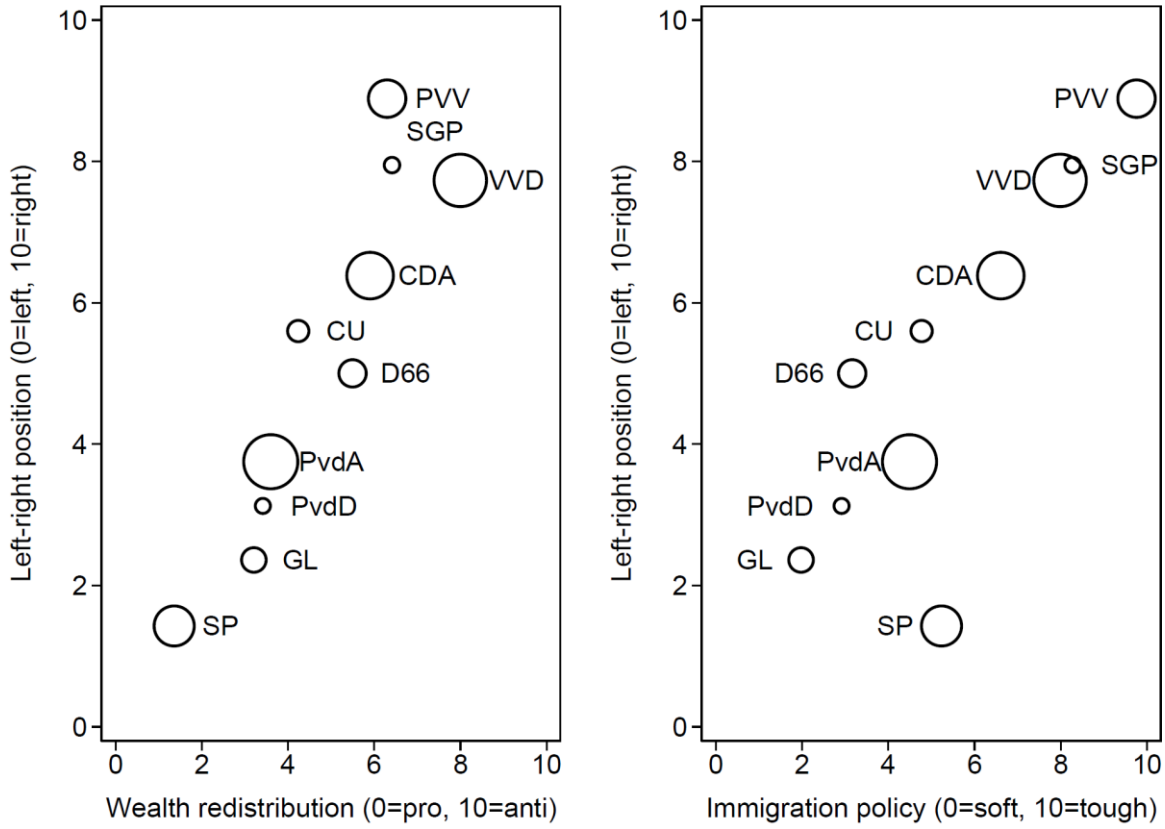
Note: All models include year fixed effects. Each column presents regression coefficients and cluster-robust standard errors (in parentheses). ** p<0.01, * p<0.05, † p<0.10.

Table 3: Labor market trajectories and left-right ideology, fixed-effects panel models

Left-right self-placement (0 = left, …, 10 = right)		**Model A** Fixed-effects b		SE	**Model B** Fixed-effects b		SE
Labor market trajectory	E → E	base			base		
	E → U	-0.20	**	(0.07)	-0.18	**	(0.07)
	E → N	-0.07		(0.06)	-0.07		(0.06)
	U → E	-0.17	†	(0.10)	-0.17	†	(0.10)
	U → U	-0.15	†	(0.08)	-0.13	†	(0.08)
	U → N	-0.12		(0.12)	-0.12		(0.12)
	N → E	0.01		(0.07)	0.00		(0.07)
	N → U	-0.30	†	(0.17)	-0.29	†	(0.17)
	N → N	-0.01		(0.05)	-0.02		(0.05)
Age					-0.12		(0.09)
Age ^{2}					0.02	†	(0.01)
Educational attainment	Lower sec. or less				base		
	Higher sec./Lower voc.				-0.12		(0.12)
	Higher vocational				-0.10		(0.13)
	University				-0.39	**	(0.14)
Log hhld income					0.09	**	(0.03)
Marital status	Married				base		
	Sep./Div./Wid.				-0.10		(0.06)
	Never married				0.03		(0.10)
Children at home	None				base		
	Any				-0.04		(0.05)
Subjective health					0.00		(0.02)
Constant		5.16	**	(0.03)	5.24	**	(0.10)
Number of observations (n)		29,603			29,603		
Number of individuals (N)		6,345			6,345		

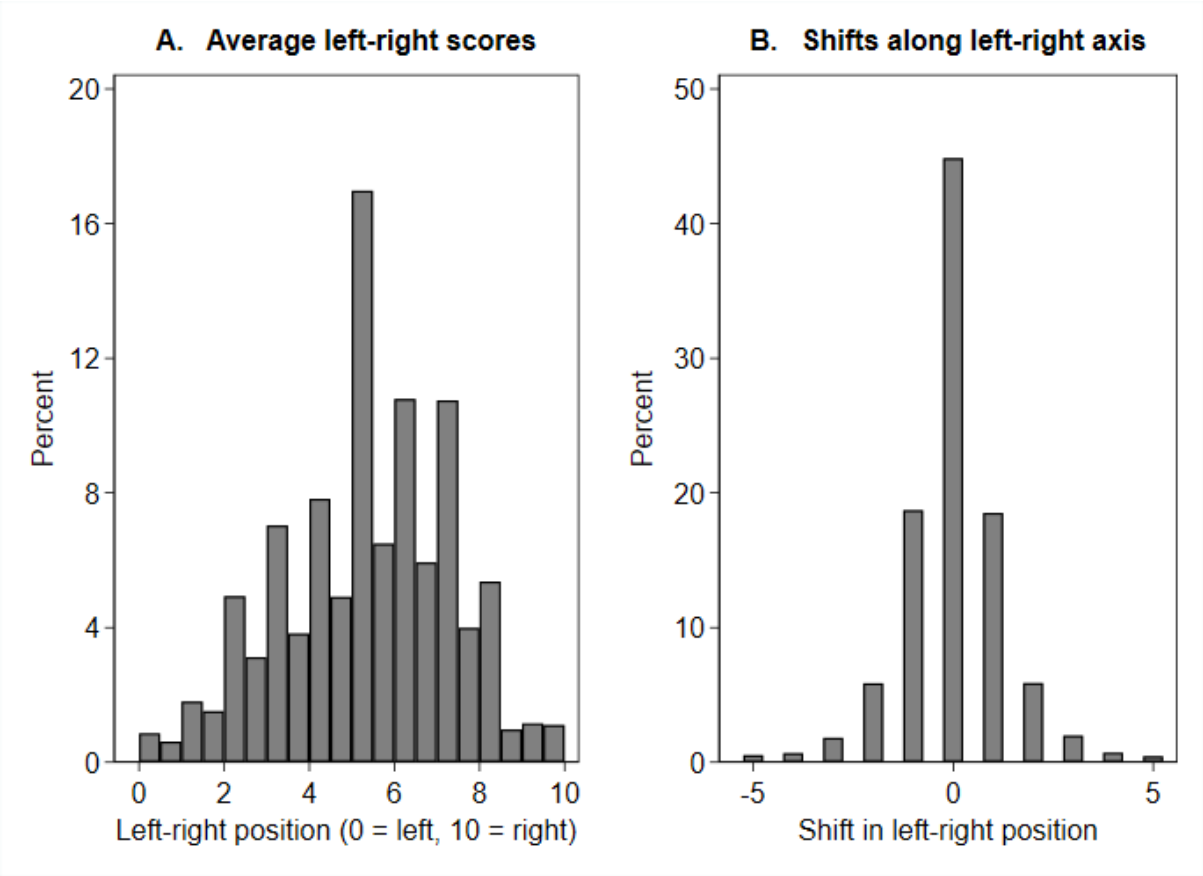
Notes: Both models include year fixed effects. For the labor market trajectories, E refers to employment, U to unemployment, and N to not in the labor force. For each predictor we present regression coefficients and cluster-robust standard errors (in parentheses). ** $p<0.01$, * $p<0.05$, † $p<0.10$.

Figure 1: Parties' left-right positions and their views on redistribution and immigration



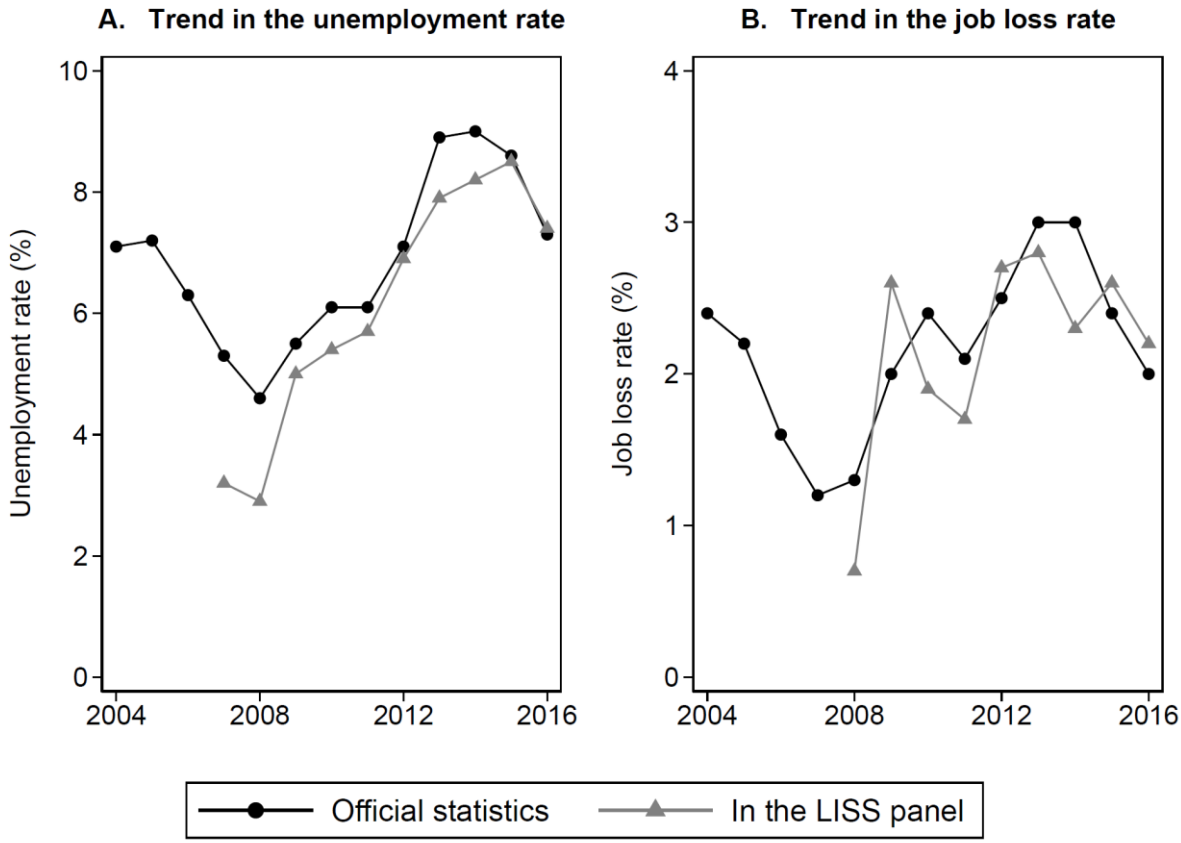
Notes: Data are from the Chapel Hill Expert Survey and obtained via http://chesdata.eu/. We plot the average scores across the 2006, 2010, and 2014 editions of the survey. For the SGP and PvdD no scores are available for 2006. The size of each circle is based on the average vote share of each party across the general elections of November 2006, June 2010, and September 2012.

Figure 2: Distributions of average left-right scores within individuals and wave-to-wave changes in left-right self-placement



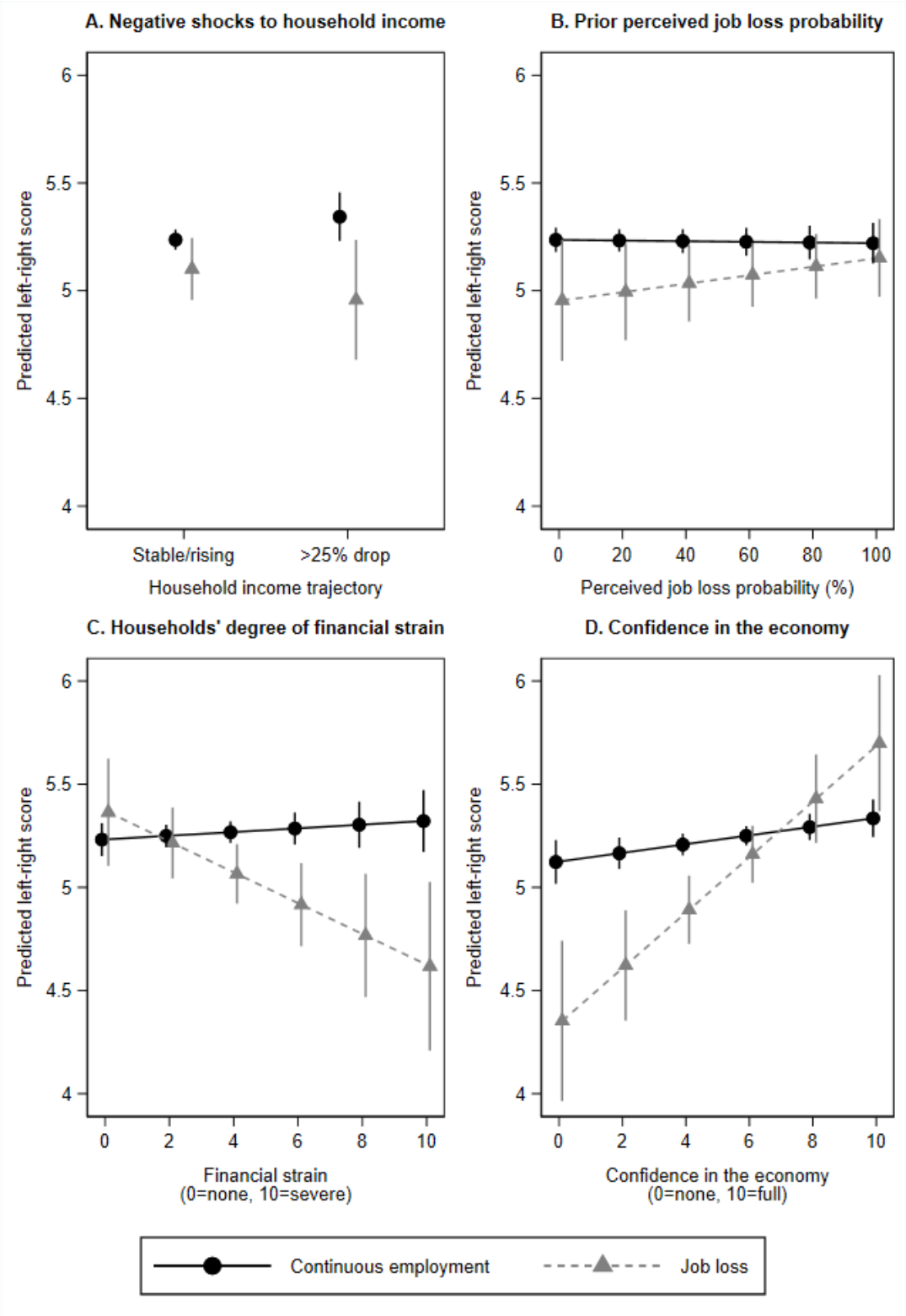
Notes: Panel A covers all 9,868 individuals in our pooled cross-sectional sample. Panel B covers 28,680 observation pairs across the 7,388 individuals that we observe more than once. Panel B excludes all observation pairs with a shift in left-right self-placement larger than five points (0.7 percent of all observation pairs).

Figure 3: Labor market trends in the Netherlands, official statistics and in the LISS panel



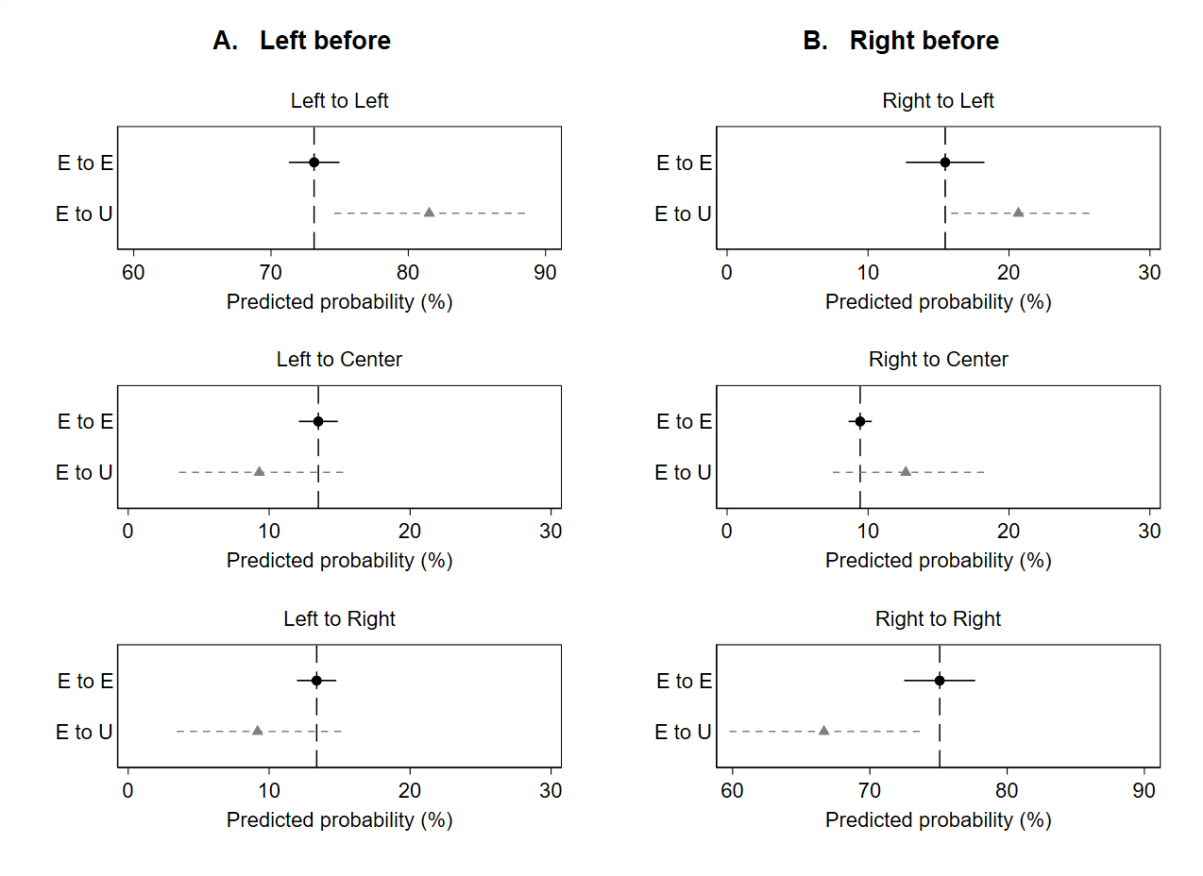
Note: The official statistics are obtained from Statistics Netherlands (statline.cbs.nl).

Figure 4: Predicted left-right self-placement (0 = left, 10 = right), interactions between job loss and various moderating circumstances



Notes: Whiskers depict 95 percent confidence intervals. The regression results from which these predictions are derived are presented in Section D of the supplement to this paper. The underlying regressions include all time-varying controls as well as year fixed effects.

Figure 5: Predicted probabilities of identifying as leftist, centrist, or rightist, by prior ideology



Notes: Whiskers depict 95 percent confidence intervals. The dashed lines mark the predictions for continuously employed individuals. E refers to employment and U to unemployment. Individuals with left-right scores of 0-4 are classified as leftist, those with left-right scores of 6-10 as rightist, and those with a left-right score of 5 as centrist. The underlying regressions include all control variables as well as year fixed effects.