

Partisan Priorities: The Impact of Political Governance on Education and Defense Spending in U.S. States

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ABSTRACT

This paper investigates the association between political governance and budgetary allocations to education and defense across U.S. states between 2016 and 2020. Drawing on panel data covering multiple dimensions of political control—namely, party affiliation, administrative alignment, and continuity in governance—it seeks to understand how these factors shape fiscal priorities. We find that states governed by Democrats consistently allocate a higher share of their budgets to education relative to defense. However, administrative alignment across the executive and legislative branches does not appear to significantly affect the education-to-defense spending ratio. Furthermore, continuity in party control over time, especially under Democratic leadership, is associated with a stronger emphasis on education. While many of the observed differences are not statistically significant, the trends suggest consistent ideological orientations shaping fiscal decisions. These findings contribute to the broader literature on political economy by highlighting how partisan governance and institutional continuity influence public expenditure priorities. The results hold implications for long-term socioeconomic outcomes, especially in the context of human capital development and strategic policy planning.

Keywords: government type, democrat, republican, education, defense

1. Introduction

The allocation of public funds is inherently political, reflecting the ideological leanings and policy priorities of those in power. In the United States, where states wield considerable autonomy over budgetary decisions, the political composition of state governments provides a valuable lens through which to understand fiscal behavior. Previous research has documented partisan differences in spending priorities, often pointing to Democratic administrations' preference for welfare and education spending and Republican tendencies towards lower taxation and stronger defense funding. However, much of this work either focuses on federal-level data or

narrowly examines executive leadership without accounting for broader administrative configurations.

This study builds on existing literature by examining how three dimensions of political governance—party affiliation, alignment between branches, and continuity over time—affect state-level budget allocations to education and defense. We construct a panel dataset spanning 2016–2020, incorporating gubernatorial and legislative data across all U.S. states and categorizing them by party control. This period includes two presidential and one midterm election cycles, offering a rich context to assess how changing political landscapes influence budgetary priorities.

Our analysis proceeds in three stages. First, we compare the education-to-defense spending ratios of Democratic and Republican-led states. Second, we evaluate whether alignment across executive and legislative branches correlates with fiscal preferences. Third, we analyze the impact of continuity in political control on spending patterns. While many results are statistically insignificant, notable trends emerge, particularly the consistent preference for education spending under Democratic control. These patterns offer meaningful insights into how political ideology manifests in budgetary decisions and the potential long-term implications of these choices.

2. Literature Review

Our research builds on existing studies examining the relationship between political governance and human capital investment in the United States. Matching gubernatorial election data with state Government finance data from the U.S. Census Bureau for 1960–2012, Beland and Oloomi (2017) find that in states under Democratic governors, a larger share of the budget is allocated to education, health/hospitals, and public safety sectors, in comparison to those states under Republican governors. However, the political affiliation of governors was only found to impact the allocation of state expenditures, not total spending. In another study by Botzen et al. (2016), it is revealed that beliefs pertaining to climate change differ among political liberals and conservatives in America. Whether it is investing in individual flood protection measures or energy efficient technology, they find that Democrats are more likely to enact legislation for environmental protection. Although important environmental legislation was passed by Republican administrations in the 1960s and 70s, the findings of the study suggest that broadly, Republican governors are more inclined to dismiss climate-related concerns and support minimal environmental regulation. Potrafke (2017) argues that while data indicates a higher economic growth rate in the US under Democratic presidents compared to Republican ones, a causal relationship cannot be established. Also, it reveals that while the impact of government ideology on economic policy-making is minimal at the local level, ideology-influenced policies do exist at

the state level. Wang (2023) finds that although the ideological orientation of governors did influence their policy-response to the COVID-19 pandemic, the impact of this factor is overemphasized. An analysis of the policy-decisions for stay-at-home orders reveals that more than the governor's partisanship, it was the severity of the problem and the availability of public health resources which produced a stringent policy outcome. In a similar study on the effects of the pandemic, Roy (2021) explores the relationship between political affiliation and the response to COVID-19. She hypothesized that Republican-governed counties invest less in public health, potentially leading to higher case fatality rates (CFR). However, using a four-tiered regression model, she found that health expenditure is not a channel through which Republican voting affects CFR. Beland (2015) finds that under Democratic governors, blacks are more likely to work arduously and participate in the labour market, resulting in an increase in the number of annual hours worked relative to whites and a decrease in the racial earnings gap between black and white workers. Gerber and Hopkins (2011) hypothesize that the impact of mayoral partisanship on city policy is greater in areas where there is less shared authority between local, state and federal governments. Additionally, they find that in cities under Democratic mayors, the percentage of funds spent on public safety is smaller compared to those under Republican or independent mayors. Wang and Warren (2013) reveal that a governor's eligibility for re-election significantly influences the state tax policies they implement. Accordingly, re-electable democratic governors raise income taxes more than similarly situated Republicans, but term limits reverse this trend, narrowing policy differences. Albouy (2009) finds that majority-party districts receive greater federal funding. It further finds that states represented by Republicans receive more for transportation and defense, while those represented by Democrats receive more for education and urban development. Pettersson-Lidbom (2008) applies a regression-discontinuity design to evaluate the impact of party control on economic outcomes using Swedish local government data. The findings suggest that left-wing governments exhibit 2-3% higher spending and taxation compared to right-wing administrations, and also achieve 7% lower unemployment.

Our paper is different from the existing literature as it evaluates the impact of different forms of governance, such as legislative control, government party and state control, on education and defense spending. We also evaluate the impact on education and defense spending when the three forms of governance do not align with each other. In addition, the paper incorporates rich panel data on all three parameters in consideration (type of governance, education, and defense spending), across all states in the United States over 5 years, covering two presidential elections and one midterm election.

3. Data

This study draws on panel data from multiple publicly available sources to examine the relationship between political governance and budgetary allocations to education and defense across U.S. states. The analysis covers all 50 states over a five-year period, from 2016 to 2020, allowing for both cross-sectional and temporal variation in political control and spending patterns.

Education expenditure data were sourced from the *National Center for Education Statistics (NCES)* administrative data portal. The data provide detailed state-level expenditure information on public education, enabling the computation of annual education spending for each state across the period of analysis.

Defense expenditure data were obtained from the *U.S. Department of Defense Office of Local Defense Community Cooperation (OLDCC)*, specifically from the "Defense Spending by State" dataset. Historical spending trends for defense-related budget allocations from 2016 to 2020 by state are accessible within the archived dataset.

Data on political governance—including legislative, government, and state control—were compiled from the *National Conference of State Legislatures (NCSL)*. This resource offers yearly updates on partisan control at the state level, allowing us to classify states by type of governance (Democratic, Republican, or Mixed), degree of alignment between executive and legislative branches, and continuity in party control over time.

The resulting dataset incorporates three key political variables—governing party, administrative alignment, and continuity of control—matched with corresponding education and defense expenditure data for each state-year observation. This integrated panel structure allows us to evaluate not only static differences in spending by political affiliation, but also dynamic trends over time and under varying configurations of political governance.

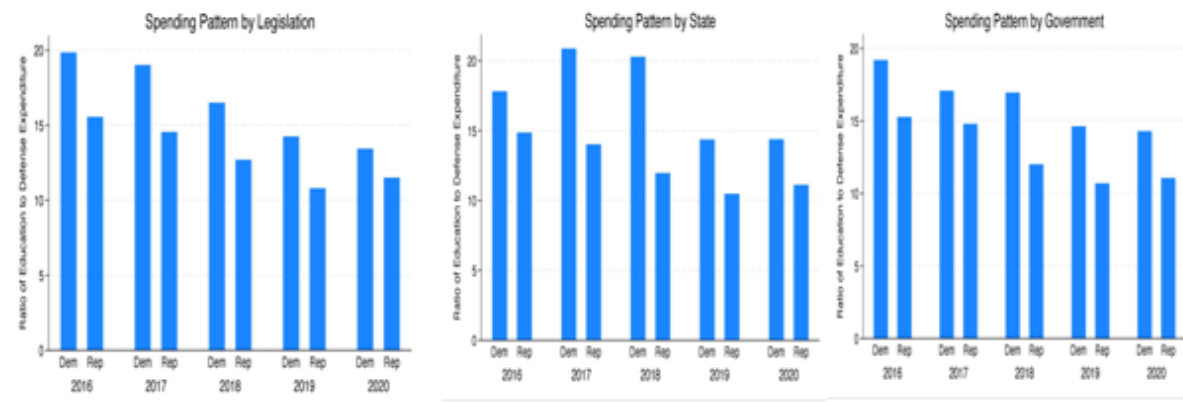
4. Results

This section presents empirical findings on the relationship between political governance and state-level budgetary allocations to education and defense from 2016 to 2020. Using data disaggregated by political party control, administrative alignment, and continuity of governance, we examine how these dimensions influence the ratio of education to defense spending. While not all results yield statistically significant differences, they reveal consistent patterns that reflect the ideological underpinnings of state-level fiscal priorities. The analysis proceeds in three parts, each corresponding to a specific aspect of political governance,

4.1. Partisan Difference in Education and Defense Budget by Administration

Figure 1 presents the average ratio of education to defense spending, categorised by the political affiliation of the governing party (Democratic or Republican) over the period 2016–2020. Each bar represents the mean spending ratio for states under a particular political control.

Figure 1: Education-to-Defense Spending by Administration Type

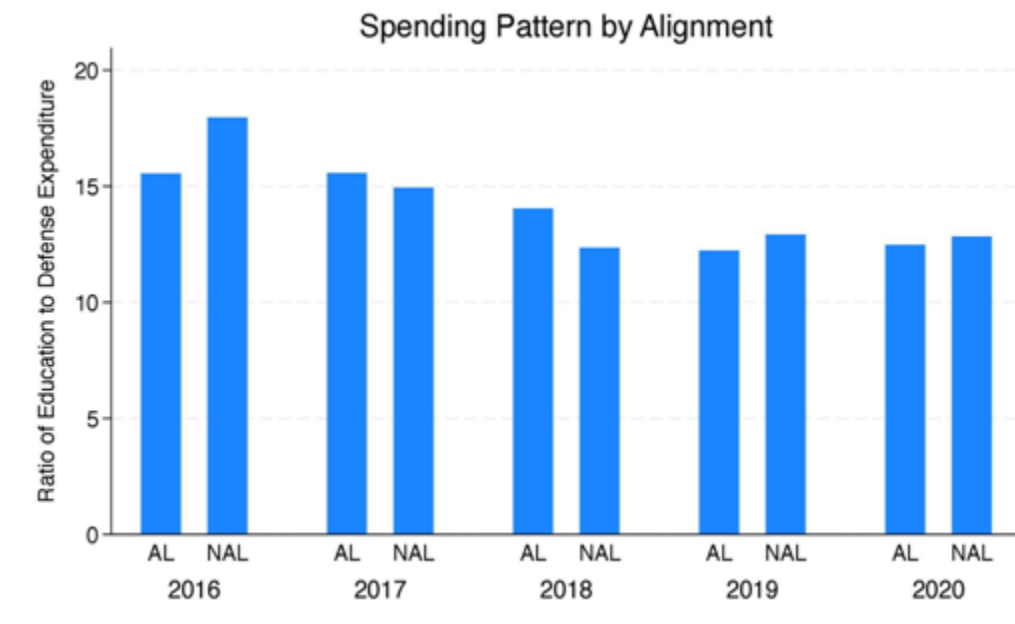


The results suggest a discernible association between the governing party and budgetary allocation priorities, with Democratic-led governments exhibiting a higher average education-to-defense spending ratio compared to their Republican counterparts. While the difference is statistically significant only for the year 2018 (p-value <0.10), the Democrats consistently spend more on education than on defense. This difference is particularly perceptible for state administration. Nevertheless, this pattern implies that Democratic state governments, on average, allocate a greater proportion of their budgets toward education relative to defense, whereas Republican-led states exhibit a comparatively lower ratio, reflecting a greater emphasis on defense spending.

4.2. Administrative Alignment and the Effect on Fiscal Priorities

Figure 2 presents the average ratio of education to defense spending, categorised based on administrative alignment. An aligned administration refers to a situation wherein the same political party (Democrat or Republican) holds legislative control, government party, and state control in a particular state in a given year, whereas non-aligned means these are held by different parties. Each bar represents the mean spending ratio for states with either an aligned or non-aligned administration.

Figure 2: Education-to-Defense Spending by Alignment of Political Administration

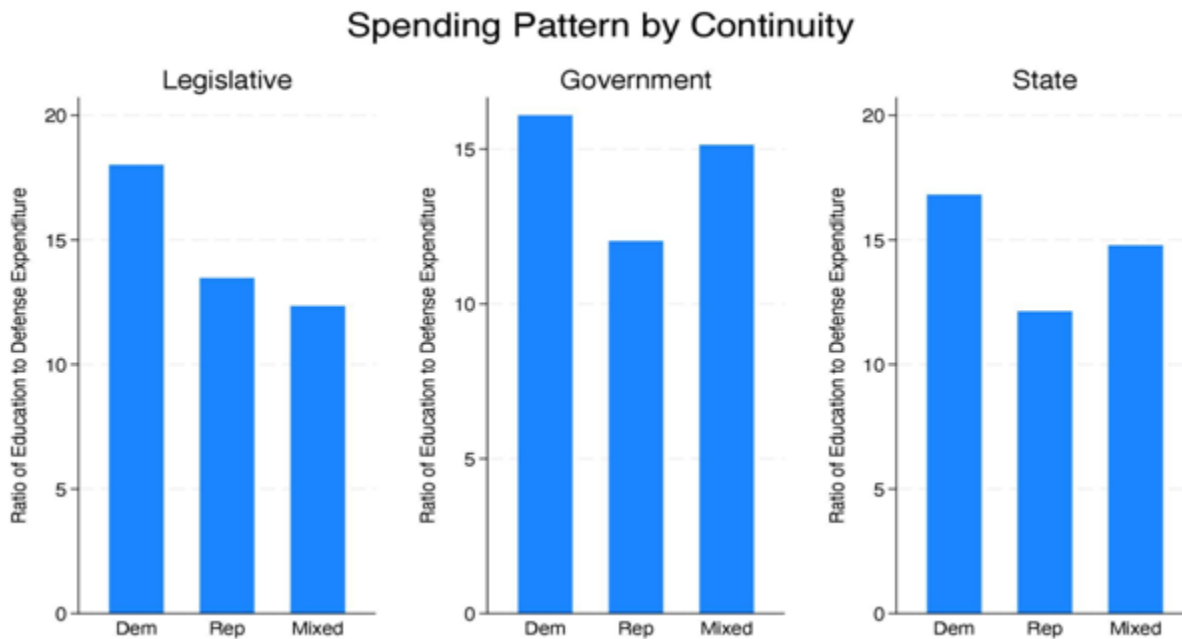


The results suggest no discernible association between administrative alignment and the ratio of education to defense expenditure as this varies across the years examined. For instance, while in the year 2016, non-aligned administrations exhibited a higher average education-to-defense spending ratio (17.97), compared to their aligned counterparts (15.5), this was not the case in 2018 where the ratio was considerably higher for aligned administrations. However, in both 2016 and 2018, the p values are 0.5184 and 0.5564 respectively (p-values > 0.10), suggesting that these differences are not statistically significant. This lack of statistical significance persists across all years examined, as indicated by the consistently high p-values. Nevertheless, the pattern suggests that although yearly differences are observed, they do not follow a consistent trend over time. Consequently, it cannot be ascertained whether alignment of administrations, on average, may associate with spending in the education and defense sectors.

4.3. Continuity in Political Control and Long Term Budget Allocation Trends

Figure 3 presents the average ratio of education to defense spending, categorised based on the continuity of different forms of government. Continuity is defined as a scenario in which a single political party (either Democrat or Republican) maintains legislative control, government party or state control throughout all the years examined (2016-2020). Each bar represents the mean spending ratio for states with continuity in each of the three forms of political control mentioned above.

Figure 3: Long-Term Impact of Continuity in Political Administration on Education-to-Defense Spending



The results suggest a discernible association between the continuity of a political party and budgetary allocation priorities. States where Democrats hold legislative control, government party, and state control exhibit a higher average education-to-defense spending ratio than states that are Republican-led or mixed across all three forms of political control. This difference is especially pronounced in legislative control, where the mean spending ratio for Democrats (18.010) significantly exceeds that of Republicans (13.465) and mixed control (12.342). That said, these differences aren't statistically significant as indicated by the high p values ($p > 0.1$). Additionally, among states with continuity in political control, Republican-led states have a higher mean spending ratio than mixed-control states under legislative control. However, this trend reverses for government party and state control, where mixed-control states consistently allocate a greater share to education relative to defense than their Republican-led counterparts.

5. Conclusion

This study offers empirical evidence on how political governance shapes public expenditure priorities in U.S. states, with a particular focus on education and defense spending. Across multiple years and various dimensions of political control, we find that Democratic-led states consistently allocate a higher proportion of their budgets to education relative to defense than Republican-led states. This finding aligns with longstanding ideological distinctions in American

politics, where Democrats are generally more inclined towards human capital investment. Although the differences are not always statistically significant, the consistency of the trend underscores the salience of partisan ideology in fiscal policy-making.

The analysis also shows that administrative alignment—wherein the same party controls the executive and legislative branches—does not significantly influence the education-to-defense spending ratio. This suggests that party identity may matter more than structural alignment in determining budgetary priorities. However, continuity in political control over time appears to have a stronger relationship with fiscal choices, especially in states with sustained Democratic governance, which show the highest education-to-defense ratios. Interestingly, mixed-control states often fall between Democratic and Republican extremes, pointing to a moderating effect of divided governance.

These results have broader implications for policy design and political strategy. In an era where state governments are increasingly central to delivering key public services, understanding how political variables shape budgetary outcomes is essential. The observed trends suggest that long-term investment in education may depend on sustained Democratic governance or bipartisan consensus on the value of human capital development. Future research could extend these findings by exploring causal mechanisms, incorporating more granular expenditure categories, or analyzing policy impacts on educational and economic outcomes. Ultimately, the study underscores the importance of political ideology and institutional continuity in shaping the contours of state-level public finance.

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