

# God Politics

Jeanet Sinding Bentzen<sup>\*1</sup> and Lena Lindbjerg Sperling<sup>2</sup>

<sup>1</sup>University of Copenhagen, CEPR

<sup>2</sup>Thinktank DEA

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## Abstract

Can policies shape personal values and beliefs? To examine, we exploit the staggered introduction of the faith-based initiatives across US states. These policies were initiated in the 1990s by conservative Protestants and included reduced regulations for faith-based organizations and increased collaboration between the state and the faith-based community. Using a difference-in-differences setup, we document that the initiatives strengthened religiosity and conservative-religious social views, such as attitudes against homosexuals, working women, and abortion. These effects are evident in actual outcomes, including the enactment of laws restricting the rights of homosexuals and increased gender gaps. We find no systematic differences prior to implementation and results persist when restricting comparison to contiguous counties. The effects are mainly observed among conservative Protestants, while beliefs of the remaining population are unaffected or in some cases exhibit a backlash. By analyzing one million nonprofit organizations, we identify that a notable factor contributing to these effects is the rise in the quantity of faith-based organizations. The faith-based initiatives appear to have facilitated the establishment of faith-based organizations with strengthened associated values as a result.

**Keywords:** Religion, social views, policy, legislation, evangelicals, staggered roll-out.

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# 1 Introduction

While religious participation has declined in many parts of the world, the USA stands out as a predominantly religious Western country. Religion plays a central role in US politics, with most politicians being religiously affiliated and frequently mentioning religion during campaigns. At the same time, religion may potentially impact outcomes such as education, innovation, crime rates, and gender roles.<sup>1</sup> Disentangling the relationship between religion and politics may further our understanding of the impact of religion and help explain why religion continues to hold a strong position in politics in some societies.<sup>2</sup>

We propose a simple test to examine whether politics can change religious beliefs, attitudes, and ultimately outcomes. The faith-based initiatives were introduced in 1996 in the USA, involving a series of ongoing executive orders with the stated mission to secure religious freedom and improve conditions for faith-based organizations that were thought to provide better support for the needy than the state.<sup>3</sup> As a consequence, many states now have faith-based liaisons, offices, and task forces within their bureaucracies charged with bridging the gap between government and the faith-based community (Chaves *et al.*, 2004; Sager, 2010).

The initiatives raised concerns about proselytizing.<sup>4</sup> Some argued that the "first decades of the twenty-first century have witnessed an increased use of religious liberty as a warrant justifying conservative positions on social issues" (Jelen *et al.*, 2018, 43). Others have emphasized that the initiatives were a cultural change that enhanced religion's visibility and influence in American public life, while strengthening the cooperation between church and state.<sup>5</sup> A particular concern was that the policies would favor conservative Protestants, specifically Evangelicals, the dominant religious group among the founders (Chaves, 1999; Sager, 2010). We set out to test these concerns empirically.

The faith-based initiatives provide a particularly promising setting to investigate the social impact of religion in politics. The initiatives were initiated from above by a few

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<sup>1</sup>Research has documented correlations between religiosity and gender roles, crime rates, labour force participation, education, health, innovation, and GDP per capita (Guiso *et al.*, 2003; McCleary & Barro, 2006; Campante & Yanagizawa-Drott, 2015; Iannaccone, 1998; Iyer, 2016; Bénabou *et al.*, 2015).

<sup>2</sup>Philosophers once predicted that religion would die out as societies modernize (Freud, 1927; Marx, 1844; Weber, 1905). This has not happened for all (Norris & Inglehart, 2011; Stark & Finke, 2000).

<sup>3</sup>Carlson-Thies (2001); Cnaan & Boddie (2002); Olasky (1992); Wineburg *et al.* (2007). What we term faith-based initiatives include the Charitable Choice and the later faith-based initiatives. What we term faith-based organizations include religious organizations (churches, mosques, synagogues, or temples), organizations sponsored by religious organizations, or nonprofit organizations with a religious motivation.

<sup>4</sup>Wineburg *et al.* (2007), [www.nytimes.com/2009/08/01/us/01beliefs.html](http://www.nytimes.com/2009/08/01/us/01beliefs.html), [www.nytimes.com/2009/03/01/opinion/01jacoby.html?\\_r=1&pagewanted=all](http://www.nytimes.com/2009/03/01/opinion/01jacoby.html?_r=1&pagewanted=all)

<sup>5</sup>Sager (2010, 5), Chaves & Wineburg (2010, 345), Wineburg *et al.* (2007).

dedicated individuals in the political elite as a "quiet revolution" with very little notice or oversight (Hein, 2014; Sager, 2010).<sup>6</sup> In an interview about a bill passed in 1997, a previous advisor to George Bush explained that "it was done very quietly, because we didn't want to draw undue attention to it or spark a bitter church-state separation debate" (Sager, 2010, 42). The staggered and "quiet" top-down introduction of the faith-based initiatives provides a source of quasi-experimental variation in religion in politics that we can leverage for causal identification.

We rely on the following datasets. To measure the staggered roll-out of the faith-based initiatives, we exploit information on 332 executive orders on faith-based initiatives introduced during the period 1996-2009. These data were constructed by Sager (2010) from the World's largest database on legal and public records-related information, LexisNexis. Our main measures of religiosity, attitudes, and outcomes are from the General Social Survey (GSS), which has surveyed the US population since 1972. Our sample period covers 1973-2010 and includes 52,000 individuals. For robustness, we use an alternative survey by the American National Election Studies covering 34,000 individuals. To identify mechanisms, we elicit information on 4 million nonprofit organizations and various state-level information.

First, we test whether the initiatives influenced religious beliefs. In a difference-in-differences model, we find that the faith-based initiatives increased church attendance and prayer intensity and strengthened various measures of intrinsic religious beliefs, such as beliefs in an afterlife or the existence of God and feelings that religion provides guidance and is important in respondents' lives. The estimated effects are substantial. Religious participation rose by nearly 2 percentage points as a result of the initiatives, a change equivalent to the average decline in church attendance during the same period.

Our research design allows us to rule out various confounding factors. First, we account for state-specific characteristics fixed in time (e.g., certain geographic or institutional factors); second, we address differences across time that affect all respondents in a similar way (e.g., certain macroeconomic fluctuations); third, we consider trends in religiosity or conservatism affecting states differently (e.g., states that implemented the faith-based initiatives earlier may be on different secularization paths than those implementing later).<sup>7</sup> Fourth, we detect no systematic differences in religiosity or the examined

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<sup>6</sup>Of particular importance, Carlson-Thies (2001) observes that the initiatives were not the result of pressure from the faith communities, nor did it receive much initial support from them.

<sup>7</sup>The listed confounding factors are taken into account with state effects, time fixed effects, and linear state-specific time-trends, respectively.

social values prior to the initiatives.<sup>8</sup> We further reduce differences in confounders by restricting analysis to a comparison of counties on either side of a state border. We also address recent critiques of difference-in-differences research designs by showing robustness to various alternative estimators.<sup>9</sup> Lastly, we complement the difference-in-differences strategy with a specification that exploits the differential effects for the main religious group among the founders of the initiatives, conservative Protestants (Evangelicals).<sup>10</sup> This specification leverages within-state and year variation, eliminating the reliance on the state-level parallel trends assumption for identification.<sup>11</sup>

The faith-based initiatives were not an isolated event that independently affected American society. Instead, they were part of a larger movement driven primarily by evangelical Protestant lawyers, scholars, activists, and politicians who held influential positions in state and federal governments.<sup>12</sup> The initiatives represent one of the most visible and quantifiable achievements of this movement. Furthermore, the initiatives were implemented at both the state and federal levels. To estimate the causal effects of these initiatives, we focus solely on the state-level variation. Due to these factors, we consider our estimates to be conservative estimates of the impact of the movement.

A priori, a central characteristic of the initiatives may help explain the results - the promotion of the initiatives as a way to help the needy. Specific law changes enabled churches to provide social services within the religious space, whereas social services before the reforms had to be delivered in a neutral, secular setting (Chaves, 1999). One prediction - in fact, our initial prediction - is that religiosity rose because the recipients of social services were treated with religion as a by-product of their social service delivery. However, neither existing research nor our analysis support this explanation focusing on help to the needy. Existing research finds that the initiatives did not increase congregational involvement in social services or government funding (Chaves & Wineburg, 2010). Consistent with this, we do not observe larger effects of the faith-based initiatives for poorer individuals, which we would have expected if the results were driven by the needy receiving social services. Also, our results are not driven by the program laws, which are laws bringing soup kitchens to the churches, for instance. We would have expected the program laws to be influential if rising religiosity was caused by the treatment of

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<sup>8</sup>This refers to the examination of pre-trends in religiosity and the social values.

<sup>9</sup>See, e.g., Callaway & Sant'Anna (2021); De Chaisemartin & d'Haultfoeuille (2020); Sun & Abraham (2021); Borusyak *et al.* (2021).

<sup>10</sup>In most specifications, the effects are borne by the Evangelicals. We dismantle concerns of proselytizing in the sense of conversions across denominations.

<sup>11</sup>The econometric specification of the latter includes state-by-year fixed effects.

<sup>12</sup>Black (2004); Formicola *et al.* (2003); Sager (2010); Chaves *et al.* (2004)

the needy. In addition, across eighteen measures of well-being, we find no general improvements in any of them, including education, income, health, employment status, or happiness.<sup>13</sup> If treatment of the needy was the main objective and the initiatives were successful, we would have expected rising well-being.

Instead, we find empirical support for a somewhat broader mechanism. While one central political argument was the believed superior provision of social services by faith-based organizations, another related argument was securing religious freedom. As a result, the initiatives involved improved conditions for faith-based organizations in terms of reduced regulations, policymakers were encouraged to consider them as suppliers in social service delivery, and members of the faith-based community were granted government positions. A prediction is that the number of faith-based organizations may have increased, thus increasing the exposure to religion for the American population. According to standard religious market mechanisms, this increased exposure may have raised attendance and strengthened religious beliefs.<sup>14</sup> In addition, since faith-based organizations often provide goods and services such as education and healthcare, individuals consuming these services may receive religion as a by-product, potentially leading to increased attendance and strengthened beliefs, similar to religious missions.<sup>15</sup> In addition to strengthening the role of religion, the conservative-religious movement behind the initiatives also had an interest in re-establishing certain social views (Sager & Bentele, 2016).

Using data on one million US-based nonprofit organizations, we find that the initiatives resulted in a significant increase in the number of organizations with a religious purpose, providing support for an explanation based on improved conditions for religious organizations. We confirm this heightened supply of religion in an alternative dataset on churches and adherents from ARDA.com, where we observe an increase in the number of congregations and adherents due to the initiatives. Furthermore, the rise in religiosity is primarily driven by laws that enhance conditions for faith-based organizations, such as the allocation of state positions on advisory boards to faith-based representatives and appropriations to these organizations.

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<sup>13</sup>When we allow effects to differ for Protestants, two measures improve as a result of the initiatives (after adjusting for multiple hypothesis testing), but these improvements are exclusively observed among Protestants. Interestingly, both measures relate to education (self-reported education level and a dummy variable for education above grade 11), which is consistent with the existing literature documenting improvements in education associated with Protestant teachings (Becker & Woessmann, 2009).

<sup>14</sup>This would be consistent with the widely used religious market model of religion by Azzi & Ehrenberg (1975) (Iannaccone, 1998; Iyer, 2016).

<sup>15</sup>Other studies have found that missions increase religiosity in developing countries, e.g. Bryan *et al.* (2021), Nunn (2010). In his history of Christian missions, Robinson (1915) explains how building schools and hospitals was the most effective way for missionaries to convert locals to Christianity.

We proceed to identify the effect of the initiatives on social views associated with conservative-religious teachings. The faith-based initiatives strengthened skepticism towards homosexuality, modern gender roles, and abortion; they also bolstered self-reported conservatism and raised the share of respondents in favor of prayer in schools. These effects are again mainly observed among Protestants. For instance, the initiatives raised the share of Protestant respondents who oppose homosexuality by 8.8 percentage points, an amount two-thirds of the overall decline in these views during the period. Next, we document that these changes in social views manifested themselves in changes in real outcomes: Tightened restrictions on homosexual marriage and rising gender gaps in employment, income, and education. We find no average rise in Republican voting, but we document that Republican voting rose among Protestants and fell among non-Protestants.

Our results seem to support arguments by Putnam & Campbell (2012) who observe a rising religious polarization in the US. They argue for a polarization along political lines where religion is increasingly associated with the Republican Party and accordingly, the irreligious and Democrats tend to vote in the opposite direction not to be associated with the Republicans. We document polarization along religious denominations, where the faith-based initiatives strengthened the role of religion and conservative social views for the conservative-religious group among its founders, but had the opposite impact or no impact for the remainder of the American population.

We are not the first to observe a connection between religion and politics. While it is not feasible to provide an exhaustive review of the expanding literature, we would like to highlight two notable contributions: Putnam & Campbell (2012) and Finke & Stark (2005). In their examination of the religious landscape in the US, Putnam and Campbell highlight the increasing influence of religious groups in shaping public policy. In their historical account, Finke and Stark argue that the relationship between religion and the state has played a pivotal role in shaping American culture and politics. Previous research has also documented the use of religion for political legitimacy in various historical contexts worldwide.<sup>16</sup> Others have examined the link between the state and religious freedom in the past (Gill, 2008; Johnson & Koyama, 2019). Historically, religion and politics were generally intertwined concerning for instance legal systems, religious persecution, and decisions on religious vs. secular education. Furthermore, Wald & Calhoun-Brown (2014) have argued that religion is a factor that must be considered to fully comprehend

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<sup>16</sup>Starting with Marx (1844), recent research includes Djupe & Calfano (2013); Hertzke *et al.* (2018); Jelen (2006); Bentzen & Gokmen (2023); Chaney (2013); Kuran (2012); Platteau (2017); Rubin (2017).

American political life.<sup>17</sup> By focusing on the faith-based initiatives, we can establish a causal impact of religion in politics on contemporary outcomes within a Western context.

More generally, we contribute to a literature on the impact of laws on behavior and values. Most related to our study is the study by Gruber & Hungerman (2008), who examined the repeal of blue laws in the US beginning in the 1960s. By expanding outside options of attending church, the laws resulted in a decline in church attendance and an increase in drinking and drug use. Mocan & Pogorelova (2017), in their analysis of compulsory schooling laws in Europe during the 1960s and 1970s, identified a decrease in religiosity and superstition as a consequence of increased education. Other studies have documented cultural backlashes resulting from certain laws. For example, Abdelgadir & Fouka (2020) found that the 2004 French bans of headscarves led to a backlash manifested as lower education levels for Muslim girls and a strengthening of religious and national identity. Similarly, Fouka (2020) documented a backlash following laws that prohibited the use of the German language in US schools.

We are not the first to document a link between religiosity and socio-economic outcomes. Previous research has shown that, on average, religious individuals exhibit higher levels of skepticism towards women working and science, are less inclined to engage in economic crimes, and display lower levels of innovation (Bénabou *et al.*, 2015; Guiso *et al.*, 2003). We contribute to this literature by examining a quasi-exogenous shock to religiosity, allowing us to identify a causal impact. Additionally, other studies have documented that school curriculum was less focused on technical subjects in more religious areas of historic France (Squicciarini, 2020), that religious individuals have lower likelihood of experiencing depression (Miller *et al.*, 2014), that happiness increases but GDP growth declines during Ramadan (Campante & Yanagizawa-Drott, 2015), and that there may be differential effects of religious believing and attendance (McCleary & Barro, 2006).

Our results also inform a growing literature on polarization. For instance, Putnam & Campbell (2012) attribute the rising religious polarization since the 1960s to the societal changes of the sexual liberation movement in the 1960s. The authors argue that this movement led to the emergence of conservative religion, particularly evangelicalism, becoming increasingly involved in politics. Simultaneously, a growing number of Americans, especially the young, have been disengaging from organized religion.<sup>18</sup> The faith-based initiatives are a quantifiable aspect of this trend of the rise of evangelism in politics.

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<sup>17</sup>See also Smidt *et al.* (2017) for an Oxford Handbook on religion and American politics.

<sup>18</sup>More generally, Poole & Rosenthal (1984, 2001); McCarty *et al.* (2016) document the rising polarization in America along a liberal-conservative ideological dimension. A burgeoning literature links the increasing polarizing to social media, e.g. review by Tucker *et al.* (2018).

## 2 Background & Data on the Faith-Based Initiatives

The first faith-based initiative, known as the Charitable Choice provision, originated from the 1996 welfare reform and was established through a series of executive orders issued by then-Governor George W. Bush and subsequently signed into law by President Bill Clinton.<sup>19</sup> This provision mandated that states include faith-based organizations (FBOs) as eligible suppliers when entering into contracts with nonprofit organizations for social service delivery (Chaves *et al.*, 2004). Subsequently, there have been several legislative changes that have affected the relationship between the faith community and the government, and these changes are still being implemented. Collectively, these ensuing initiatives are commonly referred to as "The Faith-Based Initiatives," which is the term we will use to encompass all past and current initiatives.

The faith-based initiatives encompass several key components aimed at promoting the involvement of faith-based organizations in government-related activities. The main components can be summarized as follows:

1. Increased Access: The initiatives strive to enhance the engagement of faith-based organizations with the government. This includes facilitating their participation in government programs, initiatives, and partnerships.
2. Reduced Regulations: Another important aspect of the faith-based initiatives is the effort to reduce regulatory burdens on faith-based organizations.

The faith-based initiatives included significant efforts to enhance the collaboration between faith-based organizations and the government. One key aspect of this was the establishment of government positions for faith-based liaisons, who were responsible for facilitating and promoting the involvement of faith-based organizations in publicly funded social services (Chaves *et al.*, 2004, 45). Based on interviews with liaisons in 30 states, Sager (2010) concludes that "bridging the gap between state government and FBOs was the focus of all liaisons."<sup>20</sup> To support the work of these liaisons, many states set up dedicated offices or task forces, such as the Centers for Faith-Based and Community Initiatives, established in year 2000 (U.S. General Accounting Office, 2002). These offices were created to identify and address any barriers or challenges that hindered collaboration

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<sup>19</sup>The cornerstone of the welfare reform was the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of which Charitable Choice was part.

<sup>20</sup>Examples of specific tasks were to provide technical assistance for grant writing, make faith-based organizations aware of the government funds by mailings and gatherings of clergy, advocate the faith-based language into state law, create government advisory boards with faith-based representatives on board, and establish demonstration projects through which faith-based organizations received funds (Chaves & Wineburg, 2010; Ragan *et al.*, 2003; Sager, 2010).



between the government and faith-based organizations. Generally, "there is a continued and growing effort at the state level to increase the presence of religious groups in the social services sector by specifically encouraging their participation and by encouraging government employees to work toward the inclusion of such groups in government-funded programs" (Sager, 2010, 36).

A second component of the initiatives involved reduced regulations for FBOs. One prominent example is the Teen Challenge program, which offers Christian scripture-based drug rehabilitation (Sager, 2010). While the Teen Challenge did not receive government funding, it provided treatment to individuals struggling with drug addiction and thus fell under government regulations. In 1995, the Texas Commission on Alcohol and Drug Abuse threatened to shut down the Teen Challenge due to violations of state regulations. Critics argued that this constituted discrimination against faith-based programs. In response, the Teen Challenge Bill was passed in 1997, which granted religious treatment programs exemption from state regulation. To qualify for the exemption, the program and its treatment approach had to be rooted in religious principles. Consequently, the exempt Teen Challenge facilities were no longer required to meet certain criteria, such as employing licensed counselors, conducting staff training, performing criminal background checks, adhering to state health and safety standards, or reporting incidents of abuse, neglect, or medication errors as mandated for secular treatment programs (Sager, 2010). Another example included in our dataset is Executive Order 13199, which aimed to eliminate "unnecessary legislative, regulatory, and bureaucratic barriers that hinder effective faith-based and community efforts to address social problems" (Sager, 2010, 32). This deregulation applied to both publicly and privately funded faith-based organizations.<sup>21</sup>

Proponents of the faith-based model contended that the initiatives safeguarded religious freedom by enabling faith-based organizations to compete for government funding without compromising their religious identity (Chaves, 1999; Sager, 2010; Formicola *et al.*, 2003; Monsma, 2000). According to Stanley W. Carlson-Thies, Director of the Institutional Religious Freedom Alliance, religion had been marginalized during the construction of the American welfare state. The Charitable Choice provision aimed to reverse this trend, ensuring that "religion would not be an alternative to government welfare but rather a supplement and even a partner" (Carlson-Thies, 2001, 110). Moreover, the initiatives sought to ensure that smaller religious groups were not subjected to discrimination

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<sup>21</sup>The Charitable Choice provision also permitted faith-based organizations to discriminate on faith when hiring. It was not allowed, however, to discriminate against recipients of services based on their religion (Sager, 2010; Jacobson *et al.*, 2005).

in government funding decisions.

In addition to protecting religious freedom, the initiatives garnered political support by highlighting the belief that faith-based organizations were better equipped to address the needs of the less fortunate compared to secular counterparts.<sup>22</sup> A public opinion poll conducted in 1999 revealed that a majority of the public believed that closer collaboration between the government and religious associations would lead to better solutions for the social problems facing the United States.<sup>23</sup> Advocates of the initiatives argue that they have been beneficial in reintegrating the faith-based voice into the public sphere (Sager, 2010). However, opponents of the initiatives express concerns that they may result in discrimination against gay, bisexual, and transgender Americans.<sup>24</sup>

Despite the initial promise of funding to faith-based organizations, this aspect of the initiatives has faced significant criticism due to the limited amount of money that ended up in the church coffers. The primary source of federal funding came from the Compassion Capital Fund (CCF), which had an annual budget of \$30 million in 2002, increasing to \$57.8 million in 2007. However, this funding was distributed in the form of numerous mini-grants, with each grant amounting to a maximum of \$50,000, (Chaves & Wineburg, 2010). Research by Chaves & Wineburg found that there was no substantial increase in congregational involvement in social services, government funding, or collaborations between 1998 and 2007, supporting the critique that the initiatives did not effectively allocate funds to faith-based organizations.

Instead, scholars have argued that the majority of the faith-based initiatives focused on enacting laws, policies, and practices that aimed to transform the culture of government and establish a new "faith-based bureaucracy." This bureaucratic structure serves as a connection between state governments and faith-based organizations, legitimizing the role of religion in politics.<sup>25</sup> In line with this argument, a significant portion of the laws in our sample (more than half) encourage state collaboration with faith-based organizations and allocate positions on state advisory boards to representatives from faith-based groups (see Table 1).

The words of a liaison describing the situation before the faith-based initiatives illustrate the potential change felt by the faith-based organizations: "The state has not worked with a large number of FBOs. [...] these organizations were just not part of the general process, unless they were a large faith organization" (Sager, 2010, 99).

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<sup>22</sup>Carlson-Thies (1999); Cnaan & Boddie (2002); Sherwood (2000).

<sup>23</sup>U.S. General Accounting Office (2002), Carlson-Thies (2001).

<sup>24</sup>E.g., <https://www.nbcnews.com/feature/nbc-out/civil-rights-groups-wary-trump-s-latest-faith-based>

<sup>25</sup>Lindsay (2008); Sager (2010); Wineburg *et al.* (2007); Flowers (2005).

## 2.1 Differential Roll-out

State governments were not obligated to adopt policies endorsing the faith-based initiatives unless they explicitly discriminated against faith-based organizations (Sager, 2010). As a result, the implementation varied in terms of timing and extent across different states. For our primary analysis, we rely on data compiled by sociologist Rebecca Sager, which tracks the legislative changes and executive orders related to Charitable Choice and subsequent faith-based initiatives issued by state governments between 1996 and 2009. This data was sourced from LexisNexis, a prominent electronic database known for its comprehensive collection of legal and public records.<sup>26</sup> For robustness, we use state-level data on the on key institutions associated with the faith-based initiatives, such as the presence of faith-based liaisons and faith-based offices within state governments (Table C.15). For identification purposes, we focus on state-level changes, but the faith-based initiatives also involved federal laws, which may have also influenced religiosity and social attitudes. Consequently, our results should be considered conservative estimates, as they exclusively capture the impact at the state level.

Table 1 presents an overview of the legislative changes obtained from LexisNexis, categorized based on their specificity. The distinctions include concrete laws aimed at enhancing conditions for faith-based organizations and less concrete laws that foster a supportive environment for such organizations. The latter is referred to as *Symbolic laws*. Within the concrete laws, we follow Sager in grouping them into *Program laws* that involve the provision of government welfare through faith-based organizations, and *Concrete laws* that improve overall conditions for faith-based organizations and enhance their access to the government in general.<sup>27</sup>

A significant portion of the program laws pertain to the delivery of government welfare through faith-based organizations operating within correctional facilities. On the other hand, the concrete laws primarily focus on allocating positions to faith-based representatives on state advisory boards. Examples of such advisory boards include those associated with prisons or foster care agencies. Additionally, a subset of concrete laws

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<sup>26</sup>Further details on the data collection are provided in Appendix A.1 and in Sager (2010). We refrain from attempting to update the data for two main reasons: First, the extraction from Lexis Nexis includes several choices to be made such as which exact terms should be included etc. Instead, using data collected by Sager is a way to increase our objectivity. Sager did not investigate any of the outcomes in our analysis. Second, if we were to update the data, more and more states would have adopted the faith-based initiatives, which renders identifying the impact more likely to be biased (De Chaisemartin & d’Haultfoeuille, 2020; Callaway & Sant’Anna, 2021). In 2009 when our data ends, 44 out of 51 states had adopted one or more faith-based initiatives.

<sup>27</sup>The different types of laws are described by (Sager, 2010, ch.4).

involves the allocation of appropriations to faith-based organizations or the offices that assist these organizations in securing funding. For instance, Florida passed appropriation bills for teenage pregnancy prevention, while Ohio allocated funds for addressing child poverty and reducing out-of-wedlock births.

The majority of the symbolic laws center around encouraging government officials to collaborate with faith-based organizations. For instance, in 2004, Wyoming enacted a law stating that "The Department of Family Services shall develop a comprehensive plan to improve the lives and future of all children and families in Wyoming. In developing the plan, the Department shall collaborate with the business councils, state and local agencies, and private groups, services providers and businesses, including FBOs" (Sager, 2010, 99).

Table 1 about here

The first state to implement Charitable Choice policies was Texas in 1997 during the tenure of George W. Bush, driven by his belief in the efficacy of religious groups in addressing societal needs (Sager, 2010, 47). Subsequently, Texas emerged as a leading state in terms of the number of faith-based initiatives implemented throughout the specified period. Another state at the forefront of the faith-based movement was Florida, governed by Jeb Bush, who shared a similar political inclination towards these initiatives, influenced by the perspectives of his brother, George W. Bush. The implementation experiences in these two states may diverge from those of other states across the United States and we document that results are robust to excluding them.<sup>28</sup> By the year 2009, a total of 44 states had implemented at least one faith-based initiative (Figure C.1).<sup>29</sup> This figure illustrates the temporal progression of state-level adoptions of faith-based initiatives over the examined period. Figure 1 shows the spatial distribution of the first year of implementation (panel a) and the cumulative number of initiatives enacted from 1997 to 2009 (panel b).

Figure 1 about here

Some states may have been more inclined to implement faith-based policies than others. Of particular concern to our econometric analysis is whether changes in religiosity among the US population influenced the decision to implement. If this is the case, the changes

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<sup>28</sup>The workingpaper version of this paper excluded the states throughout with no change to the conclusions.

<sup>29</sup>States that had not implemented any faith-based initiatives by 2009 were Delaware, Nebraska, New York, Rhode Island, South Dakota, Vermont, and the District of Columbia. The latter is not included in our main sample, though. The reason for excluding the latter is that it is not a state and it drops out when we apply the restriction of at least 10 GSS respondents.

in religiosity that we observe may not be directly caused by the initiatives but rather a continuation of pre-existing trends. Moreover, it is also plausible that the implementation of faith-based initiatives was influenced by other population characteristics, which could potentially explain the observed increase in religiosity. A priori, there are reasons to believe that this is not what is causing our results.

First, it is not obvious whether implementation is more likely among states with more or less religious populations. On one hand, it could be speculated that states with a more religious populace would be more eager to embrace faith-based initiatives. On the other hand, as noted by several scholars, starting with De Tocqueville (1835), the church has historically exhibited skepticism towards cooperation with the secular state. In this case, one might expect higher adoption rates among states with a comparatively *less* religious population.<sup>30</sup> In his description of the faith-based initiatives, Carlson-Thies (2001) observes that "Ironically, this legislative effort was not the result of pressure from the faith communities, nor did it receive much initial support from them."

Second, the literature highlights the person-specific nature of the implementation of faith-based initiatives. In particular, the initiatives were implemented from above by "a few dedicated individuals who strongly believe in the role of religion in social services" (Sager, 2010, 52). They "were pushed forward largely by evangelical Protestant lawyers, scholars, activists, and politicians" (Chaves *et al.*, 2004, 45). These evangelical activists held influential positions in both state and federal government and pursued the mission of integrating religion as an essential component of public policy and political life (Black, 2004; Formicola *et al.*, 2003; Sager, 2010; Bartkowski & Regis, 2003; Conger & Green, 2002). Based on interviews with liaisons in 30 states, Sager (2010) found that these individuals were characterized by their dedication and religious commitment. They self-selected into their positions and had preexisting connections with predominantly conservative Christian religious communities. Additionally, they had personal contacts with the White House and faith-based leaders across various federal sectors.

The characteristics of the liaisons may or may not reflect state-level aggregates. PewResearch (2017) found limited association between the religiosity of the Congress and the religiosity of the American population. Despite around a quarter of the population reporting religious unaffiliation, only one congressman identified as religiously unaffiliated in 2017. According to Sager (2010), the main reason why states adopted

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<sup>30</sup>In support for the latter, research has found that many faith-based organizations were reluctant to seek government funding out of fear of secularization (Chaves, 1999; Sager, 2010). We also find support for this in our pre-levels analysis.

faith-based initiatives was that they appealed to the deep desire of many individuals to help the poor, coupled with the belief that faith-based groups were the most effective means of achieving this (Sager, 2010, 136). The liaisons also viewed faith-based policies as "smart politics" for obtaining fiscal resources, particularly in the context of welfare cuts envisaged in the 1996 welfare reform. Furthermore, some politicians found the idea of reintegrating religion into the public sphere appealing. Sager's research further documented that states with evangelical Republicans among their politicians and states with higher poverty rates were more likely to implement faith-based initiatives. The literature also notes that African-American congregations were more familiar with these initiatives compared to other groups.<sup>31</sup>

To mitigate the bias caused by any potential dependence between implementation and state-level characteristics, we employ three distinct approaches in our econometric analysis. First, we conduct a pre-trends analysis to test for any dependence between the implementation of initiatives and state-level characteristics before their introduction. Second, we implement strategies to limit potential dependence in our analysis, such as incorporating fixed effects and controls for relevant state-level characteristics that could potentially influence both the implementation of initiatives and the outcomes of interest. Additionally, we employ a contiguous county analysis, which focuses on comparing outcomes in neighboring counties across state borders to mitigate the influence of state-level characteristics. Lastly, we adopt an approach that completely removes dependence by examining heterogeneous effects of the initiatives specifically for Protestants. These approaches are detailed in Section 3.

## 2.2 Potential Mechanisms

To shape expectations of the impact of the faith-based initiatives, we divide existing research on the causes of differences in religiosity into supply and demand side explanations (Finke & Iannaccone, 1993).<sup>32</sup> Our research relates primarily to the former.

Supply-side theories link differences in religiosity to the supply of religion, suppliers being faith-based organizations or the state. One widely used model in this framework is presented by Azzi & Ehrenberg (1975), which examines how individuals allocate their

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<sup>31</sup>Other scholars have noted the evangelical and African-American roots of the initiatives (Lindsay, 2008; Monsma, 2006; Olasky, 1996; Smith & Emerson, 1998; Wright, 2009). Further, among congregations in Atlanta, Georgia, Owens (2006) found that the attitudes of the clergy towards entanglement with the government and the ethnic composition of congregation members were the key predictors of willingness to seek public funding.

<sup>32</sup>A body of research has investigated the causes and consequences of types of religion, comparing e.g., Muslims vs the rest or Protestants vs Catholics (see e.g. reviews by Becker *et al.* (2016) and Kuran (2018)). Instead, this paper concerns differences in the degree of religiosity within Christianity.

time and resources between religious and secular activities to maximize their utility in both their current lives and the afterlife (Iannaccone, 1998; Iyer, 2016). According to this model, a larger supply of religion, such as an increase in the number of churches, can enhance the match between potential followers and religious options by providing greater variety and improved access to religious practices. Consequently, this may lead to higher levels of religious activity among followers and even influence nonbelievers to embrace religion. Within the context of the faith-based initiatives, the *concrete laws* potentially played a significant role in improving conditions for faith-based organizations. These laws aimed at reducing regulatory burdens, increasing financial appropriations, and granting representation on government advisory boards. The *symbolic policies* may have further raised benefits for faith-based organizations by encouraging partnerships between the state and these organizations. Through improved conditions, reduced regulations, increased resources, and partnerships with the state, the initiatives may have influenced the supply of faith-based organizations, potentially leading to enhanced religious activity and belief among individuals.

Empirical studies have provided evidence that the supply of religion can have an impact on the religiosity of populations. For instance, a study conducted by Bryan *et al.* (2021) in the Philippines collaborated with an evangelical anti-poverty organization to offer a theology and values-based education program to randomly selected poor households. The researchers found significant increases in religiosity among participants who received the program.<sup>33</sup> This suggests that exposure to religious teachings and values can influence individual levels of religiosity. Similarly, but in the African context, research by Nunn (2010) demonstrated that descendants of individuals who had greater contact with missionaries during the colonial period are more likely to identify themselves as Christians today. Among the faith-based initiatives, the *program laws* were meant to increase public welfare delivered by faith-based organizations, and may have induced churchgoing through similar religious market mechanisms: When the benefits from churchgoing rise, more people go to church, potentially strengthening religious beliefs. Alternatively, since faith-based organizations often provide other services than religion, their higher supply increases the likelihood that consumers seeking these services will be treated with religion as well.

Gruber & Hungerman (2008) identified the impact of another supply shock to religiosity; increased competition in the religious market. Exploiting the implementation of blue

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<sup>33</sup>They also documented increases in income, but no significant changes in total labor supply, assets, consumption, food security, or life satisfaction.

laws across US states, Gruber & Hungerman documented that church attendance fell as shops were allowed to be open on Sundays, interpreting these blue laws as increased secular competition. By granting advantages to faith-based organizations, the faith-based initiatives reduced competition between secular and faith-based organizations and we would expect rising religiosity as a result.

Empirical cross-country studies have documented a positive correlation between religious attendance and plurality of religions and lack of government regulation of churches.<sup>34</sup> McCleary & Barro (2006) found that the presence of an official state religion raised religiosity in a panel of 68 countries. They argue that subsidies flowing to organized religion increase the supply of religion. The faith-based initiatives may have raised the supply of religion in a similar manner by increasing the benefits for faith-based organizations.

Regarding theories linking religiosity to followers' *demand* for religion, a predominant theory is that religion acts as a buffer against psychological and/or economic distress.<sup>35</sup> For instance, the comparatively lower degree of social security in the USA may have increased the demand for religion and may be one reason for its high religiosity compared to other Western countries. Studies have found that higher religiosity is associated with less public spending (across countries and across counties in the USA) and lower preferences for redistribution.<sup>36</sup> If the faith-based initiatives were a substitute for social spending, our results provide an alternative explanation for the negative association between public spending and religiosity: When government funding is relocated from secular providers to religious providers, religiosity and associated values may rise as a by-product.

### 3 Empirical Analysis

Our empirical analysis begins with modeling the impact of the faith-based initiatives on religious attendance and beliefs. To undertake this analysis, we combine the data on faith-based legislative changes with the General Social Survey (GSS). The GSS has asked Americans about their socio-economic characteristics, social views, and practices, including their religious attendance and beliefs since 1973.<sup>37</sup> We end our analysis in 2010, one year after the last faith-based initiative reported in our sample. We probe robustness using an alternative survey by the American National Election Studies (ANES).

The measure of religious attendance in the GSS is based on answers to the question

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<sup>34</sup>McCleary & Barro (2006); Voas *et al.* (2002); Fox & Tabory (2008).

<sup>35</sup>Ager & Ciccone (2018); Bentzen (2019); Binzel & Carvalho (2017); Chen (2010); Clark & Lelkes (2005); Dehejia *et al.* (2007); Norris & Inglehart (2011).

<sup>36</sup>Hungerman (2005) and Gill & Lundsgaarde (2004) investigate the impact of government spending on church attendance. Scheve *et al.* (2006) and Benabou & Tirole (2006) argue for the reverse causation.

<sup>37</sup>Since 1994, the GSS has only performed the survey in even years.



”How often do you attend religious ceremonies?” Respondents can answer never, less than once per year, about once or twice per year, several times a year, about once a month, 2-3 times a month, nearly every week, every week, or several times a week. The original variable assumes values between 0 and 8, which we recode to values between 0 and 1 to ease readability of tables. An attendance score of 0.5 corresponds to attendance once a month, for instance. The GSS holds various measures of the intensity of religious beliefs, whereof we choose the five measures available for at least 15,000 respondents (detailed below).<sup>38</sup> With these data, we estimate models of the form:<sup>39</sup>

$$religiosity_{its} = \gamma law_{t-1,s} + \kappa_s + \kappa_t + \delta_t s + \omega X_{its} + \lambda W_{t-1,s} + \varepsilon_{its} \quad (1)$$

where  $religiosity_{its}$  is the frequency of attendance at religious services or one of the five measures of strength of religious beliefs for individual  $i$  at time  $t$  in state  $s$ . In Section 3.4, we replace  $religiosity_{its}$  with various measures of conservative-religious social views. In our baseline model,  $law_{t-1,s}$  is a dummy variable equal to one if state  $s$  implemented one or more faith-based initiatives at time  $t - 1$  or previously, zero otherwise.<sup>40</sup>

$\kappa$  are state and time fixed effects.  $t_s$  are state-specific linear trends.  $X_{its}$  are individual-level controls, such as respondents’ age, income, education, number of children and dummies for their marital status, gender, religious denomination, political preferences, ethnicity, migration status, and employment status (Tables 3 and C.7).  $W_{t-1,s}$  are time-varying characteristics of state  $s$  at time  $t - 1$ , including public spending per capita, the poverty rate, real GSP per capita, share of African-Americans, share of evangelicals, share of Republicans, mean respondent income, mean respondent education, and shares of Republican or Evangelical governors (Tables 3 and C.8-C.9). To avoid problems of mean reversion we also include initial values of the dependent variables, interacted with time.

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<sup>38</sup>The particular GSS questions are described in Appendix A. Table C.2 shows the pairwise correlations.

<sup>39</sup>Throughout, we use appropriate survey weights. We cluster standard errors at the state level, following Bertrand *et al.* (2004) and Gruber & Hungerman (2008). The results are unchanged if standard errors are clustered at the state-by-year level, cf Table 3. We address potential spatial correlation by accounting for the spread of the faith-based initiatives in the neighbor states (Table C.16). Throughout, we estimate the equation using OLS. The results are robust to using ordered logit or probit, cf. Table C.6. The sample is unbalanced, as the population of a state was not necessarily asked in all survey rounds. Results are robust to restricting to a balanced sample, cf. panel C of Table 3. For both GSS and ANES surveys, we include only state-years with at least 10 answers to the particular question. For our main measure of church attendance, the GSS holds a sample of 48 states, measured for up to 27 years and the ANES encompasses 45 states measured up to 15 years each.

<sup>40</sup>The choice of a dummy variable instead of the actual number of laws is based on the fact that the individual legislative changes vary greatly in strength and it is not clear whether ten small laws should have a larger impact than one large one. The choice follows Gruber & Hungerman (2008) and Autor (2003). The results are robust to using the number of laws instead (Table ??). The year of interview is the most detailed timing information available.

To avoid problems of endogenous controls, we include the initial levels of our main control variables, interacted with time. The results are robust to these additions (Tables C.10-C.11).

Since treatment occurs at different points in time, we face potential issues when estimating this simple two-way fixed effects model (Goodman-Bacon, 2021; De Chaisemartin & d’Haultfoeuille, 2020; Callaway & Sant’Anna, 2021). The problem arises, since previously treated states enter the control group for later-treated states. If the impact of the treatment is larger for early-treated states, the two-way fixed effects estimates will be biased towards zero, whereas they will be ”too large” if the impact is larger for later-treated states. We therefore show results using newly developed estimators by Callaway & Sant’Anna (2021), Borusyak *et al.* (2021), De Chaisemartin & d’Haultfoeuille (2020), and Sun & Abraham (2021), which account for this bias.

The difference-in-differences Equation (2) assesses whether implementing a faith-based initiative causes a deviation from the general state trend of religious attendance or beliefs, relative to before. This deviation is captured in  $\gamma$ . The identifying assumption is that nothing else changed before implementation with a simultaneous impact on implementation and the outcome variables. While we account for state-fixed effects throughout, differences across states in levels of potential confounders is not an issue. For instance, any potential earlier implementation depending on general state-level religiosity, poverty, public spending, etc. is accounted for. Furthermore, the inclusion of state-specific trends removes any systematic differences caused by linear upward or downward trends in potential confounders.

However, systematic correlations between implementation of faith-based initiatives and prior *changes* in confounders is a potential concern in the specification in Equation (2). For instance, if the faith-based initiatives is a response to rising religiosity among the population,  $\gamma$  should be interpreted as the reverse causality running from population-level religiosity to implementation. We do not find support for this. We examine using dynamic figures throughout the text and also in classic pre-trend checks in Tables B.1-B.3, conducted following Hornbeck & Naidu (2014). In this analysis, we restrict the sample to the period prior to 1996 and run regressions of the particular confounders on a measure of the later timing of the faith-based initiatives. To substantiate that the lack of significant results is not merely an artifact of the rather simple specification, we also document that the treatment effects occur in this specification (the last column in the three tables).

We find no pre-trends in of the main confounders at the individual or state-level. That is, we find no pre-trends in individual-level church attendance, religious affiliation, age, gender, marital status, family income, education, ethnicity, self-identification with Republicans, or social views against homosexuals, women, science, or abortion, or preferences for prayer in public schools. We also do not find pre-trends in state-level public spending per capita, the poverty rate, GSP per capita, having a Republican governor, or having an Evangelical governor.

There are two exceptions, though. We observe that states governed by a Republican governor who *also* identifies as Evangelical are more inclined to implement faith-based policies (Table B.2). This is a crucial validity check of the data as it is consistent with the arguments presented in the literature. However, it may raise concerns that the governors combined political and religious orientation is exclusively driving the results, leaving no room for the impact of the faith-based initiatives. This would matter for the interpretation of our results. We do not find support for this alternative interpretation in the data. First, we find no treatment effects in the share of Republican, Evangelical, or Republican and Evangelical governors (column 3 of Table B.2). If the documented effects were a direct consequence of the governors, independently of the laws implemented, it is difficult to explain the persistence of the effects documented, if not for a rising share of these governors. Second, adding controls for governors being either Republican, Evangelical, or both to the main specification does not influence the main results (Table C.9). Third, we remove potential pre-trends altogether by exploiting a heterogeneity in the treatment effects, cf the following paragraph. We also find a pre-trend in self-reported conservatism; states that implemented the faith-based initiatives earlier we more likely (at the 10% level of significance) to experience falling rates of conservatism. This pre-trend goes against the results we document in the paper, thus making it harder to find the documented results. At the same time, the pre-trend in conservatism is interesting in light of Putnam & Campbell (2012)'s arguments that religious polarization rose in the aftermath of the sexual liberation movement in the 1960s, which led to the emergence of conservative religion, particularly evangelicalism, becoming increasingly involved in politics. The pre-trends documented here reveal that this tendency may have continued into the 1990s.

To remove potential pre-trends altogether, we estimate equations that incorporate a heterogeneity emphasized by the literature: The faith-based initiatives may have had a greater impact on individuals who identify with the founders' Protestant religious tradi-

tion.<sup>41</sup> To accommodate, we estimate equations of the type:

$$religiosity_{its} = \gamma_{prot,its}law_{t-1,s} + \gamma_{noprot,its}law_{t-1,s} + \delta_{prot_{its}} + \kappa_{st} + \omega X_{its} + \lambda W_{t-1,s} + \varepsilon_{its} \quad (2)$$

where we allow the impact of the faith-based initiatives to differ between Protestants and respondents that do not adhere to Protestantism. The impact of the faith-based initiatives for the two groups of individuals is captured in  $\gamma_{prot,its}$  and  $\gamma_{noprot,its}$ , respectively. As the founders of the initiatives were Evangelicals, we would expect these effects to be driven by Evangelicals, rather than mainline Protestants, for instance. We confirm this in Table C.3. The information on whether Protestant respondents are Evangelicals or not is only available for 60% of the sample of Protestants, which is the reason for choosing the split on the broader group, Protestants, as the baseline. In this specification,  $\kappa_{st}$  reflects that state-by-year fixed effects are accounted for. This means that we account for variation in all unobserved state-level confounders, constant or time-varying.

Before proceeding, we test whether the faith-based initiatives influenced the composition of religious denominations. This is crucial for the interpretation of the results, as any shifts in denominations may influence average religiosity levels. The initiatives did not cause such denomination shifts (Table 2).<sup>42</sup> We find no impact of the faith-based initiatives on the likelihood that respondents identify as Protestant, Evangelical, Catholic, or without a religious denomination. These three groups comprise 95% of the individuals in the samples. Even when restricting the sample to Protestants, we find no shifts between Evangelicals and the rest (column 2). We also find no pre-trends in the share of Protestants (Appendix Figure C.2). This means that the effects identified throughout the rest of the paper are not caused by denominational shifts.

Table 2 about here

We proceed to estimate the impact of the initiatives on church attendance in Table 3. All regressions in panels A and B include year of survey fixed effects, state fixed effects, and state-specific trends. Column (1) of panel A shows that average church attendance increased after states implemented one or more faith-based initiatives. The rise is only

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<sup>41</sup>Carlson-Thies (2001); Chaves (1999); Sager (2010). For instance, Carlson-Thies (2001) notes that Charitable Choice sponsor, Senator John Ashcroft; the author of the idea, Carl Esbeck; and the two organizations that worked most closely to craft and promote the concept, the Center for Law and Religious Freedom of the Christian Legal Society and the Center for Public Justice, all belong to the evangelical faith community.

<sup>42</sup>This lack of an impact on denominations is consistent with the remaining literature. Other shocks such as earthquakes have been shown to increase religiosity, but even these large shocks also do not persuade nonbelievers into believing, cf. Bentzen (2019). The working paper version of this paper excluded the non-affiliated throughout with no change to the conclusions.

significant at the 10% level, though, which covers a four times larger and highly significant effect for Protestants and a backlash among the non-Protestants (column 2). This result is robust to including the standard individual-level controls for respondents' age, marital status, and gender (column 3).<sup>43</sup>

Table 3 about here

Taking the estimate in column (3) at face value, having implemented one or more faith-based initiatives increases church attendance among Protestants by 7.4 percentage points. This amounts to 12.5% of the average state-level church attendance or more than four times the average fall in church attendance during the period 1996-2010.<sup>44</sup> Comparing the standardized betas (not shown), the difference in church attendance before and after states implement the faith-based initiatives amounts to more than half of the difference in attendance rates between men and women. Thus, the effects are both economically and statistically large.

If the laws were implemented as a substitute for declining welfare and if changes in welfare impacts changes in church attendance, this may bias our results. Consistent with the heavy critique of the faith-based initiatives for not bringing the promised funding, we do not find evidence of such pre-trends in either public spending or respondents' average income or education levels (Appendix B.1). Nevertheless, we add controls for individual-level income, education, and public spending per capita (columns 4-6). The estimate on the faith-based initiatives remains unchanged.<sup>45</sup> Furthermore, the results are robust to excluding the early years where the estimates are potentially influenced by the 1996 welfare reform (Table C.14) and the impact is not larger for population groups that were potentially affected more than others by the 1996 welfare reform.<sup>46</sup> Also, the rise in attendance levels is not explained by the program laws that involve the relocation of public welfare through faith-based organizations (Table C.4). Instead, the effects are driven by the concrete and symbolic laws. More on these differences in Section 3.3.

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<sup>43</sup>The estimates on these baseline control variables (not shown for brevity) mimic what is otherwise found in the literature. For instance, the well-documented higher religiosity for women is replicated here, cf. e.g. Trzebiatowska & Bruce (2012).

<sup>44</sup>The change in church attendance from 1996 to 2010 is calculated for the 31 states that had data on church attendance in both 1996 and 2010.

<sup>45</sup>Interestingly, richer and more educated individuals attend church more often. We are not the first to show results contradicting the secularization hypothesis (Stark & Finke, 2000; Glaeser & Sacerdote, 2008; Iannaccone, 1998).

<sup>46</sup>Hungerman (2005) found that US foreign borns were more affected by the 1996 welfare reform. We find that the faith-based initiatives did not increase religiosity more for states with more public spending or for foreign borns (Table C.12).

Columns (7) adds a control for whether respondents identify themselves as Republican. While Republicans attend church more than average, the impact of the faith-based initiatives remains unaltered. The result remains further unchanged when adding a control for whether the respondent was African-American, a population-group singled out by the literature as more receptive towards the faith-based initiatives (column 8).

To gauge the dynamics of the effects, Figure 2 shows the results for a dynamic version of the TWFE OLS estimator (indicated with orange). As the GSS is conducted only every second year, we group years into brackets of two. The sample is restricted to Protestants in panel A and the rest in panel B. In addition, as results so far may be biased by the staggered nature of the treatment, the figure includes estimates by various different leading estimators that are robust to this (Callaway & Sant’Anna, 2021; Borusyak *et al.*, 2021; De Chaisemartin & d’Haultfoeuille, 2020; Sun & Abraham, 2021).<sup>47</sup> By disregarding the  $2 \times 2$  difference-in-differences comparisons between newly treated and already treated units, these estimators produce consistent estimates even in the presence of heterogeneous treatment effects across time and/or treated units. Importantly, we find no differences in attendance rates prior to treatment, independently of the estimator used, except for one estimate by De Chaisemartin & d’Haultfoeuille (2020) and one estimate by Sun & Abraham (2021). Both of these exceptions have negative pre-trends, indicating that - if anything - the initiatives may have been implemented in less religious states, making it harder to detect any positive effects. After implementation, church attendance increases among Protestants and remains significantly higher throughout the period for most of the estimators (panel a).<sup>48</sup> We further observe that all of the robust estimators produce treatment effects that are higher than the TWFE estimates. This is consistent with the effects rising over time, meaning that the TWFE estimators will be downward biased, as the comparison group comprises already-treated states with increasingly higher church attendance rates. Last, we observe that the initiatives have rather long-lasting

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<sup>47</sup>We follow Braghieri *et al.* (2022) in our choice of which specific estimators to include. The specification using the robust estimators differs compared to the main results shown throughout, as the estimators do not allow for i) heterogeneous treatment by covariate (Protestants vs non-Protestants) and ii) inclusion of survey weights. We solve the former by estimating effects for Protestants and non-Protestants separately and the latter by not including survey weights. For comparison, the impact of using the survey weights or not in the TWFE results is miniscule. Estimating the basic TWFE result in column (3) of panel A of Table 3 without weights changes the estimate on "Law t-1 x Protestant" from 0.069 to 0.064 and the standard errors from 0.011 to 0.009, resulting in a t-statistic change from 6.56 to 6.85. We therefore judge that the lack of weights cannot explain results.

<sup>48</sup>The only estimator which produces insignificant estimates throughout is the Callaway & Sant’Anna (2021) estimator. However, comparing the average pre and post estimates, the average estimate for the post period is 30 times larger than the average estimates for the pre period, making it likely that the null effects are due to conservative standard errors.

effects on church attendance, which may reflect that many initiatives induce a permanent institutional change.

Panel B of Figure 2 confirms the lack of pre-trends for the sample of non-Protestants and further confirms that the non-Protestants do not experience increased church attendance as a result of the faith-based initiatives. We observe that the backlash among non-Protestants is not robust to the choice of estimator. Although most estimators deliver negative effects in the short run, these are only significant for the Sun & Abraham (2021) estimator. We therefore do not put much emphasis on the backlash results, but mainly conclude that effects are borne by the Protestants.

Figure 2 about here

The pre-trend analyses (Figure 2 and Tables B.1-B.3) as well as the inclusion of a battery of controls (Table 3 and Tables C.7-C.11) provide some confidence that results are not explained by systematic variation in omitted confounders. Nevertheless, we take two additional approaches. First, we restrict the sample to counties that neighbor a state border and compare counties in pairs on either side (panel B of Table 3). In this exercise, we thus compare arguably highly similar counties, only separated by a state-border. We confirm that church attendance among Protestants increased significantly more in the county treated with the faith-based initiatives, compared to its close neighbor. In line with the conclusion from panel B of Figure 2, we find no signs of a significant backlash among the non-Protestants.

Second, we exploit the differential impact for Protestants and include the more flexible set of state-by-year fixed effects in column (1) of panel C. This removes variation from all state-level confounders, time-varying and constant, and thus relaxes the assumption of no pre-trends. The parameter estimate of the impact of the faith-based initiatives for Protestants increases, which may reflect a) that the estimate now captures the difference in churchgoing changes between Protestants and non-Protestants or b) that the pre-trends may have been slightly stacked against positive effects (as revealed in Appendix B.1 and Figure 2).

Across the remaining columns of panel C, we conduct additional robustness checks to the baseline estimation in column (3) of panel A. We exclude the control for state-specific trends (column 2), use a balanced panel consisting of the 23 states with information on church attendance for all survey years (column 3), weight the observations so that each state weights equally much (column 4), exclude the religiously non-affiliated (column 5), exclude the two earliest states to implement the faith-based initiatives, Texas and Florida

(column 6), exclude influential observations calculated by Cooks  $d$  (column 7), and last we cluster the standard errors at the state and year level instead of the state level as done throughout (column 8). The results hold and the parameter estimate of interest stays stable throughout.

Next, we find that results are not driven by a particular group of individuals or states. If anything, column (7) of panel C showed that results strengthen as we removed influential observations. Further, Figure 3 presents binned added-variable plots of the main regressions, where observations are binned into 100 equally-sized bins.<sup>49</sup> The observations are scattered quite smoothly around the regression line, a sign of good model fit. Further, the initiatives increase churchgoing in all four major regions of the USA (Northeast, Midwest, West, South) and the Rust Belt (Table C.13).

Figure 3 about here

Gauging individual-level heterogeneities further, Table 4 allows the impact of the initiatives to vary with Protestant status, voting Republican, household income, and education.<sup>50</sup> Consistent with the literature on faith-based initiatives, we find that church attendance increases more for Republicans as a result of the initiatives (column 2). We find no heterogeneity with respect to household income (column 3), but the initiatives influence individuals with higher education less (column 4).<sup>51</sup> Columns (5)-(7) add the Protestant interaction term together with these new interaction terms. We observe that the heterogeneity for Protestants is unaffected by the inclusion of the additional interactions.<sup>52</sup> Last, column (8) includes all the significant interactions simultaneously, revealing that the Republican heterogeneity is driven entirely by heterogeneities with respect to education. The Protestant heterogeneity is unchanged. This strengthens our confidence that the faith-based initiatives influenced people along religious lines, rather than political, for instance.

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<sup>49</sup>Panel (a) shows estimates including controls for state and year fixed effects, and controls for respondents' age, gender, and marital status, while panels (b) and (c) shows estimates including the same controls plus a control for Protestant status, allowing the impact of the initiatives to vary with Protestant status.

<sup>50</sup>Until now, we have included the interaction term with Protestants in a way such that the impact of the initiatives for Protestants and non-Protestants can be read directly from the table. In Table 4, we instead include the heterogeneity in a way so that the impact of the faith-based initiative for the particular group is the sum of the estimates in row 1 and 2. This is to ease comparison across the different columns.

<sup>51</sup>The measure of education is a dummy equal to one for respondents with 12 years or more education. 77% of the respondents have 12 years or more education. The income variable is a dummy equal to one if the respondents' household has incomes higher than the first quantile. 75% of the respondents enjoy such household incomes.

<sup>52</sup>The specifications include the full set of interactions, but none of the additional interactions including the faith-based initiative dummy are significant.



Table 4 about here

### 3.1 Additional robustness

The dependent variable thus far is a categorical variable increasing in the intensity of church attendance. Estimating instead the impact of the initiatives on the separate church attendance categories reveals meaningful shifts between the categories. We observe that the initiatives pushed Protestant never-goers into attending weekly or annually, while non-Protestant weekly church attenders started attending only annually (Table C.5).<sup>53</sup>

One concern is that our main measure of the faith-based initiatives, the executive orders, does not reflect the true extent of the initiatives. To accommodate, we check results using measures based on the two main institutions behind the initiatives –the faith-based liaisons (FBL) and offices of faith-based initiatives (OFBCI)–, their budgets, and grants. The faith-based liaison was the main person responsible for the faith-based initiatives at the state level and the OFBCI were offices to support their work. These data are constructed by sociologist Rebecca Sager based on interviews with the liaisons (described in Appendix A.2). To our knowledge, comprehensive data on the budgets do not exist. However, through the interviews, Rebecca Sager collected data on the budgets of the FBLs and the appropriations relegated directly to the faith-based organizations or to the OFBCIs. Due to the imprecision of these data, we show results using the actual amount and for dummies equal to one when a state had an OFBCI budget or grant. In Table C.15, we find that Protestants’ church attendance increased when states implemented any of the faith-based institutions. Thus, the results are not specific to the data on law changes used throughout.

Another concern is whether the effects on religious attendance is determined by an influx of more religious individuals from neighboring states instead of increased religiosity among existing citizen. That would question the impact on the overall level of religiosity in the USA. The testable implication is that religiosity should fall in response to the initiatives in neighboring states since the religious individuals move out of these states. We do not find evidence for this. On the contrary, we find that laws implemented in neighboring states *increase* religious attendance and beliefs in current states (Table C.16). However, this rise is exclusively due to the spatial spread of the initiatives; when accounting for the initiatives in the home-state, initiatives among neighboring states have no significant influence on church attendance.

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<sup>53</sup>The dependent variables are indicator variables equal to one for respondents attending religious services at that particular frequency.

## 3.2 Effects on intrinsic religiosity

A potential major concern is that the rise in church attendance does not reflect an increase in peoples' *intrinsic* religiosity, ie., the intensity of their religious beliefs. In particular, these individuals may simply be going to church to obtain social services now provided by the church. Having received the services, they depart again without being influenced by the religious component of the experience. We first note that this argument would predict the program laws to be responsible for the effects, which is not the case (cf. Table C.4). Nevertheless, we proceed by conducting the same analysis for all measures of religious intensity available for at least 15,000 individuals in the GSS in Table 5.

The first measure (column 1), available for most individuals, is individuals' self-expressed strength of religious affiliation, based on the question "Would you call yourself a strong [religious affiliation] or not a very strong [religious affiliation]?" Respondents can answer "no religion", "not very strong", "somewhat strong", or "strong". We bundle the answers "not very strong" and "somewhat strong" into one category, as these are not feasible to rank.<sup>54</sup> We rescale the category values so that 0 indicates "no religion", 0.5 indicates "somewhat strong or not very strong", and 1 indicates "strong" religious affiliation.

Next comes answers to the question "Do you believe in an Afterlife?" (column 2). We code yes as one and no as zero. Column (3) includes a dummy equal to one if the respondent agrees that the Bible is the literal word of God (instead of being the inspired word of God or a book of Fables).<sup>55</sup> Column (4) includes a categorical variable measuring how often the respondent prays from never to several times a day. We rescale so that the categories are in increments of 0.2 from 0 (indicating never) to 1 (several times a week). Last, we include an indicator variable equal to one if the respondent is certain God exists and zero if the respondent "believes but doubts", "believes sometimes", "believes in some higher power", thinks that there is "no way to find out", or "does not believe."

Table 5 about here

All measures of religiosity rise among Protestants following the faith-based initiatives. The rise is significant for all, except for beliefs that the Bible is the word of God which rise but not significantly. As with attendance rates, we find some degree of backlash for

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<sup>54</sup>If anything, we would have thought that "not very strong" indicated lower religious affiliation than "somewhat strong". However, the numerical categorization indicates that "not very strong" may potentially be ranked higher than "somewhat strong". We therefore do not feel that we can distinguish between the two. Results are unchanged if we keep the original categories.

<sup>55</sup>The working paper version of this paper included regressions for each of the individual categories.

some measures. Results and significance levels are retained if we include instead the more flexible state-by-year fixed effects, meaning that results are independent of the pre-trends assumption (panel B). All measures, except beliefs in an Afterlife increase significantly for Protestants, compared to the rest. The finding that the intensity of beliefs is more easily influenced by the faith-based initiatives, rather than whether or not individuals believe (in the Bible or an Afterlife) is consistent with previous research. For instance, Bentzen (2019) documents that the strength of faith for those who already believe rises after natural disasters, while those who do not believe are not influenced much.

As further robustness, we conduct the same analysis in a different dataset (panels C and D). The American National Election Studies (ANES) provides answers to three survey questions on religion for at least 15,000 respondents. We include them in panel B of Table 5: church attendance (column 1), whether or not respondents find religion important in their lives (column 2), or find guidance in religion (column 3). All measures rise following the faith-based initiatives. The increase is significant for all measures. As pendent to Table 2, we check whether the initiatives make individuals shift into being Protestants or not in column (4). Consistent with the analysis using the GSS data, we find no impact of the initiatives on such denominational shifts. Thus, the rise in religiosity is not due to shifts between denominations.

### 3.3 Testing mechanisms

We start by investigating the mechanism that the faith-based initiatives increased the supply of religion, in turn influencing religious beliefs. The faith-based initiatives eased regulations, increased access for faith-based organizations to appropriations and to the government in general. If these changes are important to the running of a faith-based organization, we would expect more faith-based organizations to survive and more to enter the market. This higher supply may explain the increased religiosity through either lower access costs to religion or a mechanism more like missionary work: Individuals consuming the service provided by the nonprofit organization are treated with religion as a by-product. These faith-based organizations supply various different services ranging from various youth services and education to alcohol and drug treatments.

To investigate, we combine the faith-based legislative changes with data on 1.04 million nonprofit organizations based in the USA. We collected these data from the National Center for Charitable Statistics (NCCS) for the period 1990-2010.<sup>56</sup> Each organization is registered for an average (mean) of 14.2 (16) years, leaving us with a total of 9 million

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<sup>56</sup>We start our period in 1990 due to a data break in 1990.

organization-years. The dataset contains the universe of nonprofit organizations in the US, except congregations or organizations with less than 25,000 US\$ in gross receipts. The empirical specification is similar to Equation 2, where  $i$  is now a nonprofit organization and the dependent variable measures whether or not the particular organization is faith-based. The baseline specification includes state and year fixed effects, state-specific linear trends, controls for whether the organization is private or public and whether the reporting body is a mutual benefit, operating or supporting public charity organization.<sup>57</sup> The parameter  $\gamma$  on the faith-based laws now measures the change in the share of religious nonprofit organizations after the implementation of the faith-based initiatives.

To measure whether or not an organization is faith-based, we take two different approaches, based on the classification of the purpose of the organization used by NCCS and the name of the organization. The NCCS uses the National Taxonomy of Exempt Entities (NTEE) system to classify the nonprofit organizations. Three of the classification variables contain a distinct category on religion in a list of 27, 25, and 17 categories, respectively.<sup>58</sup> The measures based on 27 or 17 categories both have a category called "Religion related", while the 25 category measure has a somewhat broader category called "Religion related, Spiritual development." We generate indicator variables for all three. Between 3.2 and 3.4 percent of the organizations are classified as faith-based based on these measures. We multiply by 100 to ease readability of the results, which are shown in columns (1)-(3) in Table 6. The number of nonprofit organizations categorized as faith-based increases in the aftermath of the implementation of faith-based initiatives. The increase is significantly different from zero, except in column (2), where the broader spiritual development measure is used, resulting in a somewhat smaller effect.

The measures based on the classifications do not capture organizations that are based on religious values, but have another main purpose than religion, such as general fundraising or education. To include such organizations, our second group of measures exploits information from the name of the organization to predict whether the organization is faith-based. We categorize an organization as faith-based if its' name contains religiously associated words. We identify these words from the excess frequency of the words in the names of organizations categorized as religious based on the NTEE categorization, compared to those that are not categorized as religious.<sup>59</sup> The most frequent words in

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<sup>57</sup>These latter variables are the level 1 and 2 categories by NCCS. When using the name of the organization to infer whether it is faith-based, we also control for name-length fixed effects.

<sup>58</sup>The original variables are called majgrpb (major NTEE group including hospitals and higher education) level4 (major NTEE group), and level3 (major NTEE category). Find more details in Appendix A.7.

<sup>59</sup>For instance, 6.9 % of the organizations classified as religious according to the NTEE 17 classification

organizations that we categorize as religious are Christian, Ministry, Saint, and Church (see Table A.2).<sup>60</sup> In estimations based on the name of the organization, we restrict the sample to organizations with names that are at least 15 characters long. This method categorizes 7.3 percent of the organizations as faith-based.

Not surprisingly, the measures based on names and the categories are highly correlated. For instance, the correlation coefficient between a dummy equal to one if the name contains one or more religious references and the category 17 dummy is 0.47. Of the organizations that do not have a religious name, 99 % are also not categorized as having a religious purpose. However, of the organizations that have a religious name, only 36 % are categorized with a religious main purpose. This reflects that the names-based measure picks up organizations whose main purpose is not religious, at least not according to the NCCS. Examples of such organizations include the "Youth for Christ USA" (YFC) organization, who teach youth about Jesus in coffee shops and schools and "Young Men's Christian Association" (YMCA) who aim to put Christian principles into practice through athletic activities or classes. Both are examples of organizations with an obvious religious component, present in 100 and 120 countries, respectively. Our names-based measure does not capture all religious organizations, though. Of the organizations categorized as religious based on their purpose, only 74.2 % have a religious name. We therefore supplement results with a measure that identifies an organization as religious if it is either categorized as religious based on the NTEE categories or its' name. According to this measure, 8.1% of the organizations are faith-based.

We measure whether an organization is faith-based by the number of religious words in the name in column (4), the share of religious words in the name in column (5), an indicator equal to one if the organization name contains one or more religious words in column (6), and an indicator equal to one if the organization contains at least one religious word in its' name or is categorized as religious based on the category 27 or 17 NTEE classifications. Independently of the measure used, the number of organizations with religious references in their name rise in the aftermath of the faith-based initiatives. Taking the estimate in column (6) at face value, the likelihood of being categorized as a faith-based organization rose by 2.1% of the mean or 15% of the average rise in the share

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code contain the words "ministry" or "ministries", while only 0.09 % of the organizations that are not classified as religious according to the NTEE classification contain such words. The words "ministry" or "ministries" therefore obtain an excess frequency of 6.8. We therefore define these words as being religiously associated. We evaluate the words with excess frequencies down to 0.01.

<sup>60</sup>The full list of words categorized as religious are provided in Table A.1. The results are robust to excluding the ten most frequent religious terms one at a time, cf Table ??.

of faith-based organizations between 1996 and 2010. The impact is not specific to a few nonprofit organizations, but is quite homogeneous across organizations (Figure C.3).

To test heterogeneity with respect to Protestants, we can exploit the denominational reference of certain words in the organization names. Some words are distinctly Protestant and some distinctly non-Protestant. It turns out that we can form expectations about the latter, but not the former. Since the aggregate impact of the initiatives is positive and since we do not know how large a share of the Protestant organizations we capture, we do not know whether to expect organizations with Protestant names to be influenced more or less than the rest by the initiatives. We *can* form expectations about names with references to religious terms that are distinctly non-Protestant. Based on the existing literature and our results obtained so far, we expect that organizations with non-Protestant religious references in their name are either not affected or affected negatively by the faith-based initiatives. We test by adding an interaction term with a dummy variable equal to one if the name has a reference to a non-Protestant denomination in column (8). The non-Protestant religious names include words such as saint, jewish, temple, bishop, and islamic.<sup>61</sup> 1.6% of the organizations have a name that can be identified as distinctly non-Protestant. We observe that the faith-based initiatives reduced the number of faith-based organizations with at least one non-Protestant term in their name, consistent with a backlash among these organizations.

Table 6 about here

Observing the dynamics, we confirm the absence of pre-trends prior to the implementation of the faith-based initiatives in Figure 4: Prior to implementation, the share of faith-based organizations did not differ systematically based on implementation timing. After implementation, we observe the rising share of faith-based organizations.

Figure 4 about here

While the dataset on nonprofit organizations does not include congregations, we can check the impact on the supply of congregations in another dataset. The Association of

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<sup>61</sup>For a complete list of the religious words defined as non-Protestant, consult Appendix A.7. An additional challenge is that names with several religious references may be more likely to include a reference to a specific religious denomination. In this case, the information on the denomination may simply cover a stronger dedication to religion. To address this, we checked the robustness of the results to restricting the sample in column (8) to organizations with either zero or one religious term in their name. Of the organizations with one or more religious terms in their name, 84% have one religious term. The result is similar to that in column (8): The parameter estimate (t statistics in parenthesis) on the Law dummy is 0.11 (2.9) and the parameter estimate on the interaction term is -0.92 (-3.11).

Religion Data Archives (ARDA) provides decadal data on the number of congregations and adherents by US states. We use the longitudinal data set covering the years 1980, 1990, 2000, and 2010. At the state-decade level, we estimate regressions with the number of congregations or adherents as dependent variable and the faith-based initiative dummy as the main explanatory variable in Table 7. We account for state population and state and year fixed effects. We do not include state-specific linear trends as otherwise done throughout, since state-specific trends may pick up the actual impact of the treatment in this setup with only two pre-treatment observations (Wolfers, 2006).<sup>62</sup> With this specification, we find that the faith-based initiatives raised the number of congregations and adherents significantly by around a quarter of the mean. Also, consistent with the heterogeneity documented throughout, the rise in congregations and adherents occurred mainly among the Protestants.<sup>63</sup>

Table 7 about here

An alternative potential mechanism involves the poor going to church for material needs and becoming more religious as a by-product. To test, we note that if this was the main explanation, we would expect the program laws – involving welfare through the churches – to play a central role. Instead, we find that the rise in attendance is driven by the concrete laws and partly the symbolic laws (Table C.4). We would also expect heterogeneities with respect to income, which we did not detect (Table 4). The lack of explanatory power of the program laws or heterogeneities with respect to income is in line with the critique that the initiatives did not contribute with much additional welfare. These results are also consistent with arguments by other scholars emphasizing that the real impact of the faith-based initiatives was strengthened church-state relations (Sager, 2010; Chaves & Wineburg, 2010; Wineburg *et al.*, 2007).

To sum up, we find that the faith-based initiatives increased the supply of faith-based organizations and congregations. This is not entirely surprising in light of the stated mission of the initiatives; to improve conditions for faith-based organizations.<sup>64</sup> Thus, our results simply provide support for the success of this mission.

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<sup>62</sup>Adding the state-specific trends renders all estimates in Table 7 insignificant.

<sup>63</sup>Both Mainline and Evangelical Protestant congregations rose, but the number of Catholic congregations was not affected by the initiatives. While the number of adherents rose most significantly among Evangelical Protestants, the number of Catholic and other adherents also rose.

<sup>64</sup>For instance, (Carlson-Thies, 2001, 118) notes that "The Law's Charitable Choice section specifically required state and local governments to open the door to faith-based organizations when buying services from nongovernmental sources."

### 3.4 Social Views and Outcomes

If the faith-based initiatives indeed bolstered the role of religion among the American people, they should have correspondingly strengthened specific social perspectives intertwined with religious beliefs. Social movements often work to re-frame debates and shape perceptions, especially if they manage to penetrate government which seems to have been the case for the faith-based initiatives.<sup>65</sup> At the same time, especially conservative religious groups see faith-based organizations as representing values that have been displaced in the modern world (Sager, 2010, 137). The rise in the number of faith-based organizations may thus have further reinforced the same social views. To examine, we focus on a set of views that are particularly pronounced among Evangelicals. Restricting the choice set to social views where measures are available in the GSS for at least 20,000 respondents, we end up with a set of social views against homosexuality, modern gender roles, science, abortion, and preferences for conservatism and prayer in public schools, all of which are more pronounced among Evangelicals on average, compared to the rest of the population (see Table C.18). These values are also more pronounced among the broader group of Protestants.<sup>66</sup>

We measure views against homosexuality using a categorical variable reflecting respondent answers to the question whether homosexual sex relations are "not wrong at all", "sometimes wrong", "almost always wrong", and "always wrong" (based on the GSS variable *homosex*, scaled to take values 0, 0.33, 0.66, and 1). We measure views against working women by constructing a dummy variable equal to one if respondents disapprove of working women in two of four of the following questions: "Do you approve or disapprove of a married woman earning money in business or industry if she has a husband capable of supporting her?", "It is much better for everyone involved if the man is the achiever outside the home and the woman takes care of the home and family", "Tell me if you agree or disagree with this statement: Most men are better suited emotionally for politics than are most women," and "If your party nominated a woman for President, would you vote for her if she were qualified for the job?"<sup>67</sup>

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<sup>65</sup>Andrews (2001); Giugni *et al.* (1999); Jenkins & Eckert (1986); McCammon *et al.* (2001); Piven & Cloward (2012); Sager (2010); Tarrow (2011).

<sup>66</sup>More generally, Guiso *et al.* (2003) document that more religious individuals on average tend to be less favorable to working women, less willing to commit economic crimes, less likely to trust people from other religions, and more likely to have what they term "good" economic attitudes. Table 8 identifies the impact on the former type of values, while Tables 9 and 10 investigate effects on economic outcomes. The GSS also has measures on social views on contraceptive pills, hard work, and alcohol and drug use, but these are available for less than 20,000 respondents.

<sup>67</sup>For details about the construction, please consult appendix A.4. To prevent idiosyncrasies from different interpretations of these questions to matter for results, we refrain from using the individual



We measure views against science using a dummy variable taking the value one if the respondent has "only some", and "hardly any" confidence in science and the value zero if the respondent has "a great deal" of confidence in science (based on the GSS variable *consci*).<sup>68</sup> Views against abortion is measured by a dummy equal to one if the respondent expressed views against abortion for any of the reasons included in the survey, such as the woman was raped, is too poor to take care of the child, is unmarried, has serious health issues, does not want more children, or if the child is likely to have a serious defect.<sup>69</sup> Politically conservative views is measured using a dummy variable equal to one if the respondent answered that they view themselves as conservative or extremely conservative, zero otherwise (based on GSS variable *polviews*). Views in support of bible prayer in schools is based on a dummy variable equal to one if the respondent disapproves of a US Supreme Court ruling stating that public schools cannot require Bible reading (based on the GSS variable *prayer*).<sup>70</sup>

Panel A of Table 8 shows estimates of the impact of the faith-based initiatives on the mentioned social views, replacing the left-hand side variable in Equation 2 with the measures of the particular social views. Panel B exploits the heterogeneity with respect to Protestants and includes the more flexible state by year fixed effects, eliminating any pre-trend concerns. The initiatives push all values in a conservative-religious direction for Protestants, although not significantly for all values. For instance, self-reported conservative views strengthen by 5.8 percentage points more for Protestants compared to the rest, which amounts to a third of the average rate of conservatism. Again, there seems to be a backlash for the non-Protestants for most values, although only significantly for views against homosexuals, abortion, and conservatism. Social views against working women become more conservative after the initiatives for both Protestants and non-Protestants. We explore this further below.

Table 8 about here

While these findings of strengthened conservative-religious views serve as robustness questions directly. For instance, as many as 40% of respondents agree or strongly agree with "It is much better for everyone involved if the man is the achiever outside the home and the woman takes care of the home and family." We thus judge that a combination of responses reveal preferences for traditional gender roles better than the individual responses.

<sup>68</sup>We find it infeasible to rank the two response categories "hardly any" and "only some" and we chose to aggregate them into one category. The results are unchanged if we keep the ranking from the survey, categorizing "hardly any" confidence as having less confidence in science, compared to "only some".

<sup>69</sup>This variable is based on the GSS variables *abdefect*, *abnomore*, *abhlth*, *abpoor*, *abrape*, *absingle*, and *abany*.

<sup>70</sup>For a detailed description of the measures, see Appendix A.4. Results are not sensitive to these different choices, see the working paper version of this paper (Bentzen & Sperling, 2020).

checks of the remaining findings, the change in conservative views may also have real implications. To examine, we proceed to identify whether the change in social views was accompanied by a change in associated outcomes. For three of the views - skepticism towards homosexuality, traditional gender roles, and conservatism - we found direct measurable outcomes. These are presented in Table 9. During the period from 1998 to 2009, 29 states changed their constitutions in order to ban gay marriages (data description in Appendix A.8). We construct a dummy variable equal to one in the year the state implemented a constitutional ban on gay marriage and thereafter, zero otherwise. Column (1) documents that states were more likely to ban gay marriages after having implemented one or more faith-based initiatives, although this change is not significantly different from zero at conventional levels. Instead, column (2) allows the impact of the laws to vary with the share of Protestants in a state.<sup>71</sup> We observe that states with large shares of Protestants (above 75%) were more likely to ban gay marriages after the implementation of the faith-based initiatives.<sup>72</sup> Since the lowest share of Protestants in a state is 28%, we conclude that the likelihood of banning gay marriages falls significantly in states with the lowest share of Protestants.<sup>73</sup> This heterogeneity is consistent with the finding that social views against homosexuals strengthened mainly among Protestants, compared to the rest. Overall, the results are consistent with the general perception that opposition to gay marriage is most often rooted in religion.

Next, to measure actual gender gaps, we use information on respondents' work status, education, and income from the GSS. We calculate gender gaps based on the share of respondents who report currently working part time or full time or being in school (columns 3-4), respondents' average educational attainment (columns 5-6), and income (7-8).<sup>74</sup> The gender gap in employment is the share of men in employment divided by the share of women in employment in a given state in a given year. Gender gaps in education and income is the average income among men relative to the average income among women. The faith-based initiatives raised gender gaps in working status by 18 percentage points and education (income) by 2.8 (15) percentage points. For comparison, 48% more men than women had a job. The heterogeneity with respect to Protestants

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<sup>71</sup>We measure the share of Protestants, using the share of Protestants in the GSS prior to 1996.

<sup>72</sup>The lowest share of Protestants that produces a positive and significant composite estimate is 76%:  $-0.45+0.76*0.73=0.10$ , which is significantly different from zero with a p-value of 0.095. 35% of the states in the sample have a share of Protestants above 75%.

<sup>73</sup>We calculate the composite estimate:  $-0.45+0.28*0.73=-0.25$ , which is significantly different from zero with a p-value of 0.0046. The composite estimate remains negative and significant for up to 18% of the sample.

<sup>74</sup>The GSS also has information on incomes, but this is only available at the family level and thus cannot be used for calculating gender gaps.

is much weaker and only significant for the gender gap in education. If anything, it is even negative for working status and income, although these interactions are insignificant. This finding may be the result of a general improvement in income and education for Protestants, documented in the section to come. The finding is consistent with the result that strengthened views against working women was not specific to Protestants (Table 8).

While the remaining outcomes are measured at the state-level, political outcomes can be measured at the individual level in terms of voting behavior. This also means that we can conduct the more flexible specification with state by year fixed effects to examine voting behavior. The initiatives did not win extra votes for Republicans (column 9), but they shifted Republican votes away from non-Protestants towards Protestants (column 11).

Table 9 about here

We conclude our analysis by examining an additional set of factors advocated by proponents of the initiatives. A key argument by proponents was that faith-based organizations are more effective in providing social services for the needy, compared to their secular state counterparts. If this argument holds true, we anticipate an improvement in the living conditions of the impoverished population in the aftermath of the initiatives. To investigate, we first collect individual-level indicators of well-being from the GSS available for at least 20,000 respondents. For all the categorical or continuous variables, we also created dummy variables. This resulted in twenty measures of well-being in terms of health, work status, income, education, home ownership, general trust, happiness, and satisfaction. All variables are constructed so they rise in well-being. Table 10 includes them as dependent variables in regressions similar to Equation 2 in panels A and C and exploiting the heterogeneity with respect to Protestants in panels B and D.

Of the eighteen measures, fourteen were unaffected by the faith-based initiatives. Four were influenced significantly, all positively; increased education level and likelihood of being educated above the bottom quarter, increased likelihood of earning income above the bottom quarter and increased life satisfaction. The rise only occurred for the Protestants. Non-Protestants saw no improvements in well-being. When correcting estimates for multiple hypothesis testing, the average American sees no improvement in well-being for any of the measures. However, Protestants' education, relative to non-Protestants rises (Table C.19).

That education is the only measure of well-being that improves is intriguing when

considered in the context of prior research. An influential paper by Becker & Woessmann (2009) documents that the Protestant Reformation raised economic prosperity, not so much because of a Protestant ethic as otherwise famously hypothesized by Max Weber, but rather due to increased literacy. This rise in human capital among Protestants has since been confirmed by others (Boppert *et al.*, 2014; Dittmar & Meisenzahl, 2020). In this light, it seems likely that the rise in faith-based organizations in the aftermath of the faith-based initiatives also raised Protestants' self-reported education levels.

In sum, the initiatives did not seem to improve well-being, except for improved education levels for Protestants. The general lack of improvements is consistent with research documenting that social service provision by congregations did not increase in the aftermath of the faith-based initiatives (Chaves *et al.*, 2004).

Table 10 about here

## 4 Conclusion

The faith-based initiatives have been implemented across the USA since 1996. They were part of a broader conservative religious movement attempting to strengthen the position of religion in the USA. Proponents argued that faith-based organizations were better at providing for the needy than the secular state, while opponents feared the initiatives implicitly allowed faith-based organizations to proselytize for government funds. While we do not detect general improvements of well-being, the initiatives seem to have managed to alter the beliefs, practices, and social views of the American population towards stronger religious beliefs and associated conservative-religious social views.

We identify one mechanism through which these effects may have worked; the initiatives increased the number of faith-based organizations. This is consistent with the fact that a major part of the initiatives was improvements of conditions for faith-based organizations in terms of reduced regulations, improved access to appropriations, encouragements of the government to use faith-based organizations for social service provision, and improved general access to the government for the faith-based organizations. The rising number of faith-based organizations may have strengthened the role of religion through proselytizing as argued by opponents or simply by standard religious market mechanisms, predicting rising religiosity from a rising supply of religion.

The general trend in religiosity and social views in the USA is towards rising secularization, equality between the sexes, and generally modernized social views. However, this average trend covers rising polarization (Putnam & Campbell, 2012). Putnam &

Campbell (2012) document a general polarization between the religiously affiliated and the unaffiliated, arguing that a growing number of Americans leave religion due to an unease with the association between religion and conservative politics. The faith-based initiatives strengthened religiosity and conservative social views among the treated, but religiosity continued to fall and social views continued to modernize among the untreated. Some results even show a counter-reaction among the non-Protestants, in line with Putnam's arguments. The faith-based initiatives and the associated movement may thus help explain this development.

In more general, our results further our understanding of the consequences of the inter-linkages between religion and politics and how politics can influence the personal values and beliefs of individuals to an extent that impacts real outcomes, such as actual gender gaps or laws against homosexuality. Since some of the larger religious nonprofit organizations operate internationally, the results may help explain the rise in religiosity in other parts of the world, which could form the basis for future research.

# Tables and Figures

Figure 1: The spatial spread of the faith-based initiatives 1997-2009

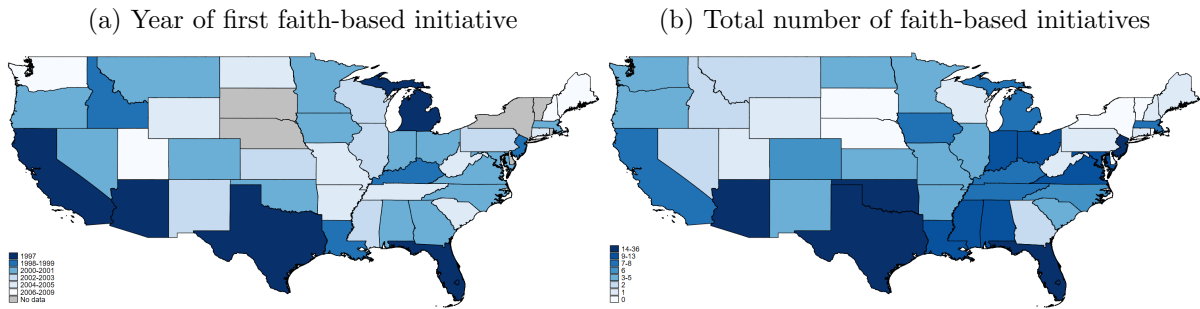


Table 1: The number of faith-based initiatives by type

Concrete laws creating government access and opportunities for FBOs	
<b>Program laws</b>	<b>45</b>
Prison	30
Youth/school	6
Drug/alcohol	9
<b>Concrete laws</b>	<b>136</b>
Allocate positions in state advisory boards to faith-based representatives	70
Appropriations to FBOs	58
Exempt FBOs from standard regulations	6
Assist FBOs with grant writing process	2
<b>Less concrete laws encouraging a friendly environment for FBOs (Symbolic laws)</b>	<b>151</b>
Office of Faith Based Initiative	11
Encourage the state to partner with FBOs	132
Create a faith-based advisory board	8
<b>Total</b>	<b>332</b>

Note: Data on faith-based initiatives retrieved from LexisNexis for the period 1996-2009 by Sager (2010).

Table 2: The impact of faith-based initiatives on the size of religious groups

Dep var:	(1) Protestant	(2) Evangelical	(3) Catholic	(4) No Denomination
Law t-1	-0.0087 (0.019)	-0.0095 (0.021)	0.0033 (0.019)	0.0046 (0.008)
R-squared	0.15	0.16	0.093	0.064
Observations	51656	19414	51656	52121
MeanDepVar	0.58	0.52	0.26	0.11

OLS estimates. All regressions include year of survey and state fixed effects, state-specific trends, and controls for respondents' age, gender, and marital status. The sample includes the full sample of respondents in columns (1) and (3)-(4), while it is restricted to Protestants in column (2) with information on whether respondents were evangelical, mainline or other. The dependent variable is a dummy equal to one if the respondent is Protestant in column (1), Evangelical in column (2), Catholic in column (3), or without a religious denomination in column (4). Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** The faith-based initiatives did not induce shifting across the major religious denominations.

Table 3: The impact of faith-based initiatives on church attendance

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dependent variable: Church attendance								
<b>Panel A: Simple OLS</b>								
Law t-1	0.018*							
	(0.010)							
Law t-1 x Protestant		0.074***	0.069***	0.069***	0.066***	0.065***	0.069***	0.068***
		(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.010)
Law t-1 x Not protestant		-0.052***	-0.052***	-0.052***	-0.052***	-0.038**	-0.052***	-0.052***
		(0.015)	(0.014)	(0.014)	(0.014)	(0.015)	(0.014)	(0.014)
Real family income				0.033**				
				(0.015)				
Educational level					0.0086***			
					(0.002)			
Public Spending per cap t-1						-0.00069		
						(0.042)		
Republican							0.069***	
							(0.006)	
African-American								0.076***
								(0.007)
R-squared	0.036	0.061	0.098	0.100	0.10	0.10	0.11	0.10
Observations	51987	51410	51248	46205	51146	38930	51029	51248
MeanDepVar	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Year and state FE	yes	yes	yes	yes	yes	yes	yes	yes
State-specific trends	yes	yes	yes	yes	yes	yes	yes	yes
Controls	no	no	yes	yes	yes	yes	yes	yes
Share Protestants	0.59	0.59	0.59	0.59	0.59	0.58	0.59	0.59
<b>Panel B: Contiguous counties</b>								
Law t-1	0.051*							
	(0.027)							
Law t-1 x Protestant		0.063*	0.072**	0.11***	0.071**	0.064*	0.076**	0.067**
		(0.032)	(0.032)	(0.027)	(0.032)	(0.033)	(0.031)	(0.032)
Law t-1 x Not protestant		-0.018	-0.0076	0.0075	-0.0061	-0.017	-0.0012	-0.0095
		(0.033)	(0.033)	(0.027)	(0.033)	(0.031)	(0.031)	(0.032)
R-squared	0.044	0.086	0.13	0.14	0.13	0.12	0.14	0.13
Observations	18112	17729	17700	15532	17664	16397	17620	17700
County-pair fixed effects	yes	yes	yes	yes	yes	yes	yes	yes
<b>Panel C: Further robustness</b>								
	State-year fe	W/o state-trends	Balanced panel	Equal weight	Ex non-affiliated	Ex. FL and TX	Ex influential	State-year cluster
Law t-1 x Protestant	0.13***	0.074***	0.071***	0.069***	0.053***	0.076***	0.087***	0.069***
	(0.014)	(0.011)	(0.012)	(0.014)	(0.009)	(0.010)	(0.012)	(0.017)
Law t-1 x Not protestant	0	-0.040**	-0.052***	-0.063***	-0.044***	-0.052***	-0.068***	-0.052***
	(.)	(0.016)	(0.016)	(0.017)	(0.014)	(0.016)	(0.016)	(0.017)
R-squared	0.11	0.097	0.094	0.099	0.059	0.100	0.17	0.098
Observations	51248	51248	42180	51248	45765	45991	46124	51248

Change in church attendance 1996-2010: -0.016

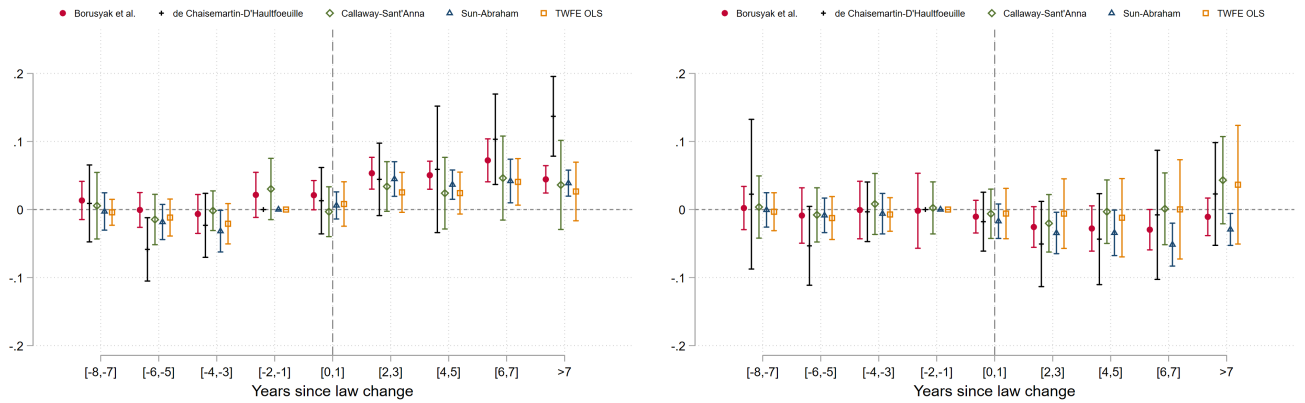
OLS estimates across GSS individuals. All regressions include a constant, year of survey and state fixed effects, and state-specific trends (except column 2 in panel C, which does not include the state-specific trends). In addition, panels B, C, and columns (3)-(8) of panel A include controls for age, gender. Whenever the impact of the faith-based initiatives is allowed to vary with Protestant status, a dummy for Protestant status is also included. Also, panel B includes 156 county-pair fixed effects. Last, panel C performs the following robustness checks: including state-by-year fixed effects (column 1), excluding state-specific trends (column 2), restricting to the balanced sample of 23 states with information for all 27 years (column 3), using weights that make each state count equally instead of the survey weights provided by GSS (column 4), excluding individuals who report no religious affiliation (column 5), excluding the two states that implemented the first and the most faith-based initiatives; Texas and Florida (column 6), excluding influential observations identified by Cooks D (column 7), and clustering at the state-year level instead of the state level (column 8). Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** The faith-based initiatives increased churchgoing for Protestants.

Figure 2: Event study estimators

(a) Protestants

(b) Placebo: Non-Protestants



Event study estimates using five different estimators: A dynamic version of the TWFE OLS estimator, Callaway & Sant'Anna (2021), Borusyak *et al.* (2021), De Chaisemartin & d'Haultfoeulle (2020), and Sun & Abraham (2021). The dependent variable is church attendance. Treatment is a faith-based initiative being implemented. Since surveys were only conducted in even years after 1994, we group all years into groups of two consecutive years. The time variable is these survey-group years. The treatment group variable is states. We include the baseline controls for gender, marital status, and age throughout. The sample is restricted to Protestants in panel A and non-Protestants in panel B. The vertical bands represent the 95 percent confidence interval based on robust standard errors clustered at the state level.

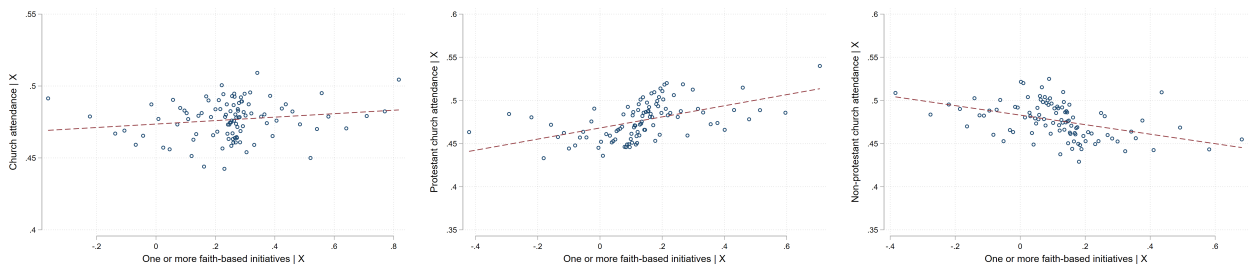
**Result:** The faith-based initiatives raised churchgoing for Protestants and had close to no effects on churchgoing for others. States did not differ systematically in terms of average church attendance prior to implementation.

Figure 3: Binned added-variable plots of the impact of the faith-based initiatives on church attendance

(a) Composite effect

(b) Protestants

(c) Non-protestants



Added variables plots of the main results where the observations are binned into 100 equally sized bins. Included controls are state and year fixed effects, state-specific trends, and controls for age, gender, marital status, and Protestant status. The sample is the full sample in panel (a), the sample restricted to Protestants in panel (b), and the sample restricted to non-Protestants in panel (c).



Table 4: Additional heterogeneity

Dep. var: Church attendance								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Law t-1	-0.052*** (0.014)	0.0033 (0.009)	0.011 (0.012)	0.049*** (0.015)	-0.060*** (0.015)	-0.055*** (0.020)	-0.015 (0.023)	-0.017 (0.024)
Law t-1 x Protestant	0.12*** (0.013)				0.13*** (0.016)	0.12*** (0.023)	0.12*** (0.027)	0.12*** (0.028)
Law t-1 x Republican		0.043*** (0.009)			0.041*** (0.015)			0.0073 (0.043)
Law t-1 x Income			0.0054 (0.009)			0.0046 (0.016)		
Law t-1 x Education				-0.041*** (0.012)			-0.041** (0.019)	-0.048** (0.019)
R-squared	0.098	0.091	0.083	0.087	0.11	0.10	0.11	0.11
Observations	51248	51592	46705	51715	51029	46205	51146	50931

OLS estimates. The dependent variable is a categorical variable measuring church attendance. All regressions include year of survey and state fixed effects, state-specific trends, controls for respondents' age, marital status, gender, and all remaining individual components in the interaction terms (dummies for being Protestant or Republican, and for having high income or education). Columns (5)-(8) additionally include all remaining interactions (interactions between being Protestant, republican, and the law dummy in column 5, for instance). All of the remaining interaction terms that include the law dummy are insignificant. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** Attendance rose more for Protestants and those with lower educational attainment. The seemingly heterogeneous effects with respect to Republican preferences (column 2) covers educational heterogeneities (column 8).

Table 5: The impact of faith-based initiatives on alternative measures of religiosity

Panel A: GSS, baseline diff-in-diff					
Dep var:	(1)	(2)	(3)	(4)	(5)
	Strength of affiliation	Afterlife	Bible is God's word	Prayer	Certain God exists
Law t-1 x Protestant	0.062*** (0.011)	0.025** (0.011)	0.019 (0.028)	0.038** (0.019)	0.087** (0.034)
Law t-1 x Not protestant	-0.062*** (0.014)	0.015 (0.013)	-0.022 (0.022)	-0.046* (0.023)	0.017 (0.035)
R-squared	0.16	0.041	0.12	0.17	0.11
Panel B: GSS, diff-in-diff-in-diff					
Law t-1 x Protestant	0.13*** (0.016)	0.0071 (0.014)	0.045** (0.018)	0.087*** (0.014)	0.081*** (0.020)
R-squared	0.17	0.046	0.12	0.18	0.12
Observations	48554	33500	26998	24961	14488
MeanDepVar	0.63	0.80	0.34	0.64	0.63
Panel C: ANES, baseline diff-in-diff					
Dep. var:	Attendance	Rel important	Rel guidance	Protestant	
Law t-1 x Protestant	0.062*** (0.022)	0.053** (0.022)	0.067*** (0.023)		
Law t-1 x Not Protestant	-0.097*** (0.024)	0.0043 (0.027)	0.015 (0.029)		
Law t-1				0.0081 (0.029)	
R-squared	0.086	0.11	0.14	0.15	
Panel D: ANES, diff-in-diff-in-diff					
Law t-1 x Protestant	0.17*** (0.024)	0.052* (0.027)	0.055** (0.026)		
R-squared	0.091	0.12	0.15		
Observations	32343	21560	21510		
Mean dep var	0.49	0.77	0.68		

OLS estimates. The dependent variables in panels A and B measure the respondents' strength of religious affiliation (taking values 0 (no religion), 0.5 (somewhat strong), and 1 (strong)) in column (1). The rest are dummy variables that are equal to one if the respondent believes in an afterlife (col 2), believes the Bible to be the literal word of God (col 3), prays daily (col 4), or is certain that God exists (col 5). The dependent variables in panels C and D are a categorical variable measuring the intensity of church attendance (col 1), a dummy equal to one if the respondent finds God important in their life (col 2), a categorical variable measuring the extent to which the respondent answered that religion provides guidance in their life (col 3), and a dummy equal to one if the respondent reports being Protestant (col 4). The latter is meant as a pendent to Table 2. All regressions include a constant and year of survey and state fixed effects, and respondent controls for age, marital status, gender, and a Protestant dummy. Panels A and C also include state-specific trends, whereas panels B and D include the more flexible state-by-year-fixed effects. The latter means that we cannot estimate the impact on the likelihood of being Protestant in column (4) of Panel D, as this specification involves no heterogeneity in treatment. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** The faith-based initiatives strengthened the faith of Protestants, and did not influence beliefs of non-Protestants for most measures. If anything, there is a tendency for a backlash among non-Protestants for some measures.

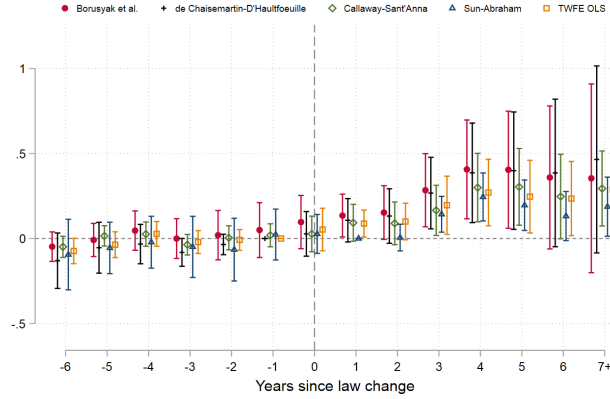
Table 6: The impact of faith-based initiatives on the number of faith-based organizations

Dep var:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Religious purpose			Religious words in name		Both		Words
				Number words	Share	Dummy	Dummy	Dummy
Law t-1	0.0747**	0.0567	0.0741**	0.210**	0.0346**	0.142***	0.125**	0.143***
	(0.035)	(0.035)	(0.032)	(0.080)	(0.013)	(0.051)	(0.047)	(0.048)
Law t-1 x Not Protestant								-1.225***
								(0.323)
R-squared	0.0289	0.0293	0.0342	0.0394	0.0374	0.0413	0.0456	0.245
Observations	8909698	8735017	8909697	8373350	8373350	8373350	8373350	8373350
MeanDepVar	3.436	3.445	3.217	8.624	1.878	7.273	8.144	7.273
Change in dep var 1996-2010:	1.20	1.16	1.15	2.52	0.60	0.98	1.28	0.98

OLS estimates across nonprofit organizations. The dependent variables (all multiplied by 100) are: A dummy equal to one if the organization was classified as "Religion related" (columns 1 and 3) or "Religion related - Spiritual development" (column 2), the number of religious words in the organization's name (4), the share of religious words (5), a dummy equal to one if the name includes one or more religious words (6 and 8), and a dummy variable equal to one if the organization was either categorized as religious or had a religious term in their name (7). All regressions include a constant, time - and state fixed effects, state-specific trends, and fixed effects for ownership type (private vs public) and charity type (mutual benefit, operating, supportive). In addition, columns (4)-(8) also include length of the name fixed effects. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** The faith-based initiatives raised the number of faith-based organizations, particularly in Protestant states.

Figure 4: Event study estimators for faith-based organizations



Event study estimates across 7,855,091 organization-years using five different estimators: A dynamic version of the TWFE OLS estimator, Callaway & Sant'Anna (2021), Borusyak *et al.* (2021), De Chaisemartin & d'Haultfoeuille (2020), and Sun & Abraham (2021). The dependent variable is a dummy equal to one if the name of the non-profit organization included one or more religious terms. Treatment is a faith-based initiative being implemented. The specification mimics that in column (6) of Table 6, except that we exclude organizations with distinctly non-Protestant terms in their name. The vertical bands represent the 95 percent confidence interval based on robust standard errors clustered at the state level.

**Result:** The faith-based initiatives increased the number of faith-based organizations. States did not differ systematically in terms of average share of faith-based organizations prior to implementation.

Table 7: Impact of faith-based initiatives on the number of churches and adherents

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Denomination:	All	All	Evangelical	Mainline	Black Prot	Catholic	Orthodox	Other
		Protestant						
<b>Panel A:</b> Dependent variable: Number congregations								
Law t-1	1.51*** (0.525)	1.28*** (0.429)	0.59* (0.324)	0.59** (0.247)	0.10 (0.075)	0.016 (0.013)	0.026 (0.018)	0.19 (0.114)
R-squared	0.90	0.89	0.95	0.74	0.61	0.99	0.66	0.87
Observations	200	200	200	200	200	200	200	200
Mean dep var	6.63	5.74	2.91	2.72	0.12	0.44	0.035	0.41
<b>Panel B:</b> Dependent variable: Number adherents								
Law t-1	8.43** (3.767)	3.40*** (1.167)	2.14*** (0.787)	0.97 (0.768)	0.29 (0.210)	4.47* (2.457)	0.12 (0.117)	1.13** (0.508)
R-squared	0.95	0.97	0.97	0.96	0.61	0.94	0.53	0.80
Observations	200	200	200	200	200	200	200	200
Mean dep var	29.7	16.1	7.91	7.84	0.38	11.1	0.13	1.94

OLS estimates across states in years 1980, 1990, 2000, and 2010. All regressions include a constant, year and state fixed effects, and a control for state-level population. The sample includes all denominations in column (1), all Protestant denominations in column (2), Protestant denominations split into Evangelicals, Mainline, and black Protestants in columns (3)-(5), Catholics in column (6), Orthodox in column (7), and remaining denominations in column (8). Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** The number of congregations and adherents rose in the aftermath of the faith-based initiatives. Particularly the number of Protestant congregations rose, but the number of adherents rose for both Evangelicals, Catholics, and Other.

Table 8: The impact of faith-based initiatives on social views

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable:	Homosex	Women	Science	Abortion	Con- servative	Bible prayer in schools
<b>Panel A: Diff-in-diff</b>						
Law t-1 x Protestant	0.026 (0.025)	0.041** (0.019)	0.0080 (0.024)	0.015 (0.021)	0.029** (0.013)	0.039 (0.035)
Law t-1 x Not protestant	-0.049** (0.023)	0.047*** (0.015)	-0.011 (0.025)	-0.054** (0.020)	-0.028** (0.013)	-0.0078 (0.019)
R-squared	0.16	0.12	0.023	0.042	0.034	0.089
Observations	31750	29849	32772	39045	44319	26970
<b>Panel B: Diff-in-diff-in-diff</b>						
Law t-1 x Protestant	0.088*** (0.016)	0.0040 (0.017)	0.030 (0.023)	0.078*** (0.016)	0.058*** (0.009)	0.060** (0.026)
R-squared	0.17	0.12	0.030	0.052	0.038	0.10
Observations	31750	29849	32772	39045	44319	26970
MeanDepVar	0.73	0.23	0.57	0.66	0.18	0.60
Change in views 1996-2010	-0.149	-0.052	-0.027	-0.003	-0.001	-0.012

OLS estimates across GSS individuals. All regressions include year of survey and state fixed effects, and state-specific trends and individual controls for Protestant denomination, gender, marital status, and age. In addition, panel B includes year of survey by state fixed effects. The dependent variable is a dummy equal to one if the respondent finds homosexual sex relations wrong in column (1), a dummy variable equal to 1 if the respondent finds working women and/or women in politics wrong, zero otherwise in column (2), a dummy equal to one if the respondent has hardly any confidence in science (3), is against abortion (4), regards him/herself as conservative (5), and favors Bible prayer in public schools (6). Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** The faith-based initiatives raised skepticism towards homosexuals and abortion, strengthened general conservative views, and increased preferences for Bible prayer in schools among Protestants, compared to non-Protestants. The initiatives also raised skepticism towards working women for Protestants and non-Protestants alike.

Table 9: The impact of faith-based initiatives on outcomes

Dependent variable:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Laws restricting gay marriage		Gender gap in work status		Gender gap in education		Gender gap in income			Voted republican	
Law t-1	0.057 (0.055)	-0.45*** (0.134)	0.18* (0.105)	0.39 (0.432)	0.028* (0.016)	-0.052 (0.047)	0.15* (0.079)	0.19 (0.153)	-0.0018 (0.023)		
Law t-1 x Protestant		0.73*** (0.213)		-0.34 (0.615)		0.12* (0.065)		-0.089 (0.207)		0.021 (0.023)	0.056** (0.025)
Law t-1 x Not Protestant										-0.028 (0.028)	
R-squared	0.63	0.65	0.044	0.047	0.015	0.018	0.067	0.049	0.062	0.070	0.079
Observations	1950	1716	966	950	967	951	953	938	25524	25205	25205
MeanDepVar	0.080	0.078	1.48	1.49	1.02	1.02	1.14	1.14	0.49	0.49	0.49
State-YearFE	N	N	N	N	N	N	N	N	N	N	Y

OLS estimates across state-year observations (1)-(8) and individual-year observations (9)-(11). All regressions include individual survey and state fixed effects and state-specific linear trends. In addition, columns (9)-(10) include controls for marital status, gender, and age and columns (10) and (11) include the Protestant dummy. Protestant status is measured by the share of Protestants prior to 1996 in columns (2), (4), (6), and (8), while it is measured by the Protestant dummy in columns (10) and (11). Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** The faith-based initiatives increased bans on gay marriages in states with larger shares of protestants, raised gender gaps slightly, and increased republican voting among Protestants.

Table 10: The impact of faith-based initiatives on well-being

Dependent variable:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
	Health level	Health dummy	Working dummy	Employed dummy	Income level	Income >25pct	Education level	Education >25pct	Own home dummy	
Panel A. Diff-in-diff										
Law t-1 x Protestant	0.028 (0.040)	0.023 (0.017)	0.020 (0.014)	0.00053 (0.005)	0.024 (0.016)	0.016 (0.018)	0.34** (0.160)	0.037* (0.018)	0.027 (0.024)	
Law t-1 x Not protestant	-0.0088 (0.036)	0.012 (0.015)	0.024 (0.016)	0.0027 (0.006)	0.011 (0.016)	-0.013 (0.020)	-0.100 (0.132)	-0.022 (0.016)	0.019 (0.028)	
R-squared	0.084	0.072	0.22	0.024	0.12	0.13	0.11	0.095	0.17	
Panel B. Diff-in-diff-in-diff										
Law t-1 x Protestant	0.023 (0.032)	0.0041 (0.014)	-0.0093 (0.011)	-0.0033 (0.004)	0.013 (0.012)	0.029** (0.012)	0.37*** (0.091)	0.051*** (0.013)	0.0056 (0.021)	
R-squared	0.089	0.077	0.22	0.030	0.14	0.14	0.13	0.10	0.19	
Observations	37720	37720	51650	51650	46415	46415	51550	51550	22019	
Mean dep var	2.03	0.77	0.65	0.97	0.35	0.80	12.8	0.77	0.69	
Panel C. Diff-in-diff										
Dependent variable:	General trust	Happy dummy	Satisfied finance category	Satisfied finance dummy	Satisfied job category	Satisfied job dummy	Satisfied life category	Satisfied life dummy	Happy marriage	
Law t-1 x Protestant	-0.0020 (0.019)	0.015 (0.021)	0.027 (0.036)	0.0074 (0.018)	0.028 (0.025)	0.025 (0.019)	0.00056 (0.025)	-0.00072 (0.022)	0.016 (0.028)	
Law t-1 x Not protestant	-0.021 (0.022)	-0.0080 (0.024)	0.020 (0.031)	0.013 (0.018)	0.018 (0.031)	0.012 (0.021)	-0.033 (0.027)	-0.022 (0.023)	0.0021 (0.026)	
R-squared	0.047	0.052	0.040	0.028	0.035	0.032	0.023	0.017	0.0072	
Panel D. Diff-in-diff-diff										
Law t-1 x Protestant	0.012 (0.014)	0.026 (0.021)	0.010 (0.028)	-0.0060 (0.013)	0.0068 (0.021)	0.012 (0.014)	0.036** (0.017)	0.023 (0.016)	0.016 (0.022)	
R-squared	0.054	0.058	0.052	0.036	0.039	0.038	0.029	0.025	0.011	
Observations	33098	47118	47239	47239	37300	37300	31157	31157	24356	
Mean dep var	0.40	1.22	1.04	0.75	2.30	0.48	1.43	0.47	0.63	

OLS estimates across GSS individuals. All regressions include year of survey and state fixed effects, state-specific trends and the controls for age, marital status, gender, and Protestant denomination. Panels B and D also include state-by-year fixed effects. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** Four of eighteen measures of well-being were influenced significantly by the faith-based initiatives, all four in positive direction, but only for the Protestants. It should be noted, though, that when probing results for multiple hypothesis testing, only two of the four measures remain significantly influenced (Table C.19).

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# Appendix

## Potentially For Online Publication

### A Data Description

#### A.1 The faith-based initiatives

To measure the extent and spread of the faith-based initiatives, we use data from LexisNexis, collected by sociologist Rebecca Sager. Sager collected data on faith-based legislation passed during the period 1996-2009, which included key words “faith-based” or “Charitable Choice” (Sager (2010), p. 24). From this, Sager coded legislative acts by category and year of passage. Sager continuously updates the data and we received our version in April 2017.

#### A.2 The faith-based institutions

The information on faith-based liaisons, FBL, and offices of faith-based initiatives, OFBCI, and their budgets used in Table C.15 is based on interviews of officials in all states performed by Rebecca Sager in 2004 and 2005 revealing whether the state had an FBL, an OFBCI, and what their budgets were at the time of interview, the year of establishment, and details on their operations (Sager (2010)). The majority of states had an FBL and an OFBCI at the time of interview, but the timing of their implementation varies across states and a few did not have one yet. We exclude data without information on the year of establishment.

#### A.3 Appropriations

The data on appropriations was gathered by Sager (2010) from the LexisNexis database. The dates are the dates of passage, not necessarily the dates of funding. Sager identified 16 states that were granted a total of 42 grants over the period 1998-2007, summing to \$70 million.

#### A.4 The GSS variables

The variables from the GSS used in the main analyses are presented below. The GSS variables used for the appendix tables are described in the respective table notes. When a variable is used as dependent variable, we restrict to a sample for which at least 10 persons answered the given question in one state and year.

**Afterlife:** GSS variable: *postlife*. Question: “Do you believe there is a life after death?” Answers: no, yes. We construct an indicator variable equal to one if the answer is yes, zero otherwise.

**Against abortion:** GSS variables: *abdefect*, *abnomore*, *abhlth*, *abpoor*, *abrape*, *absingle*, and *abany*. Question: “Please tell me whether or not you think it should be possible

for a pregnant woman to obtain a legal abortion if the woman wants it for any of the following reasons: the child is likely to have a serious defect, the woman wants no more children, has serious health issues, is too poor to take care of the child, was raped, is unmarried, or for any other reason?" Answers: no, yes. We constructed a dummy variable equal to zero if yes, one if no.

**Against homo:** GSS variable: homosex. Question: "What about sexual relations between two adults of the same sex - do you think it is always wrong, almost always wrong, wrong only sometimes wrong, or not wrong at all?" We converted this into a categorical variable equal to one if the answer is always wrong, 0.66 if the answer is almost always wrong, 0.33 if the answer is wrong only sometimes, and zero if the answer is not wrong at all.

**Against science:** GSS variable: consci. Question: "I am going to name some institutions in this country. As far as the people running these institutions are concerned, would you say you have a great deal of confidence, only some confidence, or hardly any confidence at all in them? Scientific Community" We coded a dummy variable equal to one if the answer is hardly any confidence, zero otherwise.

**Against women.** Measures social views against working women. GSS variables: fework, fefam, fepol, and fepres. Question, fework: "Do you approve or disapprove of a married woman earning money in business or industry if she has a husband capable of supporting her?" Answers: disapprove, approve. Question, fefam: "It is much better for everyone involved if the man is the achiever outside the home and the woman takes care of the home and family". Answers: strongly agree, agree, disagree, disagree. Question, fepol: "Tell me if you agree or disagree with this statement: Most men are better suited emotionally for politics than are most women." Answers: disagree, agree. Question, fepres: "If your party nominated a woman for President, would you vote for her if she were qualified for the job?" Answers: yes, no. We coded a dummy variable equal to one if the respondent's answer disapproved of women for at least two of the questions, zero otherwise. The variable is missing if less than two of the questions was answered by the respondent.

**Against science.** GSS variable: consci, K. Question: "I am going to name some institutions in this country. As far as the people running these institutions are concerned, would you say you have a great deal of confidence, only some confidence, or hardly any confidence at all in them?" Option K: Scientific Community. Answers: "a great deal", "only some", "hardly any". We code a variable equal to one if the respondent answers "only some" or "hardly any", zero otherwise.<sup>75</sup>

**Believe in God:** GSS variable: god. Question: "Which statement comes closest to expressing what you believe about God?" Answers: "I don't believe in God", "I don't

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<sup>75</sup>We find it infeasible to rank the two response categories "hardly any" and "only some" and we chose to aggregate them into one category. The results are unchanged if we keep the ranking from the survey, categorizing "hardly any" confidence as having less confidence in science, compared to "only some".

know whether there is a God and don't believe there is a way to find out", "I don't believe in a personal God, but I do believe in a Higher Power of some kind", "I find myself believing in God some of the time, but not at others", "While I have doubts, I feel that I do believe in God", "I know God really exists and I have no doubt about it". From this, we construct three indicators: One is equal to one if respondents answer anything but no, another is equal to one if respondents either believe with certainty or with doubt, and the third indicator is equal to one if respondents are certain that God exists, zero otherwise.

**Bible:** GSS variable: bible. Question: "Which of these statements comes closest to describing your feelings about the Bible?" Answers: "The Bible is the actual word of God and is to be taken literally, word for word", "The Bible is the inspired word of God but not everything in it should be taken literally, word for word", "The Bible is an ancient book of fables, legends, history, and moral precepts recorded by men". From this, we construct two indicators: One is equal to one if respondents believe the Bible to be the literal or inspired word of God, zero otherwise, another is equal to one if respondents believe the Bible to be the literal word of God, zero otherwise.

**Bible prayer in public schools:** GSS variable: prayer. Question: "The United States Supreme Court has ruled that no state or local government may require the reading of the Lord's Prayer or Bible verses in public schools. What are your views on this—do you approve or disapprove of the court ruling?" We code a dummy equal to one if the respondent approves, zero if he/she disapproves.

**Conservative:** GSS variable: polviews. Question: "We hear a lot of talk these days about liberals and conservatives. I'm going to show you a seven-point scale on which the political views people might hold are arranged from extremely liberal—point 1—to extremely conservative—point 7. Where would you place yourself on this scale?" We code a dummy variable equal to one if answer is conservative or extremely conservative, zero otherwise.

**Education:** GSS variable: educ. Categorical variable based on the following range of questions: What is the highest grade in elementary school or high school that you finished and got credit for? If finished 9th-12th grade: Did you ever get a high school diploma or a GED certificate? Did you complete one or more years of college for credit—not including schooling such as business college, technical or vocational school? IF YES: How many years did you complete? Do you have any college degrees? (IF YES: What degree or degrees?) Answer: Integers between 0 - 20.

**Education > 25%:** GSS variable name: educ. Converted to a dummy equal to one if respondent replies having completed 12th grade (the top-25th percentile in the US wide distribution of education) or above, zero otherwise.

**Evangelical:** Defined using variable denom, which asks for the specific affiliation of the respondent and spother, which asks respondents to specify Protestant affiliations. The

main churches that we define as evangelical are Baptist churches (except the American Baptist Church), the Presbyterian Church in the USA, the Wisconsin Evangelical Church, Pentecostal churches, congregational churches, churches of God, and Adventist churches. When these variables are missing, we supplement with information from variables `denom16` and `oth16`, which ask for the religious affiliation of the respondent when he/she was 16.

**Employed:** Based on the GSS variable, `wrkstat`. Question: "Last week were you working full time, part time, going to school, keeping house, or what?" We coded a dummy equal to one if the respondent answered anything except "unemployed", zero if unemployed.

**Gender gap in education:** Based on our Education dummy variable equal to one if respondent completed 12th grade or higher (the 25th percentile in the US wide distribution of education). For each year and state, we calculate the average shares of men and women that completed 12th grade or higher. Next, we divide the male shares with the female shares to obtain the gender gap in education.

**Gender gap in income:** Based on our Income dummy variable equal to one if respondent's income is equal to or above 11781 US\$ (the 25th percentile in the US wide distribution of income). For each year and state, we calculate the average shares of men and women that earn these incomes. Next, we divide the male shares with the female shares to obtain the gender gap in income.

**Happy:** GSS variable: `happy`. Question: "Taken all together, how would you say things are these days - would you say that you are very happy, pretty happy, or not too happy?" We coded a dummy equal to one if the respondent answers he/she is very happy or pretty happy.

**Happy marriage:** GSS variable: `hapmar`. Question: "Taking things all together, how would you describe your marriage? Would you say that your marriage is very happy, pretty happy, or not too happy?" We coded a variable rising in happiness, taking values 0 (not too happy), 1 (pretty happy), and 2 (very happy). We code a dummy equal to one if the respondent answers he/she is very happy.

**Health:** GSS variable: `health`. Question: "Would you say your own health, in general, is excellent, good, fair, or poor?" We code a variable equal to 0 if the answer is poor, 1 if fair, 2 if good, 3 if excellent.

**Health Good:** GSS variable: `health`. We code a dummy equal to one if the respondent answers that his/her health is good or excellent, zero otherwise.

**Help others:** GSS variables: `nataid` and `natfare`. Question: "We are faced with many problems in this country, none of which can be solved easily or inexpensively. I'm going to name some of these problems, and for each one I'd like you to tell me whether you think we're spending too much money on it, too little money, or about the right amount." We code a dummy equal to one if the respondent answers that we are spending too little on foreign aid (`nataid`) or on welfare (`natfare`), zero otherwise.

**Income:** GSS variable: `realinc`. Family income in constant dollars (base = 1986).

**Income > 25%:** GSS variable: `realinc`. We code a dummy equal to one if the respondent's family income equals or exceeds 11781 US\$ (the 25th percentile in the US wide distribution of income).

**Pray:** GSS variable: `pray`. Question: "How often do you pray?" Answers: several times a day, once a day, several times a week, once a week, less than once a week, never. We reverse the GSS variable, so that higher values means more frequent prayer. We also recode it to make it take values between 0 and 1.

**Religious denomination:** GSS variable: `relig`. Question: "What is your religious preference?" Main answers: Protestant, Catholic, Jewish, Some other religion, No religion.

**Religious attendance:** GSS variable: `attend`. Question: "How often do you attend religious services?" Respondents can answer never, less than once per year, about once or twice per year, several times a year, about once a month, two to three times a month, nearly every week, every week, or several times a week. The original variable assumes values between 0 and 8, which we recode to values between 0 and 1. Thus, the variable takes on values 0, 0.125, 0.25, ..., 1.

**Satisfied finance:** GSS variable: `satfin`. Question: "We are interested in how people are getting along financially these days. So far as you and your family are concerned, would you say that you are pretty well satisfied with your present financial situation, more or less satisfied, or not satisfied at all?" We code a variable that rises in financial satisfaction, taking values 0 (not at all satisfied), 1 (more or less satisfied), and 2 (satisfied). We code a dummy variable equal to one if the respondent answers satisfied or "more or less satisfied", zero otherwise.

**Satisfied job:** GSS variable: `satjob`. Question: "On the whole, how satisfied are you with the work you do—would you say you are very satisfied, moderately satisfied, a little dissatisfied, or very dissatisfied?" We code a variable that rises in job satisfaction, taking values 0 (very dissatisfied), 1 (a little dissatisfied), 2 (moderately satisfied), and 3 (very satisfied). We code a dummy variable equal to one if the respondent answers "very satisfied", zero otherwise.

**Satisfied life:** GSS variable: `life`. Question: "In general, do you find life exciting, pretty routine, or dull?" We code a variable that rises in life satisfaction, taking values 0 (dull), 1 (routine), and 2 (exciting). We code a dummy variable equal to one if the respondent answers exciting, zero otherwise.

**Strength of religious affiliation:** GSS variable: `reliten`. Question: "Would you call yourself a strong (PREFERENCE NAMED IN RELIG) or a not very strong (PREFERENCE NAMED IN RELIG)" Respondents can answer somewhat strong, not very strong, somewhat strong, or no religion. We code a variable equal to one if the respondent answers that his/her religious affiliation is strong, 0.5 if it is not very strong or somewhat strong, and zero for respondents that answer "no religion".



**Republican** Variable name: partyid. Question: "Generally speaking, do you usually think of yourself as a Republican, Democrat, or Independent?" (converted to a dummy equal to one if Republican)

**Trust:** GSS variable: trust. Question: "Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?" Possible answers are "Most people can be trusted", "Can't be too careful", or "It depends". We code a variable equal to one if the respondent answers that most people can be trusted, 0.5 if he/she answers "It depends", zero if they answer that you can't be too careful.

**Voted Republican:** Variable name: presXX. Question: "Did you vote for YY, WW, or ZZ?" We coded a dummy equal to one if the answer is the Republican candidate in each of the elections, zero otherwise.

**Work dummy:** Based on the GSS variable, wrkstat. Question: "Last week were you working full time, part time, going to school, keeping house, or what?" We coded a dummy equal to one if the respondent answered working full time, part time or in school, zero otherwise.

## A.5 The American National Election Studies (ANES)

The American National Election Studies (ANES) provides data on similar social values as the GSS, voting behavior at the past presidential elections, and data on various socio-economic characteristics such as age, marital status, gender, race, and self-identified political opinion. When a variable is used as dependent variable, we restrict to a sample for which at least 10 persons answered the given question in one state and year. We list the variables used below.

**Attendance:** Based on the ANES variable VCF0130: "Thinking about your life these days, do you ever attend religious services, apart from occasional weddings, baptisms or funerals?" Respondents can answer "Every week", "Almost every week", "Once or twice a month", "A few times a year", or "Never". We construct a categorical variable increasing in religious attendance intensity.

**Rel guidance:** Based on the ANES variable VCF0847: "Would you say that religion provides some guidance in your day-to-day living, quite a bit of guidance, or a great deal of guidance in your day-to-day living?" Respondents can answer "Some", "Quite a bit", "A great deal", or "Religion not important". We code a variable equal to one if the respondent answered "Quite a bit", or "A great deal", 0.5 if respondents answered "Some", and zero if the respondent answered "Religion not important".

**Rel important:** Based on the ANES variable VCF0846: "Do you consider religion to be an important part of your life, or not?" Respondents can answer "Yes, important" or "Little to no importance". We code a dummy variable equal to one if the respondent answered "Yes, important", zero if the respondent answered "Little to no importance".

## A.6 Congregations and membership

The state level data on religious congregations and memberships are provided by the Association of Religion Data Archives (ARDA). We use the longitudinal data set covering the years 1980, 1990, 2000, and 2010, constructed by Grammich *et al.* (2019). The data covers 302 religious groups, and includes information on total population, religious tradition, number of adherents, and number of congregations. We use the reltrad specification to attach groups to religious denominations.

## A.7 Nonprofit organizations

The data on nonprofit organizations is from the National Center for Charitable Statistics (NCCS). The dataset includes information filed to the Internal Revenue Service by tax-exempt nonprofit organizations. We use the NCCS Core files, which are based on the Internal Revenue Service’s annual Return Transaction Files (RTF). The dataset contains the universe of nonprofit organizations in the US, except those that had less than 25,000 US\$ in gross receipts or are congregations.<sup>76</sup> NCCS also excludes a small number of other organizations, such as foreign organizations or those that are generally considered part of government. 90 pct of the organizations have FIPS state and county codes.

The NCCS uses the National Taxonomy of Exempt Entities (NTEE) system to classify the nonprofit organizations on a scales from A to Z, which includes categories such as "Arts, Culture, and Humanities", "Education", and "Religion Related, Spiritual Development". Three of the classification variables contain a distinct category on religion in a list of 27, 25, and 17 categories, respectively. The original variables are called maj-grpb (major NTEE group including hospitals and higher education) level4 (major NTEE group), and level3 (major NTEE category). The measures based on 27 or 17 categories both have a category called "Religion related", while the 25 category measure has a somewhat broader category called "Religion related, Spiritual development."

As additional indicators of a faith-based organization, we count the number of religious terms in the name of the organization. We choose the religious terms based on the excess frequency of words in the names of the organizations categorized as religious by the NCCS, compared to organizations that are not categorized as religious. The resulting religious terms are listed in Table A.1, sorted by their frequency. We exclude the top-ten religious terms one at a time in Table C.17. The results are unchanged.

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<sup>76</sup>As opposed to the BMF files, this criteria of a minimum revenue in the Core files reduces the risk of including organizations that no longer exist, cf. "Guide to Using NCCS Data", downloaded Nov 2022.

Table A.1: List of words defined as religious and their frequency

Word	Number	Word	Number	Word	Number	Word	Number
christian	95844	healing	3433	revival	1116	jehova	181
ministrie	93407	buddh	2997	pope	1053	mormon	177
saint	52572	islam	2992	divine	1040	testament	163
church	46321	seminary	2968	soul	1000	martyr	158
mission	31288	bishop	2883	praise	999	prophec	153
fbo	27123	dioces	2869	muslim	972	preaching	149
jewish	24977	theolog	2869	pentecostal	967	oracle	144
evangel	19826	congregation	2779	protestant	922	psalm	139
ministry	18072	sacred	2621	tao	848	pray	131
faith	16918	zion	2519	tabernacle	818	devotion	105
cathol	16296	prayer	2393	calvin	811	mosque	90
christ	16234	agape	2368	believ	730	catolic	89
baptis	15728	ecumenical	2346	sikh	595	zoroastri	89
lutheran	14093	pastoral	2239	hindu	589	preacher	87
temple	12330	torah	2226	dios	546	deus	82
bibl	11202	spiritual	2214	prophet	518	muhammad	78
methodist	10738	mennonite	2128	minister	516	quran	71
grace	9679	crusade	2104	holiness	487	priesthood	60
presbyterian	9668	bethlehem	2049	nazarene	474	puritan	57
mercy	7790	disciple	1999	dharma	468	shia	57
ymca	7368	compassion	1917	messiah	413	sabbath	49
samaritan	7280	cathedral	1813	cristiana	410	priestly	30
trinity	6639	chaplain	1794	jew	389	devotional	29
episcopal	6086	lord	1784	pastor	389	preach	29
gospel	5596	bless	1771	jain	381	taoism	20
holy	5562	jerusalem	1672	apostle	372	sunni	18
god	5448	adventis	1668	zionist	332	belief	17
chapel	4502	iglesi	1631	monastery	325	allah	10
ourlady	4189	cath	1540	judais	321	apocalyp	8
spirit	4106	ywca	1453	priest	308	scientolog	8
religio	4029	orthodox	1448	zen	294	jainism	7
missionary	3913	shalom	1396	anglic	286	almighty	3
jesus	3909	apostolic	1363	synagogue	256	hadith	1
worship	3507	salvation	1207	taoist	241	muhammed	0
bethel	3478	cristo	1155	vedic	232		

The table shows the number of organization-years that have the particular word in their name out of a total of 8,383,804 organization-years.

**Non-Protestant:** Among the organizations categorized as religious based on religious words in their name, we categorize organizations as non-Protestant if their name contains one of the following words: cath, cathol, pope, bishop, saint, anglic, catolic, our lady,<sup>77</sup> cathedral, jew, jewish, jerusalem, judais, nazarene, torah, shalom, synagogue, agape, zion, zionist, temple, hindu, buddh, dharma, monasteri, monastery, vedic, sikh, mormon, tao, taoist, taoism, jain, jainism, sikh, zen, zoroastri, hadith, quran, muhammad, muhammed, islam, prophet, mosque, shia.

To get a sense of what the religious organizations do, Table A.2 shows the most common words in the organization names classified as religious according to the 27 category NTEE classification, compared to those not classified as religious.

<sup>77</sup>This category includes the terms "our lady" and "notre dame".

Table A.2: Top-10 words in organization names categorized as religious or not based on the NTEE classification

Word in name	"Religion related" category		Word in name	Remaining categories	
	Share (pct)	Difference (pct points)		Share (pct)	Difference (pct points)
Ministry/ministries	4.7	4.7	Foundation	2.4	1.3
Church	1.6	1.6	Association	2.1	1.1
Christian	1.6	1.5	Club	0.8	0.8
Evangeli	0.9	0.9	County	0.8	0.6
Mission	0.9	0.9	Trust	0.5	0.4
International	1.0	0.7	School	0.4	0.3
Fellowship	0.5	0.5	Fund	0.5	0.3
Christ	0.5	0.5	Health	0.3	0.3
Outreach	0.4	0.3	Charitable	0.3	0.3
Baptist	0.4	0.3	Order	0.3	0.2

The table shows the frequency of the words in the names of organizations categorized as religious according to the 27 category classification compared to all other organizations. "Share (pct)" measures the frequency of the particular word as a share of all words in organization names. The "Difference (pct points)" measures the difference between the shares for the organizations categorized as religious and those with other categories. The words are ranked based on these relative frequencies.

## A.8 Additional state level variables

**GSP per capita:** Gross state product per capita. Annual data in constant chained 1997 USD. Source: the Bureau of Economic Analysis (BEA).

**Poverty rate:** Available in the years 1989, 1993, 1995-2010. The variable used is the percent of population in poverty using all ages. Source: the US Census Bureau, Small Area Income and Poverty Estimates (SAIPE).

**Public spending per capita:** Covers direct welfare expenditure per capita at the state level. Source: US Census Bureau, Annual Survey of State Government Finances and Census of Governments.

**Gay marriage laws:** In the period from 1998 to 2009 29 states changed their constitutions in order to ban gay marriages. In 2015 the U.S. supreme court ruled all the state bans unconstitutional. Before the constitutional bans several states had statutes defining marriage as between a man and a woman. The variable on restricting gay marriages is a dummy equal to one in the year the state implements a constitutional ban on gay marriage and thereafter, zero otherwise. Data downloaded from <https://www.pewforum.org/2009/07/09/state-policies-on-same-sex-marriage/>.

**Governors' party affiliation and religious denomination:** Data on the political affiliation and religious denomination of Governors from Kaplan (2018), downloaded from <https://doi.org/10.3886/E102000V2-43196>.

## A.9 The budgets of the faith-based initiatives

The Charitable Choice provision initially encompassed the Temporary Assistance for Needy Families (TANF), the main federal welfare money which the state can spend on a variety of services. In 2000, Charitable Choice was included in the Substance Abuse and Mental Health Services Administration's (SAMHSA) block grant. Eventually, the provision was expanded to other programmes and block grants, like Welfare-to-Work and the Community Services Block Grant (CSBG) (Carlson-Thies (2001)). The Department of Health and Human Services was established in 2001 offering funding specifically to

small faith- and community-based organizations through its Compassion Capital Fund (CCF) established in 2002 with an annual budget of \$30 million in 2002, increasing to \$57.8 million in 2007 (Kramer *et al.*, 2005; Chaves & Wineburg, 2010). The CCF has awarded hundred of mini-grants (up to \$50,000) directly to local faith-based and community organizations.

## B Additional Methodology

### B.1 Testing for pre-trends

We check for pre-trends in main variables in three different ways. First, following Hornbeck & Naidu (2014), we test for differences prior to 1996 in levels and changes in central individual and state level characteristics, comparing states that implemented faith-based initiatives earlier (Tables B.1-B.3). In these specifications, we restrict the data to years before 1996. One concern with this approach is that the specification is rather simple and thus a lack of pre-trends could be due to this simplicity. To examine, we therefore complement each table with a column using the same specification, but for the period after 1996. If the specification is too simple, we would not expect to be able to identify treatment effects. For most variables, we identify similar treatments effects (or lack thereof) to the ones identified in the main analysis.

We commence by testing whether individuals differed along main individual-level confounders prior to 1996, depending on the first year of implementing a faith-based initiative in their state of residence (column 1 of Table B.1).<sup>78</sup> We find no differences across individuals in terms of their religiosity levels, religious denomination, age, gender, marital status, income, education levels, ethnicity, or political preferences. Second, we aggregate to the state-level in order to investigate whether the states differ in terms of changes in the variables (columns 2-4). Interestingly, there is a tendency for falling religiosity prior to 1996 in states that were quicker to implement the initiatives. This difference, though, disappears once we add baseline controls. Apart from a tendency for a rising share of males prior to implementation, none of the other confounders differ. We check for pre-trends in additional state-level confounders in Table B.2 and find that the early-implementing states have higher poverty rates, but the changes in poverty rates – which is the important identifying variation – do not differ depending on implementation timing. We identify no differences in public spending, GSP per capita, or the likelihood of the governor being republican or evangelical, neither in levels nor changes. The last row shows that the likelihood of having a Governor that is Republic and identifies as Evangelical does rise more in states that implemented faith-based initiatives earlier. The

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<sup>78</sup>In practice, we count the number of years since the year of first implementation to year 2009. As the GSS was not sampled in year 1995, the pre-period ends in 1994. The GSS conducted surveys nearly every year before 1994, but only in even years thereafter. In order to compare changes over the same period-lengths, we divide the differenced variables with the period lengths.

latter is a crucial consistency check and aligns well with the arguments of the literature; Evangelical Republicans were more likely to implement the initiatives. As it may raise concerns that the governors combined political and religious orientation is exclusively driving the results, we proceed with a series of tests of whether the political and religious orientation of the governors is the sole driver of results, independent of the faith-based initiatives. We do not find support for this alternative interpretation in the data. First, we find no treatment effects on the share of Republican, Evangelical, or Republican and Evangelical governors. If the documented effects were a direct consequence of the governors, independently of the laws implemented, it is difficult to explain the persistence of the effects documented, if not for a rising share of these governors. Second, adding controls for governors being either Republican, Evangelical, or both to the main specification does not influence the main results (Table C.9).

Table B.3 includes similar tests using the various social views as dependent variables. We find that the levels of the social views do not differ systematically with later implementation. Changes in two social views do vary systematically with later implementation: States that implement earlier are more likely to have experienced rising views against homosexuals or declining conservatism. The former vanishes as baseline controls are included, but a difference in conservatism (significant at the 10% level) remains: early-implementers are more likely to have experienced falling conservatism. This pre-trend goes against the results we document in the paper, thus making it harder to find the documented results. At the same time, the pre-trend in conservatism is interesting in light of Putnam & Campbell (2012)'s arguments that religious polarization rose in the aftermath of the sexual liberation movement in the 1960s, which led to the emergence of conservative religion, particularly evangelicalism, becoming increasingly involved in politics. The pre-trends documented here reveal that this tendency may have continued into the 1990s at least.

Second, we show dynamic figures accounting for staggered treatment in the main analysis.

Third, we supplement results with the more flexible specification including state-by-year fixed effects, which eliminates any bias caused by pre-trends.

Table B.1: Tests for pre-trends across individual-level confounders

	(1)	(2)	(3)	(4)	(5)
Period:	1974-1994	1974-1994	1974-1994	1974-1994	1996-2010
Aggregation level:	individual	state	state	state	state
Levels or changes:	levels	levels	changes	changes	changes
Year FE:	Y	Y	Y	Y	Y
Baseline controls:	N	N	N	Y	Y
Dependent variable:					
Church attendance	-0.0024 (0.005)	-0.0021 (0.003)	-0.00073* (0.000)	-0.00057 (0.001)	0.0017* (0.001)
Strength of affiliation	-0.0024 (0.004)	-0.0015 (0.003)	-0.00065** (0.000)	-0.00069 (0.000)	0.0020** (0.001)
Protestant	0.0049 (0.012)	0.0014 (0.010)	0.00019 (0.000)		
Age	-0.023 (0.093)	-0.0088 (0.095)	0.012 (0.020)		
Male	0.0012 (0.001)	0.0010 (0.001)	0.00070* (0.000)		
Married	0.0015 (0.003)	-0.00033 (0.002)	0.00038 (0.001)		
Real family income	-0.0010 (0.003)	-0.0018 (0.003)	0.00051 (0.000)	0.00051 (0.000)	-0.00080 (0.001)
Education	0.0020 (0.027)	-0.021 (0.028)	-0.00039 (0.003)	0.0012 (0.004)	-0.011 (0.009)
African-American	-0.0030 (0.002)	-0.00018 (0.003)	-0.00055 (0.000)	-0.00037 (0.000)	0.00080* (0.000)
Republican	-0.00046 (0.002)	-0.00046 (0.004)	0.00037 (0.001)	0.00046 (0.001)	-0.00097 (0.001)

OLS estimates. Year fixed effects is controlled for throughout. The sample is restricted to the period 1974-1994 in columns (1)-(4) to examine the pre-trends, while column (5) shows the results for the period 1996-2010 to show the treatment effects in these specifications. Each estimate is the result of one regression, where the explanatory variable is the number of years that the state had at least one faith-based initiative implemented by 2010. The dependent variable varies across rows and the specification varies across columns. Column (1) is conducted at the individual-level, while observations are aggregated to the state-year level in columns (2)-(5). Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** Prior to the faith-based initiatives, states did not differ in terms of any of the main confounders. If anything, early-implementers saw *declining* rates of church attendance and religious affiliation, but these differences are caught by the control variables.

Table B.2: Tests for pre-trends across state-level confounders

	(1)	(2)	(3)
Period:	Pre 1996	Pre 1996	1996-2010
Levels or changes:	levels	changes	changes
Year FE:	Y	Y	Y
Dependent variable:			
Public spending per capita	-0.0053 (0.005)	-0.00067 (0.000)	-0.0011 (0.001)
Poverty rate	0.22** (0.101)	-0.0015 (0.009)	-0.00011 (0.004)
GSP per capita	0.015 (0.184)	-0.0032 (0.006)	-0.00057 (0.016)
Republican Governor	-0.016 (0.011)	0.0016 (0.002)	0.0011 (0.002)
Evangelical Governor	0.012 (0.009)	0.0013 (0.002)	-0.00015 (0.002)
Repub and Evan Governor	0.0038 (0.006)	0.0025** (0.001)	-0.00099 (0.001)

OLS estimates. The sample is restricted to the period 1974-1994 in columns (1)-(4) to examine the pre-trends, while column (5) shows the results for the period 1996-2010 to show the treatment effects in these specifications. Each estimate is the result of one regression, where the explanatory variable is the number of years that the state had at least one faith-based initiative implemented. The dependent variable varies across rows. The specification varies across columns. Column (1) is conducted at the individual-level, while observations are aggregated to the state-year level in columns (2)-(5). Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** Prior to the faith-based initiatives, states did not differ in terms of main state confounders, except that early-implementers had higher poverty rates. Importantly for identification purposes, these differences disappear when examining changes. The only confounder that did seem to change systematically before the initiatives was a rising share of Republican governors that adhered to Evangelical faith.



Table B.3: Tests for pre-trends across individual-level social values

	(1)	(2)	(3)	(4)	(5)
Period:	1974-1994	1974-1994	1974-1994	1974-1994	1996-2010
Aggregation level:	individual	state	state	state	state
Levels or changes:	levels	levels	changes	changes	changes
Year FE:	Y	Y	Y	Y	Y
Baseline controls:	N	N	N	Y	Y
Dependent variable:					
Against homosexuals	0.0014 (0.006)	0.00093 (0.004)	0.0015* (0.001)	0.0010 (0.001)	0.0024** (0.001)
Against women	0.00033 (0.003)	0.00055 (0.003)	-0.0018 (0.001)	-0.0016 (0.001)	0.0024** (0.001)
Against science	-0.0028 (0.002)	-0.0021 (0.002)	-0.00058 (0.001)	-0.00064 (0.001)	0.0017 (0.001)
Against abortion	-0.00058 (0.007)	0.000043 (0.005)	-0.0016 (0.001)	-0.0015 (0.001)	0.0031** (0.001)
Conservative	0.0013 (0.002)	0.000048 (0.002)	-0.0018** (0.001)	-0.0016* (0.001)	0.0015* (0.001)
Prayer in public schools	-0.0017 (0.006)	0.0030 (0.004)	-0.0011 (0.001)	-0.00079 (0.001)	0.0024 (0.002)

OLS estimates. The sample is restricted to the period 1974-1994 in columns (1)-(4) to examine the pre-trends, while column (5) shows the results for the period 1996-2010 to show the treatment effects in these specifications. Each estimate is the result of one regression, where the explanatory variable is the number of years that the state had at least one faith-based initiative implemented. The dependent variable varies across rows. The specification varies across columns. Column (1) is conducted at the individual-level, while observations are aggregated to the state-year level in columns (2)-(5). Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level. **Result:** Prior to the faith-based initiatives, states did not differ in terms of the examined social values, except that early-implementers were more likely to experience declining rates of conservatism.

## C Additional tables and figures

Table C.1: Number of faith-based initiatives implemented by state over time

	96	97	98	99	00	01	02	03	04	05	06	07	08	09	Total
Alabama	0	0	0	0	0	2	0	0	1	2	2	2	3	1	13
Alaska	0	0	0	0	0	1	0	0	1	0	0	3	1	0	6
Arizona	0	2	0	2	3	0	1	2	3	4	3	4	1	2	27
Arkansas	0	0	0	0	0	0	0	0	0	1	0	3	0	1	5
California	0	1	0	1	2	1	0	0	0	1	0	0	1	0	7
Colorado	0	0	0	0	3	0	1	0	1	1	0	0	0	0	6
Connecticut	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Delaware	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	1	2	1	7	6	4	3	4	3	1	3	1	0	36
Georgia	0	0	0	0	0	1	0	0	0	0	1	0	0	0	2
Hawaii	0	0	0	0	0	0	0	0	0	0	0	1	1	0	2
Idaho	0	0	1	0	0	0	0	0	0	0	0	0	1	0	2
Illinois	0	0	0	0	0	0	0	1	0	1	0	1	0	2	5
Indiana	0	0	0	0	0	1	0	3	1	2	1	1	0	4	13
Iowa	0	0	0	0	0	1	0	1	1	0	0	0	2	2	7
Kansas	0	0	0	0	0	0	0	1	1	0	1	0	0	1	4
Kentucky	0	0	1	0	1	0	0	0	0	2	1	0	0	2	7
Louisiana	0	0	0	1	0	2	1	1	2	0	2	0	2	1	12
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Maryland	0	0	0	0	0	1	0	2	1	1	2	2	0	0	9
Massachusetts	0	0	0	0	1	1	1	1	1	0	1	1	1	0	8
Michigan	0	1	0	1	1	0	0	2	1	0	0	0	0	1	7
Minnesota	0	0	0	0	0	1	0	1	0	0	0	1	1	0	4
Mississippi	0	0	0	0	0	0	0	2	2	0	1	2	1	3	11
Missouri	0	0	0	0	0	0	0	0	1	0	1	1	1	1	5
Montana	0	0	0	0	0	1	0	0	0	0	0	1	0	0	2
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	0	0	2	0	0	0	0	0	0	0	0	2
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1
New Jersey	0	0	1	1	1	2	3	1	2	2	2	1	1	4	21
New Mexico	0	0	0	0	0	0	0	3	0	1	0	0	1	0	5
New York	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	0	0	0	0	0	1	0	0	0	2	0	0	2	1	6
North Dakota	0	0	0	0	0	0	0	0	0	3	0	1	0	1	5
Ohio	0	0	0	0	0	2	0	2	0	4	0	0	0	1	9
Oklahoma	0	0	0	0	0	1	3	3	1	0	0	5	2	0	15
Oregon	0	0	0	0	0	2	0	1	1	0	0	0	0	1	5
Pennsylvania	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1
Rhode Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	2	1	1	1	0	5
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0	2	2	1	1	2	8
Texas	0	1	0	4	0	2	0	3	0	3	0	6	0	7	26
Utah	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1
Vermont	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	0	0	0	0	1	2	0	1	0	4	2	1	1	12
Washington	0	0	0	0	0	0	0	0	0	0	3	1	1	0	5
West Virginia	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1
Wisconsin	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1
Wyoming	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Total	0	6	5	11	19	32	17	34	28	38	29	45	28	40	332

Notes. The table includes the 50 states and the District of Columbia as included in the original data by Sager (2010). Our main sample used throughout the paper excludes the District of Columbia. Source: Sager (2010).

Table C.2: Pairwise correlation between the GSS measures of religiosity

Variables	Church attendance	Strength of affiliation	Believe in afterlife	Bible word of God	Daily prayer	Knows God exists
Church attendance	1.000					
Strength of affiliation	0.616	1.000				
Believe in afterlife	0.226	0.230	1.000			
Bible word of God	0.272	0.278	0.092	1.000		
Prayer	0.525	0.509	0.295	0.309	1.000	
Believe in God	0.408	0.430	0.263	0.398	0.520	1.000

Note: All correlation coefficients are significant at the 1% level.

Figure C.1: Number of states that implemented a faith-based initiative

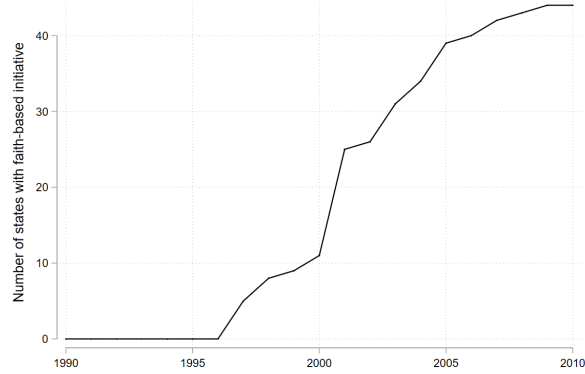
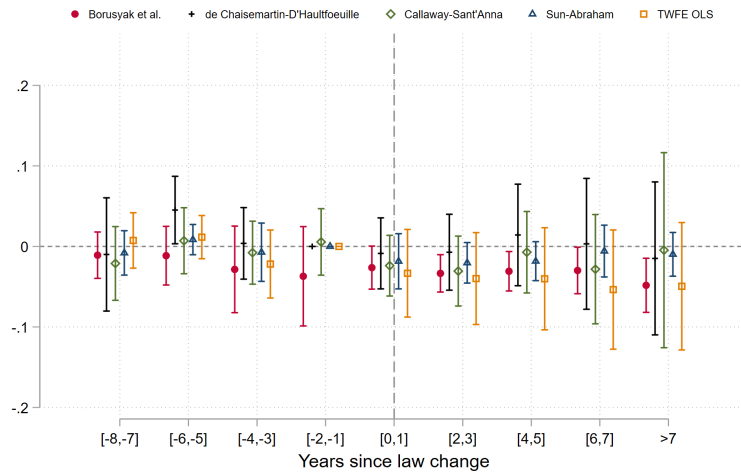


Figure C.2: Placebo event study estimators - share of Protestants



Event study estimates using five different estimators. The figure replicates Figure 2 with the Protestant indicator as dependent variable and for the full sample of Protestants and non-Protestants.

**Result:** The faith-based initiatives did not influence the share of Protestants. While there is a tendency for the share of Protestants to fall over time, there is no shift around the timing of the faith-based initiatives. Also, states did not differ systematically in terms of the share of Protestants prior to implementation

Table C.3: The impact of faith-based initiatives on church attendance

Dependent variable: Church attendance		
Sample:	(1) Protestants	(2) Full
Law t-1 x Evangelical	0.048*** (0.016)	
Law t-1 x Mainline	0.011 (0.019)	
Law t-1 x Remaining Protestants	0.012 (0.046)	
Law t-1 x Protestant		0.050*** (0.008)
Law t-1 x Catholics		-0.047*** (0.014)
Law t-1 x No denomination		0.0039 (0.009)
Law t-1 x Remaining non-Protestants		-0.017 (0.021)
R-squared	0.074	0.20
Observations	19241	51248
MeanDepVar	0.51	0.48

OLS estimates across GSS individuals. All regressions include a constant, year of survey and state fixed effects, state-specific trends, and controls for respondents' age, gender, and marital status. Column (1) additionally includes controls for whether the respondent is mainline or evangelical Protestant. The omitted category is remaining types of Protestants. Column (2) additionally includes controls for whether respondents are Protestants, Catholics, or have no denomination. The omitted category is remaining types of non-Protestants. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** The rise in churchgoing among Protestants is driven by Evangelicals, while the fall in churchgoing among non-Protestants is driven by the Catholics.

Table C.4: The impact of different types of faith-based initiatives

Dep var: Church attendance	(1)	(2)	(3)	(4)
Program law t-1 x Protestant	0.036** (0.016)			-0.0092 (0.017)
Program law t-1 x Not protestant	-0.056*** (0.016)			0.00030 (0.018)
Concrete law t-1 x Protestant		0.062*** (0.011)		0.044*** (0.013)
Concrete law t-1 x Not protestant		-0.051*** (0.015)		-0.024 (0.020)
Symbolic law t-1 x Protestant			0.050*** (0.014)	0.029* (0.016)
Symbolic law t-1 x Not protestant			-0.065*** (0.013)	-0.045** (0.020)
R-squared	0.094	0.097	0.097	0.097
Observations	51248	51248	51248	51248

OLS estimates across GSS individuals. All regressions include a constant, year of survey - and state fixed effects, state-specific time trends, and controls for gender, age, and marital and Protestant status. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** The main rise in churchgoing among Protestants stems from concrete laws and partly the symbolic laws.

Table C.5: The impact of faith-based initiatives by attendance level

	(1)	(2)	(3)	(4)
Dep var: Dummy equal to one if respondent attends...	Never	Annually	Monthly	Weekly
Law t-1 x Protestant	-0.091*** (0.014)	0.024* (0.013)	-0.0075 (0.011)	0.075*** (0.013)
Law t-1 x Not protestant	0.025 (0.016)	0.049*** (0.016)	0.0046 (0.012)	-0.078*** (0.016)
R-squared	0.061	0.018	0.017	0.062
Observations	51248	51248	51248	51248
MeanDepVar	0.24	0.26	0.22	0.28

OLS estimates across GSS individuals. All regressions include a constant, year of survey - and state fixed effects, state-specific trends, and respondent controls for age, marital status, gender, and the Protestant dummy. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** The faith-based initiatives pushed Protestant never-goers into attending weekly or annually, while non-Protestant weekly church attenders reverted to attending only annually.

Table C.6: The impact of faith-based initiatives on attendance using alternative estimation techniques

	(1)	(2)	(3)	(4)	(5)
Dependent variable:	Church attendance	Never	Annually	Monthly	Weekly
Estimation technique:	ologit	probit	probit	probit	probit
Law t-1 x Protestant	0.40*** (0.065)	-0.32*** (0.045)	0.078* (0.041)	-0.026 (0.036)	0.22*** (0.043)
Law t-1 x Not protestant	-0.29*** (0.082)	0.046 (0.045)	0.16*** (0.050)	0.018 (0.044)	-0.29*** (0.053)
R-squared	0.025	0.058	0.019	0.019	0.057
Observations	51248	51248	51248	51248	51248

Estimates across GSS individuals, estimated by ordered logit in column (1) and probit in columns (2)-(5). The dependent variable is the categorical measure of church attendance in column (1) and the various dummies for each of the attendance levels in columns (2)-(5). All regressions include a constant, year of survey - and state fixed effects, state-specific trends, and respondent controls for age, marital status, gender, and the Protestant dummy. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** The result is robust to using alternative estimation techniques.

Table C.7: The impact on church attendance, additional individual-level controls

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable: Church attendance							
Law t-1 x Protestant	0.069*** (0.011)	0.069*** (0.011)	0.066*** (0.011)	0.054*** (0.008)	0.071*** (0.010)	0.066*** (0.010)	0.050*** (0.009)
Law t-1 x Not protestant	-0.052*** (0.014)	-0.053*** (0.014)	-0.053*** (0.014)	-0.032*** (0.010)	-0.051*** (0.014)	-0.052*** (0.013)	-0.031*** (0.010)
Age squared	0.0000084 (0.000)						
Employed		0.0091*** (0.003)					-0.0071** (0.003)
Highest degree			0.024*** (0.004)				0.035*** (0.003)
Catholic				0.31*** (0.009)			0.31*** (0.008)
Number children					0.012*** (0.002)		0.013*** (0.001)
Foreign born						0.062*** (0.013)	0.059*** (0.009)
R-squared	0.098	0.098	0.10	0.18	0.10	0.10	0.19
Observations	51248	51242	51151	51248	51127	43788	43619
MeanDepVar	0.48	0.48	0.48	0.48	0.48	0.48	0.48

OLS estimates. All regressions include year of survey and state fixed effects, state-specific linear trends, and individual baseline controls for age, married, male, and Protestant. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** Results are robust to including additional individual level controls.

Table C.8: The impact of faith-based initiatives on church attendance, lagged controls

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dependent variable: Church attendance								
Law t-1 x Protestant	0.072*** (0.010)	0.071*** (0.010)	0.072*** (0.011)	0.072*** (0.010)	0.073*** (0.010)	0.072*** (0.010)	0.072*** (0.010)	0.072*** (0.010)
Law t-1 x Not protestant	-0.053*** (0.015)	-0.053*** (0.015)	-0.052*** (0.015)	-0.052*** (0.015)	-0.052*** (0.015)	-0.052*** (0.015)	-0.052*** (0.015)	-0.052*** (0.015)
Share male t-1	-0.023 (0.023)							
Mean age t-1		0.0014* (0.001)						0.0012 (0.001)
Mean married t-1			-0.017 (0.032)					
Mean family income t-1				-0.0062 (0.026)				
Mean educational level t-1					-0.0063* (0.003)			-0.0048 (0.003)
Share republican t-1						-0.011 (0.025)		
Share black t-1							0.018 (0.026)	
R-squared	0.062	0.062	0.062	0.062	0.062	0.062	0.062	0.062
Observations	49537	49537	49537	49537	49537	49537	49537	49537
IndividualControls	No	No	No	Yes	Yes	Yes	Yes	Yes
MeanDepVar	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48

OLS estimates. All regressions include year of survey and state fixed effects and state-specific linear trends. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** Results are robust to including lagged individual level controls.

Table C.9: The impact of faith-based initiatives on church attendance, additional state controls

	(1)	(2)	(3)	(4)	(5)
Dependent variable: Church attendance					
Law t-1 x Protestant	0.051*** (0.010)	0.062*** (0.013)	0.066*** (0.011)	0.065*** (0.011)	0.065*** (0.011)
Law t-1 x Not protestant	-0.028** (0.014)	-0.050*** (0.016)	-0.048*** (0.015)	-0.046*** (0.015)	-0.046*** (0.015)
Poverty rate t-1	0.0059** (0.003)				
GSP t-1		-0.93 (1.652)			
Republican Governor t-1			-0.0011 (0.006)		
Evangelical Governor t-1				0.0011 (0.006)	
Repub and Evan Governor t-1					0.0026 (0.011)
R-squared	0.12	0.11	0.10	0.10	0.10
Observations	25942	38030	42167	39702	39702
MeanDepVar	0.46	0.48	0.48	0.48	0.48

OLS estimates. All regressions include year of survey and state fixed effects, state-specific linear trends, and individual baseline controls for age, married, male, and Protestant. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** Results are robust to including additional state-level controls.

Table C.10: The impact of faith-based initiatives on church attendance, initial-level individual controls

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Dependent variable: Church attendance									
Law t-1 x Protestant	0.076*** (0.012)	0.077*** (0.011)	0.077*** (0.012)	0.078*** (0.012)	0.079*** (0.012)	0.079*** (0.012)	0.075*** (0.011)	0.074*** (0.011)	0.083*** (0.012)
Law t-1 x Not protestant	-0.041*** (0.014)	-0.042** (0.017)	-0.043** (0.016)	-0.041** (0.017)	-0.037** (0.015)	-0.039** (0.016)	-0.039** (0.015)	-0.040** (0.015)	-0.041*** (0.015)
Mean attendance 1973 x year	-0.0073* (0.004)								-0.0059* (0.003)
Share male 1973 x year		-0.0011 (0.004)							
Mean age 1973 x year			-0.00012 (0.000)						
Mean married 1973 x year				-0.0020 (0.003)					
Mean family income 1973 x year					0.0073** (0.004)				0.0042 (0.004)
Mean educational level 1973 x year						0.00062** (0.000)			0.00018 (0.000)
Share republican 1973 x year							0.0034 (0.003)		
Share black 1973 x year								-0.0015 (0.002)	
R-squared	0.097	0.059	0.060	0.059	0.097	0.097	0.097	0.097	0.060
Observations	51248	51410	51410	51410	51248	51248	51248	51248	51410
IndividualControls	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes

OLS estimates. All regressions include year of survey and state fixed effects, a control for Protestant, and columns (1) and (5)-(8) also include the individual baseline controls for male, age, and marital status. All confounders are measured in the earliest year possible. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** Results are robust to including initial-level individual controls.

Table C.11: The impact of faith-based initiatives on church attendance, initial-level state-controls

	(1)	(2)	(3)	(4)	(5)
Dependent variable: Church attendance					
Law t-1 x Protestant	0.069*** (0.011)	0.068*** (0.011)	0.056*** (0.010)	0.068*** (0.009)	0.071*** (0.009)
Law t-1 x Not protestant	-0.038*** (0.014)	-0.041*** (0.015)	-0.029** (0.012)	-0.045*** (0.015)	-0.040** (0.015)
Public spending 1980 x year		0.0050 (0.004)			
GSP 1980 x year		0.061 (0.045)			
Poverty rate 1989 x year			0.00012 (0.000)		
Share Republican Governors <1996 x year				0.0021** (0.001)	
Share evangelical Governors <1996 x year					0.0019* (0.001)
R-squared	0.10	0.10	0.11	0.10	0.10
Observations	42206	39640	30403	37763	37763

OLS estimates. All regressions include year of survey and state fixed effects, and the individual baseline controls for male, age, and marital status. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** Results are robust to including initial-level state controls.

Table C.12: Additional heterogeneity

Dependent variable: Church attendance		
	(1)	(2)
Law t-1	0.012 (0.009)	0.053 (0.033)
Foreign x Law t-1	0.019 (0.012)	
Public spending t-1 x Law t-1		-0.039 (0.031)
R-squared	0.081	0.080
Observations	44302	39395

OLS estimates. All regressions include year of survey and state fixed effects, state-specific trends, controls for respondents' age, gender, and marital status. Column (1) additionally includes a dummy for foreign-born and column (2) includes a control for state-level public spending per capita. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

Table C.13: Heterogeneous effects across regions

Dependent variable: Church attendance	(1)	(2)	(3)	(4)	(5)
Region:	Northeast	Midwest	West	South	Rust Belt
Law t-1 x Protestant	0.086* (0.038)	0.061*** (0.018)	0.061* (0.030)	0.040** (0.014)	0.074*** (0.013)
Law t-1 x Not protestant	-0.013 (0.024)	-0.10*** (0.021)	-0.019 (0.028)	-0.037* (0.019)	-0.080*** (0.019)
R-squared	0.069	0.085	0.091	0.10	0.076
Observations	10128	13465	9901	17754	17542

OLS estimates. All regressions include year of survey and state fixed effects, state-specific trends, and controls for gender, age, marital status, and Protestant status. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** Protestant church attendance rose in all regions of the US, somewhat more in the Northeast and the Rustbelt, and somewhat less in the South. The backlash was largest in the Midwest and smallest in the Northeast and West.

Table C.14: The impact of faith-based initiatives on attendance excluding years

Dependent variable: Church attendance	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Law t-1 x Protestant	0.082*** (0.012)	0.076*** (0.012)	0.074*** (0.013)	0.068*** (0.012)	0.069*** (0.011)	0.069*** (0.011)	0.068*** (0.011)	0.068*** (0.011)
Law t-1 x Not protestant	-0.050*** (0.017)	-0.053*** (0.018)	-0.061*** (0.017)	-0.069*** (0.018)	-0.053*** (0.014)	-0.053*** (0.014)	-0.054*** (0.014)	-0.057*** (0.015)
R-squared	0.10	0.10	0.10	0.10	0.097	0.096	0.096	0.095
Observations	37913	35600	34875	32563	51151	50961	50696	49641
ExcludedYears	1997	1997 – 1998	1997 – 1999	1997 – 2000	2009	2008 – 2009	2007 – 2009	2006 – 2009

OLS estimates. All regressions include year of survey and state fixed effects, state-specific trends, and controls for respondents' age, marital status, gender, and Protestant status. The sample excludes states that implemented their first faith-based initiative in 1997 (col 1), 1997 or 1998 (col 2), 1997, 1998, or 1999 (col 3), 1997, 1998, 1999, or 2000 (col 4), 2009 (col 5), 2008 or 2009 (col 6), 2007, 2008, or 2009 (col 7), or 2006, 2007, 2008, or 2009 (col 8). Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** The main result is robust to excluding various years.



Table C.15: The impact of central faith-based institutions on religious attendance

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable: Church attendance						
Institution:	Liaison	Office	Budget amount	Budget dummy	Grant amount	Grant dummy
Period ends:	2002	2002	2002	2002	2008	2008
<b>Panel A: Baseline results</b>						
Institution t-1 x Protestant	0.041* (0.022)	0.026 (0.022)	0.028*** (0.003)	0.074** (0.033)	0.013*** (0.002)	0.055*** (0.011)
Institution t-1 x Not Protestant	-0.051*** (0.013)	-0.037* (0.021)	0.0022 (0.002)	-0.0070 (0.020)	-0.0021 (0.005)	-0.020 (0.023)
R-squared	0.090	0.089	0.089	0.089	0.096	0.096
Observations	31555	31555	31555	31555	49333	49333
<b>Panel B: State-by-year fixed effects</b>						
Institution t-1 x Protestant	0.095*** (0.019)	0.074*** (0.017)	0.026*** (0.003)	0.11*** (0.013)	0.020*** (0.007)	0.091*** (0.029)
R-squared	0.095	0.094	0.094	0.094	0.100	0.100
Observations	31555	31555	31555	31555	49333	49333

OLS estimates. All regressions include controls for respondents' age, gender, marital status, and the Protestant dummy. In addition, specifications in panel A include year of survey and state fixed effects and state-specific trends. Panel B includes state-by-year fixed effects. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** Protestant church attendance rose in response to actual institutions associated with the faith-based initiatives.

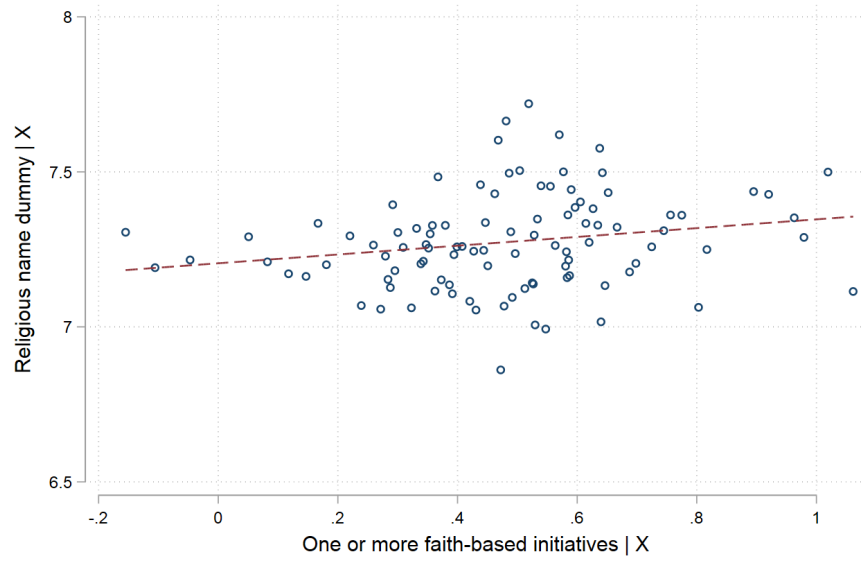
Table C.16: The impact of faith-based initiatives implemented in neighboring states

	(1)	(2)	(3)
Dependent variable: Church attendance			
Law neighbors t-1 x Protestant	0.046*** (0.012)	0.014 (0.013)	
Law neighbors t-1 x Not Protestant	-0.061*** (0.018)	-0.024 (0.019)	
Law t-1 x Protestant		0.056*** (0.012)	0.069*** (0.011)
Law t-1 x Not protestant		-0.037*** (0.013)	-0.052*** (0.014)
R-squared	0.097	0.098	0.098
Observations	51248	51248	51248

OLS estimates. All regressions include year of survey and state fixed effects, state-specific trends, and controls for respondents' age, gender, marital status, and the Protestant dummy. The variable "Law neighbors t-1" is a dummy equal to one if one or more of the neighbor states had implemented one or more faith-based initiatives in year t-1. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** Church attendance among Protestants rose when faith-based initiatives were implemented in neighbor states, but not significantly when the faith-based initiatives in state of residence is accounted for.

Figure C.3: Binned added-variables plot of the impact of the faith-based initiatives on the number of religious nonprofits



Note: OLS regression corresponding to column (6) of Table 6. Observations are binned into 100 equally sized bins.  
**Result:** The rise in religious nonprofits is homogeneous across observations.

Table C.17: Impact of faith-based initiatives on the share of religious nonprofits excluding organizations with top-words

Dep var: Faith-based organization dummy											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Excluded words:	Christian	Ministrie	Saint	Church	Mission	FBO	Jewish	Evangel	Ministry	Faith	Top-10
Law t-1	0.0811** (0.033)	0.126** (0.050)	0.138*** (0.050)	0.135*** (0.045)	0.145*** (0.053)	0.108*** (0.039)	0.138*** (0.051)	0.145*** (0.051)	0.130** (0.051)	0.134** (0.051)	0.0368* (0.022)
R-squared	0.0191	0.0334	0.0399	0.0380	0.0394	0.0434	0.0404	0.0392	0.0397	0.0401	0.00555
Observations	8041424	8280017	8320922	8327093	8342148	8346228	8348440	8353586	8355283	8356435	7863894
MeanDepVar	3.446	6.228	6.689	6.758	6.927	6.972	6.997	7.054	7.073	7.086	1.266

OLS estimates across nonprofit organizations. The dependent variable is a dummy (multiplied by 100) equal to one if the name of the organization includes either of the terms listed in A.1, except the particular term listed in the column title. Column (11) excludes organizations with any of these ten words. All regressions include a constant, time - and state fixed effects, state-specific trends, and fixed effects for ownership type (private vs public), charity type (mutual benefit, operating, supportive), and length of the name. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level.

**Result:** The result that the faith-based initiatives increased the share of nonprofit organizations with religious words in their name is not sensitive to the top-10 most frequent religious words.

Table C.18: Evangelicals and social views

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable:		Attitudes against			Con-	Bible prayer
<b>Panel A</b>	Homosex	Women	Science	Abortion	servative	in schools
Evangelical	0.11*** (0.009)	0.098*** (0.011)	0.13*** (0.012)	0.15*** (0.011)	0.033*** (0.009)	0.13*** (0.011)
R-squared	0.12	0.14	0.036	0.066	0.029	0.076
Observations	12079	11291	12542	14901	16642	10205
<b>Panel B</b>						
Protestant	0.13*** (0.009)	0.029*** (0.007)	0.054*** (0.011)	0.037*** (0.012)	0.070*** (0.006)	0.12*** (0.013)
R-squared	0.16	0.12	0.023	0.041	0.033	0.089
Observations	31750	29849	32772	39045	44319	26970

OLS estimates across individuals in the GSS. All regressions include year of survey and state fixed effects, state-specific trends, as well as individual controls for gender, marital status, and age. The independent variable is equal to one if the respondent adheres to affiliations defined as evangelical in panel A and to Protestant denominations more broadly in panel B. Robust standard errors clustered at the state level in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10%, 5%, and 1% level. **Result:** Evangelicals in the sample are on average more likely than others to be skeptical towards homosexuals, working women, science, and abortion, have conservative political views, and to have preferences for Bible prayer in public schools and helping others. The broader group of Protestants in general are similar, except that they tend to have slightly weaker preferences for helping others.

Table C.19: The impact of faith-based initiatives on individual well-being corrected for multiple hypothesis testing

<b>Panel A. Diff-in-diff</b>	Beta	Std error	p-value	p-wyyoung	p-bonf	p-sidak
Health level	.0282018	.0399035	.4832108	.9746	1	.9963459
Health dummy	.0234027	.0167923	.1699775	.808	1	.9263355
Working	.0200434	.0136586	.1489117	.7905	1	.9150857
Employed	.000529	.0053127	.921108	.9996	1	.9999466
Income level	.0244166	.0163843	.1428412	.7862	1	.9150857
Income > 25pct	.0162811	.0180083	.3705594	.9482	1	.9902378
Education level	.3439105	.1597406	.0364881	.454	.6567866	.4878147
Education > 25pct	.036541	.0181899	.0503156	.5099	.8553644	.5842344
Own home dummy	.0273418	.0243629	.2674469	.9137	1	.9761181
General trust	-.0020394	.0188949	.9145082	.9996	1	.9999466
Happy dummy	.0152084	.0207766	.4678043	.9746	1	.9963459
Satisfied financial category	.0266399	.0360792	.4639589	.9746	1	.9963459
Satisfied financial dummy	.0074079	.0179246	.6812796	.9896	1	.9967111
Satisfied job category	.0275976	.0251366	.2778373	.9137	1	.9761181
Satisfied job dummy	.0252891	.0186582	.1817723	.8229	1	.9263355
Satisfied life category	.0005631	.0254194	.9824205	.9996	1	.9999466
Satisfied life dummy	-.0007203	.0215302	.9734516	.9996	1	.9999466
Happy marriage dummy	.016112	.027946	.5670018	.9787	1	.9963459
<b>Panel B. Diff-in-diff-in-diff</b>	Beta	Std error	p-value	p-wyyoung	p-bonf	p-sidak
Health level	.0228547	.0318059	.4759655	.9861	1	.9953398
Health dummy	.004129	.0144045	.7756423	.9935	1	.9953398
Working	-.0092507	.0107284	.3929219	.9812	1	.9953398
Employed	-.0032758	.0044877	.4690339	.9861	1	.9953398
Income level	.0131879	.0118927	.2731108	.945	1	.978242
Income > 25pct	.0291468	.0117957	.0171566	.3129	.2745048	.2418598
Education level	.371231	.0909527	.0001722	.0255	.0030993	.0030947
Education > 25pct	.0512305	.0125583	.0001734	.0255	.0030993	.0030947
Own home dummy	.0055877	.0207276	.7886635	.9935	1	.9953398
General trust	.0123865	.014284	.39026	.9812	1	.9953398
Happy dummy	.0261385	.020992	.2192449	.9147	1	.9599417
Satisfied financial category	.0104194	.0277555	.7090528	.9935	1	.9953398
Satisfied financial dummy	-.0060104	.013494	.6580694	.9935	1	.9953398
Satisfied job category	.0067709	.0209208	.7476421	.9935	1	.9953398
Satisfied job dummy	.0123441	.0141124	.3861859	.9812	1	.9953398
Satisfied life category	.0364901	.0169748	.0367606	.451	.551409	.4298179
Satisfied life dummy	.0229248	.0161683	.1628199	.8628	1	.9169261
Happy marriage dummy	.0158585	.0217337	.4692105	.9861	1	.9953398

The table shows results for estimators robust to multiple hypothesis testing. For comparison, the first three columns show the estimate, standard errors, and p-values produced by standard OLS, identical to the results in Table 10. The remaining three columns show the p-value of the particular estimate corrected for multiple hypothesis testing by Westfall & Young (1993) (p-wyyoung), Bonferroni-Holm (1979) (p-bonf), and Sidak-Holm (p-sidak).

**Result:** When correcting for multiple hypothesis testing, the faith-based initiatives did not raise overall well-being across any of the 20 measures used. However, the initiatives did raise education levels among Protestants, compared to education levels of non-Protestants.