



Presentation to the Legislative Salary Council

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Relationship Between Legislator Pay and Outcomes – A (Very Abbreviated) Literature Review

When legislators are paid more:

- they are less likely to pursue outside employment while serving in office
Working Outside of the House (and Senate): Opportunity Costs and Outside Careers in U.S. State Legislatures, 2004
- they are more likely to run for reelection
A Political Economy Model of Congressional Career, 2005
- party leaders become involved more in candidate recruitment
Where Women Run: Gender and Party in the American States, 2006
- it reduces the rate of delegation and abdication of policymaking to state agencies
Experts, Amateurs, and Bureaucratic Influence in the American States, 2015
- it improves legislative productivity as defined by bill passage and missing fewer votes; increases time spent on fund raising and constituent services; causes candidates to face more competition; but has no discernible effect on politician quality, corruption, fiscal policy, or amount of time spent on legislative activities
Do Higher Salaries Lead to Higher Performance? Evidence from State Politicians, 2013

Does Paying Politicians More Promote Economic Diversity in Legislatures? (Carnes and Hansen, American Political Science Review, 2016)

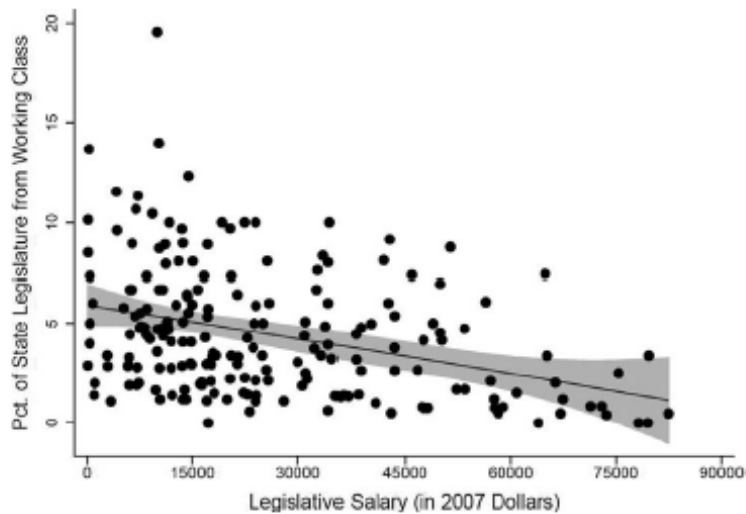
Point: When pay is low, people with lower incomes, less flexible work schedules and less savings cannot afford to serve as legislators

Counterpoint: Raising pay makes legislative office even more competitive and attractive to white collar professionals

Findings:

1. In states that pay legislators higher salaries, working class citizens make up *smaller* shares of the state legislature, not larger ones. Political representation of workers is worst in states with salaries over \$75,000 (about 2%) and best in state that pay legislators next to nothing (about 7%) (For reference, working class represents about 52% of the general public)

FIGURE 1. Legislative Salaries and Working-class Representation in State Legislatures (1979, 1993, 1995, and 2007)



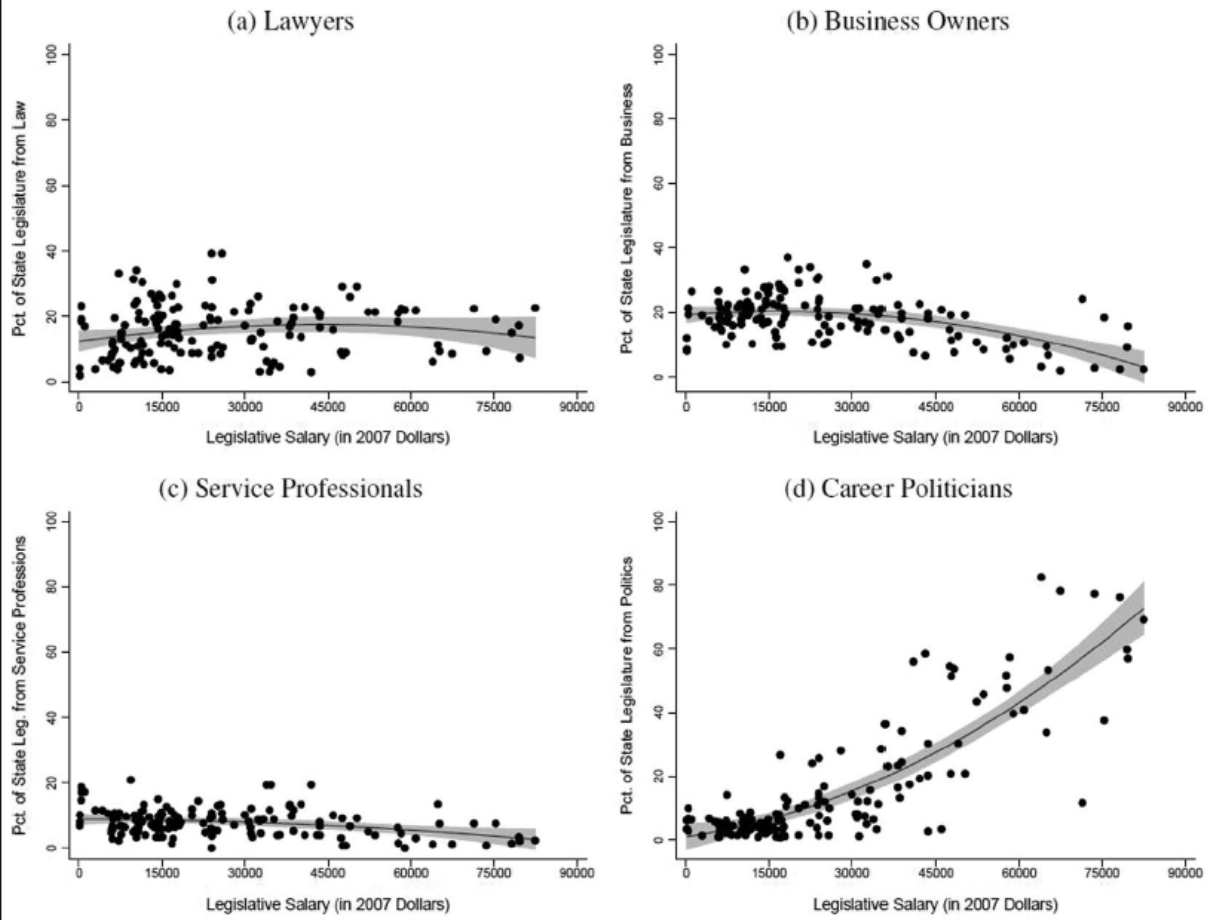
Source: Insurance Institute of America (1979), National Conference of State Legislatures (1993, 1995, 2007), and authors' data collection.

2. Results remained consistent (or even strengthened) when controlling for all the following state variables
 - State unionization rates
 - Existence of term limits
 - Partisan make up of state
 - Percent of residents living in urban areas
 - Percent of state residents who were Black
 - Measure of state economic inequality
 - Average per capita income
 - Poverty rate
 - Relative “boost” in salary
 - Distance to state capitol
 - Partisan composition of legislature
 - Competitiveness of state parties
 - Sophistication of state party organizations
 - Size of state budget
 - Cost of state campaigns

“Regardless of how we analyzed the data, we consistently found states that offer higher salaries to their legislators have fewer working-class politicians, not more”

3. Higher pay does attract career politicians. Legislators in states that pay more are more likely to be people who work exclusively in politics. And career politicians with working class backgrounds are “no more likely to run, win, and run again in states that pay more.”

FIGURE 2. Legislative Salaries and the Occupational Makeup of State Legislatures (1979, 1993, 1995, and 2007)



Source: Insurance Institute of America (1979), National Conference of State Legislatures (1993, 1995, 2007), and authors' data collection.