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Polarization and Policy: The Politics of Public-Sector Pensions

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Abstract: For decades, America's state and local governments have promised their workers increasingly generous pensions but failed to fully fund them, producing a fiscal problem of staggering proportions. In this paper, we examine the politics of public pensions. While mainstream theoretical ideas in the American politics literature would suggest the pension issue should be polarized, with Democrats pushing for generous pensions over Republican resistance, we develop an argument—rooted in more traditional theoretical work by Schattschneider, Lowi, Wilson, and others—implying that *both* parties should be expected to support generous pensions during normal times, and that only after the onset of the Great Recession, which expanded the scope of conflict, should the parties begin to diverge. Using a new dataset of state legislators' votes on hundreds of pension bills passed between 1999 and 2011, we carry out an empirical analysis that supports these expectations.

The economic downturn of 2008 plunged America's state and local governments into financial trouble, leading to widespread layoffs of public workers and cutbacks in public services. Since then the economy has slowly improved, yet most of these governments face a challenging future—due to an unresolved policy problem that threatens their financial well-being, and with it their capacity to provide a full range of public services to their citizens. The problem is the unfunded cost of public sector pensions.

Before the Great Recession, this problem attracted little public attention. But with the steep drop in the stock market, the assets of state and local pension funds plummeted and left many seriously underfunded—and very much in the public spotlight. As financial economists and credit-rating organizations weighed in, moreover, analysis revealed that the underfunding problem was far more severe than the governments' own data suggested—between $1.1 trillion and $3.8 trillion, depending on the underlying assumptions (Munnell, Aubry, and Cafarelli, 2014)—and that it was *not* simply due to the recession-caused decline in asset value. The problem was chronic and many years in the making, rooted in widespread departures from sound accounting practices, with governments offering their workers increasingly valuable pensions but failing to make the up-front payments necessary to fund them (e.g., Novy-Marx and Rauh, 2009; Kiewiet and McCubbins, 2014).

Detroit has gone bankrupt, as have Stockton, San Bernardino, Vallejo, and Central Falls, with pensions playing a key role. More cities are likely to follow. Others are devoting much larger shares of their budgets to pension costs, crowding out other services. Under current law, states cannot go bankrupt. But ballooning pension costs are staking ever-larger claims to their revenues, squeezing services, and imposing austerity. Going forward, rising pension costs will likely continue to be one of the major challenges confronting state government.

This paper explores the politics of public sector pensions. One of our aims is to shed new light on the political sources of the nation's pension problem: a problem of profound consequence that is well worth studying as a significant realm of American government and politics (Thom, 2013; Kiewiet, 2010).[1] Our second aim is an analytical one. The pension issue, as we will show, offers an instructive case for analysis—for it reveals a pattern of politics strikingly inconsistent with mainstream theoretical ideas that, for well over a decade, have structured the way political scientists tend to think about the politics of public policy.[2]

A mainstream approach to studying pensions would start with the polarization that has gripped the nation in recent decades and the literature that, in documenting its growth with great sophistication, has profoundly shaped scholarly thinking. Scholars widely agree, for example, that the congressional parties have grown distant from one another ideologically along the left-right continuum; that these same partisan divisions are present among America's political elites and activists; and that over the years a broad range of policy dimensions—civil rights, abortion, and religion, for example—have been absorbed into this same ideological continuum, reinforcing party conflict (Poole and Rosenthal, 2007; Barber and McCarty, 2013; Layman, Carsey, and Horowitz, 2006). Recent work has shown, as well, that polarization at the state level is comparable to what is observed at the national level (Shor and McCarty, 2011).

The pension issue would appear to be a set-up for polarized conflict between the parties. It is clearly a labor issue, and labor issues have been a defining component of the left-right continuum; indeed, as Jochim and Jones (2012) have shown in an analysis of congressional voting on 18 policy dimensions, labor issues stand out as among the *most* polarized. The pension issue is also a fiscal issue of spending and taxing, which, again, is a classic source of party conflict. There is good reason, then, for expecting Democrats and Republicans to be squared off against one another in polarized conflict—with Democrats, as the allies of unions and proponents of a more active government, strongly favoring more generous pensions, and Republicans, as union adversaries and proponents of a less active government, opposing them. This polarized dynamic, in turn, points to a simple bottom line in explaining why the nation is faced with such a serious pension problem: the Democrats did it—and they did it over Republican opposition.

But is there validity to this story? Our argument here is that, however prevalent polarization may seem throughout American politics, and however plausible such a theoretical account may seem for pensions (or any policy issue), there is no substitute for paying closer attention to the policy itself. As Schattschneider (1935) argued some 80 years ago, policies make their own politics—and there is a political science literature, much of it developed prior to the polarization era, that attempts to understand the nature of that connection by training attention on the policies themselves and linking their specifics to the fundamentals of politics. This more traditional approach—which, for convenience, we call the Schattschneider approach—leads to a different set of predictions about the politics of public sector pensions, and suggests a different take on who is responsible for the nation's pension problem.

In our empirical study, we put these theoretical ideas to the test by carrying out an analysis of more than 300 pension bills considered by state legislatures from 1999 through 2011. The findings show that the pension issue is not polarized—far from it—and that its distinctive political dynamics are precisely what the Schattschneider approach leads us to expect. The result is a better understanding of the pension issue itself—and a basis for arguing that, while polarization is surely pervasive and rightly at the core of scholarly thinking, an approach that pays closer attention to the policies themselves has much to contribute in explaining legislative behavior and the politics of public policy.

A Schattschneider Approach to Pensions

The overarching theme that policies make their own politics is familiar to all political scientists, as are the classic contributions that buttress it. Scholars such as Schattschneider (1935, 1960), Lowi (1964), Olson (1965), and Wilson (1980) put the focus on each policy's connection to certain fundamentals—having to do, for example, with interest groups and the logic of collective action, the distribution of costs and benefits across constituencies, political salience, and the scope of conflict—that structure the dynamics of politics, and may vary from issue to issue and over time. These contributions have long been put to coherent, productive use in various subfields of the discipline, including American political development, public policy, and comparative politics (see, e.g., Baumgartner and Jones, 2010; Hacker, 2002; Patashnik, 2008). Even so, in the theory and research that have most animated the field of American politics in recent years, captured scholarly attention, and defined what many see as its cutting-edge contributions, this Schattschneider tradition of theoretical thinking has fallen into disuse. Precisely because this is so, new work is beginning to emerge that calls for bringing it back to center stage in order to gain a deeper, more variegated perspective on the politics of public policy (Hacker and Pierson, 2014; Bawn et al., 2012).

What does this approach imply for the politics of pensions? We can begin by noting that, until the Great Recession, pensions were not in the headlines,[3] opinion polls ignored the topic,[4] and there is no evidence that average voters cared about the issue. This was a classic case of an inattentive public (e.g., Schattschneider, 1960; Arnold, 1990). One group of voters, however, stood out as an exception: public sector workers—who had incentives to care about the issue, and to reward supportive politicians. Democratic politicians clearly had reason to be responsive to these voters in expanding pensions. But so did Republicans—for they were under no voter pressure to be opposed, and there was potential gain from supporting voters who were paying attention.

The interest group system was similarly unbalanced. Public employees in many places were represented by public sector unions, which had strong incentives to use their influence in elections and lobbying to promote favorable action on pensions.[5] Yet there were no interest groups on the other side: a standard outcome, as Olson (1965) and Wilson (1980) argue, of policies with concentrated benefits and distributed costs. As union allies, Democrats had incentives to take the lead in pushing for generous pensions. But Republicans had reason to go along, as there were no interest groups to reward them for being opposed.[6]

The incentives for bipartisanship were reinforced, moreover, by the myopic political calculations that pensions induce—another example, as this approach emphasizes, of how the specifics of an issue determine its politics. Public pensions are financed by employer and employee contributions to pension funds, where the money is invested to yield assets sufficient (supposedly) to pay retirees a specified annuity for the rest of their lives. For employees, there is little risk, as accrued pension benefits are typically protected by state law, and indeed, sometimes by provisions written into state constitutions.[7] The risk is borne by governments, and thus taxpayers, and it is up to governments to ensure that contributions are sufficient to fund the payouts retirees have been promised.

Yet politicians don't have incentives to do that. They are in the position of being able to promise public workers and their unions much-valued benefits without having to pay the true costs—for if they fail to make the necessary contributions, the bills won't come due for many years, when other politicians and generations of taxpayers will be responsible for paying them. Thus, current politicians have incentives to behave myopically: by increasing benefits, keeping contributions lower than they should be—and relying on others, in the future, to pay the full costs (Kiewiet, 2010; more generally, see Nordhaus, 1975).

This is an alluring calculus that knows no party lines. A skeptic might argue that, because Democrats and unions want these promises to be kept, they would insist on the more costly contribution levels necessary for full funding. But we question that. With state-controlled pensions, accrued pension benefits are fortified by strong legal protections in almost all states (Munnell and Quinby, 2012; Monahan, 2010).[8] It will just be someone else's problem, in the future, to pay them. In the meantime, Democrats and union leaders have incentives to lock in high benefit levels, satisfy current constituents, keep contributions low, and free up resources for spending on other programs. Republicans have incentives to do the same, especially if it frees up money for the policies *they* prefer, such as cutting taxes.[9]

Until the Great Recession, then, with the voter and interest group systems so one-sided, and with pensions inducing myopic calculations attractive to both parties, the incentives were nicely aligned in favor of *bipartisanship*—not polarization. But as Schattschneider (1960) famously argued, the normal politics of any policy issue can change dramatically with an expansion in the scope of conflict—and that is precisely what happened with onset of the Great Recession. Public sector pensions were suddenly so critically underfunded that they required huge, immediate contributions and threatened to wreak financial havoc on many governments. Pensions became a salient, much-publicized issue, and as a result, their political environment radically changed. Voters were presented with far more information on the topic, portraying public sector pensions as costly to taxpayers and a threat to government. Conservative interest groups—including the newly formed Tea Party—leaped into action on the pension issue (see, e.g., Sirota, 2013; Reich, 2011; Drum, 2010). The voter and interest group systems were no longer one-sided.

With such a dramatic expansion in the scope of conflict, this approach argues, comes a change in policymakers' incentives (Baumgartner and Jones, 2010). For Republican politicians, the post-recession environment yielded a newly emergent constituency opposed to "excessive" public sector pensions and supportive of retrenchments—giving them incentives to "act like Republicans" by cutting back on government and opposing labor. Democrats still had constituency-based incentives to be pro-pension. But that would now mean defending past gains and keeping retrenchment from going too far. The Schattschneider approach thus points to a more conflictual brand of politics after the recession—and a sharp break from the bipartisan past.

Yet even for the new era, the logic here points to a politics that is not fully polarized. One reason is that Republicans continued to have public sector workers in their districts, and this alone gave them reason to moderate their approach to retrenchment. But perhaps the more profound force for moderation was that the myopic logic of pensions remained just as relevant as ever, and for politicians of both parties. Yes, the fiscal crisis demanded huge new pension contributions and basic reforms, but resolving the long-term problem via full funding would be phenomenally costly and threatening to their popularity. Their incentives, regardless of party, were to get beyond the crisis with as little political pain as possible, and that meant continuing to push costs into the future.[10]

In sum, then, a Schattschneider approach argues that policies shape their own politics, and it points to fundamentals that, when connected to a given policy, tell us what to expect. In the case of pensions, this logic implies that prior to the recession, voters were unconcerned and uninformed about public pensions, and the interest group pressures were one-sided. Democrats and Republicans therefore had incentives to behave in a cooperative, bipartisan fashion—and not to be polarized. This approach also implies that the Great Recession—which left many public pensions severely underfunded—triggered an expansion in the scope of conflict: voters were no longer unconcerned and uninformed, and the interest group system was no longer one-sided. As a result, policymakers' incentives changed to promote higher levels of partisanship—levels that represented a clear break from the past, but still fell far short of polarization.

Data on Public Pension Legislation

Because the vast majority of public employees are members of pension systems controlled by state governments, our analysis focuses on state legislatures, which are the key decision makers on public pension policies. In studying their decisions, we take advantage of a database compiled by the National Conference of State Legislatures (NCSL).[11] For each year starting in 1999, the NCSL tracked and summarized pension bills enacted by each of the 50 state governments (excluding minor bills deemed of little interest), yielding a rich source of information on pension decisions.

For the years 1999-2011, we coded each bill according to whether it expanded or reduced pension benefits. The most basic *expansions* involved changes in the benefit formulas, but benefits were expanded by other means as well—e.g., by shortening the vesting period, allowing spouses to collect benefits, or allowing employees to purchase service credit for years they did not work.[12] We coded as a *reduction* any bill that decreased benefits, restricted benefit options (such as the purchase of service credit), or increased payroll contributions.[13]

We should emphasize that our coding captures the changes in state pension policies, as well as the direction of those changes. As a practical matter, it does not attempt to measure the financial magnitudes or expected impacts associated with each legislative decision—figures that are unavailable in the NCSL data (or any data set), and about which, even on high-profile bills, experts can wildly disagree. From a reading of the bills, however, it is clear that some—for example, those applying only to elected officials or judges—are exceedingly limited in scope, and we have eliminated them from the data set.

Trends in Public Pension Legislation, 1999-2011

Our coding produced a dataset of 366 pension bills adopted by state legislatures between 1999 and 2011.[14] In Figure 1, we plot the number of expansion and reduction bills for each year, and the pattern is striking. It is immediately apparent that this thirteen-year period can be roughly divided into two phases: an expansionary phase that lasted until the onset of the Great Recession, and a retrenchment phase that took hold thereafter.

[Figure 1 here]

The first three years covered by our data were truly remarkable: states across the country enacted 97 new laws that expanded pensions for public employees. And those expansionary bills were not limited to just a few states: 34 states made their pension systems more generous during this time. Even more striking is that *only a single state reduced pensions* (South Dakota). This was an active expansionary period for public pensions, and governments from California to Wyoming were taking part.

The economy temporarily turned sour in 2001, and the period from 2002 to 2008 saw the passage of some bills that reduced pensions. But as the figure shows, benefit increases remained the norm. State governments passed a total of 135 pension increases during these years, and less than a third as many decreases. Even in 2009, after the housing bubble had burst and the Great Recession had taken hold, some state legislatures were *still* passing bills that increased benefits.

But then the pendulum swung abruptly in the other direction. Of the 63 pension bills in 2010 and 2011, 59 were retrenchments.

Even these numbers, which document a consistent march toward pension expansion from 1999 to 2008, understate the seriousness of the problem state governments were creating for themselves. For the most part, the benefit increases applied to *all* employees, and sometimes retroactively to those already retired; and these increases were typically permanent and could not be reduced for those workers actually receiving them, due to the legal protections built into state law and court decisions (Munell and Quinby, 2012; Monahan, 2010). Because of those legal protections, most of the subsequent pension decreases could only apply to *new* employees—and could not, without large increases in contributions, actually make up for the underfunding problem the earlier promises had helped to create.

The sheer numbers, then, cannot reveal everything that was going on during this period. Even so, Figure 1 is a vivid display of key developments. During the early and mid-2000s, state legislatures were actively engaged in passing bills that made pensions more generous—but all that changed with the Great Recession, as state governments rushed to retrench.

Inside the Legislature: Pensions and Partisanship

Having established what pension changes the states enacted and when, we now turn to an investigation of how those changes were made: who supported them, who opposed them, and how partisan the pension issue was throughout this time period. Were the Democrats (and their union supporters) responsible for the generosity of states' pension benefits? Did the Republicans go along? Did the politics of pension benefits undergo a dramatic change with the Great Recession and the expansion in the scope of conflict that it generated?

To carry out the relevant tests, we collected data on final roll call votes for as many of the 366 bills as possible. Some legislatures made the information available on their websites, but for many others we had to request it from legislative staff and other sources. In the end, we obtained data on 268 bills, including the legislators' names, districts, parties, and votes. The resulting dataset is comprised of 34,301 "yes" or "no" votes in 43 states and 84 legislative chambers.[15]

As a first step, consider Figure 2. For each bill and each legislative chamber, we calculate the percentages of Democrats and Republicans who voted "yes" and present the over-time trends in two measures of partisanship in voting: the absolute value of the difference between the parties' "yes" vote percentages (the dashed line), and the percentage of bills passed by "party unity votes"—votes in which a majority of Democrats and a majority of Republicans were on opposite sides.

[Figure 2 here]

As the figure shows, legislative votes on government pension benefits were strongly *consensual* for much of the thirteen-year period. Prior to 2009, the average difference between the pension bill approval rates of Democrats and Republicans was relatively small, averaging 10 percentage points from 1999 to 2008, with a low of 5 points and a high of 16 points. Party unity votes show the same trend: from 1999 to 2008, the states' pension bills involved few party unity votes, ranging from a low of 2% in 2001 to highs of 11% in 2005 and 2007.

But something changed starting in 2009—and the change was dramatic. Suddenly, the average difference in the two parties' votes shot up to 35 percentage points, and it remained near that level through 2011. Likewise, in 2009 and 2010, a full 33% of pension votes were party unity votes, and in 2011, the rate rose to 42%. Unlike the earlier years, then, the post-recession period was characterized by much greater partisanship—but still far short of full polarization.

To test whether the year-to-year differences in partisanship are statistically significant, we regress the party difference measure on binary indicators for each year (taking 1999 as the base), clustering standard errors by state. See model 1 of Table 1. The findings show that party differences were consistently small prior to 2009, and that none were statistically significant. In 2009, 2010, and 2011, however, these differences grew larger and statistically significant—confirming that it was only with the onset of the Great Recession that pensions became a more partisan issue.

[Table 1 here]

The recession was a watershed event, because it quickly led to a dramatic free-fall in the assets of state and local pension funds—making the underfunding problem a matter of great governmental and expert concern, and, for the first time in modern history, moving pension policy out of the political shadows, into the wide-open, more democratically volatile realm of intense public scrutiny. The recession expanded the scope of conflict—and the behavior of legislators changed along with it, as we should expect.

As a way of investigating whether this shift in public salience did indeed occur, we counted the number of stories about U.S. state and local public pensions published each year by the two largest national newspapers—the *New York Times* and the *Wall Street Journal*—as well as three midsize newspapers with a more regional focus: the *Denver Post,* the *St. Petersburg Times,* and the *Orange County Register*. The solid line in Figure 3 plots the number of *New York Times* stories, the long-dashed line shows the number of *Wall Street Journal* stories, and the short-dashed line is the sum of the number of stories published by the three midsize newspapers.[16] Clearly, there was little coverage of state and local pension issues in the early years of our analysis. From 1999 to 2007, the *New York Times* published an average of only 9 stories per year, and the *Wall Street Journal* published an average of 8. In those same years, the three midsize newspapers published fewer than 15 stories per year, on average. But then suddenly, starting in 2008 and 2009, the number of news stories in the two national papers increased dramatically. In 2008, the *New York Times* published 40 stories on pensions, and by 2009, the number increased to 68. In 2010 and 2011, it published 75 and 94 stories, respectively. The pattern for the *Wall Street Journal* is similar: the number of stories on pensions jumped in 2008 and steadily increased over the next three years: 63 in 2009, 71 in 2010, and 90 in 2011. The spike in the midsize papers' coverage came slightly later but was just as pronounced: together, they published 54 articles in 2010 and 86 in 2011. The timing of this spike in coverage, moreover, aligns closely with the rise in partisanship on pension issues, as shown by the dotted line in Figure 3 (which is reproduced from Figure 2). While this evidence is by no means dispositive, it is at least suggestive that voters likely became much more aware of pension problems with the sharp increase in information, contributing to the sudden increase in partisanship.

[Figure 3 here]

As a check, it is reasonable to wonder whether the sharp uptick in partisan voting is actually due to the changing content of the bills, as the latter period is heavily freighted with retrenchment bills. To test for this, in model 2 of Table 1, we add an indicator for whether the bill was a pension reduction. The findings are the same: pension votes were mostly bipartisan from 1999 to 2008 but became dramatically more partisan in 2009. In addition, we consider whether the pre-recession bipartisanship persists when we limit the analysis to bills that solely affected public school teachers—a group that has long divided the parties on many other policy issues. Tellingly, we find that even in these cases, the pre-recession party difference in voting was a mere 10.9%, which is statistically indistinguishable from the 9.6% rate for bills affecting other types of employees (p=0.65).

Another potential concern is that the spike in partisanship in 2009 might not be specific to public pensions—that instead, state legislative partisanship might have suddenly increased on many issues, perhaps in response to the election of President Barack Obama. To investigate this, we use Shor and McCarty's (2011, 2013) estimates of state legislator ideology, which are based on state legislators' roll call votes, to plot the distance between the median legislators of each party in each state legislative chamber and year. (See the online appendix.) We find no evidence that polarization suddenly spiked in state legislatures in 2009: Some states show a gradual increase in polarization over time, some show a slight decrease, while other chambers show little change. But no chamber has a trend similar to the one shown in Figure 2. This suggests that the pattern we have found is specific to pensions and not part of a general trend in state legislatures.

Consistent with our argument, then, the evidence suggests that *the normal politics of public pension benefits is bipartisan*. Only when the Great Recession triggered an expansion in the scope of conflict—increasing voter awareness and activating anti-pension groups—did the parties in state legislatures begin to diverge.

Explaining the Increase in Partisanship: Empirical Design

We next move to the individual level and explore the voting behavior of legislators. We analyze expansion and reduction bills separately, using logistic regression to model our dependent variable, the individual legislator's vote ("yes"=1, "no"=0). As predictors we include the legislator's party (Republican=1, Democrat=0), an indicator for expanded scope of conflict (1 for 2009 and after, 0 otherwise), and the interaction between the two. Because many individuals voted on multiple bills, we cluster the standard errors by legislator.

In addition to these basic factors of relevance to the theory, we include other state-level variables that also may explain legislators' votes on pensions. First, we control for total state debt per capita, because legislators' votes might depend on the fiscal condition of their states (see, e.g., Thom, 2013). In our expansion model, we also include an indicator of whether the state government expanded pensions in the previous year, since legislators may be less willing to support expansions if they did so recently. Likewise, in the model of retrenchment bills, we include an indicator of whether the state reduced pensions in the prior year.

The theoretical expectations for both expansion and reduction bills are straightforward. But carrying out the tests for reduction bills runs into an interesting data problem that calls for an adjustment. Most post-recession bills involve reductions, because the states were under intense pressure to address the underfunding problem; and we expect Republicans to favor deeper retrenchments than Democrats, who should try to keep retrenchments to a minimum. Yet what would this look like in terms of the parties' voting behavior? Consider the case of California.

In 2012, Democratic Governor Jerry Brown and the Democratic legislature passed a pension reform bill which capped benefits and raised the retirement age for new hires, and in a few other ways made modest changes to reduce the state's pension burden. In the final Assembly vote, most Democrats voted for the bill, and *most Republicans voted against it*. Why? Because this was a Democratic bill forwarded by a Democratic government, and most Republicans thought the retrenchment *didn't go far enough*. As Republican Senator Mark Wyland said, "Each of us know in our hearts that this is a small, small, small step" (Harmon, 2012).

Our data, of course, cannot capture whether a bill's reductions "go far enough." As a result, if we simply carry out an analysis of legislative voting, Democrats will come across in these situations as much more favorable to pension reductions than Republicans are—when, in fact, the opposite is true. And California is just an illustration. The same sort of reverse voting has occurred in many other states, and for the same reason. Our challenge is to get around this data problem in such a way that we can capture what the votes of legislators really mean, and in so doing ensure that our statistical analysis provides appropriate tests.

A reasonable solution is to break the reduction bills into two groups, depending on party control of government. In states where Democrats control the legislature and the governorship, they are in a position to enact the modest pension reductions they favor—and that Republicans are likely to oppose for not going far enough. In our voting data, this is what partisan pension politics should look like in governments controlled by Democrats.

In governments with non-Democratic governments—where Republicans have unified control (which is often the case) or at least have a veto (because they control one chamber and/or the governorship)—partisan pension politics should look different. Successful retrenchment bills must meet Republican approval at some point along the way, and the reductions are likely to satisfy them and get their votes. In these states, it is the Republicans who are likely to vote "yes" and the Democrats who are likely to vote "no"—because they think the bills go too far.

With this adjustment in how we approach and analyze the data on retrenchment bills, we have a simple set of expectations that can readily be tested.

Empirical Results

Our findings are set out in Table 2. In the first column we focus on pension expansion bills, explaining each legislator's vote with reference to party affiliation, the scope of conflict variable, and the interaction of the two (as well as the control variables). The direction and significance of the estimated coefficients—including combinations of coefficients (see the bottom of the table)—provide tests of the theoretical expectations, but the findings are easier to interpret if we convert the estimates into predicted probabilities, which we do in Table 3 (using Clarify 2.0—see Tomz, Wittenberg, and King, 2003).[17]

[Table 2 here]

The predicted probabilities in Table 3 show that, on bills that expand pensions, the voting patterns look exactly as we would expect. Prior to 2009, Democrats voted almost universally in support of benefit increases—*but so did Republicans*. Specifically, Democrats supported benefit increases at a rate of 98%, and Republicans went along, supporting increases at a rate of 93%. After the scope of conflict expanded, Democratic support remained about the same (98.5%)—but Republican "yes" votes plummeted to 69%. The politics of pension benefit increases had clearly become more partisan. But it was still not polarized.

What of pension reductions? In the column 2 of Table 2, we include the same variables, except that we allow the main coefficients to vary depending on whether the bills were enacted by Democratic unified governments or not. The coefficients are set out in Table 2, but again it is helpful to turn to the predicted probabilities in Table 3. There, we find that the differences between the parties were small prior to 2009 on reductions—and they were small regardless of who controlled state government. During normal times, Republicans and Democrats tended to vote together on reductions and at levels of support exceeding 90%. Harmony came to an end, however, when the scope of conflict expanded. Voting became more partisan.

[Table 3 here]

As expected, partisan conflict took different forms depending on who controlled the government. In governments without unified Democratic control, Republicans continued to support reduction bills at a high rate of 92% (compared to 93% before the recession), but Democratic support fell to 71% (compared to 96% before). In governments controlled by

Democrats, voting was just as partisan but the roles were reversed: the Democrats continued to support pension reductions at a high rate of 92%, and Republican support dropped sharply to 50% (as compared to 94% before).[18]

Turning back to Table 2, we also find that most of our control variables operate in the expected direction. Support for expansions (reductions) was lower in states that had expanded (or reduced) pensions the year before. In column 2, we also find that legislators are more likely to vote "yes" on reductions when state debt is high. However, on pension expansions, we estimate an insignificant coefficient on state debt. Unlike pension reductions, then, state debt does not appear to be associated with legislators' willingness to vote "yes" on increasing pensions.

Given that 2010 saw the election of many new Republican legislators, it is reasonable to wonder whether the sudden divergence in Democratic and Republican votes on pensions was caused by changes in the composition of the legislatures—with new, more conservative Republicans getting elected to office—or by changes in the votes of legislators who were already in office before the recession, and changed their behavior after 2008. We want to emphasize that both of these sources of partisan conflict are consistent with our theoretical perspective. It could be that increased voter awareness and the activation of anti-pension groups led to the election of more anti-pension Republicans. But the same changes in voter awareness and group activity could also have caused sitting Republican legislators—mindful of their coming reelection bids—to become more anti-pension. It is likely that both effects were at work.

However, it might be especially instructive to take a closer look at the legislators who stayed in office the entire time, because if these legislators actually changed their positions, that would be a clear indication that new constituency pressures were at work. To find out, we first limit our models in Table 2 to the legislators who were in office both before and after the recession *and* voted on pension expansions (or reductions) in both time periods. The results (presented in the online appendix) show that these Republicans were 14 percentage points less likely to vote "yes" on pension expansions after 2008. For reductions in non-Democratic unified governments, Republican support did not change, but Democrats became less likely to vote "yes" after the recession (by about 10 percentage points). In Democratic unified governments, the pattern is reversed: Democratic voting on reductions did not change after 2008, but Republican voting did—by 40 percentage points.

As a second way of assessing whether legislators changed their positions, we have estimated models that include fixed effects for each legislator in our dataset. The fixed effects partial out any time-constant characteristics of individual legislators that make them more or less likely to vote "yes" on a given type of bill, and the estimates of the changes in Republicans' and Democrats' votes over time (i.e., *Scope* and the party variables interacted with *Scope*) are based on the votes of legislators who voted on pension expansions (or reductions) both before and after the recession. The results in the online appendix show that Republicans became significantly less supportive of expansion bills after 2008—by 7 percentage points. On reduction bills in Democratic unified governments, Republican support dropped by nearly 24 points from before to after the recession. Thus, many legislators did indeed change their votes after the expansion of the scope of conflict; the uptick in partisanship was not driven solely by changes in the composition of the legislatures.

Altogether, the evidence presented thus far is consistent with our expectations derived using a Schattschneider approach. When voters were inattentive and the interest group system was one-sided, Republicans voted along with Democrats on pension issues. It was only when the recession laid bare the states' severe pension problems, made the issue politically salient, and increased voter and group awareness, that the parties' positions began to diverge.

The Effect of Constituency Pressure

In a final set of tests, we investigate whether the shift from bipartisanship to increased partisanship was propelled by an increase in competitive pressure from voters and interest groups, as our theory suggests. To do this, we would ideally want a measure of the relative strength of pro- and anti-pension interest groups in each state legislative district and year in our dataset, as well as a district-year-level measure of voters' attentiveness to and sentiment about public pensions. Unfortunately, detailed information of that kind is not available. We do, however, have three proxies for these constituency pressures in each state legislative district, which we use to carry out preliminary tests of our proposed mechanism.

The first measure comes from Bonica (2014), who uses correspondence analysis of millions of campaign finance records to create a measure of state legislator ideology. Bonica's scores are particularly useful to us because they are constructed from data on campaign contributions; they therefore reflect the liberalism or conservativism of each legislator's donor base.[19] We recognize, however, that several of the donors whose contributions are included in those scores may not have been active on the public pension issue, even after 2008. We therefore employ two other measures of district-level constituency pressure on state legislators, both of which capture the strength of voters and groups that *were* focused on pensions. The first is an indicator of whether the legislator received campaign donations from public sector unions in her most recent election,[20] and the second is the percentage of the district's population employed by government.[21] While none of these measures is perfect,[22] each captures some aspect of pro- and anti-pension constituency pressure at the level of the state legislative district.

In our discussion to follow, we focus on Republican votes—in particular, Republican votes on pension expansions and pension reductions in Democratic unified governments. (We present the full results in the online appendix.) Unlike Democrats, who had incentives to be responsive to government workers and public sector unions before and after 2008, Republicans (we argue) experienced a dramatic shift in their constituencies' attentiveness to the pension issue with the onset of the Great Recession. The evidence we presented in Tables 2 and 3 is consistent with that: most Republicans voted with the Democrats prior to the recession, but many of them (on pension expansions and reductions in Democratic governments) reversed course in 2009. If a change in constituency pressure is part of the explanation for that, we should also find that *certain* Republicans were more likely to reverse course: those with conservative donor bases, those who did not receive financial backing from public sector unions, and those in districts with low levels of government employment. Our expectation, then, is that the three district constituency variables will have little effect on Republican votes prior to the recession but a significantly bigger effect after the recession.

[Table 4 here]

The relevant tests are carried out in Table 4, but again, the findings are easier to interpret as predicted probabilities. We start by using the estimates from columns 1 and 2 of Table 4 to calculate the predicted probability of a "yes" vote for two types of Republicans: those with conservative donor bases—meaning those with scores at the 90^{th} percentile for their party—and those with moderate donor bases—those with scores at the 10^{th} percentile. Those probabilities are shown in panel 1 of Table 5. Next, we replace the donor conservatism measure with the indicator for public sector union contributions: the coefficient estimates are in columns 3 and 4 of Table 4, and the predicted probabilities are in panel 2 of Table 5. Finally, in columns 5 and 6 of Table 4, we measure pressure from voters and interest groups using government employment, and we calculate probabilities for Republicans with low (10%) and high (23%) levels of government employment in their districts. Those probabilities are presented in Table 5, panel 3.

[Table 5 here]

Based on the top two rows of each panel in Table 5 (those labeled "Before"), none of the constituency measures had a sizeable impact on Republican votes before the recession, in line with our expectations. After the recession, however, we see a different pattern. In panel 1, we find that Republicans with conservative donors supported pension increases at a lower rate (65%) than Republicans with moderate donors (74%). They also voted for Democratic pension reduction bills at lower rates (24%, compared to 59%). This pattern is consistent with our argument that a rise in constituency opposition contributed to the increase in partisanship: Republicans more dependent on conservative donors were more likely to deviate from the pre-recession norm of bipartisanship than Republicans with more moderate donors.

When we use the two pension-specific measures of constituency pressure, we also find support for our argument. In panel 2 of Table 5, we find that after the recession, Republicans who received campaign funding from public sector unions were more likely to support pension increases (76%) than Republicans who did not receive support from unions (61%). Likewise, in panel 3, we find that 83% of Republicans with high government employment in their districts voted "yes" on pension increases, compared to only 60% of Republicans with low government employment. Our findings on pension reductions are more mixed, but generally still supportive. On the one hand, Republicans from districts with high and low levels of government employment did not differ significantly in their treatment of Democratic retrenchment bills. However, union financial support did make a difference, as we show in panel 2: Republicans with union backing were significantly more likely to vote for Democratic pension reduction bills (47%) than Republicans without union backing (32%).

These results are preliminary, but the general direction is clear: after the recession, certain Republicans were more likely than others to defect from the pre-recession norm of bipartisanship.[23] We propose that these differences among Republicans arose because they were responding to newly-attentive opposition constituencies—and the strength of those constituencies, as well as the strength of government employees and their unions, varied across the districts they represented. As we've said, more detailed measures are simply unavailable for the pension-specific preferences and attentiveness of voters and interest groups in each of the thousands of state legislative districts and years in our dataset. But our empirical tests, using three reasonable proxies for constituency pressures, conform to our expectations. All in all, our findings suggest that the rise of anti-pension competitive pressures did affect the votes of Republicans—and helped to promote a new and more contentious politics of public pension benefits.

Discussion

For many American state and local governments, the fiscal burden of underfunded pensions is staggering. Even as reforms proceed, and in part because of them, the ongoing costs of operating public pension funds will be much greater than in the past, consume larger proportions of tax revenue, and crowd out funding for many public services of great value to citizens—education, police and fire protection, public parks, and more (Kiewiet and McCubbins, 2014).

This paper is an effort to shed new light on the politics of pensions, and thus to better understand a policy issue of profound importance for American government. As we study the partisan politics of the pension issue, moreover, our second aim is to show that it can serve as an instructive case that speaks to the ways that political scientists think about and study the politics of public policy.

For well over a decade, mainstream thinking on the politics of public policy has been heavily shaped by the technically sophisticated, highly developed literature on polarization, which has been right at the center of the American politics field. We argue that there is much to be gained by looking outside the mainstream. Specifically, we take advantage of a more traditional political science literature that—in part because of polarization's analytic prominence—has largely been pushed to the periphery, but continues to hold great value.

The polarization literature implies that the pension issue—because it is a labor issue, as well as an issue of taxing and spending—lies squarely on the traditional left-right dimension of partisan conflict, and thus should tend to be polarized: with Democrats pushing for increasingly generous pension benefits, and Republicans opposing them. The more traditional approach—arising from the work of Schattschneider, Olson, Lowi, and Wilson, among others—begins with the notion that policies make their own politics; and it proceeds by linking the specifics of policies to the fundamentals of politics, leading to very different and more nuanced predictions.

In particular, it leads us to recognize that, during the normal times that prevailed for many years, the pension issue was characterized by distinctive political conditions—lack of salience, uninterested and uninformed voters, a one-sided interest group system, and politicians motivated to offer valuable pension benefits without paying the full cost—that were a setup for bipartisanship and cooperation, not polarization. It also leads us to expect that, as these conditions came to an end with the Great Recession—which brought pensions into the public spotlight, expanded the scope of conflict, and (partially) changed the incentives of politicians—

the result would be higher levels of partisan conflict, and thus a change in pension politics. But still no polarization.

These expectations are borne out in our data on pension legislation. We find that, during the normal times that prevailed pre-recession, state legislatures tended to increase the generosity of public pensions, and voting patterns were heavily bipartisan. Democrats and Republicans were essentially on the same team. After the expansion in the scope of conflict, their voting patterns underwent a dramatic shift—with Republicans pushing for pension cutbacks and Democrats trying to moderate the retrenchments. Politics became more partisan, but not polarized.

As the pension case well shows, the basic features of any given policy can have important consequences for politics. And had we not looked for these features in the case of pensions—and known, via theory, what to look for in connecting them to politics—we would have had little basis for understanding why politicians dealt with the generosity of pension benefits as they actually did. While more research is surely needed to explore the full range of policies in ways this more traditional approach would suggest, pensions are not alone in departing from the polarization that characterizes many issues in American politics: distributive policies (such as transportation) clearly do not fit the mold, and Jochim and Jones (2012) have found that other realms of policy, such as agriculture, trade, and science, appear not to be polarized either.

As scholars think about the politics of public policy, then, we agree with Hacker and Pierson (2014) that there is good reason for "bringing policy back in." The result over the long term would be a richer, more fully developed theory that sheds a brighter light on the behavior of parties and politicians (Bawn et al., 2012), is better capable of spelling out the political conditions under which public policies do and *do not* get polarized—and, through a productive linkage with other literatures, stands to promote progress in the larger discipline.

As befits an argument for bringing policy back in, we want to conclude by returning to the policy itself. This paper's analysis of the pension issue has focused on the benefits side of the equation and on key theoretical points that stand to be of broad relevance to the field—but a comprehensive account of the politics of pensions clearly calls for more research. The small existing literature on the topic, mentioned earlier, is a useful start. Studies of legislative voting, such as the one presented here, are indispensable if the basics of pension politics are to be understood. But research must ultimately connect these policy decisions to their financial consequences for pension systems, governments, and citizens. Some bills are much more consequential than others, and these magnitudes must somehow be measured and taken into account if we are to link politics more directly to the underfunding problem (and others, like the crowding out of government services).

Future research should also target state pension funds and their governing boards—which are political creations of state legislatures, are delegated authority to make (some) pension decisions, often have their decisions overridden by legislatures, and commonly incorporate representatives of public sector unions. The political dynamics linking them to legislatures—and underfunding—have never been systematically explored, and they need to be.

As we look ahead, then, we hope that the pressing relevance of public sector pensions—one of the great challenges facing American governments—will soon be matched by a growing research literature on their politics. For now, this analysis makes it clear that the polarization that characterizes so much of American politics, and that might seem to provide an obvious explanation for the modern pension problem—that the Democrats created it, over the resistance of Republicans—does not in fact explain it. The underfunding problem plaguing the nation today was brought about by *both* political parties, acting together and in harmony.

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Table 1. Party difference in voting on public pension bills

	Model 1		*Model 2*	
2000	0.023	(0.030)	0.023	(0.031)
2001	-0.012	(0.022)	-0.012	(0.022)
2002	0.051	(0.059)	0.05	(0.060)
2003	0.033	(0.055)	0.032	(0.057)
2004	0.028	(0.042)	0.026	(0.047)
2005	0.065	(0.056)	0.064	(0.062)
2006	0.021	(0.035)	0.019	(0.037)
2007	0.083	(0.065)	0.082	(0.065)
2008	0.097	(0.108)	0.097	(0.109)
2009	0.289***	(0.081)	0.288***	(0.087)
2010	0.246***	(0.077)	0.242***	(0.087)
2011	0.342***	(0.085)	0.338***	(0.093)
Reduction			0.004	(0.038)
Constant	0.065***	(0.021)	0.065***	(0.021)
R-squared	0.18		0.18	
Observations	508		508	

Notes: Standard errors clustered by state in parentheses. Dependent variable is the absolute value of the difference between the percentage of Democrats voting "yes" and the percentage of Republicans voting "yes." The omitted year variable is 1999.
* p<0.1; ** p<0.05; *** p<0.01

Table 2: Public pensions, political parties, and the scope of conflict

	Expansions (1)	*Reductions* (2)
Scope	0.432**	-2.286***
	(0.210)	(0.145)
Republican	-1.205***	-0.565***
	(0.080)	(0.170)
Scope*Republican	-2.178***	2.099***
	(0.222)	(0.188)
Democratic Unified		-0.232
		(0.213)
Republican*Democratic Unified		0.375
		(0.314)
Scope*Democratic Unified		1.775***
		(0.260)
Scope*Republican*Democratic Unified		-4.383***
		(0.363)
Debt per capita	-0.002	0.14***
	(0.022)	(0.021)
Previous Expansion	-0.344***	
	(0.065)	
Previous Reduction		-0.765***
		(0.076)
Constant	3.758***	2.804***
	(0.083)	(0.143)
Observations	21,245	10,688
Pseudo R-squared	0.11	0.14
Additional hypothesis tests		
Scope + Scope*Rep.	-1.746***	-0.188
	(0.077)	(0.120)
Scope + Scope*Rep. + Scope*Dem. Unif. + Scope*Rep.*Dem. Unif.		-2.795***
		(0.232)
Scope + Scope*Dem. Unif.		-0.511**
		(0.223)

Notes: Standard errors clustered by legislator in parentheses. In column 1, Scope + Scope*Rep. tests whether Republicans' rates of voting "yes" were the same before and after the recession. In column 2, Scope + Scope*Rep. tests whether Republicans' votes were the same before and after the recession in non-Democratic unified governments, and Scope + Scope*Rep. + Scope*Dem. Unif. + Scope*Rep.*Dem. Unif. is the corresponding test for Democratic unified governments. Scope + Scope*Dem. Unified tests whether Democratic voting was the same before and after the recession in Democratic unified governments. All hypothesis tests are two-tailed. * p<0.1; ** p<0.05; *** p<0.01

Table 3: Predicted probabilities of voting "yes" on pension bills

Expansions	Democrats before	0.977
	Republicans before	0.927
	Democrats after	0.985
	Republicans after	0.689
Reductions, Non-Democratic Unified Governments	Democrats before	0.961
	Republicans before	0.933
	Democrats after	0.714
	Republicans after	0.920
Reductions, Democratic Unified Governments	Democrats before	0.951
	Republicans before	0.941
	Democrats after	0.920
	Republicans after	0.497

Table 4: The change in constituency pressure

	Expansions (1)	*Reductions* (2)	*Expansions* (3)	*Reductions* (4)	*Expansions* (5)	*Reductions* (6)
Scope	0.249	-2.821***	0.399	-0.913	0.71	-0.496
	(0.306)	(0.398)	(0.542)	(0.676)	(0.823)	(0.807)
Republican	-1.14***	-2.038***	-1.33***	-0.827*	-1.603***	-0.562
	(0.144)	(0.434)	(0.205)	(0.471)	(0.363)	(0.983)
Scope*Republican	-1.7***	1.575***	-2.328***	-1.912***	-2.46***	-1.137
	(0.353)	(0.518)	(0.553)	(0.720)	(0.880)	(1.088)
Conservative donors	-0.07	3.066***				
	(0.141)	(0.410)				
Scope*Conservative donors	-0.236	-4.583***				
	(0.353)	(0.495)				
Republican*Conservative	0.023	-1.408**				
	(0.186)	(0.679)				
Scope*Rep.*Conservative	-0.186	1.333*				
	(0.419)	(0.794)				
Previous expansion	-0.407***		-0.362***		-0.305***	
	(0.069)		(0.075)		(0.078)	
Debt per capita	-0.016	0.332***	-0.023	0.176**	-0.012	0.166**
	(0.025)	(0.068)	(0.024)	(0.069)	(0.028)	(0.069)
Previous reduction		-0.689*		0.319		0.43
		(0.377)		(0.281)		(0.264)
Union			-0.009	-1.136***		
			(0.210)	(0.433)		
Scope*Union			0.09	1.082		
			(0.594)	(0.703)		
Republican*Union			0.198	0.711		
			(0.231)	(0.595)		
Scope*Rep.*Union			0.422	-0.105		
			(0.615)	(0.839)		
Government employment					2.663	-0.716
					(1.954)	(3.931)
Scope*Government					1.195	2.827
					(5.351)	(4.392)
Republican*Government					4.593**	2.167
					(2.289)	(5.535)
Scope*Rep.*Government					0.528	-6.858
					(5.747)	(6.110)
Constant	3.766***	2.963***	3.772***	2.836***	2.913***	2.081***
	(0.107)	(0.327)	(0.193)	(0.430)	(0.346)	(0.722)
Observations	19,474	2,363	15,852	2,270	12,034	2,356
Pseudo R-squared	0.12	0.28	0.13	0.21	0.13	0.20
Constituency pressure effect	-0.045	6.582***	0.189*	-0.425	-0.958***	-0.192
for Republicans, before	(0.125)	(0.900)	(0.097)	(0.402)	(0.160)	(0.502)
Constituency pressure effect	-0.446**	-1.510***	0.701***	0.552***	-1.185***	0.341
for Republicans, after	(0.191)	(0.300)	(0.133)	(0.199)	(0.231)	(0.269)

Notes: Standard errors clustered by legislator in parentheses. The hypothesis tests at the bottom of the table show the effect of conservative donors in columns 1-2, the effect of public sector union contributions in 3-4, and the effect of high government employment in 5-6. Hypothesis tests are two-tailed. * p<0.1; ** p<0.05; *** p<0.01

Table 5: Predicted probabilities of voting "yes" on pension bills

		Expansions	Reductions, Democratic Unified Governments
1.	Before, Moderate Donors	0.929	0.896
	Before, Conservative Donors	0.926	0.973
	After, Moderate Donors	0.739	0.586
	After, Conservative Donors	0.646	0.240
2.	Before, With Union Support	0.928	0.831
	Before, Without Union Support	0.915	0.894
	After, With Union Support	0.759	0.469
	After, Without Union Support	0.610	0.324
3.	Before, High Government Employment	0.949	0.906
	Before, Low Government Employment	0.878	0.889
	After, High Government Employment	0.828	0.441
	After, Low Government Employment	0.597	0.525

Figure 1: State pension legislation, 1999-2011

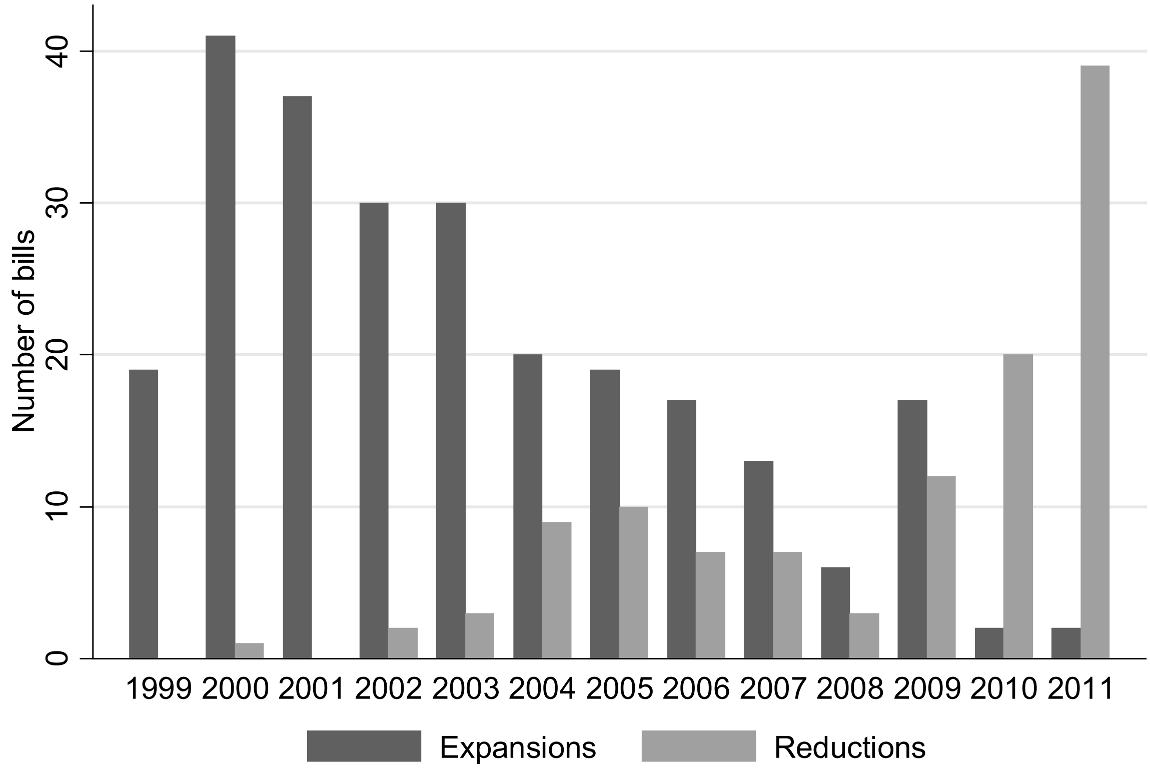


Figure 2: Partisanship on public pension votes

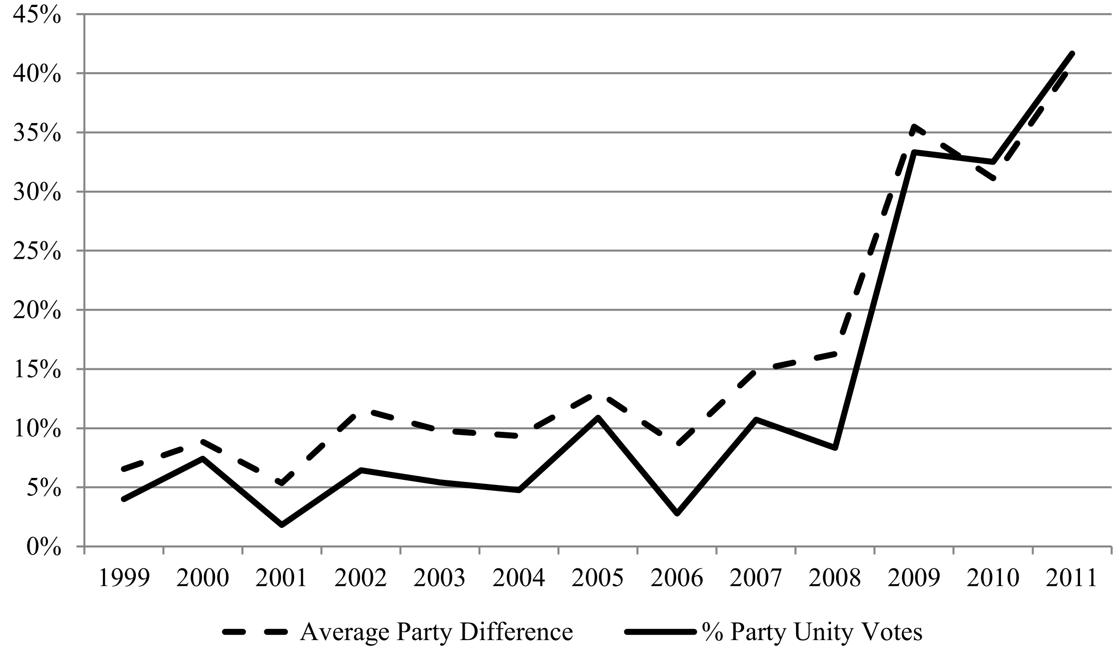
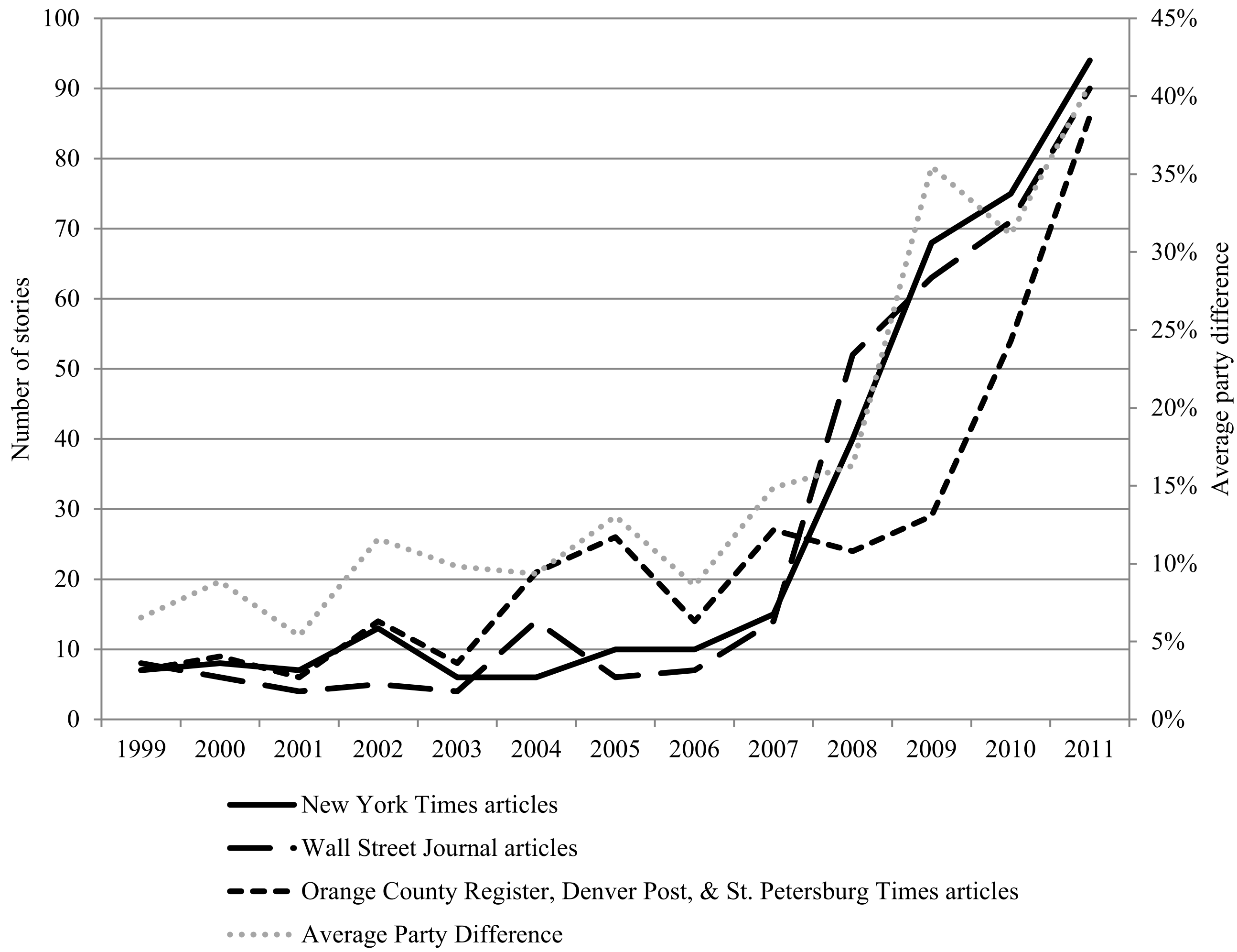


Figure 3: Number of news articles about state and local public pensions



[1] Political scientists have done very little empirical research on the politics of public sector pensions, and the small literature that does exist—mostly a recent development, and very much a step in the right direction—has so far produced mixed findings. For example, it is not clear whether party control of state government has an effect on the funding status of public pensions.

[2] We are talking about pension systems for public employees. Pension systems for all citizens, such as Social Security, have been better studied. See Jacobs (2011), Campbell (2003), and Derthick (1979). For political research on the American social welfare system more generally, see Hacker (2002).

[3] We provide data on news coverage of public pensions below.

[4] A search of the Roper Center iPOLL database between 1999 and 2008 reveals only a single public opinion poll question related to public employees' pensions—one from 2001 asking whether teachers' pension benefits should be made transferable between school districts in order to alleviate a teacher shortage. Questions about public employees' pensions were more common after the recession; for example, there were 7 questions in 2011 and 35 in 2015.

[5] On public sector unions and their politics, see DiSalvo (2015) and Moe (2011).

[6] With voters so uninformed and apathetic, both parties had incentives to craft pension policies falling within what Bawn et al. (2012) call the "electoral blind spot" of voters—policies that please interest groups, but that many voters might oppose if well informed. The twist in the pension case is that the two parties, rather than crafting different policies to cater to distinctive groups, had incentives to embrace the same "blind spot" policy to please (or avoid offending) the same interest group.

[7] For details on variations in state law, see Munnell and Quinby (2012) and Monohan (2010).

[8] This logic for state-controlled pension funds may not apply with equal force for local pension funds, because local governments can declare bankruptcy and put pensions at risk. That is what happened in Detroit, for example, where a federal bankruptcy judge approved a (small) scale-back in benefits. Yet local bankruptcies are so rare and so recent that it is questionable whether politicians and unions have worried much about these risks over past decades.

[9] The bipartisan behavior expected here does not mean that no Republicans would ever oppose pension increases. Republicans tend to have more conservative constituencies and to be less amenable to spending and taxing than Democrats, and some opposition would seem likely. The point is simply that during normal times the triggers of Republican opposition were not operating.

[10] Note that the post-recession salience of pensions may well fade in future years as states adopt partial reforms and the sense of crisis recedes—suggesting that, long term, the current structure of partisan conflict may not represent a stable equilibrium (see, more generally, Baumgartner and Jones, 2010).

[11] See the NCSL, "Past Years' Annual Enacted Legislation Summaries," available at http://www.ncsl.org/issues-research/labor/pension-and-retirement-legislative-summaries-and-r.aspx.

[12] In principle, bills that decreased employees' contributions should also be considered expansions, but the NCSL database includes few such bills (only eleven)—perhaps because decisions to decrease employee contributions are often made locally through collective bargaining, not by state legislatures. This is the one area of pension politics where our focus on legislation probably misses most relevant decisions. For this reason, we exclude the eleven bills that decreased employee contributions from our analysis.

[13] For a detailed description of the content of these bills, see the online appendix. The NCSL database also includes information on decisions to increase or decrease the contributions of employers (governments). However, these bills are often ambiguous in meaning. When the legislature "lowers" government pension contributions, it is allowing governments to contribute *less than they otherwise would* under the previous formula—but the new dollar amounts may actually be greater than the original amounts. It is a matter of interpretation whether the legislature is lowering contributions or increasing them. Adding to the ambiguity, the new contribution levels may apply just for certain years and then automatically adjust to another higher or lower level. For these reasons, we focus our analysis on legislative decisions about benefits—which can be coded without ambiguity, and about which we have clear theoretical expectations.

[14] We eliminate 17 bills that included both expansions and reductions. We also drop bills that did not enact the types of changes we described above. In addition, we exclude Nebraska because it has a nonpartisan legislature.

[15] We exclude legislators who were absent, excused, who abstained, or who voted "present." We also drop independents. We classify members of the Green, Progressive, and Working Families parties as Democrats.

[16] The numbers for each of the midsize newspapers are shown in the online appendix.

[17] For all predicted probabilities, state debt per capita is set at its mean, and the indicators for prior-year expansions and retrenchments are set at zero.

[18] In the online appendix, we carry out the same analysis using ordinary least squares rather than logistic regression, and we also run models that include state fixed effects. For both, our estimated marginal effects are nearly identical.

[19] The continuous measure we use in this analysis is constant for individual legislators over time; in our dataset, the scores range from -3.5 (most liberal) to 3.8 (most conservative). We are missing scores for most legislators who came into office via elections prior to 2000.

[20] These data come from the National Institute on Money in State Politics (NIMSP), as compiled by Bonica (2014). The NIMSP data begin in 2000, so we are missing campaign finance records for some votes in our dataset.

[21] The data, from the U.S. Census, are only available according to boundaries drawn during the 2000 redistricting.

[22] For example, it is possible that union contributions are endogenous if they are influenced by legislators' votes on pensions. Also, as we discussed, we would like to have separate district-by-year measures of voter attentiveness and interest group activity rather than measures that capture both factors, but such measures are not available. That said, the measures we use here are reasonable, we think, because the change in constituency pressure from voters and interest groups likely moved in the same direction.

[23] In the online appendix, we limit the expansion models to legislators who were in office and voted on pension expansions both before and after the recession, and our findings are substantively the same. While we would like to do the same analysis for pension reductions in Democratic unified governments, there are only 93 legislators in two states who voted on pension reductions in Democratic unified governments both before and after the recession.