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How Government Priorities are Shaped by the Professional Background of Legislators

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When we talk about the records of lawmakers, we usually think about how they have voted on various kinds of issues. But long before votes are cast, lawmakers must decide which issues to emphasize. Their policy agendas – that is, the menu of issues lawmakers consider important to consider and debate – set the stage for what governments do (or fail to do) to address citizen concerns. Legislators exercise a tremendous amount of discretion in deciding priorities, and their personal backgrounds influence the kinds of proposals they make. For instance, political scientists know that female lawmakers tend to sponsor bills that benefit women, while minority lawmakers tend to sponsor bills that benefit such communities. If characteristics like race and gender influence issue priorities and the bills legislators sponsor, then occupational backgrounds are also likely to matter.

Lawmakers almost always hold other positions before they assume government offices. Like other workers, they were socialized into the culture of their industry or workplace over the course of their careers. Especially for professionals, years of training and employment in a specific industry inevitably affect people's thinking about issues related to that industry. Once professionals from particular industries become lawmakers, they might be eager to sponsor bills that relax regulations or create incentives for their industries not because they stand to gain personally but because they believe that such measures amount to good public policy.

Agenda Setting in State Insurance Regulation

Business groups seem to recognize the connection between occupational backgrounds and legislative agendas. In the 1960s, for example, the Insurance Information Institute, a lobbying group representing the interests of insurance companies, started to compile data on the occupational backgrounds of state legislators, who handle most insurance regulation issues in the United States. Even without direct information about motives, we can surmise that the group was interested in identifying state lawmakers who might be sympathetic to its policy goals.

Insurance regulation is a prime place to look for evidence of possible relationships between occupational backgrounds and legislative priorities. Insurance is a giant industry, with annual revenues of about $1.2 trillion dollars that account for roughly 40% of the entire U.S. financial sector. Insurance issues have received a good deal of attention at the national level in recent years in debates over the Affordable Care Act. Beyond that, however, thousands of bills are introduced and debated each year in state legislatures, typically without much public scrutiny.

To determine whether insurance professionals' backgrounds in the industry influenced their legislative records, my colleagues and I collected data on the occupational backgrounds of state legislators in 30 states in 2011-12 and also recorded the insurance-related bills each legislator sponsored. On average, we found that only about 2.5% of the membership in these state legislatures had previously worked in the insurance industry. However, those former insurance professionals sponsored a little more than 6% of insurance bills across the country – more than twice as many bills as we would have expected by random chance. When we looked at any type of involvement in a bill's sponsorship (whether as a cosponsor or as a chair or member of a bill's sponsoring committee), insurance professionals were involved in the introduction of about 13% of all insurance bills – which makes them more than *five times* as likely as an average state legislator to be involved in writing insurance regulations.

Just knowing that insurance professionals are disproportionately involved in sponsoring insurance bills does not reveal the content of those bills. We also investigated whether bills were more likely to be *friendly* to the industry – defined as benefitting the bottom lines of insurance companies. We were able to examine the full text of roughly 3200 insurance regulation bills sponsored in 28 of our 30 states in 2011. We read 500 of them ourselves, classified them as friendly or unfriendly to the industry, then trained a computer to read and categorize the rest. Overall, we found that bills sponsored or cosponsored by former insurance professionals were significantly more likely to be industry-friendly. About 48% of the bills advanced by insurance professional were helpful to the industry's bottom line, compared to about 42% of their colleagues' bills.

Keeping Regulation off the Agenda

What legislators do NOT do can matter as much as what they do. Because the premium rates and profit margins of insurance companies are tightly regulated by state governments, it is reasonable to infer that insurance companies prefer less government activity and regulation. A pro-industry lawmaker might not only introduce friendlier legislation, but also try to keep new legislation from being considered in the first place. This kind of hypothesis is challenging to test, however, because it is difficult to find out about potential regulatory proposals that *could have been but* were not introduced. To tackle this challenge in another way, we compared the amounts of insurance regulation that various state legislatures considered between 2007 and 2011. We discovered that significantly fewer bills and amendments related to insurance regulation were considered each term in in states with more insurance professionals in office. According to our calculations, when the share of insurance professionals in an average state legislature increases from 0% to 5%, that legislative body considers roughly 270 fewer bills and amendments related to insurance regulation. This suggests that former insurance professionals may be keeping regulatory reform off the agenda, not just tailoring legislation to industry preferences.

Implications for Policy

Although this study focuses on one industry, it suggests that the overrepresentation of certain types of professionals in office can bias in public policy in favor of the industries from which they come. Much of what government does – or fails to do – may be affected, because white-collar professionals vastly outnumber blue-collar workers in public office at the state and national levels. Leaders and activists should consider diversifying the occupational backgrounds and class diversity of the people they recruit and support to run for office. Possibilities include training programs and scholarships that provide many kinds of workers with needed skills and paid time to run for office. More research is needed to determine whether such measures work. But we do know that diversifying the professional backgrounds of elected officials may help make government more responsive to the needs and values of all Americans.