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I have been asked to provide written testimony regarding proposed compensation changes for elected and appointed officials in New York state. I will summarize the research I have done on this topic in this short memo. You can consult the original articles for more detail.

The main question I have examined is: Does professionalizing legislatures (via, among other things, increasing salaries) lead to increased government spending? Or, on the other hand, do high-spending states select into professionalization. The conclusions I have reached are that professionalization does not increase public spending (Malhotra 2008). Instead, states that have increased their public expenditures are more likely to increase legislator salaries so that they can manage increasingly complex government bureaucracies (Malhotra 2006). To disentangle reverse causality, these papers employ various techniques of causal inference: panel analysis, instrumental variables, and propensity score matching. In recent work, I have also shown via synthetic control analysis that term limits (a form of deprofessionalization) has no impact on state spending (Keele et al. 2013). This research was summarized in a recent article on 538.com (<http://fivethirtyeight.com/features/how-much-should-state-legislators-get-paid/>).

Sincerely,

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References:

Keele, Luke, Neil Malhotra, and Colin McCubbins. 2013. "Do Term Limits Restrain State Fiscal Policy? Approaches for Causal Inference in Assessing the Effects of Legislative Institutions." *Legislative Studies Quarterly*. 38(3): 291-326.

Malhotra, Neil. 2006. "Government Growth and Professionalism in U.S. State Legislatures." *Legislative Studies Quarterly*. 31(4): 563-584.

Malhotra, Neil. 2008. "Disentangling the Relationship between Legislative Professionalism and Government Spending." *Legislative Studies Quarterly*. 33(3): 387-414.