

A Null Effect of Government Shutdowns on Bureaucrat Selection

Nathaniel Bechhofer Churn Ken Lee

UC San Diego

Question

Is there negative selection due to shutdowns and furloughs?

Why do we care?

- ▶ Government shutdowns are an important part of how the US government negotiates budgeting in the modern partisan era
- ▶ Wider literature in both low and high income countries indicates importance of government worker quality for delivery of services
- ▶ Shutdowns may be costly in the long run by pushing talented workers out of the government

Why young people should think twice about serving in the Trump administration

The shutdown reveals this administration's contempt for federal government employees.



By Daniel W. Drezner

Daniel W. Drezner is a professor of international politics at the Fletcher School of Law and Diplomacy at Tufts University and a regular contributor to PostEverything.

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- ▶ If this cost is minimal, government shutdowns may be a decent institutional arrangement to ensure agreements over budgeting given the constraints of current partisanship

Data

- ▶ Buzzfeed News FOIA payroll data for federal government employees
- ▶ Employees from 1973 onwards
- ▶ Occupation, pay, tenure, (some) demographic information
- ▶ Flows since 1982
- ▶ Data since 2014 has employee ID withheld, so matching after 2014 using ID is not possible
- ▶ We use non-DoD personnel

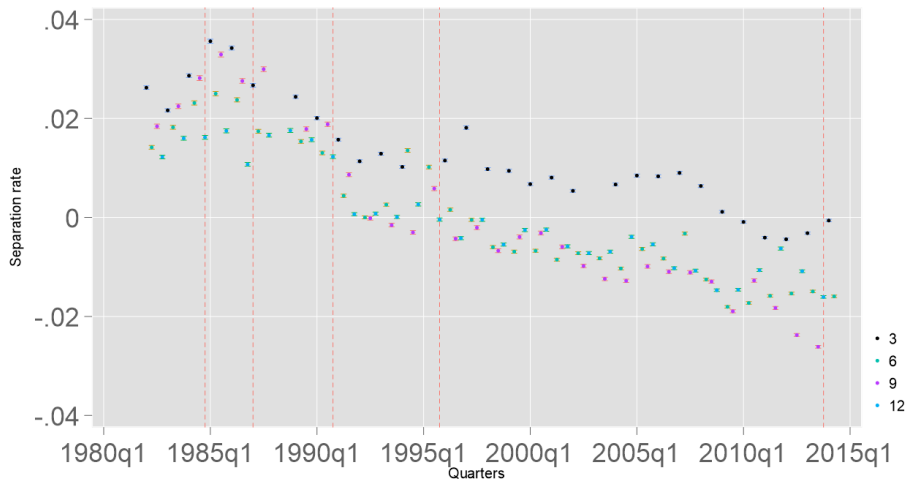
Variables available in status files

- ▶ Pseudo ID
- ▶ Name (redacted for some)
- ▶ Date
- ▶ Agency
- ▶ Location (redacted for some)
- ▶ Age
- ▶ Years since degree
- ▶ Education level
- ▶ Pay plan
- ▶ Pay grade
- ▶ Tenure (in ranges)
- ▶ Occupation
- ▶ Occupation category (broad)
- ▶ Pay
- ▶ Supervisory status
- ▶ Type of appointment
- ▶ Work schedule

Variables available in dynamics files

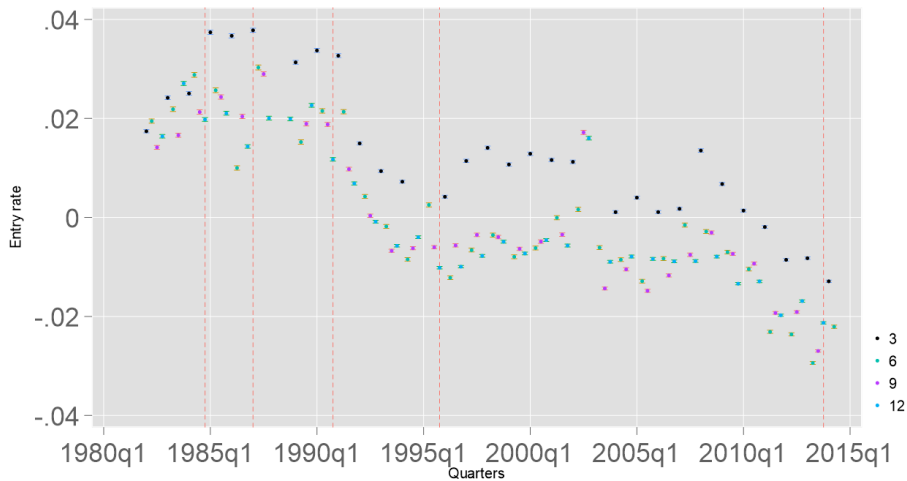
- ▶ Pseudo ID
- ▶ Name (redacted for some)
- ▶ Agency
- ▶ Accession/separation indicator
(reason available after 1987)
- ▶ date
- ▶ Age
- ▶ Pay plan
- ▶ Pay grade
- ▶ Tenure
- ▶ Location
- ▶ Occupation
- ▶ Occupational category
- ▶ Pay
- ▶ Type of appointment
- ▶ Work schedule

Aggregate separation rates



Dropped quarters: 1988q1q2q3, 1995q1, 2003q1, adjusted with seasonal FEs and linear time trend

Aggregate entry rates



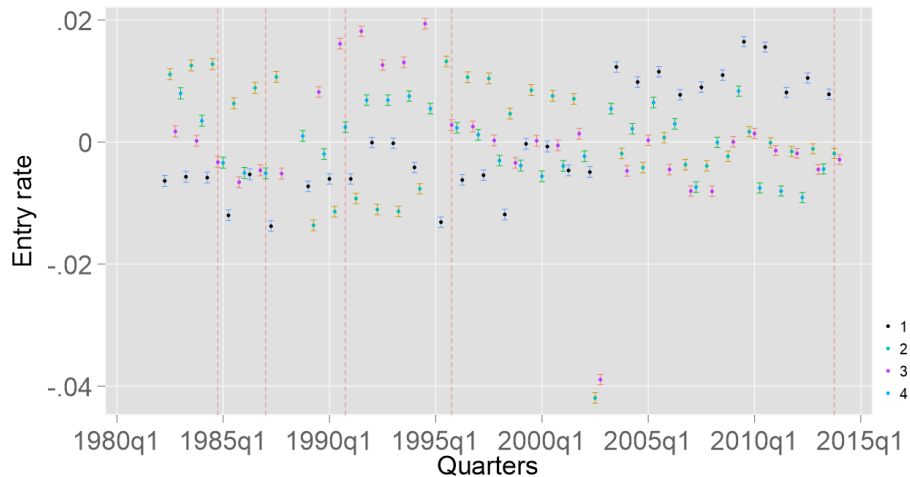
Dropped quarters: 1988q1q2q3, 1995q1, 2003q1, adjusted with seasonal FEs and linear time trend

Event study: high vs low education separation rates



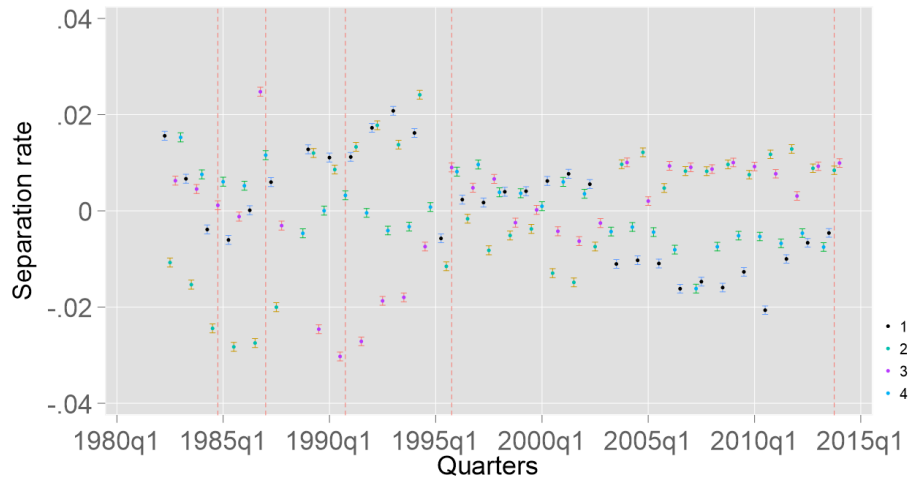
Dropped quarters: 1988q1q2q3, 1995q1, 2003q1, adjusted with seasonal FEs and linear time trend

Event study: high vs low education entry rates



Dropped quarters: 1988q1q2q3, 1995q1, 2003q1, adjusted with seasonal FEs and linear time trend

Event study: high vs low pay separation rates



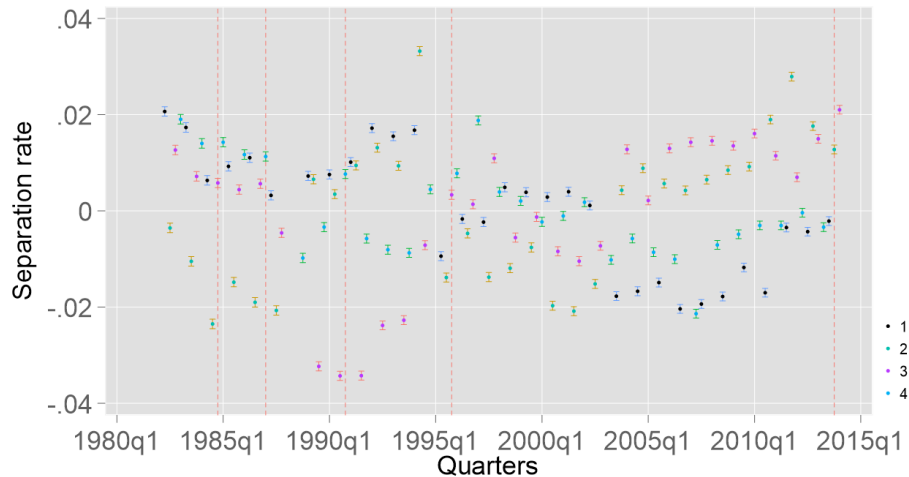
Dropped quarters: 1988q1q2q3, 1995q1, 2003q1, adjusted with seasonal FEs and linear time trend

Event study: high vs low pay entry rates



Dropped quarters: 1988q1q2q3, 1995q1, 2003q1, adjusted with seasonal FEs and linear time trend

Event study: high vs low tenure separation rates



Dropped quarters: 1988q1q2q3, 1995q1, 2003q1, adjusted with seasonal FEs and linear time trend

Conclusions

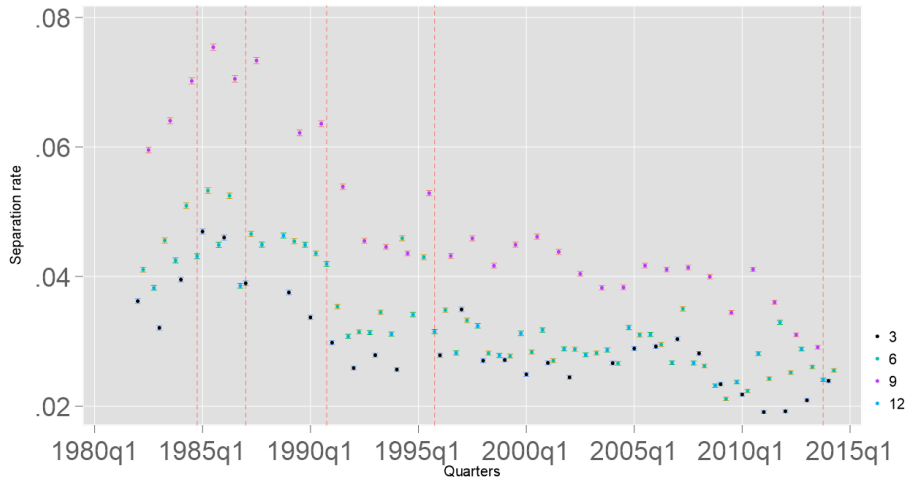
- ▶ In a first pass, there does not seem to be an obvious effect of shutdowns on the quality of who goes in and out of the federal government
- ▶ This holds for multiple measures of quality
- ▶ Government shutdowns are plausibly not as costly as one might fear from economic theory

What is to be done

- ▶ Triple diff design with departments treated and untreated (problem: around 1700 agencies, do not match easily)
- ▶ Double diff with just departments (same problem)
- ▶ Extending data possible, with loss of match quality after 2014
- ▶ Include DoD personnel, matching will be impossible after 2014
- ▶ Adding non-furlough shutdowns
- ▶ DiD design using our measures of quality

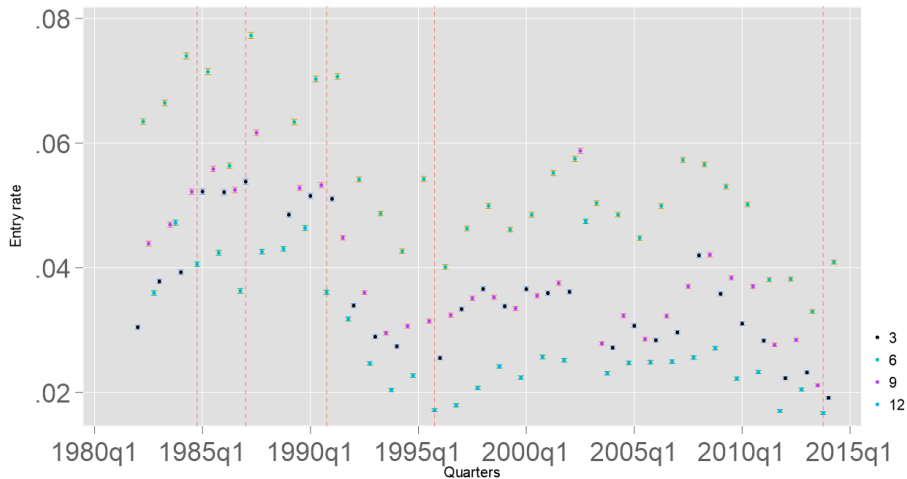
Appendix

Separation rates over time



Dropped quarters: 1988q1q2q3, 1995q1, 2003q1, adjusted with seasonal FEs and linear time trend

Accession rates over time



Dropped quarters: 1988q1q2q3, 1995q1, 2003q1, adjusted with seasonal FEs and linear time trend