The Deep State and the Liberal Drift of Financial Regulators[*]

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Abstract

We find a strong liberal tilt in the political ideology of 4,500 Securities and Exchange Commission attorneys responsible for crafting and enforcing financial regulation. Democrats outnumber Republicans four to one and support candidates with a prominent progressive leaning. This liberal tilt expands in senior ranks, increases over time, and persists across all political regimes between 1996 and 2023. Mechanisms include feeder schools, office locations, and job preferences. Political misalignment with the SEC Commissioners increases partisan dissent in rulemaking, and misalignment with the President reduces enforcement. Overall, entrenched career attorneys represent a powerful force in financial regulation distinct from political appointees.

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Free capital markets depend on unbiased regulation and equal treatment of all participants. To protect these core principles, the U.S. financial system includes institutional safeguards intended to shield financial regulators from political influence. Recently, these safeguards have been tested by the tensions between the White House and economic regulators over the allegations of political bias in these agencies' massive personnel.

Despite selecting many agency chiefs, the U.S. President holds less influence over the thousands of career bureaucrats at these agencies responsible for their day-to-day operations. This large group of unelected officials wields substantial power over crafting and enforcing regulation. First, in contrast to political appointees bound by term limits, many government bureaucrats hold indefinite posts allowing them to outlive leadership turnovers and build entrenchment. Second, while the law mandates a balanced bipartisan composition for some agency chiefs, such as the SEC Commissioners, these mandates do not extend beyond the few top officials, leaving the political makeup of most government agencies unregulated and opaque.

In contrast to elected officials, the partisan makeup of government personnel need not match the constituents they serve, such as market participants or the public. This distinction is important because theory posits that career bureaucrats, sometimes labeled as the deep state, incorporate their own beliefs into government actions, shaping policy independently of elected officials. While the deep state theory dates back to at least Wieland (1788), we know relatively little about the ideology of U.S. government officials tasked with day-to-day regulatory actions.

Our paper makes a step in this direction by looking inside a key financial regulator—the Securities and Exchange Commission (SEC). This agency plays a pivotal role in the financial system by overseeing the U.S. capital markets, the main conduit of economy-wide resource allocation. Recognizing the importance of protecting markets from political agendas, the SEC' enforcement mission commits to ensuring that "everyone receives fair and respectful treatment, without regard to …politics or personal characteristics" (SEC, 2017, p. 1).

We construct one of the first datasets on the political ideology and career histories of about 4,500 SEC attorneys tasked with writing and enforcing market regulation. We focus on attorneys because they comprise the dominant majority (over 87%) of SEC officials who play a leading role in enforcement and rulemaking. To evaluate these SEC officials within the context of the legal profession, we combine this information with individual data on 365,000 non-SEC attorneys who offer an ideological benchmark and allow us to study selection into government careers.

We find a strong liberal tilt among the SEC attorneys, with the latest ratio of registered Democrats to Republicans of 4 to 1. This is a significant partisan skew relative to a variety of benchmarks, such as law school graduates, practicing attorneys, and the public. Democrats outnumber Republicans across all 12 SEC offices, including those in Republican-leaning states such as Texas and Utah. The Democratic majority inside the SEC also persists across its other white-collar officials such as economists and accountants.

This partisan gap is in stark contrast with the legally mandated political balance at the SEC's top. The law requires that among the five SEC Commissioners, appointed by the President and confirmed by the Senate, no more than three may belong to the same party, and "members of different parties shall be appointed alternately as nearly as may be practicable."[1] Yet, the Democrat majority among the SEC attorneys persists under all presidential administrations and SEC commissioners in our sample from 1996 to 2023. This is consistent with the deep state theory that career bureaucrats represent a distinct group of actors that perseveres under different political regimes.

The partisan tilt is important because SEC attorneys are politically active. About 50% of them make lifetime political donations, many of which occur during their SEC tenure. Using these data, we infer the ideological preferences of the donating attorneys from the political leaning of candidates they sponsor (Bonica 2016). We find that SEC attorneys endorse candidates in the left tail of the political spectrum, with the median donation made to candidates ideologically proximate to Barack Obama. This preference reflects a 0.4 standard deviation shift to the left relative to private sector attorneys, whose median contribution elicits an ideology comparable to Chuck Schumer. This left tilt is even starker when compared with the capital market agents overseen by the SEC. For example, the median ideology of SEC attorneys represents a 2.0 standard deviation leftward shift relative to CEOs and directors, whose contributions elicit an ideology proximate to Mitt Romney.

We identify several mechanisms that help explain the liberal tilt inside the SEC. Using individual-level data on law school cohorts (rookie hires) and mid-career attorneys (seasoned hires), we provide evidence on the characteristics of SEC recruits and selection determinants into SEC jobs. The evidence points to three contributing mechanisms: (1) feeder schools, (2) office locations, and (3) intrinsic job preferences.

First, consistent with the feeder school channel, the SEC hires a disproportionate number of graduates from top law schools, particularly those in the Northeast. Over 37% of SEC attorneys hail from the top 14 programs

[1] 15 U.S. Code §78d, part (a): Securities and Exchange Commission. Establishment; composition; limitations on commissioners.

(a common list of elite law schools), which are significantly more liberal-leaning than their peers (Bonica et al,, 2016). The most represented schools are Georgetown and Harvard, whose alumni comprise 13% of the SEC attorneys. By contrast, hiring from conservative-leaning schools is rare: only 1.7% of SEC attorneys come from the 28 schools classified as conservative. In total, law school factors account for over 20% of the partisan hiring gap between the SEC and the private sector.

Second, consistent with the location channel, we find that 65% of SEC attorneys grew up within 100 miles of its headquarters or one of its regional offices, and the median attorney's parent home is just 37 miles from the nearest SEC office. This local concentration is consistent with evidence from other segments of the managerial labor market (Yonker, 2017; Duchin and Sosyura, 2025). Since the SEC headquarters and all its regional offices are located in Democrat-leaning counties (based on presidential vote), a higher representation of local hires contributes to a Democratic tilt at the SEC. We estimate that location factors explain 5.3% of the partisan tilt in SEC recruits, over and above the candidates' educational backgrounds.

Third, we hypothesize that self-selection into government careers with the SEC reflects agents' intrinsic job preferences correlated with their partisan affiliation. For example, relative to Republicans, Democrats express stronger preferences for egalitarianism, altruism, and societal impact (Pew Center, 2017), which align with the SEC's mission. In contrast, Republicans declare stronger preferences for monetary rewards, risk taking, and a small government (Pew Center, 2024; Engelberg et al., 2025). If these intrinsic preferences extend to attorneys, they could steer Republicans into the private sector rather than the SEC, given its lower pay, flatter pay-performance sensitivity, and involvement in the government bureaucracy.

Consistent with this hypothesis, we find that Democrat attorneys are 0.8–1.5 percentage points (p.p.) or 30–65% more likely to join the SEC rather than the private sector, compared to their Republican classmates from the same school and graduation cohort. This effect is robust to controlling for the candidates' demographics (gender, race, and immigrant status), home state, and various high-dimensional fixed effects. In particular, these results persist after accounting for the effects of the feeder school and location channels, captured by school × cohort and home state × cohort fixed effects, respectively.

Furthermore, once at the SEC, Democrats tend to stay with the agency longer. In specifications comparing attorneys within the same office, rank, and year, Democrats are 1.4–1.9 p.p. (20–30%) less likely to exit the SEC than Republicans, after controlling for the feeder school and location channels. Partisan differences also extend to the attorneys' career choices after the SEC. Democrats are 4–5 p.p. (29–34%) more likely than Republicans to join non-profit organizations after leaving the SEC.

To test whether pecuniary preferences contribute to the SEC's liberal tilt, we exploit changes in the pay differential between comparable positions at the SEC and the private sector. We estimate private sector salaries using the disclosed pay scale for the most common post-SEC career destinations. These estimates align closely with the SEC's own disclosures of the private sector offers received by its attorneys. On average, the private sector premium amounts to $164,000 per year for the modal position, nearly twice the annual SEC pay.

We find a partisan contrast in the SEC attorneys' responsiveness to outside options and show that Republicans react stronger to pecuniary incentives. They join the SEC when the private sector premium is lower, obtain regulatory experience, and leave the agency when this premium expands. In contrast, Democrat-leaning attorneys are less responsive to the private market premium and continue to pursue non-profit jobs after the SEC even in the presence of lucrative outside options. These findings suggest that partisan selection at the SEC is partially related to intrinsic preferences, with Republicans more sensitive to financial motives.

In our final analysis, we study the implications of the liberal tilt inside the SEC. We first examine career advancement and find that Democrats are 3.5–4.3 p.p. more likely than Republicans to reach managerial or executive ranks at the SEC, corresponding to a 15–17% higher promotion rate. If higher-ranked officials have greater influence on policy implementation, this suggests that Democrats hold more control rights.

We then turn to the SEC's core functions of rulemaking and enforcement. On the rulemaking side, commissioner dissent depends systematically on the partisan composition of drafting teams. A one–standard deviation increase in the share of Democrat staff on the rulemaking team is associated with a 1.3–2.7 p.p. (21–42%) higher dissent by Republican commissioners. This effect is driven by partisan disagreement about financial regulation rather than the variation in the rule content. In particular, the partisan divide on the same rule persists when we fix the rule document and exploit only the variation in the votes of the SEC commissioners by their party affiliation. On the enforcement side, partisan alignment with the U.S. President predicts attorneys' enforcement output. Aligned attorneys handle 17–21% more cases and 30–35% more criminal cases.

In summary, we find a strong liberal tilt inside the SEC, which arises from a combination of its feeder schools, office locations, and job attributes. This partisan tilt persists across different political regimes and affects financial regulation. Overall, career bureaucrats represent an influential and understudied government force.

1. Contribution to the Literature

This paper is one of the first to provide micro-evidence on the political composition of U.S. regulators overseeing capital markets. Our contribution is to uncover a partisan tilt among career financial regulators, study its origins, and investigate its implications for policy outcomes. Unlike prior work that focuses on top appointees and implicitly treats regulatory personnel as their neutral delegates, we find that career regulators are politically active, overwhelmingly liberal, and independently influential. Our findings suggest that partisan sorting into regulatory agencies affects their ideological makeup and policy implementation.

The partisan composition of regulatory agencies is important for two reasons. First, agents' political beliefs affect their subjective assessments relevant for policy-making, such as financial forecasts (Kempf and Tsoutsoura, 2021), legal judgments (Gormley, Kaviani, and Maleki, 2025), and interpretation of public data (Meeuwis et al., 2022). While most prior work focuses on the private sector, the role of partisan beliefs in government regulation is of particular policy interest due to its far-reaching consequences. Second, a partisan divide inside an organization generates frictions, such as political segregation (Fos, Kempf, and Tsoutsoura, 2022), loss of talent (Hoang, Ngo, and Zhang, 2025), and weaker performance (Duchin et al., 2025) even under strong private sector incentives. These considerations are especially relevant for a government bureaucracy, given its politicized leadership, weaker incentives, and significant externalities on regulated entities.

Research suggests that political considerations extend to U.S. government agents. Duchin and Sosyura (2012) provide evidence of political favoritism in the distribution of government aid during the financial crisis. Goldman, Rocholl, and So (2013) detect political interference in the allocation of government contracts, and Brogaard, Denes, and Duchin (2021) highlight the role of political connections in contract renegotiations. Engelberg et al. (2023) document partisan language in the speeches of Fed governors and SEC commissioners and show that their voting patterns coalesce along party lines. Pandey, Shen, and Wu (2025) focus on the partisan affiliation of the SEC commissioners and find that the SEC is more likely to investigate, but no more likely to issue enforcement against, firms whose political alignment differs from that of most SEC commissioners.

Our paper departs from this research along two dimensions. First, in contrast to prior work's focus on the political appointees at government agencies, we investigate the role of unelected career bureaucrats who comprise the bulk of government staff and make most day-to-day decisions. We show that the apparent bi-partisan balance within the SEC commissioners masks the persistent liberal tilt among the agency's bureaucrats. These bureaucrats remain entrenched across political cycles and oversee audits, investigations, and rulemaking teams. Our paper contributes an empirical investigation of the long-standing economic theories predicting that unelected, long-tenured civil servants represent a significant force in government regulation (see, for example, Page and Jenkins (2005), Sager and Rosser (2009), and Page (2012) for a review).

Second, while most prior research views the composition of regulators as given, we offer micro-evidence on the endogenous selection into government careers. Our individual-level, within-cohort analysis reveals professional, demographic, and partisan characteristics associated with candidates' selection into government jobs. This evidence highlights several institutional features of the SEC that reinforce its liberal tilt, such as its feeder schools, office locations, and job characteristics. Overall, our findings reveal both pecuniary and non-pecuniary determinants of partisan sorting in the market for financial regulators.

Our labor market evidence extends the literature on the revolving door between the government and the private sector. Prior work identifies aggregate determinants of federal employees' outside options, such as economic cycles (Lucca, Seru, and Trebbi, 2014), legal reforms (Cain and Drutman, 2014), regulatory changes (Emery and Faccio, 2025), and post-employment restrictions (Kalmenovitz, Vij, and Xiao, 2025). Our novel insight is that the employees' take-up of outside options varies with their ideology. Democrat attorneys are less responsive to the private market premium and reveal a persistent preference for non-profit jobs after leaving the SEC. Thus, while most papers have studied employee departures through the revolving door, we highlight an intrinsic mechanism contributing to employee retention. This behavior lines up with theoretical models predicting that government agencies attract some agents because of their ideological alignment (Besley and Ghatak, 2005), and these agents are less responsive to outside monetary incentives (Bénabou and Tirole, 2003).

More broadly, our paper also contributes to the literature in organization economics that studies government bureaucracies. Prior work provides important compositional evidence for the government workforce and its labor market in the United States (Spenkuch, Teso, and Xu, 2023) and emerging economies (Colonnelli, Prem, and Teso, 2020). In complement to these aggregate patterns that combine civil servants from different agencies with varied objectives, we focus on capital market regulation and add two dimensions. First, we trace the individual decisions of career bureaucrats in designing and implementing government regulation. Second, we follow the consequences of the civil servants' actions on the private sector and capital markets, thus studying the real effects of individual bureaucrats outside the government.

2. Data and Variables

2.1. SEC Attorneys

We obtain data on Securities and Exchange Commission (SEC) staff from the SEC payroll records between 1996 and 2023 through multiple Freedom of Information Act requests. The data show the occupation, hiring date, work location, compensation, and departure date from the SEC. Our analysis focuses on SEC attorneys for two reasons. First, they represent the largest white-collar occupation within the SEC and oversee a broad range of agency functions, such as rulemaking and enforcement. Second, most attorneys hold the same graduate degree (Juris Doctor), have narrow areas of focus, and maintain active licenses that impose an aptitude standard. These unifying features create a well-defined labor market, allowing us to study graduation cohorts and trace individuals within the legal profession. From 1996 to 2023, 4,754 unique attorneys have at least one employment spell at the SEC.

2.1.1. Political Affiliation, Voting Intensity, and Demographics

We hand-match SEC attorneys to Lexis Nexis Public Records (LNPR) by using their full name and office location. This individual-level database aggregates information on over 500 million U.S. people (alive and deceased) traced via unique IDs linked to social security numbers (SSN). Examples of records in LNPR include deed and tax assessment records, voter registrations, utility and telephone connections, and criminal filings, among many others. Prior work has used LNPR to acquire personal data on CEOs (Cronqvist, Makhija, and Yonker, 2012; Yermack, 2014; Duchin, Simutin, and Sosyura, 2021; Decaire and Sosyura, 2023), fund managers (Pool, Stoffman, and Yonker, 2012; Chuprinin and Sosyura, 2018), securitization agents (Cheng, Raina, and Xiong , 2014), and hospital administrators (Hankins, Liu, and Sosyura, 2025).

We manually validate each LNPR match by confirming the individual's employer, professional license, or email domain in the LNPR licensing and employment records. This algorithm yields unambiguous matches for 4,457 (94%) of our sample attorneys. Using LNPR, we obtain each individual's date of birth (month and year), address history, voter registrations, demographics (gender and race declared in mortgage and court records), and partial SSN (observable with the exception of the last four digits). From the first three digits of the SSN, we infer the state of its issuance, to which we refer as the person's home state.[2]

[2] For SSNs issued before June 2011, the first three digits indicate the state or territory where the person applied for their SSN.

From LNPR, we obtain an individual's history of voter registrations, which shows the registration date, state of registration, voter status, and party of registration. We complement these data with comprehensive voter registration files by filing disclosure requests for statewide voter registration data with each state's Department of State. Using the combination of these sources, we obtain voter registration data for 37 states and the District of Columbia, comprising about 87% of the U.S. population.[3] We match attorneys to state-level voter files by using their full name and the month and year of birth (from LNPR). Additional details appear in Internet Appendix 1.

The state voter files include additional measures of voters' political activism and help us refine partisan affiliation. In particular, state voter files indicate an individual's participation in federal, primary, and state elections (e.g., vote, absentee vote, or no vote). The data on primary elections is particularly valuable because it allows us to infer whether an individual voted in the Republican or Democratic primaries, to the extent that they occur on different dates. These data help us measure an individual's intensity of participation in the electoral process beyond the traditional measures of partisan affiliation.

Finally, we use political donation data from the Database on Ideology, Money in Politics, and Elections (DIME), which contains over 850 million contribution records since 1979. We match SEC employees to donation records using name and address, supplemented by employer information when available. We infer political ideology from the recipients of donations, with PACs and ambiguous cases resolved through external validation. We classify employees as Democratic (Republican) if at least 60% of their contributions go to Democratic (Republican) candidates; others are classified as Independent.

Among the 4,457 SEC attorneys in our sample, we identify voter registration records for 3,908 employees and political donations for 2,320 employees. Using a combination of these two sources, we are able to classify the political affiliation of 4,031 attorneys (90.4% of the sample). In addition to this discrete classification (Democratic, Republican, or Independent), we also employ a continuous measure of political ideology—the Campaign Finance score (*CFscore*) from DIME. *CFscore* is estimated by using a scaling model on the universe of campaign contributions. This approach infers donors' ideological positions from the candidates and committees they support, and candidates' positions from their donor base. Negative values indicate more liberal (Democratic-leaning) preferences, while positive values indicate more conservative (Republican-leaning) preferences.[4]

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[3] The thirteen states for which we do not have voter registration data include Arizona, Indiana, Iowa, Kentucky, Maine, Montana, New Hampshire, New Mexico, North Dakota, Tennessee, South Carolina, South Dakota, and West Virginia.

[4] See Bonica (2014) for more technical details.

2.1.2. Law Schools

We compile the educational background of SEC attorneys from multiple sources. Our primary dataset is from Revelio Labs, which extracts résumé data from LinkedIn profiles and provides broad coverage of white-collar employment histories (Li et al., 2022). Using LinkedIn URLs collected during our LexisNexis matching, as well as name–employer matches, we identify the law school attended by 2,992 employees. We supplement this with data from Avvo, an online legal directory that reports attorneys' education, practice areas, and work histories. Matching Avvo profiles to our sample yields 1,039 successful matches, including 302 not captured in Revelio. For the remaining attorneys without law school data, we collect information manually from sources such as SEC press releases, state bar websites, and law firm biographies, adding 490 additional cases. Since school names are often spelled differently across sources, we harmonize them by mapping all names to Revelio's standardized school identifiers. Combined, we are able to identify the law school of 3,784 attorneys, corresponding to an 85% coverage rate. Further details of the data collection process are provided in the Internet Appendix.

We collect additional information on law schools from multiple sources. Median LSAT scores are obtained from LSAT Historic, which compiles data from the American Bar Association (ABA) between 2011 and 2024,[5] and we map these scores to percentiles using data from LSAC.[6]

2.1.3. Rulemaking

To measure rulemaking activity by SEC staff, we draw on the Federal Register and the Unified Agenda to identify individuals who worked on crafting SEC regulations. Because rulemaking is conducted by teams, composed primarily of attorneys but also other professional staff, we collect political leaning data for all SEC employees who participated in at least one rule between 2000 and 2023. This yields 831 unique staff members, of whom 86.2% are attorneys, 10% are financial analysts or accountants, 2.4% are program analysts or IT personnel, 1.1% are economists, and 0.4% are in other occupations (see Figure A1).

Each regulation may generate multiple regulatory documents (e.g., proposed rules, concept releases, final rules). For each document, we construct a measure, *%Democratic*, defined as the fraction of the rulemaking team with Democratic political leanings.

[5] https://beacons.ai/lawspreadsheets
[6] https://www.lsac.org/data-research/data/lsat-percentiles

For a rule to advance and become regulation, each regulatory document must be approved by a majority of SEC commissioners. We therefore combine our team-level political leaning data with commissioner voting records, obtained from the SEC website, to examine how the partisan composition of rulemaking teams influences commissioner voting behavior. Specifically, we gather for each document the commissioner votes (approve or disapprove), the rule identifier (RIN), the document identifier (Release Number), and the date.[7] We impose two filters to ensure data quality. First, we exclude documents classified under the Regulatory Flexibility Act, as these list multiple rules with only a single staff contact, and thus do not reflect the underlying rulemaking team. Second, we restrict attention to documents for which we can observe the political leanings of at least 70% of the team. The final sample consists of votes on 527 regulatory documents belonging to 222 distinct rules.

2.1.4. Enforcement

As a complementary measure of regulatory activity, we obtain data on SEC civil enforcement actions from Kalmenovitz (2021). The dataset covers the period from 2002 to 2017 and reports the names of individual attorneys involved in each case, which we match to the SEC staff database. Our enforcement sample comprises 1,136 attorneys. From this dataset, we construct several attorney-year measures of enforcement activity: (1) the number of enforcement cases filed, (2) an indicator for filing any enforcement case, (3) the number of criminal cases filed, and (4) an indicator for serving as a case lead attorney.

2.1.5. Auxiliary variables on SEC Attorneys

We also collect additional information on SEC attorneys. The first set of variables captures demographic characteristics, including gender, immigrant status (defined as obtaining a Social Security Number after age 20), age, place of origin, and race. These data are primarily obtained from LNPR, with missing race information supplemented by Revelio Labs. We classify an attorney as a minority if he (she) is non-white. The second set of variables captures professional attributes. For careers within the SEC, we rely on payroll records, which provide salary, bonus, work location, year of entry, and rank. Career information outside the SEC is from Revelio Labs, which compiles employment histories from résumés. The data on real estate ownership is from LNPR.

[7] Votes between 2016 and the present are available at https://www.sec.gov/about/commission-votes, while votes from 2006 to 2015 are posted at (https://www.sec.gov/foia-votes). The latter are reported in monthly PDF files that are not machine-readable. We therefore manually extract the relevant information from each file. One exception is September 2006, for which voting records are missing. We contacted the SEC regarding this gap but have not yet received the file.

2.2. The Legal Profession

To study the relationship between political leaning and attorneys' decisions to join the SEC or pursue public service, we compile data from Revelio Labs on all individuals who graduated from U.S. law schools but did not join the SEC. To ensure no overlap with our SEC sample, we exclude any individuals whose Revelio ID or name matches that of an SEC attorney. This process yields 1,199,289 unique individuals.

2.2.1. Political Affiliation

To determine the political affiliation of these attorneys, we match each individual to voter registration records by first name, last name, and state. We consider not only the individual's current state, but also all states in which the individual has worked, as identified in Revelio's Position data. When states provide registrants' year of birth and individuals report their education history, we validate matches by comparing ages, requiring the predicted age from Revelio to be within five years of the age listed in voter registration records. We estimate age by assuming college graduation occurs at age 22; if the college graduation year is unavailable, we assume a JD was earned at age 25. In cases where multiple matches remain after applying these filters and predicted age in Revelio is available, we select the record with the smallest age difference between Revelio and voter registration. For cases where Revelio age is unavailable, we exclude duplicate observations as it is unclear which is the correct match. Using this approach, we are able to find the voter registration record of 446,854 attorneys.

2.2.2. Professional Careers and Demographics

We obtain professional career records for these attorneys from Revelio Labs. Collectively, they have worked at 325,698 unique firms throughout their careers. We classify each firm as government, non-profit, higher education, courts, or private by providing ChatGPT with the company name and website URL.

We collect demographic information for these attorneys, including gender, race, age, and immigrant status (defined as obtaining a first undergraduate degree overseas). We exclude individuals with a missing graduation year and those lacking a firm identifier for their entire post–law school career, as in such cases we cannot determine whether the individual ever joined government or non-profit organizations. We also exclude individuals who graduated after 2023, since our payroll data end in that year, and those who graduated before 1972, as the cohort size is very small (less than 800).[8] Our final sample consists of 365,908 unique attorneys.

[8] Our analysis is not sensitive to these filters.

3. Main Results

3.1 Who are the SEC attorneys?

We begin by presenting one of the most comprehensive descriptive profiles of SEC attorneys in Table 1. These statistics paint a portrait of career bureaucrats at the SEC and provide context for the regression analyses that follow. The average SEC attorney is 40 years old, with 58% male, 24% minority, and just 2% immigrants. Educational credentials are high, with an average LSAT percentile of 80.8, 37% from Top 14 law schools, and 13% with Ivy League undergraduate degrees. Careers at the SEC are relatively long, as the average tenure is nearly 12 years, yet only 9% have spent their entire legal careers at the agency. Financial indicators reveal a comfortable economic position: median annual salary is $210,830, three-quarters own their homes, and median real estate asset values exceed $1.5 million. All dollar values are adjusted for inflation and expressed in 2023 dollars.

Politically, 85% of SEC attorneys are registered voters and 50% have donated to political campaigns. For context, 40.5% of corporate directors and executives make political contributions (Teso, 2025), 17% of academics donate,[9] and only about 1% of the general U.S. population does so,[10] suggesting that SEC attorneys are markedly more politically engaged than comparable professional groups and the public at large. Party registration heavily skews Democratic (62%) compared to Republican (17%), and donations follow a similar pattern, with 73% of contributions going to Democrats and 15% to Republicans. The table underscores that SEC attorneys are a predominantly male, highly educated, financially secure, and politically engaged group with a progressive tilt.

Figure 1 depicts the distribution of first jobs for SEC attorneys immediately after graduating from law school. We categorize those jobs into five groups: government service, non-profit organizations, judicial clerkships, higher education, and for-profit. The figure allows for a direct comparison of how common each career path is at the outset of an attorney's professional life. About half of attorneys begin their careers at private law firms or other legal roles before transitioning into public service. Government positions and judicial clerkships account for additional 43% of initial placements, and the remaining 7% are split between non-profit and higher education positions.

[9] See National Association of scholars for professor donation rate (https://www.nas.org/blogs/article/partisan-registration-and-contributions-of-faculty-in-flagship-colleges)
[10] See OpenSecrets for population donation rate (https://www.opensecrets.org/elections-overview/donor-demographics)

Table 2 compares SEC attorneys with 133,460 private sector attorneys, defined as lawyers with no government or non-profit work experience. The goal is to highlight how the SEC's workforce differs from the broader legal profession. The comparison is conducted by calculating group means for demographic, career, educational, and political variables, and then testing differences in means with t-statistics. SEC attorneys are more likely to be male (58% versus 55%), minorities (24% vs. 17%), and immigrants (1.5% vs. 0.9%), and their educational backgrounds are more elite, with 37% vs. 12% from Top 14 law schools and an average LSAT percentile of 81 vs. 70. They are less rooted geographically, with only 26% starting in their home state compared to 44% for private sector lawyers. Their career patterns are more mobile, with average tenure per employer roughly half that of private sector attorneys (7.4 vs. 10.7 years). Politically, the gap is striking: 62% of SEC attorneys are Democrats, compared to 46% of private sector attorneys, while Republicans comprise 17% of SEC attorneys vs. 26% of the private sector. These differences are statistically significant, painting a picture of an SEC legal corps that is more diverse, more academically credentialed, and more progressive than its private sector counterpart.

Figure 2, Panel A, illustrates the geographic origins of SEC attorneys at the state level. Shading reflects the number of SEC attorneys per 100,000 lawyers in each state's legal workforce (measured in 2013 using American Bar Association data). Darker shades indicate greater representation relative to the size of the state's legal profession. We define an SEC attorney's state of origin as the state in which the attorney obtained a Social Security number. Lighter shades indicate relatively fewer SEC attorneys originating from this state. For simplicity, U.S. territories are excluded from the analysis. The panel reveals pronounced geographic disparities. States such as New York, Maryland, Massachusetts, and the District of Columbia appear in the darkest shades. These states have a disproportionately high share of SEC attorneys relative to their total legal workforce. In contrast, states such as Nevada, South Dakota, and Idaho are among the lightest. They show relatively low representation. The distribution suggests strong clustering of SEC attorney origins in the Northeast, Mid-Atlantic, and certain Midwestern states. Much of the Mountain West and parts of the South show more modest representation.

3.2 The Liberal Tilt

Having established that SEC attorneys lean Democratic, we present additional evidence on their political orientation to provide further context. Panel B of Figure 1 shows the county-level origins of SEC attorneys. Each circle represents a county, with its size proportional to the share of SEC attorneys originating there. Circles are color-coded by political leaning: blue for counties with Democratic majorities and red for those with Republican majorities, with darker shades indicating stronger partisan margins. County partisanship is measured as the fraction of voters supporting the Democratic presidential nominee in 2008, conditional on voting Democrat or Republican. The map reveals that most SEC attorneys come from major metropolitan areas, particularly in the Northeast (notably New York City, Washington, D.C., and surrounding counties), as well as urban centers such as Los Angeles, San Francisco, Chicago, and Miami. At the same time, numerous smaller blue and red circles are scattered across the country, reflecting modest contributions from politically diverse counties.

In Figure 3, we examine the distribution of party affiliation among SEC attorneys using official voter registration records. Panel A shows the annual share of SEC attorneys registered as Democrats (blue) or Republicans (red) between 1996 and 2023, conditional on being affiliated with either party. The Democratic share averages around 80%, increasing gradually from 77.7% in 1996 to 83.1% in 2023, while the Republican share remains near 20% but declines modestly over the same period. Thus, Democrats consistently outnumber Republicans by roughly four to one among SEC attorneys, with a modest leftward drift over time. In contrast, at the commissioner level Democrats can at most outnumber Republicans by three to two, since no more than three of the five commissioners may belong to the same party.[11] This contrast underscores the importance of studying career bureaucrats independently of political appointees.

Panel B places these trends in context by comparing the Democratic share among SEC attorneys (black solid line), private sector attorneys (orange dashed line), and all U.S. registered voters (green dashed line). The Democratic share among SEC attorneys mirrors the blue bars in Panel A and remains the highest throughout the sample period, averaging around 80% and rising slightly over time. By comparison, only about 63% of private sector attorneys and 48–53% of the general electorate identify as Democrats. These benchmarks highlight a 20 p.p. partisan gap between SEC attorneys and other attorneys, and a 30 p.p. gap relative to the general population.

Panel C reports the political affiliation of SEC attorneys across 11 regional offices and the Washington, D.C. headquarters. All offices are majority Democratic, with San Francisco, Boston, and New York exceeding 75%. Even the least Democratic offices—Salt Lake, Miami, and Fort Worth—remain above 60%, indicating that

[11] Securities Exchange Act of 1934 (15 U.S.C. §78d).

the partisan composition of regional offices broadly reflects the political environment of their host states, but at the same time regional offices are more Democratic than the electorates that surround them.

Finally, Panel D shows the partisan composition of new SEC attorney hires across presidential administrations. Our sample spans five presidents, two Republican (Bush and Trump) and three Democrats (Clinton, Obama, and Biden). Across all administrations, Democratic hires make up at least 70% of new entrants. While the share of Democrats among new hires tends to be higher under Democratic presidents and somewhat lower under Republican presidents, Democrats remain the majority in every administration covered.

In Figure 4, we examine political donations by SEC attorneys, who represent the most politically active segment of the SEC's legal workforce. Panel A shows the share of SEC attorneys making political contributions over time, distinguishing between donations to Democrats (blue region) and Republicans (red region). To highlight longer-run trends, the data are smoothed using a two–election-cycle rolling average aligned with the presidential election cycle. Political giving has risen sharply, from 2.6% of attorneys in 1998 to 18.5% in 2024. Contributions to Democrats dominate throughout, with their share generally ranging from 70% to over 90% and trending upward since 2010.

We next dig deeper into the ideological spectrum. Rather than relying on a binary Democrat–Republican classification, we use the *CFscore* measure developed by Bonica (2024). Negative values indicate more progressive orientations, while positive values indicate more conservative orientations. This approach allows us to capture the revealed ideological leanings of SEC attorneys beyond simple party affiliation.

Panel B presents the distribution of ideology among SEC donors. The histogram reveals a pronounced leftward skew, with most attorneys clustering between –1.5 and –0.5, and fewer than 20% exhibiting a conservative orientation. The peak density lies well within the progressive range. To provide benchmarks, dashed lines mark the median CFscores of lawyers (from the DIME database) and CEOs, as reported by Bonica (2016). While lawyers overall lean progressive (median CFscore ≈ –0.75), they remain more conservative than SEC attorneys (average CFscore = –0.98). Remarkably, CEOs are substantially more conservative (average CFscore ≈ +0.4) than SEC attorneys. This contrast underscores the partisan gap between SEC attorneys and the corporate managers they regulate. In addition, individual dots indicate the CFscores of prominent political figures. Barack Obama lies squarely within the SEC attorney cluster, whereas Donald Trump (≈ +1.6) and Ron Paul (≈ +1.9) fall well to the right of the distribution. Together, these benchmarks situate SEC attorneys firmly on the progressive side of the national political spectrum.

Panel C plots changes in the ideological distribution of SEC donors between 1996 and 2023. For each CFscore bin, we compute the difference in density, with positive values indicating a higher share of donors in 2023 relative to 1996. The largest gains appear in the most progressive ranges (CFscore < -1), where the donor share rises by more than 10 p.p. Moderate progressive bins (-1 to -0.5) also experience notable growth. By contrast, the share of donors with CFscores above zero declines, with conservative-leaning bins losing between 5 and 10 p.p. Overall, the distribution shifts toward greater ideological concentration on the progressive side.

Panel D tracks the ideological position of the median SEC donor over time using their progressive score, defined as CFscore × (-1). For ease of interpretation, we plot the positions of well-known political figures on the y-axis rather than raw score values. The median donor remains consistently progressive throughout the period, drifting slightly leftward from a position just above Abigail Spanberger (~0.95), the Democratic nominee for governor of Virginia, in 1996 to a position close to Joe Biden (1.03) by 2023. At no point does the median donor cross into conservative territory.

Finally, motivated by the fact that the SEC disproportionately hires from elite law schools, which themselves lean progressive (Bonica, Chilton, and Sen, 2016), we examine how law school ideology relates to representation among SEC attorneys in Panel E. Political leaning is measured using the *CFscore* metric from Bonica et al. (2016), which captures the average ideology of a school's graduates. Our sample includes 79 institutions: the 50 most prominent schools identified in Bonica et al. (2016), the Top 14 law schools, the top 10 feeder schools to the SEC, and all schools classified as conservative. The horizontal axis plots each school's conservative score, while the vertical axis reports the fraction of SEC attorneys who graduated from that school. Conservative-leaning schools contribute very few attorneys, with most clustered near zero representation, whereas progressive-leaning schools account for a substantial share. Two factors appear to drive this pattern. First, SEC attorneys disproportionately hold degrees from elite institutions such as Yale, Harvard, and NYU, which have predominantly liberal student bodies. Second, geographic proximity to DC matters: for example, Stanford, despite its higher ranking, has a much smaller SEC presence than American University or the University of Virginia. Overall, the distribution of law school origins reinforces the progressive tilt documented in Panels A-D.

3.3 The Origins of the Liberal Tilt

Having established that the SEC's legal workforce leans heavily Democratic, we next examine the origins of this pattern. One explanation is that liberals, relative to conservatives, have stronger preferences for mission-oriented organizations, such as government and non-profits, rather than profit-driven firms. This partisan gap in demand for mission-driven work could lead to Democratic sorting into the SEC (Preston, 1989; Bénabou and Tirole, 2003; Prendergast, 2007; Ashraf, Bandiera, Davenport, and Lee, 2020).

This stronger preference may stem from two factors. First, liberals exhibit greater pro-social and altruistic tendencies (Waytz, Iyer, Young, Haidt, and Graham, 2019; Morris, 2020), which helps explain their support for pro-social policies, such as climate regulation, that rely on government action. Second, Democrats may prefer the pay structures typical of government and non-profits. Compared to Republicans, they are less likely to endorse meritocracy and more likely to emphasize fairness and redistribution (Suhay, Tenenbaum, and Bartola, 2022; Kluegel and Smith, 2017; Goya-Tocchetto, Kay, and Payne, 2024). Because public-sector pay is relatively homogeneous and less performance-based than private sector compensation (Preston, 1989; Bond and Glode, 2014; Chen, Hajda, and Kalmenovitz, 2025), Democrats may find it more attractive.

The stronger preference for government work leads three testable predictions. First, Democratic attorneys should be more likely to enter the public sector, including the SEC, after law school. Second, once they join the SEC, they should remain longer. Finally, when they leave the government, they should continue to select into mission-oriented organizations. We examine each of these predictions in turn below.

3.3.1 Entry Patterns

We begin by examining whether political affiliation influences career choices after law school by estimating the following selection regression using ordinary least squares:

$$1(Public\ Service)_{it} = \beta_1 Democratic_i + FE_{it} + \epsilon_{it} \quad (1)$$

The dependent variable is an indicator for whether an attorney i graduating in year t ever enters public service, defined as government or non-profit employment, after graduation. The key regressor, $Democratic_i$, equals one if the attorney is identified as a Democrat from the earliest available voter registration record, and zero otherwise. We exclude attorneys affiliated with independent or minor parties, as many of them may nonetheless hold strong partisan preferences (Fos, Kempf, and Tsoutsoura, 2025).[12] Thus, β_1 captures the partisan gap between Democratic and Republican attorneys in the propensity to enter public service.

Panel A of Table 3 reports the results. Column 1 includes no controls. Column 2 adds graduation-cohort fixed effects, absorbing macroeconomic conditions in the labor market as well as political climate. Columns 3–6 progressively interact cohort with gender, race, state of origin, and the law school's state to account for heterogeneity across demographic groups and U.S. states. These interactions address several alternative explanations. For instance, attorneys may prefer to work near their home state or law school, and because Washington, DC hosts a large share of the federal workforce and is geographically closer to Democratic-leaning states and liberal-leaning law schools, local hiring could generate partisan differences. Including state of origin × cohort and law school state × cohort fixed effects mitigates this concern. Likewise, race × cohort interactions address the possibility that the government's tendency to hire minorities explains the results, given that minorities are disproportionately Democratic. Columns 5 and 6 add an indicator for Top-14 law schools, accounting for the possibility that the government recruits disproportionately from elite law schools, whose graduates tend to be more liberal. Finally, the tightest specification in column 7 includes law school × cohort fixed effects, allowing us to compare graduates from the same law school and cohort (e.g., Yale Law School Class of 2000) who share similar educational backgrounds but differ in political affiliation. This specification controls for many unobservable differences: (academic) ability, institutional prestige, and professional networks.

Across all specifications, the coefficient on *Democratic* is positive and statistically significant at the 1% level. In economic terms, Democrats are 7.0 to 12.7 p.p. more likely than Republicans to enter public service, representing an 11–19.7% higher likelihood relative to the sample mean. This partisan gap is identified from within–law school, within–cohort comparisons among attorneys with similar demographics, mitigating concerns that unobserved educational background or cohort-specific shocks explain the results.

Panel B compares attorneys' propensity to join the SEC relative to the private sector. We redefine the outcome variable as an indicator for joining the SEC and restrict the sample to attorneys who either enter the SEC or always work in the private sector. Using the same fixed-effects structure, we find that Democrats are 0.80–1.55 p.p. more likely to join the SEC, a 35–62% increase relative to the unconditional probability of SEC entry.

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[12] Our results are almost identical after including a separate dummy variable for independent/other affiliation in our analysis.

Panel C narrows the analysis to attorneys who enter public service and examines the probability of joining the SEC as opposed to other public organizations. We continue to find a positive and statistically significant partisan gap, though the magnitude weakens with the full set of controls. In particular, when law school × cohort fixed effects are included, the partisan gap disappears, suggesting that conditional on selecting into public service, law school characteristics play an important role in determining which government agency attorneys join.

Panel D presents an alternative estimation with a multinomial logit model that jointly considers all three entry paths, with the omitted category corresponding to the private sector entry. The results show that Democrats are more likely than Republicans to enter both the SEC and other public service organizations relative to the private sector. Notably, the economic magnitude of the partisan gap is roughly twice as large for SEC entry compared to other public service positions.

Taken together, these results document a robust partisan gap in attorneys' career choices. Democrats are disproportionately likely to select into public service, including the SEC, consistent with the view that Democrats are more strongly attracted to mission-driven organizations than Republicans.

Next, we decompose the partisan gap into components attributable to observable characteristics, using a decomposition framework akin to Oaxaca–Blinder (Fairlie, 1999). Table 4 reports the results. Column 1 shows the overall partisan gap in SEC entry of 1.45 percentage points. Column 2 presents the share of this gap explained by differences in law school characteristics, state-of-origin factors, and demographics.

Law school characteristics explain the largest share of the partisan gap in SEC entry. Within this category, Top 14 law school attendance (10.2%) and LSAT percentile (5.9%) account for the bulk of the difference. The distance between a law school and the nearest SEC office explains about 3.7%, while whether a school is private explains only 1.1%. Combined, these factors account for 20.9% of the partisan gap. This implies that if differences in law school characteristics between Democratic and Republican attorneys were eliminated, the partisan gap in SEC entry would shrink by roughly one-fifth.

Turning to demographic differences, gender and minority status play offsetting roles. Gender differences narrow the partisan gap by 4.3%. In other words, if the SEC equalized hiring by gender, the partisan gap would increase since women are underrepresented at the SEC but are more likely to be Democrats. By contrast, minority representation widens the partisan gap: differences in minority status account for 13.6% of the gap. Thus, reducing minority hiring (e.g., abandoning DEI initiatives) would shrink the partisan gap, because minorities are more likely to be Democrats and are overrepresented at the SEC relative to the private sector.

Differences in the distribution of attorneys according to their state of origin explain the smallest share of the partisan gap. Variation in representation from states near Washington, DC accounts for 2.1%, while differences in representation from states hosting the SEC's largest regional offices contribute 2.0%. Partisan differences in originating from high-poverty states, typically Southern states such as Mississippi, explain an additional 1.1%. Together, these origin-related factors account for 5.3% of the partisan gap. This contribution is likely the lower bound of the location factor, as we cannot measure the origins of non-SEC attorneys at a finer level (e.g., county).

3.3.2 Retention Patterns

Next, we examine whether there is a partisan gap in the propensity to leave the SEC. If Democratic attorneys have stronger preferences for government service, they may be expected to remain at the SEC for longer periods. To test this prediction, we estimate the following linear probability model:

$$1(Exit)_{it+1} = \beta_1 Democratic_{it} + \gamma X_{it} + FE_{i(t)} + \epsilon_{it} \quad (2)$$

Where the outcome variable, $1(Exit)_{it+1}$, equals to one if an attorney i leaves the SEC in year $t+1$. The variable of interest, $Democratic_{it}$, equals one if an attorney is Democratic in year t and zero otherwise.[13] X_{it} represents a vector of attorney characteristics, such as gender, immigrant status, and local origin (whether the attorney's home state matches the state of their SEC office). FE_{it} denotes the fixed effects included in the specification (explained below).

Table 5 reports the results. Column 1 includes year fixed effects to control for macroeconomic conditions, such as labor market trends and political administrations. Column 2 adds controls for gender and office × year fixed effects, capturing unobservable time-varying factors at the office level, such as regional office policies or local labor market thickness. Column 3 further adds immigrant status and local origin. Column 4 introduces office × rank × year fixed effects, comparing attorneys who work in the same office, in the same year, and at the same

[13] Party affiliation can change over time because attorneys may update their voter registration. In our data, such changes are extremely rare: only 93 instances of switching are observed, representing less than 0.3% of attorney–year observations. Among these, 33 involve a change from Democrat to Republican, 31 from Republican to Democrat, 20 from Independent to Democrat, and 10 from Independent to Republican. Our results are virtually unchanged when we exclude these switchers from the analysis.

rank, but differ in political affiliation. Finally, column 5 incorporates law school × cohort fixed effects, which account for differences in ability, networks, and job prospects associated with law school status.

Across all specifications, Democrats are 1.4–1.9 p.p. less likely to exit, corresponding to a 21–27% lower exit rate compared to the mean. Male attorneys have higher exit rates, while local attorneys are marginally less likely to exit. Immigrant status has no consistent relationship with departures. The stability of the Democratic retention advantage even after extensive controls suggests that alignment with the agency's mission, internal culture, or pay structure may help keep Democrats in the organization longer than their Republican peers.

3.3.3 Post-SEC Career Choices

Finally, we examine whether there is a partisan gap in post-SEC career choices. If Democratic attorneys joined the SEC because of their prosocial tendencies and alignment with the agency's mission, they should be more likely to continue working in organizations with similar missions after leaving the SEC. We test this prediction in Table 6 using a linear probability model. In columns 1–4, the dependent variable is an indicator equal to one if an attorney joined a non-profit organization, rather than the private sector, immediately after leaving the SEC. In columns 5–8, the dependent variable equals one if a departing attorney joined a non-profit financial regulator (i.e., PCAOB or FINRA) as their immediate post-SEC employer.

We find that, relative to Republicans, Democrats are 4.3–5.2 p.p. more likely to join a non-profit organization after leaving the SEC, representing a 29–34% higher likelihood relative to the sample mean. Likewise, Democrats are 2.3–2.8 p.p. more likely to join a non-profit financial regulator. Although the statistical significance is weaker, the economic magnitude is larger: the partisan gap in joining financial regulators represents a 46–56% increase relative to the mean. These results hold when including office × exit year fixed effects, which compare attorneys who left the SEC in the same year from the same office but differ in political affiliation.

3.4 SEC Entry, Exit, and Subsequent Careers

To further support the interpretation that the SEC partisan gap reflects differences in intrinsic job preferences (social preferences vs monetary motives), we examine the timing of attorneys' entry into and exit from the SEC, as well as whether their career choice upon leaving is influenced by monetary reward.

3.4.1 Entry Timing

We begin with entry timing. If Republican attorneys are more focused on financial returns and career-building opportunities, they should be more likely to join the SEC when the private–public pay differential is relatively small. They are also expected to enter the SEC earlier in their legal careers in order to accumulate government experience and human capital that can later be monetized in the private sector. By contrast, if Democratic attorneys are more mission-driven, they are more likely to receive their initial training elsewhere and to transition into the SEC later in their careers, when their productivity is highest and the salary differential is more pronounced.

To measure private sector pay, we use the salary scale for associates at the largest law firms ("BigLaw"), as all of the top ten private sector destinations in our data are BigLaw firms (e.g., WilmerHale; Skadden Arps). We obtain annual associate salary data from Biglaw investors, which reports the prevailing industry pay scale from year 1 to year 8 associates between 2000 and 2023. These data are reliable because compensation in top law firms is highly standardized: when leading firms such as Cravath, Swaine & Moore announce annual adjustments to associate salaries, other elite firms quickly match these pay levels. These benchmark announcements are widely covered in the legal trade press (e.g., American Lawyer, Above the Law), which closely tracks BigLaw compensation across firms and over time.[14] A key advantage of these data is that they vary by seniority, which allows us to approximate an attorney's private sector earning potential based on their rank within the SEC. Specifically, we map entry-level SEC attorneys (SK-11/12) to third-year BigLaw associates, mid-level attorneys (SK-13) to fifth-year associates, senior staff attorneys (SK-14) to seventh-year associates, and managerial-level attorneys (SK-15 and above) to eighth-year associates.

We cross-check this mapping against contemporaneous SEC disclosures. The SEC's Pay Parity Implementation Plan and Report (2002) notes that private sector offers for senior professional staff departing in 2000–2001 ranged from \$185,000 to \$250,000, closely matching our approximation of \$154,000 to \$250,000 for attorneys leaving the government during that period (SEC, 2002).

Panel A of Table 7 reports the analysis, where we restrict the sample to the entry year of each SEC attorney. In columns 1–3, the dependent variable is the pay differential between the private sector and the SEC for that attorney in the year of entry. We regress this outcome on a Republican indicator, controlling for office

[14] See here, here, and here for justification.

and graduation-year fixed effects to account for time-invariant differences across SEC offices and macroeconomic conditions affecting the job market. We also include observable attorney characteristics such as gender, immigrant status, local origin, and law school rank. We find that Republicans enter the SEC when the law firm–SEC pay gap is \$9,000–\$11,000 smaller compared to their Democratic counterparts. This difference is economically significant, representing 15–19% of the standard deviation of the pay gap.

Columns 4–6 examine whether attorneys join the SEC immediately after graduation, while columns 7–9 examine whether they enter following a judicial clerkship, commonly viewed as a stepping-stone position offering legal training and professional connections.[15] Across all specifications, the coefficient is positive and statistically significant at the 1% level, indicating that Republicans are more likely to join the SEC earlier in their careers—either immediately after law school or after a clerkship. These findings are consistent with the interpretation that Republican attorneys view SEC employment as a means of acquiring training and credentials that can be monetized later in the private sector, in line with financial incentives and career-building motives.

3.4.2 Exit Timing

We then turn to exit timing. If Republican attorneys place greater weight on financial returns, their propensity to leave the SEC should rise as the private–public pay gap widens. In contrast, if Democrats' decision to remain at the SEC is motivated by intrinsic beliefs in the agency's mission, they should be less responsive to changes in outside pay opportunities. We test these predictions by augmenting the exit regressions in equation (2) with Private–Public Pay Gap (%) and its interaction with Democratic. Private–Public Pay Gap (%) is defined as the salary increase an attorney is expected to obtain by leaving the SEC for BigLaw, calculated as *(BigLaw pay−current SEC salary)/current SEC salary*. To ease interpretation, we standardize this variable by subtracting its mean and dividing by its standard deviation. Panel B reports the results.

In these regressions, the coefficient on *Private–Public Pay Gap (%)* captures Republican attorneys' responsiveness to changes in the BigLaw–SEC pay differential. Across all specifications, the coefficient is positive and statistically significant. The estimates indicate that a one–standard deviation increase in the pay gap is associated with a 1–2 p.p. increase in the probability of leaving the SEC, corresponding to a 15%–30% increase relative to the sample mean exit rate.

[15] For a description of law clerkship as a stepping stone for the SEC, please see: https://www.sec.gov/about/careers-securities-exchange-commission/students-recent-graduates-programs/chairs-attorney-honors-program

Turning to Democrats, a negative coefficient on *Democratic* indicates that, at the mean pay gap, Democratic attorneys are less likely to leave the SEC than Republicans. More importantly, the interaction term *Democratic* × *Private–Public Pay Gap* is also negative, suggesting that Democratic attorneys are less sensitive to increases in the BigLaw–SEC pay differential. The effect of a one–standard-deviation increase in the private sector pay premium on Democrats' propensity to leave the SEC (reported at the bottom of the table as *Effect on Democrats*) is positive but statistically indistinguishable from zero in two of the three specifications, suggesting that larger pay gaps have no, or at most a mildly positive, effect on Democrats' likelihood of exiting the agency.

3.4.3 Destination Choice and Monetary Rewards

Next, we turn to how pay premiums influence career choice after leaving the SEC. If Republican attorneys are primarily motivated by financial considerations, they should be more likely to enter the private sector when the private–public pay gap is large. By contrast, if Democratic attorneys are more mission-driven, their choice between private- and non-profit employment should be less sensitive to increases in private sector pay.

We test these predictions by estimating regressions in which the dependent variable equals 100 if the attorney joins a non-profit upon leaving the SEC (Panel C). The coefficient on Private–Public Pay Gap (%) is negative and statistically significant across all specifications, indicating that Republican attorneys are less likely to choose non-profit employment as private sector wage premium rises. In contrast, the effect is much weaker for Democrats, as the interaction term Democratic × Private–Public Pay Gap (%) is positive and highly significant. In the total effect of a rise in private sector wage premium on Democratics is only statistically significant in one out of the three specifications.

In sum, Republicans appear more sensitive to monetary incentives. They enter the SEC when pay gaps are smaller, do so earlier in their careers to gain training and credentials, and are more likely to exit for private sector opportunities as outside pay improves. Democrats, by contrast, display patterns consistent with mission-driven preferences: they delay entry until after gaining experience and are less responsive to widening pay differentials.

3.5 Impact on SEC Regulatory Activities

3.5.1 Achieving Leadership Positions

After documenting the liberal tilt of the SEC and its origins, we now turn to whether such ideology has real impact on SEC's action. We start by evaluating whether there is a partisan gap in achieving leadership roles at the SEC.

If Democrats remain at the SEC longer, they should, all else equal, have a higher likelihood of advancing into leadership positions. Because higher-ranked officials exert greater influence on the agency's activities, such differences would imply that Democrats have disproportionate influence over financial regulation.

Table 8 reports these results. The outcome variables capture attainment of entry-level managerial status (Supervisory Attorney-Advisor: columns 1–2) and executive status (Assistant Regional Director, Chief Counsel: columns 3–4). We estimate linear probability models with SEC cohort fixed effects, comparing attorneys who entered the SEC in the same year. We find that Democrats are 3.5–4.3 p.p. more likely than Republicans to reach managerial or executive ranks at the SEC. This effect is economically meaningful, reflecting a 15–17% higher probability relative to the sample mean. Graduating from a Top 14 law school is positively associated with promotion, while gender, geography, and regional office experience have mixed effects. Overall, these findings suggest that Democrats not only remain at the SEC longer but also advance at slightly higher rates, possibly reflecting stronger institutional alignment or greater engagement with the agency's mission.

3.5.2 Rulemaking

Next, we examine whether the political leanings of SEC staff shape rulemaking activity, as SEC rules carry important implications. At the firm level, they influence a broad set of corporate outcomes, including corporate governance (Gillan and Starks, 2007), financing decisions (Dambra, Field, and Gustafson, 2015), disclosure practices (Cohen, Dey, and Lys, 2008), and firm value (Chhaochharia and Grinstein, 2023). At the same time, SEC rules can impose significant costs on public firms. For example, Kalmenovitz (2023) lists several SEC regulations imposing the heaviest compliance burden across all Federal paperwork regulations, and Ewens, Xiao, and Xu (2024) estimate that compliance with three SEC rules costs from 2.1% to 6.3% of the firm's market capitalization. Beyond the firm level, SEC rulemaking also shapes broader financial markets by affecting market liquidity (Eleswarapu, Thompson, and Venkataraman, 2004; Zhao and Chung, 2007), the information environment (Chang, Ljungqvist, and Tseng, 2023), and overall market efficiency (O'Hara and Ye, 2011).

If SEC staff are motivated by intrinsic beliefs, they should draft documents that reflect those beliefs. Testing this is challenging because it requires measuring each document's ideological tilt and disentangling selection from treatment (e.g., Democratic-leaning staff sorting into "liberal" projects). To measure ideology, we adopt a revealed-preference approach. Since every regulatory document must secure a majority of commissioner votes—and commissioners are political appointees—dissents reveal the document's ideological slant: Republican commissioners should dissent more often on Democratic-leaning documents (and vice versa). This design also allows the inclusion of regulatory-document fixed effects that absorb time-invariant document features (e.g., topic and team composition), mitigating concerns that staff merely sort into ideologically aligned projects.

We estimate the following commissioner–document model:

$$1(Dissent)_{c,d} = \beta_1 \%Democratic_d + \beta_2 \%Democratic_d \times Rep.Comm + \gamma X_d + \alpha_c + \epsilon_{c,d} \quad (3)$$

Where $1(Dissent)_{c,d,t}$ is an indicator equal to 100 if commissioner c dissents on document d and zero otherwise. *%Democratic* is the fraction of rulemakers on the document who are Democrats.[16] For interpretability, we scale this variable by its cross-document standard deviation, so coefficients reflect the effect of a one–standard-deviation increase in Democratic representation. $Rep.Comm$ is an indicator equal to one if the commissioner is affiliated with the Republican Party.[17] In our baseline specification, we include commissioner fixed effects, holding constant time-invariant characteristics of commissioners such as education background, tendency to dissent. We also control for whether the commissioner is from the same party as the Chair, as commissioners rarely vote against the Chair with the same party alignment. The variable of interest is β_2, capturing the change in Republican commissioners' probability to dissent relative to Democratic commissioners, as the rulemaking team comprises more Democrats.

Table 9 reports the results. Column 1 estimates the baseline. Column 2 adds year fixed effects, absorbing macro forces such as the SEC's annual rulemaking agenda. Column 3 adds observable document characteristics (e.g., number of collaborating agencies, whether the release solicits public comment). Columns 4–5 add team characteristics (e.g., attorney share, supervisory share, gender composition, and the share with Top-14 law degrees). In column 6, we interact commissioner characteristics with *%Democratic* to address concerns that the party interaction is proxying for other traits (e.g., if male commissioners are more likely to be Republican and more likely to oppose Democratic-leaning documents). Columns 7 and 8 add rule and document fixed effects, respectively. Rule fixed effects compare different versions of the same rule (e.g., proposal vs final), holding the

[16] As mentioned before, while majority of rulemakers are attorneys, there are also other occupations, and we include them when calculating *%Democratic*.

[17] In our sample, three Chairs are officially designated as independent: Mary Jo White, Mary Schapiro, and Jay Clayton. For these cases, we classify them as Democratic or Republican according to the party affiliation of the President who appointed them. Since Chairs never cast a dissenting vote on regulatory documents brought up for consideration, the results do not change if we exclude them from our analysis.

project/topic constant; this addresses selection into topics/projects (e.g., Democrats choosing liberal topics). Document fixed effects condition on the exact document; identification then comes from within-document differences across commissioner party (via the interaction with Republican), while the document intercept absorbs all document attributes, including the level of team composition, thus reducing concerns that results reflect staff sorting into particular documents rather than influence.

Across all specifications, the coefficient on the interaction *%Democratic* between *Rep. Comm* is positive and statistically significant: a one–standard deviation increase in Democratic representation on the drafting team raises Republican dissent relative to Democratic dissent by 1.3–2.7 p.p., or 21–42% of the mean dissent rate. As expected, sharing the Chair's party sharply reduces dissent, and certain rule types (e.g., amendments/interpretations) provoke less opposition.

3.5.3 Enforcement

Finally, we turn to enforcement, another core regulatory action with significant consequences for firms and their managers. On average, stock prices drop by roughly 6% around the announcement of enforcement outcomes; 72% of sanctioned firms replace at least one top manager, and 81% face shareholder lawsuits (Feroz, Park, and Pastena, 1991). Firms also incur substantial reputational costs: for every dollar by which a firm fraudulently inflates its market value, it loses about \$3.08 on average, of which \$2.71 reflects reputational penalties rather than legal sanctions (Karpoff, Lee, and Martin, 2008).

If SEC attorneys are mission-motivated, changes in presidential administration that shift the agency's priorities could dampen—or amplify—their intrinsic motivation, leading to variation in enforcement activity. We test this by examining whether partisan alignment with the President predicts attorneys' enforcement output. Our key regressor, Same Party as President, equals one if an attorney's registered party matches the sitting President.

The results are reported in Table 10. We measure enforcement activity in four ways: the number of enforcement cases handled in a year (columns 1–3); an indicator for any enforcement case that year (columns 4–6); the number of criminal cases (columns 7–9); and an indicator for serving as lead attorney (columns 10–12). We estimate Poisson models for count outcomes and linear probability models for indicators. Within each outcome block, we progressively add rich controls and fixed effects. Covariates include male, log(tenure), Top-14 law school, and an indicator for being assigned to rulemaking (rather than enforcement) that year. Our most stringent specification includes office × year × rank fixed effects, which absorb office-level policy or workload shocks that differentially affect seniority (e.g., a New York office initiative that raises senior-attorney caseloads), as well as attorney fixed effects, which absorb all time-invariant attorney traits (e.g., baseline enforcement propensity, education). Thus, our estimates compare the same attorney when aligned versus misaligned across administrations, purging time-invariant personal attributes from the comparison.

We find that partisan alignment with the President is positively associated with enforcement activity. In columns 1–3, alignment corresponds to ~17–21% more cases ($e^{0.16} - 1$ and $e^{0.19} - 1$). In columns 4–6, it raises the probability of working on any case by ~3.5–4.2 p.p. (8–10% of the mean). In columns 7–9, aligned attorneys handle ~29–35% more criminal cases. Effects on serving as lead (columns 10–12) are small and insignificant.

While these patterns are consistent with greater attorney effort when their party aligns with the President, interpretation warrants caution: the same correlation could arise if administrations systematically allocate more (or higher intensity) cases to co-partisan attorneys. Our office × year × rank fixed effects mitigate broad assignment shifts but cannot fully rule out within-office-rank reallocation over time. Nevertheless, even under this assignment story, the results indicate that political ideology is an important factor in determining enforcement activity; otherwise, political appointees would not assign enforcement cases on this basis.

4. Conclusion

This paper has studied the partisan composition of government personnel tasked with crafting and enforcing financial regulation. Focusing on the SEC, we find that Democrat-leaning officials far outnumber their Republican-leaning counterparts under every political regime over the past few decades. This pattern reflects a combination of institutional features, such as the agency's office locations and feeder schools, as well as the pecuniary and social attributes of government jobs that appear to induce partisan selection. The political ideology of government bureaucrats has major implications for financial regulation beyond the role of political appointees.

The U.S. federal government employs over three million civil servants responsible for the day-to-day decisions that permeate most spheres of the economy, ranging from agriculture and transportation to trade and defense. By looking inside one government agency, our paper makes a step towards a better understanding of the sources and consequences of the partisan composition of unelected government agents. Our results highlight the important role of individual civil servants in policy implementation and enforcement. While we focus on an agency tasked with capital market regulation, we hope that future work will expand this scope of inquiry and provide novel insights into the inner workings of other government institutions.

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Figure 1: Initial Placements After Law School

This figure shows the distribution of initial job placements for SEC attorneys after graduating from law school.

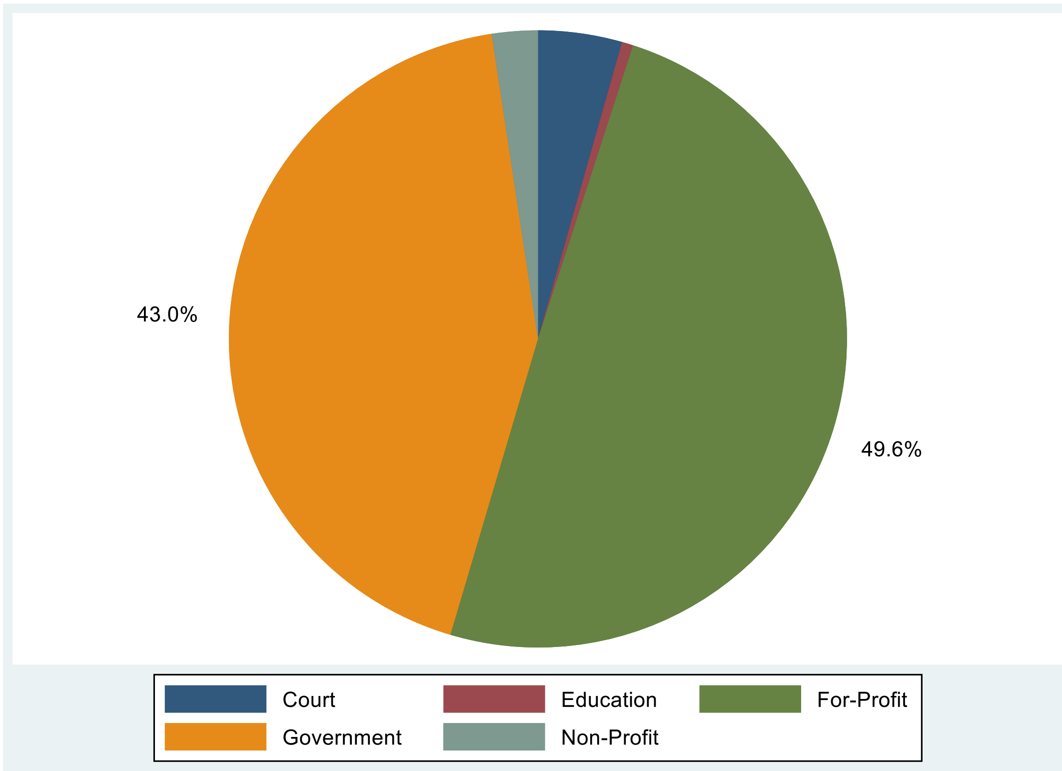
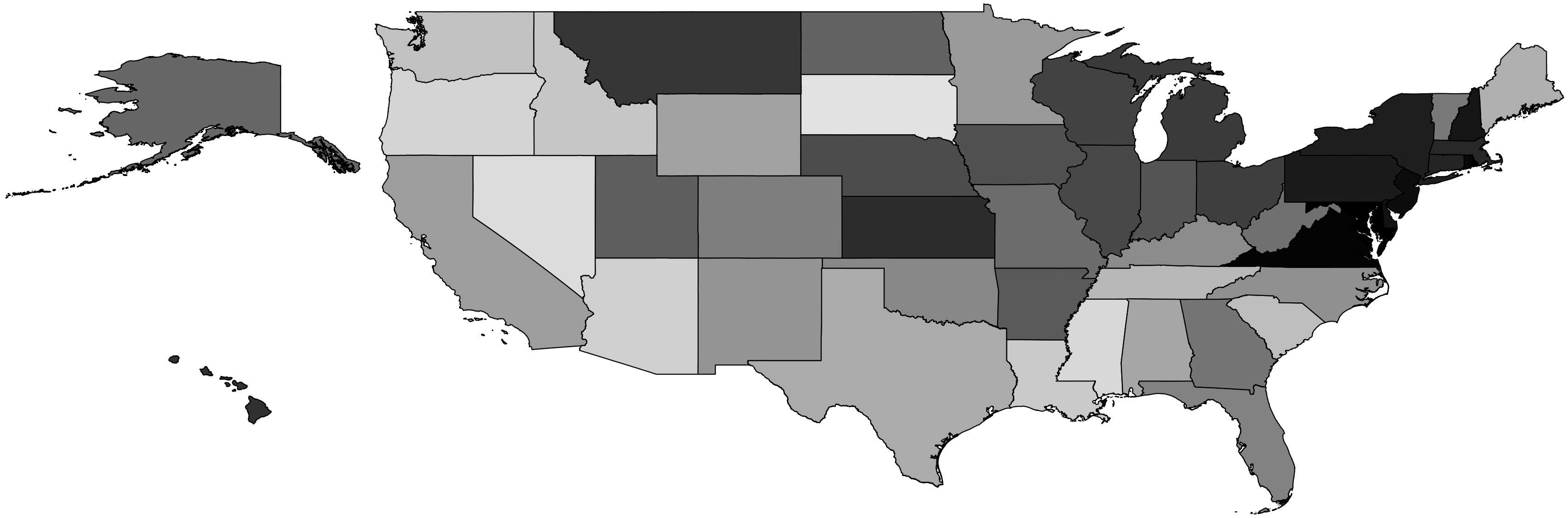


Figure 2: Geographic Origins of SEC Attorneys

This figure maps the geographic origins of SEC attorneys. Panel A presents state-level origins, shaded by the number of SEC attorneys per 100,000 lawyers in that state (as of 2013, from the American Bar Association). Darker shades indicate greater representation relative to the state's legal workforce. U.S. territories are excluded. Panel B presents county-level origins, where each circle's size is proportional to the number of SEC attorneys from that county. Counties with a majority of Democratic voters are shaded in blue, and those with a majority of Republican voters are shaded in red; darker shades indicate stronger partisan leanings. For example, a county with a strong Democratic majority appears in darker blue, while one with a strong Republican majority appears in darker red.

(A) State of Origin, Scaled by Legal Workforce



(B) County of Origin by Political Leaning

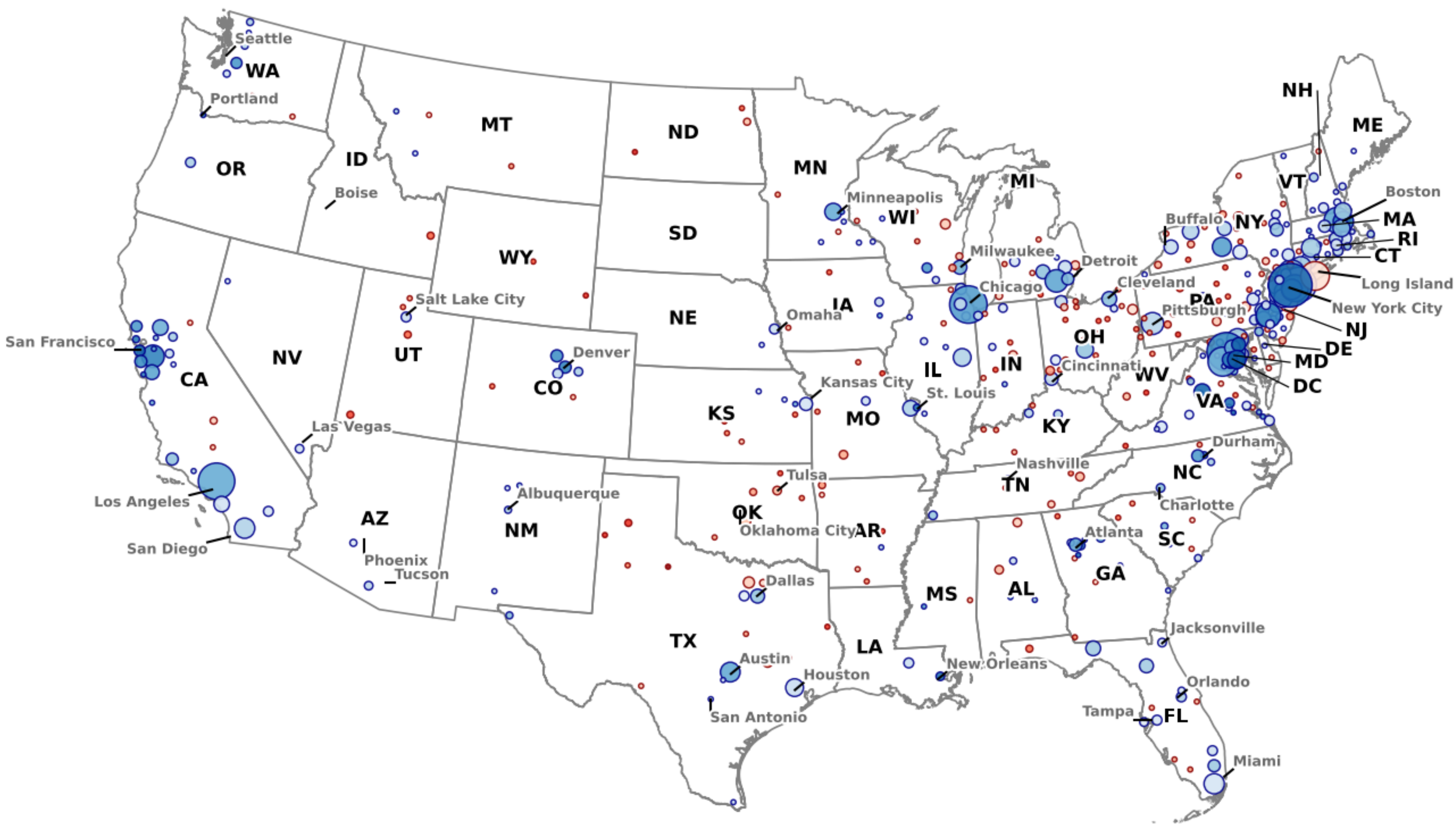
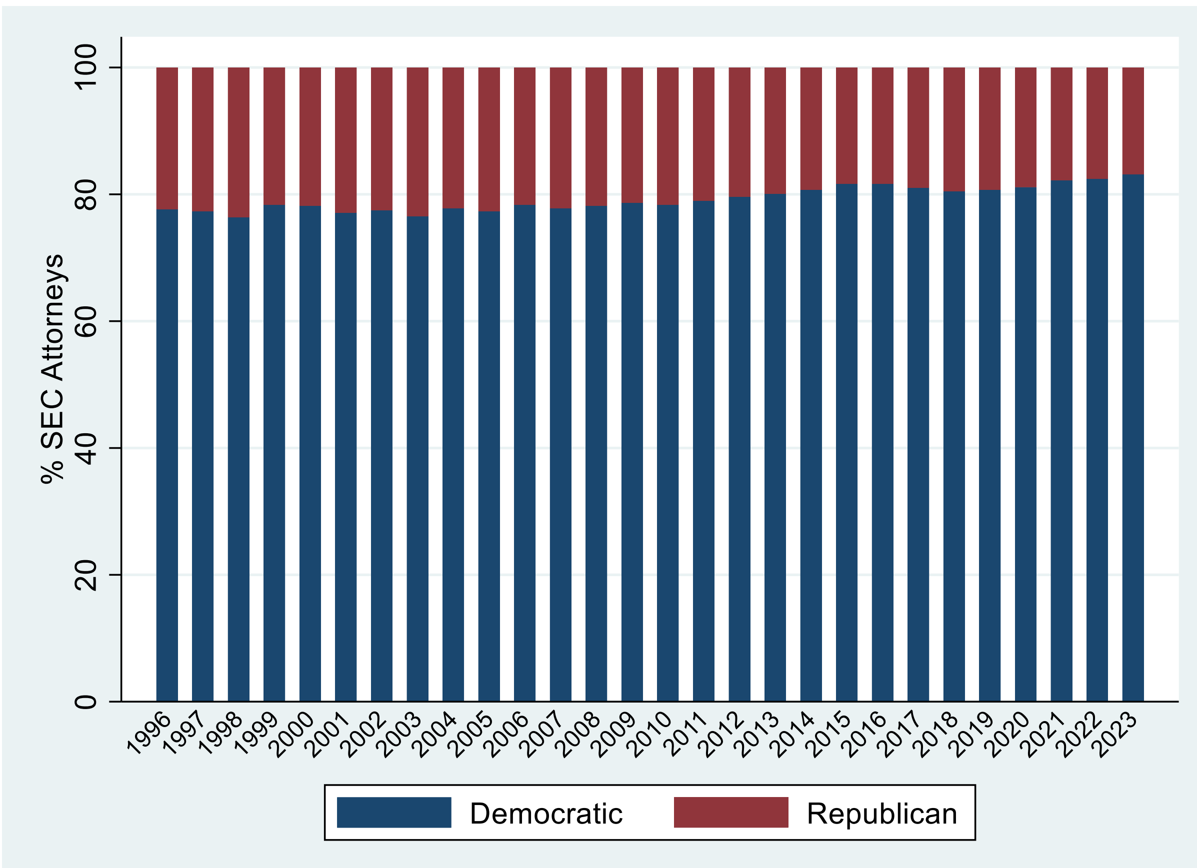


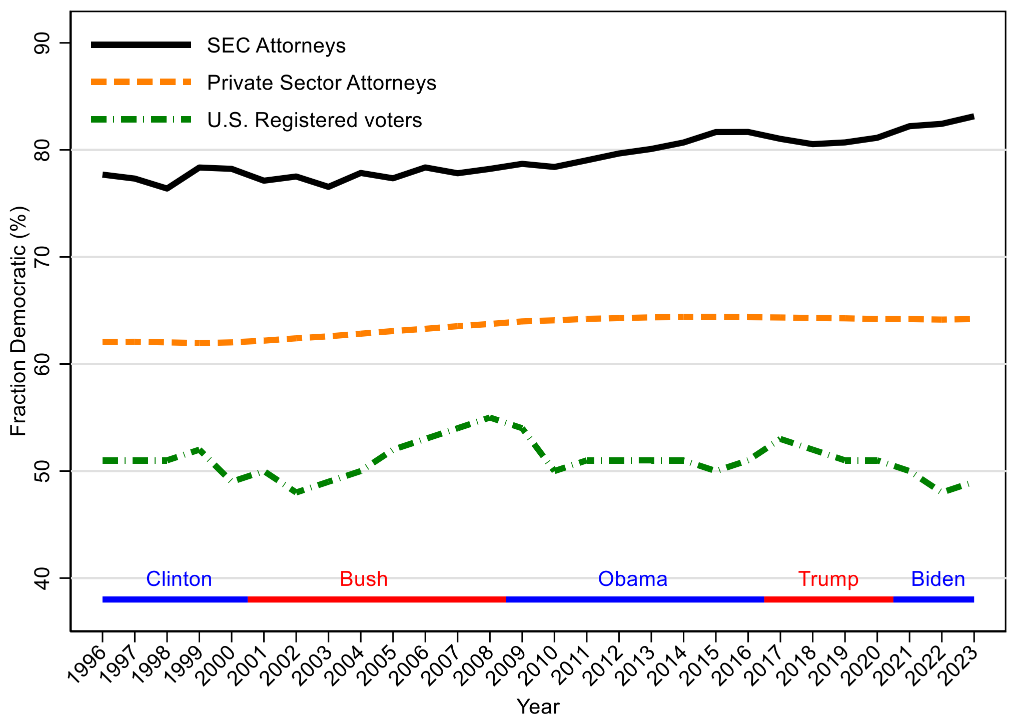
Figure 3: Distribution of Party Affiliation

Panel A shows the annual share of SEC attorneys registered as Democrats or Republicans from 1996 to 2023. The blue portion of each bar represents the percentage of SEC attorneys registered as Democrats, and the red portion represents the percentage registered as Republicans. Panel B compares the share of Democrats among SEC attorneys, private sector attorneys (defined as attorneys who have never worked in the public sector or for a non-profit organization), and the U.S. registered voter population over time. The black solid line shows the fraction of SEC attorneys registered as Democrats, the orange dashed line shows the fraction for private sector attorneys and the green dashed line shows the fraction for all U.S. registered voters. Presidential administrations are indicated along the horizontal axis. Panel C shows the political leaning of SEC attorneys by office location. For each SEC office, the blue portion of the bar represents the percentage of attorneys registered as Democrats, and the red portion represents the percentage registered as Republicans. Panel D reports the political leaning of new SEC attorney hires across presidential administrations.

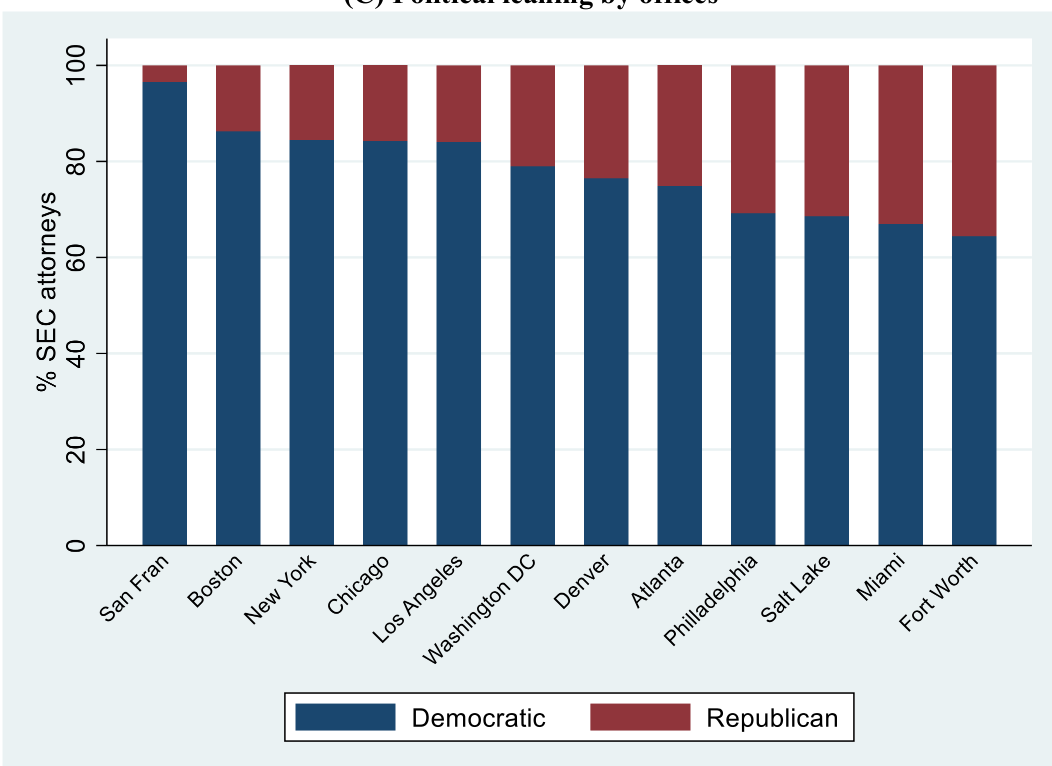
(A) Share of Dem./Rep. SEC Attorneys



(B) Share of Dem among SEC attorneys/Private Sector Attorneys/US voters



(C) Political leaning by offices



(D)Political leaning of new hires across administrations

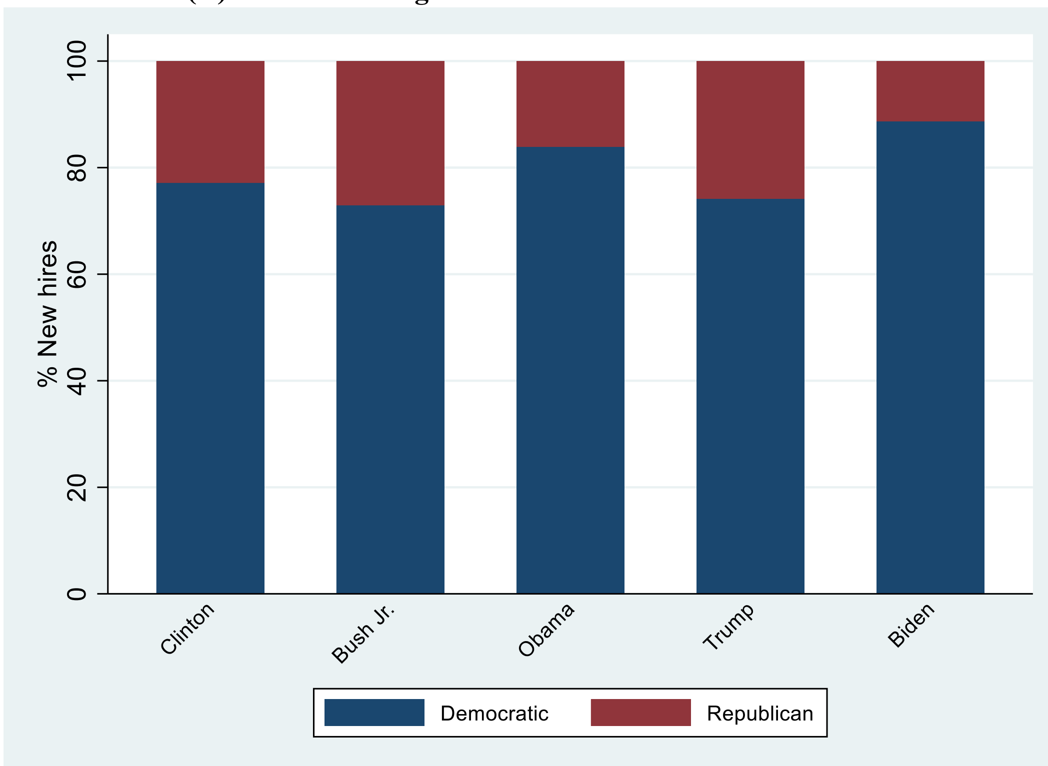
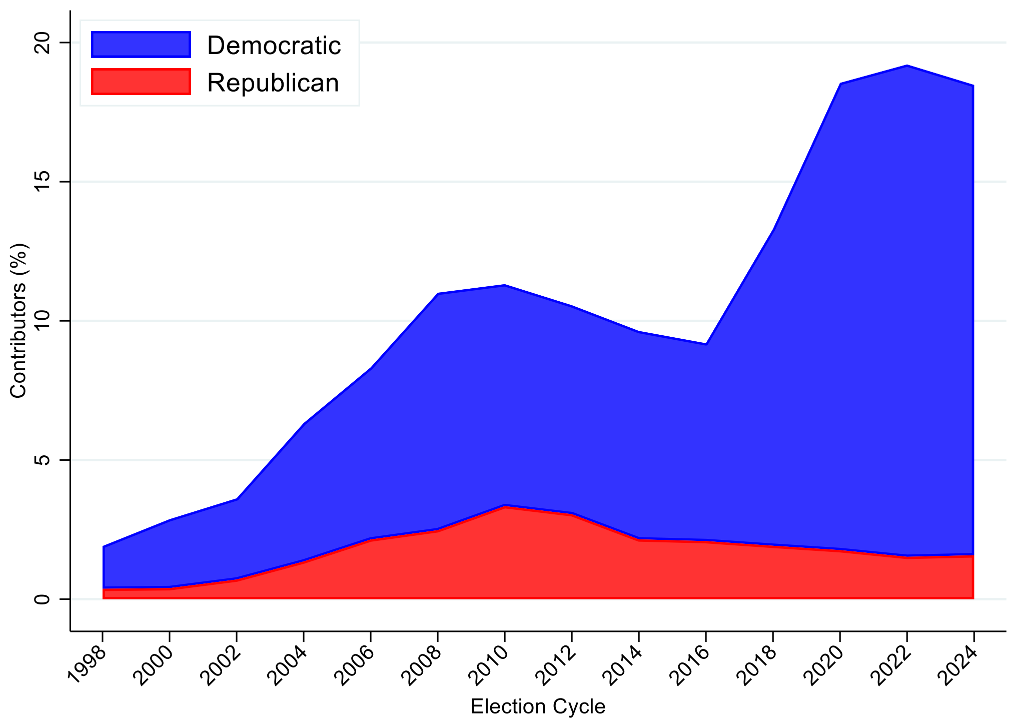


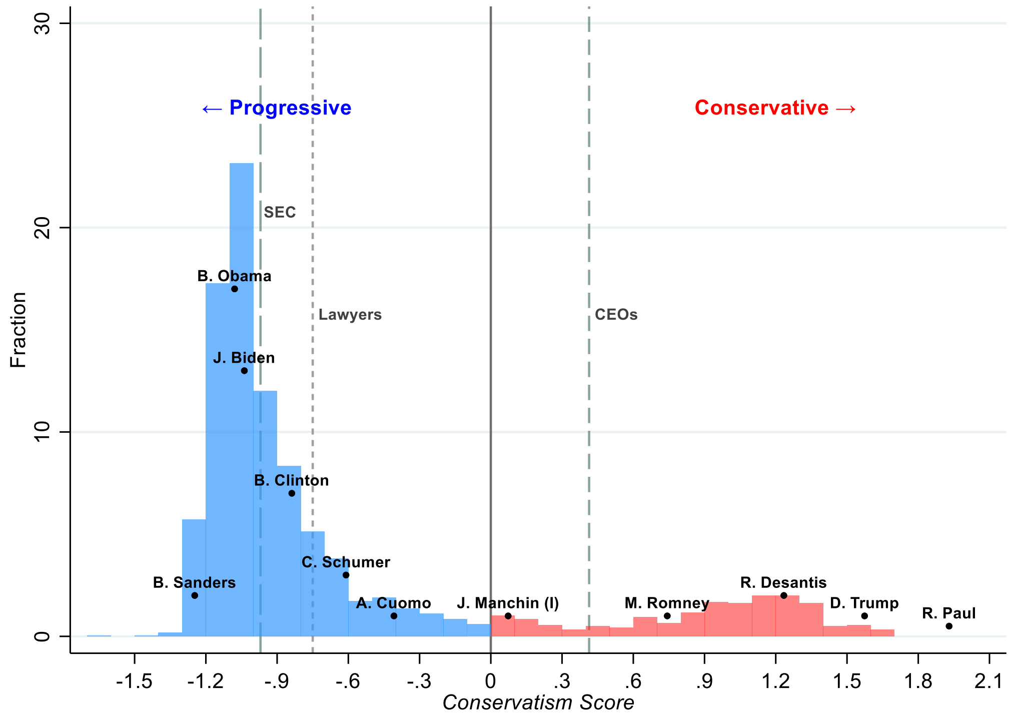
Figure 4: Political Donations of SEC Attorney

This figure illustrates the political leaning of SEC attorneys based on political donations. Panel A shows the share of attorneys making political contributions ("contributors") over time. The blue shaded area represents the percentage of contributors donating to Democratic candidates, while the red shaded area represents the percentage donating to Republican candidates. Values are smoothed using a two-election-cycle rolling average to reduce short-term variation and highlight longer-term trends. Panel B displays the distribution of SEC donors across the conservatism score (CFscore) developed by Bonica (2024), with negative values indicating a more progressive orientation and positive values indicating a more conservative orientation. Panel C plots the change in the composition of SEC donors between 1996 and 2023 across different CFscores, showing how the ideological makeup of SEC attorneys has shifted over time. Panel D plots the political leaning of the median SEC attorney over time, measured using the progressive score defined as CFscore multiplied by -1. Panel E illustrates the relationship between the political leaning of law schools and their representation among SEC donors. The horizontal axis reports each law school's progressive score, and the vertical axis shows the fraction of SEC attorneys (conditional on making donations) in the sample who graduated from that school.

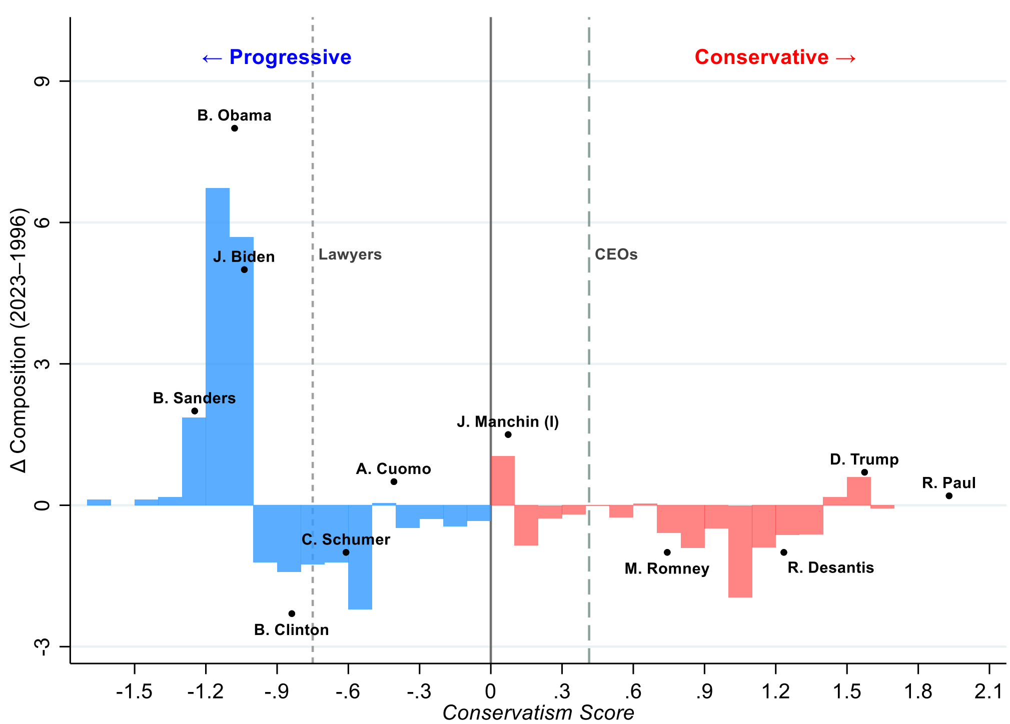
(A) Extent and Composition of SEC Donations



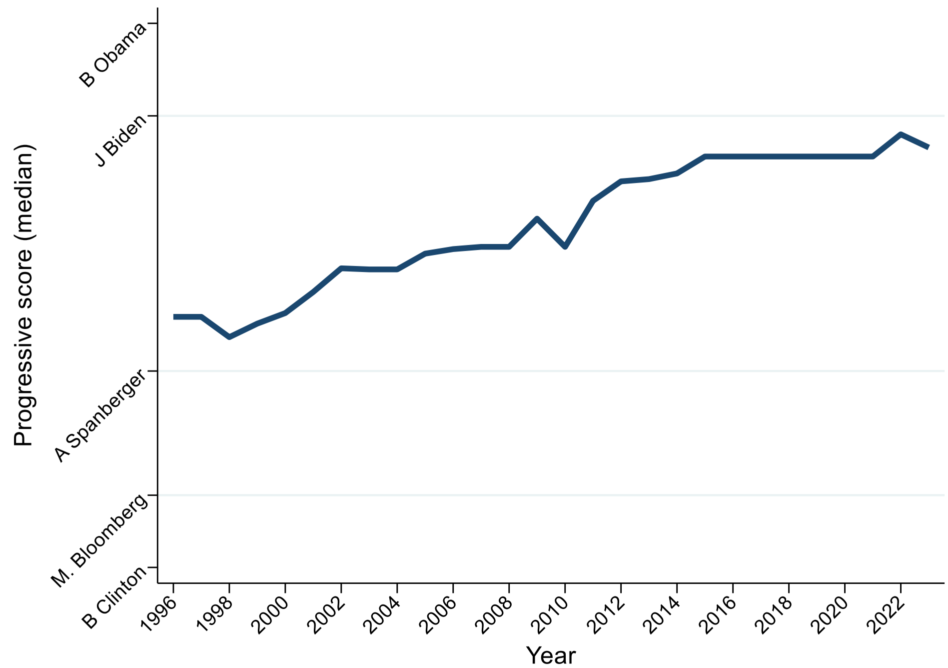
(B) Distribution of SEC Ideology



(C) Long-Run Changes in the Distribution of SEC Ideology



(D) Political Leaning of the Median SEC Attorney Over Time



(E) Political Leaning of Law Schools and SEC Attorney Composition

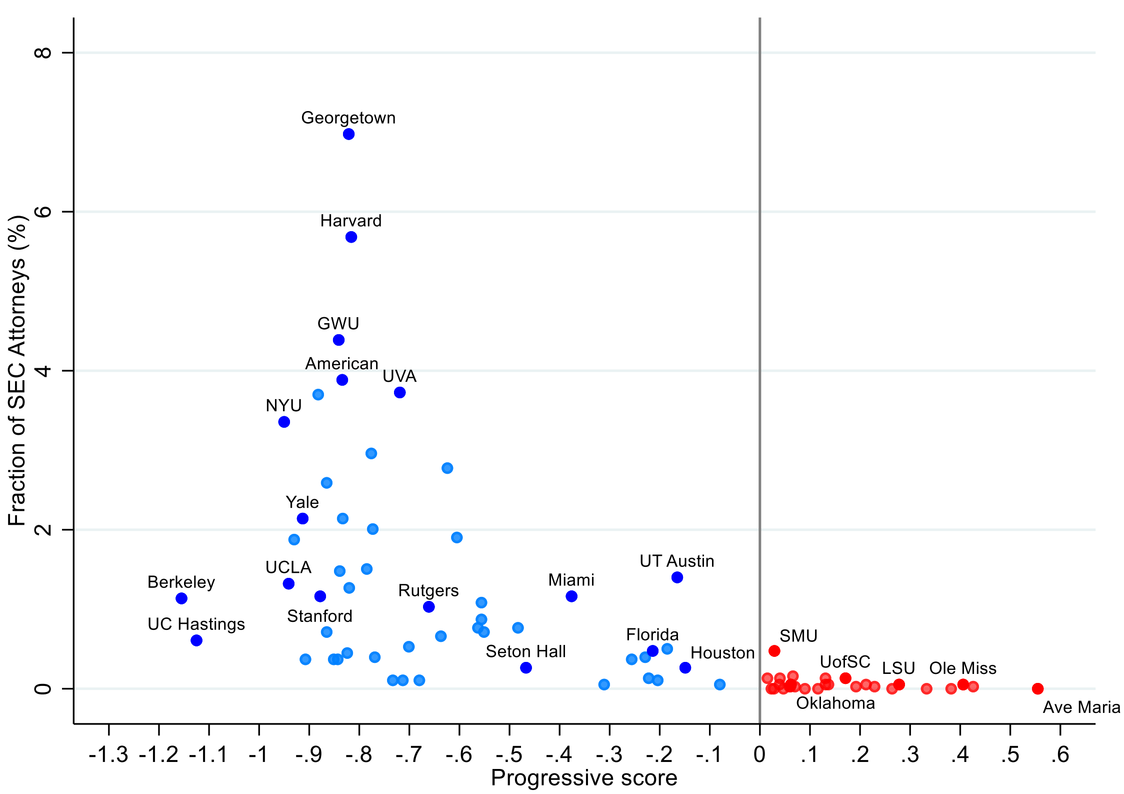


Table 1: Summary Statistics – SEC Attorneys

This table presents summary statistics for 4,457 SEC attorneys in the sample. Variables cover five categories: demographics, education, professional career, financial attributes, and political attributes. For each variable, we report the mean, the 25th, 50th, and 75th percentiles, and the standard deviation. Detailed definitions of all variables are provided in Table A1.

	Mean	P25	P50	P75	SD
Demographics					
Male	0.58	0.00	1.00	1.00	0.49
Age	40.44	34.50	39.00	45.00	8.38
Immigrant	0.02	0.00	0.00	0.00	0.13
Minority	0.24	0.00	0.00	0.00	0.43
Education					
Top14 Law School	0.37	0.00	0.00	1.00	0.48
LSAT percentile	80.80	71.60	89.80	94.50	17.34
PhD	0.01	0.00	0.00	0.00	0.09
MBA	0.05	0.00	0.00	0.00	0.21
Other Master	0.11	0.00	0.00	0.00	0.32
Ivy League (Bachelor)	0.13	0.00	0.00	0.00	0.33
Top 20 (Bachelor)	0.19	0.00	0.00	0.00	0.40
Professional career					
SEC Tenure (Years)	11.65	4.00	8.00	17.00	9.82
Rulemaker	0.16	0.00	0.00	0.00	0.37
Max Rank	14.38	14.00	14.00	15.00	1.01
Regional Office Experience	0.39	0.00	0.00	1.00	0.49
Only SEC	0.09	0.00	0.00	0.00	0.29
1st Placement SEC	0.16	0.00	0.00	0.00	0.37
Financial attributes					
Median Salary ($000s)	210.83	168.96	217.55	247.48	51.94
Avg Bonus ($000s)	3.07	1.44	2.20	3.72	3.06
% Years with Bonus	0.34	0.09	0.33	0.50	0.27
Homeowner	0.75	1.00	1.00	1.00	0.43
#Properties currently owned	1.79	1.00	1.00	2.00	1.31
Primary home purchase price ($000s)	838.68	390.00	638.00	951.25	3235.90
Mkt value RE assets ($000s)	1524.54	696.90	1057.75	1678.34	3036.42
Political attributes					
Registered Voter	0.85	1.00	1.00	1.00	0.36
Donor	0.50	0.00	1.00	1.00	0.50
$ Total Contributions ($000s)	16.91	0.41	1.73	7.58	89.44
# Total Contributions	40.19	3.00	9.00	30.00	231.23
$ Contributed at SEC ($000s)	2.65	0.17	0.48	1.49	14.89
# Contributed at SEC	7.25	1.00	3.00	7.00	15.28
% Donated to Democrat ($)	0.73	0.50	0.97	1.00	0.38
% Donated to Republican ($)	0.15	0.00	0.00	0.03	0.32
Democratic Voter	0.62	0.00	1.00	1.00	0.49
Republican Voter	0.17	0.00	0.00	0.00	0.37
Inde/Other/Switcher Voter	0.21	0.00	0.00	0.00	0.41

Table 2: Comparison of SEC and Private Sector Attorneys

This table compares the characteristics of 4,457 SEC attorneys with 161,452 private sector attorneys, where the latter are defined as attorneys who have never worked for the government or a non-profit organization. Variables are grouped into four categories: demographics, career trajectory, education, and political leaning. For each variable, the table reports the mean for SEC attorneys, the mean for private sector attorneys, the difference in means, and the corresponding t-statistics. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively. Variable definitions are consistent with those provided in Table A1.

	SEC	Private Sector	Difference
Demographics			
Male	0.583	0.550	0.032***
Immigrant	0.015	0.009	0.007***
Minority	0.242	0.167	0.075***
Age Grad Law School	26.830	27.376	-0.547***
Career trajectory			
1st Job placement in home state	0.261	0.428	-0.167***
Tenure per employer	7.354	10.671	-3.317***
Education			
LSAT percentile	80.797	70.120	10.677***
Top 14 Law School	0.372	0.136	0.236***
Ivy League (Bachelor)	0.128	0.064	0.065***
Top 20 (Bachelor)	0.194	0.128	0.066***
PhD	0.008	0.003	0.004***
MBA	0.047	0.045	0.002
Other Master	0.111	0.077	0.034***
Political leaning			
Democrat	0.617	0.462	0.155***
Republican	0.169	0.255	-0.086***
Inde/Other/Switcher	0.214	0.282	-0.069***

Table 3: Political Leaning and Post–Law School Career Paths

This table examines how political leaning is associated with career choices after law school. The key independent variable is Democratic, an indicator equal to one if an attorney is a registered Democratic voter and zero otherwise. The sample excludes independent voters, voters affiliated with other parties, and party switchers. Top 14 Law School is an indicator equal to one if the attorney graduated from a Top 14 law school and zero otherwise. Panels A to C report estimates from linear probability models. Panel A presents results for the full sample, where the dependent variable equals 100 if an attorney joined the government or a non-profit organization in any year after graduating from law school and zero otherwise. Panel B restricts the sample to attorneys who either joined the SEC or worked only in the private sector after graduation, with the dependent variable equal to 100 if the attorney joined the SEC post-graduation. Panel C restricts the sample to attorneys who joined the public or non-profit sector after graduation, with the dependent variable equal to 100 if the attorney joined the SEC post-graduation. Panel D reports estimates from a multinomial logit model, where the omitted category is joining the private sector post-graduation. Magnitude (% of Mean) measures the effect of Democratic relative to the sample mean of the dependent variable. Standard errors, clustered by the state of the attorney's law school, are reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

	Panel A: Full Sample						
Outcome:	I(Public service)						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Democratic	12.68***	10.08***	8.79***	8.29***	8.01***	7.63***	7.04***
	(0.55)	(0.47)	(0.48)	(0.44)	(0.41)	(0.44)	(0.35)
Top 14 Law School					3.84***	3.20*	
					(1.29)	(1.70)	
R2	0.014	0.120	0.128	0.144	0.145	0.160	0.198
N	266,184	266,184	254,005	216,100	216,100	216,100	216,100
Magnitude (% of Mean)	19.72	15.66	13.75	12.65	12.22	11.63	11.02
	Panel B: SEC vs Private Sector						
Outcome:	I(SEC)						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Democratic	1.55***	1.60***	1.39***	1.37***	1.09***	0.97***	0.80***
	(0.28)	(0.28)	(0.22)	(0.22)	(0.20)	(0.17)	(0.15)
Top 14 Law School					4.23***	3.34***	
					(0.44)	(0.62)	
R2	0.002	0.004	0.049	0.080	0.088	0.121	0.178
N	97,242	97,242	93,534	76,165	76,165	76,165	76,165
Magnitude (% of Mean)	60.19	62.07	61.70	55.61	44.34	39.18	35.28
	Panel C: SEC vs Other Public Service/Non-Profit						
Outcome:	I(SEC)						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Democratic	0.22**	0.38***	0.45***	0.39***	0.25***	0.18**	0.06
	(0.09)	(0.09)	(0.09)	(0.10)	(0.09)	(0.08)	(0.08)
Top 14 Law School					1.86***	1.55***	
					(0.36)	(0.37)	
R2	0.000	0.011	0.054	0.082	0.086	0.110	0.159
N	171,450	171,450	162,595	141,817	141,817	141,817	141,817
Magnitude (% of Mean)	15.30	25.70	34.44	29.56	18.81	13.61	4.73
Cohort FE	No	Yes	No	No	No	No	No
Cohort x Gender FE	No	No	Yes	Yes	Yes	Yes	Yes
Cohort x Race FE	No	No	Yes	Yes	Yes	Yes	Yes
Cohort x State Origin FE	No	No	No	Yes	Yes	Yes	Yes
Cohort x JD State FE	No	No	No	No	No	Yes	No
Cohort x Law School FE	No	No	No	No	No	No	Yes

	Panel D: Multinomial Logit	
Outcome:	I(non-SEC Public service)	I(SEC)
	(1)	(2)
Democratic	0.457***	0.575***
	(0.0203)	(0.053)
Magnitude (% of Mean)	14.12%	30.87%
Cohort	Yes	Yes
Top14	Yes	Yes
N	266,184	266,184
Pseudo R2	0.1013	0.1013

Table 4: Decompositions of Partisan Gap

This table reports the decomposition of the gap between Democratic and Republican attorneys employed at the SEC using the technique developed in Fairlie (2006). Column 1 presents the raw gap in the propensity of Democratic versus Republican attorneys to join the SEC. Column 2 shows the share of this gap that can be explained by observable characteristics. Contributing factors are grouped into three categories: (1) Law School factors: whether the attorney attended a Top 14 law school, their LSAT percentile, law school distance to the nearest SEC office, and whether the law school was private; (2) Origin factors: whether the attorney originates from a state near Washington, DC (VA, DC, MD), a state with the largest regional offices (NY, CA, IL), or a state with the highest poverty rate (LA, MS, NM, VW, KY, OK, AR, AL; source: Census (2023)); and (3) Demographic factors: gender and minority status. Subtotals for each group are reported. Equalizing contributing factors (%) reports the share of the partisan gap that would be eliminated if Democratic and Republican attorneys had identical distributions of these characteristics.

	(1) **Partisan GAP**	(2)
%Dem SEC (%)	3.033%	
%Rep SEC (%)	1.586%	
%Dem - %Rep	1.448%	
Contributing factors:		
Top 14 Law School		10.20%
LSAT Pctile		5.88%
Law School Distance to SEC Office		3.67%
Private Law School		1.12%
Law School factors (subtotal):		20.87%
Near DC		2.13%
From States with Largest Regional Offices		1.98%
High Poverty State		1.14%
Origin factors (subtotal):		5.25%
Male		-4.33%
Minority		13.58%
Demographic Factors (subtotal):		9.25%
Equalizing contributing factors (%)		35.37%

Table 5: Political Affiliation and Exit

This table examines the relationship between political leaning and the likelihood of exiting the SEC. The dependent variable equals 100 if an attorney left the SEC in the following year and zero otherwise. The key independent variable is Democratic, an indicator equal to one if an attorney is a registered Democratic voter or donor and zero otherwise. The sample excludes attorneys whose political affiliation is neither Democratic nor Republican. Male is an indicator equal to one if the attorney is male; Immigrant is an indicator equal to one if the attorney obtained a Social Security number after age 20; and Local Origin is an indicator equal to one if the attorney's home state matches the state of the SEC office where they work. Magnitude (% of Mean) measures the effect of Democratic relative to the sample mean of the dependent variable. Standard errors, clustered at the attorney level, are reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Outcome	$\mathrm{I}(Exit)$				
	(1)	(2)	(3)	(4)	(5)
Democratic	-1.56***	-1.55***	-1.50***	-1.40***	-1.93**
	(0.40)	(0.41)	(0.47)	(0.48)	(0.96)
Male		0.85***	0.98***	0.93***	1.53**
		(0.29)	(0.34)	(0.35)	(0.72)
Immigrant			1.63	1.86	2.37
			(1.65)	(1.69)	(2.55)
Local Origin			-0.93*	-0.91*	-0.61
			(0.50)	(0.53)	(1.14)
Year FE	Yes	No	No	No	No
Office x Year FE	No	Yes	Yes	No	No
Office x Rank x Year FE	No	No	No	Yes	Yes
Law School x SEC Cohort FE	No	No	No	No	Yes
R2	0.015	0.025	0.031	0.068	0.181
N	31,346	31,240	23,752	23,745	18,792
%Mean	-23.42	-23.25	-22.56	-20.97	-26.54

Table 6: Political Affiliation and Destination After SEC

This table examines the relationship between political affiliation and post-SEC career choices, excluding internal transfers within the government. Columns 1–4 use as the dependent variable an indicator equal to one if an attorney joins a non-profit organization after leaving the SEC. Columns 5–8 use as the dependent variable an indicator equal to one if an attorney joins a non-profit financial regulator (i.e., the PCAOB or FINRA). The key independent variable, Democratic, equals one if an attorney is a registered Democratic voter or donor, and zero if Republican. Attorneys with neither Democratic nor Republican affiliation are excluded from the sample. Male equals one if the attorney is male. Log(Tenure) is the natural logarithm of years worked at the SEC. Top 14 Law school equals one if the attorney graduated from a top 14 law school. Immigrant equals one if the attorney obtained a Social Security number after age 20. Magnitude (% of Mean) reports the estimated effect of Democratic as a percentage of the sample mean of the dependent variable. Standard errors, clustered at the attorney level, are reported in parentheses. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

Outcome:	$\mathrm{I}(NonProfit)$				$\mathrm{I}(FinRegulator)$			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Democratic	5.22**	5.00**	4.38*	4.34*	2.33	2.68*	2.84*	2.76*
	(2.28)	(2.31)	(2.37)	(2.62)	(1.42)	(1.44)	(1.47)	(1.60)
Male			-3.67	-3.86			-0.42	-1.08
			(2.31)	(2.48)			(1.41)	(1.58)
Log(Tenure)			4.47***	5.17***			2.82***	3.00***
			(1.63)	(1.76)			(0.86)	(0.96)
Top 14 Law School			1.96	1.61			-1.32	-2.27
			(2.22)	(2.43)			(1.35)	(1.51)
Immigrant			-10.05*	-10.82*			0.84	1.31
			(5.56)	(6.55)			(5.14)	(5.61)
Office FE	Yes	Yes	Yes	No	Yes	Yes	Yes	No
Year FE	No	Yes	Yes	No	No	Yes	Yes	No
Office x Year FE	No	No	No	Yes	No	No	No	Yes
R2	0.017	0.039	0.054	0.114	0.018	0.039	0.048	0.084
N	1,209	1,209	1,177	1,177	1,209	1,209	1,177	1,177
Magnitude (% of Mean)	34.27	32.85	28.79	28.55	46.10	53.06	56.30	54.73

Table 7: Entry, Exit, and Destination Timing

This table examines whether political affiliation influences the timing of attorneys' entry into, exit from, and post-SEC destinations, particularly when the private–public pay gap is large. Panel A analyzes entry timing. The dependent variable is either the pay differential between private sector and the SEC at the time of entry (columns 1–3), an indicator for joining the SEC immediately after law school (columns 4–6), or an indicator for joining the SEC as a law clerk (columns 7–9). Rows labeled Magnitude (% of SD) and Magnitude (% of Mean) report the size of the estimated Republican effect relative to the sample standard deviation and mean of the dependent variable, respectively. Panel B studies exit timing, where the dependent variable equals one if the attorney leaves the SEC in the following year. Panel C examines destination choice upon exit, where the dependent variable equals one if the attorney joins a non-profit rather than the private sector. Effect on Democrats reports the change in Democratic attorneys' outcome propensity as *Private–Public Pay Gap (%)* increases by 1-SD relative to its mean and the corresponding p-value reports the test of equality to zero. *Democratic* (*Republican*) equals one if the attorney is a registered Democratic (Republican) voter or donor. *Private–Public Pay Gap (%)* is calculated as ($Private\ pay_{it+1}/SEC\ pay_{it} - 1$) and standardized by subtracting the mean and dividing by the standard deviation. Appendix Table A1 describes the other variables. All regressions include the fixed effects listed at the bottom of each panel. Standard errors, clustered at the attorney level, are reported in parentheses. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Panel A: Entry Timing

Outcome:	Private Sector – SEC Pay			1(Fresh Graduate)			1(Law Clerk)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Republican	-9,001.0**	-9,871.5**	-11,427.7**	8.3***	9.4***	10.5***	8.2***	11.0***	9.4***
	(4128.9)	(4,970.4)	(5,133.6)	(3.1)	(3.6)	(3.6)	(2.6)	(3.1)	(3.1)
Male		-2,763.5	-1,181.4		-3.7	-5.7*		-4.0	-1.7
		(4,565.6)	(4,663.4)		(3.0)	(3.1)		(2.5)	(2.5)
Local Origin		4,598.9	5,066.1		4.1	-0.5		-1.6	-1.2
		(6,273.6)	(6,465.3)		(4.5)	(4.4)		(3.9)	(3.8)
Immigrant		13,435.1	13,688.3		-11.5	-9.1		-16.0***	-11.4**
		(24,350.6)	(21,380.6)		(12.5)	(16.3)		(3.2)	(5.8)
Top 14 Law School			-135.4			-11.6***			-16.5***
			(5286.2)			(3.0)			(2.3)
Office FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Graduation year FE	No	No	Yes	No	No	Yes	No	No	Yes
R2	0.032	0.040	0.205	0.032	0.040	0.271	0.060	0.081	0.234
N	1,043	714	640	1,266	913	805	1,318	943	835
Magnitude (% of SD)	-14.84	-16.27	-18.98						
Magnitude (% of Mean)				32.87	37.52	41.90	32.67	43.99	37.54

Panel B: Exit Timing			
Outcome:		$\mathrm{I}(Exit)$	
	(1)	(2)	(3)
Private-Public Pay Gap (%, Rep. response)	0.99**	1.08*	2.18***
	(0.43)	(0.61)	(0.65)
Democratic x Private-Public Pay Gap (%)	-0.92**	-1.16**	-1.16**
	(0.45)	(0.55)	(0.55)
Democratic	-1.32***	-1.45***	-1.33***
	(0.41)	(0.48)	(0.49)
Male	1.00***	1.02***	1.02***
	(0.29)	(0.35)	(0.35)
Immigrant		2.71	2.93
		(1.90)	(1.87)
Local Origin		-0.91*	-0.78
		(0.52)	(0.54)
Controls x Private-Public Pay Gap (%)	No	Yes	Yes
Year FE	Yes	No	No
Office x Year FE	No	Yes	No
Office x Rank x Year FE	No	No	Yes
R2	0.011	0.027	0.063
N	28,766	21,694	21,694
Effect on Democrats	0.06	-0.08	1.02
P-value of effect on Democrats	0.78	0.83	0.01

Panel C: Destination Choice Timing			
Outcome:		$\mathrm{I}(NonProfit)$	
	(1)	(2)	(3)
Private-Public Pay Gap (%, Rep. response)	-8.21***	-10.19***	-8.83***
	(2.31)	(2.61)	(2.93)
Democratic x Private-Public Pay Gap (%)	5.61**	6.73***	6.76***
	(2.21)	(2.50)	(2.55)
Democratic	1.71	1.80	1.81
	(2.68)	(2.95)	(3.04)
Male	-4.46*	-4.30	-4.86*
	(2.55)	(2.80)	(2.81)
Log(Tenure)			3.73*
			(2.11)
Top 14 Law School			1.83
			(2.87)
Immigrant			-11.74*
			(6.89)
Year FE	Yes	No	No
Office x Year FE	No	Yes	Yes
R2	0.037	0.115	0.126
N	1,013	1,013	992
Effect on Democrats	-2.61	-3.46	-2.07
P-value of effect on Democrats	0.15	0.10	0.39

Table 8: Political Affiliation and Career Achievement

This table examines the relationship between political leaning and career achievement at the SEC. We report estimates from ordinary least squares (OLS) models. In columns 1 and 2, the dependent variable equals 100 if an attorney achieved entry-level managerial status during their SEC career and zero otherwise. In columns 3 and 4, the dependent variable equals 100 if an attorney achieved executive status during their SEC career and zero otherwise. The key independent variable is Democratic, an indicator equal to one if an attorney is a registered Democratic voter or donor and zero otherwise. The sample excludes attorneys whose political affiliation is neither Democratic nor Republican. Male is an indicator equal to one if the attorney is male; Top 14 is an indicator for an elite law school; Near DC Origin is an indicator equal to one if the attorney's home state is in Washington, D.C., Maryland, or Virginia; and Regional Office is an indicator equal to one if the attorney has ever worked at an SEC regional office. Magnitude (% of Mean) measures the effect of Democratic relative to the sample mean of the dependent variable. Standard errors, clustered at the attorney level, are reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

	$\mathrm{I}(Manager)$		$\mathrm{I}(Executive)$	
	(1)	(2)	(3)	(4)
Democratic	4.26**	3.73*	3.48**	3.06*
	(1.88)	(2.02)	(1.67)	(1.80)
Male	2.79*	1.15	1.90	1.42
	(1.51)	(1.63)	(1.35)	(1.45)
Top 14 Law School		6.22***		7.82***
		(1.67)		(1.55)
Near DC Origin		0.95		-0.08
		(2.70)		(2.41)
Regional Office		-0.21		1.66
		(1.66)		(1.51)
SEC Cohort FE	Yes	Yes	Yes	Yes
R2	0.150	0.162	0.094	0.112
N	3,395	2,923	3,395	2,923
Magnitude (% of Mean)	15.59	15.12	16.97	15.44

Table 9: Party Leaning and Commissioner Votes

This table examines the relationship between the political composition of a rulemaking team and the likelihood that the SEC commissioner dissents, that is, votes against the rule proposal. The unit of observation is the commissioner–document–rule level. The dependent variable equals 100 if a commissioner casts a dissenting vote and zero otherwise. *%Democratic* is the fraction of rulemakers working on the document who are registered Democrats. *Rep. Comm* is an indicator equal to one if the commissioner is affiliated with the Republican Party. The key independent variable is the interaction term between *%Democratic* and *Rep. Comm*, capturing the political misalignment between commissioners and career SEC attorneys. *Same Party as Chair* is an indicator equal to one if the commissioner has the same party affiliation as the Chair. *#Agencies* is the number of agencies associated with the rule, and *#Rules* is the number of rules associated with the document. *Interim Rule* indicates that the document is an interim rule; *Amendment* indicates that the document amends an existing rule; *Interpretation* indicates that the document is an interpretation of a rule; and *Request Comment* indicates that the document requests public comment on a rule. *%Attorney* is the fraction of rulemakers who are attorneys. *Log(Avg Tenure)* is the natural logarithm of the average tenure of the rulemaking team. *%Manager* is the fraction of team members holding a managerial rank. %Male is the fraction of team members who are male. *Top 14 Law School* is the fraction of team members who graduated from a Top 14 law school. *Comm Age > 59* is an indicator equal to one if the commissioner is at least 60 years old. *Comm Male* indicates that the commissioner is male. *Comm Ivy* is an indicator equal to one if the commissioner earned a bachelor's degree from an Ivy League institution, and *Comm T14* is an indicator equal to one if the commissioner graduated from a Top 14 law school. Magnitude (% of Mean) measures the effect of %Democratic relative to the sample mean of the dependent variable. Standard errors, clustered at the commissioner level, are reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Outcome:				**Dissenting vote**				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
%Democratic	-0.31	-0.18	-0.26	-0.05	-0.92	-1.72	-1.84	
	(0.37)	(0.49)	(0.53)	(0.49)	(0.74)	(1.22)	(2.04)	
%Democratic x Rep. Comm	1.31**	1.40**	1.41**	1.33*	1.60*	2.16**	2.69**	1.97**
	(0.62)	(0.66)	(0.67)	(0.68)	(0.79)	(1.01)	(1.07)	(0.76)
Same Party as Chair	-19.77***	-20.53***	-20.67***	-20.67***	-19.84***	-19.87***	-20.90***	-21.81***
	(6.74)	(5.57)	(5.52)	(5.52)	(5.13)	(5.18)	(5.63)	(6.34)
#Agencies			-8.91***	-6.83**	-6.05*	-6.31*		
			(3.04)	(3.19)	(3.26)	(3.27)		
#Rules			-1.37	-0.57	0.17	0.23	0.15	
			(1.29)	(1.31)	(1.40)	(1.38)	(2.18)	
Interim Rule			-3.85**	-4.06**	-1.23	-1.21	8.03	
			(1.77)	(1.95)	(1.40)	(1.40)	(4.72)	
Amendment			-5.32***	-5.83***	-8.41***	-8.45***	-4.98	
			(1.80)	(1.88)	(2.19)	(2.13)	(8.16)	
Interpretation			-3.72**	-4.51**	-4.88**	-4.50*	-20.28**	
			(1.70)	(1.86)	(2.27)	(2.43)	(9.06)	
Request comment			-3.78*	-4.13*	-4.98**	-5.02**	-9.25	
			(1.89)	(2.08)	(2.38)	(2.36)	(5.62)	
%Attorney				0.43	-6.54	-6.54	-26.82	
				(1.91)	(4.43)	(4.44)	(25.83)	
Log(Avg. Tenure)				0.09	-0.40	-0.34	-4.48	
				(1.32)	(1.62)	(1.62)	(2.98)	
%Manager				-4.63*	-3.28	-3.29	2.08	
				(2.45)	(2.41)	(2.45)	(5.88)	
%Male					-1.13	-1.07	2.08	
					(2.15)	(2.12)	(5.19)	
%Top14					-2.93**	-2.81**	-4.76	
					(1.27)	(1.20)	(3.52)	
%Democratic x Comm Age>59						1.93	-1.18	-1.89*
						(1.72)	(1.42)	(0.96)
%Democratic x Comm Male						-0.19	-0.28	-0.13
						(0.74)	(0.82)	(0.37)
%Democratic x Comm Ivy						0.17	2.40**	1.28**
						(0.79)	(1.07)	(0.54)
%Democratic x Comm T14						0.58	0.76	0.21
						(0.70)	(0.76)	(0.50)
Commissioner FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	No	Yes	Yes	Yes	Yes	Yes	Yes	No
Rule FE	No	No	No	No	No	No	Yes	No
Document FE	No	No	No	No	No	No	No	Yes
R2	0.217	0.235	0.243	0.245	0.244	0.245	0.431	0.479
N	2,507	2,507	2,507	2,507	2,228	2,228	2,228	2,507
Magnitude (% of Mean)	20.55	21.92	22.03	20.88	25.05	33.87	42.08	30.86

Table 10: Political Alignment and Enforcement Activity

This table examines the relationship between political alignment and enforcement activity. Columns 1–3 report results where the dependent variable is the number of enforcement cases filed by an attorney in a given year. Columns 4–6 use a dependent variable equal to 100 if an attorney filed at least one enforcement case in year t and zero otherwise. Columns 7–9 use the number of enforcement cases involving criminal charges as the dependent variable. Columns 10–12 use a dependent variable equal to 100 if an attorney served as the lead attorney for at least one enforcement case in a given year and zero otherwise. The key independent variable is *Same Party as President*, an indicator equal to one if an attorney's political affiliation matches that of the sitting President and zero otherwise. The sample excludes attorneys whose political affiliation is neither Democratic nor Republican. *Male* is an indicator equal to one if the attorney is male; *Log(Tenure)* is the natural logarithm of the number of years the attorney has worked at the SEC; *Top 14 Law School* is an indicator equal to one if the attorney graduated from a Top 14 law school; and *Rulemaker* is an indicator equal to one if the attorney has participated in SEC rulemaking. Magnitude (% of Mean) measures the effect of Same Party as POTUS relative to the sample mean of the dependent variable. Standard errors, clustered at the attorney level, are reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Outcome:	#Enforcements Cases			I(Enforcement Case)			#Criminal Cases			I(Lead)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Same Party as President	0.16***	0.19***	0.16***	4.12**	4.15**	3.46**	0.26***	0.30***	0.27**	1.48	1.34	1.40
	(0.06)	(0.06)	(0.05)	(1.64)	(1.64)	(1.73)	(0.10)	(0.10)	(0.11)	(1.18)	(1.15)	(1.03)
Male	0.23**	0.27***		4.29**	5.47***		0.17	0.19*		2.42*	3.38**	
	(0.09)	(0.08)		(1.81)	(1.75)		(0.11)	(0.11)		(1.37)	(1.36)	
Log(Tenure)	-0.04	-0.03	0.36***	-3.69***	-4.15***	8.10***	-0.05	-0.04	0.50***	-0.23	0.24	3.67***
	(0.06)	(0.06)	(0.08)	(1.34)	(1.37)	(2.40)	(0.08)	(0.08)	(0.13)	(1.08)	(1.08)	(1.34)
Rulemaker	-0.90***	-0.86***		-18.53***	-16.76***		-1.26***	-1.25***		-6.62***	-6.28***	
	(0.24)	(0.22)		(3.98)	(3.93)		(0.38)	(0.37)		(1.82)	(1.84)	
T14 Law School	0.22**	0.27***		2.04	2.68		0.25**	0.27**		2.79**	3.19**	
	(0.09)	(0.09)		(1.89)	(1.79)		(0.12)	(0.11)		(1.35)	(1.27)	
Rank FE	Yes	No	No	Yes	No	No	Yes	No	No	Yes	No	No
Office x Year FE	Yes	No	No	Yes	No	No	Yes	No	No	Yes	No	No
Office x Year x Rank FE	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes
Attorney FE	No	No	Yes	No	No	Yes	No	No	Yes	No	No	Yes
R2				0.112	0.182	0.383				0.098	0.216	0.481
N	7,345	7,345	7,345	7,345	7,345	7,345	7,345	7,345	7,345	7,345	7,345	7,345
Magnitude (% of Mean)				9.74	9.82	8.20				12.40	11.21	11.71
Model	Poisson			OLS			Poisson			OLS		

Appendix

Table A1: Variable Definition

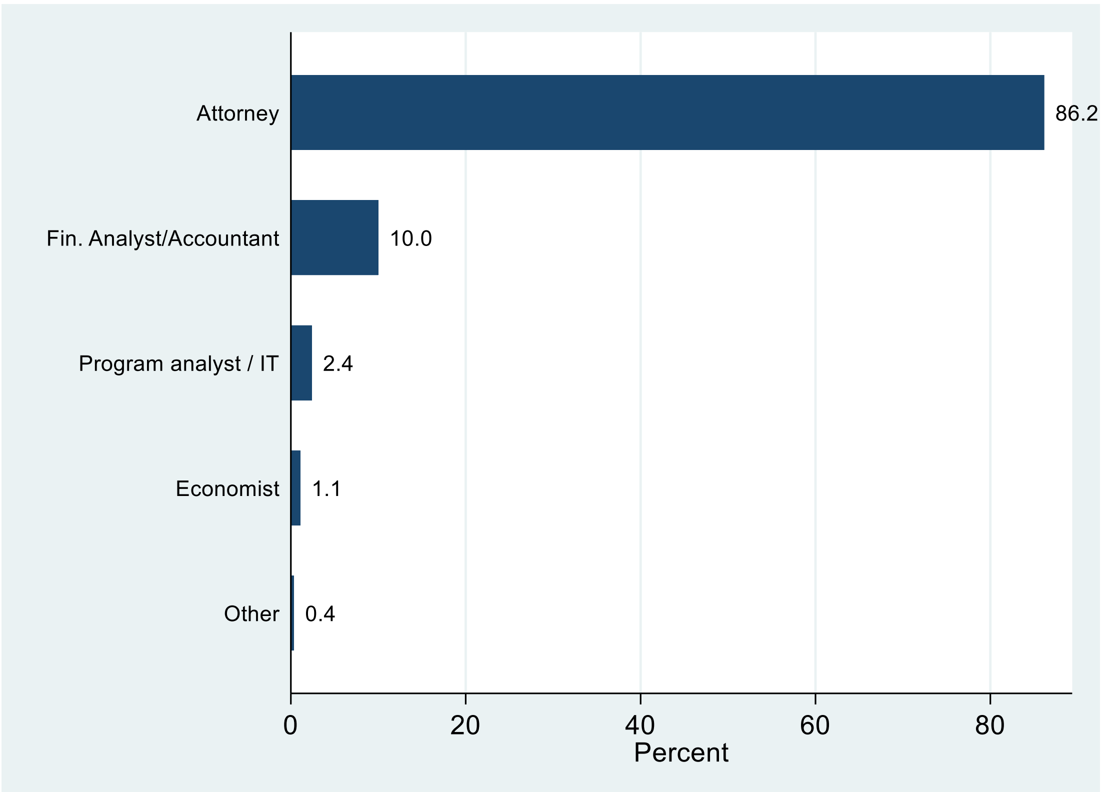
Variable	Definition
Demographics	
Male	Indicator equal to 1 if the attorney is male, and 0 otherwise.
Age	Age in years as of the sample year.
Immigrant	Indicator equal to 1 if the attorney was born outside the United States, and 0 otherwise.
Minority	Indicator equal to 1 if the attorney self-identifies as a racial or ethnic minority, and 0 otherwise.
Education	
Top 14 Law School	Indicator equal to 1 if the attorney obtained a J.D. from a Top 14 law school and 0 otherwise.
LSAT percentile	Percentile rank of the attorney's LSAT score, scaled from 0 to 100.
PhD	Indicator equal to 1 if the attorney holds a doctoral degree (Ph.D.), and 0 otherwise.
MBA	Indicator equal to 1 if the attorney holds a Master of Business Administration degree, and 0 otherwise.
Other Master	Indicator equal to 1 if the attorney holds a master's degree other than an MBA, and 0 otherwise.
Ivy League (Bachelor)	Indicator equal to 1 if the attorney earned a bachelor's degree from an Ivy League institution, and 0 otherwise.
Top 20 (Bachelor)	Indicator equal to 1 if the attorney earned a bachelor's degree from a Top 20 U.S. News-ranked institution, and 0 otherwise.
Professional Career	
SEC Tenure (Years)	Number of years the attorney has worked at the SEC.
Rulemaker	Indicator equal to 1 if the attorney has participated in SEC rulemaking, and 0 otherwise.
Max Rank	Highest rank attained by the attorney at the SEC (14 = GS-14, 15 = GS-15, etc.).
Regional Office Experience	Indicator equal to 1 if the attorney has worked in an SEC regional office, and 0 otherwise.
Only SEC	Indicator equal to 1 if the attorney's entire legal career has been at the SEC, and 0 otherwise.
1st Placement SEC	Indicator equal to 1 if the SEC was the attorney's first job after law school, and 0 otherwise.
1(SEC)	Indicator variable equal to 100 if the attorney joined the SEC in any year post-graduation.
1(Public Service)	Indicator variable equal to 100 if an attorney joined the government or a non-profit organization in any year after graduating from law school and 0 otherwise.
1(non-SEC Public service)	Indicator variable equal to 100 if the attorney joined the a non-SEC public service in any year post-graduation.
1(FinRegulator)	Indicator variable equal to 100 if an attorney joined FINRA or PCAOB after leaving the SEC and 0 otherwise.

1(NonProfit)	Indicator variable equal to 100 if an attorney joined a non-profit organization after leaving the SEC and 0 otherwise.
1(Manager)	Indicator for whether an SEC attorney obtained entry level managerial status during her career
1(Executive)	Indicator for whether an SEC attorney obtained executive status during her career
1(Fresh Graduate)	Indicator for whether an SEC attorney joined the SEC right after law school
1(Law Clerk)	Indicator for whether an SEC attorney joined the SEC as a law clerk/para-legal
#Enforcement cases	Number of enforcement cases an attorney filed during the calendar year
1(Enforcement Case)	Indicator for filing at least one enforcement case in a given year
#Criminal Cases	Number of enforcement cases involving criminal charges during the calendar year
1(Lead)	Indicator for being a lead attorney in an enforcement case
Private-Public Pay Gap (%)	The private sector to SEC pay gap in percentage
Private Sector – SEC Pay	The private sector to SEC pay gap in dollars
Financial Attributes	
Median Salary ($000s)	Median annual salary (in thousands of dollars) across the attorney's SEC career.
Avg Bonus ($000s)	Average annual bonus (in thousands of dollars) across the attorney's SEC career.
% Years with Bonus	Percentage of the attorney's SEC career years in which a bonus was received.
Homeowner	Indicator equal to 1 if the attorney currently owns a home, and 0 otherwise.
# Properties currently owned	Number of real estate properties currently owned by the attorney.
Primary home purchase price ($000s)	Purchase price of the attorney's primary residence while at the SEC, in thousands of dollars.
Mkt value RE assets ($000s)	Estimated current market value of all real estate assets owned, in thousands of dollars.
Political Attributes	
Registered Voter	Indicator equal to 1 if the attorney is registered to vote, and 0 otherwise.
Donor	Indicator equal to 1 if the attorney has made any political contributions, and 0 otherwise.
$ Total Contributions ($000s)	Total political contributions (in thousands of dollars) over the attorney's lifetime.
# Total Contributions	Total number of political contributions over the attorney's lifetime.
$ Contributed at SEC ($000s)	Total political contributions (in thousands of dollars) made while employed at the SEC.
# Contributed at SEC	Total number of political contributions made while employed at the SEC.

% Donated to Democrat ($)	Percentage of total contributions (by dollar amount) made to Democratic candidates or committees.
% Donated to Republican ($)	Percentage of total contributions (by dollar amount) made to Republican candidates or committees.
Democratic Voter	Indicator equal to 1 if the attorney is registered as a Democrat, and 0 otherwise.
Republican Voter	Indicator equal to 1 if the attorney is registered as a Republican, and 0 otherwise.
Inde/Other/Switcher Voter	Indicator equal to 1 if the attorney is registered as an independent, with another party, or has switched affiliation, and 0 otherwise.
Same Party as POTUS	Indicator equal to 1 if an attorney's political affiliation matches that of the sitting President, and 0 otherwise.
Commissioner-Level Attributes	
%Democratic	Fraction of rulemakers working on a document who are registered Democrats.
Rep. Comm	Indicator equal to 1 if the commissioner is affiliated with the Republican Party, and 0 otherwise.
Same Party as Chair	Indicator equal to 1 if the commissioner's political affiliation matches that of the sitting SEC Chair, and 0 otherwise.
Comm Age > 59	Indicator equal to 1 if the commissioner is at least 60 years old, and 0 otherwise.
Comm Male	Indicator equal to 1 if the commissioner is male, and 0 otherwise.
Comm Ivy	Indicator equal to 1 if the commissioner earned a bachelor's degree from an Ivy League institution, and 0 otherwise.
Comm T14	Indicator equal to 1 if the commissioner graduated from a Top 14 law school, and 0 otherwise.
Rulemaking level characteristics	
#Agencies	Number of agencies associated with the rule.
#Rules	Number of rules associated with a document.
Interim Rule	Indicator equal to 1 if the document is an interim rule, and 0 otherwise.
Amendment	Indicator equal to 1 if the document amends an existing rule, and 0 otherwise.
Interpretation	Indicator equal to 1 if the document is an interpretation of a rule, and 0 otherwise.
Request Comment	Indicator equal to 1 if the document requests public comment on a rule, and 0 otherwise.
%Attorney	Fraction of rulemakers who are attorneys.
Log(Avg Tenure)	Log of the average tenure (in years) of the rulemaking team.
%Manager	Fraction of rulemaking team members with managerial rank.
%Male	Fraction of rulemaking team members who are male.
%Top 14 Law School (Team)	Fraction of rulemaking team members who graduated from a Top 14 law school.

Figure A1: Distribution of Occupations among SEC Rulemakers

This figure shows the distribution of occupations among SEC rulemakers, based on the first recorded year of their SEC employment.



Internet Appendix for "The Deep State and the Liberal Drift of Financial Regulators"

IA1. Political affiliation

This section describes in detail how we match SEC attorneys to voter registration and political donation records.

IA1.1 Voter registration data

Our primary source of voter registration information is LexisNexis, a leading aggregator of public records. LexisNexis collects data on voter registration, residential addresses, contact details, employment history, professional licenses, property ownership, and related variables. We begin by manually searching for 4,754 SEC attorneys using first and last names and states of residence. To account for commuting across state borders, we search not only in the state of employment but also in adjacent states (e.g., SEC employees working in Washington, DC often reside in Virginia or Maryland).

We identify the relevant LexisNexis profile by confirming SEC employment history, SEC email addresses, or other professional identifiers. When LexisNexis employment information is incomplete, we supplement the search with external sources such as resumes, LinkedIn profiles, or law firm biographies. We further verify consistency between age and employment timelines. To ensure accuracy, we cross-check professional licenses, prior employers, and educational histories. Once a profile is confirmed, we record the individual's unique LexID, which allows us to track name changes and maintain consistent identification across records. This process yields LexIDs for 4,457 attorneys (93.8% of the original sample). For each identified attorney, we download and parse the LexisNexis record using a Python script, extracting residential address information necessary for matching to political affiliation data.

Because LexisNexis voter registration data is incomplete, particularly in states where many SEC employees reside, such as Maryland and Virginia, we obtain additional voter files directly from states through FOIA requests and data purchases. In states where party affiliation is not explicitly recorded (e.g., Virginia), we infer it from primary election participation. We match SEC employees to voter registration records using first and last names, age, and residential address. For each state, we extract all individuals with the same first and last name as SEC employees who have lived in that state. We then compare addresses in voter files with those obtained from LexisNexis. To facilitate this step, we use the ChatGPT API to assess address similarity. Recognizing that automated matching can generate errors, we implement targeted manual reviews. Specifically, to minimize false negatives, we manually inspect cases where the first two characters of the address match but ChatGPT classifies them as non-matches. Conversely, to minimize false positives, we review cases where the first two characters differ but ChatGPT classifies them as matches.

IA1.2 Voter registration data

We use the Database on Ideology, Money in Politics, and Elections (DIME), which contains records of over 850 million contributions by individuals and organizations to federal, state, and local elections between 1979. For each SEC employee, we extract individuals with the same name and an address in any state where the employee has resided. We manually inspect each address to confirm correct matches. Because addresses are sometimes missing, we also leverage employer information reported in DIME. We extract all donations associated with employers containing the string "SEC" and manually inspect them to identify 219 variations of the Securities and Exchange Commission (e.g., SEC & Exchange Comm). We then retain only records where the donor's name matches an SEC employee in our sample.

Each donation is classified as Democratic, Republican, or Independent based on the political affiliation of the recipient. In 1,617 recipient–election cycle observations, political affiliation is missing because the recipient is a PAC, the donation supports a judicial election, or candidate information is incomplete. For PACs, we search donation records in OpenSecrets (or relevant state-level disclosures). A PAC is classified as Democratic (Republican) if, in a given cycle, at least 60% of its donations support Democratic (Republican) candidates; otherwise, it is classified as Independent. For judicial elections and incomplete data, we manually identify candidate affiliation using public sources.

We aggregate donation records to the attorney level. An SEC attorney is classified as Democratic (Republican) if at least 60% of their contributions (by inflation-adjusted dollar amount) between 1979 and 2024 support Democratic (Republican) candidates. All other employees are classified as Independent.

IA2. Law School Information

This section details how we compile law school data for SEC attorneys

Revelio Labs data

Our primary dataset is from Revelio Labs, a workforce intelligence firm that collects résumé data from LinkedIn profiles. Revelio provides names, employment histories, education backgrounds, and geographic locations, and is particularly suitable for our study given its strong coverage of white-collar occupations (Li, Lourie, Nekrasov, and Shevlin, 2021).

Step 1: Direct LinkedIn URL matches.

As part of our LexisNexis matching process, we collected 1,724 LinkedIn URLs. Using these URLs, we directly match 1,678 SEC attorneys to Revelio profiles.

Step 2: Name–employer matches.

For employees without LinkedIn URLs, we match by name and employer. We begin by extracting all Revelio profiles that list SEC employment, accounting for variations in employer naming conventions (e.g., Securities and Exchange Commission, SEC & Exchange Comm). We then require an exact match on last name and first initial. If there is also an exact match on first name, we code the observation as a successful match. For cases without an exact first-name match, we manually inspect each profile to account for nicknames (e.g., Jim vs. James, Robert vs. Bob) and use SEC employment dates to verify accuracy.

Step 3: Google-assisted LinkedIn searches.

For the remaining unmatched employees, we conduct targeted Google searches to identify additional LinkedIn URLs. This procedure yields 160 new URLs, of which 138 correspond to Revelio profiles.

Step 4: Resolving multiple profiles.

To address cases in which an individual has multiple LinkedIn profiles or multiple SEC employees share the same name, we inspect 279 instances manually. We select the correct match based on SEC tenure and corroborating education or work history from external sources (e.g., Martindale, law firm biographies).

Across these steps, we identify Revelio profiles for 3,204 SEC attorneys, of which 2,992 have law school information.

Avvo data

To further increase coverage, we supplement with data from Avvo, an online legal directory containing detailed profiles for U.S. attorneys. Avvo records include current work address, practice areas, years licensed, law school attended, and (less frequently) employment history. Our scraping of Avvo by state and practice area yields 648,818 unique profiles, of which 88.5% report education information and 22.5% include work history.

We match Avvo profiles to SEC employees in two steps. First, we require an exact match on last name, first initial, and state, followed by manual inspection of each potential match, mirroring our Revelio procedure. Second, when collecting LinkedIn URLs for unmatched individuals, we also record available Avvo profiles and link them directly. These steps yield 1,039 successful Avvo matches, 302 of which are not captured by Revelio.

Manual collection

For employees without Revelio or Avvo profiles, we manually collect education information using Google searches, drawing from SEC press releases, state bar websites, law firm biographies, obituaries, and other professional directories. For employees with a LinkedIn URL not included in Revelio, we also manually extract education information from their profiles. These procedures add education data for 490 additional SEC attorneys.

Our final coverage rate for law school attendance is 85%. Since school names are often spelled differently across sources, we harmonize them by mapping all names to Revelio's standardized school identifiers. Specifically, we fuzzy match school names from Avvo and other sources to Revelio's school list and assign the corresponding Revelio school ID.