



How Much is Majority Status in the U.S. Congress Worth?

Gary W. Cox; Eric Magar

The American Political Science Review, Vol. 93, No. 2 (Jun., 1999), 299-309.

Stable URL:

<http://links.jstor.org/sici?sici=0003-0554%28199906%2993%3A2%3C299%3AHMIMSI%3E2.0.CO%3B2-2>

The American Political Science Review is currently published by American Political Science Association.

Your use of the JSTOR archive indicates your acceptance of JSTOR's Terms and Conditions of Use, available at <http://www.jstor.org/about/terms.html>. JSTOR's Terms and Conditions of Use provides, in part, that unless you have obtained prior permission, you may not download an entire issue of a journal or multiple copies of articles, and you may use content in the JSTOR archive only for your personal, non-commercial use.

Please contact the publisher regarding any further use of this work. Publisher contact information may be obtained at <http://www.jstor.org/journals/apsa.html>.

Each copy of any part of a JSTOR transmission must contain the same copyright notice that appears on the screen or printed page of such transmission.

For more information on JSTOR contact jstor-info@umich.edu.

©2003 JSTOR

How Much Is Majority Status in the U.S. Congress Worth?

GARY W. COX and ERIC MAGAR *University of California, San Diego*

A key premise of partisan theories of congressional organization is that majority status confers substantial procedural advantages. In this article, we take advantage of changes in party control of the House and Senate, such as that following the Republicans' historic victory in the midterm elections of 1994, to assess the value of majority status in terms of contributions from access-seeking political action committees (PACs). We estimate that majority status in the House was worth about \$36,000 per member in receipts from corporate and trade PACs circa 1994—even controlling for the usual factors cited in the literature as affecting members' ability to raise money (such as committee assignments and voting record). The value of majority status in the Senate is even larger in absolute terms, although smaller in proportion to the total amount of money raised. Our results show that majority status is a valuable asset, one worth considerable collective effort to attain.

We assess the value of majority status in the U.S. House and Senate by looking at how political action committees (PACs) reallocate their contributions when the identity of the majority party changes, as it did in both chambers after the Republican triumph in the 1994 midterm elections. Our results show clearly that corporate and trade PACs give substantially more on average to members of the majority party, other factors (such as member ideology, party affiliation, and committee assignments) held constant. In addition to contributing to the literature on PAC strategy, our results also illuminate long-standing debates over congressional organization.

Partisan theories of congressional organization argue that the majority party has substantial procedural advantages that it uses to further its collective electoral reputation (Aldrich and Rohde 1998; Cox and McCubbins 1993). But prominent works have long stressed that members of Congress are independent political entrepreneurs whose electoral fates are little affected by their party's actions; and Mayhew's (1974) classic study is far from alone in arguing that many features of congressional organization are designed to benefit all members' reelection chances, not just those of the majority party. Indeed, some have articulated the view that House procedures either give no advantage to the majority or give it only a policy-irrelevant advantage, one that does not allow it to secure policies much different from those that would be adopted under neutral rules (Krehbiel 1991, 1993, 1998; see also Schickler and Rich 1997a, 1997b). Similar views are even more prevalent when it comes to the Senate, where few argue that the majority party extracts much benefit from the rules. This article offers a new way to measure the value of the procedural advantages enjoyed by the majority, namely, the allocation of money by access-seeking PACs.

To explain our approach, consider the House first. If two representatives of equal seniority and comparable committee assignments but of different parties differ in

the amount of money they receive from corporate and trade PACs, there are various possible explanations. One is that their ideologies differ, and business PACs prefer more conservative members. Another is that their constituencies differ, with one disapproving of contributions from business PACs (and the activities in which such PACs ask the member to engage), another approving. A third is that majority party members have greater clout or institutional capital, committee assignments and seniority held constant, and that PACs seeking favors give more money to members who can better get things done. These various possible explanations are hard to disentangle when majority status does not change, but when the Democrats lose and the Republicans gain control, analysis can distinguish between the various hypotheses. Over a two- or four-year period, a representative's ideology and constituency do not usually change; thus, if there is a change in the allocation of money between the parties from a given source, then the only plausible explanation lies in the value of majority status.

It is well known that there was a large aggregate change in the allocation of money by corporate PACs after 1994. As early as November 1995 a *U.S. News & World Report* analysis of figures from the Federal Elections Commission (FEC) showed roughly a two-to-one Democratic advantage in the 1993–94 election cycle, compared to roughly a two-to-one Republican advantage in the 1995–96 election cycle (Roberts 1995). But the Republicans gained a large number of seats in 1994 (52, the largest for either party since 1948). Thus, part or all of the Republican increase in aggregate contributions may simply have been due to fielding more incumbents in 1995–96 than in 1993–94. In order to control for the number of incumbents (and other factors), we analyze contributions to individual members of Congress. This allows us to investigate whether the Democrats' loss of majority status carried with it a loss of funds on a per-member basis and, if so, to estimate the size of that loss.

Our analytical strategy for the Senate is similar, with two primary differences. We can take advantage of three changes in party control (in 1980, 1986, and 1994), not just one, and we face the usual difficulty in dealing with the Senate: Staggered elections and six-

Gary W. Cox is Professor of Political Science and Eric Magar is a Ph.D. candidate, Department of Political Science, University of California, San Diego, La Jolla, CA 92093-0521.

The authors thank Chris DenHartog for his research assistance.

year terms mean that there are far fewer observations per electoral cycle than in the House.

The rest of the article proceeds as follows. The first section reviews the standard cross-sectional model of campaign contributions in the literature. The second section provides results for the House, showing a large reallocation of money away from Democrats and toward Republicans after 1994. The third section looks at the Senate and also reveals that majority status carries with it a substantial boost in contributions. The fourth section concludes.

MODELING CAMPAIGN CONTRIBUTIONS

A persuasive theoretical explanation of PAC contributions is laid out in Denzau and Munger (1986) and Grier and Munger (1991, 1993). Their model considers the market for legislative services, that is, PACs contribute money to members of Congress in return for various legislative favors. To provide the favors, members must expend time and effort. Moreover, potential opponents may observe the sort of favors being done (e.g., amendments offered in committee), or the contributions received from particular PACs (from FEC records), and publicize these facts, if that seems electorally advantageous. The model looks at the supply side of the market for legislative services and builds on two key premises. First, legislators face a hard budget constraint in terms of how much time they (and their staff) have per day to devote to legislative activities. Second, legislators are, as is typical in the rational choice literature on Congress, "single-minded seekers of reelection" (Mayhew 1974). The central question is: How do reelection-oriented members allocate their scarce time?¹

The answer that Denzau, Munger, and Grier advance deals only briefly with interest groups' demand for legislative favors. It is simply assumed that such groups pursue their economic interests and purchase favors from the lowest-cost providers.² Three key factors are identified that affect how costly it is for particular legislators to provide services to particular groups: institutional capital, electoral constraints, and electoral marginality. We shall consider each in turn.

Institutional capital refers to a member's portfolio of committee assignments and seniority. The model assumes that members on a committee whose jurisdiction is relevant to the interests of a particular PAC will be able to provide favors to that PAC at a lower cost in terms of time and effort. Similarly, the model also assumes that more senior members have more institutional capital (e.g., subcommittee chairs) and hence are more productive than more junior members.

Electoral constraints refer to constituent preferences. The idea is that members whose constituents' interests do not conflict with those of particular PACs

can supply services to those PACs at lower cost. For example, a legislator whose core constituents are environmentalists would probably find it electorally more risky to take money from business groups widely perceived as antienvironmental than would a legislator whose core constituents include businesses from a polluting industry.

Finally, electoral marginality (how close the next electoral contest is anticipated to be) drives up legislators' demand for campaign funds and thus lowers the price per favor they charge.

To test the model, Grier and Munger (1991) run a series of four tobit regressions in which the dependent variables are the total contributions received by legislator j from four sources: corporate PACs, trade association PACs, labor union PACs, and cooperative PACs. Their findings by and large support the model's predictions,³ but two caveats are worth registering.

First, Grier and Munger (1993) note that Democrats get less from corporate PACs than do Republicans, that Republicans get less from labor PACs than do Democrats, and that the difference is substantially larger (by about 180%) in the latter case. They argue (p. 628) that the reason for this pattern is that corporations "give to House Republicans an amount equal to the value of the ideological label *minus* the decrement from membership in the party that is not the majority," whereas labor PACs give Democrats an amount equal to the value of the ideological label *plus* an increment due to their majority status. Thus, Grier and Munger entertain the hypothesis that party affiliation does not simply indicate the nature of a member's core constituency (as in their earlier work) but also may indicate institutional power. Taking their explanation at face value and assuming that corporations value Republican ideology over Democratic ideology precisely as much as labor unions value Democratic ideology over Republican ideology, one can compute an estimate of the value of majority status from their figures: \$8,750.⁴

A second caveat concerns methods. Romer and Snyder (1994) note several advantages of taking an explicitly cross-temporal perspective—studying changes over time in contributions to a given member—rather than the cross-sectional approach pursued by most of the literature. For our purposes, the most important of these advantages is that it helps solve the thorny problem of measuring the preferences of core constituents. Assuming that these preferences typically remain constant over a four-year period, changes in contributions to a member

¹ For a similar approach stressing that legislators are selling services and effort, rather than votes, when they accept PAC money, see Hall 1996; Hall and Wayman 1990.

² The demand side of the market for favors is considered in Grier, Munger, and Roberts 1994.

³ We should note that Grier and Munger were not the first to run tobit regressions of the sort described (see, e.g., Poole and Romer 1985; Stratmann 1992).

⁴ Let I stand for how much more valuable Democratic ideology is than Republican ideology to labor PACs and M stand for the value of majority rather than minority status. The observed difference in PAC contributions to Republicans and Democrats can be written as follows: \$11,000 more to Republicans from corporate PACs = $I - M$; \$28,500 more to Democrats from labor PACs = $I + M$. Solving these equations yields the estimate of M given in the text. Of course, there is no particular reason to believe that corporate and labor PACs have exactly equal and opposite ideological preferences as between the two parties, so this estimate is very crude.

will not be caused by changes in constituent preferences. More generally, any time-invariant factor that affects contribution levels can be controlled by studying changes rather than levels.⁵

MAJORITY STATUS IN THE HOUSE

Other things equal, *any* institutional capital that a member possesses should allow that member to supply favors at a lower cost and thus raise a larger total of PAC contributions. The literature has focused almost exclusively on two particular sorts of institutional capital: committee assignments and seniority. We would add majority status to the list.

Members of the majority party are better able to get things done in committee because the chairperson holding much of the staff and agenda power in committee is a copartisan more likely to facilitate their plans than otherwise similar plans of minority members.⁶ Similarly, members of the majority party are better able to get things done on the floor because the Speaker largely controls the agenda and is more likely to facilitate their plans than those of minority members. Committee assignments and seniority held constant, members of the majority party can thus perform services for PACs more speedily and more reliably than can members of the minority. In some cases, the majority advantages may be so substantial that majority members are really providing different services—express facilitation rather than ordinary facilitation—and resemble monopoly suppliers.

If members of the majority party offer more speedy and reliable services to PACs on average, then we should find that they receive larger contributions, other things equal. In this section, we estimate the value of majority status in the U.S. House.

We take the increase in a legislator's receipts from the 103d to the 104th Congress as the dependent variable and pursue an analytical strategy similar to that employed by Romer and Snyder (1994), Levitt (1994), and Milyo (1997). To explain the technique, let C_{it} be the total contributions to member i from a given category of PACs (such as corporate, trade, or labor) in the election cycle ending in year t . Start with two cross-sectional equations, one for 1994 ($t = 1$) and one for 1996 ($t = 2$):⁷

$$C_{i1} = \alpha_1 + \beta Maj_{i1} + \gamma Rep_{i1} + \lambda Z_{i1} + \theta X_i + \varepsilon_{i1}; \quad (1)$$

⁵ As Romer and Snyder note (1994, 748), "if there are unmeasured or poorly measured factors that affect the value of different PAC-candidate matches and are also correlated with included variables, then cross-sectional regressions will produce biased estimates. However, if these factors are relatively fixed over time, then regressions involving differences will not be biased."

⁶ On the staff and agenda advantages of the majority in committee, see Cox and McCubbins (1993) and Hall (1996). Grenzke's (1988, 90) interviews with PAC officials reveal their view that "members of the majority party are more influential than minority members of similar rank in the same committee."

⁷ We thank an anonymous APSR referee for suggesting the following exposition.

$$C_{i2} = \alpha_2 + \beta Maj_{i2} + \gamma Rep_{i2} + \lambda Z_{i2} + \theta X_i + \varepsilon_{i2}. \quad (2)$$

Here, Maj_{it} is 1 if member i 's party is in the majority in the election cycle ending in year t , 0 otherwise; Rep_{it} is 1 if member i runs as a Republican in the election cycle ending in year t , 0 otherwise; Z_{it} is a vector of observed time-varying covariates (such as committee assignments or voting records); and X_i is a vector of member-specific time-invariant covariates. Note that we assume the coefficients β , γ , λ , and θ —reflecting the effect of Maj_{it} , Rep_{it} , Z_{it} , and X_i , respectively—are constant across the two-year interval separating House elections. Subtracting the first equation from the second, we have:

$$C_{i2} - C_{i1} = (\alpha_2 - \alpha_1) + \beta(Maj_{i2} - Maj_{i1}) + \gamma(Rep_{i2} - Rep_{i1}) + \lambda(Z_{i2} - Z_{i1}) + (\varepsilon_{i2} - \varepsilon_{i1}). \quad (3)$$

Because the member-specific time-invariant factors (X_i) drop out, the danger of omitted variable bias in estimating equation 3 is much less than in estimating the cross-sectional equations. Moreover, the coefficient β on the *Change in Majority Status* variable, $\Delta Maj_{i2} = Maj_{i2} - Maj_{i1}$, is the same as that in the original cross-sectional equations, as is the coefficient γ on the *Change in Party Status* variable, $\Delta Rep_{i2} = Rep_{i2} - Rep_{i1}$. Thus, $\hat{\beta}$ (the estimated coefficient) can be taken as an estimate of the value of majority status, party held constant, and $\hat{\gamma}$ can be taken as an estimate of the value of being Republican, majority status held constant. From the mid-1950s until 1994, ΔMaj was constant (zero) for all members, as was ΔRep (with a few exceptions). It has thus not been possible to identify business PACs' valuation of party and majority status separately. With the change of majority status in 1994, accompanied by a handful of party switches, it becomes possible to identify and estimate these separate effects.

Obviously, in estimating equation 3 we must confine attention to those who served in both congresses. Because previous analyses have shown that corporate and trade PAC patterns of giving are largely similar, and because we have no reason to expect their valuation of majority status to differ, we combine corporate and trade contributions into a single "business PAC" category. *Change in Business PAC Contributions* will be our primary dependent variable (with a brief discussion of how labor PAC giving differs).

In explaining (changes in) business PAC contributions, we use the following independent variables as controls⁸: *Change in Lagged Electoral Safety*, a measure of how much safer the member was in 1996 than 1994; *Change in Voting Record*, a measure of how much more conservative the member's voting record was in the 104th Congress than in the 103d; *Change in Prestige*

⁸ We define our operational variables, giving their means and standard deviations, along with sources, in the Appendix. A file containing the data we used in the analysis (in Stata format), along with a codebook and a file containing the Stata 5.0 commands we used, is available on the World Wide Web at <http://weber.ucsd.edu/~gcax>.

Committee Status, a variable indicating members who joined (+1), left (−1), or neither joined nor left (0) a prestige committee between the 103d and 104th congresses; and *Joined Leadership*, a dummy variable identifying members who joined the top leadership of one of the parties. (Each of these variables comes from differencing a variable appearing in the cross-sectional specification. For example, being on a prestige committee is expected to boost contributions from business PACs in any given cross-section; differencing a dummy variable indicating membership on prestige committees leads to the +1/−1/0 coding noted above.) Our expectations are straightforward: Members who became less safe, who joined an exclusive committee, who were elected to a top party leadership post, and whose voting record became more conservative should have received more money from business PACs, other things equal.

To control for the fact that first-term members seem to make special efforts to solidify their position, we also include a dummy variable *Frosh_{it}* identifying first-term (*Freshman*) members in the cross-sectional equation (1 if a first-term, 0 otherwise). Since our sample does not include those serving their first term after the second election (1996), *Change in Freshman Status*, the variable $\Delta Frosh_i = Frosh_{i,1996} - Frosh_{i,1994}$ takes the value 0 for those who were not first-termers in either the 103d or 104th Congress, and −1 for those who were first-termers in the 103d.⁹

The independent variables of primary interest in the analysis are ΔMaj_{it} (+1 for members who gained majority status, such as continuing Republicans; 0 for members who neither gained nor lost majority status, such as turncoat Democrats; −1 for members who lost majority status, such as continuing Democrats) and ΔRep_{it} (+1 for members who switched from the Democratic to the Republican Party, 0 for members who continued in the same party).¹⁰ We expect those gaining majority status to receive more from business PACs, those losing majority status to receive less, other things constant. Similarly, we expect those becoming Republicans to receive more from business PACs, other things equal.

Our results, presented in Table 1, show that electorally less safe members, those on exclusive committees, those voting more conservatively, and first-termers all received more in receipts from business PACs, other things constant. Only the last effect, however, is statistically discernible from zero.

⁹ Another factor routinely cited as important in explaining members' receipts from PACs—their seniority—increases linearly with time: Every member in the sample gains one term of seniority between 1994 and 1996. Thus, the effects of increasing seniority are absorbed in the constant term, except to the extent that seniority is a proxy for gains in “institutional capital” and these gains are nonlinear with seniority. Here we assume linear payoffs and thus do not include a separate term for change in seniority. If one instead proxies the gain in institutional capital by log(seniority), nothing much changes.

¹⁰ Both variables are constructed by subtracting indicator variables in cross-sectional equations 1 and 2. For example, in the 103d Congress all continuing Republicans were in the minority, hence coded as zero on the majority status indicator variable. In the 104th Congress, all continuing Republicans were in the majority, hence coded as +1 on the majority status indicator variable. Subtracting these two numbers yields their score on ΔMaj_{it} .

Only one person, Thomas DeLay (R-Texas), moved into a top party leadership position between the two congresses (he was elected Republican Chief Whip when Gingrich became Speaker and Arney Majority Leader). Thus, the coefficient in Table 1 for the variable *Joined Leadership* is really just a dummy variable identifying DeLay. As can be seen, his receipts from business PACs increased by \$496,509 more than would have been expected on the basis of his change in voting record or other considerations (this increase being more than five standard deviations above the mean).

More important for present purposes, the estimated coefficient of ΔMaj , which we can interpret as reflecting the value of majority status, is \$35,986, with a standard error of \$6,971. As relatively little changed between the two congresses for the 293 continuing members analyzed (most continued on the same committees, most continued with much the same voting record, all gained a term of seniority), the marked change in business PAC giving can rather confidently be attributed to the change in majority status. The 95% confidence interval on the value of majority status ranged from \$22,264 to \$49,707.¹¹ Thus, losing their majority on average cost each continuing Democrat from 12% to 26% of the average business contribution in the 104th Congress (\$191,363). Considered from another perspective, \$35,986 is 8.2% of the mean expenditure in House campaigns (\$441,378) in 1994. From yet another, \$35,986 would translate into as much as 1% of the vote for challengers, considerably less for incumbents (see, e.g., Jacobson 1997).

What of the four Democrats who joined the Republican Party after 1994? As can be seen in Table 1, these former Democrats were on average \$13,279 better off than they would have been had they not switched parties. One cannot be too confident in this difference statistically, given the size of the standard error on the coefficient, but the sign is what one would expect on the hypothesis that business PACs value Republicanism per se, majority status and voting score held constant.

Table 1 also presents results concerning contributions from labor PACs. As can be seen, these are markedly different from those for the corporate and trade PACs. The most important differences are three. First, receipts from labor PACs, although increasing as a member's voting record becomes more conservative, in Table 1 decline in a better specification.¹² Second, majority status per se does not appear to matter to labor PACs, holding party constant: The coefficient on

¹¹ Two tests indicate that our results are not being driven by a few outliers. First, calculating Cook's D influence statistic shows that the only three observations with influence above .1 are Tom Delay and two of the party switchers. Deleting these observations leaves the key variable, majority status, unaffected. Second, a median, or least absolute value, regression—where the object is to estimate the median of the dependant variable, conditional on the values of the individual variations—also shows majority status to be highly significant.

¹² Labor PACs strongly rewarded increasing conservatism among Democrats but actually penalized it among Republicans. This can be seen with the inclusion, in the equation, of an interactive term involving (*Change in voting record*) \times (ΔMaj_{it}): Forcing a single coefficient on ideology produces two of the three wrong signs in the labor equation in Table 1.

TABLE 1. Change in PAC Contributions to Members of U.S. House Continuing from 103d to 104th Congress

Independent Variable	Dependent Variable Change in Receipts			
	From Business PACs		From Labor PACs	
	Coefficient Estimates (Robust Standard Errors ^a)	p-value (1-tailed ^b)	Coefficient Estimates (Robust Standard Errors ^a)	p-value (1-tailed ^b)
Constant	34,516 (9,917)	.001	7,131 (3,854)	.033
Change in majority status (ΔMaj)	35,986 (6,971)	.000	-3,077 (2,413)	.102
Change of party status (ΔRep)	13,279 (50,480)	.397	-25,916 (7,415)	.001
Change in lagged electoral safety	-34,361 (23,410)	.072	-25,352 (11,275)	.013
Change in freshman status ($\Delta Frosh$)	23,345 (7,666)	.002	7,831 (4,216)	.032
Change in prestige committee status	8,319 (14,044)	.277	-5,694 (6,498)	.191
Change in voting record (difference in rescaled W- nominate)	865 (933)	.177	632 (342)	.033
Joined leadership	496,509 (9,487)	.000	7,559 (2,165)	.001
Number of observations	293		293	
$F_{(7, 285)}$	3125.65		11.20	
$Prob(F \geq F_{(7, 285)})$.0000		.0000	
R^2	.34		.06	

Note: OLS method of estimation. For variable definitions, see Appendix.

^aCf. White 1980.

^bP-value for null hypothesis that coefficient is of opposite sign to that expected.

ΔMaj_{it} is small, negative, and insignificant. Third, labor PACs do seem to care about Republicanism per se, holding majority status constant: The coefficient on ΔRep_{it} is -\$25,916 and significant.

Why did labor PACs maintain their giving to continuing Democrats, even after they lost their majority status, but reduce their giving to turncoat Democrats, even though they kept their majority status? The answer has to do with the relative likelihood of business PACs getting what they want from Democrats, as opposed to labor PACs getting what they want from Republicans. Whereas corporate and trade PACs often seek policies that target benefits to single firms or small groups of firms, in addition to industry-, sector-, or economywide benefits, labor PACs less often seek benefits at the level of individual workplaces or union locals and more often seek industry-, sector-, or even economywide benefits. Given the typically greater breadth of policy benefits sought, labor PACs should be more sensitive to the coalition that maintains labor policy at the macro level, which is mostly the Democratic Party. When the Democrats were in the majority, labor policies could be maintained or improved based on a coalition of most Democrats, less some of the more conservative southerners, plus some moderate northeastern Republicans. Thus, labor PACs gave a bonus to Democrats per se, but they also gave more to

more liberal members.¹³ When the Republicans took over, labor groups faced substantial prospective losses. They had no prospect of furthering broad labor interests, given a Republican majority, and they had relatively fewer narrow interests that they could pursue than had corporate PACs under Democratic majorities. Thus, most labor PACs continued to give to the Democrats, in hopes of restoring a Democratic majority. This largely partisan strategy was also pursued via the unions' widely publicized multimillion-dollar campaign of independent expenditures during the 1996 election.

As a final comment, we should note that estimating the value of majority status using a cross-sectional estimation procedure is also possible. Such an approach provides poorer controls on member-specific

¹³ This is largely consistent with Herndon's (1982) and Saltzman's (1987) argument that labor PACs are more concerned with voting records than with access to the institutionally powerful. Grenzke's (1989) more detailed study of a handful of labor PACs finds that they give more to those with *pertinent* institutional power, such as those chairing subcommittees relevant to the PAC's legislative priorities. But her work does not show whether labor PACs are in general more or less sensitive to institutional power factors than are corporate PACs (and, as her index of institutional power includes the stipulation that majority party members are six times more powerful than minority party members of comparable committee and subcommittee rank, it is difficult to disentangle power from party).

time-invariant factors but does bring in additional observations for analysis. In any event, we can report that the results of a cross-sectional analysis (see Cox and Magar 1999) show (1) an even larger value for majority status in terms of business PAC contributions, \$50,000 per member, and (2) results for labor PACs similar to those just discussed.

MAJORITY STATUS IN THE SENATE

There are well-known reasons—chiefly the smaller number of members and the presence of procedures such as the filibuster—to suspect that parties matter less in the Senate than in the House and that the majority party has a harder time getting its way in the Senate than in the House (see, e.g., Baker 1989). Nonetheless, aggregate statistics suggest that PAC money also shifts with majority status in the Senate (cf. Herrnsen 1995, 111).

In this section, we estimate versions of equation 3 for pairs of Senate elections to see how matters look at the micro level. Since senators serve six-year terms, the natural pairing of elections is not year t with year $t - 2$ but year t with year $t - 6$.

There are two basic kinds of comparison we can make. Comparing 1975–76 to 1981–82, 1977–78 to 1983–84, 1979–80 to 1985–86, and 1989–90 to 1995–96, we can see how contributions change when the Democrats *lose* majority status. Comparing 1981–82 to 1987–88, 1983–84 to 1989–90, and 1985–86 to 1991–92, we can see how contributions change when the Democrats *gain* majority status. (Majority status did not change from 1987–88 to 1993–94.)

In each of these paired comparisons we focus on those who ran for (re)election in both elections in the pair, winning the first (and possibly, but not necessarily, the second). In order to increase the number of observations available for analysis, we do not require that the member already be an incumbent running for reelection in the first election in the pair (as we did in the House). For example, Orrin Hatch (R-UT) was elected for the first time in 1976 and ran again in 1982; he is thus included in the 1976–82 sample. The cost of this expansion in the sample is that there is no information for first-term members on committee assignments, party leadership positions, voting record, or lagged electoral safety prior to the first election in each pair. Thus, we cannot calculate the change in these variables for all members of the sample.

In order to deal with the issues raised by including true first-termers in the sample, we proceed as follows. First, we drop the indicator for change in committee assignment. As Senate committees are widely reported to be less important and as committee assignments are statistically unrelated to majority status (all committees have members from both parties, in the same proportions as in the Senate as a whole), omitting the variable indicating committee assignments poses little risk of biasing the estimate of majority status's value. Second, we keep the indicator for change in leadership status (coding freshmen as not being in the leadership before their first election to the Senate, which is true enough).

Third, to measure the electoral marginality of member i at election t , we use the member's vote percentage in election t , V_{it} (rather than his or her vote percentage for election $t - 1$, as in the House sample). The cost of this particular decision is that V_{it} is simultaneously determined with PAC contributions, C_{it} . (Another alternative is simply to omit the electoral safety variable. If one does this, then the estimated value of majority status is virtually unchanged from that reported below.) Fourth, we retain a variable indicating each member's change in voting record but code it differently for continuing and first-term members. For continuing incumbents, we use the difference between their W-nominate scores in the congresses coinciding with the first and second election cycles in each pair (as in the House). For those who ran as nonincumbents in the first election in a pair, we know their W-nominate score for the second election cycle but not for the first. As a substitute, we use either their preelection W-nominate score from the House, (if any) or their postelection W-nominate score from the Senate (in the first Congress after their election).

Given the Senate's smaller size and staggered elections, even including first-term members in the sample leaves us with a much smaller number of observations per paired comparison: on average, 25 (as compared to 293 for the House in 1994/96). Partly compensating for this is the fact that we have seven paired comparisons to make, versus only one for the House.

The regressions for the Senate are similar to those we ran for the House, with the following differences. First, we exclude any indicator of change in prestige committee, as noted above; the indicator for those who joined leadership position (although we include this variable in the pooled analysis presented in Table 3); and the variable indicating change in party status (there were no party switchers). This leaves us with three control variables—*Change in Electoral Safety*, *First-Term Won at $t - 6$* , and *Change in Voting Record*—and one variable of primary interest: a dummy variable indicating *Democrats*. Second, because of the long span of time covered (1976–96), we measure the dependent variable—change in business PAC contributions—in constant 1983 dollars.

The results of running separate regressions for each of the seven samples indicated above are summarized in Table 2. We expect the coefficient on the dummy variable indicating Democrats to be negative in 1976–82, 1978–84, and 1980–86, because the Democrats lost their majority in the Senate from $t - 6$ to t in each case. Table 2 bears out our expectations, with the coefficient attaining statistical significance in two of the three samples. Substantively, the implied value of majority status ranges from \$30,741 to \$120,043.¹⁴ We expect the coefficient sign to reverse (become positive) in 1982–88, 1984–90, and 1986–92, because the Dem-

¹⁴ Note that in these specifications the dummy variable identifies Democrats (1) versus Republicans (0). The Democrats' gain relative to the Republicans stems from their gaining and the Republicans losing majority status. Thus, the absolute value of the coefficients on *Democrat* in Table 2 must be divided by two to give the estimated value of majority status.

TABLE 2. Estimated Coefficients on Dummy Variable Identifying Democrats, U.S. Senate

Years Compared	Expected Sign of Coefficient	Estimated Coefficient	Robust Standard Error ^a	P-Value (one-tailed) ^b	Number of Observations
1976–82	Negative	–240,086	72,744	.002	28
1978–84	Negative	–154,663	71,864	.021	29
1980–86	Negative	–61,482	122,690	.311	25
1982–88	Positive	+68,084	83,318	.211	26
1984–90	Positive	+177,324	69,613	.009	30
1986–92	Positive	+105,570	71,777	.079	24
1990–96	Negative	–767	84,890	.476	18

Note: OLS method of estimation; regressions included three control variables (as described in the text).

^aCf. White 1980.

^bP-value for null hypothesis that coefficient is of opposite sign to that expected.

ocrats regained their majority in the Senate from $t - 6$ to t in each case. As can be seen, all three coefficients are positive, with one being statistically significant. Substantively, the estimated value of majority status ranges from \$34,042 to \$88,662. Finally, we expect the sign on the coefficient to reverse again (become negative) in the 1990–96 sample. Table 2 shows that the coefficient does reverse sign, with an estimated value of majority status of \$384 (note that this sample is the smallest of the seven).

Another approach to estimating the value of majority status in the Senate is to pool the separate samples and introduce the usual variable ΔMaj indicating change of majority status (coded +1 for Democrats in 1982–88, 1984–90, 1986–92 and for Republicans in 1976–82, 1978–84, 1980–86, 1990–96; –1 otherwise). We also include joined leadership, a variable identifying members who joined their party's top leadership (floor leader plus whip) between $t - 6$ and t . The result of this estimation, with dummy variables included for each sample, is displayed in Table 3.

As can be seen, those who joined their party's leadership (there were three cases in our pooled sample) gained \$150,560 more than otherwise expected; as in the House analysis, this leadership bonus is large enough to reject the null hypothesis that leadership positions have nonpositive value. The estimated value of majority status is \$50,926, with a standard error of \$13,323. The 95% confidence interval thus ranges from \$24,624 to \$77,227. If one excludes the first-term members from the analysis, then the number of observations falls from 180 to 109, while the estimated value of majority status increases slightly to \$56,071 (with a standard error of \$15,315).

There are a number of reasons to be less certain about the estimated value of majority status in the Senate than in the House. It is unlikely that the value of majority status (β) has remained constant over the twenty years covered in this study. One might also worry that some factors do not change over a two- or four-year period but are variable over longer periods, and these fall out in the House analysis but affect the

TABLE 3. Change in Business Contributions to U.S. Senators When Majority Status Changes

Independent Variable	Estimated Coefficient	Robust Standard Errors ^a	P-Value (1-tailed) ^b
Constant	177,149	32,901	0.000
Change in electoral safety	–215,278	77,663	0.003
First term won at $t - 6$	96,066	29,739	0.001
Change in voting record (difference in rescaled W-Nominate)	410	803	0.305
ΔMaj (change in majority status)	50,926	13,323	0.000
Joined leadership	150,560	78,729	0.029
1978–84	25,239	42,882	0.279
1980–86	44,040	49,546	0.188
1982–88	88,756	48,353	0.034
1984–90	–100,592	45,256	0.014
1986–92	–152,024	43,082	0.001
1990–96	–268,058	47,637	0.000
Number of observations	180		
$F_{(11,168)}$	11.33		
$\text{Prob}(F \geq F_{(11,168)})$	0.0000		
R^2	.38		

Note: For variable definitions, see Appendix.

^aCf. White 1980.

^bP-value for null hypothesis that coefficient is of opposite sign to that expected.

Senate analysis. Thus, it is even more important to cross-check the Senate estimates against those produced by a cross-sectional estimation procedure. Elsewhere (Cox and Magar 1999), we find that cross-sectional estimates are in the same range as those produced here (\$40,000–\$100,000, depending on the specification) but are statistically less precisely estimable.

Although neither the cross-temporal nor the cross-sectional results for the Senate are as clear as those for the House, the analysis certainly indicates that the value of majority status in the Senate, denominated in business contributions per member, is positive. And the best estimate we have—\$50,926—is a not inconsiderable sum, representing about 6.9% of the average sample member's total business contribution in 1988 (or 17.4% in 1982). This range is, as was to be expected, smaller than the figure of 12% to 26% given for the House in the previous section. It is also much smaller as a percentage of average expenditures (1–4% for the Senate, versus 8.2% for the House). But multiplied out across the entire membership of the party, it suggests a collective benefit of some value.

CONCLUSION

Students of the U.S. Congress have long debated the meaning of the internal organization and procedure of the House and Senate. Some have stressed how independent members are of their parties and how well the organization of Congress serves *individual* reelection needs (e.g., Mayhew 1974; Weingast and Marshall 1988). In tension with these more individualistic views of Congress are those who stress the importance of collective electoral needs and partisan organization (e.g., Cox and McCubbins 1993; Rohde 1991; Sinclair 1995).

These perspectives are not mutually exclusive, but there are important differences of emphasis between them. One particularly clear difference has to do with the value of majority status. If the rules and procedures of the House or Senate significantly benefit the majority party, which is a key premise of recent partisan theories, then when majority status is gained or lost, one should find observable collective consequences of some importance. Several recent studies, however, have directly challenged the idea that rules, even in the House, confer much advantage on the majority party. Schickler and Rich (1997a, 1997b) made an extensive study of rules changes and found that such changes only occasionally seem controlled by the majority. The logical conclusion from this sort of finding, urged most clearly by Krehbiel (1993, 1998), is that the rules do not in fact confer any large advantage on the majority party, at least not the sort that enables it to secure policy significantly different from what the center of opinion in the House would tolerate. House rules are, in a sense, neutral: They allow the majority party to get what it wants, when the party is united, but they also allow bipartisan majorities, such as the Conservative Coalition, to get what they want. The majority party is

little or no more favored than any other legislative majority that might form. While this sort of view is controversial when applied to the House (see Cox and McCubbins 1997), it is closer to the mainstream view of the Senate.

In this article, we have shown that majority status has substantial value in terms of attracting campaign contributions from corporate and trade (business) PACs in both the House and the Senate. In the House, we estimate that majority status was worth about \$36,000 circa 1994. In the Senate, our estimate is that majority status was worth almost \$51,000 over the period 1976–96 (in 1983 dollars, about \$75,000 in 1994 dollars). As all of these estimates control for voting record, seniority, electoral marginality, and time-invariant member-specific characteristics, our results are hard to explain away.

Our findings, moreover, suggest important systemic consequences. Business PACs' incentives to give to whichever party has a majority are based partly on the probability of that party holding on to its majority. But that probability is based in part on business PAC contributions. So, a sort of financial coordination equilibrium can arise, with the government of the day sustained by high business contributions, and those contributions sustained by the high probability that the government will continue.

Tony Coelho's efforts to boost business PAC contributions to the Democrats in the early 1980s, after a series of rules changes in the 1970s had boosted the procedural advantages of the majority, may have been based on a recognition of the mutually reinforcing relationship between business PAC contributions and the probability of retaining majority status. Certainly Newt Gingrich's widely publicized threats to business PACs upon wresting majority control from the Democrats in 1994 (see Hook 1997) seem to have been intended to turn this reinforcing relationship to the Republican Party's advantage.

APPENDIX: DATA AND SOURCES

The data used in our analysis concern the reported receipts of incumbent legislators during the 1993–94 and 1995–96 election cycles, which coincided with the 103d and 104th congresses. Overall, 435 House races were potentially comparable from the 1993–94 to the 1995–96 election cycles. Among these, (1) 84 incumbents who were not reelected in 1994 were deleted from the data set; (2) 55 of the remaining, who did not seek reelection in the 1996 election, were also dropped from the data set; (3) one third-party incumbent, Bernie Sanders (I-VT), was excluded from analysis; and (4) two incumbents who entered the 103d Congress in special elections were deleted from the data set because the latest publication we found listing committee assignments preceded their entry to the House. After these deletions our data set was left with 293 observations. Summary statistics for the variables used in the cross-temporal analysis are presented in Table A-1.

TABLE A-1. Description of Variables**Part 1: Continuous variables for the House**

Variable Name	Description	Mean	SD	Min.	Max.
Change in business PAC contributions	Total receipts of incumbent from business (i.e., corporate and trade/ membership/health) PACs in 1996 minus total receipts from same PACs in 1994, in current dollars ^a	\$32,884	85,827	-179,917	571,683
Change in labor PAC contributions	Total receipts of incumbent from labor PACs in 1996 minus total receipts from same PACs in 1994, in current dollars ^a	\$8,289	34,416	-121,273	180,825
Change in lagged electoral safety	$= \log(\text{Percent}_{94}) - \log(\text{Percent}_{92})$, where Percent_t is the share of the total vote obtained by the incumbent in election at year t ^b	.052	.193	-.470	.637
Change in voting record	Poole and Rosenthal's first dimension W-nominate score for incumbent in 1995-96 minus corresponding score for 1993-94; for each year nominate scores were rescaled so that they range within [0, 100] ^c	8.10	6.80	-17.57	29.88

Part 2: Categorical variables for the House

Variable Name	Description	Frequency of Values		
		-1	0	+1
ΔMaj (gain or loss of majority status)	Coded +1 if incumbent was a continuing Republican (gained majority status); 0 if incumbent was a former Democrat turned Republican (neither gained nor lost majority status); -1 if incumbent was a continuing Democrat (lost majority status) ^b	152	4	137
ΔRep (party switcher)	Coded +1 if incumbent was a Democrat in 1993-94 and was a Republican in 1995-96; 0 otherwise ^b	0	289	4
$\Delta Frosh$ (change in freshman status)	Coded -1 if incumbent served his or her first term in 1993-94; 0 otherwise ^b	89	204	0
Change in prestige committee status	Coded +1 if incumbent did not sit on Appropriations, Rules, or Ways and Means in 1993-94, but did sit on one of these committees in 1995-96; -1 if incumbent did sit on Appropriations, Rules, or Ways and Means in 1993-94, but did not sit on one of these committees in 1995-96; 0 otherwise ^d	9	269	15
Joined leadership	dummy = 1 if incumbent became a party leader or whip, 0 otherwise	0	292	1

Table A-1. (Continued)**Part 3: Continuous variables for the Senate**

Variable Name	Description	Mean	SD	Min.	Max.
Change in business PAC contributions	Total receipts of incumbent from business (i.e., corporate and trade/membership/health) PACs at time t minus total receipts from same PACs at time $t - 6$, in 1983 dollars ^a	\$179,829	211,728	-408,443	863,747
Change in electoral safety	$= \log(\text{Percent}_t) - \log(\text{Percent}_{t-6})$, where Percent_t is the share of the total vote obtained by the incumbent in election at year t ^b	.004	.175	-.465	.562
Change in voting record	Poole and Rosenthal's first dimension W-nominate score for incumbent t minus corresponding score for $t - 6$; for each year nominate scores were rescaled to range within [0.100] ^c	-4.15	19.66	-41.3	72.8

Part 4: Categorical variables for the Senate

Variable Name	Description	Frequency of Values		
		-1	0	+1
ΔMaj (gain or loss of majority status)	Coded +1 if incumbent was a continuing Republican (gained majority status); 0 if incumbent was a former Democrat turned Republican (neither gained nor lost majority status); -1 if incumbent was a continuing Democrat (lost majority status) ^b	81	0	99
First term won at $t - 6$	Coded +1 if incumbent won his or her first term at $t - 6$; 0 otherwise ^b	0	109	71
Joined leadership	Coded +1 if member joined top leadership (whip or floor leader) between $t - 6$ and t , 0 otherwise	0	198	3

^aReceipt figures were obtained from the FEC web site at <<http://www.fec.gov/finance/finmenu.htm>>; and from the FEC's *Reports on Financial Activity*, various years.

^bThe information to code the party labels of incumbents, the list of freshmen, the vote in the previous election, and primary losers is from Barone and Ujifusa 1993 and 1995.

^cPoole and Rosenthal's nominate scores and the seniority of incumbents were downloaded from Keith Poole's web site, at <<http://voteview.gsa.cmu.edu/dwnl.htm>>.

^dWe retrieved information to code the committee assignments from several sources: *Congressional Directory* 1993 and 1995; Barone and Ujifusa 1993 and 1995; and *Congressional Yellow Book* (various issues).

REFERENCES**Books and Periodicals**

- Aldrich, John, and David Rohde. 1998. "The Transition to Republican Rule in the House: Implications for Theories of Congressional Politics." *Political Science Quarterly* 112 (3): 541-67.
- Baker, Ross. 1989. *House and Senate*. 2d. ed. New York: W. W. Norton.
- Barone, Michael, and Grant Ujifusa. 1993. *The Almanac of American Politics, 1994*. Washington, DC: National Journal.
- Barone, Michael, and Grant Ujifusa. 1995. *The Almanac of American Politics, 1996*. Washington, DC: National Journal.
- Congressional Directory. 1993. *Official Congressional Directory 103d Congress, 1993-1994*. Washington, DC: U.S. Government Printing Office.
- Congressional Directory. 1995. *Official Congressional Directory 104th Congress, 1995-1996*. Washington, DC: U.S. Government Printing Office.
- Congressional Yellow Book. Various issues. Washington, DC: Washington Monitor.
- Cox, Gary W., and Eric Magar. 1999. "Evaluating Majority Status in the U.S. Congress." University of California at San Diego. Typescript.
- Cox, Gary W., and Mathew D. McCubbins. 1993. *Legislative Leviathan: Party Government in the House*. Berkeley: University of California Press.
- Cox, Gary W., and Mathew D. McCubbins. 1997. "Towards a Theory of Legislative Rules Changes: Assessing Schickler and Rich's Evidence." *American Journal of Political Science* 41 (4): 1376-86.
- Denzau, Arthur T., and Michael C. Munger. 1986. "Legislators and Interest Groups: How Unorganized Interests Get Represented." *American Political Science Review* 80 (1): 89-106.

- Federal Electoral Commission. Various years. *Reports on Financial Activity*. Washington, DC: FEC.
- Grenzke, Janet. 1988. "Comparing Contributions to U.S. House Members from Outside Their Districts." *Legislative Studies Quarterly* 13 (1): 83–103.
- Grenzke, Janet. 1989. "Candidate Attributes and PAC Contributions." *Western Political Quarterly* 42 (2): 245–64.
- Grier, Kevin B., and Michael C. Munger. 1991. "Committee Assignments, Constituent Preferences, and Campaign Contributions to House Incumbents." *Economic Inquiry* 29 (1): 24–43.
- Grier, Kevin B., and Michael C. Munger. 1993. "Comparing Interest Group PAC Contributions to House and Senate Incumbents, 1980–1986." *Journal of Politics* 55 (3): 615–43.
- Grier, Kevin B., Michael C. Munger, and Brian E. Roberts. 1994. "The Determinants of Industry Political Activity." *American Political Science Review* 88 (December): 911–26.
- Hall, Richard, and Frank Wayman. 1990. "Buying Time: Moneyed Interests and the Mobilization of Bias in Congressional Committees." *American Political Science Review* 84 (September): 797–820.
- Hall, Richard. 1996. *Participation in Congress*. New Haven, CT: Yale University Press.
- Herndon, James F. 1982. "Access, Record and Competition as Influences on Interest Groups' Contributions to Congressional Campaigns." *Journal of Politics* 44 (4): 996–1019.
- Herrnson, Paul S. 1995. *Congressional Elections: Campaigning at Home and in Washington*. Washington, DC: CQ Press.
- Hook. 1997. "PACs Felt Heavy Republican Pressure to Donate." *Los Angeles Times*, Sunday, April 27, 1997, p. A22.
- Jacobson, Gary. 1997. *The Politics of Congressional Elections*. 4th ed. New York: Longman.
- Krehbiel, Keith. 1991. *Information and Legislative Organization*. Ann Arbor: University of Michigan Press.
- Krehbiel, Keith. 1993. "Where's the Party?" *British Journal of Political Science* 23 (2): 235–66.
- Krehbiel, Keith. 1998. *Pivotal Politics: A Theory of U.S. Lawmaking*. Chicago: University of Chicago Press.
- Levitt, Steven. 1994. "Using Repeat Challengers to Estimate the Effect of Campaign Spending on Election Outcomes in the U.S. House." *Journal of Political Economy* 102 (3): 777–98.
- Mayhew, David R. 1974. *The Electoral Connection*. New Haven, CT: Yale University Press.
- Milyo, Jeffrey. 1997. "Electoral and Financial Effects of Changes in Committee Power." *Journal of Law and Economics* 40 (1): 93–111.
- Poole, Keith T., and Thomas Romer. 1985. "Patterns of Political Action Committee Contributions to the 1980 Campaigns for the United States House of Representatives." *Public Choice* 47 (1): 63–111.
- Roberts, Steven B. 1995. "Near Death Experience: Don't Bury Them Yet but Democrats Are Losing the Battles for Money, Candidates and Voters." *U.S. News and World Report* 119 (November 6): 28–38.
- Rohde, David W. 1991. *Parties and Leaders in the Postreform House*. Chicago: University of Chicago Press.
- Romer, Thomas, and James M. Snyder. 1994. "An Empirical Investigation of the Dynamics of PAC Contributions." *American Journal of Political Science* 38 (3): 745–69.
- Saltzman, Gregory. 1987. "Congressional Voting on Labor Issues: The Role of PACs." *Industrial and Labor Relations Review* 40 (2): 163–79.
- Schickler, Eric, and Andrew Rich. 1997a. "Controlling the Floor: Parties as Procedural Coalitions in the House." *American Journal of Political Science* 41 (4): 1340–75.
- Schickler, Eric, and Andrew Rich. 1997b. "Party Government and the House Reconsidered: A Response to Cox and McCubbins." *American Journal of Political Science* 41 (4): 1387–94.
- Sinclair, Barbara. 1995. *Legislators, Leaders, and Lawmaking: The U.S. House of Representatives in the Postreform Era*. Baltimore, MD: Johns Hopkins University Press.
- Stratmann, Thomas. 1992. "Are Contributors Rational? Untangling Strategies of Political Action Committees." *Journal of Political Economy* 100 (3): 647–64.
- Weingast, Barry R., and William Marshall. 1988. "The Industrial Organization of Congress; or, Why Legislatures, Like Firms, Are Not Organized as Markets." *Journal of Political Economy* 96 (1): 132–63.
- White, Halbert. 1980. "A Heteroskedasticity-Consistent Covariance Matrix Estimator and a Direct Test for Heteroskedasticity." *Econometrica* 48 (4): 817–38.

Electronic Sources

- Federal Electoral Commission. "Information About Candidates, Parties and Other Committees." 1999. <<http://www.fec.gov/finance/finmenu.htm>> (accessed February 11, 1999).
- Keith Poole. 1999. "Data Available For Downloading." <<http://voteview.gsia.cmu.edu/dwnl.htm>> (accessed February 11, 1999).
- Gary Cox. 1999. "Datafiles for 'How Much Is Majority in the U.S. Congress Worth,' written with Eric Magar." <<http://weber.ucsd.edu/~gcox>> (accessed February 11, 1999).