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The Labor Market for Politicians: Why Ex-Legislators Gravitate to Lobbying

Glenn R. Parker¹, Suzanne L. Parker¹, and Matthew S. Dabros²

Abstract
The so-called revolving door between employment in government and industry is especially relevant to the U.S. Congress because ex-legislators are notorious for taking jobs as lobbyists. There are two prominent explanations for why they do so: Lobbying either matches the talents of former legislators due to their specialized congressional training or it represents customary ex-post payments for ex-ante legislative assistance to special interests. This article explores the former dynamic, focusing on how specialized training impacts occupational outcomes of legislators and finds strong evidence to support the notion that former legislators become lobbyists due to unique human capital. This finding somewhat qualifies the notion that possible ex-post payments are a main driver for the postelective employment choices of ex-legislators.

Keywords
legislative training, lobbying, human capital

Eckert’s (1981, p. 119) finding that former regulatory commissioners were “captured” in terms of postappointment employment by private organizations

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in, or related to, the regulated industry raises a broader question about the labor market for ex-politicians. This question is whether public officials work for those they “regulated” after holding office due to their acquired human capital (e.g., skills, knowledge) or because they favored those interests while in office. Although this question is applicable to most public officials, it is especially relevant to the U.S. Congress since ex-legislators are known for taking jobs lobbying former colleagues and bureaucrats on behalf of the special interests they once regulated, ethics laws notwithstanding. In fact, a prominent congressional “watchdog” organization has singled out the U.S. House of Representatives as a top supplier of lobbyists as well as the most lobbied federal entity.

Problems arise in testing theories where the derived outcomes could be explained by more than a single theory. Take, for example, the question posed above: Is a lobbying job a corporate payoff for assisting groups while in office or also a function of the market for the specialized human capital acquired through legislative service? While it stands to reason that legislators may become lobbyists to work for the same interests that interacted with them as legislators, this assumption ignores the important role personal human capital, and one’s acquired or innate skills and knowledge, play in the lobbying labor market. While it may be that lobbying positions are obtained as a form of regulatory capture, this view ignores the critical role of skill fit between the demand and supply of a specific skill set for lobbyists.

This article provides a better understanding of the labor market for politicians. By analyzing the postelective employment chronologies of a representative group of former members of the U.S. Congress, the authors investigate a human capital explanation of this phenomenon. The authors acknowledge that other explanations are plausible, but given the very few studies that have explored why ex-legislators become lobbyists (and the importance human capital plays in labor markets according to Becker, 1993), there is a strong need to explore this aspect of the so-called revolving-door phenomenon.

The authors’ contribution is in looking beyond the majority of the literature in the area of corporate political activities on lobbying, which has focused on one of two approaches—the corporate political activity (CPA) literature that generally looks at corporate activities, or the institutional approach that studies legislators’ congressional behavior. This study takes an alternative approach by shifting the analysis to legislators’ behavior after leaving congressional service. The authors ask why members of the U.S. Congress choose to become lobbyists after leaving office rather than select some other occupation.
Literature and Hypotheses

Current Explanations of Corporate Political Activity

The bulk of current CPA literature has looked almost exclusively at demand-side explanations for lobbying and other business-political exchanges, in that the intent is to explain corporate lobbying rather than legislators’ postcongressional choices. This emphasis undoubtedly is due to the importance corporations place on gaining access to the political process, and the capacity of firms to steer government policies in their own favor (Schuler, Rehbein, & Cramer, 2002, p. 659). Building upon an eclectic array of theories such as the filter model (Rehbein & Schuler, 1999; Schuler & Rehbein, 1997), relational theory (Hillman & Hitt, 1999), the principal-agent model (Lord, 2000a), and upper-echelons theory (Ozer, 2010), scholars interested in CPA have directed their efforts into three distinct research areas: (a) identifying CPA’s firm- and industry-level determinants (Brasher & Lowery, 2006; Grier, Munger, & Roberts, 1994; Hart, 2003; Ozer, 2010; Sadrizhe & Annavarjula, 2005; Wilts, 2006), (b) describing potential CPA strategies (Cho, Patten, & Roberts, 2006; Hillman & Hitt, 1999; Keim & Zeithaml, 1986; Lord, 2003; Vining, Shapiro, & Borges, 2005), and (c) assessing the outcomes of CPA (Coates, 2010; Hersch, Netter, & Pope, 2008; Hillman, Keim, & Schuler, 2004; Kim, 2008; Marsh, 1998; McWilliams, Van Fleet, & Cory, 2002; Ramirez & de Long, 2001).

This extant literature has provided insights into the types of firms that engage in CPA, the strategies they use, and the outcomes that emerge. One of the most effective instruments of corporate political influence in Washington, D.C., however, has received far less attention—namely, the employment of ex-legislators as lobbyists to further corporate political interests in the U.S. Congress. Important facets of lobbying have of course been studied, such as the effectiveness of CPA in shaping legislation (Lord, 2000a, 2000b), and the costs and benefits of hiring professional lobbying firms (Vining et al., 2005). Furthermore, scholarship has looked at the role former legislators play as board members (Hillman, 2005). One question that has not been examined is why former legislators (the quintessential lobbyist) seek the job. This issue is relevant because it addresses one of the less visible sides of corporate political activity: the role supply side dynamics play in the political marketplace, in which firms participate, and particularly the role legislators’ human capital plays in their choice of postelective jobs.
Explanations of the Political Behavior of Members of Congress

Three approaches have been commonly used to explain behavior in political institutions such as Congress—(a) reelection, (b) wealth-transfers, and/or (c) acquisition of human capital. These models assume legislators are motivated by reelection, financial gain, and marketable skills, respectively. Many studies, for instance, are guided by the premise that legislators are interested in reelection (e.g., Fiorina, 1989; Mayhew, 1974), so legislative institutions are structured to enhance that goal. In the interest group theory of politics (Becker, 1983; Landes & Posner, 1975; Peltzman, 1976; Stigler, 1971), in contrast, legislative institutions are characterized as facilitators of wealth transfers and rents (Faith, Leavens, & Tollison, 1982; Krueger, 1974; McChesney, 1987), and legislators are compensated with off-budget items, such as postelective employment (Barro, 1973). Finally, from the perspective of human capital theory (Becker, 1993), institutions provide training experiences necessary for acquiring marketable skills through legislative experiences (Parker, 2008). Here, then, postelective jobs are a function of institutional investments in specialized or general training experiences.

Given that few individuals enter Congress from lobbying but many former legislators take jobs as lobbyists, it is highly possible that lobbying represents customary ex-post payments for ex-ante legislative service to special interests (see Barro, 1973, pp. 22-23). Yet this explanation ignores the role of legislators’ own skill sets in obtaining postelective employment. In other words, the assumption that ex-legislators become lobbyists as a mere payoff for services rendered ignores the possibility that lobbying matches the talents of former legislators due to their specialized human capital (skills, knowledge, and/or expertise) acquired through legislative service. That is, legislators could gravitate to lobbying because their congressional training produces highly specialized human capital that equips them for a narrow range of occupations, principally lobbying, and not just as ex-post payments for service on behalf of special interests.

The Role of Specialized Human Capital

The ex-post payment explanation of lobbying employment disregards the training and skills that lead to the accumulation of human capital within legislatures and the effects of human capital on postlegislative employment choices. Legislatures couple the production of laws with explicit and implicit training in policy making so that during the course of congressional
careers legislators gain “political skills”— policy expertise, contacts with numerous elected and appointed officials, and hands-on experiences formulating and maneuvering legislation. Analogous to Becker’s (1993) description of human capital, legislators can be viewed as making investments in themselves by undertaking activities in which they acquire esoteric skills, expertise, and knowledge (Parker, 2008). This array of acquired skills (or stock of human capital) enhances marketability by impressing potential employers. The amount of training legislators receive is a function of their investments in learning the inner workings of congressional policy making. The accumulation of this human capital strengthens the job match between legislative service and lobbying because these skills are invaluable to groups in leveraging economic profits through the political process (Stigler, 1971).

Legislative training can be further differentiated as specific and general (see Becker, 1993, pp. 33-47). Applying these concepts to legislatures (Parker, 2008), specific training, or specialization, refers to congressional training resulting in the acquisition of specialized political skills and knowledge that are relevant to a narrow set of occupations or jobs. Often, this type of training produces skills dedicated to a particular industry, policy area, or sector of the economy. In contrast, general training represents the acquisition of more inclusive or broader skill sets, relevant to a wider assortment of occupations, and less dedicated to a particular industry, policy field, or economic sector. These characterizations correspond to conventional depictions of congressional members as “generalists” or “specialists,” as well as Becker’s distinction between general and specific training within firms. As in firms, legislators invest in both types of training during their congressional careers, and not all congressional training funnels ex-legislators into lobbying. General training, in particular, enlarges rather than contracts employment opportunities by supplying less specialized political skills.

Generally trained legislators might be thought of as possessing a greater understanding of government and a wider breadth of political skills as a result of more wide-ranging experiences in the political process. Such experiences would include service on organizational committees, occupation of committee leadership positions, participation in deliberations on assorted political issues, knowledge of the intricacies of legislative procedures, interactions with federal agencies and officials, diverse portfolios of committee assignments, and the like. General training in legislatures, then, leads to the acquisition of an eclectic repertoire of political skills and experiences, a breadth of information, and an inclusive understanding of congressional politics. Due to
their versatility, inclusive skill sets expand employment options (Grossman & Shapiro, 1982; Parker, 2008), thereby reducing a legislator’s sole reliance upon lobbying for postelective employment.

In contrast, lobbying emphasizes skill specialization (Heinz, Laumann, Nelson, & Salisbury, 1993), which renders those with general skill sets unappealing to interest group employers for this reason alone. Generally trained legislators are also a poor job match for lobbying because they have more employment options, and thus, their job search is not limited to lobbying; this employment flexibility means that there will be competitive bidding for their services, which drives their salaries higher. Therefore, due to their lack of specialization, and the higher salaries they demand, generally trained legislators should be less appealing hires for special interests. In sum, the acquisition of general skill sets reduces the likelihood that legislators will choose to lobby after exiting Congress because it creates a poor job match.

**Hypothesis 1:** Legislators with a high level of general training are less likely to take a postelective lobbying job than ex-legislators with less general training.

Moreover, given that specialization follows a congressional life cycle (Hibbing, 1991), the attraction between long-time legislators and special interests is mutual. For instance, groups can hire experienced legislators, but they do not have to pay the price premiums necessary for hiring those with more general skill packages who can demand larger salaries because of greater employment options. The additional cost of employing generally trained legislators may not be worth the price because specialized training is well suited for most lobbying purposes. Since ex-legislators are hired as lobbyists due to their intimate knowledge of the inner workings of the congressional process—human capital—on-the-job training should be particularly important in this regard; this experience makes for a good job match.

**Hypothesis 2:** Ex-legislators with highly specialized training will be more likely to become lobbyists than those less specialized.

**Hypothesis 3:** Ex-legislators who are well trained in legislative politics are more likely to become lobbyists than those with less on-the-job training.
Method

Data Collection

This study is based on data about postelective employment collected from former U.S. legislators. To identify ex-legislators’ postelective employment decisions, the authors conducted a mail survey of former members of the U.S. Congress, a technique well-suited to collecting data from large populations such as congressional members (Babbie, 2010; Dillman, 1978). The authors were primarily interested in identifying ex-legislators’ postelective activities and determining whether congressional service prepared them for these tasks. The effects of human capital—lobbying proclivities are represented by questions relating to the types and number of jobs held before entering and upon leaving Congress, and the role of skills acquired in Congress in obtaining employment.

The population for this survey is members of the U.S. Association of Former Members of Congress. All 513 living members of this nonprofit organization were contacted for the survey; that is, questionnaires were mailed to the entire group. Three mailings of the questionnaire were conducted between September and December 2004, and 229 questionnaires were returned resulting in a 45% response rate for the survey. The returns included 214 former U.S. House Members and 15 former U.S. Senators. These ex-legislators worked in varying capacities and had different levels of seniority. Some individuals only served for a few years, and others stayed in Congress for a decade or more, and several achieved leadership positions.

As with any survey, the value of the data depends on their representativeness. One indicator of representativeness is the level of nonresponse for the survey. The 45% survey response rate is sufficiently high to allay fears that nonresponse introduced a selection bias into the data. A second measure of representativeness is how well the respondents to the survey represent the members of Congress who left the institution. This information is valuable in generalizing the authors’ findings to the broader universe of ex-legislators. To investigate this universe, Inter-university Consortium for Political and Social Research (ICPSR) biographical data on the U.S. Congress was used to compare the survey respondents to members who left the U.S. Congress in the past 50 years. No biases in the composition of the group of former members that could lead to faulty inferences were found.

Appendix 1 and 2 list the statistics available for comparing the survey respondents to the population of ex-legislators: seniority and departure status. The two groups are similar on both characteristics—60.2% and 31.4% of
the population had less than 10 or 11 to 20 years of service, respectively, as did 64.8% and 27.3% of the survey respondents. The individual means and standard deviations of the population and survey respondents are virtually identical, as well. In terms of reasons for departure, 38.3% of all congressional members and 39.3% of the survey respondents exited due to electoral defeat, and 32.2% of all members and 27.6% of the survey respondents left due to retirement.

Biases in the data could also emerge if the congressional careers of survey respondents were more or less satisfying than other ex-legislators experienced. Such variation might slant their views of experiences in Congress, and in particular, the value of legislative training to postelective employment. Fortunately, variation in satisfaction is not the case with the authors’ data. Neither long stints in the institution (i.e., an indication of a gratifying congressional career) nor electoral safety (i.e., an indication of electoral success) distinguish survey respondents from the broader population of former members of Congress. In short, where meaningful comparisons could be made, survey respondents appear to reflect accurately the characteristics of the population of all former members of Congress and the authors have found no discrepancies between the two that would lead us to suspect the respondents present a biased picture. In short, there is no apparent evidence of selection bias.

**Measures of the Dependent and Independent Variables**

**Postelective employment in lobbying.** The dependent variable is a dichotomous measure that takes a value of 1 if a legislator’s first job after leaving Congress was as a lobbyist and 0 otherwise.

**Legislative training.** The independent variables of interest are the types of human capital former legislators might have acquired through (a) on-the-job training, (b) general training, and (c) specialized training. Thus, ex-legislators were asked about the relevance of both training and nontraining factors in obtaining their first job after exiting Congress. Specifically, respondents were asked how important they thought each of the following factors were in obtaining their first job after leaving Congress: committee assignments, leadership positions, contacts made as a member of Congress, expertise gained while in Congress, prior political experience, voting record, party affiliation, reputation among voters, and employment experiences prior to entering Congress.¹

“First job” is used as a reference point for two reasons. First, the researchers need to assure that all members of the sample have the same referent in
mind when evaluating the factors important in obtaining postelective employment. The authors believe that this approach is preferable to merely asking legislators to identify important experiences. Second, after the first job, postelective experiences, rather than on-the-job training in Congress, may be responsible for future employment thereby confounding the measurement of the effects of training on subsequent postelective employment. An open-ended question was also included at the end of the questionnaire asking respondents whether there were “any other aspects of your congressional career not mentioned [in this series of questions] that played a role in obtaining your first job after leaving Congress?” Respondents were free to explain those experiences in their own words and at length but none did so. In short, the authors do not claim to have identified all the factors important to postelective employment; however, the authors’ ex-legislators apparently believed they had done so.

These variables were subjected to a factor analysis (see Table 1), and the extracted (component) solution was rotated so that the two factors were largely independent of each other (i.e., varimax rotation), which resulted in a measure of the relevance of job training (Factor 1) to postelective employment that is largely independent of other forms of human capital (Factor 2).

<table>
<thead>
<tr>
<th>Questionnaire item</th>
<th>Factor 1 loading(^a)</th>
<th>Factor 2 loading(^b)</th>
<th>Communality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committee assignment</td>
<td>.843(^b)</td>
<td>.141</td>
<td>.730</td>
</tr>
<tr>
<td>Leadership position held</td>
<td>.761</td>
<td>.179</td>
<td>.611</td>
</tr>
<tr>
<td>Contacts made as a member of Congress</td>
<td>.759</td>
<td>.352</td>
<td>.700</td>
</tr>
<tr>
<td>Expertise gained in Congress</td>
<td>.806</td>
<td>.255</td>
<td>.715</td>
</tr>
<tr>
<td>Prior political offices</td>
<td>.457</td>
<td>.538(^b)</td>
<td>.498</td>
</tr>
<tr>
<td>Voting record</td>
<td>.359</td>
<td>.609</td>
<td>.499</td>
</tr>
<tr>
<td>Party affiliation</td>
<td>.247</td>
<td>.648</td>
<td>.482</td>
</tr>
<tr>
<td>Reputation among voters</td>
<td>.261</td>
<td>.620</td>
<td>.452</td>
</tr>
<tr>
<td>Pre-congressional employment experience</td>
<td>.394</td>
<td>.570</td>
<td>.480</td>
</tr>
</tbody>
</table>

\(^a\) Principal components for factor extraction; varimax rotation of extracted solution.

\(^b\) Factor loadings > .5 marked in italics.

Source: Authors’ survey of former members of Congress, 2004.
The nine variables clustered on two dimensions: The first represents on-the-job-training experiences in Congress, specifically, committee assignments, leadership positions, contacts made while in Congress, and expertise acquired. The second orthogonal dimension serves as a measure of human capital derived through nontraining experiences in Congress and is defined as representing nontraining assets. Nontraining assets include prior political experiences, voting record, party affiliation, reputation among voters, and pre-congressional employment experiences.

The first dimension measures the significance of on-the-job training to postelective employment. Congressional training is important to ex-legislators occupying the upper reaches of the scale, but of little significance to those at the lower end of the index. This index (Factor 1) of on-the-job training is used alone, and in combination with other measures of legislators’ skills, to estimate the effects of legislative training.

**General training.** On-the-job training captures the overall effects of congressional training while general training measures the extent to which legislators parlayed their training into skills equipping them for a broad spectrum of public and private vocations. A second-degree interaction term represents general training in the analysis:

\[
\text{General Training} = (\text{On-the-Job Training}) \times (\text{Breadth of Skill Set})
\]

The general training measure combines on-the-job training with measurements of the breadth of legislators’ skill set. The authors constructed a measure of skill-set breadth based on ex-legislators’ responses to five survey questions asking about the extent to which they felt their experiences in Congress provided the necessary skills for various generic occupational positions, including high-level corporate executive, mid-level corporate executive, interest group representative, high-level appointed governmental official, and midlevel governmental official. These five questions form a one-dimensional scale. The index for breadth of skill set was interacted with the index for on-the-job training to form the general training measure.

**Specialized training.** Although senior members undoubtedly accumulate general training skills simply through their years of service, tenure typically results in greater specialization. “As the years wear on, the typical representative develops a more focused (and usually more successful) legislative agenda. *There is a detectable decrease in legislative breadth*” (Hibbing, 1991, p. 418, authors’ emphasis). Since skill breadth is a function of general training, specialization can be characterized as the declining demand for general training during the course of congressional careers, or the reallocation of
legislator investments from general to specialized training. Thus, the measurement of *specialized training* reflects this characterization; it is the interaction between *general training* and *tenure*. *Tenure* is measured by years of service in Congress. This computation reflects the dynamics underlying legislator specialization: a diminished demand for general training during the course of congressional careers.

$$\text{Specialized Training} = (\text{General Training}) \times (\text{Tenure})$$

Or, in other terms,

$$\text{Specialized Training} = (\text{On-the-job Training}) \times (\text{Breadth of Skill Set}) \times (\text{Tenure})$$

**Control Variables**

There are a number of other reasons besides legislative training that might make lobbying alluring. These variables include the cohort a member belonged to in Congress, the talents legislators possess, nontraining assets, postelective salaries, and political variables such as party identification. The effects of these variables are beyond those effects that test the training explanations for postelective lobbying, yet failure to control for them may affect the authors’ interpretations.

**Cohort effects.** Lobbying provides chances for opportunistic dealings due to informational asymmetries within the legislative process. More recent entrants to Congress, in particular, may find this circumstance an attractive feature of lobbying since they have displayed a proclivity for opportunistic behavior (see Parker, 1996), and legislative lobbying occurs under conditions favorable to such practices (see Crain, Leavens, & Tollison, 1986; Weingast & Marshall, 1988). The year legislators first entered Congress is used as the cohort measurement.

Although measured differently, tenure and cohort are related; hence, it could be argued that the generational marker serves as a proxy for tenure. The authors can, nonetheless, distinguish between the two explanations by the sign of the relationship between year of entry into Congress and postelective employment as a lobbyist: If length of time in Congress—tenure—makes for a good job match with lobbying, then a negative relationship should arise between year of entry into Congress and postelective employment in lobbying. Conversely, if recent generations’ predispositions for opportunistic dealings make lobbying more attractive, then a positive relationship should exist between the measure of cohort (i.e., year of entry) and postelective employment in lobbying.
Congressional committees. It may not be training per se that makes a good job match between ex-legislators and lobbying. It could be service on particular types of committees in Congress, specifically committees with interest group connections such as Agriculture, Armed Services, Energy and Commerce, Financial Institutions, Interior, Merchant Marines and Fisheries, and Transportation and Infrastructure Committees, in contrast to service on more prestigious committees such as Budget, Appropriations, House Rules, Ways and Means, and Senate Finance. In particular, serving on interest-group committees is a good way to make contact with lobbying firms and potential employers. Hence, controlling for membership on committees serving special interests and those that do not is relevant. Two dummy-coded variables were included to account for these types of service.

Nontraining assets. The authors also control for the nontraining assets identified on Factor 2 in the factor analysis. Survey respondents identified these nontraining assets as being important in obtaining their first postelective jobs. Among the things they noted were prior political experience, voting record, party affiliation, reputation among voters, and pre-congressional employment. An index of these variables was created that measures the importance ex-legislators place on nontraining assets. The authors include these variables to assure that the authors’ measures of training are measuring only training assets and not picking up these other types of assets.

Party affiliation and chamber membership. Two political controls are also included to ensure that the models are properly specified: Party Affiliation (1 = Democrat, 0 = Republican) and Senator or Representative (1 = Senator, 0 = otherwise)

Political and economic talent. Some might argue that legislators turn to lobbying because they have no talent for anything except politics. Therefore, when facing unemployment, they fall back on innate political skills. Furthermore, the lucrative salaries and benefits associated with lobbying would be attractive to legislators short on income-earning talents; ex-legislators may be drawn into lobbying because they lack alternative income-earning skills, rather than as the result of congressional training. In this case legislators with a knack for politics, and those lacking income-earning skills should find lobbying appealing. Pre-congressional salary and prior office holding serve as measures of economic and political talent respectively. The authors assume that pre-congressional salary, measured in the same manner as post-congressional salary (see below), is indicative of income-earning skills. Since economic talent reduces dependence upon lobbying for postelective employment, a negative relationship with lobbying employment is expected.
Prior office holding measures political talent since it incorporates a knack for fundraising, public speaking, nurturing contacts, and the like. This measure is a dummy variable that takes a value of 1 if the ex-legislator held other political offices and zero otherwise. The authors expect a positive relationship with lobbying employment, which provides an opportunity for marketing those political talents. These two variables are included in the analysis to ensure that it is congressional training, rather than mere political skills or lack of economic talent, that channels legislators into lobbying.

Postelective salary. The popular explanation for why ex-legislators find lobbying so attractive is that high salaries lure them into lobbying, and there is evidence that lobbying pays well: The self-reported salaries of legislators-turned-lobbyists among the respondents, for example, averaged US$325,190 (in 2004 dollars), which was marginally less than the salaries reportedly paid to the highest postelective wage earners, that is, former legislators taking jobs as law partners (mean = US$353,072). If lobbying is a way to reward accommodating legislators for their service to special interests, then ex-legislators should be offered large salaries by interest groups, and postelective wages should figure prominently into decisions to become lobbyists. Postelective wages earned by all survey respondents (not just lobbyists) are measured as midpoints of the following salary categories (in 2004 dollars): less than US$40,000, US$40,000-US$60,000, US$61,000-US$80,000, US$81,000-US$100,000, US$101,000-US$150,000, US$151,000-US$200,000, US$201,000-US$250,000, and above US$250,000. The midpoint for the above US$250,000 category was assumed to be US$300,000. The authors expect that larger postelective salaries will be positively related to the decision to become a lobbyist.

Reputational capital. A variable is included in the analysis to control for the possibility that lobbying is simply the employment choice of the less reputable congressional members who have few other alternatives to lobbying. This reputational variable is only relevant to a small subset \((n = 33)\) of the group of ex-legislators; therefore, caution is suggested in interpreting the impact of the composite variable derived from them. The variable comprising the measure of reputational capital is an index derived from pooled NES surveys from 1978 to 2000; in particular, the candidate “likes and dislikes” were collected from voters in the districts of these legislators.

Specifically, the authors tabulated the number of voters characterizing their legislator as possessing the qualities of leadership, demonstrating a concern for constituents, and inspiring trust or confidence, and then calculated the percentage of each districts’ voters (in the pooled sample) who saw their legislator in these terms. These three variables were subsequently
factor analyzed, and a single component emerged; this component repre-
sents the reputational capital of legislators among their constituents. Ex-legislators without data on these measures were placed at the mean of the factor-generated index. The use of this indexed variable should be con-
strued as entirely exploratory. The authors feel, however, that the absence of even a gross measure of reputation, as constructed here, would have ignored a potentially important influence on legislators becoming lobbyists and thus create suspicions about the findings.

The final regression analytical model is:

\[ L = f \{ X_1, \ldots, X_{14} \}, \]

where \( L \) = decision to take a job as a lobbyist immediately after leaving Congress (coded 1 if yes; 0 if other job); \( X_1 = \) on-the-job training; \( X_2 = \) general training (Breadth of Skill Set \( \times \) Investments in On-the-Job Training); \( X_3 = \) specialization (Breadth of Skill Set \( \times \) Investments in On-the-Job Training \( \times \) Tenure); \( X_4 = \) post-elective salary (in 2004 dollars); \( X_5 = \) year of entry into Congress (cohort); \( X_6 = \) prior political experience (yes = 1, none = 0) or proxy for political talent; \( X_7 = \) pre-congressional salary (in 2004 dollars) or proxy for economic talent; \( X_8 = \) breadth of skill set; \( X_9 = \) nontraining assets; \( X_{10} = \) years of service on prestige committees; \( X_{11} = \) years of service on interest group committees; \( X_{12} = \) reputational capital; \( X_{13} = \) party affiliation (Democrat = 1, Republican = 0); \( X_{14} = \) senator (yes = 1, no = 0).

**Results**

Given the binary nature of the dependent variable, logistic regression is an appropriate method to test the effects that human capital has on postelective lobbying employment. The results of the logistic regression are displayed in Table 2.

Hypothesis 1 argued that general training is inversely related to postelective lobbying employment. As anticipated, general training reduces the likelihood of legislators turning to lobbying after leaving (\( \beta = -1.604, p < .01 \); Table 2). Thus, Hypothesis 1 was confirmed: General training skill sets and lobbying make for a poor job match.

Hypothesis 2 argued that specialized training is directly related to post-elective lobbying employment. The positive, statistically significant coefficient of the specialization variable supports this hypothesis (\( \beta = 0.073, p < .01 \); Table 2). Thus, Hypothesis 2 was confirmed.
Finally, Hypothesis 3 argued that on-the-job training increases the likelihood of postelective lobbying employment. It, too, is supported by the analysis ($\beta = 1.008, p < .01$; Table 2). Hence, Hypothesis 3 was confirmed.

Most of the control variables included in the analysis failed to attain statistical significance (e.g., postelective salary, political and economic talents, reputational capital, and party affiliation). The one exception is cohort: The authors expected a significant positive relationship between lobbying and the

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>SE</th>
<th>Significance</th>
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<tbody>
<tr>
<td>On-the-job training</td>
<td>1.008</td>
<td>0.262</td>
<td>.000</td>
</tr>
<tr>
<td>Specialization</td>
<td>0.073</td>
<td>0.026</td>
<td>.005</td>
</tr>
<tr>
<td>General training</td>
<td>-1.604</td>
<td>0.597</td>
<td>.007</td>
</tr>
<tr>
<td>Postelective salary (in 2004 dollars)</td>
<td>0.000</td>
<td>0.000</td>
<td>.066</td>
</tr>
<tr>
<td>Year of entry into Congress</td>
<td>0.062</td>
<td>0.021</td>
<td>.003</td>
</tr>
<tr>
<td>Prior political experience</td>
<td>0.384</td>
<td>0.49</td>
<td>.434</td>
</tr>
<tr>
<td>Pre-congressional salary (in 2004 dollars)</td>
<td>0.000</td>
<td>0.000</td>
<td>.265</td>
</tr>
<tr>
<td>Breadth of skill set</td>
<td>0.212</td>
<td>0.304</td>
<td>.485</td>
</tr>
<tr>
<td>Nontraining assets</td>
<td>-0.232</td>
<td>0.211</td>
<td>.270</td>
</tr>
<tr>
<td>Service on prestige committees$^b$</td>
<td>0.008</td>
<td>0.029</td>
<td>.791</td>
</tr>
<tr>
<td>Service on interest group committees$^c$</td>
<td>0.003</td>
<td>0.026</td>
<td>.917</td>
</tr>
<tr>
<td>Reputational capital</td>
<td>-0.533</td>
<td>0.283</td>
<td>.059</td>
</tr>
<tr>
<td>Party affiliation</td>
<td>0.345</td>
<td>0.376</td>
<td>.359</td>
</tr>
<tr>
<td>Senator</td>
<td>0.602</td>
<td>0.812</td>
<td>.458</td>
</tr>
</tbody>
</table>

Note: Number of cases = 201 (28 cases have missing values for some of the variables and are therefore exclude from the analysis); percentage correctly predicted = 82.1%; log likelihood = 173.219; chi-square = 52.289 ($df = 14$); Nagelkerke $R^2 = .340$.

$^a$Coefficient estimates are derived from a logistic regression with a dependent variable that takes the value of 1 when the ex-legislator took a position as a lobbyist immediately after exiting Congress. Two second-order interaction terms were initially included in the analysis (Breadth of Skill Set × Tenure, and Investments in Training × Tenure) but were excluded from the analysis when both proved to be statistically insignificant as is normal practice.


$^c$Agriculture, Armed Services, Energy and Commerce, Financial Institutions, Interior, Merchant Marines and Fisheries, and Transportation and Infrastructure.
generational variable, and the analysis indicates that recent generations are more inclined to take jobs as lobbyists ($\beta = 0.062, p < .01; \text{Table 2}$). A continuous variable is used to measure generational effects, but a categorization of these data by decade of entrance into Congress exhibits the same pattern. For example, only 12% of those entering Congress before 1970 became lobbyist after leaving Congress, but this figure jumps to 30.4% for those arriving between 1971 and 1980 and 34.8% for those arriving during the 1990-2000 period. Lobbying jobs provide the perfect setting for these individuals to exploit informational asymmetries within the political process, obtain lucrative salaries, and escape employer monitoring. The authors suspect that employers are not blind to this possibility since they pay significantly lower wages to recent cohorts of legislator-lobbyists.

**Discussion and Conclusions**

That legislators gravitate to lobbying is noncontroversial, but why they do so remains an issue of some contention. This article provides evidence that human capital, including specialized training, has an impact on the occupational choices of legislator-lobbyists. This evidence shows that although tacit contractual promises may play a role in the occupational trajectories of former legislators, one should not downplay the effects of human capital-specific factors on the occupational choices of such individuals.

In brief, the authors found that on-the-job training and specialization are positively related to the decision to take a postelective lobbying position, whereas general training is inversely related to it. The significance of the training variables implies that legislators find their way into lobbying at least in part because of the human capital accumulated through congressional training, which increases the odds that ex-legislators become lobbyists. The relevance of legislative training to lobbying employment echoes a basic finding from labor economics—specifically that “the probability of occupational change increases with the transferability of skills: the greater the transferability, the greater the incentive to change” (Shaw, 1984, p. 324). In most cases, training in legislatures provides highly specialized skills that are easily converted into a forte for lobbying.

This analysis is exploratory, and as a result, the conclusions are to some degree tentative. Nonetheless, there seems to be persuasive evidence that legislators end up as lobbyists because legislative training points them in that direction. There is a well-defined market for legislators’ specialized human capital, with the primary employment responsibility being lobbying. Hence,
legislators gravitate to lobbying at least partially because it is the most valued use of their human capital.

Legislators might be drawn into lobbying due to innate political talents, but the results of this analysis suggest that Washington lobbyists are “made” within the halls of Congress—there is simply no better place to obtain an education in politics (Heinz et al., 1993). One factor increasing the attractiveness of lobbying is that this postelective career necessitates little or no retooling or extra training. Unlike most vocational transitions, lobbying does not require skills that are occupation specific, and for skills that are so, the human capital acquired in Congress is easily transferable. As one ex-legislator surveyed volunteered:

Knowing the right people in government agencies, and knowing the Chairman of House and Senate committees and subcommittees, and committee staff, having worked with all of these people, has helped significantly in my lobbying work. Having served as chairman of three Appropriations subcommittees helped [me] to know how and where to obtain money for clients. Also knowing the process of government and Congress has been extremely helpful [in obtaining postelective employment].

Consequently, the costs of “learning” to lobby are considerably lower than those incurred in acquiring skills and information essential for employment in occupations remote from legislative experiences.

Legislatures also ease the transition to lobbying by effectively foreclosing the option of returning to pre-congressional professions. Sizeable investments of time and effort are necessary to keep occupational skills current in order to restart pre-congressional careers, especially for legislators who have spent decades in legislative service. But being a legislator is a full-time job; hence, occupational skills naturally atrophy simply because legislators have little time to practice them. Indeed, 65% of House incumbents agreed that the job was so demanding that members should plan on forsaking prelegislative careers (U.S. House of Representatives, 1977, p. 903).3 Declining proficiencies in occupation-specific skills pretty much rule out resuming pre-congressional vocations. As one respondent succinctly characterized the realities legislators face when reentering the labor market,

I am fortunate to be a lawyer, so I had a readily available occupation when I returned to private life. Knowledge of this gave me great
independence while in Congress, as I wasn’t worried that electoral defeat would spell economic ruin. I believe most ex-Congressmen and women have a much more limited range of options than commonly believed.

Lobbying may not be the only thing ex-legislators can do; it is just more lucrative than anything else given the cost of resuming pre-congressional vocations, the expense of occupational retooling, and the transferable nature of the human capital acquired through congressional service.

There are four important implications of these findings that the authors think scholars and policy makers should consider: First, attempts to regulate the ability of legislators to become lobbyists, or deter them from doing so, face considerable obstacles since legislative service itself limits postelective occupational choices. One externality (e.g., spillover effect) of congressional service is that exiting legislators face a narrow market for their acquired skills. Second, whatever rules Congress enacts to regulate lobbying will assuredly be filled with loopholes, since to do otherwise would impair future employment opportunities, and perhaps more important, diminish the economic value of hiring ex-legislators as lobbyists. Third, although rent seeking is pervasive in legislatures because it fosters mutually beneficial quid pro quo exchanges with special interests, another reason for its salience relates to the job market for politicians: Legislators, anticipating that the rental market for their services resides largely in lobbying, pursue the types of activities that impress future employers—notably, corporate interests—and rent seeking does exactly that.

Finally, the authors’ findings suggest that an effective way of deterring ex-legislators from becoming lobbyists is for legislatures to supply incentives and opportunities for members to pursue general rather than specific training. This approach expands employment opportunities and reduces the draw of lobbying. This suggestion is difficult to implement since there are numerous obstacles to legislators obtaining more general legislative training: The legislature is structured to promote specialization (e.g., committee system), norms support legislator specialization (e.g., committee deference, legislator expertise), and incentives push legislators in that direction (e.g., reelection). More precisely, Congress divides its business among dozens of specialized committees and subcommittees, where members are expected to devote the greatest proportion of their time to narrowly focused committee work that serves the interests of voters. Indeed, legislator reputations and influence are built around their mastery over these narrow issue areas. Such factors conspire to promote legislator specialization and narrow employment opportunities, which is why lobbying attracts so many ex-legislators.
Appendix 1

Years of Tenure Among Former Congressmen

<table>
<thead>
<tr>
<th>Years of congressional service</th>
<th>Population</th>
<th>Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 years, %</td>
<td>60.2</td>
<td>64.8</td>
</tr>
<tr>
<td>11-20 years, %</td>
<td>31.4</td>
<td>27.3</td>
</tr>
<tr>
<td>21+ years, %</td>
<td>8.5</td>
<td>7.9</td>
</tr>
<tr>
<td>Statistics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>10.11</td>
<td>10.11</td>
</tr>
<tr>
<td>Standard deviation</td>
<td>7.49</td>
<td>7.68</td>
</tr>
<tr>
<td>Number of cases</td>
<td>1,135</td>
<td>165</td>
</tr>
</tbody>
</table>

Sources: Inter-university Consortium for Political and Social Research, Biographical Characteristics of Members of Congress, 1789-1996 (ICPSR Study #7803); authors’ survey of former members of Congress, 2004.

Appendix 2

Reason for Leaving Congress

<table>
<thead>
<tr>
<th>Reason for departure</th>
<th>Population</th>
<th>Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost general election, %</td>
<td>38.3</td>
<td>39.3</td>
</tr>
<tr>
<td>Lost in the primary, %</td>
<td>8.6</td>
<td>5.5</td>
</tr>
<tr>
<td>Retired, %</td>
<td>32.2</td>
<td>27.6</td>
</tr>
<tr>
<td>Sought another office, %</td>
<td>15.4</td>
<td>22.1</td>
</tr>
<tr>
<td>Accepted Federal Office, %</td>
<td>2.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Resignation, %</td>
<td>3.5</td>
<td>4.3</td>
</tr>
<tr>
<td>Number of cases</td>
<td>1,672(^a)</td>
<td>163</td>
</tr>
</tbody>
</table>

Sources: Inter-university Consortium for Political and Social Research, Biographical Characteristics of Members of Congress, 1789-1996 (ICPSR Study #7803); authors’ survey of former members of Congress, 2004.

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Notes

1. The exact wording of the question is as follows:
   Thinking of the first job you held after leaving Congress, how important would you say the following factors were in obtaining that job?
   1. Very important
   2. Somewhat important
   3. Of little importance
   4. Not important at all, or
   8. Don’t know
   The factors asked about were as follows: committee assignments, leadership positions, contacts made as a member of Congress, prior political experiences, voting record, party affiliation, reputation among voters, employment experiences prior to entering Congress, and expertise gained while in Congress. A fuller description of the questions included in the questionnaire can be found in Parker (2008).

2. The wording of this question is as follows:
   “Experience gained in serving as a legislator often helps people to get a job after they hold office. We want to know how much your experiences in Congress helped to prepare you for various types of jobs after your congressional career. For each of the following jobs, estimate how well your job as a legislator prepared you for that type of employment.”
   1. Provided NONE of the necessary skills
   2. Provided a few of the necessary skills
   3. Provided many of the necessary skills
   4. Provided ALL of the necessary skills
8. Don’t know or can’t judge
The areas examined were as follows: high-level corporate executive, midlevel corporate executive, interest group representative, high-level governmental official (appointed not elected), and midlevel governmental official (appointed not elected).

3. House incumbents were asked which view of the job of U.S. Representative comes closest to their own. The question wording for the first was, “With the job so demanding, regardless of what their occupations were in private life, Members of Congress should give up their private careers and devote full time to the Congress.” The wording for the second was, “Although they should do their job in Congress, Members should not be required to sacrifice the private careers they have built up, provided this private work is not in conflict with their official duties.”

References


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