Exploring the Dynamics of Representation, Institutional Rules, and Policy Outcomes in the U.S. States

by

Jonathan J. Fuentes

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Doctoral Committee:

Professor Richard L. Hall, Co-Chair
Professor Charles R. Shipan, Co-Chair
Professor Mary E. Corcoran
Professor Vincent L. Hutchings

DEDICATION

I dedicate this dissertation to

- my family, the one I have now and the one that is to be;
- my father, Oscar Fuentes, for his unwavering support;
- my fiancé, Alma Porras, for your patience, care, and love;
- and especially my mother, Pat Sparkman, for your never-ending love and constant support during this period of my life and every other period, too.

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ABSTRACT

Exploring the Dynamics of Representation, Institutional Rules, and Policy Outcomes in the U.S. States

by

Jonathan J. Fuentes

Co-Chairs: Richard L. Hall
Charles R. Shipan

This dissertation focuses on three separate issues related to representation, institutional rules, and policy outcomes in the states. Two of the three papers focus on a state-by-state comparison and measure how states differ in policy outcomes and descriptive representation. The final paper digs deeper to consider the individual-level behavior of representatives and the characteristics that drive those behaviors.

First, in the study of interstate policy choices, political science scholars highlight the importance of variables such as divided government, regionalism, and even neighboring effects. I argue that the literature ignores campaign contribution laws that vary from state to state. I examine previous theories along with these campaign contribution laws and find that states with lax campaign contribution laws are less likely to act on the regulation of payday lenders. More specifically, states with lax rules act more leniently and are less likely to enact regulation of

payday lenders. In addition, previous theories also prove influential in the policy choice of regulation within and across the states.

Second, while one can easily imagine that larger minority populations produce more descriptive representation, what other state characteristics drive a state toward higher numbers of Black and Latino legislatures? This article responds to a debate in the literature over the role of professionalism in the percentage of minority legislators within a state. I hypothesize that states with higher levels of professionalism attract greater numbers of qualified Black and Latino legislators and help these candidates win more spots within state legislatures. The results of the analysis support this theory. Along with higher percentages of minorities within a state, higher levels of professionalism also influence the percentage of Black and Latino legislators within a state.

Finally, the third paper focuses on representation, payday lending legislation, and the influence of religion in legislative deliberations. The paper focuses the dependent variable on roll-call votes and speaking time in favor of regulation. The main hypotheses revolve around a representative's religion. While I hypothesize that a representative's professed religion influences a representative's willingness to speak in favor of regulation and vote for regulation, the results do not support the hypothesis. I speculate on the reasons why the analysis shows no results for religion. Instead, variables such as campaign contributions, committee membership, the electoral safety of a district, and party all influence a representative's time spent speaking in favor of regulation.

CHAPTER 1

Introduction

This dissertation tackles three distinct issues in the Political Science literature. One paper compares the differences in campaign contribution laws across the states and shows how these laws influence a state's enactment of payday lending regulation. The second paper examines the level of professionalism among the states and its influence on the percentage of minority legislators elected to state legislatures across the country. The final paper considers religion alongside other individual-level characteristics of representatives in the Texas House of Representatives and tests religion's impact on representatives' activities regarding payday lending regulation. The dissertation is in three-paper format, but for organizational purposes, I label each paper as its own chapter.

Theoretical Questions and Contributions

While these papers appear at first glance to be unrelated to each other, they are all tied together by one common question that can be seen in each of the papers themselves: How do institutional rules and state- and legislator-level characteristics influence outcomes within and across states? Each chapter attempts to answer a specific question related to the overarching question.

More specifically, Chapter 2 attempts to answer the following question: Does the unevenness in campaign contribution laws across states impact the level of payday lending regulation states are willing to impose? While the literature has seen many attempts to measure the influence of campaign contributions on the behavior of political representatives (Chappell 1982; Ansolabehere, Figueiredo, and Snyder 2002; Wawro 2001; Hall and Wayman 1990; Hojnacki and Kimball 2001; Austen-Smith 1995; Wright 1990; deFigueiredo and Edwards 2007), no studies to date explore the institutional rules of a state surrounding campaign contributions to its elected officials. These rules vary from state to state in important ways and might influence the patterns of regulation policy. When an industry has deep pockets and is willing to spend to protect its jeopardized interests, states with permissible campaign contribution laws might place their representatives in a more vulnerable position than states with strict contribution rules. While studies on individual campaign contributions may yield no results, a broader look may be necessary to capture the many ways to shape policy. Politicians might keep an issue off the agenda, add amendments to a bill to water it down, keep it from reaching the floor for a vote, and so on. A collective look at the impact of campaign contributions laws picks up the many ways that campaign contributions might impact regulation.

Chapter 3 takes up the following question: Does professionalism—defined by Squire (2007) as a state's legislator salary, length of legislative session, and staff resources—drive a state toward higher numbers of Black and Latino legislatures? Fiorina (1994) opens up the debate on how professionalism might draw candidates with certain characteristics to vie for and win election. He argues that Democrats are more likely to pursue and win election in more professional states because they are motivated by the perks of a better salary and additional perks if elected. Squire (1992) and Casellas (2009) extend the argument to Black and Latino

legislators, respectively, but they theorize the opposite influence of professionalism on the percentage of Blacks and Latinos elected to serve in state legislatures. Squire argues that professionalism drives up the percentage of Black legislators; Casellas argues that Latinos as political newcomers cannot compete in more professional legislatures, thereby arguing that less professional legislatures elect higher percentages of Latinos. I, instead, argue that higher levels of professionalism should drive up the percentage of both Blacks and Latinos in state legislatures. I argue in the opposite direction of Casellas. I argue that Latinos often come from Latino-heavy districts, where their chances of winning election are great. If chances of winning are great, then the final motivation for these legislators comes from the benefits of a more professional legislature. Specifically, as a state legislature's professionalism increases, I hypothesize that the increase in professionalism will also increase the percentage of minority legislators within a state's legislature. Professionalism provides the incentive to win a seat in the legislature. This argument falls closer in line with Fiorina's (1994) argument on Democrats and professionalism and Squire's (1992) argument on Black legislators and professionalism. I add to those discussions, though, by considering the impact of minority concentrations within districts. I also add to it by considering the impact of the Voting Rights Act on the percentage of minorities elected within each state.

Chapter 4 attempts to answer this question: Does religion drive representatives to support calls for payday lending regulation? Fenno (1977) writes that members of Congress work hard to project a certain image to constituents, to build up trust and rapport with constituents, and to strengthen and broaden their reelection circle. I argue that this certainly extends to religion. When groups from the constituency signal that an issue is important, as the religious community did on the issue of payday lending during the Texas House of

Representatives' 2011 session, those state legislators professing a religion become an easy target for religious constituents. These representatives must provide support to the religious community or lose trust within the community due to an inconsistency between image and behavior. The discussion in Chapter 4 adds to the representation literature by considering yet another aspect of descriptive representation. When a representative purports to be a part of a certain group, expectations and responsibilities are often attached to that group membership. Religious constituents may look to representatives with the same professed religion for a shared group consciousness. They may view this representative as someone who might fight hard for issues important to the religion.

Organization

The following serves as a summary of the findings and the layout for the rest of the dissertation:

Chapter 2 focuses on a study of interstate policy choices. Political science scholars highlight the importance of variables such as divided government, regionalism, and even neighboring effects. I argue that the literature ignores campaign contribution laws that vary from state to state. I examine previous theories along with these campaign contribution laws and find that states with lax campaign contribution laws are less likely to act on the regulation of payday lenders. More specifically, states with lax rules act more leniently and are less likely to enact regulation of payday lenders. I do this by using an event history analysis to examine policy, state characteristics, and institutional rules during the period of 2000-2013. I conduct a secondary analysis to test the strictness of a state's regulation and find that strict campaign contribution rules also produce stricter payday lending regulations. In both models, previous theories also

prove influential in the policy choice of regulation within and across the states. For example, divided government impacts policy, and the variable measuring percentage of neighbors with payday regulation influences the behavior of neighboring states in at least one of the models.

Chapter 3 considers a the professionalism of a state's legislature and its influence on the percentage of minority legislators serving in each state. While one can easily imagine that larger minority populations produce more descriptive representation, what other state characteristics drive a state toward higher numbers of Black and Latino legislatures? This chapter responds to a debate in the literature over the role of professionalism in the percentage of minority legislators within a state. I hypothesize that states with higher levels of professionalism attract greater numbers of qualified Black and Latino legislators and help these candidates win more spots within state legislatures. The results of the analysis support this theory. Along with higher percentages of minorities within a state, higher levels of professionalism also influence the percentage of Black and Latino legislators within a state.

Chapter 4 focuses on representation, payday lending legislation, and the influence of religion in legislative deliberations. The chapter focuses the dependent variables on roll-call votes and speaking time in favor of regulation. I use data from the 2011 legislative session of the Texas House of Representatives to analyze speaking time and roll-call votes of state representatives. The main hypotheses revolves around a representative's religion. While I hypothesize that a representative's professed religion influences a representative's willingness to speak in favor of regulation and vote for regulation, the hypothesis is not supported by the results. I speculate on the reasons why the analysis shows no results for religion. Instead, variables such as campaign contributions, committee membership, the electoral safety of a

district, and party all influence a representative's time spent speaking up and voting in favor of regulation.

Finally, Chapter 5 sums up the conclusions drawn when considering the previous three chapters together. I also take the opportunity to discuss the direction of future research in light of the findings presented here.

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Chapter 2

Payday Lending Laws vs. Campaign Contribution Laws: An Analysis of the Adoption of Payday Lending Laws across the States

Introduction

Payday lending has been the focus of much regulatory attention at all levels of American government due to its high fees, interest rates, and rollover rates. The industry, though, has aggressively fought against regulation through trade associations, lobbyists, and campaign contributions. One Americans for Financial Reform report (2015) states that lenders spent $15 million during the 2013-2014 election cycle alone to protect their interests in Congress. The payday lending story begins at the state level, however, as this level has been unafraid to regulate payday lending activities within its own boundaries. These lenders have also shown a willingness to spend at that level, too. One report (Texans for Public Justice 2011), for example, shows that payday lenders contributed $1.4 million to Texas legislators during the 2010 election cycle. Still, payday lending regulation across the states remains uneven. Some states prohibit payday lending within their borders while others allow it to continue unrestricted. My research explores the reasons behind this uneven adoption of regulation and incorporates an analysis of campaign contribution laws across the states, an analysis currently missing in today's policy discussion.

In the United States, the fifty states set up an important policy comparison because the states vary in their political characteristics and certainly in their policy outcomes across jurisdictions. Many studies debate and explore the determinants of policy outcomes across jurisdictions and point to variables such as population size, wealth, divided state government, professionalism, and regionalism as influential in a state-to-state comparison (for example, see Walker 1969; Gray 1973; Andrews 2000; Huber and Shipan 2002; Shipan and Volden 2006; McCann, Shipan, and Volden 2015). These studies push the literatures on policy adoption and diffusion forward.

Unfortunately, the discussion to date has not considered the influence of campaign contributions and the laws surrounding these political donations. With a policy issue such as payday lending, one can easily imagine that private enterprise might pull out all the stops to protect its interests. These payday lenders have already shown how they are willing to contribute to campaigns. The problem becomes that they might be restricted from giving in some jurisdictions but permitted to give freely in others. Does the unevenness in campaign contribution laws impact the level of regulation states are willing to impose? I am unaware of any studies in policy adoption and diffusion that take up this angle. Instead, the literature surrounding contributions focuses the attention of campaign contributions on the behavior of individual legislators within state legislatures and Congress. While Wawro (2001) finds no influence between campaign contributions and roll-call votes, other scholars find that these campaign contributions sway legislative activities other than roll-call votes in a contributor's desired direction (Hall and Wayman 1990; Hojnacki and Kimball 2001; Austen-Smith 1995; Wright 1990; deFigueiredo and Edwards 2007),. To understand campaign contributions further, this study begins at the source—the actual campaign contribution laws, the lever that controls the

flow of contributions. I place this story within the literature of policy adoption in order to explore this novel angle.

I focus my attention on the campaign contribution laws within each state and their ability to influence the enactment of payday lending regulation within each state. Specifically, I argue that lax campaign contribution laws lead to a lesser likelihood that a state will intervene with regulation of payday lenders. These states are easy targets for industry's contributions and are, thus, more susceptible to industry wishes. Indeed, the results support this hypothesis. States with the strictest campaign contribution laws have a greater likelihood of enacting tighter regulation of the industry and coming down harder on payday lenders. In addition, I find further support for the importance of unified Democratic government. Finally, I find influence coming from a state's business climate, the percentage of women legislators, and the impact of the percentage of neighboring state adopters. The following two sections outline 1) a history of payday lending in America and 2) the importance of these campaign contribution laws and how they relate to policy adoption.

Payday Lending

Payday lenders are the storefronts around America that provide cash advances to consumers until their next payday. While payday lenders defend their role in the economy by explaining that they provide lending services to customers that cannot secure a loan through traditional lenders, critics attack these lenders due to their high interest rates, the cycle of debt created by the ability to roll over the loan, and the short time frame lenders have to pay off the debt (Wolff 2012). In addition, in this same report, the Center for Responsible Lending, one of the authoritative organizations on payday lending policy and one of the industry's staunchest

critics, reports that payday lenders locate their businesses in impoverished neighborhoods and target the poor as their clientele.

Payday lenders view this lending as lucrative, which is evidenced by their recent expansion across the United States. One Federal Reserve report details the explosion of the industry from 2,000 payday lending stores in 1996 to approximately 24,000 by 2007 (Prager 2009). To put this number in perspective, McDonald's, the second largest fast-food chain in the United States behind Subway, currently has 14,157 storefronts (Federal Reserve 2014). In addition, as mentioned above, the $15 million the industry spent on lobbying in Congress in one year alone shows just how lucrative they find their practices. They are ready and willing to spend millions in order to defend their interests. For purposes of my analysis, I focus on the time frame after 2000, when the industry saw the great explosion of both business and regulation. The explosive growth after 2000 also means that payday lenders began receiving much attention from lawmakers across the country. The Center for Responsible Lending, for example, sounded the alarm, and states across the nation responded to the call to action. Payday lenders, intent on keeping their main business activity, also responded by opening their wallets and defending their activities. Clashes between state governments, consumer advocates, and the payday lending ensued. This regulatory issue sets up the scenario for a study of policy adoption across the states and campaign contribution laws' role within those processes.

Campaign Contributions, Their Limits, and Their Influence on Policy Adoption

Numerous political science studies show that campaign contributions do not matter in roll-call votes. Study after study shows little to no connection between campaign contributions and roll-call votes (Chappell 1982; Ansolabehere, Figueiredo, and Snyder 2002). In one

comprehensive study, Wawro (2001) examines the relationship between campaign contributions and roll-call votes. He uses a model to better account for legislator predispositions and finds that contributions from political action committees have no real influence on the roll-call votes of members of Congress. Given the amount of attention campaign contributions receive in the literature, the media, and the halls of legislatures across the country, this conclusion might surprise Americans. The conclusion might even drive special interests to stop giving to campaigns. After all, if my interests are not served by my representatives, what is my incentive to continue giving?

Still, Americans across the country continue to give in spite of the mounting evidence that campaign contributions go unrewarded. Business interests, special interest groups, and private citizens give generously each year. The National Conference of State Legislatures (2016) reports that state candidates raise over $3 billion in campaign contributions from political action committees and individuals. The amount of money is staggering, and a great paradox exists between the amount of campaign contributions and much of political science's assumption of self-interest as a driver of political motivation. The incompatibility between contribution and reward nudges the literature to continue in search of a motive, a reason for special interests and private citizens to continue giving.

Some studies push the literature to look for a different smoking gun than simply roll-call votes. Sure enough, several studies show that campaign contributions buy a variety of political activity from politicians. Scholars find that these campaign contributions sway legislative activities other than roll-call votes in a contributor's desired direction (Hall and Wayman 1990; Hojnacki and Kimball 2001; Austen-Smith 1995; Wright 1990; deFigueiredo and Edwards

2007). These nuanced explanations show the influence campaign contributions exert on the political process.

Campaign finance reformers recognize the continued dangers associated with campaign contributions. Political bodies across the United States work year after year to place limits on the amount or types of these campaign contributions. These political actors, the ones closest to the giving of these campaign contributions, worry about the threat these gifts pose to government. Campaign contributions can exert influence on the many different activities within a legislature. The political process is also a long one, with many different points of entry through which to exert that influence. All these activities and points of entry deserve careful attention.

More recent studies explore the connection between campaign contributions and political outcomes. Some studies have been able to link greater campaign contributions from businesses to lightened regulation. DeFigueiredo and Edwards (2007), who move beyond roll call votes to the relationship between campaign contributions and the prices set by a state's telecommunications regulatory commission, find that contributions influence the rates new telecommunications companies must pay to enter into competition. In states where existing telecommunications companies give generously to legislators, the barrier to entry for new companies is high. When new entrants give generously, the cost associated with entering a state's telecommunications market is low.

In addition, Fellowes and Wolf (2004) find that campaign contributions from business interests sway Congress's actions toward more favorable tax and regulatory votes instead of direct expenditures for business interests. Their study introduces two important changes to the way political science once viewed the campaign contributions-to-vote exchange. First, they take

a look at individual campaign contributions and not just PAC contributions. These individuals are associated within a particular industry and have enough self-interest to give on behalf of the industry. Second, while they still use roll-call votes, they clarify that political science should consider tax and regulatory votes, not direct expenditures. They argue that direct expenditures create an ethical dilemma, one for which politicians could face legal consequences. Instead, they argue that campaign contributions should be gauged against tax and regulatory bills, areas where business would still have an interest but where politicians could not necessarily get in trouble for the connection.

Payday lending sits perfectly at the nexus of all of these debates within the literature. First, payday lenders are interested in creating a regulatory environment through which they can operate their businesses. They are not interested in direct government expenditures and, thus, do not risk placing themselves into an ethical dilemma over a pay-to-play scenario. Second, their interests are still easily identified, though. Unlike banks or other businesses, payday lenders only serve one function—lending money to consumers—and serve no governmental interest. With only one real function, any bill targeting these lenders becomes easy to spot. For the most part, government's interest in getting involved is to regulate the industry. Payday lenders are firmly against regulation. Third, by focusing on the direct regulation of the industry, I pull the discussion away from roll-call votes and onto another way through which campaign contributions might influence the political process. While DeFigueiredo and Edwards (2007) and Fellowes and Wolf (2004) look at regulation from the agency standpoint and a different set of roll-call votes, respectively, I look at states' level of regulation passed by the states.

Finally, and most importantly, what is missing completely from the campaign contributions story is the uneven contribution limits across the states. The story is currently

about the amount of contributions given to a candidate. While many campaign contribution studies focus on Congress, only a few do not. I turn my focus to the internal characteristics of a state and introduce a new institutional rule into the policy adoption discussion. States vary in their campaign contribution rules. I identify campaign contribution rules within a state as one of the missing variables within the policy adoption literature. If political science spends so much time contemplating how campaign contributions impact legislative behavior, should the discipline also spend time focused on the contribution laws and limits themselves? The states have different limits and laws, which sets up an excellent test for the ways these laws and limits might impact policy across the different states. A thorough review of the policy adoption literature yields no considerations of campaign contributions laws' role in the adoption of policy.

Here, I must pause and describe the difference between campaign contributions at the individual level and campaign contribution laws at the collective level. Many of the studies cited above point to a very high likelihood that campaign contributions have no influence on the actions of individual legislators. The problem with these studies is that they only capture one of the elements that might be influenced by campaign contributions. Instead, the collective level, the laws themselves, allows this study to consider the many ways that campaign contributions might keep a state from enacting regulation. Campaign contributions might keep a bill off the agenda entirely, prevent a bill from getting a hearing, encourage amendments to weaken a bill, prevent the bill from coming up for a vote on the floor, etc. Campaign contribution laws provide a collective space where any of these activities might take place. It does not narrowly tailor the campaign contributions story to only one of the potential consequences, like contribution's influence on roll-call votes.

A few studies look at the impact of campaign contributions at the state level. Bender (2013) and Powell (2012) show that campaign contributions at the state level vary in ways different than Congress due to a variety of institutional rules and clearly influence the behaviors of legislators, their policy choices, and electoral outcomes.

These studies show that much can be learned by studying campaign contributions at the state level. The discipline, though, fails to identify that the laws and the limits imposed by each state should begin any discussion of campaign contributions at the state level. These laws and limits also deserve a permanent place in the policy adoption literature. These campaign contribution laws are especially important because payday lenders have already been shown to give generously in order to their interests in the halls of government. With payday loans serving as their only business activity, protecting their business interests through campaign contributions is critical. They will have more opportunity to protect those interests in states with lax campaign contribution laws. They cannot be influenced as much by campaign contributions. For example, Utah, a state with no caps on the amount of interest, is a state that allows corporate campaign contributions and high levels of political action committee contributions. This environment gives payday lenders, with their deep pockets, greater opportunities to sway legislators. Even the Deseret News (2015), a newspaper owned by the conservative Church of Jesus Christ of Latter-Day Saints, wrote an article against the debt trap of payday loans and pointed blame toward the campaign-finance environment: "But it also speaks to the lobbying clout of the payday loan industry, which has been known to shower key politicians with healthy campaign contributions." In contrast, North Carolina, a state that prohibits payday loans altogether, is also a state that severely limits the types of campaign contributions might make. Legislators are less likely to fall victim to the enticements of campaign contributions and may, instead, take seriously consumer

advocates, who are more contributions-poor but still on a more level playing field in a state such as North Carolina.

Consider the following scenarios within States A and B. State A with lax contribution laws allows payday lenders to give generously to members of the legislature. These payday lenders are willing to give generously because their one and only business function is at stake. As these payday lenders continue giving generously to legislators, these lawmakers then feel a sense of obligation to at least hear out the interests of their donors. By accepting these funds, legislators signal to donors that they are willing to entertain their thoughts. These campaign contributions drown out the calls, visits, and other activities from cash-poor consumer advocates, who just cannot compete with monetary donations. State A creates a situation in which even the most consumer-friendly legislator is enticed by the carrot offered by payday lenders. Campaigns are driven by money, and with a higher ceiling for campaign contributions, State A pushes its legislators to chase money. Otherwise, these dollars go to competitors.

The legislator aims to please donors because these funds helped secure victory during the election. Support from the legislator includes a vote against regulation, efforts to water down legislation, a vote for the watered-down legislation, efforts to block a vote, and attempts to keep regulation from even coming to a vote. There are many ways to show support, even if we often think of roll-call votes as the only way. Continued support means that the legislator can continue receiving the support from the deep pockets of payday lenders. This translates to better chances for reelection.

Aggregated up from the legislator to the legislature, State A sees campaign contributions going to many of its legislative members. These legislators collectively opt for no regulation of the industry or, in case legislators wish to seem responsive, watered-down versions of regulation.

These bills act as mere smokescreens, keeping consumer advocates at bay for another legislative session and payday lenders in their campaign-contribution pockets. Bottom line, though, is that payday lenders continue being served favorably by the campaign contributions laws, which give payday lenders a carrot to wield to the contributions-hungry legislator.

State B, on the other hand, offers a more level playing field to consumer advocates and payday lenders. The contributions divide is nowhere near as pronounced as State A because State B's contribution laws set strict limits on the amounts legislators can receive. Consumer advocates often do not have the funds to donate. Limiting the ability of contributors to donate pulls payday lenders closer to consumer advocates. Campaign contributions do not serve as much of an enticement because the amounts payday lenders are willing to give can be matched by many other contributors, no matter the policy issue. The carrot is the same size as all the other carrots offered up by contributors and, thus, does not hold the same appeal as State A's situation. State B's consumer advocates have a less weakened position among stakeholders. While advocates may not have the resources to contribute much to campaigns, state contribution laws narrow the monetary divide between regulation advocates and payday lenders.

Collectively, State B's legislature depends less on the deepest pockets, those with both the resources and the willingness to give. Payday lenders fit both criteria. While state legislatures all grapple with the various stakeholders and the need for campaign contributions, State B places less emphasis on big contributions and less power in the contributors' hands. They cannot force State B to pay attention to their interests in the same way as State A. Both payday lenders and consumer advocates receive an equalized place at the bargaining table. The stricter campaign contribution laws free up State B to make the more difficult decisions without campaign contributions serving as much of a consideration as they do in State A's scenario.

While State A may be incentivized to protect the interests of its donors, State B's legislature feels less restricted. State B may pass tighter regulation against payday lenders because contribution laws render campaign contributions less powerful in punishing legislators during the next election cycle.

This void in the literature and the development of this theory set up the following hypotheses:

Campaign Contributions Rules Hypothesis*: State that impose stricter rules on campaign contributions will be more likely to impose regulation on payday lenders.*

Campaign Contributions Rules Strictness Hypothesis*: States that impose stricter limits on campaign contributions will see an increase in the strictness of regulation they impose on payday lenders.*

These two hypotheses require separate tests. I next lay out the data and methods that will be used to test these two hypotheses.

Data and Methods for Campaign Contributions Rules Hypothesis

Given the two hypotheses, I conduct two separate analyses to test the ideas set forth in both of them. I detail the data and methods separately below. First, I am interested in the likelihood of regulation through the period 2000-2013, the years in which payday storefronts exploded throughout the United States. These are also the years in which states responded with regulation of the industry. Event history analysis is the most common approach to the study of policy across the states, and this analysis provides the main test for the data analyzed here.

Boehmke (2009) points out that event history analysis is the "standard approach to modeling state policy innovation" (p. 229). This approach works out perfectly because I am interested in testing my hypothesis of campaign contributions rules by state during the years between 2000-2013.

Using data from the Center for Responsible Lending (2013) and the National Conference of State Legislatures (2013), I construct state-years for all the states during the period 2000-2013. This state-year dependent variable is a dichotomous variable and takes on a value of zero until the state manages to enact regulation that limits, effectively eliminates, or prohibits payday lending. Both the Center for Responsible Lending and the National Conference of State Legislatures code the regulation laws and determine when a state enacts regulation. Table 2.1 describes which states ever enact legislation. The "Payday Regulation" column of Table 2.1 shows the years of adoption; states with no adoption have dashes in this column. The state takes a value of one during the year it enacts regulation and drops out of the analysis in subsequent years. Twenty-one states enact laws that effectively regulate payday lenders, but only fourteen of these enact legislation during the period from 2000-2013. I drop six of these twenty-one states from the analysis completely and partially leave another in the model. Six of them enact legislation before 2000, using old usury laws passed many years before 2000 to regulate these payday lenders. One state, Arkansas, used a previous constitutional clause, written years before 2000, to eliminate payday lending in 2008.[1] The attorney general used the clause to justify the prohibition of payday lending, and its state Supreme Court argued in the attorney general's favor. I leave Arkansas in the model, assigning it zeroes for the years 2000-2007. It drops out of

[1] To test Arkansas' influence, I ran the model two other ways. In one, I omitted Arkansas entirely, and in the other, I acted as if the Arkansas legislature enacted regulation. In both models, campaign contribution laws behaved the way they do in the results presented below. In addition, Arkansas' changes in both alternate models helped the variable measuring the percentage of neighbors with regulation achieve statistical significance.

subsequent years without ever taking on a value of one. This leaves in the analysis fourteen states with regulation and thirty states with no regulation.

Table 2.1. States, Their Regulation of Payday Lenders, and Their Campaign Contribution Laws, 2000-2013
(States in gray are strictest in their campaign contribution laws and take on a value of zero for most or all of event history analysis. These states ban corporate contributions and do not allow PACs to contribute $5,000 or more)

State	Payday Regulation	Ban on Corporate Contributions	Do Not Allow PAC Contributions of $5,000 or More
Alabama	--	Allows	Allows
Alaska	--	Pre-2000	Pre-2000
Arizona	2008	Pre-2000	Pre-2000
Arkansas	2008*	Allows	Pre-2000
California	--	Allows	Allows
Colorado	2010	2002	Pre-2000
Connecticut	Pre-2000**	Pre-2000	Pre-2000
Delaware	2013	Allows	Pre-2000
Florida	--	Allows	Pre-2000
Georgia	2004	Allows	Pre-2000
Hawaii	--	Allows	Pre-2000
Idaho	--	Allows	Pre-2000
Illinois	--	Allows	Allows
Indiana	--	Allows	Allows
Iowa	--	Pre-2000	Pre-2000
Kansas	--	Allow	Pre-2000
Kentucky	--	Pre-2000	Pre-2000
Louisiana	--	Allows	Allows
Maine	2005	Allows	Pre-2000
Maryland	2002	Allows	Allows
Massachusetts	Pre-2000**	Pre-2000	Pre-2000
Michigan	--	Pre-2000	Allows
Minnesota	--	Pre-2000	Pre-2000
Mississippi	--	Allows	Allows
Missouri	--	Allows	Allows
Montana	2010	Pre-2000	Pre-2000
Nebraska	--	Allows	Allows
Nevada	--	Allows	Allows
New Hampshire	2008	Allows	Allows
New Jersey	Pre-2000**	Allows	Allows
New Mexico	--	Allows	Allows
New York	Pre-2000**	Allows	Pre-2000
North Carolina	2001	Pre-2000	Pre-2000
North Dakota	--	Pre-2000	Allows
Ohio	2008	Pre-2000	Pre-2000
Oklahoma	--	Pre-2000	Allows
Oregon	2007	Allows	Allows
Pennsylvania	Pre-2000**	Pre-2000	Allows
Rhode Island	--	Pre-2000	Pre-2000
South Carolina	--	Allows	Pre-2000
South Dakota	--	Pre-2000	Allows
Tennessee	--	2000-2011	Allows
Texas	--	Pre-2000	Allows
Utah	--	Allows	Allows
Vermont	Pre-2000**	Allows	Pre-2000
Virginia	2008	Allows	Allows
Washington	2009	Pre-2000	Pre-2000
West Virginia	2005	Pre-2000	Pre-2000
Wisconsin	--	Pre-2000	Pre-2000
Wyoming	--	Pre-2000	Allows

*Arkansas begins regulating payday lenders in 2008 through actions of the attorney general. They remain in the event history analysis through 2007 but do not receive credit in 2008 for taking action through the legislature. In other words, they never get a "1" in 2008. They simply drop out of the analysis.
**States with regulation laws on the books before 2000 are excluded from the analysis.
Sources: Federal Election Commission and National Conference of State Legislatures

To examine if campaign contribution laws influence the likelihood of regulation, I analyze each state's limits on contributions to candidates during the period in question. This variable serves as the independent variable of interest. The National Conference of State Legislatures (2013) and the Federal Election Commission (2016) provide these limits. I first analyze the data to find out the states that do and do not prohibit corporate contributions.[2] Second, because these lenders may choose to give donations through their political action committees in addition to their corporate contributions, I measure whether a state allows for donations of $5,000 or more to lower legislative members (i.e. the house members of most states). I wish to identify those states with the strictest campaign contribution laws. Corporations often give through political action committees that represent either the business or the industry. Payday lenders have several different political action committees, including the Online Lenders Alliance, the Community Financial Services Association, the American Financial Services Association, and the National Installment Lenders Association (Americans for Financial Reform 2015). Those that allow campaign contributions from corporations or allow for $5,000 or more to be given to lower-chamber legislative members take on a value of one. Those that prohibit campaign contributions and only allow for less than $5,000 to lower-chamber legislative members take on a value of zero. The states that take on a value of zero (the strictest campaign contribution laws) are represented in gray in Table 2.1. In essence, states with a value of one have relaxed rules on campaign contributions and will have less regulation on payday

[2] In the measurement of my campaign contributions variable, I only consider those states that ban corporate contributions entirely. I am most interested in finding the states with the strictest campaign contribution laws. Some state allow unlimited corporate campaign contributions, and other states allow these contributions but limit the amount of the donation. I only consider the ban because I believe that any donation from a corporation may make legislators and legislatures sympathetic to payday lenders, no matter the amount.

lenders. Conversely, states with a value of zero have very strict rules surrounding the ways in which a corporation might give campaign contributions.

Only fourteen states take on a value of zero for strict campaign contribution laws. A careful study of the Federal Election Commission and the National Conference of State Legislatures' data shows that these states remain firmly in one camp or the other. Only one state, Colorado, moves from one category to the other during the fourteen years in question. I account for this movement by giving Colorado a one between 2000-2001 (years in which the state permits corporate donations) and a zero between 2002-2013 (years in which the state bans corporate contributions and has low PAC contribution limits). Tennessee dropped its ban on corporate contributions in 2011, but its law of allowing PACs to give $5,000 or more already had the state in the category with a value of one. Thus, the state did not change value at all. The states and their respective values for each category of campaign contribution are listed in Table 2.1 in the last rows included in the table.

Control Variables

In addition to states' campaign contribution laws, I identify factors that are important in the policy literature and that might be relevant to the story explained here. I include these variables in the analyses in order to control for their influence. Below, I explain the way I measure variables for the event history analysis. I allow all variables in the event history analysis to take on its particular value for each specific state-year.

I create one variable to control for the percentage of neighbors that actually enact payday regulation. While my study is mainly about policy adoption and the internal characteristics of a state, I utilize this variable because the extensive literature shows that external influences matter,

too. The literature, for example, shows that subnational governments learn from each other, emulate each other, and compete against each other (Walker 1969; Gray 1973; Berry and Berry 1990; Haider-Market 2001; Balla 2001; Shipan and Volden 2006, 2008). I use the Center for Responsible Lending report (Montezemolo 2013) to identify the twenty-one states that have either eliminated or limited payday lending through legislative action. I then tally for each state the number of adjacent states that have enacted regulation on the payday lending industry. I define adjacent as a state that touches the other state's borders, no matter how long the shared border is. I then divide that number of state regulators by the total number of states that border the state to arrive at the percentage of neighbors with strict payday lending regulation. In the event history analysis, the percentage of state's neighbors with payday regulation grows the year after a state enacts the regulation. I expect that states with high percentages of neighbor adopters will follow the lead of its neighbors and will be more likely to enact regulation.

Passing policy is no easy feat, but divided government often makes passage of such policy even more difficult. Following the lead of several scholars (for example, see Epstein and O'Halloran 1994, 1999; Huber and Shipan 2002), I attempt to measure the costs of divided government on policy outcomes. More specifically, I measure likelihood of regulation in the face of potential conflict between different legislative chambers and the governor. This variable also provides a measure of party. I use information from the National Conference of State Legislatures (2015) and the National Governors Association (2015) to uncover the party in control from 2000 to 2013. I assign a value of one to each state-year in which a state has unified Democratic control of a state's legislative chambers and governorship. All other party pairings of state government receive a zero. The assumption here is that unified Democrats would be more likely to regulate than Republicans. Another important note is that Nebraska is not

dropped from the analysis even though it has a unicameral, nonpartisan legislature. The reason is because its governors during this period of time are Republican, which would automatically give it a value of zero. This allows for a full analysis of all fifty states.

A state's business climate also might influence a state's willingness to enact regulation of payday lenders. I use a measure developed by the Tax Foundation (2016) to examine the business climate during this time period. The index takes into consideration the state's tax system and gauges how hospitable the system is to economic growth and business development. The scores for each state range on a scale from zero to ten, with ten being more hospitable for business purposes. The values for each state-year vary based on the score assigned to them by the Tax Foundation that particular year. The higher the score, the less likely a state will be willing to regulate payday lenders.

The Center for Responsible Lending (Li, Parrish, Ernst, and Davis 2009) reports that payday lenders are eight times more likely to be concentrated in neighborhoods with a large percentage of Blacks and Latinos. Due to a shared group consciousness based on race, as evidenced by its place in the literature (Dawson 1995; Hutchings 1997; Whitby 1997; Mansbridge 1999; Minta 2009), the racial composition of a state and its legislature may play a role in regulation. Complete data for the percentages of minorities serving in state legislatures is not readily available. Instead, I use Census (2016) data to calculate the percentage of Black and Latinos within a state. Since several scholars (for example, Squire 1992; Casellas 2009) find that a state's percentage of minorities greatly influences the amount of minorities serving in legislatures, one acts as a good proxy for the other to show how their interests might be represented in the legislature. I expect higher percentages to lead to a greater likelihood of regulation intervention.

Likewise, Texas Appleseed (Baddour 2009) reports that a Texas survey of payday borrowers revealed that 59% of all payday borrowers were women, with many of them being single mothers. These loans seem to disproportionately affect women, especially the most vulnerable amont them. I use data from the Center for American Women and Politics (2016) to measure the percentage of women in each state's legislature. The data is available for each year and each state between the years 2000-2013. I include percentages for each state-year in the event history analysis. I expect to see a higher likelihood of payday lending regulation in states with a higher proportion of women serving in the state legislature. These women will serve as advocates for regulation.

In addition, I include a dummy variable for Southern states. While scholars have shown less differences between the South and other regions recently, differences still exist in ways that might skew this study of policy consequences (Black 1987; Hood, Kidd, and Morris 1999; Berard 2001). I expect to see a lower likelihood of payday lending regulation coming out of these states.

Results for Campaign Contributions Rules Hypothesis

The results of the event history analysis lend great support to the campaign contributions rules hypothesis, even when controlling for other variables.[3] I report out the hazard ratio of the event history analysis. The model starts with a baseline of one, the point at which any value of a state-year would be just as likely as the next to adopt regulation in the next state-year. If a value

[3] I re-ran the event history analysis with the six dropped states (those states with payday regulation in place before 2000), giving them a one for payday regulation at the beginning of the event history analysis. I also gave Arkansas a value of one during 2008. One could easily make the argument that the Arkansas legislature could have passed legislation to overturn the actions of the attorney general and state Supreme Court. Instead, they chose to let the opinions stand. The results presented here still held up in the fuller model. In fact, they added more support to the hypothesis.

falls below one, that value shows a lower likelihood of adoption in the next state-year. A higher value of one shows a greater likelihood of adoption in the next state-year. The results are included below in Table 2.2. The variable *Contribution Limit on Corporation and PACs*, which counts states with permissive contribution laws as a value of one, shows a much lower probability of passing regulation laws against payday lenders. Stated another way, in the next cycle, states that have the most permissive campaign contribution laws are about .61 (1 minus the coefficient of .39) times as likely to adopt payday lending regulation as states with strict campaign finance laws. The results are statistically significant at the .01 level. Payday lenders are willing to donate campaign dollars to legislators. The finding suggests that legislators in states with permissive contribution laws may succumb more readily to the enticements and desires of payday lenders, even after controlling for other possible explanations. Campaign donations are important to politicians and their political chances. On an issue where corporate desires are clear and policy outcomes are measureable, these campaign contribution laws show just how they might sway the actions of state legislatures.

Table 2.2: Payday Lending: An Event History Analysis		
	CRL and NCSL Rating	
	Hazard Ratio	
Variable	(Standard Error)	
Contribution Limit on Corporation and PACs	.39	***
	(.08)	
Unified, Democratic Government	1.66	**
	(.38)	
Business Climate	1.02	
	(.10)	
Minority Percentage in State	.07	**
	(.09)	
Women Percentage in State Legislature	1.08	***
	(.02)	
State's Neighbor with Payday Regulation Percentage	1.22	
	(.36)	
South	8.60	***
	(3.22)	
Poverty Level	.84	***
	(.04)	
Number of cases	526	
Log-Likelihood	-633.34	
Chi-Squared	117.05	***

***p .01 (one-tailed test)

**p .05 (one-tailed test)

*p .10 (one-tailed test)

The event history analysis also reveals that states with unified Democratic government are more likely to pass payday lending regulation. A state with this specific political environment is 66% more likely to adopt payday lending regulation in the next cycle. The variable behaves in the expected way and hits statistical significance at the 95% confidence level. With payday lending's reputation, unified Democratic governments show a willingness to

regulate the industry in order to protect their constituents from high interest rates and rollover fees.

A state's business climate, as rated by the Tax Foundation, moves in the unexpected direction but fails to reach statistical significance. The model fails to show sufficient proof that a state with beneficial corporate tax laws is also a state willing to allow its payday lending businesses to run a little more unimpeded.

The percentage of women serving in state legislatures influences the likelihood of passage of payday lending regulation. A state with just a one-percent increase in its percentage of women legislators is 8% more likely to adopt regulation in the next cycle. The result is statistically significant at the .01 level. Women provide regulation advocates with allies in state legislatures. They also provide women with representation since, as mentioned above, women tend to be overrepresented among payday borrowers. Women look out for the concerns of the poor in ways different than their male counterparts and, as will be shown above, other groups within a state's legislature.

The variable representing minority percentages in a state's legislature runs in the unexpected direction but fails to hit statistical significance in this model. Minorities are disproportionately targeted by payday lenders and require regulation protections from the debt trap. Perhaps the issue has not risen to a level of salience to activate minority legislators, as proposed by the literature (for example, Hutchings 1997). Perhaps minority legislators are unsure how to react to these payday lenders. While their rates may be high and may unduly burden many minority borrowers, these payday lenders are sometimes the only source of lending to borrowers. Removing them could affect their constituents with no other means through which to borrow money. This finding and its causes require future evaluation.

Rounding out the remaining control variables, poverty runs in the opposite direction and hits a high level (.01) of statistical significance. States with a one-percent increase in their poverty level are .16 as likely to adopt in the next state-year. This variable may function this way for the reasons attributed to the minority variable. While payday lenders lend money at high interest rates, they remain one of the only sources of lending for those with bad credit. Those with the worst credit tend to be the poor. States with high rates of poor may opt not to rid their states of this important lender, no matter the consequences. Perhaps surprisingly, the South produces states that are 8.60 times more likely to adopt regulation in the next cycle. This may surprise many since the South may not seem like a region that would push for so much regulation. However, the South is home to the Center for Responsible Lending, one of the country's fiercest advocates for payday regulation. The South may also be the ideal place for the need for regulation due to its poverty levels and high minority concentrations. In addition, parts of the South were still transitioning from Democratic to Republican governments. More progressive Democrats may have led efforts to push for more advocacy of payday lending regulation. In one last surprise, the variable measuring the percentage of neighbors with payday regulation fails to produce statistically significant results. The percentage of neighbors that have adopted regulation does not improve chances for adoption. The variable deserves a closer look given its importance to the policy adoption and diffusion literature. For example, a quick re-test of the data using neighbors as a simple tally, not a percentage, yields statistically significant results for this variable. Perhaps the data is skewed by states that only share borders with a few states when states are more likely to support regulation after the peer pressure of several neighbors.

Data and Methods for *Strictness* Hypothesis

For secondary consideration, I use the ordered probit model to estimate the likelihood campaign contribution laws influence the strictness of regulation within each state. This model is appropriate given the ordinal categorization of payday lending laws created by the Center for Responsible Lending and the National Conference of State Legislatures. The dependent variable runs from values of zero to two. While many policy diffusion and adoption studies utilize event history analysis to test their hypotheses, I include this secondary approach because I am interested in the information available on the strictness of this regulation. While an element of timing is lost in this approach, the model makes up for it by not discarding the strictness information. My main dependent variables here take on three values, which allows for more variation and for a more nuanced view of the policy world. In almost every policy situation, states can choose not to act, can regulate in various ways and degrees, and can outright ban certain practices. I wish to identify states and variables that regulate the strongest under this analytical approach. The strictness hypothesis will be tested through this model, showing which variables affect the likelihood of strict regulation by the year 2013.

My dependent variable considers the level of regulation imposed within each state. I measure and test influence on the level of regulation in two different ways. First, the Center for Responsible Lending (CRL), long considered an expert on payday lending, produced a report (Montezemolo 2013) in which it categorized states into one of three levels: no meaningful regulation, regulation that limits but does not eliminate, and regulation that effectively eliminates the payday debt trap. I use this data to construct my dependent variable, with each state receiving a zero, one, or two based on CRL's categories. Zero represents states with no meaningful regulation, one represents limits but no elimination, and two represents those states

that eliminate the debt trap. CRL places twenty-nine states into the category with no meaningful regulation. The organization recognizes six more with regulation that limits the debt trap and places the remaining fifteen states in the category that eliminates the debt trap.

To examine if campaign contribution laws influence the likelihood of payday lending regulation, I analyze each state's limits on corporate contributions to candidates during the period in question. The National Conference of State Legislatures (2013) and the Federal Election Commission (2016) provide these limits in very convenient formats. In order to thoroughly test my hypothesis, I analyze the data to find out the states that do and do not have a prohibition of corporate contributions. Twenty-nine states have no such prohibition of corporate donations, leaving twenty-one that do. These twenty-nine states receive a one; states with the prohibition take on a value of zero. I expect that those states accepting corporate donations will have a lower likelihood of regulation. Table 2.1 shows the states with bans on corporate donations.

I focus my attention on what payday lending laws look like in 2013. As stated above, payday lending is a recent phenomenon, with much of the storefront growth and legislative response taking place in the 2000s. I create a snapshot of the payday lending regulation laws on the books in 2013 and attempt to capture the institutional rules and political climate these laws faced leading up to 2013. That is, I consider the political environment leading up to 2013 snapshot to see how the environment may have shaped the strictness of regulation. Almost every state remains stable across the variables. Colorado and Tennessee are the only states that adjust their campaign contribution laws during this period. Colorado, though, makes the switch very early in the time period (2002). It does not pose a complication to the ordered probit model. Tennessee creates little more of a concern because it changes its corporate campaign

contributions laws in 2011. Moving from a ban on corporate contributions to allowance of them places the state in a different category for the corporate contributions variable. Still, I include it in the model because it spends several years leading up to 2013 in the lenient campaign contribution category.[4]

I also include the same control variables of the event history analysis here for consideration in the ordered probit model. I take the final percentage of neighbors that enacted regulation. For the unified, Democrat variable, I take an average of all the state-years and assign that value to the state. The state values for this variable range from zero (no unified Democratic government ever) to one (all unified Democratic government during this period), with most states taking on decimal values between these two limits. I then take the value of 2013 for women legislators, for a state's percentage of minorities, and poverty level. Even though I only consider the 2013 value, this should not skew the results in this model. The values for each state remain very stable from year to year.

Strictness Hypothesis Results

Campaign contribution laws play an important role in influencing the likelihood of meaningful payday regulation. Table 2.3 below shows the results for the strictness analysis. The independent variable of interest moves in the expected direction and achieves statistical significance. States that permit these corporate contributions have a lower likelihood of adopting strict regulation.[5]

[4] I include discussion of Tennessee in a footnote below when discussing the results of the model.
[5] The model is unaffected by dropping Tennessee from consideration. The main variable of interest still keeps its statistical level of significance.

Table 2.3: Variables That Influence the Odds of Regulation of Payday Lending, Ordered Probit		
Variable	Coefficient (Standard Error)	
Contribution Limit on Corporation	-.82	**
	(.47)	
State's Percentage of Neighbors with Payday Regulation	1.73	***
	(.72)	
Unified, Democratic Government	.13	
	(.13)	
Poverty Level	.05	
	(.09)	
South	1.30	**
	(.63)	
Minority Percentage in State	-.03	
	(.02)	
Women Percentage in State Legislature	.11	***
	(.04)	
Business Climate	-.02	
	(.24)	
Number of cases	43	
Log-Likelihood	-28.34	
Chi-Squared	21.83	**
Pseudo-R2	0.23	
Cut 1	4.26	
	(2.23)	
Cut 2	4.87	
	(2.22)	
***p .01 (one-tailed test) **p .05 (one-tailed test) *p .10 (one-tailed test)		

I include predicted probabilities for campaign contributions in Table 2.4. Table 2.4 shows that states with no prohibition on corporate contributions are 83% likely to produce no meaningful regulation of payday lenders. On the other hand, states with a ban on corporate contributions, are 42% more likely to enact some type regulation on payday lenders. These

statistically significant results show that these campaign contribution laws influence the types of policies passed within the states.

Table 2.4. Independent Variable Impacts on Payday Regulation

	Percentage Likelihood of Levels of Payday Regulation		
Independent Variable Value	No Meaningful Regulation	Limits on the Debt Trap	Elimination of Debt Trap
Corporate Donations			
Not Allowed	58	22	20
Allowed	83	11	6

Note: These estimates represent the predicted probabilities of each category of payday regulation given values of independent variables, while holding all other variables at their means.

Returning to Table 2.3, having neighbors adopt payday regulation is an important variable in the policy diffusion literature and in the story told here. Table 2.3 confirms that neighboring effects are highly significant, with .01 significance levels. Specifically, as the percentage of adjacent neighbors with payday regulation increases, the likelihood of meaningful legislation increases with it. Given the policy adoption and diffusion literature, the finding comes as no surprise here. Neighboring states with payday regulation influence each other, no matter what the reason for the influence may be. The scope of this particular study does not allow room to uncover the motives for this neighboring effect, but given the nature of payday lending, a study on the mechanisms at work could produce a very interesting discussion.[6]

[6] Here, it is important to note that I also ran the model without the percentage of neighbors with payday regulation. Some might argue that considering the full percentage of neighbors that are payday regulators might be unfair because this independent variable might take on its full value *after* the state already adopted payday regulation. That means that this neighbor adopter variable might not actually be a cause of adoption. When I remove this variable entirely from the model, my independent variable of interest, campaign contributions laws, just falls out of statistical significance range (.1 level). Furthermore, when I drop this variable and the unified, Democratic variable from the equation, the independent variable of interest falls further from statistical significance. I opt for the model I use, though, because I am interested in predicted probabilities. I want a

Working through the rest of Table 2.3, the remaining control variables produce a mixed bag of results. States with a greater amount of unified, Democratic government moves in the right direction but fails to produce meaningful regulation. The poverty level of a state sways the results in no meaningful way. While the coefficient is in the expected direction, it fails to meet statistical significance in all of the four models. The South, on the other hand, produces a significant likelihood of higher regulation. Again, the South is home to the Center for Responsible Lending, one of the fiercest advocates of payday lending regulation. Minority percentages produce insignificant results, but the results consistently run in a problematic direction for advocates of payday regulation. The final variable, business climate, trends in the expected direction but fails to achieve statistically significant results.

Women percentages in the legislature run in the predicted direction and are statistically significant. That is, higher levels of women in the state legislature lead to a higher likelihood of stricter payday regulation within a state. Women seem to provide a likely ally in the fight for regulation.

Conclusion

The results presented here show just how important campaign contribution laws and limits are to policy. These laws have the ability to sway regulation policy. In other words, a state that allows corporations to give at all or that allows political action committees to give generously sets up the likelihood that these groups can influence their way to the policy they desire. At the very least, they can water down a policy in their favor. Payday lending is an

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snapshot view of payday regulation in 2013 so that I can test the strictness of regulation. The model is imperfect but captures the variables I expect would have an influence on payday regulation *by* 2013, not exactly *in* 2013. I would expect that the percentage of neighbors with payday lending would influence each other, especially when the percentage of neighbors is rather large by 2013.

important example of this danger because payday lenders 1) are willing givers of campaign funds and 2) have a very clear-cut purpose in terms of regulation. If these payday lenders give generously and legislators gladly accept, a tacit agreement takes place. While the current literature finds no clear connection between roll-call votes and campaign contributions, other studies show that there are many other ways in which legislators can engage and intervene on a contributor's behalf. There are so many intervention points within the policy process, and by even setting the agenda from the outset, these intervention points may be unnecessary. By looking at the contribution laws first and identifying the ensuing policy from those laws, this study uncovers a relationship and a potential connection between the two. There are two logical next steps that follow from this study. First, the policy literature deserves even more studies of the impact of these contribution laws on policy. Where corporate desires are clear and political actions are easy to tease out, studies will likely find that these laws influence political decision-making. There are many other policy areas where industry does not regulation and fights with its pocketbooks to protect its interest. These policy areas deserve attention to further test the findings of this study.

Second, this study identifies the potential danger between donations and regulation but does not identify the various ways in which legislators intervene on a donor's behalf. How exactly do legislators intervene on a donor's behalf? Are they involved in keeping a policy area entirely off the legislative agenda? These areas might be more difficult to measure than a roll-call vote, but they are necessary to uncovering the relationship between contributions and legislative influence.

In a broader sense, while the story told here lends itself well to payday lending, it also shows that campaign contribution laws belong in other policy adoption and diffusion stories.

Payday lenders are not the only ones who give generously to legislatures. Political science spends much time thinking about what campaign contributions actually gain for the donor. By focusing on the laws first, then scholars and practitioners can understand what is truly at stake for each policy area within a state given the institutional rules surrounding campaign contributions. This study introduces the concept to the literature on policy adoption, and the implication is that it belongs in many other stories, too.

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Chapter 3

Minority Population, Professionalism, and the Percentage of Minority Legislators in the States

Introduction

While Latinos and Blacks together make up over twenty-five percent of America's population, they occupy only twelve percent of the state legislative seats available throughout the country's state capitol buildings. A concentration of minorities in the same states and districts certainly matters to the electoral chances of minorities (see Squire 1992; Gerber, Morton, and Rietz 1998; Casellas 2009). Just like political parties in American politics, election of a member of any group requires enough like-minded supporters. Minorities often draw support from other minorities. While a concentration of like individuals is an important determinant of descriptive representation, surely other factors within a state influence the underrepresentation of minorities. States vary in the type of institutional rules they put in place, for example. Aside from electoral rules or district demographics, the nature of the position and the organization these candidates desire to join may bar or encourage them to pursue elected office. This is true for everyday Americans as they pursue job opportunities. The same is likely true for those seeking a job opportunity in the seats of legislative chambers across the country. This article analyzes all

legislative chambers within the American states and focuses on the different population and institutional characteristics among the states that might influence the amount of minorities elected to state legislatures.

Of course, one question must be asked before launching into an analysis: Why is having minority legislators important to the minority populations within the states? The literature in this area stems from Hanna Pitkin's (1967) definitions of descriptive and substantive representation. The two types of representation are different but often connected in the case of minority representation, with descriptive representation often leading to substantive representation because minority legislators often understand the plight of minority families best. While descriptive representation does not always lead to substantive representation (Swain 1993), at least by the way substantive representation might be measured, most scholars have, in fact, found that minority legislators support more specific policies and actions important to minority populations than white legislators (Welch and Hibbing 1984; Hall 1996; Whitby 1997; Hutchings 1998; Canon 1999; Tate 2003; Minta 2009). Minority populations have policy interests important to them, and minority legislators may more acutely understand what those interests are. According to the literature, these minority legislators then act on this understanding in ways different from their peers.

If minority legislators matter to minority interests, then getting minority candidates elected serves as an important pre-condition. States, though, vary in their institutional rules and characteristics, population demographics, and minority concentrations. These all may serve as barriers to entry. Minorities face separate challenges and opportunities from state to state. Casellas (2009), for example, explores a state's Latino percentage and its institutional features and finds that states with larger Latino percentages tend to elect more Latino legislators. He also

finds some support for institutional features that might foster the election of Latinos as political newcomers. Casellas's study serves as an important step in the literature toward consideration of institutional factors on minority representation. As professionalism increases, he argues, the percentage of Latinos in a state's legislature should decrease. He believes that Latinos cannot compete with the resources and the networks established by more seasoned political groups. He argues that Latinos stand better odds in citizen legislatures. I also believe that professionalism is important to the minority representation story and that it deserves further consideration. I argue that professionalism influences a candidates' decision to even run and, ultimately, to win a seat in the legislature. However, I argue that minorities' opportunities at legislative seats are better served by more professional legislatures. I argue in the opposite direction of Casellas. I argue that Latinos often come from Latino-heavy districts, where their chances of winning election are great. If chances of winning are great, then the final motivation for these legislators comes from the benefits of a more professional legislature. Specifically, as a state legislature's professionalism increases, I hypothesize that the increase in professionalism will also increase the percentage of minority legislators within a state's legislature. This argument falls closer in line with Fiorina's (1994) argument on Democrats and professionalism and Squire's (1992) argument on Black legislators and professionalism. I add to those discussions, though, by considering the impact of minority concentrations within districts.

The article indeed confirms the literature in regard to a state's percentage of minorities—the percentages of minorities within a state drive the percentage of seats held by minorities higher within state legislative chambers. The states with the highest minority percentages continue to have the single largest impact on the number of minorities in the legislature. In addition, this article also confirms that professionalism works in the hypothesized direction, with

higher levels of professionalism influencing the percentage of seats occupied by minorities. Several control variables also paint an interesting picture of minority representation. The measure of support for a party matters to Latinos' chances of securing a seat, with minorities standing a better chance of higher legislative percentages in Democrat-leaning states. Perhaps surprisingly, states with larger urban percentages produce lesser levels of Latinos in state legislatures but have little impact on the percentage of Black legislators. To begin the paper's discussion, I first lay out the theory and hypotheses.

Theory and Hypotheses

States vary in the institutional rules that govern them. For example, states vary in the amount of legislative pay, the amount of staff afforded to each legislative member, the frequency and length of a state's legislative sessions, per diem benefits afforded to legislative members, etc. All these different institutional features undoubtedly weigh into a politician's choice to run, ability to win, and even a politician's mode of operation once there. Below, I explore the current literature surrounding these claims.

Many studies consider the role of professionalism in influencing the political process. For example, some consider the impact of professionalism on divided government, responsiveness, and policy decisions (Squire 1998, 2002; Huber, Shipan, and Pfaler 2001; Huber and Shipan 2002; Maestas 2003; Shipan and Volden 2008; McCann, Shipan, and Volden 2015). Professionalism certainly shapes the way states respond to political decisions once in office. The amount of time spent in session and the amount of staff certainly affect response rates and policy options. However, very few studies consider the impact of those that might seek and win seats based on professionalism.

Enter Fiorina (1994). Fiorina hypothesizes that more professional legislatures influence the election of more Democratic representation. He argues that Democratic candidates tend to be salary and wage employees, and they will enter the political fray only when the benefits (like salary) become more enticing than their previous job. On the reverse side, he argues that Republicans, who tend to be in more flexible, lucrative careers, will prefer part-time legislative work because it allows for these Republicans to keep their higher-paying jobs. These part-time positions often allow their officeholder to do both jobs, full-time job and part-time legislator, at the same time. He indeed finds support for his hypotheses and finds further support in a later work (Fiorina 1999). Fiorina begins the path toward identifying who might be encouraged to run and win election by the professionalism of a legislature. By extension, the level of professionalism may influence other groups that are not too financially wealthy and flexible. A well-paid position in a professional legislature may offer better salary, benefits, prestige, and work environment. This type of position potentially opens the door for many more candidates.

Another study furthers the cause by identifying the power of professionalism in shaping minorities' choices about whether to run. Like many Democratic candidates, minorities tend to not have the same resources as other politically powerful groups, but Casellas (2009) theorizes in a different direction than Fiorina. Casellas hypothesizes that state legislatures with higher levels of professionalism will have lower levels of Latinos. His study focuses on professionalism's influence on minority representation, the chief focus of this paper. He argues the following:

> Because citizen legislatures are less financially desirable, the pool of candidates for them should be smaller, which should benefit political newcomers. Latinos are political newcomers, so states with citizen legislatures should be more likely to be associated with greater levels of Latino representation, because turnover is higher and competition is less fierce for these seats giving disadvantaged groups more and better opportunities to win. (p. 406)

Casellas uses the concept of "political newcomers" to show that Latinos are unable to compete for the more lucrative seats in a more professional legislature. Casellas finds no support for his professionalism hypothesis on its own. However, he finds that an interaction between professionalism and percentage of Latinos within a state influence the descriptive representation of Latinos within a state's legislature. Casellas's hypothesis deserves a more careful examination. This careful examination should consider the reasons why Fiorina's claim and Casellas's claim run in different directions and how they might be reconciled.

I find a number of shortcomings with Casellas's approach. First, his model shows that the most important influence on Latinos' percentage of legislator seats is the percentage of Latino residents within a state. Its influence on the dependent variable is overwhelming, and any interaction with this variable may confound the results. Indeed, the only way professionalism becomes significant in any way is by interacting with the Latino percentage variable. Professionalism on its own remains statistically insignificant throughout the various models he runs.

Second, Casellas's definition of "political newcomer" may not paint the correct relative picture. Across the state, Latinos may be one of the most inexperienced groups. However, what really matters is a comparison of candidates within districts. Casellas fails to correctly consider the residential patterns and voting jurisdictions of minorities. The implication of his theory is that Latinos are dispersed across the state when minority groups often live and vote together. While Casellas builds his professionalism hypothesis on the idea of Latinos as political newcomers with no established networks, again, he fails to acknowledge that minority groups build up networks of their own by living near one another. If his assumption about dispersion were true, then his hypothesis might prove true. Minorities would not have political resources to

build an effective campaign. Instead, minorities live together and often have large enough voting blocs to vote in one of their own. In these homogeneous districts, candidates look more similar to each other because they belong to the same community. In other words, their political pocketbooks match each other better than Casellas's assumption suggests.

With race not as much a factor in homogeneous minority districts, minorities may consider other factors in their decision to run, such as the level of professionalism of the state legislature. For example, Claudine Gay (2001) cites the Voting Rights Act of 1965 as a "potent tool" in carving out representation opportunities for minority candidates (p. 7). This means that the number of minorities within a voting jurisdiction may influence a candidate to seek office. Their opportunities to win office increase in these majority-minority districts. Minority voters tend to support candidates from within their own ranks, and if they are also living together, minority candidates may have a better chance at winning than Casellas's hypothesis suggests. The level of professionalism of a state legislature then entices only the best minority candidates to pursue office, much like the scenario painted by Fiorina. The level of professionalism offers a just reward to the victor in the form of salary, increased staffing, and other benefits. Within these communities, minorities also have pillars of their community, people who rise to prominence within these communities. They may be swayed by the salaries and benefits of a legislative position. They likely face other minorities in legislative races instead of white candidates. Minorities' chances to win are much greater in this reality than in Casellas's scenario.

Third, I turn attention from solely Latino or Black percentages within a state to an analysis of the two percentages as a measure of minority population. Casellas focuses on only Latinos, and an earlier study by Squire (1992) focuses on solely Black percentages. Squire finds

that more professional legislatures drive up the percentage of Black legislatures. Both paint an incomplete picture because Blacks and Latinos often face the same challenges. They both lack political resources in comparison to other groups, but they often live in homogeneous districts. While some states may lean heavier in one direction or the other, many states see large concentrations of one or both minority groups. Where this occurs, they often live concentrated in cities, gathering up high enough percentages to elect one of their own. Blacks and Latinos, with less resources than other political groups, would be motivated by more professional legislatures in the same way.

Finally, with many minorities voting and running as Democrats, by extension, Fiorina's theory seems much likelier at play in the percentage of minorities elected to state legislatures. For "political newcomers," but even more for those not wealthy, the higher level of professionalism potentially drives minorities to seek and win legislative seats. Citizen legislatures will not appeal to those that do not have the flexibility to leave their primary places of employment. These citizen legislators, for the most part, must have the means to do so. Minorities, with a lack of resources relative to other groups, must be enticed by the thought of higher pay and better benefits. As "political newcomers," they will also be moved by a bigger, more experienced staff they gain in more professional legislatures. Because they may be newer to the legislative game, having this more professional staff means that they can still accomplish much politically and not be at a complete disadvantage. All these layers of professionalism will appeal to outstanding minority candidates, and they will fight harder to win seats in a more professional legislature. With the proper incentives set up and the residential and electoral system reconsidered, I veer from Casellas, move more in line with Fiorina and Squire, and set up the following hypothesis:

Professionalism Hypothesis: Higher levels of professionalism will be associated with higher percentages of minority legislators within a state's legislative chambers.

In addition, the discussion above has implications for geographic location. In Squire's (1992) groundbreaking paper, he finds support for professionalism driving up Black legislator percentages and then speculates other reasons for higher Black percentages: Concentration of Black voters in the same districts and legislation designed to increase descriptive representation. His model, though, only accounts for states within the South and does not account for these features from state to state. The discussion I conduct above also signals the importance of geographic location and legislative intervention. Neither Squire nor Casellas considers the impact the Voting Rights Act of 1965 has on minority representation. Its impact on minority legislator percentages could still go either way. I tend to agree with both Gay and Squire that the Voting Rights Act increased the descriptive representation of minority voters over the last several decades. Federal preclearance of states' electoral processes likely prevented a majority of the dilution some states would have preferred. If not for the Voting Rights Act, these states' percentages would be much lower. However, I do not believe that they were able to fully make up for states' attempts to dilute minorities' voices in the states. I believe that those states still subject to the Act remain so for a reason. If these states stopped violating the Act, they could have been removed from the preclearance requirement. Instead, through the 2000s, these states remain subject to preclearance under Section 5 of the Act because they continually dilute the descriptive representation of minorities. These states will still fall below the expectation of where their current minority legislator percentages should be given their minority state

percentages, and I expect these VRA-subjected states to negatively influence the percentage of minority legislators in these states. This belief leads to the next hypothesis:

Voting Rights Act Hypothesis: States subject to the Voting Rights Act will be associated with a lower percentage of minority state legislators.

Finally, I consider the urban percentage of a state's population. Once again, Squire and Casellas both fail to account for the urban percentage within each state. A concentration of minority voters within certainly leads to a higher probability of a minority legislator. The Voting Rights Act, for its part, ensures that the percentage itself works in a linear format. However, when considering the concentration of voters within a state, minorities tend to live disproportionately in urban areas. Of course, in order to elect more minorities within a state, a balance must be struck between dispersion and concentration in order to have more chances at representation. Cameron, Epstein, and O'Halloran (1996), for example, find a trade-off between concentration and dispersion. They argue that minorities in non-Southern states receive representation when minority voters are distributed evenly across a number of legislative districts, but in the South, they estimate that minority voters are better off in concentrated districts. In addition, while some studies argue that the concentration of minority voters is important to their electoral chances and descriptive and substantive representation (Davidson 1984; Grofman and Davidson 1992; Cain 1992; Davidson 1992; Kousser 1993), others find that too much concentration of minority voters dilutes the chances of more minority legislators (Brace, Grofman, and Handley 1987; Hill 1995; McDonald 1992). The literature suggests a curvilinear relationship, one where a critical mass of minority voters is needed, but too much

concentration results in diminishing returns as the concentration rises past a certain point. Still, I believe that a higher concentration of minorities within the same area leads to greater chances of minorities not being ignored. Any test of this would need to be controlled for the curvilinear relationship, which I discuss later in the paper. I hypothesize in the following way:

> *Urban Concentration and Its Interaction Hypothesis: The higher the percentage of urban population within a state, the higher the percentage of minority legislators. Its influence becomes even more pronounced when it interacts with a state's minority percentage. When these two variables go up together, minority legislator percentage goes higher.*

These three hypotheses more accurately theorize the institutional and geographical challenges minority legislators face in the likelihood of receiving higher percentages in state legislatures. The next section explores the data and methods used to appropriately test these three different hypotheses.

Data and Methods

I test the hypotheses by considering legislator and state data surrounding 2009 levels of minority representation in state legislatures. I test upper and lower chambers separately. Due to the fewer seats available in most upper chambers, selectivity for these seats may impact the variables differently. I also create separate models for Blacks and Latino legislative percentages. In states where high concentrations of minorities exist, states vary greatly in their percentages of each group. Some are lopsided toward one minority group, and other states have large

concentrations of both minority groups. I separate the two to get an idea of the differences between the two largest minority groups.

I create the dependent variable by using information that comes from the National Conference of State Legislatures (2009). The organization measured the number and percentage of Black and Latino legislators within state legislative chambers during 2009. I only examine the percentages of Black and Latino legislators in each state chamber and do not include other minority groups in this variable and throughout the rest of the model. I choose 2009 because it is late in the decade after all or most Voting Rights Act reviews should be complete. Since Nebraska is a unicameral legislature, I include its statistics under the upper chamber. This data then produces a total of forty-nine cases for the lower chamber models and fifty cases for the upper chamber models of the states' legislatures.

The first main explanatory variable homes in on the professionalism of each state's legislature. I use Squire's (2007) professionalism index to estimate professionalism's influence on minority legislator percentages. Squire measures professionalism around the year 2003 by taking into account legislator pay, length of time in legislative session each year, and the number of staff members at the disposal of legislators. He uses Congress as the baseline and compares all state legislatures to the national branch. This comparison yields a score below one for each state. The values range from a low .027 for New Hampshire to a high professionalism score of .626 for California, with a median of .148 (Delaware and Kentucky). The median sits much closer to New Hampshire than California, suggesting that most states have a low level of professionalism or, in other words, a dependence on citizen legislatures. Squire notes that while the levels of professionalism remains fairly stable, changes within Congress and the state legislatures cause the professionalism measure to move. For this reason, even if Squire found

positive results for professionalism and the level of Black legislators within a state, the subject requires another look, this time for the levels of all minority legislators. Again, I expect that the percentage of minority legislators in a state chamber will increase as the level of professionalism increases within the state.

The second explanatory variable involves states subject to preclearance under the Voting Rights Act of 1965. I use the United States Department of Justice's (2016) list to construct this variable. During the 2000s, thirteen states still fell entirely within the preclearance or have significant portions (four counties or more) subject to review. These thirteen states include Alabama, Alaska, Arizona, California, Florida, Georgia, Louisiana, Mississippi, New York, North Carolina, South Carolina, Texas, and Virginia. I expect that these states subject to preclearance will still produce lower levels of minority representation. For this reason, these states still fell under the jurisdiction of the United States Department of Justice. They continually violated the Voting Rights Act by marginalizing the votes of minority constituents. Most of the violators are in the South, making a variable for Southern states superfluous and even problematic due to collinearity.

The remaining explanatory variables test the hypotheses on geographic concentration. I use the United States 2000 Census (2016) to measure the percentage of a state's urban population. The Census defines the urban percentage within a state by those Americans living in areas with 2,500 people or more. This loose definition of urban population means that 79% of America lives in an area classified as urban. The percentages range from a low of 38.66% for Maine to a high of 94.95% for California. I expect that the higher percentages will be associated with an increase in the percentage of minority legislators within a state.

In addition, I include an interaction between the urban variable and the percentage of a state's minority population. Given the earlier discussion about a possible curvilinear relationship between minority concentration and its effects on minority legislators' election, I utilize the log of a minority population before I interact it with the urban variable. I expect that the percentage of minority legislators will increase as the interaction between the urban and minority population variables increase.

I include several important control variables in the analysis. I use data from the 2000 United States Census to measure the percentage of each state's minority population. The Census measures Black and Latino populations separately, so I simply take each percentage and divide by the state's total population. Squire (1992) and Casellas (2009) find overwhelming support for a state's Black and Latino percentage, respectively, to influence the percentage of Latino legislators. In their models, this variable produced the most significant influence on the percentage of Black and Latino legislators, respectively. I expect the same amount of support for a state's overall minority percentage, with higher levels of minority population associated with an increase in the level of minority legislators.

I use a few other state characteristics to serve as control variables. I measure the partisanship influence on the percentage of a state's minority legislators. For example, I measure a state's political to see if it impacts the number of minorities the state is willing to elect to legislative seats. I consider the amount of partisanship within each state government during the 2000, 2004, and 2008 presidential elections by reviewing data from the Federal Election Commission's presidential election reports (2016). I calculate the percentage support for the Republican candidate in each election (Bush, Bush, and McCain, respectively) and then divide it by the total number of voters in the state. I then add up the percentages from the three years in

question and divide by three to get an average level of support for the Republic candidate. The idea here is that Democrats will provide more opportunities for minorities to be elected that decade. Casellas (2009) indeed finds support for ideology in the election of Latino legislators while Squire (1992) does not find the same support for Black legislators. I expect to find that higher levels of Republican support will be associated with lower percentages of minority legislators within a state.

In addition, Casellas (2009) finds mixed support for term limits. He argues that term limits' higher turnover would give political newcomers more of a chance to enter the political fray. Unfortunately, the higher turnover could cut the other way and eliminate minority legislators just as easily. I include them for analysis anyway. The variable serves as a dummy variable, with states with term limits taking on a value of one. While I do not expect to find any results for this variable , I include the variable in the analysis so that I can make a more direct comparison to Casellas's model.

I use multivariate regression to estimate the influence of my independent variables on the percentage of minority legislators within each state's legislative chamber. The model measures the influence of the hypotheses involving professionalism, the Voting Rights Act, and the urban percentage of a state.

Results and Discussion

Unfortunately, the models run into an insurmountable problem from the beginning. One of the variables creates issues with multicollinearity in all the models. During tests, the interaction between the urban variable and the Latino state percentage variable renders results in all the models uninterpretable. Appendix 3.1 shows just one model and the problems created by

the variable's inclusion. The coefficient for the interaction, -293.12, is large and extremely suspicious. Likewise, it throws the Latino state percentage variable out of order. A stepwise regression test showed that the Latino state percentage variable belongs in the .85 range for the Latino models, not -12.85. Further tests show why the variable creates such problems. The correlation between the interaction and the Latino state percentage variable are nearly perfectly correlated. I tested the interaction variable using strictly percentages of each variable. It did not work. I then took the log of each term before interacting them. Nothing ridded the model of multicollinearity issues. I drop the interaction from the models entirely in order to test the other hypotheses. Table 3.1 shows the resulting coefficients within the Latino models.

Table 3.1. Regression Estimates of Independent Variables on Percentage of Latinos Serving in State Legislatures

	Lower Chamber Models		**Upper Chamber Models**	
	With New Mexico	Without New Mexico	With New Mexico	Without New Mexico
Variable	Coefficient (Standard Error)	Coefficient (Standard Error)	Coefficient (Standard Error)	Coefficient (Standard Error)
Professionalism	.34	5.21 **	6.40 **	8.56 **
	(4.01)	(2.36)	(3.48)	(3.69)
Urban Percentage	-.17 ***	-.07 ***	-.19 ***	-.10 ***
	(.07)	(.02)	(.05)	(.03)
Latino State Percentage	.85 ***	.56 ***	.81 ***	.59 ***
	(.16)	(.06)	(.12)	(.07)
Voting Rights Act State	-1.20	.37	.24	1.29 **
	(1.14)	(.52)	(1.00)	(.76)
Term Limits of State	-.94	-.18	.18	.90
	(1.19)	(.70)	(.99)	(.74)
Statewide Republican Support	-.10 **	-.03 *	-.11 **	-.06 *
	(.05)	(.02)	(.06)	(.04)
Constant	12.62 **	2.83 **	12.65 **	4.57 **
	(6.44)	(1.48)	(5.40)	(2.55)
Number of cases	49	48	49	48
F	41.45 ***	45.67 ***	49.73 ***	25.43 ***
R-squared	.87	.90	.87	.84

***p .01 (one-tailed test),
**p .05 (one-tailed test)
*p .10 (one-tailed test)

Latino Results

Table 3.1 shows four different Latino models. Two of the models pertain to the lower chamber, and two of the models pertain to the upper chamber. I examine the results from each of the models by variable.

The first variable is professionalism. Column 1 shows the full model of the lower chamber, with all states included. In this model, professionalism moves in the expected direction but fails to reach statistical significance. A careful study of the data shows exactly why the model may create problems for professionalism. Figures 3.1, 3.2, and 3.3 show that New Mexico is a clear outlier in so many respects, but the outlier's effects on the model are most pronounced on professionalism. New Mexico's Latino legislator percentage comes closest to mirroring the percentage size of its actual population. No other state comes even close. The parity between the two percentages, though, throws New Mexico far outside the linear relationship. Chart 1 shows exactly why the professionalism variable does not achieve significance even though the rest of the states appear to behave linearly. I drop New Mexico from two of the four models to see if the other states produce statistically significant results.

Figure 3.1. Plot of Professionalism and Percentage of Lower Chamber Seats, 2009

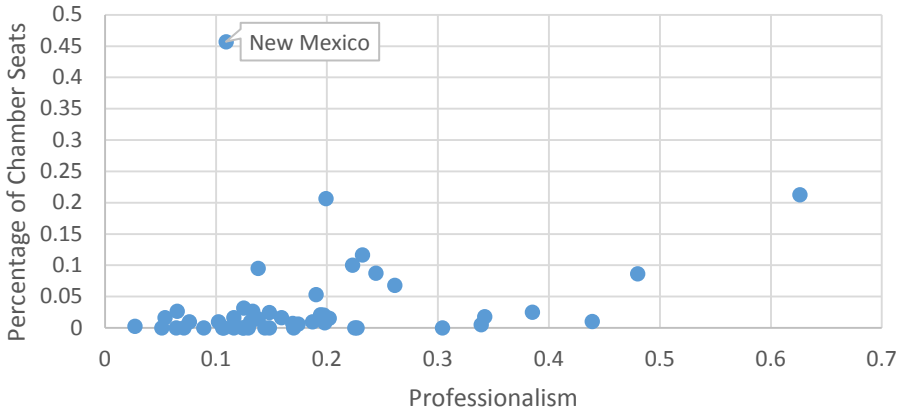


Figure 3.2. Plot of Latino State Percentage and Percentage of Lower Chamber Seats, 2009

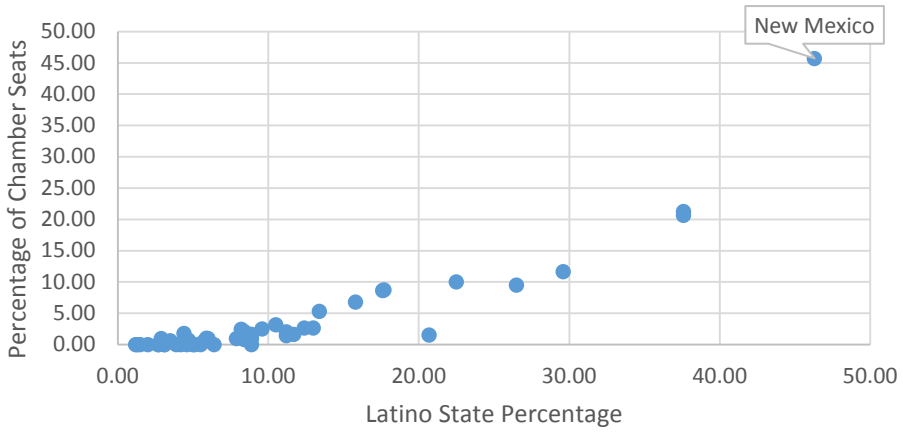
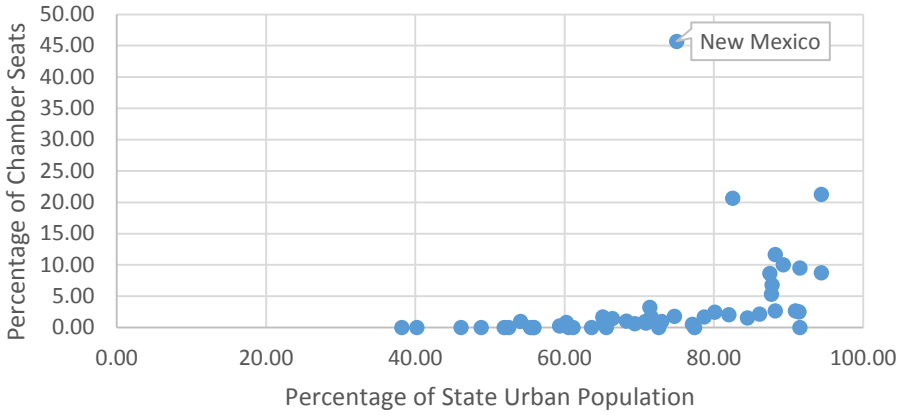


Figure 3.3. Plot of Urban Population and Percentage of Lower Chamber Seats, 2009



Sure enough, column 2 of Table 3.1 shows that professionalism drives up the lower chamber's percentage of Latino legislators. A one-point increase in a state's professionalism score is associated with a 5.21% increase in the percentage of a state's Latino legislators. The result is statistically significant at the .05 level. Columns three and four actually show that with or without New Mexico, the professionalism variable influence the state's Latino legislator percentage. In the upper chamber models with and without New Mexico, a one-unit increase in professionalism is associated with a 6.40% and 8.56% increase in the Latino state legislator percentage. These two results are statistically significant at the .05 level. Casellas's models may fail to find this significant, positive relationship because he fails to account for the anomaly that is New Mexico. Its presence in the models certainly affects the lower chamber in a way that confounds interpretation of the professionalism variable.

The third hypothesis does not behave as predicted. As the urban percentage of a state increases, the percentage of Latino legislators in state legislative chambers decreases. All the Latino models show this negative relationship. A one-unit increase in urban percentage is associated with a .07-.19% decrease in the percentage of Latino legislators. The results are statistically significant at the .01 level. On its face, a logical explanation may exist. If all minority voters are clustered into the same area, their high concentration would produce guaranteed spots for minority legislators but fewer overall minority legislators. This supports the claims made by previous scholars of majority-minoriy legislative districts (Brace, Grofman, and Handley 1987; Hill 1995; McDonald 1992). Of course, the way the Census measures urban

population may call into question the results here, too. The Census includes in its definition of urban any person residing in an area with 2,500 people or more. This definition may not be the best measure of population concentration within a state. Under this definition, many states enjoy very high urban percentages, even if they may not have the large cities traditionally considered as urban areas. Furthermore, the literature deserves careful attention paid to the interaction between urban percentage and minority percentage within a state. Multicollinearity caused great problems with the models constructed here, but the variable is clearly important to the study of minority legislator percentages. A perusal of the literature for other urban measurements yields zero results.

Indeed, minority state percentages play the largest role in the percentages of minority legislators. Table 3.1 shows the statistically significant results across the four models. These results mirror Squire's (1992) and Casellas's (2009) own findings that more Black and Latino states produce more Black and Latino legislators, respectively. This variable reaches statistical significance at the .01 level. A one-percent increase in a state's Latino percentage is associated with a .85 and .81 percentage-point increase in the minority percentage of a lower and upper chambers of state legislatures, respectively. Even the models that drop New Mexico still show dramatic influence on the Latino legislator percentage. The influence of the variable is of the greatest magnitude out of all the variables tested here. This is not surprising to political science, which sees this as an important prerequisite. More minorities within a state provide more opportunities for one of their own to be elected to office.

The Voting Rights Act provides a mixed bag of results. While I hypothesize that the variable causes the Latino legislator percentage to move in the negative direction, it only moves in the negative direction in one of four models. Three of the four models produce statistically

insignificant results. Only one model hits statistical significance. In the upper chamber model without New Mexico, Voting Rights Act states shift the line up by 1.29 percentage points. The result is statistically significant at the 95% level. The Voting Rights Act served as an important check on states interested in minority vote suppression. The positive result bodes well for the effectiveness of the Voting Rights Act. However, results in most of these models here do not conclusively write off the pessimistic hypothesis I proposed here. The variable deserves even more attention in the literature. However, *Shelby County v. Holder* (2013) ruled that these states no longer need to seek preclearance for their voting changes. The results here show the potential need for continued protection of minority votes.

The remaining state characteristics serve as control variables. As expected, term limits produce no conclusive results for the percentage of Latino legislatures. The models run in different directions and fail to produce statistically significant results. Casellas's (2009) assertations about term limits fail to show up in these models.

Finally, partisanship during the 2000s influences the percentages of Latino legislators elected to state legislatures. As a state's Republican vote percentage goes up, the percentage of Latino legislators decreases, running in the predicted direction. A one-percent increase in the Republican vote percentage is associated with a .03-.11 percent decrease in the amount of Latino legislators. The partisanship results in all four models are statistically significant at the .1 or .05 level. As expected, Latinos' chances of election are tied to Democrats.

Black Results

A careful review of the data reveals no significant outliers, unlike the case of New Mexico in the Latino models. Thus, Table 3.2 includes only two models, one for lower chambers and one for upper chambers.

Table 3.2. Regression Estimates of Independent Variables on Percentage of Black Legislators Serving in State Legislatures

	Lower Chamber Model		Upper Chamber Model	
Variable	Coefficient (Standard Error)		Coefficient (Standard Error)	
Professionalism	7.26	*	5.59	
	(4.84)		(6.18)	
Urban Percentage	.005		.04	
	(.03)		(.04)	
Black State Percentage	.82	***	.63	***
	(.05)		(.07)	
Voting Rights Act State	-.47		2.10	*
	(1.24)		(1.57)	
Term Limits of State	.04		1.12	
	(.96)		(1.20)	
Statewide Republican Support	.04		-.02	
	(.06)		(.08)	
Constant	-4.05		-2.50	
	(4.40)		(5.54)	
Number of cases	49		50	
F	60.54		27.19	
R-squared	.88		.79	

***p .01 (one-tailed test)
**p .05 (one-tailed test)
*p .10 (one-tailed test)

Table 3.2 shows that professionalism moves in the expected direction and shows some statistical significance. In the lower chamber model, a one-point increase in a state's professionalism score is associated with a 7.26% increase in the percentage of a state's Black legislators. The result is statistically significant at the .1 level. In the upper chamber model, on the other hand, the results run in the positive direction but show no statistical significance. This revisit and revision to Squire's model is timely for many reasons. First, Squire (2007) notes that the scores and rankings move from year to year depending on the institutional changes. These movements could mean changes for previous findings based on these professionalism scores. Some states expanded their professionalism while others decreased their levels. His previous findings on Black legislative percentages no longer draw as heavily on professionalism according to the results presented here. Second, large numbers of Black residents live in Southern states, where professionalism levels are low. This certainly confounds the results for professionalism presented here but also creates an interesting questions: Could the level of professionalism in these Southern states be one of the ways that the South suppresses voters? The Voting Rights Act often looks at election laws as ways to suppress voter turnout, but the problem may also sit with those that tend to run in citizen legislatures. This question deserves careful attention.

The urban percentage of a state behaves in the expected direction but does not achieve statistical significance in either model. Unlike the urban variable in the Latino models, this one runs in the positive direction. This one requires very careful attention. Southern states, where many Black residents reside, live in the more rural South. Future study needs to tease out the complexities between minority state percentage, the urban percentage of a state, and American

regional differences. Again, multicollinearity created great difficulties in examining this relationship within the models presented here.

Even here, Black state percentages serve as the most important indicator of Black legislator percentages within state legislators. Table 3.2 shows the results for the lower and upper chambers. A one-percent increase in a state's Black percentage is associated with a .82 and .62 percentage-point increase in the minority percentage of the lower and upper chambers of state legislatures, respectively. The results are statistically significant at the .01 level. What is interesting in these results is that there is a big difference between the coefficients for the two models. These differences are not present between the lower and upper chambers in the Latino models. Are there more dramatic institutional differences between chambers in states where more of America's Black population resides? These results and question provide yet another area for future study.

The Voting Rights Act provides another mixed bag of results. In the upper chamber model, Voting Rights Act states create a shift the regression line by 2.10 percentage points in the Black legislator percentage. The result is statistically significant at the 90% level. The results here and one of the Latino models suggest that the Voting Rights Act has been more effective in providing opportunities to minorities in the upper chambers of state legislatures. Perhaps states find voter suppression when fewer seats are at stake much more difficult. A spotlight shines brighter when there are fewer seats to investigate.

The remaining state characteristics produce no conclusive results. Term limits run in the positive direction but produce no significant results for Black legislator percentages. Finally, the partisanship variable runs in opposite directions with no meaningful results. While partisanship influence legislative outcomes for Latinos, this should perhaps come as no surprise for Black

state percentages. Again, Southern states have high percentages of Blacks, but their states tend to vote Republican. This complicates the partisanship story presented here.

Conclusion

Professionalism matters to the interests of Latino voters, candidates, and legislators. Professionalism provides the incentive for Latinos to run and win election to the state legislature. Even though they may not have the resources to run, they may not need them. Instead, they run in districts where support comes from other Latinos. Even when they need the resources, though, a better job and income may provide the incentive for minorities to find the resources to mount effective campaigns. What complicates the story here, though, is that only weak support exists for professionalism driving Black legislator percentages. I expected the same level of support across the two minority groups. Taking a look at the differences between where Latinos and Blacks live, the level of professionalism varies greatly in the states where each group tends to congregate. Southern states are overwhelmingly represented on the low-professionalism side of the median. These states are home to large percentages of Black Americans. Latinos, on the other hand, overwhelmingly live in states on the high-professionalism side of the median. California, New York, Texas, and Florida all sit on the high side of professionalism and are home to large numbers of Latinos. The real exception is New Mexico. The story presented here pushes the theory on professionalism ahead but shows that further study is necessary to gain a deeper understanding.

Interestingly, Carnes and Hansen (2016) recently produced an article undertaking an issue related to the study undertaken here. They use state-level data to examine if higher salaries in state legislatures produce economic diversity among state legislatures. They argue that higher

salaries are also more attractive to affluent professionals, which increases competition for legislative seats. They find that higher pay is either the same or worse for representatives coming from the working class. This is not surprising and in no way undercuts the findings presented here. Carnes and Hansen consider working class to come from "manual labor jobs (like factory worker), service-industry positions (like restaurant server), clerical jobs (like receptionist), or union jobs (like field organizer)" (p. 702). In most state legislatures, I would expect the education level to be high regardless of race. I would imagine that many of those that win (again, regardless of race) do so because they have the qualifications that constituencies desire. I even argued that every community has pillars within its community, and these pillars often become so through education, their profession, or their resources. Given this argument, I would say that it is very much in line with Carnes and Hansen, where these more educated, professional candidates would stand a better chance up against blue-collar workers. In minority communities, though their political resources still may not rival those of other groups, they certainly have the qualifications and only need the extra enticement from a more professional legislature to run and win election.

Geographic considerations are also important to the story, but measurement of these geographic variables cause a problem in the model. I hypothesize on the relationships between urban percentages, minority state percentages, and their interactions. As the literature mentioned throughout the paper suggests, geographic concentration is a complicated story and one further complicated by multicollinearity.

Several implications follow from the inconsistent results on geographic location. First, perhaps the Voting Rights Act is enforced differently under different presidential administrations and would yield a different result. For example, the preclearance process might look much

different under the Obama administration than under the Bush administration, the one examined here. This thought serves as a potential topic for future research. Second, urban concentration, as measured by the United States Census, may not be the best measure of concentration. Pinpointing the correct measurement of this concentration deserves much careful consideration because this concentration undoubtedly belongs in the story on minority representation. Considering the level of professionalism becomes possible for minorities because they have a real chance of winning in districts with higher levels of minority voters. Teasing out the problems over geographic concentration would further many aspects of the political science literature, including the profressional literature.

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Appendix 3.1. Regression Estimates of Independent Variables on Percentage of Latinos Serving in State Legislatures
(EXAMPLE OF HIGH MULTICOLLINEARITY)

	Lower Chamber Model	
Variable	Coefficienct (Standard Error)	
Professionalism	2.33	
	(1.67)	
Urban Percentage	-12.75	***
	(2.63)	
Latino State Percentage	6.44	**
	(1.42)	
Voting Rights Act State	-.62	
	(.44)	
Term Limits of State	-.18	
	(.59)	
Statewide Republican Support	-.14	**
	(.03)	
Urban x Latino Log Percentage	-293.12	**
	(72.20)	
Constant	-4.05	***
	(2.20)	
Number of cases	49	
F	26.93	***
R-squared	.90	

***p .01 (one-tailed test)
**p .05 (one-tailed test)
*p .10 (one-tailed test)

Chapter 4

Religion in Representation: Examining Religion's Involvement in Payday Lending Legislation in Texas

"Trying to find a balance between consumer protection and industry regulation has become a perennial issue before the Texas Legislature. Other legislators have filed [credit service organizations] bills during the current session. 'The problem is that all bills introduced to date will put some legitimate operators out of business,' said Truitt. She continued, 'There is a market for short term loans. Consumers will not be well served by eliminating these sources of short term and unsecured loans. The alternative for them will be even worse. I do not want to overregulate [payday lenders] and drive business and jobs from Texas, but if there are rogue actors out there preying on innocent people, we need better recourse than what is now available."

Rep. Vicki Truitt (R)

Introduction

In 2011, the Texas Legislature considered legislation on the regulation of the payday lending industry. Payday lenders, the many storefronts around America that provide cash advances to consumers until their next payday, saw the regulation attempt coming; Texas (and many other states) attempted regulation of the industry during previous sessions but with no success. Whereas lawmakers failed to pass any real legislation during all previous legislative sessions, this legislative session proved a little different. Representative Vicki Truitt, a Republican from the Dallas-Fort Worth area and Chairwoman of the Pensions, Investments & Financial Services Committee, vowed to pass legislation for what she called a "perennial issue." She succeeded.

Representatives from both sides of the aisle came out in support of regulation. Why? On an issue that heavily affects the poor, what drove these representatives to speak up on their behalf, especially in a pro-business state such as Texas? Many studies (for example, Gilens 2005; Berinsky 2002; Schneider and Ingram 1993; Piven and Cloward 1988; Gaventa 1980) argue that American government often excludes the interests of the poor, giving special interest instead to other favored subsets of people, like those representing industry. Issues important to the poor do not always lose, though. What are the factors that drive representatives from both sides of the aisle to support calls for regulation?

In order to answer these question, I consider the characteristics of a representative, her campaign, and her district. Certainly, this approach is not new. Political science scholars, for example, have tested whether the descriptive characteristic of race leads to substantive representation, drawing from Pitkin's (1967) distinction of the two. Some found that race as descriptive representation indeed plays a substantive role in the level of support shown toward

minority causes (Welch and Hibbing 1984; Whitby 1997; Hall 1996; Hutchings 1997; Canon 1999; Tate 2003; Minta 2009).

Scholars have even focused on the role of campaign contributions and what they mean for representation. The studies available show mixed results. Some show that campaign contributions sway some legislative activities in a contributor's direction (Hall and Wayman 1990; Hojnacki and Kimball 2001; Austen-Smith 1995; Wright 1990; Rocka and Gordon 2013; deFigueiredo and Edwards 2007), but Wawro (2001) comprehensively examines the relationship between campaign contributions and roll-call votes and finds no real influence.

I veer from previous studies of representation by looking at another important factor that might drive a legislator's decision—religion. Payday lending, painted by opponents as providing the poor with access to "debt, not credit" (Center for Responsible Lending 2001), forces representatives to come to grips with the issue as religious constituents advocate for regulation of payday lenders. I draw from Fenno's (1977) landmark study on representatives and their interactions with constituents back in the district. I argue that religion is another way that legislators signal to constituents that the legislators are just like their constituents. By doing so, these legislators open themselves up to targeting, as payday lending became an issue that religious groups have claimed as their own. Like the group consciousness of race or gender (see Dawson 1994; Mansbridge 1999), religious groups seek out fellow religious representatives as advocates for their causes. In order to appease their constituency, represent an authentic perception to their constituency, and grow political support within it, these representatives oblige. Specifically, I focus on a legislator's publicly professed religion as a driver of her decision to participate in legislative deliberations. My study drills down into legislative deliberations of the Texas House of Representatives during the 2011 legislative session. I treat

their professed religion as an indicator of how they will approach the regulation of the payday lending industry.

I utilize speaking time and roll-call votes to assess representatives' responsiveness on payday lending regulation. Like Minta (2009) and Hall and Heflin (1994), I choose speaking time because this more time-consuming measure also gauges intensity, an often understated quality missed by roll-call votes. Those that speak out show an intensity to really argue on behalf of a particular cause and to support in a stronger way issues that are important to their constituents.

I find that those representatives with a professed religion on their biography do not have a greater likelihood of voting in favor of payday lending regulation. However, I find that campaign contributions, perhaps a signal of intensity toward regulation, drives up the speaking time in favor of regulation. Representatives from safe districts, women, and Democrats all provide support for regulation. I later discuss the results of the two different tests and the implications left from these results.

The next sections detail the ways I approach the study of representation on the issue of payday lending. I give a brief history of payday lending and follow it up with my theory of religion at work on this policy issue. I then explain how I operationalize the variables for the 2011 legislative session of the Texas House of Representatives. I follow it up by discussing the results of the model and conclude with a discussion of the implications and lingering questions left by my study.

Payday Lending

As the federal government grappled with the housing industry, the American states continued their less visible struggle with the practices of payday lenders. Payday lenders operate storefronts and offer payday advances to Main Street citizens across the country. Mayer (2010) captures the irony of payday lenders well: These lenders offer services to a group of borrowers often excluded by traditional bank lenders, but the increased risk also means higher interest and other fees. Critics of payday lending contend that these lenders' practices amount to usury for the unfavorable terms they offer to citizens, ranging from high interest rates to a revolving cycle of origination fees. Worse yet, according to the Center for Responsible Lending (2012), one of the authoritative organizations on payday lending policy and one of the industry's staunchest critics, payday lenders locate their businesses in impoverished neighborhoods and target the poor as their clientele.

The industry appeals to its clientele through a lending process that is user-friendly and that requires no collateral. The borrower fills out a simple application, and once approved, the borrower submits a postdated check for the loan amount plus fees. The borrower usually has about two weeks to repay the loan or to apply for a rollover of the loan, which means the borrower pays an extra finance charge to keep the lender from cashing the check for another two weeks. According to one Federal Reserve report (Prager 2009), payday loans usually range from $50 to $400; finance charges, subject to different limits across states, usually range between $10 to $20 per $100, which amounts to an annual percentage rate (APR) of 260% to 520%.

If a customer continues rolling over a loan, the payday lenders extract even more money from the customer in the form of fees and interest. Mayer (2010) cites studies showing that the average payday borrower in states like Illinois, Indiana, Texas, and Colorado enters into about

ten contracts a year. Given the normal term of two weeks for the payoff of these loans, these average payday lenders spend five months out of the year indebted to the payday lenders. Payday loans are not a short-term solution to an isolated financial problem for borrowers. Instead, consumer advocates assert that they provide a short-term fix but a long-term problem, deferring full payment for later but offering manageable interest and fee payments in the short-term. The Center for Responsible Lending (2012) warns that the lack of payday regulation creates a vicious cycle for borrowers:

> Yet for people living in the states without payday loan protections, these small dollar loans continue to worsen financial problems. Loan terms that require full payment in as little as two weeks plus an average 400 percent annual interest, catch borrowers in a turnstile of debt.

Payday lenders view these numbers as lucrative, as evidenced by their recent expansion across the United States. Prager's Federal Reserve report details the explosion of the industry from 2,000 payday lending stores in 1996 to approximately 24,000 by 2007. To put this number in perspective, Subway, the largest fast-food chain in the United States, had 24,722 locations nationwide in 2011, and McDonald's, the second largest, had 14,098 (Mcconnell and Bhasin 2012).

While many states regulate payday lenders by either limiting the amount of the loan or capping the amount of interest charged, Texas served as one of handful that had no regulation in place before 2011, leaving its residents vulnerable to the lending practices of payday lenders. The Center for Responsible Lending (2012) warns that the lack of payday regulation creates a vicious cycle for borrowers: "Yet for people living in the states without payday loan protections, these small-dollar loans continue to worsen financial problems. Loan terms that require full payment in as little as two weeks plus an average 400 percent annual interest, catch borrowers in a turnstile of debt."

Payday lending clearly sets up an ethical dilemma, one that pushes religious communities to become involved in the political process. Do they value business and free enterprise? Do they value consumer rights, especially those of the poor? The Center for Responsible Lending (2016) has an entire section devoted to religion and responsible lending. The Center writes, "For people of faith, responsible lending is a moral concern….Clergy and faith leaders have been powerful voices for eliminating abusive lending" (Center for Resonsible Lending 2016). The next section presents a theory of religion and how, in this case, religion might assist legislators in reaching a decision on legislative issues in front of them.

Representing Religion

Fenno (1977) details the ways in which House members behave in their districts. He discusses four concentric circles, each growing inversely proportional in size and level of support. In other words, as the circle gets smaller (moves from the constituency to reelection contstituency to primary constituency to the intimates), the level of support for the House member grows. In order to grow each circle and, thus, ensure a larger base for political support and reelection, Fenno writes that members of Congress create a "home style," a way to build trust among voters in the district. These members wish to establish an image in the district and a rapport with the voters that signals that she identifies with them, empathizes with their needs, and is qualified to perform the job. Fenno writes the following about image and perception:

> The response politicians seek from others is political support. And the impressions they try to foster are those that will engender political support. House members politicians believe that a great deal of their support is won by the kind of individual self they present to other, i.e., to their constituents. (p. 898)

Pieces of a representative's image and political support may stem from race or gender, two characteristics long shown in the literature to building connections between representatives and her constituents. Some found that race as descriptive representation indeed plays a substantive role in the support minority representatives show toward legislative activities important to minority constituents (Welch and Hibbing 1984; Whitby 1997; Hall 1996; Hutchings 1997; Canon 1999; Tate 2003; Minta 2009). In addition, scholars have found that women are often more successful in advocating for women's policy interests. Women more likely speak up, sponsor and support issues in areas important to women, like pay equity, women's health, and child care (Burrell 1994; Carroll 1994, 2002; Dodson1998, 2006; Norton 1999; Osborn and Mendez 2010; Shogan 2002). These efforts provide connections between representative and constituents and signal a level of trust on these particular issues to the rest of the constituency. It strengthens electoral ties between the representative and her inner circles. She also hopes these efforts pull in new voters to the electoral and primary constituencies. She highlights these efforts back to her constituency.

Fenno's acute understanding of the representative-constituency connections provides a foundational understanding from which to think about the many other ways representatives project a particular image, build trust within the constituency, and fight for their political support. First, these representatives may choose to be part of different organizations within the community. They might join civic organizations, churches, or even athletic activities. These activities show constituents that the politicians are committed to the same causes and passions as the other members. Doing so builds up comraderies between the politicians and members of the constituency. Second, even from afar, political representatives make statements and take actions to send signals back to the district. These representatives put out press releases and send out

mailings to let constituents know who they are and for what they stand. These messages attempt to build allegiance with constituents around certain causes or affiliations.

One perfect example of these two points is religion. Members join churches and signal to constituents a core set of beliefs. Fellow church members see the politician regularly and understand that the politician is "one of us," fighting for the causes they all hold dear. This behavior provides another solid opportunity for the politician to draw in supporters. Second, members sometimes post their religious affiliations in their biographies, too. While a politician cannot attend all the churches, a simple statement might endear other fellow religious members to her, even those that live far away from the politician.

Here, I find it important to pause and note that this identification is not one-sided. Politicians are not the only ones who reap the benefits of a common connection. Representing a particular group or identity also comes with responsibilities. These various groups will call on their politicians from time to time to represent them on issues that are salient to their particular identities. This ongoing process further solidifies the trust between the politician and the particular constituency or eventually erodes it, depending on the response of the politician. Religious congregations, for example, will call on their religious legislator, their fellow church member, to go to bat for them on issues important to the religion.

Once a political issue becomes a religious one, the salience of religion rises for those legislators that are religious. The political issue then becomes one of shared group consciousness, similar to the shared group consciousness described in minority or gender politics (see Dawson 1994; Mansbridge 1999). Religious groups take to the halls of legislatures throughout the country. While legislature visitors of a particular religion may visit every legislative office, they are in particular looking for legislators of their own religion, those that

profess the same religious traditions as their own. Catholic leaders, for example, turn to fellow Catholic legislators to support religious education, even if they are pro-public-school Democrats. They appeal to their shared group consciousness in furthering the mission of religion.

How do religious groups wield this power and influence over legislators? First, leaders of these churches use the power of their numbers to flex their muscle in state legislatures nationwide. In 2015 alone, more than half of American surveyed stated that they had membership in a church or synagogue (Gallup 2016). The number of Americans claiming membership in these religious organizations is staggering. This means that legislators come from districts with many religious adherents. Political pressure from the massive amounts of religious voters or from politically active congregations may provide the added motivation. This final point assumes Mayhew's (1974) point that a politician's main motivation is reelection. Religion organizes its citizens and creates powerful lobbying groups. A legislator's own professed religion rises in salience over the issue. Religion moves its legislators to vote based on their relationship with constituents in their home districts.

For this paper, I focus on the religious relationship between politicians and constituents. Unfortunately, gathering data on church attendance for members is not easy. Instead, my study expands the literature by identifying a new way to measure religion, namely by allowing legislative members to self-identify. I discuss the measurement of the variable in the next section. Looking for an easy-to-identify measure for religion is important because religion firmly belongs in the study of representation. I use payday lending as a test of whether professed religion drives legislators to behave differently than other legislators. Payday lending provides an interesting test because it is not like abortion, which has historically become a political issue involving religion. Payday lending is a recent phenomenon, one where religious groups have

chosen to become involved due to its effects on the poor. Religion has owned this issue as one of their own, and non-profits such as the Center for Responsible Lending have formed alliances with the religious community to curb payday lending's harmful practice. These religious constituents place pressure on their constituents to vote in favor of regulation. In sum, I expect those legislators who profess a religion to be more likely than other legislators to intervene in favor of regulation of payday lenders. These legislators will draw on their own religion in support of regulation because they will receive pressure from their religious constituents to provide a measure of political support.

Data and Methods

I use two separate analyses to test my hypothesis, but within each model, the independent variables remain the same. The dependent variables are different. First, I use a standard regression to test the amount of speaking time taken by members of the House of Representatives during the 2011 legislative session. I detail this dependent variable in its own section. Second, I use a probit model to test the vote choice of House members on House Bill 2594, one of two payday lending-related bills to pass both chambers and make its way into law. According to the Center for Public Policy Priorities (2011), House Bill 2594 is the stricter of the two bills, requiring payday storefronts to be registered and licensed with the Office of Consumer Credit Commissioner. House Bill 2592 simply forces storefronts to display notice and disclosure requirements. While roll-call votes are not always perfect indicators of intensity, they certainly provide important information as I unpack the meaning of the results for each independent variable.

Dependent Variables: Speaking Time and Roll-Call Vote

"Although I wish that we could pass a bill that would do more to protect consumers, I support this legislation because I believe it is the most we can accomplish this session, and it represents a significant improvement over current law."

Rep. Marc Veasey (D), 2011

"It's awful, it does nothing. It doesn't take care of the problems. It doesn't fix the loophole between the consumer credit office, so it really doesn't do anything."

Rep. Tom Craddick (R), 2011

The two quotes listed above are quotes from supporters of payday lending regulation. All refer to the bills that eventually passed through committee, onto the floor, and into law. They also highlight the problems with depending solely on roll-call votes. Only one, Representative Veasey, voted for House Bill 2594; Representative Craddick did not. Representative Craddick authored his own bill, and when a lesser bill was passed through committee and reached the full floor, he could not support it. He felt like the bill did not go far enough. If we only considered the roll-call votes, it would appear as if Craddick were anti-regulation. He was not. He wanted the fullest regulation of the industry. Roll-call votes do not expose all the nuances for voting decisions the way speaking time does. The quotes above certainly imply why roll-call votes are not a perfect measure of preferences. One of the best ways to uncover true policy preference is to evaluate statements of representatives. It was not until both representatives made the statements above that one understands their stance on the issue.

What influences a legislator's decision to support payday lending regulation? How should support for payday lending be measured? This project certainly considers the importance of roll-call votes but also moves away from the traditional consideration of roll-call votes. In this section, I discuss the model concerning speaking time. I then discuss the results of the model. I follow up the results of this model with the model on roll-call votes.

Roll-call votes tell us something about preferences but not too much about intensity. Hall (1996) encourages students of Congress to explore the many other ways legislators participate in the policy process. He explores when and why members of Congress participate in committee deliberations, for example. Here, I consider the amount of time spent on deliberations in committee and on the floor.

Those legislators most interested in payday lending may actively pursue regulation through these more intense legislative actions. Both types of actions certainly take more effort, and regardless of outcome, participating in these two types of actions sends a clear message to constituents on where a representative stands and sets up important credit-claiming opportunities, much in line with Mayhew (1974). Standing up to speak in favor or against regulation is a stronger message than simply voting for it.

In 2011, the Texas House took up payday lending regulation. Although the Texas Legislature debated regulation the previous session, the state still had not passed any regulation. This session proved different. With the help of Representative Vicki Truitt, chairwoman of the committee, the legislature passed two bills. Of course, not all representatives participated equally in the deliberations surrounding regulation. In order to gather how these representatives differed and to understand the reasons why, I focus my attention on the amount of time a representative spoke out for or against regulation.

To gather data on the speaking time in favor or regulation, I consider all public deliberations that took place during the 2011 legislative session surrounding payday lending. The Texas House considered seven bills in all and held hearings in both committee and on the floor. All seven bills were considered in committee on the same day, and three bills made their way to the House floor. I measure regulation intensity by listening to all hearings on payday lending, timing a legislator's remarks in minutes, and then determining whether the remarks are in favor or against regulation. I am interested in remark for and against regulation, so I code those that speak against regulation as negative. The pro-regulation speakers receive a value equal to their total speaking time in minutes across all the hearings, committee and floor.

I pooled all speaking time from the committee and floor hearings in order to give all House members a reasonable opportunity to participate in the deliberations. In all, twenty-four of the 148 representatives eligible for comments spoke up on the topic. All had an opportunity to author a bill and present it in committee, be present for the committee deliberations, and certainly speak up on the House floor. Of those, sixteen spoke up in favor of regulation, and eight spoke against regulation. While the Texas Legislature has 150 members, the House speaker was ineligible for comment, and another member passed away before the discussions. I include Figures 4.1 and 4.2 below in order to show the distribution of speaking time. Figure 4.1 includes all representatives, even those representatives who fail to speak. The figure shows speakers at ten-minute intervals and moves from legislators speaking negatively of regulation to those who speak favorably of regulation. 124 of 148 legislators fall at this value and make the rest of the categories hard to view. For this reason, I include Figure 4.2 in order to give a better visual of the amount of speakers at each interval. I use OLS regression to test the hypothesis on speaking time.

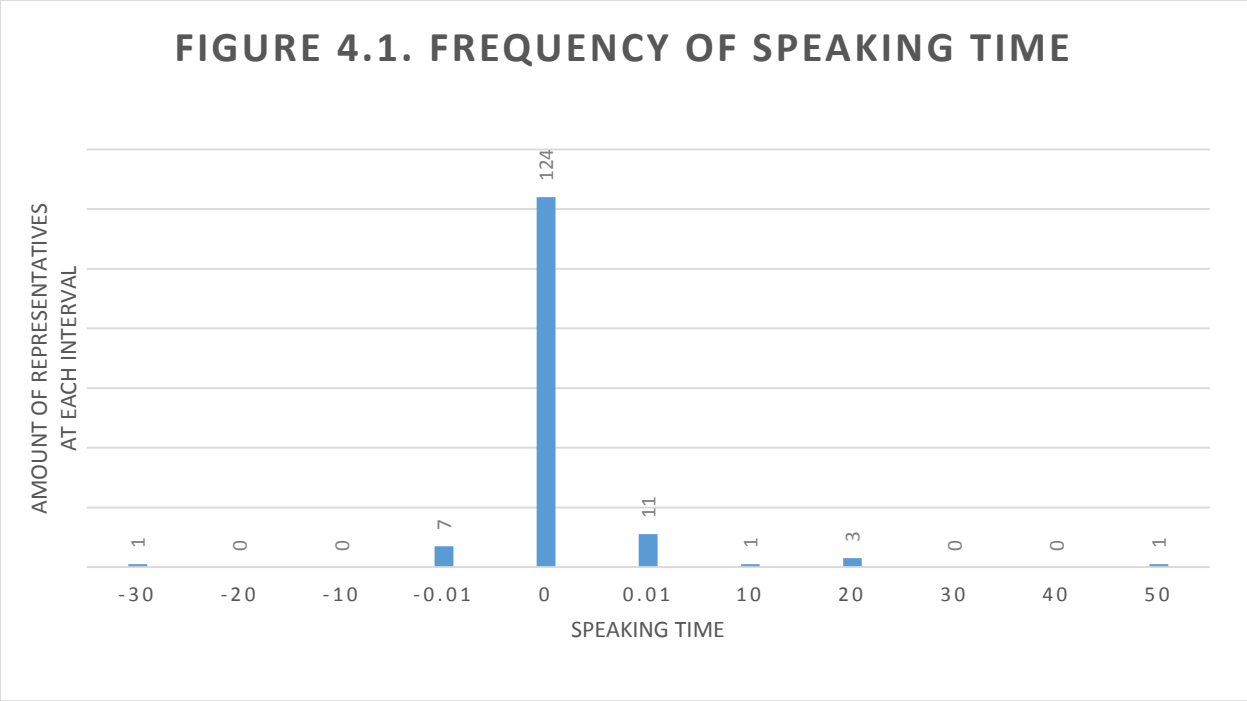
FIGURE 4.1. FREQUENCY OF SPEAKING TIME
AMOUNT OF REPRESENTATIVES AT EACH INTERVAL
1
0
0
7
124
11
1
3
0
0
1
-30
-20
-10
-0.01
0
0.01
10
20
30
40
50
SPEAKING TIME

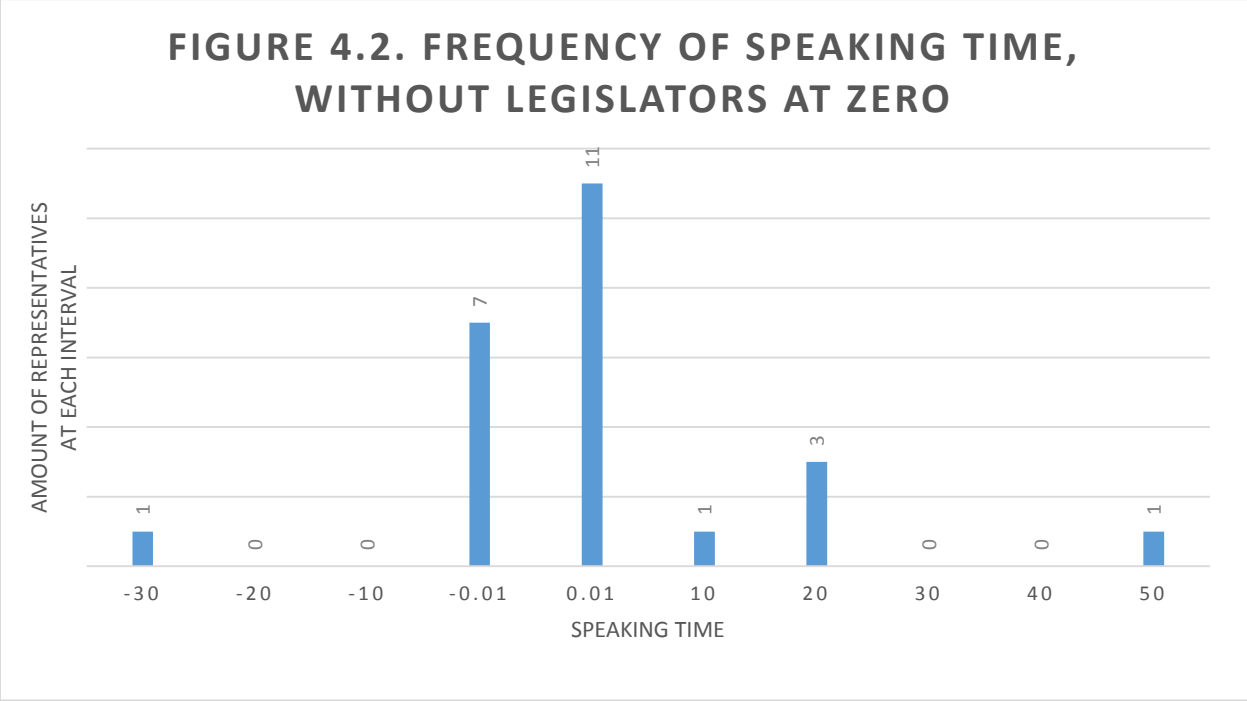
FIGURE 4.2. FREQUENCY OF SPEAKING TIME, WITHOUT LEGISLATORS AT ZERO
AMOUNT OF REPRESENTATIVES AT EACH INTERVAL
1
0
0
7
11
1
3
0
0
1
-30
-20
-10
-0.01
0.01
10
20
30
40
50
SPEAKING TIME

Independent Variable

My theoretical argument sits on one key variable that represents a representative's religion. To discover a representative's religion, I examined the biographies of all Texas House members during the 2011 legislative session (Texas House of Representatives 2011). When a representative listed a religious affiliation, the representative received a "1." All other representatives received a "0." Only about 33% of all 150 legislators listed a religion (all Christian) in their biographies. This professed religion may be enough for legislators to intervene in favor of regulation. In addition, those that profess a religion on their biographies signal to potential churches that these representatives might support their regulation agenda, which might activate a representative's religion to act in the regulation debate.

The remaining discussion included under this section outlines the control variables. To assess the influence of campaign contributions to influence deliberations, I examine the campaign contributions received by members of the Texas House. In March 2011, Texans for Public Justice released a report of the campaign contributions from payday lenders over the two-year election cycle preceding the 2011 legislative session. The report provides the names and amounts of those legislators receiving no campaign contributions and those receiving $2,000 or more. The report does not include exact amounts for those collecting between zero and $2,000, so I employ a scale of the campaign contributions. I am most interested in positive speaking time and believe that those receiving little or no campaign contributions are most likely to support regulation. I scale those with zero contributions with a "2" and those greater than zero but less than $2,000 with a "1." All others receive "0."[7]

[7] Ideally, I would prefer to evaluate the exact amount each legislator received in campaign contributions from payday lender. Unfortunately, the 2011 report from the Texans for Public Justice does not give exact amounts for

I consider campaign contributions to be an important control variable. Political science already treats campaign contributions as an important consideration in the behavior of representatives. Legislators accept these funds because re-election depends on an ample supply of campaign money. The assumption here, of course, is that reelection trumps all other considerations, in line with Mayhew (1974). Even if true, politicians also realize that the funds come with strings attached. The problem is that the literature still finds mixed results for a relationship between campaign contributions and legislative activity.

Wawro (2001), for example, writes, "Some studies have found no relationship between votes and contributions, while others have found the kind of relationship that reformers worry about" (p. 563). He uses a model to better account for legislator predispositions and finds that contributions from political action committees have no real influence on the roll-call votes of members of Congress.

Other scholars move the discussion away from a study of roll-call votes and to other areas where these roll-call votes may influence legislative choices. Hall and Wayman (1990) find an influence between PAC contributions and the intensity with which members of Congress intervene on a PAC's issue. These intense measures representatives take include speaking, offering amendments, and negotiating behind the scenes. Some scholars focus on the access gained through campaign contributions and find influence (Hojnacki and Kimball 2001; Austen-Smith 1995; Wright 1990). The relationship between campaign contributions and legislative activities does not end there. Rocka and Gordon (2013) find a link between the amount a legislator receives from defense PACs and the amount of money the legislator delivers in defense

each legislator. Instead, the reports focuses its attention on those with no campaign contributions and those with the highest contributions. For this reason, I choose to use the 0/1/2 scale for campaign contributions.

earmarks to the district. I generally expect to find that the higher the level of campaign contributions, the less a legislator will speak in favor of regulation. The reason for this finding is because I measure influence on speaking time, not roll-call votes, and payday lending campaign contributions present a more direct trail between campaign contributions and legislative activities. Payday lenders only carry out one function and have nothing else on their political agenda than to stymie payday lending regulation, providing a clearer linkage between contributions and legislative activity.

I consider a number of other control variables in my analysis. I take into account committee membership and committee leadership. For this variable, I code the chair and the vice-chair of the committee through which these bills passed as "2." All other committee members receive a "1." Non-committee members all receive a value of "0." I expect that committee members will exhibit a greater likelihood of voting for and speaking in favor of this legislation. Logically, this may not make perfect sense. After all, a committee could simply grant a hearing without voting a bill out of committee. However, in this instance, three bills reach the House floor, and two are voted into law. The committee chairwoman is the sponsor of the three bills related to payday lending. In order to pass something out of committee, she will ensure that enough members of the committee can support the bill.

In addition, I include the electoral safety of a representative's district. Payday loans are still a controversial topic, no matter the party. On the one hand, these lenders fill a void in the market providing a source of lending for many that do not have access to traditional lending. On the other, these loans come at a steep price to the borrowers, with high fees and interest rates. These reasons complicate the decision a member of either party faces in choosing to participate in the deliberations. I control for whether legislators are safe in their own districts. My

expectation is that members from safe districts will intervene more for regulation than other members. I measure safety by including the percentage of the vote the representative carried in the district during the 2010 general election. I obtain this information from each legislator's Texas House of Representatives website (2011).

A representative's support for business also indicates her willingness to intervene for more regulation of industry. I use the Texas Association of Business' (2011) score of each legislator during the 2011 session. The trade association scored legislators on a scale from 0-100 percent based on twenty votes that were cast during the session. The twenty votes were taken on bills that the trade association deemed important to its agenda during the 2011 legislative session. Scores ranged from a low of 26% to a high of 90%, with the average score falling at 69%. I expect that the higher the business score, the less likely a representative is to vote for or speak out in favor of regulation.

I include four common control variables: poverty, race, party, and gender. I include poverty because payday lenders tend to draw their clientele among the poor. I measure poverty by the amount within each representative's district that falls under the poverty level. These statistics are available on each representative's legislative website (Texas House of Representatives 2011). As an issue that heavily burdens the poor, I would expect that legislators with the greatest poverty in their districts would vote for and speak in favor of regulation. I include party as a typical control variable. I expect to see Democrats speak positively for regulation and to vote in favor of regulation. In a vote, all 148 members will theoretically participate, and a rift will appear between Republicans on a traditionally non-Republican issue. I expect race to play a role in speaking time. Payday lending disproportionately affects minority communities. Minority members of the House will speak up on this minority-related issue. In

addition, I believe that women will be more likely to vote for and speak in favor of regulation. Texas Appleseed (Baddour 2009) reports that a Texas survey of payday borrowers revealed that 59% of all payday borrowers were women, with many of them being single mothers. These loans seem to disproportionately affect women.

Finally, I include one more control variable in the models. Authorship of a payday regulation bill is an important control because it will most certainly affect the likelihood of a member of the Texas House speaking in favor of regulation. Representatives take on the value of the number of bills on which they serve as lead author. The range goes from zero to three. I expect that authorship will increase the likelihood of a member speaking up in favor of regulation.

Results and Discussion

We respectfully accept your testimony. I don't see a witness affirmation form from Jesus.

--Rep. Vicki Truitt, Chairwoman

During committee deliberations for the Pensions, Investments & Financial Services Committee, Chairwoman Truitt made the above statement in jest after one of the many religious witnesses invoked Christ's name to back up his claims against the payday lending industry. Church leader after church leader denounced the practice as un-Christian and described it as akin to usury. At least one member of the committee, Vice-Chair Anchia, stated that his particular religion was well-represented in the group of testifiers. Religious leaders spent hours testifying for the regulation of the payday lenders and spent even more collective time lobbying legislators for regulation. As stated previously, religious groups are heavily invested in the outcome of

payday lending regulation. They take the mission of protecting the poor seriously and did all in their power to raise the salience of religion in this debate.

Speaking Time Results

I begin with the regression results involving speaking time. In all, 136 members casted a vote. 85 representatives voted for HB 2594, and 51 legislators voted against the bill. Table 4.1 shows the results. The regression analysis produces a mixed bag of results. Religion fails to meet statistical significance and barely moves in the expected direction. With only about fifty declaring a religion and only twenty-four members speaking at all, one deeper look at the data reveals that six of the seven top speakers declare a religion.[8] The problem with the variable is that two representatives speaking out negatively toward regulation also identify as religious. The one who negatively speaks out the most is actually a payday lender himself, a detail not discovered until floor deliberations began. He overwhelmingly speaks out against regulation out of self-interest.[9] The religion variable is also influenced by the overwhelming majority of members that remain silent throughout the deliberations. Speaking time is a more intense activity, and while religion may drive the top speakers to take on the more laborious task, it alone is not enough to motivate representatives to speak up in favor of regulation.

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[8] I ran two different models that take into account the sixteen legislators who speak in favor of regulation. The others are held at zero. Since there is an overdispersion at zero, I ran a standard negative binomial regression and a zero-inflated negative binomial regression. In both cases, those legislators professing a religion are more likely to speak out in favor of regulation. Of course, holding 132 at zero and having only sixteen speak up in favor make forming generalizations about religion and speaking time difficult. For this reason, I do not report these models in the body of the paper.

[9] I re-ran the results twice, including a dummy variable for payday lender and another time without the payday lender entirely. In both cases, religion still failed to hit statistical significance in the regression model, though it came close in both models.

Table 4.1. Results of Regression and Probit Models and Speaking Time and Regulation Vote, Respectively				
Explanatory Variables	Regression: Speaking Time		Probit: Likelihood of Voting in Favor of House Bill 2594	
Religion of Legislator	.002 (.98)		.19 (.28)	
Little or No Campaign Contributions	1.01 (.70)	*	-.36 (.19)	**
Race of Legislator	-.50 (.66)		.46 (.52)	
Electoral Safety of Legislator	.02 (.02)		.01 (.008)	**
Lead Authorship of a Payday Regulation Bill	12.68 (2.52)	***	-.27 (.24)	
Committee Membership	6.09 (2.39)	**	.66 (.54)	
Poverty in District	.03 (.04)		-.002 (.02)	
Business Score of Legislator	-.09 (.08)		.04 (.04)	*
Party	-3.29 (3.14)		3.81 (1.58)	***
Gender	.26 (.64)		.49 (.36)	*
Constant	3.74 (5.09)		-4.75 (5.16)	*
F/Wald chi2(11)	19.07	***	31.40	***
R-Squared/Pseudo R-squared	.61		.29	
N	148		136	

*Statistically significant at .10 level, one-tailed test; **statistically significant at .05 level, one-tailed test; ***statistically significant at .01 level, one-tailed test.

Those representatives accepting little or no campaign contributions achieves a weak level of statistical significance and moves in the expected direction. Movement from zero to one (from more than $2,000 in campaign contributions to between $0 and $2,000) is associated with 1.01-minute positive speaking time increase. The biggest challenge to the variable is that the chairwoman herself, the sponsor of three of the regulation bills and the longest speaker in terms of time, was also one of the biggest recipients of campaign contributions. In fact, several

committee members on the committee received large contributions from the committee, even though they spoke in favor of the regulation. Critics of campaign contributions and proponents of payday regulation may view this finding as problematic. They may point to an attempt to water down legislation in order to pacify payday lenders while still appearing responsive to regulation advocates.

Two control variables produce no significant results. The race of the legislator also fails to move in the expected direction and fails to reach statistical significance. Many representatives of color did not participate in the deliberations, but not a single one spoke for even a minute against payday regulation. Nearly half of those speaking positively for regulation were representatives of color. Given these results, the verdict is still out on the patterns of minority representatives and this particular issue. A payday-related legislative activity that might produce more variation in behavior might likely produce results in the expected direction. In addition, electoral safety moves in the expected direction but does not achieve statistical significance.

Lead authors unsurprisingly speak in favor of payday lending regulation. By authoring these bills, they have an opportunity to speak in favor of the bills and must do so in order to achieve the bills' passage. A one-unit increase in the amount of bills authored is associated with 12.68-minute shift in the regression line. The result is simply a control on the analysis and significant at the .01 level. All lead authors received the opportunity to present their bills in committee. One lead author (Chairwoman Truitt) had her three bills passed out of committee and onto the floor. She received many opportunities to speak on behalf of regulation.

Committee membership also produces statistically significant results, this time at the .05 level. Committee members are more likely to speak up in favor of regulation. Committee members are associated with a 6.09-minute increase in speaking positively for payday regulation.

These results may seem counterintuitive to some, but the results should really not be surprising. This is typically a Democratic issue passing through a Republican-led committee. Give that the legislation made it to the floor, the chairwoman would not allow a bill through the committee that 1) goes against the majority of Republicans and 2) is too unfriendly toward the industry. This means that all committee members, both Republican and Democrat, would be willing to participate in the bill's deliberations.

Three control variables produce no statistically significant results. District poverty matters very little to speaking time, moving in the right direction but producing no statistically significant results. Again, the issue is tricky because the poor depend on this source of lending even if the interest rates are high. The issue also provides a dilemma in that any regulation bill to the floor of the Texas House represents an improvement for advocates to the poor because no regulation existed before the two bills that made it to the floor. However, like Craddick, many may not have spoken up more vocally because the bills did not go very far in regulating the payday lenders.

Party and business scores fail to influence speaking time in favor of regulation. Contrary to expectations, Democrats are no more likely to speak in favor of regulation, with the coefficient even moving in the negative direction. Like committee members, though, this finding should not surprise. A Republican-led legislature will only allow legislation that is palatable to its members. In fact, Republicans authored and coauthored some of these regulation bills. Democrats, on the other hand, may have settled for the bills and may not have been moved by the bills due to very little teeth in the bills. The business score of legislators behaves in the expected direction but falls short of producing statistically significant results.

Finally, gender also moves in the expected direction. However, the coefficient fails to reach statistical significance. Like many men, women chose to sit on the sidelines and observe the deliberations. Of the thirty-one women in the House in 2011, only one spoke against, twenty-five failed to speak, and six women spoke in favor of regulation. The pattern suggests that women may achieve statistical significance under a different test with more variation (i.e. an activity or a bill where fewer representatives choose not to sit out on the deliberations).

Roll-Call Vote Results

The discussion below relates to the results of the probit model involving the roll-call vote taken on House Bill 2594 (HB 2594). Religion still fails to hit any level of statistical significance but moves in the expected direction.

The variable involving little or no campaign contributions achieves statistically meaningful results but moves in the unexpected direction. As a representative takes few campaign contributions, the representative is less likely to vote for House Bill 2594. Representatives with greater than $2,000 in campaign contributions have a predicted probability of .80 of voting for HB2594. Representatives with campaign contributions in the range between zero and $2,000 have a predicted probability of .68 of voting for HB2594. Finally, representatives taking zero campaign contributions have a predicted probability of .55. As previously stated, some of those receiving little to no campaign contributions may have desired stronger regulation. This is certainly true in Representative Craddick's case. He expressed his displeasure in the lack of teeth associated with House Bill 2594. Campaign contributions seems to have more of an impact on the issue of payday lending than does religion. Representatives

choosing to accept fewer campaign contributions perhaps signal that they are more willing to go to bat for regulation advocates.

The race of the legislator moves in the expected direction but narrowly fails to achieve statistical significance. A quick tabulation reveals that thirty-seven of forty minority members voted in favor of regulation, whereas white members split their votes forty-eight to forty-eight. The results are still instructive and highlight the potential to uncover statistically significant results under a different scenario involving payday lending.

Five control variables produce uneven results relative to their expectations. Electoral safety is strongly associated with representatives voting for regulation. Those from safe seats feel more comfortable sticking their necks out on policies that may appear a little more controversial. For example, conservative representatives may have difficulty selling a yes vote to conservative constituents in their home districts. Lead authors surprisingly moves in the negative direction but fails to hit statistical significance. Again, Craddick falls into this category and influences the variable in a meaningful way. Committee membership moves in the predicted direction, but this time, the variable fails to hit statistical significance. District poverty moves in the unexpected direction but produces no statistically significant results. Finally, the business score of legislators moves in the unexpected direction and hits the .1 level of statistical significance. That is, the predicted probability of a yes vote increases with a higher business score. This may signal that representatives do not see this piece of legislation as a real threat to payday lenders' interests.

This time, party achieves statistical significance and moves in the right direction. The predicted probability of a yes vote is .99 for Democrats. Only one out of fifty-one Democrats voted against the bill. The decision was an easy one for Democrats. In an industry considered

harmful to the poor, Democrats provided its stereotypical support for issues important to the poor. Republicans, however, only produced a predicted probability of .29. Representative Truitt passed her bill with quite a bit of Republican support, but Democrats were crucial to the bill's success.

Finally, gender also moves in the expected direction and produces a weak level of statistical significance (.1 level). The predicted likelihood of a woman voting yes on HB 2594 is .85, holding all other variables at their means. Seventy-nine percent of women supported HB 2594 compared to only fifty-eight percent of men. In an issue that disproportionately affects women, female legislators look out for the interests of all women.

The results from the speaking time model and the roll-call vote vary in dramatic ways. One of the biggest reasons for the differences is the amount of variation in each model. The speaking time model involved 24 speakers and 124 sidelined legislators. The roll-call vote, on the other hand, produced 85 voting in favor and 51 voting against HB 2594. Part of the trouble with the first model is that representatives may not have had the same opportunities to speak for or against regulation. In the second model, each representative has a chance to voice her opinion. The variation between the two activities is enough to produce differences in the results. Democrats and those from safe districts move in the predicted direction in both models but only reach statistical significance once variation increases in the second model.

Conclusion

This article focuses on payday lending legislation and the variables that help and hinder constituents' representation on industry regulation. The paper takes on a new issue in payday

lending, and by looking at the issue through two different lenses (speaking time and roll-call votes), the paper shows the ways in which the same variables impact outcomes differently. The results of my research show that campaign contributions, electoral safety, gender, and party influence payday regulation in different, meaningful ways. Some legislative activities require a greater intensity, a passion, for the issue at hand. Campaign contributions may signal whether they are willing to play by payday lenders' rules. These representatives may best represent religious communities against payday practices.

Religion, on the other hand, fails to achieve statistical significance. The way I measure religion provides a particular challenge in a state such as Texas. One might expect that more Texas legislators would profess a religion than just one-third of the legislators. Uncovering the reasons why some religious legislators might profess a religion while others might not is certainly an interesting and important topic itself. For purposes of this study, some may have chosen to not speak against regulation or to speak on behalf of regulation due to religion, but because so few profess a religion on their Texas Legislature websites, the current measurement may underestimate religion's influence. A better way to get at the measurement might be to survey legislators for their affiliation with a religion and a particular congregation. Another way might be to study the interaction between religious advocates of regulation and their district's legislators. This might fully capture the relationship between a representative and her religious constituents.

Digging deeper into the data, though, reveals that professed religion may play a part in the payday regulation story. Many of the most frequent speakers were religious as evidenced by quick tabulations. 67% of speakers in favor of regulation professed a religion as opposed to about thirty percent who either spoke negatively or not at all. In addition, a careful examination

of the positive end of the speaking time distribution through a zero-inflated negative binomial model and as a regular negative binomial model produced statistically significant results for professed religion. The massive overdispersion of zeroes and small number of positive speakers, though, makes interpretation of these results through these negative binomial models particularly challenging. Unfortunately, the issue presented here did not produce enough variation in the speaking time. Too many speakers failed to speak out for or against regulation. As mentioned in the results above, teasing out the differences and deciding how to more finely measure religion has the potential to uncover a true relationship between the variable, legislative outcomes, and religion.

One implication stands out in the story here. The party in power truly sets the agenda before the legislature and produces policies in a form that can be stomached by its members. Regulation is an area often attributed to Democrats. However, in order to appear responsive to regulation advocates, many of whom came from religious communities across the state, even Republicans felt pressure to produce regulation. The regulation only served to placate regulation advocates without giving them a real tool to combat payday lending. Many Republicans did not feel threatened enough to vote against the policy. This bill with no teeth failed to produce the type of regulation that might expose true intensities in the bill. In order to study religion, its salience must be activated and intensified by a bill that truly draws out religious advocates. These advocates certainly came out for some of the bills that did not get by the committee. The only ones that escaped were the least controversial. Most representatives had no trouble supporting the watered-down legislation. Some supported it because it was harmless. Others supported it because it was the best they could get. True intensities were not on display over the bills that made it to the floor and to the one included here, which was eventually passed.

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Chapter 5

Conclusion

This dissertation tackled very different issues within Political Science, but all three chapters touched on issues related to representation, institutional rules, and policy outcomes. I examined the relationship between states' campaign contributions and their influence on the regulation of payday lenders. I then hypothesized that higher levels of professionalism within a state drive up the percentage of minority legislators in state legislatures. Finally, I considered that a representative's religion pushes the representative to both speak on behalf of payday lending regulation and to then vote for payday lending regulation.

Chapter 2 shows that contribution laws matter to the passage of payday lending regulation. In states where contribution laws are lax, these states are less likely to pass laws that regulate payday lenders. In addition, states with unified, Democratic government are more likely to enact payday regulation. The analysis also shows that women may be regulation advocates' partners in the fight for regulation. States with higher percentages of women legislators show a higher likelihood of regulation enactment during the next year. Minorities and states with greater poverty, on the other hand, produce less regulation, which advocates might view as

problematic given payday lending's impact on minorities and the poor. Finally, the South is home to greater regulation.

Chapter 3's analyses find support for professionalism and the percentage of Latinos serving in state legislatures across the country. As the level of professionalism for a state legislature goes up, the increase is associated with an increase in the percentage of Latinos serving. The analysis finds weaker support for the percentage of Blacks serving in state legislatures. Of course, the percentage of Latinos and Blacks in a state matter most in the percentage of Latinos and Blacks in state legislatures, respectively. Curiously, for Latinos, states that lean toward Democrats are better for higher percentages of Latinos but not for Blacks. Part of the reason might be where Blacks live across the country. For example, they live in heavily Republican, Southern states, where leaders have been more resistant to share power with minorities. For this reason, I include a dummy variable for states subject to the Voting Rights Act and actually find that the legislation assists Latinos and Blacks to receive greater descriptive representation in at least the upper chambers of state legislatures.

Chapter 4 produces a mixed bag of results. While religion moves in the expected direction, it fails to produce statistically significant results. I dig deeper in the data to discover an interesting pattern emerge between religion and speaking time. Namely, speakers for regulation tend to profess a religion. Little to no campaign contributions is associated with speaking time in favor of legislation. However, little to no campaign contributions show a lower likelihood to vote for payday lending regulation. I argue that legislators with no campaign contributions spend more time speaking for regulation, and then they ultimately vote against the bill due to the weakness of the regulation. In other words, those with little to no campaign contributions may show the greatest likelihood for or greatest association with payday

regulation. They choose not to take contributions because they are against payday lenders, and then they may want the fullest extent of regulation, not the watered-down bill that eventually made its way into law. Representatives from safe districts, Democrats, and women all show a greater likelihood to speak up in favor of regulation or vote in favor or regulation.

Common themes emerge through the three substantive chapters. First, in two of the three papers, women show themselves to be the likeliest advocates of regulation. On an issue heavily related to the poor and one that disproportionately affects women, women step up to the plate and go to bat for these groups. Women represent potential partners for consumer advocates interested in regulating payday lenders. They may also provide useful representation in other policy areas that affect the poor. Second, in all three papers, Democrats show a greater willingness to advocate for the nation's most vulnerable groups. They tend to support the regulation of payday lenders because it heavily affects the lives of the poor. They are more willing to elect larger percentages of minorities to state legislatures across the country. Based on the findings across the three papers, Democrats do, in fact, support the groups they purport to represent. Third, campaign contributions and their laws play interesting roles in the regulation of payday lending. The event history analysis and the ordered probit of Chapter 2 show that states with stricter contribution laws are also those more willing to regulate payday lenders. Chapter 4 also shows in at least one of the tests that little to no campaign contributions is associated with more speaking time in favor of regulation. These findings signal a potential danger to the democratic process.

Future Research

Some very useful lines of research emerge from the studies undertaken here. Chapter 2 show that campaign contribution laws impact the policy adoption of payday lending regulation, but these laws are undoubtedly applicable to other policy areas. Some industries are willing to fight hard to prevent regulation and have the financial resources to do it. The payday lending industry, I argue, certainly protected its interests in the story presented here. Where self-interest is clear and pockets are deep, campaign contribution laws deserve careful attention during these regulation debates. Some state policy areas might include healthcare reform after the Affordable Care Act, the privatization of higher education, the contracting out of state services, consumer protections against other forms of lending, and environmental regulations in the era of fracking. These are all recent policy areas of interest to states. Many have interested parties with deep pockets who are willing to protect their economic interests. These policy areas also introduce quite a bit of controversy, meaning that states' responses will vary in very interesting ways for a policy adoption study.

Chapter 2 is also interesting because it discusses the collective nature of campaign contributions. In the paper and even in the introduction of this dissertation, I mention that the collective nature of a state's law allows the study to capture the many ways that a policy might die in the state legislature. For those states that have not passed payday lending regulation, many of those states have seen bills aimed at payday regulation. How did these regulations die, and what were the patterns of campaign contributions? Drilling down into the states and seeing exactly the patterns of campaign contributions within the state would provide a very useful line of research. Do those patterns vary based on the limits imposed from state to state? I am sure that payday lenders, for example, are strategic in their placement of campaign contributions, and

especially when limits are placed upon them, they must figure out a way to distribute finite resources to the right players.

In addition, an implication in Chapter 3 is that professionalism influences the choice of minorities to even run for office, not just to win positions in state legislatures. What does professionalism do to the slate of minorities that pursue office? Do more of them pursue office? What does higher professionalism do to the quality of minority candidates? Future research could consider the quantity and the quality of candidates produced within less and more professional states. I would expect that higher professionalism would drive up the number and the quality of all candidates, including minority candidates. Races would become more competitive, but with the quality of the minority candidate also going up, minority candidates would still fare well.

Chapter 3 still leaves one lingering question. How does professionalism influence minorities in homogeneous versus heterogeneous districts? Part of the argument in Chapter 3 is that minority candidates fare better in states and districts where enough minorities live to elect them. An interesting line of research might be to find the tipping point, the type of district demographics and level of professionalism that might push minority candidates to pursue and win office.

In Chapter 4, religion does not play out in the way I hypothesize, but religious advocates' role in committee hearings and a close investigation of the data reveal that a narrative surrounding religion may still exist. The zero-inflated negative binomial model and the negative binomial model analyze the excessive number of speakers at zero and those the sixteen speakers that speak on behalf of payday regulation. These models produced statistically significant results for professed religion and its influence on positive speaking time. However, the concern

becomes the few representatives who spoke up on behalf of regulation. Sixteen pro-regulation speakers make generalizations from the current data difficult. Future research would entail gathering more data for those that speak up on regulation. The research could take two different directions. First, I could look at payday lending deliberations across states in order to create a larger pool of speakers. I could then take a look at the positive and negative sides of speaking separately and run negative binomial models to test the religion hypothesis. In the negative speaking time model, I would expect professed religion to produce a lower likelihood of speaking against religion. In the positive speaking time model, I expect professed religion to produce a higher likelihood of speaking for religion.

Second, thinking more broadly about regulation and the protection of the poor could expand my study to other policy areas and other committees. The Texas House of Representatives takes up legislation on a host of topics each legislative session. Other committees handle issues important to vulnerable groups, like the elderly or children. Committees sometimes even take up similar issues within their realms of jurisdiction. One example could be children's poverty in committees like education and health and human services. Pooling speaking time for these committees would provide more opportunities for members of the legislature to speak. For example, some other areas of research might be elderly health programs, children's health programs, child abuse, homelessness, or domestic abuse. Religious congregations may become involved in these issues if they view current practices as unjust to vulnerable populations.

Finally, the research in Chapter 4 assumes that representatives with professed religions interact with religious advocates of regulation. This assumption is important in order to understand why professed religion matters. I provide a little evidence from committee

deliberations that representatives and religious advocates interacted. In order to follow up this research and provide proof of communication, future research could entail interviews with both representatives and religious advocates to see if this assumption is correct.