Cities, Lobbyists, and Representation in Multilevel Government

Julia A. Payson†
Department of Politics
New York University

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Abstract

Why do some municipalities hire lobbyists to represent them in state government? And why do cities lobby in certain years but not others? I argue that local officials hire lobbyists when state lawmakers fail to adequately meet local needs. I then develop a variety of indicators to measure the quality of representation between cities and their elected state officials and use nearly a decade of original data on municipal lobbying in all 50 states to test how these relationships affect the lobbying decisions of cities across the country. Using panel data methods with city and year fixed effects, I demonstrate that cities are particularly likely to lobby when they are represented by state legislators on the opposite side of the ideological spectrum. The results are broadly consistent with a model of intergovernmental lobbying in which local officials purchase advocacy to compensate for the representational gaps that sometimes emerge in multilevel government.

†Julia Payson (julia.payson@nyu.edu | http://www.juliapayson.com/) is an Assistant Professor in the Department of Politics at New York University. For comments and suggestions the author thanks Pat Egan, Sandy Gordon, Dimitri Landa, Terry Moe, Becky Morton, and Hye Young You.
1 Introduction

"It's important that the city has a lobbying presence in Harrisburg, and it's doubly important that Philly, which is a Democratic city, has access to GOP leadership who basically run the show."

— Pennsylvania Lobbyist Larry Ceisler

When and why do some local governments hire lobbyists to represent them in other levels of government? Elected officials of all types lobby each other frequently—both in the U.S. and other federal systems—and these efforts can dramatically impact intergovernmental transfers and other policy outcomes (De Figueiredo and Silverman 2006; Sorensen 2003; Goldstein and You 2017; Payson 2018). But existing theories of lobbying focus primarily on the behavior of interest groups and corporations and are ill-equipped to explain variation in the intergovernmental context. As a result, we know little about why local governments sometimes choose to pay for lobbyist representation.

One of the features that distinguishes local governments from other types of organizations that lobby is that they are geographically nested within state and federal legislative districts that serve the same constituents. They are, by definition, represented by elected officials whose job is to advocate for local needs at the state and federal level. But not all local governments receive equally effective representation. Regions that are overrepresented in national legislatures due to malapportionment enjoy a variety of bargaining advantages, which can translate into increased funding (Ansolabehere, Gerber, and Snyder 2002; Drago and Rodden 2011), more responsive policies (Ansolabehere and Snyder 2008), and less local inequality (Aradanaz and Scartascini 2013). And local officials that are politically aligned with their representatives in the central government receive more discretionary transfers (Levitt and Snyder 1997; Solé-Ollé and Sorribas-Navarro 2008) while local political opponents suffer a funding penalty (Brollo and Nannicini 2012).

I argue that one of the ways that regional actors can respond to these dynamics is by hir-
ing lobbyists to compensate for weak formal representation. While some communities may be satisfied with the performance of their elected representatives in the state and federal government, others may face an uphill battle to secure funding and favorable policies. When local officials are unhappy with the built-in representation they receive by virtue of their political geography, lobbying allows them to purchase additional advocacy in their statehouses and Washington, D.C.

To test this theory, I develop a variety of indicators to measure the quality of representation between municipalities and their elected state officials. Municipalities are not the only local governments that engage in lobbying: counties, school districts, water boards, transportation agencies, and other special districts also lobby both the state and federal government. But cities are particularly attractive units to study for a few reasons. They are the primary form of local general purpose government in the U.S., with over 80% of the population living within the boundaries of incorporated municipalities (Census 2010). Cities also have the benefit of being well-defined geographic units with relatively stable boundaries and a wealth of data available about their finances, demographics, and political outcomes. They are also some of the oldest and most powerful state-level lobbyists in the country, with advocacy efforts dating back to the mid-1800s. (Teaford 1984)

Using nearly a decade of panel data on the annual municipal lobbying activity in all 50 states, I find support for the idea that paid lobbying can substitute for formal representation. For example, cities are more likely to hire lobbyists when they are represented by state legislators with opposing ideological views. The results are broadly consistent with a model of intergovernmental lobbying in which local governments purchase advocacy to compensate for the representational gaps that sometimes emerge in multilevel political systems.

At the same time, I also find that size and wealth are major determinants of the decision to lobby. While hiring lobbyists might help cities communicate their needs to their elected representatives, the data show that smaller, less affluent communities are less likely to participate in this market for advocacy. While intergovernmental lobbying may play an
important role in facilitating representation between different levels of government, it appears that larger and more affluent communities are the most likely to take advantage of this opportunity.

2 Explaining the Demand for Lobbying

Cities are generally transparent about their lobbying objectives. They want more money, greater autonomy, fewer mandates, and increased institutional power (Payson 2018). By way of example, Figure 1A in the Appendix is an excerpt from a report filed by the city manager of Palo Alto, California. The report explicitly states that the city intends to hire a lobbyist to “protect local revenue sources,” “protect and increase funding for specific programs and services,” and “protect and increase local government discretion,” among other reasons. But assuming that all local governments would like more money, power, and autonomy, why do some local officials take the step of hiring a lobbyist?

Interest group scholars typically focus on two primary determinants of lobbying: political stakes and organizational resources (Lowery and Brasher 2004). Classic pluralist theories posited that groups are more likely to become politically active when the policy stakes are high (Truman 1951), and the empirical literature has demonstrated that this plays out in a variety of settings. For example, firms lobby more when their industries are more heavily regulated (Stigler 1971; Hansen and Mitchell 2001), when they are more dependent on the government for sales and contracts (Tripathi 2000; Hart 2001), and when their business operations are more sensitive to potential government interventions (Salamon and Siegfried 1977; Grier, Munger, and Roberts 1994).

Organizations are also more likely to get politically involved when they have more resources at their disposal—including members, assets, and employees (Drope and Hansen 2006; Lux, Crook, and Woehr 2011). Scholars have proposed various mechanisms to explain these findings. Smaller companies generally have only intermittent political concerns that
don't warrant the expense of a lobbyist, and they may lack the political expertise to influence outcomes (Bertrand, Bombardini, and Trebbi 2014). Similarly, Drutman, Grossmann, and LaPira (2014) argue that only an elite “top tier” of interest groups can afford to spend enough money on political advocacy to stand out in today’s complex policy environment. These high fixed costs might deter groups with fewer resources from entering the lobbying arena.

If the same logic applies to the lobbying decisions of local governments, we would expect larger and more economically affluent cities to be the most active lobbyists. The stakes are clearly high for populous metropolitan areas. Urban metro areas have historically been underrepresented in state legislatures and are often disproportionately impacted by state policy (Nice 1987). Major cities also tend to provide a variety of services to socioeconomically diverse populations and often struggle to raise additional revenue without alienating their tax base (Peterson 1981). The stakes of securing adequate funding are high for large cities. As a result, they face particularly strong incentives to pay for lobbyist representation.

The existing literature also suggests that we should expect to see more lobbying by resource-rich local governments, all else equal. Affluent cities like Palm Beach and Beverly Hills might be more likely to lobby because they can more easily foot the bill. And the residents of these communities are more likely to be politically active, which would further drive the demand for lobbying (Verba, Schlozman, and Brady 1995). An alternative possibility is that disadvantaged cities might lobby more in order to secure revenue—particularly if they are constrained in their ability to raise revenue locally. But the analyses presented in the following sections are more consistent with the former story. Economic capacity appears to matter for intergovernmental lobbying as well as in the private sector.
3 How Local Governments Are Different: Lobbying and Representation in Federal Systems

Institutional size and economic capacity are two organizational characteristics that predict lobbying for interest groups generally. But there are also several important distinctions between governments and other types of institutions that lobby. Local governments are part of the federal system and are embedded in political districts represented by other levels of government. Put another way, local governments are provided with built-in representation by state and federal officials whose job is to represent local interests. But the quality of this representation varies based on the relationship that a city has with its elected legislators—as well as its relationships with the state and federal government more broadly.

When these relationships work well, local officials can often get everything they need in terms of policy and funding without hiring lobbyists. As a former Airport Director in Flint, Michigan, observed: “We’ve just never really needed [lobbyists]...we’ve been successful enough using our senators and congressman.”\(^1\) The mayor of Springfield, Illinois, explained that his city relied on the Illinois Municipal League and the city’s elected delegation to represent the cities interests in state government.\(^2\) And the mayor of Kenai, Alaska, was even more explicit in acknowledging the importance of relationships with state elected officials. “I’ve got a great relationship with all of our legislative delegation. I felt like local government shouldn’t have to hire a lobbyist to lobby our legislators. We should go directly to them.”\(^3\)

But not all local governments enjoy such cozy relationships with their representatives. Sometimes, local officials struggle to get the attention of their state and federal counterparts.


\(^2\)http://www.sj-r.com/article/20130811/News/308119958

\(^3\)https://www.adn.com/politics/article/alaska-communities-school-districts-paying-more-lobbyists-cash-strapped-capitol/2016/02/15/
For example, a progressive urban city might sit in a predominantly conservative district with a Republican congresswoman. Or, a town might be cut into multiple legislative districts, introducing coordination problems across its representatives. If local governments aren’t getting what they want through their elected officeholders—whatever the reason—hiring lobbyists provides them with the opportunity to purchase an alternative form of advocacy.

In fact, cities themselves use this language to describe their decision to lobby. “Glendale [California] does not currently have an active presence at the state level,” wrote staffers in a 2013 report recommending that the city hire a lobbying firm. “As such, it does not have representation at the state Capitol that can help the city gain support from key public officials and policy makers on decisions that directly impact the city.”

Along those lines, the City Manager of West Jordan, Utah, explained that hiring a lobbying firm “Opened doors of communication with legislators, state agencies, and a host of other people that I just don’t know how we would ever have access to.” In other words, when city officials can’t adequately communicate local interests simply by picking up the phone and calling their elected delegation, lobbying can help secure them with access. Lobbyists also advertise their services in terms of building relationships between state and local officials. For example, the California lobbying firm Townsend Public Affairs explains that it carefully “cultivates relationships with elected officials” in order to secure favorable policy for its government clients.

Perhaps not surprisingly, state and federal officials generally claim that municipal lobbying is unnecessary. According to the Chief of Staff of Congressman Bill Young (R-Florida), “When asked the question whether a city or county needs to hire a lobbyist, he has always told them they don’t need to hire a lobbyist to work with their own congressman. That’s his job. Those are the people he was elected to represent. He doesn’t need to work through


6https://www.townsendpa.com/about-tpa/
somebody else to schedule a meeting with a mayor or a city council member.”\textsuperscript{7} State Representative Greg Davis of Minnesota was even more explicit: “It’s insulting that [they] need to hire a lobbyist when we’re elected to make sure our cities are in great shape.”\textsuperscript{8}

But representatives likely would not admit to having poor relationships with their local governments. After all, their jobs depend on adequately representing their constituents. But the fact remains that if mayors and city managers were getting everything they wanted from their elected officials in terms of funding and favorable policy, they wouldn’t allocate scarce city revenue toward hiring lobbyists. The rest of this paper uses a variety of measures to operationalize the quality of representation between state and local officials and demonstrates that these dynamics affect the lobbying decisions of many cities.

4 Lobbying Disclosure Data: Descriptive Overview

The state-level lobbying data used in the following analyses are the product of a multi-year data collection effort that involved gathering, cleaning, and compiling lobbying disclosure data from all 50 states. Each state also has its own lobbying disclosure law requiring lobbyists to report their communication with state officeholders—and each state law is at least as restrictive as the Federal Lobbying Disclosure Act (Lowery and Brasher 2004). But while every state regulates lobbying, this information is more difficult to access because each state has its own reporting standards. Some states make their lobbying information publicly available on-line; other states are less transparent and only provide data upon request—and sometimes for a fee.\textsuperscript{9}

This 50-state lobbying database runs from 2006 to 2015 and contains nearly half a million

\textsuperscript{7}http://www.nytimes.com/2006/07/02/washington/02earmarks.html
\textsuperscript{8}http://www.startribune.com/governments-spend-millions-lobbying-government/373685161/
\textsuperscript{9}https://www.followthemoney.org/research/institute-reports/50-state-assessment-of-lobbying-expenditure-data/
total observations. Armed with information about all of the organizations that were lobbying in a given state in each year, I could identify which cities employed lobbyists by matching the names from the disclosure data with the universe of municipalities enumerated by the Census of Governments. The Census of Governments is conducted every five years by the U.S. Census Bureau and "identifies the scope and nature of the nation's state and local government sector; provides authoritative benchmark figures of public finance and public employment; classifies local government organizations, powers, and activities; and measures federal state, and local fiscal relationships."\textsuperscript{10}

There are a few additional things to note about using disclosure filings to measure lobbying. First, cities (and other organizations) are required to disclose the lobbying activities of any in-house employees as well as external firms. For example, if a large city were to hire a full-time staff member to lobby on its behalf, it would need to report that information. To be sure, lobbyists and their clients sometimes try to skirt the system and fail to disclose their attempts to influence. But due to the often visible nature of lobbying, lobbyists are generally transparent about the clients they work with and more often under-report client spending or fail to accurately document the specific bills and agencies that they are lobbying.\textsuperscript{11}

Second, local officials can also "lobby" by communicating directly with their state representatives. In fact, this happens all the time. State house members spend up to half of each week in their districts attending meetings with local elected officials and constituents (Jewell 1982), and city mayors and council members often have close relationships with their state delegation. When I refer to city lobbying, I am specifically interested in paid city lobbying, whereby municipal officials pay an outside firm to lobby on their behalf. To the extent that informal lobbying communication occurs between cities and their state members, this should bias against the findings that I report.

\textsuperscript{10}https://www.census.gov/govs/cog/about_the_data.html

After determining which city governments filed state disclosure reports, I merged this information with federal lobbying records as well as financial, demographic, and political data from a variety of other sources. These include the American Community Survey, Missouri Census Center geography data, state legislator ideology estimates (Shor and McCarty 2014), city ideology estimates (Tausanovitch and Warshaw 2014), and information from the National Center for Money in State Politics, to name a few.\textsuperscript{12} The final dataset contains information about municipal lobbying and city characteristics for each of the roughly 4,600 cities in the U.S. with a population of at least 5,000 and spans the period from 2006 to 2014.\textsuperscript{13}

One limitation of the data is that the financial outcomes are not measured in every year for every city. At a minimum, each city contains fiscal observations for the years 2007 and 2012, which were Census of Government years. In non-census years, the Bureau conducts a Survey of Government Finances, which provides annual fiscal data for all cities with a population of over 25,000 as well as a sample of smaller cities. The result is an unbalanced panel, with complete financial data available for 5 out of the 9 years for each city, on average.

City lobbying is common across the U.S. and is not limited to a single state or region. Figure 1 maps every city with a population of 5,000 or more and shows which cities lobbied at least once between 2006 and 2014. Cities hire lobbyists in every state, with particularly high numbers of cities lobbying in Washington, California, Texas, and Florida. States also experience significant variation in the proportion of cities that lobby, and exploring the cross-state institutional features that predict local government lobbying is a topic ripe for further research.

In general, cities that employ lobbyists tend to be major population centers. Table 1 highlights the relationship between city size and the likelihood of lobbying. Size is clearly an important factor in the decision to lobby. While only 5\% of cities with a population between

\textsuperscript{12} Additional details are in the Appendix.

\textsuperscript{13} Note that 2014 is the last year for which state representative ideology estimates were available.
5,000 and 10,000 lobby their state government, that proportion increases steadily as city population grows, with large majorities of cities with populations over 100,000 lobbying. Note that across all city sizes lobbying the state governments is more common than lobbying Washington, D.C., although this gap decreases among the largest cities.

This finding mirrors an empirical regularity in the corporate lobbying literature, which is that firm size is one of the most consistent predictors of corporate political activity (Grier, Munger, and Roberts 1994; Hillman, Keim, and Schuler 2004; Drope and Hansen 2006). Theoretical explanations for the phenomenon typically emphasize that larger companies are disproportionately impacted by the political and economic environment and thus face greater incentives to shape that environment through lobbying and PAC contributions (Mitchell, Hansen, and Jepsen 1997). At the same time, these companies also have more resources at their disposal to engage in political activities. A similar logic likely applies to cities.
Table 1: City Lobbying by Population. As city population increases, lobbying becomes more common. Regardless of size, cities are more likely to lobby their state than the federal government.

<table>
<thead>
<tr>
<th>Population</th>
<th>N</th>
<th>% Lobbying</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5,000 - 10,000</td>
<td>1,653</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>10,001 - 30,000</td>
<td>1,728</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>30,001 - 50,000</td>
<td>455</td>
<td>27</td>
<td>12</td>
</tr>
<tr>
<td>50,001 - 100,000</td>
<td>422</td>
<td>44</td>
<td>27</td>
</tr>
<tr>
<td>100,001 - 500,000</td>
<td>223</td>
<td>72</td>
<td>52</td>
</tr>
<tr>
<td>Over 500,000</td>
<td>33</td>
<td>85</td>
<td>79</td>
</tr>
</tbody>
</table>

Larger cities have greater demand for services and are especially affected by state policies (Zimmerman 2012). Subsequent analyses will demonstrate exactly how municipal population affects the decision to lobby and will examine other characteristics that contribute to city lobbying behavior.

5 Explaining Cross-Sectional Variation in City Lobbying

Before moving to panel analysis of the factors that drive the within-city decision to lobby, I begin by establishing some general correlations between city characteristics and lobbying activity. Table 2 shows the predicted probability of lobbying across a variety of covariates for cities with a population of 5,000 or more. Demographic and financial variables include measures of city population, median income, own source revenue capacity, racial diversity, and median house value. The model also contains two representational variables that capture the number of lower house members representing each city and the maximum ideological distance between those representatives.

Consistent with other findings from the interest group literature, Table 2 indicates that city population is one of the strongest predictors of lobbying across cities. Each time the size
Table 2: Correlates of City Lobbying State Government, 2006-2015. After controlling for a variety of city demographics, two representational variables correlate with city lobbying. The probability of lobbying increases as more state house members represent a city and as the ideological distance between those representatives increases.

<table>
<thead>
<tr>
<th></th>
<th>Probability of Lobbying</th>
</tr>
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<tbody>
<tr>
<td># House Representatives</td>
<td>0.006*</td>
</tr>
<tr>
<td></td>
<td>(0.001)</td>
</tr>
<tr>
<td>Ideological Distance Between Reps.</td>
<td>0.012*</td>
</tr>
<tr>
<td></td>
<td>(0.004)</td>
</tr>
<tr>
<td>Population (Log)</td>
<td>0.109*</td>
</tr>
<tr>
<td></td>
<td>(0.005)</td>
</tr>
<tr>
<td>Median Income (Log)</td>
<td>0.733*</td>
</tr>
<tr>
<td></td>
<td>(0.253)</td>
</tr>
<tr>
<td>Median Income Squared (Log)</td>
<td>-0.035*</td>
</tr>
<tr>
<td></td>
<td>(0.012)</td>
</tr>
<tr>
<td>Own Source Revenue (Log)</td>
<td>0.032*</td>
</tr>
<tr>
<td></td>
<td>(0.004)</td>
</tr>
<tr>
<td>% White</td>
<td>-0.332*</td>
</tr>
<tr>
<td></td>
<td>(0.068)</td>
</tr>
<tr>
<td>% White Squared</td>
<td>0.168*</td>
</tr>
<tr>
<td></td>
<td>(0.054)</td>
</tr>
<tr>
<td>Median House Value (Log)</td>
<td>0.026*</td>
</tr>
<tr>
<td></td>
<td>(0.009)</td>
</tr>
</tbody>
</table>

State-Year FE's ✔️
Observations 22,040
# Cities 4,714
Mean Lobbying Probability 0.21

Robust standard errors clustered by city. *p<0.05

of a city’s population doubles, the probability of lobbying increases by about 10 percentage points—holding other city characteristics fixed. The results from the multivariate linear probability model confirm what was evident from the simple cross-tabulations presented earlier in the paper: large cities lobby often.

In fact, 63% of the 100 most populous cities reported hiring lobbyists in every year between 2006 and 2014. Perpetual government lobbyists include New York, Los Angeles,
and Chicago, as well as Miami, Phoenix, and St. Louis. But many large cities lobbied in some years but not others, like San Francisco and Newark, and a few cities didn’t pay for lobbyist representation at all during this period—including Boston. Small and mid-sized cities were even more heterogeneous in their lobbying decisions. After accounting for population, what other city characteristics predict the choice to hire a lobbyist?

Local own-source revenue availability is another important correlate of municipal lobbying. Own-source revenue is generated by cities themselves, usually through property taxes and also through user fees and charges and sometimes local sales taxes. But cities vary in their ability to raise local revenue, depending on the value of the property and the affluence of their tax base. Cities that are able to raise more revenue locally are generally more well-off economically and rely less on transfers from the state and federal government. And Table 2 shows that cities with more local, own-source revenue available to them are more likely to hire lobbyists, all else equal. This finding suggests that municipal resources play a role in the decision to lobby.

Interestingly, the median income of a city’s residents does not have a linear relationship in predicting cross-sectional city lobbying. Rather, the probability of lobbying steadily increases with income—and then falls for cities at the very top of the income distribution. This likely reflects the fact that some of the most affluent municipalities in the U.S. are quite small and provide relatively few public services. Some of these communities, like Atherton, California, were incorporated expressly with the purpose of allowing residents to control property taxes. Local government might simply not be active enough in these cases to warrant lobbying. In subsequent within-city analyses, I find that simple linear increases in income predict city lobbying.

City size and own-source revenue capacity are predictors of municipal lobbying with theoretical analogues in the interest group literature. But Table 2 also introduces some initial evidence that representational dynamics are associated with the decision to lobby. First, the probability of lobbying increases as the number of lower house members representing a city
increases. Many cities are cut across more than one legislative district, which means city officials have to coordinate across multiple elected representatives. Cities that are represented by more state legislators are more likely to lobby, all else equal.

This finding suggests that having too many representatives might actually make it more difficult for a city to achieve its objectives in the statehouse. An employee of the Springfield Metro Sanitary District in Illinois illustrates the problem: “We have multiple people, but sometimes Springfield is on the fringe of a district. The actual district may be centered elsewhere. We feel it’s better to have [lobbyist] representation, someone on your side if you have a particular issue.”14

Among cities that have more than one state legislator, the ideological distance between those members also predicts lobbying. The Shor and McCarty data provides estimates of legislator ideology, and occasionally districts end up being represented by state officials that fall on opposite sides of the liberal–conservative spectrum. The results indicate that the farther apart a city’s house representatives are in terms of ideology, the more likely a city is to lobby. In other words, cities may use lobbyists to coordinate among representatives with conflicting agendas.

Figure 2 visually depicts the predicted probability of lobbying across several of the covariates in Table 2. The top row demonstrates the non-linear effect of median income and percentage white residents on the decision to lobby. The bottom row shows the marginal relationship between the probability of lobbying and the number of lower house members representing a city as well the ideological distance between them. These correlations suggest that how cities are represented by their elected officials might influence the local decision to lobby.

14http://www.sj-r.com/x369946631/Local-governments-split-on-hiring-lobbyists
Figure 2: Probability of City Lobbying State Government. Marginal predicted probability of lobbying by city racial composition, median income, and ideological characteristics of state representatives.

6 Within-City Determinants of Lobbying

The previous section modeled the cross-sectional probability of lobbying across cities and indicated that several covariates correlate with municipal lobbying. But these correlations may or may not reflect a causal relationship. Cities that are larger or that elect representatives with diverging ideologies might differ from other cities in a variety of unobservable ways—and these differences could be the true drivers of the decision to lobby.

Panel data can help address some of these issues. By observing the same cities over time, we can examine how time-varying conditions affect lobbying choices within-city. The
Table 3: Within City Determinants of Lobbying, 2006 - 2014. Population growth continues to predict within-city lobbying in different years, as does median income. A change in the number of state house representatives—usually due to redistricting or an unexpected departure from office—also increases the probability of lobbying by just over 1%.

<table>
<thead>
<tr>
<th>Probability of Lobbying</th>
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<tbody>
<tr>
<td>(1)</td>
</tr>
<tr>
<td>Δ # Representatives</td>
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<tr>
<td>Population (Log)</td>
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<tr>
<td>Median Income (Log)</td>
</tr>
<tr>
<td>Own Source Revenue (Log)</td>
</tr>
<tr>
<td>% White</td>
</tr>
<tr>
<td>Median House Value (Log)</td>
</tr>
</tbody>
</table>

City FE | Year FE | State-Year FE
----------------|
✓ | ✓ | ✓ |
Observations | 41,271 | 41,271 | 41,237 | 41,237
# Cities | 4,714 | 4,714 | 4,714 | 4,714
Mean Lobbying Probability | 0.16 | 0.16 | 0.16 | 0.16

Robust standard errors clustered by city. *p<0.05

The following analyses use city and year fixed effects to account for two types of confounders. Year fixed effects control for environmental shocks that might lead all cities to lobby more or less in a year—like the financial crisis of 2007–2008. And city fixed effects control for time-invariant characteristics that could drive the demand for lobbying.

The panel regression approach yields important insight into the cross-sectional results. The results in Table 3 demonstrate that population still has the greatest effect on the probability of lobbying, and the coefficient estimates are fairly similar to what was reported in the previous section. The probability of lobbying rapidly increases as city size grows. Median
income level is also still predictive of lobbying, although diagnostic tests show that a simple linear specification is a better fit than the quadratic specification used in the previous section. However, city own-source revenue, racial composition, and median house value are less important in explaining the decision to lobby within-city. The ideological distance measure included in the pooled cross-sectional analyses is also so small and statistically noisy that I drop this variable from subsequent panel analyses.\footnote{This is likely due to insufficient within-city variation in the distance measure over time.}

However, the number of representatives serving a city still has an impact on lobbying behavior. The change in number of representatives variable takes a value of 1 if the city was represented by more house members in year $t$ than in year $t-1$. An increase in the number of house members leads to a modest 1\% increase in the probability of lobbying. While not a huge effect, the average probability of a city lobbying in a given year is only 16\%, so even small changes are meaningful. Moreover, placebo tests show that this effect only occurs for state lobbying in the year after the switch—increasing the number of state representatives in a city’s delegation does not affect the probability that the city lobbies either the state government in the previous year or the federal government in either year (results in the Appendix).

7 Comparing State and Local Ideology

A change in the number of elected lawmakers representing a city is a fairly blunt measure of representational quality. A more intuitive way to operationalize the quality of representation between cities and state officials is by comparing the congruence of their ideology. Data on city ideology are available for just over 1,000 of the cities in my sample based on estimates by Tausanovitch and Warshaw (2014). These estimates rely on hundreds of thousands of public opinion survey responses from city residents across the country and use multilevel regression with post-stratification to assign ideal points to cities. Data on state legislator
ideologies comes from Shor and McCarty, and I should point out that the city and state ideology measures were derived on different scales. Nevertheless, they correlate strongly in a way that suggests their comparability, at least in relative terms.

Figure 3 plots state representative ideology measures (lower chamber) against city ideology estimates. Positive values are more conservative, and negative values are more liberal. While the range of the city ideology scores is more compressed than that of the legislator scores, the relationship is clear. The most liberal city in the sample is Berkeley, California. On the other hand, cities and their representatives in the south tend to be more conservative.

**Figure 3: Correlation Between City and State Representative Ideology.** On average, a city's ideology correlates strongly with the ideology of its state representative. Negative values are more liberal; positive values are more conservative.

However, this ideological congruence is not perfect. Some relatively liberal cities are represented by more conservative representatives, and vice versa. For example, Little Rock,
Arkansas, is a fairly liberal city. Its residents are 40 percent African-American and include many well-educated white voters, and a majority of the city voted for Obama in 2008. But one of the state legislators representing part of Little Rock in 2012 was Allen Wade Kerr (R-Pulaski County), an ultra-conservative who supported abortion bans and co-sponsored legislation allowing handguns to be carried on church and school properties.\textsuperscript{16}

How do cities respond when their state representatives are so out of touch with local residents? According to the qualitative evidence, lobbyists claim they can help cities advance their local agendas at the state level when elected officials fail to do so. To test whether this happens systematically, I divide cities into terciles based on their ideology scores. Cities in the most liberal third of the distribution are coded as “Liberal,” while cities in the most conservative third of the distribution are coded as “Conservative.”\textsuperscript{17} I then assign legislators to quantiles (consisting of “Most Liberal,” “Liberal,” “Moderate,” “Conservative,” “Most Conservative”), which allows me to flexibly estimate the effect of representative ideology when cities elect members from different points in the distribution. The following section presents results from a variety of models that interact city and state ideology measures to determine how representational mismatches affect the probability of lobbying.\textsuperscript{18}

\textsuperscript{16}https://votesmart.org/candidate/key-votes/80920/allen-kerr

\textsuperscript{17}The results also hold if I divide cities into two groups based on the median ideology score.

\textsuperscript{18}I use a variety of other techniques to code cities and state representatives as more or less conservative (liberal) to account for the fact that the Tausanovitch and Warshaw (2014) and Shor and McCarty (2014) data were derived on different scales. These include re-scaling both sets of measures by their rank correlation, using liberal (conservative) indicators that are above (below) the mean and median of each scale, and using city Democratic voteshare and legislator partisanship to operationalize ideology. The following results are very similar and consistent across all of these different specifications.
8 Lobbying in Response to Representational Mismatches

Cross-sectional analysis of the pooled data shows that, on average, cities that are mismatched from their state representative in terms of ideology are more likely to lobby (result in Appendix). But is this relationship causal? Is a city like Little Rock more likely to lobby when represented by a legislator like Allen Kerr? I turn to the panel data and exploit the fact that cities elect different types of representatives over time to answer this question.

8.1 Ideological Opposition Promotes City Lobbying

Table 4: Effect of Ideological Mismatch on City Lobbying. A mismatch between a city’s relative ideology and the party of its state representative increases the probability of lobbying by nearly 5%

<table>
<thead>
<tr>
<th></th>
<th>Probability of Lobbying</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
</tr>
<tr>
<td>Ideological Mismatch</td>
<td>0.049*</td>
</tr>
<tr>
<td></td>
<td>(0.022)</td>
</tr>
<tr>
<td>Population (Log)</td>
<td>0.105</td>
</tr>
<tr>
<td></td>
<td>(0.091)</td>
</tr>
<tr>
<td>Median Income (Log)</td>
<td>0.011</td>
</tr>
<tr>
<td></td>
<td>(0.015)</td>
</tr>
<tr>
<td>Own Source Revenue (Log)</td>
<td>0.047</td>
</tr>
<tr>
<td></td>
<td>(0.076)</td>
</tr>
<tr>
<td>% White</td>
<td>−0.289</td>
</tr>
<tr>
<td></td>
<td>(0.237)</td>
</tr>
<tr>
<td>Median House Value (Log)</td>
<td>0.078</td>
</tr>
<tr>
<td></td>
<td>(0.056)</td>
</tr>
</tbody>
</table>

City FEs            | ✓              | ✓              |
Year FEs            | ✓              | ✓              |
State-Year FEs      | ✓              | ✓              |
Observations         | 11,016         | 11,016         |
# Cities             | 2,487          | 2,487          |
Mean Lobbying Probability | 0.36      | 0.36          |

Robust standard errors clustered by city. *p<0.05
Table 4 presents results from a panel regression design with city and year or state-by-year fixed effects. This approach demonstrates what happens when the same city is represented by state legislators with either congruent or opposing ideologies in different time periods. An ideological mismatch is defined as a liberal city being represented by a “conservative” or “very conservative” state house member or a conservative city being represented by a “liberal” or “very liberal” state house house member. The source of the variation is the election of new state officials, and there were 738 such mismatches that occurred over the course of the panel. The results indicate that if a city is represented by a member on the same side of the ideological spectrum who is then replaced by a member on the opposing side, the probability of city lobbying increases by nearly 5% (Column 1).

Table 5: Effect of Representative Ideology on City Lobbying. Cities are especially likely to lobby when they are represented by a house member with a relatively extreme opposing ideology.

<table>
<thead>
<tr>
<th></th>
<th>Probability of Lobbying</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Liberal Cities</td>
<td>Conservative Cities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td></td>
</tr>
<tr>
<td>Liberal Rep.</td>
<td>−0.006</td>
<td>−0.091</td>
<td>(0.033)</td>
</tr>
<tr>
<td>Moderate Rep.</td>
<td>0.020</td>
<td>−0.051</td>
<td>(0.044)</td>
</tr>
<tr>
<td>Conservative Rep.</td>
<td>0.049</td>
<td>−0.080</td>
<td>(0.053)</td>
</tr>
<tr>
<td>Very Conservative Rep.</td>
<td>0.116*</td>
<td>−0.107*</td>
<td>(0.058)</td>
</tr>
</tbody>
</table>

City FE’s                   | ✓               | ✓        |
State-Year FE’s             | ✓               | ✓        |
Observations                | 2,541           | 3,011    |
# Cities                    | 362             | 433      |
Mean Lobbying Probability   | 0.51            | 0.37     |

Models control for population, income, own source revenue percent white, and median house value. Robust standard errors clustered by city. *p<0.05
Next, I estimate a more flexible model that allows the effect of lobbying to vary across city and state legislator ideology pairings. Table 5 shows the results separately for liberal and conservative cities. The omitted category for state representative ideology is “very liberal,” and the coefficients show the probability of lobbying across ideology types compared to this baseline. This more flexible approach demonstrates that the probability of lobbying continues to increase as state legislators become more extreme in their ideology. Liberal cities are almost 12% more likely to lobby when represented by a very conservative house member compared to a very liberal represented. Similarly, conservative cities are 11% less likely to lobby when they elect an extreme conservative as opposed to an extreme liberal.

**Figure 4: Within-City Effect of Ideological Mismatch on Lobbying.** City fixed effects models demonstrate that cities are more likely to lobby when they are represented by a member of the opposite political party. This effect is particularly pronounced among liberal cities represented by conservative house members.

![Image of Figure 4](image.png)

Figure 4 illustrates the marginal effect of representative ideology on the probability of
lobbying, broken down by conservative and liberal cities. The prediction intervals are a bit
imprecise given the relatively small sample size in each condition, but the pattern is clear.
When state house members are elected with opposing ideologies, cities are more likely to
lobby the state legislature. Note that all of these specifications include city and year fixed
effects as well as all time-varying controls.

9 Does Representative or Chamber Ideology Matter More?

The previous section demonstrated that cities are more likely to lobby when they are repre-
sented by lower statehouse officials that are ideologically opposed to them. But how does the
general ideological composition of the state legislature affect municipal lobbying? Are cities
lobbying in response to ideological mismatches with their own representative or with the
chamber as a whole? Table A3 in the Appendix tests whether cities lobby as the proportion
of legislators from the opposite political party increases in the state lower house.

There is no evidence that cities lobby more as the proportion of members from the
opposite party comprise a larger portion of the legislature. Instead, the results indicate that
cities primarily lobby in response to ideological mismatches with their own representative.
These findings are consistent with the qualitative evidence provided from interviews with
local government officials. City officeholders regularly discussed the importance of their
relationship with their particular delegation. They viewed their elected members as local
representatives in the legislature, and they often mentioned the role of individual legislators
in securing earmarks and other favorable parties.

10 Exploring Mechanisms: Evidence From Missouri

If individual legislators matter so much for city lobbying, we would expect to see municipal
lobbying efforts geared primarily toward a city’s district representative rather than other
members of the legislature. Although few states keep this type of information on file, Mis-
souri is an exception and collects detailed information on all meetings between lobbyists and state officials, as well as the clients being represented. These data show that a majority of municipal lobbying meetings target a city's own elected officials. However, this rate is higher for small cities. Table 6 shows the percentage of city lobbyist meetings that are with a city's district representative, broken down by city size. Smaller municipalities like Branson, Centralia, and St. Peters contacted their own district legislators almost exclusively. Lobbyists for large cities like Kansas City and Springfield also met most often with local district lawmakers, but just under half of their meetings were with other state house members.

**Table 6: City Lobby Contacts in Missouri.** While small cities contact their district representative almost exclusively, larger cities are more likely to contact other representatives as well as their own.

<table>
<thead>
<tr>
<th>Population</th>
<th>% Lobbyist Contact with Own-District Rep.</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 10,000</td>
<td>95%</td>
</tr>
<tr>
<td>&lt; 75,000</td>
<td>78%</td>
</tr>
<tr>
<td>75,000+</td>
<td>52%</td>
</tr>
</tbody>
</table>

When thinking about the goals of local government lobbyists, it makes sense that cities largely target their own representatives. These are elected officials representing the same constituents, and the requests that local governments make directly affect the ability of state legislators to serve district constituents. And historically, getting the local delegation on board was the most important step to securing favorable policy. According to Teaford (1984), "In state after state a favorable recommendation by the local delegation was virtually tantamount to passage" (91). While the evidence from Missouri is obviously a bit preliminary, it lends some credence to the idea that local officials are, in fact, focusing their lobbying efforts on the representatives serving their districts.
11 Discussion

Local governments are some of the most prolific but understudied statehouse lobbyists in the U.S. This paper developed a simple theory of intergovernmental lobbying that emphasizes the importance of political geography. Local governments differ from other interest groups by virtue of their position in the federal system. Because they are nested in legislative districts that are responsible for representing local interests, cities are particularly attuned to their relationship with their state lawmakers when deciding whether to invest money in lobbying.

The interest group literature has consistently found that larger, more economically powerful groups are more likely to participate in politics. This paper demonstrated that this is also true for local governments lobbying in the statehouse: Cities with more residents and higher median incomes are the most active lobbyists. But the data also indicate that a variety of representational dynamics affect municipal lobbying behavior. Specifically, local officials are more likely to lobby when they are represented by state house members with opposing ideologies. Liberal cities are especially sensitive to the ideology of their state house representatives. When these cities are represented by conservative lawmakers, they are dramatically more likely to hire a lobbyist.

Research on this topic is in its early stages, and much remains to be done. In particular, we would need to know more about what happens in districts that flip legislators in order to understand if representational mismatches are driving city lobbying or if some other change in local conditions leads extreme legislators to be elected while also spurring lobbying. The Tausanovitch and Warshaw measures of city ideology used in this paper are also time invariant, so developing a more dynamic measure of city preferences—perhaps from precinct-level election returns—would allow for a more nuanced approach. Finally, this paper examines only the relationship between cities and their state representatives. Incorporating information about state upper chambers and congressional representation would demonstrate the generalizability of the argument.
Nevertheless, the results in this paper provide some of the first evidence highlighting one of the potential benefits of intergovernmental lobbying. If local governments are not well-represented by their elected state legislators, lobbying provides an alternative channel through which cities can voice their needs in the statehouse. This might potentially increase the quality of representation when state and local interests diverge—a common occurrence in multilevel government. At the same time, if larger, wealthier cities are more likely to take advantage of the opportunity to purchase representation through lobbying, then important questions remain about whose interests are really being represented.
References


