

Term Limits: Keeping Incumbents in Office

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Abstract

Over twenty states enacted legislative term limits in the 1990s hoping to diminish the powers of incumbency. Term limits forced thousands of state legislators from office, but term limits' effects on electoral completion are largely unclear. Prior research on single states provides mixed results and fails to consider how term limits affect competition within states. To provide a fuller understanding of how term limits affect state legislative competition, I investigate differences in challenger entry, challenger fundraising, and the incumbency advantage across states with and without term limits, and I uniquely assess the extent to which incumbents face weaker electoral competition as they approach their term limit. I discover that as incumbents approach their final term, they face weaker challengers and enjoy a larger incumbency advantage, suggesting potential opposition candidates strategically wait for seats opened by term limits.

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In 2006, Jim Trout was upset with Republicans in the state capital and decided to run for state representative in Missouri's 91st district. The contest for the 91st was Trout's first campaign, and there were some struggles along the way. Trout – a realtor, single father of two, and loyal Democrat – had to learn how to fundraise, communicate with voters, and network with local politicians. Despite best efforts, Trout lost by less than 250 votes to the incumbent Republican Kathlyn Fares.

This defeat for Democrats seems surprising as the 91st was ripe for the taking. In 2004, John Kerry received a majority of votes in the 91st, and suggesting the district was trending Democratic, Barack Obama carried the district by a larger margin four years later. 2006 also was forecasted to be a Democratic year, even in this increasingly red state. Democrats won all Missouri statewide offices up for election in November 2006, but somewhat puzzlingly only the inexperienced Trout took advantage of these favorable conditions and challenged the incumbent Fares. Even city councilwoman Jeanne Kirkton sat the race out despite it being common knowledge this quality Democratic candidate wanted to be in the state legislature.

As Fares served her fourth term in the Missouri state house, it may have only been a coincidence that Kirkton announced her candidacy for state representative the next November. But it is more likely that an electoral institution influenced this candidate's decision-making. Kirkton had "considered running against Kathlyn Fares...but [Kirkton] didn't believe she was beatable" (Kirkton 2014; personal communication), and by residing in one of the 21 states that imposed term limits in the 1990s, Kirkton had the foresight that the incumbent Fares would be unable to run for a fifth term, creating an easier path for Kirkton to acquire her current seat in the Missouri state house.

Advocates of term limits hoped that limiting legislators' ability to run for reelection would increase electoral competition and diminish the powers of incumbency (Pilon and Crane 1994; Carey, Niemi, and Powell 2000*b*). Early research suggests term limits created more electoral competition (Daniel and Lott 1997), and by preventing over 2000 state legis-

lators from seeking reelection, term limits have clearly increased incumbent turnover (NCSL; Moncrief, Niemi, and Powell 2004). Increased turnover is hardly surprising as term limits directly remove state legislators from office, but similar to the race for the Missouri 91st, term limits may indirectly affect state legislative incumbents' ability to stay in office across the country. By informing challengers when incumbents cannot seek reelection, potential opposition candidates are better able to strategically wait for open seats and alter the competition faced by state legislators.

Term limits' effects on electoral competition however are largely unclear. Previous electoral research predominantly focuses on single states, provides mixed conclusions, and generally fails to consider the indirect effects term limits have on state legislative competition. To provide a fuller understanding of term limits' effects on electoral competition, I compare the extent to which state house members face major party challengers, encounter strong opposition, and enjoy incumbency advantages across states with and without term limits over the last two decades. I find that the most notable differences in electoral competition emerge across time within term limit states. Incumbents in term limit states face fewer but stronger challengers early in their career, but as state representatives approach their penultimate term, their electoral opposition mounts weaker campaigns. My findings suggest term limits indirectly affect challenger decision-making and institutionally strengthen the likelihood of incumbent reelection, diminishing elections' ability to serve as an accountability mechanism.

Term Limits and Challenger Decision Making

When Jeanne Kirkton decided to sit out of the race for the Missouri 91st state house district in 2006, she may have been following a logic comparable to that laid out by Cox and Katz (2002) concerning strategic challengers in US House elections. Cox and Katz hypothesize "that strong challengers...enter more frequently in *foreseeably* open seats but not

in *unforeseeably* open seats” to avoid incumbents and poorer electoral prospects (148). To test this hypothesis, Cox and Katz use voluntarily and involuntarily opened House seats to respectively represent foreseen and unforeseen open seats. They find quality House challengers are more likely to enter open races that were voluntarily vacated (149), suggesting these candidates strategically avoid taking on incumbents.

Following a comparable strategy, challengers in states with legislative term limits may act like their federal counterparts and be more likely to seek a seat foreseeably opened by term limits. Consider a state with a four term limit where a third-term incumbent announces his intent to seek reelection. In this example, a potential challenger has at least two pieces of information. First, if she decides to enter the race, she will likely face an incumbent. Second, term limits inform the challenger that if the incumbent wins reelection, the seat will likely be open in two years. Assuming challengers recognize the high probability of incumbent reelection and want to avoid the costs associated with losing, a quality challenger’s best strategy then may be to wait and not seek the office until the next election. This was the exact scenario of the 2006 election in the Missouri 91st.

It is unlikely quality challengers are only “scared off” in Missouri. Term limits, for example, prevented Maine state representatives from seeking reelection starting in 1996 (Table 1), and prior to this election, the Maine state house minority leader James Donnelly believed:

With strong incumbents, heading into their third and fourth terms, most people are willing to wait them out...I think the first two terms a representative has will be competitive; and the third and fourth, if they do the things they’re supposed to do right, will have very light competition. Then when the seat becomes open, due to term limits, there will be heavy competition again. (qtd. in Carey, Niemi, and Powell 2000: 37)

Table 1: States that Enacted Legislative Term Limits

State	Term Limits Enacted	Year of Impact	Term Limits Repealed	Max Terms
AR	1992	1998		3
AZ	1992	2000		4
CA	1990	1996		3
CO	1990	1998		4
FL	1992	2000		4
ID	1994	2002	2002	4
LA	1995	2007		6
MA	1994	2002	1997	4
ME	1993	1996		4
MI	1992	1998		3
MO	1992	2002		4
MT	1992	2000		4
NV	1996	2010		6
OH	1992	2000		4
OK	1990	2004		6
OR	1992	2002	2002	4
SD	1992	2000		4
UT	1992	2002	2003	6
WA	1992	2002	1998	4
WY	1992	2002	2004	4

If Donnelly’s characterization is correct, it suggests candidates such Kirkton weigh the expected costs of losing to an incumbent in the immediate election versus the costs of waiting for a future contest with a likely open seat. As a sitting legislator serves more terms, the cost of waiting for the open seat decreases, and a challenger should become less likely to enter the current election. For example, a challenger may behave differently if she had to wait six years instead of two for the open seat. If term limits influence challenger entry in this way, term limits then may alter the types and levels of electoral competition in the state house races.¹

¹Grofman and Sutherland (1996) offer a preliminary formalization of this theory. They assume challengers are more likely to win open seats and “if a challenge is unsuccessful, then there is no second chance” imposing a significant cost to losing (176). Acknowledging these “very special simplifying assumptions,” they predict “if the delay is not too costly, strong challengers will still defer until there is an open seat” (178). Following

Prior research provides conflicting characterizations of how term limits affect state legislative election competition. Engstrom and Monroe (2006) use California term limits to test Cox and Katz’s strategic entry hypothesis and find quality challengers most often contest voluntarily open seats; are more likely to seek seats opened by term limits in comparison to incumbent seats; and voluntarily opened seats had a weaker incumbency advantage than seats opened by term limits. Sarbaugh-Thompson et al. (2004) meanwhile discover declines in the percentage of “competitive races” in California after term limits’ enactment (see also Sulka 2005; Masket and Lewis 2007) but did not have similar findings in Michigan. Prier and Wagner (2009) provide evidence of increased competition in Maine after the adoption of term limits but find decreased competition in Florida elections – similar to Scharaufnagel and Halperin (2006). When examining elections across 96 legislative chambers from 1992–94, (Carey, Niemi, and Powell 2000*a*) find term limits have no impact on incumbents’ winning rates, but term limits had not removed any legislators from office during this limited time-period (689).

Existing analyses therefore provide mixed evidence that legislative elections are more competitive under term limits and generally fail to consider whether term limits affect challenger decision-making. To provide a more complete understanding of how term limits affect electoral competition, I study state house elections from 1994 - 2010 in the 38 states that exclusively have single member districts. I conduct three analyses that investigate the relationship between term limits and the likelihood an incumbent faces a challenger, the strength of these challengers’ campaigns, and the incumbency advantage. Similar to prior work, each study characterizes differences between term limit and non-term limit states, but my analyses also uniquely assess term limits’ indirect effects by evaluating the levels of electoral competition that incumbents face as they approach their term limit.

their model, the authors argue term limits potentially diminish legislative competitiveness and increase incumbent tenure.

Term Limits and Electoral Competition

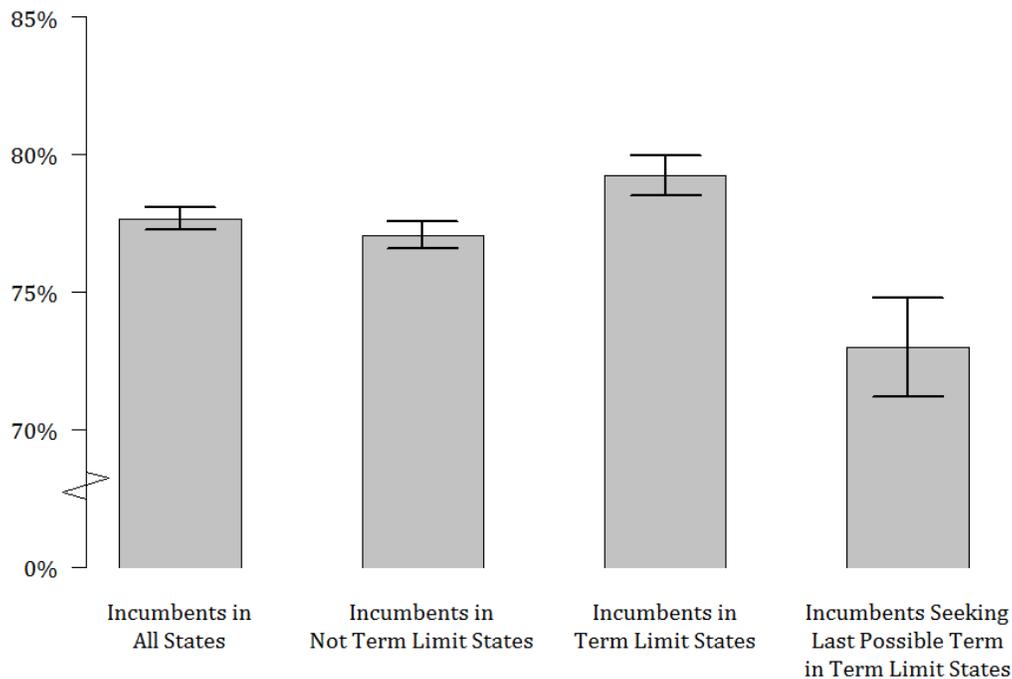
If reformers' expectations that term limits increase electoral competition are accurate, legislators from term limit states should face more challengers, stronger opposition, and be less advantaged in elections, better permitting voters to throw incumbents out of office. However if minority leader Donnelly is correct, I expect incumbents to face fewer and weaker opponents as challengers decide to wait for an incumbent legislator to be term limited. Evidence supporting these hypotheses suggests term limits reduce elections' strength as an accountability mechanism.

I detail the specifications of individual statistical tests of these hypotheses below but first describe some features that are common to each study. To characterize the overall differences between term limit and non-term limit states, each statistical analysis includes a dummy variable indicating whether term limits were enacted in a state. To capture challengers' cost of waiting for an open seat, I employ a dummy variable that indicates whether an incumbent has at most two terms remaining in their state house career. The variable "Up to Two Terms Remaining," for example, takes a value of 1 if an incumbent is seeking their third or fourth term in a four term limit state.² I generate this variable by documenting the number of terms served by state legislators (Shor and McCarty 2011; Klarner et. al 2013). For state legislators who are not subject to term limits (e.g. those in states where term limits have not been enacted) or are not seeking one of their last two terms, this dummy variable takes the value of 0. If term limits decrease levels of electoral competition, there should be a negative relationship between these variables and my measures of challenger entry and challenger strength and positively affect the incumbency advantage.

My study of term limits considers state house general elections from 1994 to 2010 in states that exclusively have single member districts (Klarner et. al 2013). Given my focus on

²Substantive conclusions are similar when using separate dummy variables for the second to last and last terms (Tables A-1, A-2, & A-3).

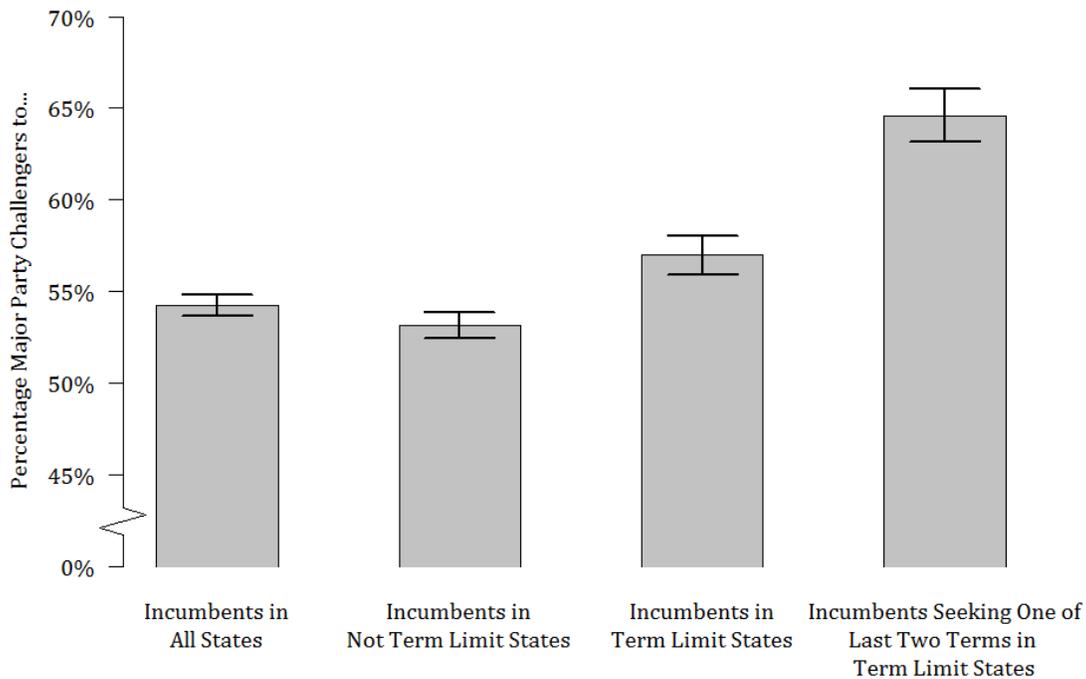
Figure 1: Proportion of Incumbents Seeking Reelection in States with and without Term Limits



Bars represent the percentage of incumbents who sought reelection in state legislatures from 1994 - 2010. Among those who could seek reelection, 79% of incumbents sought reelection in term limit states, but only 73% of legislators in these states sought reelection to their final permitted term.

the levels of competition for reelection seeking incumbents, it is important to highlight how the rates at which legislators seek reelection varies both across and within states. Figure 1 illustrates that approximately 79% of incumbents seek reelection in term limit states - a rate that is over 2% higher than the rate in states without term limits (Figure 1: Bar 2), but consistent with prior findings (Lazarus 2006), only 73% of incumbents sought reelection to their final term permitted by term limits (Figure 1: Bar 4). This increased exit rate for near term-limited legislators potentially reflects the increased expected utility of seeking higher office than reelection (Francis and Kenny 1997), and if this is the case, it is important to acknowledge that systematic differences in whether incumbents seek reelection across

Figure 2: Challenger Entry in States with and without Term Limits



Bars represent the proportion of state house incumbents who faced a major party challenger from 1994 - 2010. Incumbents in term limit states more often face major party opposition, particularly when they are seeking one of their final two terms.

states with and without term limits potentially affects my samples of incumbent races and interpretations of below results.

Challenger Entry

For reelection seeking legislators to face any electoral threat of being removed from office, someone needs to challenge them for their seats. Ideally, every incumbent seeking reelection would be challenged to give voters an opportunity to hold their legislators accountable, but as Figure 2 illustrates, this is not always the case in state legislatures. Within the sample of elections considered here, approximately 55% of state house incumbents who sought reelection faced a major party challenger - a percentage far below the comparable figure for the US House (86%).

The middle two bars of Figure 2 show that there is variation across states. Only 53% of state house incumbents faced a major party challenger in states without term limits, but in states where term limits had been enacted, approximately 57% of reelection-seeking incumbents faced major party opposition. Countering minority leader Donnelly’s expectation that incumbents seeking their final terms face less electoral competition, the right most bar of Figure 2 illustrates that 65% of incumbents seeking one of their last two terms in a term limit state face major party opposition. Before concluding this difference is attributable to term limits, it is important to consider other institutional differences across states. States with term limits, for example, on average have more professional legislatures. State legislative professionalism has been shown to influence the likelihood that an incumbent faces a major party opposition and therefore may be responsible for the 4% difference in challenger entry across states with and without term limits.

To better understand the specific relationship between term limits and challenger entry, I estimate the likelihood an incumbent faces a major party challenger as a function of features of state legislatures and legislative districts. For this analysis, my dependent variable is whether a sitting state representative (who survived the primary) received a major party opponent. My primary independent variables of interest are the aforementioned dummy variables indicating whether term limits were enacted in a state and if an incumbent in a term limit state sought reelection to one of her final two terms. To provide evidence that term limits increase the overall likelihood of incumbents facing major party opposition, there should be a positive relationship between “Term Limits Enacted” and challenger entry. If challengers strategically wait for open seats, the probability incumbents face opposition should decrease as term limited legislators approach their term limit. Given the dichotomous nature of my dependent variable, I employ probit regressions to estimate these relationships.

My analyses additionally account for variation across states and elections known to influence levels of challenger entry. Given findings that incumbents are more likely to face

challengers in professionalized legislatures, each estimation controls for a state legislature’s professionalism using Squire’s (2012) professionalism index. This index ranges from 0 to 1 - treating the U.S. Congress as the most professional legislature – and accounts for differences across states in legislators’ pay, staff, and length of legislative session. Analyses additionally control for temporal variation in elections, such as whether a contest took place during the midterm (e.g. 2006 or 2010), off-year (e.g. 2007 or 2009), or after redistricting. To account for differences across states and districts, estimations control for average district size, pre-election seat share of the minority party (Dubin 2007; NCSL), incumbents’ past electoral success (Klarner et. al 2013), and district partisanship using incumbent party presidential vote.³ I finally control for whether a legislator was a Democrat (Meinke and Hasecke 2003; Fiorina 1994) or just completed her first, second, third, or fourth term (Holbrook and Tidmarch 1991).

Table 2 summarizes statistical findings, and to give substantive meaning to probit estimates, I compute the average predicted probability an incumbent receives a major party challenger across all observed values of the independent variables. For example, the first row of Figure 2 illustrates that when all observations in the data are set to their true values, the average predicted probability an incumbent faces a major party challenger is approximately 0.55.

Countering term limit advocates’ expectations, statistical analyses in the first column of Table 2 suggest the enactment of term limits in a state does little to influence the overall probability of a state house incumbent facing a major party challenger. The coefficient on the “Term Limits Enacted” variable is small and statistically indistinguishable from

³For this and subsequent analyses, I collected Gore-Bush vote by pre-2000 legislative district for 45 states and Obama-Romney vote for MI, MT, and ND. The National Committee for an Effective Congress generously provide 2004 and 2008 presidential vote by post-2000 legislative district for 48 states, and Tausanovitch and Warshaw (2013) supply Obama-McCain vote for FL and MS. Gore-Bush vote is missing for AR, CO, and MS, and Kerry-Bush vote is missing for FL and MS due to an inability to collect precinct election returns by state legislative district.

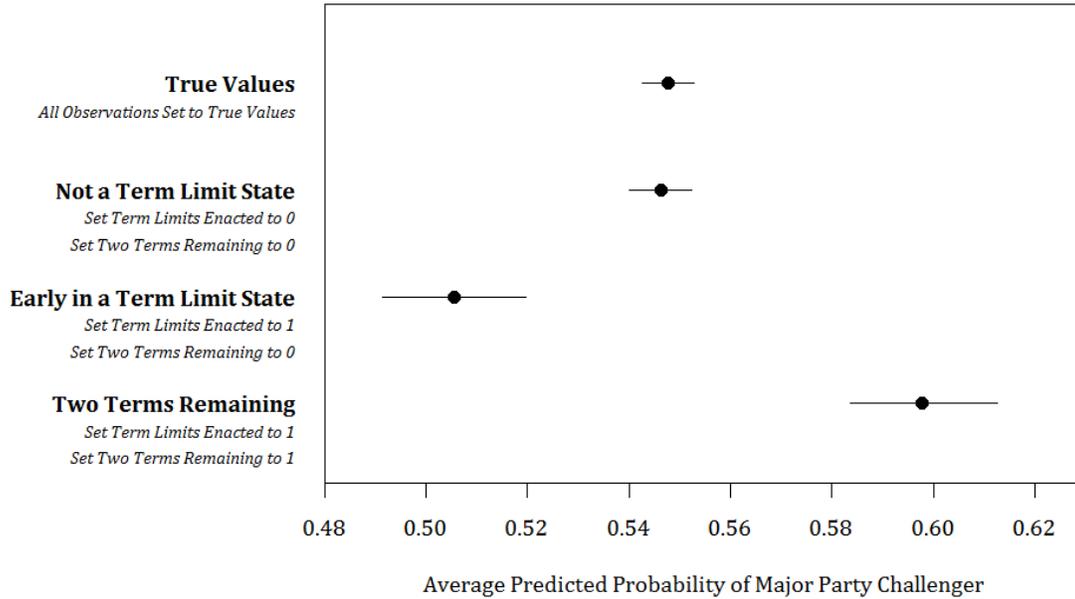
Table 2: Relationship between Challenger Entry and Term Limits

Variable	DV: Major Party Challenger	DV: Major Party Challenger
Term Limits Enacted	-0.009 (0.019)	-0.120* (0.023)
Up to Two Terms Remaining		0.274* (0.030)
Minority Party Seat Share	1.103* (0.094)	0.925* (0.096)
Professionalism	1.722* (0.094)	1.668* (0.095)
Off Year Election	-0.284* (0.048)	-0.279* (0.048)
Logged District Size	-0.104* (0.016)	-0.109* (0.016)
First Election after Redistricting Dummy	-0.080* (0.025)	-0.079* (0.025)
Freshman Dummy	-0.005 (0.025)	0.010 (0.025)
Sophomore Dummy	0.107* (0.024)	0.065* (0.024)
Junior Dummy	0.085* (0.026)	0.061* (0.026)
Senior Dummy	0.027 (0.030)	0.024 (0.030)
Inc. Party Presidential Vote	-0.012* (0.001)	-0.011* (0.001)
Incumbent Previous Vote Share	-0.026* (0.001)	-0.026* (0.001)
Incumbent Previously Contested Dummy	-0.051 (0.039)	-0.068 (0.039)
Midterm Election Dummy	-0.008 (0.017)	-0.006 (0.017)
Democratic Party Dummy	0.075* (0.017)	0.072* (0.017)
Constant	3.061* (0.166)	3.224* (0.167)
Log-Likelihood	-15661.186	-15620.274
N	26573	26573

* $p \leq .05$; Standard Errors in Parentheses

Probit estimates of the likelihood of a major party challenger contesting an incumbent in a state house election from 1994 - 2010.

Figure 3: Predicted Probability of a Challenger



Using estimates from Table 2, the above illustrates the average predicted probabilities of a major party challenger under different term limit scenarios. Legislators in term limit states are overall slightly less likely to face a major party challenger early in their career, but this probability significantly increases as they approach their final term.

zero. Consistent with prior findings, other institutional features surrounding state legislative elections - such as state legislative professionalism - meanwhile positively correlate with challenger entry.

The influence of term limits on challenger entry however does not appear to be equal for incumbents within term limit states. Statistical analyses in the second column of Table 2 are similar to those in the first column but shed light on the indirect effects of term limits by controlling for whether an incumbent in a term limit state is seeking reelection to one of their final two terms in office. The negative relationship between “Term Limits Enacted” and challenger entry suggests that early in their career these incumbents are less likely to face major party opposition than their counterparts in states without term limits, even when controlling for an incumbent’s tenure (e.g. Freshman Dummy).

The second and third rows of Figure 3 illustrate the magnitude of this indirect effect. If every election occurred in states without term limits (setting “Term Limits Enacted” and “Up to Two Terms Remaining” to zero for all observations), the average predicted probability of a major party challenger is indistinguishable from the true state of the world, but if every state had recently enacted term limits (setting “Term Limits Enacted” to one and “Up to Two Terms Remaining” to zero for all observations), the probability an incumbent receives a challenger falls by 0.04. Otherwise stated, if all states have term limits but no legislator is close to being forced from office, incumbents are more likely to coast to reelection uncontested.

Statistical analyses suggest term limits decrease electoral competition for incumbents early in their legislative service, but this pattern changes as they approach their penultimate term. When using estimates from the second column of Table 1 and setting both “Term Limits Enacted” and “Up to Two Terms Remaining” to 1 for all observations in the data, the average predicted probability of a challenger increases to over 0.59 (Figure 3: Row 4). The comparison of probabilities from the final two rows of Figure 3 suggests incumbents in term limit states are most likely to face a challenger in their final two elections. The most notable differences in challenger entry attributable to term limits therefore seem to emerge within term limit states, and counter to minority leader Donnelly’s expectations, legislators who are close to their final term more often face opposition.

Challenger Strength

The above findings suggest many challengers do not strategically sit out of a race to wait for a term-limited open seat. Challengers are necessary for electoral competition, but opposition candidacies have little meaning if they mount weak campaigns. Political scientists have repeatedly shown that quality candidates are more often electorally successful (e.g. Jacobson and Kernell 1983), and if a state legislative challenger poses little threat to the

incumbent, elections will do little create incentives for representation. Figure 3 illustrates where and when incumbents should expect to face an opponent, but it remains unclear whether the types of opponents that emerge in these races resemble Jim Trout or stronger candidates, such as Jeanne Kirkton. I therefore examine the relationship between term limits and the strength of incumbents' opposition.

Studies of Congressional elections often use whether a candidate previously held elected office as an indicator of challenger quality, but this measure may be potentially inappropriate at the state legislative level. In a 1995 NCSL survey, 46% of over 3,500 state legislators indicated they have never held prior elected office (Carey, Niemi, and Powell 2000), and it is unlikely that all of these state legislators were not once quality candidates. Given this potential bias and the difficulty in collecting biographical information for over 10,000 challengers, I welcome and encourage suggestions from readers of how to best assess state legislative candidate quality.

For the current analysis, I follow Hogan (2003) and use campaign fundraising as a measure of challenger strength. Specifically my dependent variable of interest is the logged value of the amount raised by an incumbent's major party challenger (Bonica 2013).⁴ Campaign fundraising can proxy for candidate quality (Bond, Covington, and Fleisher 1985), but this measure has limitations. Not all quality candidates, such as those with high name recognition, may require the same financial war chests to mount a successful campaign. My analysis also does not account for the quality of candidates who did not decide to enter the race. It therefore only considers the strength of competition incumbent legislators faced given a challenger entered a race. Readers should be conscious of these biases when interpreting the below results.

To predict levels of campaign fundraising, I employ the same independent variables as those in the above study of challenger entry, but the sample is subset to races that featured

⁴Main findings are similar when using an untransformed dependent variable (Table A-2: Column 3).

an incumbent and a major party challenger where state-level campaign fundraising data was available from The National Institute for Money in State Politics. If the strength of electoral competition is higher in term limit states, there should be a positive relationship between “Term Limits Enacted” and challenger fundraising. The coefficient on the “Up to Two Terms Remaining” variable meanwhile will reflect whether stronger or weaker challengers emerge to oppose incumbents seeking one of their final terms. To estimate these relationships, I use Ordinary Least Squares regressions.

Electoral reform advocates forecasted more competitive elections under term limits, but statistical analyses reported in Table 3 do not support this prediction for all races. When examining the overall relationship between term limits and challenger fundraising, estimates in the first column of Table 3 suggest that challengers in states with term limits overall raise less money. The average predicted decrease in challenger fundraising moving from a state with to without term limits is approximately \$300.

Poorly financed challengers likely do not create a threatening electoral environment for incumbents, but similar to the above findings concerning challenger entry, the pattern of electoral competition in term limit states changes as incumbents approach their final term. Statistical analyses in the second column of Table 3 account for whether an incumbent only has two or fewer terms remaining, and Figure 4 uses these estimates to illustrate how challenger strength varies during an incumbent’s career. Under a scenario where no states have enacted term limits, the predicted value of logged challenger contributions is 8.8 (Figure 4: Second Row), but under the counterfactual where all states have term limits but no legislator is close to being forced from office, the comparable predicted value increases to 9.0 (Figure 4: Third Row). If an incumbent however is seeking reelection to one of their final two terms, the predicted value of logged challenger fundraising falls to 8.3 (Figure 4: Fourth Row). When untransforming the logged dependent variable, this equates to over a

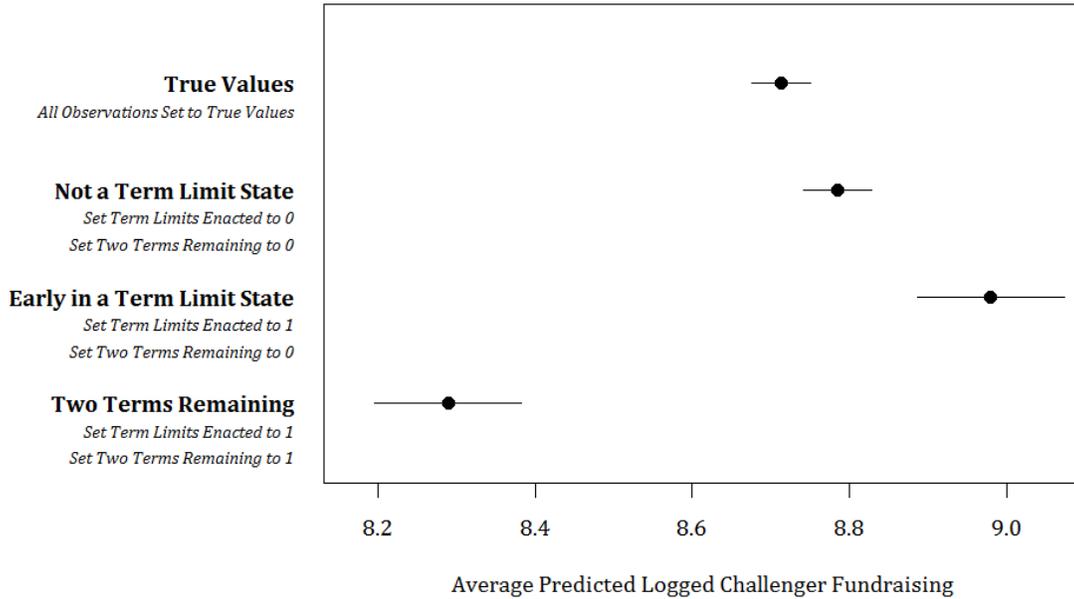
Table 3: Relationship between Campaign Fundraising and Term Limits

Variable	DV: Challenger Fund.	DV: Challenger Fund.	DV: Inc. Fund. Adv.
Term Limits Enacted	-0.085*	0.192*	-0.195*
	(0.042)	(0.049)	(0.048)
Up to Two Terms Remaining		-0.684*	0.406*
		(0.061)	(0.060)
Minority Party Seat Share	-0.554*	-0.023	0.368
	(0.215)	(0.219)	(0.215)
Professionalism	-2.235*	-1.781*	0.962*
	(0.206)	(0.209)	(0.206)
Off Year Election	1.717*	1.714*	-0.716*
	(0.143)	(0.143)	(0.14)
Logged District Size	0.693*	0.704*	0.593*
	(0.035)	(0.035)	(0.034)
First Election after Redistricting Dummy	-0.231*	-0.249*	0.000
	(0.057)	(0.057)	(0.056)
Freshman Dummy	-0.121*	-0.15*	0.065
	(0.056)	(0.056)	(0.055)
Sophomore Dummy	-0.088	0.063	-0.114*
	(0.055)	(0.056)	(0.055)
Junior Dummy	0.007	0.103	-0.183*
	(0.061)	(0.061)	(0.060)
Senior Dummy	0.010	0.018	-0.051
	(0.073)	(0.073)	(0.071)
Inc. Party Presidential Vote	-0.039*	-0.039*	0.028*
	(0.002)	(0.002)	(0.002)
Incumbent Previous Vote Share	-0.071*	-0.070*	0.062*
	(0.002)	(0.002)	(0.002)
Incumbent Previously Contested Dummy	-2.514*	-2.451*	2.105*
	(0.098)	(0.098)	(0.096)
Midterm Election Dummy	-0.015	-0.018	0.055
	(0.039)	(0.038)	(0.038)
Democratic Party Dummy	-0.221*	-0.222*	0.204*
	(0.038)	(0.038)	(0.037)
Constant	12.012*	11.492*	-11.984*
	(0.369)	(0.370)	(0.364)
R-Squared	0.223	0.231	0.247
N	12230	12230	12214

* $p \leq .05$; Standard Errors in Parentheses

OLS Estimates capturing the relationship between term limits and campaign spending. The dependent variable for statistical analyses in the first two columns is logged challenger fundraising. The dependent variable for analyses in the third column is the difference in logged fundraising for the incumbent and the challenger.

Figure 4: Predicted Challenger Fundraising



Using estimates from Table 3, the above illustrates the average predicted levels of challenger fundraising under different term limit scenarios. Incumbents in term limit states appear to face better financed challengers earlier in their careers.

\$3,000 decrease in fundraising when the overall average raised by state legislative challengers is approximately \$6,000.⁵

This difference in fundraising suggests incumbents in term limit states face weaker challengers as they approach their penultimate term, but these analyses of challenger fundraising fail to consider the relative strength of the incumbent’s campaign. Incumbents and challengers, for example, may both raise less money after the enactment of term limits. To investigate this relative difference, the final column of Table 3 presents analyses similar to the second column, but the dependent variable is the difference in logged contributions to the incumbent and challenger. The negative relationship between “Term Limits Enacted” and “Incumbent Fundraising Adv.” serves as further evidence that legislative elections in term limit states are more competitive earlier in an incumbent’s legislative service, but the posi-

⁵For reference, $\log(6634) = 8.8$; $\log(8103) = 9.0$; and $\log(4023) = 8.3$.

tive relationship between “Up to Two Terms Remaining” and “Incumbent Fundraising Adv.” implies incumbents have a stronger fundraising advantage compared to their opponents as they seek one of their final two terms.

Together, Figures 3 and 4 suggest that incumbents in term limit states face fewer but stronger challengers early in their career, but as they approach their term limit, the opposition they face likely mounts weaker campaigns. These findings support minority leader Donnelly’s expectations that the enactment of term limits increased the likelihood that incumbents such as Kathlyn Fares faced more formidable competition in the beginning of her career but weaker candidates such as Jim Trout towards the end.⁶

Incumbency Advantage

Both challengers and strong campaigns help create competitive state legislative elections, but when assessing term limits’ effects on electoral competition, the ultimate concern is whether or not term limits affect election outcomes. My third analysis therefore investigates the extent to which state legislators in term limit states experience varying incumbency advantages. For this study, my sample is contested state house elections from 1994 - 2010, and to estimate the incumbency advantage, I use an expanded version of the model (Equation 1) offered by Gelman and King (1990). The dependent variable is Democratic vote share, and the central independent variable (I_2) indicates whether an incumbent is in the race, which is coded 1 for Democrat state house members seeking reelection, -1 for Republicans seeking reelection, and 0 otherwise (e.g. open seats). β_3 then reflects “the vote proportion gained by a party due to running an incumbent candidate in a district election” (1153).

⁶In the 2000 and 2002 elections, the Democratic candidates opposing Fares raised at least 40% more money than Trout did in 2006. In 2004, Fares did not face a Democratic challenger.

$$V_2 = \beta_0 + \beta_1 V_1 + \beta_2 P_2 + \beta_3 I_2 + \epsilon \tag{1}$$

$$V_2 = \begin{cases} \text{Two-Party Democratic Vote in Election 2} \end{cases}$$

$$V_1 = \begin{cases} \text{Two-Party Democratic Vote in Election 1} \end{cases}$$

$$P_2 = \begin{cases} 1 & \text{if Democrat wins Election 1} \\ -1 & \text{if Republican wins Election 1} \end{cases}$$

$$I_2 = \begin{cases} 1 & \text{if Democrat runs for reelection} \\ -1 & \text{if Republican runs for reelection} \\ 0 & \text{otherwise} \end{cases}$$

To capture differences in the incumbency advantage attributable to the institution of term limits, I interact I_2 with the aforementioned “Term Limits Enacted” and “Up to Two Terms Remaining” variables. If legislators from term limit states experience a weaker incumbency advantage, there should be a negative relationship between “Term Limits Enacted X Incumbency.” Similarly if incumbents face weaker electoral competition as they approach their term limit, there should be a negative relationship between the interaction of the “Up to Two Terms Remaining” with “Incumbency” and vote share. To account for the conditional impact professionalism and existing service have on the incumbency advantage (Berry, Berkman, and Schneiderman 2000), I interact each of these previously described measures with the “Incumbency” variable. Estimations also include state and year fixed effects.

When comparing the overall size of the incumbency advantage, there appears little overall difference between the levels of electoral competition across states with and without term limits. Statistical analyses in the first column of Table 4 suggest the average incumbency advantage across all legislatures is approximately 7%, but there is seemingly little difference in states that enacted term limits. Within the context of other state legislative institutions, the predicted increase in the incumbency advantage from going from the least to the most professionalized legislatures within the data considered (Wyoming to California) is over 8%.

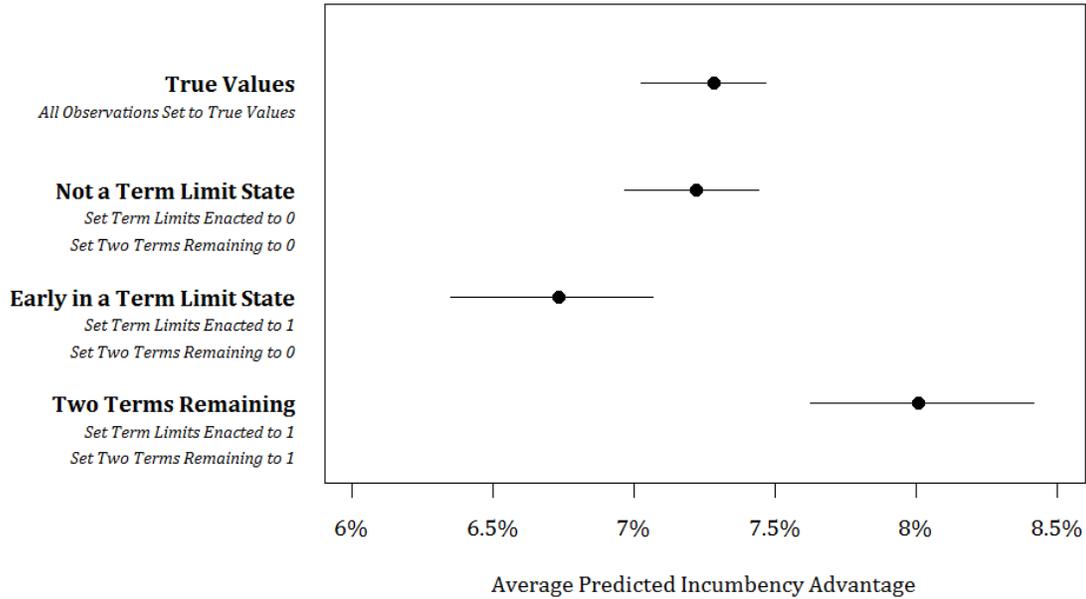
Table 4: Relationship between the Incumbency Advantage and Term Limits

Variable	DV: Democratic Vote Share	DV: Democratic Vote Share
Incumbency Advantage	6.586*	6.795*
	(0.236)	(0.240)
Incumbency X Term Limits Enacted	0.030	-0.472*
	(0.172)	(0.197)
Incumbency X Two Terms Remaining		1.288*
		(0.247)
Incumbency X Professionalism	14.038*	13.031*
	(0.555)	(0.588)
Incumbency X Freshman Dummy	-0.023	0.027
	(0.210)	(0.210)
Incumbency X Sophomore Dummy	-0.295	-0.570*
	(0.223)	(0.229)
Incumbency X Junior Dummy	-0.408	-0.592*
	(0.252)	(0.254)
Incumbency X Senior Dummy	-0.393	-0.407
	(0.298)	(0.298)
Previous Democratic Vote Share	0.237*	0.238*
	(0.003)	(0.003)
Previous Winning Party	-0.875*	-0.884*
	(0.121)	(0.121)
Term Limits Enacted	-1.176*	-1.189*
	(0.460)	(0.459)
Professionalism	0.596	0.845
	(2.769)	(2.770)
Freshman Dummy	-0.205	-0.210
	(0.172)	(0.173)
Sophomore Dummy	-0.265	-0.203
	(0.192)	(0.207)
Junior Dummy	-0.216	-0.148
	(0.227)	(0.236)
Senior Dummy	0.210	0.223
	(0.280)	(0.281)
Up to Two Terms Remaining		-0.122
		(0.266)
Constant	31.804*	31.699*
	(0.911)	(0.913)
R-Squared	0.689	0.690
N	19540	19540

** $p \leq .05$; Standard Errors in Parentheses

OLS Estimates of the Incumbency advantage following Gelman and King (1990). Analyses additionally control for state legislative professionalism, incumbent service, and include state and year fixed effects.

Figure 5: Predicted Incumbency Advantages



Using estimates from the second column of Table 4, the above plots the average predicted incumbency advantages under different term limit scenarios. The incumbency advantage for state legislators in term limit states grows from 6.7% to 8.0% as they approach their penultimate term.

Term limits' impact on the incumbency advantage - albeit in a more encouraging direction for competition - appears to be relatively modest compared to professionalism.

Consistent with minority leader Donnelly's expectations, increased electoral competition within term limit states again appears to be concentrated in incumbents' initial bids for reelection. When controlling for how many terms an incumbent could still serve, statistical analyses in the second column of Table 4 suggest that the average incumbency advantage is approximately 0.5% less in term limit states for legislators early in their careers. Similar to and likely reflecting the findings concerning of challenger strength, the pattern of electoral competition in term limit states again appears to change as legislators approach their final term. Using estimates from the second column of Table 4, the third and fourth rows of Figure 5 illustrate that the advantage for incumbents early in their careers is approximately 6.7% but grows to 8.0% by their final two terms.

These increases in the incumbency advantage serve as further evidence that incumbents face weaker challenges towards the end of their possible service, which is potentially troubling for those who want to increase electoral competition in state legislatures. It should be emphasized that the differences in the incumbency advantage attributable to term limits are small. Small changes in vote share, however, can still be meaningful in a competitive district. Jim Trout, for example, lost to the incumbent Kathlyn Fares by less than 250 votes. If Missouri did not have term limits and Fares was not seeking reelection to one of her last two terms, the statistical analyses in the second column of Table 4 predict that Trout would have won the 91st Missouri state house district by 288 votes.⁷

Discussion

Term limits have forced thousands of state legislators from office, but when only comparing electoral competition across states, it does not appear reelection seeking state house members face more challengers or enjoy larger incumbency advantages under term limits. The above findings however suggest that the electoral competition within term limit states varies depending on how close state legislators are to being forced from office. Incumbents in term limit states face fewer but stronger challengers early in their career. However as they approach their term limit, the opposition they face has smaller campaign war chests and performs more poorly at the ballot box.

The above findings are consistent with a theory that challengers strategically take advantage of term limits when deciding whether to contest an incumbent. By signaling when an incumbent legislator cannot seek reelection, a challenger can better forecast when a seat will be open and avoid taking on the incumbent. State legislative competition in term limit states - particularly for incumbents seeking reelection to their final terms - then

⁷When separating the “Up to Two Terms Remaining” dummy variable into separate dummy variables indicated “Two Terms Remaining” and “One Term Remaining” Trout would have still lost the 91st district but only by 30 votes.

systematically differs from that encountered by their counter parts in other states. By institutionally weakening electoral competition for some state legislators, voters have less viable alternatives to the incumbent on Election Day.

The above interpretation relies on the assumption that the relative costs of waiting for an open seat and potentially losing an election differ for candidates such as Jeanne Kirkton compared to Jim Trout. Differences in challenger quality may also explain why incumbents face more but weaker challengers later in their career. Weaker candidates such as Trout may recognize he will likely need to defeat a quality candidate such as Kirkton in the Democratic primary if he waits a seat opened by term limits. He therefore may challenge Fares, as it may be his only chance to win the 91st. To more fully characterize challengers' strategies in state legislative elections, future work requires both examining primary and general elections.

Even with the limitations of my current analysis, the evidence presented here suggests term limits indirectly help keep incumbents in office by deterring quality candidates from contested incumbents. Experienced incumbents in term limit states then have to worry less about electoral sanction for their representation. For example in 2006, Fares narrowly defeated Trout, but according to Kirkton:

[Fares] had been a popular moderate Republican legislator but the electorate, including Republicans, were unhappy with her vote to cut health care to the poor. I underestimated the Republican negativity that surrounded her because of that vote. She had also angered the local firefighter union. Jim Trout entered the race and had their support. Fares' supporters turned to Trout or stayed home, giving him a near win. (Kirkton 2014; personal communication).

By Kirkton “underestimating Republican negativity,” believing Fares was “unbeatable,” and waiting for an open seat, Fares likely was reelected to the Missouri state house despite supporting unpopular cuts to Medicaid. It therefore is important for future research

to also consider whether incumbents' legislative behavior differs in their final terms - since term limits already appear to shield unrepresentative incumbents from being held accountable.⁸

⁸Clark and Williams (2013) compare W-NOMINATE scores of state legislators in their early terms and penultimate terms. In legislators' final terms, state legislators' ideology differs little final passage votes but is more extreme on procedural votes. These analyses compare legislators across states, but it is unclear how NOMINATE scores are bridged across states.

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Table A-1: Relationship between Challenger Entry and Term Limits

Variable	Probit Estimate
Term Limits Enacted	-0.12* (0.023)
One Term Remaining	0.301* (0.041)
Two Terms Remaining	0.256* (0.036)
Minority Party Seat Share	0.926* (0.096)
Professionalism	1.668* (0.095)
Off Year Election	-0.279* (0.048)
Logged District Size	-0.109* (0.016)
First Election after Redistricting Dummy	-0.079* (0.025)
Freshman Dummy	0.012 (0.025)
Sophomore Dummy	0.067* (0.024)
Junior Dummy	0.057* (0.027)
Senior Dummy	0.024 (0.03)
Inc. Party Presidential Vote	-0.011* (0.001)
Incumbent Previous Vote Share	-0.026* (0.001)
Incumbent Previously Contested Dummy	-0.068 (0.039)
Midterm Election Dummy	-0.006 (0.017)
Democratic Party Dummy	0.073* (0.017)
Constant	3.224* (0.167)
Log-Likelihood	-15619.826
N	26573

* $p \leq .05$; Standard Errors in Parentheses

Probit estimates of the likelihood of a major party challenger contesting an incumbent in a state house election from 1994 - 2010.

Table A-2: Relationship between Challenger & Campaign Spending and Term Limits

Variable	DV: Challenger Fund.	DV: Inc. Fund. Adv.	DV: Raw Challenger Fund.
Term Limits Enacted	0.192* (0.049)	-0.195* (0.048)	331.99 (2129.541)
One Term Remaining	-0.708* (0.082)	0.404* (0.08)	-10404.225* (3569.844)
Two Terms Remaining	-0.668* (0.071)	0.408* (0.07)	-8624.838* (3100.647)
Minority Party Seat Share	-0.022 (0.219)	0.369 (0.215)	23360.088* (9593.173)
Professionalism	-1.777* (0.21)	0.962* (0.206)	-59952.926* (9170.269)
Off Year Election	1.714* (0.143)	-0.716* (0.14)	84213.643* (6244.036)
Logged District Size	0.704* (0.035)	0.593* (0.034)	36037.935* (1510.143)
First Election after Redistricting Dummy	-0.249* (0.057)	0 (0.056)	-14618.823* (2498.925)
Freshman Dummy	-0.153* (0.056)	0.064 (0.055)	5431.259* (2453.633)
Sophomore Dummy	0.061 (0.056)	-0.114* (0.055)	1866.206 (2462.73)
Junior Dummy	0.108 (0.062)	-0.182* (0.061)	610.774 (2724.545)
Senior Dummy	0.018 (0.073)	-0.051 (0.071)	975.022 (3177.769)
Inc. Party Presidential Vote	-0.039* (0.002)	0.028* (0.002)	-749.857* (72.973)
Incumbent Previous Vote Share	-0.07* (0.002)	0.062* (0.002)	-1498.545* (105.481)
Incumbent Previously Contested Dummy	-2.451* (0.098)	2.105* (0.096)	-46968.78* (4269.647)
Midterm Election Dummy	-0.018 (0.038)	0.055 (0.038)	3322.322* (1676.901)
Democratic Party Dummy	-0.222* (0.038)	0.203* (0.037)	3609.209* (1647.571)
Constant	11.492* (0.37)	-11.984* (0.364)	-137555.963* (16191.809)
R-Squared	0.231	0.247	0.121
N	12230	12214	12230

* $p \leq .05$; Standard Errors in Parentheses

OLS Estimates capturing the relationship between term limits and campaign spending. The dependent variable for statistical analyses in the first two columns is logged challenger fundraising. The dependent variable for analyses in the third column is the difference in logged fundraising for the incumbent and the challenger.

Table A-3: Relationship between the Incumbency Advantage and Term Limits

Variable	DV: Democratic Vote Share
Incumbency Advantage	6.793* (0.24)
Incumbency X Term Limits Enacted	-0.467* (0.197)
Incumbency X One Term Remaining	1.064* (0.345)
Incumbency X Two Terms Remaining	1.416* (0.283)
Incumbency X Professionalism	13.062* (0.588)
Incumbency X Freshman Dummy	0.005 (0.212)
Incumbency X Sophomore Dummy	-0.579* (0.229)
Incumbency X Junior Dummy	-0.551* (0.259)
Incumbency X Senior Dummy	-0.407 (0.298)
Previous Democratic Vote Share	0.238* (0.003)
Previous Winning Party	-0.885* (0.122)
Term Limits Enacted	-1.188* (0.459)
Professionalism	0.886 (2.773)
Freshman Dummy	-0.214 (0.174)
Sophomore Dummy	-0.198 (0.207)
Junior Dummy	-0.146 (0.242)
Senior Dummy	0.225 (0.281)
One Term Remaining	-0.176 (0.362)
Two Terms Remaining	-0.099 (0.298)
Constant	31.692* (0.913)
R-Squared	0.69
N	19540

* $p \leq .05$; Standard Errors in Parentheses

OLS Estimates of the Incumbency advantage following Gelman and King (1990). Analyses additionally control for state legislative professionalism, incumbent service, and include state and year fixed effects.