The Federal Debt Ceiling: The Responsibility and Vulnerability of Members of Congress

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College of Behavioral and Social Sciences Summer Research Initiative 2014
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Background

- The debt ceiling limits the amount of federal borrowing. When limits are reached, Congress must pass a law to raise the ceiling.
- The debt ceiling has been in effect since 1917, but it first became a contentious issue in 1961 when President Kennedy took office.
- A debt ceiling increase does not affect the level of federal spending, it permits the expenditure of funds already spent.
- The debt ceiling has always been raised when needed. Most agree that not increasing the debt ceiling will have a severe negative effect on the world economy.
- This project aims to see what affects congressional voting on debt ceiling increases.

Hypothesis

- Members of Congress (MCs) in a position of responsibility will have a higher probability of voting to raise the debt ceiling. This includes party and committee leaders.
- MCs who are not in a position of responsibility and who are more electorally vulnerable will have a lower probability of voting to raise the debt ceiling.
- Debt ceiling bills that are part of a larger legislative package will have a higher probability of being voted through.
- MCs who share the party of the president will have a higher probability of voting to raise the debt ceiling.
- Ideologically moderate MCs will have a higher probability of voting to raise the debt ceiling.

Methods and Sources of Data

- I created a database that included all debt ceiling votes in the House of Representatives since 1953. They have taken 76 debt ceiling votes during the period.
- Outside sources of information include:
  - DW-Nominate scores, a commonly used measure of political ideology, were compiled by Keith Poole and Howard Rosenthal.
  - A list of MCs’ announced retirements was compiled by Dr. David Karol of the University of Maryland, College Park.
  - Committee chairs and ranking members were found using Committees of the US Congress, Vols. 1 and 2 by Garrison Nelson and Charles Stewart.
  - Election results were obtained from the CQ ELECTIONS AND VOTING DATABASE.
  - I added the following variables: if the MC was a freshman, had announced retirement, his/her margin of victory in the last election, if a party leader, if a leader of a standing committee, if the debt ceiling bill was “clean” or part of a larger legislative package, the DW-Nominate score of the MC, and the party affiliation of the president and the MC. The dependent variable was the “yea” or “nay” vote taken by the MC.
- A multiple logistic regression model was estimated via STATA to ascertain the effects of these variables on the probability of voting “yes” to debt ceiling increases. CLARIFY, by Gary King, Jason Wittenberg, and Michael Tomz, was used to calculate predicted probabilities and confidence intervals, holding all other variables at their means.

Model Results

- Freshman MCs have a lower probability of voting for debt ceiling increases.
- Retiring MCs and members of party or committee leadership are more likely to support raising the debt ceiling.
- The larger the margin the MC won in his/her last election, the higher probability they will vote to raise the debt ceiling.
- Among MCs from the president’s party, ideological extremism does not have a profound affect on the probability of voting to increase the debt ceiling compared to MCs who do not share the president’s party.
- Political moderates of both parties have a lower probability of voting to increase the debt ceiling when the bill was “clean” or part of a larger legislative package yielded no statistically significant results.
- All of the results displayed below are statistically significant (p<.05).

Effect of Party Leadership

- Note: The dashed lines represent the bounds of the 95% confidence interval.

Effect of Freshman Status

- Note: The dashed lines represent the bounds of the 95% confidence interval.

Effect of Announced Retirement

- Note: The error bars represent the bounds of the 95% confidence interval.

Effect of Committee Leadership

- Note: The dashed lines represent the bounds of the 95% confidence interval.

Summary and Future Research

- These results show that debt ceiling votes are constrained by partisan and electoral politics, as well as by institutional factors.
- Future research examine Senate debt ceiling votes to determine if the same patterns exist.
- Future research can also focus on appropriations bills and see if some of the same variables affect a MC’s vote to continue funding the government.
- Another possibility for future analysis is whether increased party competition for control of the presidency and Congress has led to more brinkmanship in the debt ceiling.

A special thanks goes out to Jeff Taylor, Jim Glenn, and the whole CAPC staff for their help in this project.