

# How Declining Electoral Incentives Drive Ideological Polarization: Evidence from State Legislative Term Limits\*

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## Abstract

How do electoral incentives affect the ideological composition of legislatures and the behavior of their voters? While existing work documents increased polarization in term-limited incumbents' voting records, little is known about how the electoral incentives manifest in term limits affect the candidate pipeline or voters' electoral selection. Pairing a first-of-its-kind dataset of state legislative election returns for 1992-2020 with novel roll-call-based candidate ideology scalings introduced in Handan-Nader, Myers, and Hall (2021), I implement the first comprehensive study of the ideological effects of term limits in state legislatures. I find that term limits generate increased polarization among candidates at all stages of the electoral pipeline, from the pool of primary candidates to eventual race winners. Further, term limits systematically shift voters' behavior, erasing the electoral return to moderation in general election races and boosting rewards to extremist primary candidates. Finally, I present evidence that changes in voter behavior are driven by a decline in voter information and engagement with the democratic process. As contemporary electoral incentives fall, these findings provide an important perspective on political polarization.

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# 1 Introduction

Partisan polarization has reached historic levels across American political landscapes. Mirroring a century-long rise in congressional polarization, state legislatures are now more divided than at any time in the past thirty years (Handan-Nader, Myers, and Hall, 2021). Recent scholarship connects this heightened polarization to diminished legislative productivity (Binder, 1999; McCarty, 2007), unresponsive policy making (Hacker, 2004; McCarty, Poole, and Rosenthal, 2006), and weakened deliberative and procedural capacities (Koger, 2010; Mann and Ornstein, 2012; Sinclair, 2006). In parallel, scholars have highlighted the erosion of contemporary American electoral incentives, citing the nationalization of elections (Abramowitz and Webster, 2016; Carson, Sievert, and Williamson, 2020; Jacobson, 2015; Rogers, 2016; Sievert and McKee, 2019; Zingher and Richman, 2019), media consolidation (Martin and McCrain, 2019; Peterson, 2021), and declining electoral competition (Rogers, 2017), among other factors. An extensive theoretical literature models equilibria in these electoral incentives, highlighting the importance of strong incentives for democratic societies (Ashworth and Bueno de Mesquita, 2008; Ashworth, 2005; Fearon, 1999; Gowrisankaran, Mitchell, and Moro, 2008). Although state legislative term limits have vastly altered the breadth of electoral incentives, there is limited empirical evidence on the effect of these shifts on legislative polarization. In this article, I use state legislative term limits as a laboratory to investigate how changes in electoral incentives shape legislative polarization and voter behavior. My analysis is the first to fully characterize the ideological effects of term-limit-driven changes in electoral incentives.

This analysis is facilitated by a first-of-its-kind dataset of state legislative primary and general election returns for 1992-2020, combined with novel roll-call-based candidate ideology scalings introduced in Handan-Nader, Myers, and Hall (2021). These data allow me to trace the effects of term limits across the electoral pipeline. Pairing this new dataset with a difference-in-differences design, I begin by showing that term limits increase partisan polarization across the candidate pipeline, with effects concentrated among primary

and general candidates rather than incumbents. This finding expands foundational work by Olson and Rogowski (2020) to the universe of state legislative candidates. Further, I show that, contrary to scholarly expectations, term-limit-induced polarization is largely driven by Democratic—rather than Republican—state legislative candidates.

Candidates are not the only driver of polarization among state legislatures. I find that voters in term-limited states increasingly reward ideological extremity, punishing extreme candidates at half the rate of their non-term-limited counterparts in general election contests. Thus, extremist candidates face less-significant electoral penalties at the ballot box and prospective extremists receive a strong indicator of their potential success in term-limited states.

Finally, using Cooperative Election Study (CES) survey responses, I present evidence that suggests that changes in voter behavior are driven by reduced voter information and declining engagement with the democratic process.

My research follows in a rich literature on ideological extremity and polarization. Recent work documents sustained growth in political polarization in congress (Layman, Carsey, and Horowitz, 2006; McCarty, Poole, and Rosenthal, 2006; Poole and Rosenthal, 1984), state legislatures (Hall, 2019; Handan-Nader, Myers, and Hall, 2021; Shor and McCarty, 2011), and federal courts (Bonica and Sen, 2021). Explanations for this phenomena are diverse, ranging from a more-polarized electorate to gerrymandering, a skewed primary nominating process, and misguided campaign finance rules. My analysis explores how legislative incentives manifest in term limits contribute to this polarization.

This paper also contributes to a growing literature that studies the effects of legislative incentives on incumbent behavior. Studies show how factors such as legislator pay (Hall, 2019), electoral competitiveness (Ansolabehere, Brady, and Fiorina, 1992; Griffin, 2006; Fiorina, 1993), primary election format (Gerber and Morton, 1998; Kaufmann, Gimpel, and Hoffman, 2003; McGhee et al., 2014; Norrander, 1989), and primary challengers (Ansolabehere, Snyder, and Stewart, 2001; Brady, Han, and Pope, 2007) shape legislator behavior.

As a key determinant of legislative incentives, previous research evaluates the extent to which legislative term limits affect a host of behavioral and policy outcomes. Outcomes of interest include legislative productivity (Fouirnaies and Hall, 2021), fiscal policy (Erler, 2007; Johnson and Crain, 2004), women and minority groups' representation (Casellas, 2010; Carroll, 2005; Robert, 1996), bills' policy complexity (Kousser, 2006), voter turnout (Nalder, 2007), and the electoral advantage of incumbents (Rogers, 2014).

Similarly, a small but important body of work examines the effect of term limits on incumbent legislators' ideology. Using static ideology scores, Olson and Rogowski (2020) illustrate that, contrary to their proponents' objectives, state legislative term limits increased partisan polarization among sitting legislators; the authors suggest that this effect is driven by enhanced partisan recruitment efforts and is concentrated among the most professionalized legislatures. Other studies report null or insignificant effects in the context of the Arkansas state senate (Titunik and Feher, 2018), California state legislature (Cain and Kousser, 2004), and national roll-call voting for the 1999-2000 legislative session (Wright, 2007). While their contributions are vital, these studies are only able to identify the effect of term limits on incumbents' ideology. As Hall (2019) illustrates, legislative polarization is largely determined by the set of candidates who run for office, rather than ideological shifts among incumbents. My analysis, therefore, traces the ideological effects of legislative term limits across the settings in which they are theorized to have the most-significant impact.

The remainder of this paper is organized as follows. Section 2 outlines my solution to the methodological challenges of studying candidate pool ideology and introduces a new dataset on state legislative election returns. In Section 3, I document the polarizing effects of term limits across all stages of legislative elections. Section 4 illustrates how the electorates' ideological preferences change under term limits and investigates potential causal mechanisms. Section 5 concludes.

## 2 Data and Methods

To implement my study, I combine data on state legislative primary and general elections returns with novel roll-call-based candidate ideology scores. Overall, these data cover 49 states for the years 1992-2020, ensuring comprehensive coverage of candidates at all stages of the election pipeline. In accordance with existing work, I exclude non-partisan Nebraska from the analysis and focus on Democratic and Republican candidates. Table 1 summarizes the relevant characteristics of term-limited states included in my analysis.

**Table 1 – Summary of Term-Limited States in Analysis**

State	Year Enacted	Type	Term Limit House	Term Limit Senate
AR	1992	$\left\{ \begin{array}{l} \text{Lifetime} \quad t < 2020 \\ \text{Consecutive} \quad t \geq 2020 \end{array} \right.$	$\left\{ \begin{array}{l} 6 \quad t < 2014 \\ 16 \quad t \in [2014, 2020) \\ 12 \quad t \geq 2020 \end{array} \right.$	$\left\{ \begin{array}{l} 8 \quad t < 2014 \\ 16 \quad t \in [2014, 2020) \\ 12 \quad t \geq 2020 \end{array} \right.$
AZ	1992	Consecutive	8	8
CA	1990	Lifetime	$\left\{ \begin{array}{l} 6 \quad t < 2012 \\ 12 \quad t \geq 2012 \end{array} \right.$	$\left\{ \begin{array}{l} 8 \quad t < 2012 \\ 12 \quad t \geq 2012 \end{array} \right.$
CO	1990	Consecutive	8	8
FL	1992	Consecutive	8	8
LA	1995	Consecutive	12	12
ME	1993	Consecutive	8	8
MI	1992	Lifetime	6	8
MO	1992	Lifetime	8	8
MT	1992	Consecutive	8	8
NV	1996	Lifetime	12	12
OH	1992	Consecutive	8	8
OK	1990	Lifetime	12	12
SD	1992	Consecutive	8	8

I begin by extracting general election outcomes from the State Legislative Election Returns dataset (SLERs) (Klarner, 2021) which includes full coverage of elections from 1992 to 2020. Next, I construct a primary election dataset with similar coverage by combining election returns aggregated in Handan-Nader, Myers, and Hall (2021) with supplementary data collected by the author for this study.<sup>1</sup> After merging primary and general election re-

<sup>1</sup>Although every effort was made to construct a complete primary returns dataset, returns for a small

turns, the combined dataset features 70,644 distinct general election candidates and 109,824 primary election observations across 87,800 races for a total of 198,045 candidate-year observations. See Appendix Table A.1 for a state-by-year matrix of my data’s coverage.

The ideal measure of ideology for this analysis captures how legislators would cast roll-call votes in office. Unfortunately, a roll-call-based ideology scaling, such as Shor and McCarthy’s (2011) NP-Scores, is only available for the subset of state legislative candidates who become sitting legislators. In response, Handan-Nader, Myers, and Hall (2021) apply a supervised machine learning scaling procedure to predict roll-call-behavior, as measured by NP-Scores, using candidate campaign contribution records. The resulting scalings—referred to as candidates’ “estimated ideology”—correlate highly with NP-Scores ( $r = 0.97$ ), but are available for election losers in addition to winners and are dynamic over time. This scaling is the main measure of candidate ideology employed throughout my analysis.

Finally, after merging ideology scores to the election returns dataset, I construct indicators for candidate-level and chamber-level term limits using data from the National Conference of State Legislatures (NCSL).

### 3 Term Limits Increase Polarization Across the Electoral Pipeline

In this section, I estimate the effect of legislative term limits on candidate-pool and incumbent polarization and explore whether this effect is mediated by asymmetric partisan polarization. The analysis proceeds in three stages. First, I consider the effect of term limits on state-level polarization among sitting legislators. While Olson and Rogowski (2020) first studied this estimand, as I explain in detail below, I revisit their analysis with the benefit of updated and expanded data. Second, I explore how polarization among primary and general election

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number of primary races were not available online. Overall, my primary dataset covers over 96% of all state legislative primaries.

candidates is shaped by term limits. In the final section I decompose the ideological effects of term limits by party.

Throughout this section I employ a state-level difference-in-differences design for the years 1992-2020.<sup>2</sup> Specifically, I model

$$Y_{st} = \beta_0 + \beta_1 \textit{Term Limited}_{st} + \Omega X_{st} + \alpha_s + \delta_t + \epsilon_{st} \quad (1)$$

where  $Y_{st}$  is the level of partisan polarization in state  $s$  in year  $t$ ,  $\textit{Term Limited}_{st}$  indicates whether state  $s$  in time  $t$  had term limits in effect,  $X_{st}$  is a vector of controls, and  $\alpha_s$  and  $\delta_t$  are state and year fixed effects, respectively. The error term,  $\epsilon_{st}$ , is clustered at the state level. This specification allows me to compare levels of polarization within states over time.

For a given set of candidates or legislators, I define partisan polarization,  $Y_{st}$ , as the difference between the median Republican and Democratic candidates' ideology scores in state  $s$  in year  $t$ . The term limits variable,  $\textit{Term Limited}_{st}$ , indicates state-years for which term limits are in effect.<sup>3</sup> When years of impact differ between a state's house and senate, I code treatment as beginning on the first year of impact.

My difference-in-differences design requires a parallel trends assumption. This assumption requires that polarization trends in control states (i.e. states that never enacted legislative term limits) approximate polarization trends in treatment states (i.e. states that eventually implemented term limits), absent treatment. In conjunction with each analysis, I test for violations of this assumption and find no evidence of pre-existing trends ("pre-trends") in polarization between treatment and control states. Hence, the following results may be meaningfully interpreted as the ideological effect of term limits.

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<sup>2</sup>This modeling strategy, along with the ensuing control specifications, was first implemented by Olson and Rogowski (2020)

<sup>3</sup>Since term limits alter legislative incentives before becoming binding, an alternate definition might operationalize  $\textit{Term Limited}_{st}$  according to term limits' date of enactment. Unfortunately, campaign finance data limitations preclude this possibility. Existing research by Keele, Malhotra, and McCubbins (2013), however, find similar results using enactment and implementation dates. Further, as Olson and Rogowski (2020) note, defining  $\textit{Term Limited}_{st}$  based on implementation date will likely serve to attenuate coefficient estimates, making this analysis particularly rigorous.

**Table 2 – Differential Polarization of Term-Limited Legislatures.** The difference in party-level median ideologies (i.e. polarization) measured among incumbents is greater in term-limited states. These results hold across NP-Scores and Handan-Nader, Myers, and Hall (2021) scores.

	NP-Scores		Handan-Nader, Myers, Hall (2021) Scalings	
	(1)	(2)	(3)	(4)
Term Limits	0.139 (0.06)	0.141 (0.06)	0.091 (0.05)	0.094 (0.05)
Log(Leg Prof)		0.082 (0.07)		0.042 (0.05)
Divided Government		0.009 (0.02)		-0.007 (0.01)
Party Competitiveness		-0.107 (0.23)		-0.010 (0.18)
N	548	548	588	588
Standard Deviation	.48	.48	.4	.4
Year FEs	Y	Y	Y	Y
State FEs	Y	Y	Y	Y
Years	1993-2018	1993-2018	1992-2020	1992-2020

Note: Outcomes are listed in column headers. Standard errors clustered by state in parentheses.

### 3.1 Effect of Term Limits on Incumbent Legislators

I begin in Table 2 by considering the effect of term limits on polarization among incumbent legislators. For all specifications I present a univariate model and, to guard against the possibility of attributing non-static state features to the effect of term limits, a model with state governance controls. The battery of controls was first introduced in Olson and Rogowski (2020). *Legislative Professionalism* (Squire, 2017) combines information on legislator salary, session length, and staffing resources to quantify legislator engagement in policy making. *Divided Government* indicates whether one party simultaneously controls the governorship, house, and senate. Finally, *Party Competitiveness* measures the absolute two-party difference in control of legislative seats.

Using Shor and McCarty’s (2011) NP-Scores to measure polarization, Olson and Rogowski (2020) show that term limits are associated with statistically significant increases in



incumbent partisan polarization. With the benefit of additional data, I provide an updated estimate of Equation 1 in columns 1 and 2 of Table 2 using NP-Scores.

Since NP-Scores are static throughout a legislator’s career, columns 1 and 2 capture legislator replacement effects at the expense of within-legislator changes in ideology. Columns 3 and 4 estimate the same quantity using scalings developed in Handan-Nader, Myers, and Hall (2021) which are dynamic over a legislator’s career. The coefficients on *Term Limited* are positive and significant, indicating that, even after accounting for potential changes in legislator ideology, term limits increase the ideological divide between sitting Democratic and Republican legislators.<sup>4</sup> In the context of incumbent ideology, my estimates closely mirror those of existing research, lending credibility to my subsequent extension.

### 3.2 Effect of Term Limits on Candidate Supply

While the dynamics of incumbents’ ideology directly shape legislative polarization, recent work illustrates that it is essential to also consider the indirect effect of the complete candidate pool on legislative polarization. For example, in the context of U.S. House of Representatives elections, Hall (2019) shows that the vast majority of polarization originates from ideological extremity that is built into the pool of candidates who run for office. As the simulations in Appendix Table A.1 show, the same is true of state legislatures. Regardless of whether voters consistently choose the most extreme candidate or most moderate candidate, American state legislatures will feature extraordinary levels of polarization. This result underscores the importance of studying how term limits affect the ideology of the complete legislative candidate pipeline, rather than only incumbents.

To capture the previously unobserved effect of term limits on candidate pool polarization, I expand my analysis to the full candidate pipeline—including primary and general election winners and losers and incumbents. Table 3 reports the difference-in-differences estimate of the effect of term limits on polarization using this extended dataset. The point estimates for

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<sup>4</sup>As Appendix Table A.2 shows, these models show no evidence of pre-trends, indicating that the required parallel trends assumption is plausible.

**Table 3 – Effect of Term Limits on Candidate Pool Polarization, Difference-in-Differences.** The ideological gap between each parties’ median candidate is greater in state-years with term-limits in effect, in comparison to the non-term-limited control group.

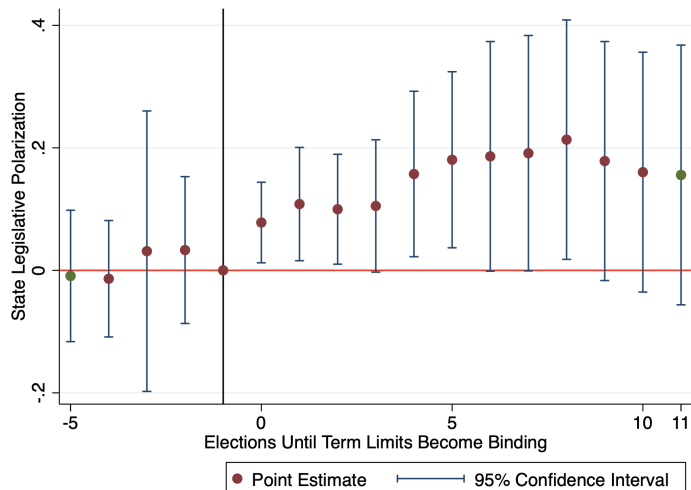
	Candidate Pool Ideology	
	(1)	(2)
Term Limited	0.118 (0.05)	0.119 (0.05)
Log(Leg Prof)		0.021 (0.05)
Divided Government		-0.004 (0.01)
Party Competetiveness		-0.103 (0.15)
N	591	591
Standard Deviation	.39	.39
Year FEs	Y	Y
State FEs	Y	Y

Note: Outcome is Handan-Nader, Myers, and Hall (2021) ideology scalings. Standard errors clustered by state in parentheses.

*Term Limited* in Table 3 are positive, significant, and—measuring over 30% of one standard deviation—strikingly meaningful. Hence, Table 3 shows that term limits meaningfully increase polarization across the universe of individuals who run for state legislative office. Further, this effect appears to be stronger than the effect of term limits on polarization among incumbents, although I cannot dispositively reject the null hypothesis of equality.

The difference-in-differences model provides a static estimate of the effect of term limits on polarization. To obtain a time-varying treatment effect, and test for violations of the parallel trends assumption, I also run an event study. Figure 1 displays coefficients from an event study of aggregate political polarization. The  $p$ -value for the omnibus Wald test of zero pre-event effects is .923, while the  $p$ -value for zero post-event effects is  $< .001$ . Hence, while the results are necessarily noisy, I find credible evidence of universally heightened polarization among candidate pools in term-limited states and no evidence of pre-trending. This effect is distinguishable from zero for eight elections after the policy becomes binding.

**Figure 1 – Effect of Term Limits on Candidate Pool Polarization, Event Study.** State legislative polarization increases significantly in the years following their implementation. Standard errors are clustered by state. Baseline is  $t_{-1}$ . Periods containing two or fewer states are aggregated into a single endpoint.



Taken together, Table 3 and Figure 1 establish two important findings. First, legislative term limits produce meaningfully elevated levels of polarization across primary and general election settings, rather than only among office holders. And second, the key ideological impact of term limits appears to be centered around the polarization of the entire legislative candidate pool, instead of polarization of incumbents.

### 3.3 Testing for Asymmetric Polarization

In this section, I evaluate whether the ideological effects of legislative term limits identified above vary by party.

A growing body of scholarship explores the prevalence of asymmetric polarization in American elections. In the standard account, scholars argue that ideological polarization is disproportionately driven by rising Republican extremity (e.g Grossman and Hopkins 2016; McCarty 2007). Recent evidence at the state level, reaches different conclusions. Olson and Rogowski (2020) find no evidence of asymmetric polarization among incumbent legislators in term-limited states. Handan-Nader, Myers, and Hall (2021) also find little evidence of

asymmetric polarization among the pool of general election candidates, but illustrate that Democratic primaries favor extremists at a higher rate than Republican primaries.

**Table 4 – Asymmetric Polarization in the Candidate Pipeline.** Table presents separate models of polarization for Democrats and Republicans. Term limits appear to have a stronger effect among Democratic candidates.

	Candidate Pool		Incumbents	
	(1)	(2)	(3)	(4)
Term Limited	0.074 (0.02)	0.041 (0.03)	0.062 (0.03)	0.027 (0.03)
Log(Leg Prof)	-0.013 (0.03)	0.022 (0.02)	-0.005 (0.04)	0.017 (0.02)
Divided Government	0.005 (0.01)	-0.005 (0.01)	0.004 (0.01)	-0.010 (0.01)
Party Competitiveness	0.049 (0.11)	-0.156 (0.09)	0.123 (0.14)	-0.139 (0.09)
N	1,128	1,136	1,118	1,122
Standard Deviation	.32	.28	.33	.27
Party	Dems	Reps	Dems	Reps
Year FEs	Y	Y	Y	Y
State FEs	Y	Y	Y	Y

Note: Outcome is the absolute value of Handan-Nader, Myers, and Hall (2021) ideology scalings aggregated by party. Standard errors clustered by state in parentheses.

In Table 4, I re-estimate Equation 1, defining  $Y_{st}$  separately for Democrats and Republicans. Unsurprisingly, I find that term limits are associated with an increase in extremity among Democratic candidates (columns 1 and 3) and Republican candidates (columns 2 and 4) compared to non-term-limited candidates. These findings hold across all stages of the electoral pipeline—from primary and general elections to incumbents. However, the coefficient estimates in Table 4 suggest that term limits’ effects are approximately 80% larger among Democrats than Republicans.

The findings presented in this section suggest a more-nuanced picture of the ideological effects of legislative term limits, including an important role of electoral selection to which I now turn.

## 4 Term Limits Alter Voter Behavior

Given a particular choice set, voters may shape legislative polarization by selecting more or less extreme candidates. In this section, I test whether—and how—the introduction of legislative term limits influences voter electoral selection.

### 4.1 Midpoint and Primary Extremism Models

To assess the role term-limited states’ electorates play in producing increased partisan polarization, I employ two modeling strategies. Because general election races feature direct two-party competition, it is possible to compare the ideology of competing Democratic and Republican general election candidates and predict their electoral returns to changes in ideological platform. To do so, I adopt the midpoint method of Ansolabehere, Snyder, and Stewart (2001). Consequently, I estimate an equation of the form

$$Y_{dct} = \beta_0 + \beta_1 \text{Midpoint}_{dct} + \beta_2 \text{Distance}_{dct} + \Omega X_{dct} + \alpha_d + \delta_t + \epsilon_{dct} \quad (2)$$

where  $Y_{dct}$  is either the Democratic candidate’s general election vote share or a victory indicator in district  $d$  in chamber  $c$  in year  $t$ .<sup>5</sup> *Midpoint* and *Distance* are the midpoint and distance between Democratic and Republican candidates, respectively. Finally,  $X_{dct}$  is an optional vector of controls,  $\alpha_d$  and  $\delta_t$  are district and year fixed effects, respectively, and the error term,  $\epsilon_{dct}$ , is clustered by district  $d$ .<sup>6</sup>

The coefficient of interest is  $\beta_1$ , the estimated electoral return for the Democratic candidate arising from a rightward (i.e. positive) shift in *Midpoint*. Previous research on Congress (Ansolabehere, Snyder, and Stewart, 2001; Hall, 2019) as well as state legislatures (Caughey and Warshaw, 2019; Handan-Nader, Myers, and Hall, 2021) suggest that  $\beta_1$  is positive and

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<sup>5</sup>Since this design requires competition between one Democratic and one Republican candidate, I restrict my sample to single-member districts when using the midpoint model.

<sup>6</sup>The midpoint model requires the ideology of districts’ mean voter to be held constant. Ansolabehere, Snyder, and Stewart (2001) use presidential vote share for this purpose. Because presidential vote share is not available at the level of state legislative districts, I employ district fixed effects to hold the median voter constant.

significant. After replicating existing findings, I test whether  $\beta_1$  differs significantly between term-limited and non-term-limited states.

Since the midpoint model cannot be applied to races with multiple candidates from the same party, I apply a candidate ideological extremism model to study primary election returns. Specifically, I estimate the model

$$Y_{jpd t} = \lambda_0 + \lambda_1 Extremism_{jpd t} + \alpha_{pd} + \delta_{pt} + \eta_{pdt} + \epsilon_{jpd t} \quad (3)$$

where  $Y_{jpd t}$  is the vote share or a victory indicator for candidate  $j$  in party  $p$  in district  $d$  in year  $t$ .  $Extremism$  is the absolute value of a candidate's estimated ideology score. The variables  $\alpha_{pd}$ ,  $\delta_{pt}$ , and  $\eta_{pdt}$  are party-by-district, party-by-year, and number of primary candidates fixed effects, respectively.

The coefficient  $\lambda_1$  captures the electoral return to becoming more extreme. Previous work finds a positive coefficient (Ansolabehere, Snyder, and Stewart, 2001; Brady, Han, and Pope, 2007; Handan-Nader, Myers, and Hall, 2021), indicating that primary candidates receive an electoral boost from ideological extremism.

Point estimates for the general election midpoint model (i.e. Equation 2) are reported in Table 5. The baseline models, listed in columns 1 and 4, provide compelling evidence that general election candidates are punished by voters for ideological extremity. These estimates closely approximate estimates in Handan-Nader, Myers, and Hall (2021), lending validity to the following extensions.

I am interested in the difference in *Midpoint* coefficients between term-limited and non-term-limited state-years. To estimate this difference, columns 2 and 5 interact *Midpoint* with *Term Limits*, an indicator for the presence of legislative term limits defined in Section 3. If voters in term-limited states reward ideological extremity at a higher rate than their peers in non-term-limited states, the interaction term would be negative. Conversely, if, relative to non-term-limited-states, voters in term-limited states punish candidates for ideological extremism more, the interaction term would be positive.

**Table 5 – General Election Electoral Selection.** Models report the expected general election electoral returns and change in win probability resulting from a liberal (i.e. positive) shift in candidate ideology. Returns to moderation are erased in term-limited states.

	Dem Vote Share			Dem Win		
	(1)	(2)	(3)	(4)	(5)	(6)
Midpoint	0.049 (0.01)	0.032 (0.01)	0.063 (0.01)	0.066 (0.05)	0.032 (0.01)	0.119 (0.06)
Term Limits · Midpoint		-0.037 (0.02)	-0.043 (0.02)		-0.037 (0.02)	-0.165 (0.09)
Term Limits		0.014 (0.01)	0.019 (0.01)		0.014 (0.01)	0.068 (0.05)
Distance	0.025 (0.01)	0.080 (0.01)	0.024 (0.01)	0.165 (0.05)	0.080 (0.01)	0.162 (0.05)
Dem Contributions	0.248 (0.01)		0.248 (0.01)	0.628 (0.03)		0.628 (0.03)
Rep Contributions	-0.224 (0.01)		-0.225 (0.01)	-0.601 (0.03)		-0.602 (0.03)
N	22,789	22,789	22,789	22,789	22,789	22,789
District-Regime FEs	Y	Y	Y	Y	Y	Y
Year FEs	Y	Y	Y	Y	Y	Y

Note: Standard errors clustered by district-regime in parentheses.

It turns out that the interaction terms across all models are negative, indicating that extreme ideological positions are penalized at a lower rate in term-limited states. These effects are decidedly large. In fact, the majority of models in Table 5 predict that term limits erase the electoral return to moderation in general elections (i.e. erase the *Midpoint* coefficient).

As a robustness check, columns 3 and 6 of Table 5 control for campaign contributions. The conclusion remains the same. To relax the linearity assumption of Table 5, Appendix Figure A.2 plots Democratic vote share and win probability across values of the midpoint coefficient after controlling for ideological distance and contributions. Figure A.2 illustrates a meaningful difference in returns to moderation between term-limited (red) and non-term-limited (blue) states.

Next, I consider primary elections. Columns 1 and 3 of Table 6 explore the overall relationship between extremism and primary election outcomes as estimated by Equation 3.

**Table 6 – Primary Election Electoral Selection.** Models report the average primary election electoral returns and change in win probability resulting from an increase in ideological extremism.

	Primary Share		Win Primary	
	(1)	(2)	(3)	(4)
Term Limits · Extremism		0.008 (0.01)		0.036 (0.04)
Term Limits		-0.001 (0.02)		-0.013 (0.05)
Extremism	0.024 (0.01)	0.021 (0.01)	0.049 (0.02)	0.039 (0.02)
Contributions	0.076 (0.00)	0.076 (0.00)	0.168 (0.00)	0.168 (0.00)
N	44,089	44,089	46,083	46,083
District-Party FEs	Y	Y	Y	Y
Party-Year FEs	Y	Y	Y	Y
Number of Candidates FEs	Y	Y	Y	Y

Note: Outcomes are listed in header. Standard errors clustered by district-regime in parentheses.

Contrary to general elections, I find that, on average, primary election candidates receive an electoral advantage from taking more extreme ideological positions. The coefficient estimates are on par with existing research (Handan-Nader, Myers, and Hall, 2021). Columns 2 and 4 test whether the primary reward to extremism is greater in term-limited states. The interaction terms—representing a two-fold increase in the case of primary win probability—are positive but insignificant, providing suggestive evidence that term limits affect voters’ primary election behavior.

The results from Tables 5 and 6 establish a key new finding: term limits alter the electoral return to extremism in both primary and general elections. Following the introduction of term limits, candidates across the electoral pipeline can expect increased returns from ideological extremity. In both primary and general election settings these effects are substantial.



## 4.2 Voter Behavior Extension

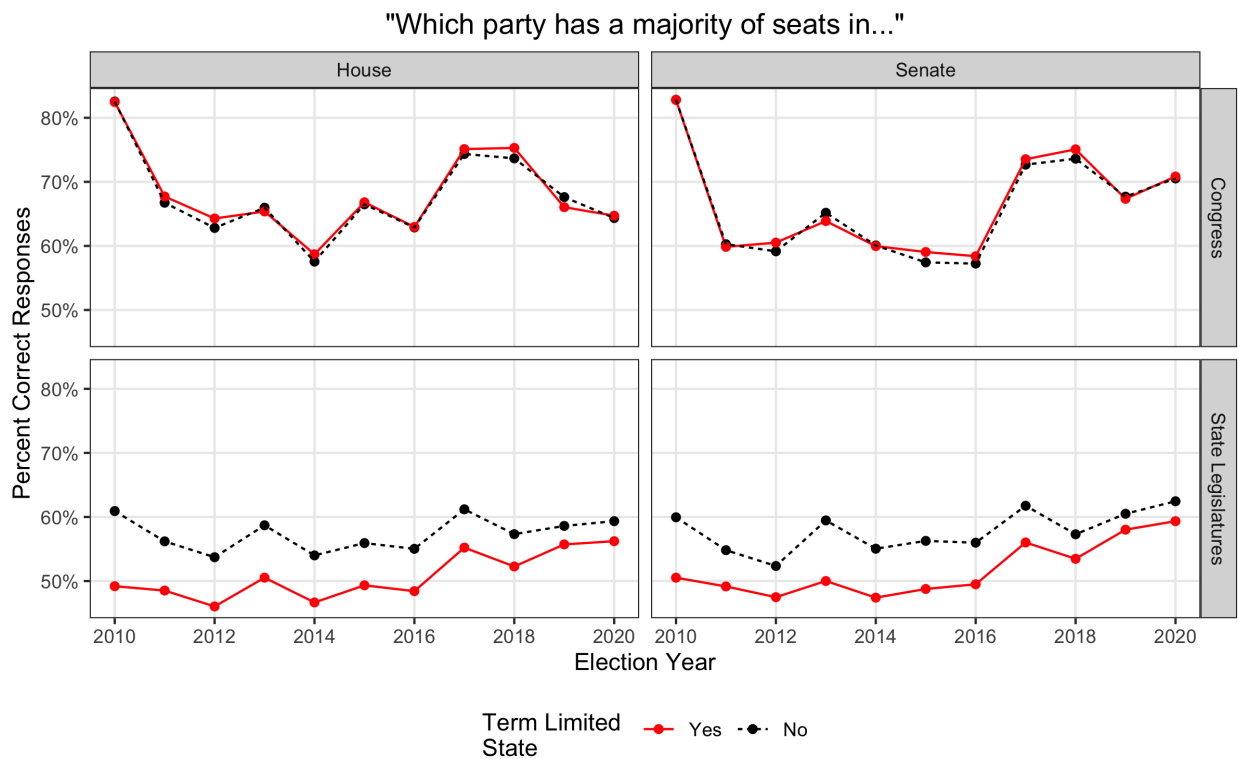
Term limits directly affect legislators rather than voters, so the above finding warrants further investigation. In this subsection, I use responses from the Cooperative Election Study (CES) to study the impact of term limits on voter engagement with the political process.

The CES is a national stratified survey administered to more than 50,000 people per year. Every year since 2010, the CES has tested its respondents political knowledge by asking “Which party has a majority of seats in ...” the U.S. House and Senate and the respondents’ state house and senate. Respondents must choose between “Republicans”, “Democrats”, “Neither”, or “Not sure.” For every state-year from 2010-2020, I impute the correct response and compute the share of respondents who answer correctly.

Term limits may affect voter behavior through two key pathways. First, by shortening the expected tenure of winners, term limits may diminish the importance voters attach to legislative election outcomes. State legislative tenures often span multiple decades in the absence of term limits, so limits of 6 or 8 years in term-limited states may leave voters with few incentives to engage in the political process. If their preferred candidate doesn’t win (so the thinking goes), someone else will take their place soon enough. Second, by devaluing office, voters in term-limited states may not have access to the same quantity and quality of information about legislative candidates. This effect may be driven by the news media or action by the candidates themselves. I am unable to distinguish between these pathways. Instead, Figure 2 provides a joint test of these hypotheses.

Unfortunately, the CES data coverage is not sufficient to enable a difference-in-differences design. Instead, I use congress—for which no term limits apply—as a natural control group. Figure 2 plots the percent of CES survey responses that are correct, stratified by whether the respondent was living in a term-limited state-year. The solid red line represents term-limited states while the dotted black line represents non-term-limited states. As the first row of Figure 2 shows, there is no systematic difference in congressional political knowledge between states with and without term limits. The same respondents, however, when asked

**Figure 2 – Percent Correct Responses to CES Voter Knowledge Questions.** This figure depicts average response accuracy rates to four CES questions pertaining to party control of congress and respondents' home state legislatures. Respondents in term-limited states whose knowledge about federal elections matches their non-term-limited counterparts exhibit reduced political knowledge about their home state legislatures.



about their state house and senate, respond correctly almost 10% less often if they are in a term-limited states compared to their non-term-limited counterparts. As a more-formal test, Appendix Table A.3 reports a simple differences-in-means test for congress and state legislatures, stratified by the state legislative term limit status. The results in Table A.3 underscore the gap in knowledge about state legislatures between term-limited and non-term limited voters.

Although preliminary, these results suggest that one avenue by which term limits affect polarization is by altering voters' political knowledge and engagement.

## 5 Conclusion

Political leaders, scholars, and the general public alike are increasingly concerned about partisan polarization and the accompanying legislative gridlock. In this paper, I show that state legislative polarization is a symptom of—in part—declining electoral incentives. Using ideological scalings and election returns introduced in Handan-Nader, Myers, and Hall (2021), I conduct the first comprehensive analysis of the effects of legislative term limits on legislative ideology. I establish three empirical findings.

First, legislative term limits produce increased polarization at all stages of the political process. The average state legislative politician is significantly more extreme in legislatures with term limits compared to non-term-limited legislatures. This pattern holds for the aggregate pool of candidates, general election candidates, and eventual office holders.

Second, term limits systematically shift voters' preferences. Electoral returns to moderation are erased in term-limited states' general elections. At the same time, voters in term-limited states reward extremity at a higher rate in primary elections, in comparison to non-term-limited voters.

Finally, my analysis suggests that changes in voter behavior may be shaped by diminished voter knowledge in term-limited states.

From a broader perspective, my paper contributes to an expansive literature on electoral incentives. Over the last thirty years, weaker electoral incentives—in the form of legislative term limits—have led to increased polarization. Future research should investigate the causal relationships that mediate the effects outlined in this paper. Research of this kind might further explore how term limits affect voter preferences and candidate selection. As contemporary electoral incentives decline and polarization rises, understanding how electoral incentives affect polarization will prove relevant for studying an increasingly-divided American political system.

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# Appendix

## Contents

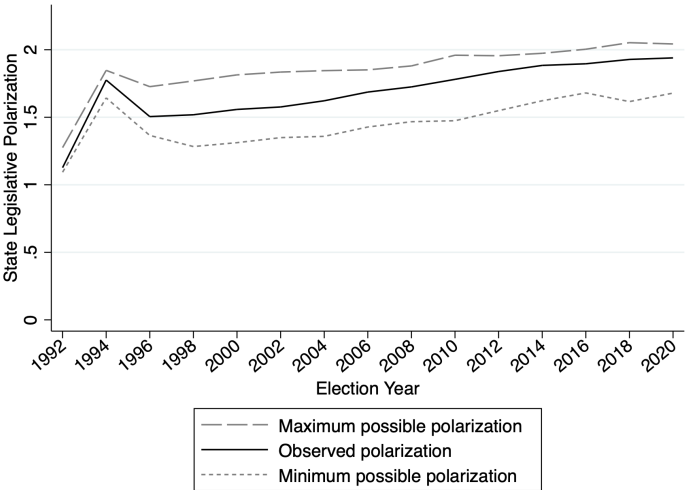
A.1 Data Descriptives . . . . .	25
A.2 Legislative Extremism Simulation . . . . .	26
A.3 Legislative Polarization Robustness Checks . . . . .	28
A.4 Voter Behavior Robustness Checks . . . . .	29



## A.2 Legislative Extremism Simulation

This figure simulates counterfactual polarization in state legislatures. The solid black line depicts the observed level of partisan polarization—defined identically to  $Y_{st}$ —in state legislatures. The long-dashed line plots partisan polarization if the most extreme candidate were to win every election from 1992-2020. Similarly, the short-dashed line plots partisan polarization should the most moderate candidate carry every election in the same timeframe. Clearly, observed polarization is simultaneously growing across time and approaching its theoretical upper bound within election cycles. Equally importantly, however, polarization remains high regardless of election outcomes. Whether voters consistently choose the most extreme candidate (long-dashed line) or most moderate candidate (short-dashed line), American state legislatures will feature extraordinarily levels of polarization.

**Figure A.1 – Observed Versus Simulated Polarization in State Legislatures.** This graph contrasts observed polarization with the theoretical maximum (minimum) polarization present if voters selected the most extreme (moderate) candidate in every election. Legislative polarization remains high regardless of voters’ choices.



### A.3 Legislative Polarization Robustness Checks

**Table A.2 – Difference-in-Differences Pre-Trends Tests.** This table includes two leads of *Term Limited*. These leads are insignificant while the true *Term Limited* coefficients are significant, suggesting that the parallel trends assumption holds.

	Candidate Pool		Incumbents	
	(1)	(2)	(3)	(4)
Term Limited	0.124 (0.06)	0.123 (0.06)	0.100 (0.06)	0.100 (0.06)
Term Limited, $t + 1$	-0.040 (0.06)	-0.042 (0.06)	-0.020 (0.06)	-0.021 (0.05)
Term Limited, $t + 2$	0.014 (0.05)	0.012 (0.05)	-0.033 (0.06)	-0.033 (0.06)
Log(Leg Prof)		-0.003 (0.04)		0.010 (0.05)
Divided Government		0.004 (0.01)		0.002 (0.01)
Party Competetiveness		-0.123 (0.17)		-0.040 (0.19)
N	493	493	490	490
Standard Deviation	.39	.39	.4	.4
Year FEs	Y	Y	Y	Y
State FEs	Y	Y	Y	Y

Note: Outcome is Handan-Nader, Myers, and Hall (2021) ideology scalings. Standard errors clustered by state in parentheses.

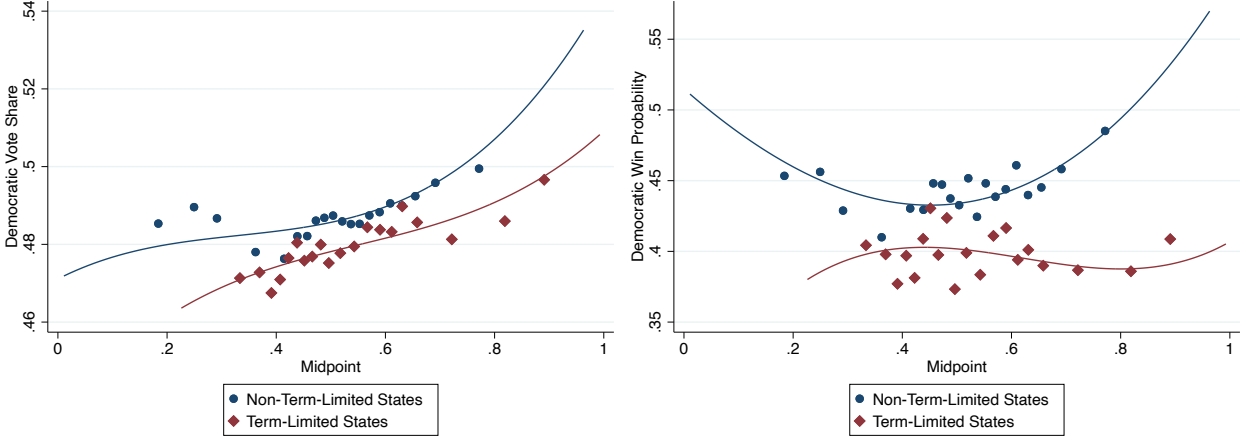
## A.4 Voter Behavior Robustness Checks

**Table A.3 – CES Voter Knowledge Estimates** This table formally tests for differences in voter knowledge between term-limited and non-term-limited states. A meaningful difference is observed only in state legislatures.

	State Legislatures		Congress	
	(1)	(2)	(3)	(4)
Term Limited	-0.066 (0.01)	-0.058 (0.01)	0.004 (0.00)	0.004 (0.00)
N	539	539	539	539
Standard Deviation	.13	.15	.08	.09
Year FEs	Y	Y	Y	Y
Chamber	House	Senate	House	Senate

Note: Outcome is percent of responses that are correct. Standard errors clustered by year in parentheses.

**Figure A.2 – Binscatter of General Election Midpoint Model in Term-Limited and Non-Term-Limited States.** This figure controls for distance between candidates and campaign contributions. Values are residualized on district-by-regime and year variables, matching specifications in Section 4. A third-order polynomial line is fitted to the unbinned data. Term-limited candidates are punished for extremity at a lower rate than their non-term-limited counterparts.



(a) Democratic Vote Share

(b) Democratic Victory