The impact of Voting Rights Act on city elections and finances

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Define

1. “City elections”
2. “Voting Rights Act”
3. “Financial impact”
1. City council elections

<table>
<thead>
<tr>
<th><strong>District</strong></th>
<th><strong>At-large</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Vote only for councilmember for your own district</td>
<td>• Vote for all councilmembers</td>
</tr>
<tr>
<td></td>
<td>• Winner take-all (i.e., not proportional representation)</td>
</tr>
</tbody>
</table>
Example of at-large election
Model city charters

- All have recommended at-large elections
- The most current (2003) makes two exceptions:
  - When necessary to assure minority representation, some council members should be elected by district, while others should be elected at-large
  - The entire council may need to be elected by district to comply with a court order
Enacted in 1965 to allow minorities to vote

2. Voting Rights Act
City councils remained all-white in cities with at-large elections → Staring in 1975, courts ordered district elections (for violating 14th Amend. U.S. Const.)

1982 Amd. VRA prohibited any voting law that had a discriminatory effect → Increase in court-ordered district elections

Courts more likely to order district elections in jurisdictions with a history of voter discrimination, here proxied by % turnout in 1964 Presid. Elect.
3. Financial impact of district voting
City council elected by district

- Face a *common pool problem*
- Council members fully value spending that benefits district, but value only a fraction of spending that benefits entire city
- Postponing infrastructure repair allows for more spending on district today

↓ *Infrastructure investments*

↑ *Non infrastructure spending*
Empirical evidence
"I’m right there in the room, and no one even acknowledges me."
Empirical evidence

A. *Event study* → Timing of increase in city non-infr. spending matches timing in increase in district elections [but not of other changes]

B. *Regressions* → District elections increase non-infrastructure spending when we control for a large set of possible explanations

C. *Matching* → Cities that adopt district elections spend more than similar cities that kept at at-large elections
A. Event study
## Sample cities

<table>
<thead>
<tr>
<th>Cities with all seats at-large 1 year b/w 1965-74</th>
<th>other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>&lt;50% Turnout in 1964 Pres. Elect.</strong></td>
<td></td>
</tr>
<tr>
<td>398 cities Treatment group</td>
<td>24 cities</td>
</tr>
<tr>
<td><strong>&gt;50% Turnout in 1964 Pres. Elect.</strong></td>
<td></td>
</tr>
<tr>
<td>1,259 cities Control group</td>
<td>525 cities</td>
</tr>
</tbody>
</table>
Increasing b/w 1975 & 1992, and then constant
D-D on cities all at-large in 1965-74

- $D = (\% \text{ District in Treatment}) - (\% \text{ District in Control})$
- $D$ increases rapidly b/w 1975 & 1992
- $D = (\text{Spending in Treatment}) - (\text{Spending in Control})$
- “Spending” = real per capita non-infrastructure or infrastructure spending
Increase b/w 1970 & 1984 and then constant
Can ↑ voting explain ↑ spending?

- Look at total votes cast in elections for mayor
Adjusted mayoral voter turnout

Year

<50% turnout in 1964 Presidential election
50%+ turnout in 1964 Presidential election

In 1960 voter turnout in cities with <50% turnout was 20% lower than other years

Voter turnout increased b/w 1960 & 1976, then constant, then decreasing
↑ civil rights explain ↑ spending?

- Measures of residential segregation (Cutler, Gleaser, Vigdor, 1999, data)
- Major court ordered school desegregation (Welch & Light, 1987, data)
Housing segregation indices

<table>
<thead>
<tr>
<th>Year</th>
<th>(Dissimilarity in cities with &lt;50% turnout)</th>
<th>(Dissimilarity in cities with 50%+ turnout)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1965</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1982</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td></td>
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</tbody>
</table>

(% cities with <50% turnout with school deseg.) – (% cities with 50%+ school deseg.)
explain spending?

- $$$ = black activism, white guilt, ...
- If $$$ affects city spending, $$$ may also affect state spending
Per capita state spending

Year

(Non-infras. <50% turnout) – (Non-infras. 50%+)
(Infrastructure <50% turnout) – (Infrastructure 50%+)
B. Regressions
Ordinary least squares results

- 88K city-year observations
- \( Y = \) Per capita spending
- \( X = \% \) district, \( \Delta \) voter turnout after VRA, type of government, council size, partisan election, city population, median family income, mean income, \% black, \% Hispanic, state laws regarding unions, year & city fixed effects \( \rightarrow \) eliminate idiosyncrasies

- Change from at-large to district
  - Non-infrastructure spending \( \uparrow \) by 5-6%
  - No effect on infrastructure spending
  - Share of spending on infrastructure \( \downarrow \)
C. Matching estimator
Sample

- 1,657 cities with entire council elected at-large in some year between 1965 and 1974
Types of cities

1. *Cities could be affected by 1982 VRA*

2. *Change elections for other reasons*
   - City has experienced endemic corruption
   - ‘Whites’ fear that they may become the minority
   - Ruling party fears it may lose future elections

3. *Cities that never change electoral rules*
   - In federal districts with judges unlikely to find violations to VRA
   - Minorities are geographically dispersed in city
<table>
<thead>
<tr>
<th>Type of city</th>
<th>Fraction of all cities</th>
<th>Non-infr growth w/ at-large</th>
<th>Non-infr growth w/ district</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affected by 1982 Amd VRA</td>
<td>39%</td>
<td>38%</td>
<td>54%</td>
</tr>
<tr>
<td>Change for other reasons</td>
<td>19%</td>
<td>?</td>
<td>47%</td>
</tr>
<tr>
<td>Never change</td>
<td>42%</td>
<td>47%</td>
<td>?</td>
</tr>
</tbody>
</table>
Conclusion

- VRA $\rightarrow$ district elections $\rightarrow$ lower share of spending that goes to infrastructure
- How do we know that district elections $\downarrow$ share of spending on infrastructure?
  1. Asserted by municipal reformers $\rightarrow$ Model city charters
  2. Economic theory (“common pool problem”)
  3. Empirical evidence in this paper