Strategic Retirement

If one is to believe the testimony of retiring congressmen, none ever quits out of fear of defeat. One skeptical television-network commentator, reporting a rash of spring retirement announcements, wryly suggested that the desire to spend more time with one's family is the biggest lie in Washington. Stephen Frantzich's study of voluntary departures from the House of Representatives appears to confirm the pundit's observation.[1] Not one of his hour-long interviews with 20 of 1974's 38 congressional retirees turned up political insecurity as a primary motive for retiring. The reasons given range from the suspicious desire to be with family to more plausible claims of old age and poor health:

Primary Reason for Retiring	Number of Interviewees
Age and health	7
Lack of interest or other interest	5
Frustration with job	4
Desire to be with family	4

Every entering congressman must, perforce, leave eventually, and given the remarkable ease with which most win reelection few retirees during any given Congress are likely to be driven from office by the spectre of defeat. It is difficult to believe, however, that vulnerability does not occasionally contribute to retirement decisions, particularly in a year like 1974, when Republicans everywhere were hearing dire prognoses for the fall elections. Senator Goldwater offered the chilling assessment that any Republican who had won the preceding election

by less than 60 percent of the vote was in trouble; 37 percent of the Republican congressmen fell into that category.[2] That twice the proportion of Republicans as of Democrats retired from the House in 1974 seems hardly coincidental. Yet Frantzich's interviews turn up none of this. Something about 1974 made family men out of a disproportionate number of Republican congressmen.

Vanity aside, perhaps electoral vulnerability fails to show up as a reported reason for retiring because even when the decision to retire is strategic-that is, involves some risk-benefit calculation-it is only one of a number of considerations. Few incumbents find themselves in the predicament of Congressman Leggett, where a quiet retirement is the only recourse. More often, the possibility of defeat will be a marginal concern-though decisions are frequently made at the margin— more likely to show itself in aggregate retirement rates over time than in individual case histories.

Several hypothetical retirement decisions will illustrate how the threat of defeat might operate. Consider the senior congressman who has advanced as far as possible within the House and for whom the value of continued service has begun to wane. Finding his party in general disfavor nationally and facing a tough campaign, he decides the office is no longer worth the strenuous effort necessary to keep it and he retires. A second incumbent finds himself in much the same situation, but for him it is less the diminished attraction of the office than the risk of an ignominious departure. Facing retirement soon anyway and much preferring to leave gracefully, he avoids potential embarrassment by retiring. A third, less common occurrence-but one which reveals the potential intricacy of the strategic calculus-is the senior minority-party member for whom the value of the office would improve if his party could achieve control of the House. For him the chances of losing may be miniscule; he is more concerned with his party's prospect of becoming the majority party. As political conditions sour and the chances of a committee chairmanship fade, this aging member decides not to wait for the millenium and he too retires.[3] This last example

apparently explains the retirement in January 1980 of Representative Bob Wilson after 7.8 years in the House. According to a confidant, Wilson, who was the senior House Republican and the ranking minority member of the Armed Services Committee, decided to retire after President Carter's surging popularity in the wake of the Iranian crisis appeared to end any Republican hopes of winning Congress in November.[4]

In each of these three cases a congressional careerist makes a strategic decision to retire not because of the certainty of defeat but because the stakes (a tough campaign or political embarrassment) have become unacceptable or the value of the office has eroded.[5] Under these circumstances, electoral conditions affect more than the probability of winning. Even when the congressman's reelection chances remain good and would not have discouraged a vigorous campaign years earlier, the reduced value of the office makes the campaign unacceptably risky and costly. Understandably, a retiring member explaining his decision is less conscious of the reduced probability of winning than that continued service is no longer worth the required effort or risk.

By this interpretation, explanations volunteered to Frantzich referring to the frustrations of office, lack of interest in the job, desire to be with family, and in some cases, perhaps even age and health, are indications of the diminishing value of the office and the unacceptable risks run in trying to retain it. That retiring congressmen do not cite political insecurity does not mean that it is irrelevant to their decisions, but rather that electoral conditions interact with other more salient considerations. If the electoral environment contributes to retirements which are not explicitly or even consciously strategic, its effects will still be apparent in the aggregate; both parties' retirement rates will systematically reflect the current partisan environment. And once again, strategic career decisions will add to the problems of the party in general disfavor as its incumbents exit in greater than normal numbers.

We have argued the case for strategic retirements at some length because it is not intuitively obvious that secure and con-

tent senior members will behave strategically. Representing safe constituencies serves to insulate senior congressmen from the marginal effects of short-term partisan forces. And contentment with a House career eliminates the risky decision to give up the current office to pursue another. Add to these considerations the fact that age and health frequently necessitate departure without regard to politics, retirements should be among the least strategic career decisions, certainly less so than the choices of upwardly mobile challengers (see table 3.1) or campaign contributors. If retirement trends nonetheless follow short-term partisan conditions, the case for a theory based on strategic politicians is obviously enhanced.

The fundamental claim of our theory is that the quality of candidacies will reflect electorally relevant political conditions. For congressional retirements this means that the bleaker a party's fall election prospects, the greater the number of its incumbents who will opt out. Since one party's threat is the other's promise, Republican and Democratic retirement trends should be inversely correlated with each other, and they should be oppositely related to short-term conditions and the November congressional vote.

These predictions follow straightforwardly from the theory; unfortunately, obtaining the data series necessary to test them is not so simple. Aside from the difficulties of compiling retirement rates for each political party,[5] these data have been subject to a variety of systematic influences and shocks during the twentieth century which have affected both parties similarly and which consequently initially obfuscate any underlying negative relationship between the Republican and Democratic trends. In figure 5.1 we see that, even after eliminating the non-competitive and therefore strategically less responsive South from the analysis, Democratic and Republican retirements are positively correlated. This mainly reflects the secular decline in retirements as congressional careers became professionalized.' Even after detrending the series by employing change scores (i.e., $\Delta R = R_T - R_{T-1}$) and beginning the analysis in 1912 (the first year in which one party's change in its retirement rate

FIGURE 5.1   Democratic and Republican Incumbents Retiring (South excluded), 1846—1980 (in percentages)

——— Democrat retirees   — — Republican retirees
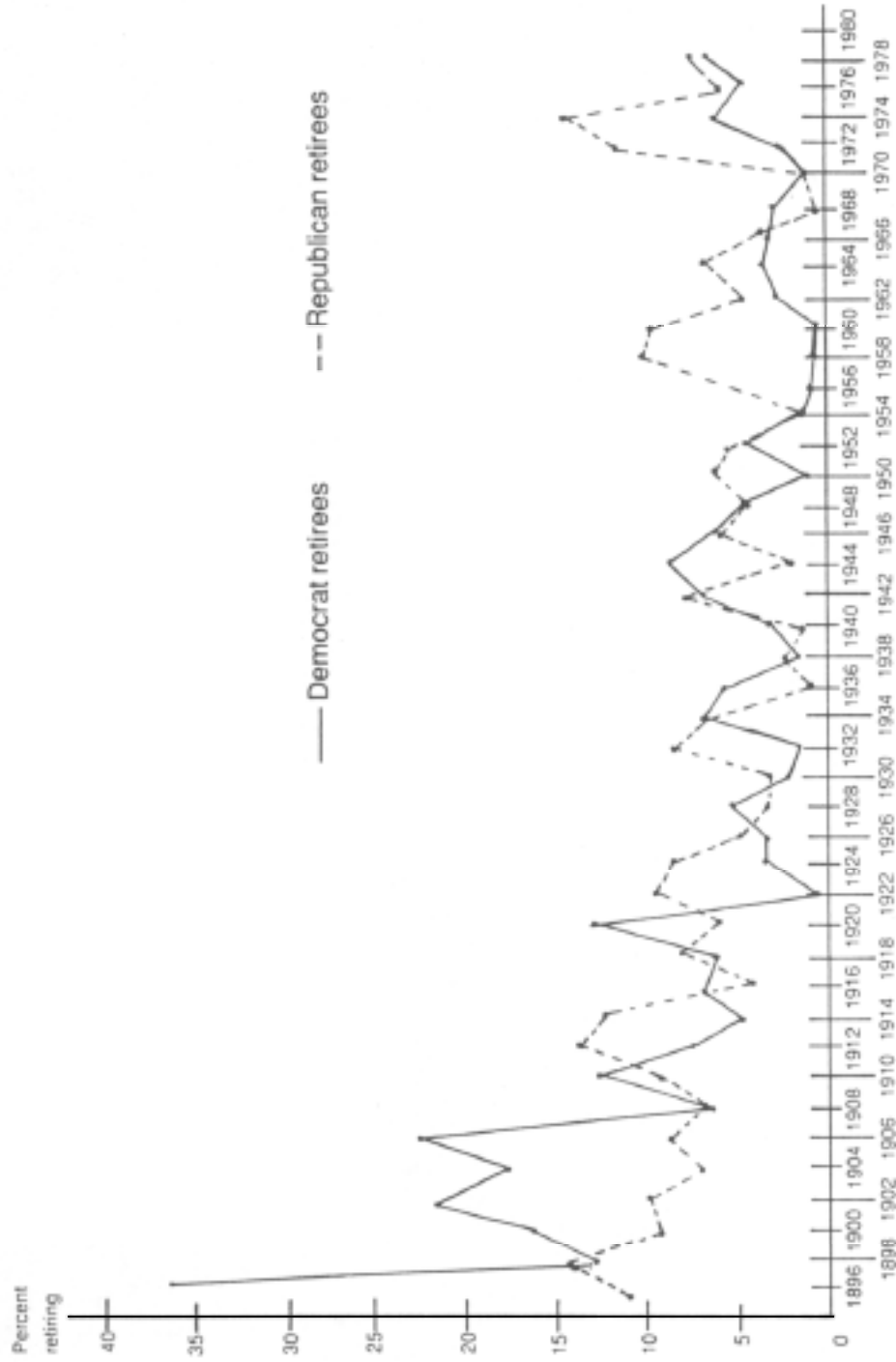
did not exceed **10** percentage points) there remain some conspicuous departures from the expected negative relationship. Since 1972 retirements have sharply increased within both parties. It is too early to tell whether this represents the transitory, and predicted, effect of expanded retirement benefits enacted in 1969 or some new secular trend. Whatever its nature, the recent rise in retirements runs counter to the twentieth-century pattern and therefore the years since 1970 will be eliminated from this analysis.

The second conspicuous outlier is the 1942 election which also displays more than normal retirements for both parties. The United States entry into World War II in December 1941 was well timed to shape the career choices of congressmen. Some resigned early in the election year to accept military commissions-although one enlisted as a private-while others may have moved to government war agencies. The 1942 midterm congressional election has elsewhere been found to have been atypical in the relationship between the economy and the vote and, given its special circumstances, this observation has generally been omitted from time-series analyses of congressional elections.[8] We shall follow this practice.[9]

Removing the secular growth of careerism by examining change scores and omitting two brief periods which exhibit unusual increases in retirement within both parties, we find that Republican and Democratic retirements do move in opposite directions. The −.43 correlation (significant at .01) of the partisan retirement ratio indicates a pronounced systematic component in behavior which heretofore has been viewed as idiosyncratic. As noted earlier with other strategic behavior, the cumulative partisan responses to the political environment impose a structure on the vote choices of the electorate. The elections of 1912, 1932, and 1958 are classic cases where everyone sensed in early spring that the president's party (in these cases the Republican party) was in deep trouble for the fall congressional elections. As a result Republican retirements went up by 5, 5.5, and 3.5 percentage points respectively, while Democratic

retirements declined by 5, 1.2, and 3 points. Not surprisingly, the Democrats made substantial gains in each election.

The healthy negative correlation between partisan retirements indicates that they are at least marginally strategic. At the same time, the low overall rates of retirement even during adverse periods suggest that the reelection goals of most incumbents are not much affected by short-term forces. Their correlations with economic conditions in table 5.1, for example, exhibit the correct signs but are weak and statistically insignificant. From evidence to be presented in the next chapter, we suspect that, were data on economic conditions for the spring quarter—when retirement decisions are being made-available to replace these yearly averages, the relationships would be stronger. This notwithstanding, the truly idiosyncratic character of many retirements, the resistance of incumbent career plans to short-term political conditions, and the presence of noneconomic partisan forces which also contribute to strategic behavior make these weak relationships neither too surprising nor disappointing.

The low retirement rates also caution us against expecting strategic retirements to play a major role in election outcomes. Even in 1932 only 19 districts were affected by Republican retirements. It is rather surprising, therefore, to discover in table 5.1 that cumulative partisan retirements, whether measured as differences in the change-scores or as a ratio of the overall rates, are significantly correlated with the national congressional vote.[10] We are, of course, explaining change in the vote at the margin; during this period the Republican share of the two-party vote ranged from 41 to 62 percent and no election produced more than an 11 percentage-point shift from the preceding election.

In addition, two other underlying relationships may be contributing to these bivariate correlations. Since strategic retirement decisions respond to the same electoral forces that shape other strategic responses, the retirement rates may be serving as surrogate variables summarizing the effect of other

TABLE 5.1 Correlations of Partisan House Retirements with
the Election-Year Economy and Election Results

	Difference in A Scores ($\Delta\%D - \Delta\%R$)	Retirement Ratio ($\%D/\%R$)
Economy		
Unemployment	$-.07$	$-.08$
Inflation	$-.14$	$-.22$
Election		
Vote	—	.20
ΔVote	.36	—
Defeat Ratio ($\%D / \%R$)	—	.12
Difference in defeats ($\Delta\%D - A\%R$)	.12	—

Note: The economic variables are the same as those used by Stigler, with the values multiplied by -1 during Republican administrations. Inflation is the percent change in consumer prices since the last election. The ratio indices for retirement (and defeat) are the percent Democratic retired [or defeated] over the percent Republican,

elite decisions with which they are correlated. Moreover, the causal flow may be partially reversed. The actual vote and the percent of party colleagues defeated are themselves surrogate indicators of the "expected" vote during the spring upon which strategic retirements are based. Each of these explanations is consistent with our theory. Although with these data it is impossible to sort out precisely their relative merits as explanations of the correlations, an alternative procedure is available to estimate the direct effect of retirements on the national congressional vote and at the same time to begin to test the mediating effects of political strategies on the macrorelationships between the economy and congressional elections.

One of the best predictors of the national congressional vote is the vote from the preceding election. This autoregressive feature of congressional elections has been well-documented although surprisingly few aggregate-level studies have incor-

porated it into their analysis.[11] We suspect that, given political scientists' prior emphasis upon the social psychology of the vote choice rather than its structural determinants, the first explanation offered for its autoregressive behavior would be the glacially changing nature of party identification within the electorate. The results at election T should closely resemble those at T-l simply because voters have not altered their partisan loyalties much during the two-year interval. But considering the importance of individual candidates in congressional elections-and the ubiquitous effects of incumbency-the candidates themselves provide a dimension of stability from election to election that operates independently of the electorate's partisan disposition.[12] And this dimension is subject to strategic political behavior.

A notorious fact of political life, looming large in this as in every study of congressional contests, is that incumbents make the best candidates. They not only control substantial institutional resources unavailable to challengers, but they are proven vote-getters even before their incumbency. Stated at the aggregate level, a party should enjoy an advantage [or suffer a disadvantage) in direct proportion to its number of congressional incumbents seeking reelection. Electoral victories are subsequently preserved through the incumbency effect, which thus generates an autoregressive relationship. Strategic retirements reflecting short-term partisan conditions alter the structural advantages for a party and accordingly, in the fall, its national vote.

With the relationships provided in table 5.2 we can begin to examine the effects of incumbency and retirement on national congressional election outcomes. Equation 5.1 presents typical estimates of the relationship between the economic variables-unemployment and inflation-and the national congressional vote. Both of the economic indices have a statistically significant impact on the vote and their joint explanatory power argues strongly that congressional elections during the twentieth century have largely turned on the state of the economy. Equation 5.2 incorporates the "autoregressive" vari-

TABLE 5.2. Alternative Models of Congressional Elections

	Regression Coefficient	t Ratio	Beta[a]
Dependent Variable			
National Republican			
Congressional vote (N = 29)			
Independent Variables			
Equation 5.1 (economic voting)			
Republican president	1.84	1.96	.34
Inflation	-28.46	-3.25	-.56
Unemployment	-6.36	-2.79	-.44
Constant	49.34		
Adjusted R^2 = .33			
Equation 5.2 (strategic politicians)			
Republican president	-.66	-.63	-.12
Inflation	-10.00	-1.06	-.20
Unemployment	-8.09	-3.94	-.55
Average vote	.63	2.17	.33
Republican incumbents—			.54
Democratic Incumbents	.04	4.00	
Constant	16.56		
Adjusted R^2 = .55			

Standardized regression coefficient.

ables: the average congressional vote in the preceding eight elections and the difference in the number of incumbents representing the parties in the election.[13]

As expected, the coefficients for both the partisan and the structural variables are statistically significant; their inclusion in the equation improves its overall explanatory power substantially. The betas (standardized regression coefficients] indicate that the incumbency differences between the parties have had a greater effect on the national election results than has the distribution of the previous vote.[14]

One reason why this might be so is that through strategic retirements the incumbency differences fluctuate marginally in response to short-term political conditions. Note that the presence of this variable (along with the normal vote estimate) significantly reduces the relationship between inflation and the congressional vote. Containing a structural, autoregressive component, yet sensitive at the margin to short-term forces, the

distribution of incumbent candidates becomes a powerful predictor of aggregate election outcomes. We recognize, of course, that the distribution of incumbents is also connected to the underlying partisan disposition of the voters, so the effects of the two autoregressive variables are less separable in theory than these heuristic estimates might suggest. Still, the direct effects of party differences in the number of incumbents seeking reelection are sufficiently striking to stand as solid evidence for an important autoregressive incumbency component. The regression coefficient indicates that a difference of 27 incumbents is worth 1 percent of the vote; this is about the maximum share of the vote explained in any year by differential retirement.

In summary, aggregate retirement rates during this century display a pattern entirely consistent with the idea that voluntary congressional departures are, to an important degree, strategic. Democratic and Republican retirement trends are inversely correlated, and their differences are correctly related to both the election-year economy and the election results. The statistical relationships are admittedly weak, but, given the nature of congressional retirement decisions, this must be expected. Our structural model suggests that the sheer number of incumbents a party has seeking reelection (and therefore making decisions to run again or retire) has a significant effect on aggregate election outcomes. It also begins to test our theory of strategic politicians against the familiar macroeconomic theories of congressional elections.