Study finds the cost of partisanship among federal workers

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When Donald Trump became president in 2017, federal employees who lean Democratic found themselves working for an administration they didn't agree with. The same thing happened eight years earlier to Republican bureaucrats when Barack Obama took office.

Most civil servants carry on no matter who occupies the Oval Office, but this inevitable political mismatch does take a toll on productivity: A new study has found that cost overruns in federal contracts increase by about 8% when the worker overseeing them is misaligned with the president's party.

"We do see evidence for reduced performance due to not being aligned with your leader," Xu said. "Some people might be quick to think there is some sort of 'deep state' slowing things down, but we see the same thing from the Republican side as the Democrat side. Based on our evidence, it looks like misaligned civil servants just become less motivated overall."

First look at ideology among civil servants

The study, published as a National Bureau of Economic Research working paper, is filled with insights on the federal bureaucracy. From Office of Personnel Management records that included the names, ages, education, occupation, job location, and pay for nearly 3 million federal employees from 1997 to 2019, the researchers were able to match 1.26 million people with their voter registration records. That gave them detailed information on about 45% of federal workers over four presidential administrations: Bill Clinton, George W. Bush, Obama, and Trump.

"This allowed us to look inside the black box of who works for the federal government," said Xu.

It was no surprise that at the highest levels of government, presidents use their discretionary appointments to align the bureaucracy with the mission of the White House. The analysis found that under a Democratic president, the chances that an appointee is a fellow Democrat increase by over 150%; Republican presidents' chances of appointing Republican increase over 500% relative to a Democrat.

However, political appointees make up just 0.23% of the federal workforce. For the vast majority of civil servants, the researchers found no apparent partisan cycles. About 2% to 6% of employees leave each year, with no increases around the end of a presidents' term, and no significant differences between workers from the major parties. (An
exception was the Environmental Protection Agency (EPA) after Trump was elected, when departures tripled. Interestingly, it wasn't just Democrats who were quitting—about the same number of Republicans left during the transition).

**Insulated from political cycles**

Xu, who has extensively studied the civil service in India and found much more political churn at all levels, says it's notable that the roughly 2 million federal employees in the U.S. are largely insulated from political cycles.

"We don't see a mass exodus from the government of people who aren't aligned with the mission of the president," he said. "In that aspect, this is exactly the classic idea of what constitutes a well-functioning bureaucracy, where you have career civil servants, continuity and political insulation, so that these experts are given the space to focus on implementing things."

It was also no surprise that the researchers confirmed that Democrats outnumber Republicans or Independents in the federal workforce, as has long been public perception. Democrats made up about half of the workforce during the 1997-2019 data period (compared with about 41% of the U.S. population). Meanwhile, registered Republicans dropped from 32% to 26% during the period, with an increase in Independents making up the difference. The most heavily Democratic departments are the EPA, Department of Education, and the State Department, where about 70% of employees are registered to the party, while the most conservative departments are Agriculture and Transportation.

**Dems have more education, more seniority**

The analysis also found that Democrats even more heavily represented in the ranks of upper management jobs, topping out at 63% of senior executives, the level just below presidential appointees. However, this discrepancy is driven largely by the fact that Democrats tend to enter the civil service with higher rates of college and graduate degrees, and tend to stay in government careers longer, relative to Republicans. Even in comparable jobs at the same pay level, Democrats have higher education on average than Republicans.

"These facts are at least suggestive of a higher proclivity for public service among Democrats," the researchers wrote.

**Misalignment and contract overruns**

Because federal bureaucrats are largely insulated from political turnover, it's difficult to measure how partisanship affects their work. Xu and his colleagues looked for workers who had comparable performance measures and outcomes, and found them among procurement officers, who select and monitor federal contracts for services, construction projects, and more. These contracts amount to over 9% of the federal budget.

The researchers were able to match the party affiliation for 7,200 officers who administered over 700,000 contracts across 132 departments and agencies during the period. Comparing among similar contracts, they found an 8% increase in cost overruns among contractors who were registered as Democrats under a Republican president, and vice versa. That was true even when they compared procurement officers within the same department in the same year.

"We didn't see any change in how people were choosing contractors or the types of contracts, so the decline in performance occurred while they were overseeing the contract," he said. "These overruns really do seem to be due to a decline in morale, which we corroborate through data from employee surveys."

In addition to offering the first detailed look at political ideology in the federal workforce, the paper underscores the potential costs of mission misalignment in any organization. "Given that mission-driven organizations are also on the rise in the private sector, misalignment can have a significant impact," Xu said.
