



Press Release

Ballot Initiatives and Economic Performance

PAULINA ENCK | AUGUST 3, 2021

Nearly every state in recent years has put forward a referendum allowing voters to directly decide important economic issues, but this practice is likely costing these states both jobs and economic growth, a new AAF analysis finds. These direct-to-voter efforts are associated with state-level policy uncertainty, find AAF's Douglas Holtz-Eakin, Dan Bosch, Dan Goldbeck, and Tom Lee. They then quantify the potential impact of these ballot initiatives in terms of gross state product, employment, and income for each state.

Their findings include that one additional ballot initiative could cost California more than 2,200 jobs, as the sample table below shows.

Impact of Adding One More Ballot Initiative

State	Gross State Product (in thousands of \$)	Employment	Income (in thousands of \$)
California	-342	-2,256	-238
Florida	-122	-1,179	-102
New York	-186	-1,180	-124
Texas	-199	-1,653	-136
Virginia	-61	-496	-45

They conclude:

This analysis does not necessarily mean that all ballot initiatives are harmful, once impacts on productivity and growth are weighed against other potential societal benefits. As with all policy options, decisions about ballot initiatives involve tradeoffs. This analysis suggests, however, that states may have an economic interest in limiting the number and frequency of such initiatives—especially those dealing with taxation, employment, budgets, and similar policy categories most likely to impact overall economic performance.

[Read the analysis](#)