

# Raise Congressional Pay — and Tax the Rich

“Young investors have a new strategy,” National Public Radio’s Tim Mak reported on September 21: “Watching financial disclosures of sitting members of Congress for stock tips.”

Under the Stock Act, members of Congress must disclose their own stock trades, and those of their spouses, within 45 days. One member of a TikTok investor community refers to US House Speaker Nancy Pelosi (D-CA) as the “queen of investing” due to lucrative trades made by her husband.

The obvious implication is that members of Congress often engage in “insider trading,” using information they receive pursuant to their duties, or information concerning the likely effects of upcoming legislation, to buy and sell (or have family members buy and sell) profitably and mostly with impunity (there’s an occasional ethics investigation, but seldom serious punitive action).

No wonder Congress is one of the wealthier groups in America. A majority of its members are millionaires, and their median net worth exceeds \$1 million. And many of them seem to rack up a lot more wealth while actually serving in Congress (as opposed to before running for office) than the \$174,000 base salary would account for.

There’s a way to fix that. Don’t hold your breath awaiting its adoption — the very members of Congress who benefit from insider trading would have to pass rules implementing it — but it’s still worth suggesting.

First, preemptively raise congressional pay: In addition to the base salary, generous allowances for dependent spouses and children (let’s say \$50,000 per dependent). Not that \$174,000 per year isn’t sufficient to support a family of four, but let’s head off any complaints about that.

Second, require members of Congress to put their FAMILY wealth into “blind trusts” so that they don’t know how the money is invested. Of course, congressional spouses aren’t automatically bound by congressional rules, but members could be given the option of convincing their spouses, or resigning, or being sanctioned by losing committee seats, being barred from leadership, or even being expelled.

Third, tax those blind trusts at a rate of 100% for all gains above and beyond the inflation rate. After all, the rich should pay “their fair share.”

Finally, forbid moonlighting. Congress is supposedly a full-time job. US Senators Ted Cruz (R-TX) and Elizabeth Warren (D-MA) should have to choose between serving in Congress

and knocking down book advances larger than their salaries, as both did in 2020.

Would these measures eliminate corruption in Congress? Not even close. Among other tricks, they'd still be able to sell their influence in return for cushy think tank positions or "private sector" lobbying jobs once they leave office.

But it would be a start. The goal here is for no one to leave Congress wealthier than he or she entered it.