



Policy Proposal: Ban Congressional Stock Trading

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Congresspeople of both parties should focus on improving the well-being of their constituents, the health of their communities, and the success of their country – today, too many focus on their personal portfolio performance. Our elected officials should have to choose: retire and day trade or remain and legislate.

What's the problem with Congressional stock trading?

Put simply: if elected officials can trade stocks, an incentive exists to prioritize personal financial well-being over public policymaking.

There are two interconnected issues at play here:

- Officials often have access to nonpublic information that is relevant to markets.
 - If that sounds like insider trading....
- Officials also have the power to shape policies in sectors where they have vested interests.

Does this actually ever happen?

Yes, a lot.

Between 2019 and 2021 >3,700 trades reported by lawmakers from both parties posed potential conflicts between their public responsibilities and private finances.

Over that same period, 97 senators or representatives reported trades by themselves or immediate family members in stocks or other financial assets that intersected with the work of committees on which they serve.

During times of national crisis - the COVID-19 pandemic, government shutdowns - there is a significant uptick in trading activity.

Are voters happy with the current situation?



No, not at all.

88% of Democrats, 87% of Republicans, and 81% of Independents favor banning stock trading in individual companies.

Didn't we already make this kind of thing illegal?

Unfortunately not.

The Securities Exchange Act of 1934 bans insider trading but does not apply to members of Congress.

Fast forward to 2012 and the STOCK Act was supposed to close that loophole. Except the penalty for violating the Act is \$200. And there's no enforcement. None. No member of Congress has ever been prosecuted for insider trading under the STOCK Act.

How do we fix this?

The simplest solution: fully ban stock trading by lawmakers, their spouses, and their dependents.

There is actually a bipartisan bill - the Restore Trust in Congress Act - that was introduced in the House in September 2025 that would do exactly that.

The Restore Trust in Congress Act has 131 cosponsors in the House - representatives that agree Congressional stock trading needs to end.

From the NY delegation alone, the bill is cosponsored by AOC, Josh Riley, Ritchie Torres, Jerry Nadler, John Mannion, Dan Goldman, Paul Tonko, George Latimer, Tom Suozzi, Nicholas Langworthy, Grace Meng, and Mike Lawler.

Rep. Clarke has failed to cosponsor this common sense, voter-first legislation.



Sources include:

- <https://campaignlegal.org/update/solving-the-congressional-stock-trading-problem>
- <https://campaignlegal.org/update/congressional-stock-trading-and-stock-act>
- <https://www.nytimes.com/interactive/2022/09/13/us/politics/congress-stock-trading-investigation.html>
- <https://www.brennancenter.org/our-work/research-reports/congressional-stock-trading-explained>