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COMMENTARY

Did Every Democrat in the Senate Really Vote Against a Ban on Insider Trading by Members of Congress? Yes and No.

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On Wednesday, September 30, 2026, the U.S. Senate voted on the "Stop Insider Trading Act." The official summary of the proposed legislation begins as follows: "This bill generally prohibits Members of Congress and their spouses and dependent children from purchasing stocks and requires public notice before these individuals may sell stocks."[1] There is overwhelming public support for such bans, not only among all registered voters (86%) but among Democrats (88%), Republicans (87%), and independents (81%).[2] With such strong support across the political spectrum for such a ban, who could possibly oppose it? All 47 Democrat U.S. Senators, that's who. The proposal required a two-thirds super majority (i.e., 60 votes in favor) to move along in the legislative process, and the Seante's vote tally on September 30th had all 53 Republican Senators voting "yes" and all 47 Democrat Senators voting "no."[3]

What were these 47 Democrats thinking by voting "no"? How can they justify their vote to their constituents? With such solid, non-partisan opposition to members of Congress being allowed to trade individual stocks, aren't the Democrats committing political suicide by voting "no" on the "Stop Insider Trading Act"? No, they're not. And very likely, they are voting their conscience and in-line with how their Democrat constituents would want. Reading the full text of the bill, it starts with some standard definitions of terms, moves on to stating restrictions on covered investments, and then discusses enforcement and specifies fines for violations.[4] While there could clearly be some disagreement on whether or not this part of the bill is too strong/weak or too specific/vague, it contains language that would probably garner near unanimous support from Senators from both parties.

So, again, why did all Democrats in the Senate vote "no"? The final section of the "Stop Insider Trading Act" specifies strict requirements for voters to provide photo ID to vote in Federal elections – which clearly has nothing to do whatsoever with insider trading by members of Congress. By tacking on the voter ID requirement (favored by a majority of Republicans but opposed by a majority of Democrats) to the end of the legislation, Republicans can guarantee one of two outcomes (both of which they likely find favorable), either: (1) Democrats vote "yes" and Republicans are able to pass the requirement for voter ID or (2) Democrats vote "no" and Republicans are able to paint Democrats as being opposed to banning insider trading by members of Congress.[5] This latter outcome is what occurred, and the media headlines where exactly what Republicans would want. For example, not only did the right-leaning Daily Signal announce, "47 Democrats Refuse to Vote to Ban Insider Trading," but the left-leaning Politico proclaimed, "Senate Democrats Block House-passed Bill Restricting Member Stock Trading."[6]

Such bundling of completely unrelated proposals in a single piece of legislation is nothing new – it's been done at least as far back as the mid-19th century.[7] It essentially allows for logrolling

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[1] See https://www.congress.gov/bill/119th-congress/house-bill/7008 for the full summary and text of the proposal.
[2] See https://publicconsultation.org/united-states/stock-trading-by-members-of-congress/.
[3] See https://www.whitehouse.gov/releases/2026/09/democrats-unanimously-vote-against-the-stop-insider-trading-act/.
[4] See https://www.congress.gov/bill/119th-congress/house-bill/7008/text.
[5] If we are being honest with ourselves, we need to recognize that both parties employ such tactics when they have the majority in Congress. For examples of Democrats pulling similar stunts see https://www.politico.com/story/2019/07/26/democrats-trump-poison-pills-ban-1617341 and https://nymag.com/intelligencer/2019/02/border-negotiations-snagged-over-ice-detention-policies.html.
[6] See https://www.dailysignal.com/2026/09/30/senate-democrats-block-stop-insider-trading-act/ and https://www.politico.com/live-updates/2026/09/30/congress/senate-stock-trading-vote-01099912.
[7] Many identify the Compromise of 1850 as the first significant bundling of unrelated proposals into a single of legislation in the U.S. – see https://en.wikipedia.org/wiki/Compromise_of_1850.

or vote trading among different voters or representatives. It often gets a bad rap from the public since it: creates the appearance of politicians negotiating shady deals and laws being made without transparency; can result in self-serving, pork barrel projects (which would not get majority support on their own) getting enacted; or can result in worthwhile projects or initiatives (such as a ban on insider stock trading by members of Congress) being sabotaged and failing to get enacted.[8] Afterall, wouldn't it be more open and honest if we banned the bundling of unrelated proposals into a single bill and instead had straight up-or-down votes on each issue/proposal separately? This seems like a process that can't be manipulated – each proposal would live or die on its own merit. While it is possible that such a ban on proposal bundling could prevent some undesirable outcomes and political stunts, it could also prevent genuine compromise.

Up-or-down voting on separate issues with majority rule is a very blunt instrument. It simply allows a voter (or representative) to express support or opposition without in any way being able to express intensity of preference. But clearly, in practice, intensity of approval or opposition is important. When considering multiple potential proposals, an individual might very well be willing to accept going along with something that they mildly oppose if it means being able to get something which they intensely favor. We have a word for when this is voluntarily done by parties on both sides of a negotiation: compromise. And such compromises – which can be facilitated by vote trading by way of proposal bundling – can possibly lead to better outcomes for society.

This claim is perhaps best illustrated by a simple example, which I leave intentionally abstract. Suppose there is a society with a seven-member representative legislative body (or simply a direct democracy with seven individual people), conveniently labeled A, B, C, D, E, F, and G. They are considering two proposals: Proposal 1 and Proposal 2. Assume that the desirability of each proposal to the constituents of each representative (or to each person in a direct democracy) can be measured in dollars. Assume decisions are made through a process of voting, with votes being cast on either individual proposals or packages/bundles of proposals.

Consider the values in Table 1 below. A voter favors a proposal relative to the status quo if and only if his value for the proposal is positive.[9] That is, the sign of the value reveals if the voter favors or opposes the proposal. But the magnitude of the value reveals intensity of preference. Looking at the values for A, we see that A: favors Proposal 1 ($115 is positive) and opposes Proposal 2 (– $90 is negative). However, A's support for Proposal 1 is more intense than A's opposition to Proposal 2 (i.e., positive $115 is larger than negative $90 in absolute terms), so that A prefers "both Proposal 1 and Proposal 2" to "neither proposal."

Table 1 – Example to Illustrate Benefits of Proposal Bundling

	A	B	C	D	E	F	G
Proposal 1	$115	$85	$65	– $20	– $40	– $60	– $80
Proposal 2	– $90	– $70	– $50	– $30	– $10	$135	$145

Let's think about outcomes of voting on these two proposals and assume that a proposal gets enacted if and only if a simple majority votes in favor of it. If there were a vote on Proposal 1 by itself, there would be three votes in favor (from A, B, and C) and four votes against (from D,

[8] See the following clip from *The Simpsons*: https://www.youtube.com/watch?v=Xop8QLIJCpY.
[9] Cells with positive values have been shaded in light green in all tables.

E, F, and G), so that Proposal 1 gets defeated. Proposal 2 would also fail to garner majority support with only three votes in favor (from E, F, and G) and four votes against (from A, B, C, and D).

However, if the two Proposals are voted on as a package, the package will get majority support: five votes in favor (from A, B, C, F, and G) and only two votes against (D and E). This bundling of the packages functions as a commitment to vote trading between the "coalition of A/B/C" and the "coalition of F/G." A/B/C essentially agree to vote in favor of Proposal 2 (which, by itself, is against their interests) in exchange for getting F/G to vote in favor of Proposal 1 (which, by itself is against the interests of F/G). A, B, and C are each willing to make this trade, since their intensity for wanting Proposal 1 is greater than their opposition to Proposal 2. Likewise, F and G are each willing to make the trade, since their desire to get Proposal 2 is greater than their desire to block Proposal 1. The vote trading inherent in the bundling of the proposals into a single package allowed the individual members of the two coalitions to express their intensity of preference.

Again, this is an example of true compromise. From the perspective of each voter involved in this vote trading scheme (i.e., A, B, C, F, and G), they are willing to accept a proposal that they oppose in order to get a different proposal that they desire to a greater degree. Just like most voluntary market transactions, the vote trading is a "win-win" for those involved in the trade!

Moreover, in this example, both Proposal 1 and Proposal 2 are each a net gain for society as a whole. We can see this for each proposal by adding up all the values across the relevant column. The net social benefit for Proposal 1 is \$265 – \$200 = \$65 > \$0 and for Proposal 2 is \$280 – \$250 = \$30 > \$0. Thus, the bunding of the two proposals together allowed for a better outcome for society as a whole, in that it increased social welfare.

But what about voters D and E? Aren't each of them made worse off by allowing vote trading than they would be if vote trading were not allowed? Recall, without vote trading neither proposal gets enacted, giving all voters a net surplus of \$0. With vote trading both get enacted, giving both D and E an individual net surplus of –\$50. Correct. But this observation should not make you dislike vote trading or bundling of proposals – if it makes you dislike anything, it should make you dislike majority rule. I agree, there are many good ethical or moral arguments against letting a majority impose its will on a minority.

If we instead insist on unanimous consent for a package of proposals to be enacted, the parties involved would have to craft some third proposal that benefits D and E to make them voluntarily "go along" with the big, beautiful bundle of proposals. As an example, consider the values in Table 2 below. No proposal gets majority support by itself. Any pair of two proposals will get majority support but is opposed by some (e.g., a bundle of Proposal 2 and Proposal 3 would get support from D, E, F, and G but is opposed by A, B, and C). However, a bundle of all three proposals together is preferred by all to the status quo – that is, a bundle of all three proposals together gets unanimous support.

Table 2 – Example with Unanimous Consent

	A	B	C	D	E	F	G
Proposal 1	\$115	\$85	\$65	– \$20	– \$40	– \$60	– \$80
Proposal 2	– \$90	– \$70	– \$50	– \$30	– \$10	\$135	\$145
Proposal 3	– \$20	– \$10	– \$10	\$55	\$55	– \$20	– \$20

Hopefully at this point you can see the benefits of logrolling/vote trading, which in practice is often done through bundling proposals together. But will vote trading *always* lead to better

outcomes? No! But the point of this write-up is to illustrate that something that sounds nefarious and corrupt can possibly be beneficial and good (the point is *not* that it is always beneficial and good).

Bundling proposals together can easily lead to an inefficient oversupply of government action. Consider the values in Table 3.

Table 3 – Socially Undesirable Proposal Bundling

	A	B	C	D	E	F	G
Proposal 1	$115	$85	– $50	– $20	– $40	– $60	– $80
Proposal 2	– $90	– $70	– $50	– $30	– $10	$85	$115

In this case neither proposal will get majority support. However, a bundle of the two proposals together will be supported by a majority consisting of A, B, F, and G. This bundle would get approved even though the net social surplus of each individual proposal is –$50.

As a final example, let's illustrate "bundling as a political stunt to get your opponents to vote against a universally popular issue." Consider the values in Table 4.

Table 4 – Disingenuous Proposal Bundling

	A	B	C	D	E	F	G
Proposal 1	$5	$15	$5	$15	$5	$15	$5
Proposal 2	– $800	– $800	– $800	$600	$600	$600	$600

Given the numbers in this example, Proposal 1 has universal support, but the intensity of preference by everyone is very weak. In contrast, Proposal 2 is supported by some (those on the right of the table) and opposed by others (those on the left), but everyone cares intensely about it.

Suppose the procedural rules of the voting body are such that a 60%+ supermajority is needed to consider and ultimately pass legislation. If D/E/F/G are all members of the party that is setting the legislative agenda, they have a few options available. They could have separate votes on the two proposals. Proposal 1 will get passed but Proposal 2 will get defeated (recall, we need a 60%+ supermajority for passage, which requires five votes in favor). This outcome would be a mild win for everyone, but only a mild win.

Proposal 2 by itself will not get passed (again, we're assuming a 60%+ supermajority is required), and a bundle of Proposal 1 and Proposal 2 together will also not get passed. But, by bundling the two together, there is the potential for "scoring partisan political points." D/E/F/G set the agenda and force a vote on the bundle of Proposal 1 and Proposal 2 together. A/B/C vote "no" (since the magnitude of their opposition to Proposal 2 is greater than their desire for Proposal 1), and D/E/F/G can paint A/B/C as corrupt radicals that voted against universally popular Proposal 1. The campaign ads will write themselves![10]

So, what are the takeaways from this discussion? First, while vote trading – which is often done in practice by bunding together seemingly unrelated proposals – might at first seem like a shady tactic used by corrupt politicians, it can actually be an important tool which allows for an expression of intensity of preference and facilitates true compromise. No, it does not *always* do

[10] This is a better outcome for D, E, F, and G if their political gain of painting A/B/C in a negative light is greater than their gain from getting Proposal 1 enacted by itself.

this, but it can. Therefore, if we completely ban or outlaw it, we are taking away an important, useful tool in the legislative process.

But if we leave this tool in the toolbox, we as constituents need to be mindful, aware, and attentive regarding how this tool is being used by our representatives. Did every Democrat in the Senate vote against a ban on insider trading by members of Congress?

- Yes. The "Stop Insider Trading Act" would place severe restrictions on and impose stiff penalties for insider trading by members of Congress and their immediate families, and all 47 Democrats in the Senate voted against the legislation.
- No. The 47 Democrats who voted against the legislation were not really voting against a ban on insider trading by members of Congress. Rather, they were opposing strict requirements for voters to provide photo ID to vote in Federal elections, even when bundled with a ban on insider trading by members of Congress.

Hopefully we citizens can be honest and nuanced in our assessment of the political process and ultimately recognize that both of these answers can be true at the same time.