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# The Wealth of U.S. Members of Congress: Laying the Foundation

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I came across a video stating that one Congresswoman’s total net worth ballooned from a mere \$300,000 to \$40 million in just four years. I thought politicians made a humble amount of money until I dug deeper into how U.S. politicians become mysteriously filthy rich after working as U.S. officials. Why is this? That question has driven me to do the legwork and uncover surprising truths.

Most senators and representatives make a baseline salary of around \$174,000 — a footnote for more than half of Congress that are millionaires (Shanley, 2023). However, according to Evers-Hillstrom, “The wealthiest 15 members together had an estimated net worth of at least \$1.3 billion, accounting for half of Congress’ total estimated wealth” (2020).

The origins of Congressional wealth become an interesting subject when we consider the 1978 Ethics in Government Act (EIGA), which states that members may not have outside earned income greater than 15% of their congressional salary. However, “unearned” income, including taxable interest, stock dividends, and capital gains, is not subject to the EIGA (Shanley, 2023). So, what accounts for all of this wealth?

## Where the money lies

Every member of Congress must submit a detailed report revealing their financial investments each year. These reports are intended to provide transparency by offering a glimpse into the wealth and assets of each member, occasionally revealing conflicts of interest or breaches of federal regulations (Hall & Wang, 2021). Most members of Congress tend to have more sophisticated finances than the average American, possibly due to the fact that they have more diverse pasts before coming to Congress as well as having more transfer of knowledge between peers and family members.

For instance, the wealthiest member of Congress, Senator Rick Scott, a Republican from Florida, has a total net worth of \$200,327,223 due to his extensive holdings in stocks, bonds, LLCs, private-equity funds, gold trusts, and treasury notes, as well as being the cofounder of two healthcare companies: Columbia Hospital Corporation (now HCA Healthcare) and Solaradic. He also worked as a venture capitalist, investing in several technology and healthcare companies (Hall & Wang, 2021). Scott dethroned Sen. Mark Warner (D-Va.) for the top spot after he won the election in 2018, despite injecting nearly \$64 million of his own money into his campaign (Evers-Hillstrom, 2020).

That aside, it is worth mentioning that the net worths of many of the wealthiest members of Congress are primarily supported by their spouses, including Representative Michael McCaul, Senator (((Dianne Feinstein))), and Senator Mitt Romney.

Republican Congressman McCaul of Texas, ranked as the second wealthiest in Congress with a net worth of \$125,880,292, derived predominantly from his wife Linda, heiress of the media powerhouse company iHeartRadio. McCaul is often cited as one of the wealthiest members of Congress, yet none of the assets or holdings listed in his extensive 65-page financial disclosure belong solely to him; instead, they are owned by his wife or dependent children. Before his tenure in Congress, McCaul held the position of Chief of Counter Terrorism and National Security in the Western District of Texas.

Similarly, Senator (((Dianne Feinstein))), a Democrat from California, is ranked the 5th most wealthy member of Congress with an estimated net worth of \$96,518,036. As indicated in her financial disclosures, most of (((Feinstein)))’s wealth is attributed to her spouse, Richard Blum. Blum serves as an investor and holds positions as president and chairman of Blum Capital, a private equity firm. (((Feinstein))) disclosed a deposit account with over \$1 million, while a significant portion of her assets, totaling at least \$2.5 million, was maintained within a blind trust. In 2021, (((Feinstein))) was among the 48 members of Congress identified as having violated the STOCK Act by using nonpublic information for their personal benefit.

Senator Mitt Romney of Utah, worth \$85,269,083, earned his riches from his achievements at Bain Capital, a private equity investment company where he ascended to the position of CEO. Ann Romney, his wife, also holds a substantial portfolio, with millions invested in private equity and hedge funds (Hall & Wang, 2021).

## Notable surges in wealth

It isn’t just a handful of Congress members that have seen an astronomical jump in wealth. Almost all members have seen some financial acceleration during their tenure.

House Speaker Nancy Pelosi (D-Calif.) has experienced a substantial increase in wealth since 2004, with her net worth soaring from a bountiful \$41 million to nearly \$115 million. Similarly, Senate Majority Leader Mitch McConnell (R-Ky.) has seen his net worth climb from \$3 million to over \$34 million during the same period, mainly due to the financial success of his spouse. Rep. Paul Mitchell (R-Mich.) witnessed the most significant surge in wealth between 2017 and 2018, with his average net worth skyrocketing from \$101 million to nearly \$180 million.

Several long-serving members of Congress also experienced remarkable wealth growth in 2018. Rep. Collin Peterson (D-Minn.), who was worth an estimated \$123,500 in 2008, now boasts average net assets of \$4.2 million. Similarly, Rep. Judy Chu (D-Calif.) has seen her estimated net worth rise from less than six figures in 2008 to \$7.1 million a decade later. Sen. Roy Blunt (R-Mo.) has also significantly increased his wealth from \$602,000 to \$10.7 million over the past ten years (Evers-Hillstrom, 2020). What are the key drivers contributing to the increase in wealth among Congressmembers in recent years?

## Primary factors attributing to wealth escalation

Many of the wealthiest members of Congress possess diverse asset portfolios that significantly contribute to their wealth. Some benefit substantially from their spouses, while others, like Republican Darrell Issa, are entirely self-made.

Issa, whose fortune stems from his Viper car alarm business, consistently ranked as the wealthiest member of Congress for an entire decade, boasting a net worth of at least \$460 million in 2023.

Before beginning his political career in 2009, Senator Mark Warner enjoyed a prosperous 20-year stint in the business and technology sectors as an investor, funding numerous tech startups, including Columbia Capital, a telecommunications company that eventually evolved into Nextel. Now, Warner holds a net worth of \$215 million.

Several individuals are self-made, a common path among the 50 wealthiest members of Congress. Nearly three-fifths of these individuals, comprising 22 Republicans and 7 Democrats, have amassed their wealth through their business acumen, spanning diverse industries such as software development, banking, telecommunications, health care, insurance, real estate, litigation, plastics, and car dealerships (Hawkins, 2018).

Only nine legislators attribute their wealth to inheritance, marking a decrease from a dozen years prior. This reduction is not due to a departure of trust fund beneficiaries from Congress but rather because the wealth of new money entrepreneurs now surpasses that of the old money. Recently, the most prominent addition to the list of trust fund congress members is Representative Joseph P. Kennedy III of Massachusetts, whose family inheritances facilitated his selection to deliver the Democratic response to the State of the Union address in January (Hawkins, 2018).

In examining the wealth of U.S. Members of Congress, it becomes evident that significant disparities exist between their official salaries and their accumulated assets. While congressional positions offer a respectable income, the exponential growth in wealth among many legislators raises ethical questions about the sources and implications of their financial prosperity.

The patterns of wealth accumulation among Congress members reveal a diverse array of pathways, from self-made entrepreneurs to inheritors of family fortunes. Understanding these historical trends and comparing them to present-day circumstances is crucial in assessing the evolving landscape of congressional wealth and its implications for democratic governance.

As we delve deeper into this issue, further questions emerge about the ethical considerations surrounding congress members’ financial interests and potential conflicts of interest in policy making. How can transparency measures be strengthened to ensure accountability and prevent undue influence? What reforms are needed to address the widening gap between congressional salaries and the wealth of elected officials? By confronting these questions head-on, we can strive toward a more equitable and transparent political system that upholds public trust.

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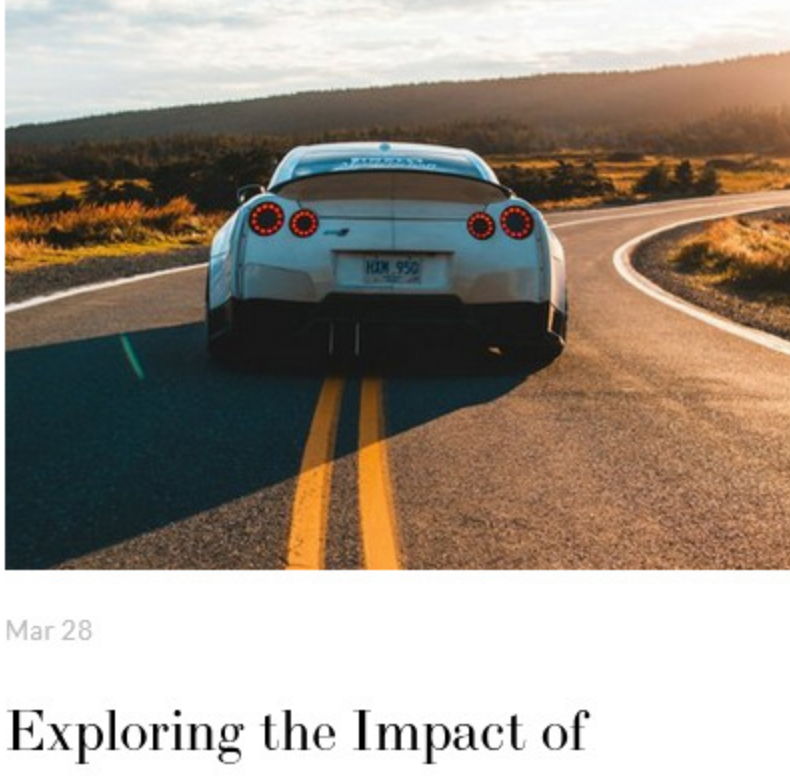
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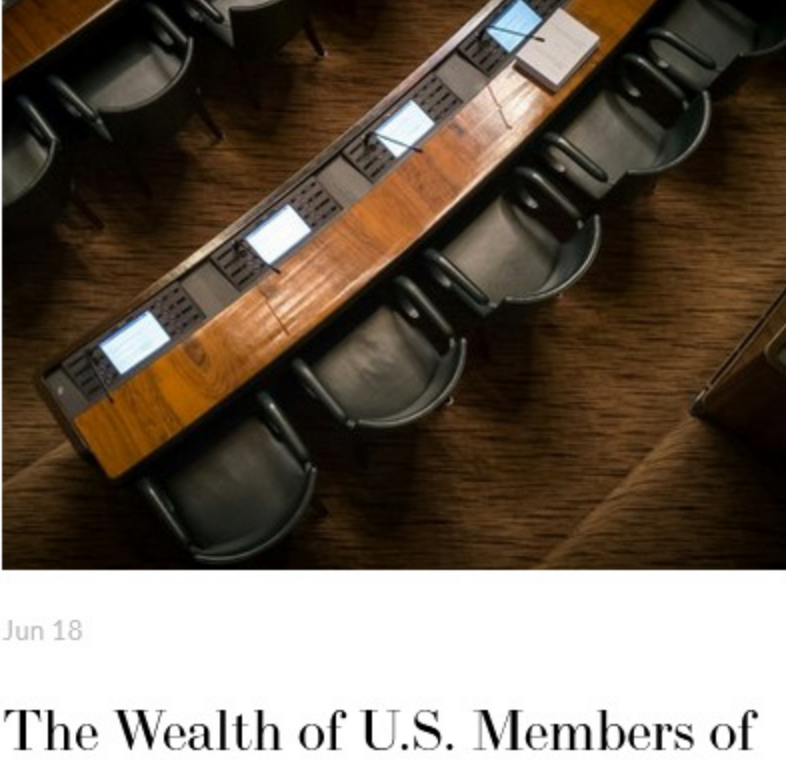
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