



Eliminate teacher taxes? Blackstone CEO wants to make profession 'tax-exempt'

Brittany De Lea

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While some **2020** Democrats are focused on directly raising teacher's wages, another prominent U.S. **businessman** – who has President Trump's ear – has another plan to boost salaries in the education sector.

Blackstone CEO Stephen Schwarzman proposed boosting teacher pay by eliminating taxes on employees in the profession during a podcast interview with **Recode's** Kara Swisher.

"I think we need to get teachers in a position where they can attract very high-quality people. One way to do that is to make teachers the only tax-exempt occupation in the United States," Schwarzman said. "That would give them a very large boost in income just the day you did it."

The CEO added that a secondary benefit of the proposal would be to add a sense of prestige back to the profession, in a bid to attract high-quality candidates.

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Schwarzman served as the chair of Trump's Strategic and Policy Forum before the group was dissolved. The president also reportedly **regularly speaks** with the Blackstone CEO.

But not everyone thinks the president should follow Schwarzman's lead on this plan.

Chris Edwards, director of tax policy studies at the Cato Institute and editor of **www.DownsizingGovernment.org**, called the proposal "idiotic."

"Public school teacher wages may be too low or too high depending on the state, but teachers typically receive fatter retirement benefits than workers in the private sector," Edwards told FOX Business. "Trying to micromanage the economy by exempting favored professions from federal tax would be a dangerous and very unfair direction for policy. If enacted, Schwarzman's plan would create a slippery slope—lobbyists for every profession would line up in Washington to get a tax exemption."

A spokesperson from the National Taxpayers Union told FOX Business that the group also opposes special tax-exempt carve-outs for certain groups.

“NTU is dedicated to making the tax code fairer and flatter for everyone, not giving special-interest groups favorable treatment,” the spokesperson said.

According to the **National Education Association**, the starting salary for teachers is about \$39,249 – and has not recovered to pre-recession levels. When adjusted for inflation, as of 2019 starting salaries have actually declined nearly 2 percent since 2017-2018.

Increasing teachers’ pay has been a priority for some 2020 Democrats. California Sen. Kamala Harris has proposed boosting teacher pay by \$13,500 on average. The plan also includes measures to close the teacher pay gap in every state. According to her office, the entire plan could cost \$315 billion over the course of a decade.

Independent Vermont Sen. Bernie Sanders has also proposed raising starting salaries for teachers to \$60,000.