# Understanding Tax Policy: How Do People Reason?*

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October 29, 2020

**Abstract**

I study how people understand, reason, and learn about tax policy. The goal is to uncover the mental models that people use to think about income and estate taxes. To that end, I run large-scale online surveys and experiments on representative U.S. samples to elicit not only respondents' factual knowledge about tax policy and the income or wealth distributions, but also their understanding of the mechanisms of tax policy and their reasoning about it. The detailed survey questions are designed to address the three main factors emphasized in our core tax model that can shape support for or opposition to taxes: efficiency effects, distributional implications, and fairness considerations. But they also elicit broader concerns that could influence policy views, such as misperceptions, views of government, perceived spillovers from taxes, and views on how tax revenues are or should be spent. I decompose policy views into the various underlying factors and find that support for tax policy is most strongly correlated with views on the benefits of redistribution and fairness, as well as with views of the government. Efficiency concerns play a more minor role. These correlational patterns are confirmed by the experimental approach, which shows people instructional videos that explain the workings and consequences of one of the aspects of tax policy (the "Redistribution" and the "Efficiency" treatments) or that bring the two together and focus on the trade-off (the "Economist" treatment). The Redistribution treatment and Economist treatments significantly increase support for more progressive taxes. I also find that there are partisan divergences not just in the final policy views, but also at every step of the reasoning about the underlying mechanisms of taxes, and most starkly on the fairness considerations.

**Keywords**: Redistribution, Survey, Perceptions, Taxation, Online Experiment, Fairness.

**JEL Codes**: D72, D91, H21, H23, H24, H41

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# 1 Introduction

People hold starkly different views on many policies, but the reason for these differing views is not always apparent. Conflicts may be based on the perceived economic effects of these policies, as individuals may disagree on which policy will be most effective at achieving a given goal. Alternatively, it could be that people assess the benefits and costs to them and those they care about in contrasting ways. Yet another reason may be divergent views on what is "fair" or "just."

Take the example of income taxes. Different views about the "right" level of taxes could come from the perceived behavioral or efficiency effects of it ("Will people stop working if taxes are higher?"), from the perceived distributional impacts ("Who benefits if taxes are cut?" or "What is the underlying income distribution?"), and from the fairness criteria people apply when weighting winners and losers ("How much more is a dollar of a transfer from a higher to a lower-income person worth?" or "How fair is it that children born in wealthy families inherit more?"). It could also come from the perceived trustworthiness and efficiency of government ("Will the government waste a lot of the tax revenue?") or how tax revenue will be spent ("Will revenues finance investments in infrastructure or defense, or rather an expansion of transfers to low-income households?"). Support for reforms can also be shaped by perceptions of the current tax system. Variation in policy views could be traced to one or more of these primary considerations, with the perception of and weight assigned to them differing across groups of people, e.g., based on political affiliation, income, education, or gender.

In this paper, I explore what people know and, most importantly, how they reason about two major tax policies in the U.S.: income taxation, and estate taxation. My goal is to explore the "mental models" that people use when they think about tax policy and which type of tax policies to support. What are the considerations people have in mind when thinking about taxes? These may – rightly or wrongly– not be in line with the ones economists are thinking about. I examine the mechanisms that people think each policy operates through and how they trade-off the different considerations. Do people focus more on policies' distributional implications or rather on their efficiency costs? What fairness criteria do they employ? How do the answers to these questions differ by the socio-economic and political characteristics of respondents? I also study whether people learn about the economic policies and change their views about them if one provides simple, but nuanced and neutral, explanations of their distributional and efficiency consequences, perhaps the way one might do in an introductory economics class.

There are at least three crucial reasons for understanding how people's mental maps determine support for or opposition to policies. First, it is akin to adding the benefits of more structural approaches to those of the reduced form evidence we already have. Previous work reviewed below has shown that people hold different views on policies and that various experimental pieces of information or actual economic phenomena change their minds and voting in one way or another. But by going to the more primitive level of reasoning about each mechanism, we can learn about people's structural mental models and parameters. As is the case with structural models in other settings, these can then be used to generalize, predict, and analyze counterfactual changes. Second, identifying gaps in knowledge or incoherent reasoning about the policy allows to pinpoint where information is needed, and which groups in particular require the information. For citizens – perhaps especially for those from economically disadvantaged and disenfranchised groups – to be able to identify and support policies beneficial to them, a first step is a better understanding of these policies. Third, it is critical to disentangle different (even correct) perceptions of economic facts (efficiency costs or distributional impacts) from different value judgements or fairness criteria. The former could possibly be

corrected or changed with better information, at least to some extent. Even though many of these facts are still uncertain for economists, better data and progress in research are shedding light on them. Fairness considerations, however, may be more immutable and may need to (and perhaps even should) be taken as given and respected by policy makers. In any case, understanding the sources of disagreement or the parts of agreement can help better manage political divergences.

To this end, I run two large-scale Social Economics surveys and experiments on representative samples of the U.S. population. The questions that comprise these surveys are designed to elicit not only respondents' factual knowledge about tax policy, but also their understanding of its mechanisms, efficiency costs, and distributional implications. I also extract people's first-order considerations that come to mind when they are prompted to think about income or estate taxes and their goals or shortcomings. To avoid priming respondents about a particular effect or another, this is done primarily through open-ended questions, which are subsequently evaluated through text analysis methods.

The detailed set of questions asked allows me to decompose policy views into primary factors such as perceived efficiency costs, distributional implications, fairness concerns, knowledge or misperceptions, or views of the government. In the spirit of structural approaches, this sheds light on which aspects seem to matter more – at least in a correlational sense – for respondents' ultimate policy views. To then establish a causal link between reasoning and policies, I experimentally show people instructional videos that explain the workings and consequences of each policy from three different perspectives. The "Distributional" perspective focuses on the distributional consequences of each policy, while the "Efficiency" perspective zeroes in on the efficiency costs. Finally, the "Economist" perspective presents issues in light of trade-offs, combining both of the previous perspectives. Each of these videos aims to be neutral and pedagogical, by focusing on explaining mechanisms and reasoning, rather than just providing quantitative facts or information, or expressing views on how policies should be.

In addition, I test whether there are some inconsistencies or differences in how respondents think about the effects of a policy, by randomizing the formulation of several of the questions in each survey. The same root question is asked in three different ways: generic and impersonal (e.g.: "If the federal personal income tax rate were to increase for the middle class, to what extent would it encourage them to work less?"). The second formulation is focused directly on the respondent themselves ("If your federal personal income tax rate were to increase, to what extent would it encourage you to work less?"). The third is specifically about women ("If the federal personal income tax rate were to increase for women in the middle class, to what extent would it encourage them to work less?"). It is important to note that the intention here is not to see whether people accurately anticipate how they will respond, nor to predict the effects of tax policies. It is about how people understand the economy around them and how they will make decisions to support or not given policies. For that, it is their reasonings about the effects of these policies on themselves and on others in the economy– including how others will react – that matter, regardless of whether those reasonings are right or wrong.

Before diving into this project, let us briefly consider a short answer to a question economists sometimes ask: Why should we use surveys? Indeed, we often tend to trust more methods based on "revealed preferences" from observed behavior and these are great methods to answer a wide range of questions. Yet, there remain things that are invisible in non-survey data – no matter how good it is – and the elicitation of which will be highly challenging or outright infeasible using a revealed preference approach. These invisible things are perceptions, knowledge, attitudes, views, or reasoning. In principle, one may write a fully structural

parametric model of these intangibles, use observational data on a range of behaviors, and estimate the underlying unobservables. Yet, this not only requires a lot of structure and many difficult to justify assumptions, but also a large set of identifying variations in the data, which are not generally available. Imagine for instance having to infer from observational data whether a given person believes that high-income earners would move state or would evade taxes in response to tax increases or whether it is fair to tax the inheritances of parents who have worked hard. It would be very difficult to find observed behaviors that would allow us to get these underlying beliefs about others in a revealed preference manner. Surveys are a more direct way of eliciting these intangibles. Of course, for the results to be reliable, it is critical that these surveys are well-designed, carefully calibrated, and deployed on appropriate samples, as described in Section 2.[1] There is always the possibility to collect more data, to change the design of the current survey (including the treatment videos), or to ask questions in a different way, leaving the opportunity to explore more ideas, test for robustness, or approach the question from different angles.

Two of the main findings are as follows. First, the decomposition of policy views into factors capturing misperceptions, perceived efficiency effects, perceived redistribution benefits, or views of the government, shows that redistribution concerns dominate and views of government come second. Efficiency considerations only play a minor role. A finer decomposition shows that it is mostly fairness considerations, rather than simply the perceived distributional impacts of taxes, that show the largest variation and that most strongly predict views on policies. What also matters (negatively) for support for progressive taxation is the perception of trickle-down, i.e., the rhetoric that lower taxes on high-income earners can help everyone. The experimental results confirm the correlational patterns from the decomposition. When the video courses on income and estate taxes are introduced, both the Redistribution and Economist treatments increased measured support for progressive taxation. Because the latter also shows the economic costs from taxation, it appears that redistributive and fairness concerns tend to dominate efficiency arguments in the case of income and estate taxes.

Second, there are very large partisan gaps, not just in the final policy views, but at every step of the reasoning about taxes. On the perceived efficiency effects of income tax changes, respondents generally tend to think that high-income earners are more responsive to income taxes than middle class households, and that the main channels of response are increased tax evasion, higher likelihood of moving to a different state, and being less entrepreneurial. Yet, Republicans believe that taxes drive larger distortions in behavior, particularly with regards to reduced entrepreneurship and labor supply, whereas Democrats tend toward the opinion that income tax changes will not have as substantial of an effect. On the estate tax, respondents across the political spectrum perceive the wealthy to be significantly responsive to changes in it. People tend to believe that higher estate taxes drive increased tax evasion and moving across state lines, and they perceive as the least common responses saving less, being less entrepreneurial, and having one's spouse stop working to decrease overall income. As the effects move from specific (i.e., the effect on individual taxpayers) to broad (i.e., the overall effect on the economy), partisan disagreement increases sharply. Issues such as whether income and estate tax cuts induce trickle-down effects that benefit everyone or whether they carry Laffer effects (i.e., increase tax revenues on balance) tend to vary a lot across distinct party lines. Furthermore, some of the most significant contrasts between political groups lie in opinions about fairness issues on income and estate taxes, the causes and impacts of income distribution, and the mechanisms of wealth transmission. In fact, there is even a "polarization of reality" (Alesina et al., 2020) whereby Republicans and Democrats do

[1] Two related questions are often "Why would people tell the truth?" or "Why would one trust survey answers?" I address these concerns in Section 2.

not perceive the current tax system in the same way, and left-leaning respondents tend to think actual taxes are lower and less progressive than right-leaning ones. Because partisan gaps are present in the reasoning about all mechanisms of tax policy, it is not surprising that they result in substantial discrepancies in the final support for tax policy and government intervention through taxation.

Some additional results are that, when asked about themselves, respondents consider that they are as responsive to income taxes as a generic middle class person, but less responsive than a high-income earner. This is true regardless of a respondent's own income. Respondents believe that the estate tax impacts their behavior; less so than the behavior of the wealthy, but similarly to how they perceive young people (who may be anticipating the estate tax in the future) to react. Women consider themselves as less responsive to income and estate taxes than a generic middle class person, and they also consider other women as less responsive to taxes. However, respondents believe that income or estate tax cuts on "families like theirs" will have the largest Laffer effects, i.e., the largest fiscal externalities on revenues. There are partisan differences in how respondents perceive themselves relative to others. Regardless of their own income, Republicans tend to think that their own gains and losses from income or estate tax cuts are more in line with those of higher incomes and the wealthy. This is consistent with another of my findings, namely that even conditional on income, Republicans tend to self-report a higher social class than Democrats do.

The possibility to influence the perceived mechanisms of and support for tax policies suggests that perhaps explanations (rather than the provision of simple facts) can be useful as at least a first step in the policy debate. In the end, fairness views appear to be the most important factor in shaping support for tax policy. Distributional impacts (who will benefit from tax changes?) play a role in so far as they interact with these views of fairness (is it fair that those people give away part of their income or gain?). Efficiency costs, while perceived very differently across the political spectrum and correlated with policy views, become second-order once fairness views are brought into the picture. Because the latter reflect deeper-seated ethic and social judgments, they are arguably beyond the scope of economics to try and shape. Yet, it is still critical to study them.

This paper is part of a broader agenda that uses Social Economics Surveys to shed light on the mental models of people that ultimately determine their policy views. Some complementary resources are the extensive Online Appendix which gathers many additional figures and tables and details on the methodology and a website understandingeconomics.org. Targeted to a broader audience, this website allows to select a given policy (health insurance, trade, income tax, or estate tax) and specific survey questions and to visualize the answers for different types of respondents (e.g. by income bracket or political affiliation). A summary working paper, not intended for publication is Stantcheva (2020), which contrasts and compares thinking on four policies (income taxes, estate taxes, health insurance, and trade policy).

**Related Literature:** The baseline framework in this paper is inspired by the core optimal tax models, as proposed by Saez (2001) (for good surveys of the literature, see Mankiw, Weinzierl, and Yagan (2009), Saez, Slemrod, and Giertz (2012), and Piketty and Saez (2013)) as well as by the literature on optimal transfer design as in Saez (2002), Besley and Coate (1992) or Besley and Coate (1995).

People's perceptions of *their own* tax rates and the widespread misunderstanding of the distinction between marginal and average tax rates have been studied in De Bartolome (1995), Gideon (2017) and Ballard et al. (2018). "Schmeduling", i.e. approximation heuristics along the income tax rate schedule, has recently been investigated in Rees-Jones and Taubinsky (2019). The literature has focused on misperceptions and (lack of) factual knowledge, but not as much on reasoning about tax policy, i.e., the mechanisms that

people think will play out for themselves and others, including efficiency effects, who gains and who loses, and what is perceived as fair.[2] Slemrod (2006) tries to understand why people support regressive reform and maps it to a misunderstanding of the incidence of taxes. Misperceptions about the incidence of taxes is also prevalent in Bartels (2005) who finds that support for the 2001 and 2003 tax cuts, which primarily benefited very wealthy taxpayers, was mainly driven by considerations about a person's own taxes despite widespread opposition to increasing wealth inequality. In the current paper, I show that beliefs about the incidence of taxes – both on others and on oneself – are very correlated with political affiliation. Not understanding one's taxes and transfer schedules has real economic consequences as shown by Chetty, Friedman, and Saez (2013) and by Feldman, Katuščák, and Kawano (2016) regarding the child tax credit.

Perceptions of the broader economy have been studied in Blinder and Krueger (2004) who show the importance of television as a source of information. They rank the determinants of views on major policy issues (including taxes, health insurance, or social security) by order of importance with ideology being the most important, followed by knowledge about the economy and then self-interest.

Some papers specifically investigate the divergence in opinions on the economy between the general public and economists. Sapienza and Zingales (2013) compare the answers given to questions on a range of economic issues of the "Economic Expert Panel at the University of Chicago Booth School of Business" with those provided by a representative sample of the U.S. population and find that economists and the broader public hold starkly different views on most issues. In Fuchs et al. (1998), who survey economists, once the authors control for a "left values" variable that summarizes the beliefs that fairness matters more than efficiency, the political affiliation loses its significance. This stands in contrast to my findings for a (non-economist) general audience sample, where political affiliation remains highly significant even after controlling for detailed channels of reasoning (see the discussion in Section 6). Blendon et al. (1997) show that the public seems to be more pessimistic on the economy than economists are. People seem to provide different reasons for why the economy is faring poorly and are more strongly influenced by personal experiences. In the present paper, I explore in more depth not just the final policy views people hold, but also which reasonings about the mechanisms of taxes are at the root of policy views about them.

The paper is also related to the literature studying the effects of experimentally providing information about inequality or the tax system on support for redistribution. Kuziemko et al. (2015) find only moderate effects in the U.S. because negative information on the degree of and increase in inequality also reduces trust in government. However, telling respondents that the estate tax is – contrary to widespread belief – paid by very few households increases support for it starkly, echoing the results in Sides (2011). Two papers document the misperceptions individuals have of their own ranking in the income distribution and show that telling people their true position changes support for redistribution. In Karadja et al. (2017) those who are told they are, in fact, richer than they thought demand less redistribution. Conversely, in Cruces, Perez-Truglia, and Tetaz (2013), those who had overestimated their relative ranking tend to demand higher levels of redistribution after being informed of their true position. Roth and Wohlfart (2018) shows that people's own past experiences shape support for redistribution.

In online surveys and experiments, various elements that drive views on tax policies and progressivity have been explored. On fairness considerations, which will turn out to be crucial in the current paper,

[2]Related to people's misperceptions of their own taxes is the large literature on financial literacy, which generally finds similarly low levels of information among the general public (see Hastings et al. (2013) for a review, as well as Lusardi and Mitchell (2017) and Lusardi et al. (2017) among others). To draw the analogy to the tax perception literature and highlight the difference to the current paper, this literature studies how people make their own decisions about their own financial lives, rather than how they decide on or vote for financial markets policies.

Weinzierl (2014) goes beyond utilitarianism to underline the relevance of the "equal sacrifice" principle; Weinzierl (2017) highlights the role of classical benefit-based taxation. Kuziemko et al. (2014) emphasize the importance of "last-place aversion" in driving people's support for redistribution at different points of the income distribution. The importance of the status quo and of reference points for views on fairness of inequality is highlighted in Charité, Fisman, and Kuziemko (2015). Fisman, Kuziemko, and Vannutelli (2020) show that individuals' preferences seem to have aversion to "topmost" inequality (i.e., care about the top end of the distribution), but also to inequality between themselves and those closest to them in the distribution. Fisman, Gladstone, Kuziemko, and Naidu (2020) study the joint preferences over income and wealth taxation using online surveys. Lockwood and Weinzierl (2016) take an interesting approach to invert the current tax system to extract the implicit fairness views behind it.

I will also highlight the role of trust in government in shaping support for more progressive taxes, which is consistent with the results in Kuziemko et al. (2015) who find that experimentally reducing trust in government reduces support for redistribution as a whole. Di Tella et al. (2016) also show that more trust in the government, but particularly in business elites, causes a decline in desired taxes on the top 1%. In line with my results, the recent innovative study by Almås, Cappelen, and Tungodden (2020) finds that when comparing attitudes towards redistribution between the U.S. and Scandinavia, it is fairness views that differ, rather than views on efficiency.

Lab experiments using distribution games have also been used to disentangle the importance of various factors in shaping support for redistribution (for a recent review, see Cappelen et al. (2020)). Cappelen et al. (2007) study a dictator game to estimate the pluralism of fairness ideals; Cappelen et al. (2013) augment the experiment to look at fairness views about risk-taking. Durante et al. (2014) try to disentangle self-interest, insurance motives, and social concerns related to inequality and efficiency.

The paper is organized as follows. Section 2 presents the conceptual framework that informs the design of the building blocks of each surveys, the data collection, and the sample. Section 3 applies text analysis methods to the answers to the open-ended questions to describe respondents' first-order considerations about taxes. Section 4 presents respondents' knowledge about taxes and the income and wealth distributions. Section 5 digs into respondents' reasoning about the behavioral responses and distortionary effects associated with tax policy, their distributional impacts, and their fairness implications. Section 6 first decomposes policy views into efficiency, distributional, government-related, and knowledge issues and then describes the experimental effects of providing information about income and estate taxes on policy views.

# 2 Framework, Survey Design, and Data

## 2.1 Conceptual Framework

**The canonical tax formula.** When economists think of the optimal level of taxation, they usually have in mind the core equity efficiency trade-off. In particular, they think of balancing the efficiency costs of taxes due to their distortions of economic behaviors and their redistributive and revenue benefits. People may or may not have similar concerns to economists and may place different weights on them.

The standard optimal tax formulas tell us that the optimal tax system will be a function of the i) redistributive benefits of taxes or "equity" effects and ii) their efficiency costs through the behavioral distortions entailed or "efficiency."

The redistributive benefits or equity benefits of taxes are themselves a function of several factors. The distribution of income or wealth determines the mechanical impact of raising taxes at different points of the income distribution. There are also possible spillover effects from changing taxes at one point of the distribution on agents at other income or wealth levels. Taken together, the mechanical impacts and spillover effects determine the actual redistributive impacts of tax changes on different people. For instance, "trickle-down economics" is the idea that tax cuts at the top of the income or wealth distribution could also benefit households lower down in the distribution, through general equilibrium effects. In this narrative, top earners are for instance be perceived as "job creators" whose economic activity benefits even those with lower incomes through increased employment and career opportunities. To weigh these distributive impacts and assess their social value, fairness concerns play a key role. They are reflected in the social welfare function used to aggregate the gains and losses of different people or, alternatively, in the social marginal welfare weights (Saez and Stantcheva, 2016).[3] There are many fairness considerations that can come into play, but some of the essential ones are whether inequality is a serious issue and whether people are ultimately entitled to their income and wealth. For the estate tax, additional thorny fairness issues revolve around two conflicting concerns, namely whether parents should be able to freely pass on wealth to their children, or whether children should start from a level playing field.

The behavioral effects of income or estate taxes can occur through several possible channels, such as reductions in productive activities (e.g.: working, saving, having one's spouse stop working), tax avoidance (e.g.: moving states), or outright tax evasion. In addition, there are broader aggregate effects on revenues and on other people in the economy. Often discussed is, for instance, a "Laffer effect" whereby an income or estate tax cut could ultimately lead to an increase in tax revenues by stimulating economic activity by so much, that the additional revenue collected on that increased activity outweighs the direct loss in revenue from decreasing the tax. Thus, we can heuristically write the economists' tax formula as:[4]

$$\text{Optimal Tax System}^{\text{Economists}} = f(\text{equity}, \text{efficiency}) = f(\text{distributional impact}, \text{fairness}, \text{efficiency}) \quad (1)$$

**People's own tax formula.** People may think differently from economists about the right level of taxes for several reasons. First, the relative importance of the aforementioned factors may not be the same as in the optimal tax formula. Put differently the "optimal tax" problem that people solve in their minds may not be the one economists solve for. Second, there may be misperceptions, lack of understanding, or poor information on any of these elements, e.g., on the income distribution or on the behavioral responses to taxes. Thus, the values of the factors that inform people's preferred tax system are their perceived ones, not necessarily the real ones. Third, fairness views may be much more complex and perhaps non-welfarist as

[3] Fairness concerns naturally interact with the actual distribution of income or wealth. More technically, the spillover effects are combined efficiency and distributional effects, since they are the result of agents adjusting to taxes and changing their behaviors in a way that has distributional implications for others, i.e., they involve both how responsive to taxes particular agents are (behavioral effects) and where the spillover effects land in the income distribution (distributional effects) The difference to the behavioral effects captured in the taxable income elasticity (in the denominator of the tax formula) is that these spillover effects have first-order welfare impacts, as they represent externalities from one agent to another. The effects on total tax revenues (i.e., pure efficiency effects in the core tax model) are also counted, but are part of the efficiency effects.

[4] Formally, if we let each agent be indexed by $i$, $z_i$ be the total taxable income of agent $i$, and $g_i$ the social marginal welfare weight that measures the relative social value of \$1 transfer to agent $i$, then the optimal linear tax is given by

$$\tau = \frac{1-\bar{g}}{1-\bar{g}+e} \qquad \text{where} \quad \bar{g} = \frac{\int_i g_i z_i}{\int_i g_i \int_i z_i} \quad \text{and} \quad e = \frac{d\log(\int_i z_i)}{d\log(1-\tau)}$$

See Saez and Stantcheva (2016).

theoretically lined out in Saez and Stantcheva (2016). Finally, people may have other concerns that the tax formula in its simple form does not capture, such as trust in the government to deal with the tax and transfer system efficiently and benevolently. People may also have particular expectations about how the tax revenues will be spent or should be spent and this concern may not be dissociable from their views on the desired level of taxes. In addition, knowledge of the current tax system would naturally shape support for particular tax *reforms.* Imagine two respondents, A and B, who have the same desired level of tax progressivity, but A lacks knowledge on current taxes and wrongly perceives the tax system as more progressive than it is in reality. Respondent A may not support progressive tax reform, even if they agree with respondent B about how their ideal tax system should look like. Similarly, A and B could be in agreement on their desired post-tax distribution of wealth and income, but have very different knowledge of the current status quo distributions, and, hence disagree on the way to achieve their desired post-tax outcomes. It is indeed even possible that the status quo (as it is perceived by respondents) anchors views and actually influences the desired tax system itself.

Hence, heuristically, for each person $i$, the optimal tax system will be some function $f^i()$ – possibly different from the economists' function $f()$ – of their *perceived* distributional impacts of taxes, perceived efficiency effects, fairness criteria, trust in and views of government, knowledge of the tax system or income and wealth distributions, and other factors such as how they think that tax revenues are spent.

$$\begin{aligned}\text{Optimal Tax System}^i = f^i(&\text{perceived distributional impact}, \text{own fairness criteria},\\ &\text{perceived efficiency}, \text{views of government}, \text{knowledge}, \text{other factors})\end{aligned} \tag{2}$$

**A Roadmap:** Without putting a lot of structure on $f^i()$ it is not possible to fully estimate the mental model for each individual. In this paper, I elicit these relevant components (on the right-hand side) and relate them to views of the tax system (on the left-hand side). The steps to achieve this are as follows and immediately translate into the design of the survey, summarized graphically in Figure 1. I start by open ended questions that extract the first-order thinking and considerations of respondents, without priming them to think in one direction or another. They give a sense of whether these issues differ from economists' concerns. Then, I study the factual knowledge of respondents about taxes and the income and wealth distributions. After this, a deep dive is taken into uncovering the reasoning on efficiency costs, distributional impacts, and fairness concerns before asking about overall policy views. To address the issue that people may take into account more factors than economists do when forming their views, I try to directly ask questions about other dimensions that could be relevant for tax policy, such as whether a given tax increase would be supported if the money is spent in several given ways, as well as about views of the role, competence, and efficiency of the government. In Section 6.3, I then estimate the effect of these various components (knowledge or misperceptions, perceived efficiency effects, distributional impacts, trust in government, fairness concerns, etc.) on policy views. This leads to a decomposition of policy views into these various factors.

Finally, to establish causality about the way in which the main factors that enter the tax formula shape policy views on taxes, I provide randomized video courses that explain these effects in neutral, balanced ways, the way we may do in a introductory economics class. The "Redistribution" treatment explains the redistribution benefits of changing income or estate taxes, the "Efficiency" treatment explains the efficiency costs and the "Economist" treatment highlights the trade-off between the two. The reasons for focusing on

Table 1: Factors Shaping Views on Taxes

| Factor | Theoretical Effect on Support for Taxes | Survey Method | Revealed Importance |
|---|---|---|---|
| Redistribution benefits | Increase | Questions & Experiment | Very large |
| Distributional impacts | | | Moderate |
| Fairness considerations | | | Very large |
| Efficiency effects | Decrease | Questions & Experiment | Small |
| Trust in government | Increase | Questions | Large |
| Knowledge & Misperceptions | Ambiguous | Questions | Moderate |
| How is revenue spent? | Ambiguous | Control | Large |

these factors are, first, that they are the key elements in the tax formula. The Redistribution treatment does not appeal to arguments on the fairness or unfairness of the income or wealth distributions or of the tax system, but simply points out how progressive income or taxes will impact people with different incomes or parental wealth levels. This treatment would thus only move respondents' policy views if they have fairness views that put some weight on income or wealth equality.[5]

Table 1 summarizes the approach and some key results that will be described later. For each factor listed in the first column, the table lists the theoretically predicted effect on support for taxes, the method adopted here to study it, and its revealed importance.

## 2.2 Data Collection and Final Sample

The core data comes from two surveys, conducted between February 2019 and May 2019 on U.S. residents between 18 and 70 years of age. The sample sizes are 2,780 for the income tax survey and 2,360 for the estate tax. The surveys were distributed by the commercial survey company *Respondi* (https://www.respondi.com/EN/).

**How were participants enrolled?** The commercial survey company has different email lists of potential survey respondents who receive the survey links via email. These respondents have initially been contacted through various channels – including when they sign up for rewards programs online or in stores, frequent flyer or traveler programs, or credit cards. They are typically "consumer survey" respondents, who generally receive consumer products or experiences related surveys, and only rarely encounter academic research ones. This is a potential advantage over long-standing social and economics survey panels, as these individuals are not used to answering this type of questions and their answers may thus be more representative of the person-on-the-street. Respondents come from a variety of backgrounds and are rewarded by their panels through a range of different means, from cash to points on rewards programs. Compensation for each completed survey is implemented by each panel company and varies based on the type of arrangement and preferences of the respondent.

On the invitation email, respondents were only told the length of the survey, but neither the topic nor the sender. After clicking on the link, respondents were channeled to a consent page (see Figure A-1) that

[5]Fairness views are matters of social judgment that are vital for economists to study. The current paper does not attempt to shift people's views of what is fair, but rather to understand what those views and reasonings are. Providing information on the distributional impacts of policies means taking fairness views as given, but would naturally shift policy views if people's fairness views put weight on distributional aspects.

informed them that they were about to take an academic research survey, destined solely for research purposes run by non-partisan researchers. They were asked to respond accurately to the best of their knowledge and were assured that participation was entirely voluntary. Respondents were then guided through some screening questions that ensured that the final sample was nationally representative along gender, age, and income dimensions. Thus, if respondents decided to drop out at some point during the survey – e.g., upon learning the topic of the survey – all their demographic and background information would be known and I could check for differential attrition by observable characteristics such as political affiliation. Respondents were paid only if they fully completed the survey. The median time for completion of the survey was 35 minutes.

**Final Sample.** The final samples for each of the two surveys are close to representative of the U.S. population along many dimensions. Table 2 shows the characteristics of the samples and compares them to U.S. population statistics come from the Census Bureau as described in the table notes. By construction, the sample is almost perfectly representative along the dimensions of age, gender, income (arranged into five brackets to mimic the way the quotas were imposed during the surveys). In addition, the sample is also broadly representative on some non-targeted dimensions such as the share of respondents who are married and those who are employed and unemployed. However, in both surveys, respondents were more likely to have completed high-school and be college-educated than the general population. In addition, African-American and Hispanic minorities are underrepresented. To address these imbalances, one can re-weight the sample so that it is representative along the employment, education, and race dimensions as well. This was done for all results as checks, and no result was affected in a non-negligible way. Since including all tables with the re-weighted sample would be overwhelming, these results are available to the reader on demand.

## 2.3 The Survey Structure

The full questionnaires of the Income and Estate Tax surveys are in Appendix A-5, with a link which leads to the web interfaces of the surveys. The reader will note that there are more questions in the surveys than those I exploit in the main part; they are analyzed for completeness in the Online Appendix and leave the potential for more future analysis using this data. Figure 1 shows the structure of the survey and its flow. I now provide more details on the blocks composing the survey.

**Background socio-economic questions** I collected information on respondents' gender, age, income, highest level of education achieved, sector of occupation, employment status, marital status, number of children, place of residence, and political orientation. Because it plays such an important role, I investigated the latter category in three ways. First, I asked respondents to classify themselves in terms of their views on economic policy, along a spectrum ranging from "very conservative" to "very liberal."[6] Second, I asked them what they consider their political affiliation to be (*Republican / Democrat / Independent / Other / Non-Affiliated*). Third, I asked them for whom they voted in the 2016 presidential elections; and, if they did not vote, for whom they would have voted. I also dug deeper into their political participation by asking whether they were registered to vote, and why not, if they were not; and whether they regularly vote, or why they do not. In some of the figures and tables, I refer to four finer political groups that are defined by the combination of the answers to the question of which candidate the respondent voted for and where they see themselves on economic policy issues: Clinton Liberals (those who voted for Clinton and see themselves as

[6] *"On economic policy matters, where do you see yourself on the liberal/conservative spectrum?"* With options *[Very liberal, Liberal, Center, Conservative, Very Conservative]*.

Table 2: Sample Characteristics

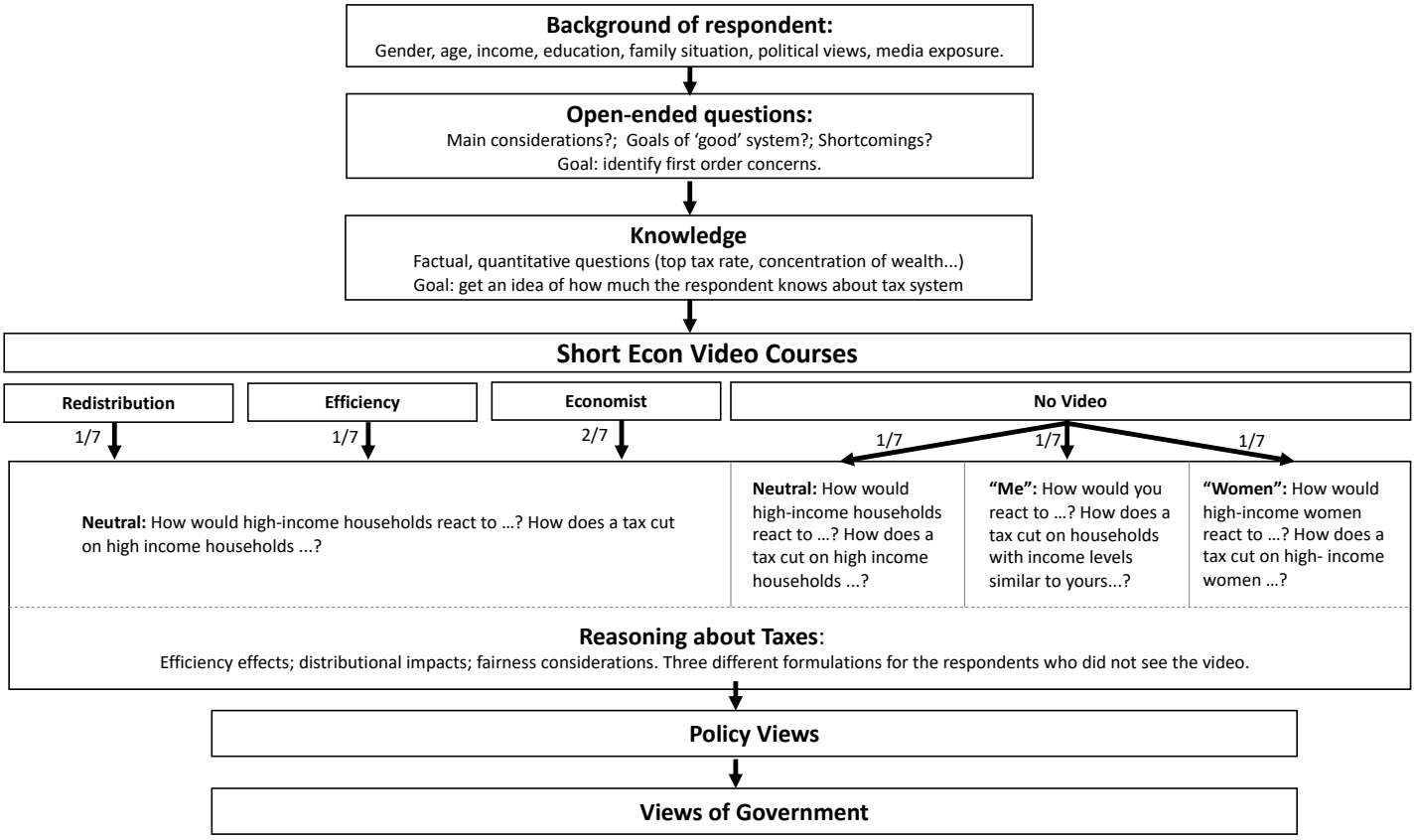
| | US Population | Income Tax Survey | Estate Tax Survey |
|---|---|---|---|
| Male | 0.48 | 0.48 | 0.46 |
| | | | |
| 18-29 years old | 0.26 | 0.23 | 0.23 |
| 30-39 years old | 0.18 | 0.20 | 0.20 |
| 40-49 years old | 0.19 | 0.19 | 0.19 |
| 50-59 years old | 0.21 | 0.20 | 0.19 |
| 60-69 years old | 0.16 | 0.18 | 0.19 |
| | | | |
| $0-$19,999 | 0.15 | 0.15 | 0.16 |
| $20,000-$39,999 | 0.18 | 0.18 | 0.19 |
| $40,000-$69,999 | 0.21 | 0.23 | 0.25 |
| $70,000-$109,999 | 0.19 | 0.19 | 0.20 |
| $110,000+ | 0.25 | 0.24 | 0.20 |
| | | | |
| Four-year college degree | 0.22 | 0.32 | 0.29 |
| High-school graduate or less | 0.39 | 0.17 | 0.19 |
| | | | |
| Employed | 0.58 | 0.63 | 0.62 |
| Unemployed | 0.08 | 0.07 | 0.06 |
| | | | |
| Married | 0.49 | 0.55 | 0.53 |
| | | | |
| White | 0.61 | 0.76 | 0.76 |
| Black/African-American | 0.13 | 0.05 | 0.06 |
| Hispanic/Latino | 0.18 | 0.06 | 0.07 |
| Asian/Asian-American | 0.06 | 0.07 | 0.07 |
| | | | |
| Sample size | | 2784 | 2360 |

This table displays U.S. representative statistics (in the first column) from the Census Bureau and Current Population Survey alongside summary statistics from our surveys (the following two columns).

"liberal" or "very liberal" on economic policy issues); Clinton Moderates (those who voted for Clinton and see themselves as "moderate" on economic policy issues); Trump Moderates (those who voted for Trump and see themselves as "moderate" on economic policy issues); and Trump Conservatives (those who voted for Trump and see themselves as "conservative" or "very conservative" on economic policy issues). The remaining categories (Trump Liberals and Clinton Conservatives) are very small.

In addition, I collected information on the respondent's sector of employment and, if they are currently unemployed, on the sector in which they last worked. I also asked respondents about their main source of news; whether they try to stay informed; their overall media and social media consumption; and their major field of study in college.

Figure 1: Survey Flow




**Open-Ended Questions:** Several free text-entry boxes were used to ask respondents about their main considerations, perceived goals and shortcomings about the taxes, as well as the effects they anticipate (e.g., which groups would gain or lose from a tax increase). Open-ended questions are useful to elicit first-order, intrinsic concerns that people have, before they are prompted to think of a particular aspect with the more directed survey questions (that may reflect particular effects or issues that economists are used to thinking about). I ask people about i) the immediate "main considerations" that come to their minds when they think about the tax system; ii) what a "good" tax system might mean, including its goal; and iii) the main shortcomings of the tax system as it currently is in the U.S.. Finally, some of the more targeted open-ended questions ask about the effects on the U.S. economy and on different groups of people if the policy were changed (e.g., what would be the effects on the economy if taxes on high earners were increased). The responses to the open-ended questions are evaluated using detailed text analysis methods, described in Section 3.

**Knowledge:** These questions are about factual knowledge and are carefully designed to be intuitive and easy to understand. For instance, I ask for a number "out of 100" rather than for a percentage. I first explain what a "share" is, and how post- and pre-tax income are related for a given tax rate with the use of a figure and worked-out examples. The questions refer among others to the level of the top federal or top state taxes,

the threshold for the top income tax bracket, the top tax rates in the 1950s, the share of households in the top bracket or who pay the estate tax, the share of households paying no income tax, and the average tax rate for the median household or the top household. Respondents are also asked about the share of total income or wealth that goes to the top 1%, the share of wealth inherited, or the occupational composition of the top 1% of earners. These questions are important to identify where the gap in knowledge lies: is it rather about the policy itself or is it at a more fundamental level a lack of knowledge about this particular aspect of the economy? Moreover, to ensure that the results are not driven by respondents' lack of attention or careless answers, 85% of the sample received monetary incentives for accurate answers. Misperceptions are virtually unaffected by monetary incentives, suggesting that respondents are already responding to the best of their knowledge.

**The information treatments: short "Econ 101" courses:** In each survey, a randomly chosen subsample of respondents was shown one of three versions of an instructional video that provided information about the policy. Screenshots from these videos are in Figures 2-7 and each video can be seen by following the links below the screenshots. Section 6.4 focuses on the design and results from these information treatments.

**Reasoning about Taxes:** In this section, respondents are asked to think in more detail about how each tax policy works. What behavioral responses, efficiency effects, and impacts on the broader economy will it trigger? What are the distributional consequences for different groups? What fairness concerns do people have? To give a concrete example, in the income tax module, respondents are asked to what extent they believe people will engage in the following behaviors if their taxes were to increase: save less, work less, stop working altogether, evade taxes, etc. They are also asked which income groups will gain most or least if income taxes on high-income earners are increased and whether taxing away the income of different groups is fair or unfair.

***Three randomized formulations:*** When asking about these mechanisms, respondents are randomized into one of three branches, which feature a different formulation of these questions. The first branch sees the formulation of the questions in a "neutral" way (e.g. "If the federal personal income tax rate were to increase for the middle class, to what extent would it encourage them towards the following behaviors?") with an impersonal and gender neutral formulation. The terminology I will use in the draft will be of the "neutral" formulation that asks about a "generic" (i.e., non-gender specified) person or people from a given income group. Respondents in the second branch receive a personal formulation of the questions that asks them about themselves, or about people or households similar to themselves along the relevant dimension. For instance, on the behavioral responses to taxes, respondents may be asked "If your federal personal income tax rate were to increase, to what extent would it encourage you towards the following behaviors?." In cases in which an individual-level question does not make sense, the question is asked about "households similar to yours" or "people with similar incomes to yours." For instance: "What effects do you think that increasing the federal estate tax on the estates of households similar to yours would have on economic activity?" This personalized formulations branch will be called the "Me" treatment. In the third branch, questions are formulated to be explicitly about women. For instance, "If the federal income tax rate were to increase for women in the middle class, to what extent would it encourage these women towards the following behaviors?" or "Do you think that increasing income taxes that high-income women have to pay would hurt economic activity, not have an effect on economic activity, or help economic activity in the U.S.?" The goal is to see whether the mechanisms that people have in mind for different policies depend on the gender of the people

considered. The survey flow chart in Figure 1 shows the share of the sample in each branch. Taken together, the Question formulation randomizations and the Video courses will be called "Treatments."

**Policy Views:** Here, respondents were asked about their views on the current tax systems (is it fair? are they satisfied with it?) and for opinions regarding concrete policy actions, e.g., if they supported increasing the tax to fund specific programs.

**Views of Government:** In this section, respondents expressed their views about the role and capacity of the government to deal with the issue at hand. For instance, in the income tax module, they are asked to what extent they think the government has the tools and ability to reduce income inequality. They were also asked about their general attitudes towards government (unrelated to the specific policy) such as whether they tend to trust the government and what the scope of government intervention should be.

**Final Questions:** By entering the survey, respondents were informed that they were automatically enrolled in a lottery to win $1,000. At the end of the survey, respondents were asked whether they were willing to forfeit part of their lottery gain in order to receive the accurate answers to all the knowledge questions. They had to commit to forfeiting that amount before they knew whether they had won the lottery or not. The price of information was randomized (with possible values $1, $2, $5, and $10), allowing me to extract a willingness to pay for information.[7] They were also asked whether they feel the survey was biased (left-wing biased or right-wing biased) and to leave open-ended feedback in a text-entry box.

All variables are comprehensively defined in Appendix A-2 and more briefly in the Table and Figure notes. Not all questions in the survey are represented in the figures or tables due to space constraints. However, the comprehensive set of results, on all topics and questions, and with heterogeneity analysis by types of respondents is in the Online Appendix.

## 2.4 Ensuring High Quality Answers

A question sometimes asked by audiences is why one should trust survey answers. Clearly, the trustworthiness of the answers depends on the quality of the survey design. I employed several methods to ensure the highest possible quality of answers. In the survey's landing page – the consent page– respondents are warned that low quality responses will be flagged and their payment possibly withheld. At the same time, I also attempt to make them feel involved and socially responsible by emphasizing that we are non-partisan academic researchers seeking to advance our knowledge of society and that their answers are entirely voluntary, but that it is very important for the research that they answer as accurately as they can. Furthermore, the questions themselves are designed so as to prevent careless answers: for instance, percentages are constrained to add up to 100% and respondents are alerted with a pop-up message if there is an inconsistency. When appropriate, rather than using data entry boxes, I let respondents select numbers using sliders to minimize fatigue and typos. I also keep track of and check the time spent by the respondent on the survey as a whole, as well as on specific pages and questions, which permits flagging respondents who spend too little time on questions. For the benchmark sample, I drop respondents in the bottom 5% of the survey time distribution. None of our results are affected by trimming these outliers.[8]

[7] I do not make use of this question, but, after seeing the information, respondents were also asked whether they were surprised by that information.

[8] These results are available on demand.

A randomized subsample of respondents was also provided with financial incentives for correct responses to the policy knowledge questions. This is expected to encourage respondents to pay more attention.[9] In addition, three screening questions are interspersed in the survey, which ask respondents to ignore the question and select a given or several given answer options as a check for whether respondents are reading the questions carefully. Finally, respondents are asked whether they thought the survey was left- or right-wing biased. Around 80% of respondents believe the survey was not biased in any direction; 15% believe it was left-wing biased and 5% believe it was right-wing biased. Reassuringly for our treatment estimates, these shares are not different in the control and in each treatment groups.

These techniques minimize willful misreporting or simple carelessness. In addition, the questions themselves are formulated in the clearest possible way, without complicated terms or jargon, building on lessons from multiple pilots. As the full questionnaire in Appendix A-5 shows, concepts such as average taxes are first explained intuitively to respondents. The survey is readable and easy to scroll and click through, and there is a mobile version for phones, which further lowers the hassle of participating. Finally, it is worth noting that the setting of the survey itself minimizes incentives to misreport or express incorrect views: the survey is entirely anonymous and respondents know it can never be matched to their identity or other data. There is also no social image concern or pressure as respondents are alone and in their own chosen surroundings, without any surveyor in front of them or any other respondents around (contrary to face to face or phone surveys).

# 3 People's First-Order Concerns: Text Analysis

The text analysis methods are described in greater technical detail in Section OA-2 of the Online Appendix. In brief, to prepare the data for the text analysis, I first parse the answers by removing punctuation, excess spaces, numbers, misspelled words and so-called "stopwords," which are common words that carry no intrinsic meaning such as "and," "the," etc. The remaining words in each answer are then lemmatized, i.e., all inflected forms of a word are grouped together. For instance, "policies" becomes "policy," "were" becomes "be." Words that appear in the question and are not informative of the respondent's answer are also removed, as are extra words related to the structure of the answer (e.g., "think," "believe," "should"). These steps reduce the number of distinct text elements.

The topic analysis presented here is based on a keywords-count model. Topics are defined by sets of keywords that capture a particular aspects of the policy. The complete list of keywords for each topic is reported in each figure. The topic indicator variable is equal to one if a respondent's answer contains at least one of the keywords defining this topic. Answers can thus contain more than one topic if the respondent used keywords related to several ones. The bar charts in the Figures represent within-group distribution of the topics in a given question. In the benchmark figures in the paper, the groups are defined by political affiliation: Clinton liberals, Clinton Moderates, Trump Liberals, and Trump Conservatives. For each group, the ratio of the number of times a given topic is mentioned to the total number of topic mentions by the members of the group is computed.[10] Due to space constraints, the focus here is on one of the open-ended question, namely *"What are your main considerations about* [policy]...?" The Online Appendix provides the topic distributions

[9] In practice, the effect of financial incentives turns out to be negligible here, even for the larger ones, and is thus not explored further in the paper. This likely signals that respondents are already answering to the best of their knowledge.

[10] This permits taking into account the fact that some groups (e.g. respondents aged 50+ in the Online Appendix) systematically write longer answers and are therefore mechanically more likely to mention more topics. There is no systematic difference in answer length by political affiliation though.

for all the open-ended questions, for different groups splits (by gender, income, education, and age), and the unconditional topic distributions (i.e., the probability of a topic appearing in any given answer, without regard of the total number of mentions, which does not account for answer length). In addition, the Online Appendix also shows simple word clouds and a relative frequency analysis that compares the use of sets of words identified in the answers of two groups, called a reference and a target group for different age groups, income groups, levels of education or political affiliations.

## 3.1 Income Tax

Figure 8 shows the distribution of topics within political affiliations, ranging from Clinton Liberals to Trump Conservatives. Recall that these groups were defined based on the combination of the answers to the questions which candidate the respondent voted for in the last presidential election and their stance on economy policy issues, as explained in Section 2. There are eight topics that appear in the answers to the main considerations question (their names have been chosen to reflect the underlying topic, not the words used by respondents): Distribution, Fairness, Government Spending, Social Insurance, Efficiency, Loopholes, Flat Tax, Public Goods. The final category depicted, labeled "Don't Know," tabulates the share of respondents who in some way answer that they do not know enough about the policy to give a meaningful answer. The keywords that define each of these topics are listed below the figure. For instance, the Distribution topic contains keywords such as "middle class," "low income, "millionaire." The Fairness issue contains the words "fair" and "unfair." Public goods captures "Infrastructure," "education," and "health care." Efficiency is represented by words such as "hurt economy," "work less," "competition," and "spend less" among others. Appendix A-3 lists example answers that contain these topics. For instance, the answer *"That the rich and wealthy do not pay their fair share of taxes"* would appear in the "Distribution" topic and in the "Fairness" topic. The answer *"Current tax rates being raised are a result of government mismanagement of funds and over spending without appropriate oversight. Taxes really can't effectively be lowered until government spending is properly controlled"* is classified under the "Government Spending" topic. The "Efficiency" topic is illustrated with answers such as *"I am concerned about the push to raise taxes on persons with higher incomes. I do believe in trickle down economics and that government should pretty much keep their hands off."* Examples for the "Loopholes" topic include *"We need to close the loopholes that are there to make sure that those who make more actually pay more."*.

There are clear political differences in the frequency of the distribution, government spending, flat tax, and loopholes topics, with monotonic gradients as one moves from left to right. Issues related to distribution are much more prevalent on the left of the political spectrum than on the right. Thus, the distribution topic makes up close to 50% of mentions for Clinton Liberals. For Trump Conservatives, it only makes up 25% of all mentions. Government spending on the other hand is a more pressing concern for respondents on the right. It represents less than 4% of topic mentions for Clinton Liberals, but 22% for Trump Conservatives. Efficiency, Social Insurance, Public Goods and the Flat Tax are not as frequently mentioned topics. "Fairness" is highly-mentioned and evenly distributed across the political spectrum. But while everyone cares about fairness, the meaning of this concept greatly differs across respondents: fairness truly is in the eye of the beholder.

### 3.2 Estate Tax

Figure 9 shows the distribution of topics surrounding the estate tax across political groups. The keywords for the different topics are similar to those from the income tax survey, but some topics are specific to the estate tax. For instance, the Double tax topic is represented through words such as "already taxed/paid," "twice" that appears combined with "tax" or "pay" and the Grieve topic, which is captured by terms such as "grieve," "bury," and "funeral." The latter is included because the estate tax is often pejoratively called the "Death tax." Some example answers are as follows. The answer "There shouldn't be a federal estate tax because it's kind of unfair to have to pay taxes on money that already belongs to your family and has most likely had taxes paid on it already" would appear both under the Fairness and Double Taxation topics. The answer "I believe in smaller government, so all taxes should be lower" appears under Government Spending; while the answer "I would like higher taxes to pay for more domestic spending such as education, healthcare, etc" is classified under Public Goods. "Lower taxes mean I have more disposable income to spend therefore more products can be made and more jobs created" goes to the Efficiency topic. The Grieve topic contains answers such as "You're taxing a family member for the death of their loved one? That's messed up." Finally, answers such as "The wealthy don't usually pay these taxes, they find a loophole" are part of the Loopholes topic.

Distribution issues are most prevalent among Clinton Liberals and diminish rapidly and monotonically as one moves towards Trump Conservatives. The Double Tax issue on the other hand is extremely prevalent among Trump Conservatives, but quite rare among Clinton Liberals. The mentions of "fairness" are again evenly distributed across the political spectrum, but clearly mean different things for different political groups. Much rarer topics are government spending, efficiency considerations, loopholes, family concerns ("grieve") or public goods.

The share of answers to this particular question that mention some variation of "Don't know" is larger for the estate tax than for the income tax. More generally, the share of respondents who answered some variation of "I don't know" to any of the open-ended questions in the survey questionnaire is higher for the estate tax than for the income tax (32% relative to 28%), which is in line with the policy knowledge findings and suggests that the estate tax is less well-understood than the income tax. As a comparison point, respondents (around 18-19%) say they do not know enough about health insurance or trade policy. There is no partisan gap in self-declared lack of knowledge, except that Republicans are slightly less likely to say they don't know about the estate tax.[11]

## 4 Knowledge about Income and Estate Taxes

This section presents the main perceptions and knowledge about the tax system and the income and wealth distributions. Table 3 shows some of the knowledge variables about income taxes (in Panel A) and estate taxes (in Panel B), regressed on the full array of respondent characteristics. For clarity, only the coefficients on the four characteristics that exhibit the largest heterogeneity are shown in the Table, namely the indicators for being Republican, high income, having high self-reported knowledge about tax policy, and having a college degree. The bottom rows in each panel show the average perception as well as the true values of the variables. The first column is an index that standardizes and aggregates all these variables and is increasing

[11] Women, those who report to be less knowledgeable and the young are more likely to say they don't know. These detailed results are in the Online Appendix.

if the respondent tends to perceive higher taxes, more progressive taxes, or lower inequality. The last column shows the willingness to pay for accurate information, controlling for the randomized price that respondents had to pay.

Respondents slightly underestimate today's top tax rate. They believe it is 31% when it is 37% (column 2). They believe on average that the top tax rate in the 1950s was 33%, thus similar to today's tax rate, when it was, in fact, much higher at 91% (column 3). The perception of the median-income household's (column 4) and the top-tax bracket household's (column 5) average taxes are compressed, implying that the level of progressivity of the tax system is misunderstood. In the spirit of "schmeduling," respondents smooth out the tax schedule in their mind and over-inflate by a factor of two the tax paid by the median household while slightly underestimating the tax paid by the top bracket household (Rees-Jones and Taubinsky, 2019).

Respondents also greatly underestimate the top tax bracket's threshold, placing it at around $188,000 annual income instead of the actual $600,000 annual income. Accordingly, respondents believe that the top tax rate applies to many more households (20%) than it actually does (0.70% ). Again, respondents tend to mentally smooth the share of households in extreme tax brackets: they underestimate the share of households that do not pay income taxes (believing it is 25% when the reality is 44%, in column 7) but overestimate the share of households in the top bracket (column 6)

When it comes to the estate tax in Panel B, respondents slightly underestimate the tax rate above the exemption threshold today (column 2); however, as was the case for the income tax, they very starkly underestimate the 1950s tax rate, assuming it is close to today's rate and being unaware that it was much higher back then (column 3). Respondents are relatively accurate in their perception of the share of estates that are unrealized capital gains that have never been taxed (46% relative to 55% in reality in column 4). In addition, respondents believe that 42% of wealth is inherited (column 5). Unlike for the variables about the tax system, there is considerable uncertainty around this number, with estimates by economists ranging from 34-45% (Kopczuk and Lupton, 2007) to 56%-64% (Alvaredo et al., 2017) and still being investigated. This does not, however, affect the survey results on perceptions and the correlations of the latter with individual characteristics described here. The next two columns show that respondents believe that the average share of households paying the estate tax is 364 out of 1,000 households and that the median share is 300 out of 1,000 households, when the reality is below 1 out of 1,000 households. Qualitatively (but not quantitatively) consistent with this is that respondents believe that the estate tax exemption threshold is much lower than it actually is: the average perception is $2 million (the median is lower than $0.5 million) while the reality is 11 million per person.

Turning to the misperceptions about the underlying income and wealth distributions, we can see in column 9 of Panel A that respondents strongly overestimate the share of income going to the top 1% by 25 percentage points on average. Respondents appear to be more accurate on the wealth distribution at the top (in Panel B, column 8), where they believe that the wealth share of the top 1% is 49% (as opposed to the 42% estimated in recent work, which is itself subject to considerable on-going debate about whether it is an upper bound). Yet, respondents also believe that the bottom 50% holds 12% of wealth, which is much higher than the actual 2%. Respondents thus inflate the two extremes of the wealth distribution.

Some of the heterogeneity patterns that stand out are, first, that Republican respondents in general tend to think taxes are higher and more progressive than Democrats do: they perceive a higher top tax rate, a higher share of income paid by households in the top bracket, a higher share of households in the top bracket, and that the tax system in the 50s was more similar to today (i.e., had lower taxes). They also

believe that a lower share of income goes to the U.S. top 1% and are hence more accurate than Democrats on this issue. These results are in line with the concept of the polarization not only of policy views, but also of a "polarization of reality" (Alesina et al., 2020) – i.e., the perception of factual reality. In addition, Republican respondents are also less likely than Democrats to be willing to pay for accurate information on income taxes, even conditional on the (randomized) price for information and their own income. On the estate tax, the patterns are quite similar. Republicans tend to believe that the estate tax in the 1950s, the share of wealth that is inherited, the exemption threshold for the estate tax, and the share of wealth owned by the top 1% is lower than what Democrats believe. Overall, this translates into significantly higher misperception indices for Republican respondents for both the income and estate taxes.

People with higher self-reported knowledge (i.e., who say they know more about tax policy) in general have smaller misperception on most margins. The two exceptions are that their perceived share of U.S. income going to the top 1% and the share of income paid in taxes by the median household are higher than those of the average respondent (who already overestimates them). More knowledgeable people are consistently more willing to pay for information both for the income and the estate tax. While this sounds paradoxical at a first glance, it is consistent with willingness to pay patterns on other issues such as immigration, and offers a possible channel for the perpetuation of misinformation (Alesina et al. (2019), Alesina et al. (2020)). The patterns are even stronger across the board for those with a college degree, who are much more accurate than respondents without. An exception again is that college-educated respondents overestimate by even more the share of income and wealth going to the top 1% (but are more accurate on the lower share of wealth going to the bottom 50%).

As one would expect, higher-income respondents are much more aware of variables that affect the top of the distribution, namely what the top tax rate is, that the top tax bracket kicks in at higher income levels, that the exemption threshold for the estate tax is higher, and that fewer households end up paying the estate tax. They do, however, hold similar misperceptions to others along the other dimensions.

Two further findings are worth summarizing verbally here. First, conditional on their actual income class bin, Republicans tend to self-report a higher social class than Democrats do. For instance, 23% of Republicans in the bottom income class label themselves as "Lower class," and 43% label themselves as "Working class." The corresponding numbers for Democrats are 28% and 45%. In the highest income bracket (above $110,000), 11% of Republicans label themselves as upper class, in contrast to only 6% of Democrats.[12] These patterns are confirmed if we regress perceived social class on political affiliation and the full array of personal characteristics. Of course, class labels are subjective and may not be used in the same way across the political spectrum. But this sort of narrative about one's own social standing may be important and could help explain why, in section 5.3, right-wing respondents will perceive their own gains and losses as being more in line with those of higher incomes than do Democrats. Second, respondents' beliefs about which professions compose the top 1% richest people in the U.S. does not fit reality for all categories. Respondents tend to think that, among the top 1% richest people, there are more entrepreneurs; and arts, media and sports personalities; or teachers and scientists than there truly are. This could be because these professions are more often seen in the media. Conversely, respondents tend to underestimate the share of executives/managers and physicians in the top 1%.[13]

[12]See Figure OA-1.

[13]These results are in Appendix Figure OA-6.

# 5 Reasoning about Taxes: Efficiency, Distribution, and Fairness

This section presents the reasoning of respondents on the efficiency, distribution, and fairness of taxes.

## 5.1 Perceived Behavioral Responses and Distortionary Effects of Taxes

### 5.1.1 Income Taxes

Table 4 shows the perceived behavioral responses to income taxation.[14] In this table and all the ones below, different panels represent the results from different regression specifications. All regressions include controls for respondents' gender, age, race, income bracket, having children, education, having an economics-related major, employment status, self-reported policy knowledge, self-reported social class, political affiliation, and indicator variables for all treatments (question formulations and video courses). While all variables are explained in the main text and in the table or figure notes, Appendix A-2 gives more detailed and precise definitions. The first panel shows the coefficients on some of the key covariates, namely political affiliation ("Republican"), age groups, and income bracket. Panels B and C show the main effects of each treatment (question formulation or video courses); the treatment branches are denoted by "Me," "Women," "Redistribution," "Efficiency," or "Economist." The bottom panel provides descriptive statistics. The "control group" designates respondents who did not receive any video course and who saw the neutral question formulation (recall the survey branches in Figure 1). To test for differential effects by gender or political affiliation, treatment indicator variables for the video courses or question formulation are interacted with indicator variables for being "Female" or "Republican" (with omitted categories, respectively being "Male" and "Democrat").[15] For the sake of space, not all interacted regressions are shown for all outcome variables in this table and the ones below, but all are in the Online Appendix (for all variables in this Section, as well as for Section 6).

The dependent variable in Table 4 are indicator variables equal to one if respondents say that an increase in income taxes will change the listed behavior by a "moderate amount" to a "great deal." Overall, respondents think that the margins along which people respond most strongly to taxes are evasion, moving states, and entrepreneurship. It is interesting that these are relatively less studied responses in the empirical literature and have been, for the latter two at least, only more recently incorporated into the core tax theory models. Labor supply responses – on the intensive or extensive margins– are typically the core ones in the optimal tax literature. Respondents do consider working less to be a consequence of higher taxes, but a less prevalent one: 48% of respondents believe that high earners will work less in response to taxes and 39% believe middle class earners will work less. The perceived likelihood of the higher income or middle class stopping work altogether or having their spouse stop working are much lower.

In addition, respondents generally perceive behavioral responses to income taxes to be stronger for higher-income earners than for middle-class earners, especially when it comes to the margins of evasion, having one's spouse stop working, or moving states. Thus, 80% of respondents from the control group believe that high-income earners are likely to evade more taxes if their taxes were increased, 43% believe high earners will

[14] Recall that respondents were asked about these behavioral responses in different, randomized ways. One group of respondents was asked about the effects of taxes on high-income earners and the middle class; the other about the effects of taxes on high-income women and middle class women (the "Women" treatment); the final group about the effects of taxes on respondents themselves (the "Me" treatment).

[15] Since different panels represent different regressions, the coefficients on the main effects of the treatments or covariates can vary between panels, depending on whether interaction terms are included or not. The main effects and interaction terms with the indicator variable for political affiliation "Independent and Others" are always included, but not shown.

have their spouse stop working, and 78% think high-income earners are likely to move states in search of lower taxes. The corresponding perceptions for middle class taxpayers are 60%, 32%, and 64%, respectively.

What do we actually know about these responses to taxes? Clearly, our empirical evidence is not perfect and even economists disagree on the magnitudes and importance of these margins of adjustments to taxes. The goal is thus not to pinpoint quantitatively the mistakes people may be making, but to see how they reason about various groups' tax adjustments. There is of course information in the perceived prevalence and ranking of margins of adjustment by respondents that can be compared to the empirical evidence to date. While it is impossible to do justice to the abundant empirical tax literature, a very brief summary is as follows. Regarding labor supply, intensive margin elasticities seem to typically be small, but extensive margin (participation) elasticities at lower income levels can be higher (for good summaries see, e.g., Eissa and Liebman (1996), Chetty, Friedman, and Saez (2013), Hoynes (2019), Hoynes and Rothstein (2019)). Secondary earners (usually, women) tend to be more elastic to taxes than primary earners (usuallly, men), especially along the extensive margin, a point we return to below (see Gelber (2014) and Gelber and Mitchell (2012), Blau and Kahn (2017), Blau and Kahn (2007)). Recent work on mobility responses to taxation (Kleven, Landais, and Saez (2013), Kleven, Landais, Saez, and Schultz (2014), and Kleven et al. (2019), among others) shows them to be significant, but not typically large for the general population. They are, however, more substantial for high-income earners and for high-skilled professions involving only little location-specific human capital. Regarding earnings responses at the top, the evidence suggests that they are a mix of effects and not only standard labor supply effects (Piketty et al., 2014; Saez et al., 2012). Finally, on entrepreneurship, there is evidence that tax progressivity matters (Cullen and Gordon, 2006, 2007), as well as that outcomes from entrepreneurship (e.g., innovation) can be significantly affected by taxes (Akcigit et al., 2018; Akcigit and Stantcheva, 2020).

Columns 1 through 4 in Table 6 show perceptions on the broader potential efficiency costs of income taxes. In column 1, the dependent variable is equal to one if respondents believe that taxes on higher incomes will hurt the economy. Only around 31% of respondents think they will. Columns 2 and 3 consider the share of respondents who think there is a "Laffer" effect from taxes on the high-incomes and the middle class respectively, i.e., whether reducing tax rates on these groups can, in fact, boost tax revenues so much that it will decrease the fiscal deficit. Interestingly, quite a few respondents believe such Laffer effects exist, mostly when it comes to middle-class taxes (65% of respondents think a Laffer effect can occur for the middle class; 48% think so for high-income earners). Column 4 sums up all the perceived distortionary effects of taxes into an "Efficiency index," combining the variables from this table with those of Table 4.

**Me versus others:** Broadly speaking, respondents consider their responses comparable to those of the middle class and weaker than those of high-income earners. Respondents who are randomly asked about how they would react were their taxes to increase seem to think they are much less likely to respond to taxes along any of the margins when compared to high-income earners. 28% say they would evade taxes, 33% that they would work less, 23% that they may stop working altogether, 25% that their spouse may stop working, 55% that they may move states, and 39% that they would be more entrepreneurial.

Relative to the middle class, respondents believe they will evade less. Their own perceived responses are only marginally significantly different from the average middle-income person along the working and entrepreneurship margins, and otherwise identical. Yet, when thinking about which tax cut would have stronger stimulating effects on the economy, respondents believe that Laffer effects on households like theirs are stronger than those on high earners, but similar to those on middle-class households. This is not

inconsistent with the lower perceived behavioral responses for themselves or for the middle class. Indeed, the Laffer effects that people anticipate may be a mix of behavioral supply side effects (which they think are smaller for the middle class and households like theirs than for high earners), but also demand side effects through "fiscal stimulus" type and spending responses (which they may think are particularly effective in boosting activity).

The perceived lower response along the "move states" or "having your spouse stop working" margins in the "Me" treatment as compared to the middle class is entirely driven by women. Overall, women more than men believe they respond less to taxes than a generic middle-class person along all margins except evasion (since for the latter, men and women alike say that they themselves are much less prone to evading taxes). Only women consider themselves as less responsive than others on the "moving state" or "having your spouse stop working" margins when compared to the middle class; men do not.

**Women and others:** Respondents are less likely to say that high income women will evade taxes and move state as compared to a generic (unspecified gender) higher-income person. They also think that middle-class women will evade taxes less than a generic middle-class person. Women specifically believe that other women are less responsive to taxes, especially relative to a middle class person. Indeed, the lower perceived responses along the margins of "moving states," "having spouse stop working," or stopping work for middle-class women as compared to a generic middle-class person is entirely driven by female respondents who believe other women will respond less. For at least some of these margins, perceptions are not in line with the empirical evidence discussed above that shows that secondary earners (who historically – and to this day still– have mostly been women) are more elastic to taxes.

**Republicans versus Democrats:** Consistently, the share of Republicans who perceive strong behavioral responses to taxes along each dimension is 30-50% higher than that of Democrats. The one exception is the perceived evasion of high-income earners, which is slightly weaker among Republicans.[16] 55% and 46% of Republicans believe that, respectively, high-income and middle-class earners will work less in response to increased taxes, compared to 45% and 34% of Democrats. Another large difference is on the entrepreneurship margin: 63% of Republicans believe there will be less entrepreneurship among high-incomes (as compared to 41% of Democrats) and 54% believing the middle class will be less entrepreneurial (relative to 39% of Democrats). Yet, Republicans and Democrats are not significantly different in how they view *their own* behavioral responses (see the insignificant differences in the regressions interacting the political affiliation indicator variables with the "Me" formulation in the Online Appendix). This implies that Republicans perceive a bigger gap between themselves and everyone else when it comes to responses to taxes than Democrats do. Turning to Table 6, the partisan gap grows much larger. Many more Republicans (52%) than Democrats (15%) perceive negative effects on the economy from taxing high-income earners. Accordingly, Republicans also think there are more powerful Laffer effects for high-income earners. Yet, the two political groups are not significantly different when it comes to Laffer effects for the middle class: 61% of Democrats and 70% of Republicans believe that tax cuts on the middle class will pay for themselves. There is thus bi-partisan consensus on a phenomenon, the existence of which has actually not yet been convincingly established by economists.

[16] In the Online Appendix, I provide a more detailed breakdown by finer political affiliations defined by vote in 2016 and economic policy views (very conservative to very liberal). There is a clear monotonic progression from Clinton Liberals to Trump Conservatives in terms of stronger perceived behavioral responses.

### 5.1.2 Estate Tax

Table 5 shows the perceptions on behavioral responses to the estate tax. Here, respondents are asked about the effects on wealthy individuals, as well as on currently young people who are not necessarily yet wealthy, but have time to adjust to the estate tax. This question is to gauge how respondents think about anticipation effects that are so often included in economic models. Again, there are three possible randomized formulations related to "Me," Wealthy or young "women," and a generic "wealthy" or "young" person. The strongest perceived responses to an estate tax increase overall are, again, evasion and moving states, followed closely by saving less, being less entrepreneurial, and having one's spouse stop working. Respondents consider the currently wealthy on average more likely than the young to evade (a striking 88% of respondents believe so for the wealthy and 78% believe so for the currently young), more likely to have their spouse stop working (57% versus 46%), and much more likely to move state (83% versus 73%). On the other hand, they perceive the currently young as only slightly more likely to work less, be less entrepreneurial, or save less.

Table 6, columns 5-7, shows two other perceived efficiency costs of the effect of the estate tax on the U.S. economy. Column 5 highlights that 28% of the respondents think that increasing the estate tax on wealthy households would hurt economic activity, while column 6 shows that more respondents, 46%, believe in Laffer effects from decreasing the estate tax. Column 7 combines these two variables with those of Table 5 to create a summary index on the perceived distortions caused by the estate tax.

**Me and others:** Respondents consider themselves to be less responsive to the estate tax than the wealthy are.[17] As for the income tax, respondents mostly think they are different from the wealthy along the margins of evasion, having their spouse stop working, and moving states. There are no significant differences in this pattern for high-income respondents (these insignificant interaction terms are not shown in the table). Respondents do believe themselves to be responsive to taxes to some extent: on average, 38% say they would evade taxes significantly following an estate tax increase; 32% say they would reduce their labor supply; and 49% say they would move states.

As discussed above for the income tax, Table 6 shows that respondents again believe that increasing the estate tax on families like theirs is more likely to hurt the economy than increasing it on the wealthy, despite the fact that they think their behavioral responses are weaker. They also believe Laffer effects would be stronger on households with similar wealth to theirs rather than on wealthy households in general.

**Women and others:** On average female respondents believe that they themselves and other women will respond less to estate taxes along all margins, especially evasion, working less, stopping work, and being less entrepreneurial. The "Me" effect is still very significant for women, i.e., even if they think that other women will respond less to taxes than men, they believe that they themselves will respond to taxes even less than other women. Men only perceive a gender difference along the evasion margin and think that women are less likely to evade taxes.

**Republicans versus Democrats:** In the third panel of Table 5, Republicans and Democrats are aligned on their perceived (large) behavioral responses for the wealthy. Republicans, however, perceive youth responses to be on average stronger along the margins of working less, having their spouse stop working, and being less entrepreneurial. Republicans believe that they themselves will respond more to the estate tax than Democrats

[17] The difference in responses about the current young and about oneself is exclusively driven by women except for the evasion margin and is discussed below.

think they themselves will along the margins of tax evasion, movement across states, entrepreneurship, and savings. On balance, they still think they will respond less than a generic currently wealthy person. Republicans are much more likely to believe that a higher estate tax will hurt the economy (37% compared to 23% of Democrats) and that there are Laffer effects from decreasing the estate tax (56% of Republicans versus 33% of Democrats).

## 5.2 Perceived Distributional Effects of Taxes

The left panel of Figure 10 summarizes the perceived distributional gains and losses from either cutting the income tax on high earners (top part) or increasing overall taxes (middle part). The reader interested instead in the more detailed tables in the format used for the other mechanisms can look at Tables A-1 and A-2. For these two top parts of the figure, the horizontal axis represents the share of respondents, overall and by political affiliation, who think that each of the following groups will mostly gain from these tax changes: poor households, working class, middle class, upper-middle class, and upper class households. On average, 32% of respondents believe that lower class households will benefit from a tax cut on high earners, in line with the "trickle down" idea explored in the last column, and 82% believe so about the upper class. 65% believe that the lower class will benefit from overall tax increases and this share decreases monotonically to 41% for the upper class. The final row considers whether respondents believe in "trickle-down" economics, i.e., in whether lowering income taxes will on balance do more to reduce income inequality than increasing them. Overall, only 32% of respondents believe in the existence of trickle-down effects. The right panel of Figure 10 shows the perceived distributional gains and losses from cutting the estate tax. 75% of respondents believe the upper class would benefit and this share decreases to 42% for the lower class.

Respondents believe they themselves are more likely to gain than the lower, working, and middle classes if taxes on high earners are cut, but less likely to gain than the upper-middle or upper classes (see the position of the orange diamond relative to the symbols representing the other groups). They also believe they will have a similar likelihood of gaining from an overall tax increase to almost everyone else, except for the lower class. There is only a small difference in responses for higher-income respondents (those making more than $70,000). The latter believe they would gain even less than the lower and working classes from an overall tax increase, and gain marginally more from a high-earners tax cut than the upper-middle or upper classes (see Table A-1). For the estate tax, respondents seem to believe that they would gain more than the lower-class, working-class and middle-class households from an estate tax cut, about the same as upper-middle class households, and less than upper class households. As was the case for the income tax, this pattern is not significantly different for higher income respondents, suggesting that the perceived gains and losses of a respondent from tax cuts are not strongly correlated with their actual income.

There are some partisan differences in the perceived distributional impacts of tax changes. Republicans are more likely than Democrats to think that all groups below the upper-middle class will benefit from tax cuts on high earners, but agree with Democrats on the perceived gains of the upper class. However, they strongly believe that everyone will gain less from an overall tax increase than Democrats think. Republicans are much more ardent believers in trickle-down effects from income taxes: 60% of Republicans compared to only 10% of Democrats believe in them.

There are also partisan gaps when it comes to the perceived effects on oneself. When asked about themselves, Republicans tend to believe their own loss from a tax cut on high earners is closer to that of the upper-middle and upper classes. They also think that they are even more likely to lose from an

overall tax increase than any of the groups considered, including the upper class. Similarly, Republican respondents believe they will gain from an estate tax cut more than generic upper-middle class and upper class households. Overall, thus, Democrats perceive their gains and losses as closer to that of the middle class, while Republicans perceive theirs as closer to those of the upper echelons of the income and wealth distributions, consistent with their perceived ranking in the social ladder discussed in Section 4.

## 5.3 Fairness Concerns

### 5.3.1 Income Tax

Table 7 summarizes some of the core fairness views related to the income tax. Column 1 shows that 70% of the respondents think that money and wealth in the U.S. should be more evenly distributed among the population and almost half of all respondents think that income inequality is a serious issue. Consistent with this, just 30% of respondents agree with the statement that high-income individuals are entitled to keep a very large share of their income and should not have to pay high taxes. Respondents believe that they are more entitled to keep their full income than high-income earners; 53% of respondents say so about themselves.

Only 25% of all respondents believe that people who have worked hard for their income should be taxed less than those who have not worked as hard for it, even if that implies that people with the same income will end up paying different taxes. This suggests that "horizontal equity" concerns, whereby there is an aversion to taxing people with the same income differently, except perhaps for reasons directly related to ability to pay (like family status, children, disability or old age) are prevalent (Saez and Stantcheva, 2016). Furthermore, respondents are even less likely to think that their own work effort should be relevant for the tax they pay. In the final column, a "Redistribution" index captures the respondents' responses to all the aforementioned questions, as well as the distributional impacts from Figure 10 (or, equivalently, Table A-1) and is oriented in the direction of perceiving inequality as less fair, more progressive taxes as fair, and tax reforms that cut top tax rates or decrease overall taxes as hurting lower incomes and benefitting higher incomes.

When it comes to fairness considerations, there are much larger partisan gaps than for the efficiency or distributional concerns. 92% of Democrats believe that wealth and money should be more evenly distributed in the U.S. while only 42% of Republicans do. 69% of Democrats perceive inequality to be a serious or very serious issue, as compared with 25% of Republicans. 55% of Republicans as opposed to 10% of Democrats believe that high-income earners are entitled to keep their income.

### 5.3.2 Estate Tax

Table 8 shows in-depth fairness considerations about the estate tax. The normatively complex question that societies encounter when thinking of the estate tax is that, from the point of view of the parents, being able to pass on wealth to their children seems relatively fair, as it seems fair to allow people to purchase other types of goods with their money. However, from the point of view of the children, many people would feel it is unfair that children receive very different wealth transfers from their parents through no fault or merit of their own. The latter is an equality of opportunity argument. How do respondents view this thorny normative issue?

Columns 1 and 2 show that 64% of the respondents believe that wealth should be more evenly distributed

and 46% deem wealth inequality to be a serious problem. Columns 3-6 show more nuanced views on inheritances. 61% of respondents believe it is unfair to tax the estate of wealthy people who have worked hard to accumulate their wealth and 47% of respondents believe it is unfair to do so if wealthy people themselves had inherited their wealth in the first place. Only 32% of respondents believe it is fair that children from wealthy families have access to better amenities, but 53% agree it is fair that those children inherit more. Thus, while respondents in general believe that it is unfair for children to start with different opportunities in life, they are more favorable to equalizing access to amenities than to taxing parental estates at death.

The last fairness question makes respondents explicitly think about the trade-off between fairness from the point of view of the children and that of the parents. Just slightly more than half (58%) of respondents agree more with the statement that wealthy parents should be able to pass all of their wealth onto their children, even if that means that "some children will start their own life with much larger wealth just by virtue of being born in a richer family" than with the statement that "children should not start their life with much larger wealth just by virtue of being born in a richer family," and that wealth passed on should be taxed even if some parents have worked hard to build it. Hence, there is a lot of disagreement between respondents whether the fairness arguments regarding parents' rights to transfer wealth dominate those regarding children's rights to inherit wealth.

Turning to the randomization of the formulation, respondents are more likely to say it is unfair to tax *their own* potential estates if they have worked hard to build them than it is to tax the estates of similarly hard-working wealthy families. Since for some questions asking directly about the respondent themselves makes no sense, the "Me" formulation instead asks about families wealthier than the respondent's family. It appears that respondents believe it is less fair to tax the estate of families that are wealthier than their own because they have inherited a lot of wealth than it is to tax the estate of generic wealthy families that are wealthier than others because they have inherited a lot. Additionally, respondents believe that it is fairer for children born in families wealthier than theirs to inherit more than children born in generic wealthy families. The "Redistribution index" summarizes these effects together with the distributional impacts from Figure 10 (equivalently, Table A-2) and shows that, on average, when it comes to themselves or families closer to theirs, respondents believe the transmission of wealth from parents to children is fairer. These are extensions of the "Me" effect: respondents consider families with wealth higher than theirs as closer to them and presumably less wealthy than what they imagine as the generic "wealthy family."

Around 85% of Democrats and 36% of Republicans believe that wealth is distributed unfairly and 64% of Democrats as opposed to 19% of Republicans consider wealth inequality a serious or very serious problem. Consistently with these large divides, Republicans are strikingly more likely than Democrats to say it is fair that wealthy families pass on wealth to their children tax-free if they worked hard for it (73% relative to 51%) or if they inherited it (56% relative to 38%); that children from wealthy families have access to better amenities (44% versus 19%) or inherit more (70% versus 36%); and support on balance tax-free wealth transmission (71% versus 49%).

# 6 Putting it All Together: Views on Tax Policies

Now that we have covered people's first-order concerns, knowledge about taxes, and reasoning about their efficiency, spillover, distributional and fairness effects, we can bring these parts together and see which of

them drive policy views on taxes.

## 6.1 Classifying Respondents by their Tax Policy Views

I start by a high-level heuristic analysis of which views about different aspects of tax policy are correlated and appear together in clusters. Can broad types of respondents be identified based on their responses? To answer this, I apply an unsupervised, clustering machine learning algorithm based on the Latent Dirichlet Allocation machine learning algorithm. Such a method was recently used by Draca and Schwarz (2019) to identify ideologies in survey data. I apply this algorithm to the set of multiple-choice questions in each survey. The algorithm identifies probability distributions over answers and assigns them to respondent "profiles" based on the frequency: a high probability of a given answers indicates an answer is very salient for this profile. The list of answers with the highest probabilities ("top answers per profile") correspond to answers that frequently occur together. Respondents are then sorted into either of these profiles. While there can be many profiles, the focus in the text is on two major ones that are clearly defined.

For the income tax, the clustering algorithm identifies two major profiles of respondents. Profile I believes in redistribution, sees inequality as a serious issue, and emphasizes the unfairness of the economic and tax system. Typical responses for Profile I include: "The money and wealth in this country should be more evenly distributed among a larger percentage of the people," "a person is rich because she or he had more advantages than others," and "the share of total U.S. income that goes to the top 1% in the U.S. increased a lot over the past 30 years." Profile II does not believe in the unfairness of the system and the seriousness of inequality. Typical answers here include "A person is wealthy because she or he worked harder than others," "The share of total U.S. income that goes to the top 1% in the U.S. increased somewhat over the past 30 years." They also downplay the importance of the federal income tax system in their own lives: "The federal income tax policy has some direct effects on my own life" as contrasted with "very important direct effects" for Profile I.

Figure 11 shows the average share of respondents in each of the groups listed on vertical axis (sex, race, political views, etc..) that belong to Profile II. The dots represent the mean in each group and the lines are the 90% confidence intervals around the mean. The "average" dotted line is the sample average. The coefficients listed next to the characteristics represent the coefficient on that characteristic in a regression of the likelihood of belonging to Profile II on all personal characteristics included jointly. Their standard errors are in parentheses. By far the biggest predictor of being in Profile II is political affiliation, with Republicans much more represented in that profile. Two other factors that are significantly, but much more weakly correlated with being in Profile II are higher income and age below 29. Political affiliation in that sense is more predictive of respondents' answers to most questions in the survey than income is.

On the estate tax, the two main profiles identified by the respondent profile clustering algorithm were, on the one hand, a respondent who does not feel concerned by the estate tax and focuses on the severity of inequality and, on the other hand, a respondent who feels that most people are badly affected by the estate tax and that the estate tax system is unfair. This type of respondent also has starker misperceptions about the estate tax. Example answers in the first profile include "I do not feel personally affected by the federal estate tax," "There should be a federal estate tax in the U.S.," and "The money and wealth in this country should be more evenly distributed among a larger percentage of the people." Very common answers for the second profile are "The federal estate tax is mostly taxing assets that have already been taxed and thus leads to double taxation," "I do not know what the stepped-up cost basis at death is," " Every individual's estate

is subject to the federal estate tax at death," and "There should not be a federal estate tax in the U.S." Again, the most important predictor of belonging to Profile II is being a Republican. Having completed at most a high-school education is also correlated with this profile.

## 6.2 Describing Tax Policy Views

Table 10 describes some of the main policy views on the income tax. As is already clear from the clustering algorithm results, there are large partisan gaps in these policy views. The first two outcomes are related to the current status quo. Only around one third of all respondents believe that the current income tax system in the U.S. is fair or are satisfied with it: the share is one fifth for Democrats and around 45% for Republicans. Thus, Republicans are overall more favorably inclined to the current system, perhaps because of the tax reforms implemented by the current administration. 84% of Democrats believe a progressive income tax to be an important tool to reduce income inequality, while only 48% of Republicans do.

How tax revenues are spent may shape respondents' views on tax reform and needs to be controlled for. Thus, respondents are also asked whether they would support raising taxes on higher-incomes in two specific instances. In the first scenario the additional revenues are spent to expand programs targeted to lower-income individuals, while in the second scenario the additional revenues are used to increase investments. Unsurprisingly, the partisan divide is particularly large in the former scenario, with 80% of Democrats supporting spending on the welfare programs as opposed to 39% of Republicans. The gap is much smaller in the latter scenario, 59% of Democrats and 48% of Republicans are in favor of increasing investments. We will come back to the importance of how revenues are spent in Table 12 below. When it comes to the role of government, 63% of Democrats, 23% of Republicans, and 43% of all respondents believe the government should have a responsibility in reducing inequality.

Table 11 focuses on the main policy outcomes related to the estate tax. Around 40% of all respondents believe that the estate tax system is currently fair and are satisfied with it, with no significant differences by political views. When asked to think more normatively about whether the estate tax should exist and whether it should be increased, Republicans are significantly less likely to agree. 65% of Democrats against 37% of Republicans believe the estate tax is a good tool to reduce inequality, and 39% and 21% respectively believe the government is somewhat responsible for reducing intergenerational wealth transmission. Hence, while similar shares of respondents on both sides of the political spectrum are satisfied with the current estate tax system, the way in which the dissatisfied want to modify it differs substantially by political affiliation.

Table 12 focuses on an additional set of policy outcomes, which were asked in both surveys. They touch more broadly the respondents' spending preferences and their perception of the tax burden borne by different groups. The first two outcomes are indicator variables equal to one if the respondent believes that high-income households (column 1) and the middle class (column 2) pay their fair share or less than their fair share in taxes. The means by respondent type and in the control group are almost identical in the income and estate tax surveys, so I focus on the income tax survey for brevity. Only 20% of the sample thinks that high-income earners pay more than their fair share; this share is only 9% among Democrats versus 38% among Republicans. On the contrary, 64% believe the middle-class pays more or much more than its fair share; there is also broad agreement on the middle-class's tax burden across the political spectrum.

Columns 3 to 7 report the respondents' preferences on the government spending on a set of redistributive programs and showcase once again the importance of how tax revenue is spent in shaping views about taxes. The trade-off between revenues and taxes is made salient to the respondents as they are explicitly told that

increased funding would mean more taxes or reduced spending in other areas, whereas decreased spending would be followed by reduced taxes or increased spending elsewhere. As highlighted in Table 10, the political affiliation of the respondent is by far the most important predictor of such preferences: left-wing respondents are indeed systematically stronger supporters of increased spending and increased taxation. In particular, around 40% of Democrats favor more generous spending in income support programs for those out of work and retraining programs for workers displaced by international trade as opposed to 20% of Republicans. But different uses of tax revenues generate very different levels of willingness to increase taxes. Respondents exhibit a much stronger support for increased spending in the school system with 76% of Democrats and 43% of Republicans advocating for better schools for children from low-income families. Finally, around 60% of Democrats and 25% of Republicans are in favor of healthcare subsidies for low-income households and of wage subsidies and help for the working poor.

### 6.3 A Decomposition of Policy Views

Which of all the considerations discussed in the previous sections of the paper matter most for policy views? To answer this question, panel B of Tables 10-12 decomposes the views on the income and estate tax into four indices, all but one of which have already been described above i) the misperception index that is increasing in the extent to which a respondent overestimates the level and progressivity of taxes; ii) the efficiency index that captures the strength of perceived behavioral responses to taxes and economic costs; iii) the redistribution index showing the extent to which the respondent believes higher income/estate taxes benefit lower earners and that the income or wealth distributions are unfair, that inequality is a problem, and that higher and progressive taxes are fairer; iv) the government trust index, which is newly constructed here, summarizing the trust in government and the view that the scope of government should be broad. The regressions all contain the usual detailed respondent-level controls. All the mechanism indices are on a similar scale, so we can at least heuristically rank the concerns thus identified by order of importance.

We can see that misperceptions play some role. Respondents that tend to overestimate the level and progressivity of income and estate taxes are more likely to believe the tax system to be (already) fair and to be satisfied with it. They are less likely to support higher taxes for any sort of spending (better schools, retraining programs, wage subsidies, etc.) even if their proceeds are used to finance investments in the U.S.. Those who tend to overestimate the level of the estate tax are less likely to say that the estate tax should be increased. In general, misperceptions are more correlated with views on the status quo rather than with more fundamental views such as whether progressive income or estate taxes are important tools to reduce inequality (recall the discussion in Section 2 about whether misperceptions shift the desired tax system or simply the perceived reform path to get there). This suggests that information on the current tax and income distribution could perhaps at least modestly improve support for more progressive tax reforms.

Efficiency considerations play a relatively minor role and have mostly small and insignificant effects, with some exceptions. Respondents who perceive higher efficiency costs are a bit less likely to say that the estate tax should exist or that that progressive taxes are an important tool to reduce inequality, and significantly less likely to say that high income earners or middle class earners pay less than their fair share of taxes. It is worth noting that if we decompose the efficiency index into its components, it is only the belief in the Laffer effect and high costs on the economy from taxes that play a role; views on the behavioral effects do not.

Redistribution concerns matter significantly in shaping views on tax policy. Those with stronger beliefs in the unfairness of the income and wealth distributions, the fairness of taxes, and who think that benefits from

tax increases accrue to the lower income households are across the board much more supportive of higher, more progressive taxes, and of raising more tax revenues to fund a variety of investment or progressive spending. They are also much less satisfied with the current tax system. A further decomposition in Appendix Tables A-3-A-4 shows that, although the pure distributional impacts (i.e., to what extent lower incomes benefit from income or estate tax increases) do matter, it is the fairness concerns that dominate. In addition, the belief in "trickle-down" is strongly (negatively) correlated with views on progressive taxation. Those who trust the government more and have a broader view of its responsibilities are also much more in favor of redistribution through taxation and increasing taxes to finance different types of spending and are less satisfied with the current tax system. Views of government are thus the second most important consideration for tax policy, after views on redistribution.

Finally, note that despite adding these indices into the regressions, political affiliation is still highly significant although its effect is starkly reduced by 50% or more relative to panel A.[18] Thus, these factors do capture a very significant part, but not all of the partisan effect.[19] In the present surveys, there is a difference between the questions that ask about more fundamental views on the tax system and those that ask about satisfaction with and belief in the fairness of the *current* tax system. The effect of political affiliation on the latter is barely reduced by the inclusion of these reasoning indices. This highlights that support for current policies is much more highly shaped by partisanship than fundamental views are.

Naturally, the direction of causality is unclear: political affiliation is not an immutable characteristic and can itself be an outcome of this set of views. Conversely, party affiliation can shape people's mental narratives and rhetorics. Table 9 regresses political affiliation on the full set of indices and other personal characteristics. Putting all of the mechanisms together shows that, even conditional on age and income, most strongly correlated with being a Republican are perceived redistribution benefits; followed by trust in government, and only then efficiency. Misperceptions are significant only for the income tax. It is also instructive to do a Gelbach decomposition, following Gelbach (2016) for all the regressions in Tables 10-12 in order to see how much of the change in the coefficient on the Republican indicator variable when moving from Panel A (without the mechanism indices) to Panel B (including the mechanism indices) can be explained by the inclusion of each of the indices. The results show that, consistently, it is the Redistribution index that explains most of the change, with the Government trust index explaining the remainder. Only a very small part of the partisan effect on policy views goes through the misperception and efficiency indices.

To sum up, the most important concern for both the income and estate tax seems to be about equity and redistribution. Recall from the previous sections that redistribution concerns and in particular, the views on fairness component, were the most polarized ones and that fairness seemed to be in the eye of the beholder. The second most important factor is trust in government, which is also highly polarized. Misperceptions play some role too, but efficiency considerations seem to be much less pivotal in shaping final policy views. We now show that the experimental evidence confirms these correlational patterns on the relative importance of efficiency and redistribution concerns.

[18] This is also true for Table 12, where the baseline panel without the indices is only shown in the Online Appendix to save space.

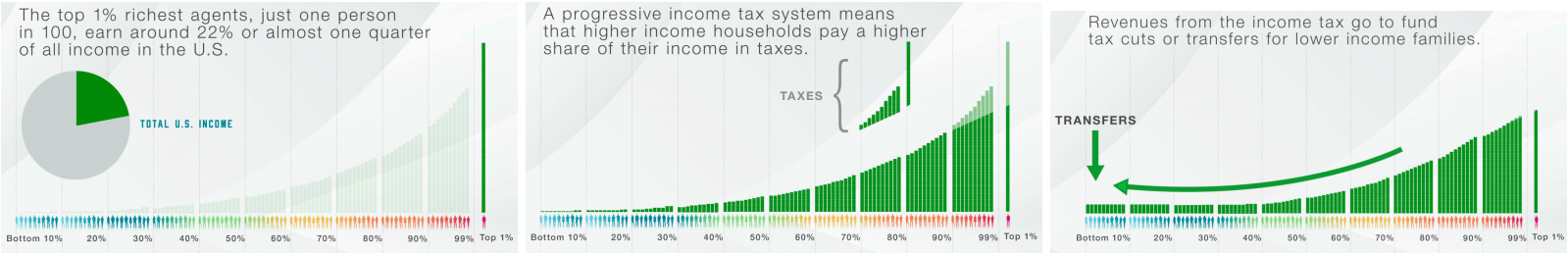
[19] This finding is in stark contrast with the findings by Fuchs et al. (1998) where, on a poll of leading labor and public economists, the significance of partisanship on policy issues fully disappears once they include controls for core values such as preferences for redistribution. Perhaps the difference is due to the sample (economists there versus the general public here) or to an increase in the role of partisanship over the years since that paper was written.

## 6.4 Experimental Treatment Effects

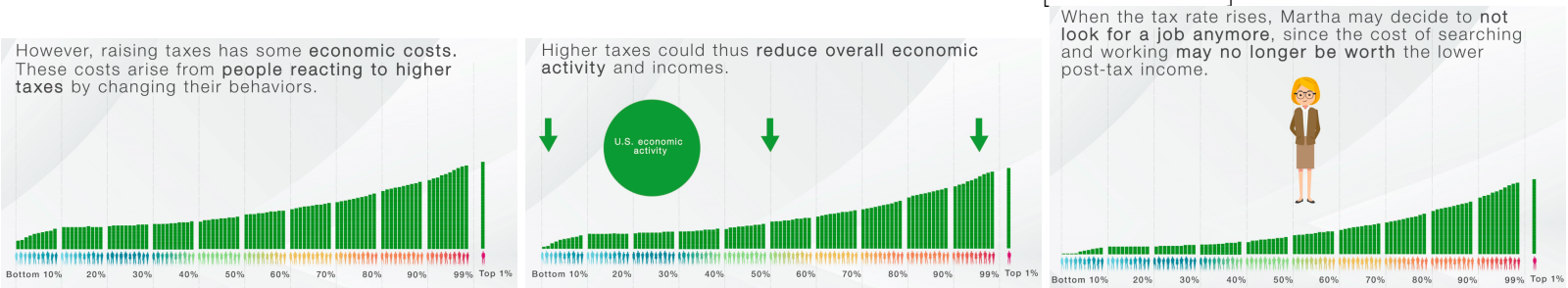
**The treatment video courses.** Some screenshots from the treatment video courses are in Figures 2-7, with links to the actual videos in the figure titles. The Redistribution video for the income tax starts by showing respondents facts on the distribution of income in the U.S: the share of earnings of the top 10%, the bottom 90%, and the top 1%. It then describes how a progressive tax system can reduce income inequality by taking income from the higher incomes and redistributing it to lower incomes. It also stresses that in general this could be beneficial from the point of view that *"one dollar taken from a rich person"* implies a cost to that richer person that may be smaller than the value of that dollar to a poorer person. This treatment thus highlights the distributional impacts of progressive taxes and a simple benefit form redistribution due to declining marginal utility of income, but is otherwise silent on fairness issues and does not try to shift respondents' views on what is fair or unfair. This is because the goal is to remain neutral and respect people's own fairness views. In the limit, if people do not value income equality at all, this treatment should have no effect on support for redistribution.

The Efficiency treatment focuses on the distortionary effects of taxes. It stresses the possible costs in terms of reduced economic activity and suggests different channels through which this can happen, such as i) people working less (the video shows the example of John, who decides to not take a second job); ii) people hiding more of their income from the tax authorities; iii) people deciding to stop looking for a new job (the video shows the example of Martha, who may consider stopping her job search because working may no longer be worth the lower post-tax pay); and iv) people deciding to move to a state with lower taxes. It does not, however, provide quantitative evidence on these channels and is careful to emphasize that these are only potential effects. The video then sums up: *"To sum up, all taxes have an economic cost and higher taxes can discourage economic activity. The more revenues we try and raise, the more likely there will be a negative impact on total income."* The Economist treatment appends these two videos and shows a concluding screen, where a scale weights on the one side the benefits from taxation (less inequality and more revenues) against the economic costs. The scale moves from one side to the other, while the respondent is shown that the right tax system is the one that balances these benefits and costs. The video states: *"All taxes have an economic cost and too high taxes can discourage economic activity. But there are also benefits. Progressive taxes make the income distribution more equal and fair by redistributing some income from richer to poorer people. The ideal income tax system will be the one that balances these costs and benefits."*

## Figure 2: Income Tax Redistribution Treatment [Video here]




## Figure 3: Income Tax Efficiency Treatment [Video here]




## Figure 4: Income Tax Economist Treatment [Video here]

For the estate tax survey, the Redistribution treatment video course also starts by showing facts about the distribution of wealth across the U.S. population, for the top 10%, the bottom 90%, and the top 0.1%. The video then shows how wealth transmission from parents to their children can shape the opportunities and wealth of children through no fault of their own, and that wealth transmission can occur for many generations. It then states that the wealth tax could *"reduce the transmission of wealth and level the playing field between children from poor and wealthy families."* The revenues raised from the wealth tax can help fund programs for lower-income families. The video also explains that leveling the playing field for inheritances may be important given the evidence that children from wealthy families already start with some advantages in life, such as better schools, networks, or amenities. The Efficiency video course focuses on the efficiency implications of the estate tax. It starts by stating that an estate tax would reduce wealth inequalities between families, but that it entails economic costs and benefits that arise because people change their behaviors in response to it. It reviews several possible economic costs: i) *"Wealthy parents may decide to work less or start fewer businesses;"* ii) Wealthy people could also decide to save less and instead spend more; and iii) Wealthy people could decide to evade or avoid estate taxes more. It then turns to the possible efficiency benefits from an estate tax, which are: i) Children from wealthy families will possibly work more as they will inherit less wealth on net and ii) Spreading wealth more equally could improve opportunities of children from poorer families who could make good contributions to society such as starting businesses and that these opportunities may otherwise be lost. The Economist treatment brings the efficiency costs and benefits and the distributional implications together; furthermore, as for the income tax, it shows that the right level of the estate tax would balance these costs and benefits. Neither the income tax nor the estate tax treatments take a stand on what the right level of taxes is or whether taxes should be increased relative to their current levels. They also do not provide information on the current tax system.

**Effects of the courses.** Are perceptions and policy views affected by the video courses? The effects on reasoning and perceptions of efficiency or redistribution effects can be viewed as "first-stage" effects here, while the effects on policy views are "second-stage" effects. For the income tax, there are significant first-stage effects, as the perceived mechanisms are very malleable to information (Tables 4 and 6). The Efficiency and Economist treatments increase the perceived behavioral responses to taxation; they also strengthen the view that taxes on high incomes hurt the economy. The Redistribution and Economist treatments increase the view that inequality is a serious issue. When it comes to policy support (Table 10), the Redistribution and Economist courses have significant effects as well. They both increase the belief that a progressive income tax system is an important tool to reduce inequality, and also that the government has a responsibility to reduce inequality. The effects are economically meaningful: the Redistribution treatment increases these two beliefs by around one third of the gap in beliefs between Democrats and Republicans. Equivalently, it increases the view that a progressive tax system is an important tool to reduce inequality by 16% of the control group mean and the belief that the government has a responsibility in reducing inequality by 20% of the control group mean. The Economist treatment increases the two beliefs by around a fifth of the Democrat-Republican belief gap and, respectively, by 9% and 16% of the control group mean. The Economist treatment also increases support for raising taxes on high incomes to expand programs for low-incomes and to increase investments. Thus, despite the heightened awareness of efficiency costs from the Economist treatment, respondents end up focusing more on the redistribution and fairness considerations, which is in line with the correlational patterns from the decomposition of policy views in the previous section.

Republican respondents are particularly sensitive to the balanced Economist treatment when it comes

to the underlying reasoning. Republican respondents who see this video course believe less in trickle down and in Laffer effect for the middle class. They are less likely to say that high-income earners are entitled to their income. They are also convinced by the treatment that the wealth distribution is more unfair. In terms of policy views though, there is no significant heterogeneity in treatment effects on Democrats and Republicans.[20]

For the estate tax, the Efficiency and Economist videos significantly increase the perceived behavioral responses for the wealthy and, to a much lower extent, for the young (Table 5, Panel C). The Economist treatment decreases the perceived fairness of higher inheritances for children in wealthy families and reduces support for wealth transmission. The effect of the Redistribution treatment on these perceptions is also significant overall, but loses power when interacted with political affiliation.

On policy (Table 11), all three treatments significantly increase the view that increasing estate tax is a good way to reduce inequality. It is noteworthy that even the Efficiency treatment somewhat increases this favorable view of the estate tax, perhaps because it emphasizes also the possible beneficial efficiency effects of leveling the playing field and not just the costs. But the effects are larger for the Distribution and Economist treatments and are equivalent to roughly one half of the gap in support between Democrats and Republicans in the control group, or just below one third of the control group mean. The Redistribution and Economist treatment both increase the perceived role of government in reducing wealth transmission and the effect is equivalent to one fifth of the gap between Republicans and Democrats or 13% of the control group mean. Respondents who see these two treatments are also more likely to say that the estate tax should be increased, and the effect is equivalent to a fourth of the control group mean and one third of the gap between Republicans and Democrats. This is true regardless of political affiliation.

The effects of the Efficiency and Economist treatments on the perceived behavioral effects to the estate tax are weaker for Republicans who already perceive them to be higher to start with. The Efficiency treatment in particular has very different effects across political affiliations. Republican respondents who see the Efficiency treatment become more convinced that wealth transmission is fair, and that it is unfair to tax parents' bequests if those parents either have worked hard to make the bequest or if they have themselves inherited a lot. They also become less likely to say an estate tax should exist, and – only marginally significantly – that it should be increased or that the government should be responsible for reducing wealth transmission. The Efficiency treatment has no such negative effects on Democrats: if anything, it strengthens in a marginally significant way their view that the estate tax should exist and be increased.

Overall, the experimental results confirm the correlational decomposition: redistribution concerns shape people's views on taxes more than efficiency concerns do. When the trade-off between the two is explained (as in the Economist treatment), it is the redistribution concerns that dominate.

[20]The treatment effects on policy views for which political affiliation is interacted with treatment (and the interactions are insignificant) are in Online Appendix Tables OA-30 and OA-33.

Figure 5: Estate Tax Redistribution Treatment [Video here]

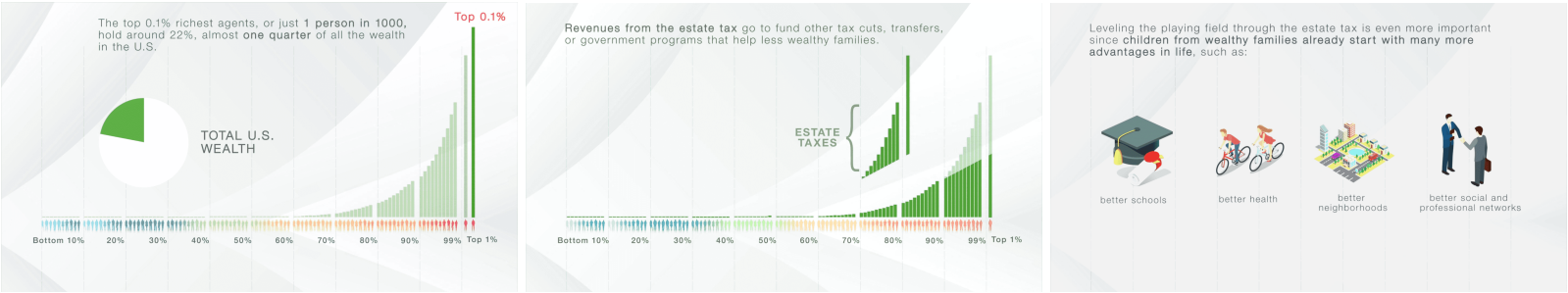
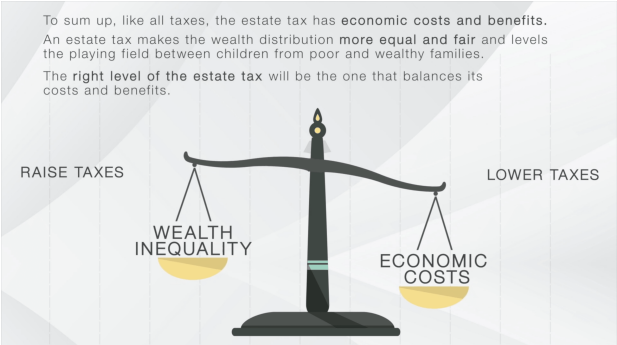



Figure 6: Estate Tax Efficiency Treatment [Video here]

Figure 7: Estate Tax Economist Treatment [Video here]



# 7 Conclusion

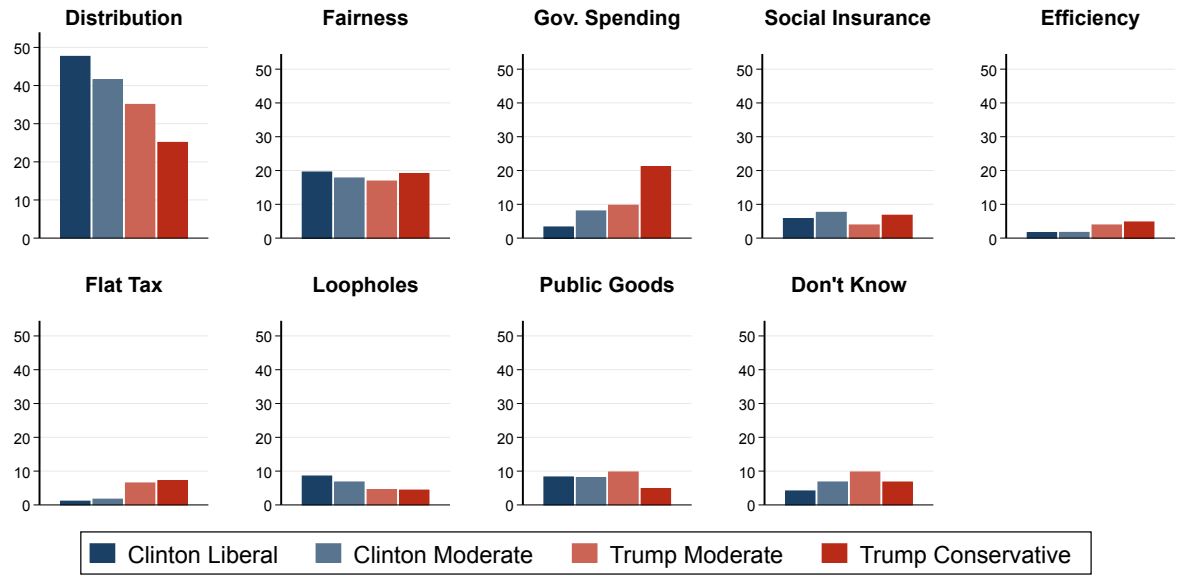
This paper explored how people reason about income and estate taxes. The use of large-scale, representative Social Economics surveys in the U.S. permits going beyond simply asking about support for or opposition to policies: we can understand people's mental maps better, identify gaps in information or logic, and disentangle entrenched fairness considerations from efficiency or distributional concerns, each of which has different implications. Many partisan gaps of varying sizes exist not just in policy views, but also in the reasonings about one or several dimensions for each policy: the perceived efficiency effects, distributional implications, and views on fairness. Views on fairness are the most polarized ones, followed by views on the government. A decomposition of policy support into efficiency, distributional, fairness, government trust, and knowledge factors shows that the perceived redistribution benefits most strongly drive support for or opposition to progressive taxation. An even finer decomposition shows that it is mostly fairness concerns, as well as the lack of belief in trickle-down, i.e., the rhetoric that lower taxes on high-income earners can help everyone, that most significantly shape support for redistribution. These correlational patterns are confirmed by the experimental results. Even when the trade-off between redistribution and efficiency is explained (as in the Economist treatment), it is the redistribution concerns that dominate. Overall, efficiency costs seem to be relatively second-order in people's mental models.

Future research could study in more depth the mental models underlying other policies. In addition, the effects of the video courses do suggest that explanations that are balanced and non-partisan may be useful as a first step in elevating the policy debate. They should be viewed as starting points to be further developed. It would be very valuable to keep exploring ways in which citizens can learn more about economic policy issues, importantly, in a way that explains the functioning of these policies rather than simply giving factual information. Indeed, as highlighted in this paper, factual knowledge about the exact numbers and statistics of a given policy may be more or less accurate, but the reasoning about it may still be very different across people, especially across political groups, and may matter much more in shaping policy views.

It would also be fruitful to consider the interaction of different policies. Fairness considerations among others do not arise in a vacuum and are very context-specific. For instance, a given policy may be considered fairer if it co-exists with another one and, to the contrary, a new reform may be deemed unfair if it comes on top of a series of other reforms. Fairness concerns are arguably not for economists to influence and shape. But as the key determinants of policy support, they are definitely for economists to study.

# FIGURES AND TABLES

## Figure 8: What Are Your Main Considerations About the Income Tax?

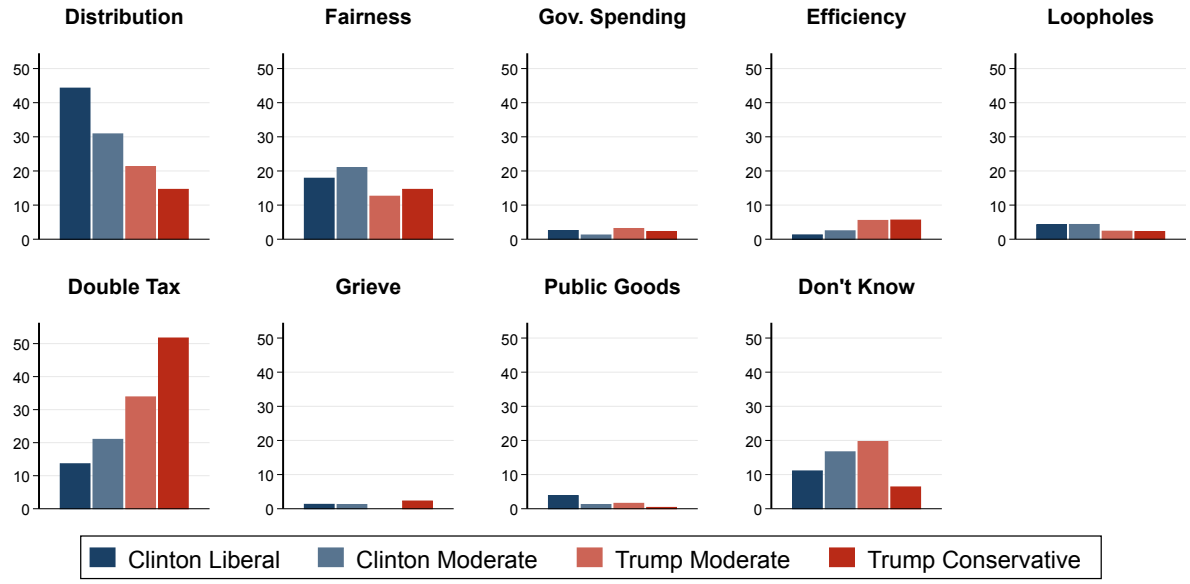



**Keywords**

| | |
|---|---|
| Distribution: | *Middle class; working class; low income; wealthy; millionaire; rich; billionaire; corporations & pay/tax* |
| Fairness: | *Fair; unfair* |
| Government spending: | *Government spending & high; government spending & cut; deficit; debt; government & waste; balance & budget; government & budget; government & control & spend* |
| Social insurance: | *Social services; governmental services; governmental program & fund; governmental program & cover; help & poor; pay & poor; social program; poor work; live & paycheck; provide & family* |
| Efficiency: | *Hurt & economy; work hard; work less; work more; create & job; depress; trickle down; negative/detrimental/destroy/damage & economy; competition; innovation; create & business; boost & economy; discourage; spend less* |
| Flat tax: | *Flat tax* |
| Loopholes: | *Loopholes; lawyer; account; tax evasion; evade; avoid taxes* |
| Public goods: | *Infrastucture; education; healthcare* |
| Don't know: | *Not know; knowledgeable enough; idk; not sure; know enough; unsure* |

*Notes:* The figure shows the distribution of topics mentioned by respondents when answering the question *"When you think about federal personal income taxation and whether the U.S. should have higher or lower federal personal income taxes, what are the main considerations that come to your mind?"* split by political affiliation. The keywords defining each of the topics are reported at the bottom of the figure. See Section 3 for a summary of the text analysis method, Section OA-2 in the Online Appendix for more details, and Section A-3 for example answers by topic.

Figure 9: What are your Main Considerations on the Estate Tax? Topics by Political Affiliation




**Keywords**

| | |
|---|---|
| Distribution: | *Middle class; working class; low income; wealthy; millionaire; rich; billionaire; corporations & pay/tax; poor; inequality* |
| Fairness: | *Fair; unfair* |
| Government spending: | *Government spending & high; government spending & cut; deficit; debt; government & waste; balance & budget; government & budget; government & control & spend* |
| Efficiency: | *Hurt economy; work hard; flat* |
| Loopholes: | *Loopholes; lawyer; account; tax evasion; evade; avoid taxes* |
| Double tax: | *Already taxed/paid; twice & tax/pay* |
| Grieve: | *Grieve; bury; funeral* |
| Public goods: | *Infrastructure; education; health care* |
| Don't know: | *not know; knowledgeable enough; idk; not sure; know enough; unsure* |

*Notes:* The figure shows the distribution of topics mentioned by respondents when answering the question *"The Federal Estate tax is a tax imposed on the transfer of wealth from a deceased person to his or her heirs. When you think about the federal estate tax and whether the U.S. should have a higher or a lower federal estate tax, what are the main considerations that come to your mind?"* split by political affiliation. See the notes to Figure 8.

## Table 3: Knowledge, Misperceptions, & Willingness to Pay for Information

**Panel A: Income Tax**

| | Misperception index (1) | Top tax rate in today (2) | Top tax rate the 50s (3) | Share of income paid in taxes by median households (4) | Share of income paid in taxes in top bracket (5) | Share of households in top bracket (6) | Share of households not paying income taxes (7) | Top tax threshold (8) | Share of US income owned by top 1% (9) | Willingness to pay randomized amount (10) |
|---|---|---|---|---|---|---|---|---|---|---|
| Republican | 0.10*** | 3.74*** | -2.52* | 1.46* | 6.15*** | 3.24*** | 5.97*** | -8,600 | -7.72*** | -0.08*** |
| | (0.02) | (0.84) | (1.38) | (0.80) | (0.88) | (1.03) | (0.98) | (8,900) | (1.41) | (0.02) |
| High-Income | -0.04** | 0.23 | 1.32 | -0.00 | 0.15 | -1.76* | 0.08 | 60,000*** | -2.32 | 0.01 |
| | (0.02) | (0.84) | (1.39) | (0.80) | (0.89) | (1.04) | (0.98) | (9,000) | (1.41) | (0.02) |
| Self reported knowledge | -0.03** | 2.78*** | 8.29*** | 2.39*** | 3.70*** | -0.11 | 5.38*** | 24,000*** | 5.53*** | 0.07*** |
| | (0.02) | (0.76) | (1.26) | (0.73) | (0.81) | (0.94) | (0.89) | (8,200) | (1.28) | (0.02) |
| College Degree | -0.10*** | 0.93 | 6.12*** | -0.41 | 0.78 | -4.94*** | 0.40 | 39,000*** | 6.52*** | 0.04** |
| | (0.02) | (0.72) | (1.19) | (0.69) | (0.76) | (0.89) | (0.85) | (7,700) | (1.22) | (0.02) |
| **Descriptive statistics:** | | | | | | | | | | |
| Actual value | | 37 | 91 | 13 | 32.7 | 0.73 | 44 | 600,000 | 20 | |
| Average perception | 0.0 | 31 | 33 | 26.3 | 27.4 | 20.3 | 25.3 | 188,000 | 44.7 | 0.37 |
| Observations | 2783 | 2779 | 2779 | 26.3 | 2777 | 2762 | 2779 | 2651 | 2780 | 2783 |

**Panel B: Estate Tax**

| | Misperception index (1) | Estate tax rate today (2) | Estate tax rate in the 50s (3) | % of estates unrealized capital gains (4) | % Wealth inherited (5) | No. households out 1,000 paying estate tax (6) | Exemption threshold (7) | Share of wealth owned by top 1% (8) | Share of wealth owned by bottom 50% (9) | Willingness to pay randomized amount (10) |
|---|---|---|---|---|---|---|---|---|---|---|
| Republican | 0.11*** | -0.54 | -3.51*** | -4.92*** | -2.96** | 16.15 | -490,000*** | -7.13** | 1.64 | -0.02 |
| | (0.02) | (1.05) | (1.24) | (1.24) | (1.22) | (15.53) | (180,000) | (2.79) | (1.01) | (0.02) |
| High-Income | -0.08*** | -0.16 | 0.80 | 1.94 | -1.81 | -42.81*** | 1,100,000*** | 1.81 | -0.35 | 0.02 |
| | (0.02) | (1.06) | (1.25) | (1.25) | (1.23) | (15.65) | (185,000) | (2.75) | (1.00) | (0.03) |
| Self reported knowledge | -0.08*** | 4.03*** | 6.48*** | 3.32*** | 1.74 | 5.81 | 790,000*** | -0.98 | 0.74 | 0.11*** |
| | (0.02) | (0.97) | (1.15) | (1.14) | (1.13) | (14.34) | (170,000) | (2.50) | (0.91) | (0.02) |
| College | -0.12*** | 0.00 | 4.33*** | 1.22 | 2.23** | -50.69*** | 820,000*** | 8.65*** | -2.82*** | 0.05** |
| | (0.02) | (0.92) | (1.08) | (1.08) | (1.07) | (13.57) | (160,000) | (2.38) | (0.86) | (0.02) |
| **Descriptive statistics:** | | | | | | | | | | |
| Actual value | | 40 | 77 | 55 | ≈ 50 | 0.7 | 11,400,000 | 41.8 | 2.5 | |
| Average perception | 0.00 | 33 | 29 | 45.7 | 41.9 | 364.1 | 2,400,000 | 49.1 | 12.5 | 0.40 |
| Observations | 2360 | 2350 | 2335 | 2354 | 2357 | 2357 | 2357 | 2357 | 2357 | 2360 |

*Notes:* The dependent variable in column 1 is a summary index that captures the respondent's misperception of the current tax system based on factual questions; it is constructed following the methodology in Kling et al. (2007) and the sign is oriented so that a higher index means believing that taxes are higher and more progressive. See Appendix A-2 for detailed variable definitions. The dependent variables in columns 2-8 are deviations of the respondent's answer from the correct answer; a positive sign on the "Mean" indicates that respondents overall overestimate the actual value; a negative sign means they underestimate it. The dependent variable in column 13 is an indicator variable equal to one if the respondent is willing to pay the randomized amount of money ($1, $2, $5, or $10) to receive the correct answers to all knowledge questions as explained in Section 2. Standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

## Table 4: Perceived Behavioral Responses to Income Taxation

| | Evade Taxes | | Work less | | Stop working | | Spouse stop working | | Move state | | Be less entrepreneurial | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | High earners | Middle class | High earners | Middle class | High earners | Middle class | High earners | Middle class | High earners | Middle class | High earners | Middle class |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| **Panel A: Personal characteristics** | | | | | | | | | | | | |
| Republican | -0.04* | 0.08*** | 0.14*** | 0.14*** | 0.09*** | 0.11*** | 0.13*** | 0.13*** | 0.10*** | 0.17*** | 0.18*** | 0.19*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Age 30-49 | -0.01 | -0.02 | -0.06** | -0.06** | -0.06** | -0.04* | -0.03 | -0.05* | -0.05** | -0.04* | -0.03 | -0.04* |
| | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.02) | (0.02) | (0.03) | (0.03) |
| Age 50-69 | -0.02 | -0.02 | -0.13*** | -0.11*** | -0.12*** | -0.13*** | -0.08*** | -0.11*** | -0.10*** | -0.11*** | -0.06** | -0.12*** |
| | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.02) | (0.03) | (0.03) | (0.03) |
| Middle-Income | 0.01 | -0.02 | -0.02 | 0.00 | -0.02 | -0.01 | -0.03 | -0.02 | 0.02 | 0.00 | -0.03 | -0.02 |
| | (0.02) | (0.02) | (0.03) | (0.02) | (0.02) | (0.02) | (0.03) | (0.02) | (0.02) | (0.02) | (0.03) | (0.03) |
| High-Income | 0.02 | -0.00 | -0.04 | -0.03 | -0.01 | -0.02 | -0.03 | -0.04* | -0.02 | -0.00 | -0.04* | -0.02 |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| **Panel B: Question formulation** | | | | | | | | | | | | |
| Me | -0.52*** | -0.32*** | -0.14*** | -0.06* | -0.09*** | -0.05 | -0.17*** | -0.07** | -0.23*** | -0.09*** | -0.11*** | -0.06* |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Women | -0.20*** | -0.18*** | -0.04 | -0.04 | -0.01 | 0.03 | -0.10*** | -0.09*** | -0.09*** | -0.02 | -0.06* | -0.02 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Me | -0.48*** | -0.30*** | -0.09** | 0.01 | -0.05 | 0.01 | -0.11*** | -0.01 | -0.21*** | -0.03 | -0.05 | 0.01 |
| | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) |
| Women | -0.18*** | -0.10** | 0.01 | 0.03 | 0.02 | 0.07* | -0.04 | -0.02 | -0.09** | 0.04 | -0.01 | 0.02 |
| | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) |
| Female | -0.03* | -0.07*** | 0.03 | 0.04* | 0.00 | 0.02 | 0.04* | 0.03 | -0.04** | 0.05** | 0.02 | 0.03 |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Me × Female | -0.08* | -0.05 | -0.10* | -0.13** | -0.08 | -0.11** | -0.12** | -0.11** | -0.04 | -0.12** | -0.11** | -0.13** |
| | (0.05) | (0.06) | (0.06) | (0.06) | (0.05) | (0.05) | (0.06) | (0.05) | (0.05) | (0.05) | (0.06) | (0.06) |
| Women × Female | -0.03 | -0.14** | -0.09 | -0.13** | -0.06 | -0.08 | -0.11** | -0.12** | -0.01 | -0.12** | -0.10* | -0.09 |
| | (0.05) | (0.06) | (0.06) | (0.06) | (0.05) | (0.05) | (0.06) | (0.05) | (0.05) | (0.05) | (0.06) | (0.06) |
| **Panel C: Video treatment effects** | | | | | | | | | | | | |
| Redistribution T | 0.00 | 0.04 | -0.02 | 0.06* | -0.01 | 0.06** | -0.04 | 0.07** | -0.02 | 0.04 | -0.03 | 0.08** |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Efficiency T | 0.08*** | 0.07** | 0.16*** | 0.27*** | 0.08** | 0.17*** | 0.14*** | 0.20*** | 0.04 | 0.12*** | 0.14*** | 0.19*** |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Economist T | 0.06*** | 0.05* | 0.17*** | 0.28*** | 0.04 | 0.17*** | 0.12*** | 0.22*** | 0.04* | 0.11*** | 0.15*** | 0.18*** |
| | (0.02) | (0.03) | (0.03) | (0.03) | (0.02) | (0.02) | (0.03) | (0.03) | (0.02) | (0.02) | (0.03) | (0.03) |
| **Panel D: Descriptive statistics** | | | | | | | | | | | | |
| Control mean | 0.80 | 0.60 | 0.48 | 0.39 | 0.33 | 0.28 | 0.43 | 0.32 | 0.78 | 0.64 | 0.50 | 0.45 |
| Male control mean | 0.84 | 0.66 | 0.50 | 0.40 | 0.33 | 0.31 | 0.42 | 0.32 | 0.80 | 0.63 | 0.52 | 0.46 |
| Democrat control mean | 0.84 | 0.53 | 0.45 | 0.34 | 0.33 | 0.25 | 0.41 | 0.29 | 0.75 | 0.59 | 0.41 | 0.39 |
| Observations | 2782 | 2782 | 2783 | 2781 | 2781 | 2781 | 2783 | 2781 | 2783 | 2782 | 2782 | 2782 |

*Notes:* The dependent variables in columns 1-12 are indicator variables equal to one if the extent to which a respondent thinks that an increase in the federal personal income tax would encourage the middle class/themselves/middle class women or the richest people/themselves/richest women in the economy towards the behaviors listed ranges from *a moderate amount* to *a great deal*. All questions are asked randomly with one of the three formulations described in the text: the generic, the "me" or the "women" formulation. Regressions in all panels include controls for sex, age, race, income class, having children, education, having an economics-related major, employment status, self-reported policy knowledge, self-reported social class, political affiliation, and indicator variables for all treatments (question formulations and video courses). All variables are further detailed in the appendix A-2. Only some of these coefficients are reported due to space constraints. Panel A shows the coefficients on age 30-49 & 50-69, middle and high income, and being Republican. Omitted categories are age 18-29, low income, and being Democrat. Panel B reports the effects of the "me" and "women" question formulation relative to the generic formulation. The second panel shows the effects of the question formulation interacted with the respondent's gender ("Female"). Panel C reports the treatment effects of the video courses relative to the omitted category (*no video*). Panel D reports the mean of the dependent variables for respondents who saw the generic question formulation and no video ("Control mean"), and separately for male respondents ("Male control mean") and Democrats ("Democrat control mean"). Standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

## Table 5: Perceived Behavioral Responses to the Estate Tax

| | Evade Taxes | | Work less | | Stop working | | Spouse stop working | | Move state | | Be less entrepreneurial | | Save Less | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Wealthy | Young | Wealthy | Young | Wealthy | Young | Wealthy | Young | Wealthy | Young | Wealthy | Young | Wealthy | Young |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| **Panel A: Personal Characteristics** | | | | | | | | | | | | | | |
| Republican | -0.01 | 0.01 | 0.06** | 0.08*** | 0.00 | 0.03 | 0.03 | 0.09*** | 0.04** | 0.07*** | 0.06** | 0.14*** | 0.05* | 0.07*** |
| | (0.02) | (0.02) | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.02) | (0.02) | (0.03) | (0.03) | (0.02) | (0.03) |
| Age 30-49 | 0.00 | -0.01 | -0.03 | -0.05 | -0.03 | -0.04 | -0.00 | -0.03 | -0.02 | -0.05* | -0.04 | -0.09*** | -0.01 | -0.07** |
| | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Age 50-69 | -0.02 | -0.00 | -0.11*** | -0.14*** | -0.07** | -0.14*** | -0.09*** | -0.11*** | -0.10*** | -0.09*** | -0.15*** | -0.15*** | -0.05 | -0.07** |
| | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Middle-Income | -0.01 | -0.01 | -0.03 | -0.06** | -0.06** | -0.04* | -0.04 | -0.06** | -0.01 | 0.00 | -0.01 | 0.00 | -0.01 | -0.01 |
| | (0.02) | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| High-Income | 0.00 | 0.00 | -0.03 | -0.06** | -0.05* | -0.01 | -0.04 | -0.04* | 0.04 | 0.03 | -0.01 | -0.02 | -0.00 | 0.01 |
| | (0.02) | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| **Panel B: Question formulation** | | | | | | | | | | | | | | |
| Me | -0.50*** | -0.41*** | -0.18*** | -0.21*** | -0.17*** | -0.14*** | -0.32*** | -0.21*** | -0.34*** | -0.24*** | -0.15*** | -0.18*** | -0.17*** | -0.20*** |
| | (0.03) | (0.03) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.03) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) |
| Women | -0.18*** | -0.18*** | -0.02 | -0.10*** | -0.03 | -0.02 | -0.17*** | -0.09** | -0.09*** | -0.08** | -0.00 | -0.03 | -0.05 | -0.11*** |
| | (0.03) | (0.03) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.03) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) |
| Me | -0.39*** | -0.30*** | -0.05 | -0.08* | -0.09* | -0.05 | -0.24*** | -0.12** | -0.29*** | -0.15*** | -0.06 | -0.08 | -0.09** | -0.11** |
| | (0.03) | (0.04) | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) | (0.04) | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) |
| Women | -0.10*** | -0.09** | 0.06 | -0.05 | -0.02 | 0.00 | -0.09** | -0.01 | -0.07* | -0.05 | 0.06 | 0.04 | -0.03 | -0.05 |
| | (0.03) | (0.04) | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) | (0.04) | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) |
| Female | 0.03 | 0.03 | 0.02 | 0.03 | -0.05** | -0.01 | -0.02 | 0.01 | -0.05** | 0.03 | 0.02 | 0.04 | 0.01 | 0.03 |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Me × Female | -0.20*** | -0.20*** | -0.25*** | -0.25*** | -0.14** | -0.18*** | -0.14** | -0.16*** | -0.10** | -0.18*** | -0.17*** | -0.19*** | -0.16*** | -0.17*** |
| | (0.04) | (0.05) | (0.06) | (0.06) | (0.06) | (0.06) | (0.06) | (0.06) | (0.05) | (0.06) | (0.06) | (0.06) | (0.06) | (0.06) |
| Women × Female | -0.16*** | -0.17*** | -0.14*** | -0.09 | -0.02 | -0.05 | -0.15*** | -0.14** | -0.03 | -0.06 | -0.12** | -0.13** | -0.05 | -0.10* |
| | (0.04) | (0.05) | (0.05) | (0.06) | (0.06) | (0.06) | (0.06) | (0.06) | (0.05) | (0.05) | (0.06) | (0.06) | (0.05) | (0.06) |
| **Panel C: Video treatment effects** | | | | | | | | | | | | | | |
| Redistribution T | 0.05* | -0.04 | 0.06 | 0.01 | 0.08** | 0.02 | 0.01 | -0.01 | -0.01 | -0.01 | 0.11*** | 0.03 | 0.02 | -0.03 |
| | (0.03) | (0.03) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.03) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) |
| Efficiency T | 0.04* | -0.00 | 0.26*** | 0.04 | 0.08** | 0.03 | 0.06* | 0.03 | -0.05* | -0.04 | 0.24*** | 0.09** | 0.22*** | 0.04 |
| | (0.03) | (0.03) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.03) | (0.04) | (0.04) | (0.04) | (0.03) | (0.04) |
| Economist T | 0.03 | -0.03 | 0.27*** | 0.07** | 0.13*** | 0.07** | 0.10*** | 0.07** | -0.02 | -0.02 | 0.23*** | 0.07** | 0.20*** | 0.06* |
| | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| **Panel D: Descriptive statistics** | | | | | | | | | | | | | | |
| Control mean | 0.88 | 0.78 | 0.50 | 0.53 | 0.39 | 0.37 | 0.57 | 0.46 | 0.83 | 0.73 | 0.50 | 0.52 | 0.59 | 0.61 |
| Male control mean | 0.88 | 0.74 | 0.52 | 0.51 | 0.44 | 0.39 | 0.58 | 0.47 | 0.85 | 0.74 | 0.53 | 0.51 | 0.60 | 0.59 |
| Democrat control mean | 0.89 | 0.76 | 0.51 | 0.53 | 0.43 | 0.34 | 0.57 | 0.41 | 0.80 | 0.68 | 0.48 | 0.41 | 0.59 | 0.56 |
| Observations | 2357 | 2356 | 2356 | 2356 | 2357 | 2355 | 2355 | 2355 | 2356 | 2357 | 2356 | 2356 | 2356 | 2356 |

*Notes:* The dependent variables in each column are indicator variables equal to one if the extent to which a respondent thinks that an increase in the federal estate tax would encourage the very wealthy individuals/themselves/women among the richest in the economy or young and not yet rich people/themselves/young and not yet rich women towards the behaviors listed ranges from "a moderate amount" to a "great deal." See the notes to Table 4. Standard errors in parentheses.
$p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

# Table 6: Efficiency Costs of Income and Estate Taxes

**Income Tax**

| | ↑ Taxes high-incomes hurt economy (1) | Laffer effect high-incomes (2) | Laffer effect middle class (3) | Efficiency index (4) |
|---|---|---|---|---|
| **Panel A: Personal characteristics** | | | | |
| Republican | 0.35*** | 0.18*** | 0.02 | 0.33*** |
| | (0.02) | (0.02) | (0.02) | (0.03) |
| Age 30-49 | -0.03 | 0.01 | 0.00 | -0.06* |
| | (0.02) | (0.03) | (0.03) | (0.03) |
| Age 50-69 | 0.01 | 0.02 | 0.04 | -0.13*** |
| | (0.03) | (0.03) | (0.03) | (0.03) |
| Middle-Income | 0.02 | -0.03 | -0.00 | -0.00 |
| | (0.02) | (0.03) | (0.03) | (0.03) |
| High-Income | 0.04* | -0.03 | -0.01 | -0.03 |
| | (0.02) | (0.03) | (0.02) | (0.03) |
| **Panel B: Question formulation** | | | | |
| Me | 0.01 | 0.20*** | 0.04 | -0.29*** |
| | (0.03) | (0.03) | (0.03) | (0.04) |
| Women | 0.02 | -0.06* | -0.06** | -0.15*** |
| | (0.03) | (0.03) | (0.03) | (0.04) |
| **Panel C: Video treatment effects** | | | | |
| Redistribution T | -0.05 | 0.05 | -0.02 | -0.01 |
| | (0.05) | (0.05) | (0.05) | (0.06) |
| Efficiency T | 0.14*** | 0.01 | 0.02 | 0.22*** |
| | (0.05) | (0.06) | (0.05) | (0.07) |
| Economist T | 0.08** | -0.01 | 0.04 | 0.27*** |
| | (0.04) | (0.04) | (0.04) | (0.05) |
| Republican | 0.36*** | 0.18*** | 0.05 | 0.31*** |
| | (0.03) | (0.03) | (0.03) | (0.04) |
| Redistribution T × Republican | 0.04 | -0.01 | -0.01 | 0.01 |
| | (0.07) | (0.07) | (0.07) | (0.08) |
| Efficiency T × Republican | -0.00 | 0.06 | 0.03 | 0.18** |
| | (0.07) | (0.07) | (0.07) | (0.09) |
| Economist T × Republican | -0.05 | -0.01 | -0.12** | -0.01 |
| | (0.05) | (0.06) | (0.06) | (0.07) |
| **Panel D: Descriptive statistics** | | | | |
| Control mean | 0.31 | 0.48 | 0.65 | 0.00 |
| Male control mean | 0.35 | 0.46 | 0.63 | 0.04 |
| Democrat control mean | 0.15 | 0.39 | 0.61 | -0.11 |
| Observations | 2782 | 2780 | 2781 | 2783 |

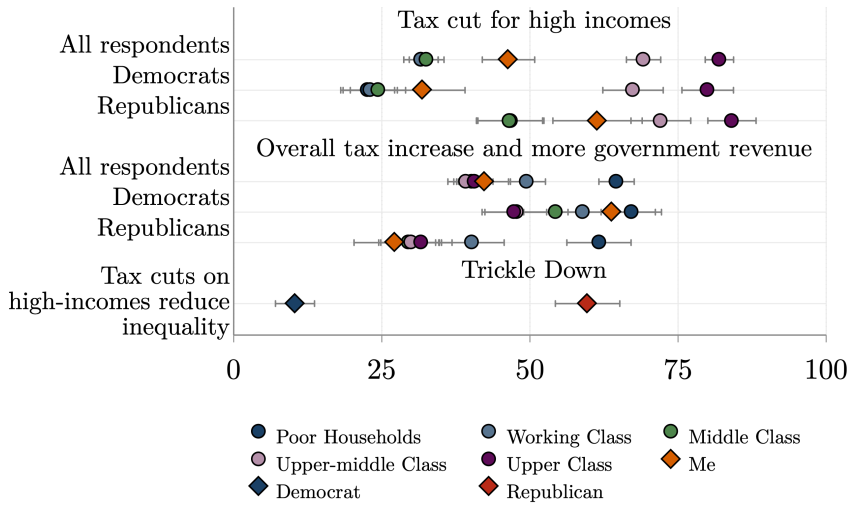
**Estate Tax**

| | ↑ Estate tax hurt economy (5) | Laffer effect (6) | Efficiency index (7) |
|---|---|---|---|
| **Panel A: Personal Characteristics** | | | |
| Republican | 0.15*** | 0.16*** | 0.16*** |
| | (0.02) | (0.03) | (0.03) |
| Age 30-49 | 0.04 | -0.04 | -0.03 |
| | (0.03) | (0.03) | (0.04) |
| Age 50-69 | 0.03 | 0.04 | -0.11*** |
| | (0.03) | (0.03) | (0.04) |
| Middle-Income | -0.05* | -0.00 | -0.06* |
| | (0.03) | (0.03) | (0.03) |
| High-Income | -0.07*** | -0.04 | -0.04 |
| | (0.03) | (0.03) | (0.03) |
| **Panel B: Question formulation** | | | |
| Me | 0.16*** | 0.11*** | -0.54*** |
| | (0.04) | (0.04) | (0.05) |
| Women | 0.04 | 0.02 | -0.20*** |
| | (0.04) | (0.04) | (0.05) |
| **Panel C: Video treatment effects** | | | |
| Redistribution T | 0.02 | 0.13** | 0.07 |
| | (0.05) | (0.06) | (0.07) |
| Efficiency T | -0.03 | 0.04 | 0.17** |
| | (0.05) | (0.06) | (0.07) |
| Economist T | 0.03 | 0.05 | 0.22*** |
| | (0.04) | (0.05) | (0.06) |
| Republican | 0.12*** | 0.21*** | 0.21*** |
| | (0.04) | (0.04) | (0.05) |
| Redistribution T × Republican | -0.06 | -0.24*** | -0.11 |
| | (0.07) | (0.08) | (0.10) |
| Efficiency T × Republican | 0.13* | 0.05 | 0.01 |
| | (0.07) | (0.08) | (0.09) |
| Economist T × Republican | 0.07 | -0.09 | -0.15* |
| | (0.06) | (0.06) | (0.08) |
| **Panel D: Descriptive statistics** | | | |
| Control mean | 0.28 | 0.46 | -0.00 |
| Male control mean | 0.31 | 0.43 | 0.02 |
| Democrat control mean | 0.23 | 0.33 | -0.09 |
| Observations | 2358 | 2356 | 2360 |

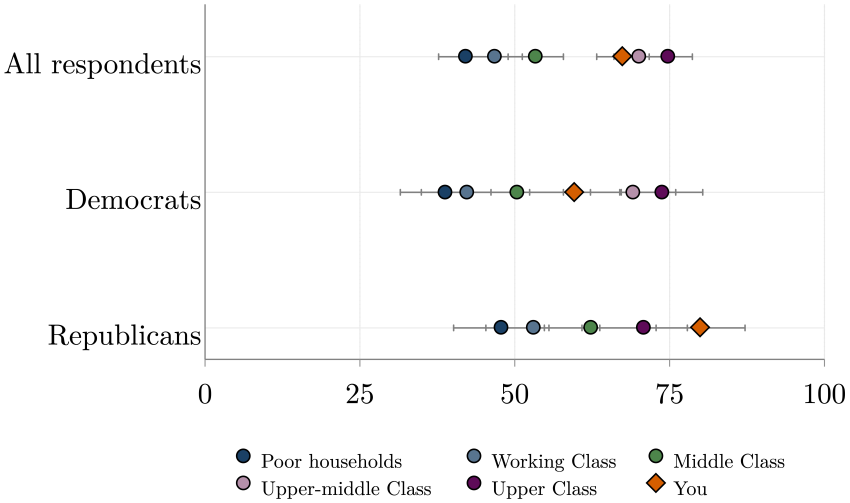
*Notes:* The dependent variables are indicator variables equal to one if: ↑ *Taxes high-incomes hurt economy:* the respondent believes that increasing income taxes on high-income households/women would hurt economic activity in the U.S.; *Laffer effect high-incomes/middle class:* the respondent believes that tax cuts on high-income households/women/themselves or on middle class/women from the middle class/themselves would decrease the deficit in the long run because they would stimulate the economy and bring in more money for the government; ↑ *Estate tax hurt economy:* the respondent believes that increasing the federal estate tax on wealthy households/households similar to the one of the respondent themselves/on wealthy women would hurt economic activity; *Laffer effect:* the respondent believes that cuts to the estate tax of wealthy households/households similar to that of the respondent themselves/households of wealthy women would decrease the deficit in the long run because they would stimulate the economy and bring in more money for the government. The dependent variables in columns 4 and 7 are summary indices for the income and estate tax respectively, constructed following the methodology in Kling et al. (2007), that combine the efficiency costs variables in this table with all variables from either Table 4 or Table 5, with the sign oriented so that a higher index means a stronger belief in the distortionary nature of taxation. The questions in columns 2, 3, 5 and 6 are asked with three different formulations: "Me," "women," and the generic formulation; in column 1, the question is asked with the "women" and the generic formulation. Panel C reports the treatment effects of the video courses interacted with a political affiliation indicator (*Republican*), relative to the omitted category (*Democrat*). Indicators and interactions for "Independent and others" are included as controls, but not reported in the main tables (they are in the Online Appendix, Section OA-5.4). See the notes to Table 4. Standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

## Figure 10: Distributional Impacts of Income and Estate Taxes

(a) Would these Groups Win if the Income Tax Were Changed as Follows:




(b) Would these Groups Win if the Estate Tax Were Cut




*Notes:* The figure shows descriptive results from the analysis of the respondent's reasoning on the distributional impacts of taxes. In Panel A, the top part "Tax cut for high incomes," shows the share of all respondents (in the first row), the share of Democrats (in the second row), and the share of Republicans (in the third row) in the control group who think that the groups indicated in the legend would win if taxes on high-incomes were cut. The middle part "Overall tax increase and more government revenue," shows the shares of these respondents who think that the groups indicated in the legend would win if overall taxes were increased and more revenue was generated. The bottom part, "Trickle down," shows the share of Republicans vs. the share of Democrats who think that lowering taxes on wealthy people and corporations would ultimately do more to reduce the income differences between poor and rich families than raising them. Panel B shows the share of respondents that think the groups indicated in the legend would gain if the estate tax were cut. Only respondents who saw no video treatment are included. For more detail, Appendix Tables A-1 and A-2 report detailed regression results for these views, following the structure of Table 4.

## Table 7: Fairness Considerations About the Income Tax

| | Wealth distribution unfair (1) | Inequality serious issue (2) | High incomes entitled to keep (3) | Hard workers should pay less taxes (4) | Redistribution index (5) |
|---|---|---|---|---|---|
| **Panel A: Personal characteristics** | | | | | |
| Republican | -0.42*** | -0.38*** | 0.36*** | 0.01 | -0.44*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Age 30-49 | 0.01 | 0.05* | -0.02 | -0.07*** | 0.04 |
| | (0.02) | (0.03) | (0.02) | (0.02) | (0.02) |
| Age 50-69 | 0.00 | 0.01 | -0.05** | -0.13*** | 0.03 |
| | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) |
| Middle-Income | -0.03 | -0.06** | 0.02 | -0.04* | -0.04* |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| High-Income | -0.04** | -0.06** | 0.05** | -0.02 | -0.05** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| **Panel B: Question formulation** | | | | | |
| Me | -0.02 | -0.02 | 0.23*** | -0.06** | -0.25*** |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Women | -0.03 | 0.03 | -0.00 | -0.06** | 0.01 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| **Panel C: Video treatment effects** | | | | | |
| Redistribution T | 0.00 | 0.14*** | 0.04 | -0.03 | 0.03 |
| | (0.04) | (0.05) | (0.05) | (0.04) | (0.05) |
| Efficiency T | 0.02 | 0.04 | 0.02 | 0.05 | -0.04 |
| | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) |
| Economist T | -0.05 | 0.03 | 0.04 | -0.00 | -0.02 |
| | (0.03) | (0.04) | (0.04) | (0.04) | (0.04) |
| Republican | -0.47*** | -0.38*** | 0.41*** | 0.01 | -0.47*** |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Redistribution T × Republican | 0.10 | -0.09 | -0.06 | -0.01 | -0.00 |
| | (0.06) | (0.07) | (0.06) | (0.06) | (0.07) |
| Efficiency T × Republican | 0.06 | -0.02 | -0.04 | -0.06 | 0.03 |
| | (0.06) | (0.07) | (0.07) | (0.06) | (0.07) |
| Economist T × Republican | 0.14*** | 0.06 | -0.12** | 0.03 | 0.09* |
| | (0.05) | (0.06) | (0.05) | (0.05) | (0.05) |
| **Panel D: Descriptive statistics** | | | | | |
| Control mean | 0.70 | 0.48 | 0.30 | 0.25 | 0.00 |
| Male control mean | 0.68 | 0.49 | 0.32 | 0.25 | -0.02 |
| Democrat control mean | 0.92 | 0.69 | 0.10 | 0.22 | 0.23 |
| Observations | 2781 | 2781 | 2780 | 2781 | 2783 |

*Notes:* The dependent variables are indicator variables equal to one if: *Wealth distribution unfair:* the respondent thinks that money and wealth in the U.S. should be more evenly distributed; *Inequality serious issue:* the respondent believes that income inequality is a serious or very serious issue; *High-incomes entitled to keep:* the respondent believes that high-income individuals/individuals with a similar income to that of the respondent/high-income women are entitled to keep a very large share of their income and should not have to pay high taxes, even if that means less government revenue is available to help low-income families make ends meet; *Hard workers should pay less taxes:* the respondent believes that people/women who have worked hard for their income should be taxed less than those who have not worked hard for it, even if that means that people with the same income/with the same income as the respondent will end up paying different taxes. The dependent variable in column 5 is a summary index that aggregates variables in this table with all variables on the distributional impacts of taxes in Figure 10 (equivalently, Table A-1); the sign is oriented so that a higher index means that the respondent perceives inequality as less fair, more progressive taxes as fair, and tax reforms that cut top tax rates or decrease overall taxes as hurting lower incomes and benefiting higher incomes. The questions in columns 3, 4 are asked with the three different formulations: "Me," "women," and the neutral formulation. See the notes to Table 4. Standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

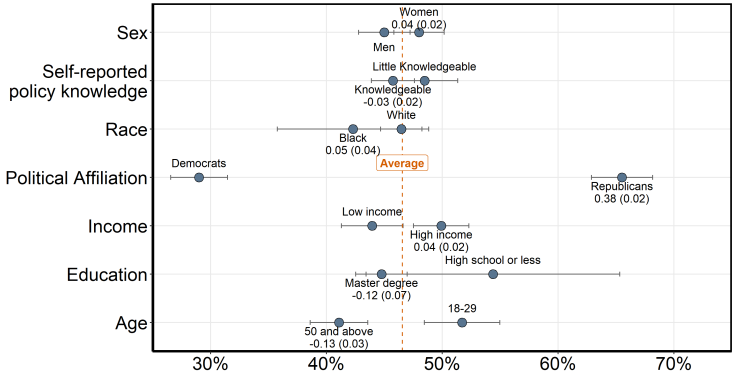
## Table 8: Fairness Considerations About the Estate Tax

| | Wealth distribution unfair | Inequality serious issue | Unfair tax estates of: hard workers | wealthy heirs | Fair that wealthy children: access better amenities | inherit more | Support wealth transmission | Redistribution index |
|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| **Panel A: Personal Characteristics** | | | | | | | | |
| Republican | -0.39*** | -0.45*** | 0.25*** | 0.25*** | 0.20*** | 0.24*** | 0.27*** | -0.42*** |
| | (0.02) | (0.02) | (0.02) | (0.03) | (0.02) | (0.03) | (0.03) | (0.03) |
| Age 30-49 | 0.01 | 0.00 | -0.01 | -0.01 | 0.02 | 0.07** | 0.02 | 0.01 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Age 50-69 | -0.01 | -0.05 | 0.01 | 0.04 | 0.01 | 0.11*** | 0.03 | -0.03 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Middle-Income | 0.01 | -0.01 | 0.01 | -0.02 | 0.03 | 0.01 | -0.00 | -0.02 |
| | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| High-Income | -0.02 | 0.00 | 0.02 | 0.01 | 0.06** | 0.04 | 0.04 | -0.04 |
| | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| **Panel B: Question formulation** | | | | | | | | |
| Me | | | 0.13*** | 0.17*** | 0.04 | 0.12*** | 0.14*** | -0.24*** |
| | | | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) |
| Women | | | 0.05 | 0.05 | 0.14*** | 0.03 | 0.05 | -0.09** |
| | | | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) |
| **Panel C: Video treatment effects** | | | | | | | | |
| Redistribution T | -0.01 | 0.05 | -0.02 | -0.07 | 0.07 | -0.07 | -0.06 | 0.04 |
| | (0.05) | (0.05) | (0.05) | (0.06) | (0.05) | (0.05) | (0.05) | (0.06) |
| Efficiency T | -0.05 | 0.03 | -0.05 | -0.09* | 0.01 | -0.02 | -0.08 | 0.05 |
| | (0.05) | (0.05) | (0.05) | (0.06) | (0.05) | (0.05) | (0.05) | (0.06) |
| Economist T | 0.01 | 0.06 | -0.03 | -0.06 | -0.01 | -0.09* | -0.12** | 0.11** |
| | (0.04) | (0.04) | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) |
| Republican | -0.41*** | -0.44*** | 0.22*** | 0.19*** | 0.18*** | 0.22*** | 0.23*** | -0.40*** |
| | (0.03) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) |
| Redistribution T × Republican | 0.14* | 0.03 | 0.05 | 0.04 | -0.14* | -0.09 | -0.03 | 0.09 |
| | (0.07) | (0.07) | (0.07) | (0.08) | (0.07) | (0.08) | (0.08) | (0.08) |
| Efficiency T × Republican | -0.04 | -0.03 | 0.15** | 0.24*** | 0.02 | 0.05 | 0.18** | -0.08 |
| | (0.07) | (0.07) | (0.07) | (0.07) | (0.07) | (0.07) | (0.07) | (0.07) |
| Economist T × Republican | 0.06 | -0.04 | 0.03 | 0.06 | 0.11* | 0.09 | 0.08 | -0.07 |
| | (0.06) | (0.06) | (0.06) | (0.06) | (0.06) | (0.06) | (0.06) | (0.06) |
| **Panel D: Descriptive statistics** | | | | | | | | |
| Control mean | 0.64 | 0.46 | 0.61 | 0.47 | 0.32 | 0.53 | 0.58 | 0.00 |
| Male control mean | 0.62 | 0.50 | 0.60 | 0.45 | 0.36 | 0.53 | 0.55 | 0.03 |
| Democrat control mean | 0.85 | 0.64 | 0.51 | 0.38 | 0.19 | 0.36 | 0.49 | 0.19 |
| Observations | 2358 | 2358 | 2358 | 2358 | 2357 | 2357 | 2356 | 2360 |

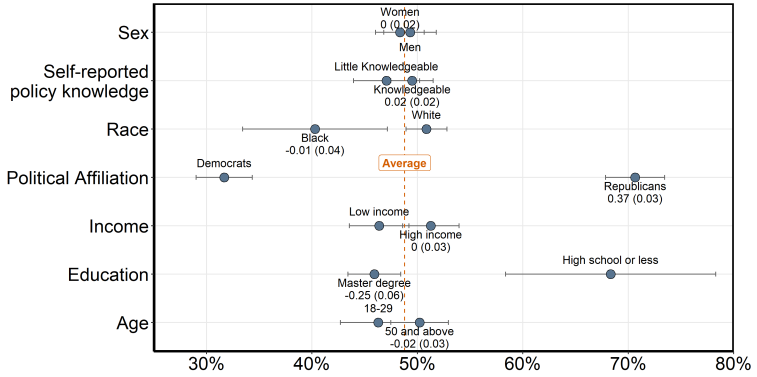
*Notes:* The dependent variables are indicator variables equal to one if: *Wealth distribution unfair:* the respondent believes that money and wealth in this country should be more evenly distributed among a larger percentage of the population; *Inequality serious issue:* the respondent believes that wealth inequality in the U.S. is a serious or very serious problem; *Unfair tax estates of hard workers:* the respondent believes that it is somewhat unfair or very unfair to tax the estate of wealthy people/the estate of the respondent themselves/the estate of wealthy women who have worked hard and saved a lot in order to pass on wealth to their/her children; *Unfair tax estates of wealthy heirs:* the respondent believes that it is somewhat unfair or very unfair to tax the estate of people who are wealthy because they have inherited a lot/ the estate of people who are wealthier than the respondent themselves because they have inherited a lot more from their own parents /the estate of a wealthy woman who is wealthy because she has herself inherited a lot from her parents; *Fair that wealthy children access better amenities:* the respondent believes that it is somewhat fair or very fair that children born in very wealthy families/that people born in wealthier families than that of the respondent themselves/that a girl born to a very wealthy mother have access to better amenities; *Fair that wealthy children inherit more:* the respondent believes that it is somewhat fair or very fair that children born in very wealthy families inherit much more than children born in less wealthy families/that people born in wealthier families than that of the respondent themselves inherit much more than the respondent themselves/that a girl born to a very wealthy mother inherits much more than a girl born to a less wealthy mother; *Support wealth transmission:* the respondent believes that wealthy parents/individuals with similar levels of wealth to that of the respondent themselves/a wealthy mother should be able to pass on all of her wealth to her children; as a result, some children will start their own life with much larger wealth just by virtue of being born in a richer family/mother. The dependent variable in column 8 is a summary index that aggregates the variables in this table with all variables on the distributional impacts of estate taxes in Figure 10 (equivalently, Table A-2); the sign is oriented so that a higher index means that the respondent believes that it is fair to limit the intergenerational transmission of wealth, that lower-income households would mostly lose from a tax cut, while upper class households would mostly benefit from it. Questions in columns 3-7 are asked with the three different formulations. See the notes to Table 4. Standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

## Figure 11: Respondent Profile Clustering - Share of Respondents of Profile-II

(a) Income Tax




(b) Estate Tax




Profile I: Unfair system; highlight inequalities; pro-redistribution
Profile II: Fair system; downplay inequalities

Profile I: Not concerned by estate tax system; highlight inequalities
Profile II: Concerned by estate tax system; unfair system

*Notes:* The figure presents, for each survey, the share of respondents on the x-axis that are categorized as *Profile-II-respondents* by the Latent Dirichlet Allocation (LDA) machine learning algorithm. *Low income* (*High income*) corresponds to respondents who report a pre-tax household income below (above) 39,000 (70,000) U.S. dollar. *Knowledgeable* (*Little Knowledgeable*) corresponds to respondents who consider themselves *highly knowledgeable* or *somewhat knowledgeable* (*not very knowledgeable* or *not knowledgeable at all*) on economic policies and issues. Intervals are based on a 90% level of confidence. The algorithm draws upon 12 (income taxation)/16 (estate tax) survey-specific, multiple-choice questions. Coefficients and standard errors in parenthesis come from a linear regression of an indicator variable for being in Profile II that controls for all characteristics listed as well as the full array of personal characteristics. Omitted categories in the regression: White, Low income, Age 18-29, Democrat, Student, Less than high school. See Section 6 for an explanation of the algorithm; for more details and the complete regression tables, see Online Appendix OA-3.

## Table 9: What Type of Reasoning Predicts Political Affiliation?

| | Probability of being Republican | |
|---|---|---|
| | Income Tax | Estate Tax |
| | (1) | (2) |
| Misperception index | 0.08*** | 0.03 |
| | (0.02) | (0.02) |
| Efficiency index | 0.06*** | 0.05*** |
| | (0.01) | (0.01) |
| Redistribution index | -0.21*** | -0.20*** |
| | (0.02) | (0.02) |
| Government trust index | -0.09*** | -0.08*** |
| | (0.01) | (0.01) |
| Female | 0.00 | -0.04** |
| | (0.02) | (0.02) |
| Age 30-49 | 0.09*** | 0.04* |
| | (0.02) | (0.02) |
| Age 50-69 | 0.13*** | 0.09*** |
| | (0.02) | (0.02) |
| Middle-Income | 0.03 | 0.05** |
| | (0.02) | (0.02) |
| High-Income | 0.09*** | 0.10*** |
| | (0.02) | (0.02) |
| College | -0.03 | -0.03 |
| | (0.02) | (0.02) |
| Control mean | 0.31 | 0.30 |
| Observations | 2784 | 2360 |

*Notes:* The dependent variables in columns 1 and 2 are indicator variables equal to one if the political affiliation of the respondent is Republican, in the income and estate tax surveys. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

## Table 10: Policy Views on the Income Tax

| | Income tax fair (1) | Satisfied income tax (2) | Progressive tax important tool to ↓ inequality (3) | Support ↑ taxes on high incomes to expand programs for low-incomes (4) | Support ↑ taxes on high incomes to increase investment (5) | Government responsible to ↓ inequality (6) |
|---|---|---|---|---|---|---|
| **Panel A: Personal characteristics** | | | | | | |
| Republican | 0.22*** | 0.22*** | -0.32*** | -0.41*** | -0.11*** | -0.35*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Age 30-49 | -0.05* | -0.06** | -0.01 | -0.04* | -0.01 | 0.02 |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.03) | (0.03) |
| Age 50-69 | -0.14*** | -0.17*** | -0.06** | -0.11*** | -0.03 | -0.09*** |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Middle-Income | -0.04 | -0.04 | -0.02 | -0.05** | 0.00 | -0.04 |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.03) | (0.02) |
| High-Income | 0.01 | -0.02 | -0.04 | -0.08*** | 0.06** | -0.07*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| **Panel B: Underlying mechanisms** | | | | | | |
| Republican | 0.17*** | 0.17*** | -0.11*** | -0.18*** | 0.01 | -0.16*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.03) | (0.02) |
| Misperception index | 0.16*** | 0.17*** | 0.02 | 0.01 | -0.05** | 0.05** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Efficiency index | 0.02 | 0.03* | -0.03** | 0.02 | 0.03* | 0.04*** |
| | (0.02) | (0.01) | (0.01) | (0.01) | (0.02) | (0.01) |
| Redistribution index | -0.18*** | -0.17*** | 0.28*** | 0.32*** | 0.13*** | 0.23*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Government trust index | 0.11*** | 0.10*** | 0.16*** | 0.19*** | 0.12*** | 0.21*** |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| **Panel C: Video treatment effects** | | | | | | |
| Redistribution T | 0.01 | 0.02 | 0.11*** | 0.04 | 0.05* | 0.09*** |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Efficiency T | 0.01 | 0.00 | 0.00 | -0.01 | 0.04 | 0.00 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Economist T | -0.02 | -0.04* | 0.06** | 0.05** | 0.07** | 0.07*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.03) | (0.03) |
| **Panel D: Descriptive statistics** | | | | | | |
| Control mean | 0.31 | 0.30 | 0.67 | 0.57 | 0.55 | 0.43 |
| Male control mean | 0.34 | 0.32 | 0.66 | 0.57 | 0.58 | 0.44 |
| Democrat control mean | 0.21 | 0.20 | 0.84 | 0.80 | 0.59 | 0.63 |
| Observations | 2782 | 2781 | 2783 | 2782 | 2782 | 2779 |

*Notes:* The dependent variables are indicator variables equal to one if: *Income tax fair:* the respondent believes that the current U.S. federal income tax system is somewhat fair or very fair; *Satisfied income tax:* the respondent is somewhat satisfied or very satisfied with the current U.S. federal income tax system; *Progressive tax important tool to ↓ inequality:* the respondent believes that a progressive tax system in which people/women with higher incomes pay a higher share of income in taxes than people/women with lower incomes is an important tool to reduce income inequality; *Support ↑ taxes on high incomes to expand programs for low-incomes:* the respondent supports or strongly supports raising federal income taxes on higher income households to expand programs that support lower-income individuals/lower-income women; *Support ↑ taxes on high incomes to increase investment:* the respondent supports or strongly supports raising federal income taxes on higher income households to increase investment in the U.S. *Government responsible to ↓ inequality:* the respondent thinks the government has a responsibility to reduce income differences between the rich and the poor; Panel B "Underlying mechanisms" shows the effect of the indices summarizing the underlying reasoning of the respondents. For the other panels, see the notes to Table 4. Standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

## Table 11: Policy Views on the Estate Tax

| | Estate tax system fair (1) | Satisfied with estate tax (2) | Estate tax should exist (3) | Estate tax should be increased (4) | ↑ Estate tax good way to ↓ inequality (5) | Government responsible to ↓ wealth transm. (6) |
|---|---|---|---|---|---|---|
| **Panel A: Personal Characteristics** | | | | | | |
| Republican | 0.06** | 0.07*** | -0.29*** | -0.28*** | -0.28*** | -0.18*** |
| | (0.03) | (0.03) | (0.03) | (0.02) | (0.03) | (0.02) |
| Age 30-49 | -0.04 | -0.09*** | -0.01 | -0.00 | -0.02 | -0.03 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Age 50-69 | -0.12*** | -0.16*** | -0.07** | -0.07** | -0.13*** | -0.11*** |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Middle-Income | 0.00 | 0.00 | 0.04 | -0.01 | 0.00 | 0.02 |
| | (0.03) | (0.03) | (0.03) | (0.02) | (0.03) | (0.02) |
| High-Income | -0.02 | -0.01 | 0.02 | 0.00 | 0.00 | -0.01 |
| | (0.03) | (0.03) | (0.03) | (0.02) | (0.03) | (0.02) |
| **Panel B: Underlying mechanisms** | | | | | | |
| Republican | 0.11*** | 0.10*** | -0.07*** | -0.08*** | -0.09*** | -0.01 |
| | (0.03) | (0.03) | (0.02) | (0.02) | (0.02) | (0.02) |
| Misperception index | 0.03 | 0.01 | -0.09*** | -0.16*** | -0.04* | -0.10*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Efficiency index | 0.01 | 0.01 | -0.06*** | -0.01 | 0.02 | 0.06*** |
| | (0.02) | (0.02) | (0.01) | (0.01) | (0.01) | (0.01) |
| Redistribution index | -0.06*** | -0.09*** | 0.28*** | 0.29*** | 0.24*** | 0.21*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Government trust index | 0.14*** | 0.13*** | 0.16*** | 0.11*** | 0.18*** | 0.15*** |
| | (0.02) | (0.02) | (0.01) | (0.01) | (0.01) | (0.01) |
| **Panel C: Video treatment effects** | | | | | | |
| Redistribution T | -0.04 | -0.03 | 0.05 | 0.07** | 0.14*** | 0.02 |
| | (0.04) | (0.04) | (0.04) | (0.03) | (0.04) | (0.03) |
| Efficiency T | 0.01 | 0.01 | 0.02 | 0.01 | 0.08** | 0.01 |
| | (0.04) | (0.04) | (0.04) | (0.03) | (0.04) | (0.03) |
| Economist T | 0.01 | 0.01 | 0.04 | 0.07** | 0.12*** | 0.02 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| **Panel D: Descriptive statistics** | | | | | | |
| Control mean | 0.40 | 0.36 | 0.56 | 0.31 | 0.53 | 0.28 |
| Male control mean | 0.43 | 0.41 | 0.62 | 0.36 | 0.54 | 0.30 |
| Democrat control mean | 0.40 | 0.38 | 0.67 | 0.43 | 0.65 | 0.39 |
| Observations | 2358 | 2356 | 2359 | 2359 | 2357 | 2355 |

*Notes:* The dependent variables are indicator variables equal to one if: *Estate tax system fair:* the respondent believes that the current U.S. federal estate tax system is somewhat fair or very fair; *Satisfied with estate tax:* the respondent is somewhat satisfied or very satisfied with the current U.S. federal estate tax system; *Estate tax should exist:* the respondent believes that there should be a federal estate tax in the U.S.; *Estate tax should be increased:* conditional on believing that there should be a federal estate tax (see previous variable), the respondent thinks that the federal estate tax should be increased; ↑ *Estate tax good way to* ↓ *inequality:* the respondent believes that increasing the estate tax/increasing the estate tax on the estates of households similar to that of the respondent themselves/increasing the estate tax on the estates of wealthy women is a good way or it is one of the best ways to reduce wealth inequality; *Government responsible to* ↓ *wealth transm:* the respondent thinks the government should have responsibility in reducing inter-generational wealth transmission. See the notes to Table 10. Standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

## Table 12: Policy Views on Income and Estate Taxes

| | Pay less than fair share | | Support higher taxation to fund | | | | |
|---|---|---|---|---|---|---|---|
| | High Incomes | Middle Class | Transfers to people out of work | Better Schools | Retraining Programs | Healthcare Subsidies | Wage Subsidies |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| **[Income Tax] Panel A: Underlying mechanisms** | | | | | | | |
| Republican | -0.04** | 0.04 | -0.09*** | -0.14*** | -0.04* | -0.18*** | -0.14*** |
| | (0.02) | (0.03) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Misperception index | -0.06*** | 0.03 | 0.01 | -0.15*** | -0.09*** | -0.07*** | -0.06** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Efficiency index | -0.12*** | -0.11*** | 0.05*** | -0.03* | 0.02 | 0.00 | 0.01 |
| | (0.01) | (0.02) | (0.01) | (0.02) | (0.02) | (0.02) | (0.02) |
| Redistribution index | 0.23*** | -0.02 | 0.11*** | 0.23*** | 0.18*** | 0.26*** | 0.23*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Government trust index | 0.02** | 0.04*** | 0.15*** | 0.11*** | 0.09*** | 0.13*** | 0.13*** |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| **[Income Tax] Panel B: Video treatment effects** | | | | | | | |
| Redistribution T | 0.03 | 0.06* | 0.03 | -0.03 | 0.02 | -0.01 | -0.03 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Efficiency T | -0.03 | 0.00 | -0.01 | -0.05 | 0.01 | -0.05* | -0.03 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Economist T | -0.00 | 0.04* | 0.04 | -0.02 | 0.04* | 0.02 | 0.01 |
| | (0.02) | (0.03) | (0.02) | (0.03) | (0.03) | (0.02) | (0.03) |
| **[Income Tax] Panel C: Descriptive statistics** | | | | | | | |
| Control mean | 0.78 | 0.36 | 0.26 | 0.62 | 0.33 | 0.42 | 0.42 |
| Male Control mean | 0.76 | 0.36 | 0.31 | 0.59 | 0.33 | 0.41 | 0.40 |
| Democrat Control mean | 0.91 | 0.36 | 0.38 | 0.76 | 0.42 | 0.62 | 0.61 |
| Observations | 2782 | 2781 | 2780 | 2779 | 2780 | 2780 | 2779 |
| **[Estate Tax] Panel D: Underlying mechanisms** | | | | | | | |
| Republican | -0.18*** | -0.01 | -0.09*** | -0.14*** | -0.12*** | -0.15*** | -0.13*** |
| | (0.02) | (0.03) | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) |
| Misperception index | -0.03 | 0.05** | -0.06*** | -0.07*** | -0.08*** | -0.09*** | -0.06*** |
| | (0.02) | (0.03) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Efficiency index | -0.10*** | -0.08*** | 0.07*** | -0.04*** | 0.03* | -0.01 | 0.02 |
| | (0.01) | (0.02) | (0.01) | (0.02) | (0.02) | (0.01) | (0.01) |
| Redistribution index | 0.35*** | -0.01 | 0.09*** | 0.21*** | 0.10*** | 0.21*** | 0.19*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Government trust index | 0.01 | 0.03* | 0.15*** | 0.09*** | 0.11*** | 0.12*** | 0.13*** |
| | (0.01) | (0.02) | (0.01) | (0.02) | (0.02) | (0.02) | (0.02) |
| **[Estate Tax] Panel E: Video treatment effects** | | | | | | | |
| Redistribution T | -0.03 | -0.02 | 0.03 | 0.00 | 0.04 | 0.06* | 0.06 |
| | (0.04) | (0.04) | (0.03) | (0.04) | (0.04) | (0.04) | (0.04) |
| Efficiency T | -0.06* | -0.02 | 0.03 | -0.01 | 0.02 | 0.06* | 0.02 |
| | (0.04) | (0.04) | (0.03) | (0.04) | (0.04) | (0.04) | (0.04) |
| Economist T | -0.03 | -0.03 | 0.03 | -0.00 | -0.01 | 0.04 | 0.02 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| **[Estate Tax] Panel F: Descriptive statistics** | | | | | | | |
| Control mean | 0.57 | 0.47 | 0.25 | 0.56 | 0.34 | 0.36 | 0.36 |
| Male Control mean | 0.56 | 0.49 | 0.30 | 0.57 | 0.38 | 0.36 | 0.32 |
| Democrat Control mean | 0.73 | 0.56 | 0.34 | 0.72 | 0.45 | 0.54 | 0.53 |
| Observations | 2357 | 2356 | 2356 | 2356 | 2355 | 2356 | 2356 |

*Notes: Notes:* The dependent variables are indicator variables equal to one if: *Pay less than fair share - High Incomes (Middle Class):* the respondent believes that high income, upper-class (middle class) households in the U.S. today pay their fair share, *less*, or *much less* than their fair share in income taxes; *Support higher taxation to fund:* the respondent would like the service to receive increased funding (even if that means more taxes or reduced spending in other areas); *Transfers to people out of work:* transfers and income support programs for those out of work; *Better schools:* better schools for children from low-income families; *Retraining programs:* income support and retraining programs for workers who are displaced by international competition and trade; *Healthcare subsidies:* subsidies for low-income households to help them with the costs of health insurance premiums and health care; *Wage subsidies:* wage subsidies and help for the working poor who work for low wages. Panels A, B, and C refer to results from the Income Tax survey, whereas Panels D, E, and F refer to results from the Estate Tax survey. Panels B and D "Underlying mechanisms" show the effect of the indices summarizing the underlying reasoning of the respondents. Standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

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# APPENDIX

## A-1 Tables

### Table A-1: Which of the Following Groups Mostly Win from the Following Changes in Income Taxation?

| | Taxes on high-earners were cut | | | | | Overall taxes were increased | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Poor households (1) | Working class (2) | Middle class (3) | Upper-middle class (4) | Upper class (5) | Poor households (6) | Working class (7) | Middle class (8) | Upper-middle class (9) | Upper class (10) | Trickle down (11) |
| **Panel A: Personal characteristics** | | | | | | | | | | | |
| Republican | 0.23*** | 0.22*** | 0.24*** | 0.08*** | 0.01 | -0.12*** | -0.21*** | -0.25*** | -0.14*** | -0.13*** | 0.43*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Age 30-49 | -0.04* | -0.07*** | -0.08*** | 0.01 | 0.06*** | -0.00 | -0.02 | -0.04* | -0.01 | 0.04 | -0.01 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.02) |
| Age 50-69 | 0.02 | -0.06** | -0.10*** | -0.04 | 0.08*** | 0.03 | -0.04 | -0.15*** | -0.11*** | -0.07** | -0.03 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Middle-Income | 0.05** | 0.01 | 0.01 | -0.02 | -0.02 | 0.01 | -0.04 | -0.05** | -0.06** | -0.07*** | 0.02 |
| | (0.02) | (0.02) | (0.02) | (0.03) | (0.02) | (0.02) | (0.03) | (0.03) | (0.02) | (0.02) | (0.02) |
| High-Income | 0.03 | 0.02 | -0.02 | -0.05** | -0.04** | 0.06** | -0.00 | -0.06** | -0.08*** | -0.08*** | 0.02 |
| | (0.02) | (0.02) | (0.02) | (0.03) | (0.02) | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.02) |
| **Panel B: Question formulation** | | | | | | | | | | | |
| Me | 0.13*** | 0.13*** | 0.10*** | -0.27*** | -0.39*** | -0.17*** | -0.03 | 0.03 | 0.03 | 0.02 | 0.03 |
| | (0.04) | (0.04) | (0.04) | (0.04) | (0.03) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) |
| Me × 70k+ | 0.05 | 0.03 | 0.07 | 0.11* | 0.09* | -0.13** | -0.10* | -0.05 | -0.01 | -0.02 | -0.03 |
| | (0.05) | (0.05) | (0.05) | (0.06) | (0.05) | (0.06) | (0.06) | (0.06) | (0.06) | (0.06) | (0.05) |
| Women | -0.03 | 0.01 | 0.01 | -0.02 | -0.03 | 0.06** | 0.05 | 0.01 | -0.05* | -0.04 | 0.07** |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Me | 0.08* | 0.08 | 0.07 | -0.35*** | -0.49*** | -0.05 | 0.03 | 0.09* | 0.16*** | 0.16*** | -0.00 |
| | (0.05) | (0.05) | (0.05) | (0.05) | (0.04) | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) |
| Republican | 0.21*** | 0.22*** | 0.24*** | 0.05* | -0.02 | -0.08*** | -0.19*** | -0.24*** | -0.13*** | -0.11*** | 0.42*** |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.02) |
| Me × Republican | 0.08 | 0.09 | 0.07 | 0.24*** | 0.30*** | -0.30*** | -0.18** | -0.12* | -0.20*** | -0.23*** | 0.06 |
| | (0.07) | (0.07) | (0.07) | (0.07) | (0.06) | (0.07) | (0.07) | (0.07) | (0.07) | (0.07) | (0.06) |
| **Panel C: Video treatment effects** | | | | | | | | | | | |
| Redistribution T | 0.00 | -0.02 | -0.04 | -0.07** | -0.04 | -0.02 | 0.06* | -0.03 | -0.02 | -0.02 | -0.05* |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Efficiency T | 0.07** | 0.07** | 0.07** | -0.05 | -0.06** | 0.00 | 0.01 | -0.03 | -0.04 | -0.05 | 0.06** |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Economist T | 0.02 | 0.03 | 0.04 | -0.02 | -0.04 | 0.05** | 0.05* | 0.01 | -0.08*** | -0.10*** | -0.00 |
| | (0.02) | (0.02) | (0.03) | (0.03) | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) | (0.02) |
| **Panel D: Descriptive statistics** | | | | | | | | | | | |
| Control mean | 0.32. | 0.32 | 0.33 | 0.69 | 0.82 | 0.65 | 0.49 | 0.40 | 0.39 | 0.41 | 0.32 |
| Male control mean | 0.36 | 0.35 | 0.36 | 0.67 | 0.81 | 0.62 | 0.51 | 0.42 | 0.39 | 0.39 | 0.36 |
| Democrat control mean | 0.23 | 0.23 | 0.24 | 0.67 | 0.80 | 0.67 | 0.59 | 0.54 | 0.48 | 0.47 | 0.10 |
| Observations | 2762 | 2756 | 2746 | 2743 | 2765 | 2774 | 2757 | 2759 | 2757 | 2762 | 2781 |

*Notes:* The dependent variables in columns 1-10 are indicator variables equal to one if the respondent believes that the listed group/the respondent themselves/a women from the listed group would *mostly* win if the top federal income tax rate on high earners were cut, in columns 1-5, or if overall taxes were raised and the extra revenues were spent on government programs, in columns 6-10. The dependent variable in column 11 is an indicator variable equal to one if the respondent thinks that lowering taxes on wealthy people/women, and corporations to encourage more investment in economic growth would ultimately do more to reduce the income differences between poor and rich families/women. See the notes to Table 4. Standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

## Table A-2: Which of the Following Groups Mostly Win If the Estate Tax Were to Be Cut?

| | Poor households (1) | Working Class (2) | Middle Class (3) | Upper-middle Class (4) | Upper Class (5) |
|---|---|---|---|---|---|
| **Panel A: Personal Characteristics** | | | | | |
| Republican | 0.10*** | 0.10*** | 0.13*** | 0.06** | 0.01 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.02) |
| Age 30-49 | -0.01 | -0.01 | 0.01 | 0.05* | 0.08*** |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Age 50-69 | 0.01 | -0.01 | 0.02 | 0.08** | 0.11*** |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Middle-Income | 0.03 | 0.01 | -0.01 | -0.02 | -0.03 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| High-Income | -0.02 | -0.03 | -0.05* | -0.04 | -0.02 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| **Panel B: Question formulation** | | | | | |
| Me | 0.22*** | 0.18*** | 0.11** | -0.07 | -0.10** |
| | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) |
| Me × 70k+ | 0.10* | 0.08 | 0.09 | 0.10* | 0.07 |
| | (0.06) | (0.06) | (0.06) | (0.06) | (0.05) |
| Women | 0.05 | 0.04 | 0.05 | -0.05 | -0.04 |
| | (0.04) | (0.04) | (0.04) | (0.04) | (0.04) |
| Me | 0.21*** | 0.16*** | 0.11** | -0.09 | -0.14*** |
| | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) |
| Republican | 0.08*** | 0.09*** | 0.12*** | 0.04 | -0.01 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| Me × Republican | 0.11 | 0.10 | 0.07 | 0.16** | 0.21*** |
| | (0.07) | (0.07) | (0.07) | (0.07) | (0.07) |
| **Panel C: Video treatment effects** | | | | | |
| Redistribution T | -0.12*** | -0.13*** | -0.15*** | -0.02 | -0.02 |
| | (0.04) | (0.04) | (0.04) | (0.04) | (0.03) |
| Efficiency T | -0.10*** | -0.08** | -0.06 | -0.04 | -0.03 |
| | (0.04) | (0.04) | (0.04) | (0.04) | (0.03) |
| Economist T | -0.09*** | -0.12*** | -0.15*** | -0.06* | -0.01 |
| | (0.03) | (0.03) | (0.03) | (0.03) | (0.03) |
| **Panel D: Descriptive statistics** | | | | | |
| Control mean | 0.42 | 0.47 | 0.53 | 0.70 | 0.75 |
| Male control mean | 0.37 | 0.43 | 0.50 | 0.75 | 0.82 |
| Democrat control mean | 0.39 | 0.42 | 0.50 | 0.69 | 0.74 |
| Observations | 2329 | 2314 | 2306 | 2312 | 2304 |

*Notes:* The dependent variables in each column are indicator variables equal to one if the respondent believes that the listed group/the respondent themselves/a women from the listed group would *mostly* win if the federal estate tax rate were to be cut. See the notes to Table 4. Standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

## Table A-3: Policy Views on Taxes: A Finer Decomposition

**Panel A: Income Tax**

| | Income tax fair (1) | Satisfied income tax (2) | Progressive tax important tool to ↓ inequality (3) | Support ↑ taxes on high incomes to expand programs for low-incomes (4) | increase investment (5) | Government responsible to ↓ inequality (6) |
|---|---|---|---|---|---|---|
| Republican | 0.12*** | 0.12*** | -0.07*** | -0.14*** | 0.02 | -0.12*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.03) | (0.02) |
| Misperception index | 0.15*** | 0.16*** | 0.03 | 0.02 | -0.05** | 0.05** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Efficiency index | 0.01 | 0.02 | -0.02 | 0.02* | 0.03** | 0.05*** |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.02) | (0.01) |
| Fairness index | -0.24*** | -0.24*** | 0.25*** | 0.26*** | 0.09*** | 0.23*** |
| | (0.02) | (0.01) | (0.01) | (0.01) | (0.02) | (0.02) |
| Distributional index | 0.03** | 0.04** | 0.05*** | 0.08*** | 0.05*** | 0.03** |
| | (0.02) | (0.02) | (0.01) | (0.01) | (0.02) | (0.02) |
| Government trust index | 0.13*** | 0.12*** | 0.14*** | 0.17*** | 0.12*** | 0.19*** |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Observations | 2782 | 2781 | 2783 | 2782 | 2782 | 2779 |

**Panel B: Estate Tax**

| | Estate tax system fair (1) | Satisfied with estate tax (2) | Estate tax should exist (3) | Estate tax should be increased (4) | ↑ Estate tax good way to ↓ inequality (5) | Government responsible to ↓ wealth transm. (6) |
|---|---|---|---|---|---|---|
| Republican | 0.10*** | 0.09*** | -0.03 | -0.05** | -0.05* | 0.02 |
| | (0.03) | (0.03) | (0.02) | (0.02) | (0.02) | (0.02) |
| Misperception index | 0.03 | 0.01 | -0.07*** | -0.15*** | -0.02 | -0.08*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Efficiency index | 0.00 | 0.01 | -0.04*** | -0.00 | 0.03** | 0.07*** |
| | (0.02) | (0.02) | (0.01) | (0.01) | (0.01) | (0.01) |
| Fairness index | -0.06*** | -0.07*** | 0.29*** | 0.27*** | 0.25*** | 0.22*** |
| | (0.02) | (0.02) | (0.02) | (0.01) | (0.02) | (0.01) |
| Distributional index | -0.00 | -0.02 | -0.00 | 0.02 | -0.01 | -0.00 |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Government trust index | 0.15*** | 0.14*** | 0.11*** | 0.07*** | 0.14*** | 0.11*** |
| | (0.02) | (0.02) | (0.01) | (0.01) | (0.01) | (0.01) |
| Observations | 2358 | 2356 | 2359 | 2359 | 2357 | 2355 |

*Notes:* See the notes to Table 10 and 11. The table shows regression results from a further decomposition of the Redistribution index into two components, the purely Distributional index and the Fairness index. The full set of controls is included but not shown. Standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

## Table A-4: General Policy Views: A Finer Decomposition

| | Pay less than fair share | | Support higher taxation to fund | | | | |
|---|---|---|---|---|---|---|---|
| | High Incomes (1) | Middle Class (2) | Transfers to people out of work (3) | Better Schools (4) | Retraining Programs (5) | Healthcare Subsidies (6) | Wage Subsidies (7) |
| **Income Tax** | | | | | | | |
| Republican | -0.02 | 0.02 | -0.07*** | -0.12*** | -0.03 | -0.15*** | -0.10*** |
| | (0.02) | (0.03) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Misperception index | -0.06*** | 0.02 | 0.01 | -0.15*** | -0.09*** | -0.07*** | -0.05** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Efficiency index | -0.11*** | -0.11*** | 0.05*** | -0.02 | 0.03* | 0.01 | 0.02 |
| | (0.01) | (0.02) | (0.01) | (0.02) | (0.02) | (0.01) | (0.02) |
| Fairness index | 0.16*** | -0.08*** | 0.10*** | 0.17*** | 0.12*** | 0.21*** | 0.23*** |
| | (0.01) | (0.02) | (0.01) | (0.02) | (0.02) | (0.02) | (0.02) |
| Distributional index | 0.08*** | 0.05*** | 0.03 | 0.08*** | 0.07*** | 0.07*** | 0.03* |
| | (0.01) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Government trust index | 0.01 | 0.05*** | 0.14*** | 0.10*** | 0.09*** | 0.12*** | 0.11*** |
| | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| **Estate Tax** | | | | | | | |
| Republican | -0.13*** | -0.00 | -0.07*** | -0.12*** | -0.10*** | -0.13*** | -0.09*** |
| | (0.02) | (0.03) | (0.02) | (0.03) | (0.03) | (0.03) | (0.03) |
| Misperception index | -0.01 | 0.05** | -0.05** | -0.06*** | -0.08*** | -0.08*** | -0.05** |
| | (0.02) | (0.03) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Efficiency index | -0.09*** | -0.08*** | 0.08*** | -0.04** | 0.03** | -0.00 | 0.03* |
| | (0.01) | (0.02) | (0.01) | (0.02) | (0.02) | (0.01) | (0.01) |
| Fairness index | 0.35*** | -0.00 | 0.11*** | 0.20*** | 0.11*** | 0.20*** | 0.20*** |
| | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| Distributional index | 0.01 | -0.00 | -0.02* | 0.01 | -0.01 | 0.01 | -0.01 |
| | (0.01) | (0.02) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| Government trust index | -0.04*** | 0.03* | 0.12*** | 0.07*** | 0.10*** | 0.09*** | 0.09*** |
| | (0.01) | (0.02) | (0.01) | (0.02) | (0.02) | (0.02) | (0.02) |

*Notes:* See the notes to Table 12. The table shows regression results from a further decomposition of the Redistribution index into two components, the purely Distributional index and the Fairness index. The full set of controls is included but not shown. Standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

## A-2 Variables Definition

**Core Respondents' Characteristics:**
*Women:* respondent is female.
*Men:* respondent is male.
*Age 18-29:* respondent's age is between 18 and 29 years.
*Age 30-49:* respondent's age is between 30 and 49 years.
*Age 50-69:* respondent's age is between 50 and 69 years.
*White:* respondent's ethnicity is European American/White .
*Black:* respondent's ethnicity is African American/Black .
*Hispanic:* respondent's ethnicity is Hispanic/Latino .
*Low Income:* respondent's household income is below $39 000.
*Middle Income:* respondent's household income is between $40 000- $69 000.
*High Income:* respondent's household income is above $70 000.
*Upper Class (self-reported):* respondent's self-reported social class is upper-middle class or upper class.
*Republican:* respondent's political affiliation is republican.
*Democrat:* respondent's political affiliation is democrat.
*Independent and others:* respondent's political affiliation is independent or other or he is non-affiliated.
*Trump Conservative:* respondent supported Trump in the last presidential elections and has "conservative" or "very conservative" views on economic policy matters.
*Trump Moderate:* respondent supported Donald Trump in the last presidential elections and has "moderate views" on economic policy matter.
*Clinton Moderate:* respondent supported Hillary Clinton in the last presidential elections and has "moderate" views on economic policy matters.
*Clinton Liberal:* respondent supported Hillary Clinton in the last presidential elections and has "liberal" or "very liberal" views on economic policy matters.
*Economics related major:* respondent has a college degree with an economics-related major.
*College degree:* respondent has a college degree .
*Policy knowledge:* respondent self-reports being "highly knowledgeable" or "somewhat knowledgeable" on economic policies and issues.
*No policy knowledge:* respondent self-reports being "not very knowledgeable" or "not knowledgeable at all" on economic policies and issues.
*"ME" randomization:* respondent was randomized to see the mechanisms questions personally formulated.
*"WOMEN" randomization:* respondent was randomized to see the mechanisms questions formulated about women rather than people in general.
*Redistribution T:* respondent was randomized to see the information treatment focused on the distributional impacts of the policies.
*Efficiency T:* respondent was randomized to see the information treatment focused on the efficiency costs of the policies.
*Economist T:* respondent was randomized to see the information treatment focused on both efficiency costs and distributional impacts of the policies.

**Mechanisms and Outcomes (Income Taxation)**

*All dependent variables in the perceived behavioral response to income tax:* indicator variables equal to one if the respondent thinks that the extent to which an increase in the federal personal income tax would encourage the middle class/themselves/middle class women or the richest people/themselves/richest women in the economy towards the behaviors listed ranges from *a moderate amount* to *a great deal*.

*"Which of the following groups mostly win if taxes on high earners were cut?":* indicator variables equal to one if the respondent believes that the given group (in the control group), the respondent themselves (in the "ME" randomization), a women from the given group (in the "WOMEN" randomization) mostly wins if taxes on high-earners were cut.

*"Which of the following groups mostly win if overall taxes were increased?"':* indicator variable equal to one if the respondent believes that the given group (in the control group), the respondent themselves (in the "ME" randomization), a women from the given group (in the "WOMEN" randomization) mostly wins if overall taxes were increased.

*Trickle down:* indicator variable equal to one if the respondent thinks that lowering income taxes is a better way (than increasing them) to reduce income differences between poor and rich families (in the control group and in the "ME" randomization) or between poor and rich women (in the "WOMEN" randomization) .

↑ *Taxes high-incomes hurt economy:* indicator variable equal to one if the respondent believes that taxes on high-income households (in the control group and in the "ME" randomization) or on high income women (in the "WOMEN" randomization) would hurt the U.S. economy (as opposed to help or not have an effect on U.S. economy).

*Laffer effect high-incomes/middle class:* indicator variable equal to one if the respondent believes that tax cuts on high-income/middle class households (in the control group), on households with the respondent themselves level of income (in the "ME" randomization), on high-income/middle class women (in the "WOMEN" randomization) would eventually decrease the U.S. deficit because they would stimulate the economy and bring in more money for the government.

*Wealth distribution unfair:* indicator variable equal to one if the respondent think that money and wealth in the U.S. should be more evenly distributed among a larger percentage of the people.

*Inequality serious issue:* indicator variable equal to one if the respondent believe that income inequality is a serious or very serious issue.

*High-incomes entitled to keep:* indicator variable equal to one if the respondent believes that high-income individuals (in the control group), individuals with a similar income to that of the respondent themselves (in the "ME" randomization), high-income women (in the "WOMEN" randomization) are entitled to keep a very large share of their income and should not have to pay high taxes, even if that means less government revenues available to help low-income families.

*Hard workers should pay less taxes:* indicator variable equal to one if the respondent believes that people who have worked hard for their income should be taxed less than those who have not worked hard for it, even if that means that people with the same income will end up paying different taxes (in the control group) or even if that means that people with the same income as the respondent themselves will end up paying higher taxes than him because they worked less hard for their income (in the "ME" randomization). In the "WOMEN" randomization the indicator variable is equal to one if respondent believes that we should tax less women who have worked hard for their income.

*Income tax fair:* indicator variable equal to one if the if the respondent believes that the current U.S. federal income tax system is fair or very fair.

*Satisfied income tax:* indicator variable equal to one if the if the respondent is satisfied or very satisfied with the current U.S. federal income tax system.
*Progressive tax important tool to ↓ inequality:* indicator variable equal to one if the respondent believes that a progressive tax system in which people with higher incomes pay a higher share of income in taxes than people with lower incomes (in the control group and in the "ME" randomization), in which women with higher incomes pay a higher share of their income in taxes than women with lower incomes (in the "WOMEN" randomization) is an important tool to reduce income inequality.
*Support ↑ taxes on high incomes to expand programs for low-incomes:* the respondent supports or strongly supports raising federal income taxes on higher income households to expand programs that support lower-income individuals/lower-income women.
*Support ↑ taxes on high incomes to increase investment:* the respondent supports or strongly supports raising federal income taxes on higher income households to increase investment in the U.S.

**Mechanisms and Outcomes (Estate Tax)**
*All dependent variables in the perceived behavioral response to estate tax:* indicator variables equal to one if the respondent thinks that the extent to which an increase in the federal personal income tax would encourage the middle class/themselves/middle class women or the richest people/themselves/richest women in the economy towards the behaviors listed ranges from *a moderate amount* to *a great deal*.
*Which of the following groups mostly win If the estate tax were cut?:* indicator variable equal to one if respondent believes that the given group (in the control group), the respondent themselves (in the "ME" randomization), a women from the given group (in the "WOMEN" randomization) mostly wins if the estate tax were cut.
*↑ Estate tax hurt economy:* indicator variable equal to one if the respondent believes that the federal estate tax on wealthy households (in the control group), on the estates of households similar to that of the respondent themselves (in the "ME" randomization), on the estates of wealthy women (in the "WOMEN" randomization) would hurt the U.S. economy (as opposed to help or not have an effect on U.S. economy).
*Laffer effect:* indicator variable equal to one if the respondent believes that cuts to the estate tax of wealthy households (in the control group), of households similar to that of the respondent themselves (in the "ME" randomization), of wealthy women (in the "WOMEN" randomization) would eventually decrease the U.S. deficit because they would stimulate the economy and bring in more money for the government.
*Wealth distribution unfair:* indicator variable equal to one if the respondent believes that money and wealth in this country should be more evenly distributed among a larger percentage of the people.
*Inequality serious issue:* indicator variable equal to one if the respondent believes that wealth inequality in America is a serious or a very serious problem.
*Unfair tax estates of hard workers:* indicator variable equal to one if the respondent believes that it is "somewhat unfair" or "very unfair" to tax the estate of wealthy people who worked hard (in the control group), the estate for which the respondent themselves has worked hard (in the "ME" randomization), the estate of a wealthy woman who has worked hard (in the "WOMEN" randomization).
*Unfair tax estates of wealthy heirs:* indicator variable equal to one if the respondent believes that it is "somewhat unfair" or "very unfair" to tax the estate of people who are wealthy because they have inherited a lot of wealth (in the control group), the estate of people who are wealthier than the respondent themselves because they have inherited a lot more wealth from their own parents (in the "ME" randomization), the

estate of a wealthy woman who is wealthy because she has herself inherited a lot of wealth from her parents (in the "WOMEN" randomization).

*Fair that wealthy children access better amenities:* indicator variable equal to one if the respondent believes that it is "somewhat fair" or "very fair" that children born in very wealthy families have access to better amenities (in the control group), that people born in wealthier families than that of the respondent themselves have had access to better amenities (in the "ME" randomization), that a girl born to a very wealthy mother has access to better amenities (in the "WOMEN" randomization).

*Fair that wealthy children inherit more:* indicator variable equal to one if the respondent believes that it is "somewhat fair" or "very fair" that children born in very wealthy families inherit much more than children born in less wealthy families (in the control group), that people born in wealthier families than that of the respondent themselves inherit much more than the respondent themselves (in the "ME" randomization), that a girl born to a very wealthy mother inherits much more than a girl born to a less wealthy mother (in the "WOMEN" randomization).

*Support Wealth Transmission:* indicator variable equal to one if the respondent believes that wealthy parents (in the control group), individuals with similar levels of wealth to that of the respondent themselves (in the "ME" randomization), a wealthy mother (in the "WOMEN" randomization) should be able to pass on all of her wealth to her children.

*Estate tax system fair:* indicator variable equal to one if the respondent believes that the current U.S. federal estate tax system is fair or very fair.

*Satisfied with estate tax:* indicator variable equal to one if the respondent is satisfied or very satisfied with the current U.S. federal estate tax system.

*Estate tax should exist:* indicator variable equal to one if the respondent believes that there should be a federal estate tax in the U.S.

*Estate tax should be increased:* conditional on believing that there should be a federal estate tax (see previous variable), indicator variable equal to one if the respondent thinks that the federal estate tax should be increased.

$\uparrow$ *Estate tax good way to* $\downarrow$ *inequality:* indicator variable equal to one if the respondent believes that increasing the federal estate tax (in the control group), increasing the estate tax on the estates of households similar to that of the respondent's themselves (in the "ME" randomization), increasing the estate tax on the estates of wealthy women (in the "WOMEN" randomization) is a good way or is one of the best ways to reduce wealth inequality.

**Indices:**

The summary indices that aggregate information over the same domain are constructed following the methodology in Kling, Liebman, and Katz (2007). Each index consists of an equally weighted average of the z-scores of its components with signs oriented consistently within domain (e.g. the higher the distortion index, the higher the belief of the respondent in the distortionary nature of taxes). Variables are transformed into z-scores by subtracting the control group mean and dividing by the control group standard deviation, so that each z-score has mean 0 and standard deviation 1 for the control group.

*Misperception index (Income):* standardized index that aggregates the deviation of the respondent's answer from the correct answer. It is increasing in the respondent's tendency to overestimate the level or progressivity of the tax system. It includes the following variables: top tax rate in the 50s; top tax rate today; share

of income paid in taxes in top bracket; Share of households in top bracket; share of households not paying income taxes; top tax threshold; share of national income owned by top 1% richest households; top state tax rate; share of income paid in taxes by the median household.

*Misperception index (estate):* standardized index that aggregates the deviation of the respondent's answer from the correct answer. It is increasing in the respondent's tendency to overestimate the level or progressivity of the tax system. It includes the following variables: top tax rate in the 50s; top tax rate today; exemption threshold; Number of households, out of 1,000, subject to the estate tax; share of total wealth owned by households in the U.S. today inherited from the parents; share of large subject to the federal estate tax estates that are made up of unrealized capital gains that have never been taxed before.

*Efficiency index (Income)*: index that capture the respondent's perception of the efficiency costs of income taxation. The sign is oriented so that a higher index means a stronger belief in the distortionary nature of income taxation. It includes the following variables: all the behavioral responses to increased taxation variables, "Laffer effect high incomes;" "Laffer effect middle class;" and "↑ Taxes on high-inc. hurt economy."

*Efficiency index (Estate):* index that capture the respondent's perception of the efficiency costs of the estate tax. The sign is oriented so that a higher index means a stronger belief in the distortionary nature of the estate tax. It includes the following variables: "Laffer effect;" and "↑ Tax hurt economy." *Distributional index (Income):* index that captures whether the respondent believes that more generous redistribution through income taxation would be beneficial to lower classes. It combines the three variables on whether the respondents think that i) poor households, ii) the working class, and iii) the middle class would mostly win if overall taxes were raised so that more revenues were spent on government programs; the two variables on whether the respondents think that i) the upper-middle class, and ii) the upper class will mostly win if taxes on high incomes were cut; and the "trickle down" variable. The sign is oriented so that a higher index means a stronger belief in the beneficial effect of income redistribution for lower classes.

*Distributional index (Estate):* index that captures whether the respondent believes that less redistribution by means of a cut to the estate tax will be detrimental to lower classes and beneficial to upper classes.

*Fairness index (Income):* index that captures whether the respondent believes that it is fair that higher income should pay more taxes to fund public services and reduce inequality. It includes the following variables: "It is important to ensure enough government revenues to fund programs that help low-income families make ends meet, even if that means that high-income individuals will have to pay higher taxes on their high incomes;" "People with the same income should pay the same level of federal income taxes, regardless of how they earned their income and whether they worked hard for it;" "the money and wealth in this country should be more evenly distributed among a larger percentage of the people;" and "How big of an issue do you think income inequality is in America?." The sign is oriented so that a higher index means a stronger belief in the fact that income and wealth distribution should be fairer and more even.

*Fairness index (Estate):* index that captures whether the respondent thinks that it is fair to tax the estates of wealthy people and to level the playing field for children. The sign is oriented so that a higher index means a stronger belief in the necessity of fairer wealth distribution and of limiting intergenerational transmission of wealth. It includes the following variables: "Wealth distribution unfair;" "Wealth inequality serious issue;" "Unfair tax estates of hard workers;" "Unfair tax estates of wealthy heirs;" "Fair that wealthy children access better amenities;" "Fair that wealthy children inherit more;" "Support Wealth Transmission."

*Redistribution index (same for Income and Estate):* combines all the variables in the distributional index and in the fairness index.

*Government trust index (same for Income and Estate):* index that captures the respondent's trust in the government and wish for action. It includes the following three variables: "How much of the time do you think you can trust our federal government to do what is right;" "Some people think the government is trying to do too many things that should be left to individuals and businesses. Others think that government should do more to solve our country's problems. Which come closer to your own view?;" "Where would you rate yourself on a scale of 1 to 5, where 1 means you think the government should do only those things necessary to provide the most basic government functions, and 5 means you think the government should take active steps in every area it can to try and improve the lives of its citizens?." The sign is oriented so that a higher index indicates more trust in the government and more wish for action.

**General Policy Outcomes**

*Pay less than their fair share in taxes - High incomes:* indicator variable equal to one if the respondent thinks high income households pay less or much less than their fair share in taxes.

*Pay less than their fair share in taxes - Middle class:* indicator variable equal to one if the respondent thinks middle class households pay their fair share or less or much less than their fair share in taxes.

*Support higher taxation for - Transfers to people out of work :* indicator variable equal to one if the respondent supports increased funding for transfer and income support programs for those out of work even if that means more taxes or reduced spending in other areas (as opposed to services and taxes as now or less of the service and reduced tax).

*Support higher taxation for - Better schools :* indicator variable equal to one if the respondent supports increased funding for better schools for children from low-income families even if that means more taxes or reduced spending in other areas (as opposed to services and taxes as now or less of the service and reduced tax).

*Support higher taxation for - Retraining programs :* indicator variable equal to one if the respondent supports increased funding for income support and retraining programs for workers who are displaced by international competition and trade even if that means more taxes or reduced spending in other areas (as opposed to services and taxes as now or less of the service and reduced tax).

*Support higher taxation for - Healthcare subsidies :* indicator variable equal to one if the respondent supports increased funding for subsidies for low-income households to help them with the costs of health insurance premiums and health care even if that means more taxes or reduced spending in other areas (as opposed to services and taxes as now or less of the service and reduced tax).

*Support higher taxation for - Wage subsidies :* indicator variable equal to one if the respondent supports increased funding for wage subsidies and help for the working poor who work for low wages even if that means more taxes or reduced spending in other areas (as opposed to services and taxes as now or less of the service and reduced tax).

**General Government**

*Trust:* indicator variable equal to one if the respondent believes that he can trust the government doing the right thing almost always or a lot of the time.

*Purposes:* indicator variable equal to one if respondent thinks the government should do more to solve the country's problems.

*Involvment:* indicator variable equal to one if the respondent thinks the government should take active steps

to improve the lives of its citizens (defined as answering 4 or 5 on a scale from 1 to 5, where 1 means the government should do only those things necessary to provide the most basic government functions, and 5 means the government should take active steps).

*Cents Wasted:* cents wasted of every tax dollar that goes to the federal government in Washington, D.C.

*Satisfaction:* indicator variable equal to one if the respondent is very satisfied or somewhat satisfied with the way the federal government in Washington is dealing with the country's problems.

*Government should be responsible for - Reducing income inequality:* indicator variable equal to one if the respondent thinks the government should have responsibility in reducing income inequality between the rich and the poor (defined as answering 4 or 5 on a scale from 1 to 5, where 1 means "no responsibility at all" and 5 means "total responsibility").

*Government should be responsible for - Reducing wealth transmission:* indicator variable equal to one if the respondent thinks the government should have responsibility in reducing inter-generational wealth transmission (defined as answering 4 or 5 on a scale from 1 to 5, where 1 means "no responsibility at all" and 5 means "total responsibility").

*Government should be responsible for - Health care:* indicator variable equal to one if the respondent thinks the government should have responsibility in making sure Americans have adequate health care (defined as answering 4 or 5 on a scale from 1 to 5, where 1 means "no responsibility at all" and 5 means "total responsibility").

*Government should be responsible for - Reducing opportunity diff.:* indicator variable equal to one if the respondent thinks the government should have responsibility in reducing the differences in opportunity between children from wealthy and poor families (defined as answering 4 or 5 on a scale from 1 to 5, where 1 means "no responsibility at all" and 5 means "total responsibility").

*Government should be responsible for - Regulating trade:* indicator variable equal to one if the respondent thinks the government should have responsibility in regulating trade to and from the U.S. to protect American producers and consumers (defined as answering 4 or 5 on a scale from 1 to 5, where 1 means "no responsibility at all" and 5 means "total responsibility").

*Government should be responsible for - Stable financial system:* indicator variable equal to one if the respondent thinks the government should have responsibility in maintaining a stable financial system and ensuring that the credit market works (defined as answering 4 or 5 on a scale from 1 to 5, where 1 means "no responsibility at all" and 5 means "total responsibility").

*Government should be responsible for - Stable dollar:* indicator variable equal to one if the respondent thinks the government should have responsibility in ensuring a stable dollar (defined as answering 4 or 5 on a scale from 1 to 5, where 1 means "no responsibility at all" and 5 means "total responsibility").

*Government should be responsible for - Min. living standard:* indicator variable equal to one if the respondent thinks the government should have responsibility in providing a minimum standard of living for all (defined as answering 4 or 5 on a scale from 1 to 5, where 1 means "no responsibility at all" and 5 means "total responsibility").

**Willingness to pay**

*Willingness to pay:* indicator variable equal to one if the respondent is willing to pay either $1, $2, $5 or $10, according to which branch he was randomized into, to learn the correct answers (payment is conditional on winning the $1,000 lottery in which the respondent is automatically enrolled by taking the survey) .

## A-3 Sample of Answers to the Open-ended Question "What are you Main Considerations about the Policy?"

### A-3.1 Income Taxation

**Distribution:** *"That the rich and wealthy do not pay their fair share of taxes."*
*"Everyone, including the rich and corporations should pay their fair share."*
*"I would want working class and middle class people to get tax cuts and I'd be willing to pay more in taxes for that to happen."*

**Fairness:** *"I have trouble with the concept of tax brackets that punish an individual for being successful."*
*"I believe Everyone should be taxed fairly and the most wealthy should not escape carrying their weight."*

**Government Spending:** *"Current tax rates being raised are a result of government mismanagement of funds and over spending without appropriate oversight. Taxes really can't effectively be lowered until government spending is properly controlled."*
*"I am okay with raising personal income tax to reduce deficit but not for entitlement programs."*

**Social safety net:** *"What are the taxes going towards? I strongly believe in funding going towards education and infrastructure."*
*"Cut government spending on social welfare programs for lower taxes and privatize most government services for lower taxes e.g. mail, law enforcement, parks, schools..."*

**Effiency:** *"I am concerned about the push to raise taxes on persons with higher incomes. I do believe in trickle down economics and that government should pretty much keep their hands off."*
*"I want the U.S. to be competitive for businesses, but also know there needs to be an appropriate amount of money to fund the government necessities."*

**Flat Tax:** *"We need a flat tax. Tax forms are complex."*
*"I think tax Rates are not fairly representative for most taxpayers. I support a flat tax rate for all except the totally disabled and indigent."*

**Loopholes:** *"I think the more you make, the more you should pay. We need to close the loopholes that are there to make sure that those who make more actually pay more."*
*"The wealthy oligarchs who own this country will never allow their taxes to be raised, or will hire tax lawyers to get out of paying them, so any raise in federal personal income taxes will fall on the middle class."*

**Don't know:** *"I don't know much about this topic."*

### A-3.2 Estate Tax

**Distribution:** *"It can help keep the ultra wealthy accountable for their wealth."*
*"Passing wealth from one generation to the next contributes to wealth inequality. Federal estate tax should be much higher."*

**Fairness:** *"I don't think there should be a federal estate tax because it's kind of unfair to have to pay taxes on money that already belongs to your family and has most likely had taxes paid on it already."*

**Government spending:** *"I believe in smaller government, so all taxes should be lower. I actually think we should have a flat tax for income - period. Then estate taxes wouldn't even be an issue."*

**Public goods:** *"I would like higher taxes to pay for more domestic spending such as education, healthcare, etc."*

**Efficiency:** *"Lower taxes mean I have more disposable income to spend therefore more products can be mad and more jobs created. I feel it is wrong to penalize people for increased wealth."*

**Loopholes:** *"The wealthy don't ususally pay these taxes, they find a loophole. Why should my children have to pay taxes on things I've already paid taxes on during my lifetime?"*

**Double taxation:** *"I think it is ridiculous, you pay taxes twice."*

**Grief:** *"I don't think we should have one at all. You're taxing a family member for the death of their loved one? That's messed up."*

## A-4 Latent Dirichlet Allocation: Top answers per profile

**Income tax survey profiles: Top 6 answers**

**Profile 1: pro-redistribution, highlights inequalities, unfair system.** "The money and wealth in this country should be more evenly distributed among a larger percentage of the people."
"A person is rich because she or he had more advantages than others."
"People with higher incomes pay a lower share of their income in taxes than those with lower incomes."
"People pay very different shares of their incomes in taxes."
"The federal income tax policy has very important direct effects on my own life."
"The share of total U.S. income that goes to the top 1% in the U.S. increased a lot over the past 30 years."

**Profile 2: fair system, downplays inequalities.** "The federal income tax policy has some direct effects on my own life."
"The government has some ability/tools to reduce income differences between rich and poor people."
"A person is wealthy because she or he worked harder than others."
"People pay somewhat different shares of their income in taxes."

"The share of total U.S. income that goes to the top 1% in the U.S. increased somewhat over the past 30 years."

"People with higher incomes pay a higher share of their income in taxes than those with lower incomes."

**Estate tax survey profiles: Top 6 answers**

**Profile 1: not concerned by the estate tax, highlights inequalities.**

"I do not feel personally affected by the federal estate tax."

"The money and wealth in this country should be more evenly distributed among a larger percentage of the people."

"a person is rich because she or he had more advantages than others."

"there should be a federal estate tax in the U.S."

"the share of total U.S. income that goes to the top 1% in the U.S. increased a lot over the past 30 years."

"Not every individual's estate is subject to the federal estate tax at death."

**Profile 2: Unfair estate tax system, everyone is concerned.** "The federal estate tax is mostly taxing assets that have already been taxed and thus leads to "double taxation."

"I do not know what the stepped-up cost basis at death is."

"Every individual's estate is subject to the federal estate tax at death."

"there should not be a federal estate tax in the U.S."

"I am somewhat dissatisfied with the current U.S. federal estate tax system."

"The current U.S. federal estate tax system is somewhat unfair."

# A-5 Full Questionnaires

## A-5.1 Consent Form

See Figure A-1.

## A-5.2 Background questions (same for all surveys)

1. What is your gender?
   *Male; Female*
2. What is your age?
3. What was your TOTAL household income, before taxes, last year?
   *$0-$9999; $10000-$14999; $15000-$19999; $20000-$29999; $30000-39999; $40000-$49999; $50000-$69999; $70000-$89999; $90000-$109999; $110000-$149999; $150000-$199999; $200000+*
4. Were you born in the United States?
   *Yes; No*
5. In which ZIP code do you live?
6. Please indicate your marital status
   *Single; Married; Legally separated or divorced; Widowed*
7. How many children do you have?
   *I do not have children; 1; 2; 3; 4; 5 or more*

## Figure A-1: Consent Page

**Academic Research Survey** We are a non-partisan group of academic researchers from the Economics Department at Harvard University. Our goal is to learn about people's attitudes on several issues. Please read the information below before consenting to begin the research study.

• This survey is voluntary. You have the right to not answer any question, and to stop the survey at any time or for any reason (to exit the survey, simply close this window). We expect that it will take about 20 minutes. You will likely learn a lot!

• Your name will never be recorded by researchers. Results may include summary data, but you will never be identified. The data will be stored on Harvard servers and will be kept confidential. The collected anonymous data may be made available to other researchers for replication purposes.

• You will be compensated for this interview conditional upon (i) completing the survey and (ii) passing our survey quality checks, which use sophisticated statistical control methods to detect incoherent and rushed responses. **Responding without adequate effort may result in your responses being flagged for low quality and you may not receive your payment.**

Please note that it is very important for the success of our research that you **answer honestly** and **read the questions very carefully** before answering. If at any time you don't know an answer, please give your best guess **without consulting any external sources**. However, please be sure to spend enough time reading and understanding the questions.

You are encouraged to print or take a screenshot of this page for your records. If you have any questions about this study, you may contact us at studysocialsciences2018@gmail.com.

This research has been reviewed and approved by the Harvard University Area Institutional Review Board ("IRB"). You may talk to them at (617) 496-2847 or cuhs@harvard.edu if:

• Your questions, concerns, or complaints are not being answered by the research team.
• You cannot reach the research team.
• You want to talk to someone besides the research team.
• You have questions about your rights as a research subject.
• You want to get information or provide input about this research.

○ Yes, I would like to take part in this study, and confirm that I LIVE IN THE U.S., and I am 18 or older

○ No, I would not like to participate

8. *Screening Question 1.* Most modern theories of decision making recognize that decisions do not take place in a vacuum. Individual preferences and knowledge, along with situational variables can greatly impact the decision process. To demonstrate that you've read this much, just go ahead and select both strongly agree and strongly disagree among the alternatives below, no matter what your opinion is. Do you agree or disagree with the following statement: "It is easy to find accurate and reliable information in the media these days."

*Strongly agree; Agree; Disagree; Strongly disagree*

9. How would you describe your ethnicity/race?
   *European American/White; African American/Black; Hispanic/Latino; Asian/Asian American; Mixed race; Other (please specify)*
10. Which category best describes your highest level of education?
    *Primary education or less; Some High School; High School degree/GED; Some College; 2-year College Degree; 4-year College Degree; Master's Degree; Doctoral Degree; Professional Degree (JD, MD, MBA)*
11. (If highest level of education superior to "High School" to 10) What is/was your field of study in college? If multiple degrees apply, please select the field corresponding to your last degree.
    *Accounting/bookkeeping; Administrative science/public administration; Advertising; Agriculture/ horticulture; Allied health; Anthropology; Architecture; Art; Aviation/aeronautics; Biology; Business administration; Chemistry; Child/human/family development; Comm. disorders; Communications/speech; Computer science; Counseling; Criminology/criminal justice; Dance; Dentistry; Economics; Education; Educational administration; Electronics; Engineering; English; Environmental science/ecology; Ethnic studies; Fashion; Finance; Fine arts; Food science/nutrition/culinary arts; Foreign language; Forestry; General sciences; General studies; Geography; Geology; Gerontology; Health; History; Home economics; Human services/human resources; Humanities; Industrial relations; Industry and technology; Information technology; Journalism; Law; Law enforcement; Liberal arts; Library science; Marketing; Mathematics; Mechanics/machine trade; Medicine; Music; Nursing; Other; Other vocational; Parks and recreation; Pharmacy; Philosophy; Physical education; Physics; Political science/international relations; Psychology; Public relations; Social sciences; Social work: Sociology; Special education; Statistics/biostatistics; Television/film; Textiles/cloth; Theater arts; Theology; Urban and regional planning; Veterinary medicine; Visual arts/graphic design/design and drafting; Other*
12. What is your current employment status?
    *Full-time employee; Part-time employee; Self-employed or small business owner; Unemployed and looking for work; Student; Not currently working and not looking for work; Retiree*
13. (If "Full-time employee", "Part-time employee", or "Self-employed or small business owner" to 12) Which category best describes your main occupation?
    *Managers; Professionals; Technicians and associate professionals; Clerical support workers; Service and sales workers; Agricultural workers; Craft and related trades workers; Plant and machine operators, and assemblers; Elementary occupations; Armed forces occupations*
14. *[For health and trade surveys only]* (If "Full-time employee", "Part-time employee", or "Self-employed or small business owner" to 12) Are you employed in one of the following sectors? Check the one that applies. If you have multiple jobs, check the one that describes your main occupation.
    *Agriculture, plantations, other rural sectors; Basic metal production; Chemical industries; Commerce; Construction; Education; Financial services, professional services; Food, drink, tobacco; Forestry, wood; Health services; Hotels, tourism, catering; Mining; Mechanical and electrical engineering; Media, culture, graphical; Oil and gas production, oil refining; Postal and telecommunications services; Public service; Shipping, ports, fisheries, inland waterways; Textiles, clothing, leather, footwear; Transport (including civil aviation, railways, road transport); Transport equipment manufacturing; Utilities (water, gas, electricity); None of the above*
15. (If "Unemployed and looking for work', "Not currently working and not looking for work", or "Retiree"

to 12) Even if you are not currently working, which category best describes your latest occupation? Check the one that applies. If you have had multiple jobs, check the one that describes your main occupation.

*Same options as above*

16. Are you covered by Medicaid, Medical Assistance, or Medicaid?

    *Yes; No*

17. Did you, or anyone in your household, receive food stamps or use a food stamp benefit card at any time during 2018?

    *Yes; No*

18. At any time during 2018, even for one month, did you or anyone in your household receive any cash assistance from a state or county welfare program such as welfare or welfare to work, TANF, general assistance, diversion payments or refugee cash?

    *Yes; No*

19. If you had to use one of these five commonly-used names to describe your social class, which one would it be?

    *Lower Class or Poor; Working Class; Middle Class; Upper-middle Class; Upper Class*

20. On economic policy matters, where do you see yourself on the liberal/conservative spectrum?

    *Very liberal; Liberal; Moderate; Conservative; Very conservative*

21. What do you consider to be your political affiliation, as of today?

    *Republican; Democrat; Independent; Other; Non-Affiliated*

22. (If respondent answered "Other" to previous question) Please specify your political affiliation.

23. Did you vote in the last presidential election?

    *Yes; No*

24. (If "Yes" to 23) In the last presidential election, supported:

    *Hillary Clinton; Donald Trump; Jill Stein; Gary Johnson; Other*

    (If "No" to 23) Even if you did NOT vote, please indicate the candidate that you were most likely to have voted for or who represents your views more closely.

    *Hillary Clinton; Donald Trump; Jill Stein; Gary Johnson; Other*

25. Are you registered to vote at your current address?

    *Yes; No*

26. There are many types of elections such as federal elections for president and members of Congress, primary elections where voters choose party nominees, local elections for city council and school boards, and special elections when vacancies arise in between scheduled elections.

    Which best describes how often you vote, since you became eligible?

    *Every election without exception; Almost every election, may have missed one or two; Some elections; Rarely; Don't vote in elections*

27. Did you vote in the November midterms elections?

    *Yes; No*

28. (If "Yes" to 27) Which party did you vote for?

    *Republican Party; Democratic Party; Other*

29. (If "No" to 27) Which party would you have liked to support?

    *Republican Party; Democratic Party; Other*

30. Thinking about various sources of news available today, what would you say is your main source of news about current events in the U.S. and around the world?
    *TV; Newspaper (print); Magazine; Radio; Internet; Word of mouth; Other; None, I don't follow the news*
31. Please specify
32. (If respondent gets their news mostly from online newspapers) Would you say that you access most of the articles you read through a social media like Facebook or Twitter or by going directly on the website of the newspaper?
    *Mostly through social media; Mostly through the newspaper's website*
33. In general, how important do you think it is to stay informed about economic policy?
    *Very important; Somewhat important; Not very important; Not important at all*
34. (If "Very important" or "Somewhat important" at 33) What would you say are the main reasons why you wish to be well informed about economic policy?
    You may select several options.
    *Affects personal finances; Affects business or profession; Relevant to stock market and investments; Economic issues are important politically and might affect my vote; To be a responsible citizen, I like to keep informed*
35. How knowledgeable do you consider yourself on economic policies and issues?
    *Highly knowledgeable; Somewhat knowledgeable; Not very knowledgeable; Not knowledgeable at all*
36. For the following sources of information, how often would you say you use them to stay informed about economic policy?
    *Often; Regularly; Occasionally; Rarely; Never*
    - TV
    - Newspapers (print)
    - (online)
    - Magazines
    - Radio
    - Internet
    - Word of mouth

## A-5.3 Open-ended questions

We now want to ask you a few broader questions. Please use the text boxes below and write as much as you feel like. Your opinion and thoughts are important to us! There is no right or wrong answer.

### A-5.3.1 Income Taxation Survey

1. When you think about federal personal income taxation and whether the U.S. should have higher or lower federal personal income taxes, what are the main considerations that come to your mind?
2. What would be a "good" federal tax system in your view? What would be the goal of a good tax system?
3. What do you think are the issues with or shortcomings of the U.S. federal income tax system?
4. Which important aspects of the U.S. federal income tax system would you say are not discussed enough in the current policy debate?

5. What do you think would be the effects on the U.S. economy if the federal personal income taxes were increased?
6. Which groups of people do you think would gain if federal personal income taxes on high earners were increased?
7. Which groups of people do you think would lose if federal personal income taxes on high earners were increased?

#### A-5.3.2 Estate Tax Survey

1. The Federal Estate tax is a tax imposed on the transfer of wealth from a deceased person to his or her heirs.
   When you think about the federal estate tax and whether the U.S. should have a higher or a lower federal estate tax, what are the main considerations that come to your mind?
2. In your view, what would be a "good" federal estate tax that you would be satisfied with? What would be the goal of a good estate tax system?
3. What do you think are the shortcomings of the U.S. federal estate tax?
4. What do you think would be the effects on the U.S. economy if the federal estate tax were increased?
5. Which groups of people do you think would gain if the federal estate tax were increased?
6. Which groups of people do you think would lose if the federal estate tax were increased?

### A-5.4 Personal Exposure

#### A-5.4.1 Income Taxation Survey

1. Do you feel that U.S. federal income tax policy has important direct effects on your own life?
   *Yes, it has very important direct effects on my own life; It has some effects on my own life; No, it has no direct effects on my own life*

#### A-5.4.2 Estate Tax Survey

1. Do you feel personally affected by the federal estate tax? *Yes; No*
2. Why? / Why not?
3. How likely do you think it is that your estate will be subject to the federal estate tax in the future?
   *Very likely; Somewhat likely; Somewhat unlikely; Very unlikely*

#### A-5.4.3 Income Taxation Survey

1. As you probably know, the government and researchers gather a lot of statistical information about the economy. We are interested in learning whether this information finds its way to the general public. The next set of questions is about some economic policies in the United States. These are questions for which there are right or wrong answers.
   In order for your answers to be most helpful to us, it is really important that you answer these questions as accurately as you can. Although you may find some questions difficult, it is very important for our research that you try your best. Thank you very much!
2. See Figure A-2

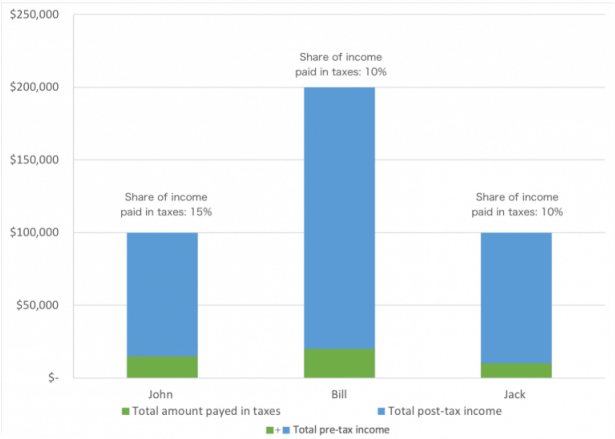
## Figure A-2: Share of income paid in taxes

Let us ask you a few questions about the U.S. federal income tax system.

First, let us define the **share** of income that a person pays in taxes. It is the total amount of taxes he pays relative to their total income. For instance,

- If John earns $100,000, and pays $15,000 in taxes, he pays 15,000/100,000 = 15% of his income in taxes.
- If Bill earns $200,000 and pays $20,000 in taxes, he pays 20,000/200,000 = 10% of his income in taxes.

Thus, Bill pays a higher total amount of taxes than John, but still pays a lower share of his total income in taxes.




3. Do you think that, broadly speaking, everyone in the U.S. currently pays approximately the same share of income in federal personal income taxes or do you think people pay very different shares of income in federal personal income taxes?
   *Everyone pays more or less the same share; People pay somewhat different shares of their income in taxes; People pay very different shares of their incomes in taxes*
4. (If not "Everyone pays more or less..." at 3) Do you think that people with higher incomes pay a higher or lower share of their total income in federal personal income taxes than people with lower incomes?
   *People with higher incomes pay a higher share of their income in taxes than those with lower incomes.; People with higher incomes pay a lower share of their income in taxes than those with lower incomes.*
5. A share of the respondents sees Figure A-3

Figure A-3: Incentives to answer correctly

For the next set of questions, **we will award additional survey pay** for respondents whose answers are closest to the true answer. All questions which are subject to this additional award are clearly marked with a green text at the top of the page. **Please note that consulting outside sources will disqualify you from this award. Please answer on your own.**

6. How high is the threshold of total annual income for a married household above which the top tax rate applies?
   *Lower than $99,999; Between $100,000 and $499,999; Between $500,000 and $999,999, Between $1,000,000 and $1,999,999; Higher than $2,000,000*
7. Please specify the exact threshold.
8. Out of 100 households in the U.S., how many are in the top federal personal income tax bracket?
   *Slider going from 0 to 100*
9. What is the top federal personal income tax rate in the U.S.?
10. What share of their total income do people in the top federal personal income tax bracket pay in taxes?
    *Slider going from 0 to 100*
11. Can you guess what the top federal personal income tax rate used to be in the 1950s in the U.S.?
12. Out of 100 U.S. households, how many pay no federal income taxes?
    *Slider going from 0 to 100*
13. Imagine a middle class household that is right at the middle of the income distribution, such that half of all households in the U.S. earn more than this household and half earn less. What share of their income do you think such a household pays in federal income taxes?
    *Slider going from 0 to 100*
14. If you compare the U.S. to other rich countries such as Canada or Western Europe, do you think the U.S. has, on average, higher federal personal income taxes, similar levels of federal personal income taxes, or lower federal personal income taxes than these countries?
    *Higher income taxes; Comparable levels of income taxes; Lower income taxes*
15. States can also levy income taxes. What is the top personal income tax rate in your state that applies (in addition to whatever people are paying in federal taxes)?
16. What share of total national income do you think goes to the top 1% richest households?
    *Slider going from 0 to 100*
17. What professions come to your mind when thinking about who the highest earners in our country are? Please list them here:
18. Imagine 100 of the top 1% highest-earning taxpayers in the U.S. What share of them would you say are: (these numbers should NOT sum up to 100, as there are other professions that we do not mention here: the total should be lower than 100).
    - Executives, managers, supervisors (non-finance)
    - Physicians and medical professionals
    - Financial professions, including management
    - Lawyers

- Computer, math, engineering, or technical professionals (excluding finance)
- Real estate professionals
- Entrepreneurs
- Professors and Scientists
- People who work in Arts, Media, and Sports
- People who work in government, or social services, or teachers

19. Which has more to do with why a person is rich?
    *Because she or he worked harder than others; Because she or he had more advantages than others*
20. How has the share of total U.S. income that goes to the top 1% in the U.S. evolved over the past 30 years?
    *It has increased by a lot; It has increased somewhat; It has remained the same; It has decreased somewhat; It has decreased by a lot*

#### A-5.4.4 Estate Tax Survey

As you probably know, the government and researchers gather a lot of statistical information about the economy. We are interested in learning whether this information finds its way to the general public. The next set of questions is about some economic policies in the United States. These are questions for which there are right or wrong answers. In order for your answers to be most helpful to us, it is really important that you answer these questions as accurately as you can. Although you may find some questions difficult, it is very important for our research that you try your best. Thank you very much!

1. A share of the respondents see Figure A-3
2. Is every individual's estate subject to the federal estate tax at death?
   *Yes; No*
3. Out of 1000 people, how many would you say pay the federal estate tax at death?
   *Less than 1 out of 1000; Between 1 and 10 out of 1000; Between 10 and 50 out of 1000; Between 50 and 100 out of 1000; Between 100 and 200 out of 1000; Between 200 and 300 out of 1000; Between 300 and 400 out of 1000; Between 400 and 500 out of 1000; Between 500 and 600 out of 1000; Between 600 and 700 out of 1000; Between 700 and 800 out of 1000; Between 800 and 900 out of 1000; More than 900 out of 1000*
4. Please specify the exact amount of people, out of 1000, who pay the federal estate tax at death.
5. The federal estate tax in the U.S. features an exemption threshold per person. This means that every person is allowed to pass on to their children or heirs an amount of estate up to that threshold free of tax. Above the exemption threshold, a tax rate applies on every dollar of the estate left by a person above this threshold.
   How high is the current threshold for exemption per person?
   *Less than $100,000; Between $100,000 and $500,000; Between $500,000 and $1 million; Between $1 million and $5 million; Between $5 million and $10 million; Between $10 million and $20 million; Higher than $20 million*
6. Please specify the exact threshold.
7. At what rate is each dollar of estate that is passed on and falls above the exemption threshold taxed?
8. Let's compare this to how things used to be in the U.S. in the past. At what rate was each dollar of estate that is passed on and falls above the threshold taxed in the 1950s?

9. Do you think that many or few small business or small farm owners are subject to the federal estate tax?
   *Almost all are subject to the estate tax; Many are subject to the estate tax; Few are subject to the estate tax; Almost none are subject to the estate tax*
10. Do you think that the federal estate tax is mostly taxing assets that have already been taxed and thus leads to "double taxation" or do you think that it is mostly taxing assets that have not been taxed before during the life of the owner?
    *It's mostly double taxation; It mostly taxes assets that have not been taxed before*
11. A capital gain is an increase in the price of an asset, such as real estate, stocks, or even an art collection. Capital gains are called realized when the asset is sold at a higher or lower price and a capital gains tax is due on the gain from the increase in price of such sold assets. A capital gain is called unrealized if the asset is not sold. under the current U.S. tax system, only realized capital gains are taxed. This means that the increase in value of the asset can, in principle, completely escape any capital gains tax if the owner holds on to the asset until death.
    If you think of all the large estates that will be subject to the federal estate tax, what share of those estates would you say is made up of unrealized capital gains that have never been taxed before?
12. Consider the total value of all estates that are passed on and subject to the federal estate tax. In total, what fraction of the total value of these estates is paid in taxes?
13. Do you know what the stepped-up cost basis at death is?
14. (If "Yes" at 13) Please explain briefly what it is.
15. Let's work through a concrete example about the federal estate tax now. Jack inherits a house from his father. His father paid $50,000 for the house 30 years ago. This house is now worth $350,000 at the time of the father's death. But Jack manages to sell the house for $400,000.
    What is the amount that the IRS will consider as capital gains that Jack made and that will be taxed at the capital gains tax rate?
    *$50,000; $300,000; $350,000; $400,000; Other*
16. Imagine now that the father had sold the house for $350,000 before his death.
    What is the amount that the IRS will consider as capital gains that Jack's father made and that will be taxed at the capital gains tax rate?
    *$50,000; $300,000; $350,000; $400,000; Other*
17. What share of all of the wealth in the U.S. do you think is currently owned by the following groups?
    - The top 1% wealthiest households
    - The bottom 50% least wealthy households
18. How has the share of total U.S. wealth that is held by the top 0.1% evolved over the past 30 years?
    *It has increased by a lot; It has increased somewhat; It has remained the same; It has decreased somewhat; It has decreased by a lot*
19. What share of total wealth owned by households in the U.S. today is inherited from their parents?
20. Which has more to do with why a person is wealthy?
    *Because she or he worked harder than others; Because she or he had more advantages than others*
21. See Figures A-4 and A-5

Figure A-4: Mobility Question 1

**We would now like to ask you what you think about the life opportunities of children from very poor families.**

For the following question, we focus on 500 families that represent the U.S. population. We divide them into five groups on the basis of their income, with each group containing 100 families. These groups are: the poorest 100 families, the second poorest 100 families, the middle 100 families, the second richest 100 families, and the richest 100 families.

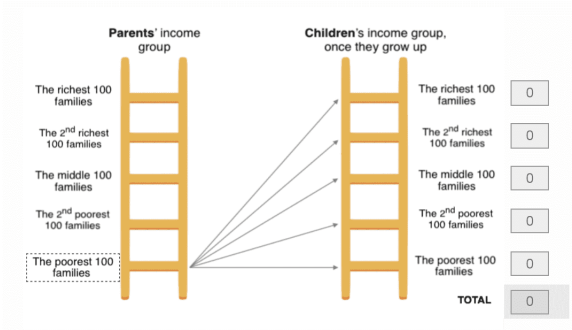
In the following question, we will ask you to evaluate the chances that children born in one of the poorest 100 families, once they grow up, will belong to any of these income groups.

Please fill out the entries to the right of the figure below to tell us, in your opinion, how many out of 100 children coming from the **poorest** 100 families will grow up to be in each income group.

From our experience, this question will take you at the very least 1 minute to answer.

Please note that your entries need to add up to 100 or you will not be able to move on to the next page.

Figure A-5: Mobility Question 2




## A-5.5 Videos Treatments

Randomized groups of respondents see one of three videos. In each case, the videos introduced by the following:

- Recent academic research has studied what the effects of income taxation/the federal estate tax are. We will now show you one short video that summarizes some key ideas of these studies. Please pay attention to the information provided as you will be asked questions about it later. Do not skip forward or close the page while the video is running.
  Please proceed to the next page when you are ready. Not that you will not be able to move forward with the survey before the end of the short video.

#### A-5.5.1 Income Taxation Survey

- Links to the videos can be found here: Redistributional treatment, Efficiency treatment, or Economist treatment.

#### A-5.5.2 Estate Tax Survey

- Links to the videos can be found here: Redistributional treatment, Efficiency treatment, or Economist treatment.

### A-5.6 Mechanisms

#### A-5.6.1 Income Taxation Survey

1. *CONTROL GROUP.* If the federal personal income tax rate were to increase for the richest people in the economy, to what extent would it encourage them towards the following behaviors?
   *"ME" RANDOMIZATION.* If your federal personal income tax rate were to increase, to what extent would it encourage you towards the following behaviors?
   *"WOMEN" RANDOMIZATION.* If the federal personal income tax rate were to increase for a given woman among the richest people in the economy, to what extent would it encourage this woman towards the following behaviors?
   *A great deal; A lot; A moderate amount; A little; None at all*
   - Evade taxes
   - Work less
   - Stop working altogether
   - Have their/your/her spouse stop working
   - Move to a state with lower taxes
   - Be less entrepreneurial and create fewer businesses
2. *CONTROL GROUP.* If the federal personal income tax rate were to increase for the middle class, to what extent would it encourage them towards the following behaviors?
   *"WOMEN" RANDOMIZATION.* If the federal personal income tax rate were to increase for a given woman in the middle class, to what extent would it encourage this woman towards the following behaviors?
   *Same options as above*
3. *CONTROL AND "ME".* What do you think would ultimately do more to reduce the income differences between poor and rich families?
   *"WOMEN".* What do you think would ultimately do more to reduce the income differences between poor and rich women?
   *Lowering taxes on wealthy people/women and corporations to encourage more investment in economic growth.; Raising taxes on wealthy people/women and corporations to expand programs for the poor.*
4. *CONTROL GROUP.* Typically, when the top federal income tax rate on high earners is cut, which of these groups would you say mostly win or mostly lose from this change?
   *Mostly Lose; Mostly Win*
   - Lower Class or Poor
   - Working Class

- Middle Class
- Upper-Middle Class
- Upper Class

*"ME" RANDOMIZATION.* Typically, when the top federal income tax rate on high earners is cut, would you mostly win or mostly lose from this change?

*Mostly Lose; Mostly Win*

*"WOMEN" RANDOMIZATION.* Typically, when the top federal income tax rate on high earners is cut, which of these groups would you say mostly win or mostly lose from this change?

*Mostly Lose; Mostly Win*

- Lower Class or Poor Women
- Lower Class or Poor Men
- Working Class Women
- Working Class Men
- Middle Class Women
- Middle Class Men
- Upper-middle Class Women
- Upper-middle Class Men
- Upper Class Women
- Upper Class Men

5. *CONTROL GROUP.* When overall taxes are raised and there are extra revenues to spend on government programs, which of these groups would you say mostly win or mostly lose from this change?

   *"ME" RANDOMIZATION.* When overall taxes are raised and there are extra revenues to spend on government programs, would you mostly win or mostly lose from the increase in government tax revenue?

   *"WOMEN" RANDOMIZATION.* When overall taxes are raised and there are extra revenues to spend on government programs, which of these groups would you say mostly win or mostly lose from this change?

   *Same options as in previous question.*

6. *CONTROL GROUP AND "ME".* Do you think that increasing income taxes on high-income households would hurt economic activity, not have an effect on economic activity, or help economic activity in the U.S.?

   *"WOMEN" RANDOMIZATION.* Do you think that increasing income taxes that high-income women have to pay would hurt economic activity, not have an effect on economic activity, or help economic activity in the U.S.?

   *Hurt economic activity in the U.S.; Not have an effect on economic activity in the U.S.; Help economic activity in the U.S.*

7. *CONTROL GROUP.* Which comes closer to your view about the long-term impact that tax cuts on high-income households may have on the federal budget deficit?

   *"ME" RANDOMIZATION.* Which comes closer to your view about the long-term impact that tax cuts on households with your level of income may have on the federal budget deficit?

   *"WOMEN" RANDOMIZATION.* Which comes closer to your view about the long-term impact that the cuts on taxes that high-income women have to pay may have on the federal budget deficit?

*The tax cuts would increase the deficit in the long run because the government would take in a lot less money that it won't be able to recover; The tax cuts would decrease the deficit in the long run because they would stimulate the economy and bring in more money for the government*

8. *CONTROL GROUP.* What about the long-term impact that tax cuts on the middle-class may have on the federal budget deficit?

   *"WOMEN" RANDOMIZATION.* What about the long-term impact that cuts on taxes that women from the middle-class have to pay may have on the federal budget deficit?

   *Same options as in previous question.*

9. *CONTROL GROUP AND "ME".* Do you think that a progressive federal income tax system, in which people with higher incomes pay a higher share of income in taxes than people with lower incomes is an important tool to reduce inequality?

   *"WOMEN" RANDOMIZATION.* Do you think that a progressive federal income tax system, in which women with higher incomes pay a higher share of their income in taxes than women with lower incomes is an important tool to reduce inequality?

   *Yes; No*

10. Why?/Why not?

11. Which statement do you agree with most? (Please pick the one closest to your views, even if it does not match your view perfectly.)

    *CONTROL GROUP. High-income individuals are entitled to keep a very large share of their income and should not have to pay high taxes, even if that means less government revenues available to help low-income families make ends meet.; It is important to ensure enough government revenues to fund programs that help low-income families make ends meet, even if that means that high-income individuals will have to pay higher taxes on their high incomes.*

    *"ME" RANDOMIZATION. Individuals with a similar income to mine are entitled to keep a very large share of their income and should not have to pay high taxes, even if that means less government revenues available to help low-income families make ends meet.; It is important to ensure enough government revenues to fund programs that help low-income families make ends meet, even if that means that individuals with a similar income to mine will have to pay higher taxes on their high incomes.*

    *"WOMEN" RANDOMIZATION. High-income women are entitled to keep a very large share of their income and should not have to pay high taxes, even if that means less government revenues available to help low-income families make ends meet.; It is important to ensure enough government revenues to fund programs that help low-income women make ends meet, even if that means that high-income individuals will have to pay higher taxes on their high incomes.*

12. *CONTROL GROUP AND "ME".* When thinking about how much to tax higher income individuals, do you think we should take into consideration how their income was earned? Please explain

    *"WOMEN" RANDOMIZATION.* When thinking about how much to tax higher income women, do you think we should take into consideration how their income was earned? Please explain

13. Which statement most closely reflects your view?

    *CONTROL GROUP. People with the same income should pay the same level of federal income taxes, regardless of how they earned their income and whether they worked hard for it.; People who have worked hard for their income should be taxed less than those who have not worked hard for it, even if that means that people with the same income will end up paying different taxes.*

*"ME" RANDOMIZATION. People with similar incomes to mine should pay the same level of federal income taxes as me, regardless of whether they earned their income the same way as I did and whether they worked as hard for it as I did.; People who have worked hard for their income should be taxed less than those who have not worked hard for it, even if that means that people with the same income as me will end up paying higher taxes than me because they worked less hard for their income.*
*"WOMEN" RANDOMIZATION. Women with the same income should pay the same level of federal income taxes, regardless of how they earned their income and whether they worked hard for it.; We should tax less women who have worked hard for their income, even if that means that people with the same income will end up paying different taxes.*

#### A-5.6.2 Estate Tax Survey

1. *CONTROL GROUP.* If the federal estate tax increases, to what extent would it encourage the very wealthy individuals towards the following behaviors?
   *"ME" RANDOMIZATION.* If the federal estate tax were to increase, to what extent would it encourage you towards the following behaviors?
   *"WOMEN" RANDOMIZATION.* If the federal estate tax were to increase for women among the richest in the economy, to what extent would it encourage these women towards the following behaviors?
   *A great deal; A lot; A moderate amount; A little; None at all*
   - Evade taxes and hide part of their/your wealth from the tax authorities
   - Work less during their/your lifetime in anticipation of a higher estate tax
   - Stop working altogether
   - Have their/your spouse stop working
   - Move to a state (to take advantage of no or lower state estate taxes in other states)
   - Be less entrepreneurial and create fewer businesses during their/your lifetime in anticipation of a higher estate tax
   - Save less for their/your children and instead spend more
2. *CONTROL GROUP AND "ME".* Imagine some people who are currently young and not yet rich, but could possibly expect to get rich and face a higher federal estate tax when they are old. If the federal estate tax were to increase, to what extent would it encourage these people towards the following behaviors?
   *"WOMEN" RANDOMIZATION.* Imagine women who are currently young and not yet rich, but could possibly expect to get rich and face a higher federal estate tax when they are old. If the federal estate tax were to increase, to what extent would it encourage these women towards the following behaviors?
   *A great deal; A lot; A moderate amount; A little; None at all*
   - Evade taxes and hide part of their/your wealth from the tax authorities
   - Work less during their/your lifetime in anticipation of a higher estate tax
   - Stop working altogether
   - Have their/your spouse stop working
   - Move to a state (to take advantage of no or lower state estate taxes in other states)
   - Be less entrepreneurial and create fewer businesses during their/your lifetime in anticipation of a higher estate tax
   - Save less for their/your children and instead spend more

3. *CONTROL GROUP* If the federal estate tax rate is cut, which of these groups would you say mostly win or lose from this change?
   *Mostly lose; Mostly*
   - Lower Class or Poor
   - Working Class
   - Middle Class
   - Upper-middle Class
   - Upper Class

   *"ME" RANDOMIZATION.* If the federal estate tax rate is cut, would you mostly win or mostly lose from this change?
   *"WOMEN" RANDOMIZATION.* If the federal estate tax rate is cut, which of these groups would you say mostly win or lose from this change?
   - Lower Class or Poor Women
   - Lower Class or Poor Men
   - Working Class Women
   - Working Class Men
   - Middle Class Women
   - Middle Class Men
   - Upper-middle Class Women
   - Upper-middle Class Men
   - Upper Class Women
   - Upper Class Men
4. *CONTROL GROUP.* What effect do you think that increasing the federal estate tax on wealthy households would have on economic activity?
   *"ME" RANDOMIZATION.* What effect do you think that increasing the federal estate tax on the estates of households similar to yours would have on economic activity?
   *"WOMEN" RANDOMIZATION.* What effect do you think that increasing the federal estate tax on the estates of wealthy women would have on economic activity?
   *Hurt economic activity; Have no effect on economic activity; Help economic activity*
5. *CONTROL GROUP.* Which comes closer to your view about the long-term impact that cuts in the federal estate tax for wealthy households may have on the federal budget deficit:
   *"ME" RANDOMIZATION.* Which comes closer to your view about the long-term impact that cuts in the federal estate tax on the estates of households similar to yours may have on the federal budget deficit:
   *"WOMEN" RANDOMIZATION.* Which comes closer to your view about the long-term impact that cuts in the federal estate tax on the estates of wealthy women may have to pay may have on the federal budget deficit:
   *The tax cuts would increase the deficit in the long run because the government would take in a lot less money that it won't be able to recover; The tax cuts would decrease the deficit in the long run because they would stimulate the economy and bring in more money for the government*
6. *CONTROL GROUP.* Do you think that increasing the federal estate tax is a good or bad way to reduce wealth inequality?

*"ME" RANDOMIZATION.* Do you think that increasing the federal estate tax on the estates of households similar to yours is a good or bad way to reduce wealth inequality?

*"WOMEN" RANDOMIZATION.* Do you think that increasing the federal estate tax on the estates of wealthy women is a good or bad way to reduce wealth inequality?

*It is one of the best ways to reduce wealth inequality; It is a good way to reduce wealth inequality, but there are better ways; It is a bad way to reduce wealth inequality; It is one of the worst ways to reduce wealth inequality*

7. Why?
8. *CONTROL GROUP.* Would you say that it is fair or unfair that the estate of wealthy parents who have worked hard and saved a lot in order to pass on wealth to their children is subject to the federal estate tax at death?

   *"ME" RANDOMIZATION.* Would you say that it is fair or unfair that the estate for which you have worked hard and saved a lot in order to pass on wealth to your children will be subject to the federal estate tax at your death?

   *"WOMEN" RANDOMIZATION.* Would you say that it is fair or unfair that the estate of a wealthy woman who has worked hard and saved a lot in order to pass on wealth to her children is subject to the federal estate tax at death?

   *Very unfair; Somewhat unfair; Somewhat fair; Very fair*
9. *CONTROL GROUP.* Imagine now wealthy parents who are wealthy because they have themselves inherited a lot of wealth from their own parents. Would you say that it is fair or unfair for their estate to be subject to the federal estate tax at death?

   *"ME" RANDOMIZATION.* Imagine now parents wealthier than you, who are wealthier than you because they have themselves inherited a lot more wealth from their own parents than you. Would you say that it is fair or unfair for their estate to be subject to the federal estate tax at death?

   *"WOMEN" RANDOMIZATION.* Imagine now a woman who is wealthy because she has herself inherited a lot of wealth from her parents. Would you say that it is fair or unfair for her estate to be subject to the federal estate tax at death?

   *Very unfair; Somewhat unfair; Somewhat fair; Very fair*
10. *CONTROL GROUP.* Do you think it is fair or unfair that children born in very wealthy families have access to better schools, better medical care, better neighborhoods, and better professional and social networks than children from less wealthy families?

    *"ME" RANDOMIZATION.* Do you think that it is fair or unfair that people born in wealthier families than yours have had access to better schools, better medical care, better neighborhoods, and better professional and social networks than you have had?

    *"WOMEN" RANDOMIZATION.* Do you think that it is fair or unfair that a girl born to a very wealthy mother has access to better schools, better medical care, better neighborhoods, and better professional and social networks than a girl born to a less wealthy mother?

    *Very unfair; Somewhat unfair; Somewhat fair; Very fair*
11. *CONTROL GROUP.* Do you think it is fair or unfair that children born in very wealthy families inherit much more than children born in less wealthy families?

    *"ME" RANDOMIZATION.* Do you think it is fair or unfair that people born in wealthier families than yours inherit more than you?

*"WOMEN" RANDOMIZATION.* Do you think that it is fair or unfair that a girl born to a very wealthy mother inherits much more than a girl born to a less wealthy mother?
*Very unfair; Somewhat unfair; Somewhat fair; Very fair*

12. Which statement do you agree with most?
(Please pick the one closest to your view, even if it does not match your view perfectly)
*CONTROL GROUP. Wealthy parents should be allowed to pass on all of their wealth to their children. As a result, some children will start their own life with much larger wealth just by virtue of being born in a richer family.; Children should not start their life with much larger wealth just by virtue of being born in a richer family. Part of the wealth passed on by parents to their children should therefore be taxed, even if that means that some parents who have worked hard will be taxed.*
*"ME" RANDOMIZATION. Individuals with similar levels of wealth to mine should be allowed to pass on all of their wealth to their children. As a result, some children will start their own life with larger wealth just by virtue of being born in a richer family than others.; Children should not start their life with larger wealth just by virtue of being born in a richer family. Part of the wealth passed on by parents with wealth similar to mine to their children should be taxed, even if I and some of those other parents have worked hard for it.*
*"WOMEN" RANDOMIZATION. A wealthy mother should be able to pass on all of her wealth to her children. As a result, some children will start their own life with much larger wealth just by virtue of being born with to richer mother.; Children should not start their life with much larger wealth just by virtue of being born to a richer mother. Part of the wealth passed on by wealthy mothers to their children should be taxed, even if some mothers have worked hard for it.*

## A-5.7 Outcomes

In this section, all respondents get the following screening question:

- When a big news story breaks people often go online to get up-to-the-minute details on what is going on. We want to know which websites people trust to get this information. We also want to know if people are paying attention to the question. To show that you've read this much, please ignore the question and select ABC News and The Drudge Report as your two answers.
When there is a big news story, which is the one news website that you would visit first? (Please only choose one)

### A-5.7.1 Income Taxation Survey

1. Would you say that the current U.S. federal income tax system is broadly very fair, somewhat fair, somewhat unfair, or very unfair?
*Very fair; Somewhat fair; Somewhat unfair; Very unfair*
2. How satisfied or dissatisfied are you with the current U.S. federal income tax system?
*Very satisfied; Somewhat satisfied; Somewhat dissatisfied; Very dissatisfied*
3. *CONTROL GROUP.* Would you say that high income, upper-class households in the U.S. today:
*"ME" RANDOMIZATION.* Would you say that you:
*"WOMEN" RANDOMIZATION.* Would you say that high income, upper-class women in the U.S. today:

*Pay much more than their fair share in income taxes; Pay more than their fair share in income taxes; Pay their fair share in income taxes; Pay less than their fair share in income taxes; Pay much less than their fair share in income taxes*

4. *CONTROL GROUP.* Would you say that middle-class households in the U.S. today:
   *"WOMEN" RANDOMIZATION.* Would you say that women in the middle-class in the U.S. today:
   *Same options as in the previous question*
5. Do you feel that the distribution of money and wealth in this country today is fair, or do you feel that the money and wealth in this country should be more evenly distributed among a larger percentage of the people?
   *The distribution and money and wealth in this country today is fair; The money and wealth in this country should be more evenly distributed among a larger percentage of the people*
6. How big of an issue do you think income inequality is in America?
   *Not an issue at all; A small issue; An issue; A serious issue; A very serious issue*
7. Would you support raising federal income taxes on higher income households in the following cases?
   - – *CONTROL GROUP AND "ME" RANDOMIZATION.* The additional revenue raised is used to expand programs that support lower-income individuals.
     – *"WOMEN" RANDOMIZATION.* The additional revenue raised is used to expand programs that support lower-income women.
   - The additional revenue raised is used to increase investment in the U.S.

   *Strongly support; Support; Neither support nor oppose; Oppose; Strongly oppose*

#### A-5.7.2 Estate Tax Survey

1. Do you feel that the distribution of money and wealth in this country today is fair, or do you feel that the money and wealth in this country should be more evenly distributed among a larger percentage of the people?
   *The distribution of money and wealth in this country today is fair; The money and wealth in this country should be more evenly distributed among a larger percentage of the people*
2. How big of a problem do you think wealth inequality is in America?
   *Not a problem at all; A small problem; A problem; A serious problem; A very serious problem*
3. How fair would you say that the current U.S. federal estate tax system is?
   *Very fair; Somewhat fair; Somewhat unfair; Very unfair*
4. How satisfied are you with the current U.S. federal estate tax system?
   *Very satisfied; Somewhat satisfied; Somewhat dissatisfied; Very dissatisfied*
5. Do you think there should be a federal estate tax in the U.S.?
   *Yes; No*
6. (If "Yes" at 5) Do you think the federal estate tax should be increased, left at the current level, or lowered?
   *Increased a lot; Increased somewhat; Left at the current level; Lowered somewhat; Lowered a lot*

## A-5.8 Outcomes (General)

1. (This question is not repeated in the Income Taxation Survey) For these different groups, please tell me if you think that they are paying their fair share in federal taxes, paying too much, or paying too little?
   *... pay much more than their fair share in income taxes; ... pay more than their fair share in income taxes; ... pay their fair share in income taxes; ... pay less than their fair share in income taxes; ... pay much less than their fair share in income taxes*
   - High-income households...
   - Middle-class households...
2. Take the following government services. For each of them, say if would you like it to receive increased funding (even if that means more taxes or reduced spending in other areas), decreased spending (in order to reduce taxes or increase spending elsewhere) or would you like for its funding to be left unchanged?
   - Transfers and income support programs for those out of work
   - Better schools for children from low-income families
   - Income support and retraining programs for workers who are displaced by international competition and trade
   - Subsidies for low-income households to help them with the costs of health insurance premiums and health care
   - Wage subsidies and help for the working poors who work for low wages
     *More of this service, more taxes; Service and taxes as now; Less of this service, reduced taxes.*

## A-5.9 Government Questions (Specific)

### A-5.9.1 Income Taxation Survey

1. To reduce income differences between rich and poor people, the government (at the local, state, or federal level) has the ability and the tools to do:
   *Nothing at all; Not much; Some; A lot*

### A-5.9.2 Estate Tax Survey

1. To reduce differences in wealth between rich and poor people, the government (at the local, state or federal level) has the ability and the tools to do:
   *Nothing at all; Not much; Some; A lot*
2. To improve opportunities for children from low-income families, the government (at the local, state, or federal level) has the ability and the tools to do:
   *Nothing at all; Not much; Some; A lot*

## A-5.10 Government Questions (General)

1. How much of the time do you think you can trust our federal government to do what is right?
   *Almost always; A lot of the time; Not very often; Almost never*

2. Some people think the government is trying to do too many things that should be left to individuals and businesses. Others think that government should do more to solve our country's problems. Which come closer to your own view?
   *Government is doing too much; Government is doing just the right amount; Government should do more*
3. Next, we'd like you to think more broadly about the purposes of government.
   Where would you rate yourself on a scale of 1 to 5, where 1 means you think the government should do only those things necessary to provide the most basic government functions, and 5 means you think the government should take active steps in every area it can to try and improve the lives of its citizens? You may use any number from 1 to 5.
   *1; 2; 3; 4; 5*
4. Of every tax dollar that goes to the federal government in Washington, D.C., how many cents would you say are wasted?
   *Slider going from 0 to 100*
5. Are you very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied with the way the federal government in Washington is dealing with the problems the country is facing today?
   *Very satisfied; Somewhat satisfied; Somewhat dissatisfied; Very dissatisfied*
6. Consider now a list of functions the federal government could serve.
   On a 1 to 5 scale, please say how much responsibility you think the government should have for each — with 1 meaning the government should have no responsibility at all and 5 meaning the government should have total responsibility in this area:
   - Reducing income differences between the rich and the poor
   - Reducing the transmission of wealth from one generation to the other
   - Making sure Americans have adequate health care
   - Reducing the differences in opportunities between children from wealthy and poor families
   - Regulating trade to and from the U.S. to protect American producers and consumers
   - Maintaining a stable financial system and ensuring that credit markets work
   - Ensuring a stable dollar
   - Providing a minimum standard of living for all

### A-5.11 Willingness to pay for information

By taking this survey, you are automatically enrolled in a lottery to win $1,000. In a few days you will know whether you won the $1,000. The payment will be made to you in the same way as your regular survey pay, so no further action is required on your part.

Are you are interested in learning the correct answers to all the questions about (income taxation/estate taxation) in the U.S.? If you are, you can forfeit part of your gain (should you win the lottery) in exchange for the correct answers. If you select that option, you will be given the right answers on the next page. You will only pay the amount selected if you do, in fact, win the lottery.

Note: This information would be very hard to find online on your own. It is the result of a lot of careful research and you cannot easily find the correct answers.

In case you win the lottery are you willing to give up ($1 / $2 / $5 / $10 [21]) to receive all the correct answers

[21] Note: the amount is randomized among participants

to the questions about income/estate tax policy in the U.S.?

*No, I am not willing to pay anything (We will not provide you with the correct answers); Yes, I am willing to pay $1 / $2 / $5 / $10 (We will provide you with all the correct answers on the next page. You will only pay this amount out of your lottery earnings if you do win the lottery).*

### A-5.12 Self-reported questions

1. It is vital to our study that we only include responses from people that devoted their full attention to this study. Otherwise years of effort (the researchers' and the time of other participants) could be wasted. You will receive credit for this study no matter what, however, please tell us how much effort you put forth towards this study.
   *I put forth almost no effort; I put forth very little effort; I put forth some effort; I put forth quite a bit of effort; I put forth a lot of effort*
2. Also, often there are several distractions present during studies (other people, TV, music, etc.). Please indicate how much attention you paid to this study. Again, you will receive credit no matter what. We appreciate your honesty!
   *I gave this study almost no attention; I gave this study very little attention; I gave this study some of my attention; I gave this study most of my attention; I gave this study my full attention*

### A-5.13 Feedback

1. Do you feel that this survey was biased?
   *Yes, left-wing bias; Yes, right-wing bias; No, it did not feel bias*
2. Please feel free to give us any feedback or impression regarding this survey.