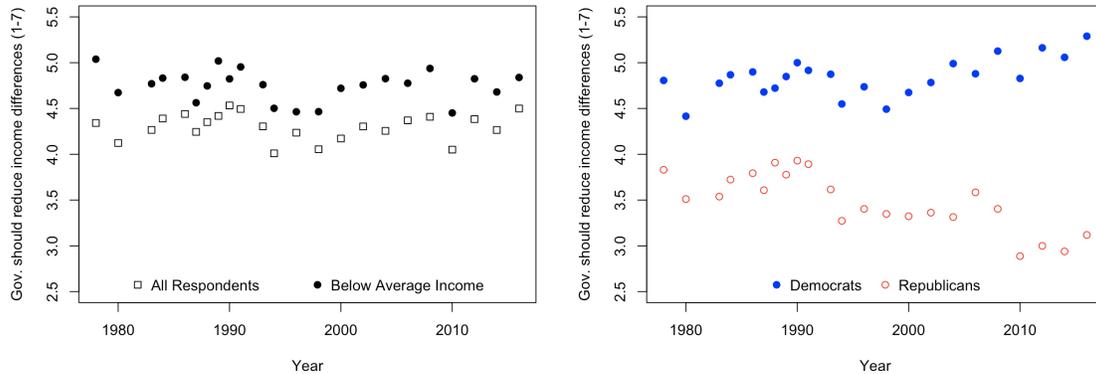


Redistribution and Polarization

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U.S. Preferences for Redistribution, 1978-2016



As income inequality and political polarization worsen, normative questions of how much society should tax and redistribute income have become more important and more charged. I offer new descriptive and causal evidence on the rising role of partisanship in shaping preferences for redistribution. First, I show that a stylized fact on the decades-long stability in preferences for redistribution holds in aggregate but masks a divergence across parties. The left panel above reproduces Figure 1 from Kuziemko, Norton, Saez, and Stantcheva (2015), which shows that even among lower-income survey respondents, demand for redistribution has not increased. This has puzzled public economists because income inequality spiked over this same period. In the right panel, I document a widening split between Republicans and Democrats, which offers a possible resolution—or at minimum a re-framing—of the stability puzzle. Along political lines preferences are in fact not stable. I then demonstrate that the growing partisan gap owes to preferences segregating rather than strengthening. For instance, while in 1978 fully 61 percent of Republicans had either neutral or positive views on redistribution, just 37 percent did by 2016.

Next, I show that the Kuziemko et al. (2015) experiments on the elasticity of preferences to information treatments yield a novel finding once party is taken into consideration, namely a concise treatment that substantially increases support for taxation and redistribution among conservatives. Recent literature finds it difficult to move people's views on redistribution with economic facts, in part because information treatments may be either "preaching to the choir" or "falling on deaf ears," meaning left-wing respondents already support redistribution but right-wing respondents too firmly and deeply oppose it to be persuaded by short treatments. I show that one type of treatment is particularly effective at inducing conservatives to support both redistributive aid to the poor and higher taxes on the wealthy to fund the aid. This treatment, notably, does not focus on inequality (nor even use the word "inequality") but rather on the budgets and circumstances of lower-income workers. I hypothesize that inequality itself is such a politicized subject that it triggers hardened partisan identities that preclude persuasion, unlike discussion of the economic needs of specific individuals.