Why Is It So Hard to Counteract Wealth Inequality? Evidence from the United Kingdom

Mads Andreas Elkjær
University of Copenhagen

Ben Ansell
University of Oxford

Laure Bokobza
University of Oxford

Asli Cansunar
University of Washington

Matthias Haslberger
University of St. Gallen

Jacob Nyrup
University of Oslo

January 16, 2023

Abstract

Taxing inheritance is an effective way of abating wealth inequality. Yet despite persistently high levels of wealth inequality, inheritance tax rates have declined in recent decades. We argue that it is difficult to tax inherited wealth because, paradoxically, the people who have the strongest material interest in such taxation are those least likely to express an opinion. Instead, the political terrain is shaped by the preferences of homeowners, and their children, who have a strong material interest in low inheritance taxes. Empirically, we first evaluate this argument using original survey data from the United Kingdom. In two survey experiments, we then examine whether exposure to relevant information can influence preferences over inheritance taxation. While we find no effect of providing information about the unequal distribution of housing wealth either locally or nationally, priming participants to consider the potential positive effects of inheritance taxation can increase support for the tax.

This project has been funded by the ERC grant WEALTHPOL, 724949. We thank Martin Vinæs Larsen, Andreas Wiedemann, Tom O'Grady, Tim Vlandas, Jane Gingrich, Verena Fetscher, Rune Slothuus, and Dan Hopkins for helpful feedback.

Word count (excl. title page and appendices): 12,100

1 Introduction

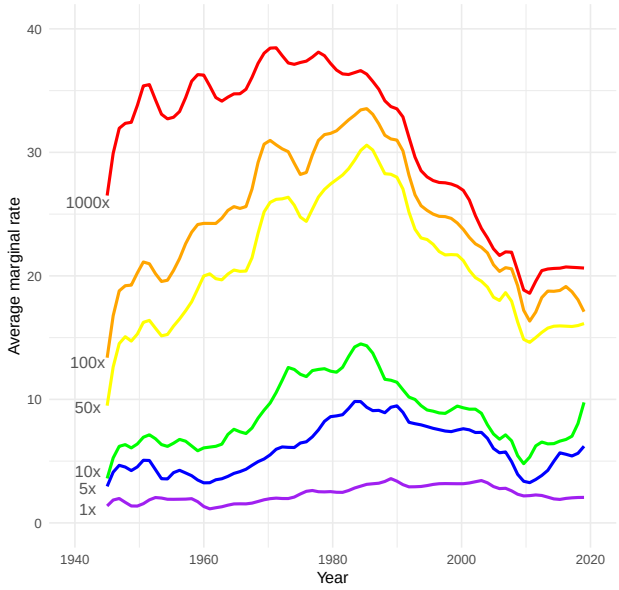
In the last century advanced democracies have experienced a strong accumulation of wealth (Piketty, 2014). With rising wealth accumulation, inherited wealth has gained importance: An increasing share of national income is transferred between generations each year, and inherited wealth makes up an ever-larger proportion of total wealth (Piketty and Zucman, 2015). According to some estimates, up to 60% of all privately held wealth in Europe and the United States today is inherited (Alvaredo, Garbinti and Piketty, 2017). As the baby-boom generation ages, and if the current trends in asset and property prices continue, the number of inheritances and their sums are likely to grow even larger in the coming years. That would further exacerbate (absolute) wealth inequality, which has remained persistently high in recent decades—much higher than income inequality (Elinder, Erixson and Waldenström, 2018; OECD, 2021).

Economically, there are strong rationales for taxing inherited wealth. From a meritocratic standpoint, Piketty, Saez and Zucman (2013) argue that an ideal tax system would feature a progressive inheritance tax schedule with taxes on inherited wealth being higher than those on earned income. Some estimates suggest that the optimal tax rate on top bequests may be as high as 50%-60% (Piketty and Saez, 2013), which is far above the highest marginal rates in place in most countries today (Scheve and Stasavage, 2016). Such a tax system would generate positive welfare effects by increasing equity and equality of opportunity, and by raising tax revenues that could be used in a variety of welfare-enhancing ways (increased redistribution, improved public goods provision, lower non-wealth taxes, and so on). In addition, taxing inheritances is more efficient, and comes with lower administrative costs, than other kinds of wealth taxation (OECD, 2021).

Yet, despite the powerful economic arguments for taxing inherited wealth, policymakers have refrained from using inheritance taxation to effectively abate high levels of wealth inequality. To the contrary, across advanced democracies, inheritance taxation has become less stringent. As shown in Figure 1, not only have marginal inheritance tax rates dropped significantly since the 1980s, but the tax schedules have also become less progressive. Several countries — Israel, New Zealand, Austria, Sweden, and Norway among others — have abolished the inheritance tax altogether.

Why is it seemingly so hard politically to address wealth inequality through inheritance taxation? Part of the answer appears to be that many people are skeptical of taxing inheritances (Bartels, 2008; Slemrod, 2006); partly because they view the inheritance tax as a 'double' or 'death' tax (Ferrario and Stantcheva, 2022) and partly because they lack a good understanding of which estates are subject to the tax (Kuziemko et al., 2015; Sides, 2015). Yet, while existing research demonstrates strong public opposition to inheritance taxation, we still lack a deep understanding of how people come to form these preferences, which is limiting our ability to understand the electoral politics of inheritance taxation and wealth inequality more broadly.

Figure 1: Average Marginal Inheritance Tax Rates by Multiple of GDP/Capita, 18 Advanced Democracies



Note: The figure shows average marginal inheritance tax rates by multiple of GDP per capita averaged over the following 18 countries: Australia, Austria, Belgium, Canada, Denmark, Finland, Germany, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Korea (South), Sweden, United Kingdom, and the United States. The data was collected by the authors.

In this paper, we first develop a theoretical argument to explain preference formation on inheritance taxation. Since real estate by far constitutes the largest share of wealth for any ordinary citizen (OECD, 2021), our attention is inevitably directed to the political conflict between property owners and renters, who have opposing material interests in inheritance taxation. Property owners—who stand to pass on a property to their children—and the children themselves—who expect to inherit a property in the future—have a strong material interest in low inheritance taxes. Families of renters, by contrast, would stand to benefit from stronger inheritance taxation, as it would enhance equality of opportunity and raise tax revenues.[1]

But because property owners are more likely than non-owners to be exposed to inheritance taxation, and because they have greater incentives to actively acquire information about it, they are in a better position to develop coherent preferences in line with their material self-interest (Berinsky, 2004). While families of property owners are able to articulate strong preferences for low inheritance taxes, families of renters tend to express weak preferences, if any at all. We argue that this difference between families of property owners and non-owners has direct implications for the politics of wealth inequality. Because the people who would stand to gain the most from taxing inheritances, paradoxically, are those least likely to articulate a clear preference, the political environment surrounding the inheritance tax is shaped by the preferences of property

[1] OECD (2021) demonstrates how well-designed inheritance taxes can both improve equality of opportunity and increase tax revenues.

owners, which makes it politically difficult to use inheritance taxation as a tool to effectively counter wealth inequality. Using the terminology of Converse (2006), the "issue public" on inheritance taxation consists of highly resourceful families of property owners, who are opposed to high inheritance taxes.

To test this argument, we leverage an original survey of over 3,000 respondents in England and Wales. The respondents were first asked to provide information about their own and their parents' housing situation, and then to answer a series of questions about their preferences over inheritance taxation. The analysis shows that not only are property owners and their children much more likely to articulate a preference regarding inheritance taxation (compared to renters and children of renters), they are also strongly opposed to high inheritance taxes. These findings provide support for our theoretical argument, and help explain the lack of political appetite for using inheritance taxation to combat persistently high levels of wealth inequality.

After evaluating our argument, we proceed to examine experimentally whether preferences over inheritance taxation are affected by exposure to relevant information. First, we examine the effect of exposing respondents to information about the distribution of housing wealth locally and/or nationally, but find no effect of this treatment. Second, we examine the results of a vignette experiment, embedded in a follow-survey, that primed respondents to think about inheritance taxation in different ways. While a 'death/double tax' prime made respondents more skeptical of inheritance taxation, their views became more favorable when primed to consider that inheritance taxation can lead to better public goods provision or lower income taxes. The effects of our last prime about potential improvements to equality of opportunity vary according to whether the respondent stands to inherit a property in the future.

We conclude by discussing the implications of the findings for the politics of wealth inequality.

2 Homeownership, Information, and Inheritance Tax Preferences

It is a widely-accepted fact that many people are ill-informed about politics (Delli Carpini and Keeter, 1996; Converse, 2006). Respondents to political surveys routinely get basic facts about the political system, their representatives, and current policies wrong. Economic policy and taxation is no exception (Stantcheva, 2021), and specific information about inheritance tax policies is likely to be especially lacking. This is because most people have less direct exposure to inheritance taxation compared to other types of taxation, such as income or consumption. But, as we argue, there are important informational differences between families of homeowners and non-homeowners, who differ in wealth, and therefore, in their exposure to inheritance taxation. These informational disparities have important consequences for opinions toward inheritance tax policies, and, in turn, for the politics of wealth inequality.

Information about inheritance taxation can be gained in two ways: through exogenous exposure or

through active acquisition. Exogenous exposure to inheritance taxation typically happens when an older family member dies and their estate is transferred to younger members of the family. In OECD countries, about one in three households can expect to experience this at some point during their lives, but it's much more common for households at the top of the wealth distribution than for those at the bottom (OECD, 2021, 32-33). Most of the personal wealth that is transferred at death is tied up in housing, implying that non-homeowning families usually have little wealth to transfer at death, and whatever wealth they might have is likely to fall below the exemption threshold. Consequently, many people who grow up in a family of non-homeowners will never be exogenously exposed to inheritance tax policies, and they will therefore not receive much information about the inheritance tax system. Families of homeowners, on the other hand, are highly likely at some point in their lives to be exposed to the inheritance tax system. This is because wealth is sticky and tends to travel across generations (Clark and Cummins, 2015; Charles and Hurst, 2003). In the United Kingdom, for instance, the most common age at which today's 20 to 35-year olds can expect to inherit is at age 61 (Gardiner, 2017; Balestra and Tonkin, 2018), which means that exogenous exposure to inheritance taxation often travels through multiple generations. Middle-aged children are exposed to the inheritance tax system when they inherit their parents' property; the grandchildren also acquire information by experiencing how their parents handle the grandparents' estate.

Not only are families of homeowners more likely to be exogenously exposed to inheritance taxation, they also have greater incentives to actively acquire information about it. Many countries allow parents to transfer a certain amount of wealth to their children each year as a tax-exempt gift. And most countries also have an exemption threshold under which no taxation applies. By planning when and how to pass wealth to their children, parents can transfer entire estates without paying any or much taxes. Knowing that such a possibility exists, and how to exploit it most effectively, requires intimate knowledge about the policies related to wealth transfers, such as inheritance and gift taxes. Indeed, financial literacy has been shown to be strongly and positively associated with wealth accumulation (Behrman et al., 2012). In short, homeowners have strong material incentives to become acquainted with inheritance tax rules, even before they inherit.

While the stakes are obvious for homeowners, non-homeowners also have clearly defined material interests at stake. The narrowing of wealth inequalities through inheritance taxation may improve equality of opportunity for them and their children, and potentially also reduce property prices. Additionally, the funds raised by inheritance taxation could be used for redistribution and public goods provision; or they could replace taxes that non-homeowners do incur, and facilitate cuts in income or consumption taxes. But whereas homeowners face the prospect of direct, concentrated losses from paying inheritance taxes, the benefits for non-homeowners are indirect and diffused. Moreover, the negative utility of paying inheritance taxes for homeowners is likely to outweigh the positive utility for non-homeowners of increasing tax revenues (Kahne-

man and Tversky, 1979). The incentives to be informed, therefore, are stronger for families of homeowners, who consequently are more likely to be well-informed about inheritance tax policies, and about their material interest in such policies, than families of non-homeowners.

How do these informational asymmetries matter for political preferences? Public opinion research points to two possibilities: The uninformed may be unable to form a preference over inheritance taxation (Berinsky, 2004), and if they do, they may do so wholly at random (Converse, 2006). In this case, when aggregating individual responses, the random responses provided by the uninformed will tend to cancel each other out, and public opinion will reflect the opinion of informed respondents (Page and Shapiro, 1992). Alternatively, the uninformed may express a preference following basic heuristics and cues, which is likely to bias estimates of public opinion (Althaus, 2003; Zaller, 1992).

It is difficult to ascertain the extent to which each of these effects are at work when it comes to the formation of preferences over inheritance taxation, but both are likely to bias public opinion in the same direction. In the first scenario, if all uninformed respondents do not express a preference, or answer wholly at random, the "rational" or "issue" public—to use the terminology of Page and Shapiro (1992) and Converse (2006)—would consist primarily of members of families of homeowners, who have clearly defined material interests in low inheritance taxes. In the second scenario, the predominance in the public sphere of discourses that frame the inheritance tax as a 'double' or 'death' tax suggests that following simple heuristics or cues is more likely to bias support for inheritance taxation downwards than upwards. In a recent study using text analysis on open-ended survey answers about tax preferences in the United States, Ferrario and Stantcheva (2022) indeed find that the main concern that emerges around the estate tax is that of 'double taxation.' More generally, individuals' main concerns when it comes to the taxation of inheritances appear to reflect notions of fairness, such as whether 'double taxation' or a 'tax on death' is perceived to be fair, rather than considerations over economic efficiency (Ferrario and Stantcheva, 2022; Fisman et al., 2020).

To the extent that public opinion matters for politics, the informational asymmetries between families of homeowners and non-homeowners will shape the political environment surrounding the inheritance tax. Homeowners both constitute a majority in most electorates (Ansell, 2019) *and* have strongly-anchored preferences. Hence, public opinion will be driven by homeowners, and their families. This potential for a mobilized electorate creates a fertile political terrain for organized business groups who work to repeal the inheritance tax. This was for instance the case in Sweden and Austria, where organized business interests played an important role in the abolishing of the tax (Klitgaard and Paster, 2021). Likewise, in the United States, conservative interest groups and think thanks have long been advocating for a repeal of the estate tax (Graetz and Shapiro, 2005). Moreover, even though left-wing governments may have broader goals of greater equality of opportunity and outcomes, they have few electoral incentives to pursue these goals

through inheritance taxation. The voters who should find inheritance taxation most appealing are likely to hold weak preferences, if any at all, and those who are most strongly opposed to such policies are resourceful, well-informed families of homeowners. In such an environment, it is difficult to mobilize political support in favor of inheritance taxation, limiting the tools available to governments to effectively counteract wealth inequality.

2.1 Does Exposure to Information Affect Inheritance Tax Preferences?

Our argument implies that inheritance taxation is a low-information environment where many people have difficulties formulating a clear opinion. In the second part of the analysis, we examine whether exposure to relevant information can help them do so.

The experimental literature on inheritance taxation finds mixed evidence of exposure to information. Studies of the U.S. show that providing information about the limited number of estates that are subject to the estate tax can have large, positive effects on support for the tax (Kuziemko et al., 2015; Sides, 2015). But since no other country has an exemption threshold anywhere near that of the U.S. estate tax (OECD, 2021, 88), this kind of information is not as relevant elsewhere. In Sweden, Bastani and Waldenström (2021) instead inform respondents how much of total wealth is inherited, who inherits, and that most Swedish billionaires have inherited their fortunes. This information significantly increased support for reintroducing a broad-based inheritance tax, but it did not increase support for introducing an inheritance tax only on large estates. In a cross-national study of France, Sweden, Italy, the UK, and the U.S., Alesina, Stantcheva and Teso (2018) show respondents two short, animated movies explaining that whereas few poor kids grow up to become rich, many rich kids remain rich in adulthood. While this treatment successfully altered peoples' views on intergenerational mobility, it did not influence support for inheritance taxes.

Building on this experimental literature, we examine the effects of two new interventions. The first extends experimental studies of income inequality that provide survey participants factual information about the income distribution to wealth inequality (e.g., McCall et al. 2017; Kuziemko et al. 2015; for a recent overview of this literature, see Ciani, Freget and Manfredi 2021). Specifically, we informed respondents about the distribution of house prices locally and/or nationally. Since the majority of peoples' wealth is tied up in real estate, showing the distribution of house prices provides information about the distribution of inheritances that ordinary people can expect to receive. Having both a local and a national treatment condition further enables us to assess whether people care more about wealth inequality in their local area than in the nation as a whole. Indeed, previous research has found important local effects of exposure to inequality (Sands, 2017; Sands and de Kadt, 2020). To the best of our knowledge, this study is the first not

only to examine the effects of exposing people to the distribution of (housing) wealth, but also to distinguish between local- and national-level effects.

While the first experiment allows us to examine the effects of information about the distribution of housing wealth, the second enables a test of the conjectures that many people lack a good understanding of the potential consequences of inheritance taxation and that their preferences are heavily influenced by basic cues about the tax. In a follow-up survey, we thus randomly exposed respondents to different primes about inheritance taxation. Two treatments primed respondents to consider potential effects of inheritance taxation: the first that increasing inheritance taxes can raise tax revenues that can be used to improve public goods provision or lower income taxes, the second that it can help improve equality of opportunity. The third treatment was included to assess the forcefulness of cues that associate the inheritance tax with 'double' or 'death' taxation.

2.2 Hypotheses

We derive a number testable implications from our argument. The first follows directly from the fact that if property owners and their children are better informed about inheritance taxation, they should be in a better position to express preferences on the issue:

> *H1:* Homeowners and children of homeowners are more likely to express an opinion regarding inheritance taxation than non-homeowners and children of non-homeowners.

Second, because members of families of homeowners are more likely to express a clear preference, public opinion should generally be sceptical of inheritance taxation. Moreover, since families who own more expensive properties stand to pay higher inheritance taxes, opposition to the tax should increase with housing wealth:

> *H2:* a) Public opinion is opposed to higher taxes on inherited wealth; b) opposition to inheritance taxation is concentrated among members of families who own more expensive properties.

Third, building on experimental studies of exposure to income inequality, we expect that informing people about house price inequality will increase support for inheritance taxation and that this effect is stronger among members of families who are off or at the bottom of the property ladder—since they would stand to gain more from such taxation:

H3: a) Informing people about the (unequal) distribution of housing wealth increases support for taxing inheritances; b) the effect is stronger among low-wealth individuals.

Fourth, if many people are ill-informed about their material interest in inheritance taxation, priming them to consider it should influence support for the tax. And since information is expected to rise in wealth, these effects should be stronger among low-wealth individuals:

H4: a) Priming people to consider the potential positive effects of inheritance taxation on public goods provision, income taxes, and equality of opportunity increases support for the tax; b) these effects are stronger among low-wealth individuals.

Finally, to the extent that opposition to inheritance taxation is caused by many people relying on basic cues about the tax, cues commonly found in the public sphere should influence support for the tax. Therefore, we expect that:

H5: Cues that frame the inheritance tax as a 'double' or 'death' tax lower support for the tax.[2]

3 Data

To test our arguments, we designed a survey that asked respondents about their own and their parents' housing wealth, and about their preferences over inheritance taxation. The survey was conducted by YouGov in May and June 2021, using their nationally representative online panel, and included 3186 adults living England and Wales.

In the first part of the survey, we included a range of questions about the respondents' wealth. For example, we asked about their housing situation, and if they were homeowners, we followed up by asking them to estimate the current value of their house. In Online Appendix A, we assess the quality of the estimated house prices by comparing our survey estimates to land registry data from the Office of National Statistics (ONS). Although homeowners in our survey are slightly overoptimistic (about £10,000 on average), they match the national distribution of homeowners very well, giving us confidence in our sample of homeowners and in their ability to accurately estimate the current value of their house. To provide an example, the

[2]Hypotheses H3, H4, and H5 were preregistered ahead of data collection at Open Science Framework under DOI: 10.17605/OSF.IO/PFN7Z and 10.17605/OSF.IO/PCVBH. In the respective analyses, we explain where we deviate from the pre-analysis plan.

regional median of estimated house prices in our sample is an average of just £5,000 away from the regional averages for the same month reported by the ONS.

We also asked about the housing situation of their parents, so we could assess how being a future property inheritor, who may stand to pay inheritance taxes in the future, affects one's preferences over inheritance taxation. Since many (older) respondents had already lost their parents, many skipped this question or answered 'don't know/not applicable' (41%), but most respondents still had their parents and were willing to answer the question (59%).[3] If their parents owned a property, we asked them to provide an estimate of its value—about 31% of the sample did.[4]

After answering the wealth questions, respondents were randomly assigned to one of three groups: one third was assigned to a national information treatment and saw the distribution of house prices across England and Wales, another third saw the distribution of house prices both in their local authority and nationally, and the last third was assigned to a control group and did not receive any information.[5] After the information treatment, we asked respondents a range of questions about their political preferences, and the survey concluded with a forced-choice conjoint experiment to assess their preferred marginal tax rates on different-sized inheritances.

To test the robustness of our initial set of results, and to evaluate hypotheses H4 and H5, we ran a second YouGov survey in the fall of 2022, again using their nationally representative online panel but this time sampling 3592 adults living the United Kingdom. The survey included identical questions about housing tenure and wealth as the first, but instead of the house price treatment, we randomly assigned respondents to one of three vignette treatments or a control group (with a quarter of the sample in each group). One treatment primed participants to consider the inheritance tax as a 'double' or 'death' tax. The other two treatments primed participants to consider the potential positive effects of inheritance taxation on equality of opportunity or on public goods provision and income taxes. Immediately after the vignette experiment, we asked the same set of questions about inheritance tax preferences as in the first survey, except we did not include a conjoint. As we move through the empirical analysis, we will provide more detailed information about the survey questions and experiments.

[3]Respondents who did not answer or answered 'don't know/not applicable' to the question about their parents' housing situation are on average 16 years older (58.6 years) than the rest of the sample (42.7 years).

[4]Descriptive statistics of the estimated house price variables are also included in Online Appendix A.

[5]To ensure randomization within the groups, we stratified the randomization within the three groups by average local house prices.

4 Results

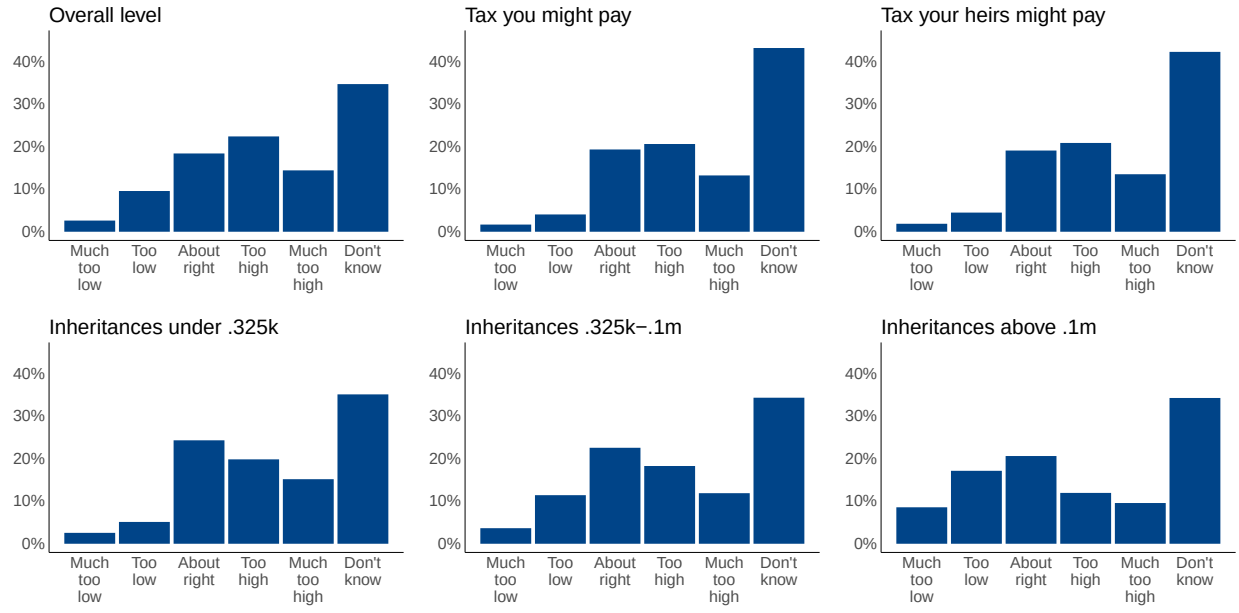
4.1 A Paradox of Inheritance Taxation

We begin the empirical analysis by analyzing responses to a set of six questions about inheritance taxation. The questions asked: "Regarding the level of inheritance tax people pay in United Kingdom, do you think the level is too low, too high, or about right?" In randomized order, the respondents were asked to express their opinion about the 1) "overall level of inheritance tax", 2) "inheritance tax you might pay in the future", 3) "inheritance tax your heirs might pay in the future", 4) "inheritance tax for those who receive under £325,000", 5) "inheritance tax for those who receive between £325,000 and £1m", and 6) "inheritance tax for those who receive over £1m."

Figure 2 displays the distribution of responses to the six questions; in particular two patterns stand out. First, despite decades-long declines in inheritance tax rates, the public in England and Wales are, still, more likely to think that inheritance taxes are too high than too low. On average across the six questions, 31% of respondents said that taxes were (much) too high, whereas just 11% said that they were (much) too low. The only exception is the question about inheritances above £1m, where 25% think taxes are (much) too low, compared to 21% who think they are (much) too high. These results are consistent with H2a and the expectation that the public is generally opposed to higher taxes on inherited wealth.

Second, on all six questions, the modal response is 'don't know'—strikingly, between 34% to 43% of

Figure 2: Preferences over Inheritance Taxation



Note: N = 3,186 across all figures.

respondents appear to have no preference regarding inheritance taxation. The high proportions of 'don't know'-responses are a clear indication that inheritance taxation is a low-information environment, where many lack the basic information needed to formulate a preference. The lack of information is further demonstrated by the fact that 34% of respondents believe that taxes on inheritances under £325k are (much) too high despite these inheritances being fully exempt from taxation.

Who are the people who seemingly don't know their preference, and how are they different from those who do? To find out, and thereby test H1, we regress a dichotomous variable of whether the respondent expressed a preference (1) or answered 'don't know' (0) to the question about the overall inheritance tax level on measures of housing wealth and other socio-economic variables. As a measure of current housing wealth, we include an estimate of the value of the respondent's house rescaled into eight categories, with the baseline being a non-homeowner. To capture the effect of being a future property inheritor, we include an estimate of the value of the parents' property. We rescale this variable into six categories; the omitted category is again non-homeowner. We also include measures of household income (measured in 15 categories), age, gender, and whether the respondent has a university degree.

Table 1 presents the results. Model (1) shows the results from a linear probability model, which we use to interpret marginal effects; Model (2) shows the (very similar) results from a logit model, which we will use to calculate predicted probabilities for different wealth profiles below. The results of Model (1) show that most of the usual suspects predict the propensity to express a preference: Being male, thirty years older, and having an income above £150k (compared to one below £5000) adds about 12 percentage points each to the probability of answering the question, whereas one of the strongest predictors of 'don't know' responses in previous studies—having a university degree (see e.g. Berinsky, 2004)—is not associated with higher rates of expressing a preference.

Importantly, the results also show that even after accounting for the impact of these socio-demographic variables, housing wealth is a strong predictor of expressing a preference. Homeowners owning a property worth more than £400k are about 20 percentage points more likely to express a preference than are renters, and children of homeowners owning a property valued higher than £400k are about 13 percentage points more likely to answer the question compared to children of renters. There is consequently a strong wealth gradient in the probability of expressing an opinion: Individuals who either expect to pass on a house to the next generation of their family and/or who stand to inherit a property from their parents are much more likely to express an opinion on inheritance taxation compared to respondents who do not own a house and/or whose parents do not own a house. In Online Appendix B we show the results for all six questions included in Figure 2; they are substantively similar to those reported here.

To better see the substantive effects, Figure 3 displays the predicted probability of answering the question

Table 1: Determinants of Expressing An Opinion about The Overall Level of Inheritance Taxes

	LPM	Logit
Value of own house:		
£100k and under	0.060	0.256
	(0.055)	(0.269)
£100k to £200k	0.065*	0.272
	(0.029)	(0.144)
£200k to £300k	0.160*	0.789*
	(0.030)	(0.162)
£300k to £400k	0.177*	0.927*
	(0.035)	(0.201)
£400k to £500k	0.208*	1.234*
	(0.045)	(0.291)
£500k to £750k	0.214*	1.320*
	(0.047)	(0.321)
£750k and up	0.198*	1.281*
	(0.061)	(0.426)
Value of parents' house:		
Not applicable/deceased	0.032	0.107
	(0.029)	(0.141)
£200k and under	0.073*	0.315
	(0.037)	(0.184)
£200k to £400k	0.103*	0.480*
	(0.035)	(0.180)
£400k to £600k	0.129*	0.626*
	(0.047)	(0.259)
£600k and up	0.130*	0.630*
	(0.051)	(0.288)
Demographics:		
Household income	0.008*	0.038*
	(0.003)	(0.015)
Age	0.004*	0.020*
	(0.001)	(0.004)
Female	−0.121*	−0.650*
	(0.019)	(0.099)
University degree	0.008	0.043
	(0.020)	(0.105)
Constant	0.352*	−0.710*
	(0.045)	(0.225)
Observations	2,258	2,258
R^2	0.118	

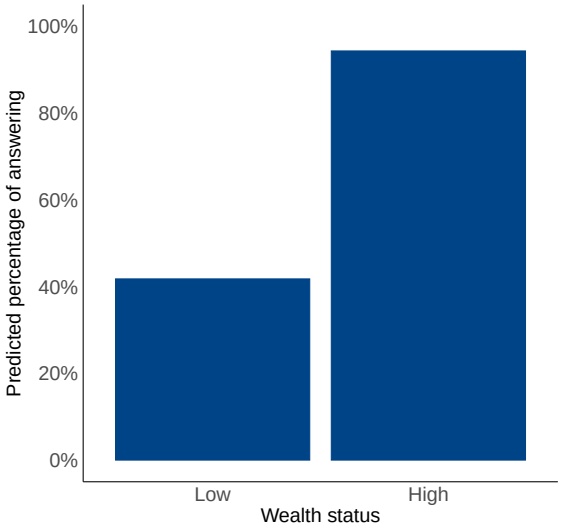
Note: * p<0.05. Baselines for the value of own and parents' house are in both cases 'not property owner'.

about the overall level of inheritance taxes for individuals with low and high wealth status. We define low wealth status as a female adult of average age (49 years) who earns less than £5000 a year and does not have a university degree; she is a renter and so are her parents. By contrast, a high-wealth individual is a male adult of average age who earns more than £150,000 a year, who owns a house valued more than £750k, and whose parents own a house valued more than £600k.[6] Figure 3 shows that low and high-wealth individuals have very different probabilities of expressing an opinion.[7] Whereas just about two in five low-wealth individuals express an opinion on inheritance taxes, about 19 of 20 high-wealth individuals do.

[6]Since women, people without a university degree, and people with low incomes tend to accumulate much less wealth (see e.g., Piketty, Saez and Zucman, 2018), we let these socio-demographic characteristics vary across the two wealth profiles. As shown in Table 1, the wealth gradient remains even if we keep these variables constant.

[7]We base our calculations on the logit model of Table 1, rather than the LPM, because the predicted probability of expressing a preference for high-wealth individuals is very close to the upper limit. In fact, the LPM yields a value slightly above one.

Figure 3: High-Wealth Individuals Are More Likely To Express A Preference over Inheritance Taxation



Note: The predicted percentages are based on the coefficients for the logistic regression of model (2) of Table 1. A low-wealth individual is a female adult of average age (49 years) who earns less than £5000 a year and does not have a university degree; she is a renter and so are her parents. A high-wealth individual is a male adult of average age who earns more than £150,000 a year, who owns a house valued more than £750k, and whose parents own a house valued more than £600k.

These results support H1 and highlight the following paradox of inheritance taxation: Low-wealth individuals, who would stand to gain the most from taxing inherited wealth, are those least likely to express an opinion about inheritance taxation. The existence of this paradox hints at one of the political obstacles to implementing higher inheritance tax rates: Many people simply don't have an opinion about inheritance taxation, and the ones who do are homeowners and children of homeowners, who are generally opposed to higher taxes. In such an environment, it is difficult for proponents of wealth taxation to mobilize political support, and there are few electoral incentives for governments to advocate for higher inheritance taxes since at best, voters won't care. At the same time, the environment is highly fertile for organized interests working to repeal the inheritance tax: The voters who should be most hostile to their agenda are those least likely to voice an opinion, and those most in favor are highly resourceful homeowners and their children.

The question remains whether these results are unique to inheritance taxation, or whether they extend to other types of taxation. Indeed, research has shown that people have low levels of information regarding many different aspects of taxation and that the public also supports lower income taxes (Stantcheva, 2021; Barnes, 2015). In Online Appendix C, we examine preferences over income taxation using similar questions as those we presented here for inheritance taxation. Compared to the inheritance tax questions, less than half as many respondents answer "don't know" to the income tax questions (15%-19%), and there is almost twice as much support for a more progressive income tax schedule than for a more progressive inheritance

tax schedule (46% vs. 25%). Moreover, the total effect of current and future expected housing wealth is considerably stronger for inheritance taxation than for income taxation: Among respondents with high socio-economic status, the effect of owning an expensive property, and having parents who do so too, is more than three times stronger on expressing an opinion about inheritance taxation compared to expressing an opinion about income taxation (.23 vs. .07). At least compared to income taxation, preferences over inheritance taxation are clearly distinct.

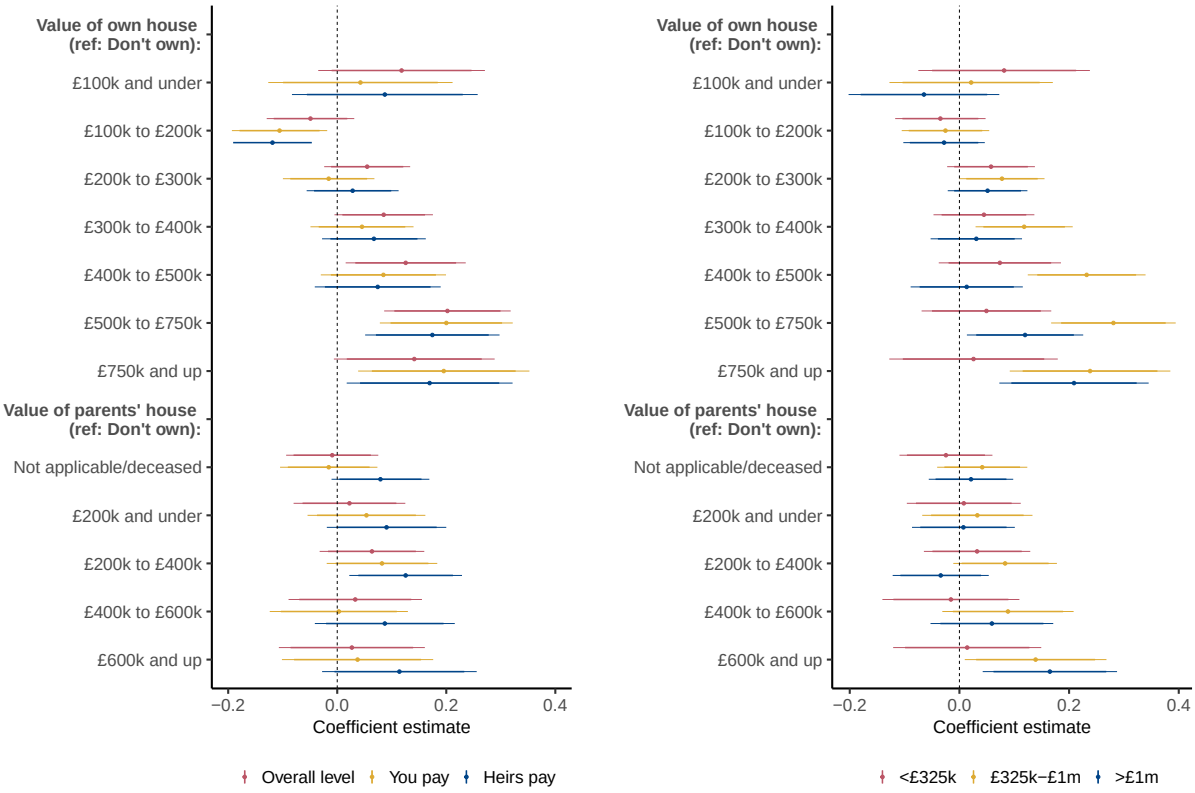
4.2 Opposition to Inheritance Taxation Is Concentrated Among High-Wealth Individuals

Having corroborated H1 and H2a, we proceed to examine H2b, which stipulates that opposition to inheritance taxation is concentrated among high-wealth individuals. To test this conjecture, we regress responses to the six questions about inheritance taxes shown in Figure 2 on the value of the respondent's own house, the value of the respondent's parents' house, and the same set of demographic covariates as used above using linear probability models, where the dependent variable is rescaled to equal one if the respondent thinks that taxes are (much) too high, and zero otherwise.

The results of these regressions are displayed in Figure 4. In the left panel of the figure, we analyze responses to the questions about the overall tax level and taxes that the respondent or their heirs might pay in the future. The figure shows that housing wealth has a substantively large effect on inheritance tax preferences. Homeowners who own a house valued more than £400k are between 13-20 percentage points more likely to think the overall tax level is too high. And homeowners owning a house valued more than £500k are 17-20 percentage points more likely to think taxes that they or their heirs might pay in the future are too high. Note also that the preferences of homeowners only start to diverge significantly from those of renters when the value of their house exceeds £400k. Since inheritances below £325k are exempt from taxation, this result indicates that property owners are highly aware of their family's exposure to the inheritance tax. For the children of homeowners, we generally see a similar pattern as for homeowners themselves, but the effects are weaker and only occasionally statistically significant.

In the right panel of Figure 4, we show the results for the set of questions about taxes on inheritances of a specific size. For inheritances below the threshold of £325k, housing wealth has no impact on inheritance tax preferences. In fact, the only significant predictor in the model is whether the respondent holds a university degree, which might suggest that more highly educated respondents are better informed about the inheritance tax threshold. For inheritances above the exemption threshold, housing wealth is (again) an important predictor of tax preferences. Individuals who own a house worth more than £300k are significantly

Figure 4: The Effect of Current and Future Housing Wealth on Preferences over Inheritance Taxation



Note: The figure shows estimates from linear probability models of whether the respondent thinks that taxes are (much) too high, with 90% and 95% confidence intervals (thick and thin lines). The models include controls for household income, age, gender, and level of education. N = 1,559 (overall level), 1,361 (you pay), 1,370 (heirs pay), 1,545 (<£325k), 1,565 (£325k-£1m), and 1,557 (>£1m). For the full set of results, see Online Appendix D.

more likely to say that taxes on inheritances between £325k and £1m are too high, and again the effects are substantial. Compared to renters, the predicted probability of supporting lower taxes is about 12 percentage points higher for homeowners with a house valued between £300k-£400k and up to 28 percentage points higher for homeowners who own a property worth more than £400k. For expected property inheritors, we see a similar, though slightly weaker, pattern. Compared to people whose parents do not own a property, individuals whose parents own a property worth more than £600k are 14 percentage points more likely to think that taxes on inheritances between £325k-£1m are too high.

Regarding taxes on inheritances above £1m, we see a sharp discontinuous spike in support for lower taxes for people owning a house worth more than £500k. These homeowners are the ones in our sample who are most likely to be exposed to taxes on inheritances above £1m, and it is therefore unsurprising that they are the ones most in favor of lower taxes on these large inheritances. Indeed, the predicted probability of saying that taxes are too high on inheritances over £1m is 21 percentage points higher for homeowners owning a house worth more than £750k than it is for homeowners owning a house worth less than £500k and for

renters. For future property inheritors, we see a similar pattern. Those whose parents own a property valued more than £600k are 17 percentage points more likely to think taxes on large inheritances above £1m are too high compared to individuals whose parents are not on the property ladder or own a house worth less than £400k.

Overall, these results suggest that owning a more expensive property and/or having parents who do so is associated with stronger opposition to higher inheritance taxes. The results also indicate that property owners are highly aware of their family's exposure to the inheritance tax and are especially concerned about the tax burden on inheritances equal to the value of their property. These findings are consistent with H2b and indicate that opposition to inheritance taxation is driven notably by homeowners who own relatively expensive properties.

4.3 Preferred Inheritance Tax Rates: Results from A Conjoint Experiment

The evidence so far strongly supports the argument that members of families of homeowners drive public opinion in opposition to higher inheritance taxes. At the same time, it says little about which marginal tax rates the public would prefer. Inspired by the work of Ballard-Rosa, Martin and Scheve (2017), in this section we therefore present the results of a forced-choice conjoint experiment about support for different inheritance tax schedules. The conjoint experiment complements the previous analysis in several ways. First, it enables us to make more detailed inferences than simply inferring whether the public wants higher or lower taxes. More precisely, it allows us to elicit peoples' preferred marginal tax rates on different-sized inheritances. Simultaneously, the conjoint tests the robustness of our initial set of results to using a different survey technique. Finally, because the conjoint, following standard practice (Hainmueller, Hopkins and Yamamoto, 2014), forced respondents to choose the tax system they preferred the most, it allows us to directly estimate the opinions of respondents who did not voluntarily offer an opinion on our other inheritance tax questions. That stands in contrast to Berinsky (2004) who examines the "silent voices" by imputing responses based on the socio-demographic background of respondents.

The conjoint experiment showed each respondent five comparisons of two hypothetical tax systems and asked them to pick the one they favored the most. Table 2 shows the attributes and tax rates of the potential tax systems. Because we wanted to allow for the possibility that the public may favor a progressive inheritance tax schedule, we did not mimic the current British inheritance tax schedule, which exempts inheritances below £325k and taxes the rest at 40%. Instead, we asked respondents to pick between two tax systems that each had four different tax brackets. These tax brackets were selected so we could distinguish between preferred marginal rates on small, medium, large, and very large inheritances. The tax rates were

Table 2: Inheritance Categories and Inheritance Tax Rates Used in the Conjoint Experiment

Inheritance categories	**Possible tax rates**
Inheritances valued up to £125,000	0%, 10%, 20%
£125,000 to £500,000	0%, 10%, 20%, 40%
£500,001 to £1,000,000	20%, 40%, 60%, 80%
Inheritances valued over £1,000,000	20%, 40%, 60%, 80%, 90%

chosen to minimize the number of regressive tax systems shown, which are vanishingly rare in advanced democracies, and have never been in place in Britain. Therefore, the rates are generally higher for larger inheritances, but we did allow for the possibility that respondents may prefer a proportional tax schedule, in that a 20% marginal tax rate is included in all four tax brackets. This approach contrasts with that used in Ballard-Rosa, Martin and Scheve (2017), where there are no restrictions placed on the rates that each bracket can face.

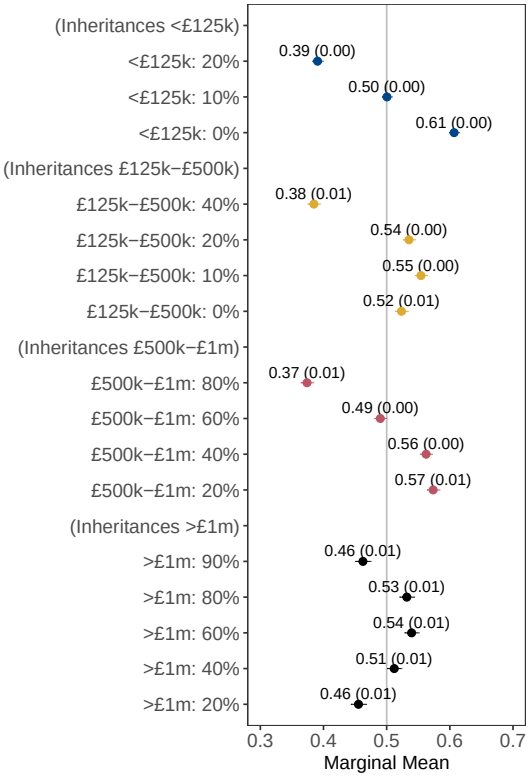
Figure 5 shows the results of the conjoint experiment. The results indicate that the public strongly supports letting small inheritances under £125k be exempted from taxation. For inheritances between £125k-£500k, the public is slightly more supportive of a marginal tax rate of 10% than of one of 0% or 20%, yet they are strongly opposed to a higher tax rate of 40%. For larger inheritances between £500k-£1m, the most popular marginal tax rate is 20%, followed closely by one of 40%. Higher tax rates of 60% and, especially, 80% are widely unpopular. For the top category, describing the marginal tax rate on inheritances in excess of £1m, the public is significantly more supportive of a marginal tax rate falling somewhere between 40% and 80% than of a lower one of 20% or an even higher one of 90%.

Looking across the four tax brackets, these results suggest that there is support for replacing the current British inheritance tax schedule with a more progressive one. Yet, support for a more progressive schedule does not reflect a preference for higher taxes at the top. A quasi-confiscatory marginal tax rate on top bequests of 90% is about as (un)popular as a low marginal tax rate of 20%, and the public is about as happy with the current 40% tax rate as with a higher one of 60% or 80%. Rather, support for a more progressive tax schedule reflects a preference for lower marginal rates, and greater progressivity in the schedule, on inheritances below £1m. Consistent with H2a, these findings provide further support for the conclusion that there is little appetite for higher taxes on inherited wealth than those in place today.

4.3.1 Housing Wealth Predicts Preferred Marginal Inheritance Tax Rates

To examine how preferences over marginal tax rates depend on housing wealth, we disaggregate the results by the value of one's own and one's parent's property in Figure 6. Following the recommendations of Leeper, Hobolt and Tilley (2020), we (again) show the results in terms of marginal means, and we evaluate

Figure 5: Preferred Tax Rates on Different-Sized Inheritances



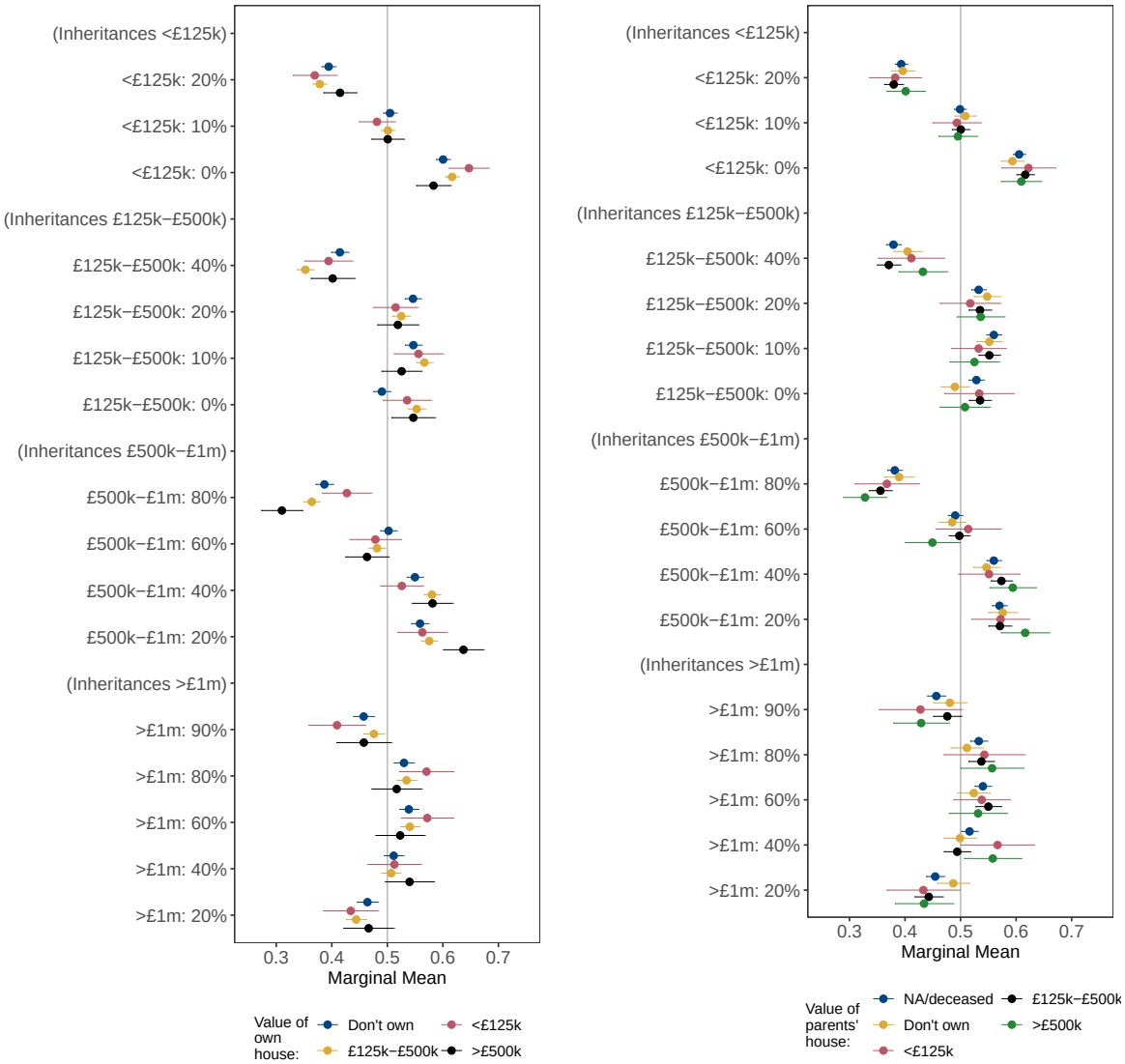
whether preferences differ significantly across subgroups using omnibus F-tests. Note also that we break the estimated house price variables differently here than we did above, so that they concord with the inheritance tax brackets used in the conjoint. Yet, because very few respondents in our survey own a property, or have parents who own a property, worth more than £1m, the top category starts at £500k.

The left panel of Figure 6 shows considerable heterogeneity in preferred marginal tax rates across housing wealth groups, and an omnibus F-test confirms that the differences are statistically significant ($F(39; 29{,}607)=3.72$, $p=0.000$). More specifically, the preferences of homeowners depend highly on their own tax exposure. For example, homeowners who own a property worth less than £125k are the strongest supporters of exempting inheritances under £125k from taxation; at the same time, they are the strongest opponents of taxing inheritances of this size at 20%. We observe a similar pattern for inheritances between £125k-£500k: Homeowners owning a house worth between £125k-£500k are, by far, the strongest opponents of a marginal tax rate of 40%, and those most in favor of low tax rates of 0% or 10%. And again, the story is broadly similar for larger inheritances between £500k-£1m. This time it's homeowners who own a house valued above £500k, who are the strongest opponents of an 80% marginal tax rate and the strongest proponents of a 20% tax rate. Finally, for very large inheritances above £1m, we don't see as strong differences between the house price groups as for the other tax brackets, which is probably due to the low number of respondents

in the survey who own a house worth more than £1m.

In the right panel of Figure 6, we break down preferred tax rates by the value of one's parents' property. Although an omnibus test of whether preferences differ by the value of the parents' house is statistically insignificant (F(52; 31,847)=1.22, p=0.13), the figure shows similar, though weaker, patterns as those for homeowners on the two middle tax brackets. Respondents whose parents own a property worth between £125-£500k are more opposed to a tax rate of 40% on inheritances of this size than are individuals whose parents own either a cheaper or more expensive property. Similarly, respondents whose parents own a property worth more than £500k are the strongest opponents of a tax rate of 80% on inheritances between £500-£1m and the strongest proponents of tax rates of 20% and 40%.

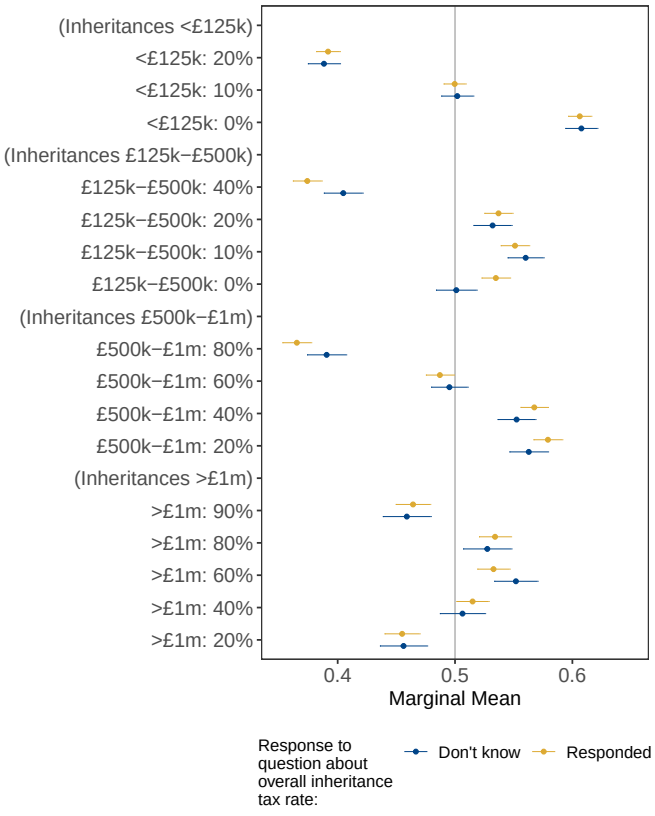
Figure 6: Preferred Tax Rates on Different-Sized Inheritances, by Value of Own and Parents' Properties



For non-homeowners and their children, we see that, despite having a material interest in higher taxes on inherited wealth, they do not consistently support higher inheritance taxes than do members of families of homeowners. In fact, individuals in non-homeowning families generally tend to hold more moderate preferences, which can be seen from the many marginal means that are relatively closer to the neutral value of 0.5 in both the panels of Figure 6.

In Figure 7, we show that a similar pattern exists for respondents who answered 'don't know' to the inheritance tax questions analyzed above, many of whom are renters and/or children of renters. On small inheritances below £125k and on large inheritances above £1m, there is no difference in answers between the groups, but in the two middle tax brackets, respondents who answered 'don't know' to our other inheritance tax questions hold weaker, more moderate preferences. This is an important finding because it implies that mobilizing low-wealth individuals is, in and of itself, not enough to create stronger support for inheritance taxation. More fundamentally, proponents of inheritance taxation must convince low-wealth individuals of their material interest at stake.

Figure 7: Preferred Tax Rates on Different-Sized Inheritances, by Don't Know-Status



Note: An omnibus F-test shows that preferences differ significantly between respondents who answered 'don't know' and those who provided an answer to the question about the overall inheritance tax level ($F(13; 31{,}847)=2.13$, $p=0.01$).

Overall, then, and consistent with H2b, the results suggest that members of families of homeowners act strongly according to the familial self-interest and care deeply about taxes that apply directly to the family estate. Members of non-homeowning families, on the other hand, are not consistently more favorable of higher inheritance taxes. In fact, they tend to have more moderate preferences than many homeowners, which again points to the conclusion that many of the people who would stand to gain from inheritance taxation do not have very strong views about it.

5 Two Survey Experiments

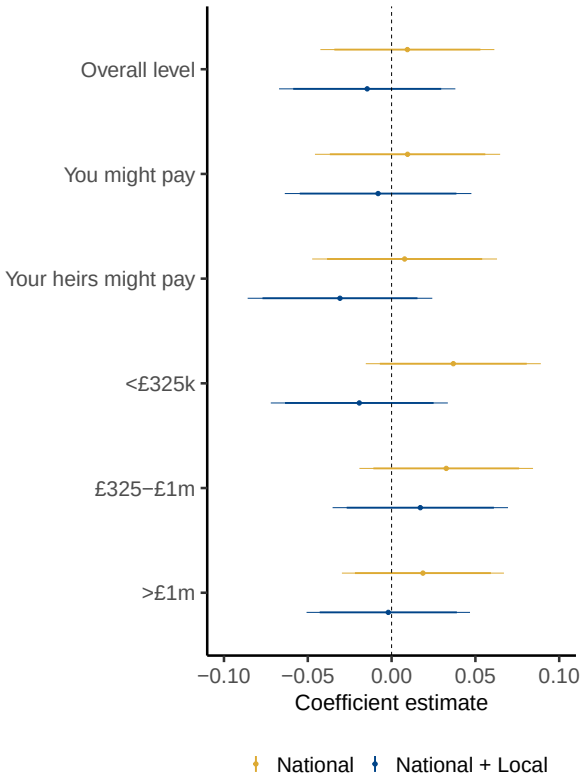
The above analysis shows that the public, and mainly members of families of homeowners, are opposed to high taxes on inherited wealth. Many non-homeowners appear unable to articulate a preference, and if forced to do so, it tends to be rather vague. In this section, we present the results of two survey experiments to further elucidate the impact of information on inheritance tax preferences. Building on experimental studies that examine the impact of information about the distribution of income on tax and redistributive preferences (e.g. Kuziemko et al., 2015; McCall et al., 2017), the first experiment tests the impact of information about the distribution of housing wealth on inheritance tax preferences. The second investigates whether arguments for and against inheritance taxation, designed to increase clarity about people's material interest and to test the impact of basic cues, affect support for the tax.

5.1 Information Experiment

In the first experiment, we divided respondents into three groups: i) a national treatment group, which received information about the distribution of house prices in England and Wales; ii) a national+local treatment group, which in addition to information about the national distribution saw the distribution of house prices in their local authority; and iii) a control group, which did not receive any information.

The treatment consisted of an image of a "housing ladder" containing house prices ranging from £0 to £1m. On one side of the ladder, we showed percentiles of the distribution of house prices in England and Wales, and in the national+local treatment, we showed percentiles of the distribution of house prices in the respondent's local authority on the other. As part of the treatment, we informed respondents that the image showed the cost of houses in England and Wales and in their local authority (for the national+local treatment only) in 2019 and that the percentiles on the sides represented the percentage of houses sold either locally or nationally that were cheaper than the price shown on the ladder. To ensure understanding of the treatment, we provided specific examples explaining the percentile numbers. For instance, we explained that the numbers 20 and 95 indicate that 20 and 95 percent of houses sold for less than the respective value on

Figure 8: The Effect of the Information Treatment on Inheritance Tax Preferences



Note: The figure shows estimates from linear probability models of whether the respondent thinks that taxes are (much) too high, with 90% and 95% confidence intervals (thick and thin lines). N = 2,090 (Overall level), 1,819 (You might pay), 1,848 (Your heirs might pay), 2,077 (<£325k), 2,102 (£325-£1), and 2,104 (>£1m). The corresponding table is shown in Online Appendix E.

ladder, and that 50 represents the average (median) price of a house sold locally and/or nationally. Finally, we asked respondents two factual questions related to the information shown in the image, which was meant both to enhance understanding and to check the comprehension of the treatment. In Online Appendix E, we provide detailed information about the treatment.

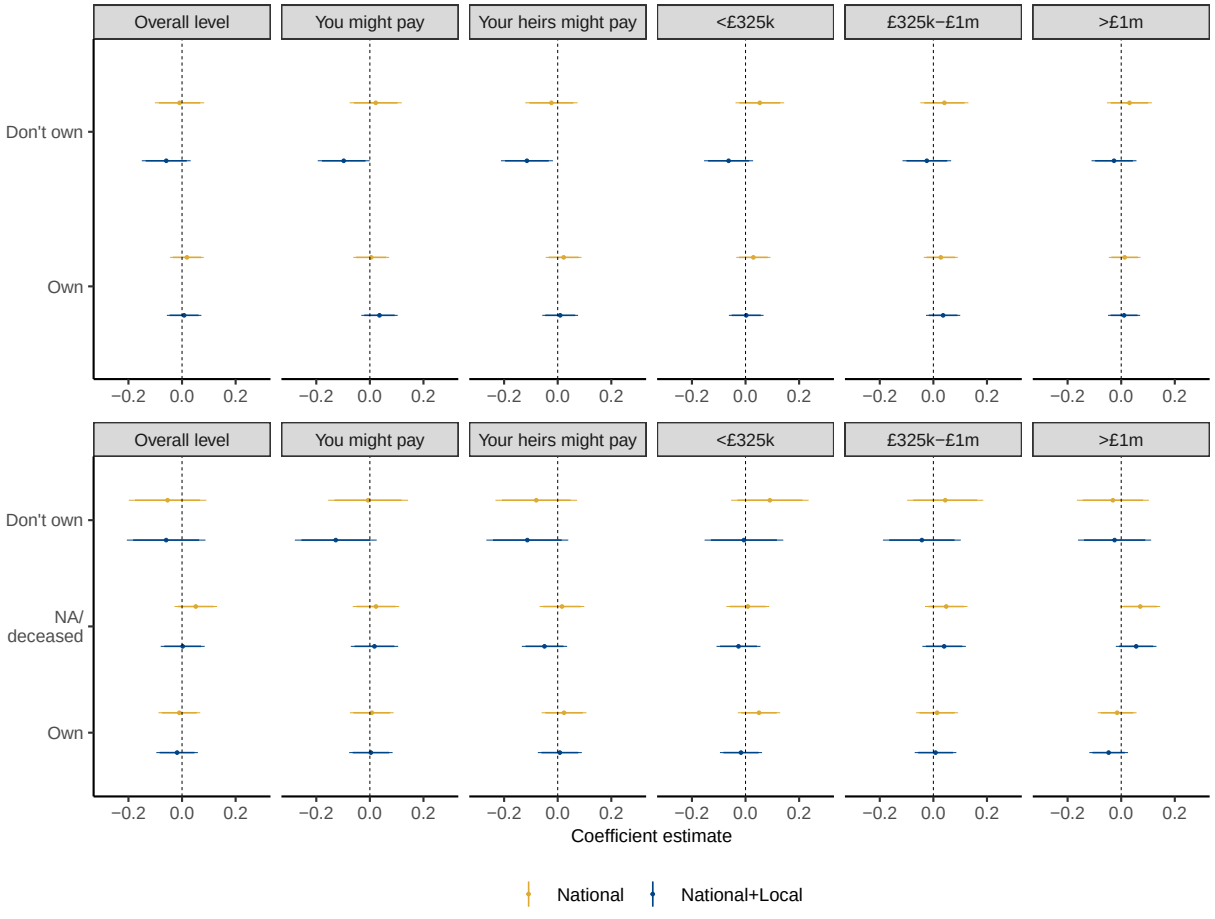
In Figure 8, we examine the direct effects of the treatment. The figure shows the difference in the proportion of respondents who say that inheritance taxes are (much) too high between the control group and the two treatment groups. Contrary to expectations (H3a), we see that the treatment did not influence responses to our inheritance tax questions. In Online Appendix E, we further examine H3a by assessing whether responses in the conjoint experiment differ by treatment group; here we are also unable to detect any effect.

To test H3b, and whether low-wealth individuals respond more strongly to the treatment, we examine heterogeneity in the treatment effect across families of homeowners and non-homeowners in Figure 9. On the questions about taxes the respondent or their heirs might pay, we surprisingly find that members of families

of non-homeowners, who see the distribution of house prices in their local authority (the national+local treatment), become about 10 percentage points less likely to say that taxes are too high (but only significantly so for non-homeowners themselves). On the other questions, however, we don't find any effects of either treatment for any subgroup. Similarly, in the conjoint experiment, we do not find any evidence that the treatment is conditioned by one's own or one's parents' housing wealth. Overall, therefore, the results cannot corroborate either H3a or H3b.

The lack of any systematic treatment effect could be due to several factors. Statistical distributions and percentiles are complicated for many people to understand, and not all respondents may have been able to fully understand the treatment. This explanation receives some support in the data since 35% and 54% of respondents in the national and national+local treatment groups, respectively, were unable to answer both of

Figure 9: The Effect of the Information Treatment on Inheritance Tax Preferences, by Own (Top Panel) and Parents' (Bottom Panel) Homeownership Status



Note: The figure shows estimates from linear probability models of whether the respondent thinks that taxes are (much) too high, with 90% and 95% confidence intervals (thick and thin lines). N = 2,090 (Overall level), 1,819 (You might pay), 1,848 (Your heirs might pay), 2,077 (<£325k), 2,102 (£325-£1), and 2,104 (>£1m). The corresponding tables are shown in Online Appendix E.

our comprehension questions correctly. On the other hand, even when we restrict the sample to respondents who gave correct answers to both questions, we do not find any systematic effects (see Online Appendix E).

Alternatively, while homeowners might not respond to information about house price distributions directly, they might respond to learning the actual position of their house in the distribution, as has been documented in the case of income (e.g. Cruces, Perez-Truglia and Tetaz, 2013; Kuziemko et al., 2015). Because we asked homeowners to situate their house in the national house price distribution pre-treatment, we can assess the extent to which homeowners update their preferences when learning that their house is placed lower (higher) in the national house price distribution than they initially believed. Consistent with the studies of income, we find that homeowners who learn that they have overestimated the position of their house in the national house price distribution tend to become less likely to say that inheritance taxes are too high (see Online Appendix E). Yet, the effects are substantively small (only 1.5-5.9 percentage points larger compared to homeowners in the control group, who overestimate the value of their house and are not corrected) and statistically significant in only one case.

Finally, it is possible that respondents were unable to make the necessary mental links between house prices, inherited wealth, and their material interest in inheritance taxes. In our follow-up experiment, which we turn to next, we therefore sought to make the connections between the experimental manipulation, inheritance taxes, and the participants' material interest far more visible.

5.2 Vignette Experiment

In the second survey, we randomly exposed respondents to a short vignette text before we asking them about their preferences regarding inheritance taxation. The vignette experiment had three treatment groups and a control group. All groups saw a simple prompt stating that we were now going to ask them a series of questions about their views inheritance taxation, and in addition to the simple prompt, respondents in the treatment groups were primed to consider inheritance taxation in certain ways.

In the 'death/double tax' treatment, we added that "[t]he inheritance tax is sometimes viewed as a 'death tax' or 'double taxation' because it taxes money again that was already taxed when it was originally earned;" in the 'equality of opportunity' treatment that "[p]eople who receive an inheritance gain an advantage in life. Taxing inheritances can contribute to levelling the playing field, ensuring that people with similar abilities and levels of effort face similar prospects in life;" and in the final 'taxes and public goods' treatment, we added that "[t]axes on inheritances contribute to government revenues. By raising inheritance taxes, the government could lower income taxes or increase investments in vital infrastructure such as the NHS, schools, elderly care, and roads and railways."

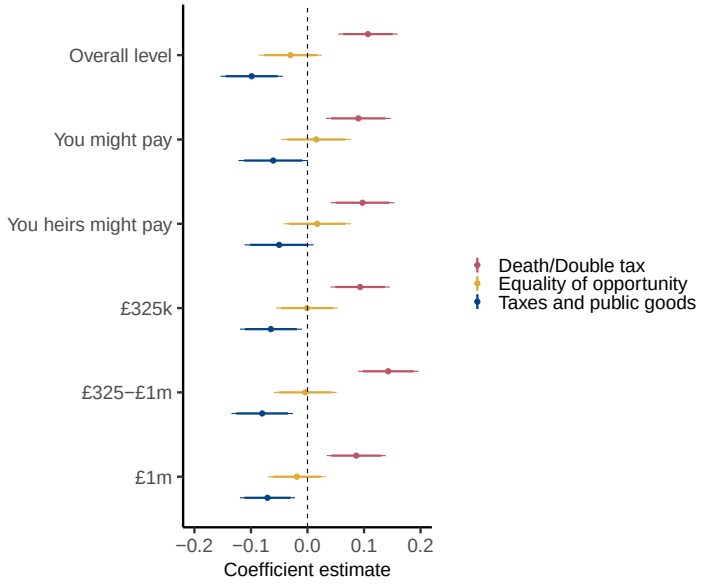
Before analyzing the effects of these treatments on preferences, we want to stress that the results from the first survey are replicated very closely in the second survey (see Online Appendix F), which adds validity to testing the effectiveness of new treatments using a new sample (it also speaks to the robustness of our initial set of results). Second, and in line with our theoretical argument, we preregistered the expectation that the vignette treatments would lower the number of don't know-responses on our inheritance tax questions, especially among low-wealth individuals, and indeed they did. The proportion of respondents who stated a preference in 'death/double tax' treatment group was, on average across the six questions, about seven percentage points higher than in the control group, whereas it was about five percentage points higher in 'taxes and public goods' group. In the 'equality of opportunity' group, however, the average treatment effect was only 1.5 percentage points (and statistically insignificant). Moreover, the observed treatment effects are all driven notably by low-wealth individuals, which means that the vignettes helped the respondents who are most likely to answer don't know to express an opinion (results are reported in Online Appendix G). This is important to keep in mind when reading the results of the vignettes on preferences.

With that said, we are now ready to analyze the treatment effects on preferences. Figure 10 shows that while the 'taxes and public goods' treatment made respondents less skeptical of inheritance taxation—by seven percentage points on average across the six questions—the equality of opportunity treatment did not influence aggregate public opinion. The results, therefore, only partly corroborate H4a. By contrast, the results are fully consistent with H5, since the 'death/double tax' treatment made participants more likely to think that taxes are too high—by an average 10 percentage points across all questions.

In Figure 11, we examine whether the treatment had varying effects across housing-wealth groups by interacting the treatment dummies with the respondent's own and their parents' housing tenure.[8] For the 'equality of opportunity' treatment, the top panel of Figure 11 shows that the treatment had no effect on preferences either among renters or homeowners. But in the bottom panel of the figure, we see that the effect of this treatment differs notably depending on whether or not the respondent stands to inherit a property in the future. Among children of non-homeowners, and people whose parents are deceased, the 'equality of opportunity' treatment consistently made respondents less skeptical of inheritance taxation (on average by 9.5 percentage points for children of non-homeowners, with some variation across the questions). By contrast, children of homeowners became *more* opposed to higher inheritance taxes after being primed that receiving an inheritance gives inheritors an advantage in life and that inheritance taxation can help level the playing field. On average across the six questions, the treatment effect differs by 15 percentage points between children of non-homeowners and homeowners. This is a strong indication that the treatment made

[8]In the pre-analysis plan, we stated that we would disaggregate the groups of homeowners and children of homeowners according to the value of their houses, as we did in the analysis above. Unfortunately, we overestimated the power we would have for this test, and therefore we do not disaggregate the groups of homeowners and children of homeowners here.

Figure 10: The Effect of the Priming Treatment on Inheritance Tax Preferences



Note: The figure shows estimates from linear probability models of whether the respondent thinks that taxes are (much) too high, with 90% and 95% confidence intervals (thick and thin lines). N = 2,559 (Overall level), 2,019 (You might pay), 2,037 (Your heirs might pay), 2,572 (<£325k), 2,569 (£325-£1), and 2,533 (>£1m). The corresponding table is found in Online Appendix G.

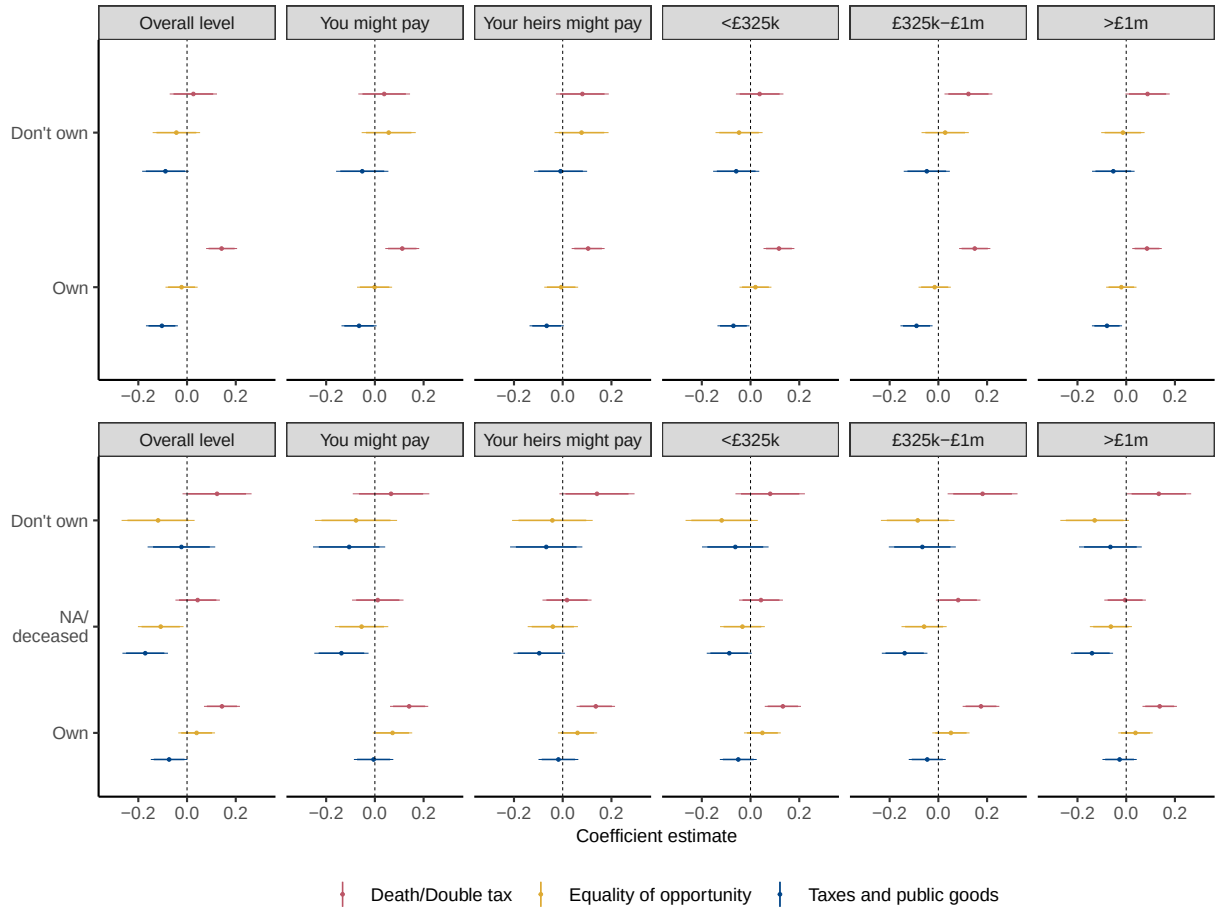
respondents express preferences more in line with their material self-interest, which is consistent with H4a.

In the 'taxes and public goods' treatment, on the other hand, the treatment effect did not differ much between either homeowners and non-homeowners (top panel) or among these groups' children (bottom panel). So while the 'taxes and public goods' treatment on aggregate appears stronger than the 'equality of opportunity,' the effects of that treatment don't vary as much by housing wealth groups.

Finally, Figure 11 shows that regardless of their own or parents' housing wealth, the effects of the 'death/double tax' treatment consistently made respondents more skeptical of inheritance taxation. This is consistent with H5 and suggests that basic cues about the inheritance tax, which frame it as a death or double tax, are highly effective in creating opposition to the tax.

All in all, these results suggest that informing people about the effects of inheritance taxation can help them formulate preferences that are in line with their material interest. At the same time, we saw that cues about inheritance taxation as a double or death tax are highly effective in triggering negative views on the tax. Which of these types of information dominate the public sphere, therefore, will be highly determinate for the political feasibility of inheritance taxation, and shape the politics wealth inequality.

Figure 11: The Effect of the Vignette Treatment on Inheritance Tax Preferences, by Own (Top Panel) and Parents' (Bottom Panel) Homeownership Status



Note: The figure shows estimates from linear probability models of whether the respondent thinks that taxes are (much) too high, with 90% and 95% confidence intervals (thick and thin lines). N = 2,559 (Overall level), 2,019 (You might pay), 2,037 (Your heirs might pay), 2,572 (<£325k), 2,659 (£325-£1), and 2,533 (>£1m). The corresponding table is found in Online Appendix G.

6 Conclusion

Wealth is far more unequally distributed than income. But inheritance taxes are relatively low in most countries, or tax thresholds high, and tax rates have declined significantly since the 1980s. We argue that one important cause of this disjuncture is that low-wealth individuals, notably renters and children of renters, who would stand to benefit from inheritance taxation, generally have ambiguous or moderate preferences, whereas property owners and their children, who would stand to lose out, hold strongly antagonistic views and are more vocal than their low-wealth counterparts. The key to understanding the lack of political appetite for using inheritance taxation to counteract wealth inequality, we have argued, lies in the contrasting political behaviours of families of property owners and non-owners.

Using a survey of over 3000 respondents in England and Wales, we provide a wide array of evidence to support this conjecture. Individuals who do not own property are far less likely to express an opinion on inheritance taxation—in general or on specific groups—than those who own property. And among those who own property, there are strong connections between their estimated property price (or their estimation of their parents' property price) and their attitudes to inheritance taxation, with those owning properties worth over an estimated £500,000 particularly unsupportive of inheritance taxation. Using a forced-choice conjoint experiment, we find similar results, and also confirm that those people who did not state an opinion on inheritance taxation in earlier questions have more moderate preferences than those who did. Using a second survey of the United Kingdom, we are able to replicate all of these findings. Finally, we address the question of whether support for inheritance taxation can be galvanized by providing information on the distribution of local or national house prices or by priming respondents to consider their material interest at stake. In line with several existing studies of income inequality, we find no conclusive evidence that factual information about wealth inequality alters attitudes towards inheritance taxation. Yet, we do find that primes that highlight the beneficial effects of inheritance taxation on public goods provision, income taxes, or equality of opportunity can increase support the tax. At the same time, cues about the inheritance tax as a death or double tax, which flow broadly in the public sphere, consistently cause more negative views of inheritance taxation.

All in all, it appears that inheritance taxation faces two obstacles - ambivalence and hostility. While few people's estates actually incur inheritance tax, few citizens seem especially supportive of high rates of inheritance tax—on inheritances below a million pounds, the modal preferred tax rate in our analyses is never above 20 %. On the other side of the ledger, property owners have strongly held and hostile views towards inheritance taxation, which largely match their material interest. In light of these twin challenges, it is unsurprising that the cross-national direction of travel has been to cut inheritance tax or remove it entirely.

One corollary of this is that in an era of rising house prices, the effects identified in this study stand to be amplified and opposition to inheritance taxation is likely to increase further. In the medium term, this will make it even harder for left-parties to be strong advocates for higher inheritance taxes—they would stand to gain little, while their opponents would find it easy to mobilise support against the proposals. Thus, it may become increasingly difficult to counteract wealth inequality through inheritance taxation.

References

Alesina, Alberto, Stefanie Stantcheva and Edoardo Teso. 2018. "Intergenerational Mobility and Preferences for Redistribution." American Economic Review 108(2):521–554.

Althaus, Scott L. 2003. Collective Preferences in Democratic Politics: Opinion Surveys and the Will of the People. New York: Cambridge University Press.

Alvaredo, Facundo, Bertrand Garbinti and Thomas Piketty. 2017. "On the Share of Inheritance in Aggregate Wealth: Europe and the USA, 1900–2010." Economica 84(334):239–260.

Ansell, Ben W. 2019. "The Politics of Housing." Annual Review of Political Science 22:165–185.

Balestra, Carlotta and Richard Tonkin. 2018. Inequalities in household wealth across OECD countries: Evidence from the OECD Wealth Distribution Database. Technical report OECD.

Ballard-Rosa, Cameron, Lucy Martin and Kenneth Scheve. 2017. "The structure of American income tax policy preferences." The Journal of Politics 79(1):1–16.

Barnes, Lucy. 2015. "The size and shape of government: Preferences over redistributive tax policy." Socio-Economic Review 13(1):55–78.

Bartels, Larry M. 2008. Unequal Democracy: The Political Economy of the New Gilded Age. New York and Princeton: Russell Sage Foundation and Princeton University Press.

Bastani, Spencer and Daniel Waldenström. 2021. "Perceptions of Inherited Wealth and the Support for Inheritance Taxation." Economica 88(350):532–569.

Behrman, Jere R., Olivia S. Mitchell, Cindy K. Soo and David Bravo. 2012. "How Financial Literacy Affects Household Wealth Accumulation." The American economic review 102(3):300–304.

Berinsky, Adam J. 2004. Silent voices: Opinion polls and political representation in America. Princeton and Oxford: Princeton University Press.

Charles, Kerwin Kofi and Erik Hurst. 2003. "The correlation of wealth across generations." Journal of political Economy 111(6):1155–1182.

Ciani, Emanuele, Louis Freget and Thomas Manfredi. 2021. "Learning about Inequality and Demand for Redistribution: A Meta-Analysis of In-Survey Informational Experiments." OECD Papers on Well-Being and Inequalities .

Clark, Gregory and Neil Cummins. 2015. "Intergenerational wealth mobility in England, 1858–2012: surnames and social mobility." The Economic Journal 125(582):61–85.

Converse, Philip E. 2006. "The Nature of Belief Systems in Mass Publics (1964)." Critical Review: A Journal of Politics and Society 18(1-3):1–74.

Cruces, Guillermo, Ricardo Perez-Truglia and Martin Tetaz. 2013. "Biased perceptions of income distribution and preferences for redistribution: Evidence from a survey experiment." Journal of Public Economics 98:100–112.

Delli Carpini, Michael X. and Scott Keeter. 1996. What Americans Know About Politics And Why It Matters. New Haven & London: Yale University Press.

Elinder, Mikael, Oscar Erixson and Daniel Waldenström. 2018. "Inheritance and wealth inequality: Evidence from population registers." Journal of Public Economics 165:17–30.

Ferrario, Beatrice and Stefanie Stantcheva. 2022. Eliciting People's First-Order Concerns: Text Analysis of Open-Ended Survey Questions. Working Paper 29686 National Bureau of Economic Research.

Fisman, Raymond, Keith Gladstone, Ilyana Kuziemko and Suresh Naidu. 2020. "Do Americans want to tax wealth? Evidence from online surveys." Journal of Public Economics 188:104207.

Gardiner, Laura. 2017. The million dollar be-question: inheritances, gifts, and their implications for generational living standards * Resolution Foundation. Technical report Resolution Foundation.

Graetz, Michael J. and Ian Shapiro. 2005. Death by a Thousand Cuts: The Fight over Taxing Inherited Wealth. Princeton: Princeton University Press.

Hainmueller, Jens, Daniel J. Hopkins and Teppei Yamamoto. 2014. "Causal inference in conjoint analysis: Understanding multidimensional choices via stated preference experiments." Political Analysis 22(1):1–30.

Kahneman, Daniel and Amos Tversky. 1979. "Prospect Theory: An Analysis of Decision under Risk." Econometrica 47(2):263.

Klitgaard, Michael Baggesen and Thomas Paster. 2021. "How Governments Respond to Business Demands for Tax Cuts: A Study of Corporate and Inheritance Tax Reforms in Austria and Sweden." Scandinavian Political Studies 44(1):91–111.

Kuziemko, Ilyana, Michael I. Norton, Emmanuel Saez and Stefanie Stantcheva. 2015. "How elastic are preferences for redistribution? Evidence from randomized survey experiments." American Economic Review 105(4):1478–1508.

Leeper, Thomas J., Sara B. Hobolt and James Tilley. 2020. "Measuring Subgroup Preferences in Conjoint Experiments." Political Analysis 28(2):207–221.

McCall, Leslie, Derek Burk, Marie Laperrière and Jennifer A Richeson. 2017. "Exposure to rising inequality shapes Americans' opportunity beliefs and policy support." Proceedings of the National Academy of Sciences 114(36):9593–9598.

OECD. 2021. Inheritance Taxation in OECD Countries. OECD Tax Policy Studies Paris, France: OECD Publishing.
URL: *https://www.oecd-ilibrary.org/taxation/inheritance-taxation-in-oecd-countries_e2879a7d-en*

Page, Benjamin I. and Robert Y. Shapiro. 1992. The Rational Public: Fifty Years of Trends in Americans' Policy Preferences Chicago: Chicago University Press.

Piketty, Thomas. 2014. Capital in the Twenty-First Century. Cambridge, Massachusetts: The Belknap Press of Harvard University Press.

Piketty, Thomas and Emmanuel Saez. 2013. "A Theory of Optimal Inheritance Taxation." Econometrica 81(5):1851–1886.

Piketty, Thomas, Emmanuel Saez and Gabriel Zucman. 2013. "Rethinking capital and wealth taxation." Paris School of Economics WP 1:1–20.

Piketty, Thomas, Emmanuel Saez and Gabriel Zucman. 2018. "Distributional National Accounts: Methods and Estimates for the United States*." The Quarterly Journal of Economics 133(2):553–609.

Piketty, Thomas and Gabriel Zucman. 2015. "Wealth and inheritance in the long run." Handbook of Income Distribution 2:1303–1368.

Sands, Melissa L. 2017. "Exposure to inequality affects support for redistribution." Proceedings of the National Academy of Sciences of the United States of America 114(4):663–668.

Sands, Melissa L. and Daniel de Kadt. 2020. "Local exposure to inequality raises support of people of low wealth for taxing the wealthy." Nature 586(7828):257–261.

Scheve, Kenneth and David Stasavage. 2016. Taxing the Rich: A History of Fiscal Fairness in the United States and Europe. Princeton and Oxford: Princeton University Press.

Sides, John. 2015. "Stories or Science? Facts, Frames, and Policy Attitudes." American Politics Research 44(3):387–414.

Slemrod, Joel. 2006. "The role of misconceptions in support for regressive tax reform." National Tax Journal 59(1):57–75.

Stantcheva, Stefanie. 2021. "Understanding Tax Policy: How do People Reason?" The Quarterly Journal of Economics 136(4):2309–2369.

Zaller, John. 1992. The Nature and Origins of Mass Opinion. Cambridge: Cambridge University Press.

Appendix: For Online Publication

Contents

A Survey House Price Estimates versus ONS House Price Statistics

Our survey was conducted in England and Wales between the 28th of May and 7th of June 2021. Data from the ONS (at https://landregistry.data.gov.uk/app/ukhpi) shows that for June 2021 the average house price in England was £285,002 and in Wales was £196,536. Adjusting for the relative volumes of houses sold (138,270 in England and 6,110 in Wales) gives England and Wales an average of £281,112.

It is immediately apparent from Table A1 that the figures from ONS and our survey are very close at the regional level—the average deviation is £5,240 (an average gap of 1.7 percent). The largest differences are in the Midlands, where our respondents had slightly cheaper houses (by around £15,000 or seven percent). Figures A2 and A3 show histograms of (logged) individual house price estimates for England and Wales as a whole and each region and these largely follow a log-normal distribution.

Respondents were shown data on the local authority house median house price from the end of 2019 (i.e. before the pandemic to avoid the possible distortions introduced by the shock to housing sales of using 2020/2021 data). Average house prices in England at the end of 2019 were £248,097, whereas in the month of the survey they were somewhat higher £285,002 due to COVID's effects on the housing market which raised prices, particularly for detached housing in the countryside. So on average, median prices at the time of the survey were around £38,000 higher.

We now compare the 2019 local authority prices to the estimates given by respondents in May/June 2021 (note respondents gave their house price pre-treatment). Figure A3 shows the full data on people who owned houses (omitting those who put down a house price of more than £2m)—the corresponding regression table is shown in Table A2. The black line shows a 45 degree line, whereas the blue line and confidence interval are the best linear fit. We see a very close linear relationship but with an offset of around £60,000. This may reflect two things. First, house prices had increased by £38,000 over the time period on average —as

Table A1: Comparing house price estimates from the YouGov survey to those from ONS

Region	Median Price from ONS (June 2021)	Median Price in Survey
East Midlands	£225,824	£210,000
East of England	£323,910	£327,500
London	£506,583	£500,000
North-East	£152,416	£150,000
North-West	£200,568	£200,000
South-East	£359,672	£350,000
South-West	£299,218	£300,000
Wales	£196,536	£200,000
West Midlands	£231,513	£217,500
Yorkshire and Humber	£196,452	£197,500

Figure A1: Histogram of estimated house prices

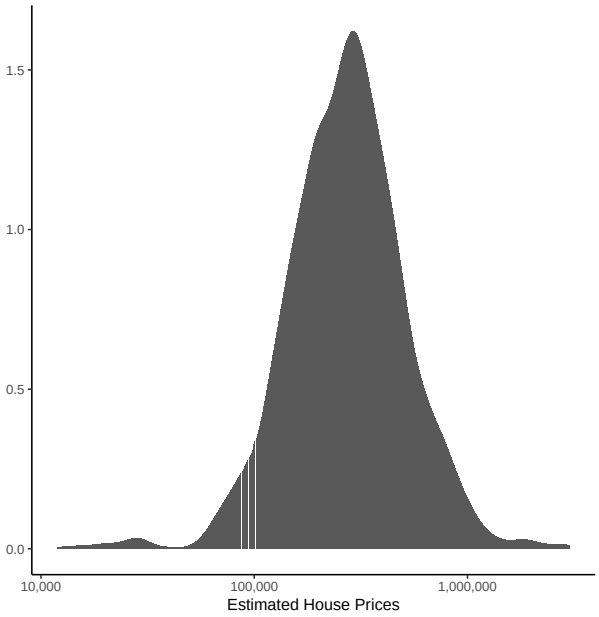
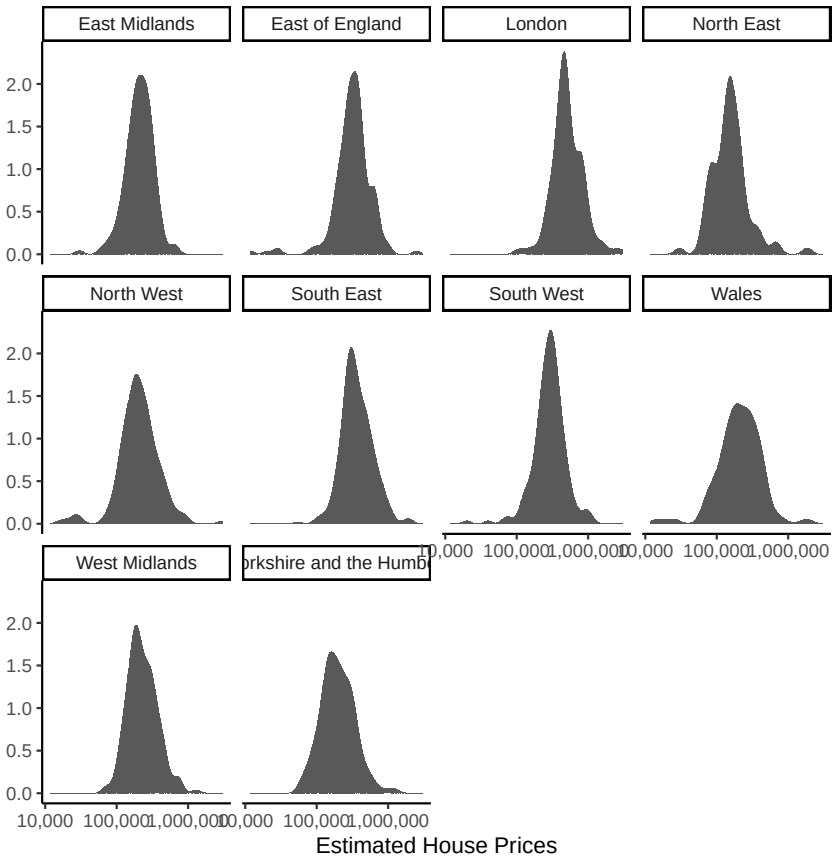


Figure A2: Histogram of estimated house prices, by Region



noted above. The remaining £22,000 could come from either (a) over-optimistic estimates, (b) the fact that regression takes the mean (not median) of the conditional expectation, (c) that some residences sold are occupied by renters, who do not answer our house price question, (d) or some un-representativeness at the local authority level (though note the sample is highly representative of house prices at the regional level).

Figure A3: Association between estimated house price and actual house, local authority level

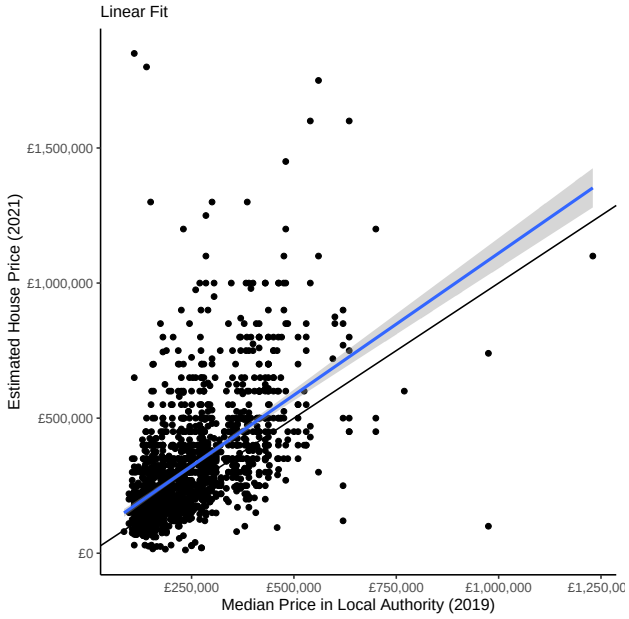


Table A2: DV: Individual House Price Estimate

(Intercept)	59955.2
	-10210
Median Local Authority Price	1.051
	-0.037
Num.Obs.	1700
R2	0.317

We can deal with problem (b) by taking the median house price offered by the sample of respondents for each local authority and removing local authorities with fewer than seven respondents. The numbers in Figure A4 reflect the number of observations in each local authority. Here we see the intercept has been reduced by £10,000 once we take the median answer into account (the corresponding regression table is shown in Table A3. This leaves over-optimism, different tenure status, and sample un-representativeness as potential explanations for the remaining difference of around £10,000. Our R squared measure of fit also more than doubles from 0.316 to 0.714, largely because we have reduced dispersion by aggregating. Finally, whereas the line of best fit was 1.05 in the previous analysis it is now 0.997—slightly closer to a one to one

relationship.

Figure A4: Association between estimated house price and actual house, local authority level

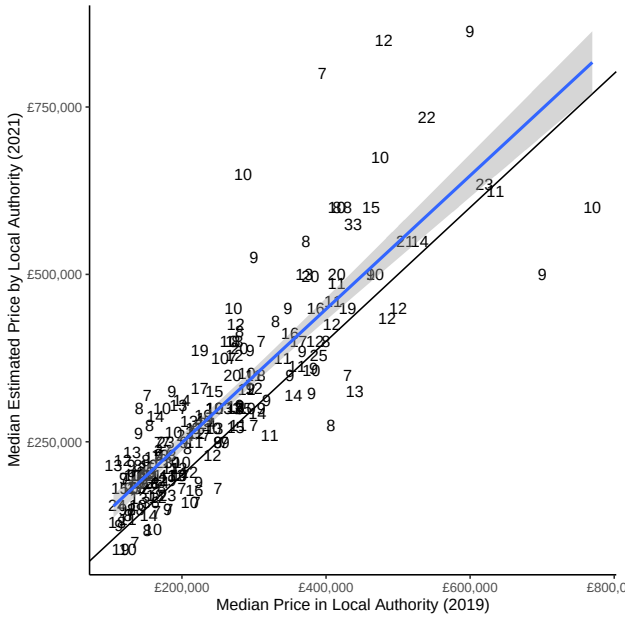
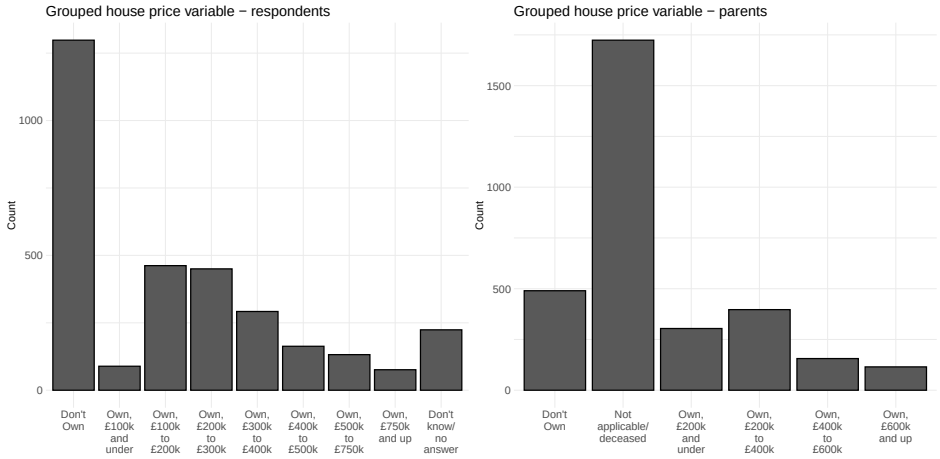


Table A3: DV: Median House Price Estimate by Local Authority

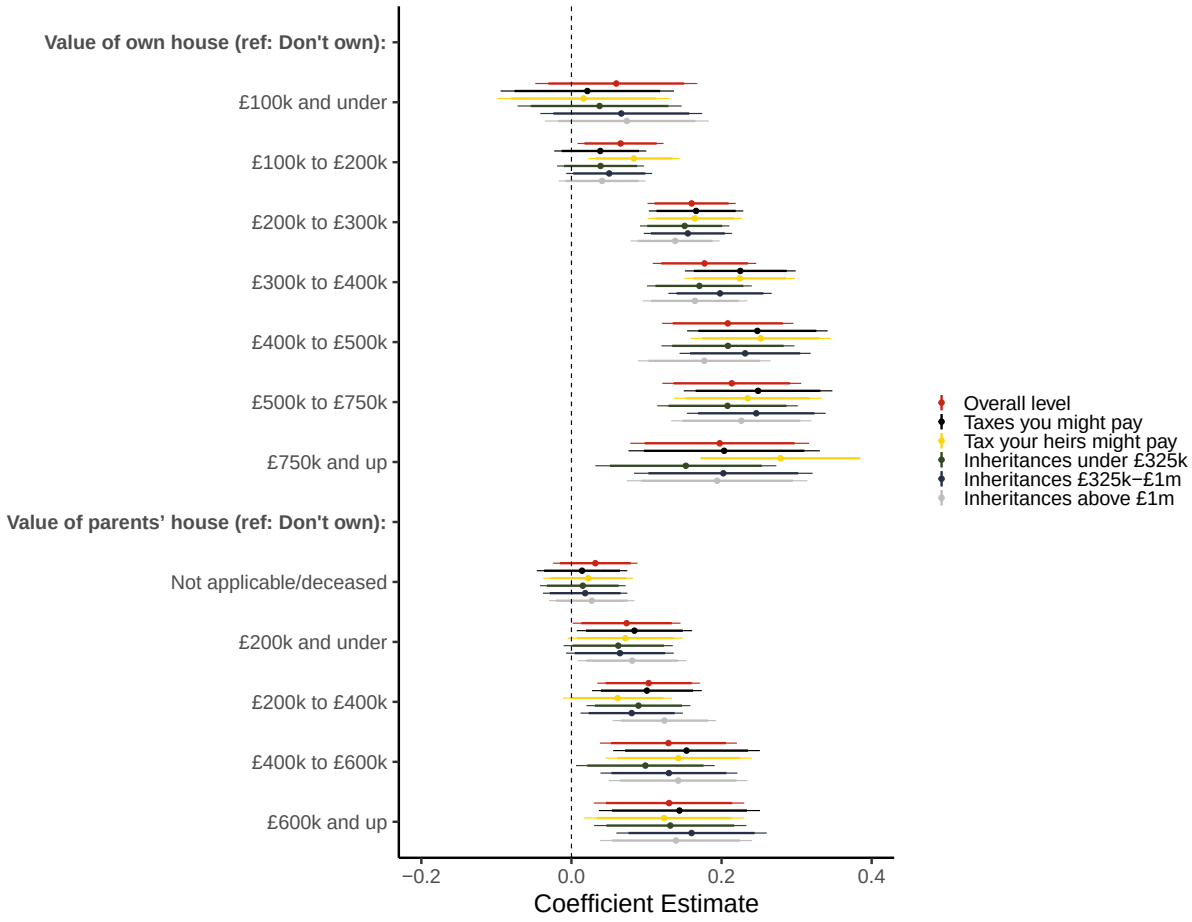
(Intercept)	49223.771
	(12746.289)
Median Local Authority Price	0.997
	(0.045)
Num.Obs.	200
R2	0.715

Figure A5: Distributions of The Grouped House Price Variables



B The Wealth Gradient in 'Don't Know'-Responses for All Inheritance Tax Questions

Figure B1: The relationship between wealth and registering an opinion on question about inheritance tax rates



Logistic regression coefficients with 95% confidence intervals (thick line) and 90% confidence intervals (thin line). All models include controls for household income, age, gender, and level of education. N = 2,258.

C Inheritance vs. Income Taxation

Figure C1: Preferences over income taxation

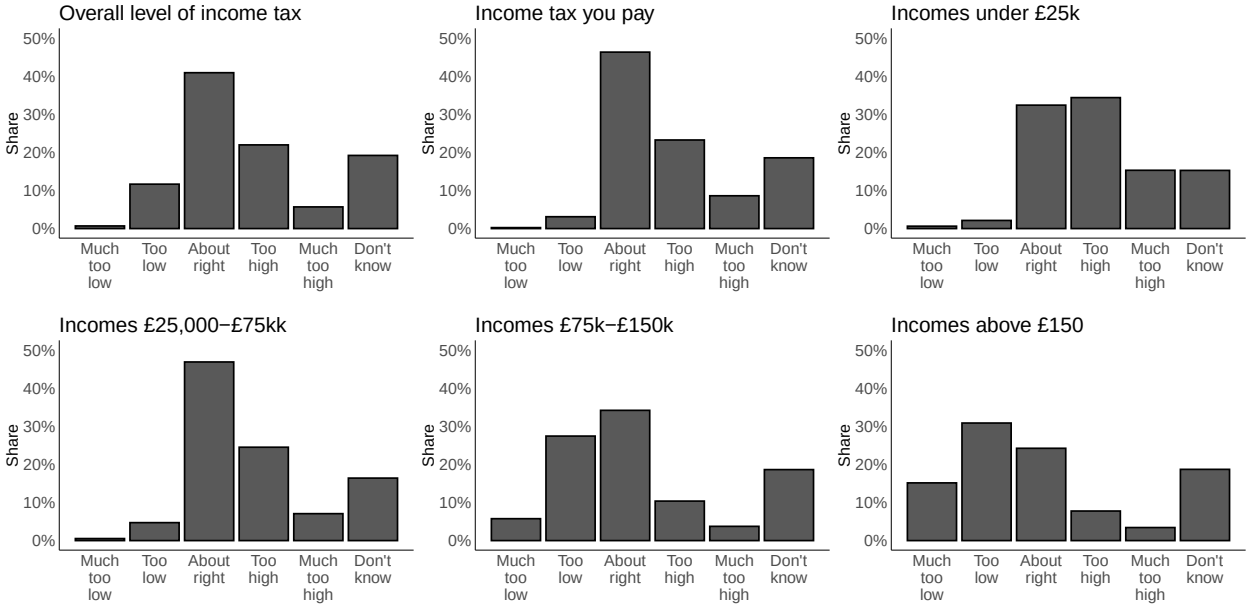


Figure C2: Preferences over the progressivity of the inheritance and income tax systems

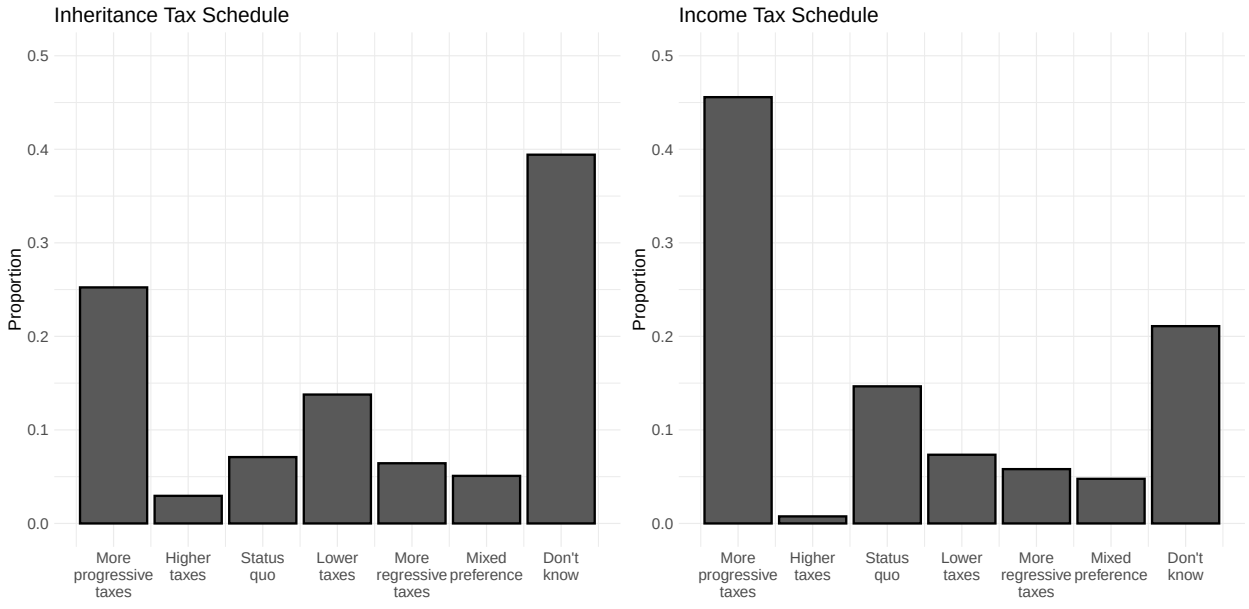


Table C1: Probability of answering questions about overall inheritance and income tax levels, by socio-economic and wealth status

Panel A: Inheritance Taxation				
		Wealth Status		
		Low	High	Wealth effect
Socio-economic status	Low	0.42	0.83	0.41
	High	0.71	0.94	0.23
Panel B: Income Taxation				
		Wealth Status		
		Low	High	Wealth effect
Socio-economic status	Low	0.56	0.93	0.37
	High	0.92	0.99	0.07

Note: A person with low socio-economic status is a female respondent of average age without a university degree who earns less than £5000 a year. A person with high socio-economic status is a male respondent of average age with a university degree who earns more than £150k a year. A person with low wealth status is a renter and whose parents don't own a property. A person with high wealth status owns a house worth more than £750k and whose parents own a property worth more than £600.

D Full Set of Results for Figure 4

Table D1: Table for Left Panel of Figure 4

	Overall level	You pay	Heirs pay	Overall level	You pay	Heirs pay
	Ordered logistic regression			*Linear Probability Model*		
	(1)	(2)	(3)	(4)	(5)	(6)
Value of own house:						
£100k and under	0.324	0.467	0.473	0.118	0.043	0.087
	(0.278)	(0.334)	(0.322)	(0.078)	(0.086)	(0.087)
£100k to £200k	−0.065	−0.280	−0.284	−0.049	−0.106*	−0.119*
	(0.149)	(0.167)	(0.164)	(0.041)	(0.045)	(0.044)
£200k to £300k	0.173	−0.088	0.056	0.055	−0.016	0.028
	(0.149)	(0.162)	(0.162)	(0.040)	(0.043)	(0.043)
£300k to £400k	0.231	0.100	0.108	0.085	0.045	0.067
	(0.171)	(0.181)	(0.181)	(0.046)	(0.048)	(0.049)
£400k to £500k	0.429*	0.182	0.233	0.126*	0.085	0.074
	(0.205)	(0.218)	(0.220)	(0.056)	(0.059)	(0.059)
£500k to £750k	0.764*	0.913*	0.718*	0.202*	0.200*	0.174*
	(0.222)	(0.238)	(0.239)	(0.059)	(0.062)	(0.063)
£750k and up	0.543*	0.558	0.452	0.141	0.195*	0.170*
	(0.276)	(0.302)	(0.292)	(0.075)	(0.080)	(0.078)
Value of parents' house:						
Not applicable/deceased	0.183	0.209	0.513*	−0.009	−0.016	0.079
	(0.158)	(0.172)	(0.173)	(0.043)	(0.046)	(0.046)
£200k and under	0.122	0.301	0.509*	0.022	0.054	0.090
	(0.191)	(0.207)	(0.213)	(0.052)	(0.055)	(0.056)
£200k to £400k	0.251	0.389*	0.537*	0.064	0.082	0.125*
	(0.179)	(0.195)	(0.200)	(0.049)	(0.052)	(0.053)
£400k to £600k	0.351	0.293	0.537*	0.033	0.003	0.087
	(0.229)	(0.245)	(0.246)	(0.062)	(0.065)	(0.065)
£600k and up	0.141	0.223	0.550*	0.027	0.037	0.114
	(0.253)	(0.267)	(0.273)	(0.068)	(0.071)	(0.072)
Demographics:						
Household income	−0.003	−0.020	−0.001	−0.002	−0.005	−0.002
	(0.015)	(0.016)	(0.016)	(0.004)	(0.004)	(0.004)
Age	−0.009*	−0.010*	−0.007	−0.002	−0.002*	−0.002
	(0.004)	(0.004)	(0.004)	(0.001)	(0.001)	(0.001)
Female	0.268*	0.224*	0.162	0.085*	0.077*	0.066*
	(0.092)	(0.100)	(0.100)	(0.025)	(0.027)	(0.027)
University degree	−0.495*	−0.439*	−0.509*	−0.116*	−0.113*	−0.119*
	(0.099)	(0.108)	(0.108)	(0.027)	(0.029)	(0.029)
Constant				0.585*	0.703*	0.566*
				(0.066)	(0.068)	(0.070)
Observations	1,559	1,361	1,370	1,559	1,361	1,370

Note: * p<0.05. Baselines for the value of own and parents' house are in both cases 'not property owner'.

Table D2: Table for Right Panel of Figure 4

	<£325k	£325k-£1m	>£1m	<£325k	£325k-£1m	>£1m
	Ordered logistic regression			*Linear Probability Model*		
	(1)	(2)	(3)	(4)	(5)	(6)
Value of own house:						
£100k and under	0.311	0.111	0.138	0.082	0.021	−0.065
	(0.290)	(0.282)	(0.268)	(0.080)	(0.076)	(0.070)
£100k to £200k	−0.159	−0.001	0.086	−0.035	−0.025	−0.028
	(0.153)	(0.150)	(0.150)	(0.042)	(0.041)	(0.038)
£200k to £300k	0.142	0.210	0.313*	0.058	0.078	0.051
	(0.150)	(0.149)	(0.149)	(0.041)	(0.040)	(0.037)
£300k to £400k	0.013	0.305	0.239	0.045	0.118*	0.031
	(0.171)	(0.169)	(0.171)	(0.047)	(0.045)	(0.043)
£400k to £500k	0.148	0.717*	0.380	0.074	0.232*	0.013
	(0.210)	(0.202)	(0.207)	(0.057)	(0.055)	(0.052)
£500k to £750k	0.190	0.997*	0.836*	0.049	0.281*	0.120*
	(0.220)	(0.219)	(0.216)	(0.060)	(0.058)	(0.054)
£750k and up	0.065	0.806*	1.077*	0.026	0.238*	0.209*
	(0.285)	(0.275)	(0.273)	(0.078)	(0.075)	(0.069)
Value of parents' house:						
Not applicable/deceased	0.084	0.414*	0.208	−0.025	0.042	0.021
	(0.160)	(0.158)	(0.157)	(0.043)	(0.042)	(0.039)
£200k and under	0.095	0.126	0.023	0.008	0.033	0.007
	(0.195)	(0.194)	(0.191)	(0.053)	(0.051)	(0.048)
£200k to £400k	0.286	0.413*	−0.051	0.032	0.083	−0.034
	(0.182)	(0.181)	(0.179)	(0.049)	(0.048)	(0.045)
£400k to £600k	0.077	0.542*	0.378	−0.016	0.089	0.059
	(0.231)	(0.229)	(0.230)	(0.064)	(0.061)	(0.057)
£600k and up	0.229	0.610*	0.608*	0.014	0.139*	0.165*
	(0.257)	(0.245)	(0.253)	(0.069)	(0.066)	(0.062)
Demographics:						
Household income	−0.018	0.002	−0.013	−0.006	−0.001	−0.003
	(0.015)	(0.015)	(0.015)	(0.004)	(0.004)	(0.004)
Age	−0.003	−0.007	−0.006	−0.001	−0.002	−0.001
	(0.004)	(0.004)	(0.004)	(0.001)	(0.001)	(0.001)
Female	0.066	0.224*	0.172	0.028	0.060*	0.005
	(0.094)	(0.092)	(0.092)	(0.026)	(0.025)	(0.023)
University degree	−0.368*	−0.458*	−0.479*	−0.090*	−0.106*	−0.057*
	(0.101)	(0.099)	(0.099)	(0.027)	(0.026)	(0.025)
Constant				0.644*	0.427*	0.361*
				(0.066)	(0.064)	(0.059)
Observations	1,545	1,565	1,557	1,545	1,565	1,557

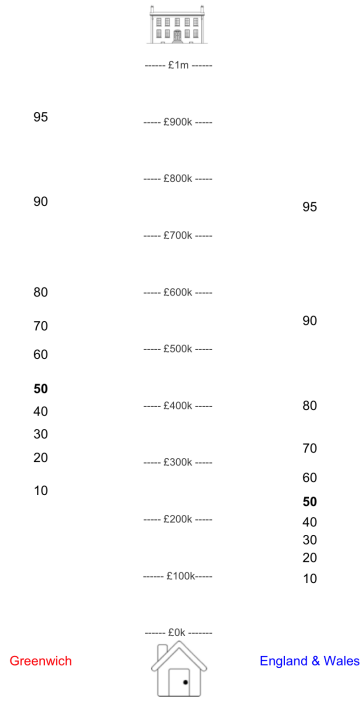
Note: * p<0.05. Baselines for the value of own and parents' house are in both cases 'not property owner'.

E Information Experiment: House Price Distributions

Figure E1 shows an example of the national+local treatment in the case of Greenwich. The housing ladder in the middle of the image shows house prices ranging from £0 to £1m. On the right of the ladder are percentiles of the distribution of house prices in England and Wales, and on the left, percentiles of the distribution of house prices locally in Greenwich. The image came with the following description:

> "The HOUSING LADDER figure below shows the cost of houses in your local authority (left) and in England and Wales (right) in 2019. Each number represents the percentage of houses sold in that area that were cheaper than the price shown on the housing ladder. For example, the number 95 indicates that 95 percent of houses sold for less than that price. The number 20 indicates that 20 percent of houses sold for less than that price. The number 50 shows the average (median) price of a house sold in that area."

Figure E1: The National+Local Information Treatment for Greenwich



Respondents in the national treatment were shown the same image and text, but with no information about their local authority. We followed up with two questions about the treatment that asked how much you would have to pay in order to buy a house that was more expensive than 90% of houses sold in England and Wales. Respondents in the national treatment were also asked about the price of an average house in England and Wales in 2019, and those in the local+national treatment were asked whether an average

house in the respondent's local authority was cheaper than an average house nationally. 65% in the national treatment group and 46% in the local+national treatment group answered both questions correctly.

We first check if the assignment to the treatment and control groups was random by conducting simple balance tests using the 'cobalt' package (cobalt: Covariate Balance Tables and Plots) in R developed by Noah Greifer. We calculate the standardized mean differences for continuous variables and raw differences in proportion for binary variables. The results in Table E1 show that all differences are close to zero and well below a conservative threshold of 0.1.

Table E1: Balance Tests, Information Experiment

Variable name	Type	Std. Mean Dif.
age	C	0.0689
gender	B	0.0260
hh_income	C	0.0293
hh_income: NA	B	0.0089
homeowner	B	0.0162
degree	B	0.0212
degree: NA	B	0.0058
parent_homeowner	C	0.0536
house: 100k and under	B	0.0016
house: 100k to 200k	B	0.0177
house: 200k to 300k	B	0.0277
house: 300k to 400k	B	0.0161
house: 400k to 500k	B	0.0151
house: 500k to 750k	B	0.0077
house: 750k and up	B	0.0083
house: NA	B	0.0128
parents' house: Don't own	B	0.0088
parents' house: Not applicable/deceased	B	0.0224
parents' house: 200k and under	B	0.0045
parents' house: 200k to 400k	B	0.0108
parents' house: 400k to 600k	B	0.0143
parents' house: 600k and up	B	0.0057

B = binary variable; C = continuous variable. Sample sizes: Control: 1071; Local: 1048; National: 1067.

Table E2: Table for Figure 8

	Dependent variable:					
	Overall level	You might pay	Your heirs might pay	<£325k	£325k-£1m	>£1m
Panel A: Direct treatment effects						
National	0.013	−0.010	−0.0002	0.074	0.170	0.128
	(0.096)	(0.104)	(0.103)	(0.097)	(0.095)	(0.095)
National+local	−0.065	−0.095	−0.140	−0.134	0.050	0.009
	(0.097)	(0.105)	(0.104)	(0.098)	(0.097)	(0.096)

Note: * p<0.05.

In Table E2, we report the regression results for Figure 8. And in Figure E2, we display the difference in marginal means from the conjoint between the control and the two treatment groups. It shows that the treatments appear to have made respondents slightly less supportive of higher taxes on inheritances below £125k and slightly more supportive of keeping these inheritances exempt from taxation. An omnibus F-test,

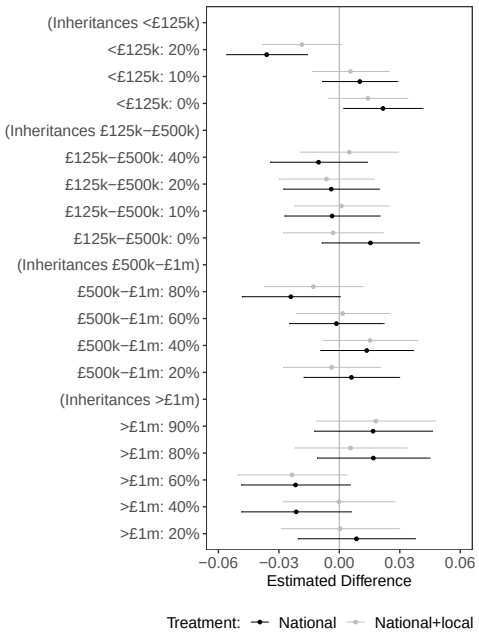
however, indicates that the treatments overall had no impact on preferences (F(26; 31,847)=1.08, p=0.36), and there are also no significant differences in preferences on any of the other brackets.

Table E3 shows that the treatment did not affect respondents' propensity to answer the inheritance tax questions.

Figure 9 shows the effect of the treatment on inheritances tax preferences, conditional on housing tenure. And Table E6 reports the results of omnibus F-tests for the joint significance of the interaction of the treatment with the respective socio-economic group. Overall, we do not find any systematic conditional effect of the treatment by housing wealth, future expected housing wealth, income, education, or gender.

In Figure E3, we report the effects of the treatment among respondents who answered both comprehension check questions correctly. Limiting the analysis to these respondents does not change the results substantively.

Figure E2: Treatment effects on preferred inheritance tax rates



E.1 Misperceptions Regarding the House Price Distribution among Homeowners

Before showing survey participants the housing ladders, we asked them to rank their household compared to others in Britain, including regarding the value of their house. The exact question read: "Imagine we divided British households into five equally-sized groups, based on income, wealth, or the value of their houses, where 1 is the least wealthy group and 5 is the wealthiest group. Considering this scale, where would you place your household for each of the following? (Total household income; Total household wealth

Table E3: People Are Not More Likely to Register an Opinion when Getting the Information Treatment

	Overall level	You might pay	Your heirs might pay	<£325k	£325k-£1m	>£1m
Constant	0.65*	0.58*	0.58*	0.65*	0.66*	0.66*
	(0.01)	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)
National treatment	0.02	−0.01	−0.00	0.01	0.01	−0.00
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
National+local treatment	−0.01	−0.01	0.01	−0.01	−0.00	−0.01
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
R^2	0.00	0.00	0.00	0.00	0.00	0.00
Num. obs.	3186	3186	3186	3186	3186	3186

*$p < 0.05$. Linear probability model. Dependent variable equal 1 if respondent registered a preference, 0 otherwise.

Table E4: Table for Top Panel of Figure 9

	Overall level	You might pay	Your heirs might pay	<£325k	£325k-£1m	>£1m
Constant	0.563*	0.621*	0.617*	0.536*	0.397*	0.318*
	(0.033)	(0.035)	(0.035)	(0.033)	(0.032)	(0.030)
National treatment	−0.009	0.022	−0.023	0.053	0.041	0.031
	(0.047)	(0.050)	(0.050)	(0.046)	(0.046)	(0.043)
National+local treatment	−0.059	−0.098*	−0.115*	−0.063	−0.024	−0.027
	(0.047)	(0.049)	(0.050)	(0.047)	(0.046)	(0.043)
Homeowner	−0.017	−0.061	−0.043	−0.024	0.050	−0.014
	(0.040)	(0.042)	(0.043)	(0.040)	(0.040)	(0.037)
National X homeowner	0.027	−0.017	0.046	−0.024	−0.013	−0.018
	(0.057)	(0.060)	(0.060)	(0.057)	(0.056)	(0.052)
National+local X homeowner	0.067	0.133*	0.124*	0.066	0.061	0.038
	(0.057)	(0.060)	(0.060)	(0.057)	(0.057)	(0.053)
R^2	0.001	0.005	0.004	0.004	0.005	0.001
Num. obs.	2090	1819	1848	2077	2102	2104

*$p < 0.05$. Linear probability model. Dependent variable is whether the respondent thinks that taxes are (much) too high

Table E5: Table for Bottom Panel of Figure 9

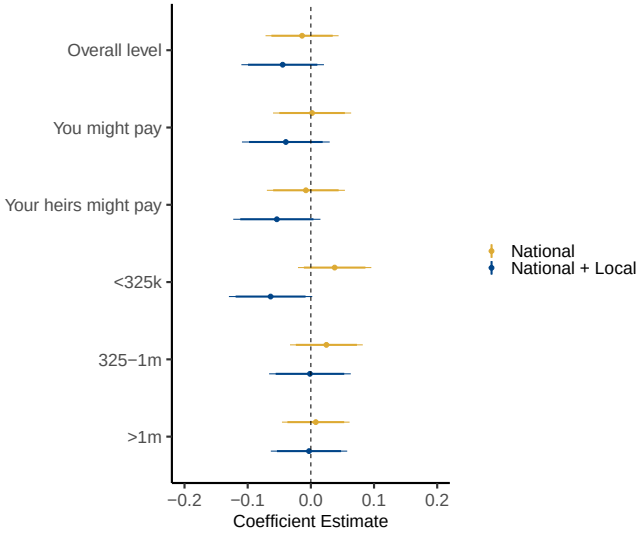
	Overall level	You might pay	Your heirs might pay	<£325k	£325k-£1m	>£1m
Constant	0.565*	0.607*	0.548*	0.500*	0.376*	0.333*
	(0.052)	(0.052)	(0.054)	(0.051)	(0.049)	(0.047)
National treatment	−0.054	−0.007	−0.080	0.091	0.044	−0.031
	(0.074)	(0.076)	(0.078)	(0.074)	(0.072)	(0.069)
National+local treatment	−0.059	−0.127	−0.113	−0.006	−0.043	−0.025
	(0.075)	(0.078)	(0.078)	(0.075)	(0.074)	(0.070)
NA/deceased	−0.053	−0.069	0.049	0.023	0.033	−0.062
	(0.060)	(0.061)	(0.062)	(0.059)	(0.057)	(0.054)
Homeowner	0.020	0.000	0.045	0.024	0.089	0.001
	(0.059)	(0.060)	(0.061)	(0.058)	(0.057)	(0.053)
National X NA/deceased	0.105	0.030	0.096	−0.082	0.004	0.102
	(0.084)	(0.088)	(0.089)	(0.084)	(0.083)	(0.078)
National+local X NA/deceased	0.062	0.144	0.064	−0.020	0.083	0.081
	(0.086)	(0.090)	(0.089)	(0.086)	(0.085)	(0.080)
National X homeowner	0.044	0.014	0.104	−0.041	−0.030	0.016
	(0.084)	(0.087)	(0.089)	(0.084)	(0.083)	(0.078)
National+local X homeowner	0.041	0.131	0.121	−0.011	0.051	−0.022
	(0.085)	(0.088)	(0.089)	(0.085)	(0.084)	(0.079)
R^2	0.003	0.005	0.009	0.003	0.005	0.003
Num. obs.	2090	1819	1848	2077	2102	2104

*$p < 0.05$. Linear probability model. Dependent variable is whether the respondent thinks that taxes are (much) too high

Table E6: Omnibus tests of differential treatment effects by own and parents' housing tenure.

	Test statistic	P-value
Treatment × homeowner	F(52; 31,834)=1.21	0.14
Treatment × parents homeowner	F(78; 31,821)=0.96	0.58
Treatment × value of own house	F(104; 29,568)=1.05	0.36
Treatment × value of parents' house	F(130; 31,795)=1.03	0.40
Treatment × income (3 groups)	F(78; 22,721)=0.88	0.76
Treatment × university degree	F(52; 30,364)=1.13	0.24
Treatment × gender	F(52; 31,834)=1.00	0.48

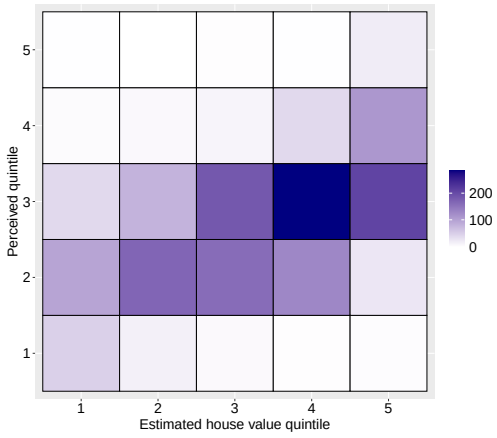
Figure E3: The Information Treatment Had No Effect on Inheritance Tax Preferences even Respondents Gave Correct Answer to our Comprehension check questions.



(savings, equity in house etc.); Value of your house)". Since we had collected house price estimates earlier in the survey, we can allocate respondents to house value quintiles based on these estimates and on the assumption, substantiated in Appendix A, that individual house price estimates are generally accurate. A cross-tabulation of these estimates and people's perceived position in the housing distribution, depicted in Figure E4, reveals a strong middle class bias. People whose house values place them in the upper two quintiles of the housing distribution overwhelmingly locate themselves in the middle quintile. Likewise, but less strongly so, people with the least valuable houses tend to place themselves in a higher quintile: almost everyone seems to believe they are middle class.

This means that in many cases our treatments could correct homeowners' misperceptions of where they stand relative to others. This raises the question whether homeowners who learn that they are relatively better/worse off than they anticipated, update their preferences regarding inheritance taxation. If our

Figure E4: Misperceptions of house value, by quintiles



argument that homeowners are exogenously exposed to and actively seek out information is correct, we would expect them to do so. Specifically, we would expect homeowners who overestimated their relative position to be less likely to agree that inheritance taxes are too high. We investigate this hypothesis by regressing a binary indicator whether a respondent thinks taxes on a given inheritance category are too high on an index of misperception based on the cross-tabulation above, interacted with a dummy whether the respondent received one of the treatments of not.[9]

We find no strong evidence that the information provided leads treated respondents to update their inheritance tax preferences. We present the regression evidence in Table E7.[10] Respondents who overestimated their relative position tend to be less likely to agree that inheritance taxes are too high, even if they did not receive an information treatment. However, this relationship falls short of statistical significance for all 6 questions. In people who did receive a treatment, this relationship is more pronounced, but still short of statistical significance except in the case of prospective inheritance taxes on people's heirs. Thus, while the results point in the hypothesised direction, they can only be treated as suggestive. Overall, this analysis has shown that our information treatments, which failed to shift people's inheritance tax preferences through the hypothesised channel relating to inequality aversion, also had no strong effect on homeowners who learned that they over- or underestimated their relative position in the housing wealth distribution.

[9]The index ranges from -4, for a respondent who places himself in the bottom quintile while belonging to the top quintile, to +4 for someone who believes her house is among the 20% most valuable houses, while in reality it is among the 20% least valuable.

[10]Note that the analyses in Table E7 include only homeowners who provided an absolute and relative estimate of the value of their house. This difference in sample composition and size should be kept in mind when interpreting the results from this section. People in the control group did not receive information that would have allowed them to update their perceived position in the housing wealth distribution. Thus, the coefficient on misperception for this group serves as a baseline, since they cannot have known that their estimates were off.

Table E7: Do the treatments accentuate the effect of misperceptions on inheritance tax preferences?

	Inheritance taxes are too high:					
	Overall level	You might pay	Your heirs might pay	<£325k	£325k-£1m	>£1m
Treated	−0.014	−0.009	−0.026	0.008	0.008	−0.029
	(0.035)	(0.037)	(0.036)	(0.035)	(0.035)	(0.032)
Misperception	−0.029	−0.021	−0.001	−0.036	−0.007	−0.002
	(0.025)	(0.026)	(0.025)	(0.025)	(0.024)	(0.023)
Treated * Misperception	−0.015	−0.031	−0.059*	−0.020	−0.035	−0.038
	(0.026)	(0.027)	(0.027)	(0.026)	(0.026)	(0.024)
Constant	0.499*	0.630*	0.580*	0.604*	0.384*	0.342*
	(0.108)	(0.107)	(0.109)	(0.104)	(0.100)	(0.096)
Observations	1,267	1,118	1,137	1,252	1,269	1,253

Note: The model controls for house price group. *p<0.05.

F Replication of Results with New Survey

In this appendix, we replicate the results from Figure 2 and Table 1 using the data from the follow-up survey. As is visible from Figure F1 and Table F1, the results replicate very closely.

Figure F1: Preferences over inheritance taxation

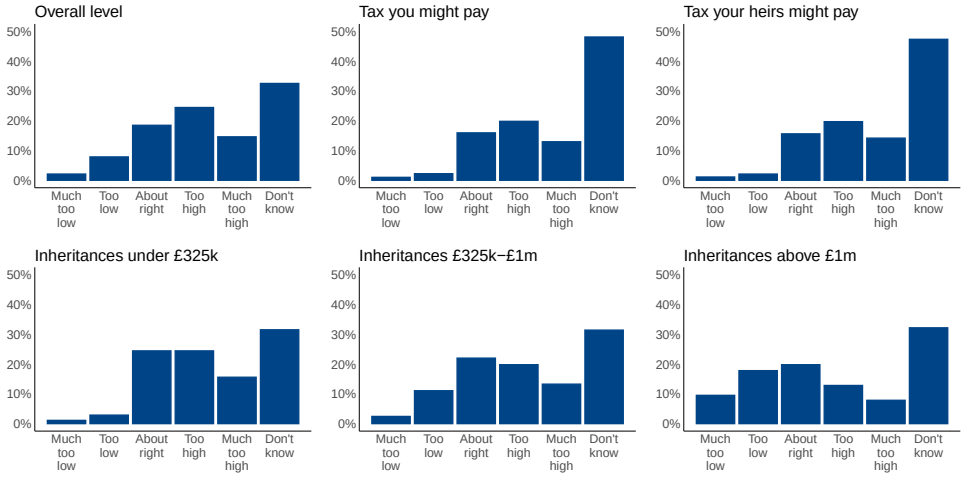
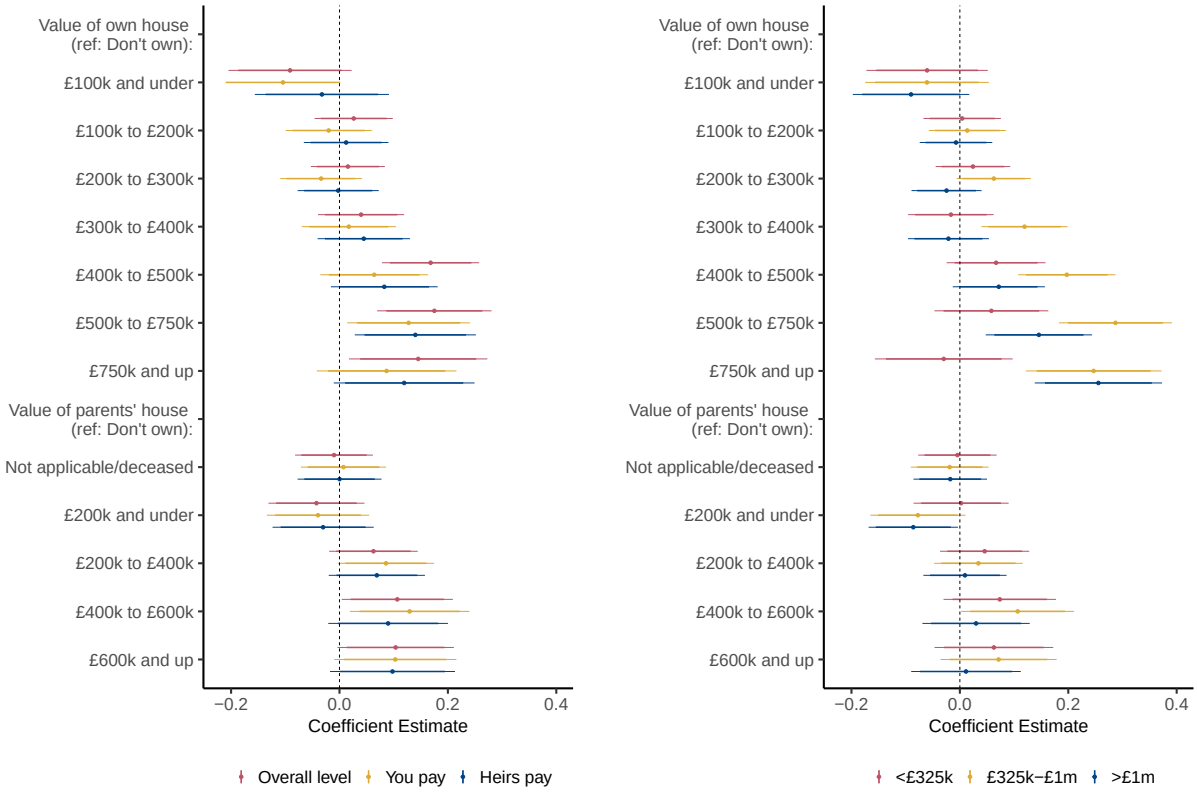


Table F1: Determinants of registering an opinion on question about overall inheritance tax rates

	LPM	Logit
Value of own house:		
£100k and under	0.026	0.100
	(0.043)	(0.222)
£100k to £200k	−0.012	−0.085
	(0.027)	(0.137)
£200k to £300k	0.106*	0.557*
	(0.027)	(0.151)
£300k to £400k	0.070*	0.351*
	(0.031)	(0.171)
£400k to £500k	0.198*	1.437*
	(0.037)	(0.282)
£500k to £750k	0.161*	1.094*
	(0.043)	(0.307)
£750k and up	0.144*	0.952*
	(0.053)	(0.363)
Value of parents' house:		
Not applicable/deceased	−0.024	−0.152
	(0.027)	(0.142)
£200k and under	0.007	0.033
	(0.033)	(0.175)
£200k to £400k	0.045	0.222
	(0.031)	(0.166)
£400k to £600k	0.118*	0.723*
	(0.041)	(0.254)
£600k and up	0.039	0.192
	(0.041)	(0.235)
Demographics:		
Household income	0.004	0.018
	(0.003)	(0.015)
Age	0.003*	0.017*
	(0.001)	(0.004)
Female	-0.097*	-0.546*
	(0.017)	(0.095)
University degree	0.028	0.155
	(0.018)	(0.100)
Treatment:		
Death/Double tax	0.053*	0.305*
	(0.024)	(0.131)
Equality of opportunity	−0.008	−0.043
	(0.024)	(0.126)
Taxes and public goods	0.042	0.227
	(0.024)	(0.131)
Constant	0.410*	−0.632*
	(0.044)	(0.234)
Observations	2,615	2,615
R^2	0.073	

Note: * p<0.05. Baselines for the value of own and parents' house are in both cases 'not property owner'.

Figure F2: The Effect of Current and Future Housing Wealth on Preferences over Inheritance Taxation, Replicating Results in Main Paper with Data from Follow-up Survey



Note: The figure shows estimates from linear probability models of whether the respondent thinks that taxes are (much) too high, with 90% and 95% confidence intervals (thick and thin lines). The models include controls for household income, age, gender, level of education, and dummies for treatment status. N = 1,901 (overall level), 1,527 (you pay), 1,529 (heirs pay), 1,924 (<£325k), 1,912 (£325k-£1m), and 1,885 (>£1m).

G Vignette Experiment

As for the information experiment, we conduct simple balance tests using the cobalt package in R. Table G1 shows that all standardized mean differences are close to zero and well below a conservative threshold of 0.1, with the sole exception of household income, which is slightly above.

Table G1: Balance Tests, Vignette Experiment

Variable name	Type	Std. Mean Dif.
age	C	0.0284
gender	B	0.0429
hh_income	C	0.1229
hh_income: NA	B	0.0272
homeowner	B	0.0358
degree	B	0.0438
degree: NA	B	0.0148
parent_homeowner	B	0.0431
parent_homeowner: NA	B	0.0113
house: 100k and under	B	0.0203
house: 100k to 200k	B	0.0182
house: 200k to 300k	B	0.0187
house: 300k to 400k	B	0.0083
house: 400k to 500k	B	0.0131
house: 500k to 750k	B	0.0057
house: 750k and up	B	0.0131
house: NA	B	0.0218
parents' house: 100k and under	B	0.0139
parents' house: 100k to 200k	B	0.0508
parents' house: 200k to 300k	B	0.0395
parents' house: 300k to 400k	B	0.0251
parents' house: 400k to 500k	B	0.0125
parents' house: 500k to 750k	B	0.0139
parents' house: 750k and up	B	0.0334
parents' house: NA	B	0.0257

B = binary variable; C = continuous variable. Sample sizes: Control: 904; Double Taxation: 912; Equality of Opportunity: 897; Public goods: 879.

Table G2: Are People More Likely to Register An Opinion in the Vignette Treatment Groups?

	Overall level	You might pay	Your heirs might pay	<£325k	<£325k-£1m	>£1m
Death/Double tax	0.079*	0.099*	0.090*	0.061*	0.051*	0.034
	(0.021)	(0.023)	(0.023)	(0.021)	(0.021)	(0.022)
Equality of opportunity	0.012	0.021	0.034	0.014	0.009	0.011
	(0.022)	(0.024)	(0.023)	(0.022)	(0.022)	(0.022)
Taxes and public goods	0.060*	0.053*	0.038	0.050*	0.058*	0.065*
	(0.022)	(0.024)	(0.024)	(0.021)	(0.021)	(0.021)
Constant	0.675*	0.519*	0.527*	0.685*	0.686*	0.678*
	(0.016)	(0.017)	(0.017)	(0.015)	(0.015)	(0.016)
R^2	0.005	0.006	0.004	0.003	0.003	0.003
Num. obs.	3592	3592	3592	3592	3592	3592

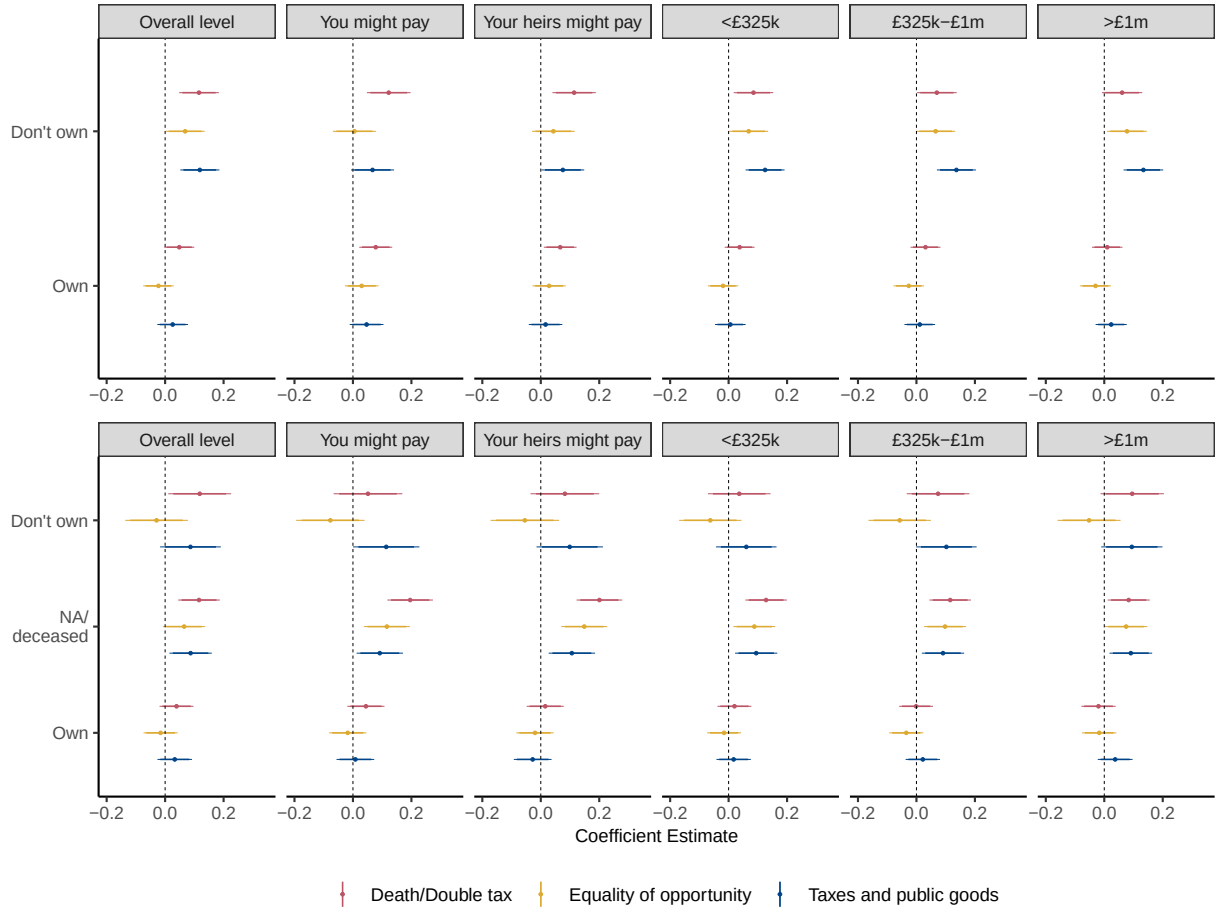
*$p < 0.05$. Linear probability model. Dependent variable is whether the respondent registered a preferences (1) or answered don't know (0).

Table G3: Table for Figure 10

	Overall level	You might pay	Your heirs might pay	<£325k	£325k-£1m	>£1m
Constant	0.58**	0.63**	0.64**	0.58**	0.48**	0.31**
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Death/Double tax	0.11**	0.09**	0.10**	0.09**	0.14**	0.09**
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Equality of opportunity	−0.03	0.02	0.02	−0.00	−0.00	−0.02
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Taxes and public goods	−0.10**	−0.06*	−0.05	−0.06**	−0.08**	−0.07**
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.02)
R^2	0.02	0.01	0.01	0.01	0.03	0.02
Num. obs.	2559	2019	2037	2572	2569	2533

$^{**}p < 0.05$; $^{*}p < 0.1$. Linear probability model. Dependent variable is whether the respondent thinks that taxes are (much) too high.

Figure G1: The Vignette Treatment Had an Effect on Whether Respondents Register An Opinion Conditional on Own (Top) and Parents' (Bottom) Homeownership Status



Note: Linear probability models of whether the respondent registered an opinion on inheritance tax question, with 90% and 95% confidence intervals (thick and thin lines), N = 3,592 across all subfigures.

Table G4: Table for Top Panel of Figure 11

	Overall level	You might pay	Your heirs might pay	<£325k	£325k-£1m	>£1m
Constant	0.57**	0.64**	0.60**	0.61**	0.41**	0.29**
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.03)
Death/Double tax	0.03	0.04	0.08	0.04	0.12**	0.09*
	(0.05)	(0.05)	(0.06)	(0.05)	(0.05)	(0.05)
Equality of opportunity	−0.04	0.06	0.08	−0.05	0.03	−0.01
	(0.05)	(0.06)	(0.06)	(0.05)	(0.05)	(0.05)
Taxes and public goods	−0.09*	−0.05	−0.01	−0.06	−0.05	−0.05
	(0.05)	(0.05)	(0.06)	(0.05)	(0.05)	(0.04)
Homeowner	0.01	−0.01	0.06	−0.03	0.10**	0.02
	(0.04)	(0.05)	(0.05)	(0.04)	(0.04)	(0.04)
Double Taxation X homeowner	0.12*	0.07	0.02	0.08	0.03	−0.00
	(0.06)	(0.06)	(0.07)	(0.06)	(0.06)	(0.06)
Equality of opportunity X homeowner	0.02	−0.06	−0.08	0.07	−0.04	−0.01
	(0.06)	(0.07)	(0.07)	(0.06)	(0.06)	(0.06)
Taxes and public goods X homeowner	−0.01	−0.01	−0.06	−0.01	−0.04	−0.03
	(0.06)	(0.07)	(0.07)	(0.06)	(0.06)	(0.05)
R^2	0.03	0.02	0.02	0.02	0.03	0.02
Num. obs.	2559	2019	2037	2572	2569	2533

$^{**}p < 0.05$; $^{*}p < 0.1$. Linear probability model. Dependent variable is whether the respondent thinks that taxes are (much) too high

Table G5: Table for Bottom Panel of Figure 11

	Overall level	You might pay	Your heirs might pay	<£325k	£325k-£1m	>£1m
Constant	0.54**	0.64**	0.62**	0.60**	0.47**	0.35**
	(0.05)	(0.06)	(0.06)	(0.05)	(0.05)	(0.05)
Death/Double tax	0.12*	0.07	0.14*	0.08	0.18**	0.13**
	(0.07)	(0.08)	(0.08)	(0.07)	(0.07)	(0.07)
Equality of opportunity	−0.12	−0.08	−0.04	−0.12	−0.08	−0.13*
	(0.08)	(0.09)	(0.08)	(0.08)	(0.08)	(0.07)
Taxes and public goods	−0.02	−0.11	−0.07	−0.06	−0.07	−0.06
	(0.07)	(0.08)	(0.08)	(0.07)	(0.07)	(0.07)
NA/deceased	0.06	0.03	0.07	−0.00	0.03	−0.01
	(0.06)	(0.07)	(0.07)	(0.06)	(0.06)	(0.06)
Homeowner	0.03	−0.02	0.01	−0.02	−0.00	−0.09*
	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)	(0.05)
Double Taxation X NA/deceased	−0.08	−0.05	−0.12	−0.04	−0.10	−0.14*
	(0.09)	(0.10)	(0.09)	(0.09)	(0.09)	(0.08)
Equality of opportunity X NA/deceased	0.01	0.02	0.00	0.09	0.03	0.07
	(0.09)	(0.10)	(0.10)	(0.09)	(0.09)	(0.08)
Taxes and public goods X NA/deceased	−0.15*	−0.03	−0.03	−0.02	−0.07	−0.08
	(0.09)	(0.09)	(0.09)	(0.08)	(0.08)	(0.08)
Double Taxation X homeowner	0.02	0.07	−0.00	0.05	−0.01	0.00
	(0.08)	(0.09)	(0.09)	(0.08)	(0.08)	(0.08)
Equality of opportunity X homeowner	0.16*	0.15	0.10	0.17**	0.14	0.17**
	(0.09)	(0.10)	(0.09)	(0.08)	(0.09)	(0.08)
Taxes and public goods X homeowner	−0.05	0.10	0.05	0.01	0.02	0.04
	(0.08)	(0.09)	(0.09)	(0.08)	(0.08)	(0.07)
R^2	0.03	0.02	0.02	0.02	0.03	0.02
Num. obs.	2559	2019	2037	2572	2569	2533

$^{**}p < 0.05$; $^{*}p < 0.1$. Linear probability model. Dependent variable is whether the respondent thinks that taxes are (much) too high