

Public Opinion on Wealth Taxes and the Wealthy

by Karlyn Bowman



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In On the Margin's 11th annual analysis of public opinion on tax issues, Bowman focuses on public opinion about wealth taxes and attitudes toward the very rich. She finds that

support for a wealth tax, described in different ways by the pollsters, is strong but that it doesn't appear to reflect a new animus toward the ultrarich, even though some groups feel particularly negative toward them.

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In December 2019 Gallup asked people to think about the issues that would probably be discussed in the 2020 presidential campaign. "Taxes" tied with "budget deficit" and "race relations" for ninth place out of the 16 issues in terms of importance. Twenty-three percent told Gallup's interviewers that a candidate's position on taxes would be extremely important to their vote in November. In writing about the public's 2020 priorities, Gallup's Frank Newport described taxes as an "off the radar" issue — "not broadly important to most Americans, intensely important to only a relatively small group and not top of

mind."¹ Although a few pollsters tracked opinions about the Tax Cuts and Jobs Act in the months after it passed, poll coverage of the law since then has been spotty.

A new focus of the polls in 2019 and 2020 has been the attention given to a wealth tax. The pollsters are also asking the public a greater variety of questions than in the past about the very rich, particularly billionaires. In this article, I focus on public opinion about wealth taxes and those to whom the tax would apply. A majority of the public supports higher taxes on the very rich, including a wealth tax, but they generally don't object to the existence of the very rich.

A Wealth Tax

Americans have long favored raising taxes on those with high incomes. More recently, half or more have favored imposing a wealth tax. Since 1998, in eight identical Gallup questions, between 45 and 52 percent have said that government should redistribute wealth by heavily taxing the rich. Since 2009 around 45 percent consistently disagree. A 2019 online survey conducted by the Cato Institute and YouGov titled "What Americans Think About Poverty, Wealth, and Work" found different results, with 37 percent agreeing that "wealth should be taken from the rich and given to the poor" and 62 percent disagreeing. But in another question in the survey, 55 percent agreed that wealth inequality is unjust, while 44 percent disagreed.

Sen. Elizabeth Warren, D-Mass., proposed an annual wealth tax in early 2019, and she made it a

¹Newport, "The People's Priorities, Examined," Gallup (Jan. 17, 2020).

centerpiece of her 2020 presidential campaign.² In mid-November 2019, her campaign began running an ad in which she singled out four billionaires by name for their opposition to her proposal. Sen. Bernie Sanders, I-Vt., has also proposed a wealth tax.³

Polls show that a wealth tax is popular, consistently drawing majority support. In a question asked by CNN between late January and early February 2019, 54 percent favored a “new tax on wealth in addition to income tax, which would only apply to those whose net worth is \$50 million or more,” while 39 percent were opposed. An April 2019 Quinnipiac University poll of registered voters found that 60 percent supported “an annual wealth tax which would tax individuals 2 percent on any wealth over \$50 million.”

A December 2019 poll conducted by Fox News found that 68 percent of registered voters favored “creating an annual 2 percent wealth tax on an individual’s worth over \$50 million dollars in addition to income tax,” while 26 percent were opposed. Eighty-three percent of registered Democrats, 68 percent of independents, and 51 percent of Republicans favored the proposal. That poll is the only recent one that has asked about the popularity of a wealth tax alongside questions about other policy proposals, and the wealth tax received the most support (see Table 1). Forty-five percent strongly favored a wealth tax.

Two recently released surveys asked about taxing the wealthy in the context of probing public attitudes on inequality. In January the Pew Research Center found that 68 percent believed the government should raise taxes on the wealthiest Americans to reduce inequality, while 29 percent said government should not do that. Seventy-six percent of people Pew classified as lower income said government should do that, as did 67 percent of middle-income individuals and 61 percent of those classified as upper income. In a separate question, 10 percent said the

government should raise taxes on people like them to combat inequality, while 89 percent said it should not. Seven percent of lower-income individuals, 8 percent of middle-income people, and 20 percent of upper-income individuals gave this response. In another survey released in January, NPR, the Robert Wood Johnson Foundation, and the Harvard T.H. Chan School of Public Health found hardly any difference in responses when people were asked in separate questions whether “wealthy” people or the “very wealthy” should pay more in taxes than they do now — 54 percent and 57 percent, respectively, said they should. That survey was conducted in July-August 2019.

Table 1. A Wealth Tax and Other Policy Proposals

<i>Q: I am going to mention several policy proposals. For each one, please tell me if you favor or oppose the idea.</i>		
	Favor	Oppose
Creating an annual 2 percent wealth tax on an individual’s net worth more than \$50 million in addition to an income tax.	68%	26%
Changing the healthcare system so that every American can buy into Medicare if they want to.	66%	26%
Legalizing the recreational use of marijuana at the national level.	63%	34%
Making minor changes to Obamacare while largely leaving the law in place.	53%	38%
Building a wall along the United States-Mexico border.	44%	52%
Getting rid of private insurance and moving to a government-run healthcare system for everyone.	41%	53%
<i>Note:</i> Sample is registered voters.		
<i>Source:</i> Fox News, Dec. 2019.		

Surveys show that people want government to use the tax code to address the gap between the rich and the poor. At the same time, they are not confident about the government’s abilities in this area. Two questions asked of registered voters by the left-leaning Center for American Progress in October 2019 illustrate that pattern. Sixty-seven

²For previous coverage of the Warren proposal, see Asha Glover, “Warren Proposes New Tax on Wealthiest Americans,” *Tax Notes*, Jan. 28, 2019, p. 444; and Jad Chamseddine, “Warren’s Medicare for All Offsets Hit the Rich,” *Tax Notes Federal*, Nov. 11, 2019, p. 1025.

³For previous coverage of the Sanders proposal, see Glover, “Sanders’s Wealth Tax Takes Warren Proposal Further,” *Tax Notes Federal*, Sept. 30, 2019, p. 2317.

percent agreed that the gap between rich and poor people has grown too wide and that the government should use its tax and spending powers to reduce this gap and help build a bigger middle class. In another question, however, 45 percent agreed that inequality is a natural result of a free market economic system and that trying to reduce it through government regulations will only make everyone worse off, with 29 percent disagreeing.

In July 2019 Gallup examined voters' concerns about inequality. Using a variety of questions, the organization concluded that although inequality has been a prominent issue for Democratic presidential candidates, "there is little evidence that it has become an increasingly important priority for the average American."

Mr. Bloomberg, Should You Exist?

In the February 19 Democratic presidential candidates' debate in Las Vegas, moderator Chuck Todd created one of the evening's most explosive moments. He began by asking Sen. Amy Klobuchar, D-Minn., then a candidate, about Sanders's 2019 tweet that billionaires should not exist. Klobuchar responded that she didn't want to limit what people make but that she believed the tax code was tilted against regular people. Todd then turned to Sanders and asked him what he meant by that tweet. He replied: "We have a grotesque and immoral distribution of wealth and income. Mike Bloomberg owns more wealth than the bottom 125 million Americans. That's wrong. That's immoral." Todd turned to Michael Bloomberg and asked, "Mayor Bloomberg, should you exist?" Bloomberg responded that he had been "very lucky, made a lot of money and I'm giving it all away to make this country better." Todd continued, asking him if he should have earned that much money. Bloomberg said yes, he had worked very hard for it, and he was now giving it away. Bloomberg, who suspended his presidential campaign March 4, has promised to continue to use his fortune to defeat President Trump.

In November 2019, when the Sanders campaign learned it had received a \$470 donation

from the wife of a billionaire, it returned the donation.⁴ During the Democratic Party's debates, Sanders boasted that he is the only candidate who doesn't have any billionaire contributors, and both he and Warren have attacked other candidates in the race who accepted money from billionaires.

The exchanges about billionaires thus far in the campaign suggest an important question: Is support for a wealth tax today simply a continuation of the public's long-standing belief that the rich should pay more in taxes, or does it reflect a growing animus toward the very rich? Some questions that have been asked since polling's early days provide limited clues about the public's attitudes toward the wealthy.

Views About Millionaires and Billionaires

The first question about millionaires was asked 85 years ago by the Roper Organization in its poll series for *Fortune* magazine. People split nearly evenly in 1935 when asked during in-person interviews if the government should "allow a man who has investments worth over a million dollars to keep them, subject only to present taxes." Forty-five percent said it should, while 46 percent disagreed. In Roper's 1939 poll, only 15 percent said the government should confiscate all wealth over and above what people actually need to live on decently and use it for the public good. In another question in the survey, 35 percent said government should redistribute wealth by assessing heavy taxes on the rich, while 54 percent said the government should not do so. In still another question, 24 percent said there should be a law limiting the amount of money any individual is allowed to earn in a year, while 70 percent disagreed. In 1992, when Roper repeated this question verbatim, only 9 percent said there should be such a law, while 83 percent said there should not be.

The Roper Organization asked a comprehensive battery of questions about millionaires in 1979 and repeated them in 1992 (see Table 2). In 1979 an identical 68 percent thought millionaires used their wealth mostly to

⁴ Michela Tendra, "A Billionaire's Spouse Donated \$470 to Bernie Sanders. He Gave It Back," *Forbes*, Feb. 1, 2020.

protect their own positions *and* that millionaires' investments create jobs and help provide prosperity. As the table shows, people agreed with a variety of positive and negative statements about millionaires. People were divided about whether millionaires worked hard to earn their wealth (41 percent found that statement generally true, and 44 percent found it generally untrue) and whether millionaires got where they are by exploiting other people (40 percent, generally true; 39 percent, generally untrue). Fifty-six percent said it was generally true that millionaires were politically conservative, while 25 percent said that was generally untrue. On a related note, 51 percent said it was generally true that millionaires favored Republicans over Democrats.

In 1992, when Roper repeated the questions, responses on most items were virtually identical. However, fewer people said that millionaires' investments create jobs and help provide prosperity and, separately, that millionaires' spending gives employment to a lot of people.

Those responses probably reflected economic concerns in January 1992 when the economy was only starting to recover from the deep recession of July 1990 to March 1991 and unemployment was still rising.

In keeping with the polls discussed earlier, a majority (66 percent in 1979 and 61 percent in 1992) thought it was generally true that millionaires did not pay their fair share of taxes. Nevertheless, a majority did not object to the existence of millionaires. The final poll question found that in 1979, 24 percent thought the country would be better off if there were no millionaires, 51 percent thought it would be worse off, and 25 percent didn't know. In 1992, 21 percent said the country would be better off and 44 percent thought it would be worse off, with 34 percent responding that they didn't know (see Table 3). Roper concluded from its 1979 questions that the public "took a balanced view" of millionaires. In 1992 Roper noted that "a backlash against wealth has not emerged."

Table 2. Statements About Millionaires, 1979 and 1992

<i>Q: Here is a list of things you may hear said about millionaires from time to time. Would you read down it and for each one tell me whether you think it is generally true or generally untrue of most millionaires?</i>				
	1979		1992	
	Generally True	Generally Untrue	Generally True	Generally Untrue
They use their wealth mostly to protect their own positions in society.	68%	17%	67%	15%
Their investments create jobs and help provide prosperity.	68%	19%	55%	27%
They don't pay their fair share of taxes.	66%	23%	61%	28%
Their spending gives employment to a lot of people.	63%	23%	54%	29%
They contribute generously to charitable causes.	58%	28%	50%	34%
They are politically conservative.	56%	25%	53%	24%
They favor the Republicans over the Democrats.	51%	19%	55%	14%
They make illegal contributions to political campaigns.	50%	28%	45%	25%
They worked hard to earn the wealth they have.	41%	44%	46%	37%

Table 2. Statements About Millionaires, 1979 and 1992 (Continued)

	1979		1992	
	Generally True	Generally Untrue	Generally True	Generally Untrue
They got where they are by exploiting other people.	40%	39%	38%	35%
They feel a responsibility to society because of the wealth they have.	32%	49%	29%	47%
They really live no differently than most people, except they have more money.	32%	58%	32%	55%
They play too much and work too little.	31%	48%	35%	43%
They keep the common man from having his proper share of wealth.	30%	54%	30%	50%
They are responsible for many of society's ills	29%	51%	29%	48%
<i>Source: The Roper Organization (updated Jan. 1992).</i>				

Table 3. Better Off With No Millionaires?

<i>Q: Everything considered, do you think society would be . . . ?</i>		
	1979	1992
Better off if there were no millionaires	24%	21%
Worse off	51%	44%
Don't know	25%	34%
<i>Source: The Roper Organization (updated Jan. 1992).</i>		

Contemporary Surveys

Subsequent polls generally continue to find the ambivalence about the wealthy that Roper found in its 1979 and 1992 surveys. Even after the 2008 financial crisis, people were ambivalent about great wealth. Using “the people on Wall Street” as a proxy for the rich, Louis Harris’s polls found that positive sentiments about them dropped sharply, but that large majorities continued to agree that Wall Street was absolutely essential because it provides the money businesses must have for investments.

More recent questions confirm the point. In a question that echoes the Roper question in Table 3, a solid majority — 58 percent — told Gallup in 2018 that the United States benefits from having a class of rich people. As Table 4 shows, the number

of those agreeing with this sentiment has ticked down from 62 percent in 1990, while the number of those disagreeing with this proposition has risen from 32 percent to 39 percent. The partisan differences are striking, as they are on many questions about wealth. Forty-three percent of Democrats in 2018 saw benefits from a class of rich people, compared with 57 percent of independents and 81 percent of Republicans. A January 2020 poll from the Pew Research Center found that 19 percent thought the fact that there are some people in this country who have personal fortunes of \$1 billion or more was a good thing for the country and 23 percent thought it was a bad thing, but 58 percent said this was neither good nor bad.

Table 4. Benefits From Having a Class of Rich People

<i>Q: Do you think the United States benefits from having a class of rich people, or not?</i>		
	Yes, Benefits	No, Does Not Benefit
1990	62%	32%
2012	63%	34%
2018	58%	39%
<i>Source: Gallup (updated May-June 2018).</i>		

Table 5. Views About the Rich

<i>Q: To what extent do you agree or disagree with the following statements?</i>				
	Responses (net agree)			
	National	Republicans	Democrats	Independents
There is nothing wrong with a person trying to make as much money as they honestly can.	84%	90%	80%	80%
People admire rich people too much.	75%	65%	83%	78%
Billionaires earned their wealth by creating value for other people, like inventing new technologies or starting businesses that improve people's lives.	69%	82%	55%	69%
We are all better off when people get rich because they invest their money in new businesses that create jobs and new technology.	65%	81%	48%	67%
We shouldn't let people get too rich in this country because rich people have too much political power and threaten democracy.	42%	24%	58%	44%
Billionaires are a threat to democracy.	37%	20%	54%	35%
It's immoral for society to allow people to become billionaires.	23%	12%	33%	26%
I feel angry when I read or hear about very rich people.	23%	14%	32%	23%
<i>Note:</i> Online survey. Sample is national adults.				
<i>Source:</i> Cato Institute and YouGov, "What Americans Think About Poverty, Wealth, and Work" (Mar. 2019).				

The earlier-mentioned 2019 online survey by the Cato Institute and YouGov explored attitudes toward the rich and billionaires in more detail than most surveys. Eighty-two percent said people should be allowed to become billionaires, while 17 percent disagreed. Ninety-two percent of Republicans, 81 percent of independents, and 73 percent of Democrats assented.

Cato followed up with the battery of questions shown in Table 5. Eighty-four percent agreed that there is nothing wrong with a person trying to make as much money as they honestly can. Very large majorities of Republicans, Democrats, and independents agreed. At the other end of the spectrum, 37 percent (including 54 percent of Democrats) called billionaires a threat to democracy, and 23 percent (including 33 percent of Democrats) said it was immoral for society to allow people to become billionaires.

Those generally positive responses in some of these surveys does not mean that Americans particularly admire the ultrarich. It is safe to say

that many Americans think many people are overpaid today and that there is too much emphasis on money in the society. Thirty years ago, in 1990, 70 percent told Gallup that there was too much emphasis on the rich. As the Cato survey shows, 75 percent think people admire the rich too much.

When asked in the Cato survey how they personally feel "if they had to choose," 71 percent said they felt more admiration than resentment toward the rich, while 28 percent felt more resentment. In a HuffPost/YouGov online survey from February 2019 with a different emphasis, 22 percent of national adults said they had more admiration for billionaires, and 43 percent said they had more distrust.

Substantial numbers of Americans have long agreed that the wealthy have too much power and influence and that government does too much for them, but they do not want to eliminate the very wealthy. In the HuffPost/YouGov poll, 52 percent said that government does too much for the

wealthy, and a quarter said that government does about the right amount for them. Democrats and Republicans were mirror images of one another. Also, in this survey, a plurality of 45 percent said the federal government should try to reduce the share of wealth held by billionaires, while a third said the government shouldn't do that. Seventy percent of Democrats, compared with 27 percent of Republicans, thought that the government should do that.

There are deep partisan differences (in the expected direction) on many of the questions about great wealth. Dr. Emily Ekins, who designed and analyzed the Cato poll, argues that there is a cleavage in Democratic ranks, with moderate Democrats "about 10 to 20 points more likely than liberal Democrats to feel more admiration than resentment for the rich, believe the rich earned their wealth by creating value for society, and agree that we are all better off when people get rich because they invest in new businesses." Moderate Democrats are also more likely to strongly agree that there's nothing wrong with making as much money as possible.

Conclusion

While most Americans are ambivalent about the very wealthy, a segment of the population expresses strongly negative feelings about them. Most Americans, however, do not want to do away with the very wealthy, although they are quite willing to tax them heavily. ■

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