



The Association between Family Income and Support for Wealth Redistribution across ages in the United States



Edwin Cheah, Applied Data Analysis, Wesleyan University

Introduction

- **Income Inequality in the Status Quo:** As of 2016, those classified as upper-income families collectively possessed 75 times as much wealth as lower-income families. This figure has risen from the factor of 28 times in 1983 (Horowitz et al., 2020).
- Support for redistribution in the US has not intensified at the same rate as the growth of income inequality (Trump, 2021).
- **Current Findings:** Past literature suggests that an individual's wealth and age group are significant explanatory variables of the likelihood of support for wealth redistribution
 - There is a negative association between the level of wealth for an individual and support for redistributive policies (Barr & Miller, 2020; Cohn et al., 2023; Walker et al., 2021).
 - Individuals aged older are more likely to support wealth redistribution (Michał Litwiński et al., 2023).
- **Gap in Literature:** Past literature mostly addresses the separate effect of age group and wealth on likelihood on one's support for wealth redistribution.
 - There is little empirical work the interaction of these explanatory variables. This study addresses this gap by investigating such an interaction.

Research Questions

1. Are Americans with higher household income more likely to support government schemes for wealth redistribution?
2. Does the association between household income and likelihood to support income redistribution differ by age?

Results

Bivariate

- Chi-Square analysis indicates that an individual in a higher family income bracket is a significant predictor or likelihood for supporting wealth redistribution ($\chi^2 = 38.532$, $p\text{-value} = 2.949\text{e-}07$)
- Logistic (MLE) regression indicates a **significant negative association between the support for wealth redistribution and family income**, ($OR = 0.799$, $p = 1.57\text{e-}08$). See Figure 1.

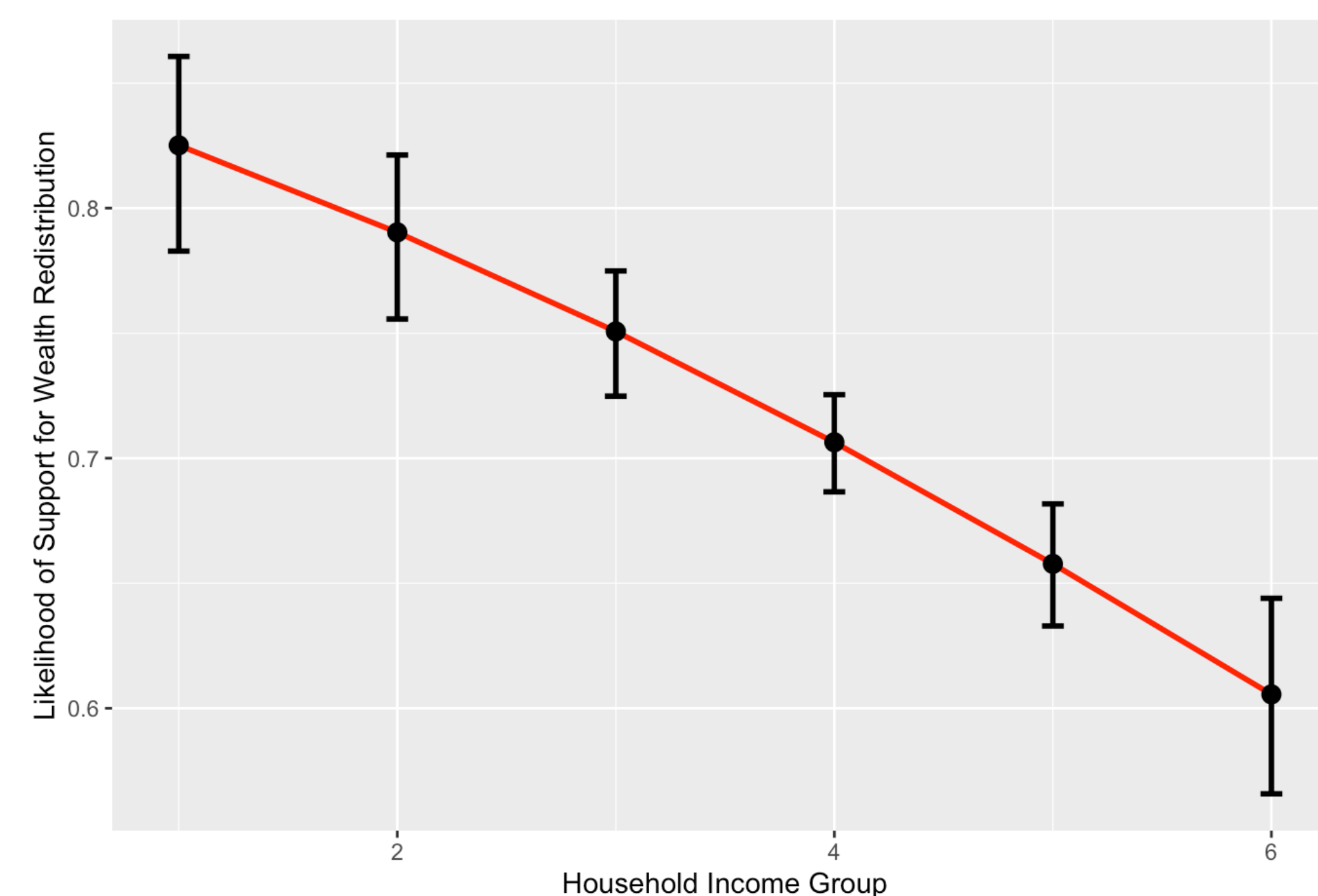


Figure 1: Likelihood of Support for Wealth Redistribution across Income Ranges.

Multivariate

- Multivariate logistic (MLE) regression indicates that age group and family income level are both significant explanatory variables for an individual's support for income redistribution.
- At each **age group**, an **increase in household income group is associated with a decrease in likelihood to support wealth redistribution** (Figure 2).
- The interaction term between Income redistribution and age group was found to be statistically insignificant by Nested Model Test ($p=0.7171$)

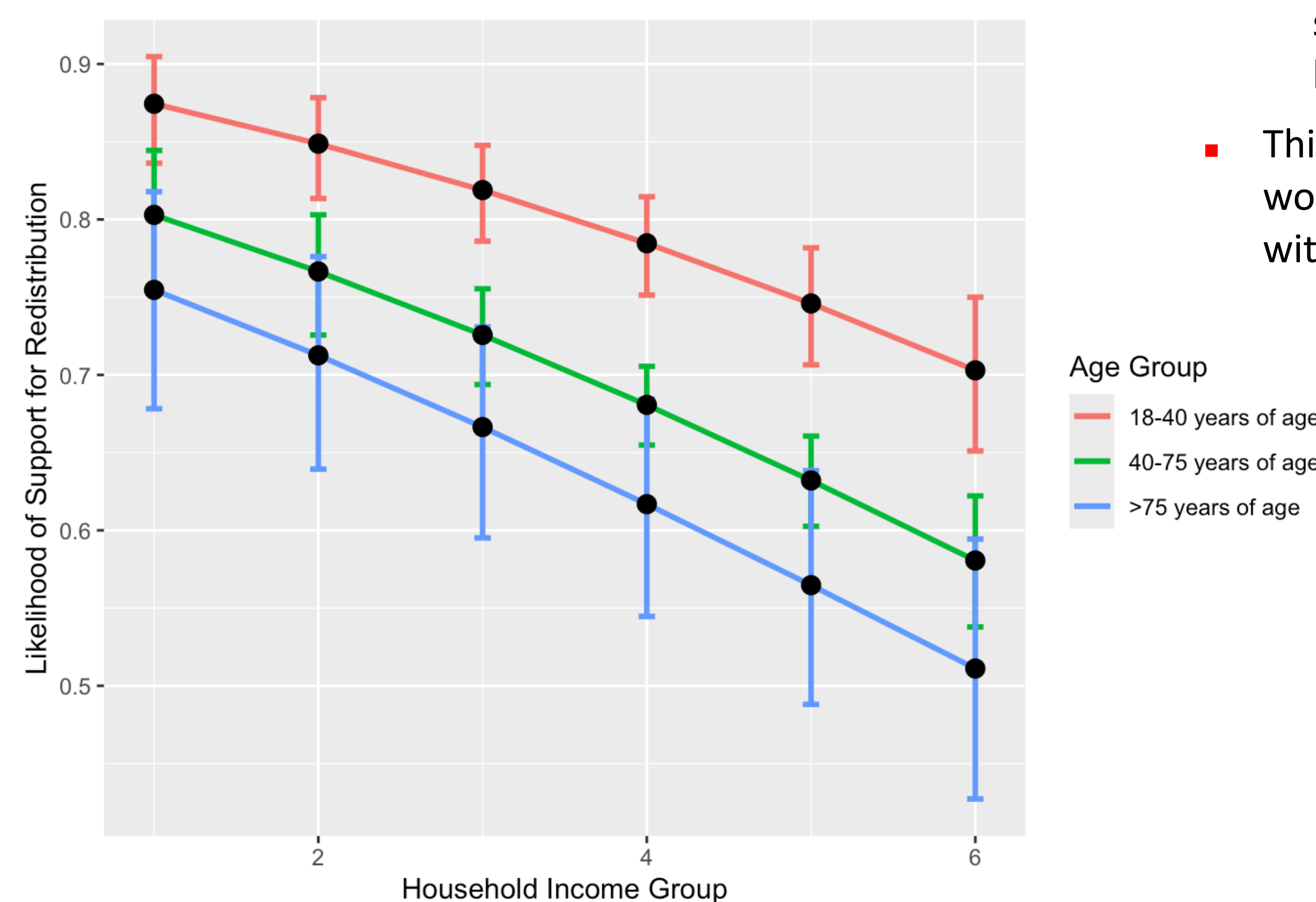


Figure 2: Likelihood of Support for Income Redistribution across Income Ranges for each age group

Methods

Sample

- Respondents (N=2204) were drawn from the 2021 General Social Survey (GSS), a nationally representative sample of non-institutionalized adults in the U.S.
- The subset drawn contains only the responses where data collected on support for wealth redistribution, level of family income, and respondent age are all nonempty.

Measures

- We have three main variables of interest defined as follows:
 - **Support for Wealth Redistribution (0/1):** A binary response variable indicating one's support for wealth government redistribution policies to reduce inequality.
 - **Household Income Group (1-6):** A categorical explanatory variable coded from 1-6 to represent household income groups. Greater income groups were represented with greater numerical values.
 - **Age (18-40, 40-75, >75):** A categorical explanatory response variable given 3 unique values. Age groups are defined such that the groups capture ranges 18-40 years of age, 40-75 years of age, and those >75 years of age.

Discussion

- Americans hailing from **higher income households** are associated with **lower likelihood to support wealth redistribution** for all age groups.
- There is **insufficient evidence** to suggest that the association between household income group and the likelihood for support for redistribution differs by age group
- (Observation) **Younger age groups** on average have higher levels of **support for income redistribution** (Figure 2).
- Notably, findings are subject to voluntary response bias and small sample sizes.
- The GSS (2021) shifted to web-based self-administration. Potential error from self-reporting.
- Low response rate (17.4%): respondents likely to differ systematically from non-respondents. Prone to voluntary response bias
- This study analyzes cross-sectional data. An interesting extension would be to investigate the trend of support for wealth redistribution with time to verify claim by Trump. This requires time-series data.

References

- Barr, A., & Miller, L. (2020). The effect of education, income inequality and merit on inequality acceptance. *Journal of Economic Psychology*, 102276. <https://doi.org/10.1016/j.joep.2020.102276>
- Cohn, A., Jensen, L. J., Klačnjak, M., & Smeets, P. (2023). Wealthy Americans and redistribution: The role of fairness preferences. *Journal of Public Economics*, 225, 104977. <https://doi.org/10.1016/j.jpubeco.2023.104977>
- Horowitz, J., Igielnik, R., & Kochhar, R. (2020, January 9). Trends in U.S. Income and Wealth Inequality. Pew Research Center. <https://www.pewresearch.org/social-trends/2020/01/09/trends-in-income-and-wealth-inequality/>
- Michał Litwiński, Rafał Iwański, & Tomczak, Ł. (2023). Acceptance for Income Inequality in Poland. *Social Indicators Research*, 166(2), 381–412. <https://doi.org/10.1007/s11205-023-03072-2>
- Trump, K.-S. (2021). Public Opinion and Reactions to Increasing Income Inequality. *Who Gets What?*, 79–102. <https://doi.org/10.1017/9781108879170.004>
- Walker, J., Tepper, S. J., & Gilovich, T. (2021). People are more tolerant of inequality when it is expressed in terms of individuals rather than groups at the top. *Proceedings of the National Academy of Sciences*, 118(43). <https://doi.org/10.1073/pnas.2100430118>