

Research Statement: Stefanie Stantcheva

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Hello! Thank you for your interest in my research! Here is a summary of the work I have done so far. You can click on each paper reference to be directed to the paper.

My research aims to inform better public policy design by examining both the economic effects of public policies and how people perceive and form preferences about them. Effective policies require a clear understanding of their impact on individuals and the economy—this is the first focus of my work. But policy design is not just about outcomes; it also depends on public attitudes, perceptions, and support. The second part of my research explores how people think about economic issues and policies, what shapes their views, and how these beliefs influence policy preferences. I combine theoretical models, historical data, and new large-scale survey data.

The first area of my research specifically examines the dynamic, long-term effects of taxation. Taxes and transfers are powerful tools that shape economic behavior—whether operating in the background or highly visible. Beyond raising revenue, they play a crucial role in redistributing income and wealth, reducing inequality, expanding opportunities, and even improving market efficiency. However, poorly designed tax and transfer systems can discourage productive activity, economic growth, and progress. My research combines theory with data—both administrative records and newly created historical datasets—to deepen our understanding of taxation’s effects. These effects extend beyond immediate impacts, influencing long-term dynamics such as (i) individuals’ human capital acquisition, (ii) innovation by firms and individuals, and (iii) wealth and capital accumulation.

In the second area of my research, I study how people perceive economic issues and public policies. At the [Social Economics Lab](#), I design and conduct large-scale surveys and experiments across different countries to examine (i) how fairness perceptions influence support for redistribution and inequality-reducing policies, (ii) how people understand and evaluate economic policies, and (iii) the core mindsets, such as zero-sum thinking, that shape policy views. I use the term “social economics” because this research explores how individuals form their economic and policy views within a broader social context, influenced by their attitudes toward societal issues. The survey and experimental data underlying this work is publicly available [here](#).

1 The Dynamics of Tax Policy

1.1 Human Capital

How should we finance human capital acquisition, formal education, college, job training, throughout life? I constructed a model of the life cycle in which people decide how much

human capital to acquire at each stage of their life, either in the form of formal schooling (Stantcheva, 2017) or job training (Stantcheva, 2015a). I derive the optimal integrated tax and education policies. It turns out that the solution is income-contingent education loans provided throughout life. Repayments depend on agents’ incomes and provide incentives for human capital accumulation while also insuring against earnings risk. How generous should this system be, i.e., to what extent should we allow agents to repay less on net than they borrowed? A central result is that it matters greatly whether education and training mostly benefit the more talented and already advantaged people, in which case it is not optimal to subsidize them, or if they level the playing field across people with different abilities or backgrounds, in which case it is optimal to subsidize them. One can extend this result to an intergenerational setting where parents invest in the human capital of their children, and apply it to the design of education subsidies and bequest taxation (Stantcheva, 2015b).

1.2 Innovation and Entrepreneurship

The interplay between taxation and innovation can be seen in two ways. First, taxation may affect innovation in perhaps unintended ways. This may be an unwelcome by-product of taxes, even if they are set for completely unrelated goals, such as to raise revenues. Thus, reduced innovation could be one of the efficiency costs of taxation. Second, one may go further and realize that tax policy could intentionally be designed so as to stimulate innovation.

In Akcigit et al. (2022b), we study the optimal design of R&D policies and corporate taxation to correct for technology spillovers across firms and the non-appropriability of innovations. Our key contribution is the consideration of asymmetric information: the government does not know which firms are the most productive. Simple, often used innovation policies, such as linear R&D subsidies and linear profit taxes, lead to large revenue losses relative to the optimal mechanism. The way to improve these policies is to condition R&D subsidies and corporate taxes on firms’ age, size, and past performance.

Taxation can also have detrimental effects on innovation if it sets the wrong incentives for innovators. In Akcigit et al. (2016), we use patent data from the U.S. and Europe since 1977 to find that “superstar” inventors are significantly less likely to remain in or move to countries with higher top tax rates. This sensitivity to top tax rates is especially high for inventors who work for multinationals.

In Akcigit et al. (2022a), we leverage three brand new datasets, which we constructed from historical data sources: a panel of the universe of U.S. inventors since 1920 and their associated patents, citations, and firms; a panel of all R&D labs in the U.S. since 1921, matched to their patents and with data on their research employment levels and location; and a historical state-level corporate and personal income tax database. This unique combination of data allows us to systematically study the effects of both personal and corporate income taxation since 1920 on individual inventors and individual firms that do R&D – i.e., the “micro” level – and on innovation at the “macro” state-level. We find that personal and corporate income taxes affect the quantity, quality, and location of innovation. At the macro level, cross-state spillovers or business-stealing from one state to another are important, but do not account for all of the effect. Agglomeration effects from local innovation clusters tend to weaken responsiveness to

taxation. Corporate inventors, who patent within companies, respond more strongly to taxes than their non-corporate counterparts.

A friction that arises can be cognitive or behavioral: people may not fully understand the tax system and may thus value tax simplicity, i.e., a tax system that is easy to understand and that has low administrative hassle costs. In [Aghion et al. \(2017\)](#) we leverage new population-wide tax returns for France and show that small entrepreneurs and business-owners value tax simplicity. But it turns out that there is a trade-off, since a tax that is simpler to file is also simpler to evade.

1.3 Capital and Wealth

Rising inequality and wealth concentration has made the issue of whether and how to tax capital salient again. In [Saez and Stantcheva \(2018\)](#), we develop a simpler theory of optimal capital taxation that expresses optimal tax formulas in terms of empirical elasticities and social preferences. We use them to simulate optimal taxes with U.S. tax return data on labor and capital incomes.

But we also need more empirical evidence on the interplay between taxation and wealth – which I have looked at in contemporaneous tax data in France ([Garbinti et al., 2023](#)) and historically in the US ([Dray et al., 2023](#)).

In [Dray et al. \(2023\)](#), we study the history and geography of wealth accumulation in the U.S. using newly collected historical property tax records dating back to the early 1800s. The U.S. General Property Tax, one of the first comprehensive “wealth taxes,” allows us to construct – for the first time – long-run, high-frequency wealth series at the county, state, and national levels for the United States. We have made this dataset available for other researchers to use. We document rapid wealth accumulation from the Civil War to the Great Depression and reveal that spatial wealth inequality has been persistent since the mid-1800s, largely driven by Southern states. Before the Civil War, enslaved people were assessed as personal property, comprising nearly half of taxable wealth in the South—a morally abhorrent system that distorts historical wealth measures. Adjusting for this, regional wealth patterns and the Civil War’s impact appear starkly different. Finally, we examine the drivers of long-term wealth growth, finding that areas with greater pre-Civil War reliance on enslaved labor or high wealth inequality experienced lower subsequent economic growth.

In [Garbinti et al. \(2023\)](#), we use comprehensive French administrative wealth and income tax data to study the impact of a wealth tax reform that reduced information reporting requirements below a certain threshold. Employing a new dynamic bunching approach, we estimate the average taxpayer response, the share of compliers, and the local average treatment effect (LATE). We find that reported wealth declines sharply following the reform, with affected taxpayers showing 20% lower annual wealth growth rates. This drop appears driven by increased evasion rather than real economic changes, as self-reported wealth falls while third-party-reported labor and capital incomes remain unchanged. In contrast, estimated elasticities to tax rates are small and statistically insignificant. Our findings highlight the crucial role of information reporting policies in shaping taxpayer behavior and compliance.

2 Perceptions, Mindsets, and Beliefs about Economic Issues

The second part of my research explores how people perceive, think about, and reason through economic issues and policies. To investigate this, I rely on a key tool—social economics surveys and experiments. After briefly outlining the methodology, I will summarize my work across three dimensions: views on inequality, fairness, and redistribution; understanding of major economic policies; and core mindsets that shape policy views.

2.1 Social Economic Surveys: Overview and Methods

Surveys are a fundamental research method, historically used to measure key variables like unemployment, income, and family composition. While high-quality administrative and big data now offer alternatives, they often fail to capture perceptions, beliefs, attitudes, and reasoning—critical drivers of social, economic, and political outcomes.

As economists, we often rely on “revealed preference” approaches, inferring unobserved factors from behavior. While they are the gold standard in many settings, these methods face limitations when measuring beliefs or reasoning. Structural models could, in theory, estimate such factors from observational data, but this approach requires strong assumptions and may lack identifying variation. For example, measuring beliefs about carbon taxes or trade policy is difficult without direct data on perceptions.

Surveys provide a more direct way to elicit these intangibles, offering insights beyond what behavior alone can reveal. Unlike observational data, surveys allow researchers to design the process that generates data, creating controlled and identifying variation. This presents both opportunities and challenges, making survey design an integral part of research.

The rise of mobile technologies and online platforms has further expanded survey research. Online surveys enable large-scale studies, real-time data collection, and targeted investigations of specific groups. They are flexible, customizable, and engaging, offering a powerful tool to explore human decision-making and mental processes.

I have written several methodological papers to explore key design issues related to surveys ([Stantcheva, 2023](#)) and how to use open-ended questions to improve our understanding of people’s reasoning ([Ferrario and Stantcheva \(2022\)](#), [Haaland et al. \(2024\)](#)).

2.2 Views on Inequality, Fairness, and Redistribution

Views on the fairness of inequality and redistribution are complex and vary widely. These views are shaped by people’s beliefs about social mobility ([Alesina et al., 2018](#)), perceptions of who benefits from redistribution (e.g., immigrants or different racial groups, as in [Alesina et al. \(2023\)](#) and [Alesina et al. \(2021\)](#)), their understanding of inequality levels ([Kuziemko et al., 2015](#)), and their perceived social rank relative to others ([Hvidberg et al., 2023](#)).

A New Theory of Social Preferences. It is challenging to include broader and more complex social objectives that can justify some important features of the real world tax and

transfer system without compromising tractability. In [Saez and Stantcheva \(2016\)](#), we propose a new way to evaluate tax reforms by aggregating losses and gains of different individuals using “generalized social marginal welfare weights” that directly capture society’s concerns for fairness allowing us to cleanly separate individual utilities from social weights. Suitable weights can help reconcile discrepancies between the welfarist approach and actual tax practice as well as unify in an operational way the most prominent alternatives to utilitarianism, such as Libertarianism, Equality of Opportunity, or Poverty Alleviation.

Inequality perceptions. In [Kuziemko et al. \(2015\)](#), we show that providing U.S. respondents with information about increasing inequality barely moves their support for redistribution, but reduces their trust in the government.

Immigration. We also explore whether generosity travels equally well across ethnic, national, and religious groups by investigating how people’s perceptions of immigrants shape their preferences for redistribution ([Alesina et al., 2023](#)). We find strikingly large biases in natives’ perceptions of the number and characteristics of immigrants: in all countries most respondents greatly overestimate the total number of immigrants, think immigrants are culturally and religiously more distant from them, and are economically weaker – less educated, more unemployed, poorer, and more reliant on government transfers – than is the case. Given the very negative baseline views that respondents have of immigrants, simply making them think about immigration in a randomized manner makes them support less redistribution, including actual donations to charities.

Social mobility. In [Alesina et al. \(2018\)](#), we collect new cross-country survey and experimental data from five countries to investigate how beliefs about intergenerational mobility affect preferences for redistribution. In a nutshell, the more someone believes in equality of opportunity (i.e., higher social mobility), the more they are willing to tolerate inequality of outcomes (i.e., inequality). Americans respondents are too optimistic about the “American dream,” i.e., the likelihood of making it from the bottom to the top quintile; European respondents are too pessimistic about the probability of getting out of poverty. Our randomized treatment shows pessimistic information about mobility and increases support for redistribution, mostly for “equality of opportunity” policies. But there is strong political polarization: right-wing respondents do not want to support more redistribution policies, because they see the government as a “problem” and not as the “solution.”

Racial gaps. In [Alesina et al. \(2021\)](#), we examine how Black and white Americans (both adults and teenagers) perceive racial inequities, their causes, and potential policy solutions. We document significant racial and partisan divides—not only in perceptions of economic conditions but, more importantly, in beliefs about the origins of racial disparities and the policies needed to address them. Experimental interventions providing information on racial gaps and systemic racism reveal deep-seated differences, with Black respondents and white Democrats attributing inequalities to historical discrimination and supporting redistributive policies, while white Republicans emphasize individual effort and show less support for intervention. Strikingly, these divides are already prevalent among teenagers, often more polarized along political lines than among adults.

Perceptions of social position. In [Hvidberg et al. \(2023\)](#), we study how individuals perceive their social position relative to others, how these perceptions shape fairness views, and how income history influences beliefs about inequality. Using a unique dataset linking survey responses with detailed Danish administrative data, we analyze both perceived and actual income rankings across various reference groups. We find systematic misperceptions: lower-income individuals tend to overestimate their rank, while higher-income individuals underestimate theirs – a phenomenon we call “center bias.” Those ranked higher believe inequality is fairer and attribute outcomes to effort rather than luck. Experimentally correcting misperceptions shifts fairness views—those realizing they rank lower perceive inequality as less fair, while those learning they rank higher find it fairer. Additionally, negative income shocks (e.g., unemployment, hospitalization) reduce perceived fairness, while positive shocks (e.g., promotions) increase it. Our findings highlight the deep connections between social position, experience, and fairness perceptions.

2.3 Understanding of Economic Policies

As citizens, we are often asked to take a stance, through voting, on key economic policies that affect our lives in profound ways. Yet, we lack evidence on how well people understand policies and how they form their views on them. One part of my research agenda has been to explore this issue for a wide range of policies. Some of the data can be browsed interactively on the dedicated website [Understanding Economics](#).

Tax Policy. In [Stantcheva \(2021\)](#), I explore how people reason about taxes, the economic and fairness considerations that shape their views, and how learning affects attitudes. I find that tax policy support is primarily driven by fairness concerns and views on redistribution, with efficiency considerations playing a smaller role. Experimental evidence shows that explanations of redistribution effects or the trade-offs between efficiency and equity increase support for progressive taxation. Partisan divides are substantial—not only in policy preferences but in how people perceive taxation’s economic effects. Democrats are less likely to believe in trickle-down economics or that tax cuts pay for themselves, while Republicans see current taxes as higher and more progressive than they are. This “polarization of reality” underscores the importance of addressing both factual knowledge and underlying mental models when shaping public debates on taxation.

Climate change. In [Dechezleprêtre et al. \(forthcoming\)](#), we survey 40,000 people across 20 countries to understand what drives support or opposition to climate policies, how much people know about climate change, and how information shapes perceptions. While citizens express strong concerns about climate change, support for policies depends on three key factors: perceived effectiveness in reducing emissions, financial impact on households, and effects on lower-income groups. Self-interest is not the only driver—people care about equity and policy effectiveness. Progressive investment programs and carbon taxes with targeted redistribution gain more support than blanket policies. Regulations, such as vehicle bans or mandatory insulation, are often preferred over taxes when they prevent wealthier individuals from “paying to pollute.” Providing information is effective, but only when addressing people’s core

concerns—explaining how a policy reduces emissions and protects vulnerable groups increases support. Socioeconomic characteristics alone do not reliably predict policy views, and willingness to adopt personal climate-friendly behaviors depends heavily on financial constraints and perceptions of fairness. Our findings highlight the need for policies that ensure accessibility to low-carbon alternatives, protect vulnerable groups, and transparently communicate their design and impact.

Inflation. Inflation is complex, yet public perceptions of its causes, consequences, and solutions often diverge from economic theory. In a large-scale U.S. survey (Binetti et al., 2024), we examine how people reason about inflation and what policies they support to combat it. Respondents primarily blame government actions, particularly foreign aid, followed by supply chain disruptions and rising production costs. Inflation is perceived as unambiguously harmful, tightening household budgets, increasing inequality, and eroding trust in government. However, people see few trade-offs—few believe reducing inflation requires dampening demand or increasing unemployment. There is low support for traditional monetary tightening, with many favoring interest rate cuts, corporate taxes, and price controls over contractionary policies. Policies aiding low-income households, such as cash transfers and food assistance, receive mixed support, with sharp partisan divides. Strikingly, inflation concerns and policy views vary significantly by media consumption, highlighting the strong role of public narratives in shaping economic perceptions.

In Stantcheva (2024), I revisit why people dislike inflation, building on Robert Shiller’s 1997 work with updated survey data. Inflation is not seen as a mere “yardstick” but as a direct threat to living standards, primarily because people believe wages do not keep pace with rising prices. Many perceive wage increases during inflationary periods as rewards for job performance rather than inflation adjustments, especially job switchers. Employers are viewed as having discretion over wages, choosing to keep profits high instead of adjusting pay. Inflation affects individuals as consumers, workers, and asset holders, with the most significant impact on consumption—people reduce or postpone purchases. It also fuels perceptions of inequality, as lower-income households struggle more and higher earners’ wages are believed to rise faster. Inflation triggers stress, anger, and political blame, with businesses and government targeted along partisan lines. Importantly, people do not recognize trade-offs between inflation and employment, associating inflation with broader economic decline, consistent with stagflation narratives.

Trade. In Stantcheva (2022), I investigate what people know about trade’s impacts and how they weigh trade-offs when forming their views. I find that while people recognize trade’s efficiency benefits—such as innovation and growth—they perceive job losses as more immediate and salient than consumer benefits. Concerns about trade-induced inequality also shape views, with many believing that large corporations and high-income households gain more than small businesses or low-income groups. Importantly, those who believe in compensatory policies, such as retraining programs or direct transfers, are more supportive of free trade. Personal exposure to trade—whether direct job impacts or broader economic effects—further influences attitudes. These findings suggest that public support for free trade depends on ensuring that its benefits are widely shared and that policies addressing trade’s adverse effects are well-communicated

and trusted.

2.4 Mindsets

Mindsets are like lenses through which we see the world, coloring everything from our perceptions to our beliefs to our attitudes towards policies. A key mindset that appears in many of the aforementioned papers is partisanship, which is a strong predictor of many policy views. In fact, in [Alesina et al. \(2020\)](#), we show that it also colors people’s views of reality and facts, a phenomenon we call “The polarization of reality.” Another core mindset is zero-sum thinking—the belief that one group’s gains come at another’s expense.

Zero-sum thinking. In [Chinoy et al. \(2023\)](#), we examine the historical roots and consequences for political and economic views of zero-sum thinking. This mindset varies across individuals and regions, with younger, lower-income, and less-educated respondents more likely to hold this mindset. Using a large-scale U.S. survey and historical data, we find that economic conditions during one’s formative years strongly shape zero-sum views, with higher early-life economic growth associated with lower zero-sum thinking. Zero-sum beliefs influence policy preferences across the political spectrum: Democrats with high zero-sum views favor redistribution and affirmative action but may also support restrictive immigration policies, while zero-sum Republicans are more likely to back government redistribution. Historical factors, such as ancestral economic mobility, immigration, and enslavement, play a key role in shaping contemporary zero-sum perspectives, with intergenerational upward mobility linked to lower zero-sum thinking. Our findings suggest that historical experiences continue to shape perceptions of competition and fairness in economic and social policies.

In a work-in-progress, joint with Eu-Wayne Mok and Nathan Nunn, we explore how mindsets and attitudes persist across generations, constructing a dataset that links parents’ and children’s views on various important issues.

Thank you for reading! Comments and discussions are always welcome!

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