

# Can Motivated Reasoning Increase Support for a Carbon Tax?

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## 1

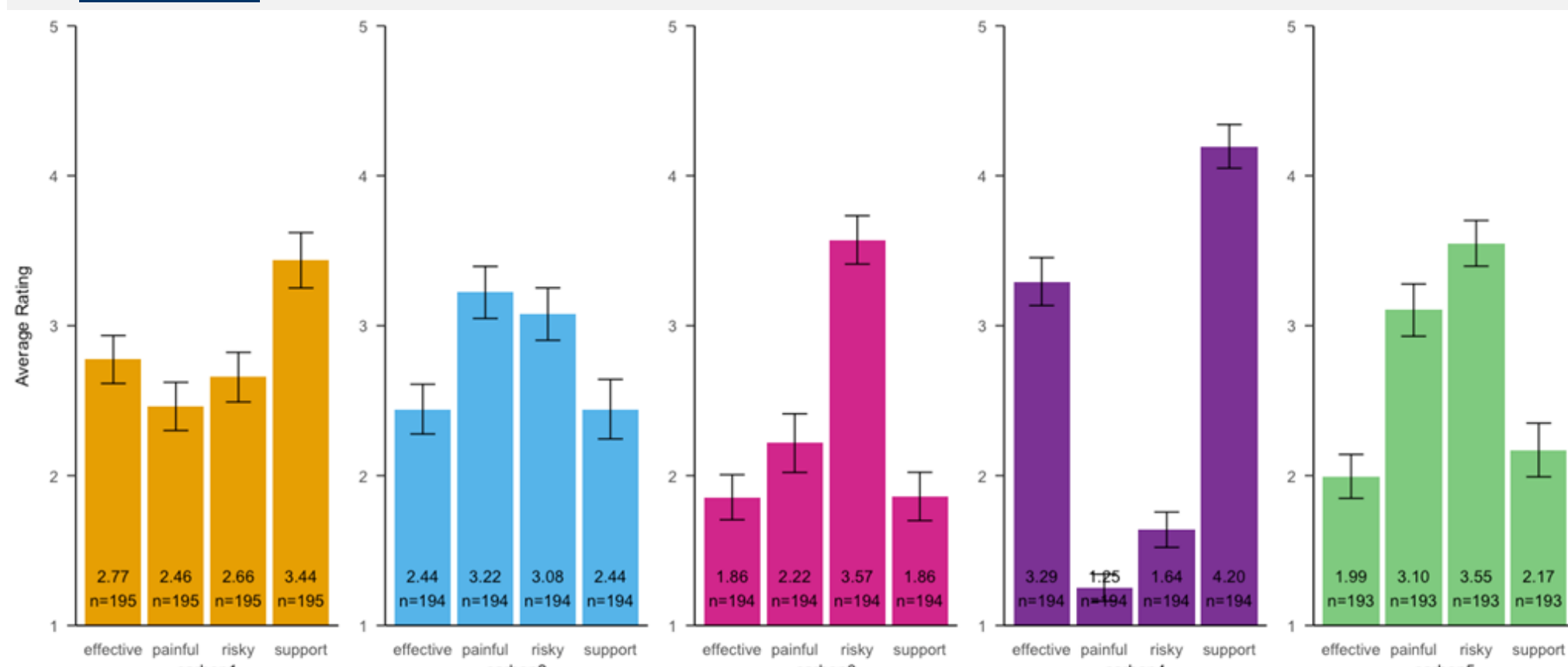
### INTRODUCTION

A **carbon tax combined with a per capita refund scheme** can offer financial benefits to households whose emissions are below average. We show that most people think their emissions are below average and prompting them to think about their relative emissions increases their perception that they will financially benefit from the program.

Despite this, however, they do not become more supportive of a carbon tax. We propose that this is because other-regarding, rather than selfish, motivations drive concerns about climate change. Hence, we conducted further research with a more comprehensive survey with both conditions in place.

## 2

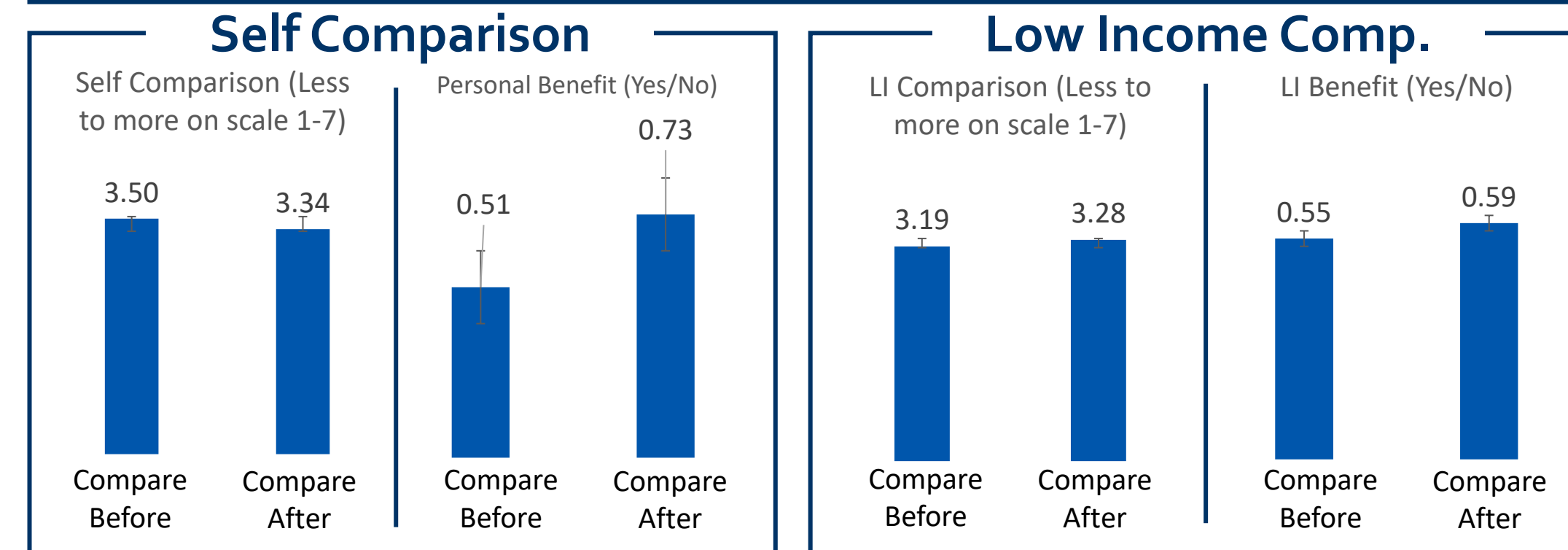
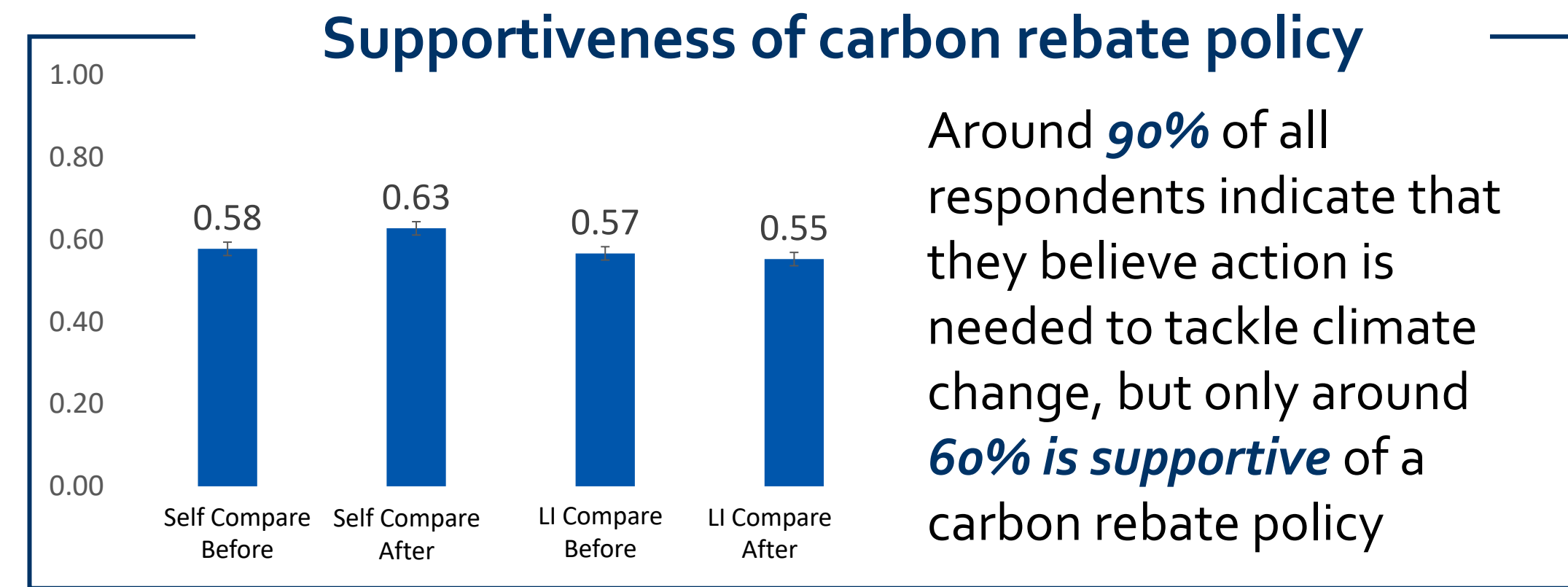
### MOTIVATION



**Carbon1:** Corporate carbon tax, **Carbon2:** Individual carbon tax, **Carbon3:** Employee income tax base on industry carbon emission, **Carbon 4:** Individual tax incentive reward, **Carbon 5:** Individual carbon tax with emphasis on negative effects to low-income groups. From our preliminary survey, we noted that individuals are **more supportive** of a carbon tax if they believe they would **financially benefit from it themselves** (carbon 4), and are **less supportive** if they believe it would be **harmful to lower income groups** (carbon 5).

## 3

### RESULTS



People who first considered the emissions of themselves (or low income) did not differ in whether they said they (or low-income) benefit from this policy.

#### Perceived benefits and supportiveness

##### Correlation Matrix

Comparison_Self_Before	Supportiveness	Carbon Emission Comparison	Perceived Benefit
Supportiveness	-	0.0986	0.4041
Carbon Emission Comparison	0.0986	-	0.0020
Perceived Benefit	0.4041	0.0020	-

Comparison_Self_After	Supportiveness	Carbon Emission Comparison	Perceived Benefit
Supportiveness	-	0.0547	0.1358
Carbon Emission Comparison	0.0547	-	-0.3138
Perceived Benefit	0.1358	-0.3138	-

Comparison_Low Income_Before	Supportiveness	Carbon Emission Comparison	Perceived Benefit
Supportiveness	-	0.0219	0.4900
Carbon Emission Comparison	0.0219	-	0.0095
Perceived Benefit	0.4900	0.0095	-

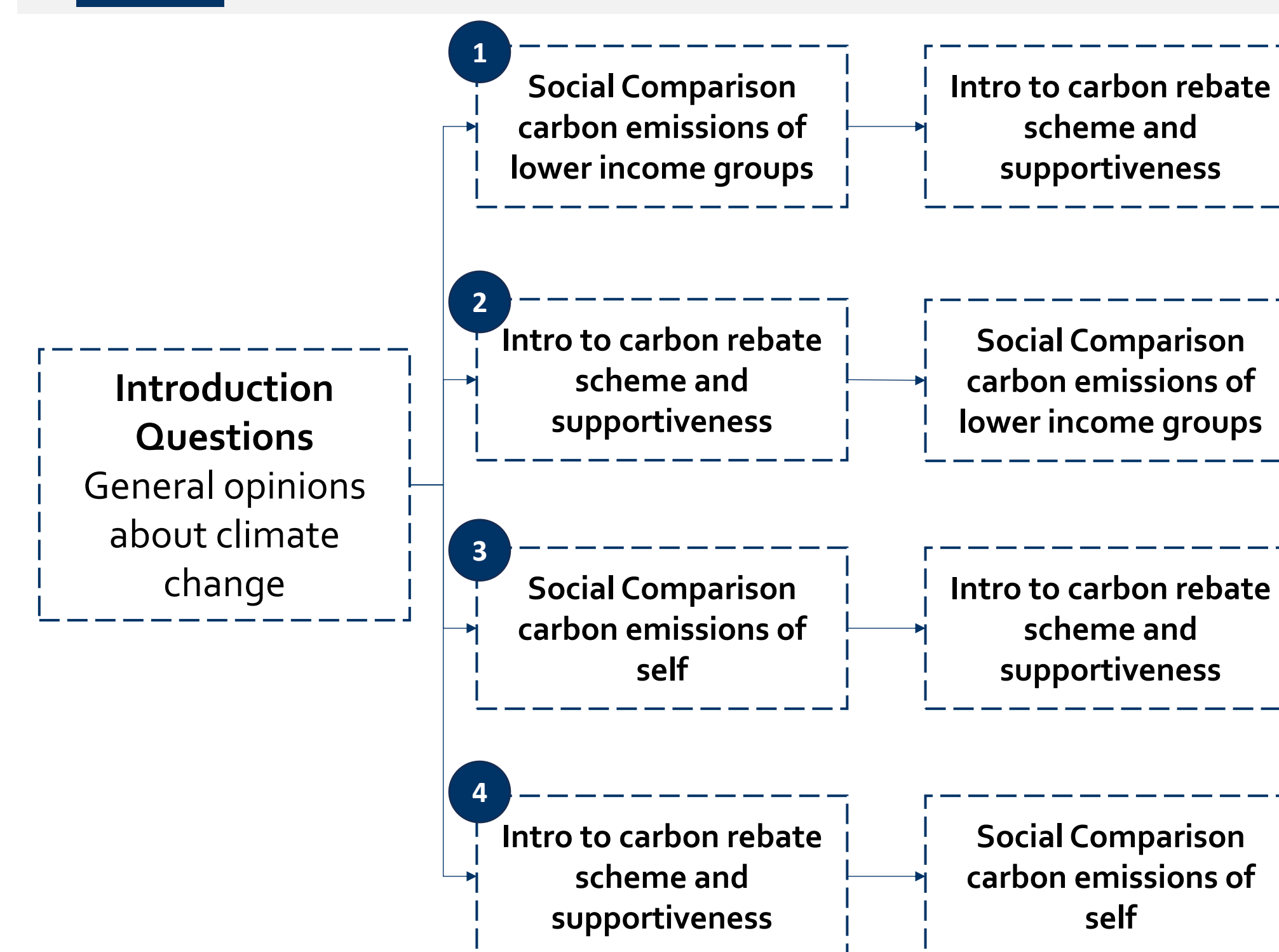
  

Comparison_Low Income_After	Supportiveness	Carbon Emission Comparison	Perceived Benefit
Supportiveness	-	0.0317	0.5860
Carbon Emission Comparison	0.0317	-	0.0038
Perceived Benefit	0.5860	0.0038	-

While **perceived benefit drives supportiveness in all conditions**, carbon emission comparisons have minimal or inconsistent influence on both supportiveness and perceived benefits. **Prompting individuals to compare emissions before or after evaluating the policy has little effect on the relationship between perceived benefit and supportiveness.**

## 4

### SURVEY DESIGN



## 5

### CONCLUSION

- There seems to be a **null effect** across the four different conditions
- In general, people believe both themselves and lower income groups **pollute less than average (<4)**
- While **believing that "themselves and lower income groups would financially benefit from the carbon rebate policy"** does lead to higher supportiveness, the nudge of comparison (before) does not increase the overall supportiveness