

# Government tax summaries could contribute to anti-welfare views, study finds

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The way the Government presents its annual tax summaries may contribute to anti-welfare sentiments, according to a new study by the Sheffield Political Economy Research Institute (SPERI) at the University of Sheffield.

The annual documents, which provide individuals with a breakdown of how their Income Tax and National Insurance contributions are spent, attracted controversy when they were first issued last year, with the Government accused of manipulating welfare [spending](#) information in an attempt to stoke anti-benefits sentiment in the context of austerity cuts.

Tax spending was broken down across fifteen categories ranked by the amount spent on them, with welfare spending appearing as the top category. The tax summaries, which were issued to all 24 million taxpayers in the UK, were defended by the Government as a way of increasing transparency.

However, a new online polling study by Dr Liam Stanley and Dr Todd Hartman, of the University of Sheffield, tested different ways of presenting tax summary data to assess the impact on public opinion. The study presented people alternative tax summaries, showing the same data in different ways, before asking questions that tested their attitudes towards state spending and welfare.

One alternative summary, created by the Institute for Fiscal Studies

(IFS), provided a more detailed breakdown of welfare spending – keeping the other fourteen categories constant, but using official Government accounting frameworks to split the welfare category into four parts (personal social services, public service pensions, other benefit spending on pensioners, and other benefit spending on those of working age). On the IFS tax summary, the breakdown of welfare spending ensured that health became the largest category.

The second alternative summary was created by tax campaigner Richard Murphy through his blog Tax Research UK, which proposed 25 different categories to illustrate how taxes are spent. In this summary, 'specific non-employment benefits' (such as housing benefit) became the largest category.

The results of the survey show that participants who received the official Government tax summary, compared to the IFS summary, were:

- Less likely to agree with how the Government spent their money;
- Less likely to indicate that current Government spending is a good use of taxpayer money; and
- Likely to guess that the Government spends more on welfare.

Dr Liam Stanley said: "This month every UK income taxpayer will receive an annual tax summary in the post. Our study suggests that the Government's tax summaries could lower public support for state spending and contribute to concerns about high public spending on welfare and the stigmatisation of welfare benefit recipients.

He added: "These findings are significant because next week the Chancellor's Autumn Statement will announce further deep public spending cuts. As the tax credits debate demonstrates, the Government's continuing commitment to austerity is increasingly controversial. In this context it is arguable that the tax summaries could help the Government

to maintain public support for cuts to public spending and to the welfare budget.

"The results show that concerns about the potential politicisation of spending data in the annual tax summaries are valid, and that further research on the official presentation of spending data and how it impacts on [public](#) opinion is urgently needed."

**More information:** The SPERI brief can be viewed at [speri.dept.shef.ac.uk/wp-conte ... al-tax-summaries.pdf](https://speri.dept.shef.ac.uk/wp-content/uploads/2015/11/tax-summaries.pdf)

Provided by University of Sheffield

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