# Can Taxing the Top 1% Unite Labor? Narrative Politics and Redistribution from the Super-Rich

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## Abstract

In highly unequal democracies, demands to tax the super-rich have gained political prominence, yet whether such proposals can sustain durable labor coalitions remains unclear. We argue that extreme wealth concentration alters the political geometry of redistribution: when income is narrowly concentrated at the top, targeted extraction can attenuate insider–outsider tensions and reorient distributive conflict toward a labor–elite cleavage. Using original survey data from Mexico, we combine closed-ended measures of tax preferences with large-scale analysis of open-ended reasoning about increasing taxes on the richest 1 percent. We find broad majority support for taxing the super-rich across partisan and labor-market divides, with stronger approval for targeted top-end taxation than for generalized tax increases. Fairness and proportional contribution are widely shared frames, while distrust in state capacity and enforcement constitutes the principal fault line. Coalition durability thus depends less on distributive principle than on perceived feasibility and credibility.

*Keywords:* Top 1%, taxes, labor coalitions, insiders-outsiders, LLMs, text as data

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# Introduction

At a time of unprecedented wealth concentration—where the top 1% in Latin America control roughly 40% of total wealth (Pineda and Pessino 2021)—broad segments of society consistently endorse investment in human capital and social protection. However, tax systems remain regressive, enforcement is weak, and sustained coalitions to extract resources from extreme wealth have proven elusive. At the same time, labor and allied movements increasingly center their demands on taxing concentrated wealth: activists under Mexico's *Alianza contra la Desigualdad* have marched for new taxes on billionaires; Brazilian unions organized a nationwide *plebiscito popular* linking a tax on the super-rich to labor reforms; and Uruguay's national trade union confederation (PIT–CNT) has proposed a permanent wealth tax on the richest 1% to eradicate child poverty. The central question, then, is whether mobilization around taxing the very top can overcome insider–outsider divisions and generate sustained cross-class support within labor, or whether fragmentation within the working population ultimately limits its coalition potential.

This paper develops a theory of coalition formation around taxing the super-rich and evaluates whether workers' attitudes and justificatory narratives provide a viable foundation for labor-based parties and unions to build broad support for extraction from extreme wealth. We argue that extreme concentration at the top changes the political geometry of redistribution by reducing the relative distributive distance between insiders and outsiders and increasing the salience of extraction from a narrow elite. In segmented labor markets, distributive politics has historically been structured around insider–outsider divisions between formal and informal workers (Rueda 2005; Luna 2014). During the post-2000 commodity boom, labor-based governments expanded redistribution primarily through spending—combining contributory protections for insiders with noncontributory transfers for outsiders (Carnes and Mares 2016; Garay 2016)—while largely avoiding direct confrontation with capital on the revenue side (Fairfield 2015). Although left and labor-based governments increased overall revenues (Feierherd et al. 2023; Stein and Caro 2013), tax systems remained centered on indirect taxation and payroll contributions (Castañeda and Doyle 2019), and reforms at the top of the income distribution were limited (Fairfield 2015).

This configuration, we argue, represented a *spending-side coalition equilibrium*, sustained by fiscal space and external windfalls (Flechtner and Middelanis 2024; Besley and Persson 2014).

As fiscal margins narrowed and redistribution shifted from allocating gains to reallocating losses, distributive conflict may move to the *revenue side*. When expanding taxes within labor becomes politically costly, targeting the super-rich offers a different strategic possibility. When a narrow elite captures a disproportionate share of national income, insiders and outsiders become more similar to each other relative to the very top. Redistribution can then be reframed as a contest between the broad majority of workers and a small economic elite, rather than as a conflict internal to labor. In principle, concentrating extraction at the top attenuates insider–outsider tensions and reorients coalition politics toward a labor-versus-capital cleavage. Whether this strategy can sustain broad cross-class worker support, however, remains an open empirical question.

To examine this question, we field an original survey in Mexico that combines closed-ended measures of redistribution preferences with a systematic analysis of open-ended responses. We assess overall support for taxing the richest 1% and analyze the reasoning that underlies those preferences. By centering open-ended responses, we capture first-order considerations—what comes to mind without prompts (Ferrario and Stantcheva 2022)—and identify the frames structuring tax attitudes. We first show that support for taxing the super-rich exceeds support for redistribution financed through broad-based taxation. We then use zero-shot BERT topic modeling and LLM-based classification to recover narrative themes and political stances. Fairness-based justifications—such as claims that the wealthy should "pay their share"—are widely shared across labor segments and partisan groups. At the same time, skepticism rooted in distrust of state capacity and doubts about elite compliance is unevenly distributed, marking a key fault line within the working population. The primary constraint on coalition building, therefore, lies less in disagreement over taxing the super-rich than in variation in confidence that the state can effectively collect and allocate those revenues. Our findings suggest that the prospects for redistributive politics under fiscal constraint depend less on abstract support for redistribution and more on whether political actors can credibly frame extraction from extreme

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wealth as both fair and enforceable.

This study contributes to three strands of scholarship. First, it extends research on insider–outsider politics and labor-based coalitions in segmented labor markets (Rueda 2005; Luna 2014; Lindvall and Rueda 2014; Holland 2018) by shifting attention from the spending side of the welfare state to the politics of revenue extraction at the very top. Second, it advances the literature on tax preferences and progressivity (Ballard-Rosa, Martin, and Scheve 2017; Stantcheva 2021; Kuziemko et al. 2015; Schwartz, Castañeda, and Doyle 2024; Busso et al. 2025) by examining explicitly targeted redistribution from the top 1%, rather than general attitudes toward inequality or progressive taxation in the abstract. Third, it contributes to work on political narratives (Izzo, Lipsey, and Mousa 2023; Hafer, Izzo, and Landa 2025; González-Rostani, Incio, and Lezama 2025b; Margalit and Raviv 2024) by demonstrating how citizens articulate justifications for taxing the super-rich in their own words. By combining structured preference measures with embedding-based topic modeling and LLM-assisted classification, we connect distributive preferences to the narrative foundations of coalition formation.

## Coalitions and redistribution

Research on coalition building in Latin America and the developing world has largely centered on *state outputs*, especially the role of the state in the economy and the spending side of redistribution. This work has examined public ownership and market reforms (Murillo 2000, 2002), industrial policy and subsidies (Breznitz and Gingrich 2025; Wibbels and Ahlquist 2011), public employment (Nooruddin and Rudra 2014), and labor regulation and enforcement (Murillo and Schrank 2005; Feierherd 2020). Most notably, a large body of research has concentrated on the spending side of social policy, analyzing how political coalitions shape redistribution, social protection, and welfare expansion (Segura-Ubiergo and Kaufman 2001; Rudra 2002; Garay 2007, 2016; Wibbels and Ahlquist 2011; Carnes and Mares 2014, 2015; Holland 2018; Menéndez González 2021). Much less attention has been devoted to the *revenue side* of distributive politics—and, in particular, to whether labor-based coalitions can form around taxation itself. This neglect matters because revenue policy is typically less visible than spending, yet it directly

activates conflict over *who finances* redistribution, especially when fiscal space tightens.

A central stylized fact is that government revenue in the region has been structured largely away from progressive distributive considerations, despite innovations in direct taxation (Seelkopf and Lierse 2020; Seelkopf et al. 2021). Business elites often resist and constrain direct taxation (Fairfield 2013, 2015), a pattern consistent with anti-statist orientations and low expectations of the state (Ondetti 2021; Berens and Schiller 2016; Berens and Gelepithis 2019). Governments therefore rely heavily on broad-based consumption taxes and, when available, natural resource revenues and trade taxes (Kato 2003; Morrison 2009; Besley and Persson 2014; Fairfield 2015), particularly under high informality (Castañeda and Doyle 2019). This configuration creates a mismatch between fiscal incidence and benefit incidence: outsiders often contribute through consumption taxes while lacking access to contributory protections tied to formal employment, whereas insiders experience a tighter link between taxation and social insurance (Higgins and Lustig 2016). In parallel, informal and privately provided protection can substitute for state transfers, weakening demand for formal redistribution and muting tax politics (Holland 2017; Feierherd 2020; López-Cariboni 2019, 2024). Yet when taxation becomes salient, it can generate taxpayer identities and distributive claims that do not map neatly onto spending-side coalitions (Levi 1988; Prichard 2015).

Our focus on workers' beliefs and preferences is motivated by the potential to reconfigure insider–outsider coalitions under fiscal constraint and to clarify mobilizational opportunities for political elites. We build on work highlighting representation dilemmas for labor-based parties and unions in segmented labor markets (Rueda 2005; Luna 2014; Lindvall and Rueda 2014). Coalitions over the welfare state are inherently distributive: they concern both allocation of spending and the politics of financing—who gives and who gains (Beramendi and Rehm 2015). Because insiders remain central organizational constituencies for labor-based parties and unions (Collier and Collier 1991; Levitsky 2003; Murillo 2001), but outsiders are numerous and often electorally pivotal (Thornton 2000; Baker and Velasco-Guachalla 2018), strategies that sustain redistribution must confront the revenue side directly. Although our emphasis is on left-wing political elites, similar dilemmas extend to labor-based center and center-right parties

with comparable social bases (Murillo 2000).

## Spending-side coalitions

Under favorable macroeconomic conditions, left and labor-based parties could expand redistribution largely through the allocation of growth and windfalls, combining contributory protections for insiders with noncontributory programs for outsiders (Huber and Stephens 2012; Luna 2014; Carnes and Mares 2016; Garay 2016; Holland 2018; Feierherd et al. 2023). These accounts are especially well suited to explaining the emergence of noncontributory social policies, that is, redistribution on the spending side targeted at labor-market outsiders (Mares and Carnes 2009; Pribble 2013; Carnes and Mares 2016, 2015; Brooks 2015; Castañeda and Doyle 2019).[1] Such spending proved effective in building electoral support among informal-sector voters (Zucco and Power 2013; Zucco 2013) and could help sustain broader coalitions that protected insider interests.

While accounts differ in emphasis, they share a common implication: when redistribution is primarily spending-based and fiscal trade-offs are muted by growth, revenue politics can remain comparatively insulated (Wibbels and Arce 2003; Castañeda and Doyle 2019; Higgins and Lustig 2016). Coalition arguments also highlight the distributive tension from the insider perspective: noncontributory programs are generally progressive (Lindert, Skoufias, and Shapiro 2006), and their political viability depends on support or acquiescence from substantial segments above the bottom of the distribution (Zucco, Luna, and Baykal 2020). Mechanisms proposed for insider–outsider cooperation include insurance logics among insiders facing risk (Carnes and Mares 2016, 2015) and preference convergence when formal and informal employment are fluid and workers anticipate transitions across sectors (Maloney 2004; Levy 2010; Perry et al. 2007; Bosch and Esteban-Pretel 2012; Rosenzweig 1988; Fields 2005; Günther and Launov 2012; Radchenko 2014; Ronconi, Kanbur, and López-Cariboni 2023; Baker and Velasco-Guachalla 2018).

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1. In contexts of high informality, contributory instruments have limited reach; noncontributory pensions and transfers therefore expanded as a complement to contributory programs (Pribble 2013; Carnes and Mares 2016, 2015; Brooks 2015; Castañeda and Doyle 2019).

## The revenue-side of redistribution

Revenue politics is different. Canonical models predict that inequality increases demand for redistribution (Meltzer and Richard 1981; Person and Tabellini 2002), yet high inequality often coexists with weak tax-based redistribution in developing countries. A key reason is that the main available instruments—VAT and labor-based income and payroll taxes—can sharpen insider–outsider tensions. Consumption taxes broaden extraction to outsiders, while personal income taxation often falls disproportionately on formal labor in contexts where capital income is harder to tax and enforcement is limited (Bird and Zolt 2005; Holland 2018; Beramendi and Rueda 2007). This makes the financing of redistribution explicit and politically contentious, particularly when fiscal consolidation shifts distributive conflict from allocating gains to reallocating losses (Wibbels and Arce 2003; Higgins and Lustig 2016; Alesina, Favero, and Giavazzi 2019; Bansak, Bechtel, and Margalit 2021). Consistent with this logic, work on tax bargaining emphasizes that taxation can remain absent from agendas until fiscal conditions activate tax bargaining and taxpayer identities (Prichard 2015).

When external windfalls recede and deficits rise, governments must rely more on domestic revenue, and parties face intensified rhetorical competition over fiscal alternatives (Wibbels and Arce 2003; Hafer, Izzo, and Landa 2025; Izzo, Lipsey, and Mousa 2023). Existing evidence also suggests that constituencies are more willing to accept consolidation when taxes are perceived as progressive, while regressive adjustments are more politically costly (Bansak, Bechtel, and Margalit 2021; Hübscher, Sattler, and Wagner 2021). In this context, taxing the super-rich can emerge as a proposal that potentially avoids the insider–outsider trade-offs embedded in conventional instruments. Whether it can mobilize and sustain broad coalitions, however, depends on how citizens evaluate its feasibility and implications.

## Preferences for Tax Progressivity

Recent research on tax preferences questions the expectation that rising inequality mechanically generates mass demand for progressive taxation. Conjoint evidence from the United States shows that preferences over income tax schedules are internally coherent but relatively inelastic,

with distributive conflict concentrated in the upper brackets rather than across the entire schedule (Ballard-Rosa, Martin, and Scheve 2017). However, this line of work treats "the rich" as a broad category and does not disaggregate the very top of the distribution—such as the top 1%—where economic concentration, visibility, and political contestation may operate differently.

Experimental studies show that correcting misperceptions about inequality increases concern about inequality than support for sweeping tax reform (Kuziemko et al. 2015; Alesina, Stantcheva, and Teso 2018). At the same time, the literature consistently documents politically salient heterogeneity: left-leaning respondents are systematically more supportive of redistribution and more responsive to informational shocks, whereas right-leaning respondents are typically less responsive or update through different evaluative criteria (Alesina, Stantcheva, and Teso 2018). In short, preferences for taxing the rich are not only conditional on beliefs about incidence and compliance, but also politically sorted, implying that top-end taxation is more naturally embedded in left electoral strategies than in right parties' coalition-building imperatives.

A complementary line of work asks how citizens *reason* about tax policy (broadly defined). Stantcheva (2021) shows that attitudes toward income and estate taxation are strongly related to social preferences (fairness and the perceived benefits of redistribution) and views of government, with partisan gaps that are visible both in final policy views and in the intermediate reasoning that underpins them. Crucially for revenue politics, informational interventions can shift support when they clarify targeting: Kuziemko et al. (2015) find limited policy effects overall, except for the estate tax, where learning that it applies only to very wealthy households increases support. More recent evidence underscores that political heterogeneity is not merely additive but shapes *responsiveness*: in France, providing quantitative information on the capital-versus-labor composition of top incomes generates more unfavorable views of top earners, and those most responsive are disproportionately voters for left-wing candidates with egalitarian conceptions of justice (Barrera-Rodríguez and Chávez 2025). Related measurement work also suggests that polarization depends on whether questions are abstract or policy-specific, with left–right gaps appearing smaller for concrete income-tax items than for generic redistribution questions (de Bresser and Knoef 2022). Together, these findings imply that coalition formation around taxing

the rich depends not only on baseline ideological predispositions, but also on which frames and factual claims are politically credible and motivating for different partisan publics.

Trust in elites and in the state further conditions these dynamics. Di Tella, Dubra, and Lagomarsino (2021) show that distrust in business elites increases desired tax rates, but distrust in government can undermine support for state-led redistribution. In contexts of weak state capacity, such as Latin America, Busso et al. (2025) document that perceptions of corruption and elite capture lead citizens to support taxing the rich while opposing expenditures on the poor, revealing a disconnect between revenue and spending preferences. At the same time, experimental evidence highlights that demands for progressivity—proxied through treatments that vary tax burdens across three income groups, including a "rich" but not ultra-rich category—is fragile (Schwartz, Castañeda, and Doyle 2024).

Despite these advances, most research examines tax preferences at the individual level and focuses on general inequality aversion rather than explicitly targeted redistribution from the very rich. We know much less about how these preferences intersect with labor-market segmentation and coalition politics. Although fairness arguments can mobilize support for taxation, less attention has been paid to how feasibility concerns—such as enforcement limits, capital mobility, or potential economic costs—undermine that support, and whether directing redistribution at extreme wealth can narrow insider–outsider divides within labor or sustain cross-class worker alliances under fiscal constraint. We address this gap by unpacking how citizens themselves frame the trade-offs involved in taxing the super-rich. By combining closed-ended measures with systematic analysis of open-ended responses, we move beyond abstract endorsement to the narratives that shape coalition potential, connecting the microfoundations of tax attitudes to the broader political question of whether extraction at the very top can anchor durable labor-based redistribution.

# Argument: Taxing the Super-Rich and the Re-Activation of the Insider–Outsider Coalition

We argue that taxing the super-rich can be an opportunity for rebuilding insider–outsider coalitions under fiscal constraint. Insider–outsider divisions have historically weakened labor's collective leverage vis-à-vis capital, particularly in segmented labor markets where workers with stable, protected employment diverge from those in precarious or informal positions. This cleavage correlates with formal versus informal status, unionization, education, and income, and extends beyond individual workers to their households, shaping broader political preferences (Ronconi, Kanbur, and López-Cariboni 2023; Baker and Velasco-Guachalla 2018). While such divisions have structured welfare politics for decades, extreme concentration of income and wealth at the very top alters the political geometry of redistribution.

During periods of economic expansion and commodity windfalls, insider–outsider coalitions were sustained primarily through the allocation of growth: contributory benefits for insiders and noncontributory programs for outsiders (Huber and Stephens 2012; Luna 2014; Carnes and Mares 2016; Garay 2016; Holland 2018). As fiscal space narrowed and governments shifted from distributing gains to reallocating losses, distributive conflict increasingly moved to the revenue side (Wibbels and Arce 2003; Alesina, Favero, and Giavazzi 2019; Bansak, Bechtel, and Margalit 2021). Under these conditions, conventional tax instruments sharpen tensions within labor, particularly in systems reliant on regressive consumption taxes and labor-based income taxation. Electoral setbacks for labor-based parties across the region reflect the difficulty of sustaining broad coalitions when fiscal consolidation forces visible trade-offs between tax increases and spending cuts.

Extreme top-end concentration reshapes these dynamics. Classic models of redistribution emphasize conflict between labor and capital (Meltzer and Richard 1981; Iversen and Soskice 2006), but the feasibility of cross-class alliances depends on relative group distance (Lupu and Pontusson 2011). When a narrow elite captures a disproportionate share of national income, insiders and outsiders become more similar to each other relative to the very top. Distributive

conflict can thus be reframed as a contest between a broad majority of workers and a small economic elite, rather than as a conflict internal to labor. Moreover, top-end inequality is not only greater but also more observable. Billionaire fortunes are enormous and systematically publicized, turning "the top" into a concrete and socially legible group rather than an abstract percentile. Mexico illustrates this clearly. Recent distributional estimates suggest that the top 1% captures roughly 27% of national income (with similarly high top shares in Peru and Chile, WIL 2025), while the top 1% holds around 40% or more of total wealth (Carranza, De Rosa, and Flores 2025). Such levels of concentration make the scale of advantage difficult to dismiss. This concentration is further personified by highly visible figures such as Carlos Slim and by the presence of more than twenty billionaires in the country. Inequality is therefore not only widespread but sharply concentrated and publicly recognizable at the very top, making elite taxation a substantively meaningful and politically intelligible policy target.

Taxing the super-rich can therefore function as a coalition-building strategy. First, top-end taxation is perceived as incidence-transparent and normatively fair, avoiding the perception—common under VAT-heavy systems—that redistribution is financed primarily by workers who are already heavily taxed through consumption taxes, payroll contributions, and labor income taxes. Second, coalition durability depends on expectations about the use of revenues. If resources extracted from top earners are credibly linked to protecting valued programs and expanding access for those most in need, both insiders seeking to defend contributory benefits and outsiders seeking greater inclusion can converge on a shared fiscal target. This implies that support for taxing the super-rich should exceed support for redistribution through the existing tax mix, which often forces distributive trade-offs within labor.

This strategy nevertheless faces constraints. Some workers may fear that taxing top earners will reduce investment, trigger capital flight, or slow economic activity. Others may doubt the state's capacity to enforce progressive taxation, given elite influence and avoidance strategies. Where such feasibility concerns dominate, support may be conditional or fragile even among redistribution-leaning publics. Moreover, identical policy proposals may resonate through different interpretive frames across labor-market positions. Unionized insiders may frame

top-end taxation as restoring balance between labor and capital; non-unionized formal workers may emphasize fiscal fairness and relief from middle-class burdens; informal and precarious workers may foreground moral claims about exclusion and the illegitimacy of extreme wealth. These distinct justificatory logics reflect material position rather than mere rhetoric.

Our argument, therefore, yields two expectations. First, we anticipate broad support for taxing the super-rich across labor-market groups under fiscal constraint. Second, we expect systematic heterogeneity in the reasons offered for that support, shaped by union status, employment security, and formality. Coalition politics around top-end taxation thus hinges not only on aggregate approval but on whether political entrepreneurs can articulate frames that speak to these differentiated concerns while sustaining a shared distributive target.

## Anecdotal Evidence of Labor Mobilization

Recent years have witnessed renewed labor and civil-society mobilization around taxing the super-rich across the Americas.[2] While these cases do not constitute systematic evidence, they illustrate that redistribution at the top of the income and wealth distribution has become a salient component of contemporary labor politics.

**Brazil's Campaigns for Taxing the Super-Rich.**    In 2025, Brazilian unions and allied social movements organized a nationwide "popular referendum" calling for a tax on the super-rich and reductions in working hours. The initiative mobilized citizens both in neighborhoods and online, aiming to pressure Congress to legislate on fiscal justice and labor rights.[3]

Brazil's government has also expressed support for greater taxation at the top, including proposals for a 10% tax on dividends for individuals earning over 1.2 million reais annually (Bloomberg 2025). José Gilberto Scandiucci, Brazil's Minister-Counsellor, stated at the United Nations that "We cannot tolerate the intensity of inequality, which has been increasing in recent years" (UN 2025). Finance Minister Fernando Haddad similarly defended taxing the wealthiest, arguing that "taxing the super-rich is both an emergency and a necessity" (Monde 2024).

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2. See Appendix A.10 for anecdotal evidence in the US.
3. For more information, see Cartilha do Plebiscito Popular.

**Mexico's Alliance Against Inequality Campaign.** In mid-2025, Mexican activists under the Alianza contra la Desigualdad ("Alliance Against Inequality") mobilized in Mexico City to demand new taxes on the ultra-rich, using slogans such as "El 1% más rico de México tiene más dinero que 126 millones de personas juntas." They framed a wealth tax on billionaires as a matter of justice rather than punishment, arguing that extreme wealth concentration impedes economic circulation and deepens inequality.

The proposal called for a modest annual levy on roughly the 15 richest families in Mexico, with a 3–5% tax on fortunes above $10–$15 billion. Activists projected that the revenue could support approximately two million low-income families annually. They also emphasized that a previous legislative initiative to tax top fortunes had stalled, underscoring the need for public pressure to advance fiscal reform.

**Uruguay's Proposal for a Wealth Tax.** In 2025, Uruguay's national labor confederation PIT–CNT proposed the creation of a permanent wealth tax on the richest 1% of households. Union leaders argued that the top 1% holds between 35 and 40% of the country's wealth, while roughly one-third of children live in poverty. They estimated that a 1% tax on this wealth could generate revenue equivalent to about 1% of GDP, potentially sufficient to eradicate child poverty. The proposal received support from some senators of the left-wing Frente Amplio, although President Orsi opposed introducing new taxes (Tristant 2025).

# Research Design

## Case Selection and Background

We study public attitudes toward taxing the richest 1% in Mexico. Mexico is theoretically informative for three reasons. First, it combines high inequality and extreme concentration of income and wealth at the top with a political discourse in which inequality and corruption are highly salient. This configuration makes Mexico a plausible *most-likely* setting for distributive conflict over elite taxation, as the "top 1%" is socially visible and politically meaningful. Second, Mexico is also a *hard case* for assembling broad-based support for progressive taxation.

Constraints on state capacity, enforcement challenges, and skepticism about the use of public funds may weaken the perceived benefits of higher taxes, even among citizens who endorse redistribution in principle. Third, these features are not unique to Mexico. Similar patterns of inequality and fiscal constraint characterize much of Latin America, and Mexico's support for redistributive taxation lies close to the regional average (see Figure A3), enhancing the case's comparative relevance.

Objective indicators reinforce the importance of the case. Mexico's Gini coefficient is approximately 43.5 (UNdata 2025), and the top 1% capture about 27% of total income (WIL 2025). Wealth concentration is even more pronounced: the top 1% own roughly 40% or more of total wealth (Carranza, De Rosa, and Flores 2025). Mexico is also home to more than twenty billionaires. Inequality is therefore not only widespread but also highly concentrated at the very top, making elite taxation a substantively meaningful policy target.

Mexico's fiscal structure further sharpens the empirical puzzle. Compared to several countries in the region that rely heavily on broad-based consumption taxes, Mexico raises a substantial share of revenue from direct taxes on income and profits (OECD 2023). At the same time, perceptions of tax burden remain widespread (Schwartz, Castañeda, and Doyle 2024). Together, these conditions make Mexico a revealing setting for examining how citizens justify taxing the wealthy and when those justifications translate into policy support.

## Data

We fielded an original survey in Mexico in February 2026 using Netquest. The survey includes 1,358 respondents and was designed to approximate national representativeness on key demographic characteristics, including age, gender, region, and education. The survey was conducted online and administered in Spanish. Refer to subsection A.2 for descriptive statistics on main variables.

## Measuring Preferences Toward Taxation

We measure preferences over proposals to raise taxes on the richest 1% and examine the reasoning behind them. Our objective is descriptive. Rather than focusing on marginal insider–outsider

differences—though we test for them—we assess overall support across labor-market groups and identify narratives that may either sustain or polarize potential coalitions.

Attitudes toward taxing the super-rich can reflect distributive views, beliefs about incentives and growth, concerns about corruption, or doubts about administrative capacity. Capturing these considerations requires going beyond a single survey format: closed-ended items provide standardized measures of policy support, but they can steer respondents toward researcher-defined categories or miss issues that are salient to them (Ferrario and Stantcheva 2022). Open-ended questions, in contrast, allow respondents to state their views in their own words and help elicit first-order considerations, i.e., what comes to mind without being constrained by predefined options (Ferrario and Stantcheva 2022). This is especially relevant here because citizens often hold complex and conditional views on taxation that are not well represented by binary responses (Margalit and Raviv 2024), and open-response data commonly reveal heterogeneous narratives and justifications (Gonzalez-Rostani and Tober 2025). We therefore combine open-ended and closed-ended outcomes to study both the content of redistributive reasoning and its relationship to concrete policy preferences.

First, we field an open-ended prompt asking respondents to write a few sentences stating their view on increasing taxes on the richest 1% in Mexico, including reasons in favor or against and any concerns. From these texts, we construct three measures. We estimate *topic prevalence* using embedding-based topic modeling (Zero-Shot BERTopic, Grootendorst 2022). The method first maps each response into a high-dimensional semantic embedding space using a transformer language model, then clusters responses based on semantic similarity, while incorporating a small set of seed themes to guide topic identification. Each response is assigned a distribution over substantively interpretable themes, including fairness and redistribution, government distrust, economic growth and investment, and administrative feasibility. Because topics can mix supportive and opposing claims, we add response-level classification using an LLM via the OpenAI API (GPT 4o). Specifically, we code (i) stance toward increasing taxes on the top 1% (support, oppose, mixed/unclear) and (ii) the primary rationale invoked (e.g., fairness, financing public goods, government distrust). We use these labels to validate and interpret the

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themes recovered by BERTopic.[4] This approach is motivated by evidence that GPT-class models can perform comparably to human coders on related text-labeling tasks (González-Rostani, Incio, and Lezama 2025b, 2025a).

Second, we measure closed-ended policy preferences with three standard outcomes: (i) whether the maximum income tax rate paid by the super rich in Mexico should increase, remain the same, or decrease; (ii) whether respondents would be willing to sign a petition promoted by social organizations to increase taxes on the super rich; and (iii) agreement that it is the government's responsibility to reduce income differences between high- and low-income individuals, even if doing so requires higher taxes. Beyond providing standardized benchmarks, these items help separate support for a targeted instrument (raising taxes on the super rich) from broader redistributive commitments that may be interpreted as implying wider tax increases. This distinction matters because respondents can dislike inequality while still opposing policies they expect would raise their own tax burden; support for redistribution may therefore depend on whether financing is perceived as concentrated on top earners rather than spread more broadly.

## Measuring Labor Market and Political Cleavages

Our key independent variables capture heterogeneity in labor-market position and partisan alignment. A central implication of insider–outsider and dualized labor-market theories is that exposure to economic risk, contribution requirements, and access to contributory benefits can generate systematic differences in distributive preferences (e.g., Rueda 2006; Holland 2018). In contexts characterized by high levels of informality, interactions with the fiscal state are uneven: formal workers are more likely to pay income-related taxes and receive social security benefits, whereas informal workers often experience weaker or more tenuous links between taxation, contributions, and state-provided protections (e.g., Baker and Velasco-Guachalla 2018). These asymmetries may shape both attitudes toward taxing the wealthy and the reasoning individuals invoke when justifying their views.

We operationalize these dimensions using standard survey measures. Union membership is coded as a binary indicator equal to one if the respondent is currently or has ever been a

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4. For further details on BERT and LLM usage, refer to Appendix subsection A.4.

member of a labor union. Labor market informality is measured with a binary indicator equal to one if the respondent reports not receiving social security coverage (IMSS, ISSSTE, or another public system) in their main job, a commonly used proxy for informal employment. We also include indicators for unemployment and for full-time employment status to distinguish among different positions in the labor market. Education is measured as an indicator for holding a bachelor's degree or more, capturing differences in socioeconomic status and potential exposure to redistributive debates. Finally, partisanship is measured through support for Morena in 2024 election, the incumbent left-wing party, allowing us to assess whether redistributive reasoning and policy preferences vary along partisan lines. We also incorporate standard demographic questions that we report in the appendix (e.g., income, age, gender).

## Empirical Approach

We proceed in three steps. First, we describe the distribution of topics, stance, and rationales in the full sample. Second, we estimate regression models relating both open-ended and closed-ended outcomes across key groups. Third, we assess whether subgroup differences in justificatory reasoning correspond to differences in stated policy preferences and behavioral intentions.

# The Social Bases of Support for Taxing the Super-Rich

In this section, we present our empirical results. We begin by examining overall support for broad-based taxation and for taxing the super-rich. We then analyze differences across socio-economic characteristics, job stability, and ideological cues to identify potential cleavages. Next, we turn to respondents' open-ended answers to uncover the narratives underlying these preferences. Finally, we assess which of these narratives have the potential to polarize opinion and which may instead support broader coalition formation.

## Taxing the Super-Rich vs. General Inequality Reduction

To begin, we look at the support of taxing the rich and, more broadly, whether the government should reduce inequality. Figure 1 shows a clear majority support for both policy statements.

Roughly two-thirds of respondents favor increasing taxes on the super-rich, and just over half agree that the government should reduce inequality even if doing so requires higher taxes. In both cases, the mean lies above the 0.5 threshold, indicating that these positions command majority backing.
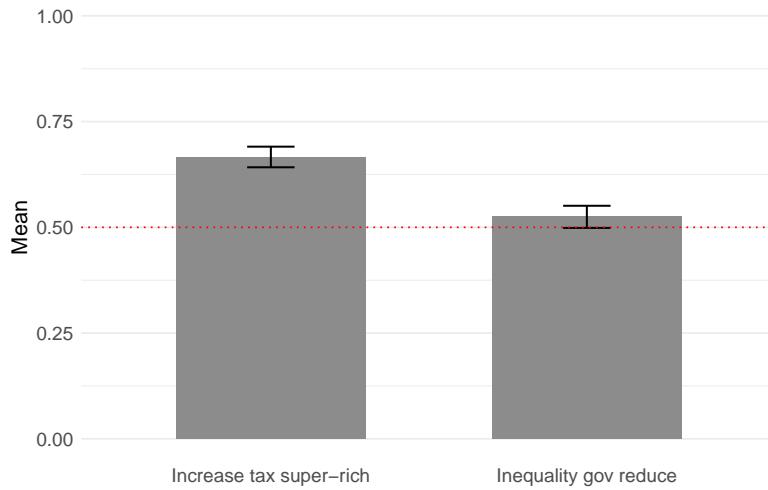


**Figure 1: Support for Taxing the Super-Rich and Government Redistribution.** Note: The figure reports the sample mean of support for increasing taxes on the super-rich and for the view that the government should reduce inequality, even if more taxes should be paid. Outcomes are coded as binary indicators. The horizontal dashed line marks the 0.5 threshold, indicating majority support.

At the same time, the figure reveals an important difference in magnitude. Support is noticeably higher when redistribution is framed as a targeted increase in taxes on the super-rich than when it is framed more broadly as reducing inequality through potentially higher taxes. The second question explicitly acknowledges that "more taxes" may be required, without specifying who would bear the burden. The stronger support for the targeted measure suggests that citizens are more comfortable with redistribution when the fiscal burden is concentrated at the top rather than diffuse or affecting them directly.

This pattern is consistent with our broader expectation that taxing the super-rich may create opportunities for coalition building that extend beyond traditionally organized or already over-taxed workers. In our framework, this gap between targeted and general redistribution is the demand-side signature of a revenue strategy that shifts distributive conflict away from within-labor trade-offs and toward a shared fiscal target at the very top. Targeted progressive taxation, therefore, appears to attract broader backing than generalized redistributive appeals,

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making it a potentially unifying issue across social groups. These results are consistent with prior evidence from Latin America comparing support for taxes on the rich versus VAT or income taxes (see Figures A2-A3).

Figure 2 disaggregates support by socioeconomic characteristics and reveals two central patterns. First, support for increasing taxes on the super-rich remains above the majority threshold across virtually all groups. Union status, employment condition do not meaningfully alter the baseline finding: majorities in most categories endorse taxing the super-rich. Support is therefore not confined to a narrow constituency but extends across labor market positions and demographic strata. In addition, across all groups, targeted redistribution from the rich receives greater support than the more general statement that the government should reduce inequality even if higher taxes are required.
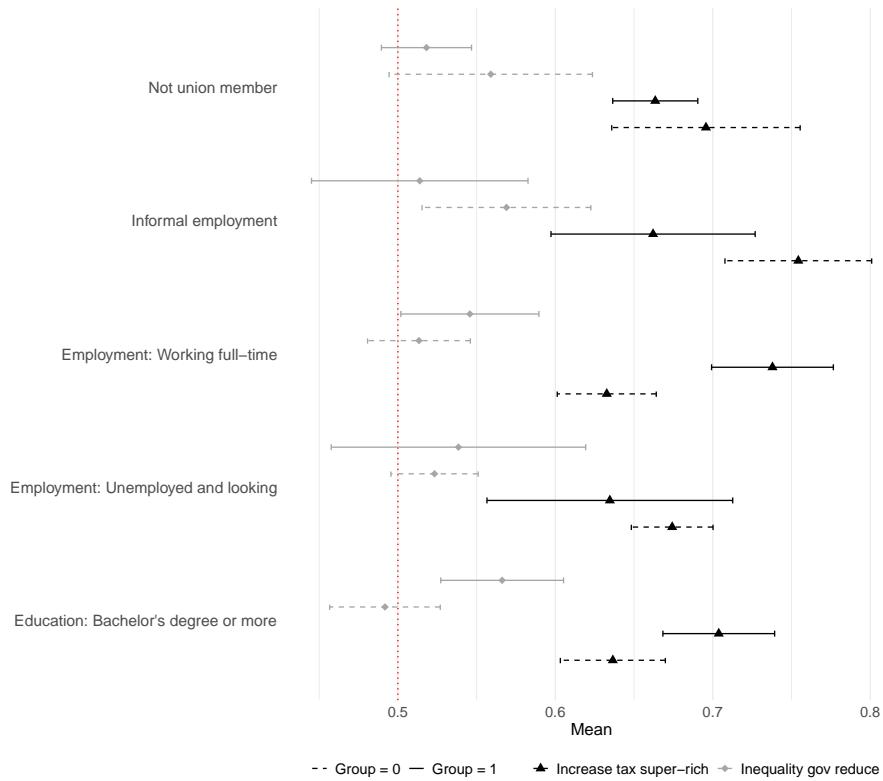


**Figure 2: Support for Taxing the Super-Rich and Reducing Inequality by Insider-Outsider Measures.** Note: The figure presents group means for (1) support for increasing the top marginal income tax rate on the super-rich and (2) agreement that the government should reduce inequality, even if more taxes are needed. Outcomes are coded as binary indicators. Group = 0 means that the variable takes the value of 0, and Group = 1, indicates the binary is 1. Groups are defined by labor market position (union experience, informality, unemployment, and full-time employment). The vertical dashed line marks the 0.5 threshold, indicating majority support. Refer to Figure A10 for a test on differences across groups, and Figure A6 for results on other dimensions of heterogeneity (partisanship, age, income, and gender).

Second, differences between labor market "insiders" and "outsiders" are present but modest (see also Figure A10 for statistical differences tests). Respondents in more precarious positions—such as those in informal employment or who are not working full time—exhibit slightly lower levels of support than formally employed and full time workers. Yet even among the least supportive groups, support for taxing the super-rich exceeds 60 percent. The observed differences thus reflect variation in magnitude rather than evidence of a pronounced insider–outsider cleavage. Consistent with our argument, the targeted instrument does not activate a sharp insider–outsider conflict of the type commonly associated with broad-based revenue strategies.

Finally, Appendix Figure A4 reports the same estimates, including an additional closed-ended outcome—willingness to sign a petition in favor of taxing the super-rich—as a behavioral proxy. Between 40% and 50% of respondents indicate that they would be willing to sign such a petition. Interestingly, the behavioral measure suggests comparatively lower levels of mobilization among outsiders, indicating that expressed support does not uniformly translate into willingness to engage in political action.

Taken together, these findings suggest that taxing the super-rich has coalition-building potential, even though there may be mobilization challenges. The policy does not divide insiders from outsiders; instead, it attracts substantial backing across both constituencies. In a context where many citizens report feeling fiscally burdened, a clearly targeted progressive measure may unite groups that are otherwise segmented in the labor market around a revenue claim directed at extreme top-end concentration.

## Labor Market Position and Redistribution Within Partisan Alignments

Because redistribution is advanced through party coalitions rather than in a partisan vacuum, it is important to examine how preferences vary across left and right alignments. In Mexico, Morena serves as the principal electoral vehicle for redistributive reform, and theories of labor-based coalitions imply that left parties are the most likely promoters of progressive taxation. If support for taxing the super-rich is confined to the left, its coalition potential remains limited to the governing bloc; if it extends beyond it, targeted redistribution may sustain broader political alliances. Figure 3 therefore stratifies the analysis by support for Morena (left-wing coalition),

allowing us to assess whether the broad backing observed in the aggregate masks sharp partisan divides. Two findings stand out. First, as expected, Morena supporters exhibit higher levels of support for both taxing the super-rich and reducing inequality more broadly. In nearly all socioeconomic categories, left identifiers display strong and consistent majorities in favor of progressive taxation. Redistribution is therefore firmly anchored within the governing party's electoral base.
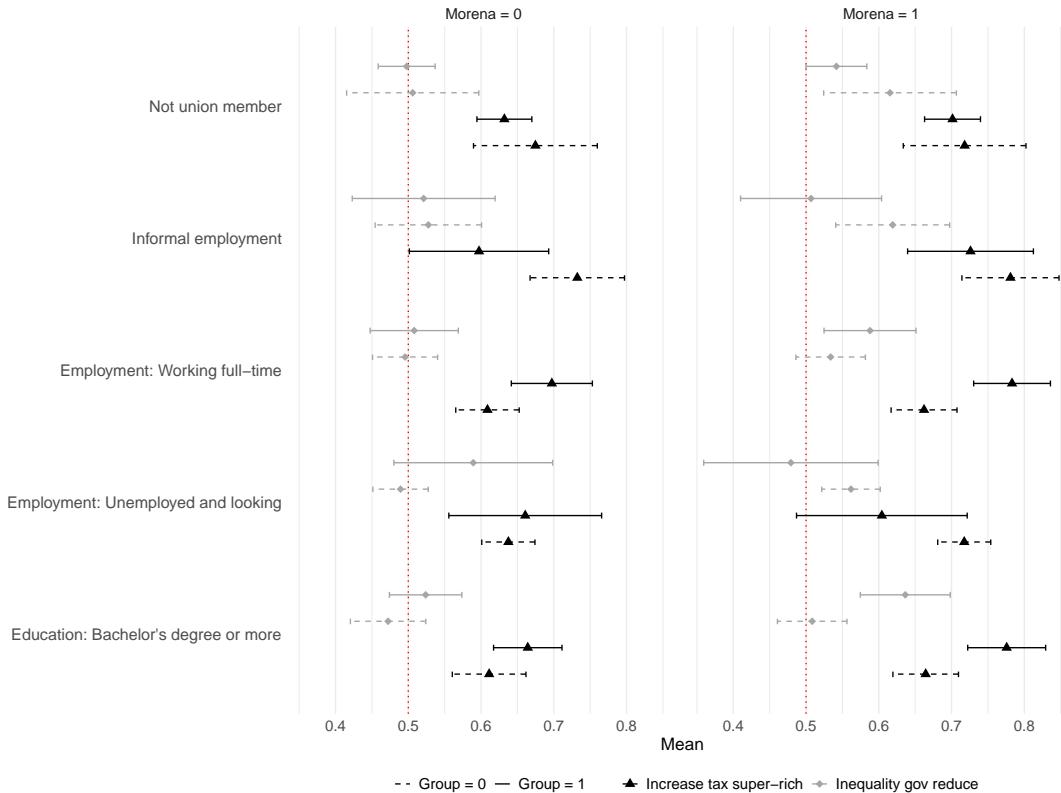


**Figure 3: Support for Taxing the Super-Rich and Reducing Inequality by Morena Partisanship.** Note: The figure displays group means for support for increasing the top marginal income tax rate on the super-rich and agreement that the government should reduce inequality, stratified by support for Morena. Outcomes are coded as binary indicators. Group = 0 means that the variable takes the value of 0, and Group = 1, indicates the binary is 1. Labor market groups include union experience, informality, unemployment, and full-time employment. The vertical dashed line marks the 0.5 threshold, indicating majority support. Refer to Figure A7 for results on other dimensions of heterogeneity (age, income, and gender).

Second, support is not limited to the left. Among respondents who do not identify with Morena, agreement that the government should reduce inequality through higher taxes is weaker and in several groups hovers around, or falls below, majority support. However, when the policy is framed specifically as raising taxes on the super-rich, support increases markedly among these same respondents. In many socioeconomic categories, non-Morena voters reach majority

levels in favor of taxing the very top. In other words, the partisan divide is sharper for general redistribution than for a targeted tax on extreme wealth concentration. This pattern matches our expectation that specifying "who pays" dampens polarization by separating redistributive intent from perceived self-burden.

This distinction carries important political implications. Tax policy requires electoral support and is more likely to be advanced by left parties. The stratified results suggest that while progressive taxation is indeed strongest among left identifiers, targeted redistribution from the super-rich also attracts meaningful backing beyond that core constituency. A left-party coalition can therefore mobilize its traditional supporters around redistributive policy, but it may also appeal to segments of right-leaning voters when the policy clearly identifies extreme wealth concentration as the object of taxation.

## How Citizens Justify (Not) Taxing the Super-Rich

Having documented widespread support for taxing the super-rich—across partisan alignments and across insider–outsider divisions—we next examine how citizens justify their positions. Aggregate agreement does not reveal whether support rests on principled commitments, instrumental considerations, or strategic calculations. Because our argument places narratives at the center of coalition formation, we ask whether citizens converge on compatible justificatory frames or instead reach the same policy position for reasons that are difficult to align politically. To move beyond levels of support, we analyze respondents' open-ended explanations of their views.

We begin by classifying open-ended responses using LLM-based annotations into three broad positions: *Pro*, *Anti*, and *Ambiguous*. The latter category captures respondents who expressed uncertainty or articulated both advantages and drawbacks of taxing the super-rich. Figure 4 shows that the largest share of responses falls into this ambivalent category, indicating that many individuals elaborated on both potential benefits and concerns. Explicitly pro-tax positions constitute the second largest group, representing close to 40% across socioeconomic categories. These patterns suggest that even in a context of overall majority support, respondents frequently acknowledge trade-offs, feasibility constraints, or possible unintended consequences. In line with

our framework, this "conditional" posture points to concerns about implementation (collection, evasion, and use of funds) that can shape whether support is stable. The distribution of responses, therefore, reflects deliberation and conditional support rather than simple ideological polarization. Moreover, we find no systematic differences along the insider–outsider dimension; with the exception of informal workers, who display more mixed and somewhat less pro-tax views, positions are broadly similar across labor segments.
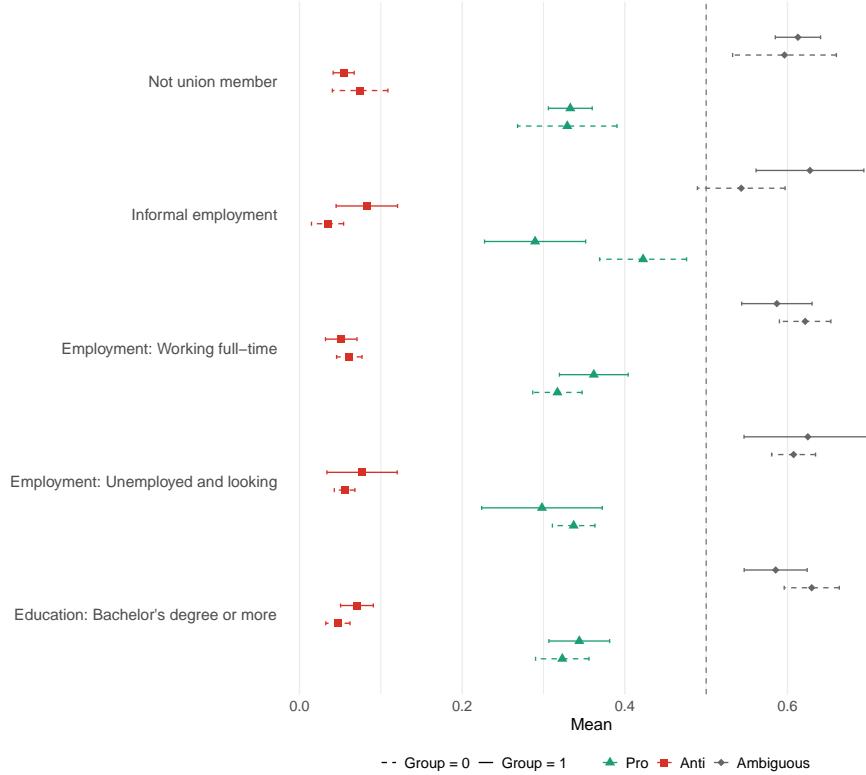


**Figure 4: AI-Coded Open-Ended Positions on Taxing the Super-Rich by Insider-Outsider Measures.** Note: The figure reports the share of respondents whose open-ended responses are classified as *Pro*, *Anti*, or *Ambiguous* toward increasing taxes on the super-rich. Classifications are generated using LLM annotations. Groups are defined by labor market characteristics. The vertical dashed line marks the 0.5 threshold, indicating majority support. Refer to Figure A11 for a test on differences across groups. Refer to Figure A8 for results on other dimensions of heterogeneity (age, income, and gender).

To better characterize these responses, we employ a zero-shot BERT topic classification procedure to identify recurring justificatory frames in respondents' open-ended explanations. Figure 5 reports the distribution of these themes across the sample. We identify several recurring frames, including proportional fairness, inequality reduction, public goods provision, enforcement and compliance, concerns about economic harm, capital flight, moral critiques of excessive wealth accumulation, and distrust in government capacity.
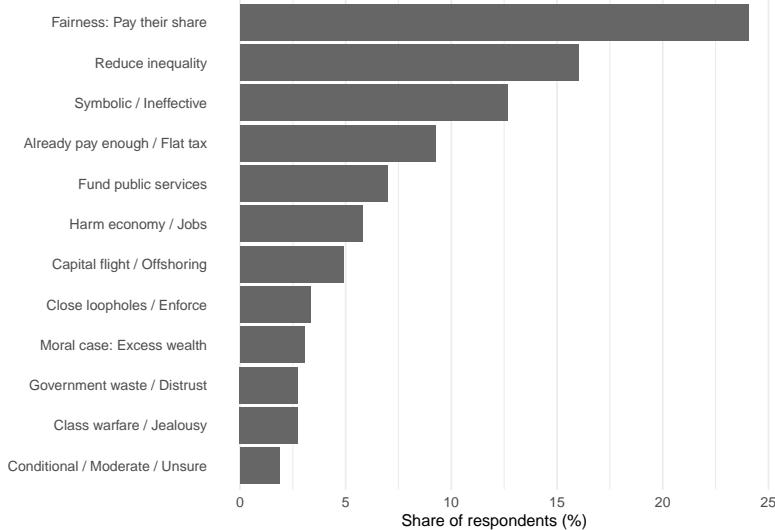
**Figure 5:** Distribution of Open-Ended Themes (Zero-Shot BERT Classification)

*Note:* The figure displays the share of respondents whose open-ended responses were classified into each thematic category using zero-shot BERT. Bars represent the percentage of respondents associated with each theme. Categories are not mutually exclusive, and classification relies on automated semantic matching rather than manual coding.

The most common frame centers on proportional fairness. Many respondents state directly, in their own words, that "it's fair that they pay more," and argue that "those who earn the most pay more taxes" because they should "contribute to the development of the country." In these responses, higher taxation is justified not as punishment, but as a reflection of differential capacity and reciprocal obligation.

A second prominent justification links progressive taxation to inequality reduction. A respondent emphasizes, in their own words, that "no one should accumulate more money than they can spend," and another one argues that increasing taxes on "the 1% with the highest income could help reduce inequality." In this frame, taxation is presented as a corrective mechanism aimed at narrowing socioeconomic gaps and restoring balance between the rich and the poor.

Closely related are instrumental arguments about public goods provision. Support is often explicitly conditional on how revenues are used. As one respondent puts it, "if the money is used for good causes, it would help a lot," particularly when directed toward "infrastructure, health, technology, and education." In this framing, the legitimacy of higher taxation rests on the expectation of visible and socially beneficial returns rather than on redistribution alone.

Another cluster shifts attention from rates to enforcement. Rather than focusing solely on

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increasing statutory tax rates, respondents stress, in their own words, that elites "evade taxes" and call for "more control with taxes [and] sanctions for those who evade." In this view, the central issue is not only how much the super-rich should pay, but whether existing obligations are effectively enforced.

Opposition, while less common, is similarly structured and articulated through respondents' own language. Some warn that higher taxes could "cause hiring of people to decrease" or lead firms to rely more on "automated systems." Others argue that "the rich will move assets, income, or operations abroad to avoid higher taxes," expressing concerns about capital flight and competitiveness. A further line of skepticism centers on state capacity: respondents contend that "the government does not properly manage the money it already has" and that "spending is the real problem, not low taxes on the rich." Finally, a minority frames progressive taxation as normatively troubling, cautioning against policies that would "punish success."

Overall, the open-ended responses show that support for taxing the rich is widespread but conditional. Citizens articulate coherent justificatory logics grounded in fairness, redistribution, public goods provision, and enforcement, while opponents emphasize economic trade-offs and government inefficiency. The content of these explanations matches the core tension in our argument: agreement on the distributive target is common, but beliefs about feasibility and governance can make support fragile. Rather than expressing simple pro- or anti-tax preferences, respondents engage the issue through recognizable policy frames that parallel broader political debates over progressive taxation.

## Polarizing Narratives and Coalition Constraints

The previous sections show that aggregate support for taxing the super-rich is broad and that several justificatory frames recur across respondents. Yet the majority support alone does not guarantee durable coalition-building. Policies may attract similar levels of approval while resting on different underlying narratives, some of which may be more compatible across groups than others. This section, therefore, examines whether specific argumentative frames are concentrated within particular social or partisan constituencies. In our framework, coalition prospects depend on whether the dominant narratives are cross-cutting or instead map onto

partisan and labor-market divides. If key justifications are widely shared, coalition formation is facilitated; if they cluster sharply along partisan or socioeconomic lines, narrative divisions may constrain expansion and stability.

Figure 6 reports coefficients from separate linear probability models linking socioeconomic and partisan characteristics to specific argumentative frames. Two patterns stand out. First, fairness-based and redistributive frames—such as appeals that the wealthy should "pay their share" or references to reducing inequality—are not confined to the left. Although these arguments appear somewhat more frequently among Morena supporters, the differences relative to non-supporters are not statistically distinguishable from zero. Fairness thus operates as a broadly shared justificatory language rather than an exclusively partisan discourse. References to funding public services similarly exhibit little systematic variation across partisan or labor-market groups, suggesting that instrumental public-goods arguments are not strongly polarizing.

Second, potentially polarizing frames are more unevenly distributed. Narratives invoking government waste, distrust in state capacity, claims that the wealthy already "pay enough," moralized rhetoric about excess at the top, or language suggestive of class conflict display clearer partisan and socioeconomic asymmetries. The "government waste / distrust" frame, in particular, marks a pronounced divide: Morena supporters are significantly less likely to advance this argument, whereas it is more prevalent among non-supporters. Conversely, Morena identifiers are more likely to frame taxation in terms of inequality reduction. Similar differences emerge across labor-market positions. Informal workers are more likely than formal workers to invoke distrust in the government's use of taxes, pointing to variation rooted not only in partisanship but also in economic incorporation. Class-conflict rhetoric, by contrast, appears more prevalent among non-union members, suggesting that explicitly antagonistic framing may resonate unevenly.
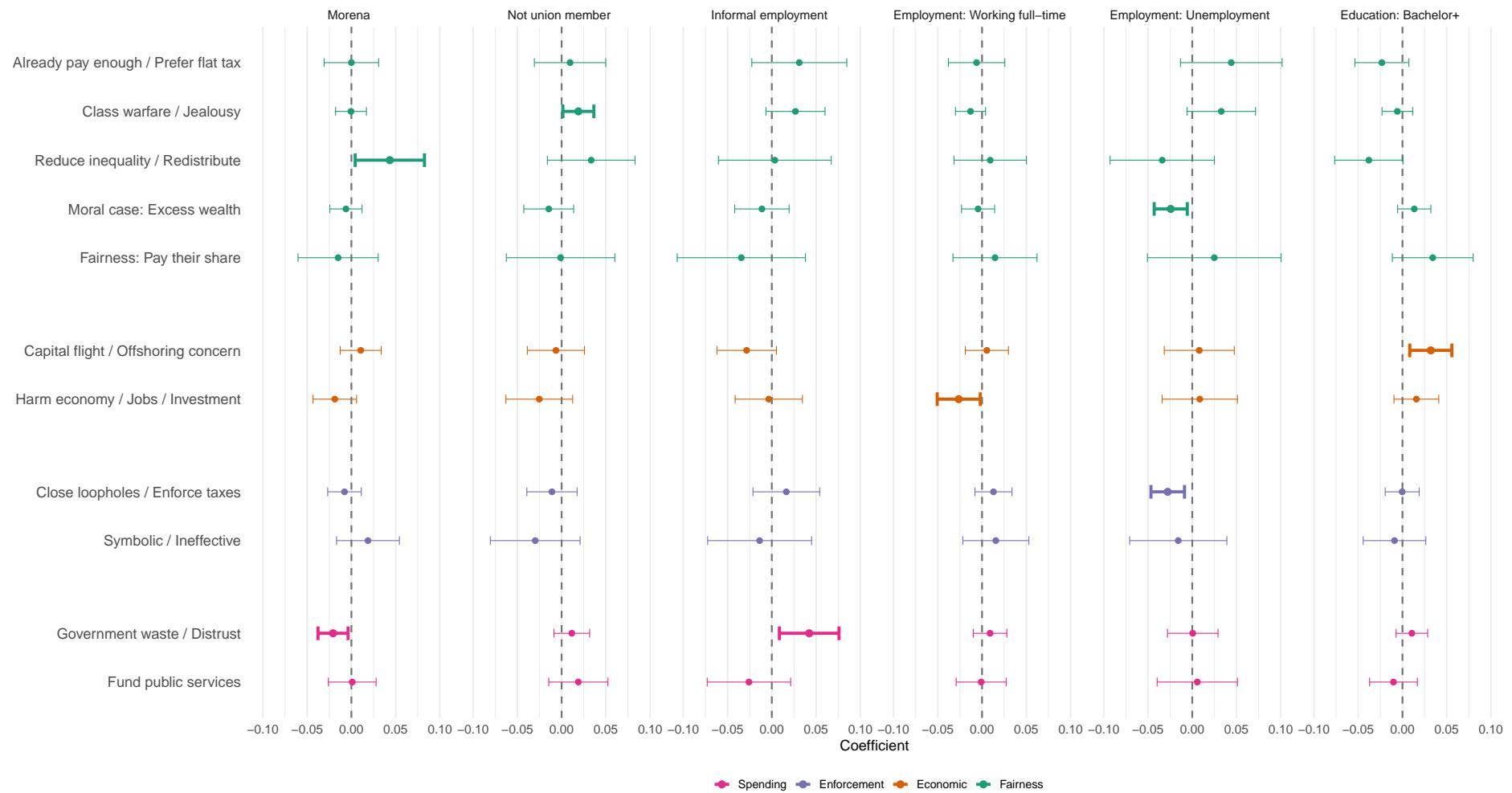
**Figure 6:** Zero-Shot Classification: Open-Ended Responses on Taxing the Super-Rich

*Note:* The figure reports coefficients from separate linear probability models estimated for each explanatory variable (columns) and each zero-shot BERT–classified theme (rows). Themes are grouped into four topical blocks—Spending, Enforcement, Economic, and Fairness—to highlight conceptual similarities across arguments. Each point represents the coefficient from a bivariate regression of the indicated theme on a single covariate. Positive values indicate a higher probability of expressing the corresponding argument in open-ended responses. Vertical dashed lines mark zero. Colors denote thematic groupings. Refer to Figure A9 for results on other dimensions of heterogeneity (age, income, and gender). Refer to Figure A13 for similar results replicated with LLM labeling instead of BERT Topic.

These findings indicate that while some narratives could be polarizing—especially distrust-based arguments—the overall justificatory structure is not deeply polarized. The dominant fairness and inequality frames are sufficiently cross-cutting to sustain coalition-building potential. The primary constraint on coalition expansion appears to lie less in disagreement over distributive principles and more in divergent beliefs about state competence and fiscal governance. In other words, the central tension is not whether the wealthy should contribute more, but whether the government can be trusted to use those resources effectively.

# Final Remarks

This paper has examined whether taxing the super-rich can serve as a durable basis for labor-based coalitions in highly unequal democracies. We argued that under fiscal constraint and labor market segmentation, redistribution becomes more politically viable when framed as targeted extraction from extreme wealth rather than as broad-based taxation within labor. Using original survey data from Mexico, we combined closed-ended measures with systematic analysis of open-ended reasoning to assess both levels of support and the narratives that sustain it.

Three conclusions follow. First, support for taxing the super-rich is broad and cross-cutting. Majorities across partisan, union, and insider–outsider divides favor increasing taxes on the richest 1%, and support is consistently higher than for redistribution financed through general taxation. Second, the dominant justificatory frames—fairness, proportional contribution, and inequality reduction—are widely shared rather than confined to the left or insiders. Third, the principal source of divergence lies not in the distributive principle but in beliefs about governance capacity. The key tension concerns whether the state can effectively collect and allocate additional revenue and how these resources will be used, not whether extreme wealth should contribute more.

Open-ended responses illuminate both the breadth and fragility of this coalition potential. Many respondents treat taxation of the super-rich as a conditional proposition, articulating trade-offs related to enforcement, economic consequences, and unintended effects. Fairness frames—"they should pay their share"—are pervasive across labor segments, and references

to financing public goods such as education, health, and social protection recur without strong evidence of rigid group-specific clustering. These shared narratives support our theoretical claim: when redistribution is framed as correcting extreme concentration and as a reciprocal obligation of those most able to contribute, heterogeneous workers can converge on a common fiscal target.

At the same time, the analysis identifies a central constraint rooted in distrust of state capacity. Frames invoking corruption, waste, or doubts about elite compliance are more prevalent among non-Morena respondents and informal workers, while concerns about economic harm vary by education and employment security. These patterns suggest that the main obstacle to broad coalitions around taxing the super-rich is less distributive disagreement than skepticism about enforceability. Targeted extraction at the top is most likely to sustain cross-cutting support when both the fiscal source and the policy destination are clearly specified and perceived as credible.

These findings carry broader implications for the political economy of redistribution. Coalition prospects depend not only on material position but on the narratives through which citizens interpret fairness, reciprocity, and state competence. Similar levels of support can rest on heterogeneous motivations; coalitions grounded in shared fairness principles may be more durable than those sustained by conditional or instrumental reasoning. For unions and labor-based parties, the strategic lesson is twofold: explicitly targeted taxes on extreme wealth may unify more effectively than generalized redistributive appeals, but durability requires credible commitments to enforcement and transparent use of revenues.

Several limitations delineate the scope of inference and suggest future research. First, our evidence captures expressed attitudes and narratives rather than observed mobilization or legislative bargaining. Whether majority support translates into durable organizational coalitions depends on elite strategies, counter-mobilization, and policy design. Future work can extend this analysis in three directions. A causal avenue involves testing which message components—emphasizing the "1%", earmarking revenues to specific programs, highlighting enforcement mechanisms, or foregrounding anti-corruption safeguards—most effectively broaden support among distrustful publics. A behavioral avenue links tax narratives to union recruitment,

protest participation, and vote choice to assess when agreement becomes collective action. A comparative avenue examines how the coalition potential of taxing the super-rich varies across contexts of administrative capacity, enforcement credibility, and labor–state relations.

The prospects for redistributive politics under conditions of fiscal constraint may hinge less on whether citizens endorse redistribution in principle and more on whether extraction from extreme wealth can be framed as both fair and feasible. Understanding when and how such framing can sustain durable coalitions is therefore central to assessing the future of labor-based redistribution in highly unequal democracies.

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# A Online Appendix

**Contents**

## A.1 IRB

The study received IRB approval, case number *UP-25-00857*.

## A.2 Descriptive

Our sample consisted of 1,358 respondents surveyed between February 6 and February 14, of whom 330 were removed after failing an initial attention check (no data was collected on these subjects).

| Variable | Mean | SD | N |
|---|---|---|---|
| Increase tax super-rich (close) | 0.666 | 0.472 | 1013 |
| Sign petition (close) | 0.396 | 0.489 | 990 |
| Gov should reduce inequality (close) | 0.525 | 0.500 | 987 |
| Pro taxing super-rich (open) | 0.323 | 0.468 | 1018 |
| Anti taxing super-rich (open) | 0.056 | 0.230 | 1018 |
| Ambiguous position (open) | 0.593 | 0.491 | 1018 |
| Morena supporter | 0.468 | 0.499 | 989 |
| Not union member | 0.837 | 0.369 | 990 |
| Informal employment | 0.385 | 0.487 | 377 |
| Employment: Full-time | 0.355 | 0.479 | 988 |
| Employment: Unemployed | 0.105 | 0.307 | 988 |
| Income < $41,000 MXN | 0.456 | 0.498 | 990 |
| Income $41,000–$95,000 MXN | 0.087 | 0.282 | 990 |
| Bachelor's degree or more | 0.443 | 0.497 | 1018 |
| Older than 60 | 0.348 | 0.476 | 1018 |
| Female | 0.514 | 0.500 | 1018 |

**Table A1:** Summary Statistics
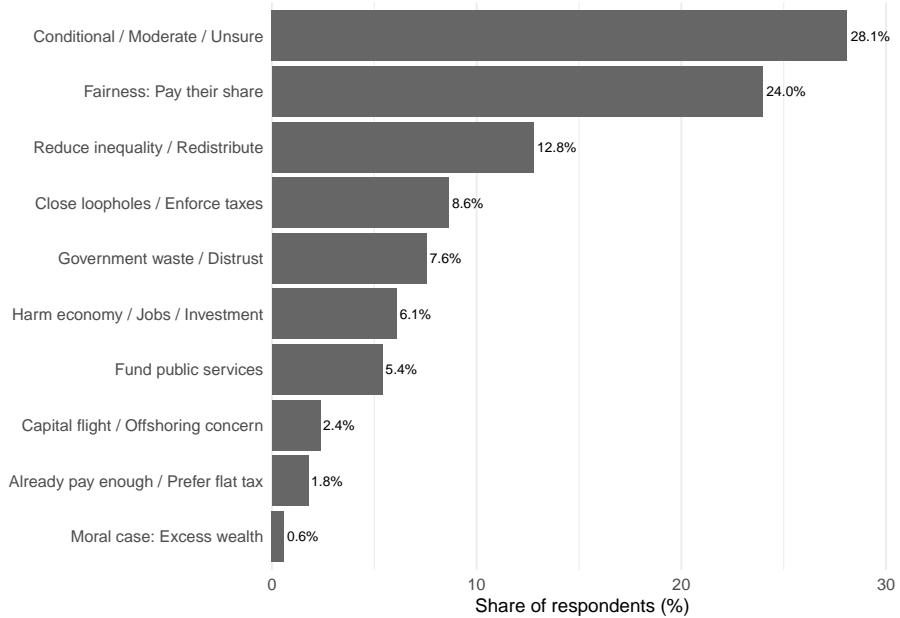
**Figure A1:** Distribution of Open-Ended Themes (LLM)

*Note:* The figure displays the share of respondents whose open-ended responses were classified into each thematic category using LLMs. Bars represent the percentage of respondents mentioning each theme. Categories are not mutually exclusive; a single response may contain multiple arguments.

## A.3    Preference for Taxes in Latin America
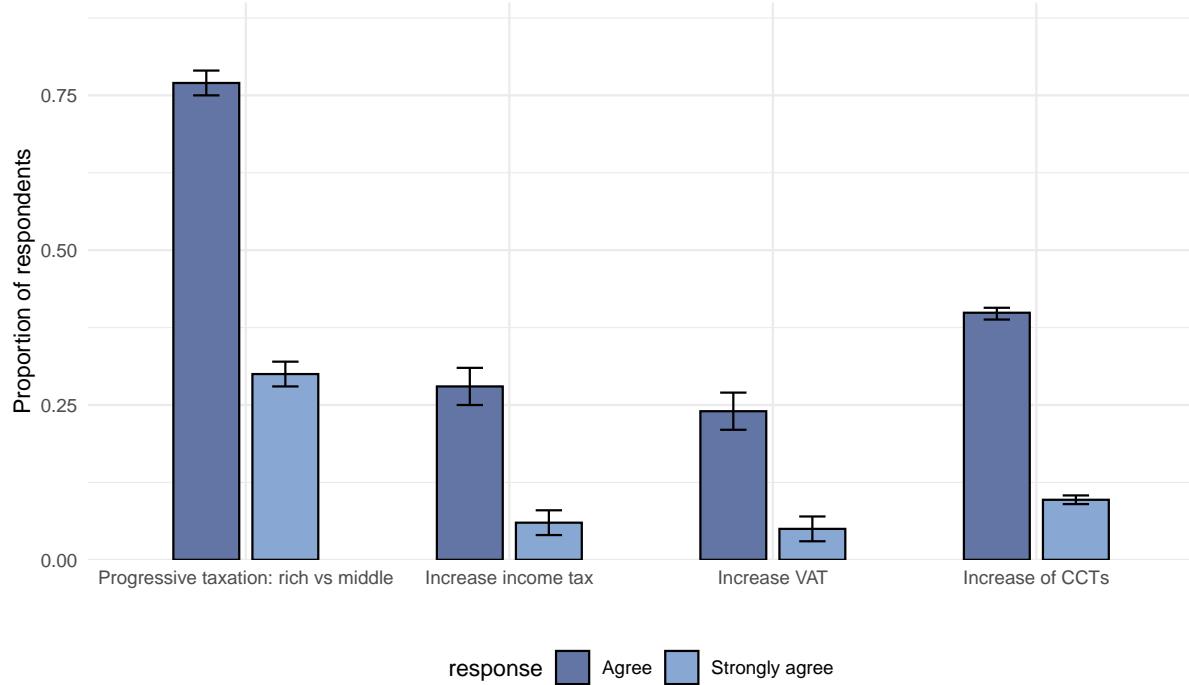


**Figure A2:** Agreement with Selected Redistributive Policies.

The figure replicates a figure from (Busso et al. 2025) and reports the share of respondents who answered "Agree" or "Strongly Agree" to the following statements: (1) "Taxes should be more progressive, so that the rich pay more than the middle class"; (2) "The income tax should be increased"; (3) "The value-added tax (VAT) should be increased"; and (4) "Conditional cash transfers (CCTs) should be increased." Bars display point estimates and 95% confidence intervals.
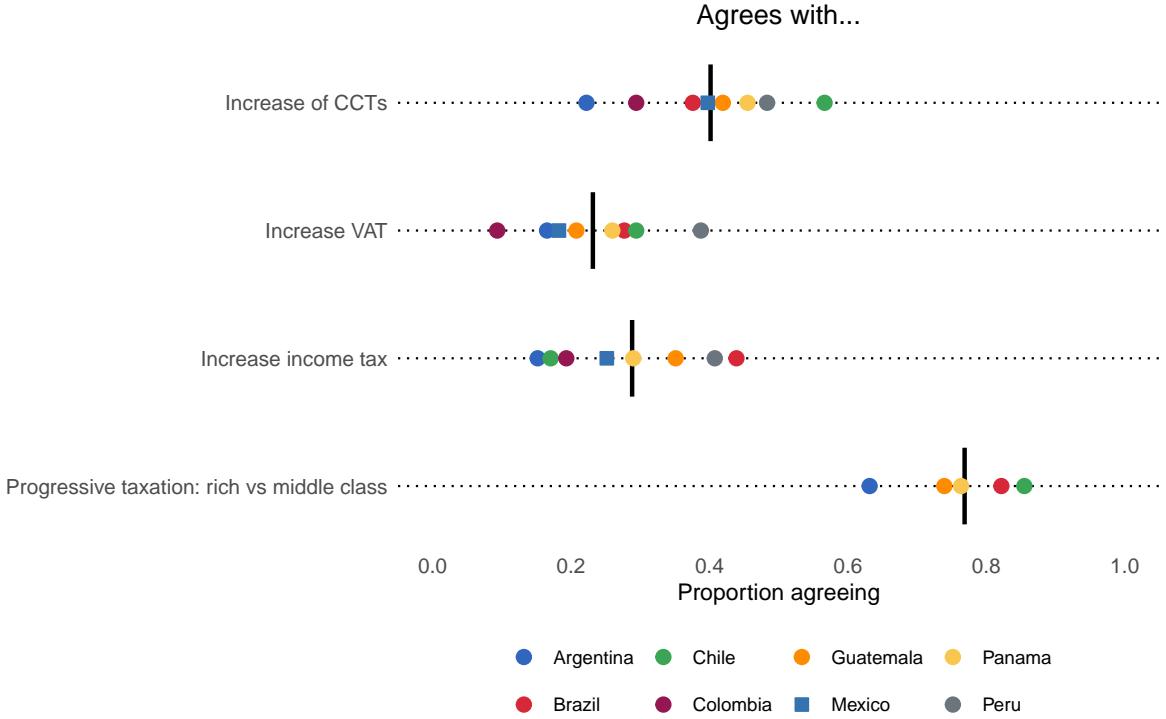
**Figure A3:** Cross-national Variation in Agreement with Selected Redistributive Policies.

The figure replicates a figure from (Busso et al. 2025) and reports the proportion of respondents who answer "Agree" to the following statements: (1) "Taxes should be more progressive, so that the rich pay more than the middle class"; (2) "The income tax should be increased"; (3) "The value-added tax (VAT) should be increased"; and (4) "Conditional cash transfers (CCTs) should be increased." Estimates are shown for eight Latin American countries. Colored markers denote country-level proportions, and vertical black lines indicate the pooled mean for each policy.

## A.4 Text Annotations and Topics

### A.4.1 Zero-shot BERTopic for Open-Ended Tax Responses

To summarize themes in the open-ended "tax the rich" prompt, we use a guided variant of BERTopic (sometimes described as "few-shot" or "zero-shot" topic modeling). The key idea is to combine (i) unsupervised clustering of semantically similar answers with (ii) an analyst-specified set of policy-relevant topic descriptions. Instead of training a supervised classifier or hand-coding every response, we provide BERTopic with a short list of topic descriptions (listed below). Each response is embedded into a dense semantic vector using a pretrained sentence-embedding model, and BERTopic assigns responses to the closest guided topics when their semantic similarity exceeds a minimum threshold (cosine similarity $\geq 0.80$ in our implementation). Responses that do not meet this threshold are handled by the model's residual clustering and outlier assignment (topic $= -1$), ensuring that the guided topics do not force every answer into a pre-specified bin.

After fitting the model, we measure *topic prevalence* as the distribution of topic assignments across responses (excluding outliers in the main analysis unless otherwise noted). We apply the same guided topic set both in the full sample and in subgroup-specific models (e.g., union status, employment group, and routine task intensity) to facilitate comparisons in which differences reflect changes in the prominence of common frames rather than changes in the meaning of topics.

4

**Table A2:** Guided topics used in the Zero-shot (guided) BERTopic model

| Topic | Description |
|---|---|
| Fairness / Paying a Fair Share | The wealthy should pay their fair share or at least the same proportion as others. |
| Reducing Inequality and Redistribution | Taxing the rich reduces inequality or redistributes extreme wealth. |
| Funding Public Services | Revenue should fund healthcare, education, infrastructure, public debt, or other public services. |
| Closing Loopholes and Enforcement | Emphasizes closing loopholes, reducing tax avoidance or evasion, and enforcing existing rules. |
| Economic Harm to Growth and Jobs | High taxes on the rich harm economic growth, jobs, investment, innovation, or long-run performance. |
| Capital Flight and Offshoring | The rich will move assets, income, or operations abroad to avoid higher taxes. |
| Already Pay Enough / Flat Tax | The top already pay enough; preference for flat or equal tax rates; opposition to punishing success. |
| Moral Critique of Extreme Wealth | Extreme wealth is unethical; billionaires should not exist; moral duty of the rich to give back. |
| Government Waste and Distrust | Government wastes money or cannot be trusted; spending is the real problem rather than low taxes on the rich. |
| Conditional or Moderate Support / Uncertainty | Support only small or moderate increases; mixed or uncertain views; no clear opinion. |
| Symbolic or Ineffective Tax | Higher taxes on the rich are mostly symbolic; the rich adapt or pass costs on; limited useful revenue is raised. |
| Class Warfare or Envy Frame | "Tax the rich" is driven by envy or class warfare, divides society, and unfairly punishes success and ambition. |

### A.4.2 LLM-Based Annotation of Open-Ended Responses

To complement the topic model and to obtain response-level measures that distinguish support from opposition, we use a large language model (LLM) to annotate each open-ended answer. The goal of this step is not to generate new content, but to apply a consistent set of labeling rules to short survey texts. We implement two annotation tasks: (i) *stance* toward raising taxes on the top 1% and (ii) the *primary rationale* expressed in the response.

**Model and inference settings**  We query the OpenAI API using `gpt-4o-mini-2024-07-18`. To maximize consistency across responses, we use deterministic decoding (`temperature = 0`) and require the model to return *only* the label (no explanation). Each response is labeled independently.

**Task 1: Stance classification**  For stances, the LLM assigns each response to exactly one of three categories:

- **PRO**: supports increasing taxes on the rich / top 1%.

- **ANTI**: opposes increasing taxes on the rich / top 1%.

- **AMBIGUOUS**: unclear, mixed, off-topic, or does not directly express support or opposition.

The prompt instructs the model to output exactly one of the three labels and includes several short examples illustrating the intended decision rule (e.g., explicitly supportive statements map to `PRO`, explicitly opposing statements map to `ANTI`, and conditional or uncertain statements map to `AMBIGUOUS`). This stance measure is used to separate support from opposition within the same thematic topic and to enable direct comparisons with closed-ended measures of policy preferences.

**Task 2: Primary rationale classification**  We also code the dominant rationale in each response using a single-label taxonomy of ten categories. The LLM is instructed to assign *exactly one* rationale label per response and to return only the label (no additional text). The ten categories are:

**Table A3:** LLM taxonomy for primary rationale (single-label)

| Rationale category | Description |
|---|---|
| Fairness / Paying a Fair Share | The wealthy should pay their fair share or at least the same proportion as others. |
| Reducing Inequality and Redistribution | Taxing the rich reduces inequality or redistributes extreme wealth. |
| Funding Public Services | Revenue should fund healthcare, education, infrastructure, public debt, Social Security, etc. |
| Closing Loopholes and Enforcement | Focus on closing loopholes, curbing avoidance/evasion, and enforcing current rules. |
| Economic Harm to Growth and Jobs | Higher taxes will harm jobs, investment, innovation, or economic growth. |
| Capital Flight and Offshoring | The rich will move assets or operations abroad to avoid higher taxes. |
| Already Pay Enough / Flat Tax | The top already pay enough; prefer flat tax or equal rates; do not punish success. |
| Moral Critique of Extreme Wealth | Extreme wealth is unethical; billionaires should not exist; duty to give back. |
| Government Waste and Distrust | Skepticism that government will use funds well; spending is the real problem. |
| Conditional or Moderate Support / Uncertainty | Supports only small or moderate increases, mixed or uncertain views, or no opinion. |

This rationale annotation is used to interpret which arguments are most frequently invoked and to cross-check the thematic structure recovered by BERTopic. In particular, because topic clusters can include both supportive and opposing statements, response-level rationale and stance labels help separate *what* respondents talk about from *how* they position themselves with respect to the policy.

## A.5 Behavioral Outcome
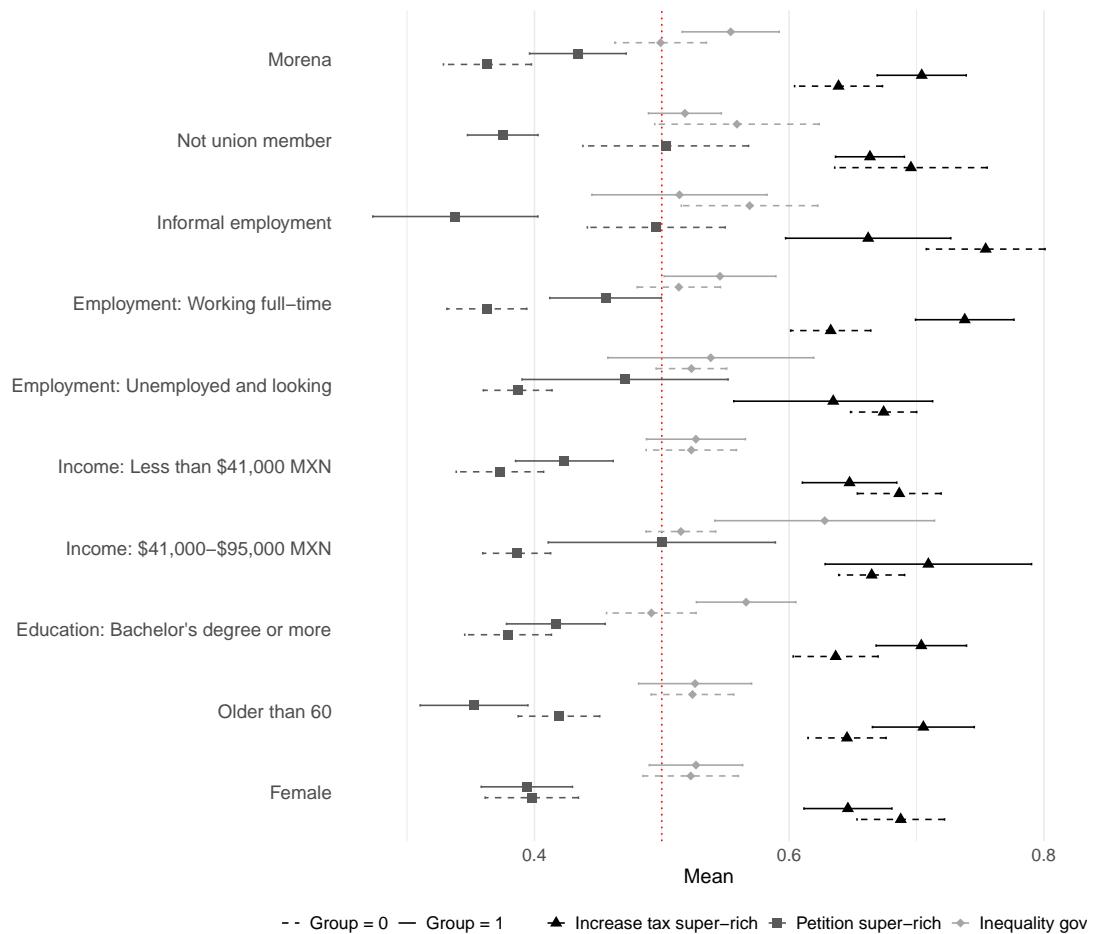


**Figure A4: Support for Taxing the Super-Rich, Reducing Inequality, and Signing a Petition, by Morena Partisanship.** Note: The figure reports group means for three binary outcomes: (1) support for increasing the top marginal income tax rate on the super-rich, (2) agreement that the government should reduce inequality, and (3) willingness to sign a petition in favor of taxing the super-rich. Estimates are stratified by support for Morena. Labor market categories include union experience (current or past), informality (no social security coverage in main job), unemployment, and full-time employment. The vertical dashed line at 0.5 indicates majority support.
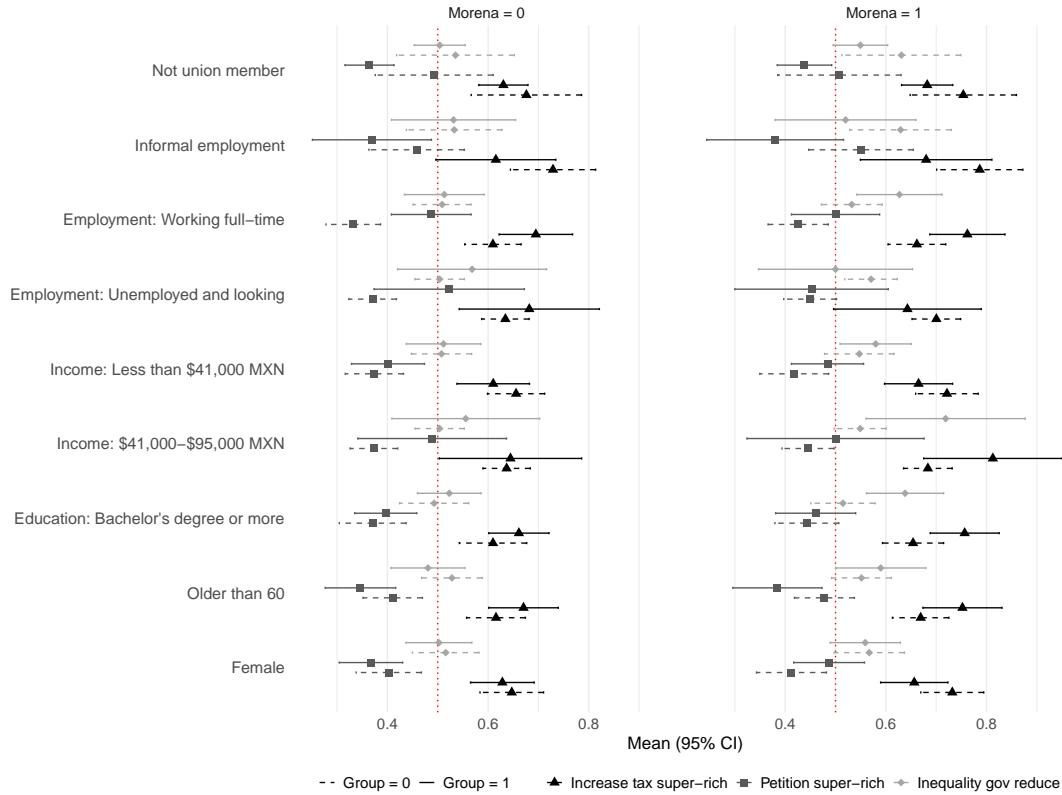
**Figure A5: Support for Taxing the Super-Rich, Reducing Inequality, and Signing a Petition, by Morena Partisanship.** Note: The figure reports group means for three binary outcomes: (1) support for increasing the top marginal income tax rate on the super-rich, (2) agreement that the government should reduce inequality, and (3) willingness to sign a petition in favor of taxing the super-rich. Estimates are stratified by support for Morena. Labor market categories include union experience (current or past), informality (no social security coverage in main job), unemployment, and full-time employment. The vertical dashed line at 0.5 indicates majority support.
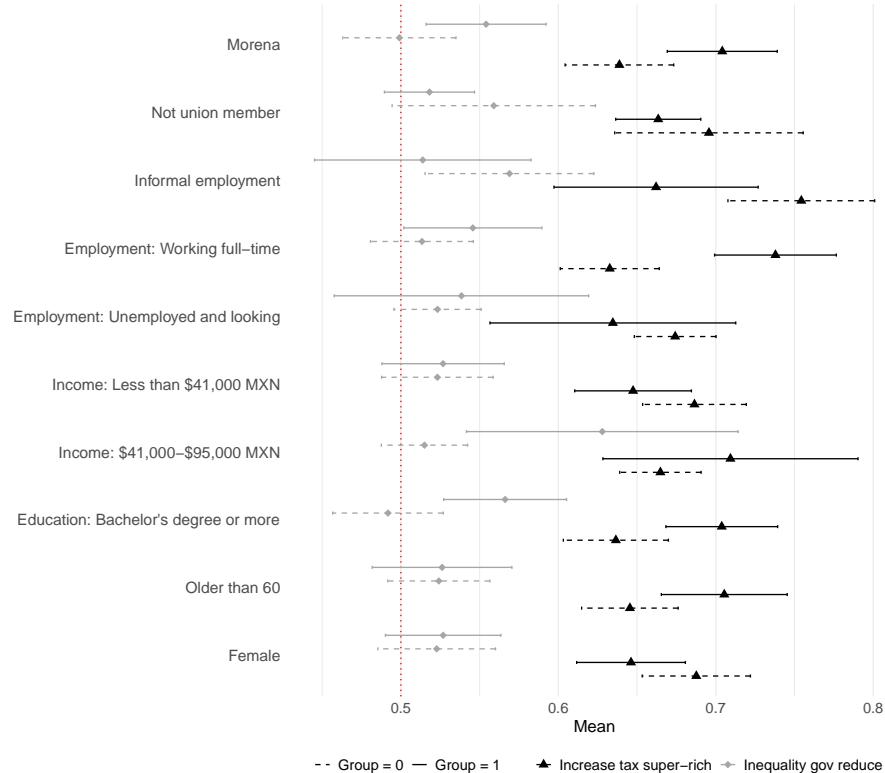
**Figure A6: Support for Taxing the Super-Rich and Reducing Inequality by Insider-Outsider Measures.** Note: The figure presents group means for (1) support for increasing the top marginal income tax rate on the super-rich and (2) agreement that the government should reduce inequality, even if more taxed are needed. Outcomes are coded as binary indicators. Group = 0 means that the variable takes the value of 0, and Group = 1, indicates the binary is 1. Groups are defined by labor market position (union experience, informality, unemployment, and full-time employment). The vertical dashed line marks the 0.5 threshold, indicating majority support. Refer to Figure A10 for a test on differences across groups.

## A.6    Main Results in the Paper for Income, Age, Gender
## A.7    Differences Across Groups



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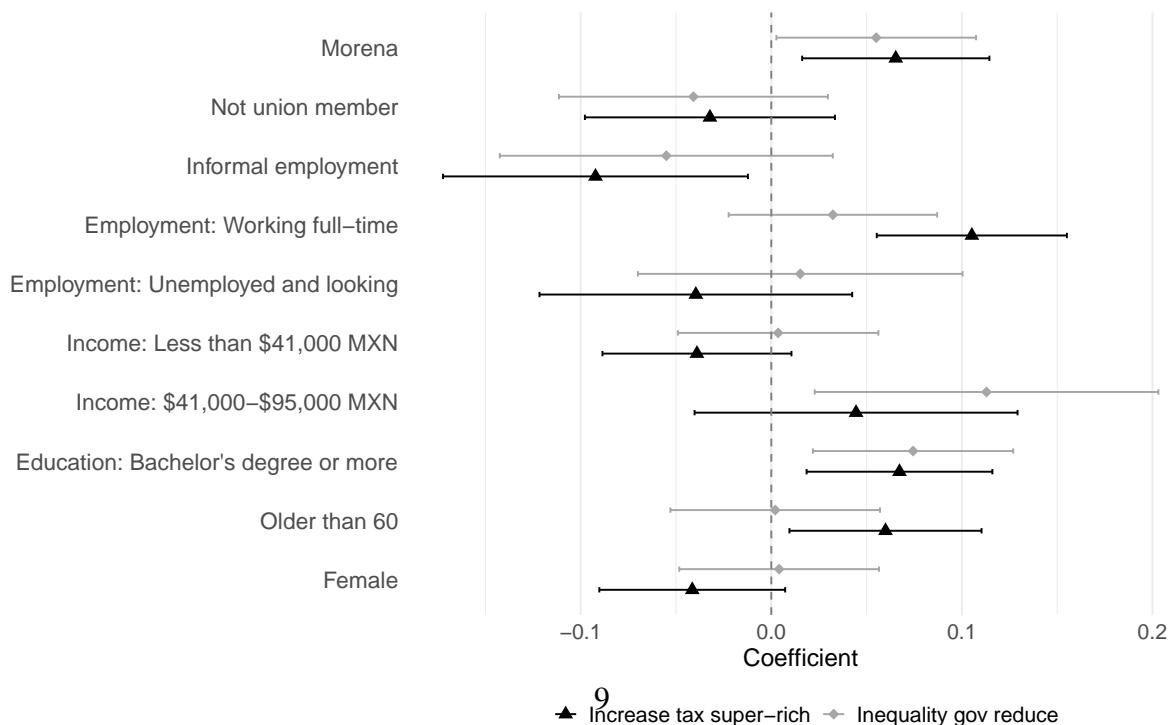
**Figure A10:** Support for Taxation, and Redistribution

*Note:* The figure reports coefficients from separate linear probability models estimated for each covariate and outcome. Each point represents the coefficient from a bivariate regression of the indicated outcome—support for increasing taxes on the super-rich, willingness to sign a petition in favor of higher taxes, or agreement that the government should reduce inequality. Positive values indicate a higher probability of supporting the
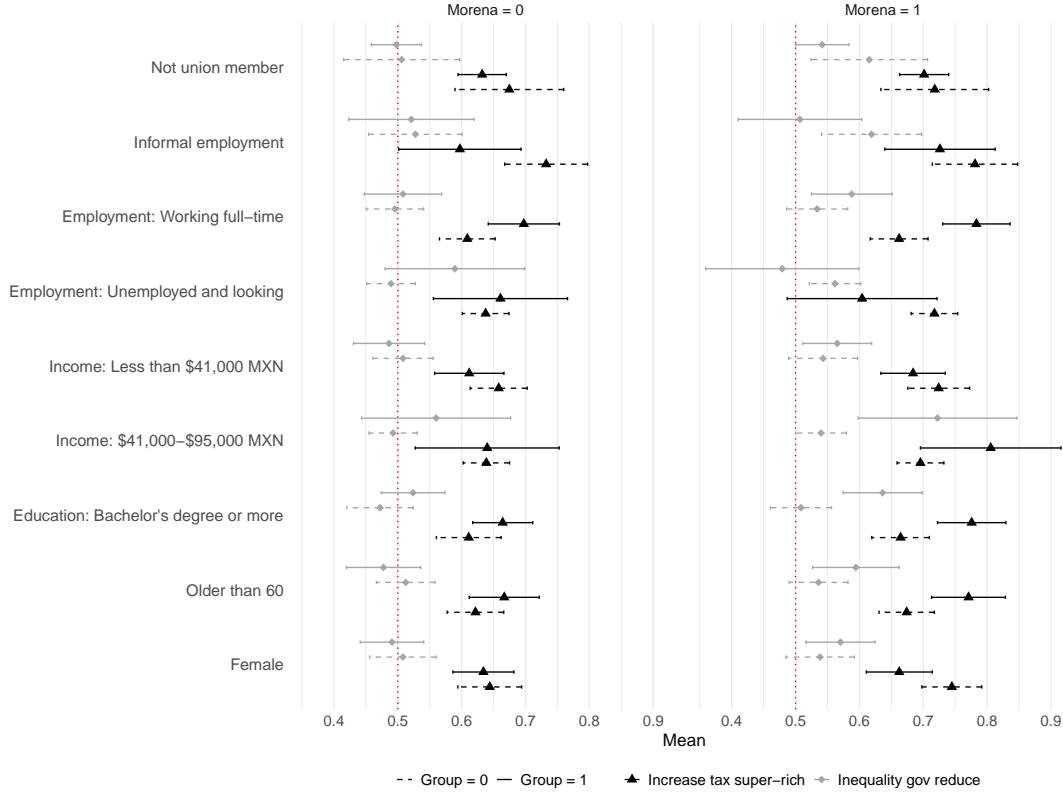
**Figure A7: Support for Taxing the Super-Rich and Reducing Inequality by Morena Partisanship.** Note: The figure displays group means for support for increasing the top marginal income tax rate on the super-rich and agreement that the government should reduce inequality, stratified by support for Morena. Outcomes are coded as binary indicators. Group = 0 means that the variable takes the value of 0, and Group = 1, indicates the binary is 1. Labor market groups include union experience, informality, unemployment, and full-time employment. The vertical dashed line marks the 0.5 threshold, indicating majority support.
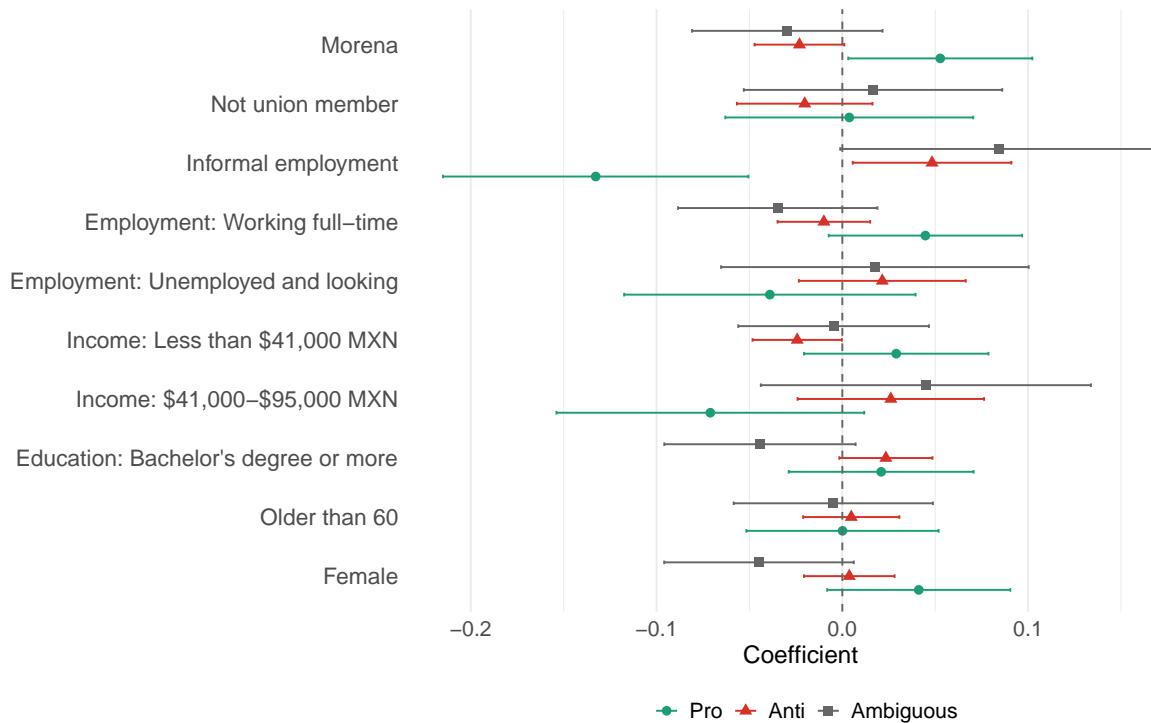


**Figure A11:** Open-Ended Positions on Taxing the Super-Rich

*Note:* The figure reports coefficients from separate linear probability models estimated for each covariate and outcome. Each point represents the coefficient from a bivariate regression of the indicated open-ended position (Pro, Anti, or Ambiguous) on a single explanatory variable. Positive values indicate a higher probability of expressing the corresponding position in open-ended responses.
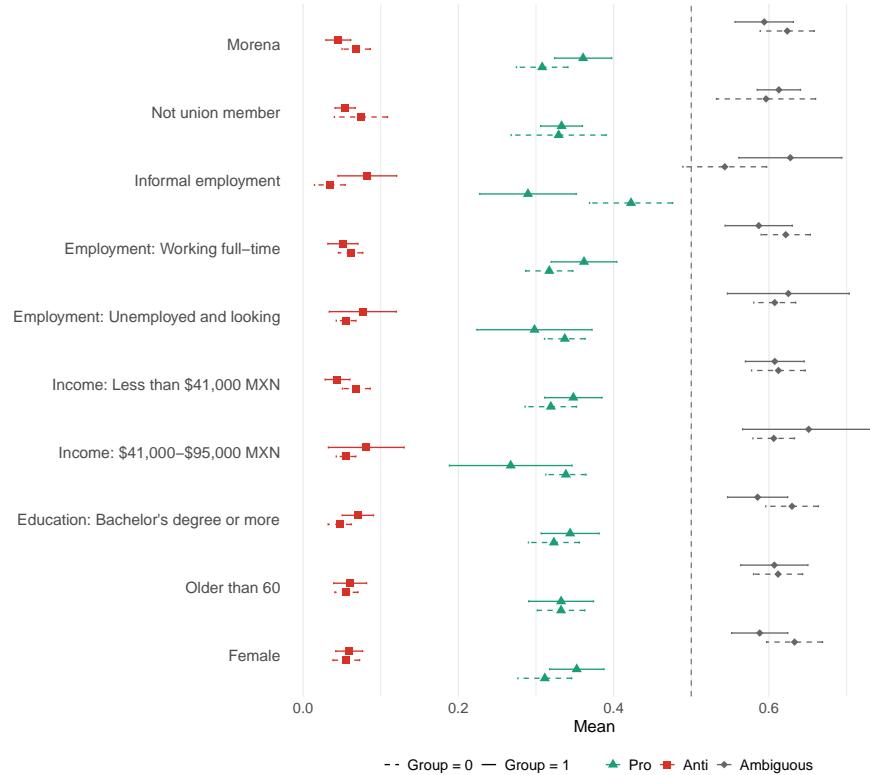
**Figure A8: AI-Coded Open-Ended Positions on Taxing the Super-Rich by Insider-Outsider Measures.** Note: The figure reports the share of respondents whose open-ended responses are classified as *Pro*, *Anti*, or *Ambiguous* toward increasing taxes on the super-rich. Classifications are generated using LLM annotations. Groups are defined by labor market characteristics. The vertical dashed line marks the 0.5 threshold, indicating majority support. Refer to Figure A11 for a test on differences across groups.

## A.8 Partisanship and Support for Taxing the Rich

# A.9 Themes on Narratives using LLMs
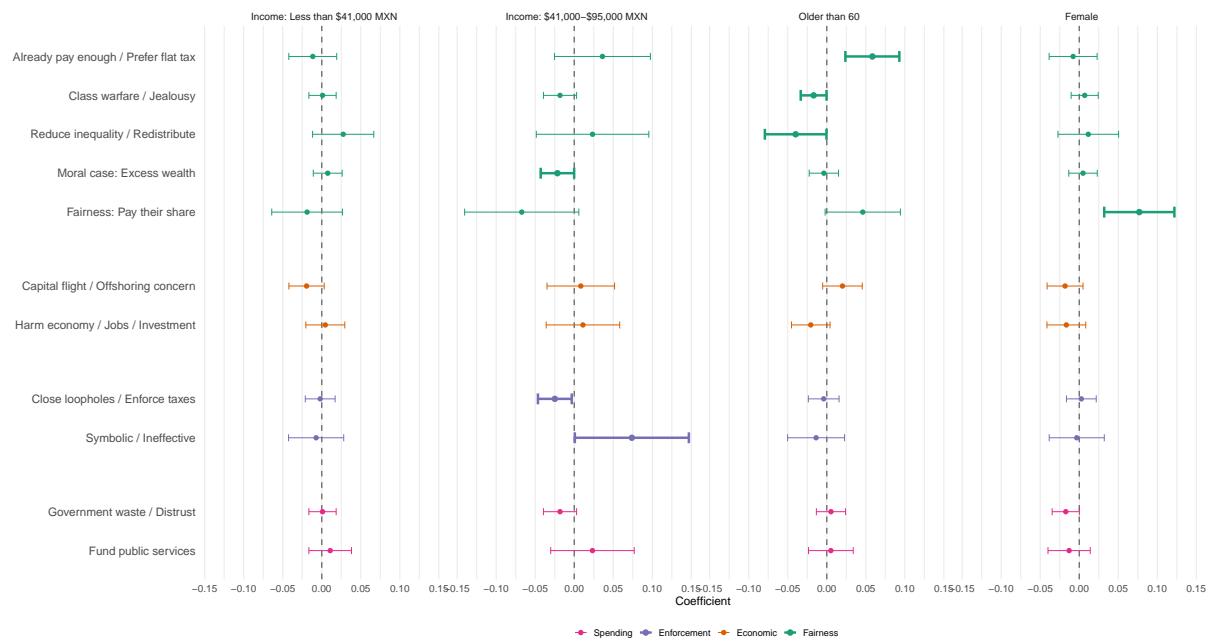
**Figure A9:** Zero-Shot Themes in Open-Ended Responses: Heterogeneity by Income, Age, and Gender

*Note:* The figure reports coefficients from separate linear probability models estimated for each covariate (columns) and each zero-shot BERT–classified theme (rows). Themes are grouped into four topical blocks—Spending, Enforcement, Economic, and Fairness—and colors indicate the block assignment. Each point is the coefficient from a bivariate regression of the indicated theme on a single covariate; positive values indicate a higher probability that respondents invoke the corresponding argument. Horizontal bars show 90% confidence intervals, and the vertical dashed line marks zero. Coefficients with 90% confidence intervals that exclude zero are visually emphasized.
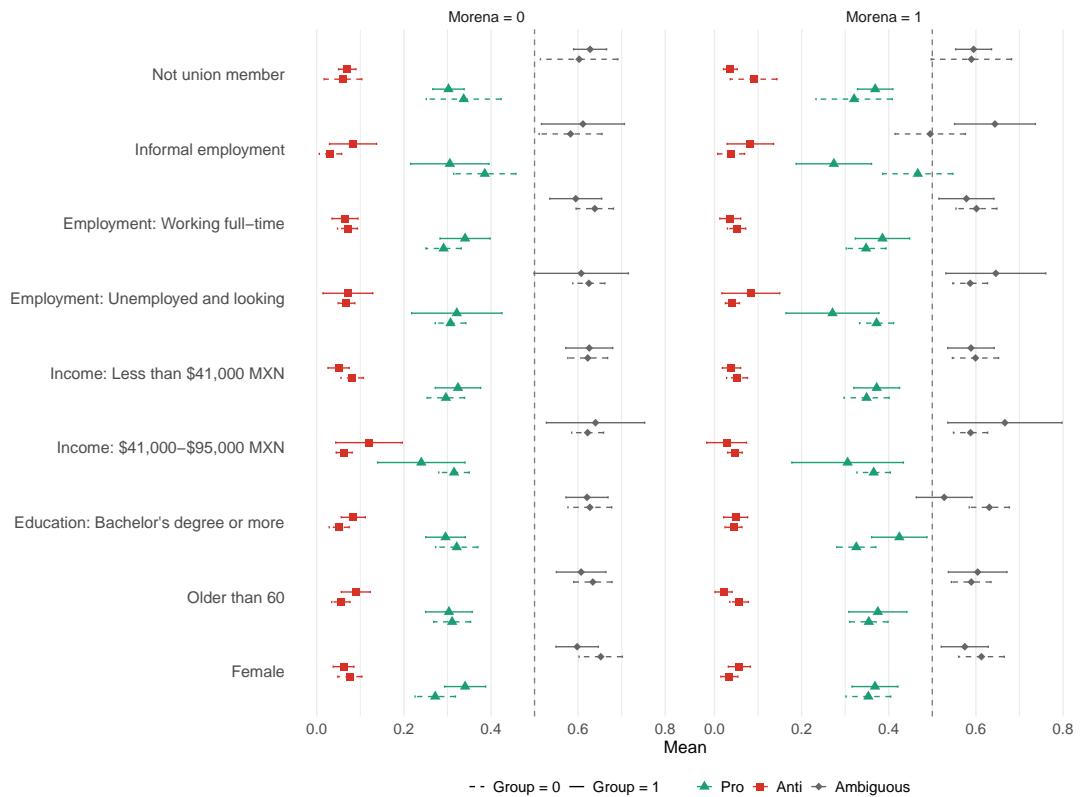
**Figure A12: Open-Ended Positions on Taxing the Super-Rich by Morena Partisanship.**
The figure shows the share of respondents classified as *Pro*, *Anti*, or *Ambiguous* in their open-ended responses, stratified by Morena support. AI-based classifications are derived from a large language model validated against human coding. The vertical dashed line marks the 0.5 threshold, indicating majority support.
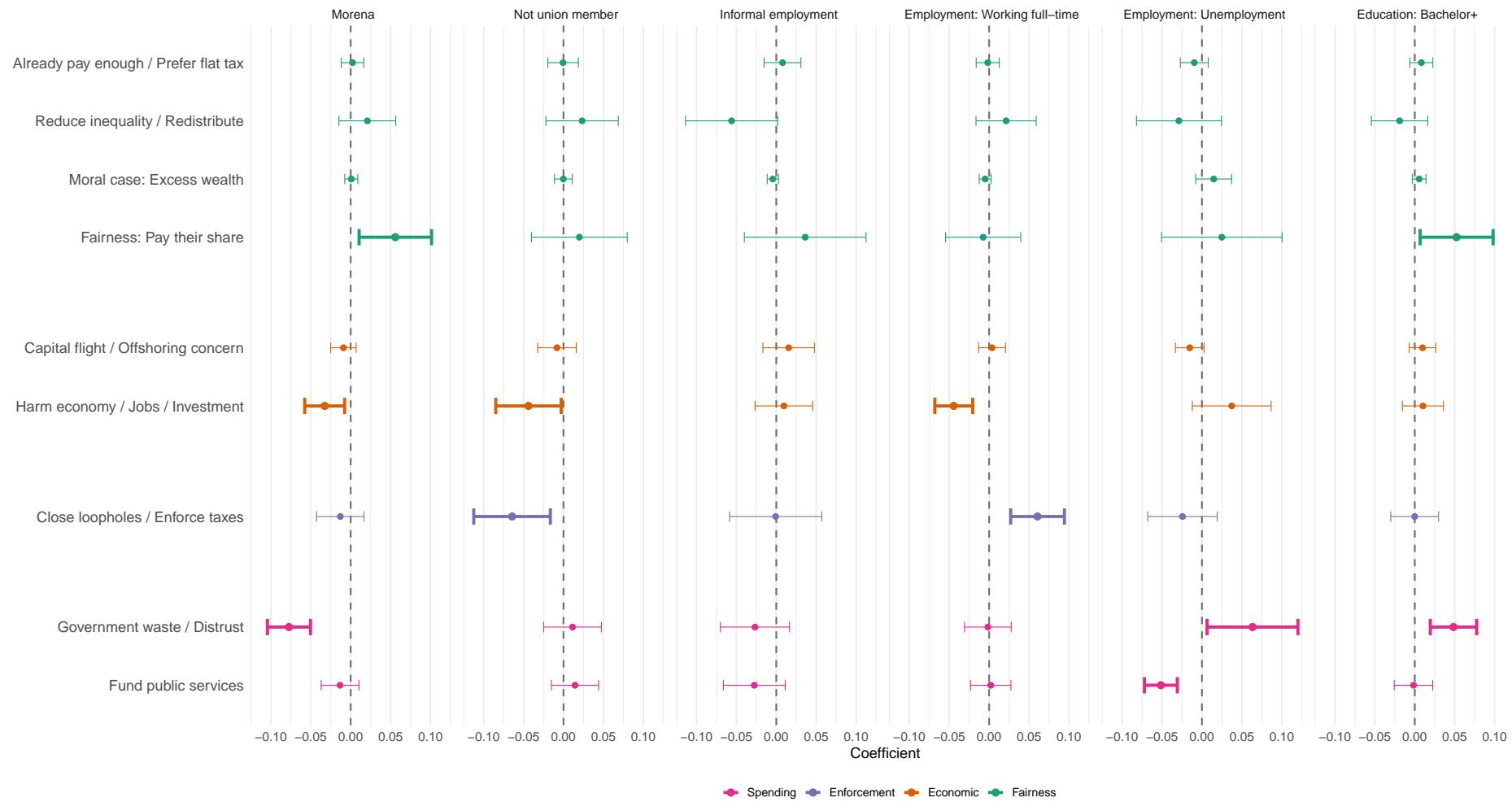
**Figure A13:** LLM Classification: Open-Ended Responses on Taxing the Super-Rich

*Note:* The figure reports coefficients from separate linear probability models estimated for each explanatory variable (columns) and each zero-shot BERT–classified theme (rows). Themes are grouped into four topical blocks—Spending, Enforcement, Economic, and Fairness—to highlight conceptual similarities across arguments. Each point represents the coefficient from a bivariate regression of the indicated theme on a single covariate. Positive values indicate a higher probability of expressing the corresponding argument in open-ended responses. Vertical dashed lines mark zero. Colors denote thematic groupings.
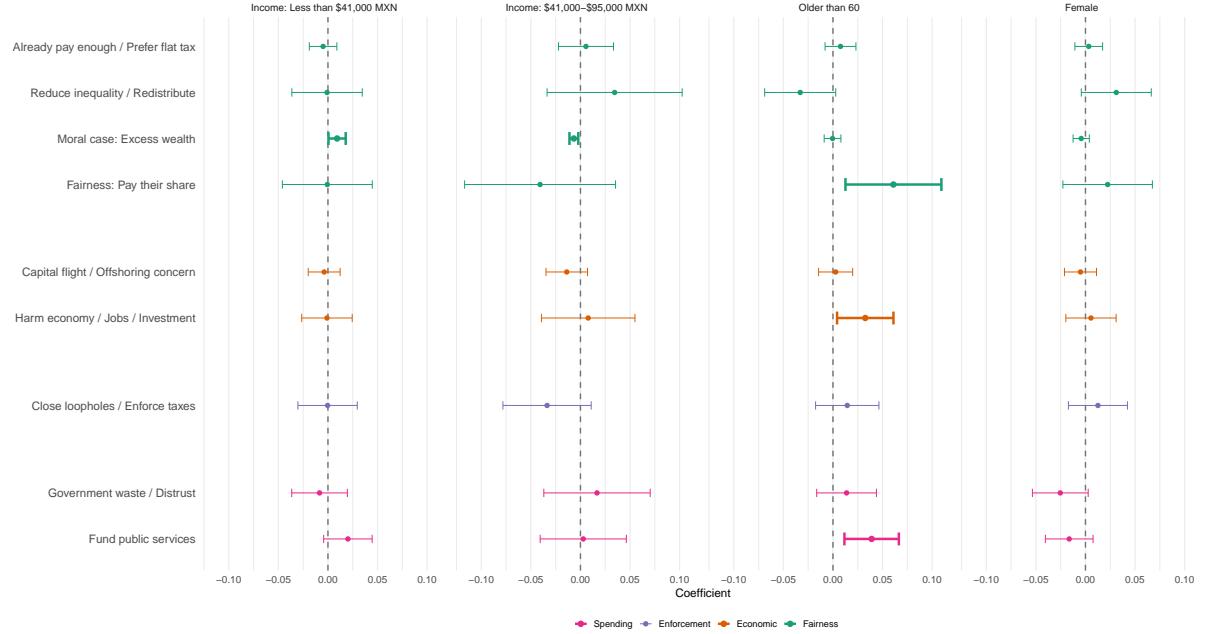
**Figure A14:** LLM Classification: Open-Ended Responses on Taxing the Super-Rich Heterogeneity by Income, Age, and Gender

*Note:* The figure reports coefficients from separate linear probability models estimated for each explanatory variable (columns) and each zero-shot BERT–classified theme (rows). Themes are grouped into four topical blocks—Spending, Enforcement, Economic, and Fairness—to highlight conceptual similarities across arguments. Each point represents the coefficient from a bivariate regression of the indicated theme on a single covariate. Positive values indicate a higher probability of expressing the corresponding argument in open-ended responses. Vertical dashed lines mark zero. Colors denote thematic groupings.

## A.10  Beyond Latin America

**US Mobilization for Taxing the Super-Rich**

**Fair Share Amendment in Massachusetts.**  In 2022, Massachusetts voters approved the Fair Share Amendment, a change that added a 4 % surtax on income above $1 million.[5]  The ballot measure was championed by a broad coalition of labor unions and community groups and opposed by a billionaire–funded campaign.  The Massachusetts Teachers Association, the Massachusetts AFL–CIO and other unions framed the surtax as a way to fund public education and transportation while making millionaires pay their fair share (Prescod 2022).

**Share Our Wealth Coalition in New York.**  In early 2025, a coalition of unions, faith groups, and community organizations in New York launched the "Share Our Wealth" campaign.  In an open letter to the governor and state legislative leaders, the coalition urged them to include fair–share tax proposals in the fiscal year 2025–26 budget.  The coalition called for increasing the top income tax rate by 0.5 percentage points on incomes over $5 million and $25 million and raising the corporate tax rate by 1.75 percentage points; these modest increases would generate about $3 billion annually for childcare, education, higher education, and transportation (CWA 2025).  Union leaders argued that the reforms would ensure the "super–rich" pay their fair share and provide sustainable revenue for public services.[6]

## References

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5. For more information, visit fairshare.

6. For more information refer to shareourwealthny