



Public perceptions of the UK tax system



*Not fair, not delivering and
not something the public can
change.*

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Foreword

Carnegie UK has partnered with The Social Agency to explore public understanding and perceptions of taxation across the UK. This research forms part of our Financing the Future Programme, which explores how public revenue raising and spending could better support collective wellbeing.

This work seeks to address growing concerns about public disengagement with taxation policy and to better understand how people view the current UK taxation system, and its perceived complexities and discrepancies. The research focused on two key questions:

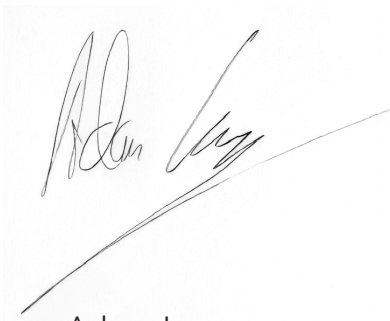
- What are people's levels of awareness and understanding of tax and taxation policy across the UK jurisdictions?
- What are people's perceptions of tax and taxation policy across the UK jurisdictions?

Eight online focus groups were conducted in June 2025, involving 50 participants across Scotland, England, Wales and Northern Ireland, with two groups conducted in each jurisdiction. Groups were split by collective wellbeing levels with one low wellbeing group and one high wellbeing group in each jurisdiction. Participants were recruited through specialist field recruitment agencies, using a small number of questions from Carnegie UK's Life in the UK Index to define low and high wellbeing.

Understanding more about perceptions and drivers of sentiment towards our tax system is essential in supporting fiscal policy making to be more open, effective and accepted by the public.

We hope the findings from this work can assist decision makers across the UK as they consider fair reforms to the tax system. A more transparent and better understood tax system is essential to ensure everyone can access the public services and opportunities we all need to live well now and into the future.

Carnegie UK is grateful to The Social Agency team for their work on this report and to all the focus group participants who gave generously of their time, insight and experience to inform the findings of this research.



Adam Lang
Director of Policy, Insight and Advocacy, Carnegie UK



Key Messages

Understanding of tax and taxation policy

- **People are well aware of how little they understand about taxes and government spending.** Participants across all groups were honest about their limited knowledge and the extent to which they felt confused about taxation, factors which drive unhappiness and discontent with the system.
- **The complexity of the UK tax system makes it very difficult for people to understand.** Participants saw the system as complex because of multiple tax types; complicated band structures; numerous personal circumstances affecting tax rates; overlapping taxes on the same income, and confusing jargon.
- **Understanding government spending is made difficult by a perceived lack of clear, accessible information and limited public involvement in decision-making.** Participants felt excluded from spending decisions and frustrated by what they saw as government secrecy around how taxpayer money is used.
- **Feeling ignorant and confused about tax and spend makes people sad, anxious, and frustrated by their perceived lack of agency.** The complexity of the system created strong negative emotions and a sense of disempowerment, though participants welcomed opportunities to learn more.
- **Attempts to understand tax and spend rely heavily on personal experiences and how much politicians and the media focus on specific topics.** Participants used their own experiences of paying taxes and using services to make judgements, often leading to inaccurate conclusions. Media coverage significantly influenced their perceptions of which taxes and spending areas were most important, again often leading to inaccurate conclusions.
- **Attempts to understand tax and spend are also influenced by inaccurate beliefs and cognitive biases.** Confirmation bias meant participants readily adopted others' views relating to tax and spend if they reinforced their own, existing negative feelings on the subject, creating fertile ground for misinformation and angry rhetoric tapping into feelings of despair and frustration.
- **Nevertheless, the group discussions offered an opportunity to learn more about tax for many, indicating the positive role public dialogue can play in education.** Several participants described how much they enjoyed the conversations. Dialogue gives space to share and discuss feelings of ignorance and confusion, the top drivers of negative feelings towards taxation and Government spending.

Perceptions of tax and taxation policy

- **Public acceptance of the principle of taxation risks being undermined by perceptions of the current system as unfair, not delivering, and out of the public's control to change.** While participants accepted that people should pay tax for public services and that those who are better off should contribute more, they felt that the current system is fundamentally broken.
- **Perceptions of unfairness are driven by the belief that too much of the tax burden falls on working people.** Learning that income tax and national insurance make up half of UK tax revenue shocked many participants, who felt that this proportion was unsustainable and penalised hard work. The high amount of tax raised by VAT (the third biggest contributor to tax revenue) compounded this sense of unfairness, as this again was seen to hit working people the hardest.
- **Perceptions of unfairness are fuelled by the belief that rich elites and wealthy corporations are not paying their fair share in tax.** Participants, particularly in lower wellbeing groups, believed the wealthy use resources and power to evade the system that 'ordinary people' cannot escape.
- **Perceptions of unfairness are also fuelled by the belief that some people are unfairly benefitting from the tax and spend system.** Participants felt too many undeserving people receive state support, including those who choose welfare over work and foreign nationals seeking to exploit UK services.
- **Higher taxes and worsening public services drive the perception that the status quo isn't delivering.** Participants struggled to reconcile rising taxes with declining public service quality, with the NHS and local councils seen as emblematic of this problem.
- **The belief that other countries outside the UK do it better adds to the perception that 'the UK' is not delivering.** Participants believed other countries provide better quality of life and public services, based on personal travel experiences and anecdotal evidence.
- **People blame the UK's failure to deliver on waste, bureaucracy, and top-heavy governance of public services.** Participants viewed government and public services as wasteful and inefficient, citing failed programmes and policies, overlapping departments, excessive management layers, and overpaid senior staff.
- **People also blame the failure to deliver on politicians who focus on symptoms rather than the causes of problems.** Participants felt the tax and spend system addressed immediate issues rather than underlying problems, with electoral pressure to win votes encouraging short-term thinking over long-term solutions.
- **Perceptions of a democratic deficit in relation to taxation policy and spending decisions deepen people's sense of disempowerment.** Participants felt excluded from decisions about how their money is spent, with some viewing this as a contest between powerful elites and ordinary working people.

Cross-cutting issues

- **Public engagement is both essential and challenging.** People welcome opportunities to discuss taxation, but extremely low factual understanding and deeply entrenched negative perceptions create significant barriers. Any wellbeing approach to public revenue raising and spending should consider how to better involve members of the public both in design, and in ongoing tax and spend decisions to avoid worsening existing feelings of disempowerment.
- **Education and communication are crucial foundations.** Before meaningful conversations about wellbeing-centred public finance can happen, people need a better understanding of how the current system works. Deliberative approaches could play a role here, by giving the public opportunities to learn more about tax and spend and make informed, values-based decisions about future options. Additionally, quantitative research can help prioritise what to focus on, for example, based on their prevalence and statistical insights, into what beliefs and perceptions are the main drivers of feelings of despair, frustration and anger with the current system.
- **Current public sentiment limits options for broad-based revenue raising.** There is strong resistance to tax rises affecting working people, but potential support for redistributing the tax burden towards the wealthiest individuals and corporations. This suggests wellbeing-focused reforms may need to explore alternative revenue sources to increasing existing taxes on employment income. It also underscores a need for new ways to communicate with the public about the importance, benefits and role of different forms of taxation.



Introduction



The opportunity

Carnegie UK is a charitable foundation working to improve the collective wellbeing of people in the UK and Ireland by influencing public policy and practice.

Carnegie UK's Financing the Future Programme is exploring what an approach to public revenue raising and spending with collective wellbeing at its heart could look like. Part of this programme is considering these issues from an expert perspective via a series of roundtables on public finance and the social contract. Alongside this, Carnegie UK want to consider taxation and understand any complexities and discrepancies of the current UK taxation system that exist from the general public's perspective.

In May 2025, Carnegie UK commissioned The Social Agency to conduct qualitative research to help them answer two key questions:

- What are people's levels of awareness and understanding of tax and taxation policy across the UK jurisdictions?
- What are people's perceptions of tax and taxation policy across the UK jurisdictions?

This report presents the findings of the research.

Methodology

Sampling and recruitment

The Social Agency conducted 8 online focus groups, each of which involved 6-7 members of the public (50 participants total). Participants were recruited by Criteria Fieldwork Limited, a specialist recruitment agency, using free-find methods and a screener questionnaire.

Groups were split by jurisdiction, with one group with low wellbeing and one with high wellbeing conducted in each jurisdiction (see Table 1).

Collective wellbeing is a measure Carnegie UK developed and uses in its [Life in the UK index](#). For this research, the Social Agency worked with Carnegie UK to develop a set of screening criteria to decide whether a participant qualified as having high or low collective wellbeing. These criteria were based on questions used to derive collective wellbeing in Life in the UK.

Table 1: Focus group sample

Group	Location	Collective Wellbeing
1	Scotland	High
2	Scotland	Low
3	England	High
4	England	Low
5	Wales	High
6	Wales	Low
7	Northern Ireland	High
8	Northern Ireland	Low

Fieldwork

All groups took place week commencing 09 June 2025, to minimise the risk that the broader economic context might change between groups and thereby influence responses.

Each group lasted 90 minutes and was moderated by a trained qualitative researcher using a semi-structured topic guide. The Social Agency employed a variety of techniques to surface and explore participants understandings and perceptions of tax and spend.

These included:

- Asking participants to identify which abstract images represent how they feel about tax and the taxation system – a projective technique for surfacing emotional responses to a topic that may be otherwise difficult to articulate.
- Asking participants to rank, based on their own understanding and perceptions, how much money they thought different taxes (e.g. Income tax, National Insurance) raised and how much the Government spent on different types of expenditure (e.g. Healthcare, Education, Defence).
- Showing participants the amount of money different taxes actually raised and how this was spent and asking them to reflect on any differences between perception and reality.
- Semi-structured discussion of other relevant topics, including understanding and perception of any differences in taxation policy in different parts of the UK, and how participants thought the taxation system could be improved.

Prior to fieldwork, The Social Agency piloted these techniques and exercises with their Public Advisory Group. This group is made up of 12 diverse members of the public from around the UK.

Analysis

With participants' permission, all groups were audio and video recorded and uploaded to The Social Agency's online qualitative analysis platform for transcription.

After each group, researchers used a proforma to capture notes of their findings and reflections. In the week after fieldwork, the research team held a brainstorm to identify emerging themes and insights. These themes and insights were later verified and expanded by an in-depth review and coding of the focus group transcripts.

A note on interpretation

Qualitative research involves small sample sizes and provides insight into people's perceptions, feelings, and behaviours. The evidence presented in this report is not intended to be representative of the views of the public. Instead, this report aims to build a more empathetic understanding of how and why members of the public feel the way they do, including what drives these sentiments. It does this by highlighting and exploring the key themes that emerged when talking to the public about how much they felt they understood the current taxation system, and their overall perceptions of tax and spend in the UK.

While regional nuances were explored, there were very few differences between groups. The prominent themes discussed in this report were present across all groups regardless of nation or wellbeing group, unless otherwise specified.



Findings

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What are people's awareness and levels of understanding of tax and taxation policy across the UK jurisdictions?

People are very aware of how little they understand about taxes and Government spending. This was a common theme across all the groups. Participants were honest and upfront about how little they felt they understood about how taxes work, taxation policy across the UK, and how taxpayer money is spent.

Difficulty understanding taxes and spending was a driver of participant unhappiness and discontent with the current system. It also meant that, in many cases, participants' perceptions of UK tax and spend were influenced by inaccurate beliefs and assumptions about how the tax system works, and how the money is spent, rather than concrete knowledge.

The findings below explore participants' views about why UK taxes and spending are so difficult to understand. They also look at the sources of information that participants relied on to make judgements about taxes and spending, and the role of inaccurate beliefs and cognitive biases in shaping their views.

The sheer complexity of the UK tax system makes it very difficult for people to understand. Confusion about how the tax system works was a dominant theme across all the groups, with virtually all participants suggesting that they did not really understand it. Mostly participants thought this was because the tax system is very complex, and therefore difficult to understand. Participants saw the tax system as complex because:

- There are lots of different types of tax (too many to understand)
- Some taxes use multiple bands (for example, council and income tax)
- Whether you pay a tax and at what rate can depend on lots of different parts of your personal circumstances
- The same income or asset may be subject to multiple taxes - for example, paying income tax and national insurance tax on income
- The system uses a lot of "jargon" which people do not understand

Some participants also believed that there is not enough education available for the public to understand tax better. However, this was not an especially strong theme and was only explicitly discussed in one group (Northern Ireland, Low Wellbeing).



I don't understand why it's never really taught in schools and stuff. Like, you learn random maths, but you don't learn about tax. I'm 30 years old and I know I pay tax, but that's about it.

Participant, Northern Ireland, Low Wellbeing

There are competing views about why the tax system is so complex. Some participants believed the system must have a logic to it, even if that logic was hidden from them. Others saw the system's complexity as the result of policymakers making lots of overlapping changes over time, resulting in an overly complex, multi-layered and incoherent system. Still others suspected that the system was intentionally complicated, to confuse the public and enable the Government to raise more money by stealth.



I think somebody may know what's going on, but it certainly eludes me. And there's just so much going on with it. It's baffling.

Participant, Wales, High Wellbeing

The reason it's so complicated is because it's evolved over such a long period of time. That list just proves it. Like there's so many different types of taxes in there.

Participant, Northern Ireland, High Wellbeing

I think it's designed to be confusing, so we don't understand it. A lot of people pay more tax than they actually have to, just through ignorance, especially with pensions.

Participant, Scotland, High Wellbeing

While none of these views emerged as particularly dominant across the groups, many participants expressed a feeling that the system disadvantages ordinary, working members of the public, to the benefit of others (see the section on perceived unfairness, for further discussion). Likewise, projective techniques often elicited a sense of being “watched” and “monitored” by a “Big Brother” Government. These findings reflect an overarching sense among participants that the tax system is stacked against them.

[Being a taxpayer] is like being stuck in The Matrix. We're just slaves to the system.

Participant, Northern Ireland, Low Wellbeing

[As a small business], you pay tax and then you can claim it back, so it goes back and forward. Sometimes you think it's more about actually monitoring your business rather than the amount of tax they get out of it.

Participant, Northern Ireland, High Wellbeing



Understanding Government spending is made difficult by a perceived lack of clear, accessible information and limited public involvement in decision-making. As with tax, participants were very aware of how little they knew about how much the Government spends on different services and other outgoings. They mostly attributed this to a lack of transparency and accountability from both Government and publicly funded organisations, such as the NHS. Several participants felt that the public was not really involved in spending decisions, which were seen as happening behind closed doors. As with tax, Government spending jargon was also a theme, with participants sometimes becoming confused by the technical language used to talk about Government spending, like 'GDP' (Gross Domestic Product).

It seems like there's a blanket of secrecy around what the government is using the money for that you're getting taxed on."

Participant, Northern Ireland, High Wellbeing

[The Government] never make it clear to the public just how much they're spending in comparison to other areas of spending...When you're paying your taxes, it's coming out of your bank account, you see it. But when it comes to spending, I haven't made that decision as to where the government is going to spend, and they're just spending where they want to spend. Even if I do have a look at it, it's not going to make a difference.

Participant, Scotland, High Wellbeing

Attempts to understand tax and spend rely heavily on personal experiences and how much politicians and the media focus on specific topics. Across the groups, participants relied heavily on anecdotal evidence, including their personal experiences and stories shared by others and the media, when making judgements about tax and spend.

For example, a common method used by participants to guess which taxes raised the most money for Government was to pick the ones they personally recalled paying most often. Using this rule of thumb, most participants guessed accurately that the three biggest sources of tax revenue for Government are income tax and NI (which they recalled paying every time they get paid) and VAT (which they thought they paid every time they bought something). Participants were unable to apply a similar method for ranking spend.

I suppose I just thought income tax right away because for me...It's the biggest tax I pay. It's one that I see every month. And you just think of most people having jobs and most people contributing towards income tax every single month, not as a kind of one-off tax payment.

Participant, Scotland, High Wellbeing



To rank how much money the Government spends on different things, participants often relied on their recent personal experiences. For example, those who had negative experiences with the NHS or their local school often took this as a sign of low funding. This led to several moments of shock and surprise, for example, when participants learned that the Government spends the most amount of money on healthcare. This same rule was also applied the other way. Participants who had seen things getting built in their local community, or who believed public services were improving, often took this as a sign of greater investment.

I thought social housing would have been a whole lot higher...I'd say in the last maybe two or three years, they've built well into the thousands of houses just around my area.

Participant, Northern Ireland, Low Wellbeing

A decade ago we were given funding to run a youth club in the heart of that community and we used it to get all the kids come in and off the streets. And since they've stopped the funding for that... The crime rate in that area has shot up. The money was cut to save money and put it somewhere else, but it's had a really negative impact on society.

Participant, Wales, High Wellbeing

The final way participants tried to rank both tax and spend types was based on how frequently and recently they were talked about in the media and by politicians. This often led to wrong conclusions. For example, many participants were surprised to learn that inheritance tax provides relatively little income, given how often they see it talked about in the news. The focus groups also took place during a week when UK Government defence spending was high on the political and media agenda. This led some participants to rank defence spending higher than is actually the case.

I suppose we kind of see things in the media, don't we, which we all know not to necessarily believe, but that's where we get a lot of our information from.

Participant, England, High Wellbeing

Well, another reason for that is again, social media and the news about the people who've got the foreign nationals that's been brought in are going to cost. Are costing us, costing the country a lot of money.

Participant, Northern Ireland, Low Wellbeing



Attempts to understand tax and spending are also influenced by inaccurate beliefs and cognitive biases. Participants expressed a variety of inaccurate beliefs about taxes and Government spending. Moreover, researchers observed a tendency for participants to quickly adopt beliefs shared by other participants, particularly when they reinforced pre-existing views. For example, a common misconception that came up in several groups was that people get taxed on their pensions twice: once during employment, and then again in retirement. In some cases, participants who had not heard this before later used it as further evidence for why, in their view, the tax and spend system was unfair (see the section on perceptions of unfairness, for further discussion).

This phenomenon is known as confirmation bias. Confirmation bias reflects people's underlying natural and sub-conscious tendency to notice, focus on, and give greater credence to evidence that fits with their existing beliefs¹. This means messages which reflect and reinforce pre-existing thoughts and feelings about a topic are more likely to be noticed and believed by the public – irrespective of whether they are true or not.

As this section has already suggested, and the next sections demonstrate in more detail, much of the public's current thoughts and feelings about tax and spend are very negative. This creates fertile ground for communications which tap into public frustrations, and may increase susceptibility to misinformation and anti-establishment, populist rhetoric.



1 [Confirmation Bias - The Decision Lab](#)

What are people's perceptions of tax and taxation policy across the UK jurisdictions?

Public acceptance of the principle of taxation risks being undermined by perceptions of the current system as unfair, not delivering, and out of the public's control to change.

Participants broadly bought into the underlying principles of taxation, believing that:

- people pay tax in return for public services and support when needed; and
- people who are better off pay more to help those who really need it

However, across the groups, there was a clear and dominant perception that, in practice, the system is not working as it should. This perception can be broken down into three parts, which are that the current system is:

- not fair
- not delivering
- not something that the public can change

Each of these perceptions is explored in the following sections.



Not fair

Perceptions of unfairness are driven by the belief that too much of the tax burden falls on working people. During the focus groups, all participants learned that income tax and national insurance payments make up approximately half of UK tax revenue. Many participants correctly guessed this is the case. Those that did not were surprised that these taxes were such a big source of tax revenue. Regardless of whether they guessed correctly or not, participants widely felt the proportion of tax revenue taken out of people's pay is too high.



It's just dawned to me and I know it seems obvious, but when I looked at [income tax raising] 30% and [national insurance raising] 20%, that means half of the money is coming straight out of people's pockets. That makes me feel quite angry, to be honest.

Participant, Scotland, Low Wellbeing

As the quotes below illustrate, after seeing how tax revenue is currently raised, multiple participants said the tax burden on income from employment should be reduced. This view was driven by a mix of factors. First, the high tax burden on working people was seen as “unsustainable”, particularly against the backdrop of the current high cost-of-living. Second, participants felt that high taxes on employment income run counter to the principle that people should be rewarded more for working harder. Third, and relatedly, there were concerns that these high taxes disincentivise people from working and seeking promotion. Fourth, several misconceptions exacerbated people's sense of unfairness. These included the belief that working people are taxed twice on pension contributions, as well as some participants mistakenly thinking that, if they move up a tax band, all their income is taxed at their new rate, rather than every pound over the threshold.

I think income tax needs to come down. It's not sustainable. If you're trying to build a future, people need to have some sort of disposable income, and [right now] there's so much to pay with the cost of living, it's just too high.

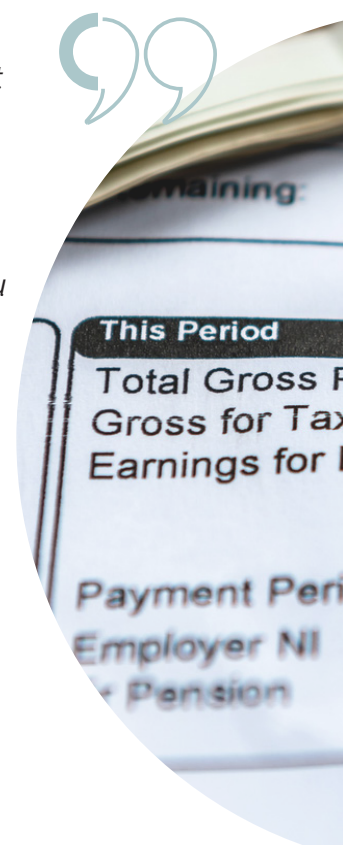
Participant, Scotland, High Wellbeing

It's even more demotivating because you're working so hard and all these things spread out in front of you that your money has to go to and what do you have to show for yourself at the end of the month? And this ties into mental health because people work so hard, long hours.

Participant, England, Low Wellbeing

I think the tax rate should be more staggered... I don't believe that someone who's on 40 or 50 grand a year is like a rich person, and I don't believe that they should get taxed like they are... If it was more staggered then more people would work more to get more money.

Participant, Scotland, Low Wellbeing



I don't think it's fair... Because it's me that's doing the work and no matter how, no matter what, I'm going to lose 20%, maybe more. They tax my wages every week and then if I get a pension they'll retax it. So I'm being taxed twice. So the whole setup to me is not right.



Participant, Northern Ireland, Low Wellbeing

Perceptions of unfairness are fuelled by the belief that rich 'elites' and wealthy corporations are not paying their fair share in tax. This belief emerged both spontaneously and in response to learning more about how much different sources of tax revenue raise. While it was a theme across both high and low wellbeing groups, this belief was expressed most strongly among low wellbeing groups.



You hear these like horrible loopholes and like these multi-billion pound companies and you think how can they pay no tax? Like if they tax them, that would surely be a decent chunk of money raised. But like I say, it's very difficult because you don't want to punish people for being successful. But then if you do earn more, probably agree that you should pay a bit more.

Participant, England, High Wellbeing

I think tax is fine. I just think it's unequal. I think I find it difficult that the more I work the more I get taxed. But if you own like multiple houses and you earn your income being like a landlord or something, the tax isn't as high as people who actually go out there and do work, rather than making money from assets. And I actually find that unfair.

Participant, Scotland, Low Wellbeing

Participants' main explanation for why the rich get taxed less was that they have the power and resources to find ways to evade the system. Some others, primarily from lower wellbeing groups, saw it as a sign that the system has been set up by and for elites seeking their own advantage at the expense of ordinary people.

The better accountant you have, the less tax you pay sometimes, you know, and these big companies, they have got these offshore offices and everything and they are getting away from paying the taxes, which a common man can't really do. I can't set up an offshore company and pay from Jersey. It's not fair, you know, for the folks who can't really do all this.

Participant, Scotland, High Wellbeing



I think it's set up to squeeze the working classes because it's designed by people who get into seats in government who are majority of an upper to middle class background. So I think it's designed by rich people to exclude rich people...

Participant, Northern Ireland, Low Wellbeing

Perceptions of unfairness are also fuelled by the belief that some people, including those who choose welfare over work and foreign nationals, are unfairly benefitting from the system. This was a complicated view for participants to express. As noted above, participants accepted the principle that taxes are needed to fund public services, including for people who are in need but do not have the financial means to pay taxes themselves. However, many participants felt that too many 'undeserving' people are being supported by the state.

The two main groups discussed by participants were people who can work but choose to rely on welfare benefits instead, and foreign nationals (including asylum seekers) who come to the UK to take advantage of state support. While criticism of unfair welfare claimants was a theme across all groups, the focus on foreign nationals was stronger in lower wellbeing groups. A small minority of participants also discussed other undeserving groups, including people who work for cash to avoid income tax, people who use NHS for 'minor' problems that do not require medical attention, and tourists who come to the UK and end up needing to use the NHS.

You feel that you're subsidising a lot of people...in Northern Ireland especially, there's a huge benefit culture and to me, a lot of the taxes goes towards their income, but they don't contribute towards that income. And I understand there's people who need more help than others, but I feel like the middle of the road are the people who seem to be penalised the most sometimes I think the more you, the more you push, the more they tend to nearly take off.

Participant, Northern Ireland, High Wellbeing

I see loads of people going on to some sort of benefit or figuring out how to wiggle the system so they can steal benefits... There's a woman on my street who's claiming to have a bad back and got a brand new car and carrying stuff from said car with her bad back.

Participant, England, Low Wellbeing

[You see on] social media and the news about how much the foreign nationals that's been brought in are costing us. They're costing the country a lot of money. [And] there's a lot of people in my area on benefits. So you see it all the time.

Participant, Northern Ireland, Low Wellbeing

It's the people that don't want to work because they find it better or they can live comfortably on benefits. Getting drunk, taking drugs, having a house paid for, having income tax paid for them and all that, while other people have to go work.

Participant, Wales, Low Wellbeing



As the quotes illustrate, these views were influenced by what participants had seen online, in the media, and by what they see and hear in their local community. Participants who voiced these views also tended to blame both the individual and the system. The individual, because participants see them as dishonest, lacking a proper work ethic and engaged in vices like drug and alcohol addiction. The system, because they see it as actively incentivising people to rely on benefits rather than become independent; easy to abuse; and because they think Government shifts the burden onto honest working people rather than cracking down on those taking advantage.

It's almost like you're not encouraged to go to work. It's easier not to, which is wrong. The benefit should be there to help people in times of need... It shouldn't just be a lifestyle choice, which I think for a lot of people it is.

Participant, England, High Wellbeing

I can understand why people don't want to go out to work because they're better off claiming income support payments or getting their rent paid and everything. So the ones who work hard just keep working and paying get nothing back.

Participant, England, Low Wellbeing

These views were not restricted to people fortunate enough to have never had to rely on state support. Indeed, some of the most vocal critics of perceived abuses of the system were participants who themselves had long-term health conditions, or who had required welfare support in the past. Like others in the groups, these participants distinguished between those who genuinely require and deserve support, and those who do not.



I think the whole setup is really punishing, because there's people that genuinely need it. I sat for 10 years without support and eventually got the help that I needed. But at the same time there's people who literally sit there claiming they've got this, they've got that and that, you know, and they're ripping it off. I don't think that's fair for people on the backs of people who are working who have paid in.

Participant, Scotland, Low Wellbeing



Not delivering

Higher taxes and worsening public services drive the perception that the system isn't delivering. Across all the groups, almost all participants felt the quality of public services in the UK is getting worse. Many struggled to reconcile this with the perception that their taxes only seem to be going up. As one participant put it: *"Where's the money going?!"* (Participant, England, Low Wellbeing).

The NHS and local councils were emblematic of this problem. Many participants were aware that the Government is already spending an increasingly large proportion of its budget on healthcare, and yet from their perspective, the NHS is not improving. Others assumed healthcare spending must be relatively low, given the challenges faced by the NHS, and were shocked to learn that healthcare spending is the Government's largest expenditure. Similarly, participants contrasted stories of local councils going broke with their experiences of council taxes (as well as other sources of local council income, such as parking fines) going up.



I haven't got an issue with paying taxes. It's where that money goes and what it's spent on. I know Welsh governments are quite well known for wasting money, as is Cardiff Council. I've actually worked for Cardiff Council in previous years. I've seen the wastage first hand.

Participant, Wales, High Wellbeing

The belief that other countries outside the UK do it better adds to the perception that the UK system is not delivering. The perception that other countries – including mainland European countries generally, Sweden specifically, the United Arab Emirates, China and Japan – have found ways to deliver a better quality of life and better public services than the UK, was common across the groups. The general view was that people living in other countries are happier, better off, and live in cleaner, better-working towns and cities. In keeping with the broader theme of relying on anecdotal evidence, this perception was based primarily on first-hand experiences visiting these countries, or from speaking with friends and family who had travelled abroad.

You look at other countries, the way they live, even down to the poorest person still has a good quality of life and more importantly, a home [...] That's because they don't have a greedy government and that's what we need to look at, to be honest. it's very glaringly obvious.

Participant, England, Low Wellbeing

In other countries [where I have lived], I may have paid a higher tax rate, which is fine, but then access to certain things over there is much more...

Participant, Wales, High Wellbeing



Reflecting on other countries *within* the UK, it was clear that participants only had a vague and patchy understanding of how taxes and Government spending differed between their country and others in the UK. Observed differences included:

- Free prescriptions, free bus passes for certain groups and no water tax in Northern Ireland
- Free university in Scotland
- More money spent per individual in Wales and Northern Ireland versus England

The general view among participants was that their country's system was better off in some regards and worse off in others. As a result, no devolved nation's policies were regarded as significantly better than any of the others.

People blame the UK system's failure to deliver on waste, bureaucracy, and top-heavy governance of public services. Participants widely viewed both national and local government and public services generally as wasteful, bloated and inefficient, and therefore failing to provide value for taxpayers' money. Participants highlighted a variety of incidents and beliefs which they held which supported this view, including:

- Recent and costly Government policies and programmes that have not worked, such as the HS2 rail project
- Publicly funded departments and organisations with overlapping roles and mandates, for example, participants in Scotland and Northern Ireland felt their countries effectively run two parallel health and education systems
- An overly complicated taxation system, which requires a large administrative workforce to manage
- Wasteful practices, such as carrying out repeated road repairs in the same area, and the NHS constantly printing documents
- Multiple management tiers within the civil service, local council and public services, which employ more senior and middle-management staff than is needed
- Senior management in the civil service, local councils and public services getting paid too much
- National and local Government outsourcing work to overly expensive consultants and advisors

As these examples and the quotes suggest, there was a strong desire across the groups for more streamlining and efficiency. Participants also wanted a reduction in spending on middle- and senior-management and external consultant salaries, whom they generally characterised as "fat cats" who take a lot of money out of the system without providing much value to the taxpayer. This characterisation echoes the theme discussed above, that the system is perceived as unfairly benefitting rich elites and causing working people to lose out.



That money is going to big salaries and then what actually happens is they stick a plaster on [problems].

Participant, Scotland, Low Wellbeing

I think the government spends far too much money ... they've got a massive administrative staff who all they're basically doing is just moving money about. And when they're moving that money about, they're getting well paid for moving that money about. That's an extra expense that we're actually paying for. And it's the ordinary working person that pays in the long run anyway, no matter what way you cut the cake, it's still going to be the people who go out and do a day's work and create the money that's going to end up having to pay. And I don't think that we're getting value for money. The, the way the whole thing works.

Participant, Northern Ireland, High Wellbeing

They are the people that are holding the purse strings, they're holding the wallet open. So I think that they should be accountable for every pound that's spent in each department... And I think that when they don't hold them accountable is when we find ourselves in the position that we're in, where it's slightly creeping all the time.

Participant, Wales, High Wellbeing

I don't think the people that put [Government spend] in place have a realistic idea of the average day to day human being and the lives that they lead... When you take into account, especially as the cost of living has risen higher, it's criminal. And it reminds me of Ye Olde England, to be honest with you. All we're missing is just a lord at the end of each area for us serfs.

Participant, England, Low Wellbeing

People also blame the failure to deliver on politicians focusing on symptoms rather than causes of problems. A common complaint from participants was that the current system is geared towards fixing symptoms of problems rather than addressing underlying issues. For example, a participant with a long-term health condition discussed how there was too much focus on financial support for disabled people, and not enough on helping them regain their independence.

I'm disabled and they've recognised my illnesses, but that's it. Like I still like, you know, I'm disabled, I'm at home, but I feel useless sometimes. And I guess if I had the support there, they could be like, right, let's get you on the phone 16 hours, you know, or let's get you working on this. That's, you know, just to keep me going and, and to still have the hope or, or a future to just not be in my situation that I'm in."



Participant, Wales, Low Wellbeing

Some participants linked this perceived short-termism to the way the UK electoral system works. They suggested the need to win votes incentivises politicians to prioritise quick-wins and flashy policies to win votes, rather than investing time and effort into fixing fundamental problems with how the system works.

I think the balance is more towards spending in the here and now, because I think that's the way politicians think and they need to bend like that because they get votes. It's harder for them to think about the future and actually make, you know, maybe unpopular decisions today because it's for the right thing for our children... You don't get votes for that. So I think that's a massive problem.



Participant, Northern Ireland, High Wellbeing



Not something I can change

Feeling ignorant and confused about tax and spend makes people sad, anxious, and frustrated by their perceived lack of agency. As previous sections have demonstrated, for almost all participants, the subject of tax and spend evoked very negative emotions. A lot of the time, these emotions were directly linked to participants feeling like they did not understand the tax system well enough.

For example, participants described experiences where they had checked their income for the month and been shocked by how much had been taken in tax. Many also expressed a sense of being constantly monitored by tax authorities, leading to a fear of getting things wrong. There was a view that there is very little support to help people navigate the system effectively.

There's nobody coming forward and saying, right, this is what you're doing, or this is what you have to pay... You just give in because you know you're going to have to pay it anyway.

Participant, Northern Ireland, Low Wellbeing

Anything you do, you're taxed on it. Where we're being watched and monitored all the time.

Participant, Wales, High Wellbeing

More broadly, participants often exhibited a strong sense of disempowerment in the face of a tax system which they did not understand, but which others (including but not limited to Government, as the above sections show) appear able to use to their own advantage.

You sort of have to just accept it and, you know, there's nothing really you can do about it.

Participant, Northern Ireland, High Wellbeing

I guess I've kind of been silent because what's the point in following your local MP to fight for something that you're quite passionate about, for them to win their seat? By the time it gets voiced, they're out of the game.

Participant, Wales, Low Wellbeing



On a more positive note, several participants described how much they enjoyed the group discussions for providing them an opportunity to learn more about how money is actually raised and where it goes. This suggests that better public education and knowledge – supported by dialogue – could help combat the negative feelings currently driven by people feeling ignorant and confused about taxation and Government spending.

I've never looked at things on such a deep level and this is such a wonderful occasion to have my mind open in a much broader sense.

Participant, England, Low Wellbeing



It's been quite interesting actually and you know, learning a little bit more about everything that we don't usually look into. So thank you for that.

Participant, England, High Wellbeing

Perceptions of a democratic deficit over taxation policy and spending decisions deepen this sense of disempowerment. This perception emerged in a variety of ways, many of which have already been covered in previous sections. For example, multiple participants felt that there was a lack of transparency, accountability and citizen involvement in how taxpayer money was spent. There were also some, primarily among lower wellbeing groups, who framed the problem as a contest between rich and powerful elites (including politicians) who control the system for their own ends, and ordinary working people, who are stuck trying to navigate it.

I don't think the money is going where it needs to go and I wish that, you know, if we're the ones paying the taxes, we could have a say in where we wanted to direct that money. You know, we vote for politicians and whatnot, but that doesn't really influence where they're going to spend our money.

Participant, Wales, High Wellbeing





Conclusions



One of Carnegie UK and The Social Agency's concerns going into this research was that tax and spend would be challenging topics to engage members of the public on, because they are technical subjects that can be viewed as dry and dull. This turned out to be wrong. In fact, many participants explicitly welcomed the opportunity to learn and discuss taxes and spending in an open, constructive way. Based on this, there appears to be appetite for an informed conversation with and among the public about tax and spend. Indeed, trying to decide what the future of tax and spend looks like without involving the public is likely only to deepen the public's sense of disempowerment and disillusionment with the system.

However, the scale of the challenge for having this conversation with the public is clear. By participants' own admission, there is very low factual understanding of how taxes are currently raised and spent. The dominant perceptions of tax and spend currently – that it is not fair, not delivering, and not something the public can change – are negative and entrenched. These perceptions are based primarily on anecdotal evidence, prone to bias and susceptible to angry rhetoric which taps into existing feelings of despair and frustration. Getting members of the public to a point where they can have a free and informed debate about what the future of tax and spend should look like will be a significant challenge for any government.

Currently, there appears to be no public appetite for tax rises that would affect the public at large (including to income tax, NI, or VAT), to fund the social policy challenges currently facing the UK. There appears to be more support for redistributing the tax burden by increasing taxes on the very wealthy and on big corporations. Participants also expressed a strong desire for a more streamlined and efficient Government system and public sector, at both the national and local levels. For many participants, this would likely include much stricter policing on who qualifies for state welfare support, to tackle perceived abuse by 'undeserving' groups. All these views need to be caveated by the fact that participants could have limited understanding of the consequences and policy trade-offs of such changes.

Public perceptions of unfairness, the failure to deliver, and feelings of disempowerment are all closely interrelated. They cannot be tackled in isolation. Equally, however, improvements in one area may have positive spillover effects elsewhere. This may be especially true of delivery. As some participants indicated, seeing positive changes in their communities can have a big impact that reduces not just the sense that the country is not working, but also potentially the sense of unfairness and loss of agency too.

Finally, just the act of demystifying and simplifying current taxes and spending could itself deliver significant gains. The complexity of the current tax system is a source of public frustration and distress. So is the perceived lack of transparency and accountability around how taxes are spent. In an ideal world, participants felt that the taxation system should be much simpler, and the public much more involved in spending decisions. Even if it would take time to achieve, simpler, more accessible communication and explanation of how and why things work the way they do currently, could begin to relieve some of the frustration felt by the public.



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