What If Luxury Markets Are Already Taxed?

A new study shows bans outperform taxes in changing behavior—without raising prices.

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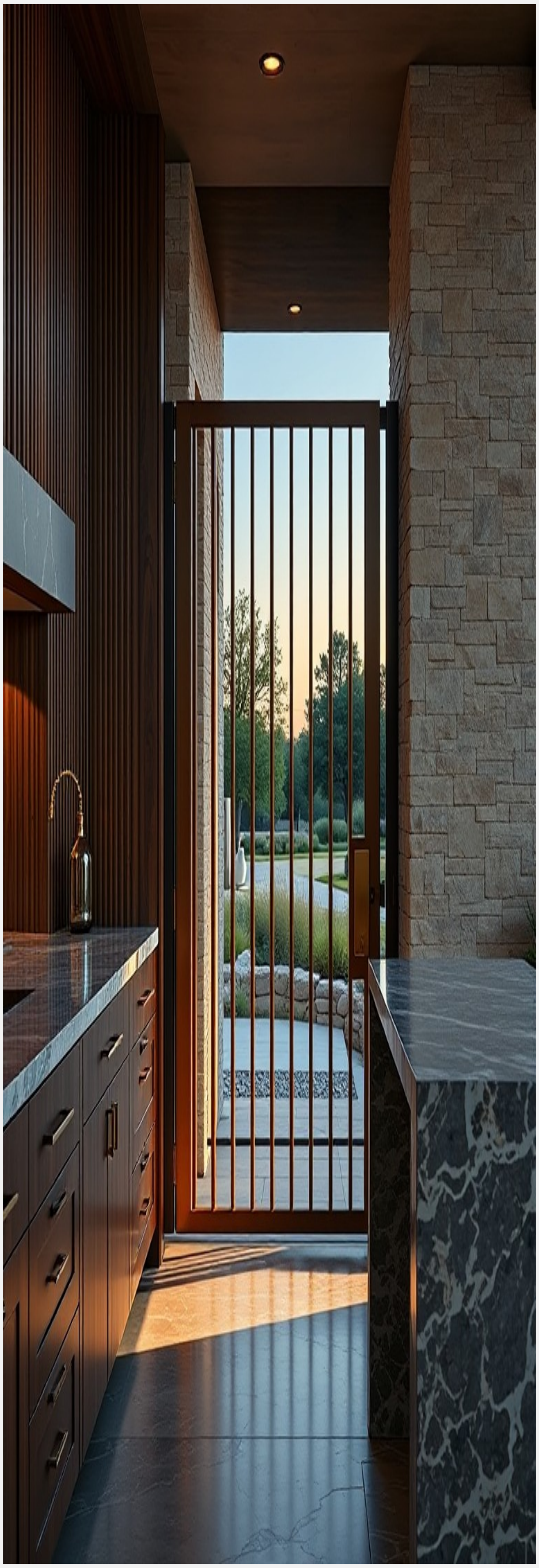
THE DATA

11 percent

Decline in SNAP spending on restricted items

Following the first statewide restriction on sweetened beverages and candy in the U.S.

This 11% drop in spending on restricted items—soda and candy—demonstrates that prohibitions can shift behavior more effectively than price-based incentives. The effect was consistent across both in-store and online purchases, suggesting that the psychological weight of a ban outweighs the economic signal of a tax. Notably, the impact was stronger in areas with higher SNAP usage, indicating that behavioral interventions have a disproportionate effect in high-need communities.



Source: National Bureau of Economic Research · Published September 17, 2026
https://www.nber.org/papers/w35739#fromrss

01

Bans Are Behavioral Levers

The study reveals that banning specific goods—like sugary drinks and candy—can drive behavioral change without increasing price. This challenges the conventional wisdom that only price signals alter consumer behavior. In luxury real estate, where discretionary spending is paramount, this suggests that subtle restrictions or curated exclusivity (e.g., limited access to certain amenities) may be more effective at shaping high-end demand than traditional pricing strategies. The power lies not in cost, but in control.

02

Stigma Is a Silent Tax

The research found that online purchases continued to show significant declines in restricted items, even without in-person checkout stigma. This implies that the mere presence of a restriction—regardless of visibility—can alter consumption. For luxury real estate, this translates to the idea that exclusivity, when perceived as a boundary, can be more powerful than price. The psychological weight of scarcity or restriction can drive demand more than affordability, especially when access is framed as a privilege rather than a commodity.

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