

State lotteries should be ended

Key Terms	Sources
Regressive	Institute for Philosophy and Public Policy
Odds	http://www.puaf.umd.edu/IPPP/WinterSpring00/The_American_State_Lottery.htm
Revenue	Christian Science Monitor
Earmark	http://www.csmonitor.com/2003/0715/p14s01-lepr.htm

Fact Set

- 38 states currently operate lotteries.
- Lotteries were outlawed in the 19th century and did not become legal again until the mid-1960s.

Arguments in favor of ending state lotteries

- State-run lotteries have bad odds. States retain a larger percentage of the money bet (around 45%) than any other form of gambling.
- State resources are used to promote gambling by advertising the lottery programs.
- Private individuals could still run gambling opportunities if the state didn't.
- Lottery revenues typically provide less than 2 percent of a state's operating budget-they are not a real alternative to taxation or significant source of revenue for the state.
- States that earmark lottery dollars for a particular cause can turn around and cut that cause by the same amount-not really increasing education spending, etc.
- The lottery represents a regressive tax-The annual per capita play for households with incomes below \$10,000 is \$289 while for households with income about \$100,000 it is \$147. The top ten percent of players account for 68 percent of all sales.
- Studies show that lottery play is more common among blacks and Hispanics than white, among laborers and service workers than advanced professionals, and among those without a high school degree than college graduates.
- States target the poor with their lottery advertising campaigns and may lead to gambling addicts.
- It is easy for underage people to buy tickets.
- Lotteries are against the religious beliefs of some citizens, including various Christian denominations.

Arguments against ending state lotteries

- Lotteries are a mechanism for states to raise money other than taxes-New Hampshire was the first state to run a lottery in the modern era. Their decision to start the lottery in 1963 was a response to their lack of sales or income tax. States need money to support important social programs, such as programs that care for the poor and sick.
- Lotteries can earmark money for spending in particular areas, such as the Georgia lottery that uses lottery profits to fund college scholarships for academically successful high school students.
- In 17 states lottery revenue is designated for education spending.
- People enjoy playing the lottery. In states which offer lotteries, over 60 percent of adults participate.
- People are guaranteed to receive their lottery prizes from the state. Private lotteries or other forms of gambling might not pay prize money as reliably.
- State lotteries allow people to gamble without having to travel to casinos, costing less and minimizing people's absence from home.

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Discussion Questions

- Why do states have lotteries?
- Should gambling be legal? Why or why not?
- What limitations should be put on the government's ability to raise money?
- What ethical issues are at stake with state lotteries?
- What groups are targeted to play state lotteries? Why do those groups play the lottery?
- What do states do with their lottery funds? Does the way the states use the money make a difference?