

Raised stakes BY ROBERT DAVID SULLIVAN

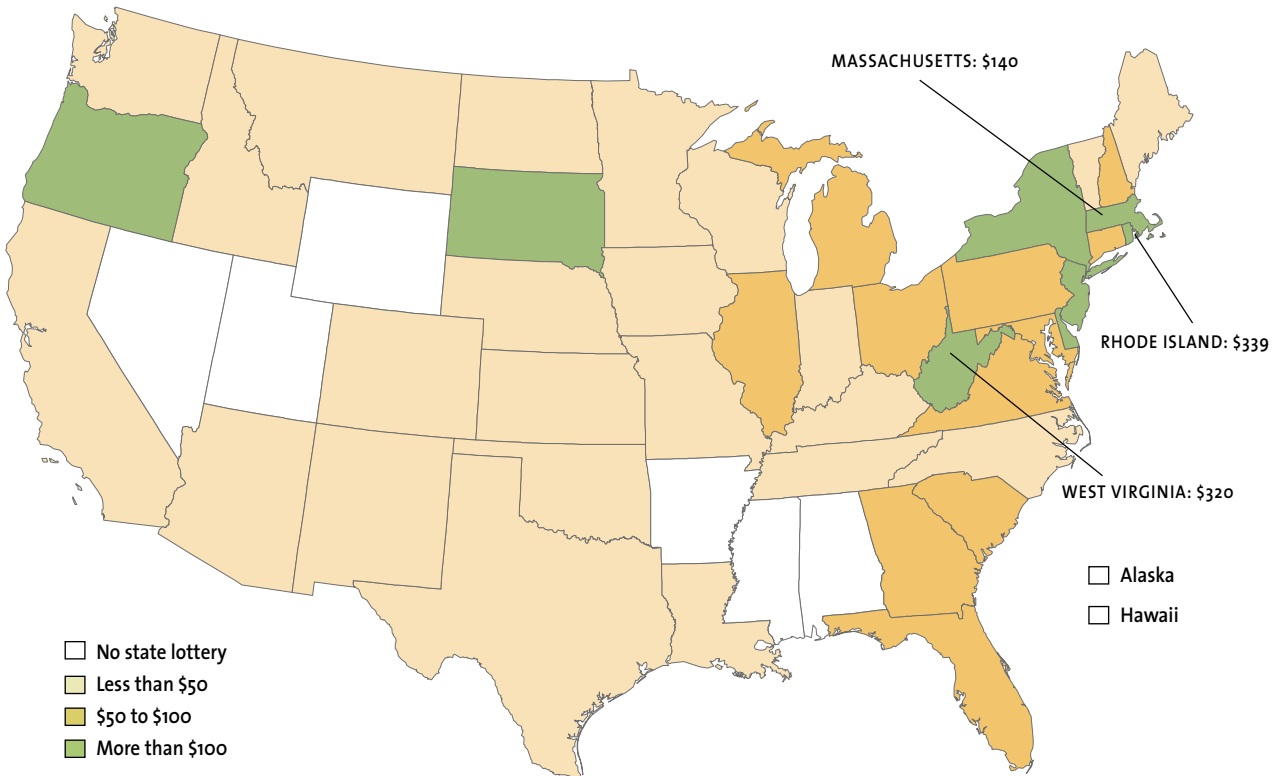
ANY DEBATE OVER the possible arrival of casinos in Massachusetts (see “Ka-ching,” Page 30) has to take into account how much we already rely on the state lottery, and whether scratch ticket sales will suffer against a rival outlet for gambling. In FY 2008, according to the North American Association of State and Provincial Lotteries, the Bay State had lottery sales of \$4.7 billion (exceeded only by Florida and New York), resulting in a profit—after prizes are paid out—of \$913 million, or a little less than 2 percent of total state revenue. This comes out to \$140 for every person living in the state.

The map below shows which states get the most in lottery profits per capita. Massachusetts finishes sixth, and Rhode Island and West Virginia lead the list; neither has casinos, but both have “racinos,” or racing tracks with gaming machines. It may not be a coincidence that lottery sales are generally higher in densely populated states, where millions of people live within a couple of blocks of

convenience stores selling tickets. Sales aren’t quite as brisk in the West or in the “Mississippi riverboat” states of Iowa, Louisiana, Mississippi, and Missouri, which each have at least a dozen casinos. (Mississippi and Nevada make enough from taxes on casinos not to bother running a lottery at all.) Oregon and South Dakota, the only states west of the Mississippi with unusually high per-capita lottery profits, both have tribal casinos, suggesting that one form of gambling doesn’t necessarily cannibalize from the other.

According to 2006 Census data (the latest to compare state revenue from all kinds of gaming), New Jersey made more of a profit from its state lottery than from its prominent Atlantic City casinos. But while Connecticut took in more money from its lottery (\$916 million) than from its taxes on casinos (\$458 million), when you take out the \$587 million paid out in lottery prizes, the casinos turned out to be more profitable. **CW**

STATE LOTTERY PROFITS PER CAPITA, 2008



Sources: North American Association of State and Provincial Lotteries; US Census Bureau



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