



MONEY GAMES\$

Does the Mass. Lottery Target Poor People?

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A public interest group believes state lotteries use marketing strategies to target low-income communities, where residents tend to spend a larger percentage of their incomes on lottery tickets than do the wealthier segments of society.

But a public records request for the Massachusetts Lottery's internal advertising documents so far has gone unfilled.

The group, Stop Predatory Gambling, filed a public records request with the Massachusetts Lottery for records pertaining to marketing and advertising campaigns, including research data, focus groups, and internal emails.

"Some states have specific ad campaigns targeting African-Americans and Hispanic Americans," said Nathaniel Beaudoin, deputy director in the Lawrence, Mass. office the Washington, D.C.-based group. "They have advertisements on different radio stations or in newspapers aimed at different demographic groups. They do a lot of racial and ethnic profiling."

But while some state lotteries have complied with similar requests for marketing-related materials under the Freedom of Information Act, the Massachusetts Lottery is balking at the request, citing prohibitive copying costs.

Stop Predatory Gambling filed its public records request with the Massachusetts Lottery in November 2010, and again in December 2010 through the website www.MuckRock.com, which facilitates Freedom of Information Act requests for citizens and journalists.

In June — more than six months after the initial request — the group received a letter from a Massachusetts Lottery attorney, saying it must pay \$3,695 in copying costs before the request can be filled.

Specifically, Stop Predatory Gambling is requesting information on:

1. The total amount spent on advertising and any marketing activities for FY 2009 and FY 2010.
2. A breakdown of advertising expenditures, including but not limited to the amount spent on television advertising, radio advertising, print advertising, point of sale advertising, Internet advertising, direct mail and free tickets/coupons for FY 2009 and FY 2010.
3. Copies (preferably in digital form) of all ads used for television advertising, radio advertising, print advertising, point of sale advertising, internet advertising and direct mail for FY 2009 and FY 2010.
4. Any and all agency e-mails related to advertising and marketing activities for FY 2009 and FY 2010.
5. All market research conducted in FY 2009 and FY 2010, including the results of any surveys and focus group studies and any analyses of the measured impacts.

A June 17 letter from John Harney, associate general counsel at the Lottery, called the \$3,695 copying cost “a good faith estimate for the cost of complying with a public record request when the cost of compliance is expected to exceed \$10.”

Harney also seemed to rule out turning over internal Lottery emails pertaining to marketing strategy, writing: “After consulting with the Director of MIS, it has been determined that your request as written is too broad, and that there are not enough specific details for the Lottery Commission to make a reasonable determination as to what the cost would be.”

While Stop Predatory Gambling’s Beaudoin stopped short of characterizing the \$3,695 copying cost as exorbitant, he did say he feels the Lottery is foot-dragging on the request.

“They did wait six months to even give me an estimate,” Beaudoin said.

Beth Bresnahan, the Lottery’s marketing and communications director, said the public records request was made before state Treasurer Steve Grossman and his administration came into office earlier this year. Bresnahan started in March and said she learned for the public records request in April.

Bresnahan said the bulk of the Lottery’s \$3,695 estimate to fill the records request is the \$2,500 cost for digital copies of all ads used for television, print, point of sale, Internet advertising and direct mail for FY 2009 and FY 2010.

She added that the Lottery’s \$2 million advertising budget — it was reduced from \$10 million in FY 2009 in state budget cuts — is not used to target low-income populations.

“We use that (\$2 million) to broadly promote lottery games and generate greater awareness of our lottery products, not focusing on groups, but on our products,” Bresnahan said. “We do sell

broadly. In terms of looking at certain demographics or certain audiences, we simply don't do that."

She added, "Our approach has always been to promote the product and promote the winning experience broadly ... I think there's a misconception that only the poor and destitute chase a win."

The Lottery has town-by-town breakdowns on sales, but no demographic studies on who plays the Lottery, Bresnahan said.

While little Massachusetts-specific data is available, numerous studies across the nation show lottery sales run high in the poorest neighborhoods, where residents may be desperate to escape poverty, and may not understand the odds of winning. Critics say lotteries function as regressive taxes that disproportionately hurt the economic security of low-income families.

A 2008 Carnegie Mellon University study found low-income people spend a larger percentage of their incomes on lottery tickets than do the wealthier segments of society. A 2008 Journal of Risk and Uncertainty study showed that poor households, with annual take-home incomes under \$13,000, on average, spent \$645 a year on lottery tickets, which comes to about 9% of their yearly income.

Among more recent studies, the North Carolina Policy Watch found the poorest counties lead that state in per capita lottery sales. Studies commissioned by the South Carolina Education Lottery found low-income and minority are more likely than other demographic groups to play the lottery frequently in that state.

Under Massachusetts law, a Freedom of Information Act request must be answered within 10 days of an initial request, said Brian McNiff, spokesman for the Secretary of State William Galvin.

"Obviously the delay was beyond the time permitted," said McNiff, adding that Stop Predatory Gambling has the option to appeal the Lottery's proposed fee with the Office of Public Records in the Secretary of State's Office.

"Without getting into the motivation, there have been rulings from the Office of Public Records that charges in some cases have been too much," McNiff said.

The Lottery made \$886 million in profits in the last fiscal year, with \$4.1 billion in total sales. Earlier this year, the state Lottery Commission set an aggressive \$1 billion goal in profits with a plans for an array of raffle-style games and electronic vending machines to allow players to buy tickets for big jackpot drawings.

Said Beaudoin: "In order to do that, they're going to have to create more addicts and more indebted families, because that's their base. That's just an unsustainable policy. They should be promoting policies that are encouraging people to save money to create real financial prosperity, instead of continuing policies that encourage working class families to go deeper into debt."

To see Stop Predatory Gambling's public records request and the Lottery's response, see www.muckrock.com/foi/view/massachusetts/massachusetts-lottery-records/26...

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