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Lottery profits surge close to record levels

By [Peter Schworm](#)

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While millions saw their dreams of riches dashed last week, the Massachusetts State Lottery, which sends profits to cities and towns, had a windfall.

Buoyed by runaway Mega Millions sales, the lottery is on pace to turn a \$936 million profit this fiscal year, which would approach its 2006 record of \$951 million.

“We’ve had a banner year so far,” said Jon Carlisle, a spokesman for the state treasurer’s office, which oversees the lottery.

With three months left in the fiscal year, profits are \$42 million above projections, officials announced Thursday. The lottery was created in 1972, and profits generally go to local aid for cities and towns.

The record \$656 million Mega Millions jackpot spurred unprecedented sales, drawing lines of customers to convenience stores across the state. In Massachusetts alone, players spent more than \$19 million in the three days before the March 30 drawing. Overall sales for the jackpot were nearly \$40 million.

Lottery officials also credited a warmer winter “that encouraged people to venture out and play,” creative promotions, and an array of new games for increased sales.

“This newly anticipated profit is a result of the innovative approaches that the team at the Massachusetts Lottery has undertaken during the last fourteen months,” said Steven Grossman, the state’s treasurer.

Paul Sternburg, who directs the lottery, said ticket sales were already “exceptionally strong” before the Mega Millions craze, citing the recent launch of the popular “Lucky for Life” game.

The lottery turned a profit of \$888 million last fiscal year, down from \$903 million in 2010. In 2009, profits dropped to \$859 million, a sharp decline from the 2006 peak.

The lottery is seeking to boost its advertising budget from \$2 million to \$5 million, Carlisle said.

“We really believe there will be a dividend,” he said.

Andrew Bagley of the Massachusetts Taxpayers Foundation said lottery funds are a crucial subsidy for cities and towns.

“They rely on it,” he said.

Since 1972, the lottery has returned almost \$19 billion to the state.

Yet lawmakers are not required to send the extra revenue to communities, and could spend it on other priorities.

“It’s good news but it doesn’t necessarily mean it’s going to the cities and towns,” he said.

Les Bernal, executive director of Stop Predatory Gambling, an anti-lottery group, said lottery sales amount to a steeply regressive tax that drives many players deeper into debt.

“This shows how the very aggressive and predatory business practices of the lottery have been successful,” he said. “Instead of raising taxes on the 1 percent, government has put it on the backs of the lottery class.”