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S.C. studies show poor, blacks most likely to play lottery often

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LITTLE ROCK — The director of Arkansas' lottery insists the games scheduled to begin this fall will not target the poor and minorities.

But if ticket-buying patterns in Arkansas follow patterns in lottery director Ernie Passailaigue's home state of South Carolina, those groups will be the most likely to become frequent lottery players.

Passailaigue attributes the frequency of lottery play by minorities to illegal street gambling, an assessment strongly challenged by the head of the NAACP in Arkansas.

During a public appearance last week at the Governor's Mansion, Passailaigue was asked by audience members whether the marketing of Arkansas' lottery would target certain groups.

"There will be no targeting, racial profiling ... or anything like that," Passailaigue said, inviting people to study the marketing methods of South Carolina's lottery, which he headed from 2001 until the end of June.

In fact, South Carolina's lottery law includes a prohibition against targeting specific groups with advertising, a provision omitted in the new state law governing Arkansas' lottery program approved by voters in November to fund college scholarships.

But a review of demographic studies commissioned by the South Carolina Education Lottery, obtained through a Freedom of Information Act request, shows that although low-income and minority groups may not be targeted in the lottery's advertising, they are more likely than other demographic groups to play the lottery frequently.

Studies conducted every year since South Carolina began selling lottery tickets in 2002 — the studies were originally required by law but the lottery now does them voluntarily — show little difference between the demographics of lottery players and the state's total population. However,

they show significant differences between frequent lottery players, or people who play lottery games more than once a week, and the general population.

In the most recent South Carolina survey, Alpharetta, Ga.-based Research Inc. conducted telephone interviews of 1,000 state residents in November and December. The margin of error was plus or minus 3 percent for the total sample and 4 percent for groups within the sample.

Among other things, the results showed:

—Blacks made up 19.7 percent of the state's adult population but accounted for 23.2 percent of lottery players and 38.4 percent of frequent players.

—People in households earning under \$40,000 accounted for 28 percent of the state's population, 31.3 percent of lottery players and 53.4 percent of frequent players.

—People with no high school diploma accounted for 8.9 percent of the state's population, 10.5 percent of lottery players and 20.8 percent of frequent players.

—People whose highest educational achievement is a high school diploma or GED made up 25.1 percent of the total population, 24.3 percent of lottery players and 33.3 percent of frequent players.

—People who said they have no Internet access made up 29.6 percent of the total population, 30.2 percent of lottery players and 41.1 percent of frequent players.

Asked for his explanation of those statistics, Passailaigue said in an interview last week, "There are certain traditional lottery games that are offered that appeal more to minority populations, and those are specifically the three-digit game and the four-digit game."

Drawings are held daily in Pick 3 and Pick 4 games. The winning numbers in daily games often are used as the basis for illegal gambling, Passailaigue said.

"It's cultural," he said. "It's been going on since time immemorial. In South Carolina — I don't know how it is here — you have two different what we call 'numbers games.' You have the numbers games run by the South Carolina lottery, and then you have the illegal games, the street games."

South Carolina's 2008 lottery study showed that more than 50 percent of Pick 3 and Pick 4 players were black.

Dale Charles, president of the Arkansas branch of the National Association for the Advancement of Colored People, said he believed Passailaigue's assessment was far from accurate. The state lottery director does not want to admit the real reason why blacks play the lottery frequently, Charles said.

"The reason why black people play it is because they are trying to make their lives better for themselves and their families," Charles said. "But they are failing to realize (the) chances of winning aren't so great. We think, 'This is going to be the time,' and we get hooked on it and we just keep playing and keep playing and keep playing until it becomes an addiction."

Concern that the lottery would promote gambling addictions was among the top arguments raised by opponents during debate over the lottery last year. The Legislature has mandated that a portion of lottery proceeds go to treatment of compulsive gambling disorder.

Passailaigue was asked last week if he expects the lottery to bring illegal numbers games to Arkansas.

"My guess is — you can contact the police — they're probably going on right now, unless Arkansas is unique, but in South Carolina they've been going on before and after the launch of the lottery," he said.

Several law employment agencies contacted said they had not investigated any cases involving numbers games in recent memory. An exception was Fort Smith police, who said they have busted two such operations, one in the 1990s and one in 2005.

Both operations were run by Asian business owners, Fort Smith police Capt. Chris Boyd said. Much of the betting was on sports events, but the participants also placed bets on the winning numbers in Illinois' lottery.

"I haven't heard of any of that going on lately," Boyd said.

Rich Huddleston, executive director of Arkansas Advocates for Children and Families, said he did not have enough information to comment on Passailaigue's remarks about illegal gambling, but he said the findings of the South Carolina studies are not surprising.

"Most of the studies that have been done on lotteries over the years have tended to show one of two things: Either that it's regressive and that low-income families tend to spend more of their money on the lottery than other income groups, or ... it tends to be low-income groups and the minorities who tend to play more, in terms of frequent players," he said.

Despite Passailaigue's promise that lottery marketing will not target specific groups, Huddleston said a prohibition against targeting should be put into law. Lawmakers also should require demographic studies to determine who plays the lottery and who receives the college scholarships it funds, he said.

"We probably made a mistake by not pushing for that" in the lottery law, Huddleston said.