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Judy Putnam: The dark side of Powerball

Judy Putnam, Lansing State Journal

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A Cornell University study in Maine last year that found that lottery sales go up as more people lose jobs and that poor communities spend 200 times the amount on lotteries as wealthier communities.



(Photo: File photo)

LANSING - I'm checking three times to make sure I type this number correctly: The Powerball payoff has increased to \$1.5 billion. That's billion with a 'b.'

We're entering the realm of lotteries that can push winners beyond millionaire to billionaire territory (or close enough as the lump sum payout is \$930 million as of Tuesday.) It's crazy big.

But what about the downside, the dark side of Powerball and lotteries in general? They lure addicted gamblers to try one more time, they take money better spent on food and shelter or put in savings, and they amount to state-sponsored gambling that hurts those who are poor, the arguments go.

Les Bernal, executive director of Stop Predatory Gambling, a Washington D.C.-based nonprofit, said state-sponsored lotteries are worsening income inequality — which basically means the poor get poorer while the rich get richer — at a time when both parties say they want to do the opposite by growing the middle class or helping people reach the "American dream."

"The odds of you winning that jackpot is essentially, for all intents and purposes, impossible. That's what makes it so predatory and deceptive," he said.

Bernal cites a Cornell University study in Maine last year that found that lottery sales go up as more people lose jobs and that poor communities spend 200 times the amount on lotteries as wealthier communities. It all amounts to the equivalent of a big tax on families in poverty, he said.

Jeff Holyfield, Lottery spokesman, sees it differently. He said the potential big payoff is fun and exciting. And the money goes to Michigan's schools. Last year, lottery games generated nearly \$800 million for public classrooms. Since voters first approved a lottery in 1972, the Lottery has sent nearly \$20 billion total to schools. "People in Michigan are voting with their wallets and they're saying 'hey we really like these lottery games.'" Holyfield said.

Lottery research shows that three of four people purchasing tickets have incomes of \$25,000 or more, he adds.

For the record, the odds, with a single ticket, are 1 in 292 million, according to the Michigan Lottery. That hasn't stopped people from lining up. Holyfield said 4.6 million tickets had been sold in Michigan shortly before noon Tuesday, and 14.5 million tickets were sold in the state for Saturday's Powerball. That alone will funnel \$8.5 million to schools. There was no Powerball payoff Saturday but three people in Michigan matched enough numbers to win \$1 million.

The Powerball is running in 44 states, including Michigan. If you pick the correct five numbers in any order (the white balls numbered 1-69) and get the red Powerball (1-26) in Wednesday night's lottery you hit the biggest payoff of all time, at \$1.5 billion. The price to join in this fantasy is \$2 a ticket.

Gilda Jacobs, president and CEO of the Michigan League for Public Policy, which advocates for economic opportunity for low-income families, said the idea of winning a lottery appeals to lots of folks, regardless of income levels.

"People say, 'Why not me? Somebody's got to win,'" Jacobs said.

She has objected to a flood of bills introduced in the state Legislature to strip away lottery winnings from those who have sought public assistance in the past. Since the state is actively promoting the purchase of lottery tickets on one hand and saying 'tsk, tsk' to some lottery players on the other, it amounts to hypocrisy.

"You have these very attractive ads that show all these people winning the lotteries and living in paradise and we say 'no, no, no, don't do that' when we encourage people to do that," she said.

Holyfield said three-quarters of Michigan adults have purchased a lottery ticket in the past year. I can't remember the last time I bought a ticket, it's been at least a couple of years, so I'm clearly among the minority.

But I get it. The chance of becoming a billionaire is unimaginably small. You've already heard the odds are worse than your chances of becoming president – all while a shark is gnawing your leg and lightning strikes your head – or some version of that. You're far, far more likely to find a pearl in an oyster or be born with 11 toes.

But it's still a chance.

Dream on.