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The Monitor's View

Alabama can lead by rejecting a lottery

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By the Monitor's Editorial Board AUGUST 2, 2016

QUALITIES FOR PROSPERITY

As one of the few states without a lottery, Alabama may soon vote to start one as a revenue fix for a fiscal fiasco. Yet national data show lotteries are a tax on the poor. States can't rely on faith in luck when they must invest in talent.

About 47 percent of Americans bought a state lottery ticket in the past year, according to a Gallup poll in June, down from a peak of 57 percent in the 1990s. Among the nation's poor, 1 in 10 say they overspend on buying lottery tickets. They also say gambling causes family strife. With fresh data like that, why would one of the poorest states, Alabama, now consider joining the 44 states that already have a lottery?

The big reason is that Gov. Robert Bentley (R) has changed his mind about gambling. In late July, he asked state legislators to hold a special session in August to approve a referendum on the lottery idea for the Nov. 8 ballot. Having once said lotteries are as outdated as leisure suits, Governor Bentley now contends a lottery is necessary because the state's elected leaders will neither raise taxes nor cut spending to fill an estimated \$80 million hole.

In other words, a fiscal fiasco will be fixed by a virtual tax on the poor.

In 1999, Alabama voters shot down a previous lottery proposal, based in part on arguments that gambling helps worsen poverty. Some opponents also said it perpetuates a belief in luck when the state needs to invest in its people. The 1999 proposal would have directed lottery revenues toward subsidizing college tuition. Now the governor wants the money simply for the general fund, even though lottery revenues are as fickle as the weather.

How much do states with lotteries actually gain in revenue? According to Census Bureau statistics from 2014, only about one-third of the money gained by lotteries goes to state services. The rest goes to winnings or administrative costs.

In addition to considering that, Alabama needs to do some hard accounting on the social costs from problem gambling. Might that expense exceed the expected revenues?

State lotteries, which first began in 1964 in New Hampshire, may seem like a fixture in American governance. But they have shown not to be a permanent fix for what ails states that have them.

Gambling revenues are not “free” money. And games of chance only widen the income gap between rich and poor. “We mock the higher values that any good society depends on – honesty, mutual trust, self-discipline, sacrifice, concern for others, and a belief in a work ethic that connects effort and reward – when

government tells its citizens every day that it is committed to providing ‘fun’ instead of opportunity,” states the group Stop Predatory Gambling.

Wealth creation requires an investment in people’s ideas, skills, and teamwork.

Those are the very qualities now needed for Alabama lawmakers to put the state’s finances in order. Luck should have nothing to do with that.