

A FEW REASONS WHY WE OPPOSE THE LOTTERY

Eagle Forum of Alabama--Legislative Session 2019

1. Gambling and lotteries prey upon the poor and most vulnerable.

- Duke University study found that the poorest third of households buy more than half of all lottery tickets.
- Buffalo University Survey showed the lowest fifth on the socioeconomic scale had the "highest rate of lottery gambling" (61 percent).
- Lottery sales increase poverty rates. Studies conducted across multiple states showed that the majority of scratch-off tickets are purchased by those with below-average incomes; those who often struggle to buy basic necessities.¹
- Local lottery ticket sales rise with poverty. Researchers call this "desperation hypothesis": States are making their most hopeless citizens addicted to gambling to pay for government services.²
- The lottery can be termed a regressive tax because the state takes a greater percentage of income from those with lower incomes.³

Conclusion: It's cruel that the majority of money being spent the lottery will come from the limited resources of the poor all under the banner of voluntary entertainment. Legislators should focus on legislation that promotes job-friendly environments and fosters strong families. Those are things that lift people out of poverty.

2. It's an irresponsible way to raise funds for state government.

- The facts show that lottery revenues decrease over time. This is problematic as legislators will need to raise taxes to make up for the decrease.⁴
- Gambling actually sucks money out of the economy. An average \$325 a year is wagered on lottery tickets for every adult in the United States.⁵
- For every dollar raised for the state by a lottery an additional 52 cents must be taken in to pay the expenses of raising that dollar".⁶
- According to the sponsor's estimate, SB130 would raise \$200,000,000 which will be split 50/50 with Alabama's General Fund and the Education Trust Fund. That sounds wonderful, but that would only add a measly 2.5% to the general fund budget and an even lower 1.5% to the Education budget. The fiscal note on SB220 shows revenues are less than SB130!

Conclusion: The negatives that gambling brings to a state far outweigh the revenues gained. Legislators should rely on common-sense budget reforms and shrinking government rather than relying on gambling income.

¹ <https://money.cnn.com/2016/01/12/news/companies/powerball-lottery-games-poor/>

² <https://www.theatlantic.com/business/archive/2015/05/lotteries-americas-70-billion-shame/392870/>

³ Pamela Mobilia, "A Little Bit More Evidence of Lottery Regressivity: The Kansas State Lottery," Journal of Gambling Studies, Vol. 8, No. 4, Winter 1992, p.361.

⁴ <https://govinfo.library.unt.edu/ngisc/research/lotteries.html>

⁵ <https://money.cnn.com/2017/08/24/news/economy/lottery-spending/index.html>

⁶ NASPL sales data

3. Once the lottery door is opened it will lead to more gaming.

The Alabama Supreme Court wrote that the lottery is defined as "any game of chance." If a lottery is approved, the Legislature could come back and establish casinos throughout the state. Changing the Constitution opens the door to class III gaming. As for the Indians, a lottery is "class III" gaming under federal guidelines. Federal law says that if ANY class III gaming is permitted by state law, then the Indians have the right to a compact allowing them to operate ALL forms of class III gaming. Thus, legalizing a lottery will open wide Alabama's doors to Las Vegas style casinos, gaming, replete with table games, slot machines, etc.

Conclusion: The best way to avoid the expansion of gaming in Alabama is to vote against the lottery bills.

4. Gambling hurts families.

- SB116 allows for *iLottery* which can be played at home or on the go. Not only does this put children at risk but, "The medical and psychological communities have determined that electronic gaming – particularly gaming on smartphones, tablets or internet connected video games – is the "gateway drug" for creating new gambling addicts.⁷
- 60% of those addicted to gambling will commit crimes⁸
- 20% of gambling addicts commit or attempt suicide⁹
- 63% of gambling addicts are alcoholics¹⁰
- 20% of addicted gamblers have filed for bankruptcy¹¹
- 50% will abuse spouses and children¹²
- 20% of the homeless are gambling addicts¹³
- 50% of gambling addicts will divorce¹⁴
- The average (gambling) debt is between \$63,000 and \$110,000¹⁵
- Recently, scientists and mental health professionals decided to classify problem gambling as a behavioral addiction, the first of its kind, putting it in a category of disorders that also includes substance abuse. The reason for this change comes from neuroscience research, which has shown that gambling addicts have a lot in common with drug and alcohol addicts, including changes in behavior and brain activity.¹⁶

Conclusion: Gambling addiction ranks within the top 10 most common addictions. If a statewide lottery is allowed the state will have to deal with the severe and abundant social and financial problems that will necessarily come with it. Again, we believe the negatives far outweigh the revenue.

⁷ John W. Kindt Illinois News Bureau | Today's News 1/17/19

⁸ California Council on Problem Gambling

⁹ National Council on Problem Gambling

¹⁰ California Council on Problem Gambling

¹¹ Prof. John Warren Kindt Bankruptcy Developments Journal, volume 19, No.1

¹² National Research Council, The Guardian

¹³ Atlantic City Rescue Mission and Association of Gospel Rescue Missions in Kansas

¹⁴ the National Opinion Research Center survey

¹⁵ CT Department of Mental Health

¹⁶ <https://www.brainfacts.org/Diseases-and-Disorders/Addiction/2015/Gambling-Addiction-and-the-Brain>