For a Dollar and a Dream:
State Lotteries and American Inequality

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ABSTRACT

Americans are obsessed with playing the lottery in pursuit of life-changing jackpots. Every year, Americans spend over $80 billion on lottery tickets, more than they spend on books, sports tickets, video games, music, and movie tickets combined. "For a Dollar and a Dream" illustrates the parallels between lottery players and the political actors who facilitated the spread of legalized gambling in the United States. In an era of declining social mobility and rising inequality, millions of bettors turned to lotteries driven by the hopeful, wishful belief that gambling could solve their financial problems. Similarly, between 1963 and 2013, 44 states enacted lotteries because lotteries appeared to offer something for nothing, a painless solution to the pressing political and financial problems that beset state governments in the post-World War II period. Voters and legislators refused to confront the conflict between their demands for tax breaks and their desire for government services, and they turned instead to gambling, hoping for a budgetary miracle. "For a Dollar and a Dream" illustrates that the magical thinking frequently condemned among lottery players represented a fundamental feature of many citizens' relationship with government in the late twentieth century.

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INTRODUCTION

Americans are obsessed with playing the lottery in pursuit of life-changing jackpots. Every week, 25 percent of American adults buy a lottery ticket, and almost 50 percent do so at least once a year. In 2018, American gamblers spent $85.56 billion on lottery tickets, more than they spent on books, sports tickets, video games, music, and movie tickets combined. As early as 1989, the Gallup Poll dubbed lottery playing the new "national pastime" and sales were so high that industry officials predicted an inevitable slowdown. These prognostications proved premature. Ticket sales have increased almost every year since 1970 and have quadrupled since 1989. Between 1998 and 2018, American bettors cumulatively spent over $1.25 trillion on lottery tickets. In the words of one journalist, the United States has become a "jackpot nation."[1]

Lotteries are notable not only for their popularity but also for their relatively rapid spread across the American consumer landscape. New Hampshire legalized the nation's first state lottery in 1963 to raise revenue without increasing taxes. New York and New Jersey followed shortly thereafter, as did other northeastern and Rust Belt states. Lotteries reached the West Coast in the early 1980s and made inroads into the upper-South and Midwest in the second half of decade. In the 1990s and 2000s, legal sweepstakes spread to the Bible Belt. The lottery era began with $5.7 million in sales from one state in 1964. Fifty years later, 44 states sold over $70 billion worth of lottery tickets.[2]

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[1] Zac Auter, "About Half of Americans Play State Lotteries," *Gallup*, July 22, 2016; Pew Research Center, "Gambling: As the Take Rises, So Does Public Concern," Social Trends Report, May 23, 2006, 21; National Association of State and Provincial Lotteries Resource Index, "United States Lotteries," https://www.nasplmatrix.org/nri; Chris Isidore, "Americans Spend More on the Lottery than on ..." *CNN*, February 11, 2015; George Gallup Jr. (ed.), *The 1989 Gallup Poll* (New York: Rowman & Littlefield, 1990), 138; Richard Hoffer, *Jackpot Nation: Rambling and Gambling Across Our Landscape of Luck* (New York: HarperCollins, 2007).

[2] In 2013, Wyoming became the 44th state to legalize a lottery. As of 2019, the six states without lotteries are: Alabama, Alaska, Hawaii, Mississippi, Nevada, and Utah.

The American fervor for lottery tickets has inspired a great deal of opposition. Whenever massive Powerball or MegaMillions jackpots capture media attention, journalists and political figures chastise the nation for its lottery habit. Lotteries, they charge, prey on the poor, are inefficient as methods of public finance, and offer gamblers infinitesimal odds of winning. Bemoaning the loss of a traditional work ethic, critics lament the number of wishful dreamers trying to change their fortunes through luck. These commentators assume that gamblers simply do not understand basic probability, perpetuating the old idea that lotteries represent a "stupid tax" or a "tax on people who are bad at math." By this calculus, lottery players buy tickets because they are irrational people driven by the wishful fantasy that they will overcome the overwhelming odds. "The lottery business," author Kurt Anderson writes, "is all about selling ridiculous long shots to magical thinkers."[3]

Yet, magical thinking is the reason lotteries are ubiquitous in the United States. Between 1963 and 2013, 44 states enacted lotteries in ultimately vain attempts to reconcile voters' demands for tax breaks with their expectations of continued government services. Lotteries promised something for nothing, allowing states to offer public services without forcing taxpayers to pay for them. Even as evidence emerged that lotteries could only provide a small percentage of government revenue, states kept passing them, desperate for their longshot gamble to pay off. Like lottery players hoping for a jackpot to painlessly solve their financial problems, legislators and taxpayers turned to gambling hoping for a budgetary miracle.

Magical thinking is hardly the preserve of desperate gamblers but represents a powerful force central to American politics, American culture, and American society. Magical thinking is founded on an imagined or exaggerated causal relationship, the belief, despite a lack of empirical

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[3] Kurt Anderson, *Fantasyland: How America Went Haywire, a 500-Year History* (New York: Penguin Random House, 2017), 230.

evidence, that a certain action will cause a certain reaction. Wishful thinking represents a form of magical thinking, the sense that hoping for a specific outcome will bring it to fruition. In his examination of 2008 financial crash, Nick Paumgarten provided an apt definition for this phenomenon, explaining that Wall Street had been afflicted by "the tendency to believe that wishing it so makes it so. … Magical thinking enables you to see good where there may be only bad."[4] This type of thinking, premised on the possibility that individuals can control matters outside of direct human influence, gains particular currency in moments of crisis. As anthropologist Bronislaw Malinowski wrote in 1948, "We do not find magic wherever the pursuit is certain, reliable, and well under the control of rational methods and technological processes." Rather, "we find magic wherever the elements of chance and accident, and the emotional play between hope and fear have a wide and extensive range."[5] Magical thinking offers a way to create order out of disorder, to draw causality where there may be none to draw, and to assure oneself that complex problems have simple, miraculous solutions.

American state lotteries are the product of magical thinking. Every week, millions of gamblers buy tickets because they believe that they will defy probability and secure a life-changing jackpot. Yet, classist condemnations of these players chastise gamblers for a universal human instinct.[6] Lotteries spread in the United States because legislators and voters saw gambling as a miraculous budgetary solution and because they refused to confront the fact that

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[4] Nick Paumgarten, "Wiz Bucks," *The New Yorker*, September 29, 2008, 28-29.
[5] Bronislaw Malinowski, *Magic, Science, and Religion and Other Essays* (Boston: Beacon Press, 1948), 116; on the relationship between intuition and magical thinking, see: J. Eric Oliver and Thomas J. Wood, *Enchanted America: How Intuition and Reason Divide Our Politics* (Chicago: University of Chicago Press, 2018).
[6] As anthropologist Claude Levi-Strauss contends, "Conceptions of the *mana* [magical] type are so frequent and so widespread that it is appropriate to wonder whether we are not dealing with a universal and permanent form of thought," Claude Levi-Strauss, *Introduction to the Work of Marcel Mauss*, trans. Felicity Baker (London: Routledge & Kegan Paul, 1950 [1987]), 53.

their support for lotteries rested on wishful thinking. For gamblers and taxpayers alike, lotteries offered a distant chance at a windfall.

"For a Dollar and a Dream" tells two stories to illustrate the connection between lotteries, magical thinking, and inequality in the late twentieth-century United States. Three chapters explore how wishful thinking facilitated the spread of legalized gambling. Another three chapters focus on lottery playing, social mobility, and magical thinking at the economic grassroots.

First, this project explores the beliefs that enabled the proliferation of lotteries. In the 1960s, legislators proposed lotteries as cure-alls for state budget imbalances. Though it quickly became clear that gambling would not meet voters' outsized expectations, the promise of state lottery riches endured in a transmogrified form. In the early 1980s, private companies framed legalized gambling as the financial savior of particular government programs. When even these projections proved hyperbolic, states geared lotteries to education benefits for individual families via merit scholarships. Over time, the problems that lotteries were designated to fix grew gradually smaller. Nonetheless, lotteries spread from state to state as legislators retained the hope that legalized gambling offered a simple solution to complex financial problems.

State lotteries were hardly the first example of magical thinking shaping economic policy in the United States. The search for panaceas has been at the heart of some of the most crucial fiscal decisions in the nation's history. In 1807, for instance, Thomas Jefferson enacted his infamous Embargo Act because he viewed it as a quick-fix political solution that would boost American international standing and facilitate territorial expansion.[7] In the 1860s, greenbacks

[7] Lawrence S. Kaplan, *Entangling Alliances with None: American Foreign Policy in the Age of Jefferson* (Kent, Ohio: Kent State University Press, 1987), 115.

were not merely a new form of currency but a perceived cure-all for financial and military problems.[8] Similarly, amid the financial panics of the 1890s, Populists championed the Silver Standard as a silver-bullet for a host of political and economic issues. Four decades later, the Great Depression inspired a number of movements geared around miraculous economic antidotes. Popular lay-economists peddled their influence in the public sphere and in the White House, offering easy answers to the financial calamities that beset the country. Even Franklin Roosevelt and his Democratic allies, historian Robert S. McElvaine argues, came to see increased public consumption not merely as one component of a multifaceted restructuring process but as a miraculous means of saving the national economy.[9]

More recent crises have elicited similar responses. The recession of the 1970s helped delegitimize the intellectual agenda of Keynesian, New Deal liberalism and facilitated the birth of "supply side" economics, a model premised on the notion that tax cuts for the wealthy trickle down through economic growth. In the 1980 Republican presidential primary, George H.W. Bush deemed this theory "voodoo economics," claiming it was built on a delusionary, mystical belief in economic redistribution rather than sound fiscal science. Ronald Reagan, on the other hand, was the foremost representative of a group of quasi-intellectuals who viewed supply-side theory as an antidote to wipe away the economic malaise of the 1970s and restore postwar prosperity.[10]

The twenty-first century has offered evidence of how quickly panaceas can rise and fall. In the 1990s, globalization was touted as an economic savior, a fulfillment of the power of the

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[8] Michael T. Caires, "The Greenback Union: The Politics and Law of American Money in the Civil War Era" (PhD Dissertation, University of Virginia, 2014).
[9] Gary Dean Best, *Peddling Panaceas: Popular Economists in the New Deal Era* (New Brunswick: Transaction Publishers, 2005); Robert S. McElvaine, *The Great Depression: America, 1929-1941* (New York: Three Rivers Press, 1984 [2009]).
[10] Dan Rodgers, *Age of Fracture*, (Cambridge: Belknap Press, 2012), 41-76.

free market promoted by Reagan in the previous decade. Yet the 2016 presidential election was marked by widespread anger against international capitalism, as politicians on both sides of the aisle pointed to globalization as the apparent source of every problem that has plagued the country over the last three decades. Meanwhile, the looming threat of automation has speeded momentum—especially in Silicon Valley—for a universal basic income (UBI). Critics contend that UBI may preserve deep inequities in the economy but proponents have begun to hail it as a magical means of propping up consumer capitalism in an increasingly automated future.[11]

From the Silver Standard through supply side economics, all of these financial fads were built on the promise that difficult problems have simple solutions. Restart the economy by increasing spending. Restart the economy by cutting taxes. Create jobs by opening borders. Create jobs by closing borders. And so on and so forth.

When faced with uncertainty, American voters, legislators, and intellectuals have sought out financial saviors. However, in their pursuit of easy answers, these magical thinkers ignored that the issues they faced were the result of a previous era's wishful beliefs. Rather than face the hard truths at the heart of these crises, presidents, corporate executives, and taxpayers pursued quick-fixes without considering the new problems these solutions would create for the future and without acknowledging that the same type of thinking had created their problems in the first place.

State lotteries present a unique example of the role of magical thinking in shaping economic policy in the twentieth century. Because debates over legalized gambling took place at

[11] For example: Nick Srnicek and Alex Williams, *Inventing the Future: Postcapitalism and a World Without Work* (Brooklyn: Verso, 2015); Rutger Bregman, *Utopia for Realists: And How We Can Get There* (New York: Bloomsbury, 2017); Phillipe Van Parijs and Yannick Vanderborght, *Basic Income: A Radical Proposal for a Free Society and a Sane Economy* (Cambridge: Harvard University Press, 2017).

the state rather than national level, lotteries illustrate how wishful economic beliefs influenced policymaking and how these beliefs changed over time.

In particular, the history of state lotteries reveals the magical thinking inherent in how voters think about taxation and government services. Taxpayers consistently misunderstood how much revenue the state needed and how many state-funded services they relied on.[12] Ignoring mounting evidence that lotteries made relatively small contributions to state budgets, citizens retained the belief that gambling would allow government to provide an expanding array of services for a growing population without traditional taxes. Lotteries promised voters they could have it all: low taxes and big government. Previously, scholars have ascribed this attitude specifically to the tax rebellion and to conservatives who opposed government in theory but chafed at cuts to services that benefited them.[13] Yet, this wishful desire was not limited to a unique political movement that emerged in California in the late 1970s. Instead, it represented an ingrained feature of this period's economic and political culture. In the late twentieth century, magical thinking was a fundamental feature of many citizens' relationship with government.

The second focus of "For a Dollar and a Dream" is lottery playing as an avenue of upward mobility in an era of inequality. Though contemporary lottery critics extol the traditional work ethic supposedly at the heart of American culture, gambling has long offered hope for

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[12] A number of scholars explore how the structure of American governance—particularly private-public partnerships—have shaped Americans' beliefs about the role government plays in their life; see, for instance: Brian Balogh, *A Government Out of Sight*: *The Mystery of National Authority in Nineteenth-Century America* (New York: Cambridge University Press, 2009); Suzanne Mettler, *The Submerged State*: *How Invisible Government Policies Undermine American Democracy* (Chicago: University of Chicago Press, 2011).

[13] For example, David O. Sears and Jack Citrin, *Tax Revolt: Something for Nothing in California* (Cambridge: Harvard University Press, 1982); Bruce Schulman, *The Seventies: The Great Shift in American Culture, Society, and Politics* (Cambridge: Da Capo Press, 2001); Molly Michelmore, *Tax and Spend*: *The Welfare State, Tax Politics, and the Limits of American Liberalism* (Philadelphia: University of Pennsylvania Press, 2012).

advancement to those who felt their merit had little bearing on their standing in the American meritocracy.[14] Given the uncertainty inherent in gambling, magical thinking was central to lottery playing, as players overestimated their odds of winning and utilized prayers or lucky numbers to improve their chances at hitting the jackpot. These practices allowed bettors to see the lottery not as a game with infinitesimal odds but as a reliable, if somewhat unlikely, means of providing a life-changing fortune. The lottery "is for dreamers and fools," one hopeful gambler wrote to the director of the Virginia Lottery in 1991, but "any way you slice it, the lottery still gives a working stiff a better chance than the big bosses."[15] The odds of winning the lottery might be low, but a ticket seemed to offer a better chance at a new life than traditional avenues of social mobility.

As scholars and journalists have noted for decades, the dream offered by lottery tickets is disproportionately popular among poor, lower-income, and non-white Americans. Almost half of adults in the United States buy at least one lottery ticket every year, so the typical lottery player reflects the demographics of the nation as a whole. But, when accounting for the quantity of tickets purchased—and for lottery expenditure as a percentage of household income—lotteries are a highly regressive form of taxation and rates of lottery play are highest among households just below the poverty line.[16] As sociologists, economists, and journalists have demonstrated, lotteries represent agents of inequality. They are a form of taxation that make poor people

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[14] Andrew Delbanco, *The Death of Satan: How Americans Have Lost the Sense of Evil* (New York: Farrar, Straus and Giroux, 1995); Jackson Lears, *Something for Nothing: Luck in America* (New York: Viking, 2003).

[15] Larry Hollowell to Kenneth W. Thorson, October 17, 1991, Folder "Public Opinion—1991," Box 4, Lottery Department, Office of the Director: Correspondence 1988-1992, Virginia State Library, Richmond, Virginia.

[16] For example, Garrick Blalock, David R. Just, and Daniel H. Simon, "Hitting the Jackpot or Hitting the Skids: Entertainment, Poverty, and the Demand for State Lotteries," *American Journal of Economics and Sociology* 66, no. 3 (2007): 545-570; Maureen Pirog-Good and John L. Mikesell, "Longitudinal Evidence of the Changing Socio-Economic Profile of a State Lottery Market," *Policy Studies Journal* 23, no. 3 (1995): 451-465; Alicia Hansen, "Lotteries and State Fiscal Policy," Tax Foundation Background Paper no. 46 (2004); for a survey of studies from the 1970s and 1980s, see: Todd A. Wyett, "Regressive Taxes In Disguise," *The Tax Lawyer* 44, no. 3 (1991): 867-883.

poorer. Especially because middle- and upper-class households in many states benefit disproportionately from the use of lottery revenue, lotteries widen the gap between the haves and the have-nots.

Yet, lottery playing also represents a *symptom* of inequality. Lotteries emerged in an era of economic tumult. The same forces that pushed states to turn to lotteries—deindustrialization, reductions in public sector funding, corporate centralization—also spurred the popularity of lottery tickets at the grassroots. Rates of upward mobility have declined rapidly over the twentieth century; children born in 1940 had a 90 percent chance of earning a higher income than their parents, while children born in the 1980s had just a 50 percent chance, a rate lower than many European nations.[17] Nonetheless, until a sharp downturn beginning in 1997, over 80 percent of Americans retained the belief that they lived in a "land of opportunity," even as opportunities for upward mobility continued to evaporate.[18] In a time of growing inequality and declining access to upward advancement, a meritocracy founded on hard work proved increasingly illusory.

In response, millions of Americans turned to lotteries. In periods of economic decline, casino and horseracing revenue typically drop. Meanwhile, lottery revenue endures and occasionally increases as income falls and unemployment rises.[19] Lottery tickets are recession-proof in large part because gamblers turn to them as substitute methods of mobility. In 1983,

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[17] Raj Chetty et. al., "The Fading American Dream: Trends in Absolute Income Mobility since 1940," *Science* 356, no. 6336, (2017): 398-406; Julia B. Isaacs, Isabel V. Sawhill, and Ron Haskins, "Getting Ahead Or Losing Ground: Economic Mobility in America," Brookings Institute and Pew Charitable Trusts (2008).

[18] Andrew Dugan and Frank Newport, "In U.S., Fewer Believe 'Plenty of Opportunity' to Get Ahead," http://www.gallup.com/poll/165584/fewer-believe-plenty-opportunity-ahead.aspx.

[19] John L. Mikesell, "State Lottery Sales and Economic Activity," *National Tax Journal* 47, no. 1 (March 1994): 165-171; Csilla Horváth and Richard Paap, "The Effects of Recessions on Gambling Expenditures," *Journal of Gambling Studies* 28 (2012): 703-717; Charles A. Lyons, "Gambling in the Public Marketplace: Adaptations to Economic Context," *The Psychological Record* 63 (2013): 309-322; Daniel Thor Olason et. al., "Gambling in the Mist [sic] of Economic Crisis: Results from Three National Prevalence Studies from Iceland," *Journal of Gambling Studies* 31 (2015): 759-774.

New Jersey Lottery director Hazel Gluck noted that a recent economic downturn had increased states' need for new revenue and had also fostered the public appetite to "bet 50 cents or a dollar on a dream."[20] By 1999, 40 percent of families with household income under $35,000 believed their best means of accumulating $500,000 was through the lottery, compared to just 30 percent who said their best chance lay in investment and savings.[21] In 2010, almost as many Americans stated that the most likely way for them to get rich was through winning the lottery (15 percent) as starting their own business (20 percent) or securing a high-paying job (19 percent).[22]

This economic context played a crucial, though often overlooked, role in the popularization of lottery tickets. Gambling may be "inevitable," as a 1976 congressional committee concluded, but it remains shaped by political, social, religious, and economic conditions.[23] Every day, millions of gamblers choose to spend money on lottery tickets. Nonetheless, lottery playing cannot be taken for granted as inextricable to the lives of poor or working-class Americans.

Thus, inequality is not merely a macroeconomic issue but also a cultural phenomenon in how it is experienced, understood, and justified. Inequality pertains to quantitative differences in income and wealth but also shapes how individuals behave based on their perceived access to economic advancement. Criticizing lottery players who turn to this alternative form of mobility represents a form of victim blaming; while many bettors enjoy the thrill and the dream of

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[20] Susan Deutzer, "No Gamble for the States," *Newsweek,* June 13, 1983, 68.

[21] Consumer Federation of America, "New Study: Typical American Household has Net Financial Assets of $1,000," October 28, 1999, https://consumerfed.org/pdfs/primerica.pdf.

[22] The 15 percent who selected the lottery also includes those who predicted they will get rich through inheritance; Robert Frank, "How to Get Rich? Luck Ties Savings in Poll," *Wall Street Journal* Blog, January 14, 2010, http://blogs.wsj.com/wealth/2010/01/14/how-to-get-rich-luck-ties-savings-in-poll/.

[23] Commission on the Review of National Policy Towards Gambling, *Gambling in America* (Washington D.C: U.S. Government Printing Office, 1976), 1; for a fuller expression of this argument, see: Jonathan D. Cohen and David G. Schwartz, "Introduction," in *All In: The Spread of Gambling in Twentieth-Century United States*, eds. Jonathan D. Cohen and David G. Schwartz (Reno: University of Nevada Press, 2018), 3-13.

playing, many others gamble because they see few alternative opportunities to get ahead. Similarly, condemning lotteries themselves is missing the forest for the trees. Lotteries might not be so popular—and might not have such problematic consequences—if other parts of the economy offered more reliable access to upward mobility. Lottery playing reflects the status of the meritocracy in an increasingly unequal and socially immobile society.

Modern American state lotteries represent the latest manifestation of a long history of government-run sweepstakes as mechanisms of public finance. The first lotteries date back over four millennia. In ancient times, lotteries were instruments of social, political, and military decision-making for societies without mathematical understandings of probability. In the Old and New Testaments, lotteries represent ways to discern divine will regarding land distribution or the selection of a king or the target of an invasion. The first publicly-run lotteries wherein bettors bought tickets with the hopes of winning money took place in sixteenth century Italy. At first these games were privately run, but the Venetian government quickly realized their potential and began using lottery revenue to subsidize state services.

Over the course of the 1700s and 1800s, lotteries were foundational to the operation of government in the United States and to the European settlement of North America. In the early 1600s, lotteries in England supplemented the royal aid provided to companies seeking to send settlers across the Atlantic. In the colonies, lotteries represented important means of raising funds for infrastructure projects due to the scarcity of liquid capital. Lotteries were used to finance the construction of new church buildings as well as some of the nation’s oldest and most prestigious universities. State governments authorized the use of lotteries through the early nineteenth century, though legislators cracked down on the practice by adding lottery prohibitions to state constitutions. By the 1880s, the only remaining sweepstakes was the notorious Louisiana State Lottery Company, which advertised widely and sold tickets across the country. In the 1890s, Congress enacted a series of antilottery bills blocking the transportation of lottery information over state lines. These acts ended a long, forgotten period of legalized gambling in the United States.

Lotteries did not disappear, however. Illegal numbers games became the nation's game of choice, especially in African-American communities in the Northeast and in Chicago. These three- or four-digit daily lotteries could be played for as little as a penny and quickly developed into the linchpin of a multibillion-dollar-per-year illegal gambling industry that also included lotteries based in Ireland and Jamaica. The popularity of these games helped inspire the first attempts to enact modern, government-run sweepstakes. As states began legalizing slot machines and pari-mutuel betting in the 1930s, state legislators in the Northeast pushed for lotteries as well. These movements did not attract a great deal of momentum, however, nor did congressional attempts to create a national lottery in the 1940s. The Kefauver Committee hearings of the early 1950s taught a national audience to associate gambling with organized crime, thereby stopping the spread of legalized betting. Though state and federal legislators continued to propose lotteries as creative means of raising revenue, the association with the mob proved prohibitive, even as polls indicated modest support for legalized lotteries. Then, in 1963, voters in tax-averse New Hampshire approved a referendum that created a government-run sweepstakes. Though expansion and sales were slow at first, the Granite State took the crucial first step that ushered in the lottery age.[24]

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[24] This history of lotteries is based on: John Samuel Ezell, *Fortune's Merry Wheel: The Lottery in America* (Cambridge: Harvard University Press, 1960); Ann Fabian, *Card Sharps, Dream Books, and Bucket Shops:*

"For a Dollar and a Dream" picks up this story beginning in the 1960s, providing the first comprehensive, scholarly look at the American state lottery system since economists Charles T. Clotfelter and Philip J. Cook's *Selling Hope: State Lotteries in America* (1989).[25] Based on research conducted at 29 archives in 17 states, this project offers a bottom-up history of American gambling. Chapters 1, 3, and 6 utilize constituent letters, oral histories, and lottery commission records to examine the voters, company executives, and legislators responsible for the proliferation of lotteries in the 1960s, 1980s, and 1990s, respectively. Chapters 2, 4, and 5 examine lottery playing as a religious and cultural phenomenon in the 1970s and 1980s, using newspapers, player testimonials, and advertisements to provide the human story of an otherwise derided population of ostensibly ignorant, irrational gamblers. Taken together, these six chapters trace the causes and consequences of the spread of state lotteries over the last 55 years.

Gambling in 19th-Century America (Ithaca: Cornell University Press, 1990); Joshua Schwartz, "Gambling in Ancient Jewish Society and in the Greco-Roman World," in *Jews in a Greco-Roman World* ed. Martin Goodman (Oxford: Clarendon Press, 1998), 145-166; David G. Schwartz, *Roll the Bones: The History of Gambling* (New York: Gotham Books, 2006); Neal E. Millikan, *Lotteries in Colonial America* (New York: Routledge, 2011); Kevin Flynn, *American Sweepstakes: How One Small State Bucked the Church, the Feds, and the Mob to Usher in the Lottery Age* (Lebanon, NH: University Press of New England, 2015).

[25] Charles T. Clotfelter and Philip J. Cook, *Selling Hope: State Lotteries in America* (Cambridge: Harvard University Press, 1989). Other examinations of American state lotteries do not utilize archival sources and generally offer surface-level analysis of the historical forces involved in the proliferation of lottery gambling; see, for example: George Sullivan, *By Chance a Winner: The History of Lotteries* (New York: Dodd, Mead, 1972); Robert Wagman, *Instant Millionaires: Cashing in on America's Lotteries* (Washington D.C.: Woodbine House, 1986); Alan Karcher, *Lotteries* (New Brunswick: Transaction Publishers, 1989); David Nibert, *Hitting the Lottery Jackpot: Government and the Taxing of Dreams* (New York: Monthly Review Press, 2000); Matthew Sweeney, *The Lottery Wars: Long Odds, Fast Money, and the Battle Over an American Institution* (New York: Bloomsbury, 2009); for general studies of legalized gambling that also include analysis of state lotteries, see: Vicki Abt, James Frederick Smith, and Eugene Martin Christiansen, *The Business of Risk: Commercial Gambling in Mainstream America* (Lawrence, KS: University Press of Kansas, 1985); Richard McGowan, *State Lotteries and Legalized Gambling: Painless Revenue or Painful Mirage* (Westport, CT: Praeger, 1994); John Lyman Mason and Michael Nelson, *Governing Gambling* (New York: Century Foundation Press, 2001); Denise Von Herrmann, *The Big Gamble: The Politics of Lottery and Casino Expansion* (Westport, CT: Praeger, 2002); Patrick A. Pierce and Donald E. Miller, *Gambling Politics: State Government and the Business of Betting* (Boulder, CO: Lynne Rienner, 2004); David Clary, *Gangsters to Governors: The New Bosses of Gambling in America* (New Brunswick: Rutgers University Press, 2017).

Chapter 1 explores the passage of a lottery referendum in New Jersey in 1969 as a case study of the first wave of American lottery legalization. In the 1960s, New Jersey was one of only three states without a sales or income tax, and, because most property taxes were used to fund local services, the state government was in desperate need of new sources of revenue. Voters were reluctant to increase their own taxes, though, and turned instead to a lottery, imagining gambling as a panacea for the entire state. Legislators and taxpayers envisioned that a lottery would not only balance the budget but would overflow state coffers, thereby preventing new taxes and enabling a dramatic increase in public services. Voters overwhelmingly passed the referendum, and the New Jersey Lottery used a series of innovative tactics to boost sales. Even though this revenue fell woefully short of initial expectations, results from the Garden State hastened the proliferation of lotteries across the Northeast in the 1970s.

Chapter 2 examines lottery winners in the first years of state-run sweepstakes to explore two different stages of magical thinking in the gambling process. Without any means of improving their chances in a game with miniscule odds, gamblers turned instead to religious rituals to entreat supernatural forces to help them hit the jackpot. However, these gamblers' magical thinking extended beyond the connection of their praying to their playing. After they won, many lottery winners engaged in a discursive dance to attribute their prize to divine intervention and deny that their jackpot was the result of sheer luck. Specifically, winners insisted that their prize was a miracle, that probability alone could not account for their win. Through these retrospective spiritual narratives, winners claimed that their windfall was not the result of randomness but of their merit and they rhetorically incorporated their wealth into traditional understandings of the American meritocracy.

Despite the modest popularity of lotteries in the 1970s, by the latter half of the decade evidence had mounted that legalized gambling was not the cure-all state legislators initially imagined. Nonetheless, lotteries spread rapidly in the 1980s—from 14 states in the Northeast and Rust Belt in 1979 to 32 states in almost every part of the country a decade later. Chapter 3 explains the previously overlooked force responsible for restarting the proliferation of state lotteries: Scientific Games Inc. In the early 1980s, Scientific Games, the country's first instant lottery ticket firm, sought new markets for its product. By taking advantage of a professionalized campaign industry and the initiative ballot process, the company convinced voters in California and six other states that lotteries represented miraculous sources of revenue. Rather than offer a magic bullet for the entire state budget, the company framed lotteries as a means of funding one particular program, such as education or public parks. Buoyed by the company's promises, voters in western states readily passed lotteries on the hope that legalized gambling would restore state services without restoring the property taxes that had been slashed in the tax revolt. The company's efforts succeeded. While the new contracts proved highly profitable for Scientific Games, the lottery could not fulfill voters' dreams of tax-free government services.

The 1980s were also marked by the emergence of lotto, a game that reshaped the place of lotteries in American life. For decades, lottery commissions awarded relatively small jackpots, rarely in excess of $1 million. Chapter 4 explores how lotto made eight, nine, and eventually ten figure prizes a regular occurrence. The game's popularity was based on events known as "lottomania," periods of widespread fervor over jackpots that had rolled over multiple times. In the context of changing understandings of "the good life" amid the cultural celebration of opulence in the 1980s, lotto offered to catapult players into the highest echelons of wealth. With lotto seemingly their only avenue into the decade's new standards of riches, millions of gamblers, rich and poor alike, lined up for their chance at becoming a multimillionaire.

Though magical thinking has long been central to gambling, state governments have played a crucial role in facilitating players' belief in the possibility of hitting the jackpot. Through a case study of the Illinois State Lottery in the 1980s and early 1990s, Chapter 5 examines the impact of lottery advertising and how lottery commissions use promises of instant winnings to appeal to lower-income and non-white gamblers. Advertising highlights the contradiction inherent in a state-operated gambling apparatus designed to raise money for government. While the state normally discourages harmful vices, legislators hoping for tax-free revenue have a direct incentive to promote gambling. Lottery officials played a crucial role in removing federal gambling advertising restrictions in the 1970s and, in Illinois, fought off periodic attempts by legislators to limit lottery marketing. In its unfettered quest for sales, the Illinois Lottery utilized promotions that, through their placement and their content, sought to convince the state's poor and non-white residents to buy lottery tickets. The popularity of gambling among these populations is not merely the result of an infectious irrationality but is the product of state-funded promotions designed to raise tax-free revenue.

Notwithstanding the popularity of lotteries in Illinois and other parts of the country, in the 1980s, voters and legislators in the South continued to oppose the enactment of state lotteries. This reticence was the result of the opposition of evangelical voters as well as the failure of lotteries in other states to meet even the tempered expectations propagated by Scientific Games. Chapter 6 illustrates the final step in the evolution of the fiscal promise of state lotteries through Governor Zell Miller's campaign for a lottery in Georgia. Rather than tie the lottery to the state budget or even the state education budget, Miller proposed a lottery as a panacea for Georgia's middle-class suburban families through a specific scholarship that would subsidize tuition at in-state colleges and universities for high-achieving students. In two gubernatorial campaigns and a statewide referendum, Miller provided voters a direct incentive to approve a lottery, offering an expansive education agenda that would not require any new taxes. Though Georgia's evangelical community mobilized against gambling legalization, many of the state's otherwise socially conservative white suburbanites supported Miller's gambling measure in order to fund his proposed scholarship program. The lottery's success in Georgia illustrates a fault line in the seemingly harmonious marriage between the economic and cultural values of Sun Belt conservatism and demonstrates the bipartisan, cross-class appeal of faith in a lottery windfall.

The history of American state lotteries shows the parallels between the nation's gamblers and its voters and legislators. Political leaders are just as susceptible to the pursuit of a financial quick-fix as lottery players, and these players are just the latest in a long line of Americans who have turned to gambling in search of social advancement.

The magical thinking that drove governors and gamblers to lotteries represented a desperate attempt to assert control over difficult situations. As recent memoirs by Kate Bowler and Joan Didion suggest, magical thinking offers a way of responding to grief and loss, a way of processing unfortunate events.[26] Magical thinking holds the promise that, through some miraculous means, wishing for a solution will make one's problems painlessly disappear. In the twentieth-century United States, lotteries represented a response to a different kind of loss. For gamblers and policymakers, lotteries offered a chance to stave off the uncertainty of economic

[26] Joan Didion, *The Year of Magical Thinking* (New York: Vintage Books, 2005); Kate Bowler, *Everything Happens for a Reason: And Other Lies I've Loved* (New York: Random House, 2018).

tumult. Despite mounting evidence of their ineffectiveness as a method of state finance, and despite evidence of their deleterious effect on the poor, legislators used lotteries to assert control over a budgetary process that proved increasingly complicated and required either innovative solutions or painful service reductions. Meanwhile, notwithstanding the infinitesimal odds of winning, lottery players fell back on the belief that a lottery ticket would provide access to increasingly elusive financial stability and upward mobility.

For decades, the magic of the lottery has proven illusory. As Bowler and Didion suggest, magical thinking may help the coping process, but wishful thinking is fruitless as a way of solving problems. A lottery ticket will not end a gambler's financial difficulties any more than it will balance a state's budget. For Bowler and Didion, magical thinking represented just one step in processing their loss. For gamblers and taxpayers, it is long past time to recognize the folly of the magical thinking that sits at the heart of American economic and cultural life.

CHAPTER 1

Something for Nothing:
The Fiscal Alchemy of Lottery Legalization

In the 1960s, the state of New Jersey turned to legalized gambling to solve a crisis that had been years in the making. Following World War II, the state government rapidly increased its spending to improve its infamously inadequate public services. Though New Jerseyans supported an expanded array of government services, they faced large local property taxes and resisted the imposition of state-level levies. With New Jersey in desperate need of new sources of revenue, a group of voters and politicians resurrected the previously overlooked idea of a state-run lottery as the solution for the Garden State's fiscal situation. "New Jersey is having financial problems which are likely to get worse before they get better," the *Trenton Times* explained in 1964, "So it is in the cards that someone suggest legalized betting to raise the extra cash needed to maintain the state government in the style to which it has become accustomed."[1]

More often than not, that "someone" was William Musto. A Democrat from Hudson County, Musto introduced a bill to create a New Jersey lottery every year following his election to the state legislature in 1946. However, Musto's legislation did not garner serious consideration until the 1960s when the state's budget crisis sparked widespread support for legalized gambling. "Almost all of us will acknowledge that New Jersey must soon find substantial additional revenues to meet the cost of vital building programs and other services," Musto told the State Assembly Judiciary Committee in 1964. "A State lottery … would provide a most simple, effective and painless way out of our pressing fiscal problems" and would "without any question supply hundreds of millions of dollars towards solving this revenue problem and the urgent

[1] *Trenton Times,* "They Still Have to Pay," January 27, 1964, 10.

needs of the state."[2] Like legions of lottery proponents who made their voices heard in the 1960s, Musto lauded a state-run sweepstakes as a way to end New Jersey's financial problems. He promised that legalized gambling represented a significant new source of revenue for the state government that would not require a dime in compulsory taxes.

The lottery represented one of the key issues in New Jersey politics from the early 1960s through 1969, the year Musto's long-awaited lottery referendum won by a larger margin of votes than any referendum in state history. In their campaign for a lottery, Musto and other New Jerseyans championed legalized gambling as an economic elixir that could singlehandedly solve their state's budgetary imbalance without any adverse side effects. Though highly cognizant of the severity of New Jersey's financial problems, supporters relied on alchemic projections of huge—ultimately unrealistic—sums of potential revenue. A lottery would provide something for nothing, balancing the budget without imposing on taxpayers or forcing a reduction in the size of the state government.

The widespread view of the lottery as a panacea embodies voters' beliefs about taxes and the role of the state. In her study of post-World War II New Jersey, historian Lizabeth Cohen argues that the Garden State stood at the forefront of American localism thanks to a system of municipal financing that severed the state's sprawling suburbs from financial responsibility toward the crumbling cities of Camden, Newark, and Paterson. In the aftermath of the uprising in Newark's black community in 1967, Cohen argues, New Jersey's lottery represented a "meager" means by which white suburban voters hoped to fund the state government while keeping it

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[2] William Musto testimony to New Jersey Legislature, State Assembly, Judiciary Committee, *Public Hearing on A.C.R. 2 (Off-Track Betting) and A.C.R. 4 (State Lotteries)* (n.p., 1964), New Jersey State Library, Trenton, New Jersey (hereafter "NJSL"), 5-6.

limited in size and starved of scarce tax revenues that they assumed would be redistributed to the state's urban centers.[3]

However, the debates over a lottery in New Jersey illustrate that lottery supporters wildly inflated estimates of gambling revenue. As a result, voters genuinely expected that the financial windfall from a lottery would solve their state's budget crisis. Rather than an act of localist antistatism, most New Jerseyans who voted for a lottery in November 1969 voted for a better-financed and more powerful state government. Certainly, white suburban voters were not eager to reallocate their wealth to the state's poor or black residents. Nonetheless, in the 1960s, few New Jerseyans expressed a desire to reduce the size of their state government, the obvious alternative to finding a new source of revenue. Instead, by endorsing a lottery, voters on both sides of the aisle approved a measure they believed would flood state coffers and allow the state to more actively contribute to education, transportation, and social welfare programs. Even lottery opponents implicitly endorsed the notion that a lottery would solve the state's problems despite their religious and cultural criticisms of gambling and their rejection of exaggerated revenue projections.

In New Jersey, the proliferation of gambling had unintended consequences in shaping citizens' views of taxation. In the 1960s, New Jerseyans expressed a deep frustration with rising property taxes and resisted the imposition of the Garden State's first broad-based tax. The lottery, voters believed, was an alternative means of funding their state government. Yet, the lottery not only served as a manifestation of tax rebellion. It also represented as a catalyst for political opposition to taxes, a source of the revolt that would spring forth a decade later. When

[3] Cohen quotes the Regional Plan Association's analysis of New Jersey's resistance to state-level taxes: "There was no better way of keeping state government weak than by keeping it poor"; Lizabeth Cohen, *A Consumers' Republic: The Politics of Mass Consumption in Postwar America* (New York: Vintage Books, 2003), 232.

the hyperbolic expectations for lottery sales were not met, voters nonetheless retained the obstinate belief that government could expand without their tax dollars thanks to the recent influx of lottery revenue. Rather than recognize that gambling could not provide a meaningful source of state funding, voters blamed greedy bureaucrats and wasteful spending for squandering New Jersey's lottery revenue. Their anger over the lottery's failure to solve the state budget crisis helped breed a distrust of government's ability to handle revenue efficiently, as voters retained the wishful belief that government could grow without their tax dollars.

The Garden State provides a particularly fruitful example of the magical thinking that drove support for state-run gambling. Other states faced similar budgetary crises in this period but New Jersey's financial woes were especially acute due to its unique, property tax-based revenue structure and voters' corresponding resistance to state-level taxation. Additionally, the New Jersey Lottery played a crucial role in the spread of legalized gambling in the United States. Even though it fell short of initial expectations, New Jersey's lottery set new standards for ticket sales, and results from the Garden State led directly to the adoption of lotteries across the Northeast in the 1970s. New Jersey serves as an apt model of how budgetary imbalances and unrealistic expectations facilitated the adoption of state lotteries as well as the consequences of voters' decision to legalize gambling.

Garden State officials began to support William Musto's proposed lottery legislation in response to a financial crisis of peculiar dimensions. New Jersey's budget was at once too small to support the state's meager public services and yet too large for the state to afford. Over the course of the 1960s, annual state spending increased from $403 million to over $1 billion. Even after a decade of growth, however, expenditure remained small compared to neighboring states. In its 1969 budget, New Jersey's state government spent $280 per resident; in the same year, Pennsylvania spent $365, and New York spent $492.[4] Accordingly, public services in New Jersey could not meet public demand; 50,000 students attended school in ill-equipped classrooms, state colleges and universities could only accommodate half of the state's college applicants, and one-third of the state's highway were deficient.[5]

New Jersey was unable to improve these services because of low state-level taxes. Until 1966, New Jersey was one of only three states without either a sales tax or an income tax.[6] Instead, most tax revenue went to local governments via property taxes. In 1967, for instance, the New Jersey state government received just 37 percent of total state and local taxes, a lower percentage than any other state.[7] Thus, the state government contributed a relatively small share of education funding, leading the Lilley Commission—formed to study "civil disorder" in the aftermath of the 1967 Newark rebellion—to conclude that the state "has left local governments to fend for themselves."[8] In reality, the opposite was true: local governments had left the state government to fend for itself, forcing it to subsist on excise and corporate income taxes. By the

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[4] United States Bureau of the Census, *Statistical Abstract of the United States: 1970* (Washington D.C.: U.S. Government Printing Office, 1970), 12; United States Bureau of the Census, *Statistical Abstract of the United States: 1971*, (Washington D.C.: U.S. Government Printing Office, 1971), 411. The distribution of federal funds further exacerbated this deficit. In 1966, states received, on average, $91 per capita from the federal government; New Jersey received $47 per capita, less than any other state (Commission on State Tax Policy, *Tenth Report: Increased State Aid to Public Schools and Distribution of the Cost of Expanding Public Service* [Trenton: State of New Jersey, 1963], 10). Barbara G. Salmore attributes New Jersey's low levels of federal aid to the lack of military defense spending and the state's high per capita income; Barbara G. Salmore with Stephen A. Salmore, *New Jersey Politics and Government: The Suburbs Come of Age* (New Brunswick: Rutgers University Press, 2013), 256-260.
[5] Governor's Commission to Evaluate the Capital Needs of New Jersey, *A Capital Program,* (n.p., April 1968), 11; New Jersey Council of County (Community) Colleges, *New Jersey Community Colleges: The First Ten Years, 1963-1973* (Trenton: New Jersey Office of Community College Programs, 1975), 8; Wilbur Smith and Associates, *Needs and Finance for the New Jersey State Highway System,* (Columbia, SC: Wilbur Smith and Associates, 1966).
[6] The other two were Nebraska and New Hampshire. Nebraska passed an income and a sales tax in 1967 and New Hampshire enacted the first state-run lottery in 1963.
[7] U.S. Bureau of the Census, *Census of Governments, 1967: Compendium of Government Finances* 4, no. 5, (Washington, D.C.: U.S. Government Printing Office Washington, D.C., 1969), 44
[8] Governor's Select Commission on Civil Disorder, State of New Jersey, *Report for Action* (Trenton: State of New Jersey, 1968), 48.

mid-1960s, rising inflation and surging education costs tied to the postwar baby boom meant the state could no longer survive on such limited sources of funding.

At the grassroots, New Jerseyans faced heavy tax burdens that made them unwilling to shell out more for the state government. While a localized system built around property taxes had been designed to reduce tax burdens, rising costs eliminated the state's comparative advantage. New Jersey residents paid the highest property taxes in the nation, a burden that fell especially on working- and middle-class residents. Middle-income New Jerseyans paid more in property taxes than a New Yorker with the same income paid in property, income, and sales taxes *combined*.[9] As a result, voters opposed all new taxes. One state legislator declared that the "average man in the street is up to his ears with taxes. You can't convince him that a sales or income tax might benefit him."[10]

Thus, the mid-1960s presented a critical juncture for New Jersey, a time when it would have to restructure its municipal and state financing programs. However, voters suffering under high property taxes continued to resist any measure to provide additional funding for the state government. New Jerseyans rejected a bond issue for school and highway financing in 1963. The following year, the state legislature rejected five different tax proposals. The widespread, bipartisan opposition to these bills lent credence to the phrase circulating in Trenton at the time that "taxers [are] losers" who would not last long in elected office.[11] If legislators wanted to improve state services, they could not count on imposing new taxes. They would have to find the funding elsewhere.

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[9] Commission on State Tax Policy, *Tenth Report*, xvii, 15; *New York Times,* "State Taxation: Jersey Tries to Hold Line As Expenses Mount," January 28, 1962, 140.
[10] George Cable Wright, "Jersey's Tax Dilemma," *New York Times*, April 13, 1964, 25.
[11] Richard Leone, "The Politics of Gubernatorial Leadership: Tax and Education Reform in New Jersey," (PhD. Dissertation, Princeton University, 1969), 58.

To solve their state's budget impasse, many citizens and politicians turned to Musto's long-touted lottery. Since the Great Depression, New Jersey voters had gradually approved new forms of legalized gambling, including horserace betting (1939), bingo for charitable purposes (1953), and games of chance at amusement parks (1959). In the 1960s, support for a state lottery initially extended all the way to the governor's mansion. After New Hampshire enacted the nation's first state-run sweepstakes in 1963, New Jersey's Democratic governor, Richard Hughes, claimed he would investigate the viability of a lottery, and the state treasury department projected possible revenue of $25 or $35 million per year.[12] By 1968, flagging sales in New Hampshire and disappointing results in the newly-formed New York Lottery tempered these estimates. Governor Hughes's office anticipated revenue of $20 million per year while the state's Economic Policy Council predicted closer to $13 million.[13] To balance its budget, New Jersey needed additional annual income of at least $50 to $100 million. "It would be the worst of poor judgment," Hughes explained in his 1969 budget address, "to believe that a lottery could do anything more than scratch the surface of our genuine requirements for funds."[14]

Lottery proponents both in and outside Trenton were hardly so modest when it came to estimates of lottery revenue. Though they did not coalesce into an organized movement, politicians and private citizens built support for the lottery by claiming it would deliver a windfall for the state. In 1966, for example, the president of New Jersey's Junior Chamber of

[12] Associated Press, "Jersey Is Weighing State Lottery Again To Build Up Funds," *New York Times,* July 7, 1965, 39; *Courier-Post* (Camden, New Jersey), "Straw in the Lottery Wind," July 5, 1967, 14.
[13] Ronald Sullivan, "Jersey Assembly Approves Lottery Referendum," *New York Times*, May 21, 1968, 40; Governor's Commission to Evaluate the Capital Needs of New Jersey, *A Capital Program,* 129.
[14] *Courier-Post,* "Lottery Balloon Holes," February 12, 1968, 14; Richard Hughes, Budget Message for the Fiscal Year Ending June 30, 1969, delivered February 13, 1968, Trenton, New Jersey, NJSL.

Commerce estimated $156 million in annual sales based on New Hampshire's lottery revenue, notwithstanding the fact that New Hampshire lottery sales had fallen in 1965 and 1966.[15] As the decade went on and sales in New Hampshire continued to lag, Hughes's estimate of lottery revenue declined. Yet, as New Jersey's budget crisis worsened, lottery supporters' forecasts grew larger, regardless of how poorly other state lotteries were performing. By 1969, Assemblyman John F. Brown (R-Ocean County) projected $200 million in annual sales while others proposed $300 million. Cornelius Gallagher, a Democratic congressman representing northern New Jersey, claimed the state could take in the astronomical figure of $500 million (the New Jersey Lottery did not exceed $500 million in sales until 1982).[16] "The 'take'" from a lottery, one Turnersville resident predicted in 1966, "would be more than enough to fill the coffers of the state treasury to the brimful."[17] No matter how bad the state's financial crisis got, proponents claimed a lottery could magically provide exactly what New Jersey needed.

Alternatively, some supporters maintained that specific projections of lottery revenue were immaterial. *Any* amount of income, they argued, would make a lottery a worthwhile venture to bolster the budget. Neptune resident George Bergen claimed, "even if it's only $1 million, it's another million dollars that we've found," though he projected possible revenues of up to $30 million.[18] In 1969, State Senator Frank Guarini (D-Hudson County) asked lottery

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[15] Franklin Kistner testimony to New Jersey Legislature, Senate Judiciary Committee, in *Public Hearing on Senate Concurrent Resolution No. 7* (n.p., June 1, 1966), NJSL, 47.

[16] William Musto testimony to New Jersey Legislature, State Assembly, Committee on Taxation, in *Public Hearing on Assembly Concurrent Resolution No. 32*, March 5, 1969, (Trenton, NJ: Division of State Library, 1969), NJSL, 10; Cornelius Gallagher to Harry Sears, December 31, 1969, Folder 89, Box 31, Cornelius Gallagher Papers, Carl Albert Center, Norman, Oklahoma (hereafter "CAC"); New Jersey Lottery Commission, *New Jersey State Lottery, Annual Report, 1982* (New Jersey Lottery, 1983), NJSL, 2; Gallagher was not alone in his estimate of $500 million in revenue, as this figure had been floated as early as 1959 and by an anti-tax group in 1964: *Asbury Park Press*, "Hansen Asks Demand For Lottery Vote," October 27, 1959, 16; Associated Press, "State House Pickets Urge Lottery Bets," *Asbury Park Press*, February 25, 1964, 8.

[17] E. Kornish, "Advice for C-P, Hughes and State," Letter to *Courier-Post*, January 17, 1966, 20.

[18] George Bergen testimony to New Jersey Legislature, Assembly Judiciary Committee, in *Public Hearing on Assembly Concurrent Resolution No. 22 proposing to amend Article IV, Section VII, paragraph 2, of the Constitution of the State of New Jersey* (n.p., May 7, 1968), NJSL, 12, 15.

opponents whether the state "should turn down $100 million in revenue because we expected the lottery to bring $200 million? … I am sure the taxpayers would be happy to have to provide $100 million less or $50 million less or whatever."[19] Though he implied that no sum was too small to justify enacting a lottery, all of Guarini's hypothetical revenue estimates greatly exceeded the official approximations put forth by Hughes. Even if proponents claimed otherwise, their support for the lottery rested on predictions of a massive influx of revenue.

These hyperbolic income estimates led to the view that a lottery offered a means of avoiding a broad-based tax. Voters across the state recognized that the state faced a budget crisis but opposed reductions in state services and were equally unwilling to back new forms of taxation to pay for the services they enjoyed. A state lottery offered to reconcile this contradiction. By supporting a lottery, New Jerseyans could oppose a sales or income tax while backing what they believed to be an alternative solution for the state's financial situation. The head of a New Jersey anti-tax organization, Joseph Diaz of Jersey City, advocated for a lottery "in order to prevent and avoid the imposition of any new taxes," articulating the popular view that a lottery and taxes were equivalent means of raising revenue.[20] Some taxpayers went so far to claim that a lottery would permanently alleviate the state's budgetary shortfall and allow New Jersey to remain one of the few states without a broad-based tax. "Either a sales or income tax looms over New Jersey's horizon," a Toms River resident wrote in 1962. "Such taxes would not become necessary if New Jersey considered a lottery."[21] These supporters painted utopian pictures of a lottery-funded state government. They viewed the lottery not merely as a means of helping alleviate the state's budget problems but also as a way to allow Trenton to expand its

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[19] Statement of Senator Frank J. Guarini (read by James Terlizzi Jr.), *Public Hearing on Assembly Concurrent Resolution No. 32*, 32.
[20] Joseph Diaz testimony, *Public Hearing on A.C.R. 2 (Off-Track betting) and A.C.R 4 (State lotteries)*, 34a.
[21] David Goldsmith, "Proposes State Lottery," Letter to *Asbury Park Press*, December 13, 1962, 21.

involvement in citizens' lives. George L. Pinkham of West Belmar glowingly explained that a "lottery operated by the state could raise enough revenue to permit reducing taxes. New Jersey could have larger and better schools, better hospitals, and provide senior housing and medical care for the senior citizens."[22] Proponents believed a lottery would allow New Jersey to have it all: more government services without an increase in taxes.

The wishful desire for tax cuts without service cuts affected voters on both sides of the political aisle. At a 1964 hearing, for example, the State Assembly Judiciary Committee heard testimony from David Friedland, a Democratic assemblyman speaking on behalf of the 100,000 union workers of the Central Labor Council of Hudson County. Friedland acknowledged that the workers had opposed the previous year's bond issue, but he claimed that they had not done so because of an opposition to the state government. Rather, they understood "that New Jersey must soon find substantial additional revenue to meet the cost of vital building programs and other services." Though the union members recognized the importance of state services, they opposed a broad-based tax because "the people of our state have been taxed enough." Instead, the Labor Council endorsed a state lottery as a "simple, effective and … painless way out of our difficulties."[23]

Edgar Dinkelspiel, president of a Republican Party association in Long Branch, concurred with the Democratic labor representative. "It has become increasingly apparent that the cost of government in our state is reaching a point where the average homeowner can no longer carry the load," he explained. Like Friedland, Dinkelspiel made no mention of the possibility of reducing expenditure as a way out for the state. Instead, he envisioned two possible solutions for the New Jersey's financial problems: a broad-based tax or a lottery. He avidly

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[22] George L. Pinkham, "State Lottery," Letter to *Asbury Park Press,* March 4, 1964, 19.
[23] David Friedland testimony, *Public Hearing on A.C.R. 2 (Off-Track betting) and A.C.R 4 (State lotteries),* 41-42.

endorsed the latter option, arguing that a lottery would give the people "relief from their tax burdens without any further curtailment of services that are so necessary to the well-being of the people of New Jersey."[24] Services were critical, he noted. A lottery would allow the state to pay for them.

Most lottery proponents, then, were not opposed to the size of the state government. By framing the lottery as an alternative to taxes, Friedland, Dinkelspiel, and other New Jerseyans did not consider whether the state should receive more funding. Rather, they considered where the necessary funds for the state should come from. Neither Democratic nor Republican lottery supporters recommended reductions in the size of the state government. In fact, by endorsing a state lottery, proponents advocated for the expansion of the state government through its entry into the private marketplace of gambling.

Governor Hughes, however, refused to rely on a lottery to fund New Jersey's rapidly expanding budget. Instead, he urged voters to be cautious in their prognostications of an easy fix to the state's problems. Despite his initial support for a lottery, Hughes spent much of his second term attempting to raise revenue through more traditional means. He proposed a massive spending increase for education in 1967 in large part because he presumed the passage of a broad-based tax. Both parties, in fact, had recognized the state's need for new revenue. Hughes spent the 1965 gubernatorial campaign advocating for an income tax while his Republican opponent advocated for a sales tax. After his landslide win, Hughes pushed his income tax through the State Assembly, where it drew bipartisan support. However, the bill was rejected by the Democratic-controlled State Senate because, according to a Hughes biographer, the senators viewed it as "a way to redistribute wealth from the wealthier suburbanites to the poorer city

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[24] Edgar Dinkelspiel testimony, *Public Hearing on A.C.R. 2 (Off-Track betting) and A.C.R 4 (State lotteries),* 77-79.

dwellers."[25] The state's localist tax structure separated the state's suburbs and its cities. The white families who abandoned Newark, Camden, Jersey City, and Paterson in the post-World War II period benefitted from a system that protected high-spending suburban schools and absolved suburbanites of financial responsibility toward the rotting revenue systems in the state's urban centers. Though many voters ignored the benefits they received from state-subsidized highway funding as well as the state's contribution to local education budgets, the state's middle-class preferred locally-based taxes and were loath to support any tax that fed directly into state coffers.

Ultimately, the state legislature overwhelmingly passed a 3 percent sales tax in April 1966. New Jersey's enactment of a broad-based tax represented part of a massive wave of state-level taxes ratified nationwide during this period. In response to rising education costs, population growth, inflation, and an enduring resistance to service cuts, state governments enacted 410 new taxes or tax increases nationwide between 1959 and 1970, including the introduction of a sales or income tax in twenty states.[26] Despite his disappointment at the failure of the income tax in New Jersey, Hughes claimed the passage of the state's first broad-based tax would "turn New Jersey's face to the future, and let us not fall back into inaction and mediocrity." The *New York Times* was much less optimistic: "Slowly and painfully, New Jersey is moving to provide the revenues it so urgently needs to meet the problems of its increasingly

[25] John B. Wefing, *The Life and Times of Richard J. Hughes: The Politics of Civility* (New Brunswick: Rivergate Books, 2009), 132.

[26] Elizabeth Pearson, "Saying Yes to Taxes: The Politics of Tax Reform Campaigns in Three Northwestern States, 1965-1973," *American Journal of Sociology* 119, no. 5 (2014), 1281; Jon C. Teaford, *The Rise of the States: Evolution of American State Government* (Baltimore: Johns Hopkins University Press, 2002), 217-218; Ira Sharkansky, *The Maligned States: Policy Accomplishments, Problems and Opportunities* (New York, McGraw Hill, 1972), 68.

urbanized, industrialized economy."[27] The state, it seemed, was finally taking concrete steps to pay for the services that voters demanded.

Yet, instead of quieting calls for a lottery, the passage of a sales tax increased the fervor for legalized gambling. New Jerseyans hoped their state could use gambling income as a replacement for taxes. Because of the possibility that the state legislature would increase the newly enacted tax, lottery supporters such as Assemblyman Francis Werner (D-Camden County) argued that a lottery could "lead to having [the sales tax] rescinded," and he wrote that he did "not envision a lottery as an addition to a sales or income tax, but as a substitute."[28] While Werner acknowledged that the state needed a new source of revenue, he hoped that the lottery—which he projected would raise $100 million per year—would be the state's financial savior. "I still do not like the idea that us poor people have to carry a heavy load of taxes all the time," Angelo Russo of Paterson wrote in 1970 after recently-elected Republican Governor William Cahill proposed a payroll tax, "The people will remember on election day if [R]epublicans keep taking our money all the time. How about the lottery that will bring in millions if it is run right[?]"[29] The lottery, Russo suggested, could raise enough money to offset a tax increase.

Fears of an expanded sales tax were quickly confirmed. When state expenditure continued to grow, officials debated the possibility of an increase as early as 1968. As the *New York Times* had predicted, the 3 percent sales tax merely scratched the surface of the state's financial needs. Additionally, Hughes hoped to use the revenue from a tax increase to pay for urban aid in the aftermath of the Newark rebellion and to support the state's Medicaid program,

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[27] Ronald Sullivan, "Jersey Sales Tax Signed by Hughes," *New York Times*, April 28, 1966, 1; *New York Times*, "New Jersey Decides," April 27, 1966, 46.
[28] *Asbury Park Press*, "Shore Delegation Hits Excise Plan," February 12, 1969, 1; Francis J. Werner, "A Lottery for N.J?: Pro," *Courier-Post*, Weekend Magazine, January 29, 1966, 3.
[29] Angelo Russo to William Cahill, n.d. (approximately April 1970), Folder 3, "Treasury—Lottery 1970," Box 26, Subject Files, 1970-1974, William T. Cahill Gubernatorial Papers, New Jersey State Archives, Trenton, New Jersey (hereafter "NJSA").

which was set to begin in 1970. Thus, while the governor had previously voiced his support for a lottery, he understood the magical thinking that proliferated among lottery supporters. Hughes did not want a lottery referendum in 1968 because "it would be fatal for the interests of the state" if voters thought a lottery could prevent the need for a bond issue or new taxes.[30] In his view, a lottery referendum would shut down any possibility of tax reform, as voters would insist on instituting a lottery instead of enacting new taxes. The lottery had evolved from a curious political experiment into a way for voters to avoid addressing the fundamental flaws in the state's revenue structure.

Hughes was far from the only New Jersey resident skeptical about a lottery. As momentum grew for a lottery over the 1960s, many state residents rose in objection to the arrival of legalized gambling to the Garden State. Like lottery supporters, antilottery forces did not coalesce into an organized movement. Instead, opponents individually condemned the state's proposed entry into the gambling business. Consisting largely of politically conservative religious leaders as well as Great Society liberals, lottery opponents were among the few outside Governor Hughes' office who recognized the limited returns it would supply relative to the scale of the state's fiscal imbalance. "We are not surprised that proposals like this are made because too many people are looking for financial miracles to happen to pay the cost of government," Reverend Samuel Jeanes stated in 1966. The pastor of a Baptist church in Merchantville, Jeanes was the antilottery movement's answer to William Musto, and he spent decades fighting the expansion of gambling

[30] Associated Press, "Lottery Vote Uncertain," *Red Bank Register* (Red Bank, New Jersey), February 8, 1968, 1.

in New Jersey. While Jeanes acknowledged the state's troubled financial situation, he argued that a lottery is "not realistic. [Lotteries] represent a very shallow approach" to financial problems.[31]

As Jeanes' statement indicates, opponents rejected the idea that a state-run sweepstakes would present a bountiful fountain of revenue for New Jersey. Other religious leaders also condemned the lottery on economic grounds. Reverend John B. Kirby of Hamilton rejected the alchemic promise of legalized gambling, explaining that a lottery did not present "some sort of magic by means of which we shall find our state coffers well-filled, without any responsibility on our part, for even if we should adopt these measures, our financial needs would not begin to be met."[32] Similarly, State Assemblyman Webster Todd (R-Somerset) claimed that supporters portrayed the lottery as a "panacea … a cure-all for the state's financial problems."[33] Lottery opponents not only cautioned against the passage of a lottery but also against unrealistic expectations for revenue. Jeanes's allusion to "financial miracles," Kirby's reference to "magic" revenue, and Todd's anger at the perception of the lottery as a "cure-all" emphasized the lottery as a foolhardy, speculative, and naïve venture. These terms implied that lottery proponents exaggerated calculations of lottery revenue, underestimated the true depth of the state's financial situation, and were driven by the wishful belief that the lottery represented their fiscal savior. Support for the lottery, they charged, rested on magical thinking.

Opponents offered a sober reflection of the state's financial situation and recognized that, at current spending levels, only a broad-based tax would solve New Jersey's budget crisis. A Pemberton couple wrote, "we surely need some real estate tax relief," but "figures piled to the

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[31] Reverend Samuel A. Jeanes testimony, *Public Hearing on A.C.R. 2 (Off-Track betting) and A.C.R 4 (State lotteries)*, 54, 57.
[32] Statement submitted by Reverend John B. Kirby, *Public Hearing on A.C.R. 2 (Off-Track betting) and A.C.R 4 (State lotteries)*, 116a-117a.
[33] *The Central New Jersey Home News* (New Brunswick, New Jersey), "It's Even Odds for N.J. Lottery," April 3, 1969, 19.

roof never tell the whole story on gambling returns."[34] Lottery opponents were hardly excited about the possibility of new taxes, but they understood that such a measure was necessary. A representative of the United Church Women of New Jersey contended in 1964 that the legislature should not permit a lottery referendum "so that it cannot tempt those persons ever ready to say 'yes' to anything that brings in easy dollars and spares them from a sound and sensible broad based tax."[35] Contrary to the "magical" lottery, taxes remained a "sound," "sensible," and effective way to solve the state's budget crisis. Rather than discuss potential lottery revenue in millions of dollars, opponents framed lottery earnings compared to the overall size of the state budget, indicating how insignificant a lottery would be relative to the state's needs.

Some opponents went so far as to state that they would accept higher taxes to forestall passage of a lottery. The pastor of a Methodist church in West Belmar insisted that the state would not need lottery revenue as he believed—mistakenly—that "the public will accept a sales or income tax if some party has the courage to propose it."[36] However, lottery opponents' support for taxes in place of lotteries illustrated the effectiveness of the prolottery campaign. By comparing tax revenue and lottery revenue, some opponents implicitly acknowledged what Jeanes, Kirby, and others vehemently denied: that a lottery could raise significant sums to help balance the state budget. Despite their opposition to images of lottery riches, some opponents believed in the magical revenue-producing potential of the lottery. Whether or not they supported legalized gambling, many New Jerseyans believed that a legalized sweepstakes could alleviate the state's fiscal imbalance.

[34] Mr. and Mrs. William Gilbert, "No Tax Relief Seen From Lottery," Letter to *Courier-Post,* June 5, 1964, 16.
[35] Mrs. Carl G. Hartman to William Musto, April 26, 1964, in appendix to *Public Hearing on A.C.R. 2 (Off-Track betting) and A.C.R 4 (State lotteries)*, 66a.
[36] Richard Sleuer to Irving Keith, (n.d. approximately April/May 1964), in appendix to *Public Hearing on A.C.R. 2 (Off-Track betting) and A.C.R 4 (State lotteries)*, 82a.

Despite the appeal of their fiscal forecasts, supporters did not rely solely on economic promises to champion legalized gambling. Their wishful thinking about the lottery also extended to the social benefits they claimed it would bring to the state, a notion encapsulated by the oft-repeated idea that a lottery would provide "painless" revenue. Labor union representative Francis Forst noted at a 1966 hearing that New Jersey should raise money through a lottery because it presented "a painless method, so to speak, of bringing funds into the State without increasing real estate revenue and the use of other forms of taxation."[37] Jersey City Mayor Thomas Gangemi complained that a new tax "hits hardest at those least able to pay," leaving him to endorse a lottery as "the only logical and painless answer to our state's financial problems."[38] Gangemi implied that *taxes*, not the lottery, represented a regressive means of raising revenue, thereby framing gambling as a fair and equitable way to fund the state government. "Painless"—used pejoratively by lottery opponents—effectively summarized supporters' magical thinking. As a "painless" source of revenue, the lottery promised an effortless source of nontax income, a silver bullet for the state.

In New Jersey in the 1960s, the concept of "painless" revenue bore particular classed and racialized implications. Lottery profits would be "painless" because proponents believed they would be painless to white middle-class suburban taxpayers. Lottery tickets, these voters presumed, would be purchased by illegal gamblers, particularly African Americans. State-run

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[37] Francis Forst testimony, *Public Hearing on Senate Concurrent Resolution No. 7 (State Lottery Resolution)*, 65.
[38] Thomas Gangemi, "Jersey City Mayor Urges Off-Track Bet Referendum," Letter to *Courier-Post*, December 18, 1962, 18.

gambling represented a means whereby betting revenue could magically flow into taxpayers' pockets.

Illegal gambling was, in fact, rampant in the United States in the 1960s, especially in northeastern black communities. According to one 1964 antigambling pamphlet, Americans spent approximately $5 billion per year on illegal lotteries. A 1967 Johnson Administration crime commission estimated the total amount bet illegally per year as anywhere between $7 billion and the astronomical, impossible sum of $50 billion (equivalent to roughly $16.7 trillion in 2018 dollars)—though the commission noted the more likely total of $20 billion in combined horserace, lottery, and sports betting. After prizes and expenses, this amounted to approximately $6 or $7 billion in annual gambling profits for organized crime.[39] In New York City alone, players bet approximately $600 million on numbers games annually, and law enforcement officials claimed illegal gambling was a $1.5 billion per-year business in New Jersey.[40]

Black numbers players represented the most prominent participants in this underground betting economy. In the early twentieth century, gambling was an omnipresent feature of urban black life. Numbers games employed thousands of young black men and catered to a massive customer base. Former numbers runner Malcolm X wrote in his autobiography, "Practically everyone played every day in the poverty-ridden black ghetto of Harlem."[41] African-Americans were hardly the only illegal gamblers in the decades before lottery legalization. Latino and white working-class gamblers frequently played the numbers and white ethnics, particularly Catholics,

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[39] Gordon Cole and Sidney Margolius, "When You Gamble-You Risk More Than Your Money," *Public Affairs* pamphlet no. 354 (Public Affairs Committee, Inc., 1964), 7; President's Commission on Law Enforcement and Administration of Justice, *The Challenge of Crime in a Free Society* (Washington D.C.: U.S. Government Printing Office, 1967), 189.

[40] Fund for the City of New York, *Legal Gambling in New York: A Discussion of Numbers and Sports Betting* (New York: Fund for the City of New York, 1972), 2; Ronald Sullivan, "New Jersey's Proposed Lottery," *New York Times*, October 17, 1969, 41.

[41] Malcolm X with Alex Haley, *The Autobiography of Malcolm X* (New York: Ballantine Books, 1999 [1964]), 88.

bought tickets for the Irish Sweepstakes, a Dublin-based lottery that ostensibly benefited Irish hospitals. Nonetheless, in 1969, African-Americans constituted 66.5 percent of gambling arrests nationwide.[42] Despite the near ubiquity of illegal gambling, the heavy-handed policing of black betting and the scale of gambling in black communities such as Harlem and Brownsville led to the widespread association of illegal gambling with black-dominated numbers games. In the 1960s, the standard image of an illegal gambler was an urban black numbers player.

These stereotypes were crucial in driving support for a legal lottery. Lottery supporters reasoned that, because betting was already widespread, a state-run operation would turn illegal numbers players into legal lottery players, painlessly transmitting gambling profits into state coffers. A lottery would not increase the total amount gambled but would allow the government to benefit from an activity already happening across the state. This notion rested on the assumption that gambling represented an inevitable, inexorable impulse. Rather than a cultural phenomenon or an economic practice shaped by cultural context, supporters believed that gambling was an innate human activity that no law could possibly suppress. "How can you stop them," Gladys Mason of Trenton asked, "The poor play the numbers, so why not have a lottery?"[43] Through a state-run lottery, the poor could keep betting and non-gambling taxpayers could gain tax relief with the revenue. Congressman Cornelius Gallagher emphasized what a difference this revenue could make: "if [illegal gambling] revenue could be channeled to the state through a legal lottery, we could abandon all taxation in New Jersey and increase every

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[42] Federal Bureau of Investigation, *Crime in the United States: Uniform Crime Reports—1969* (Washington D.C.: U.S. Government Printing Office, 1970), 118. On the prevalence of numbers gambling in African American communities in the early twentieth century, see: St. Clair Drake and Horace R. Cayton, *Black Metropolis: A Study of Negro Life in a Northern City* (Chicago: University of Chicago Press, 1993 [1945]); Ivan Light, "Numbers Gambling Among Blacks: A Financial Institution," *American Sociological Review* 42 no. 6 (December 1977): 892-904; Shane White et al., *Playing the Numbers: Gambling in Harlem between the Wars* (Cambridge: Harvard University Press, 2010).

[43] Dana Stevenson, "Public Confused But Leans to 'Yes' In State Lottery Vote," *Trenton Times*, October 5, 1969, 3.

service in our state four times over."[44] These voters saw no difference between legal and illegal lottery playing, indicating that perceptions of the pervasiveness of illegal numbers operations helped attract public approval for state entry into the gambling business.[45]

Furthermore, proponents claimed that government-run gambling would not only make money for the state but would serve as a powerful weapon in the fight against organized crime. In the early 1950s, Democratic Tennessee Senator Estes Kefauver captured national attention with widely televised hearings on organized crime in the United States. The Kefauver Commission exposed the mob's extensive dealings in legal gambling in Nevada as well as illegal gambling around the country, forging a link between gambling and criminality. "Gambling profits are the principal support of big-time racketeering and gangsterism," Kefauver alleged. "These profits provide the financial resources whereby ordinary criminals are converted into big-time racketeers, political bosses, pseudo businessmen, and alleged philanthropists."[46] Rather than one of the mob's many illegal enterprises, gambling provided organized crime with the resources it needed to buy prestige and influence. Gambling was not only the result of organized crime's power, it was also a cause of that power.

Kefauver represented the opening salvo of a new federal war on gambling and organized crime. Presidents Kennedy, Johnson, and Nixon expanded law enforcement's tools in the fight against the mob, and all three echoed Kefauver's conclusion that organized crime relied on a deep well of gambling profits. At the grassroots, however, many American voters supported a different strategy to rid the nation of the mob menace. As historian David G. Schwartz notes, the

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[44] Cornelius Gallagher to Harry Sears, December 31, 1969, CAC.
[45] Matthew Vaz, "'We Intend to Run It': Racial Politics, Illegal Gambling, and the Rise of Government Lotteries in the United States, 1960–1985," *Journal of American History* 101, no. 1 (2014): 71-96.
[46] Special Committee to Investigate Organized Crime in Interstate Commerce, *Third Interim Report*, (Washington D.C.: U.S. Government Printing Office, 1951), 2. William Howard Moore, *The Kefauver Committee and the Politics of Crime, 1950-1952* (Columbia: University of Missouri Press, 1974).

Kefauver investigation had an important, unintended side-effect: it exposed precisely how lucrative gambling was for organized crime. Especially in New Jersey, a notorious hotbed for mafia activity, supporters of legalized gambling insisted that illegal games offered a model for the fantastic sums the state could make with a lottery.[47] In 1963, for instance, a Trenton man argued that a legal lottery "would cut out racketeers and benefit all the people within the state."[48] "Monies garnered" through a lottery, a Whitman Park woman wrote, "would not tax an already heavily taxed populace," as taxpayers could be spared from giving more to the state. Instead, bettors would continue to gamble as they always had, and legalized wagering "would pick the pockets of the gambling syndicate who have long had the exclusive right to entice the earnings of people with their sinister motives."[49] Supporters claimed state-run betting would make New Jersey safer and ends the mob's monopoly on the gambling racket. A lottery represented an effective, if unlikely, weapon in the fight against organized crime.

The legalization of gambling in neighboring states also helped the push for a lottery in New Jersey. Though overall sales fell short of initial expectations, when it opened for business in 1967, the New York Lottery was a hit among Garden State gamblers. By 1970, the New York Lottery Commission estimated that approximately 25 percent of its tickets were bought by New Jerseyans.[50] Images of players flocking to New York contributed to the idea that a lottery would raise substantial revenue for New Jersey. One Jersey City woman wrote Governor Cahill that a lottery "will bring in more revenue than income or sales tax [sic]. Do you realize how much is

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[47] David G. Schwartz, "No End in Sight: How the United States Became a Gambling Nation, 1950-2000," in *All In: The Spread of Gambling in Twentieth-Century United States* eds. Jonathan D. Cohen and David G. Schwartz (Reno: University of Nevada Press, 2018), 152-153; on the organized crime in New Jersey in the 1960s, see: Thomas Reppetto, *Bringing Down the Mob: The War Against the American Mafia* (New York: Henry Holt, 2006), 124-143.
[48] Jerry Klein, "How Readers Voted on Legalized Lotteries," *Family Weekly,* November 17, 1963, 4.
[49] Imelda C. Long, "'Syndicate Seen Hurt by Lottery," Letter to *Courier-Post*, June 5, 1968, 18.
[50] Orin Wilcox to Altee Marshall, March 6, 1970, Reel 42, Subseries 3: Third Administration, Series 37: Office Subject Files, Nelson A. Rockefeller Gubernatorial Files, Rockefeller Archives Center, Sleepy Hollow, New York (hereafter "RAC").

spent on N.Y. tickets?"[51] A large windfall was already wasted on gambling, she argued, a windfall that would be bigger than that provided by any broad-based tax. A Plainfield resident explained, "[It's] a shame … when I pick up a New York newspaper and see the thousands who are throwing away (yes, I mean throwing away) a buck for lottery tickets." He was not happy that gamblers squandered their money on lottery tickets, but he implored Cahill to "think of the thousands of bucks we should see coming into the coffers of New Jersey … we need it a lot."[52] Meanwhile, New Jerseyans who gambled in other states were unsurprisingly in favor of more conveniently located lotteries to support their home state. In 1964, Walter Parker of Rahway asked that the Assembly "Let us gamble legal [sic] but just let us help New Jersey … If New Jersey does not have a sweepstakes New Hampshire can always depend on me."[53] For these voters, gambling was not an immoral vice but a creative source of revenue, a way to stem the tide of money heading to the other side of the Hudson River.

In addition to returning border-crossing gamblers to New Jersey, proponents' magical projections of lottery revenue were based on the prospect that tourists would flock to the Garden State for the chance to buy tickets. New Jersey was not the first locale to rely on gambling to attract visitors. Nevada legalized commercial gambling in 1931 and, beginning in the 1950s, Las Vegas embraced tourism as its chief means of economic development.[54] Nearly a decade before the enactment of casinos in Atlantic City, New Jerseyans viewed a legal lottery as a tourist attraction that could serve as a major moneymaker for their state. For example, Assemblyman

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[51] Mrs. George Alexander to William Cahill, July 1, 1970, Folder 1, "Treasury—Lottery 1970," Box 25, Subject Files, 1970-1974, William T. Cahill Gubernatorial Papers, NJSA.
[52] E.A. Pettersen to William Cahill, July 22, 1970, Folder 1, "Treasury—Lottery 1970," Box 25, Subject Files, 1970-1974, William T. Cahill Gubernatorial Papers, NJSA.
[53] Walter Parker to Irving Keith, May 2, 1964, *Public Hearing on A.C.R. 2 (Off-Track betting) and A.C.R 4 (State lotteries)*, 84a-85a.
[54] David G. Schwartz, *Suburban Xanadu: The Casino Resort on the Las Vegas Strip and Beyond* (New York: Routledge, 2003), 78.

Francis Werner justified his estimate of $150 million in annual revenue on New Jersey's particular advantage as a "corridor state" as well as the Jersey Shore tourist industry. Werner was so confident that these conditions would boost sales that he projected that up to 85 percent of tickets would be sold to non-New Jersey residents.[55] A lottery would not divert funds from other businesses, as some opponents feared. Instead, it would redirect existing gambling funds to New Jersey, eradicate organized crime, and attract residents from other states, thereby presenting a new wellspring of painless revenue.

Lottery opponents denied that the lottery would be painless. Focusing on the social costs of gambling, opponents predicated an array of problems that would beset the state if it legalized a lottery. Most prominently, while advocates claimed that legalization could eradicate organized crime, opponents envisioned that the proliferation of gambling would *invite* crime. Harkening back to the specter of mob interference raised by the Kefauver Commission, opponents argued that enterprising mobsters would follow the money over state lines and law enforcement would be incapable of warding them off. Sidney Kingston of East Orange explained, "whether deemed successful or unsuccessful from a revenue producing standpoint" a lottery "would stimulate unlawful gambling instead of retarding it … there would be greatly increased crime, drug abuse, and immorality of all kinds, including much graft," envisioning a rise in both low-level street crime and political corruption.[56] Similarly, while some lottery supporters referenced the long history of lotteries as methods of fundraising in the United States—including financing the

[55] Francis Werner testimony to New Jersey Legislature, Senate Judiciary Committee, in *Public Hearing on Senate Concurrent Resolution No. 7*, 33.
[56] Sidney Kingston to William Cahill, June 14, 1970, Folder 3 "Treasury—Lottery 1970," Box 26, Subject Files, 1970-1974, William T. Cahill Gubernatorial Papers, NJSA.

construction of universities such as Princeton and Rutgers—opponents pointed instead to the corrupt Louisiana lottery that had prompted Congress to regulate lotteries in the 1890s. "We oppose a lottery because its history is one of crime, scandal and corruption," Jeanes stated in 1966.[57] For lottery opponents, gambling was associated with crime not because of the particular circumstances of illegal betting in the United States but because gambling itself was an inherently corrupting enterprise.

Opponents further demonstrated the flaws underlying proponents' projections by focusing on the likely market for lottery tickets. Specifically, they emphasized a lottery would not create "painless" income out of thin air. Instead, gambling would only make money for the state by preying on the state's poorest citizens who would be further enticed to bet if they could do so legally. Amid the federal government's War on Poverty, liberal guardians of public morality and conservative religious leaders were unified by the view that gambling was a dangerous enterprise and that the state should prevent, rather than profit from, its proliferation. Republican Bergen County Assemblyman Joseph C. Woodcock Jr. criticized the lottery as a means of tricking the poor into paying rich peoples' taxes, providing an explicitly racialized image of lottery players: "How many lottery tickets do you think Governor [Nelson] Rockefeller of New York has bought [in the New York Lottery]? I don't know. But I do know they'll be buying them in droves in ghetto neighborhoods in New Jersey by people who can least afford them."[58] A wishful belief in the distant odds of winning the lottery would not be popular among the Rockefeller types, he argued, but among poor and black gamblers. This represented one the most popular critiques of legalized lotteries. In a 1972 survey of individuals who objected to the creation of a state-run numbers game in New York, the most common grounds for disapproval

[57] Reverend Samuel A. Jeanes testimony, *Public Hearing on Senate Concurrent Resolution No. 7*, 33.
[58] Ronald Sullivan, "Lottery Referendum Approved in Jersey," *New York Times*, May 2, 1969, 1.

(35 percent) centered around the belief that the poor would bet more than they could afford—more than twice the number who said gambling was "morally wrong" (16 percent).[59] While some lottery opponents saw gambling as inherently bad, others worried that a legal lottery would expand access to gambling, thereby attracting new players and enticing frequent bettors to spend even more money on long-shot wagers.

In particular, opponents feared that legalized gambling would undermine what they saw as the traditional American work ethic. Though gambling has represented a mechanism of upward mobility since the nineteenth century, opponents argued that hard work represented a core national value and the only right and respectable means of earning wealth. As a result, lotteries threatened to subvert the meritocratic sensibility that historians locate at the heart of both postwar suburban liberalism and suburban conservatism.[60] To belittle the lottery, critics denigrated gambling as offering "something for nothing." This phrase paralleled supporters' arguments about "painless" revenue, as opponents used "something for nothing" to disparage gambling's promise of multiplying money without work. As Assemblyman William Dickey (R-Camden) explained, "I don't feel this state should encourage a something-for-nothing, pie-in-the-sky or get-rich-quick attitude."[61] The state government, Dickey argued, should not provide an opportunity for residents to bypass the traditional meritocracy. The poor would be unable to help themselves from desperately seeking an easy way out. This criticism offered a defense of the traditional meritocracy. Those who worked hard would inevitably climb the social ladder, and lottery playing represented a signal that a poor person *deserved* to be poor because they

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[59] Oliver Quayle and Company, "A Study of the Numbers Game in New York City," Study #1458-A (Bronxville, NY: Oliver Quayle and Company, 1972), 13.
[60] Matthew D. Lassiter, *The Silent Majority: Suburban Politics in the Sunbelt South* (Princeton: Princeton University Press, 2006); Lily Geismer, *Don't Blame Us: Suburban Liberals and the Transformation of the Democratic Party* (Princeton: Princeton University Press, 2014).
[61] Francis M. Lordan, "Lottery Referendum Stirs Dispute in GOP Assembly," *Courier-Post*, January 21, 1964, 3.

attempted to cheat the meritocratic process. A miracle was not an appropriate method to reach the middle-class.

"Something for nothing" not only encapsulated the magical thinking among lottery players but also voters' and legislators' wishful belief that gambling would solve the New Jersey budget crisis. In a 1963 letter, Jeanes predicted the effects of a lottery in New Jersey: young people would first see that their parents "have tried to bypass an old fashioned American tradition of paying for education with old fashioned American tax dollars." Then, youths will learn that "hard work is old fashioned. Just buy a lottery ticket!"[62] Just as the taxpayers tried to get "something for nothing" and receive state services without paying taxes, so too would bettors line up to buy tickets hoping to be miraculously catapulted into a new life. Jeanes believed that, by legalizing a lottery, the state would allow this form of magical thinking to proliferate.

Concerns over the American work ethic often entailed particularly gendered fears of the destructive social effects of gambling. Lottery opponents shared the assumption of Great Society architects that the ideal family model entailed a male breadwinner head of household. Gambling threatened to undermine this structure by luring susceptible fathers who would waste already precious dollars on the long odds of a jackpot. "Is it hard … to envision a young man staking his hope on a lottery ticket instead of an education that would improve his job potential?" Jeanes asked in 1969, imagining the unlikely scenario in which playing the lottery would become a man's sole occupation.[63] Others similarly assumed that lottery patrons would consist largely of

[62] Samuel Jeanes, "The Lottery," Letter to *Trenton Times,* May 24, 1963, 18.

[63] Samuel Jeanes testimony to New Jersey Legislature, State Assembly, Committee on Taxation in *Public Hearing on Assembly Concurrent Resolution No. 32,* March 5, 1969 (Trenton, NJ: Division of State Library, 1969), 18. Robert Self argues that the Great Society was built around "breadwinner liberalism," as it represented the Johnson administration's attempt to enforce traditional gender roles on poor—particularly black and poor—families; Robert Self, *All in the Family: The Realignment of American Democracy Since the 1960s* (New York: Hill and Wang, 2012), 17-46. By contrast, historian Larry Gragg illustrates that images of old women have dominated cultural depictions of problem gamblers in Las Vegas; Larry Gragg, *Bright Light City: Las Vegas in Popular Culture* (Lawrence, KS: University Press of Kansas, 2013), 211-212.

men in dereliction of their familial duties. In 1967, to boost sagging sales, the New York Lottery commissioned salesgirls in miniskirts to pass out information on the lottery on the streets of New York City. This marketing technique sparked concerns that gamblers would be unable to resist buying lottery tickets at the behest of scantily-clad spokeswomen. "Such antics might be expected at a cheap carnival but they are hardly an appropriate activity of government," the *Asbury Park Press* opined the following year, noting that this sales tactic would tempt "the poor"—by which the paper almost certainly meant poor *men*—"into tossing their hard-earned money into a get-rich-quick gimmick," condemning both the sales ploy and the lottery itself as a cheap "gimmick" to attract those desperate for economic advancement.[64] For lottery opponents, gamblers and legislators alike exhibited a magical belief in the potential of the lottery, a wishful belief that confirmed that gambling represented a foolhardy venture for New Jersey.

Lottery opponents' arguments about crime, morality, and regressivity could not withstand the financial promises put forth by lottery supporters. Many opponents implicitly accepted lottery proponents' claims about a magical, beneficent lottery, indicating that the vast majority of New Jerseyans believed that a lottery would produce significant revenue for the state. In 1969, legislation creating a lottery and designating revenue for state institutions—including education—passed the State Assembly and the State Senate with bipartisan support and became a public referendum. Though the bill's particular beneficiaries did not become a major campaign issue, the lottery's passage seemed assured. Even the *Trenton Times,* which editorialized against the bill, acknowledged that polls from both parties revealed the lottery was a "shoo-in."[65]

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[64] *Asbury Park Press*, "The Press Believes," May 19, 1968, 1.
[65] Earl Josephson, "Lottery Seen A Shoo-In; Vote at 18 Doubtful," *Trenton Times*, November 2, 1969, 3

The paper's prognostications proved correct. On November 4, 1969, 2.25 million New Jerseyans voted on the lottery question: 1.9 million voted in favor and only 353,000 voted in opposition, the first referendum in New Jersey's history to win by over one million votes.[66] Support came from across the state. At least 58 percent of voters in every county approved the measure, which received over 90 percent approval in Hudson County (which borders New York) and Atlantic County (home of Atlantic City). Though the lottery received widespread support across the state, suburban taxpayers felt they had been the driving force behind the bill's passage. Two weeks after the lottery referendum, Theodore Morgan of Ship Bottom wrote Governor Elect Cahill, "I hope you will bear in mind the fact that the lottery was most definitely approved by the so-called middle class, senior citizens, also persons who are at the breaking point of high property taxes."[67] Despite Morgan's claim that the lottery had been an act of tax rebellion by the Silent Majority, the lottery bill found even stronger approval in the state's predominately-black urban areas. In Newark, for example, which was 54 percent black and 7 percent Latino, the lottery was approved by a 10:1 ratio, 38,811 to 3,549, an approval rate 7 percent higher than the remainder of the state.[68] Lottery voters looked a lot like the people who were expected to be lottery players.

With a mandate from the populace, the newly formed New Jersey Lottery Commission set about instituting the nation's third state-run lottery. After a careful study of New York's sweepstakes, the Commission and its ticket supplier, Systems Operations Inc., introduced a series of innovations in American legalized gambling. As the nation's pioneering lotteries, New

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[66] Earl Josephson, "Mandated Lottery Sweeps Into Legislative Mill," *Trenton Times,* November 5, 1969, 10.
[67] Theodore R. Morgan, "Cahill is Given Ideas on Lottery," Letter to *Asbury Park Press,* November 18, 1969, 10.
[68] Voting data for most counties found in: "Public Questions, 1969," Box 190, Department of State, Division of Elections, Election Returns, 1911-1997, NJSA; data on Bergen and Middlesex Counties found in: State of New Jersey, *Manual of the Legislature of New Jersey* (Trenton, N.J: J. Joseph Gribbins, 1970), 672-673, 682-685.

York and New Hampshire had striven for respectability. Players were required to write their names on their tickets, which cost $3 in New Hampshire and $1 in New York. Drawings were infrequent and winners were selected through a complicated process involving multiple raffles tied to horse races. The expensive tickets and affiliation with the sport of kings were meant to mark the lottery as a highbrow form of gambling, avoid a federal excise tax on all non-horserace gaming, and ensure the sweepstakes could not be rigged.[69]

New Jersey, on the other hand, adopted a harder-sell tactic, promoting profit over propriety to meet the exaggerated projections that had facilitated the passage of the 1969 referendum. Tickets for a weekly $50,000 drawing cost just 50¢ and could be purchased at supermarkets, taverns, newsstands, and corner stores. These tickets featured the first lottery numbers. Though players could not pick their own numbers, they no longer had to write their address and contact information on every ticket stub. Winners were determined through randomized drawings involving ping-pong balls and the results of an already-run horse race, as the state did not immediately embrace the live drama of horseracing.

On December 16, 1970, the first New Jersey Lottery tickets went on sale. The state's innovative games quickly set a new standard for the lottery industry. On its first day, consumers bought 1.5 million tickets, three times the officially expected figure. Many of the state's nearly 2,000 vendors ran out of tickets by noon. The initial wave of enthusiasm remained high, and, in its first year, the lottery raised $33 million for the state, amounting to approximately $2.75 million every month. By contrast, though New York boasted more than twice the population of New Jersey, the Empire State's lottery raised an average of just $2.5 million per month for the

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[69] Originally, the federal government levied a 2 percent tax on all gambling operations, with an exemption for horse racing. Congress tried to create an exemption for state lotteries in 1965, but the law was unclear, and only clarified in 1976; G. Robert Blakey and Harold A. Kurland, "The Development of the Federal Law of Gambling," *Cornell Law Review* 63, no. 6 (1978): 923-1021.

state in its first 44 months of operation.[70] In its first full year, the New Jersey Lottery sold $72 million worth of tickets. The following year, sales nearly doubled. By 1972, 80 percent of New Jersians had bought at least one ticket and over 90 percent said they approved of the Lottery.[71]

The popularity of lottery tickets in New Jersey led to hyperbolic expectations for lottery revenue in other states, as voters believed that results from the Garden State meant a lottery could address their state's financial issues as well. Connecticut voters were particularly struck by wishful beliefs about the benefits of the lottery. With their state facing the possibility of a new income tax, Connecticut voters turned instead to a lottery, echoing New Jerseyans' arguments in favor of legalized gambling. "I sincerely hope you will sign a bill to put a lottery system in the State of Connecticut," one West Hartford woman wrote Governor Timothy Meskill in 1971, "the States of New Jersey and New York are doing well with a lottery system," as New York Lottery sales had rebounded somewhat after slumping between 1967 and 1969.[72] A Bridgeport woman entreated Meskill, "do no burden the paying tax payers [sic] with a state income tax," insisting instead that he close tax loopholes to raise revenue. Alternatively, she suggested, Meskill could "legalize gambling because the racketeers are getting away with[out] paying taxes."[73] Recaptured revenue from illegal gambling could provide enough revenue to fulfill the state's needs. Similarly, a Stratford voter claimed simply "If they can do it [sell lottery tickets] why

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[70] Ronald Sullivan, "Jersey Lottery Exceeding Expectations," *New York Times*, March 8, 1971, 1; William M. Ham to Joseph Murphy, "Lottery Sales, Prizes, Winners," June 24, 1969, Folder "Lottery Statistics," Box 2, Lottery Correspondence and Regulations, Records of the New York State Department of Taxation and Finance, Law Bureau, New York State Archives, Albany, New York.
[71] *The Central New Jersey Home News*, "Lottery is Odds-On Favorite," April 18, 1972, 32.
[72] Errolette M. Flynn to Thomas J. Meskill, January 25, 1971, Folder "Lottery," Box A-844, Special Revenue Commission: Subject Files, Agency Files, Thomas J. Meskill Gubernatorial Papers, Connecticut State Archives, Hartford, Connecticut (hereafter "CTSA"); United Press International, "New York Lottery Nets $30 Million," *Hartford Courant*, August 1, 1971 5A.
[73] Mrs. P. Edward Feld to Thomas Meskill, January 29, 1971, Folder "Tax Form Letter Sent," Box A-690, Series 5, Thomas Meskill Gubernatorial Papers, CTSA.

can't we[,] it will keep us from a state income tax." New Jersey served as a justification for pursuing a lottery in place of a broad-based tax.[74]

Thus, while declining sales in New Hampshire and New York had marred the perception of lotteries as revenue producers in the 1960s, New Jersey's record-setting revenue catalyzed the spread of lotteries throughout the Northeast in the 1970s. As Connecticut and other states considered instituting state lotteries, they closely examined New Jersey's operation with the hope of replicating its results. In 1971, officials from Pennsylvania, California, and over 20 other states sent inquiries to New Jersey about its lottery and officials from Connecticut and Massachusetts visited New Jersey to examine its lottery firsthand. Both states, as well as Pennsylvania, enacted lotteries in 1971 and all three modeled their lotteries on the Garden State. Massachusetts went so far as to pay the New Jersey Lottery $25,000 for the guidelines and program behind its weekly lottery game.[75] Previously established lotteries sought to imitate New Jersey as well. In the early 1970s, New Hampshire and New York restructured their games to match the cheaper tickets, more frequent drawings, and—they hoped—higher sales that made New Jersey the first successful state lottery in the nation.[76]

However, while it attracted legions of imitators from other states, the New Jersey Lottery failed to meet supporters' magical expectations of a sweepstakes that could singlehandedly solve the

[74] Ed Conte to Thomas Meskill, March 4, 1971, Folder "Lottery," Box A-844, Special Revenue Commission: Subject Files, Agency Files, Thomas Meskill Papers, CTSA.
[75] Richard Boudreaux, "N. Jersey Lottery Attracts 5 Others," *Washington Post*, April 30, 1972, E6; State of Connecticut Auditors of Public Accounts, "Auditors' Report: Commission on Special Revenue," January 9, 1973, Folder "Special Revenue, M-Z," Box A-843, Agency Files: Special Revenue Commission, Thomas Meskill Papers, CTSA; *Concord Monitor* (Concord, NH), "The Selling of the Lottery," May 31, 1973; Fredrick D. Stocker, "State Sponsored Gambling as a Source of Public Revenue," *National Tax Journal* 25 (1972), 437.
[76] Robert R. Douglass to Howard P. Miller, "State lottery ticket price," July 23, 1971, Reel 37, Subseries 4: Fourth Administration, Series 37: Office Subject Files, Nelson A. Rockefeller Gubernatorial Files, RAC.

state's fiscal crisis. Crucially, sales were high relative to New Hampshire and New York but extremely low relative to the exaggerated estimates of $300 or $500 million that had motivated pro-lottery voters. Few proponents had accounted for the fact that profits represent a maximum of approximately 50 percent of gross lottery sales. At least 30 percent of revenue is returned to players via prizes (in its early years, New Jersey returned 45 percent of sales to prizes). In 1971, New Jersey's $72 million in lottery sales netted $33 million for the state, amounting to approximately 2 percent of the state's $1.5 billion total revenue. That year, New Jersey's lottery commissioner acknowledged the limited amount of revenue raised by state-run gambling: "I don't think lotteries will solve the financial woes of the states, nor are they the salvation of the taxpayers. They simply don't generate enough money. They should be thought of as incidental revenue rather than basic taxation."[77] Notwithstanding the wishful thinking that had gotten the referendum passed, legislators wanted New Jerseyans to think of the lottery as bonus money for the state, not a fundamentally vital source of revenue that could fix the budget crisis.

Thus, in the weeks before and after the referendum, supporters who had celebrated a lottery as a panacea tried to downplay the lottery's financial impact should it fail to have the outcome they predicted. John Brown, who had projected $200 million per year in sales, backtracked just a month before the lottery vote, admitting that "If the people vote for it to really bail the state out, they're voting for it for the wrong reason," though he offered no alternative basis to enact a lottery other than the potential revenue.[78] William Musto, the chief apostle of the massive, painless windfall a lottery could provide for New Jersey, similarly changed course just two weeks after the referendum. Musto implausibly explained, "revenue is my last consideration. Whether it makes $1 million or $100 million is not important," claiming that he simply wanted

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[77] *Boston Globe*, "Lottery: What Odds for the $?," August 7, 1971, 1.
[78] Stevenson, "Public Confused But Leans to 'Yes' In State Lottery Vote."

New Jerseyans to have access to the excitement of lottery tickets.[79] In the early 1970s, as state spending continued to grow and inflation put a heavier burden on property taxes, some state officials began calling for New Jersey to pass its first income tax. Musto had accounted for the possibility that a lottery would not solve the state's problems, explaining in 1964, "one thing is certain: The State cannot lose money on a lottery. If it does not bring in enough to meet needs [sic], we can then turn elsewhere, and the 'illusion' of lottery riches will not impede the proponents of new taxes."[80]

Yet, that is precisely what happened. In the 1970s, the misperception that the state had received a massive lottery windfall led voters to believe that New Jersey did not need any new tax revenue. Though their state continued to face budget issues stemming from a small sales tax, the concentration of property taxes at the local level, and the lack of an income tax, New Jerseyans had convinced themselves that a lottery would forestall any new broad-based tax. In 1976, Edna Vincent of Point Pleasant Beach wrote matter-of-factly that she opposed an income tax because, thanks to the lottery, "there is no need for a state income tax, as there is a surplus of cash in the state's treasury."[81] A Brooklawn voter believed that, between the "substantial" revenue from the sales tax and the lottery, the state had "an astronomical amount of money" to support public schools and could not possibly need an income tax as well.[82] These views were built around a fundamental misunderstanding of the size and scale of state government revenue and expenditure. Because they focused on the total lottery income, rather than that sum relative to the state budget, these voters mistakenly believed that the lottery was a crucial measure that balanced the budget.

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[79] *Trenton Times*, "Numbers Runners Needn't Fear Lottery," November 18, 1969, 6.
[80] William Musto testimony, *Public Hearing on Assembly Concurrent Resolution No. 32*, 11.
[81] Edna I. Vincent, "Income Tax Unnecessary," Letter to *Asbury Park Press*, April 10, 1976, 11.
[82] Earle D. Moon, "A Duplication of Taxes for Public Schools," Letter to *Courier-Post*, July 22, 1976, 12.

Supporters refused to admit they had been wrong. Most taxpayers recognized that the lottery had not resolved the state's financial situation. Yet, rather than illustrate the inadequacy of gambling as a revenue source, the failure of the lottery to meet New Jerseyans' hyperbolic revenue expectations led to a widespread distrust towards the state's handling of tax revenues. In the early 1970s, disappointed taxpayers grew frustrated that gambling, like the sales tax, had failed to solve New Jersey's budget imbalance. A.L. Jacobson of Sea Girt explained: "We have had two schemes for relieving property taxes … One, the sales tax, the other, the lottery. The citizens of this state have had little or no relief from higher property taxes as a result of these measures."[83] Jacobson equated the lottery with the sales tax. He assumed each measure to be a cure-all, and further assuming that the two measures were equally significant for the state treasury. Lottery supporters like Mutso had promised voters that a lottery would stave off a tax increase. When the lottery passed and gamblers bought huge quantities of tickets, taxpayers were confused as to why the lottery had not prevented new taxes, unaware that they had been misled by impossible expectations of the lottery's impact.

As a result, voters came to believe the lottery had failed to alleviate their tax burden because of an inefficient and wasteful state government. In the 1960s, voters' frustration with property taxes had stemmed from surging tax burdens. Perhaps because these taxes were handled at the local level, voters' discontent had centered on the level of taxes, not the efficiency of how government handled them. Yet, especially amid growing distrust of government in the wake of the Vietnam War and the Watergate scandal, New Jerseyans thought that an income tax was only on the table because the state government had misused revenue from the lottery and the sales tax. "Why should the people trust the governor or the Legislature?" a Moorestown man argued, "The

[83] A.L Jacobson, "No Relief Foreseen With Tax Package," Letter to *Asbury Park Press*, June 30, 1972, 15.

excuse for the sales tax was it would reduce property taxes. This was a laugh. The excuse of the lottery was it would aid the schools. This was another disaster."[84] Voters expected immediate, visible results after the lottery passed and blamed the state when these failed to come to fruition.

The most common manifestation of this sentiment accused state bureaucrats of scurrying away lottery funds. "Initially, the tax purpose [sic] was so property owners wouldn't carry the entire burden of education in the state," Marcella Ryan wrote in a letter to the *Asbury Park Press*. "The lottery was supposed to take care of this but instead has just given a few more 'in people' a few more plush jobs."[85] Anger against bureaucrats for hoarding lottery funds was built on the misperception that lotteries presented a vital means of raising revenue. Voters simply could not believe they had relied on wishful thinking, assuming instead that the state must be mismanaging the lottery. Doubling down on the possibility that a lottery offered a windfall, taxpayers implied that the lottery had proven ineffective because of its operation by greedy officials, not because of their own exaggerated expectations.

Therefore, lottery proponents maintained their magical belief in the possibility of the lottery. Instead of acknowledging, as lottery opponents had for years, that increased taxes were necessary to adequately fund state services, gambling supporters retained the belief that with a few adjustments—such as the reduction of state bureaucracy—a lottery could replace broad-based taxes. In 1971, a Toms River taxpayer proposed that the lottery operate a daily numbers game, claiming, "if the lottery is expanded to daily play, it is not [sic] necessary for us to be saddled with a state income tax."[86] New Jersey did in fact introduce the nation's first daily lottery in 1972 to compete directly with illegal numbers games, but this sales boost could not

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[84] Charles E. Schropp, "Income Tax Issue," Letter to *Courier-Post*, August 8, 1975, 14.
[85] Marcella C. Ryan, "The Income Tax Farce," Letter to *Asbury Park Press*, September 13, 1976, 8.
[86] Joseph J. Reiner, "Daily Lottery Called Tax Saver," Letter to *Asbury Park Press*, December 31, 1971, 10.

offset a tax increase. Even as evidence mounted against them, voters indicated an enduring faith in lotteries as a replacement for traditional taxes.

By the mid-1970s, it appeared that New Jerseyans had learned that gambling could not solve their state's financial problems. In 1974, by a 3-2 margin, voters defeated a measure that, after a five-year test period in Atlantic City, would have allowed any New Jersey municipality to decide to legalize casino gambling. The bill had been presented as another panacea. For Atlantic City residents, historian Bryant Simon explains, casinos represented a "magic bullet." "No matter the problem" facing the city, "unemployment, urban decay, or race relations," proponents promised that casinos "would fix it." Other advocates went even further, claiming that casinos represented a means of staving off the possibility of a state income tax. The advocates mimicked the lottery campaign, claiming that casinos represented a "painless" source of revenue that could provide hundreds of millions of dollars for New Jersey.[87]

Voters had been duped by this sort of language before, and many New Jerseyans explicitly attributed their opposition to the casino measure to the failure of the lottery. Anita Bellin of Middletown Township opposed the casino bill because "in 1969 promoters of the lottery said it would yield approximately $200 million annually to the state." But, with sales of just $89 million in 1974, "the voting public, led to believe that the lottery would solve our problems in funding education, has been sadly disillusioned."[88] New Jerseyans were newly skeptical about bountiful promises of revenue. "Politicians would like us to believe that the casinos will bring in all sorts of money into the state's coffers," one New Jerseyan wrote to the *New York Times*, "it seems we heard that story when they asked us to approve the lottery,"

[87] Bryant Simon, *Boardwalk of Dreams: Atlantic City and the Fate of Urban America* (Oxford: Oxford University Press, 2006), 175; Ronald Sullivan, "Legal Gambling Sought in Jersey," *New York Times,* February 11, 1972, 40.
[88] Anita Bellin, "Gaming Revenue Questioned." Letter to *Asbury Park Press,* October 30, 1974, 18.

though the state now faced a sales tax increase and the possibility of an income tax.[89] If casino supporters wanted to drum up public support, it appeared they would have to do more than frame their measure simply as a windfall for the state.

Yet, the desire to raise revenue through gambling instead of taxation endured following the legalization of the state lottery and the failed casino vote. In the mid-1970s, as the national and state economy faced rising unemployment and surging inflation, New Jersey's budget crisis reached a point where voters faced the possibility of service cuts. Then, in 1976, a referendum legalizing privatized casinos in Atlantic City passed easily. Following their defeat in 1974, casino supporters, including William Musto, shifted the debate away from gambling onto the benefits casinos could provide, highlighting the revitalization of Atlantic City as well as the portion of casino revenue that would benefit the state's elderly population. As one assemblyman noted, "At a time when the Governor is cutting out such Medicaid items as physical therapy in hospitals, we should look seriously to casino gambling as a way of financing these worthwhile services."[90] Voters had finally been forced to reckon with the possibility of reductions in state services, and casino supporters presented legalized gambling as a way to prevent these cuts. Despite the failure of the lottery, voters hoped the long-shot-bet of legalized gambling would finally pay off.

Thus, the something for nothing ethos that had driven lottery legalization in New Jersey endured, even as it remained clear that the lottery would not fundamentally alter New Jersey's financial

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[89] Arnie Wexler, Letter to *New York Times*, September 12, 1976, 358.
[90] George Sternlieb and James W. Hughes, *The Atlantic City Gamble* (Cambridge: Harvard University Press, 1983), 50.

standing. In its first six years, the lottery provided, on average, 2.5 percent of total annual state revenue. For a brief period, the panacea promoted by William Musto and others boasted the highest per capita lottery sales in the nation. Yet even such record-breaking sales fell far short of the swelling expectations that had taken hold of the public imagination during the 1960s. In 1981, the lottery raised $175 million for the state, approximately 3 percent of total state income. Though sales rose above $1.2 billion by 1991, revenue and expenditure grew as well, and the lottery continued to provide the same percentage of revenue.[91]

In the wake of the lottery's failure to fulfill its promise to fundamentally restructure New Jersey's revenue system, taxpayers were finally forced to reckon with the inequities of their locally-structured tax system. In 1970, a northern New Jersey lawyer brought suit on behalf of Jersey City sixth grader Kenneth Robinson against Governor William T. Cahill. The suit alleged that the State of New Jersey has failed to protect Kenneth's right to an equal education under the state constitution's pledge to provide a "thorough and efficient" public education, thereby also violating the equal protection clause of the Fourteenth Amendment. In *Robinson v. Cahill* (1973), the State Supreme Court agreed with the plaintiff, condemning New Jersey's property-tax based system as unconstitutional because it abandoned students like Kenneth to poorly funded school districts that did not have the tax base to provide equal opportunities. After three years of follow-up court rulings, failed tax proposals, and negotiations, the court, led by chief justice and former governor Richard Hughes, ruled that New Jersey could provide funding for urban education or not provide any education at all. In a dramatic measure, the Court closed

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[91] State of New Jersey, *Budget: Fiscal Year 1981-1982* (February 2, 1981), NJSL; State of New Jersey, *Budget: Fiscal Year 1991-1992* (n.d., probably February 1991), NJSL. Similarly, projections that a lottery would eliminate illegal gambling prove false as well. The superintendent of the New Jersey State Police noted in 1972: "There is no indication that [the New Jersey Lottery] has had a significant effect on the illegal daily numbers play. The average daily numbers player is not satisfied with a weekly lottery plan and demands daily action to satisfy his gambling desire." Charles Stapleton, "Daily Lottery Challenging Crime," *Courier-News* (Bridgewater, New Jersey), November 24, 1972, A-14.

public schools statewide until the legislature settled on an acceptable formula for equitable education funding. Reluctantly, a bill creating an income tax passed in 1976 with bipartisan support and the state gradually assumed a greater role in education funding, though the new tax distribution formula continued to favor wealthier areas.[92]

The debates over a state-run lottery in New Jersey signal the power of magical thinking in times of fiscal crisis in the United States. In New Jersey in the 1960s, voters' wishful thinking led them to ignore mounting evidence of the ineffectiveness of gambling as a means of public finance. Instead, they believed that a lottery would allow them to have it all: locally run services subsided by an expanding state government that would not augment property taxes with a broad-based tax. In times of trouble, politicians and voters have historically sought to avoid the hard truths dictated by economic orthodoxy, seeking alternative ways out. A state lottery presented one such solution, though, like other panaceas before it, the lottery ultimately shifted the burden of paying for government away from the wealthy, perpetuating inequality and increasing the share of revenue drawn from those with less means.

Thus, despite the promises of state officials, gambling ultimately represented a relatively small source of state revenue. Like the bettors who voters hoped would buy tickets to subsidize their taxes, lottery proponents believed a miraculous windfall from legalized gambling could solve their state's budget crisis. In a 1969 editorial, the *Trenton Times* pointed to the parallels between gamblers and state officials, "The lure of getting something for nothing, which draws millions of Americans to … illegal numbers and policy rackets, obviously has some appeal to

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[92] *Robinson v. Cahill*, 118 N.J. Super. 223, 287 A.2d 187 (L. Div. 1972); Paul L. Tractenberg, "Reforming School Finance through State Constitutions: *Robinson v. Cahill* Points the Way," *Rutgers Law Review* 27 no. 3 (1974): 365-464; Richard Lehne, *The Quest for Justice: The Politics of School Finance Reform* (New York: Longman, 1978); Margaret E. Goertz, "School Finance in New Jersey: A Decade after *Robinson v. Cahill*," *Journal of Education Finance* 8, no. 4 (1983): 475-489; Deborah Yaffe, *Other People's Children: The Battle for Justice and Equality in New Jersey's Schools* (New Brunswick: Rivergate Books, 2007), 9-58.

New Jersey legislators."[93] With the state's working- and middle-classes squeezed by property taxes, New Jersey's not-so-silent majority advocated for a lottery to provide funding for services—particularly transportation and education—of which they were the primary beneficiaries. However, the history of the New Jersey Lottery indicates the danger behind the implication that gambling can solve state budget crises. If citizens want government services, they have to make choices and sacrifices regarding how to pay for them. Raising revenue from gambling may have been a fruitful experiment in the 1960s, but it has unambiguously failed in its promise, a promise built on fiscal alchemy rather than budgetary reality.

[93] *Trenton Times,* "State Lottery Offers Gamble That Can't Win," February 13, 1969, 14.

CHAPTER 2

Not Luck, But the Work of God: The Meritocracy of Lottery Miracles

Daysi Fernandez was desperate to change her luck. A 37-year-old immigrant from the Dominican Republic, Fernandez lived in Washington Heights with her husband Delio and their three children. Despite Delio's steady salary from a nearby factory, Fernandez frequently fretted over her family's finances. "I dream all the time of money," she explained. "Not big, you know, but little money [sic]. Every time I'm thinking of my children … [and] their education."[1] Beginning in 1978, she sought extra funds for her children's education through the New York Lottery, playing four different games weekly.[2] Despite praying for a jackpot, she never successfully picked the winning numbers.

Fernandez did not waver in her belief that heavenly forces could attract a life-changing financial windfall. On June 27, 1981, with the grand prize for the New York Lottery's rollover lotto game sitting at a then-state-record $2.87 million, Fernandez took action to improve her odds. Fernandez asked Christopher Pando, a deeply devout friend of her eldest son, to purchase $4 in tickets on her behalf, hoping his piety would increase her chances of winning. As Pando later testified in an affidavit: "Mrs. Fernandez, knowing that I am religious and a strong believer in [the Santeria deity of] St. Eleggua asked me … whether or not I could get my Saint to win the Lottery. I told her that I did not know, but I would try."[3] Pando went to a local liquor store where he purchased four tickets. To fulfill his promise to Fernandez, he prayed to St. Eleggua while he

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[1] *Lottery Player's Magazine*, "Cinderella Millionairess Finally Surfaces" 1, no. 1 (1981).
[2] Associated Press, "$2.8-Million Lottery Winner Finally Shows Up," *Los Angeles Times,* July 3, 1981, A4. On the history and mechanics of lotto, see chapter 4.
[3] *Pando v. Fernandez,* 127 Misc.2d 224, 485 N.Y.S.2d 162, (1984); Eleggua (also spelled "Elegua" or "Elequa") represents a manifested spirit (Orisha) from Santeria associated with Saint Michael and Saint Anthony of Padua.

selected his numbers.[4] Two days later, the duo discovered that, at approximately four-million-to-one odds, Fernandez's ticket bearing the numbers 17-22-23-26-31-37 was worth nearly $3 million. Her financial troubles were over. The jackpot, however, brought on new problems of its own.

At a press conference to celebrate her prize, Fernandez credited God with her windfall. "All the time I prayed to my Lord," she stated, though she did not mention Pando, nor did she discuss any plans to share her winnings. Instead, she described the jackpot as an answer to her prayers, a testament to the power of faith.[5] When it became clear that she had no intention of splitting the jackpot, Pando felt cheated. He thought *his* prayers had led to the miraculous win and that he deserved a share of the money. Pando was so sure he had a right to her winnings that he filed suit in court, claiming that he was owed a portion of Fernandez's newfound millions.

Pando's suit was initially rejected on the grounds that he could not prove that his prayers had made Fernandez win the lottery. Judge Edward Greenfield reasoned that Pando and Fernandez's agreement rested on divine intervention. "The condition was not that the numbers chosen would win," Greenfield wrote, "but that the saint was to make the numbers win." As a result, in order to recover a share of the winnings, Pando would have to "demonstrate that his prayers caused the miracle to occur." This, Greenfield held, was impossible. "In the modern courtroom, there is no way to prove that his faith in prayer brought about the winning ticket … He can testify that he prayed, but who is going to provide the proof that his prayers were efficacious and that the saint caused the numbers to win?"[6] Unless Pando could prove St. Eleggua had caused the jackpot, he had no claim over her prize.

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[4] Christopher Pando, "Affidavit of Christopher Pando," *Appendix to Brief of Plaintiff-Appellant,* Pando v. Fernandez, *118 A.D.2d 474* (N.Y. App. Div. 1986), New York State Library, Albany, New York.
[5] *Weekly World News,* "She Gives God Credit for Lottery Win," August 11, 1981, 4.
[6] *Pando v. Fernandez,* 127 Misc.2d 224 (1984); Donna Stein, "Judge Rules Teenager Doesn't Have a Prayer in

Two years later, however, the state's court of appeals reversed Greenfield's decision. Pando's fulfillment of the agreement was not contingent on proving that he had persuaded St. Eleggua to intervene. Rather, the court maintained that Pando's "prayers in this scenario had value to [Fernandez] because she believed in their power to help effectuate the desired end."[7] After she asked Pando to pray over the tickets, Fernandez could not subsequently deny that she believed prayer could improve her chances of winning. Legally, it did not matter whether or not Pando could prove that his actions had actually affected the drawing. Because she *believed* they would help, the two of them had formed a legally binding verbal contract to split the winnings. Thus, the court opened the doors for a jury trial regarding Pando's right to a share of the prize. Ultimately, in 1988, seven years after the lottery drawing that made Daysi Fernandez a multimillionaire, Christopher Pando was awarded half of her jackpot. "It took the patience of a saint," one headline read, but his prayers were finally answered.[8]

Though theirs was a uniquely dramatic case, Daysi Fernandez and Christopher Pando exemplify the connection between faith, gambling, and magical thinking among American lottery players. Gambling is built around uncertainty and risk, but, in the 1970s and early 1980s, bettors did not approach lotteries as simple games of random chance. In an effort to improve their odds, gamblers used a variety of tactics, from praying to the divine to using lucky totems to tapping into precognitive abilities. This behavior is rooted in what psychologist Ellen Langer deems the "illusion of control," the magical belief that an individual can affect the result of an event outside of their visible control.[9] These types of practices are intrinsic to gambling, as

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Lottery Case," *Lottery Player's Magazine* 5, no. 2 (1985).
[7] *Pando v. Fernandez*, 118 A.D.2d 474 (1986).
[8] Jack Alexander, "Bachelor Wins 7-Year Battle With Neighbor For Share of Lottery Payoff," *Weekly World News*, May 17, 1988.
[9] Ellen Langer, "The Illusion of Control," *Journal of Personality and Social Psychology* 32, no. 2 (1975): 311-328.

evident, for instance, in an ancient Roman game board that includes an inscription calling for Jesus' to help to win dice games.[10] In studies from around the globe, sociologists, psychologists, and behavioral economists have categorized these behaviors as forms of "superstition," an implicitly primitive form of magical thinking based around rituals that fall outside the bounds of traditional, institutional religion.[11]

However, the religious rituals of American lottery players in the 1970s reveal that gamblers' seemingly simplistic, superstitious practices bear serious theological implications. For Christopher Pando and many others, "superstitious" acts were innately tied up with the religious practice. Pando's prayer illustrates not only his attempt to exert control over the lottery drawing but also his belief that he could influence supernatural forces to help him win the lottery. Furthermore, superstition fails as a category for these behaviors because American lottery players' illusion of control extended beyond the rituals they used to help their gambling. Lottery winners, in particular, engaged in a specific type of magical thinking after they hit the jackpot. Seeking an explanation for why they won, many winners offered narrative retellings of their gambling experience that centered around the role of the divine in helping them overcome the odds of the lottery. Due to the overwhelming unlikelihood of winning, many winners, like Daysi Fernandez, reasoned that mathematical probability could not sufficiently explain their good

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[10] Nicholas Purcell, "Literate Games: Roman Urban Society and the Games of *Alea*," *Past and Present* 147 (1995): 19 n. 70.

[11] On superstition, gambling, and the illusion of control, see: James M. Henslin, "Craps and Magic," *American Journal of Sociology* 73, no. 3 (1967): 316-330; Stuart A. Vyse, *Believing in Magic: The Psychology of Superstition* (New York: Oxford University Press, 1997); Rosa Bersabé and Rosario Martinez Arias, "Superstition in Gambling," *Psychology in Spain* 4, no. 1 (2000): 28-34; Allen J. Windross, "The Luck of the Draw: Superstition in Gambling," *Gambling Research*, 15, no. 1 (2003): 63-77; Jackie Joukhador, Alex Blaszczynski, and Fiona Maccallum, "Superstitious Beliefs in Gambling Among Problem and Non-Problem Gamblers: Preliminary Data," *Journal of Gambling Studies* 20, no. 2 (2004): 171-180; Ohtsuka Keis and Chi Chuen Chan, "Donning Red Underwear to Play Mahjong: Superstitious Beliefs and Problem Gambling Among Chinese Mahjong Players in Macau," *Gambling Research* 22, no. 1 (2010): 18-33; Marina D'Agati, "'I Feel Like I'm Going to Win': Superstition in Gambling," *Qualitative Sociological Review* 10, no. 2 (2014): 80-101.

fortune. Instead of acknowledging that they had gotten extremely lucky, winners constructed what religious historian Robert Orsi calls "narratives of grace," retrospective theological statements that frame an occurrence as the product of divine intervention.[12] These narratives served to erase luck and chance, portraying lottery prizes as the result of divine miracles.

Lottery winners' narratives can be divided into two categories based on the role each winner claimed the supernatural played in their jackpot. Some winners insisted that their prize was the work of unpredictable supernatural forces that govern the universe. These forces were not affected by human actions but ensured the proper people were rewarded with material blessings, even if they did not entreat or ask for divine assistance. Other lottery winners offered a different type of theological formula, one which emphasized the role of both human and divine agency. Like Pando's insistence that his prayers had caused Daysi Fernandez's jackpot, these narratives maintained that God was responsible for winners' prize but also maintained that human action was crucial to soliciting divine aid. Even though winners had no proof that their prayers had played a role in securing their prizes, they drew causality between their actions, God, and their jackpot.

Both of these narratives represented lottery winners' attempt to assert control over the miraculous event that had befallen them and changed their life. Just as gamblers try to influence the results of their bets, winners tried to exert control in retrospect, claiming they understood precisely why and how they had won. While superstitious gambling is ubiquitous, lottery winners' retrospective expressions of divine gratitude are unique to the United States, thereby offering insight into a distinctive characteristic of American gambling.[13]

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[12] Robert A. Orsi, *Thank You, St. Jude: Women's Devotions to the Patron Saint of Hopeless Causes* (New Haven: Yale University Press, 1996), 123.
[13] Studies from South Africa and Taiwan show a widespread connection between faith and gambling but few lottery winners who expressed divine gratitude for their wins: Robert P. Weller, "Matricidal Magistrates and Gambling

Lottery winners' narratives served an important function in the religious and cultural context of the 1970s. Facing a traditional work ethic that looked down on wealth not earned through hard work, winners used religion to connect their money to their merit. These attributions of prizes to God coincided with the flowering of the prosperity gospel, a theology which tied divine merit to material reward. Lottery winners rhetorically included themselves in what prosperity gospel scholar Tony Tian-Ren Lin dubs a "miraculous meritocracy," a religious system in which those worthy of divine favor will see economic miracles occur on their behalf.[14] Lottery winners reveal that the principles previously attributed to this specific branch of Christianity were pervasive throughout American religious and secular culture for Santeria followers, Protestants, as well as Catholics—who demonstrated a particular comingling of faith and gambling. For all of these gamblers, lottery prizes offered evidence of God's interest in believers' financial wellbeing. Gamblers attempted to exert control over their luck and over the story of how they won. Their rhetoric and their betting practices reveal a pervasive connection between faith, merit, and money in American life.

In the 1970s, lottery winners had to come to terms with the fact that not only had they become instantaneously wealthy but also that they were among the first Americans to have their lives changed through the highly improbable means of a lottery jackpot. Despite the longstanding popularity of rags-to-riches narratives in American culture, sudden riches were in rare supply in

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Gods: Weak States and Strong Spirits in China," *The Australian Journal of Chinese Affairs* 33 (1995): 107-124; Ilana van Wyk, "Prosperity and the Work of Luck in the Universal Church of the Kingdom of God, South Africa," *Critical African Studies* 7, no. 3 (2015): 262-279. Similarly, a survey of lottery winners in Finland found almost no players who attributed their jackpots to the supernatural: Pasi Falk and Pasi Mäenpää, *Hitting the Jackpot: Lives of Lottery Millionaires* (Oxford: Berg, 1999), 8.

[14] Tony Tian-Ren Lin, "The Gospel of the American Dream," *Hedgehog Review* 15, no. 2 (2013), 41.

the post-World War II United States with the exception of the game show craze of the 1950s. The odds of winning might be low, but lotteries offered a new kind of transformative wealth. As gambling experts Chris Gudgeon and Barbara Stewart write, “the lottery is the only reliable miracle left in this age of reason.”[15]

Because of the distant odds of hitting the jackpot, many gamblers did in fact see winning the lottery as a miracle. This view was especially concentrated among lottery winners, the lucky few who had defied probability. After they won, winners sought to rationalize their life-changing prizes. For many, the simplest explanation of their prizes—that they were the lucky winner in a contest with millions of players, at least one of whom was certain to win—failed to justify why such a life-changing event had befallen *them*. As economist Robert Frank explains, “The huge difference between the likelihood of a strange event happening to you now and the likelihood of that event happening to someone, sometime, clouds our intuition about highly improbable events.”[16] When improbable events occur—either negative (such as a rare disease) or positive (like a lottery jackpot)—human instinct is to understand why. In these moments, explanations rooted in probability and randomness offer insufficient justification for life-changing events.

Instead, many lottery winners turned to the supernatural to explain their good fortune, reasoning that the divine forces must have been responsible for their jackpot. West Virginia lottery winner Russel Husk, for example, argued that his prize “was not luck, but the work of God.”[17] Rather than acknowledge that *someone*, *somewhere* as bound to win the lottery, Husk focused on his own odds of winning. Because his chances were so bad, he mistakenly believed

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[15] Chris Gudgeon and Barbara Stewart, *Luck of the Draw: True-Life Tales of Lottery Winners and Losers* (Vancouver: Arsenal Pulp Press, 2001), 11.
[16] Robert Frank, *Success and Luck: Good Fortune and the Myth of Meritocracy* (Princeton: Princeton University Press, 2016), 57.
[17] Ben Johnson, *The Lottery Book: Play to Win!* (New York: Avon Books, 1991), 167.

that his win was mathematically impossible. He reasoned instead that only a supernatural miracle could explain his prize. Similarly, a New York winner claimed that the odds of his jackpot were "only fifty-fifty, because either God is going to give it to you or He's not."[18] Mathematical odds were immaterial. Players could only win the lottery, he suggested, if God allowed them to, as the divine offered the lone logical explanation for this life-changing event.

By this calculus, luck and God were diametrically opposite forces. Whereas the former was random and capricious, the latter was purposeful and precise. God did not select lottery winners arbitrarily but carefully chose the recipient of every jackpot. William Inman, the fifth winner of the Illinois Lottery million-dollar drawing, noted, "I personally believe in God, and I personally believe He did it. I just wonder why out of all these people God had to pick me … He probably had His reasons."[19] Inman asserted that the results of lotteries were decided by an invisible, unknowable divine formula. Inman inferred that he did not have the ability to influence God's choices nor was he able to understand why he had been chosen. Thus, he attributed his prize to the Christian conceptions of grace, a theology rooted in the passivity of human actors and the impenetrability of divine decision-making.

Lottery players were able to see jackpots as divine intervention thanks to the parallels between gambling and religion. Theologian Kathryn Tanner argues that the lottery, like faith, is built around the promise of an uncertain reward from an unknowable system. For believers and for bettors, the future hinges on an invisible system outside of human control: "Religious life and games of chance are both ways of dealing … with life's precarious prospects."[20] Religious

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[18] Roy H. Kaplan, *Lottery Winners: How They Won and How Winning Changed Their Lives* (New York: Harper & Row, 1978), 84.
[19] Jerry LeBlanc and Rena Dictor LeBlanc, *Suddenly Rich* (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1978), 35.
[20] Kathryn Tanner, "Grace and Gambling," in *Gambling: Mapping the American Moral Landscape*, eds. Alan Wolfe and Erik C. Owens (Waco: Baylor University Press, 2009), 228.

opponents to gambling draw their anger not from the differences between faith and gambling, Tanner argues, but from the similarities between the two, particularly their shared focus on grace. Thanks to this resemblance, winners associated of God and gambling as they tried to explain their success.

Crucially, lottery winners discussed the role of supernatural forces *after* they had already won. By definition, gamblers could not declare they had received a gift from God before they actually obtained their prize. The case of Curtis Sharp illustrates why the retrospective nature of these narratives was key to the magical belief that God was responsible for lottery jackpots. Sharp worked as a mail porter at Bell Laboratories in New Jersey, and, in 1982, his coworker offered to buy New York Lottery tickets on his behalf. With his coworker's departure for New York imminent, Sharp quickly jotted down number combinations for three tickets. His final set of numbers matched those drawn in the lottery and he won $5 million, one of the largest jackpots ever awarded in the United States at that time.

In a press conference shortly after he won, Sharp explained that he had picked his numbers randomly, that they had "popped into [his] head."[21] However, in the weeks and years that followed, Sharp's jackpot launched major changes in his life. He became a nationally recognized spokesman for the New York Lottery, appeared on late-night talk shows, held a lavish wedding, bought a 14-room house, and was flooded with requests for money from prospective business partners as well as passersby on the streets of Manhattan. "I could walk down the street," he later remembered, "and they would come up to me and ask for autographs and talk to me like they've been knowing me for years." As his circumstances changed, so did his story of how he had won the lottery. In an interview with *Ebony* magazine four months after

[21] Susan Heller Anderson, "$5 Million Fantasy Becomes a Reality in New York Lotto," *New York Times*, December 1, 1982, B1.

he hit the jackpot, Sharp claimed that, as he began writing his third, ultimately winning, set of numbers, “God started guiding my hand.”[22]

Sharp’s retrospective revision of his lottery narrative was not a simple rhetorical adjustment but an indication of the forces he believed were responsible for his jackpot. Like many winners, Sharp attributed his prize to God for three specific reasons. First, Sharp’s life was growing increasingly unfamiliar. Faced with appeals for money from family members, acquaintances, and strangers, many winners chose—or were forced—to quit their jobs or move into new homes. As a result, sociologist Roy Kaplan writes, winners felt “powerless” and “turned to the supernatural in an attempt to explain and direct their lives, which were becoming increasingly confused and meaningless.”[23] Though God had not played a role in Sharp’s initial accounts of how he had won, as his life became unfamiliar, he sought to explain the disruptions as more than the result of randomness. By crediting his prize to God, Sharp absolved himself of responsibility for the changes to his life, denying his own agency to such a degree that he claimed God had physically taken control over his hand in order to select the proper numbers. This narrative endured decades later. By the early 1990s, Sharp was broke, the first case of a well-publicized—but thoroughly exaggerated—phenomenon of lottery winners who squandered their fortunes. Shortly after he hit rock bottom, Sharp became a Baptist minister, a perhaps unsurprising choice for someone who attributed one of the most important events in his life to the divine. “I think God let me win the lottery to show me that I still needed him,” Sharp explained in a 2002 interview. “Of course everything that God gives you, you should use for his glory. I didn’t quite do that.”[24] Years later, Sharp continued to maintain that God had won him

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[22] Trudy Moore, “The Man Who Won $5 Million.” *Ebony* 38, no. 6 (1983), 56.
[23] Kaplan, *Lottery Winners*, 43.
[24] Beverly Keel, “What are the Odds?,” *The Tennessean* (Nashville, Tennessee), November 10, 2002, 11.

the lottery. He framed everything that had befallen, both his rise and his fall, as part of a heavenly plan.

Second, Sharp turned to God to explain his jackpot because faith offers believers structure to daily life as well as major life events. As psychologist Kevin Masters writes, religion "provide[s] an explanatory structure in which to integrate life's events in a way that provide meaning."[25] Many life-cycle events, such as weddings or funerals, include built-in religious rituals. A lottery win was a similarly seminal moment but, on its face, did not offer space for religion. Sharp's claim about the role of God represented his attempt to incorporate his faith into his lottery win.

Finally, through his narrative of grace, Sharp made the case that he deserved his newfound fortune. If God had chosen the numbers for Sharp, then God had planned not only to change his life but to reward him with monetary blessings. This claim embodied the fundamental human impulse to attribute the results of capricious events to individual merit, to justify that everyone receives what they deserve and, by extension, that everyone deserves what they receive. For example, in a study of young men eligible for the 1971 Vietnam draft lottery, psychologists Zick Rubin and Anne Peplau found many draftees had an intense need to rationalize randomness, to explain arbitrary results as a reflection of merit. The young men believed that those with low draft numbers—who were unlikely to be drafted—deserved to avoid combat, thereby painting the lottery as a meritocratic mechanism. Rather than acknowledge the role luck plays in our life, Rubin and Peplau conclude, "we tend to believe that even ostensibly random rewards and punishments must in fact reflect an underlying moral order."[26] Sharp

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[25] Kevin S. Masters, "Mechanisms in the Relation Between Religion and Health with Emphasis on Cardiovascular Reactivity to Stress," *Research in the Social Scientific Study of Religion* 19 (2008), 105.
[26] Zick Rubin and Anne Peplau, "Belief in a Just World and Reactions to Another's Lot: A Study of Participants in the National Draft Lottery," *Journal of Social Issues* 29, no. 4 (1973), 75.

wanted his jackpot to demonstrate not just his good fortune but something about him as a person. He framed his win as the result of the divine acting through a lottery, claiming his jackpot was an act of God and therefore a measure of what he deserved.

For Sharp and other winners, narratives about jackpots served an important cultural function. Lottery winners in the 1970s labeled their windfalls as the product of their merit because lotteries threatened contemporary norms of class mobility. Since the nineteenth century, religious and secular gambling opponents criticized lotteries—and gambling more generally—for violating the American work ethic. President Richard Nixon defined this Weberian cultural ethos in his 1971 Labor Day address: “The ‘work ethic’ holds that labor is good in itself; that a man or woman becomes a better person by virtue of the act of working.”[27] In addition to celebrating work, the work ethic maintained that everyone’s success was a direct a barometer of their labor and therefore of their merit. This “culture of control”—as described by historian Jackson Lears—placed the burden of responsibility on each individual and denied the role of exogenous variables, or any luck whatsoever, in shaping an individual’s accomplishments.[28] By this logic, any failure meant personal failure. If someone did not succeed, it was not because they were unlucky but because they lacked the necessary effort or skill.

By offering wealth without work, lotteries disrupted the supposedly sacrosanct relationship between money and merit in an era that Lears deems the “high point” of the culture of control.[29] As lottery opponents in New Jersey had argued in the 1960s, the invisible, effortless creation of wealth through wagering spat in the face of the traditional meritocracy. As a result, celebrations of the American work ethic often entailed a denigration of those who pursued

[27] Richard Nixon, “Address to the Nation on Labor Day,” September 6, 1971, https://www.presidency.ucsb.edu/node/240755
[28] Jackson Lears, *Something for Nothing: Luck in America* (New York: Viking, 2003), 6-7.
[29] Lears, *Something for Nothing*, 19.

wealth through nontraditional means. For instance, one Midwesterner told sociologist Michael Lewis in 1978 that he would not sell his home to “any buck who just happened to hit it big playing the numbers.”[30] Someone who earned their money from gambling was rich because they were lucky, not because they had worked for their wealth. Under the terms of the culture of control, lottery winners had come by their wealth dishonestly and did not have the moral character to match their financial standing.

Consequently, winners like Curtis Sharp engaged in rhetorical maneuvering to incorporate themselves into the traditional meritocracy. Sharp instilled his prize with divine authority, arguing that God’s intervention allowed him to bypass standard methods of wealth accumulation. Sharp did not claim that he had worked for his prize, but he did argue that he deserved it, framing lotteries as an alternative way for someone to receive their due.

Lottery winners were not the only Americans in the 1970s who connected God and material blessings. In the Northeast, legalized gambling emerged contemporaneously to the rise of the prosperity gospel, a Christian theological movement that associated abundance with divine merit. With roots in New Thought conceptions of wellness, Pentecostal prayer practices, and positive thinking ideas about human agency, the prosperity gospel originated around the turn of the century, most notably through Russell Herman Conwell’s famous “Acres of Diamonds” sermon (published in 1915), which celebrated wealth as an embodiment of the Christian gospel in an era distrustful of affluence. Prosperity evangelists insisted that God was concerned with followers’ well-being, often pointing to their own wealth—garnered through the generosity of their

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[30] Michael Lewis, *The Culture of Inequality* (Amherst: University of Massachusetts Press, 1978), 146.

congregants—as proof that godliness would result in earthly reward. Preachers encouraged the faithful to turn to God to provide them with health, wealth, and other forms of prosperity. The movement picked up adherents through the evangelism of Oral Roberts and others in the 1950s, and, according to religious studies scholar Kate Bowler, by the 1970s became "the foremost Christian theology of modern living."[31]

The economic conditions of the 1970s facilitated the rise of the prosperity gospel as well as the popularization of lottery playing. As Bowler writes, the increased reliance on credit and debt helped inspire belief in a religious system built around flow of wealth through invisible means. Meanwhile, macroeconomic conditions drove Americans to turn heavenward for material salvation and to resort to lottery playing to secure a much-needed jackpot. As inflation and unemployment wracked the economy, millions found themselves financially pressed by the sudden collapse of an already a tenuous postwar economic order. Even before this financial crisis, many workers had been frustrated with their powerlessness in an increasingly corporatized economy, a feeling exacerbated in the 1970s by long gas station lines, rising unemployment, sudden increases in grocery prices, and the federal government's apparent inability to solve any of these problems.[32] In 1975, inflation hit 12 percent while unemployment approached 8 percent—the highest it had been since the Great Depression.[33]

In this context, lottery players' turn to the divine resembled the beliefs of prosperity adherents who maintained that their actions would inspire God to help end their financial

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[31] Kate Bowler, *Blessed: A History of the American Prosperity Gospel* (Oxford: Oxford University Press, 2013), 78.
[32] On the economy and culture of the 1970s, see: Bruce J. Schulman, *The Seventies: The Great Shift In American Culture, Society, And Politics* (Cambridge: Da Capo Press, 2002); Judith Stein, *Pivotal Decade: How the United States Traded Factories for Finance in the Seventies* (New Haven and London: Yale University Press, 2011); Jefferson R. Cowie, *Stayin' Alive: The 1970s and the Last Days of the Working Class* (New York: The New Press, 2012).
[33] Michael Bryan, "The Great Inflation," *Federal Reserve History*, https://www.federalreservehistory.org/essays/great_inflation.

troubles. After they won, some lottery winners highlighted the significance of their own actions in facilitating their prize. This meant their prize was not only the product of their merit but also their prayers, a formula that resembled the theological model Bowler dubs "hard prosperity." Hard prosperity drew "a straight line between life circumstances and a believer's faith. Faith operated as a perfect law, and any irregularities meant that the believer did not play by the rules." Bowler explains that, by offering believers precise instructions about how to attract divine aid, hard prosperity "made financial miracles an everyday prospect."[34]

The lottery represented the ideal avenue for everyday financial miracles. After they solicited divine assistance and then hit the jackpot, lottery winners drew a straight line between their actions and their material rewards. However, most endorsed a milder form of hard prosperity. Hard prosperity placed agency almost entirely in human hands, implying that God could not and would not refuse a properly-conducted request from a worthy individual. Alternatively, lottery winners viewed their own actions as crucial to securing their jackpot but also understood the importance of divine choice. Specifically, to improve their chances, many tried to entreat God's favor through prayer, requests which would only be fulfilled if God chose to answer them. Maryland lottery winner Eunice Schiller argued that she offered "a living example that the Lord answers prayers. I don't believe in luck. I've been praying for five months, and my prayers have been answered."[35] Schiller claimed that she both was and was not responsible for her jackpot. She had prayed to win and, without these prayers, she never would have received the prize. But she also implied that her prayers alone were insufficient, as her win involved two equally important steps: she had to pray and God had to choose to answer her prayer. Therefore, though the result had been uncertain, it was not contingent on luck but on her

[34] Bowler, *Blessed*, 97, 99-100.
[35] LeBlanc, *Suddenly Rich*, 35.

status in the eyes of the divine. “Somebody loves me upstairs,” Schiller concluded, pointing to her win as proof that heavenly forces had chosen to bestow her with material wealth.

While Schiller’s prayers resemble those of prosperity adherents, her hard prosperity worked in retrospect. Proponents of prosperity theology hoped for future rewards and believed in the promise of imminent wealth. Believers announced what they wanted, put their merit at stake, and either received divine assistance or did not. Alternatively, Schiller waited until she had already won her jackpot to claim that God would answer her prayer. Once she won, she ignored that she had prayed for five months with no response, interpreting her win as confirmation that her prayers had worked and that the heavens shone down on her. In retrospect, that period was not five months of lottery losses but five months in which God considered her bequests. Conveniently, she waited until after she won to claim that the results of the lottery represented a referendum on her merit.

Like Schiller, many players prayed to win and subsequently credited both God and their prayers when they hit the jackpot. These winners framed their own actions as a causative factor behind their prize, thereby asserting not only that they deserved the money but that they played a role in securing it. At the press conference to celebrate his jackpot, railroad worker Ronald Carlson explained that, as a born-again Christian, his jackpot was the second most important event in his life following his acceptance of Christ. Abiding by evangelical doctrine, Carlson specified that “gambling is wrong” even as he explained how God had rewarded with through the lottery:

> I prayed for the Lord’s will in my life. I didn’t pray to win, but to have the Lord’s testimony in my life. I bought the tickets for three months to win $10,000 to buy a new home. It wasn’t real gambling which takes money from the family. I didn’t feel guilty about it, but I didn’t tell anybody about it either. I viewed it as a testimony. *He* willed it. The Lord wouldn’t give it to you if you couldn’t take care of it. God is in your life if you

> are with Him. If you're in the faith, God is in you and your life, and He'll answer your prayers.[36]

Carlson engaged in a discursive dance to deny that his lottery playing constituted gambling, implying that betting with extra money was permissible. Instead, he used his lottery win as evidence of the power of prayer. For Carlson, prayer was important because it *worked*. Rather than "pray to win," Carlson claimed to have prayed for the enactment of God's will, which, he hoped, would include money for his new home. Carlson viewed his winnings as "the Lord's testimony," the work of God. He believed that God would answer the prayers of those who were "in the faith" and would only give jackpots to those who could "take care of it." By extension, he contended that because his prayers had been answered, God had determined that he deserved the winnings. If Carlson had not been worthy, he would not have won any money. Though God "willed" his prize, Carlson took credit for his windfall, as his prayers had convinced God to reward him with a jackpot. Like Schiller, he suggested that all deserving individuals would have their prayers answered. Though God did not support gambling, God did support believers, and gambling presented one of many ways God could confer blessings onto the faithful.

Prayer represented just one method for gamblers to attract divine assistance. Other lottery players employed the prosperity gospel practice of seeding, wherein practitioners donate money to Christian causes—especially churches or preachers—on the hope that divine forces will reward their charity by returning the same sum many times over. In the mid-1970s, Lidia Dubinsky, who frequently donated money to prosperity preachers Rex Humbard, Garner Ted Armstrong, and Oral Roberts, won $54,000 in the New York Lottery. A few days before her jackpot, Dubinsky reported "a funny feeling," telling her children that she felt she was about to win the lottery. When her daughter heard the news that Dubinsky had won, she exclaimed, "See,

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[36] Emphasis in the original, Kaplan, *Lottery Winners*, 39-40.

Mother? You give slowly and God gave you back in a big chunk," interpreting the jackpot as a direct reward for Dubinsky's donations. Dubinsky agreed, attributing her success in the lottery—as well as bingo and her trips to Las Vegas—to her faith. "If you help others," she stated, "God helps you."[37] Though prosperity theology promised ten- or hundred-fold returns on donations to the church, preachers were often vague on precisely how God would multiply seeders' reward. By gambling, Dubinsky felt she was providing God with the opportunity to reward her for her charity.

Additionally, Dubinsky's "funny feeling" that she might soon win the lottery exemplifies the widespread use of extrasensory perception (ESP) among lottery players. Precognition was a common component of illegal numbers gambling. In the early and mid-twentieth century, many African-American bettors utilized popular guidebooks to help translate elements of their dreams into numbers for the daily lottery. Such forms of magical thinking are endemic to gambling but proved especially popular among lottery players in the late 1960s and 1970s, a period Lawrence R. Samuel dubs the "golden age" of parapsychology in the United States.[38] Interest in ESP was widespread. According to a 1978 Gallup poll, as many as 51 percent of Americans believed in ESP while 37 percent believed in precognition.[39]

When winners explained they had received advanced warning of their jackpot, they implicitly argued that higher powers had been involved. In 1977, for example, an unemployed New York construction worker anonymously wrote to Pat Robertson to explain that he had "receive[d] the word that I was about to win the million dollar weekly lottery." Though he did not explain what "word" he received or where it came from, he continued that his "very next

[37] Kaplan, *Lottery Winners*, 36.
[38] Lawrence R. Samuel, *Supernatural America: A Cultural History* (Santa Barbara: Prager, 2011), 88.
[39] George H. Gallup, *The Gallup Poll: Public Opinion 1978* (Wilmington, DE; Scholarly Resources Inc., 1979), 183.

thought was of Pat Robertson," prompting him to promise to donate his winnings "in the name of Jesus" to the 700 Club, of which he was a member. A few days later, he bought a lottery ticket at a local liquor store and matched every number. "I haven't told family or friends for obvious reasons, I think this is just between Jesus and us," he explained, hinting at the possibility that the voice he heard was Christ's.[40] His premonition about winning the lottery would only come true, he inferred, if he followed everything he had seen: because Robertson had been part of his vision, his win was contingent on donating the prize to Robertson. However, the "word" the construction worker had received was slightly misinformed. The ticket had not actually won $1 million but rather $15,000 as well as entry into a secondary, $1 million drawing. Nonetheless, Robertson, who had spoken out against gambling, declared that he and his staff "were simply overwhelmed when we considered the magnitude of this gift."[41] The ticket did not win the jackpot, but a spokesman for Christian Broadcasting Network confirmed that Robertson would be claiming the lesser prize.[42]

By asserting that they had anticipated their jackpots, winners like this New York construction worker suggested that they were supernaturally connected to their prize. Though many gamblers have had premonitions that failed to come true, winners used their visions to argue that their win was not random but a part of their destiny—something meant for them. Eric Leek won $1,776 a week for life in 1976 as part of the New York Lottery's bicentennial celebration, and he claimed he and his girlfriend were both "semiclairvoyant." A few weeks before the drawing, she had a dream of a light-haired man winning a large amount of money and

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[40] "Unemployed Construction Worker" to Pat Robertson, November 23, 1977, Box 8, New York Lottery Publicity Material, 1975-1994, New York State Archives, Albany, New York.
[41] Michael Oreskes, "Yule 'Gift from Heaven' for Albany Church Group," *New York Daily News*, December 23, 1977.
[42] *Washington Post*, "Network to Cash Lottery Ticket," February 3, 1978, A26.

Eric had felt an overwhelming certainty that, out of 63 million tickets sold, he would be one of the 45 finalists. When he was placed in the tenth spot, Leek says he knew he would win, as the number had played an important role throughout his life. “I don’t think it was something that happened at random,” he admitted, “There’s a reason for everything that happens.” After he won, Leek tried to come up with an explanation for his instantaneous wealth. For him, the fact that he had correctly predicted his win confirmed that the result was part of larger plan ensuring that wealth arrived in the hands of people who deserved it. “I believe good luck comes to people who are ready for it and will use it unselfishly, to help others. I don’t believe it often comes to the greedy.”[43] Leek implied that he had been “ready for” his prize and would use his riches to help others. Like Carlson and other winners, Leek justified his jackpot by claiming that all lotteries were part of a system governed by higher powers. Rather than paint himself as a unique lottery winner who deserved his prize, Leek portrayed all lotteries as divine, meritocratic means of wealth distribution.

The connection between religion and lottery playing proved particularly pervasive for American Catholics. While Santeria followers, born-again Christians, and nondenominational ESP practitioners all saw the supernatural as part of their jackpots, Catholics showed a marked propensity for attributing their gambling winnings to the divine. This trend reflected the religious demographics of American gamblers. In 1963, the year New Hampshire enacted the nation’s first state lottery, a Gallup poll revealed that 66 percent of American Catholics supported the legalization of lotteries compared to 43 percent of Protestants. In 1974, lotteries had expanded to

[43] Max Gunther, *The Luck Factor: Why Some People Are Luckier Than Others and How You Can Become One of Them* (New York: MacMillan, 1977), 4-5.

13 northeastern and midwestern states, and 80 percent of Catholics said they engaged in some form of betting, while 38 percent—compared to 18 percent of Protestants—claimed they had bought a lottery ticket in the last 12 months. Four years later, as the nation's first legal casinos outside of Nevada opened in Atlantic City, 49 percent of Catholics said they would approve casino gambling in their state, compared to 31 percent of Protestants.[44] Accordingly, economists have found a direct relationship between the size of a state's Catholic population and the likelihood that it enacted one of the nation's first lotteries, indicating that Catholic voters represented a crucial constituency for early lottery legalization.[45]

The results of a 1980 New York State Lottery promotion epitomized the popularity of gambling in Catholic communities. The Lottery offered cash rewards to the individuals or organizations that collected the most losing stubs from a specific instant game. A group of Buffalo nuns undertook a massive ticket drive to raise money for their convent, collecting over 70,000 losing tickets from local parishioners. Yet, this sum only qualified them for third place—and a $25,000 check—as the grand prize was won by the New York State Federation of Catholic School Parents.[46]

The enthusiasm for the lottery among Catholic voters and Catholic organizations can be explained in part by the Catholic Church's doctrinal position toward gambling. Conservative Protestants condemned gambling as antibiblical, immoral, and unethical and associated it with a range of evils, particularly the dereliction of familial responsibilities. On the other hand, the

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[44] George Gallup, "Lottery Stirs Controversy," *Los Angeles Times* June 2, 1963, M2; Maureen Kallick, et. al., "Survey of American Gambling Attitudes." Appendix 2 to Commission on the Review of the National Policy Toward Gambling, *Gambling in America* (Washington D.C.: U.S. Government Printing Office, 1976), 277, 362; Gallup, *1978 Gallup Poll*, 193.
[45] Alok Kumar, Jeremy K. Page, and Oliver G. Spalt, "Religious Beliefs, Gambling Attitudes, and Financial Market Outcomes," *Journal of Financial Economics* 102 (2011): 671-708.
[46] Mike Vogel, "Nuns Hope to Beat Odds On Pennies from Heaven," *Buffalo Evening News*, January 17, 1980, C1; *Buffalo Courier-Express*, "Nuns Clinch 3rd in Lottery," January 22, 1980, 7.

Catholic Encyclopedia—a turn-of-century sourcebook of Church doctrine—maintains that, “apart from excess or scandal, it is not sinful to stake money on the issue of a game of chance.”[47] While it certainly did not encourage the laity to gamble, the *Encyclopedia* assured readers that betting in moderation was permissible. Thanks to this doctrinal approval, in the early twentieth century, many Catholic churches used bingo to raise extra money. Gambling revenue was such an important source of funds for some parishes that Catholic leaders engaged in political fights to legalize this form of betting. The 1957 New York referendum over bingo legalization effectively lapsed into a debate between the state’s Protestant leaders and its progambling Catholics.[48] The Catholics won, and bingo remained a vital source of church income through the 1990s.

Unsurprisingly, Catholics were well represented among the nation’s first lottery winners. Some of these winners claimed that their prizes represented unsolicited divine gifts. New York lottery winner John Sartoretti declared, “There must be something shining down on me. I’m Catholic and I haven’t been going to church lately, but I’m going to start now.”[49] Though his devotion had slipped, Sartoretti drew a connection between his familial faith and his prize. He declared that his jackpot must have been caused by divine forces, as a mathematical explanation could not suffice. By promising he would return to the church, Sartoretti noted a direct connection between religion and monetary reward. His long-overlooked faith had helped him win the lottery and future blessings undoubtedly awaited him as an active church member.

If Sartoretti’s lapsed Catholicism helped his gambling then lottery wins by clergy members further confirmed faith as an effective path to material wealth. Reverend Charles

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[47] *Catholic Encyclopedia*, “Gambling,” http://www.newadvent.org/cathen/06375b.htm

[48] On church run bingo, see, for example, Roger Antonio Fortin, *Faith and Action: A History of the Archdiocese of Cincinnati, 1821-1996* (Columbus: The Ohio State University Press, 2002), 268-269; on the Protestant/Catholic split over gambling and the New York bingo referendum, see: Dan Judson, “Sanctity, Pragmatism, and Paying the Bills: The Controversial Use of Bingo in Synagogues,” in *All In: The Spread of Gambling in Twentieth Century United States*, eds. Jonathan D. Cohen and David G. Schwartz (Reno: University of Nevada Press, 2018), 202-219.

[49] LeBlanc, *Suddenly Rich*, xv.

Donovan, a priest who had taken a vow of poverty in 1967, won $200,000 in the Massachusetts Lottery in 1974. Though he did not explain why he had bought a ticket if he had no intention of keeping the money, Donovan pledged his winnings to the Catholic organization that had paid for his education.[50] Newspapers printed human interest stories on nearly every lottery winner but particularly relished the chance to publish material about clergy members who hit the jackpot. Clerical lottery winners appeared to confirm that the lottery represented a divine meritocracy. "Priest's Vow of Poverty Becomes $200,000 Gift," one *Boston Globe* headline read, the word "becomes" drawing a direct, causal connection between Donovan's windfall and his aesthetic commitment to God.[51] By nature of their profession, clergy members were presumed to be blessed by the divine. Headlines like the *Globe*'s insisted that this devotion meant they were deserving of financial miracles.

However, Donovan and Sartoretti are relatively unique among Catholic gamblers for claiming that their faith played a passive role in their gambling. Many Catholic winners endorsed a magical formula that framed their actions as crucial in securing divine intervention. Specifically, prayer remained a staple of Catholic winners' gambling practices and a common feature of their retrospective explanations of how they had won the lottery. Doris Louise Hill won $1 million in the Maryland Lottery in 1973. When asked how she had won, she explained: "I know you shouldn't pray for gambling, but anything you want you have to pray for," admitting that she had stayed up late the night before the drawing reading her prayer book. Her priest emphasized that her win was "pure chance," though he acknowledged "It's all right to pray for temporal blessings." He at once claimed that her win was a coincidence while also painting

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[50] Associated Press, "Priest is Winner of $200,000 in Massachusetts," *Hartford Courant*, May 7, 1974, 6.
[51] Marvin Pave, "Priest's Vow of Poverty Becomes $200,000 Gift," *Boston Globe*, May 7, 1974, 3.

her prize as a "blessing," implying that God had played a role in her new fortune and deserved some credit for her jackpot.[52]

The lottery presented a dilemma for clergy members forced to reckon with the relationship of religion, randomness, and merit. Hill's priest wanted her to understand her newfound wealth as a divine gift but did not want to endorse a hard prosperity model that drew a direct connection between faith and material rewards. Such an acknowledgement might lead to the unsustainable expectation that God was a magician who would regularly work miracles on demand, a common fear for Catholic and Protestant clergy members alike. When asked whether someone could win the lottery with prayer, Reverend John J. O'Callaghan of the Jesuit School of Theology in Hyde Park, Illinois, argued that the faithful should pray for their needs but that he did not see "God as the god of the lottery. I think we drag him down when we start making him a kind of good-luck charm." This type of prayer, O'Callaghan implied, veered from theology into superstition, treating the divine as a simplistic force concerned with trivial matters. A Lutheran theologian, Reverend Robert Benna, was even more scandalized by the apparently widespread belief in the connection between God and gambling. Prayers for winnings, he noted, are based "on the rather magical notion that God intervenes in events from outside the world."[53] The idea of the divine shaping the results of the lottery led logically to the idea that God shaped every event on earth, that everything could therefore be controlled by cajoling God. This, he insisted, was not theology but magical thinking, a wishful belief in an ordered universe.

These clergy members emphatically condemned praying to win because of the popularity of prayer as a tactic for gamblers to improve the odds of a lottery miracle. Prayer represents a

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[52] Bill Richards, "Waitress Wins a Million in Md. Lottery," *Washington Post* October 4, 1973, C1; Jim Landers, "Winner Views Million With Headache," *Washington Post* October 5, 1973, C1.
[53] James H. Bowman, "Can you win the lottery with prayer?," *Chicago Daily News*, September 21-22, 1979, 20.

means of asserting control over things outside of human influence—in many cases a bequest of the divine to intervene in worldly affairs. In fact, in her study of early twentieth century Pennsylvania coal miners, historian Karol Weaver argues that Catholics were open to gambling precisely because of their belief in an "immanent God, a divine being who is present in the world, interacts with human beings, and affects human events."[54] In addition to doctrinal factors, Catholics gambled because their theology accounted for the possibility that God could intercede on their behalf.

Prayer was a particularly common feature of lottery playing in the 1970s because of the structure of sweepstakes drawings. Lottery commissions selected a small number of tickets through a raffle or instant game. Winners of these games were guaranteed a minor prize as well as entry to the grand prize drawing where each players' odds of taking home the jackpot could be as low as 1 in 10. With a long gap between when they received notice that they were finalists and the actual drawing, gamblers—and Catholic gamblers in particular—turned the time leading up to the final drawing into a period of intense prayer. Edward Henry, who won New Jersey's first million-dollar drawing in 1971, spent the weeks before the final drawing offering three novenas, each consisting of nine consecutive days of prayer for divine intercession, and said an estimated 10,000 Hail Marys.[55] Players sought to magically exert control over a future, randomized event. This liminal phase served as a metaphorical purgatory wherein their prayers offered the only mechanism of affecting a positive outcome.

Faith in the possibility of divine intervention not only made Catholics more willing to gamble but also meant that many Catholics gamblers attributed their prizes to God. When asked

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[54] Karol K. Weaver, "'It's the Union Man that Holds the Winning Hand': Gambling in Pennsylvania's Anthracite Region," *Pennsylvania History: A Journal of Mid-Atlantic Studies* 80, no. 3 (2013), 410.
[55] Ronald Sullivan, "$1-Million Winner," *New York Times*, March 18, 1971, 1.

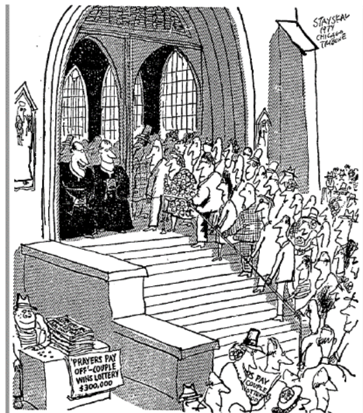
what he had done leading up to the lottery drawing that won him $300,000 in 1974, elevator starter Joseph Mariano of Morton Grove, Illinois, replied that he and his wife Louise "prayed all the way here … Really, this whole week we've been praying," suggesting a correlation between the amount they prayed and the chance that God would award them the jackpot. Louise went to church one final time before the drawing to offer an appeal to the Virgin Mary: "If this is what you want us to have, we'll go along with it. If it's not best for us, we don't want it."[56] Louise's prayer acknowledged that the couple might not win but also suggested that any win would come with divine approval. Her prayer simplified the results: if she won, she would interpret it as supernatural forces acting on their behalf; if she did not win, then supernatural forces had not chosen her to win. Either way, her prayer meant that she did not think luck would play a role, as she imagined that an omniscient and omnipotent Virgin Mary would decide her fate based on her and her husband's best interests. After the drawing, Louise maintained that the couple's jackpot demonstrated that Virgin Mary had indeed wanted them to win the lottery.

The Mariano's story also exemplified the power that newspaper reports about lottery winners had in compelling magical thinking among hopeful gamblers. A *Chicago Tribune* cartoon (Image 1) a few days after their jackpot depicted a long procession of people flowing into a church, passing by a newsstand featuring papers with headlines declaring "'Prayers pay off'—couple wins $300,000." Standing on the steps and admiring the rush of congregants—including one woman reading the paper on her way into church—one priest remarks to his colleague "Funny about attendance … last week we were down to a handful." As the cartoon acknowledged, news of someone attributing their jackpot to prayer could spur imitators hoping to also strike it rich. The Marianos proved that prayer paid off, and church attendance surged not

[56] Jon Van, "Pair Get $300,000 Answer to Prayers," *Chicago Tribune*, August 23, 1974, 3.

out of increased piety but the possibility that devoutness could increase the probability of a jackpot. For this cartoonist, Chicago Catholics saw religion as a means to a monetary end.

Image 1:



"Funny about attendance . . . last week we were down to a handful."

Wayne Stayskal, Chicago Tribune*, August 25, 1974, A6.*

Catholics were so confident that God took a direct interest in their gambling that some sought to elicit divine aid through transactional promises. These bequests emphasized individuals' ability to entreat, bargain with, or persuade God to act on their behalf and were premised on the notion that God would respond to specific offers in real time. Just as a jackpot could suddenly change a gambler's financial circumstances, so too could God instantaneously decide to answer their prayer. In 1976, for example, Catholic 19-year-old high school dropout Bob Netto was one of 65 million New Yorkers to buy a ticket for a $1,000 a-week-for-life prize from the New York State Lottery. Netto won a guaranteed jackpot of at least $5,000 as well as one of 100 spots at the final drawing to compete for the grand prize. He later reported that, while waiting for the results, "I was praying, 'Please Jesus, let me win.' I wasn't even thinking about winning the jackpot, I just wanted to win something. I said 'Jesus, if you let me win, I'll give something to the Church." Netto not only believed divine aid could secure him the jackpot but also that Jesus would grant him a prize once he promised to contribute a share of his winnings. After he won, Netto was certain his offer had secured the jackpot. He told his archdiocese's newspaper, "We owe God. What else could it be? One out of 65 million. It has to be the Holy Spirit. We prayed and we won—what else is there to say?"[57] Like other winners, Netto denied any possibility that his win was sheer luck. Given the odds, his prayer was sufficient evidence of a miracle. What Netto did not say was that God helped him overcome the odds because of the precise terms of his offer. Netto's pledge to donate a share of his winnings resembled the practice of seeding. Like prosperity adherents, he elicited money from the divine with the promise that a share would go to Christian causes. Yet, rather than seed his money to the church first and wait for his reward, Netto hoped to receive his material blessing in advance so that he could donate a portion of it.

Netto's wife Judy agreed that divine forces had played a role in Robert's jackpot, but she did not view his prayer as the crucial cause of the aid they had received from God. Instead, Judy exclaimed "This was it. This did it," referring to a small wooden figure of the Virgin Mary—some newspapers reported it was a plastic figure of the infant Jesus—which she kept in her hand the day of the drawing.[58] When Robert won, she maintained that her religious icon had been instrumental in capturing the jackpot. Robert's prayers had been instinctual, impulsive, and had taken place during the actual drawing, so Judy could not have known until after the fact that Robert had prayed to win. Both of them viewed human agency as crucial, and each claimed they were responsible for the lottery miracle. Though neither could prove their causal role, they shared the magical belief that they could affect their odds of winning—that God's grace would not come unsolicited, but could be compelled through human action.

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[57] *The Evangelist*, "Lottery Winners Count Blessings," October 21, 1976, 1.
[58] Associated Press, "High School Dropout Wins a Million Bucks." *Poughkeepsie Journal*, October 12, 1976, 3.

These prayers proved particularly significant because prayers for money technically violated Catholic doctrine. Nonetheless, the theological context of 1970s Catholicism explains the prevalence of Catholic lottery players' persistent, subversive prayers for gambling windfalls. In the mid-1960s, the Second Vatican Council heralded a series of groundbreaking changes to the Catholic Church, most prominently the elimination of the Latin Mass. "The ecumenical openness" of Vatican II, Catholic historian Patrick Carey writes, "encouraged some Catholics to look into forms of spirituality outside of the Catholic tradition."[59] While many Catholics pursued diverse forms of religious practice such as ESP, Joseph P. Chinnici illustrates that the Council's verdict offered official approval of personalized faith practices that had been common at the religious grassroots since the 1920s.[60] To the degree that the laity ever followed the church's prayer strictures, the 1970s was a decade of experimentation outside the bounds of official doctrine.

Thus, especially in moments of financial desperation, Catholic gamblers violated church strictures and sought winnings any way they could. These bettors exhibited the magical belief that faith could help them win, and with a heightened need for money came a heightened need to exert control over their financial situation. Cab driver Peter Pulaski explained:

> I was in such bad shape … that I went to church and prayed for money. … I was there in the chapel and I told God that I realized it wasn't right to pray for money, but I really needed it. … I lit three candles and I signed the paper which asks what your intentions are: 'To win the lottery.'

Pulaski explained that, upon leaving the church, he found a pencil and a dollar in the street. He paid for a lottery ticket with that dollar, picked his numbers with the pencil, and won $100,000.[61] Pulaski saw no other way to quickly acquire money other than the lottery and no other way to

[59] Patrick W. Carey, *Catholics in America: A History* (Westport, CT: Praeger 2004), 136.
[60] Joseph P. Chinnici, "The Catholic Community at Prayer, 1926-1976," in *Habits of Devotion: Catholic Religious Practice in Twentieth-Century America*, ed. James M. O'Toole (Ithaca: Cornell University Press, 2004), 9-88.
[61] Kaplan, *Lottery Winners*, 37.

win the lottery other than to ask for God's help. Both the pencil and the dollar, he implied, were critical to his lottery win—mechanisms provided by God. His narrative bore a familiar religious structure: Pulaksi found himself in desperate straits, so he turned to the heavens for help. He received a strange sign that ultimately led to salvation in the form of a miraculous and timely lottery win. Crucially, this narrative also justified the doctrinally prohibited portion of his prayer. By explaining that he was in "bad shape," Pulaski contended that he deserved his prize, as his need justified God's action on his behalf. Pulaski's desperation and his admitted violation of church edict inferred that he had made an exception by praying. He suggested that God, too, would make an exception by answering the prayers of those truly in need and worthy of divine aid.

By discussing the rituals they used to enlist divine assistance, lottery winners argued that certain methods were particularly effective at increasing their chances of hitting a jackpot. Despite having no concrete evidence, winners saw their prizes as proof that their supernatural appeals worked. Lottery winners endorsed a religious form that appears similar to the "magical omnipotence" Orsi locates among Catholic women: the belief that human action has a deterministic effect on God's plan and can influence events over which humans have no visible control.[62] Players who prayed for divine aid envisioned a benevolent God who could be negotiated with, beseeched, and, ultimately, convinced. Their magical thinking entailed the belief that God could help their gambling as well as the retrospective claim that God had actually interfered on their behalf.

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[62] Orsi, *Thank You St. Jude*, 95.

Lottery winners' narratives of magic reified the connection between merit, grace, and randomized lottery wealth. While grace implied that the gambler was favored by supernatural forces, magic is not contingent on merit. Magic emphasized winners' ability to exert control over invisible forces, not their deservingness. For lottery winners, magic operated as a mechanism for grace. Prayer, for instance, worked because humans pray and supernatural forces answered their request. Both human and divine agency proved vital to the divine's decision about handing out jackpots.

Thus, through their religious practices and post-facto narratives, lottery winners—as well as players—look a lot like practitioners of the prosperity gospel. The similarities between lottery players and prosperity proponents do not indicate that lotteries serve as a means of evangelical outreach for prosperity preachers. Rather winners' stories illustrate the need to consider the prosperity gospel as a theology whose believers far outnumber its official adherents. While prosperity theology presents a major feature of American and international Christianity, Catholics, Protestants, and Santeria followers utilize similar religious responses in times of personal economic crisis, seeking control by entreating God to provide a financial windfall. Lottery winners envisioned a benevolent God who participated in earthly affairs and rewarded individuals with material wealth. The prosperity gospel embodies a connection between magical thinking, faith, merit, and money that has become widespread at the American religious grassroots.

While winners associated gambling to the supernatural, their narratives also entailed multiple erasures. In particular, as they spoke about God's role in providing their jackpot, winners erased most of their previous experience with the lottery. Nearly every gambler acknowledged divine control over their win while implicitly denying supernatural involvement in their months or even years of lottery losses. These losses were not reflective of their merit. Their win was.

Thus, lottery winners' stories illustrate the well-known truism that the archival record favors history's victors. For every gambler who understood their jackpot as the result of an answered prayer, many more prayed to win the lottery and came away empty-handed. Unsurprisingly, newspapers and magazines remained largely silent about those whose hopes, dreams, and prayers failed, whose lottery playing left them poorer, not richer. Faith allowed winners to claim that this mechanism of randomized wealth distribution was based on merit. Yet, despite winners' claims, lotteries do not present meritocratic means of wealth distribution. In an era of economic uncertainty, only a fraction of players have had their financial difficulties solved with a jackpot. Overall, though it has largely been erased from the historical record, the most common feature of the connection between faith and gambling has been the unanswered prayer.

CHAPTER 3

Rivers of Gold:

Scientific Games Inc. and the Spread of State Lotteries

On September 10, 1984, the California State Senate held a day of hearings on Proposition 37, a ballot initiative to decide if California should become the eighteenth state to enact a lottery. Between 1963 and 1978, 13 northeastern and upper-midwestern states adopted legal sweepstakes as creative means of raising revenue without increasing taxes. But, by the end of the 1970s, lotteries had ceased their expansion. In state after state, sales fell short of politicians' ambitious expectations. After a series of scandals and ticket printing errors, lotteries lost their legislative luster.[1]

The hearing in Sacramento illustrated the enduring appeal of legalized gambling for those in search of quick solutions to complicated fiscal problems. Over the previous six years, Californians had faced difficult questions about the relationship of taxes and government services. In 1978, the state had sparked a nationwide tax revolt with the passage of Proposition 13, an apparent blow to the state's liberal establishment in which voters drastically reduced their own property taxes. Though taxpayers had been promised that state services would not suffer following a tax reduction, the resulting budgetary shortfall led the legislature to make dramatic cuts in government programs, especially education. By 1984, millions of Californians who had benefitted from Proposition 13's tax cuts yearned for the reinstatement of pre-1978 levels of state spending but were reluctant to raise their own property taxes. Many turned instead to the lottery,

[1] In 1975, New York was forced to suspend its lottery after revelations that it had failed to award prizes for half of its drawings. Around the same time, the Delaware, Maine, Ohio, and Rhode Island lotteries were all enveloped in controversies related to ticket errors or improper payments to contractors. In 1980, federal investigators caught a group of Pennsylvania Lottery employees rigging the state's daily numbers game.

hoping that, notwithstanding its spotty success on the other side of the country, legalized gambling could painlessly restore the golden age of state services to the Golden State.

The symbiosis between the tax revolt and Proposition 37 was on full display at the September 10 hearing in an exchange between Democratic State Senator Bill Greene and Lynn Thompson, president of the board of trustees of the Pajaro Valley Unified School District. Thompson listed some of the ways her school district might spend supplemental income provided by the lottery, including uniforms for the school band. But Greene undertook a different line of questioning, asking how her community had voted on Proposition 13. “For Prop. 13,” Thompson admitted. Greene pounced: “Well, you made your decision then, didn’t you? … [Propositions 13 and 37] effect [sic] the same areas of governmental policy and programs and services. … You voted to cut the funding you now want to replace with this proposition. … And you’ve named band uniforms. Why is it that your parents and the people in your community cannot pay for them themselves?” When Thompson explained that she represented a relatively low-income area, Greene pointed to an apparent inconsistency in the politics of Pajaro Valley voters: “Okay, but they knew that when they voted for Prop. 13; they knew that they were going to affect educational funding; they knew there were going to be some things they were going to have to do without. Right?”[2]

Despite Greene’s exasperation, Thompson expressed the view of many Californians who supported both Proposition 13 and the lottery initiative. Though she had voted to reduce her own tax burden in 1978, she did not expect state services to suffer as a result. Greene tried to point out the flaw in this logic: by approving Proposition 13, Thompson should have understood that

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[2] Lynn Thompson testimony, Senate Committee on Government Organization, *Interim Hearing on the California State Lottery Initiative*, September 10, 1984, Sacramento, California, California State Library, Sacramento, California (hereafter “CSL”), 152-155.

by paying fewer taxes she could expect less in return from the state. However, with the possibility of lottery revenue, Thompson revealed that she in fact wanted *more* state funding for education. Voters had supported Proposition 13 without acknowledging that their reduced taxes meant "there were going to be some things they were going to have do without." Six years later, they turned to the lottery as a tax-free way to restore those services.

Though representative of its supporters, Lynn Thompson was hardly a central figure in the campaign for Proposition 37 in California. In the hearing, Greene failed to acknowledge that the lottery proposal had been placed on the ballot not by tax-rebels like Thompson but by a Georgia-based lottery ticket company hoping to expand the market for its products: Scientific Games, Inc. The creator of instant, scratch-off lottery tickets, Scientific Games was not satisfied with competing against other firms over contracts to supply states with lottery tickets. Between 1980 and 1984, the company facilitated the passage of lotteries in California, Arizona, Oregon, and three other states by promising that, despite their poor reputation, lotteries represented bountiful sources of revenue. Taking advantage of an environment in which voters like Thompson were cutting their own taxes but bemoaning service cuts, the company spent millions of dollars to convince tax-wary voters that legalized gambling represented a financial panacea. Like lottery players hoping for a jackpot, Californians wanted something for nothing, and Scientific Games promised a lottery as a simple solution to the state's financial problems.

The magical thinking of voters like Thompson represented a revision of the wishful beliefs that propelled the first wave of lottery legalization. In the 1960s and 1970s, most lotteries were designated to support states' general funds, and voters viewed the legalization of gambling as a means of raising revenue for the entire state. When these hyperbolic promises proved unrealistic, Scientific Games shifted toward a more specific, though similarly exaggerated, financial pledge. The company tied the lottery to a single cause—education in California, for example—and promised that a lottery represented a windfall for this popular program. Through its advertising and the claims of its lobbyists, spokespeople, and lawyers, Scientific Games sought to turn the debate over its lottery initiatives from discussions about legalized gambling into referenda on the possibility of new, non-tax state funding for a particular area of government. Rather than weigh the social merits of a lottery, the company's campaigns convinced voters that if they supported this government service, then they should support a lottery. As the exchange between Thompson and Greene illustrates, the lottery was not simply a passive result of the economic aftermath of Proposition 13 but was itself a part of the tax revolt, a manifestation of the seemingly incompatible desire for reduced taxes and improved services that marked many voters' relationship with government in the late twentieth century.

Political scientists, economists, and historians have long been concerned with how lotteries spread and have largely attributed the proliferation of gambling to either intra-state dynamics—budgetary shortfalls and the prevalence of illegal numbers games—or inter-state politics, for instance the popularity of a lottery in a neighboring state.[3] Yet, the legalization of gambling was not an organic response to political, economic, or cultural conditions. Scientific Games facilitated the spread of lotteries through the initiative process, exploiting states' soft

[3] John Rosecrance, *Gambling Without Guilt: The Legitimation of an American Pastime* (Pacific Grove, California: Brooks Grove Publishing Company, 1988); Charles T. Clotfelter and Phillip J. Cook, *Selling Hope: State Lotteries in America* (Cambridge, Harvard University Press, 1989); Beth Moncure Winn and Marcia Lynn Whicker, "Indicators of State Lottery Adoptions," *Policy Studies Journal* 18, no. 2 (1989-1990): 293-304; Frances Stokes Berry and William D. Berry. "State Lottery Adoptions as Policy Innovations: An Event History Analysis," *American Political Science Review* 84, no. 2 (1990): 395-415; Richard McGowan, *State Lotteries and Legalized Gambling: Painless Revenue or Painful Mirage* (Westport, CT: Praeger, 1994); John Lyman Mason and Michael Nelson, *Governing Gambling* (New York: Century Foundation Press, 2001); Denise Von Herrmann, *The Big Gamble: The Politics of Lottery and Casino Expansion* (Westport, CT: Praeger, 2002); Jason L. Jensen, "Policy Diffusion through Institutional Legitimation: State Lotteries," *Journal of Public Administration Research and Theory* 13, no. 4 (2003): 521-541; Patrick A. Pierce and Donald E. Miller, *Gambling Politics: State Government and the Business of Betting* (Boulder, CO: Lynne Rienner, 2004).

legislative underbellies in order to circumvent hesitant legislators or oppositional governors. In a textbook case of what political scientists dub “astroturfing,” Scientific Games hired lobbyists, drafted company-friendly legislation, paid signature gatherers, sponsored prolottery advertising, and summarily won the contracts to supply states’ instant tickets. To date, only five of the nation’s 44 state lotteries were formed through initiatives. All five initiatives were passed between 1980 and 1984 and Scientific Games played a major role in all five. By utilizing a newly professionalized and technologically proficient political campaign industry, Scientific Games broke with the traditional private-public relationship that had defined the lottery industry in the 1970s. Over the course of just four years, the company convinced millions of voters of gambling’s economic promise and restarted the spread of lotteries across the American commercial landscape.

In the 1960s and early 1970s, the private sector played an integral role in the operation of the nation’s first state-run lotteries. A small group of software and printing companies competed over a similarly small supply of contracts, vying to provide states with services such as ticket production, computer software set-up, and game management. One of the most successful firms was Systems Operations Inc. (SOI), a subsidiary of New Jersey-based Mathematica. By 1976, SOI had helped implement, design, or operate 11 of the nation’s 13 state lotteries.[4] SOI lobbied legislators in nongambling states, arguing that lotteries represented an alternative to taxes. Yet,

[4] System Operations Inc., “Lottery Background and Information,” Folder “Lottery-Background Data,” and Mathematica Inc., “State Lotteries: A Viable Alternative to Increased Taxes” (n.d.), Assemblyman Leon Ralph Papers, California State Archives, Sacramento, California (hereafter “CSA”); *Hartford Courant,* “Two Men Helped Start Lotteries in 11 States,” February 15, 1976, 27A.

the company focused primarily on providing services to existing lotteries rather than facilitating the creation of new markets for its products.[5]

During the 1970s, a number of companies emerged to compete with SOI for lottery provision contracts. One of these firms, Scientific Games, was formed in 1973 with the goal of shaking up the lottery industry. Company cofounders Dan Bower and John Koza had met while developing contests for gas stations and supermarkets, and Koza, who held a PhD in Computer Science, believed that the promotional scratch-off games run by grocery stores could revitalize stagnant sales for northeastern state lotteries. In 1970, SOI introduced weekly drawings in New Jersey that represented a significant improvement over the monthly or semi-annual sweepstakes in New Hampshire and New York, yet sales declined over time. Koza and Bower reasoned that even weekly lottery games operated too slowly. “There wasn’t enough action,” one Scientific Games executive noted, as initial bursts of sales would wear off, leaving only a small cohort of older, middle-class lottery players.[6]

To attract a younger and more committed group of gamblers, Scientific Games introduced the first instant lottery ticket. Instant games relied on the simple premise that a player should be able to discover whether they had won immediately. Each ticket contained a set of numbers or symbols covered by an opaque latex or foil coating, and bettors scratched the film to discover if they were a winner. A winning ticket featured a specific set of numbers or symbols which guaranteed a prize ranging anywhere between $1 and thousands of dollars, including possible qualification for a secondary jackpot drawing. These games provided players with the illusion of agency; rather than simply receive a ticket with pre-selected numbers for a

[5] Mathematica Inc., “State Lotteries: A Viable Alternative to Increased Taxes” (n.d.), Folder “Lottery-Background Data,” Leon Ralph Papers, CSA.
[6] Lee Smith, “An Instant Success Story,” *Dun’s Review*, December 1978, 56; George Lardner Jr., “Betting Business Booms and Seeks to Get Bigger,” *Washington Post*, October 18, 1976, A1.

randomized drawing (with the exception of numbers games, gamblers could not select their own lottery numbers until the introduction of lotto in 1978), instant games allowed players to participate in the lottery experience by scratching their tickets, even though the contents of that ticket had been determined weeks earlier during the printing process.

In 1974, the Massachusetts Lottery sold tickets for the nation's first instant lottery game. Tickets cost $1 each, with Scientific Games pocketing approximately 2 cents per ticket. In 10 weeks, the state sold an average of 1.7 million tickets per week, approximately double the sales of its weekly, raffle-like lottery. Due to their popularity in the Bay State, other lottery commissions sought to introduce instant games as well. By the end of 1975, Scientific Games scratch tickets were available in six states, including New Jersey where players bought 68 million instant tickets in less than six months. By 1976, every state lottery had added instant tickets or was in the process of doing so.[7]

States pursued scratch tickets because instant games attracted new gamblers to the lottery. Surveys in Illinois found that instant players were younger than the average lottery gambler, and 28 percent of all lottery players—and 42 percent of instant players—said scratch tickets were the first tickets they ever purchased.[8] Many of these bettors exhibited the same magical thinking that had proven ubiquitous among lottery players in the 1970s. In addition to offering the chance to discover whether a ticket was a winner instantaneously, scratch tickets

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[7] Massachusetts State Lottery, "Announcing the Instant Game," (n.d., probably 1974), found in the records of the Massachusetts State Lottery, Braintree, Massachusetts; Tom Stevenson, "Mastermind of the Instant Lottery," *New York Times*, January 2, 1977, 85; *Hartford Courant,* "Ajello Approves New Lottery Game," June 28, 1975, 38; New Jersey Lottery, *Annual Report: 1976*, New Jersey State Library, Trenton, New Jersey; Peter Kihss, "Instant Lotteries Prove to Be Popular, With 12 States Besides New York Operating or Organizing Them," *New York Times,* September 8, 1976, 12.

[8] Charles Connolly, "Illinois State Lottery Survey," September 1986, Box 31, Lottery Records, Office of the Director, Illinois State Archives, Springfield, Illinois (hereafter "ISA"), 16; Illinois State Lottery, "New Lottery Game! Win up to $10,000 Instantly," October 9, 1975, Folder "Promotional Materials," Box 73, Lottery Records, Office of the Director, ISA.

were appealing because they offered both large grand prizes and a larger number of medium-sized prizes than standard drawing games. Even if the most common prize was very small, instant games could promise a winner in as many as every three or four tickets. Nonetheless, many gamblers ignored the probability inherent in their gambling and assumed they were assured hefty returns on their bets. George Fields, a lottery player from Grayslake, Illinois, wrote to his governor in 1985 to complain that he had spent $50 on instant tickets and only won $6. Based on basic probability, winning $6 was unlikely ($50 in the 1985 Illinois Lottery would net an average of $25 in winnings), but not altogether unlikely. Yet, with the promise of a winner every 4 tickets, Fields demanded an instant return on his investment. He expected prizes to match his spending, though lottery officials insisted that the game was fair and that he had simply gotten unlucky.[9]

As instant tickets grew in popularity, Scientific Games's revenue ballooned. In 1976, after just three years in operation, Scientific Games grossed approximately $10 million. The company produced 85 percent of all instant tickets sold in the United States, and, in 1981, Koza agreed to sell Scientific Games to Bally Corporation, a slot machine company whose portfolio included an Atlantic City casino, the Six Flags amusement parks, and the Pac-Man franchise. The following year, Scientific Games printed its five billionth ticket and annual revenue reached $30 million. As late as 1989, the company supplied 80 percent of the nation's instant tickets. Thanks to its industry dominance and the fact that it printed one million lottery tickets every hour, one spokesperson dubbed Scientific Games the "McDonald's of lottery companies."[10] This

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[9] George Fields to James Thompson, n.d. (probably August 1985), Folder 54, Box 106, Citizens Assistance Records, James Thompson Papers, Office of the Governor, ISA.

[10] Daniel W. Bower to George C. Anderson, February 2, 1982, Folder 3, Box 384, Subseries 1, Series 7, Lottery Commission, Arizona State General Correspondence, Governor Bruce Babbitt Papers, Arizona State Archives, Phoenix, Arizona (hereafter "ASA"); Charles Storch, "Bally Plans to Buy a Lottery Game Firm," *Chicago Tribune*, October 24, 1981, N6; Jube Shiver Jr., "D.C. Lottery Rights Given To Ga. Firm," *Washington Post*, May 25, 1982, C1. As late as 1989, Scientific Games still held 80 percent of the instant ticket market in the United States, and it

comparison was meant to reflect Scientific Games's status as the gold standard in a crowded industry, but the lottery firm bore other resemblances to the fast food giant. Like McDonalds, Scientific Games relied on selling large volumes of inexpensive goods, counting on a ubiquity of outlets to distribute instantly gratifying alternatives to traditional products.

However, the companies faced significant differences in terms of their access to new customers. In the mid-1980s, McDonalds opened, on average, one store per day in the United States in addition to undertaking an aggressive expansion into foreign countries.[11] Meanwhile, Scientific Games faced major limitations in the expansion of its customer base. In 1979, only 14 states had a legal lottery and Scientific Games had done business with all of them except for Rhode Island. Thus, Koza pushed into international markets, stationing an executive in England in 1977 to compete for European lottery contracts. The company provided tickets for lotteries in Israel, Switzerland, Thailand, and other countries, but Koza believed the United States offered untapped potential for lottery sales. "We are quite frankly interested in seeing new lotteries," a company executive noted in 1980; "The only way we can build domestic business is by adding new business in new jurisdictions."[12]

As a result, Koza began to consider ramping up Scientific Games's political operations in order to facilitate the spread of legalized gambling in the United States. At first, Scientific Games hired lobbyists to pursue the enactment of new lotteries. In the early 1980s, the company employed Paul Silvergleid, the former head of the Connecticut State Lottery, to lobby legislators in Minnesota, Alabama, Nebraska, and New Mexico.[13] Additionally, Scientific Games became

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produced approximately 1 million tickets every hour; *Crain's Chicago Business*, "Thanking their lucky stars for Lotto," September 11, 1989, 137.

[11] Kathleen Deveny, "McWorld?," *Business Week*, October 13, 1986, 79.

[12] Tom Little interview with the author, February 1, 2017, recording in the possession of the author; Kenneth Bredemeier, "Jai Alai Group Heavily Backs Legal Gambling In Referendum," *Washington Post*, April 27, 1980, B1.

[13] Paul Silvergleid interview with the author, February 1, 2017, recording in the possession of the author.

the first company to advertise in *State Legislatures* (first published in 1974), a magazine geared toward state legislators and state senators. In 1983 and 1984 advertisements on the magazine's inside-front and back covers, the company enticed state officials to legalize gambling by highlighting the available windfall. Under the headline "Is Your State Losing its Share of $2,500,000,000?" the advertisement featured a map of the United States with non-lottery states highlighted. A certain dollar amount was placed on each non-lottery state—$452 in California or $13 in South Dakota, for example—referring to the millions of dollars in annual net revenue these states could ostensibly make from a lottery. Suitably placed in an edition on the crisis of state education funding, this ad promoted lotteries as substantial and painless sources of income, and the company offered assistance to any state interested in pursuing a lottery.[14] Koza also took proactive efforts to ward off concerns that lotteries were regressive, authoring industry-friendly studies that concluded that lotteries did not prey on the poor.[15]

The company's initial promotional efforts were ineffective. None of the states lobbied by Silvergleid passed a lottery until the late 1980s and only two states—Washington (1982) and West Virginia (1984)—enacted lotteries on their own in this period. Even if legislators had been persuaded by the company's enticements, a reluctant governor could reject a lottery bill. In Iowa, for example, Scientific Games lobbyists shepherded lottery laws through the legislature in 1983 and 1984 but Governor Terry Branstad vetoed both bills.[16] Stymied in these early attempts, Koza

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[14] Scientific Games Inc. (advertisement), "Is Your State Losing its Share of $2,500,000,000?," *State Legislatures,* October 1983, 1; Scientific Games Inc. (advertisement), "Scientific Games has been Selected as Consultant and Ticket Supplier for all 6 of the New Lottery Start-Ups in the United States Since 1976," *State Legislatures*, January 1984, back cover.

[15] For example, John R. Koza, "The Myth of the Poor Buying Lottery Tickets," *Public Gaming*, January 1982, 31-40.

[16] Jim Carney interview with the author, January 30, 2017; Lee Ann Osbun, "Of Chance and Finance: Passage and Performance of the Iowa Lottery," in *Issues in Iowa Politics*, eds. Lee Ann Osbun and Steffen W. Schmidt (Ames, IA: University of Iowa Press, 1990), 218-220.

realized that the company would need to pursue a different tactic to bring its instant tickets to new markets.

Scientific Games found its answer in the initiative process, a recently-resurrected political tool that would allow the company to circumvent tepid legislators and oppositional governors. In the 1890s, Populist lawmakers in western states created the initiative to place political power in the hands of citizens rather than corporations or the political elite. By the late twentieth century, this form of direct democracy was utilized by individual citizens or political groups as well as corporations seeking industry-friendly legislation. The corporate infiltration of the initiative process represented part of a larger shift in the relationship between the public and private sectors during the 1980s. In the 1970s, some business groups expanded their involvement in partisan politics while others sought to increase profits by passing pro-business legislation at the federal and state levels. The Supreme Court's *Buckley v. Valeo* (1976) decision ruled that campaign spending limits violated the First Amendment, thereby lifting restrictions on political donations and further enabling the flow of corporate cash into politics. Shortly thereafter, especially during the Reagan Administration, corporate lobbying became an entrenched phenomenon in Washington and state capitals around the country.[17] The initiative represented another important mechanism for corporations to exert political power. After a decline in the 1960s—nationwide, fewer than 90 questions qualified for ballots over the entire decade—

[17] David Vogel, *Fluctuating Fortunes: The Political Power of Business in America* (New York: Basic Books, 1989); Lee Drutman, *The Business of America is Lobbying: How Corporations Became Politicized and Politics Became More Corporate* (New York: Oxford University Press, 2015); Denis W. Johnson, *Democracy for Hire: A History of American Political Consulting* (New York: Oxford University Press, 2017); on business's involvement in national politics, see: Kim Phillips-Fein, *Invisible Hands: The Businessmen's Crusade Against the New Deal* (New York: W. W. Norton & Company, 2010).

initiatives reemerged as a political tool in the late 1970s and 1980s, a resurgence scholars attribute to the unexpected success of Howard Jarvis' Proposition 13 in California in 1978.[18]

Proposition 13 not only indicated the importance of the initiative but also the importance of the campaign industry to the political process. Jarvis's ballot question, for instance, succeeded thanks in part to the assistance of Republican campaign consulting firm Butcher Forde.[19] As money became increasingly important to politics, the political consultant industry grew in the 1960s and 1970s and then expanded rapidly in the early 1980s. By the end of the decade, these firms formed what political scientists deem an "initiative industrial complex," a group of professionalized companies with the ability to place any initiative question on a state ballot and subsequently secure a majority of votes in an election.[20] Thanks to technological improvements, these consultants offered an array of services unavailable in previous initiative campaigns, including: precise polling, media management, and computers to facilitate direct mailing campaigns. In California, a campaign finance commission dubbed the initiative "the fourth branch of government." By 1987, more money was spent on initiatives in California than on lobbying in Sacramento.[21]

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[18] David Magleby, "Direct Legislation in the American States," in *Referendums around the World: The Growing Use of Direct Democracy* eds. David Butler and Austin Ranney (Washington, DC: AEI Press, 1994), 233; on Proposition 13 as catalyst for the revival of the initiative process, see: John M. Allswang, *The Initiative and Referendum in California, 1898-1998* (Stanford: Stanford University Press, 2000), 110, 142; David S. Broder, *Democracy Derailed: Initiative Campaigns and the Power of Money* (New York: Harcourt, Inc., 2000), 45

[19] On Butcher Forde and the Proposition 13 campaign, see: Nora B. Jacob, "The Marketing of Howard Jarvis: Butcher and Forde, Wizards of the Computer Letter," *California Journal,* May 1979, 162-168.

[20] Mark P. Petracca, "Political Consultants and Democratic Governance," *PS: Political Science and Politics* 22, no. 1 (1989), 12; Todd Donovan, Shaun Bowler, and David McCuan, "Political Consultants and the Initiative Industrial Complex," in Larry J. Sabato, Howard R. Ernst, and Bruce A. Larson, *Dangerous Democracy?: The Battle over Ballot Initiatives in America* (Lanham, MD: Rowman and Littlefield, 2001), 101-134.

[21] California Commission on Campaign Financing, *Democracy By Initiative: Shaping California's Fourth Branch of Government* (Los Angeles: Center for Responsive Government, 1992), 282; on the professionalization of political consultants and the technological improvements of the 1970s and 1980s, see: Larry J. Sabato, *The Rise of Political Consultants: New Ways of Winning Elections* (New York: Basic Books, 1981); David McCuan, Shaun Bowler, Todd Donovan, and Ken Fernandez, "California's Political Warriors: Campaign Professionals and the Initiative Process," in *Citizens as Legislators: Direct Democracy in the United States,* eds. Shaun Bowler, Todd Donovan, and Caroline J. Tolbert (Columbus: Ohio State University Press, 1998), 55-79.

Unlike other lottery companies, Scientific Games embraced the initiative and the campaign industry in order to create new markets for lottery tickets. While every firm stood to gain from the chance to bid on new contracts when states enacted lotteries, Scientific Games's competitors confined themselves to the associational position that had defined the industry in the 1970s. While these companies bid on contracts when states created lotteries, they refused to wade into state politics. Harry Hutton, executive vice president of Glendinning, stated that his company's "policy is that we will not encourage, promote, or assist in any other way a lottery that is going on the books. That is for the citizens to decide." In addition to concerns about interfering in the democratic process, Hutton was wary of investing capital into an initiative when there could be no guarantee that his firm would win the ticket contract. Barry Fadem, chief petitioner of the lottery initiative in California, attended the annual meeting of the National Association for State Lotteries in 1983 and 1984 to solicit lottery corporations to join Scientific Games in the drive for a California lottery. Every company declined. This reticence was not, however, due to a lack of excitement over the possibility of winning the California ticket contract. Because of its population size, California represented the crown jewel of untapped lottery sales. "Everybody is waiting for California because it is so big," Hutton admitted. "California is the bonanza."[22]

Yet, lottery legislation had a troubled history in the Golden State. In 1964, voters overwhelmingly rejected an initiative that would have created a privately-run state lottery, and, between 1965 and 1983, 11 different campaigns for lotteries failed to garner the minimum number of signatures required for a spot on the ballot.[23] One of these failed attempts played an

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[22] Barry Fadem interview with the author, February 27, 2017, recording in possession of the author; Tracy Wood, "Odds Leaning Toward OK of State Lottery This Year," *Los Angeles Times* February 22, 1984, A15.
[23] Bill Jones, *A History of the California Initiative Process* (Sacramento: California Secretary of State. 1998), 101.

instrumental role in inspiring Scientific Games's involvement in the initiative process. In 1980, San Diego toy manufacturer Roger Chapin began work on an initiative for a "War on Cancer Lottery," a statewide sweepstakes to raise money for medical research. Chapin retained Butcher Forde and political lawyer Barry Fadem, and Fadem contacted Scientific Games in hopes the company would assist the campaign. Ultimately, Chapin did not gather the required number of signatures, but Scientific Games's brief involvement in Chapin's initiative sparked John Koza's interest in using the initiative platform to bring lotteries to the West Coast. The unsuccessful bid also introduced Koza to Fadem, who not only wrote the Proposition 37 initiative for Scientific Games but served as its official proponent, filing the necessary paperwork with the California Secretary of State's office.[24] However, the company opted to practice its politicking before returning to California. In May 1980, Koza hired a political operations firm in Phoenix to begin a drive for a lottery initiative in Arizona while also retaining Butcher Forde to help with campaigns in Arizona, Colorado, and Washington D.C.[25]

Scientific Games did not choose Arizona—or any state where it pursued a lottery initiative—at random. Instead, the company hired pollsters to gauge popular support for a lottery. Company cofounder Dan Bower claimed that voters exhibited untapped enthusiasm for lotteries, which invariably polled above 60 percent. Bower maintained this revelation presented "a great source of amazement for legislators, because they have no idea there is that ground swell, so to speak, for legalized gambling."[26] But public approval could not organically translate into

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[24] Bill Behm interview with the author, January 26, 2017, recording in the possession of the author; John Koza interview with the author, March 2, 2017, recording in the possession of the author; Vic Pollard, "California Ponders Lottery to Aid Cancer," *Reno Gazette*, January 28, 1980, 40.

[25] Bill Meek interview with the author, February 14, 2017, recording in the possession of the author; John Leach, "Drive Begun to Create State-Operated Lottery," *Arizona Republic*, May 1, 1980, A1; John Koza interview with the author, May 9, 2017; Tracy Wood and Bud Lembke, "Consultants for Prop. 9 in Debt," *Los Angeles Times*, October 8, 1980, B3.

[26] Michael Philip Davis, "Scientific Games: Lobbying for Lotteries as Art," unknown publication (n.d.), Folder "Lottery," Box 207, Subseries 1, Series 4, Babbitt Papers, ASA.

political action. So, where polling proved favorable, the company took action to help pass a lottery. Bally Vice President William H. Peltier noted that the lottery movement in California needed "a push here and there … getting it on the ballot to see what the people say."[27] Peltier and Bower's comments framed lotteries as grassroots causes that sprang up from public demand. To them, Scientific Games was not an out-of-state, self-interested corporation meddling with the ballot process but a democratic champion working on behalf of a silenced mass of progambling voters. The company would simply give the "push" that had been missing from previous lottery campaigns.

One key "push" Scientific Games could provide was sponsoring signature gatherers to ensure that lottery bills reached the ballot. In Oregon, the company took advantage of a recent court decision that qualified for-hire signature collecting as a permissible form of free speech, paying circulators to gather 130,000 signatures in just 55 days for a total cost of $30,000.[28] Consequently, the signers of the petition were hardly avid lottery supporters. In California, the head of the signature gathering firm retained by Scientific Games stated that his petitioners first asked voters what county they were registered in and if they would sign a petition for a state lottery. "If they want more information, you have a second line. California lottery is good for schools [sic]. … *After two or three lines it doesn't become cost effective to argue with a person.*"[29] Without any evidence as to precisely how a lottery would benefits education, the inquiring public was presented with the simple proposition that the lottery would aid schools. Collectors had no incentive to debate the merits of a California lottery but to present it as a

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[27] Associated Press, "Bally Corp. Has Stake in Lottery Vote," *St. Louis Post-Dispatch*, October 9, 1984, 6B.
[28] *Libertarian Party of Oregon v. Paulus*, Civ. no. 82-521-FR (D. Or. September 3, 1982); Jeff Mapes, "Petitions for Lottery Over Top" *Oregonian*, July 4, 1984, D3; Sue Hill, "State Lottery Backers Over-the-Top on Names," *Statesman Journal*, July 4, 1984, A1.
[29] Emphasis in the original; Daniel Hays Lowenstein and Robert M. Stern, "The First Amendment and Paid Initiative Petition Circulators: A Dissenting View and a Proposal," *Hastings Constitutional Law Quarterly* 17, No 1 (1989), 198.

windfall for schools to as many people as possible as quickly as possible. In Arizona, a professional signature gathering firm registered every person in line to see the new *Star Wars* film. “If we had not had *The Empire Strikes Back* [1980] in town,” campaign director Bill Meek confessed, “we literally would not have made it,” indicating that the petition’s signers were not enthusiastic lottery supporters but rather bored moviegoers.[30] In every state, the use of paid signature gatherers proved crucial for measures that had public approval but did not inspire grassroots activism. As Oregon State Senator and lottery proponent Dell Isham admitted of the bill in his state, “I don’t think that this lottery initiative would have prevailed without hiring people to collect the signatures.”[31] Isham acknowledged the importance of Scientific Games’s involvement and indicated that the company might not have succeeded if not for its reliance on the newly professionalized campaign industry.

In addition to gathering signatures, Scientific Games also drafted lottery legislation. Every law written by Scientific Games relied on a standard boilerplate that generally resembled the laws passed in eastern states in the previous decade. While each of the company’s bills offered some legalistic differences, the Oregon and California lottery laws, both prepared by initiative lawyer Barry Fadem, offer nearly line-for-line similarities. For example, the bills are practically identical in their stipulations on the distribution of lottery revenue:

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[30] Hill, “State Lottery Backers Over-the-Top on Names”; John Leach, “Ticket Firm Spent $300,000 to Push Lotteries,” *Arizona Republic,* November 16, 1980, B1; Bill Meek Interview.
[31] Jeff Mapes, “Paid Canvassers Called a Political Boon, Bane” *Oregonian*, July 10, 1984, B1.

California Proposition 37 (1984) Section 1, Subsection 4:	Oregon Ballot Measure 5 (1984) Section 1, Subsection 5:
Not less than 84% of the total annual revenues from the sale of state lottery tickets or shares shall be returned to the public in the form of prizes and net revenues to benefit public education. 50% of the total annual revenues shall be returned to the public in the form of prizes as described in this Chapter. … In addition, all unclaimed prize money shall revert to the benefit of public education. … No more than 16% of the total annual revenues shall be allocated for payment of expenses of the Lottery as described in this Chapter. To the extent that expenses of the Lottery are less than 16% of the total annual revenues, any surplus funds shall also be allocated to the benefit of public education.	At least 84% of the total annual revenues from the sale of State Lottery tickets or shares shall be returned to the public in the form of prizes and net revenues benefitting the public purpose. … At least 50% of the total annual revenues shall be returned to the public in the form of prizes as described in this Act. All unclaimed prize money shall … be allocated to the benefit of the public purpose. No more than 16% of the total annual revenues shall be allocated for payment of expenses of the State Lottery as described in this Act. To the extent that expenses of the State Lottery are less than 16% of the total annual revenues … any surplus funds shall also be allocated to the benefit of the public purpose.

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Scientific Games, then, utilized a similar tactic to that employed by the American Legislative Exchange Council (ALEC), the political organization founded in 1973 that provides template legislation for landmark conservative issues such as right-to-work laws and abortion. Scientific Games conducted a comparable operation via the initiative process, with an eye for profit rather than political change.[33]

Scientific Games was not warry of investing in initiative campaigns because another clause it inserted in its bills gave the company an inside track to the ticket provision contracts. Specifically, Scientific Games's bills required extensive financial disclosure documentation from

[32] "Measure No. 5, State of Oregon" in *Voters' Pamphlet: State of Oregon General Election,* November 6, 1984: http://library.state.or.us/repository/2010/201003011350161/; California Voter's Pamphlet, "Proposition 37: State Lottery, Initiative Constitutional Amendment and Statute," *California Ballot Pamphlet: 1984 General Election*, November 6, 1984, UC Hastings Scholarship Repository, University of California, Hastings College of Law: http://repository.uchastings.edu/ca_ballots/; Barry Fadem Interview, February 27, 2017.

[33] Scholars have largely ignored ALEC despite its important role in the spread of conservative policy at the state level; for one example of the organization's influence, see: Gary L. Anderson and Liliana Montoro Donchik, "Privatizing Schooling and Policy Making: The American Legislative Exchange Council and New Political and Discursive Strategies of Education Governance," *Educational Policy* 30, no. 2 (2014): 322-364.

the executives of any firm submitting a bid to supply lottery tickets. Crucially, the laws also required disclosures from the heads of that firm's parent company. This stipulation was designed to target Scientific Games's biggest competitors. Webcraft Games, for example, was founded through a merger of SOI with a technology firm and was a subsidiary of Beatrice Foods, which recorded over $9 billion in revenue in 1984. In order to comply with the disclosure clause, Webcraft had to submit financial forms from over 150 executives in order to vie for a contract that represented one-half of one percent of Beatrice's total annual sales. Webcraft Vice President Duane Kaisand stated that his company would not bid on the lucrative California contract under the terms of the law: "It has nothing to do with what we're trying to withhold. It's that we cannot comply."[34] Scientific Games, on the other hand, was well suited to provide these financial disclosures. Though the company had been purchased by Bally in 1981, Bally provided extensive financial documentation to the New Jersey Casino Control Commission when it applied to open a casino in Atlantic City in 1980.[35]

Scientific Games justified the disclosure requirements as a protective measure to prevent the infiltration of organized crime. The connection between gambling and the mob, forged during the Kefauver hearings of the 1950s, endured into the 1980s. Scientific Games took advantage of gambling's questionable reputation, claiming that the financial disclosures for lottery contractors would protect state lottery commissions from criminal interests. In a statement issued during debates over the lottery in Iowa, one company lobbyist explained, "In lotteries around America, law enforcement worries more about vendors than any other aspect … copies of

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[34] John Hurst, "Lottery Ticket Supplier to Win Biggest Jackpot of All," *Los Angeles Times*, May 16, 1985, B3.
[35] State of New Jersey, Casino Control Commission, "Application by Bally's Park Place, Inc. for a Casino License and Application by Bally Manufacturing Corporation for a Casino Service Industry License" (n.d.), Folder 48, Box 6, Series 3, Gerald Kopel Papers, Denver Public Library, Denver, Colorado (hereafter "DPL").

tax returns prevents [sic] the possibility of infiltration by any element of organized crime."[36] Without these provisions, the company implied, lotteries would be rife for abuse and would allow for mob-connected firms to subvert the legal gambling industry. Competitors proved skeptical as to whether disclosure forms would in fact protect against organized crime. The president of Glendinning explained, "If you have a criminal element in the business, they're not going to announce they are crooks on their tax forms."[37] Other lottery firms saw through Scientific Games's efforts, arguing that the disclosure requirements were put in place solely to keep out competition.

Scientific Games had a particular incentive to require this seemingly superfluous documentation. In 1978, because of his alleged ties to organized crime figures, the New Jersey Casino Control Commission forced Bally president, founder, and chairman William O'Donnell to resign from the company. Though Bally did not purchase Scientific Games until 1981, allegations concerning Bally's underworld connections frequently followed its lottery subsidiary. In 1984, for example, Scientific Games lost the contract to provide instant tickets to Washington State, and a company vice president attributed the state's decision to Webcraft's circulation of rumors regarding Bally's ties to the mafia.[38] In California and Oregon, Scientific Games used the accusations against Bally and the connection between crime and gambling in its own favor. Looking back, Koza dubs the disclosure requirements an "offensive and defensive" measure.[39]

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[36] Dewey Knudson, "Lottery Service Clash Erupts on Eve of Debate," *Des Moines Register*, February 13, 1985, 2.

[37] John Van De Kamp to Richard Alatorre, "PROPOSITION 37—Fadem Lottery Initiative," August 22, 1984, Folder 1, Box 446, Lottery Commission Records, Subject Files, Richard Floyd Papers, CSA; Jeff Mapes, "Lottery Wording Viewed as Effort to Exclude Rivals" *Oregonian,* September 19, 1984, A1.

[38] Robert Mote to Frank Edmonson, "Notification of Protest RFP No. ILG 85-1," Box 2U-2-139, General Files, Governor John Spellman Papers, Washington State Archives, Olympia, Washington (hereafter "WSA").

[39] Koza Interview, May 9, 2017; Despite the disclosure requirements, the lottery bills did not provide any other form of security check, which California's attorney general claimed made the lottery commission less secure. In fact, the bills exempted the state lottery commission from the procurement regulations that guided every other state agency, leaving lottery officials more latitude when selecting a ticket supplier; Robert T. O'Neill to Delanie Eastin, "The Lottery Needs to Improve Its Procurement Procedures and Practices," April 15, 1987, Folder "Bill Files AB1168-

These stipulations absolved the company of association with organized crime while simultaneously preventing other companies from bidding on the contracts.

Thus, with the help of lawyers and signature gathering firms, Scientific Games was able to place company-friend lottery legislation on the ballot in Oregon, California, Arizona and other states. Once the initiatives made the ballot however, the company faced a different question entirely: how could it convince the public to overturn longstanding skepticism of legalized gambling?

While Scientific Games utilized financial documentation requirements in almost every state where it helped draft lottery initiatives, other elements of the company's bills were adapted on a state-by-state basis. Most importantly, in each state, Scientific Games officials carefully designated the program that would receive lottery revenue. Results from northeastern lotteries indicated that the company could not market its initiatives as fiscal cure-alls for entire state budgets. Duane Burke, president of the Public Gaming Research Institute, observed in 1982, "In previous years you could have gotten away with promoting the lottery as a panacea for revenue problems. I think it would be very difficult today." The question for new lotteries, Burke explained, would be "whether that amount can do you some good for programs you are interested in."[40] Rather than a magic bullet for the entire state, Scientific Games proposed lotteries as a windfall for one specific state program, retaining the promise that lotteries

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AB1687, 1987-1988," Box 2, Little Hoover Commission Records, CSA; the company had also tried to insert a provision mandating the lottery open with instant tickets in its Arizona bill but was dissuaded from doing so by the political operations firm it hired to run the Proposition 200 campaign (Bill Meek Interview). The company successfully inserted language into the Colorado lottery legislation mandating the state initially only sell instant tickets (Maria Garcia Berry interview with the author, April 18, 2017).

[40] William Endicott, "Lottery: '82 May Yield Better Odds," *Los Angeles Times*, January 13, 1982, 1.

represented a cure-all but offering a more specified form of the wishful thinking that had defined the first wave of legalization.

But the company understood that certain programs were more popular in certain states. To ensure the popularity of its lottery initiatives, company officials set up focus groups and consulted polls to determine the specific service that voters deemed most deserving of lottery revenue. For instance, when asked about the programs they thought should receive lottery revenue, 81 percent of Arizonans approved of more spending for flood control while just 14 percent wanted additional tax funding for arts and humanities programs. Company cofounder Dan Bower noted, "So you have tremendous variance … the cause itself can change the perception of a lottery as much as 60 or 70 percent. Certainly you wouldn't want to start a lottery for the arts and humanities in Arizona."[41] If the company was going to promise a windfall for a particular state program, it wanted to pick the right one. Ultimately, legal restrictions forced the company to tie its Arizona initiative to the state general fund, though this did not stop supporters from championing the proposition as a panacea for their preferred projects. "A 'yes' vote on Proposition 200 is a vote to reduce taxes," campaign spokesman and Tucson disc jockey William Adams wrote in the prolottery statement in Arizona's 1980 election pamphlet.[42]

Adams was one of many voters in Arizona and elsewhere who viewed the lottery as a bonanza for taxpayers. While voters supported using lottery revenue to bolster state projects, many were particularly attracted to the possibility of a tax reduction, especially in the context of

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[41] Davis, "Scientific Games;" Bower slightly misrepresented the company's assessment of Arizona voters. Only 14 percent of Arizonans approved additional funding of arts and humanities programs from *present* tax revenues. Closer to 50 precent said they would approve the use of some lottery funding for this purpose, illustrating that voters thought of lottery revenue as extra money that could be spent to support causes that were not vital but were worthy of support. The most popular cause for additional lottery revenue was paramedic services, which received 86 percent support; Meek, Foudy, and Zimmerman, Inc., "Arizona Statewide Survey on a State Lottery Proposal" Folder "Lottery," Subseries 3, Series 3, Box 180, Bruce Babbitt Papers, ASA;

[42] William Adams, "Argument 'For' Proposition 200," in State of Arizona, *Publicity Pamphlet: General Election, November 4, 1980*, 37: http://azmemory.azlibrary.gov/cdm/ref/collection/statepubs/id/10531.

the nationwide tax revolt unfolding in the late 1970s. Yet, the belief that a lottery could provide a significant tax cut proved fraught with danger for Scientific Games. Lobbyist Hank Crawford, who ran the company's Oregon campaign, hoped to promote the lottery as a means of reducing property taxes; "I knew that would have been true magic," Crawford stated, "magic" implying that the promise of a tax cut would be so popular that it would magically secure the passage of the lottery. But "magic" also provided an apt indication of how voters viewed the lottery: as a magical new source of revenue that would lessen their tax burden. Oregonians would have overwhelmingly approved a lottery if it promised to reduce their taxes.

However, Crawford understood that taxpayers' outsized expectations of a gambling windfall would ultimately be disappointed. While voters hoped for a windfall, an Oregonian who paid $1,000 in property taxes would only receive an estimated annual reduction of $35 from lottery revenue.[43] Crawford feared that, because voters saw the lottery as a magic-bullet solution to stave off a tax increase, angry taxpayers would push for its repeal when it failed to meet their unrealistic projections. Therefore, Scientific Games officials tied Oregon lottery revenue to the purposefully imprecise cause of "economic development." Though it did not entail the promise of a tax cut, "economic development" suggested significant improvements to state services, offering the possibility of new revenue that taxpayers would not have to pay for directly.[44]

After the lottery passed, Oregonians revealed that they had voted for it despite, rather than because of, the attribution of revenue toward economic development. The cause was so ambiguous as to prove meaningless, and Oregonians approved the lottery because they retained the hope that it would reduce their taxes. One taxpayer explained that "everyone" she talked to "voted for the lottery" but "not because they approved of what would be done with the money.

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[43] Jeff Mapes, "Ticket Seller Lurks Behind Oregon Lottery Initiative, October 29, 1984, *Oregonian*, B2.
[44] Dell Isham interview with the author, January 20, 2017, recording in the possession of the author.

[They] would much rather see their money used for tax relief than this vague 'economic development.'"[45] Because Crawford had not tied the lottery to taxes, voters never understood that it would only have offered a marginal tax reduction. As a result, Oregonians retained their belief in the "magic" of the lottery, and they continued to view it as a financial silver bullet that—if appropriated properly—could significantly reduce their obligations to the state.

Voters distrusted channeling lottery revenue into a vague beneficiary like economic development because they interpreted it as rife for mismanagement. Large, bloated government represented a popular rhetorical target for Democrats and Republicans alike in this period. Though begun under presidents Nixon, Ford, and Carter, the campaign against bureaucratic waste found its most stalwart champion in President Ronald Reagan. In his first inaugural address, the former California governor declared, "government is not the solution to our problem; government is the problem."[46] In a reflection of this attitude, voters in Oregon and elsewhere opposed the designation of lottery revenue for state general funds. Whereas nine of the first fourteen state lotteries had initially devoted revenue to general funds, this type of unrestricted revenue proved untenable in the political climate of the early 1980s. In a poll commissioned by Scientific Games in Arizona, the use of lottery revenue for a specific purpose held a 10 percent advantage over allocation to the general fund. Similarly, Fadem remembers that company research indicated that Californians did not want lottery revenue "to go into the black hole, i.e. the general fund, for the legislators to dole out to whatever they wanted."[47] The general fund did not present an obvious, tangible benefit for citizens, as all gains for the state

[45] Debbie Brandon to Victor Atiyeh, November 15, 1984, Folder 22, Box 88, Administrative Correspondence, Governor Victory Atiyeh Papers, Oregon State Archives, Salem, Oregon (hereafter "OSA").
[46] Ronald Reagan, "Inaugural Address," January 20, 1981, https://millercenter.org/the-presidency/presidential-speeches/january-20-1981-first-inaugural-address.
[47] Meek, Foudy, and Zimmerman, Inc., "Arizona Statewide Survey"; Barry Fadem interview with the author, January 6, 2017, recording in the possession of the author.

would be lost in the political complexities of the budgetary bargaining process. From Scientific Games's perspective, the general fund threatened to obscure the financial windfall that the company promised would result from the legalization of gambling. The magic of the lottery would be lost.

However, even as taxpayers looked unfavorably on government in the abstract, particular programs remained popular. Voters drew a distinction between the general fund and individual state services, even those which were paid for out of the general fund. Richard Demmer of Newport Beach, California, wrote in 1983 that, if "a lottery is adopted I feel strongly that the total proceeds should be earmarked for statewide education at all levels and not merely put into the general fund for less worthy causes."[48] Demmer's view of the general fund as "less worthy" validated the company's decision to tie the lottery to a single, identifiable aspect of state government. While revenue for the general fund implied a political pork barrel, the compartmentalization of state causes helped raise support for a lottery on behalf of one specific program.

Demmer echoed the widespread belief in California that education represented the most deserving recipient of lottery revenue. Education provided a potent political—but non-partisan—symbol that attracted support statewide. One lottery supporter from Crestline, California, wrote in 1984, "What could possibly be wrong or sinful with … such an important undertaking as providing our public schools with badly needed funds consummating in better education for our children?"[49] Any political measure that benefited education was worthwhile, she argued, as concerns for children's welfare should take priority over political, moral, or religious concerns regarding the legalization of gambling.

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[48] Richard Demmer, Letter to *Los Angeles Times,* March 3, 1983, F6.
[49] J. Beckwith, Letter to *San Bernardino County Sun*, "See Lottery as Painless Answer," June 9, 1984, B12.

Scientific Games played up the benefits a lottery would supply for education. At a Sacramento hearing, Barry Fadem dramatized the benefits of additional school funding. "For every day that goes by that … the lottery is not in effect," he argued, California lost out on "approximately $2 million for public education." By discussing lottery revenue in terms of daily income and by relying on best-case scenario projections of annual sales, Fadem exaggerated the funding slipping through the state's fingers. The lottery, he insisted, represented an effective stopgap to regain this lost income. To emphasize this point, he explained that a local second grader had knocked on his door with her mother, asking "'Would you contribute a dollar? I said 'What do you need a dollar for?' This particular school district … was attempting to raise money for a field trip to the zoo." By describing an interaction with a schoolchild rather than simply reveal that his local school district needed funding for field trips, Fadem put a dramatic human face on Proposition 37. "To me, those are the type of people that when we ask about [starting a lottery quickly], we're talking about an educational system that is desperate for the money."[50]

Though not as desperate as Fadem implied, education represented a particular concern for Californians in the mid-1980s because of the impact of the tax revolt. The first stirrings of resistance to property taxes in the Golden State had begun as early as 1954. In the 1970s, surging inflation sparked bracket creep, in which individuals were pushed into higher tax brackets even as their purchasing power declined. Furthermore, the California Supreme Court's *Serrano v. Priest* (1971) ruling—a precursor to *Robinson v. Cahill* in New Jersey—maintained that state school spending could not remain tied to property taxes, thereby forcing the legislature to standardize education expenditure across California. This decision, coupled with economic conditions and a series of political miscues by state and local leadership, helped bring suburban

[50] Barry Fadem testimony to Senate Committee on Governmental Organizations, *Interim Hearing on the California State Lottery Initiative*, September 10, 1984, 33, 43, CSL.

homeowners of both political parties into a broad coalition of tax rebels. In Proposition 13, which one Los Angeles newspaper dubbed "the Watts riot of the white middle class," Californians rebelled against ballooning property taxes that no longer had a direct bearing on their local education systems.[51] This revolt against redistributive tax policies represented an attempt to protect the conservative Sun Belt homeowner ethic that historians Lisa McGirr and Darren Dochuk associate with a preference for small, locally-controlled government and resistance to liberal welfare programs perceived to benefit black and Latino urban centers.[52]

However, opposition to large government and rising taxes did not necessarily entail a desire for material reductions in state benefits. Political Scientists David O. Sears and Jack Citrin summarize the viewpoint of the majority of California tax rebels as "Taxes, No! Big Government, No! Services, Yes!" Proposition 13 supporters were buoyed by the belief that tax cuts would eliminate government waste and trim the state bureaucracy but would not affect state services. On the eve of the initiative vote, for example, 50 percent of voters believed the state government could provide the same level of services with a 25 percent budget cut.[53] As the head of the campaign, Howard Jarvis promised something for nothing. He told voters that by cutting their own taxes they could force the government to offer the same programs with increased efficiency. Californians' support for the tax revolt rested on the wishful belief that they could reduce taxes without threatening state services.

Magical thinking could not forestall the inevitable. In the immediate aftermath of Proposition 13, the legislature began drawing from its hefty surplus but, by 1984, all reserve

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[51] William A. Fischel, "Did *Serrano* Cause Proposition 13?" *National Tax Journal* 42, no. 4 (1989): 465-473; Robert Kuttner, *Revolt of the Haves: Tax Rebellions and Hard Time* (New York: Simon and Schuster, 1980), 96.

[52] Lisa McGirr, *Suburban Warriors: The Origins of the New American Right* (Princeton: Princeton University Press, 2002); Darren Dochuk, *From Bible Belt to Sunbelt: Plain-Folk Religion, Grassroots Politics, and the Rise of Evangelical Conservatism* (New York: W. W. Norton & Company, 2012).

[53] David O. Sears and Jack Citrin, *Tax Revolt: Something for Nothing in California* (Cambridge: Harvard University Press, 1982), 43, 195.

funds had been exhausted. Even as the legislature slashed budgets for a range of programs, the drastic reductions in property tax revenue submerged the state's education system in crisis. One 1982 financial report concluded that, with the exception of the state's libraries, "The impact of Proposition 13 has been greater upon education than upon any other expenditure category." Education suffered because of the changes in the structure of school financing; before Proposition 13, school districts received 43 percent of their budgets from the state government and 50 percent from municipally leveled property taxes. After the initiative passed—and after *Serrano*—the state government provided 67 percent of districts' funding while property taxes accounted for just 26 percent.[54] Thus, Proposition 13 increased Sacramento's share of education funding even as it cut state revenue by approximately $9 billion per year. Accordingly, California per-student spending on education dropped from 10th in the nation to 35th and most school districts reduced the number of nurses, counselors, and custodians and lowered expenditure on books and school maintenance. "We always try to cut as far away from the classroom as possible," the budget director for the Los Angeles public school system admitted, though teachers disclosed a shortage of state-provided supplies in their classrooms as well.[55]

By 1984, Californians had soured on the tax revolt. After passing a cap on state spending in 1979, voters rejected two bills put forth by Jarvis in part because they recognized that further tax reductions would result in more cuts to education or other state programs. As early as 1978, the lottery drew public attention as an alternative way to fund a robust state government. In the immediate aftermath of the tax revolt, a Republican state legislator proposed a lottery as a

[54] Conrad C. Jamison, *Before and After Proposition 13: Expenditure by State and Local Government in California* (LA: Security Pacific Bank, March 1982), A-9, B-37-38.
[55] Jack Citrin, "Introduction," in *California and the American Tax Revolt: Proposition 13 Five Years Later* ed. Terry Richardson, (Berkeley: University of California Press, 1984), 7; David G. Savage, "Public School Decline Predates Prop. 13 Vote," *Los Angeles Times*, June 12, 1983, 29; James Ring Adams, *Secrets of the Tax Revolt* (San Diego: Harcourt Brace Jovanovich, 1984), 173; George Neill, "Loss of Funds Cited in Deterioration of California Schools," *Education Week*, February 24, 1982.

voluntary form of taxation; though his bills had been rejected in the past, he believed he had "a better chance now because we need the money more."[56]

Some of those affected by the post-Proposition 13 tax cuts saw the lottery as the savior of their state. In 1983, state civil employee Marion Carpenter wrote that she realized "the serious predicament the state is facing," but her paycheck "no longer enables me to keep pace with the rising cost of living." She noted instead, "the State lottery in New York has been a tremendous success in pulling that State out of its financial whoes [sic]. LETS GO FOR IT. We have no recourse."[57] Civil service employees had overwhelmingly opposed Proposition 13 and faced severe cuts to their benefits following its passage. Rather than overturn the tax revolt measure, Carpenter wanted a lottery because she knew that a tax increase was off the table. As sociologist Isaac Martin argues, Proposition 13 became an untouchable "third rail" of California politics shortly after its passage.[58] Californians wanted their state to provide more services, but few supported repealing the tax cuts they had passed in 1978. In the aftermath of the fiscal crisis brought on by Proposition 13, the lottery offered a miraculous means of restoring education funding without restoring property taxes.

Support for the lottery initiative, then, rested on the same type of magical thinking at the heart of the tax revolt, as voters believed they could continue to receive services without paying for them. The relationship of Proposition 13 and Proposition 37 was displayed in the September 1984 conversation between Democratic State Senator Bill Greene and Pajaro Valley school official Lynn Thompson cited above. In addition to revealing that her community had not

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[56] Jerry Gillam, "Cline to Resurrect State Lottery Plan," *Los Angeles Times*, June 14, 1978, A23.
[57] Marion Carpenter to Gary Condit, June 1, 1983, Folder 2, Box 446, Lottery Commission Records, Subject Files, Richard Floyd Papers, CSA.
[58] Isaac William Martin, *The Permanent Tax Revolt: How the Property Tax Transformed American Politics* (Stanford: Stanford University Press, 2008), 169.

expected any cutbacks in state services following Proposition 13, Thompson's support for a lottery relied on her view that gambling and taxes were fundamentally different means of garnering money for the state. She noted, "Prop. 13 was against taxes, enforced taxes by the Legislature," the lottery "is not." When Greene retorted that "Those taxes supported education, not the Legislature. Those taxes effected education [sic]," Thompson clarified the difference between the two forms of state income:

> This is not … the county sending me a bill for property taxes and saying: Pay this. This my free agency [sic]. If I want to go out and buy $500 worth of lottery tickets, I can do it, but no county tax collector is sending a bill to me saying: Pay this. That's free agency [sic]. … And I don't think it's the same thing at all.[59]

Thompson dubiously sought to draw a distinction between taxes for the state legislature and those for education. After Greene reminded her that Proposition 13 had affected educational funding, she explained that she supported the tax revolt in order to reduce funding for the legislature—which was associated with waste, welfare, and bureaucracy—but not to reduce educational funding. She ignored, however, that almost of 50 perfect of state education funding came from the general fund and from the legislature.

Additionally, while Thompson pointed to important differences between voluntary lottery tickets and compulsory taxes, she implied that the two were equivalent means of raising revenue. Without offering concrete projections of how much a lottery would make, she imagined that all the revenue that state had lost from property taxes could be replaced with voluntary gambling income. Her support for the lottery entailed the admission that Proposition 13 had damaged the state's educational facilities and that it had curtailed programs that she wanted the state to provide. Rather than have to choose between a tax reduction and service cuts, the lottery offered to painlessly resolve the hard choice facing voters.

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[59] Lynn Thompson testimony, *Interim Hearing on the California State Lottery Initiative*, 152-155.

The tax revolt bore particular influence over the lottery debates in Arizona, California, and Oregon because voters considered tax cut measures and lottery initiatives on the same ballot. Arizona had not yet passed a tax revolt bill but the 1980 ballot included Proposition 106—a facsimile of California's Proposition 13—alongside the lottery initiative, Proposition 200. William Adams, a supporter of both the tax revolt and the lottery, argued that the latter offered a salve for the former: "Some feel if 106 passes we'll be headed for bankruptcy. We offer 200 to help," explicitly claiming that a lottery could stave off cuts in state services that might follow a tax reduction.[60] Adams implied that Arizonans could vote to reduce their own taxes by supporting both initiatives, though he did not mention that Proposition 106 would cut an estimated $300 million from the state budget while the lottery was projected to provide just $30 million.[61] Ignoring this vast discrepancy, Adams created a false equivalency between the two initiatives, wishfully assuming that any measure to provide state revenue could make up for any measure to cut taxes. The lottery, then, represented an act of tax rebellion, an economic mechanism by which anti-tax forces justified their support for reduced state revenue.

State officials feared that voters would draw similar conclusions about the relationship of the lottery and tax cuts. In 1984, California voters considered "Jarvis IV," Howard Jarvis's fourth tax revolt initiative, which promised to "Save 13" by closing loopholes exploited by local governments and the state courts to preserve some property taxes at pre-1978 levels.[62] Nancy Jenkins, a volunteer for the state Parent Teacher Association, worried that voters would consider

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[60] *Los Angeles Times,* "Arizonans Will Vote on State-Run Lottery," October 26, 1980, 5. Ironically, Meek, Foudy, and Zimmerman, the political public relations firm that ran Scientific Games's lottery initiative campaign in Arizona, simultaneously ran the "no" side of Arizona's tax revolt initiative. The company won both campaigns (Michael Foudy interview with the author, February 6, 2017).

[61] John Leach, "Businessmen to Campaign Against Tax-Cut Initiative," *Arizona Republic,* September 23, 1980, B1; *Los Angeles Times,* "Arizonans Will Vote on State-Run Lottery," October 26, 1980, 5.

[62] Ronald L. Soble, "Prop 36: A Rescue Net for Prop. 13 or Legal Morass?," *Los Angeles Times,* September 17, 1984, B1.

Jarvis IV and the lottery initiative as equivalent measures. Specifically, Jenkins feared that the passage of the lottery would "delude the voters of our state into thinking that they have … addressed public funding of education" when in fact the tax revolt measure might create another budgetary crisis and result in no net gain for education whatsoever.[63] Jenkins was concerned about the symbolic politics of the lottery. She recognized that voters viewed the lottery as a windfall for education. Though she hoped that a lottery would in fact improve California's schools, she feared that voters might believe that gambling represented a panacea even as it provided a small percentage of the state's education budget.

These concerns extended to the highest reaches of state government. In 1982, California Governor Jerry Brown Jr. explained that he did not approve of lotteries because they led voters to believe "that somehow—without any pain, without any change in their private behavior—funds can be generated for a great university, fine schools, honest cops, good transit and all the rest of the things that government does." This sort of thinking was unfair and untrue, Brown concluded, and he cautioned against "the false image that a gambling program can solve our problems."[64] He was not against gambling in general, but he opposed the implication that Proposition 37 could singlehandedly address even just one of the state's financial issues in the aftermath of the tax revolt.

While politicians like Brown acknowledged the political danger inherent in lottery proposals, Scientific Games ramped up its Proposition 37 campaign to convince the public that a lottery

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[63] Nancy Jenkins testimony, Senate Committee on Government Organization, "Interim Hearing on the California State Lottery Initiative," 121-122, CSL.
[64] Endicott, "Lottery: '82 May Yield Better Odds."

offered a magical fix for the state's education issues. For the company, Proposition 13 not only provided the economic context for the lottery campaign but also offered a model of how to win an initiative election. Despite the tax revolt's reputation as a grassroots movement, Butcher Forde ran Proposition 13's direct mail campaign and Jarvis received crucial funding and organizational support from the Los Angeles Apartment Owners Association.[65] Similarly, Scientific Games tried to cultivate prolottery grassroots political engagement and, when none organically sprang forth, the company set up political committees to create the impression that lottery initiatives were populist-driven proposals. These groups bore euphemistic names such as Californians for Better Education (CBE), Citizens for Economic Recovery (CER) in Oregon, and Arizonans for Tax Reduction (ATR)—notwithstanding that revenue from Arizona's lottery was designated for the state's general fund. The titles of these citizens groups purposefully made no mention of the lottery and implied cohorts of activists interested in a specific cause, not the legalization of gambling. "Californians," "Citizens," and "Arizonans" marked these groups as local, concerned voters, obscuring that the lottery initiatives were the brainchild of a self-interested Georgia corporation. William Adams claimed ATR was "a group of ordinary citizens, taxpayers and business people who believe a lottery would be a good way to help reduce the ever-increased tax burden in our state."[66]

In fact, however, these organizations represented fronts for Scientific Games, part of the company's attempt to disguise its political operations. ATR, for example, was set up by Michael Foudy, an executive for the political operations firm hired by Scientific Games. In a recent interview, he dubbed ATR a "façade," as most its members had little or no involvement in the

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[65] Daniel A. Smith, *Tax Crusaders and the Politics of Direct Democracy* (New York: Routledge, 1998), 70-83.
[66] John Leach, "Backers of State-Lottery Initiative are Revealed," *Arizona Republic*, August 9, 1980, A1.

lottery campaign.[67] In California, Fadem registered CBE as a nonprofit organization the day after he submitted the professionally-gathered Proposition 37 signatures. Though he maintains to this day that CBE was "real grass" (as opposed to corporate astroturf), the group's headquarters was registered at the offices of McDowell and Woodward, the public relations firm retained by Scientific Game for the campaign. Jack McDowell and Richard Woodward, the company's eponymous executives, served as CBE's campaign director and news director, respectively; Fadem was registered as its treasurer; and professional public relations specialists were listed as its deputy news directors.[68]

Nonetheless, CBE officials insisted their organization was a populist movement. Fadem claimed the group had over 5,000 supporters, though one CBE spokesman put the number as high as 10,000.[69] These estimates of CBE membership were built on mathematical sleight-of-hand conducted by company spokespersons to exaggerate the appearance of prolottery, grassroots activism. Specifically, Fadem sought to blur the distinction between lottery supporters and CBE members, claiming that anyone who approved of the initiative was an affiliate of his organization. Thanks in part to solicitation by Fadem and others, Proposition 37 received the endorsement of eight local school boards, four teachers' associations, over 50 city and municipal officials, as well as more than 100 school principals and administrators. Yet support for the lottery initiative was not tantamount to membership in CBE. For example, five civil service groups endorsed "Yes" on Proposition 37 though only one, the California Association of Supervisors of Child Welfare and Attendance, explicitly referenced CBE in its endorsement.

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[67] Foudy Interview; among the names of ATR members provided to newspapers by William Adams was Phoenix advertising executive Mary O'Hanlon, who claims she was never involved in ATR or the lottery campaign, nor had she ever met Adams; Mary O'Hanlon, email correspondence with the author, January 25, 2017.
[68] Fadem Interview, January 6, 2017; Californians for Better Education, Press Release, n.d. (probably 1984), Folder 3, Box 384, Subseries 1, Series 7, Lottery Commission, Babbitt Papers, ASA.
[69] Barry Fadem testimony, "Fadem Lottery Initiative Proposition 37," August 22, 1984, 53, CSL; Paul Jacobs, "Supporters of Lottery Link Foes to Jockeys and Racehorse Owners," *Los Angeles Times*, October 4, 1984, 24.

Despite this tepid affiliation, all five groups were included on a list Fadem provided to a state legislator under the heading "Who is Californians for Better Education?"[70]

Furthermore, almost all of the funding for these ostensibly grassroots organizations came from the corporate coffers of Scientific Games. According to newspaper reports, the company provided nearly every dollar spent by CER (between $67,000 and $150,000) and ATR ($110,000) over the course of their campaigns.[71] In California, at least $2.1 million of the $2.4 million spent by CBE came from the company or one of its affiliates, as only one California voter made a personal donation of over $100 to CBE.[72] Six months after the election, McDowell was unable to name a single member of CBE and Fadem was only able to name two members of the organization that had ostensibly boasted 10,000 active participants. In Oregon, Dell Isham, who filed the lottery initiative with the state government, claims he was never involved in, nor has he ever heard of, CER.[73]

Operating through its citizens groups, Scientific Games sponsored prolottery advertising to convince voters of the potential panacea of lottery legalization. In Washington D.C., where citizens expressed grassroots support for a lottery, Scientific Games flooded lottery proponents with funds to ensure the passage of a lottery referendum despite the intentions of local supporters to maintain a relatively inconspicuous campaign. Scientific Games donated $10,000 to the D.C. Committee on Legalized Gambling and established its own local political organization in order to sponsor $80,000 worth of radio and television commercials. The company made similar

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[70] Barry Fadem to Richard Alatorre, "Californians for Better Education: Partial List of Endorsements" and "Who is Californians for Better Education?" n.d. (probably August 1984), Folder 1, Box 446, Lottery Commission Records, Subject Files, Richard Floyd Papers, CSA.
[71] *Statesman Journal*, "Groups Contribute to Ballot Measures," October 31, 1984, 7; John Leach and Bill Waldrop, "Most Financial Backers in Proposition 106 Battle will Remain Secret," *Arizona Republic*, October 31, 1980, A2; Mapes, "Petitions for Lottery Over Top."
[72] Carl Ingram and Jerry Gillam, "Lottery Initiative Backers Given $1.5 Million in Funds," *Los Angeles Times* September 27, 1984; B19; Hurst, "Lottery Ticket Supplier to Win Biggest Jackpot of All."
[73] Hurst, "Lottery Ticket Supplier to Win Biggest Jackpot of All"; Isham Interview.

payments elsewhere, shelling out up to $90,000 in Colorado as well as $65,000 for a last-minute media blitz in Arizona in response to slipping poll numbers.[74]

The company's television commercials were designed to turn the debate over the initiative away from the lottery. Rather than appeal to voters by emphasizing their access to lottery tickets if the initiative passed, Scientific Games sought to convince taxpayers that they faced a referendum over the government program slated to receive lottery revenue. Like Fadem's testimonial about a little girl hoping to visit the zoo, these ads made emotional, rather than intellectual, appeals. The company used a single commercial that it customized for the 1980 initiatives in Washington D.C., Colorado, and Arizona, likely the first television spot ever employed to persuade voters to enact a lottery. In the ad, a voiceover explained how much money a lottery could produce in each area. In D.C., a large pile of bills flew into a police officer's hat, a firefighter's helmet, and a graduation cap, warning that impending cutbacks in the city's budget could threaten education or emergency services. In Arizona, a cowboy hat, representing a tax cut, was added to this group and in Colorado, where the lottery would support state parks, the hats were replaced by pictures of tracts of land. The narrator concluded ominously these funds would not be available if the lottery did not pass.[75]

The message of Scientific Games's advertisements proved decidedly threatening, implying that states' public services faced certain doom without lottery funding. By excluding

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[74] Some reports indicate that the entire Colorado campaign—not just the advertising—cost $90,000; though the Colorado lottery initiative passed in 1980, Scientific Games had to spend an additional $10,000 in 1982 to lobby state legislators to create the lottery and set up its guidelines and political infrastructure; Keith B. Richburg, "Lottery Company Starts $80,000 Blitz in District," *Washington Post*, October 29, 1980, A1; John Leach, "Ticket firm spent $300,000 to push lotteries," *Arizona Republic* November 16, 1980, B1; Ray Flack, "Gamble Wins Lottery Coup," *Denver Post*, n.d. (approximately 1983), found in Folder 1, Box 39, Series 11, Gerald Kopel Papers, DPL.

[75] Koza interview, March 2, 2017; Leach, "Ticket firm spent $300,000"; Peter Zimmerman explains that, in the final weeks of the Arizona campaign, when the company's public relations firm realized it needed to run commercials to stave off electoral defeat, Scientific Games provided them with an edited version of the advertisement; Peter Zimmerman Interview with the author, February 9, 2017

references to gambling, these commercials framed lotteries as revenue measures that could make money for the state appear out of thin air. The ads, then, served as the complement to Jarvis's tax revolt campaign. While Proposition 13 promised tax cuts that would not entail reductions in services, these commercials drew their power from a political landscape where government programs were under fire but voters were reluctant to provide the necessary tax funding to prevent service cuts. The ads placed service reductions front and center, presenting the lottery as the only way to stave off cutbacks in these programs. In D.C., an antilottery City Council member said he was "mad as hell" that the advertisements were "playing up the city's financial crisis." He recognized the effectiveness of references to threatened state services, admitting that this message "hits home to a lot of people."[76] Voters would undoubtedly support a measure that promised to provide tax-free funding for education and police, especially when they were told that services might be cut further if they rejected the initiative.

In California, advertisements weaponized education in a similar, but more positive, manner. Scientific Games's television spots used images of schoolchildren to dangle the prospect of a lottery as a means of improving school funding. One advertisement entreated voters to "Help our kids and have fun too! With a better education, everybody wins!"[77] Accompanied by pictures of children in a classroom, the commercial subtly hinted that the new revenue would come from gambling but assured viewers that gambling represented a good deed as, even if players did not win, the money from their losing wager would support education. However, like the "hats" advertisement, this commercial did not present any details about how much revenue the lottery would raise. Instead, it focused on where the money would go, offering voters a simple

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[76] Keith B. Richburg and Ron Shaffer, "Progambling Ads May Turn Tide On Vote in D.C.," *Washington Post*, October 30, 1980, A1.
[77] *CBS Evening News*, "California Vote / Lottery," October 21, 1984, Record 293950, Vanderbilt Television Archives, Nashville, Tennessee.

proposition: if they supported education, they could supply millions of dollars for schools by voting for the lottery. A vote against the lottery was not a vote against gambling but against improved educational funding.

Scientific Games' advertisements proved particularly effective at convincing Californians to support the lottery. In early September 1984, 37 percent of Californians said they had heard or seen an advertisement about the lottery initiative and 47 percent said they supported its passage. By late October, 93 percent of state residents said they had seen or heard an advertisement in favor or opposed to the lottery and support had risen to 54 percent.[78] With a few weeks until election day, the lottery initiative looked like a shoo-in. Voters had finally found their way out of the tax revolt morass.

As election day neared, Scientific Games gradually realized its initiatives were in danger. Though it successfully avoided legislators and competing ticket firms, Scientific Games encountered a final hurdle: a diverse coalition of opponents that rose up against its lottery bills. Lottery opponents looked different in every state but generally drew from the state's political elite as well as a cross-denominational cadre of religious leaders—especially evangelical Protestants.[79] However, lottery opponents' financing paled in comparison to Scientific Games's war chest. In Arizona, the Stop the Lottery Committee raised $8,000 with an average donation size of $190, whereas Scientific Games spent $110,000.[80] These groups understood the long odds

[78] Mervin Field, "Ads Push Initiatives into Public Spotlight," *Sacramento Bee*, November 2, 1984, A13.
[79] Previous scholars have claimed that conservative Christians did not participate in debates over legalized gambling; for example: David A. Skeel Jr. and William Stuntz, "The Criminal Law of Gambling: A Puzzling History," in *Gambling: Mapping the American Moral Landscape*, eds. Alan Wolfe and Erik C. Owens (Waco: Baylor University Press, 2009), 285.
[80] Albert J. Sitter, "Lottery Opponents Identify Group's Financial Backers," *Arizona Republic*, October 25, 1980, 27.

they faced in overcoming Scientific Games's well-run campaign and its promises of new revenue. In California, the Coalition Against Legalized Lotteries raised $100,000 to compete with the company's $2.4 million campaign fund; the group's director, Methodist minister Harvey N. Chinn, framed their struggle in biblical terms, stating that lottery opponents faced "a David-and-Goliath situation."[81]

Opposition to the lottery created strange bedfellows, as Chinn and other religious leaders were joined in the fight against Proposition 37 by Californians Against the Eastern Lottery Fraud (CAELF), a political group set up by the state's horseracing interests. The long history of horseracing in California lent track operators tremendous power, and Koza and Fadem believe racing groups blocked Scientific Games's initial attempts to pass a lottery through the state legislature. After Proposition 37 qualified for the ballot, racetrack owners continued their efforts to prevent the enactment of a state lottery. In a letter to state racing officials, Charles Whittingham, president of the Horsemen's Benevolent and Protective Association, predicted that a lottery would "devastate" the sport of horseracing in California as he feared the lottery would become the preeminent form of gambling statewide. Whittingham proposed a vigorous campaign so that the "billion-dollar thoroughbred industry" could not "be threatened by a numbers game," simultaneously denigrating lotteries as lesser forms of gambling while acknowledging the threat they posed to horseracing.[82] By the end of October, CAELF had raised $2.6 million (slightly more than Scientific Games spent on its California campaign), almost all of its funding drawn from the state's major racetracks and racing associations.[83] Therefore, though religious leaders

[81] William Endicott, "Wrong Number? Religious Groups Planning 'David-and-Goliath' Battle" *Los Angeles Times*, July 6, 1984, A3.
[82] Steve Wiegand, "Odd Coalitions Fight Over a Lottery," *San Francisco Chronicle*, October 18, 1984, 4.
[83] Jerry Gillam and Carl Ingram, "Racing Industry's $2.6 Million Fights Lottery," *Los Angeles Times*, October 30, 1984, B13.

opposed the lottery, the campaign was largely a battle between two interest groups, one hoping to expand gambling and the other trying to preserve its monopoly over legalized wagering.

Antilottery groups in every state relied on three, often intertwined arguments against Scientific Games's initiatives. First, lottery opponents claimed the lottery presented a way for organized crime to flood into their state. Due to the longstanding connections between gambling and criminality as well as the allegations against Bally, opponents painted Scientific Games as a front for mafia interests. One CAELF ad, for example, deemed Proposition 37 the work of "Eastern gambling promoters" with a history of "connections with organized crime."[84] Though CAELF's antilottery campaign was similarly self-interested, the group alleged that Scientific Games represented a corrupt criminal organization, which, by definition, was only concerned with making money for itself, not helping California's education system.

Second, accusations regarding organized crime were accompanied by longstanding concerns about the harmful social effects of gambling, particularly the fact a lottery would adversely affect children. This fear proved particularly resonant in California where lottery revenue was designated for education. A Modesto woman explained that she did not want her "children and grandchildren exposed to this temptation in public places such as grocery stores."[85] Not only might a lottery entice children, it could also take food out of their mouths if irresponsible parents overspent on lottery tickets. In D.C., the Committee for Governmental Integrity, which had successfully organized against an initiative that would have allowed dog racing, claimed that the lottery vote presented "an opportunity for D.C. citizens to show that they

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[84] Paul Jacobs, "Anti-Lottery Ads Charge Backers Have Had Ties to Organized Crime," *Los Angeles Times*, September 29, 1984, A29.
[85] Dorothy Salander to Gary Condit, February 1, 1984, Folder 2, Box 446, Subject Files, Lottery Commission Records, Richard Floyd Papers, CSA.

love children as much as they love dogs … Children suffer from numbers, lottery and bingo!”[86] This campaign likened children to abused animals, appealing to basic moral principles to protect them by rejecting the lottery. Both sides of the debate, then, employed children as symbolic champions of their cause. Opponents painted a grim picture of parents corrupted by gambling and youths unable to resist the opportunity to try to make a quick buck through a game of chance. Meanwhile, Scientific Games presented needy schoolchildren whose education could only be funded through a new wellspring of lottery revenue.

Finally, lottery opponents drew attention to Scientific Games itself, framing the lottery initiative as the work of an outside corporation exerting undue influence over state politics. Polls indicated the effectiveness of this line of argument. When asked to ignore all other considerations, 60 percent of Arizonans said they would oppose a lottery if they knew that “lottery proponents are primarily out-of-state interests.”[87] Accordingly, opponents in Arizona focused on this theme. “They’ll get *profits* in Atlanta we’ll get *organized crime* in Phoenix,” one antilottery advertisement warned, noting that Scientific Games “could care less about the problems we will face if the lottery passes. All they are interested in is the huge profits they would make by printing lottery tickets.”[88] Like Scientific Games’s “Arizonans for Tax Reduction,” this group of religious, governmental, and business leaders utilized the inclusive “we” to mark themselves as Arizonans and to mark the company not only as criminal but as a

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[86] Committee for Governmental Integrity (advertisement), “The Committee for Governmental Integrity Urges the Citizens of Washington, D.C. to vote against D.C. Initiative #6 on November 4, 1980,” *Washington Post*, October 30, 1980, DC6.

[87] EdB/BRH (no full name provided), “Internal Report (Not For Release),” August 25, 1980, Folder 3, Box 384, Subseries 1, Series 7, Lottery Commission, General Correspondence, Bruce Babbitt Papers, ASA.

[88] Emphasis in the original; Stop the Lottery Committee (advertisement) “If the Lottery Passes…They’ll get *Profits* in Atlanta … We’ll get *Organized Crime* in Phoenix,” *Arizona Republic*, November 3, 1980, 2; Bally had not yet purchased Scientific Games when the latter began its drive for an Arizona lottery. Rather, Arizonans exhibited a particular concern for organized crime because *Arizona Republic* reporter Don Bolles was murdered by a car bomb amid an investigation into the mafia in 1976.

hostile, foreign entity. In a 1984 pamphlet entitled "Don't Gamble With California's Future," Harvey Chinn explained that "it was out-of-state money and out-of-state corporations that got Proposition 37 on the California ballot." Like the antilottery forces in Arizona, he expressed particular outrage that a non-California corporation had infiltrated state politics. Chinn condemned the "powerful Eastern gambling firms" who "see a river of gold flowing into their pockets," castigating Scientific Games for attempting to profit off of Californians and for framing the lottery as a windfall for the state.[89]

However, Chinn ignored that voters also viewed the lottery as a river of gold, a miraculous new source of non-tax revenue flowing into the state's coffers. Scientific Games's promises of a cure-all for education proved more tempting than the threat of organized crime or underage gambling. On November 6, 1984, the same day they overwhelmingly reelected Reagan to the White House, 57.9 percent of voters approved a lottery in California while 66.3 percent did so in Oregon.[90] It was a banner day for the company and for American legalized gambling, as West Virginia and Missouri also enacted lotteries (the latter thanks to the efforts of Scientific Games). These four states offered a definitive signal that lotteries were no longer a novelty confined to the Northeast.

Though all of Scientific Games's initiatives passed, the election results illustrated the effectiveness of the antilottery forces in driving down support for legalized gambling. In nearly every state, the lottery received fewer votes than had been predicted by initial company polling. Pre-campaign surveys in California had indicated over 70 percent support for a lottery, over 55

[89] Harvey N. Chinn, "Don't Gamble with California's Future: An Analysis of Proposition 37: The State Lottery Initiative," (Sacramento: Coalition Against Legalizing Lotteries, n.d., probably 1984), Folder 4, Box 515, Subject Files, Series 2, Tim Leslie Papers, CSA.

[90] March Fong Eu, *State of California: General Election, November 6, 1984,* (n.d, n.p.), CSA; "Oregon State Lottery: Chronology of Events," attached to Robert W. Smith to Victor Atiyeh, August 6, 1985, Folder "Lottery," Box 117, 89A-15, Issue Research Correspondence Collection, Victor Atiyeh Papers, OSA.

percent in Arizona, and up to 80 percent of Missourians in favor of a lottery. Proposition 200 in Arizona passed by less than 1 percent in 1980 and the 1984 Missouri referendum passed with 69 percent approval.[91] In California, the lottery found particular support in San Francisco and its surrounding suburbs (San Mateo and Solano counties), communities which historian Robert Self labels as important bases of support for Proposition 13.[92] Southern California, the erstwhile capital of the tax revolt, did not offer overwhelming support for the lottery initiative (56 percent and 58 percent in Los Angeles and Orange counties, respectively), as antigambling, evangelical Christians may have offset the support of homeowners eager for a non-tax means of state funding.[93]

While voters expressed a number of reasons for approving the lottery initiatives, the possibility of a windfall for the state represented the most important factor in Scientific Games's victories. In an exit poll in California, 70 percent of prolottery voters said they supported Proposition 37 because they believed it would help the state or the state's schools and another 32 percent said they voted for it because they preferred a lottery to property taxes.[94] Judie Rohde of San Pedro wrote to her assemblyman, "We just want our state back on its feet without the people being taxed to death. We want a choice, we want a lottery." By claiming the lottery would put the lottery "back on its feet," she implicitly acknowledged the lottery as a means of restoring the revenue that had been lost in 1978. Speaking as a member of the silent majority of middle-class California taxpayers, Rodhe continued that "rich people have loopholes, we the middle class

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[91] Meek, Foudy, and Zimmerman, Inc., "Arizona Statewide Survey on a State Lottery Proposal"; Fred W. Lindecke, "Strength in Numbers for Lottery Vote," *St. Louis Post-Dispatch*, February 29, 1984, 1A; Barry Fadem to Richard Alatorre, August 15, 1984, Folder 1, Box 446, Subject Files, Lottery Commission Records, Richard Floyd Papers, CSA; *St. Louis Post-Dispatch*, "County by County Election Results," November 8, 1984, 20A.
[92] Robert Self, *American Babylon: Race and the Struggle for Postwar Oakland* (Princeton: Princeton University Press, 2003), 323-324.
[93] Fong Eu, *Statement of Vote: General Election, November 6, 1984*, 32.
[94] Ed Salzman, "State Lottery's 'Pot of Gold' Brings Variety of Uncertainty," *Sacramento Bee,* November 7, 1984, A4.

people and voters need a break. … We want a lottery, we want to save our state."[95] The lottery was both relief for the state's beleaguered taxpayers as well as the savior of the state government. The middle-class could finally receive the services they demanded without paying more taxes.

The magical thinking that led voters to believe that a lottery would provide a panacea for the state was accompanied by the similar belief that a lottery offered voters the chance to win millions of dollars. The second largest driver of lottery support in California was the desire to participate in legalized gambling, as 18 percent of voters said they approved Proposition 37 because they wanted to buy lottery tickets. One Newhall voter explained, "Do you really believe that those of us who want one think that a lottery will ease the state's financial crisis? We hope that it will ease our own."[96] He was skeptical that the lottery could help the state but supported its passage because it offered him odds—however improbable—of winning a windfall. Voters in Washington D.C. exhibited a similar mindset, as the lottery initiative campaign chairman noted that "people either wanted the revenue or thought they were going to win the lottery."[97] Though seemingly dissimilar in their motives, both groups of voters, in fact, relied on the wishful, magical belief that gambling represented a jackpot, either for themselves or for their state.

Scientific Games was not concerned with why voters decided to pass a lottery, as the company remained focused on the opportunity to serve as states' instant ticket provider. Thanks to legislation that precluded competitors from bidding, Scientific Games won the contract for every state where it participated in the initiative process. The company was the only eligible

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[95] Judie Rohde to Gary Condit, July 1, 1983, Folder 2, Box 446, Subject Files, Lottery Commission Records, Richard Floyd Papers, CSA.
[96] Tom Scribner, "The Lottery: Fool's Gold'," Letter to *Los Angeles Times*, May 5, 1983, G6.
[97] Eugene Robinson and Keith B. Richburg, "D.C.: Carter, Lottery, Statehood Win Easily," *Washington Post*, November 5, 1980, A1.

bidder in California—a bid from a Canadian firm was disqualified for failing to meet the disclosure requirements—and won the coveted contract to supply tickets to the nation's largest state. While the state lottery commission emphasized that the company had not received any advantage during the bidding process, Scientific Games had anticipated that it would receive the lucrative California contract. The company began construction on a $6 million factory in Gilroy, California, seven months before the passage of Proposition 37 in order reduce manufacturing costs for a contract it was seemingly assured to win.[98]

Shortly after the election, Scientific Games signed a $40 million contract to provide tickets for California's first six scratch games (most state lotteries did not yet offer multiple instant ticket games simultaneously). After spending approximately $2.4 million to pass Proposition 37, by 1987 the company had signed three contracts with the state worth $92 million, providing 2.76 billion tickets at a cost of 2 to 3 cents per ticket.[99] The company saw similar returns on its investment elsewhere. Scientific Games paid approximately $100,000 to pass a lottery initiative and corresponding legislation in Colorado, and it projected revenue of $3 million from its contract with the Colorado Lottery for 1983 alone.[100] In Oregon, the company was the only bidder and, after just four days of negotiation, signed a $4.3 million contract for 1985.[101] Surveying Scientific Games's work on the Proposition 37 campaign and its prompt receipt of the contract, State Senator John Doolittle dubbed Scientific Game's operation "the

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[98] *Los Angeles Times*, "The State," June 6, 1985, A2; Behm Interivew.

[99] Michael Michalko testimony, State of California, Senate Rules Committee, Hearing, Sacramento, California, August 28, 1985, CSL, 15; John A. Bolt, "State Lotteries Specialist Guards Winning Secret," *Poughkeepsie Journal*, September 8, 1987, 7A.

[100] Tom Witosky and Dewey Knudson, "Pinball Firm Lobbies for Iowa Lottery," *Des Moines Register*, February 20, 1983, 1.

[101] "Oregon State Lottery, Chronology of Events," attachment to Robert W. Smith to Governor Victor Atiyeh, "Oregon State Lottery Report as of August 6, 1985," August 6, 1985," Folder "Lottery," Box 117, Issue Research Correspondence, Victor Atiyeh Papers, OSA.

most artful job that's ever been pulled off in California," implicitly likening the company's political campaign to a successful heist.[102]

After the election, voters and state officials realized, like Doolittle, that an out of state firm had successfully taken advantage of the initiative process. When Scientific Games won its contracts, voters understood the degree to which the company had used the lure of state revenue to disguise its pursuit of profit. Margaret Rowland of Toledo, Oregon, wrote her governor two months after the initiative passed, "I resent that [the lottery] ballot measure[s were] drafted, campaigned and bankrolled by attorneys provided by Scientific Games, Inc. of Norcross, Georgia, whose only interest was greed, appealing to our base instincts instead of noble ones. We fell for it," admitting that she, like other voters, had been swayed by unrealistic promises of state revenue.[103] In particular, she bemoaned not only Scientific Games's surreptitious involvement in the campaign but also its effective employment of false promises to draw support for a self-interested proposal. In Arizona, Republican State Senator Ray Rottas stated he had "misgivings" about the company supplying the state's tickets because "this is the first time in the state of Arizona that an initiative has been bought and paid for."[104] Noting the relative newness of moneyed intervention in state politics, he charged that Scientific Games receiving the lottery contract—especially when the company represented the only eligible bidder—reeked of collusion and corruption.

Though not illegal, Scientific Games took full advantage of its status as the only eligible instant ticket provider. The company's disclosure requirement blocking other bidders was not a

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[102] Michael Michalko testimony, State of California, Senate Rules Committee, Hearing, Sacramento, California, August 28, 1985, CSL, 15-16.
[103] Attachment to Margaret Rowland to Victor Atiyeh, January 16, 1985, Folder 21, Box 88, Administrative Correspondence, Victor Atiyeh Papers, OSA.
[104] Frank Turco, "Lottery Turns 1 on July 1; Success is 'Almost Unreal'," *Arizona Republic* June 28, 1982, B1.

victimless crime, however, as the absence of competition in the bidding process allowed the company to inflate the prices of its tickets. The Washington State legislature enacted a lottery in 1982 as an emergency measure to generate immediate revenue. Due to the urgency of the need for revenue, the state turned directly to Scientific Games because a competitive process would delay the target ticket-sale date.[105] However, by 1984, when the Washington contract went on the open market, the lottery commission realized its mistake by not opening up the contract to other bidders. Scientific Games charged the state 2.7 cents per ticket, 21 percent above typical market price, approximately the same cost the company offered to the Arizona Lottery in 1981 (in 1975, New Jersey's first batch of instant tickets had cost just 1.7 cents). In 1984, Webcraft won the state's contract at a cost of 2.2 cents, a difference of nearly $170,000. In Colorado, Scientific Games's status as the sole bidder allowed the cost of tickets to reach up to 3.7 cents. One Washington State contracting officer noted, "The more competition, the sharper the pencils get[,] I do think competition is healthy."[106]

Regardless of which company states chose as their ticket supplier, voters and officials quickly realized the flaws in the magical thinking that had encouraged their support for a lottery as an answer to the tax revolt. In 1985, the California Lottery raised over $690 million for the state's education fund, representing approximately 6 percent of the state's total education budget and 2 percent of total state income. As in the Northeast in the 1960s, visions of lottery riches proved more illusion than reality. Thanks to a loophole in the legislation, California lottery funding became lost in the budgetary balance of the state's education funding. While the lottery

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[105] Robert A. Boyd to James S. Rennie, August 9, 1982, Box 2U 09 066, Policy Files, Chief of State, John Spellman Gubernatorial Papers, WSA.

[106] Jeff Mapes, "Lottery Wording Viewed as Effort to Exclude Rivals" *Oregonian,* September 19, 1984, A1; Flack, "Gamble Wins Lottery Coup"; Don G. Campbell, "Arizona Goes Into the Lottery Business," *Los Angeles Times,* June 19, 1981, I1; Beatrice S. Tylutki, "Instant Lottery," August 26, 1975, Folder "Lottery 1974-1975," Box 10, General Files, Executive Secretary/Chief of Staff Papers, Brendan Byrne Gubernatorial Papers, New Jersey State Archives, Trenton, New Jersey.

generated millions in profits for the company, California's schools were not as fortunate. In 1985, the *Los Angeles Times* noted, "Without some very strong and very precise legislative language, the idea of lottery money being a special bonus for schools will evaporate like the instant-riches dreams of most ticket-buyers."[107] The paper drew an explicit parallel between those clinging to the hope that the lottery would provide a windfall for education and the gamblers who bought tickets hoping for a life-changing jackpot. While the financing issue was ultimately resolved by a 1988 initiative, the lottery still provided just a small percentage of the state's education revenue, falling far short of the expectations that had secured its passage.[108]

Nonetheless, though Scientific Games largely abandoned its political operations after 1984—with the exception of a failed bid to place a lottery initiative on the ballot in Oklahoma in 1986—the company's initiatives reopened the floodgates for new states to pass lotteries. The four lotteries enacted in November 1984 signaled the seemingly inexorable march of legalized gambling across the country. GTECH, the nation's predominant lotto vendor, began lobbying state legislatures to pass lotteries in the late 1980s. Following the fiascos of the 1970s, high sales in the early 1980s and the seeming inescapability of gambling legalization made legislators increasingly receptive to lotteries. While Scientific Games was not responsible for the creation of any new lotteries after 1984, its campaigns set the stage for the massive spread of legalized gambling in the late 1980s and early 1990s.

Thus, the dramatic expansion of lotteries in the 1980s was not purely the result of economic, cultural, or political context. Lotteries spread because Scientific Games swamped the initiative process, took advantage of the newly professionalized campaign industry, and

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[107] *Los Angeles Times*, "A Gamble for Education," August 27, 1985, B4.
[108] David Michael Johnston, "The California Lottery 1988-89: An Analysis of Lottery Fund Usage by Unified School Districts," (Doctoral dissertation, University of Southern California, 1990), 132-133.

successfully convinced voters of the potential uses of revenue on behalf of a popular state cause. The powerful, profit-driven corporations that dominate the contemporary gaming industry represent the cause, as well as the result, of gambling legalization, and these companies helped foster the enduring belief in lotteries as a bountiful source of state revenue.

Scientific Games's initiative campaigns in California, Arizona, and Oregon also reveal the power of magical thinking in facilitating the spread of legalized gambling. Though not as hyperbolic as the promises that had enabled the passage of lottery laws in the 1960s, the company framed lotteries as cure-alls for individual programs. Especially in the wake of the tax revolt, voters proved eager to support a measure they were told would provide a meaningful new source of revenue without any obligation on their part. However, many ignored that a similar promise that had led them astray only a few years earlier. The tax revolt was based on a wishful belief that voters could reduce their own taxes without any repercussions. When state services were cut, voters refused to recognize the flaw in their magical thinking, turning instead to a new panacea to solve the panacea they had endorsed six years earlier. The magical thinking that drew gamblers to Scientific Games' instant tickets also drew hopeful taxpayers, each longing not just for a budgetary solution but for their very own river of gold.

CHAPTER 4

Somebody's Got to Win, Might as Well Be Me:
Lottomania and Class Mobility

In the late summer of 1985, 73-year-old Harlem resident Gerald Williams was captivated by dreams of a life of luxury. Williams was one of millions of New Yorkers who waited in line for his chance to buy tickets for a jackpot offered by the state lottery's newest game, lotto. "It's got hold of me like a fever—I can't shake it," Williams stated of the $41 million prize, at that point the largest lottery jackpot in American history. Williams, who lived off his pension, spent $75 on lotto tickets and had to resist the urge to spend his $50 emergency fund as well. He was far from alone in his enthusiasm for the lottery, as the state was swept up by what journalists dubbed "lottomania." On August 20, New Yorkers spent $13.2 million on lotto tickets. The following day, they spent an additional $15 million, purchasing 21,000 tickets per minute in the final hours before the drawing.[1] Despite his nearly infinitesimal odds of taking home the jackpot—each ticket had just a 1-in-12 million chance—Williams believed the lottery represented his best hope for unimaginable opulence. "The big difference between lotto and life," Williams explained, "is that in this game, everybody has the same chance."[2]

In the 1980s, the rise of lotto fundamentally reshaped the place of lotteries in American society. The first state lotteries games offered relatively small jackpots which rarely exceeded $1 million, a hefty sum, to be sure, but a prize that for most gamblers offered financial stability or incremental economic mobility. Lotto was different. Lotto gave players miniscule odds of winning but drew its popularity from massive, multi-million-dollar jackpots. These prizes

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[1] Margot Hornblower, "$41 Million Jackpot Has New Yorkers Burning With Lotto Fever," *Washington Post*, August 22, 1985, A3.
[2] Melinda Beck, "The Lottery Craze," *Newsweek*, September 2, 1985, 16.

offered a different form of mobility, one that suited the cultural ethos of the 1980s. In the Reagan years, the lives of the wealthiest Americans became at once more lavish and more public. Accordingly, aspirations of mobility changed. Instead of the dreams for a secure, middle-class lifestyle that had flourished in the immediate post-World War II period, in the 1980s, millions of Americans began to define success as synonymous with luxurious affluence, not merely a life of material comfort but of opulence. Like Gerald Williams, many players believed that enormous lotto jackpots offered their best—or only—opportunity to achieve this new benchmark for wealth.

The new standards for success coincided with broader financial forces that transformed access to economic advancement in the United States. In the 1970s and 1980s, as blue-collar wages declined and the low-wage service sector emerged as a major employer, rates of mobility stagnated. Nonetheless, as in previous economic downturns, many Americans maintained the belief that they could get ahead even as economic conditions left fewer opportunities for advancement. In 1978, sociologist Michael Lewis presciently dubbed this phenomenon the American "culture of inequality," a cultural climate which "insures our right to dream big dreams and imagine that the best of everything is within our reach." This culture allows each individual to believe that they can achieve success regardless of external factors in their way, a view Lewis understood to be naïve given the actual circumstances in an increasingly stratified society. "Irrespective of what we believe," Lewis argues, "there is simply not much room at the top."[3]

In the 1980s, millions of American turned to lotto to rise to the top of this culture of inequality. Gambling has a long history as an avenue of upward mobility in the United States. As

[3] Michael Lewis, *The Culture of Inequality* (New York: Meridian, 1978), 14, 15-16.

early as the nineteenth century, historian Jim Cullen shows, gambling presented a “competing notion of the American Dream,” allowing players to try to win a life of financial stability without navigating the traditional meritocracy and its emphasis on hard work.[4] Lotteries took on added importance as methods of mobility in the 1980s because lotto was one of the only conceivable chances working- or middle-class Americans had at achieving the decade’s new standards of success.

Yet, the popularity of lotto was built on players’ wishful belief in their chances of winning. Most gamblers fundamentally could—or would—not understand the extent to which the odds were stacked against them. Players like Gerald Williams acknowledged the long odds they faced but dreamed and acted as if they would inevitably defy these odds, as if a win was a certain part of their future. Buoyed by the belief that larger prizes would mean bigger payouts—without recognizing that larger prizes meant lower odds—players bought more and more tickets, and lottery sales expanded rapidly over the course of the decade. In 1980, annual per capita sales in the nation’s 14 state lotteries was $38 and total sales nationwide sat at $2.4 billion; by 1988, over a dozen additional states had enacted lotteries and per capita sales reached $98 with total sales at almost $15 billion.[5] Net lottery sales nationwide grew by 29 percent per year between

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[4] Jim Cullen, *The American Dream: A Short History of an Idea That Shaped a Nation* (New York: Oxford University Press, 2003), 161-162. On lotteries as mechanisms of economic mobility, see: Edward C. Devereux, *Gambling and the Social Structure: A Sociological Study of Lotteries and Horse Racing in Contemporary America* (New York: Arno Press, 1980); Gregory G. Brunk, “A Test of the Friedman-Savage Gambling Model,” *Quarterly Journal of Economics* 96 (1981): 341-348; Reuven Brenner with Gabrielle A. Brenner, *Gambling and Speculation: A Theory, a History, and a Future of Some Human Decisions* (Cambridge: Cambridge University Press, 1990); Andrew Delbanco, *The Death of Satan: How Americans Have Lost the Sense of Evil* (New York: Farrar, Straus and Giroux, 1995); Jens Beckert and Mark Lutter, “Why the Poor Play the Lottery: Sociological Approaches to Explaining Class-based Lottery Play,” *Sociology* 47 (2013): 1152-1170.

[5] In the 14 states that had lotteries in both 1980 and 1985, sales grew almost 28 percent annually over those five years; Charles Clotfelter and Phillip J. Cook, *Selling Hope: State Lotteries in America* (Cambridge: Harvard University Press, 1989), 24; John L. Mikesell and C. Kurt Zorn, “State Lottery Sales: Separating the Influence of Markets and Game Structure,” *Growth and Chance* 18, no. 4 (October 1987): 10-19; Alan Karcher, *Lotteries* (New Brunswick: Transaction Publishers, 1989), 20.

1980 and 1987 and, in 1989, 66 percent of residents of lottery states bought tickets occasionally, 31 percent doing so at least once a week.[6]

Lotto was at the heart of this rapid popularization of lotteries in the United States. Most states started with fairly modest jackpots, but, as lotto attracted more and more gamblers, the game evolved over the course of the decade. In accordance with players' rising standards of wealth, bettors increased their expectations for prizes and the size of a jackpot that could spark lottomania gradually grew. To retain players, state lottery commissions expanded prizes, which rose from six to nine figures in the span of just ten years. In response to the shift toward larger prizes in states like New York, Illinois, and California, smaller states banded together to offer gargantuan jackpots of their own. This process drove lotto prizes even higher and eventually led to the birth of Powerball, the mega-jackpot game that is also the most popular lottery game in the twenty-first century.[7]

Lottomania over large jackpots attracted many different types of gamblers. Regular bettors as well as infrequent players were caught up in the lottery crazy, illustrating that the decade's new dreams of becoming super-wealthy cut across class and racial lines. All players, rich and poor alike, approached lotto with similar hopes for instant wealth but the money spent on tickets—and the unfulfilled dreams that inevitably accompanied those tickets—ultimately proved more harmful to poorer players. Lottomania offers a previously overlooked element of the culture of the 1980s, one that demonstrates how and why millions of Americans turned to the randomness of the lottery in an increasingly unequal and socially immobile society.

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[6] John Hanly Adams, "Lotteries: Entering the Big Time In State Finance," Special Report, Tax Foundation, November 11, 1987, Folder 1, Box 149, Subseries C, Series IV, Zell Miller Papers, Richard B. Russell Library for Political Research and Studies, University of Georgia, Athens, Georgia (hereafter "UGA"); George Gallup Jr., *The Gallup Poll: Public Opinion 1989* (Wilmington, DE: Scholarly Resources Inc., 1990), 138.

[7] Of the two lotto games available across all 44 state lotteries—Powerball and MegaMillions—Powerball is more popular, accounting for 6 percent of all lottery ticket sales nationwide in 2017; https://www.nasplmatrix.org/nri

In the 1970s, lotteries were seen as panaceas for state budgets. However, in state after state, revenue fell short of initial expectations as initial waves of enthusiasm gave way to stagnant sales. The first lottery games were unexciting, consisting of passive games, which were effectively glorified raffles. Players purchased tickets with pre-assigned numbers and all tickets were placed into a giant drum. Every drawing was guaranteed to produce a set number of winners and players had no role in the gambling process beyond the choice of how many tickets to purchase. The prizes offered in these games were small and were not subject to change, no matter how many tickets were sold. The first legal lottery jackpot awarded in the United States in the twentieth century—in New Hampshire in 1964—amounted to $100,000 for each of six different winners. New Jersey and other states introduced $1 million drawings but these were infrequent, occurring only when sales from passive games reached certain sales benchmarks. In general, states utilized a prize structure with more winners and small prizes, yet this strategy did not sustain players' long-term interest.

To increase lottery revenue, states introduced three new games. First, as explained in the previous chapter, states began selling instant lottery tickets. Second, in 1972, the New Jersey Lottery offered the nation's first legal daily numbers game. Designed to lure African-American gamblers away from illegal gambling operations, numbers games became a stable moneymaker over the course of the late 1970s and 1980s as illegal numbers players gradually shifted to the better payouts offered by the state-run operation. However, the steady revenue from these games quickly hit a ceiling, as numbers games did not initially become popular beyond a core set of white working-class and African-American gamblers who had patronized illegal numbers games.

Finally, states introduced lotto, a game that held the greatest chance to replace passive games as the mainstay of lottery revenue. First popularized in Italy in the fifteenth century (though a variant had been played in China as early as the tenth century), lotto provided American gamblers with an exciting game that had already proven successful for many European lotteries.[8] In lotto, players selected six numbers (sometimes five or seven) from a predetermined range; six numbers were drawn from that field and if a player correctly selected all six, they won the top prize. For example, in a standard lotto format, players select six numbers ranging from 1 to 49 (annotated as 6/49). If their six numbers matched the six numbers selected by the lottery commission—usually through ping-pong balls—they won the jackpot, though a 6/49 game offered players just a 1-in-14 million chance of winning the grand prize. Lotto jackpots were determined on a pari-mutuel basis, meaning the available prize was based on how much players bet, with approximately 25 percent of every dollar contributing to the top prize. Because players chose their own numbers—the "quick pick" option of computer-generated numbers was not introduced until the mid-1980s—there was no guarantee that each drawing would produce a grand-prize winner. If no player correctly guessed every number, the jackpot would roll over, resulting in a bigger prize for the following drawing. Lotto offered the possibility that multiple drawings without a winner would result in a jackpot many times larger than the base prize.

The Massachusetts State Lottery, which had also sold the first instant tickets in 1974, provided the United States' first, ultimately unsuccessful, foray into lotto. In 1978, the commonwealth introduced a 6/49 game, but sales began extremely slowly and never exceeded $100,000 in a single week. That year, the Massachusetts legalized numbers game grossed $94 million and its weekly, passive lottery took in nearly $25 million. The state's lotto game, on the

[8] David G. Schwartz, *Roll the Bones: The History of Gambling* (New York: Gotham Books, 2006), 16, 86.

other hand, barely topped $1 million in sales.[9] As a result, the Massachusetts Lottery Commission terminated lotto after just 13 weeks. Officials believed the long odds of winning kept players away, yet the overwhelming success of the reinstated lotto game in Massachusetts in mid-1980s reveals that the small prize pool, rather than the long odds, made the game unappealing. When Massachusetts closed its first lotto operation, the jackpot had gone 13 weeks without a winner but had expanded to just $82,000, an unenticing sum given the bigger prizes and better odds offered in the state's passive game.[10]

Despite Massachusetts' misadventure, New York instituted its own lotto game in 1978, with startup funding provided by Mathematica subsidiary Games Management Systems. For $1, players selected two sets of six numbers between 1 and 40 (6/40), with each ticket offering players a 1-in-3.8 million chance of winning a game that offered a base prize of $250,000.[11] As predicted based on results in Massachusetts and Europe, New York's sales began slowly, grossing a total of $1.9 million in the first six weeks. New York Lottery director John Quinn maintained that lotto players had to get used to picking their own numbers and then waiting up to a week for the drawing, rather than less than a day in numbers games. As early as 1979, Quinn claimed that lotto had "established a base of customers," and, by 1980, lotto sales reached approximately 1.3 million tickets per week, nearly matching the state's instant game as well as its newly instituted daily numbers game.[12] Quinn had faith in lotto's future in New York because

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[9] Massachusetts Lottery Commission, *Annual Report: 1978* (Massachusetts Lottery Commission, 1979), Massachusetts State Library, Boston, Massachusetts.

[10] *New York Times*, "Lotto, a Failure, Is Discontinued By Massachusetts State Lottery," January 8, 1979, A15; Associated Press, "Bay State's 'Lotto' Loses to Competition," *Burlington Free Press* (Burlington, Vermont), January 8, 1979, 1.

[11] Associated Press, "Lottery Turns to 'Lotto'" *Journal News* (White Plains, New York), October 25, 1978, 10B; Bill Beeney, "New Lottery Lets You Pick the Numbers," *Democrat and Chronicle* (Rochester, New York), November 2, 1978, C1.

[12] New York State Lottery, Press Release, April 20, 1979, folder "Lottery (Legislation), Taxation and Finance" and John D. Quinn to Robert Morgado, "Update on Daily Numbers/Automated Lotto," November 17, 1980, folder

"interest in [lotto] grows instead of dying, and with that growth of course prize money grows," promising that an increase in sales would raise the jackpot.[13] Quinn could have mentioned the crucial next step in expanding lotto's popularity: not only would high sales drive the jackpot up, but expanding prizes would attract new players whose sales would help the jackpot grow even further, thereby attracting more players to what was quickly becoming the state's most popular lottery game.

Thus, after sluggish starts in nearly every state where it was introduced, lotto took off and became the cornerstone of the lottery industry in the 1980s. By 1986, 19 of 23 state lotteries offered lotto and the game accounted for 35 percent of lottery sales in New Jersey, 49 percent in Illinois, 56 percent in New York, and over 75 percent in Arizona.[14] In 1987, lotto's first full year in California, 40 percent of all adults in the state bought at least one ticket. In 1988, that number reached 72 percent. After reintroducing lotto in 1983, Massachusetts saw an even more overwhelming response than the Golden State. In 1986, approximately 70 percent of Massachusetts residents bought lotto tickets regularly and as many as 90 percent did so when the jackpot had grown over multiple drawings.[15] Overall, in states with both instant and lotto games, lotto accounted, on average, for 70 percent of total lottery revenue by 1989.[16] In 1980, total lotto

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"Lottery (Miscellaneous Data) Taxation and Finance," Box 138, Subject Files, Records of the New York State Department of Budget, New York State Archives, Albany, New York (hereafter "NYSA").

[13] Associated Press, "Efforts Under way to Boost Lotto," *Poughkeepsie Journal*, December 21, 1978, 24.

[14] New Jersey Lottery, *Annual Report, 1986* (n.d., n.p.), New Jersey State Library, Trenton, New Jersey (hereafter "NJSL"); New York Lottery, *Annual Report, 1985-1986* (n.d., n.p), New York State Library, Albany, New York; Arizona Lottery, *1986-1987 Annual Report* (n.d., n.p), Arizona State Library, Phoenix, Arizona; Illinois State Lottery, *1986 Annual Report*, Box 40, Lottery Records: Office of the Director, Illinois State Archives, Springfield, Illinois (hereafter "ISA").

[15] California Lottery, *Annual Report, 1987* and *Annual Report, 1988* (n.d., n.p.), California State Library, Sacramento, California; California State Lottery, "Second Quarter 1991-1992 Annual Plan Changes," (September 16, 1991), Folder 1, Box 1, Meeting Files, California State Lottery Commission Records, California State Archives, Sacramento, California (hereafter "CSA"); Bruce Mohl, "Why the Mass. Lottery is a Big Winner," *Boston Globe*, January 28, 1986, 25.

[16] Zell Miller to Georgia State Senators, "Background on a Lottery for Georgia Education," January 23, 1989, Folder 16, Box 148, Subseries C, Series IV, Zell Miller Papers, UGA.

sales nationwide sat at $52 million. In 1990 they reached over $8.5 billion.[17] Lotto was the nation's new game of choice.

Across the country, lotto sales were driven by lottomania (also dubbed "lotto fever"), periods when multiple rollovers created hysteria over huge jackpots. In the days before these drawings, some hopeful players purchased hundreds of dollars' worth of tickets and retailers reported long lines of gamblers at their stores. Like the lottomania that beset New York in August 1985, in the final hours before the drawing, sales often reached into tens of thousands of tickets sold per minute as bettors rushed to buy their chance at the jackpot. "Can you believe Chicago today?" a Brighton Park, Illinois, resident remarked in 1984 during a frenzy over a $34 million jackpot. "That money. People around here, that's all they can talk about."[18]

This fervor over rollover jackpots was facilitated by the 1980's cultural fixation with wealth and opulence. Throughout the decade, the public embraced opportunities to peer into the lives of the nation's wealthiest citizens. In 1982, for example, *Forbes* published its inaugural list of the 400 richest Americans; despite printing an additional 25,000 copies, the issue sold out nearly instantaneously. Similarly, Chrysler CEO Lee Iacocca's autobiography was the nation's bestselling nonfiction book in 1984 and 1985, and Donald Trump and Tony Schwartz's *The Art of the Deal* spent 13 weeks atop the *New York Times* bestseller list in 1987.[19] As historian Gil Troy notes, Ronald Reagan helped usher in this culture of luxury from the White House, the

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[17] U.S. Census Bureau, *Statistical Abstract of the United States: 1999* (December 9, 1999), 333, https://www.census.gov/library/publications/1999/compendia/statab/119ed.html.
[18] Lauren Silverman, "Cubs? Weather? No, City's Buzzing about Lotto," *Chicago Tribune*, August 31, 1984, A1.
[19] Larry Samuel, *Rich: The Rise and Fall of American Wealth Culture* (New York: AMACOM, 2009), 184-185; Edwin McDowell, "'Iacocca' and 'Wobegon' Top-Selling Books of '85," *New York Times*, January 6, 1986, C15.

extravagance of his tuxedoed administration contrasting sharply with the modesty of Jimmy Carter's sweater-clad Washington. "What I want to see above all," Reagan told a group of reporters in 1983, "is that this country remains a country where someone can always get rich."[20] From lavish inaugural galas to a tax plan that benefited the richest Americans, the former actor happily endorsed the valorization of wealth.

The popular television shows of the 1980s encapsulated the public's newfound appetite for opulence. In a sharp departure from the sitcoms about middle- and working-class families that dominated television in the 1950s, 1960s, and 1970s, the most popular programs of the Reagan era celebrated luxuriousness inaccessible to all but a small cadre of Americans. Shows that featured celebrities or focused on the lives of fictional, wealthy individuals included: *The Good Life*, *The Robb Report* (based on the luxury catalog of the same name), *Eye on Hollywood*, *Dallas, Falcon's Crest, Knot's Landing,* as well as *Dynasty*, which boasted 80 million weekly viewers. *Lifestyles of the Rich and Famous* debuted in 1984 and captured the decade's *zeitgeist*. Every week, host Robin Leach took viewers on a tour of the home of a different celebrity, highlighting their material comforts and over-the-top purchases. At the end of each episode, Leach signed off with his catchphrase, telling his viewers to enjoy "champagne wishes and caviar dreams," that they preserve the hope that, one day, everything they saw on his show might be theirs.

Dreams of luxury took on particular importance amid the decade's economic climate. Though framed by Reagan's 1984 campaign advertisements as "Morning in America," the glitz and glamor of the 1980s were largely limited to those who had begun the decade wealthy.

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[20] Gil Troy, *Morning in America: How Ronald Reagan Invented the 1980s* (Princeton: Princeton University Press, 2005), 50-63; Ronald Reagan, "The President's News Conference," June 28, 1983, https://www.reaganlibrary.gov/research/speeches/62883f.

Reagan's "supply-side" economic theory held that tax cuts for the wealthiest Americans would translate into increased investment in the economy and therefore new opportunities for working- and middle-class Americans. These gains failed to trickle down, however, and the richest Americans became even richer and the poorest American became even poorer. In 1978, the richest .1 percent of Americans held 7 percent of the nation's wealth; by 1989, the top percentile's share had nearly doubled and the richest 5 percent held 59 percent of the nation's total net worth.[21] Meanwhile, poverty rates hit double digits for the first time since the 1960s as American manufacturing continued to lose jobs to automation and overseas competitors. A growing number of Americans began relying on the low-wage service industry for their livelihood. Economists have drawn a modest correlation between inequality and mobility, as the combination of wealth concentration and structural economic change rigidified the social ladder. Entire communities, especially urban black communities and working-class Rust Belt industrial centers, had little-to-no access to the financial stability of middle-class life. By the end of the decade, just 8 percent of those born into the bottom 40 percent of household wealth reached the top 20 percent.[22] For many Americans, the United States was no longer a land of opportunity.

These conditions created fertile soil for public fascination with the rich and famous. Troy notes, "As the rich got richer, definitions of what it meant to be rich got richer … the yearning to

[21] Emmanuel Saez and Gabriel Zucman, "Wealth Inequality in the United States Since 1913: Evidence from Capitalized Income Tax Data," *Quarterly Journal of Economics*, 131, no. 2 (May 2016), 521; Edward N. Wolff, "Recent Trends in the Size Distribution of Household Wealth," *The Journal of Economic Perspectives* 12, no. 3 (1998), 135-136.

[22] Lisa A. Keister, *Getting Rich: America's New Rich and How They Got That Way* (New York: Cambridge University Press, 2005), 57. See also: Emily Beller and Michael Hout, "Intergenerational Social Mobility: The United States in Comparative Perspective," *The Future of Children* 16, no. 2 (2006): 19-36; Michael D. Carr and Emily E. Wiemers, "The Decline in Lifetime Earnings Mobility in the U.S.: Evidence from Survey-Linked Administrative Data," Washington Center for Equitable Growth, *Working Paper Series* (May 2016): http://equitablegrowth.org/equitablog/the-decline-in-lifetime-earnings-mobility-in-the-u-s-evidence-from-survey-linked-administrative-data/; Raj Chetty et. al., "Is the United States Still a Land of Opportunity? Recent Trends in Intergenerational Mobility," *National Bureau of Economic Research* Working Paper.

taste the 'lifestyles of the rich and famous' increased."[23] Unlike the wealth from Reagan's tax cuts, the decade's new standards of affluence successfully trickled down. Rising inequality led not to desire for increasingly-elusive middle-class life but hope in the possibility of joining the super-wealthy elite. The desire for the newly-unattainable paralleled a previous era of economic unrest in the United States. Morris Dickstein illustrates in his history of the Great Depression that, in moments of crisis, consumers often live vicariously through fictional characters, especially when the lives of those characters differ from real-world conditions. In the 1930s, Dickstein argues, moviegoers dreamed of physical mobility—the freedom and economic security that accompanied the opportunity to take to the open road for pleasure rather than out of desperation.[24] In the 1980s, viewers of *Lifestyles of the Rich and Famous* and *Dynasty* hoped not for physical mobility but class mobility, the chance to rise above their economic standing and live in luxury. *Newsweek* hypothesized that the public's obsession with the super-wealthy was driven by "the possibility that we could be them."[25]

Coupled with rising economic uncertainty, these dreams of opulence contributed to a growing fixation with money. The percentage of college freshmen who stated that their life goal was "to be well off financially" rose from 40 percent in 1972, the first year average American wages failed to rise since 1947, to over 70 percent in 1985; correspondingly, the percentage who said their chief aim was to develop a "meaningful philosophy of life" declined precipitously, from over 80 percent in 1967 to 42 percent in 1985.[26] Cultural depictions of wealth were both a cause and result of this shift. Sociologist Karen Sternheimer argues that public obsession with

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[23] Troy, *Morning in America*, 215.
[24] Morris Dickstein, *Dancing in the Dark: A Cultural History of the Great Depression* (New York: W.W. Norton & Company, 2009), 357-362.
[25] Harry F. Waters, "An Embarrassment of Riches," *Newsweek*, April 2, 1984, 74.
[26] Cooperative Institutional Research Program, "New Report Tracks 20 Year Shift in Freshman Attitudes, Values and Life Goals," (American Council on Education/University of California, Los Angeles, n.d.), http://digitalcollections.library.cmu.edu/awweb/awarchive?type=file&item=672500.

celebrities helped dispel the arguments of the 1960s counterculture that glamor was immoral or, at the very least, a hollow path to happiness.[27] Following a decade of rhetorical assault, popular culture in the 1980s helped legitimize affluence while the financial crisis helped make it desirable. As economic tumult set in and the mid-century promise of opportunity disappeared, more Americans turned their attention to wealth as a means of providing happiness at the precise moment when it was becoming increasingly impossible to obtain.

Lotto was perfectly suited for this economic and cultural climate. Unlike previous lottery games, lotto offered prizes that could expand into unfathomable sums and thereby meet the decade's new standards of success. The desire for wealth provides a powerful motivation for gambling. As psychologists have demonstrated, individuals are more inclined to purchase lottery tickets when they feel their income is low compared to others, a phenomenon known as "relative deprivation."[28] With rising inequality and the highly visible nature of wealth, nearly every American could feel poor compared to the Carrington family of *Dynasty* or a newly-famous corporate executive.

As a result, millions turned to lotto with the hope that it would magically rush them up the class ladder. Sternheimer concludes that lotteries and the decade's television shows were popular for the same reason. "Celebrity culture has a similar function to the lottery: people seemingly plucked from obscurity, possibly ordinary in some ways yet special in others, get

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[27] Karen Sternheimer, *Celebrity Culture and the American Dream: Stardom and Social Mobility* (New York: Routledge, 2015), 213.
[28] Emily Haisley, Romel Mostafa, and George Lowenstein, "Subjective Relative Income and Lottery Ticket Purchases," *Journal of Behavioral Decision Making* 21 (2008): 283-295.

noticed and become materially blessed."[29] Shows helped inculcate a desire for opulence, and lotto gave anyone to chance to enter that world for themselves. One journalist observed, "these days, with million-dollar lotteries, quick economic advancement is not impossible."[30] As a result, he explained, shows about wealthy people were popular because they served as guides for how lottery players could spend their inevitable winnings. Though players had just a miniscule chance of hitting the jackpot, the theoretical possibility that they could win the lottery shaped gamblers' approach to wealth. Yet, this journalist oversimplified matters. Shows about wealth were popular in part thanks to the lottery, but lottery tickets were also popular because these shows helped foster dreams of instant riches, dreams that drove players to buy tickets for lotto's unprecedented prizes.

In particular, many players imagined their life a member of the rich and famous and knew exactly what they would buy if they won the lottery, illustrating how the era's obsession with luxury drove gamblers to lotto. From the back of a 30-person line for lotto tickets in New York City in 1985, office worker Laura Rosenthal visualized her spending spree if she took home the $41 million jackpot: "I'll go around the world, buy a few cars, a few French villas."[31] Homes represented a common focus for dreams of upward mobility throughout the postwar period, but lotto players did not simply hope for a quiet house in the suburbs with a white picket fence. In the 1980s, aspirational dreams of homeownership persisted but were centered around the types of extravagant homes showcased on *Lifestyles.* Claudette Fields, a retired hotel worker, bought tickets for a $22 million jackpot in New York in 1986; if she won, she avowed, "The first thing I'll do is get out of the projects," her new home embodying her new lifestyle, which entailed

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[29] Sternheimer, *Celebrity Culture and the American Dream,* 11.
[30] Jon Anderson, "The Fantasies of Being Rich, Having Control," *Chicago Tribune,* May 5, 1985, I3.
[31] Bob Dorgin and Siobhan Flynn, "New York Lotto Fever Rages Into Epidemic," *Los Angeles Times,* August 22, 1985, A4.

physical and class mobility. A Brooklyn man pictured "a big house, a mansion on Long Island. It would have a gymnasium, two swimming pools, the works."[32] These players were motivated not by an abstract pursuit of wealth but their desire for the specific goods they wanted to purchase and the exact lifestyle their winnings would bring.

Luxurious cars also stood as representative of players' quick rise up the class ladder. In 1986, New York City private detective Ed White bought tickets for a $22 million jackpot, stating, "I normally play a few tickets, but this week I'm buying 65. Why? So I can live like I was born to live—with a Mercedes Benz."[33] By stating he was "born to live" with a Mercedes, White implied that his modest living situation was a mistake, merely a temporary stepping-stone before an inevitable life of wealth. Two days later, when the $22 million prize became $24 million—none of White's 65 tickets won the jackpot—a New York woman explained that if she won she would "pay off all my mortgages and buy a new car."[34] A jackpot would allow her to erase her present financial burdens, her dream of a new car symbolizing the carefree spending a lottery win could provide. A fancy car offered a stereotypical luxury good, and lotto offered the chance for regular people to take home the things they had always dreamed of buying when their numbers came through.

These dreams of cars or houses could stay with players long after they had purchased their tickets, and fantasies of new possessions and new lifestyles represented an important dimension of lotto playing. Players bought tickets not merely for the chance to win a jackpot but also for the opportunity to imagine what they would do if they won. A California widow bought

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[32] Amy Pagnozzi and Jim Nolan, "Lotto Fever: $22M and Rising," *New York Post*, November 7, 1986; Associated Press, "Did You Win $24 Million Last Night?" *Asbury Park Press* (Asbury Park, New Jersey), November 9, 1986, A2

[33] Pagnozzi and Nolan, "Lotto Fever: $22M and Rising."

[34] Susan Dipaola Ridlon, "Jerseyites flock to Rockland for Lotto," *Journal News*, November 9, 1986, A16.

a lotto ticket every time she visited the supermarket because “there is always that chance. It’s a dream. It takes us out of our mundane life with the chance that maybe we’ll get a million, live in luxury, buy anything we want and not have to go to work.”[35] The lottery represented a vehicle of escapism that allowed players to imagine lavishness for themselves rather than watch others enjoy the lifestyle they coveted. As cultural theorist Ien Ang argues, the pleasure of a fantasy does not lie in the possibility that the fantasy will become a reality but in the fantasy itself, the chance to imagine a painless, consequence-free world in which one’s dreams have come true. For gamblers, an important component of the lottery playing experience was the chance to fantasize about the instantaneous transformation a jackpot might bring.[36]

The dynamics of lotto helped facilitate these magical fantasies. Unlike numbers games, which offered fairly small prizes on a daily basis, or scratch games that instantly revealed whether a player won a prize, lotto gamblers had to wait up to a week between when they purchased their ticket and when the numbers were drawn. In this interstitial period, players dreamed about how they would spend their windfall. Katie McDonough, a 32-year-old restaurant manager, noted after the drawing for a $41 million New York jackpot, “Hope springs eternal. For a few hours, millions of New Yorkers were multimillionaires.”[37] Purchasing a lottery ticket allowed gamblers to feel empowered, that they had actively taken a suit in pursuit of their dreams. The fantasy of what players would do when they won the lottery was not a byproduct of the lottery playing experience but was integral to players’ decision to buy a ticket. As the

[35] Roxane Arnold, “Lottery Habit: Scratching for Ticket to ‘Big Spin’,” *Los Angeles Times*, June 22, 1986, OC1.
[36] Ien Ang, “Melodramatic Identifications: Television Fiction and Women’s Fantasy,” in *Television and Women’s Culture: The Politics of the Popular*, ed. Mary Ellen Brown (London: SAGE Publications, 1990), 83-84; see also: Emma Casey, “Working Class Women, Gambling and the Dream of Happiness,” *Feminist Review* no. 89 (2008): 122-137.
[37] Maureen Dowd, “Just in Case You Missed It,” *New York Times*, August 22, 1985, A1.

director of the Michigan Lottery admitted in 1982, "It all comes down to the fact that we're the purveyor of dreams."[38]

These dreams were particularly important because many players perceived the lottery as their only possible means of striking it rich. Anyone working in a job without a clear path to upward advancement or long-term financial security had no meaningful way of changing her or his situation beyond hoping for the distant odds of a jackpot. Especially with the rising standards of wealth, lotto offered the only path upward. One Oregonian wrote his governor that he supported a lottery because he "would like to have a chance, even a small chance[,] to attain a lifestyle that as a common working citizen I can see coming no other way."[39] For many blue-collar and middle-class workers, jobs provided financial security, but many Americans had no avenue toward the opulence that proliferated in popular culture other than lotto.

The relationship of the social ladder and lottery sales was acknowledged by no less than Victor Markowicz, vice chairman of lottery firm GTECH, the nation's predominant lotto vendor. In 1988, Markowicz explained that recent economic trends would benefit the lottery industry:

> The business opportunities that once allowed people in America to get rich are shrinking, rather than growing. … Everybody needs a dream. The lottery is a vehicle for the realization of that dream. Because of the downward trend in self-made wealth, there [is] less and less competition with the lottery to be the potential provider of the dream.[40]

Though someone born into poverty or toiling at a dead-end job had much better odds of moving up the economic ladder through traditional means than they did of winning the lottery, many players *perceived* that they had no chance of mobility through their jobs. Unlike work, lotto provided a chance, however small, at the decade's vaunted opulence. Millie Scott, a cleaning

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[38] Louise Cook, "Billions of Dollars Pour Into Gambling Despite Fluctuations in U.S. Economy," *Los Angeles Times*, June 18, 1982, D4
[39] David Kirkpatrick to Victor Atiyeh, October 11, 1982, Folder 18, Box 88, Administrative Correspondence, Governor Victor Atiyeh Papers, Oregon State Archives, Salem, Oregon.
[40] Victor Markowicz, "The State of State Lotteries (Part II)," *Public Gaming International* 16, no. 8 (1988).

woman from Harlem, noted that played for large jackpots because "Being a cleaning lady, I know I'm not gonna be sitting on Park Avenue when I retire. But if I did ever win a big one, I could live in a nice house about anywhere I wanted."[41] Scott offered a realistic assessment of her financial future, one that she saw as set in stone unless she won the lottery. For these players, an unlikely jackpot represented the most reliable means of accessing the United States' promise as a land of opportunity.

The hope for lottery jackpots was particularly prevalent in poor black communities plagued by underfunded school systems, mass incarceration, housing and employment discrimination, and, as examined in the following chapter, extensive lottery advertising. The economic crisis of the 1970s and 1980s hit urban black communities especially hard. African-Americans lost fragile entry into labor unions, service cuts reduced the public sector just as it was finally opening up to black workers, and private sector investment in black neighborhoods declined in the wake of the uprisings of the 1960s. In response, many African-American gamblers saw little choice but to turn to the long odds of the lottery. Floyd Hill, an unemployed bulldozer operator from Camden, New Jersey, made sure to bet \$5-\$10 per week on the lottery, "The way things are now, I've got to try something," indicating that he saw little hope elsewhere for financial security, not to mention upward mobility.[42]

For African-Americans and others, the lottery represented an important agent of social mobility because it exemplified a democratic means of wealth distribution. Lotteries did not discriminate on the basis of race or class or gender or education and thus offered a fair—if improbable—chance to get ahead. The inherent impartiality of gambling attracted otherwise

[41] *Asbury Park Press*, "'84 Lotteries in U.S. to Gross \$6 Billion," September 2, 1984, B12.
[42] Ronald Alsop, "State Lottery Craze Is Spreading, But Some Fear It Hurts the Poor," *Wall Street Journal*, February 24, 1983, 31.

marginalized players who had lost faith in the traditional meritocracy but had not lost faith in their chance of striking it rich. Psychologists have concluded that individuals who lack access to social mobility may compensate by turning to gambling because gambling provides a level-playing field.[43] A lottery win might not be likely, but at least it gave everyone the same odds. By buying lottery tickets, then, gamblers implicitly acknowledged that the meritocracy, long a center of politicians' claims about the "American Dream," was not as equitable and effective as its advocates claimed. Even New York Lottery director John Quinn admitted that a central feature of his job was providing "a little hope" to players without other options.[44]

Yet, Quinn ignored the desperate players who bought lottery tickets precisely because gambling represented their only hope. "I'd better win," one Pennsylvania lotto player stated in 1989, "because this is the mortgage money," claiming, perhaps jokingly, that they were forgoing paying off their loans in favor of the distant possibility of winning a sum that could pay off their mortgage many times over.[45] The phenomenon of playing for much-needed cash was unsurprisingly concentrated among poorer players. A 1986 *Los Angeles Times* poll found that the chances that a lottery player bought a lottery ticket strictly "For Money"—rather than "For Fun" or for both equally—increased as players' income decreased. One Springfield, Illinois, senior citizen wrote in 1987 that, though she relied on Medicare and Social Security, she was a longtime lotto player and that she had bet on the same numbers since the game began. "I wouldn't play, but I need the money so bad. I've prayed and prayed hoping some day I may at

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[43] For example: Nassim Tabri et. al., "Economic Mobility Moderates the Effect of Relative Deprivation on Financial Gambling Motives and Disordered Gambling," *International Gambling Studies* 15, no. 2 (2015): 309-323; Mitchell J. Callan et. al., "Gambling as a Search for Justice: Examining the Role of Personal Relative Deprivation in Gambling Urges and Gambling Behavior," *Personality and Social Psychology Bulletin*, 32, no. 11 (2008): 1514-1529.
[44] Nancy Skelton, "'Good Luck' for Sale: Lotteries: What Comes With Them?" *Los Angeles Times*, September 5, 1985, A1
[45] Sylvia Porter, "The World's Worst Investment: State Lotteries," *Midlands Business Journal*, May 18, 1989.

least win 5 numbers—I'd be so very very happy." Living on fixed income, the lottery offered her last, best, and only chance of changing her financial fortunes.[46]

Some gamblers turned to the lottery magically hoping for a quick fix to their pressing problems. For gamblers facing major debts, $1 or $2 made scant difference in relation to their needs, and lottery tickets were worth the small cost for the even smaller chance of a windfall. Chicagoan John Keene, a part-time computer operator, played $25 per week and, at one point, "was down to my last dollar." His friend told him "You can't do anything with one dollar. One dollar won't buy you a meal." Instead, he bought a lottery ticket; "You might have a couple of dollars, and maybe you have a little hunger, but you think, well, if I win, I can eat for a whole week."[47] It remains unclear what Keene would do if his dollar failed to produce any winnings or what he would do when his winnings ran out. For him and for other players, the lottery presented both a regular habit as well as a last resort in moments of monetary desperation, Normally, players like Keene bought tickets in pursuit of wealth and luxury. In times of crisis, however, they hoped simply for a small sum so they could get by. Their desperation led to a temporary downsizing of dreams, though they ignored the odds against them, believing instead that the lottery represented a miraculous elixir to their problems.

Keene proves relatively unique, however, as most players were attracted to lotto because it featured larger jackpots than other games. Lotto proved appealing despite the fact that it could only offer massive prizes because of the game's nearly impossible odds. As studies have demonstrated, most lottery players understand that it is exceeding unlikely that a lottery ticket will provide them with a windfall. Despite an abstract grasp of the unlikelihood of winning,

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[46] Ethel Jones to Sharon Sharp, December 2, 1987, Folder "Lottery—General Information," Box 84, Lottery Records, Office of the Director, ISA.
[47] Ann Marie Lipinski, "Poor Dream Impossible Lotto Dream," *Chicago Tribune* April 13, 1989, N1.

however, players still viewed the lottery as a mechanism of mobility because they focused on the fact that they had *some* chance of winning. "The odds are one million to something. I don't know," a Maryland player admitted. Even as he overstated his chances—the actual odds were almost one in four million—he revealed the precise probability did not matter: "It only takes one ticket. Just one ticket. Then a new house, a new car…"[48] Players acknowledged the long odds of winning while simultaneously downplaying the importance of mathematical probability. Because a win was so desirable, gamblers retained the wishful belief that they would win. This ethos was summarized in a common aphorism that has since become the slogan of the Kentucky Lottery: "Somebody's got to win, might as well be you."[49] *Someone* would win the lottery, this saying implies, thereby implicitly denying that the winner would be someone *else.* If someone was going to win, then it was worth buying tickets to make sure they were that someone.

Players' focus on the distant chance of winning rather than the far more likely possibility of losing represents a common human bias. Psychologists Daniel Kahneman and Amos Tversky deem this phenomenon "Prospect Theory," namely the "overestimation that is commonly found in the assessment of the probability of rare events."[50] Regardless of the how distant the odds, gamblers could visualize *some* possibility of winning. Therefore, they retained the wishful belief that they would win, ignoring what they may have logically understood as their actual, nearly-impossible mathematical chances. "So what" if the odds of a jackpot are one-in-two million, a Maryland lottery player asked in 1985, "If I don't play at all, my chances are zero in two million, right? Somebody's got to win, right?" Her friend standing behind her in line to buy tickets

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[48] Paul Daggan, "3,800,000 to 1 to Win $15 Million," *Washington Post,* May 14, 1988, B4.
[49] The first appearance of this phrase dates back to the early twentieth century, See, for example, Edgar A. Guest, "At the Yankee Circus," *Detroit Free Press*, January 20, 1907, 4.1; *Washington Times* (Washington, D.C.), "Woman Receives $10; Writes Ten Words," August 9, 1908, 5.
[50] Daniel Kahneman and Amos Tversky, "Prospect Theory: An Analysis of Decision under Risk," *Econometrica* 47, no. 2 (1979), 281.

responded, "And that's going to be me."[51] This interaction highlights the foundation of Prospect Theory: players purchased tickets because they genuinely believed they might overcome the odds—but every gambler was driven by the same belief. Bettors acknowledged that their chances were nearly insurmountable but magically believed they would be the lucky one to defy probability.

Players' certainty that they would win extended to their efforts to influence their luck. The most common manifestation of this illusion of control was the careful selection of lottery numbers. Lotto allowed players to do what numbers players had done for decades, namely, choose meaningful digits based on birthdays, anniversaries, or current events. This widespread strategy rested on the causal belief that numbers with special meaning were more likely to hit. Lottery commissions were happy to encourage faith in the efficacy of lucky numbers as this strategy could lead to "entrapment," namely the commitment to a set of numbers and an inability to stop playing them out of the fear that they would eventually win. As late as 1986, Massachusetts, New York, and Pennsylvania did not offer the option of computer selected numbers, meaning every player had to pick their numbers for themselves.[52] Similarly, players indicated a predilection to preferring betting at "lucky" stores, stores that had recently sold a winning ticket. Even though every outlet could sell tickets with the same number, gamblers were buoyed by the wishful belief that certain vendors were more likely to sell a winning ticket than others.[53]

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[51] Sue Anne Pressley, "$12 Million Pot Draws Dreamers Galore," *Washington Post*, April 13, 1985, B1.
[52] Illinois State Lottery, "History of U.S. Lotteries' Lotto," (n.d., probably 1986), Folder "January—December 1986 Lottery Control Board Meetings," Box 10, General Information Files, Department of Revenue: Lottery, ISA.
[53] Jonathan Guryan and Melissa S. Kearney, "Gambling at Lucky Stores: Empirical Evidence from State Lottery Sales," *American Economic Review* 91, no. 1 (2008): 458-473.

Some gamblers resorted to other means of asserting control, and they made plans for their winnings that they hoped would increase their odds. In addition to describing the lavish homes and expensive cars they would buy upon hitting the jackpot, many players explained the good deeds they would perform with their winnings. One California office worker joked that everyone she talked to had made the same plans for when they won the lottery: "They're going to buy houses for themselves, or their mothers or their sisters or their brothers. And they're going to give a lot to charity. Charity is going to be so well off."[54] Players made these promises partly out of the desire to help others but also, psychologist Durand F. Jacobs explains, because of the belief that "altruistic thinking" would "enhance their chances of winning."[55] The selection of specific numbers and the promises of donations in the hope of karmic reward represent the wishful thinking underlying gamblers' belief that their actions could attract winnings. Players believed that they could control their luck. Somebody was going to win, and gamblers took steps premised on the magical possibility that they could increase the chances that it would be them.

Another aspect of 1980s culture further facilitated the popularity of lotto and hopes for instantaneous wealth. The lottery paralleled Wall Street's ability to magically generate money during the 1980s. According to historian Steve Fraser, Wall Street "hogged the limelight" in the Reagan years, as indicated by the rise of magazines such as *Manhattan Inc.*, *Millionaire,* and *Success* as well as the popularity of Tom Wolfe's novel *Bonfire of the Vanities* (1987) and Oliver

[54] Laura Kurtzman, "Lotto Lines Get Longer," *Los Angeles Times*, October 29, 1988, V3.
[55] Carol Krucoff, "Money: The Biggest Game in Town," *Washington Post,* August 25, 1982, B5. Scholars have demonstrated that individuals are, in fact, more likely to commit to donating portions of money if that money remains abstract, and the likelihood someone would commit to a donation was inversely proportional to their odds of winning; Tom Meyvis, Aronte Bennett, and Daniel M. Oppenheimer, "Precommitment to Charity" in *The Science of Giving: Experimental Approaches to the Study of Charity* eds. Daniel M. Oppenheimer and Christopher Y. Olivola (New York: Psychology Press, 2011), 35-48.

Stone's film *Wall Street* (1987), especially its famous pronouncement that "greed … is good."[56] Thanks to Reagan's deregulation of the financial sector, the creation of new investment commodities, and a mid-century bull market, finance took on mystical aura. Like the lottery, Wall Street was endowed with the apparent ability to multiply money out of thin air. In his account of his time as a bond trader with Salomon Brothers in the 1980s, Michael Lewis refers to popular financial investment tools as "black magic," "white magic," and "magic beans," indicating that even those on Wall Street attributed their runaway success to unexplainable, borderline-mystical forces.[57]

However, while investments took on a new prominence in popular culture, most people could not access their promised beneficence. As of 1983, only 19 percent of American households owned stocks or mutual funds.[58] For those who could not afford to participate in the Wall Street bonanza, lotto offered an alternative way to seek a windfall without work. The lottery resembled investing, as gamblers hoped their purchase of a few dollars of lottery tickets would transform into a multimillion-dollar jackpot.[59] For gamblers, the magic of lottery tickets centered around the timing of its prizes. Lotto offered the possibility that, in less than a week, a fortunate gambler could win millions of dollars. Many players explicitly described their gambling as an "investment" and treated gambling like one: "I could really use the money," 28-year-old Californian Rhoda Neal explained, "my $6 investment will give me as much of a chance as anyone else, right?"[60] Because she had a fair opportunity at hitting the jackpot, she retained

[56] Steve Fraser, *Every Man a Speculator: A History of Wall Street in American Life* (New York: HarperCollins, 2005), 546.
[57] Michael Lewis, *Liar's Poker* (New York: Penguin Books, 1989), 40, 135, 163.
[58] Robert B. Avery et. al., "Survey of Consumer Finances, 1983," *Federal Reserve Bulletin* (September 1984), 685.
[59] Legal scholar Stuart Banner observes that regulators have struggled to differentiate between gambling, investing, and speculating for centuries; Stuart Banner, *Speculation: A History of the Fine Line Between Gambling and Investing* (New York: Oxford University Press, 2017).
[60] Roxane Arnold, "Lotto Craze Puts Prize at $40.7 Million," *Los Angeles Times*, January 22, 1989, A3.

the belief that her $6 would become $40 million—like an investor, she spent money to make money. Cynthia Harris, a 22-year-old employee of a Camden, New Jersey, lottery retailer, said she bought $10 in tickets per week in the New Jersey Lottery and $12 per week in the Pennsylvania Lottery, spreading her bets around like an investor diversifying their stock portfolio. Harris bought tickets because she saw the lottery as "a good investment. If I hit the lotto game, I could retire at 22."[61] What made the lottery a good investment for Harris was not the high probability that it would reap rewards but rather the size of the jackpot at stake. Though she acknowledged that she bet not on prizes but the *chance* to win, this chance was a worthy investment.

Harris was not alone in her selective pursuit of large jackpots. When the grand prize rolled over, regular players increased the number of tickets they purchased, sometimes in dramatic quantities. Then, because lotto prizes were tied to ticket sales, players' increased investment helped push jackpots up even further, which in turn drove sales up again, a cycle which was repeated until someone finally guessed the right numbers. For example, on August 20, 1984, the Illinois Lottery sold approximately 500,000 lotto tickets for a $9 million jackpot. After multiple days with millions of tickets sold per day but no winners, the jackpot reached $19 million on August 25, with 6 million tickets sold on that day alone. Sales slowed the following day as players waited to hear if anyone had won the grand prize. When news came through that no one had, sales shot back up in dramatic fashion. On August 28, gamblers spent almost $5 million on tickets, pushing the jackpot to $30 million. Then, between August 28 and September 3, players spent almost $31 million on lotto tickets (and $38 million on all lottery tickets),

[61] Alsop, "State Lottery Craze is Spreading."

driving the jackpot up to $40 million for the September 1 drawing, making it the largest lottery prize in American history until the $41 million New York jackpot the following year.[62]

Players purchased extra tickets for large jackpots because buying additional chances represented their only means of improving their odds of winning. Though technically mathematically effective, like gamblers' prayers or lucky numbers, buying more tickets rested on the wishful belief that bettors could meaningfully improve their chances. Gamblers vastly underestimated the probability that they would lose, indicating an inability to comprehend the sheer mathematical improbability they were up against. In 1988, Californian Harvey Ah Sam bought 65 tickets instead of his weekly 5 in hopes of taking home a $40 million jackpot.[63] However, his extra 60 tickets only increased his odds by a miniscule amount. If Sam bought five tickers per week for a 6/49 lottery (1-in-14 million odds of winning), it would take him 37,280 years to have a 50 percent chance of winning. By buying 65 tickets per week, it would still take 2,868 years, meaning Sam would have needed to start buying tickets in 880 B.C.E in order to have just a 50 percent chance of winning a 6/49 jackpot by 1988.

Other players took their pursuit to even greater extremes—with similarly fruitless results. In 1990, two New Orleans residents drove to Pensacola, Florida, to buy 10,000 tickets for a $100 million lotto jackpot. "You might not have much of a chance," one of the hopeful gamblers stated, "but you have even less if you don't play."[64] Even as these players acknowledged the long odds against winning, their $10,000 purchase indicated that they believed they could meaningfully improve their chances, that they could to some degree control the result of the

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[62] Rebecca Paul to Lottery Control Board Member, "'Best Days' Illinois," February 21, 1986, Folder "January—December 1986 Lottery Control Board Meetings," Box 10, General Information Files, Department of Revenue: Lottery, ISA; Silverman, "Cubs? Weather? No, City's Buzzing About Lotto."
[63] Carol McGraw, "$45-Million Jackpot Sparks 'Lottomania'," *Los Angeles Times*, June 4, 1988, P1.
[64] Associated Press, "Florida Lotto Jackpot at $100 Million," *Indiana Gazette* (Indiana, Pennsylvania,) September 14, 1990, 6.

lottery drawing by buying more tickets. Players' willingness to increase their wager for larger prizes validates the argument of economists Milton Friedman and L.J Savage who argue that working-class gamblers may be more disposed to place a bet when their potential winnings will significantly change their lifestyle, even in comparison to a game with better odds and lower prizes.[65] Large jackpots were appealing precisely because they offered dramatic—rather than incremental—changes in players' financial situation. Players based the numbers of tickets they purchased on the jackpot's ability to change their lifestyle, prioritizing larger prizes and avoiding ones deemed too small to provide a sufficiently worthwhile gamble.

Yet, contrary to Friedman and Savage's conclusion, working-class gamblers without alternative opportunities for advancement were not the only ones attracted to rollover jackpots. Massive prizes also enticed first-time gamblers, many of them middle- and upper-class, as the riches promised by lotto appealed even to those with comfortable financial futures. One Connecticut marketing executive said he felt "ridiculous" waiting in line for 45 minutes at a Manhattan retailer to buy a ticket. His ridiculousness implied that he judged the lottery as a typically lower-class enterprise that he would not normally participate in, and one that was so improbable it should not have been worth his time. Nonetheless, he shared similar hopes as working-class gamblers, including Gerald Williams who vied for the same prize. "How many chances do you get to win $41 million?" the executive asked.[66] His use of the word "chance" took on two meanings, referring to the rare opportunity to gamble on such a large sum as well as the fact that winning a jackpot was inherently based around luck. Regardless of his intention, this executive demonstrated that the decade's fantasies of wealth cut across class lines. In fact, so

[65] Milton Friedman and L. J. Savage, "The Utility Analysis of Choices Involving Risk," *Journal of Political Economy* 56 no. 4 (1948), 299.
[66] Margot Hornblower, "$41 Million Jackpot Has New Yorkers Burning With Lotto Fever," *Washington Post,* August 22, 1985, A3.

many middle- and upper-class occasional gamblers flock to rollover prizes that studies indicate that lotto is the least regressive lottery game.[67] Lottomania attracted so many first-time players to a 1993 jackpot that a Washington D.C. retailer complained: "When the jackpot gets this high, 70 percent of the people are such dolts they don't know how to play."[68]

Lottomania brought infrequent players and regular gamblers together, facilitating camaraderie around the shared pursuit of elusive jackpots. An affluent New York filmmaker recalled the social experience of buying lottery tickets:

> I'd compare notes in the lottery line with Charlie the fish man. I got acquainted with people I would not normally have anything in common with. We'd wish each other good luck and discuss our numbers. It was a common denominator for the townspeople. Most of my fellow players were down-and-outers, the local drunks or people looking anxiously for a dream. We were all the same, of course, all dreaming.[69]

Far from regarding other players as competitors, the infinitesimal odds of hitting a jackpot led to solidarity among gamblers, irrespective of players' background or how frequently they gambled. This unity was built on the implicit admission that players could not control the outcome of the drawings. Gamblers did not feel competitive with one another. Despite most players' rudimentary understanding of basic probability, they recognized correctly that other people purchasing tickets did not reduce the odds that they would win.

Crucially, however, these first-time players took a different approach to gambling than low-income bettors. Every ticket buyer saw the lottery as a means of entering the world of the ultra-rich, but middle- and upper-class players could play on a whim, knowing their financial stability did not rest on the result of the lottery. Daniel Donovan, an investment banker in New Jersey, explained that he did not normally gamble but he bought lottery tickets "if the jackpot is

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[67] For example, Harriet Stranahan and Mary O. Borg, "Separating the Decisions of Lottery Expenditures and Participation: A Truncated Tobit Approach," *Public Finance Review* 26, no. 2 (1998): 99-117; Emily Oster, "Are All Lotteries Regressive? Evidence from the Powerball," *National Tax Journal* 57, no. 2 (2004): 179-187.
[68] Brooke Masters, "$78 Million Jackpot Revs Up That Lucky Feeling," *Washington Post,* July 4, 1993, B1.
[69] Skelton, "'Good Luck' for Sale."

$4 or $5 million. You know the odds are astronomical, but you figure someone's going to win it, so what the hell, it's only a dollar."[70] Like players who spent their last dollars on a lottery ticket, Donovan flippantly bet on the long odds of the lottery, though he could do so without fear of serious financial consequences. These players bought relatively few tickets and spent proportionately small percentages of their income on the lottery. Often, unlike Donovan, they emphasized that they were playing purely for entertainment, not money. An accountant in a large New York bank explained, "We all have advanced degrees where I work—all lawyers and accountants—and we all play. It's fun. I also figure I've lost so much in the stock market, what's another four bucks."[71] Though he had far less to lose, this accountant nonetheless recognized the similar thinking underlying the choice to buy stocks and the choice to purchase a lottery ticket. However, he could be comforted by the fact that his lottery purchase accounted for a small percentage of his income and that his lottery losses were relatively small compared to the decline in stock values in the early 1980s. Nonetheless, he acknowledged that, given the decade's new scales of affluence, lotto represented a tool of investment for rich and poor alike.

For state lottery commissions, lottomania represented the ultimate jackpot. Big prizes drew media attention, attracted new players, and increased ticket purchases among regular players, so lottery officials had every incentive to let prize pools grow. Yet, states did not initially offer eight figure jackpots. New York began its lotto game with a ceiling, preventing grand prizes from exceeding $5 million. However, competition between states drove prizes upward. When New Jersey removed the $10 million prize cap from its lotto game in 1982, John Quinn was

[70] *Asbury Park Press*, "'84 Lotteries in U.S. to Gross $6 Billion," September 2, 1984, B12.
[71] Michael Norman, "Lotto Lures More Players, Each with 'Sure' System," *New York Times*, August 19, 1982, B1.

compelled to raise New York's cap to prevent a flow of jackpot-hungry players into the Garden State. In 1984, Quinn stated that he would tentatively limit jackpots to $25 million, though the following year he acknowledged, "the key factor in selling a lottery is a big prize." By 1986, he had moved the ceiling to $50 million, facilitating lottomania over jackpots of $41 million in 1985, $30.5 million in 1986, and $45 million in 1988.[72]

In addition to expanding prize caps, lotteries could facilitate large jackpots by reducing players' chance of winning. New York's lotto began as a 6/40 game (odds of winning the jackpot: 1-in-3.8 million) in 1978, but the state lottery commission expanded it to a 6/44 (1-in-7 million) format in October 1983 and added a 6/48 (1-in-12 million) game in June 1985 before switching to a 6/54 format (1-in-26 million) in April 1988.[73] By adding more numbers for players to choose from, New York made jackpots harder to win and therefore more prone to roll over. Fearing its players would devote their lottery dollars to New York's surging prizes, New Jersey lowered the odds of its lotto game from 6/36 (1-in-1.9 million) to 6/40 (to 1-in-3.8 million) in 1986.[74] When it launched lotto in 1980, New Jersey had sought to lure players from New York by offering better odds of winning (6/36 compared to New York's 6/40), as New Jerseyans had a smaller pool of numbers to choose from. By the middle of the decade, it became clear that players were attracted to *worse* odds and correspondingly larger payouts. Thus, New

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[72] Joseph F. Sullivan, "Jackpot $11 Million in Jersey Lottery Drawing," *New York Times*, December 3, 1982, A1; William R. Greer, "Retiree Wins Record $20 Million Lotto Prize," *New York Times,* July 27, 1984, A1; New Jersey Lottery, *New Jersey Lottery: Milestones, 1995-1996 Annual Report* (n.d., n.p), NJSL; David Bird, "After Years of Growth, Lotto Hits First Slump," *New York Times*, August 10, 1985, 25.

[73] The state also reinstated its 6/40 game, thereby offering all three simultaneously; Associated Press, "New York to Increase Prizes in Lotto Game," *New York Times,* September 8, 1983, B8; Associated Press, "Lotto Game Split Into Three Versions," *Democrat and Chronicle*, May 1, 1986, 2; Joel Stashenko, "Lotto 54/Odds Against Winning Jump, Jackpots May Grow," *The Journal News*, February 25, 1988, 1.

[74] Associated Press, "Pick-6 Odds May Double to Increase Jackpot Sizes," *Asbury Park Press,* November 28, 1983, A12; New Jersey Lottery, *New Jersey Lottery,* 3, 15.

Jersey expanded its number pool to compete with the bigger prizes—and lower odds—offered on the other side of the Hudson River.[75]

New Yorkers appreciated the larger prizes that resulted from this lotto arms race. Brooklyn lottery player Zachary Berman wrote in 1987 that he played the 6/48 game despite the long odds because “the potential dividends—multimillion-dollar prizes—are mind boggling.” Such prizes represented “the possibility of fulfilling the American Dream” of wealth and independence, and “for such a dream, no odds are too long.” Berman explained that he “invest[ed]” $100 a year in the lottery with the hope of winning a jackpot, “the bigger, the better.”[76] Berman did not acknowledge, though, that these prizes were only possible thanks to the lottery commission’s gradual worsening of his chance of winning. Nonetheless, he enjoyed the dream of winning and retained the wishful belief that he could overcome the odds.

However, as states increased the size of grand prizes, players’ sense of what constituted a large jackpot changed. By the second half of the 1980s, jackpots that had sparked lottomania in the early part of the decade could no longer attract casual players. Ricardo Diaz of Queens explained why he only played when jackpots got really big: “If it’s one million, you can spend that in a day if you buy a big house or something.”[77] Diaz implied that he could magically win a million dollar prize if he wanted to, but that it was not worth the effort to compete for what he regarded as a paltry sum. Diaz believed he could pick and choose which jackpot to win,

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[75] Other states took similar measures to reduce the odds of their lotto games: in 1984 Illinois shifted from 6/40 to 6/44; in 1986, Oregon expanded from 6/38 to 6/42; in 1988, Pennsylvania shifted from a 6/40 to a 6/48; and in 1989 California moved from 6/49 to 6/53, reducing the odds of winning a jackpot from 1-in-14 million to 1-in-22 million (Marianne Taylor, “02-03-10-26-30-43,” *Chicago Tribune*, September 2, 1984, 1; Associated Press, “26 States Now Running Lotteries to Ease Budgetary Burdens,” *New York Times,* February 16, 1988, B5; *Statesman Journal* [Salem, Oregon], “Megabucks Game Odds to Change,” April 23, 1986, 1; *Los Angeles Times,* “Those Longer Lotto Odds,” August 27, 1989, E4).
[76] Zachary M. Berman, “Consider Lotto 48 a Shot At the American Dream,” Letter to *New York Times*, March 31, 1987, A34.
[77] Peter Applebome, “Lotto Players Make $30 Million Plans,” *New York Times,* January 18, 1986, 1.

notwithstanding the fact that the odds were the same regardless the size of the prize and that he would almost certainly not win any jackpot of any size. One million dollars, which had been the top prize for the first 15 years of American state lotteries' existence was, in 1986, no longer worth a second glance. That year, in a survey of lottery players in Illinois, 54 percent set the minimum for a "big jackpot" at $10 million.[78]

Diaz was not alone in selectively betting on large prizes. In 1990, the *Chicago Sun-Times* asked lottery players why so many more gamblers bought tickets for $50 million instead of $10 million jackpots. Chicagoan John Orlando explained, "We play for the huge jackpots because we don't want to be merely as rich as the average rich person. We all want to be richer than the Donald."[79] Orlando scoffed at the merely-life-changing sum of $10 million, holding out for a prize five times as large, one that, he assumed, would make him as rich as Donald Trump. Notwithstanding that Trump was worth between $400 and $600 million in 1990 (though he claimed to be worth multiple billions), Orlando envisioned $50 million as sufficiently large to catapult him into Trump's level of wealth.[80] As a result, the $50 million prize was worthy of a large investment of tickets whereas the $10 million prize was not. Orlando's desire for wealth was centered around a clear sense of precisely how big a jackpot had to be for it to catapult him into the upper echelons of inequality.

Thus, large jackpots represented a double-edged sword for state lottery commissions. In the short term, lottomania increased sales and attracted new players. Yet lottomania also led to what lottery officials deem "jackpot fatigue," jaded players who expected bigger prizes in future

[78] The Center for Community and Regional Studies, Sangamon State University, "Illinois State Lottery: Market Survey Study," June 5, 1987, Folder "Sangamon State University Market Survey Study," Box 35, Lottery Records, Office of the Director, ISA.
[79] Jeffrey Zaslow, "Big jackpots are odds-on choice of lottery players," *Chicago Sun-Times*, July 25, 1990, 47.
[80] Elspeth Reeve, "A History of Donald Trump's Net Worth Publicity (1988-2011)," *The Atlantic*, April 11, 2011.

drawings. "We've had so many people who've won a million or more, it now takes a pot of $10 million to generate the interest that $5 million did once," a Michigan Lottery spokeswoman explained in 1988. John Quinn noted a similar phenomenon among ticket retailers in New York City who told him "players like to stick their heads in the door to check on the size of the jackpot. The [cashier] says '$3 million' and they say, 'Aw, heck, is that all? I'll wait until it goes up.'"[81]

Players' expectations for rising jackpots paralleled the broader reconfiguration of scales of affluence in the 1980s. Amid the surging inequality of the Reagan era, a single million could not fulfill the decade's increasingly lavish dreams. Thus, an ironic consequence of rising inequality was an increase in expectations among the poor. Lotto playing cut across classes in large part because all players shared the same fantasy. Instead of hoping for comfortable financial stability, players increasingly adopted new expectations of what it meant to be wealthy, their desires rising in accordance with those of the very rich.

While aspirations for wealth were increasingly widespread, gamblers' expectations for jackpots were not uniform across the country. Because every state operated its own lottery and because lotto prizes were determined by the number of tickets sold, players' understanding of what constituted a large jackpot varied based on where they lived. For example, in October 1987, Iowa sold 2.5 million lotto tickets in one week—nearly three times the state's previous record—as players vied for a $6 million jackpot. The same day the Iowa Lottery drew its record-breaking prize, the California Lottery offered a comparable $5.8 million jackpot. California's prize failed

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[81] Associated Press, "26 States Now Running Lotteries to Ease Budgetary Burdens," *New York Times,* February 16, 1988, B5; Terri LaFleur, *The Lottery Book* (Boyds, MD: TLF Publications, 1991), 6.

to attract a great deal of attention, however, as the state had regularly awarded jackpots over $10 million since it introduced lotto in October 1986.[82]

Lottery commissions in populous states were happy to oblige players' desire for massive jackpots. Because of their large number of players, lotteries in California, New York, and Illinois could offer prizes worth tens of millions of dollars, and by the early 1990s, over $100 million. Smaller states, however, did not have enough players to offer such magnanimous windfalls, and they compensated by adopting new measures to stem floods of gamblers from heading over state lines to play lotto. In 1985, to stop residents from buying tickets in Massachusetts, New Hampshire, Vermont, and Maine joined together to form the Tri-State Lottery. A 6/30 lotto game run by Scientific Games—the company's first venture into lotto—the Tri-State Lottery offered jackpots of $1 million and featured Robin Leech as a celebrity spokesman. After conceding to players' desire for bigger prizes by expanding to a 6/36 format, the jackpot reached $9.6 million in June 1986, a far larger prize than any of the three states could have offered alone.[83]

The success of the Tri-State Lottery inspired further cross-border collaboration among lotteries in small states. In 1987, the District of Columbia and six states—Iowa, Kansas, Oregon, Rhode Island, Missouri, and West Virginia, five of which bordered a larger lottery state—formed the Multi-State Lottery Association (MUSL). In 1988, MUSL introduced Lotto America, which offered a minimum $2 million prize for a 7/40 game (1-in-18 million odds of winning) that later became 6/54 (1-in-26 million). By April 1992, MUSL expanded to nine additional states and replaced Lotto America with Powerball, a 5/45 game in which players selected one additional

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[82] Bob Shaw, "'Cinderella' Has a Lotto Ball with $6 Million Prize," *Des Moines Register*, October 11, 1987, 1; *Reno Gazette-Journal* (Reno, Nevada), "Winning Lottery Numbers," October 11, 1987, 3A; *Los Angeles Times*, "Gauging the Success of the Lottery," July 16, 1987, I3.

[83] David Tirrell-Wysocki, "Officials: Tri-State Lottery a Winner," *Burlington Free Press*, October 22, 1985, 3B; Associated Press, "Tri-State Megabucks Lottery to Change Odds of Winning," *Burlington Free Press*, November 21, 1985, 5B; *Burlington Free Press*, "Somebody Won Tri-State Lottery," June 16, 1986, 1.

"Powerball" number between 1 and 45 (1-in-55 million total odds of winning, the lowest odds of any lotto game to that point).[84] Though Powerball jackpots rolled more slowly—with a higher percentage of sales going to secondary prizes—the small odds meant potentially massive jackpots. About a year after its formation, the Powerball jackpot reached $110 million, the fourth nine-figure prize in American history and the first available to residents of small states without crossing state lines (the previous three had been in California, Pennsylvania, and Florida).

Not everyone approved of lotteries' shift toward games with lower odds and larger jackpots. Some players opposed the way states catered to the decade's culture of opulence. "I'm glad New York has decided to put a lid on the maximum for lottery prize [sic]," one New Hampshire resident wrote Governor Mario Cuomo in 1984, "Anything over $10 [million] is obscene," implying that no one single gambler needed to win that much money.[85] In 1988, Zachary Berman railed against New York's new 6/54 game. Berman complained that the game's "insurmountable" odds will "drive away players like myself who would be satisfied with a few million."[86] In 1987, Berman had praised New York's 6/48 game for providing access to the American Dream, though just a year later he complained that the reduced odds made the game impossible to win. Berman's comments represented his desire for the impossible: jackpots that were relatively easy to win but could fulfill his desire for social mobility into a life of luxury. At a certain point, Berman implied, jackpots did not need to expand farther, as his American Dream could be satisfied with tens of millions—rather than hundreds of millions—of dollars. However, Berman's drastically misunderstood the odds involved. He retained the magical belief that a 6/48

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[84] Associated Press, "Change in Works for Lotto America," *Statesman Journal* (Salem, Oregon), February 22, 1992, 4A; Lawrence Hardy, "Lotto America Giving Way to 'Powerball,'" *News Journal* (Wilmington, Delaware), April 7, 1992, B3.
[85] Antonio Carloni to Mario Cuomo, May 11, 1984, Reel 78, Subject Files 1983-1984, Mario Cuomo Gubernatorial Papers, NYSA.
[86] Zachary Berman, "New York State's Lottery Has Reached the Point of Lunacy," Letter to *New York Times,* September 18, 1988, E22.

game (1-in-12 million) was a winnable, long shot possibility whereas a 6/54 drawing (1-in-26 million) was a sheer impossibility.

Opponents of large jackpots were against the expansion of top prizes because they viewed the lottery as a vital tool of wealth redistribution for lower-income gamblers. Long odds were not purely an issue of keeping players entertained. Rather than offer giant, improbable jackpots, these players believed lotteries should offer smaller prizes with better odds in order to return more money to more players, many of whom were desperate for profits from their lotto investment. In 1982, for example, a New Yorker entreated Cuomo to improve the odds of winning a lotto prize, claiming that he spoke on behalf of those whose “hopes and dreams are placed on a little bet[,] even more so during times of economic hardship.”[87] Occasional lottery player Joseph Carbonell opposed John Quinn’s expansion of New York’s lotto from 6/40 to 6/44 because “a lottery is the one hope of many small people to acquire enough money to pay off debts and maybe live just a little better.” By making the prize more unlikely, it would be even harder for these bettors to see returns from their tickets. Yet, this argument was built on the magical belief that a slight change in the odds would make a dramatic different in each individual gambler’s odds of winning. Ignoring the low probability of winning even the smallest of lotto prizes, Carbonell proposed a $100,000 limit on jackpots: “This would provide for many, many more of us having a chance to improve our daily living.” Players “just want a reasonable chance at a windfall, not ‘Pie-in-the-Sky’ millions.”[88]

[87] Henry Gern to Mario Cuomo, September 15, 1982, Reel 78, Subject Files 1983-1984, Mario Cuomo Gubernatorial Papers, NYSA.
[88] Joseph Carbonell to Hugh L. Carey, June 28, 1978, Reel 71, Subject Files, Hugh L. Carey Gubernatorial Papers, NYSA; Joseph Carbonell to Mario Cuomo, December 3, 1983, Reel 77, Subject Files, Mario Cuomo Gubernatorial Papers, NYSA.

However, lotto sales indicated that "Pie-in-the-Sky millions" is exactly what players wanted. As jackpots expanded, states routinely broke sales records, and studies show that sales increases from large jackpots last even after the jackpot are rewarded.[89] Players recognized that bigger jackpots entailed reductions in their odds of winning but most welcomed the chance to compete for massive prizes. In 1989, a West Virginia Lottery official noted, "Lottery players nationally really aren't so interested in odds as they are in the size of the jackpot."[90] Players could hardly notice the difference between 1-in-4 million, 1-in-14 million, or 1-in-40 million odds of winning; through far more unlikely, the initial prize was already so implausible that the marginal difference felt very small. By contrast, gambler could easily notice the difference between a $4 million, $14 million, or $104 million jackpot, even if larger prizes were only possible with lower probabilities. Because of their irrational confidence that they would win, gamblers saw an increase in jackpots not as a reduction in their chances of winning but an increase in how much they believed they would take home when their numbers came through.

While rich and poor gamblers shared dreams of lottery-provided opulence, the consequences of those dreams were divided sharply along class lines. The poor not only paid a larger percentage of their income when they bought a lottery ticket but also paid a bigger price for dreams of winning the lottery. With fewer alternative avenues for mobility, lower-income players placed more emotional investment into their gambling. Los Angeles therapist Robert Butterworth cautioned California players in pursuit of a $45 million jackpot against what he deemed "lottery

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[89] For example: Larry DeBoer, "Jackpot Size and Lotto Sales: Evidence from Ohio, 1986-1987," *Journal of Gambling Studies* 6, no. 4 (1990): 345-354.
[90] Steve Johnson, "A Lotta Lotto: More and More States are Joining the Drive toward the Biggest Game Ever," *Chicago Tribune*, June 13, 1989, C1.

fantasy syndrome," namely the depression and apathy that could set in when players' dreams of winning the lottery failed to come to fruition.[91] Though they bet with the same hopes as lower-income gamblers, irregular bettors who only bought tickets during lottomania took a far more casual approach to the lottery. Even if they were disappointed that they did not win, these players' financial futures did not hinge on the results of their gambling.

However, the disappointment from losing did not necessarily drive players away from future drawings. On the contrary, lottery habits developed during periods of lottomania could lead to compulsive gambling, especially among the poor. One Bronx player reported that she spent $3 on the lottery every week: "I just have to play. I don't play to win."[92] Though hardly a dangerous amount to bet, small lottery habits could quickly give way to problem gambling, especially as players began to chase their losses, investing even more money in the lottery with the hopes of recouping some of what they had spent. One Schenectady, New York, municipal employee reported that he spent his $30,000 life savings on lottery tickets in eight years. "I started buying a 50-cent ticket a day. Then I went up to the dollar ones. Then I got to the point of buying five a day. Every time I went into a convenience store I'd buy five or 10." As he continued to lose money, however, he, like many players, invested all of his winnings into more tickets. "I always assumed I would win it all back and everything would turn out all right," he reported ten months after joining Gamblers Anonymous.[93]

Such unhealthy habits, including compulsive gambling, disproportionately affected lower-income lottery players. Like comparable ills such as alcohol or drug abuse, gambling problems do not develop in a vacuum, as they remain directly correlated with economic

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[91] McGraw, "$45-Million Jackpot Sparks 'Lottomania'."
[92] Mirreya Navarro, "Big Jackpot and Big Dreams: Lotto Fever Hits New York," *New York Times*, January 6, 1990, 29.
[93] Craig Brandon, "Critics Say Lotteries Addictive," *Albany Times Union*, January 24, 1988, 1.

conditions such as rising unemployment and declining social mobility.[94] One Gamblers Anonymous spokesperson in Arizona noted that an increase in unemployment "always makes for an increase in gambling. Even within our group where members have been clean for a year or two, there's more falling off. A man losses [sic] his job, can't live on the weekly unemployment check and goes back to gambling."[95] Founded in 1957, Gamblers Anonymous reported an increase of problem gambling in United States as lotteries grew in popularity. The New Jersey Council on Compulsive Gambling estimated that the number of problem gamblers in New Jersey increased from 375,000 in 1980—the year the state introduced lotto—to over 800,000 by 1983.[96] By 1992, after just eight years of offering legal lottery tickets, experts estimated that California alone was home to one million problem gamblers.[97] The American Psychological Association added Pathological Gambling to the Diagnostic and Statistical Manual of Mental Disorders in 1980 and, by 1994, one California clinical psychologist acknowledged that problem gambling had become "an epidemic in America. A little noticed epidemic."[98]

Driven by the chance of winning a life-changing jackpot, rich and poor gamblers bought lotto tickets for similar reasons. "Everybody has hopes and dreams, no matter how much money they

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[94] Joseph Hraba and Gang Lee, "Problem Gambling and Policy Advice: The Mutability and Relative Effects of Structural, Associational and Attitudinal Variables," *Journal of Gambling Studies* 11, no. 2 (1995): 105-121.
[95] Louise Cook, "Billions of Dollars Pour Into Gambling Despite Fluctuations in U.S. Economy," *Los Angeles Times*, June 18, 1982, D4.
[96] Summary of testimony of Ken Ward in Joint Lottery Subcommittee Report in *State Lotteries: An Overview* hearing before the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs, United States Senate, Ninety-Eighth Congress, October 3, 1984, 370.
[97] Paul Good, "One Million Problem Gamblers in California," Press Release, Folder "Lottery 2," Subject Files, Tim Leslie Papers, CSA.
[98] Pam Schmid, "Youngsters More Susceptible to Gambling Fever Than Adults, Experts Say," *Los Angeles Times*, February 27, 1994, A26; on the history of the term "compulsive gambling" and its shifting medical categorization, see: Rose Buckelew, "Betting on Black and White: Race and the Making of Problem Gambling" (PhD. Dissertation, Duke University, 2015).

have," one lottery retailer noted in 1987.[99] Amid the rising scales of wealth of the 1980s, lottery players' aspirations shifted. Rather than breed anger against the wealthiest Americans, the widening chasm between the richest and the poorest fostered widespread desire to enter the increasingly exclusive upper echelon. Surging inequality was acceptable in part because lotteries helped breed individuals' wishful assumption that they would one day join the cloistered world of the rich and famous. Gamblers could not or would not understand their infinitesimal odds of winning. They were buoyed by the magical thinking inherent in how many gamblers thought about probability. Regardless of the mathematical odds, many assumed that a jackpot was in their future.

Thus, though critics frequently chastise poor lottery players for their irrational belief in an inevitable windfall, such criticisms target lower-income gamblers for a widespread human impulse. Declining access to social mobility and increasing cultural displays of opulence inspired gambling among rich and poor players alike. It should hardly prove surprising that, in a culture that valorized increasingly inaccessible wealth, individuals with limited access to social mobility would risk their money on a chance to magically and instantaneously transform their lives.

[99] Alsop, "State Lottery Craze Is Spreading."

CHAPTER 5:
This Could Be Your Ticket Out:
The Promise of Lottery Advertising

On January 20, 1986, Josephine McCord, a pastoral associate at St. Malachy Roman Catholic Church on the West Side of Chicago, stepped out onto Washington Boulevard after attending a special service for the observance of a new federal holiday, Martin Luther King Jr. Day. Twenty years earlier, McCord had worked with King on his campaign against housing and employment discrimination in Chicago. However, since 1966, the problems that King encountered on the West Side had only gotten worse. After being ignored by city leaders and deprived of the public- and private-sector investment granted to suburban areas, many African-American neighborhoods in Chicago remained highly segregated. The area around St. Malachy was no exception, and this part of the West Side was beset by unemployment, violence, drug abuse, and widespread poverty. The situation was so dire that Mother Teresa sent a group of nuns to provide aid to the community out of the church gymnasium in 1983.[1]

Because of the conditions on the West Side, McCord was appalled with what she saw when she walked out of St. Malachy on January 20. A giant advertisement featuring nine words in white writing on a green background had been plastered to the side of a building across the street from the church: "How to get from Washington Boulevard to Easy Street." Emblazoned below this phrase was a familiar symbol identifying the source of the advertisement, a symbol ubiquitous on billboards across the state and on the losing ticket stubs lining the gutters around

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[1] Maureen O'Donnell, "Chicago activist Josephine McCord, worked with MLK, dead at 85," *Chicago Sun-Times*, December 5, 2016; Barbara Mahany, "West Siders welcome nuns' 'ministry of love'," *Chicago Tribune*, March 18, 1983, 2.1; on the West Side in this period, see: *Chicago Tribune* Staff, *The American Millstone: An Examination of the Nation's Permanent Underclass* (Chicago: Contemporary Books, 1986); Alex Kotlowitz, *There Are No Children Here: The Story of Two Boys Growing Up in the Other America* (New York: Anchor Books, 1991); William Julius Wilson, *When Work Disappears: The World of the New Urban Poor* (New York: Alfred A. Knopf, 1996).

St. Malachy: a pot of gold sitting at the end of the proverbial rainbow. The logo for the Illinois State Lottery.

McCord's anger with the advertisement arose from the fact that the sign seemed specifically designed to entice members of her community to buy lottery tickets in pursuit of a quick path to "Easy Street." The matter hit home for McCord because her son Leo, who had relied on welfare since he lost his job driving a taxi, had until recently bought up to $15 in lottery tickets every day. Leo took responsibility for his poor decision-making though he noted that promotions like the Easy Street billboard had worsened his situation: "Around here, that's powerful advertising. A psychological gun to my forehead, telling me to reach into my pocket because I might be able to change my life. I might win." Ads like this one lured desperate people into thinking a lottery ticket might be ticket to a better life. "The worst part is," he told the *Chicago Tribune*, "you start believing a poor man is smart to take a chance."[2] Thinking about its impact on people like her son, Josephine brought the ad to the attention of St. Malachy's pastor, Father Thomas O'Gorman, and she made repeated calls to the state lottery office about the sign. When her pleas went unanswered, she, O'Gorman, and Leo took action, covering the offending advertisement with a new message: "Boycott the Lottery."

Lottery officials were stunned by the response to their advertisement on Washington Boulevard. The concept for the Easy Street campaign had originated among previous jackpot winners and the Lottery set up over 200 posters and billboards around Illinois, each customized based on its location. A billboard in northern Chicago marked the lottery as the path "from Clark Street to Easy Street" while posters on public buses proclaimed, "Easy Street: This bus won't

[2] Bonita Brodt, "Lottery's down side: Road to Easy Street littered with the poor," *Chicago Tribune*, May 25, 1986, A1.

take you there, but playing the lottery can."[3] Yet, after receiving multiple complaints from across the state, Lottery director Rebecca Paul recognized that the site-specific nature of the ads had been misunderstood and that many residents felt targeted. "Our ads are not intended to imply," she wrote to one angry Calumet Park resident, "that the neighborhood in which they appear is inferior to the mythical Easy Street."[4] Rather, the billboards sought to personalize the lottery's message, to tell everyone, no matter where they lived, that a ticket offered a chance to leave their present surroundings for a life of ease. Nonetheless, as soon as Paul got word of the trouble the ad was causing on the West Side, the Lottery moved the Washington Boulevard sign 10 blocks away, out of sight of St. Malachy. It was replaced with a message promoting the preservation of Illinois wildlife.

But McCord and Father O'Gorman were not satisfied with the relocation of one advertisement. To investigate the pervasiveness of lottery playing in the community, O'Gorman closed his sermon on February 23 by asking parishioners to bring their losing tickets from the past week in lieu of collection for the following Sunday. He was astounded by the results: St. Malachy had a membership of 300 families and parishioners handed in over $5,000 worth of ticket stubs. Assuming every ticket had been purchased in the last week—and even if every family was actually in attendance—then the average St. Malachy household spent at least $17 on lottery tickets every week. This amounted to $867 every year (the equivalent of almost $2,000 in 2018 currency), nearly 10 times the average per capita spending on tickets in the nation's 23

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[3] John Bausch to James Thompson, March 28, 1986 and H.J Ligon to James Thompson, May 29, 1986, Folder 54, Box 65, Citizens Assistance Records, James Thompson Papers, Office of the Governor, Illinois State Archives, Springfield, Illinois (hereafter "ISA").

[4] Rebecca Paul to Elsa Littman, February 26, 1986, Folder 54, Box 65, Citizens Assistance Records, James Thompson Papers, Office of the Governor, ISA.

lottery states and almost 8 times the average in Illinois.[5] As Josephine McCord observed, playing the lottery "has become like a national pastime for the poor."[6]

Armed with obvious evidence of the problem state-run gambling posed for the West Side, O'Gorman embarked on a campaign against the Illinois Lottery. He dubbed the lottery a "victimizer" of poor and black people who were tempted to gamble "because they have so few options for the future." Many of his parishioners, he claimed, had little discretionary income or relied on welfare but were nonetheless "the target of heavy advertising which promises to move them into the middle class."[7] In a letter to Governor James Thompson, O'Gorman acknowledged the importance of gambling as a source of revenue for Illinois but asserted that "the Lottery must not be of more value than our citizens who live in the grip of poverty and hardship." Lottery ads extracted money from his community by dangling a quick fix to personal financial hardship. In its search of extra revenue, the government should not be enticing these people to gamble. "It makes me feel even more angry," he later argued, "that the culprit in this is the State of Illinois."[8] Calling for an investigation into its effect on the poor, O'Gorman wanted the Lottery to act less like a profit-hungry business and more like an arm of the state concerned for the wellbeing of the populace.

St. Malachy's campaign against the lottery reached its apex in March. Following a meeting at the church with 100 parishioners and two city aldermen, O'Gorman, McCord, and a group of supporters marched to a state government building in Chicago with signs declaring

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[5] This estimate of average lottery spending is likely too low, as many of the parishioners would have also bought some winning tickets; Illinois Economic and Fiscal Commission, *The Illinois State Lottery: A Special Report* (State of Illinois, December 1986), 21.

[6] Barry Cronin, "'Insulting' Lottery Sign on W. Side Sets off Boycott," *Chicago Sun-Times*, February 6, 1986, 37.

[7] Associated Press, "Priest organizing lottery boycott," *Southern Illinoisan* (Carbondale, IL), March 10, 1986, 2; Eric Zorn, "Lottery jackpot not in his dreams," *Chicago Tribune*, March 19, 1991, S1;

[8] Thomas O'Gorman to James Thompson, March 14, 1986, Folder 54, Box 65, Citizens Assistance Records, James Thompson Papers, Office of the Governor, ISA; Stephanie Saul, "Strategic lottery advertising pushes sales through the roof," *The Paducah Sun* (Paducah, KY), December 17, 1995, 6E.

"Lottery is a Con Game," "Stop the Lottery," and "Lottery is Unfair to Poor and Blacks." While the boycott proved short-lived and ineffective, two West Side state representatives passed legislation creating the investigative panel O'Gorman's had requested. In December 1986, a special report of the Illinois Economic and Fiscal Commission (IEFC) concluded that predominately black and lower-income zip codes accounted for a disproportionate share of lottery sales and that the simplicity of lottery ads "may be misleading the poor and uneducated into spending substantially greater portions of their incomes on dreams." Echoing O'Gorman, the report concluded, "State government has responsibilities towards all of its citizens; it should not put the best interests of these individuals against one of its revenue-producing efforts."[9] Nonetheless, while O'Gorman called for Paul to resign following the IEFC's revelations, in June 1986, the National Association of State Lotteries awarded Illinois its annual prize for best lottery advertising in the country. The following year, Illinois Lottery annual advertising expenditure surpassed $10 million for the first time and sales hit a new high of $1.35 billion.[10]

The Easy Street advertisement on Washington Boulevard was unique for the attention it brought to state-funded gambling promotions but was remarkably unexceptional in its placement and its message. Like every other state lottery, in the late 1980s and early 1990s the Illinois State Lottery used advertising to promote its product. And, like other state lotteries, Illinois Lottery ads were built not on logical arguments about the benefits of gambling but on the basis of magical thinking, on luck, chance, and the possibility of defying the odds. Specifically, most lottery ads were centered around two messages, both of which were manifest in the Easy Street campaign: players should buy tickets because they could win and they should buy tickets

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[9] Illinois Economic and Fiscal Commission, *The Illinois State Lottery*, 79.
[10] Sharon Sharp to Valerie Cernicky, October 15, 1987, untitled Folder, Box 84, Lottery Records, Office of the Director, ISA; Mike Tate speaking on Amendment #3 to Senate Bill 1740, June 18, 1986, State of Illinois, 84th General Assembly, House of Representatives, 129th Legislative Day, Transcription Debates, 140.

because winning would change their lives. The Lottery used advertising to convince people to play a game whose odds were stacked against them, encouraging the belief that a jackpot was inevitable and urging gamblers to continue playing even as they lost more and more money. As Leo McCord observed, these promotions were designed to entice, to inculcate wishful thinking by telling players they were smart to take a chance and were missing the opportunity of a lifetime by not buying a ticket.

The magical thinking central to lottery advertising is particularly significant because these promotions are the work of a government agency. State lottery commissions represent unique branches of government. Like private-sector companies, they are tasked with raising as much revenue as possible, and, like many private companies, lotteries often have adversarial relationships with state regulations. Illinois officials, in particular, were on the front lines in overturning federal restrictions on lottery promotions in the 1970s. After a decade of unregulated marketing, state legislators periodically attempted to reign in the Lottery's promotional capabilities in the 1980s and 1990s, but these efforts were unsuccessful. Consequently, in their efforts to maximize revenue, bottom-line focused Lottery officials frequently targeted high-gambling populations with their advertising regardless of the consequences of their marketing on places like the West Side. Though the Easy Street ad was not unique to Washington Boulevard, the Illinois Lottery exhibits a long history of utilizing advertising that, either through its content or its placement, was aimed at the state's poor or black citizens. Thus, the popularity of lottery playing in these communities is not simply the result of bettors' poor financial decision-making or a natural result of economic inequality but the purposeful product of state-funded promotions that painted gambling as a reliable path of upward mobility.

The lottery's hard-sell tactics were partly a response to a different manifestation of magical thinking, namely unrealistic, wishful expectations for gambling as a source of state revenue. Lotteries were enacted because voters and legislators believed they represented painless panaceas for budgetary imbalances. With state policymakers expecting continuous increases in sales, Lottery officials turned to advertising in desperate attempts to meet politicians' and taxpayers' impossible benchmarks. When revenue fell short of these lofty projections, ads played an important role in maintaining the illusion of the lottery as an important source of state income. Beginning in 1986, and then in a series of promotions with Michael Jordan in the late 1980s, the Illinois Lottery utilized soft-sell marketing to frame itself as a benefactor of education. Like its hard-sell pitches, lottery advertising was designed to create a permission structure for gambling, informing Illinois residents that buying lottery tickets was a philanthropic act that could catapult them to unfathomable riches. Yet, like the dreams of hopeful gamblers, the promises of a windfall for the state budget proved illusory. A lottery ticket was not the path off of Washington Boulevard nor was it a bountiful fountain of revenue for government. "We need to be honest about life, about who we are and what we want to be," Father O'Gorman noted in 1987 as he looked back on St. Malachy's antilottery protest. "There is no easy street."[11]

In the United States, legal and political debates over lotteries have long centered around the question of advertising. Advertisements, whether in newspapers, on street corners, or on handbills, were central to spreading news about lottery drawings in the eighteenth and nineteenth centuries. By the late 1870s, the nation's lone remaining sweepstakes was the infamous

[11] Elizabeth-Anne Vanek, "A Parish in the Projects," *Chicago Reader*, March 26, 1987.

Louisiana State Lottery Company, known as the "Golden Octopus" for its reach across the country and its attempts to entice bettors whose own states had barred gambling. With state governments helpless to stop the flood of promotions from the Bayou State or nascent illegal gambling operations, Congress took action, passing a series of laws restricting the interstate transportation of lottery tickets as well as the distribution of promotional gambling material through the mail. In 1903, the lottery ticket restriction was upheld by the Supreme Court in *Champion v. Ames*, a crucial ruling which confirmed Congress' ability to regulate interstate commerce.[12]

Sixty years later, these laws were a serious stumbling block for states seeking to establish government-run lotteries. Publishers were uncertain about what exactly constituted promotional material. Thus, because of the restrictions on the interstate transmission of gambling information, newspapers distributed by mail could not send papers with lottery news or lottery advertisements to readers across state lines. Meanwhile, the Federal Communications Commission (FCC), prohibited television or radio broadcasts of lottery drawings or even winning numbers, subjecting states to the same restrictions it imposed on private gambling operations. If early lottery winners were unable to attend drawings in person, they only found out they won when they were contacted directly by lottery representatives or if they called a hotline set up by the lottery that read the winning numbers.

Lottery officials railed against the federal regulations hampering their industry. Ralph Batch, the first director of the Illinois Lottery and former head of the New Jersey Lottery, testified in Washington D.C. in 1974 in support of legislation to reverse the FCC regulations. Batch told a Senate subcommittee that the prohibition on televised drawings limited lotteries'

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[12] *Champion v. Ames* 188 US 321 (1903).

ability to operate transparently. Illinois voters expected lottery revenue to stave off a tax increase, but these restrictions harmed sales because the public could not be assured that the games were conducted fairly.[13] The New Jersey Lottery sued the FCC, and the matter was put to rest when President Gerald Ford signed congressional legislation exempting state-run lotteries from federal restrictions on gambling promotions.[14] A 1976 law, sponsored by Illinois Republican Congressman Paul Findley, deregulated lotteries further, allowing newspapers delivered by mail to contain lottery information and permitting states to advertise in newspapers published in neighboring states that also offered lotteries.[15]

Though unable to use television or radio promotions until 1975, the Illinois Lottery had advertised since tickets first went on sale on July 30, 1974. In a sign of a practice that would endure for decades, the Lottery's newspaper, transit, and billboard ads were not distributed evenly throughout the state. Per capita expenditure on advertising was much higher in areas of Illinois with larger minority populations, particularly Chicago ($46 spent on advertising per 1,000 people, 32 percent black in 1970) and East St. Louis ($56, 69 percent black), compared to downstate metro areas like Rockford ($30, 8 percent), Peoria ($29, 11 percent), or Rock Island/Moline ($21, 5.7 percent).[16] Given the ubiquity of numbers games—known in Chicago as "policy"—in urban black communities, officials presumed that tickets would be particularly

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[13] Statement of Ralph F. Batch Before the Subcommittee on Criminal Law and Procedures of the Senate Judiciary Committee, November 21, 1974, Folder "Speeches by RFB," Box 44, Lottery Records, Office of the Director, ISA.
[14] *United States v. New Jersey Lottery Commission*, 420 U.S. 371 (1975); Wilfred H. Rommel to Gerald Ford, "Enrolled Bill S. 544-State Lotteries," Folder "1975/01/02 S544 State Lotteries," Box 18, White House Records Office: Legislation Case Files, Gerald R. Ford Presidential Library, Ann Arbor, MI (hereafter "GFPL").
[15] James T. Lynn to Gerald Ford, "Enrolled Bill H.R. 1607-Newspaper advertisements of State-operated lotteries," Folder "10/17/76 HR1607 Newspaper Advertisements of State-operated Lotteries," Box 65, White House Records Office: Legislation Case Files, GFPL.
[16] Illinois State Lottery, "Media Advertising Expenditures by Metro Area, July thru Oct., 1974," Folder "Problems and Opportunities," Lottery Records, Office of the Director, Box 70, ISA; United States Department of Commerce, Bureau of the Census, *1970 Census of Population: Advance Report* (United States Department of Commerce, February 1971), PC(V2)-15: Illinois, 4-19.

popular among black gamblers. Yet, lottery commissioners disregarded fundamental differences between the first lottery games and policy, which offered daily drawings and cheaper tickets. In black and white communities, most of the Lottery's first advertisements were informational, instructing prospective gamblers how to play and explaining the three games featured on each 50-cent ticket. The goal was to create awareness, to "make the Illinois state lottery tickets as familiar to Illinois residents as a $1 bill," Batch explained.[17] A 1974 marketing survey indicated the success of these efforts. In the two weeks before tickets went on sale, over 90 percent of the population reported that they were aware of the lottery and 68 percent stated that they planned on buying a ticket. By September 1975, 83 percent of Illinois residents had bet at least 50 cents on the dream of hitting a jackpot.[18]

However, as would occur in many other states, public interest in the Illinois Lottery declined over time. In its first years, the Lottery could reach its sales goals by attracting players curious about this new form of legalized gambling, yet the novelty wore off quickly. The Illinois Lottery took in $129 million in sales in its inaugural year, though revenue fell for the next four years, bottoming out at just $68 million in 1979.[19] While the Lottery advertised to support its 50 cent games, budget restrictions limited the scope of these promotions, and, a Lottery report later concluded, this lack of advertising contributed strongly to the drop-off in sales.[20]

The Lottery's first tactic to boost revenue was to add new games, including instant games in 1975, daily numbers in 1980, and lotto in 1983. These efforts increased sales, which climbed

[17] Jon Van, "State pays $1.5 million to push lottery dreams," *Chicago Tribune*, July 20, 1974, 3.
[18] Illinois State Lottery, "Attitude Study" (July 1974), untitled Folder, Box 70, Lottery Records, Office of the Director, ISA; Lee King and Partners, Inc., "Illinois State Lottery: Attitude and Awareness Study," October, 1975, Folder "Promotional Materials," Box 73, Lottery Records, Office of the Director, ISA.
[19] Illinois State Lottery, *1986 Annual Report*; Illinois Economic and Fiscal Commission, *The Illinois State Lottery*, Appendix 1.
[20] MCA Games, "Advertising and Promotion Plan for Tic-Tac-Dough Christmas Bonus Season Ticket Plan and Tickets as Gifts Promotion" in *Volume 2: Technical Proposal* (September 27, 1979), Box 56, Lottery Records, Office of the Director, ISA.

to $200 million in 1980, hit nearly $500 million in 1983, and surpassed $1 billion for the first time in 1985.[21] The popularity of these games was partly the result of more consistent, better-financed marketing, as Lottery expenditure on advertising grew almost 300 percent between 1980 and 1986.[22] Initially, many of these ads were informational, resembling the 1970s ads introducing players to the Illinois Lottery. Commercials to announce the start of the numbers game, for example, featured a white convenience store operator explaining how the game worked, telling players that they would be able to pick their own numbers, and reminding them that, if they won, they could receive their money the same day.[23]

Yet these introductory ads could not sustain appeal over the long term, and the Lottery could not rely on players experimenting with new games. Starting in the early 1980s, the Lottery had to consider how to attract those who had not bought a ticket as well as how to maintain a market of stable, reliable gamblers committed to playing regularly. To do so, the Lottery shifted away from ads explaining how its games worked towards promotions centered around the benefits of playing the lottery and, in particular, the possibility of winning. In a study of 101 lottery commercials from 13 states in 1987, just 23 percent offered an informational-based sales appeal while 15 percent focused on the fun and excitement of playing. By contrast, a combined 63 percent of ads concentrated on the themes of "You Could Win/Winning Could Change Your Life," "Jackpot/Growing Money," or "Wealth/Elegance." Radio ads offered a similar, though slightly less dramatic, skew.[24] In Illinois, the 1986 IEFC report observed that the state's lottery

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[21] Illinois State Lottery, *1986 Annual Report*.
[22] Illinois Economic and Fiscal Commission, *The Illinois State Lottery*, Appendix 2.
[23] The Museum of Classic Chicago Television, "Illinois Lottery—'The Daily Game' (Commercial, 1980)," https://www.youtube.com/watch?v=zhjfJ5N_YMg
[24] Charles Clotfelter and Philip J. Cook, *Selling Hope: State Lotteries in America* (Cambridge: Harvard University Press, 1989), 205.

commercials "do not concentrate on the game-playing aspect, but rather on the possibility that individuals can actually change their lifestyles by winning."[25]

The depictions of instant, life-altering jackpots in lottery promotions reflect the promises of magical transformation that have long proven central to American advertising. As cultural historians Raymond Williams and Jackson Lears illustrate, advertising represents what Williams calls "a highly organized and professional system of magical inducements and satisfactions." Advertising "is magic," he contends, a process of attaching social meanings to material objects. Williams and Lears trace modern advertising's origins to traveling medicine men, mercurial merchants who peddled potions and other goods as miraculous cures for physical, mental, and spiritual ailments. As the advertising industry professionalized, Lears writes, it developed a disdain for this informal economy. Nonetheless, advertisers "remained wedded to its principal strategy: the promise of magic self-transformation through the ritual of purchase."[26]

No product offered the promise of magical self-transformation more than a lottery ticket. Lottery tickets are unlike nearly every other consumer good: their fundamental appeal lies not in the ticket itself but in what the ticket may bring. Lotteries sell possibility, the chance at a windfall. As Illinois Lottery director Sharon Sharp explained in 1991, the lottery "is not just soap. It is not tangible. You're selling dreams."[27]

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[25] Illinois Economic and Fiscal Commission, *The Illinois State Lottery*, 79.
[26] Raymond Williams, "Advertising: The Magic System" in *The Cultural Studies Reader* ed. Simon During, (London and New York: Routledge 1999 [1993]), 422; Jackson Lears, *Fables of Abundance: A Cultural History of Advertising in America* (New York: Basic Books, 1994), 139.
[27] Kim Kinter "Illinois Lottery: More Sweat Needed To Sell the Dream" *Adweek*, August 12, 1991.

With its advertising, the Lottery set out to do just that, to sell tickets by selling people on the dream of winning the lottery and the changes it would allow them to make in their lives. Many ads promoted the practice of dreaming, featuring actor portrayals of regular people imagining how they would spend their lottery riches. By providing examples of how winning could change someone's life, lottery ads encouraged gamblers to engage in wishful thinking, to envision what they would do if they won and to buy a ticket to take a chance on that dream. For example, a 1989 campaign—which won an award from the Chicago branch of the American Advertising Federation—featured individuals describing how they would spend their winnings: a taxi driver states that he would buy a deserted island; a black musician imagines forming his own band; and two women in the middle of a workout yearn for catered meals and romance with a chef, though a camera pan reveals a bottle of soda and a half-eaten donut sitting on their table.[28] Each of these fantasies stood in for a broader category of changes that would come from winning the lottery. A deserted island represented travel and escape; a band offered financial independence and the chance to pursue artistic fulfillment; and the women's dreams suggested a life of never-ending leisure and relief from daily chores. This type of dream-based appeal was widespread, and these Illinois ads may have been inspired by a 1988 New York newspaper campaign—extended to commercials in 1990—in which individuals described how they would spend their winnings. Their descriptions were followed by the slogan "All you need is a dollar and a dream."[29] The *only* thing players needed to win ("*all* you need"), the ad implied, was a dollar for a ticket and a dream of how to spend their riches.

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[28] Cathy Madison, "New Illinois Lottery Spots Target Player Personalities," *Adweek*, April 3, 1989; Nancy Millman, "Bozell wins Addy with lottery spots," *Chicago Sun-Times*, March 23, 1990, 46. The Illinois Lottery used another ad with the same theme for its mid-1980s "Money Maker" games; Bozell & Jacobs, Inc., "Wild Game Hunter," August 15, 1985, Folder "Bozell," Box 54, Lottery Records, Office of the Director, ISA.

[29] New York Lottery (advertisement), "Instead of Waiting for a Bus, I'd have a Limo Waiting for me," *New York Times*, October 5, 1988, B2; Ryancand, "All You Need as [sic] a Dollar and a Dream," October 5, 2009 (1990), https://www.youtube.com/watch?v=yp-e_Xda8nQ.

Ads like these promoted lotteries by playing on the gap between how people lived and how they wanted to live. Lottery advertising portrayed buying a ticket as a way for players to make radical changes to their lives. "What does being a 'big winner' mean to people?" one advertising firm wrote in a 1980 marketing proposal for the Illinois Lottery, "Clearly, it's just not the money but what the money buys. Vacations. Clothes. Jewelry. A new car. Financial security. Being a 'big winner' means being able to significantly improve your lifestyle."[30] Whatever fantasy you had, lottery ads suggested, a jackpot could fulfill it. Everyone had something to gain, a part of their lifestyle they wanted to upgrade. Anyone whose ambitions for luxury were hampered in any way by a lack of money should strive for more and should buy a ticket. Even if they did not win, buying a ticket meant buying a chance to dream. Gamblers should play to try to transform their life and should imagine what their new life would look like.

Though prevalent throughout the 1980s, the Lottery gradually shifted away from luxury-driven ads because they were *too* effective at showing players how winning could transform their life. An executive for Bozell & Jacobs, the Lottery's longtime advertising firm, stated in 1989, "We found that a lot of people were afraid, and suffered angst over the thought of [winning]."[31] The depictions of life-altering wealth were enticing but induced panic for some players who feared the disruptions a jackpot would bring. This anxiety was premised on players' magical, mathematically ill-informed belief that they would actually win the lottery. Yet, gamblers' certainty that they would hit the jackpot was partly the product of another major theme of lottery advertising: the promise that everyone who bought a ticket could win, that playing the lottery would inevitably result in bountiful riches. Many ads combined this message with the promise of

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[30] Creamer Inc., "State of Illinois: Illinois State Lottery," May 23, 1980, Folder "Creamer/Lottery," Box 44, Lottery Records, Office of the Director, ISA.
[31] Madison, "New Illinois Lottery Spots Target Player Personalities."

instantaneous transformation. One 1987 campaign, entitled “Millionaire,” featured poster advertisements with a reflective surface framed by a top hat and tails, allowing anyone to stop in front of the ad and picture themselves as lottery winners (even if these clothes meant the ad was designed to appeal to male gamblers).[32] If it was not enough for players to see themselves figuratively reflected by actors in commercials describing how they would spend their winnings, the “Millionaire” poster let them see themselves literally reflected as lottery winners. The ad acted as a funhouse mirror, a window into a different world. Riches were close at hand, the ad implied. *You* are what a lottery winner looks like. This millionaire version of you could be just one ticket away.[33]

Yet, lottery officials knew that only a handful of gamblers would actually ride their lottery winnings into riches. With the odds stacked against every gambler, advertising was meant to steel players against losing, to encourage them to continue their pursuit of a jackpot even when they failed time and time again. The promise of an inevitable jackpot represented a common theme in lottery advertising and some promotions denied that any randomness was involved in winning. Many ads depicted state lotteries as offering a simple transaction: buy a ticket, receive a fortune. A 1987 poster at O’Hare airport in Chicago featured a tree with bills of various denominations under a banner reading “Money Does Grow on Trees: The Illinois State Lottery,” subverting a common expression about how difficult it was to make money to suggest that it was easy when playing the lottery.[34] Similarly, many ads eschewed probabilistic language, depicting a jackpot as an absolute certainty: “Pop open a cool million” (part of a promotion with Pepsi); “Put a million dollar smile on your face” (Fantasy Instant Lottery); or “Retire this

[32] Lisa Petrison, “That’s Rich,” *Adweek*, August 24, 1987.
[33] On advertising as a funhouse mirror (*Zerrspiegel*), see: Roland Marchand, *Advertising the American Dream: Making Way for Modernity, 1920-1940* (Berkeley: University of California Press, 1985).
[34] Charles Colson, “The Myth of the Money Tree,” *Christianity Today*, July 10, 1987, 64.

evening before you go to bed" (for televised lottery drawings), a pun on the fact that if gamblers watched a lottery drawing and saw their numbers come up, they would not have to go to work the next day or ever again.[35] By removing words such as "could" or "might" and eschewing pronouns or subjects (so the copy read like instructions to the reader), these ads encouraged the wishful belief that a windfall stood as an eventual reward for anyone who seized the chance to buy a ticket.

Lottery officials understood the dangers inherent in guaranteeing a jackpot, as players would be disappointed when prizes proved far more elusive than advertised. In 1991, the Lottery returned 50 percent of sales in prizes, meaning players could expect, on average, $50 in winnings for every $100 they spent on tickets.[36] Even if they received half their money back, many bettors bought tickets in pursuit of nearly-impossible, life-changing jackpots. As a result, after being promised quick winnings, some gamblers went so far as to write to the Lottery complaining that they never won. Fearing that frustrated gamblers might stop playing, Lottery officials insisted that they are "not deceiving the public when we say that anyone can win," maintaining that winning was always a matter of chance.[37] Nonetheless, after over a decade of guaranteeing an inevitable life of luxury for every gambler, by the early 1990s the Illinois Lottery understood that it could not keep assuring players that a jackpot lay in their future.

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[35] This type of language has been used by many state lotteries over many decades. A 1972 Connecticut Lottery advertisement read simply "Get Rich Quick;" (Barbara C. Aldrich to Thomas Meskill, July 20, 1972, Folder "Special Revenue General, A-L," Box A-843, Agency Files: Special Revenue Commission, Thomas Meskill Gubernatorial Papers, Connecticut State Archives, Hartford, Connecticut); Illinois Lottery (advertisement), "Put a Million Dollar Smile on your Face," *Chicago Tribune*, May 16, 1983, 9; Illinois Lottery and Pepsi-Cola (advertisement), "Pop Open a Cool Million," *Chicago Tribune*, November 20, 1986, F23; Illinois Lottery (advertisement), "Retire this evening before you go to bed," *Chicago Tribune*, January 2, 1994, N17.
[36] Terri La Fleur, *1991 Compendium of Lottery Statistics* (Boyds, MD: TLF Publications, 1992), 7.
[37] Dale R. Arvidson to George Field, August 19, 1985, Folder 54, Box 106, Citizens Assistance Records, James Thompson Papers, Office of the Governor, ISA.

Thus, the Lottery shifted tactics. "We want to stress the fun, the joy of playing versus 'You're going to win'," Lottery director Desiree Rogers explained, "We want to keep it light and not promise more than we can deliver."[38] One strategy to promote the lottery without guaranteeing winning was to emphasize uncertainty. The lottery was unpredictable, many ads acknowledged. However, these ads told players that, instead of becoming discouraged by this unpredictability, they should embrace it. If anything could happen then they should take a chance because they just might win.[39] This emphasis on probability came through in ads about lottery numbers. Promotions for daily games frequently focused on numbers themselves. One commercial, backed by a jingle titled "This is My Lucky Day," encouraged gamblers to keep an eye out for the numbers that appeared around them in their everyday life. These numbers could hold the key to a jackpot, the commercial suggested, and might hold the key to players' luck.[40] Though ostensibly based on the unpredictability of lottery numbers, this type of ad also told players that by choosing their own numbers they could shape their odds of winning and crack the code of the lottery. Probability worked to players' advantage. Their luck was in their own hands.

Thus, even as the Lottery shifted from straightforward promises of jackpots it continued to urge players to believe they could defy the odds. One tactic to keep discouraged gamblers committed to buying tickets was the inculcation of counterfactual thinking, a specific type of magical thinking which entails envisioning alternative results to past events. A common genre of

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[38] Nancy Millman, "A Little Lotto means a lot in hard-sell ad campaign," *Chicago Tribune*, August 2, 1992, G1.
[39] For example, a 1990 advertisement for a new lotto game in California emphasized the lottery's impartiality as a method of mobility: "In America, we do not have kings or queens ... What we have is something far more democratic. It's called Super Lotto and it gives each individual a chance for untold wealth. So play Super Lotto because even though you can't be born a king, no one ever said you can't live like one" (*Frontline*, "Betting on the Lottery," WGBH, show #904, November 6, 1990, University Libraries Special Collections, University of Nevada, Las Vegas).
[40] TheClassicSpots, "1990—Illinois Lottery Commercial," https://www.youtube.com/watch?v=GEQ1oInhGgk; Baver Bess Vanderwarker, "Hot #," February 24, 1994, Folder "Daily Games," Box 21, Administrative Correspondence and Related Documents, Department of Revenue: Lottery, ISA.

lottery ad in Illinois as well as other states, for example, depicted a gambler agonizing that their numbers came through on a day when they forgot to buy tickets. The Lottery sought to ingrain gambling as a regular habit, to create its long-sought-after steady corps of gamblers. It did so in part by convincing players to buy tickets on a daily or weekly basis to ward off the possibility that they would regret missing their chance at winning.[41] A similar type of ad asked lottery players to imagine what things would have been like if they had bought a ticket or reminded players that they could not win if they did not play, implying that they would win—or would have won—if they spent a dollar or two on a chance at their dream. The ads did not mention, of course, that buying a ticket was far more likely to leave someone a dollar or two poorer and not a jackpot winner.

In order to keep players hopeful, advertising wanted gamblers to believe that, on any given day, anyone had the chance to hit a jackpot. Consequently, the Lottery depicted buying a ticket not as a longshot gamble but a smart investment, a worthwhile chance at a jackpot. In one 1986 commercial, construction workers discussed investment strategies, with one suggesting the "low investment, high possible returns" available through the lottery.[42] Amid the flowering of the Wall Street culture of the 1980s, lotteries encouraged the association of gambling to investing. A ticket was not a certain bet—it was as capricious as the stock market—but it was an easier, viable alternative to traditional investments. And it might just be a ticket to a fortune.

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[41] One Tri-State lotto ad, for instance, featured the lyrics: "It could have been you … Walkin' in style, down easy street, Wearin' a smile, it could have been sweet / But what can I say? You just didn't play /It could have been you!" (Joshua Wolf Shenk "Everyone's a loser," *Washington Monthly* 95, no. 27 [1995]). Janet Landman and Ross Petty, "'It Could Have Been You': How States Exploit Counterfactual Thought to Market Lotteries," *Psychology and Marketing* 17, no. 4 (2000): 299-321; Sharon Sharp to Jeffrey D. Mays, October 21, 1987, untitled Folder, Box 16, Administrative Correspondence and Related Documents, Department of Revenue: Lottery, ISA.
[42] John Bausch to James Thompson, March 28, 1986, Folder 54, Box 65, Citizens Assistance Records, James Thompson Papers, Office of the Governor, ISA.

A more common way to emphasize that the lottery represented a democratic, random, and fair method of social mobility was the celebration of previous winners. Lottery winners were central to advertising—in the 1987 sample of commercials, 70 percent of ads that showed lottery players also showed at least one lottery winner—because they offered living proof that regular people could win, that the lottery worked as a method of economic advancement.[43] For example, a 1988 newspaper ad for the Cash5 lotto game featured pictures of 20 people, young and old, black and white, with their names and a sum of money—ranging from Flora Adams' $47,873 to Evelyn Lojewski's $616,650.50—under a headline: "What have they got that you haven't got?" Beneath the pictures, the ad explained that "thousands" of Illinois residents had won Cash5 in the last few months, entreating gamblers to join the ranks of winners, "if you've never played Cash5, why not give it a try? After all, it doesn't take anything special to be a Cash5 winner. Except, of course, a Cash5 ticket."[44] The ad argued that jackpots both were and were not based on merit. Previous winners had gotten lucky—their wins had been random. Yet, the ad claimed in second-person language, if *you* bought a ticket, the results might be different. Players routinely won thousands of dollars with Cash5 and they were just regular people. Surely *you* had an even better chance of winning than they did.

The power of advertisements like the Cash5 campaign came less from the size of the available jackpots than the number of previous winners. While big prizes could prove enticing, ads showcasing large numbers of winners illustrated that hitting the jackpot was a common occurrence that could befall any gambler at any moment. This type of marketing contributed to gamblers' overestimation of their chances of winning thanks to a phenomenon known as the

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[43] Clotfelter and Cook, *Selling Hope*, 209.
[44] Illinois Lottery (advertisement), "What Have They Got That You Haven't Got?," *Chicago Tribune*, December 9, 1988, B20.

availability heuristic. As psychologists Daniel Kahneman and Amos Tversky illustrate, evidence of an event—no matter how rare—facilitates an individual's belief that this event may happen to them, as many people misjudge the probability of phenomena for which they can easily recall examples.[45] Guided by this bias, especially if an ad emphasized how many people had won, a viewer would be prone to take a random event that had befallen a total stranger and assume it occurred more often than it actually did. As a result, ads featuring winners, especially a large number of winners, made gamblers a little more certain that they would win as well.

Though wide-ranging in their subject matter, lottery advertisements were fundamentally designed to implant the belief in the magical possibility of hitting the jackpot. Like many players, lottery officials knew how unlikely it was that gamblers would win. Advertising kept players in pursuit of ever-elusive prizes, causing them to overestimate the odds of winning while showing how great winning would be. Ads were built on the message that it was smart to play the lottery, as potential gains were more important than any short-term losses. Through its advertising, the lottery positioned itself as a path for upward mobility for anyone willing to take a chance on a ticket.

In the 1980s and 1990s, lottery advertising was ubiquitous throughout Illinois. In a 1987 survey, three-quarters of Illinois residents said they had seen a Lottery ad in the last two months; half said they saw the ad in question more than once a week and one-third said they saw it daily.[46]

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45 Amos Tversky and Daniel Kahneman, "Availability: A Heuristic for Judging Frequency and Probability," *Cognitive Psychology* 5 (1973): 207-232; see also: Daniel Kahneman and Amos Tversky, "Subjective Probability: A Judgement of Representativeness," *Cognitive Psychology* 3 (1972): 430-454.

46 The Center for Community and Regional Studies, Sangamon State University, "Illinois State Lottery: Market Survey Study," June 5, 1987, Folder "Sangamon State University Market Survey Study," Box 35, Lottery Records, Office of the Director, ISA; Illinois Economic and Fiscal Commission, *The Illinois State Lottery*, Appendix 3.

Though sales grew every year, it is impossible to drawn a direct correlation between advertising and lottery revenue. In studies of products from a range of industries, scholars have produced little evidence indicating that advertising represents an effective means of increasing sales.[47] For the Illinois Lottery, the biggest increases in ticket sales appeared to be the result of massive lotto jackpots or the introduction of new games, not specific marketing campaigns. Nonetheless, lottery advertising continued to saturate every form of media throughout the state.

Many Illinois residents, however, worried about the effects of lottery advertising—and the lottery in general—on the state's poorest residents. Even before states enacted the first government-run lotteries in the 1960s, citizens and policymakers cautioned that gambling represented a regressive form of taxation. In the years that followed, studies by scholars, journalists, and independent state commissions like the IEFC validated these predictions. Demographic surveys from multiple states across multiple decades showed that lottery playing is negatively correlated to education, and, to a slightly lesser degree, is disproportionately popular among minorities and lower-income people. For critics, advertising offered an egregious manifestation of the lottery's adverse effects on the poor, a vital agent in deepening the inequity of gambling. "Lottery commercials," one Chicago comedian wrote in 1987, "are big electronic biscuits helping to sop up the meager resources of the nation's neediest families."[48]

Lottery critics denounced lottery advertising because they presumed that promises of instantaneous wealth appealed particularly to lower-income or less-educated gamblers. Because their lives contrasted most sharply with those of lottery winners, poor bettors would be particularly vulnerable to portrayals of instant wealth. Nora Zaring from Mattoon wrote to

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[47] Gerard J. Tellis, *Effective Advertising: Understanding When, How, and Why Advertising Works* (Thousand Oaks: SAGE Publications, 2004), 16.
[48] Aaron Freeman, *Confessions of a Lottery Ball* (Chicago: Bonus Books, 1987), 33.

Governor Thompson that she was "concerned" about advertisements "which portray gambling as a good investment. These ads prey on those people who can least afford to waste their money … please don't exploit the lower class people to raise your funds."[49] By their very nature, these ads appealed to "lower class people" who did not understand the odds winning and would be easily duped by promotional messages. They would see the lottery as a reliable path to wealth, a method to find financial success and avoid hard work.

Lottery officials refuted that their ads were directed at any specific population and denied that their games subsisted on the money of the poor. Advertising, Lottery director Michael Jones contended in 1985, was not designed to increase how much people spent on gambling. Instead, it served to "broaden the base of players."[50] Rather than entice lower-income or black gamblers or tempt anyone into betting more than they could afford, advertising was about attracting new players or turning infrequent, occasional gamblers into regular players. Jones and his successors claimed their ads were meant to appeal to all Illinois residents regardless of race, income, or education, and they presented lottery tickets as a simple consumer good competing for the public's discretionary entertainment dollar. "Without relatively constant reminders as to the existence of Lottery products, revenues would rapidly shrink," the Lottery's public information officer wrote in 1986, framing ads as "reminders" to play rather than enticements.[51] Lottery officials insisted that their marketing was vital to sustaining sales but also that it was effectively benign. It was crucial to convincing people to play but would not convince the poor to bet more than they could afford.

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[49] Nora Zaring to James Thompson, August 5, 1985, Folder 54, Box 106, Citizens Assistance Records, James Thompson Papers, Office of the Governor, ISA.
[50] John Hurst, "Lottery Ads: Soft Sell on a Big Budget," *Los Angeles Times*, April 17, 1985, A11.
[51] Dale R. Arvidson to John Bausch, Folder 54, Box 65, Citizens Assistance Records, James Thompson Papers, Office of the Governor, ISA.

Despite these justifications, anger about the effect of lottery advertising persisted. Like Zaring, critics were particularly frustrated by the fact that these inducements were at the behest of the state and that it was a revenue-seeking government agency which enticed people gamble. In a 1995 congressional hearing, Illinois Senator Paul Simon invoked the common comparison of gambling and smoking to shed light on states' inconsistent approach to advertising. "If the state of Illinois had a billboard promoting the smoking of cigarettes to get revenue, we would be offended," he argued. Though the state profited from a cigarette tax, it would never advertise smoking because of the adverse health effects. Nonetheless, "the state of Illinois will have a billboard … in impoverished areas … that says 'this is your way out' in advertising the lottery." Just like smoking, Simon reasoned, an increase in lottery playing may be in Illinois's short-term financial interests but would be deleterious to the health and morality of the state. "No, this is not our way out. Our way out is education. Our way out is hard work. Those are the things that we ought to be stressing."[52] The Lottery's sales tactics ran counter to the ideals that government should be promoting among its citizens. Ads denigrating hard work or investments, Simon and Zaring contended, would convince gamblers to abandon their pursuit of other paths of financial success in favor of instant riches through lottery tickets. No one should promote this message, they suggested, least of all the state government.

The charge that Lottery ads preyed on the poor was premised on the idea that lower-income or minority gamblers were too gullible to resist lottery marketing. Like welfare recipients in this era, lottery players were assumed to be black, poor, and lacking a devotion to hard work and individual initiative. In addition, gamblers were presumed to be irrational, fundamentally

[52] Stephanie Saul, "Lottery ads mislead, some critics charge," *The Morning Call* (Allentown, PA), December 17, 1995, A2; Simon is referencing a misquotation of the Easy Street ad on Washington Boulevard. As news spread of the boycott at St. Malachy, the advertisement at the heart of the congregation's campaign was frequently misquoted as "This could be your ticket out."

unable to understand that they played a game with infinitesimal odds of winning. Though critics were genuine in their concern about the effects of the lottery, their class- and raced-based view of lottery bettors served an important rhetorical function, allowing opponents to distinguish themselves from gamblers. Whereas the poor played the lottery because they misunderstood mathematical probability, critics marked themselves as rational thinkers who could not be swayed by such simplistic promises. In 1987, one Chicago state senator noted that low-income, uneducated people were vulnerable to lottery advertisements; by contrast, "People with educations do not believe in miracles."[53] Magical faith in jackpots was strictly the preserve of the poor, he argued, ignoring the widespread popularity of lotto tickets during rollover jackpots as well as the hopes for a financial miracle that inspired Illinois politicians and taxpayers to enact a lottery in the first place. Consequently, opponents saw advertising as a synonymous with the lottery itself. They assumed that, if the poor were not subjected to aggressive advertising, they would not buy tickets. A reduction in advertising would mean a reduction in playing.

Anger over lottery ads also rested on the legal, political grounds that these state-funded promotions were misleading. Lottery marketing frequently made two types of claims that could be considered deceptive or false. First, many ads—including billboards broadcasting the size of lotto jackpots—promised a windfall of a certain amount. In fact, federal and state income taxes would reduce how much a winner actually took home and most large jackpots would only be paid out over multiple decades through an annuity. Second, ads often misrepresented the probability of winning. For example, in the rare event that the odds are actually included in an ad, the chances of receiving a free ticket are usually included in the broadcasted odds of winning. Similarly, even if an ad focused entirely on a grand prize, the posted odds could refer to the

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[53] Marilyn Kalfus, "Lottery foes say it preys on the poor," *Tampa Tribune* (Tampa, FL), July 26, 1987, 42.

chance of winning *any* prize, thereby obscuring the unlikelihood of taking home a jackpot. A 1989 newspaper ad for the Little Lotto game told players "The odds are in your favor" and listed the number of Illinois players who had won prizes ranging from $100,000 (137 winners) to $600,000 (one winner). Small print beneath the image clarified that the overall odds of winning any Little Lotto prize were 1-in-72, though odds for winning a six-figure jackpot were not included anywhere in the ad.[54]

The Illinois Lottery was able to make these misleading claims because state lotteries exist in a legal gray area when it comes to advertising regulation. Normally, the Federal Trade Commission (FTC) levels strict restrictions on promotional material for privately-run lotteries, contests, and other sweepstakes, restrictions designed to limit precisely the type of deceptive claims prevalent in state-lottery marketing. So too, while many lottery ads promised viewers that they could win, such guarantees of instant, transformational wealth are banned from promotions for the financial services industry.[55] However, because lottery advertisements are state-run, they are exempt from these restrictions. Most notably, state lotteries are not bound by FTC truth-in-advertising laws.

The loophole in FTC regulations for state-run lotteries embodied the federal government's lack of oversight of gambling advertising. In 1980, Congress passed the FTC Improvements Act, which placed strong limits on the agency's responsibilities and pushed it to focus almost exclusively on deceptive advertising. Though lottery ads certainly met the criteria of misleading marketing, lotteries have been ignored by FTC regulators. The lottery industry's independence from regulation offers a stark contract to the federal approach to cigarette and

[54] Illinois State Lottery (advertisement), "The odds are in your favor," *Chicago Tribune*, July 21, 1989, 6.
[55] Mary O. Borg and Harriet A. Stranahan, "Does Lottery Advertising Exploit Disadvantaged and Vulnerable Markets?" *Business Ethics Quarterly* 15, no. 1 (2005), 24.

alcohol advertising. In 1970, Congress passed the Public Health Cigarette Smoking Act, placing warning labels on cigarette packaging and banning all television and radio cigarette advertising. Restrictions on alcohol advertising trod a wearier path. After failed attempts in previous decades, *Advertising Age* dubbed alcohol advertising "*the* issue of 1985." In 1988, a bi-partisan coalition finally enacted legislation requiring warning labels on alcohol packaging.[56]

Legislators pointed to a number of factors to compare gambling to cigarettes and alcohol, namely their shared addictive potential, their regressivity, and their adverse health effects. Nonetheless, regulators were unsuccessful in their attempts to restrict gambling advertising. In 1995 and 1996, for example, Congress entertained legislation that would have closed the state-lottery FTC loophole. The 1996 bill, sponsored by Congressman Pete Geren (D-TX), also would have required lotteries to include the odds of winning in every advertisement. He noted from the floor of Congress that if a medical company offered one-in-multimillion odds of curing baldness, the FTC would not allow it to be advertised as a treatment. Furthermore, "if a State is going to be in the numbers business and use the Nation's airwaves to market the chance of living the life style of the rich and famous, it has the duty to tell those people their chances of winning that life style."[57] State governments, he argued, had a responsibility to advertise prudently, more so than private companies. If states needed to raise revenue from gambling, they did not need to engage in advertising that debased government in the process. However, neither Geren's bill nor Congressman Jim McCrery's (R-LA) 1995 proposal gained any traction. While alcohol and tobacco companies fought the imposition of federal restrictions, Congress proved warier regarding lottery ads in part because lotteries are state-run and states governments could self-

[56] Pamela E. Pennock, *Advertising Sin and Sickness: The Politics of Alcohol and Tobacco Marketing 1950-1990* (DeKalb, Northern Illinois University, 2007), 4, 178, 180, 207.
[57] Pete Geren, "Truth in Advertising for State-Run Lotteries," speaking on H.R. 3010, March 5, 1996, 104th Congress, 2nd Session, *Congressional Record* 142, no. 28, H1700.

regulate their own lottery promotions. Since the removal of FCC broadcast restrictions in the mid-1970s, state lotteries have been free to advertise within their own borders as they see fit, almost entirely unrestricted by federal regulation.

With the federal government reluctant to act, some state lawmakers did indeed seek to impose state-level advertising restrictions on gambling promotions. In Minnesota, Missouri, and Virginia, legislators circumscribed the type of advertising the lottery could use in the lottery laws themselves, stipulating that the lottery must rely entirely on informational advertising. Missouri forbid advertising "designed to induce persons to participate" and required every ad to include pay-out ratios.[58] Virginia and Minnesota included similar clauses. Though the definition of what precisely constituted an inducement was subject to individual interpretation, all three lotteries began with relatively cautious promotional tactics, avoiding promises of winning in favor of simple, clever appeals. "The State that gave you eight presidents is about to give you 50 million more," one early, award-winning Virginia ad campaign stated, playing on the state's presidential history and offering a careful reference to the total available prizes.[59] However, when politicians' prudishness interfered with revenue, the desire for tax-free income took precedence. In a 1988 public referendum, Missouri voters removed the state's advertising restriction because it was hampering sales.

In states that passed lotteries in the 1970s, opponents' only hope for limiting lottery operations entailed restricting its promotional capabilities. In Illinois, where the lottery had been raising revenue since 1974 and had never faced any state-level restrictions, lawmakers pursued

[58] State of Missouri, Senate Bill No. 44, Regular Session, 1985 New Laws, 297, Folder "State Lottery Statutes," Box 56689, Zell Miller Papers, Governor's Subject Files, Georgia State Archives, Morrow, Georgia; State of Minnesota, "Minnesota Statutes 2018: Chapter 349A, State Lottery," https://www.revisor.mn.gov/statutes/cite/349A/pdf.
[59] Ken Thorson to Member of the General Assembly, "Virginia Lottery Update," September 1988, Folder 12, Box 135, Series III, Gerald L. Baliles Executive Papers, Virginia State Library, Richmond, Virginia.

more modest changes to temper the magical promises of advertising. In 1984, Republican State Representative Sam Vinson proposed legislation banning any advertisement suggesting that lottery tickets offered a better path to financial success than hard work, savings, investment, or technological innovation.[60] It was one thing for the Lottery to promote itself as a way to get rich but another for its advertising to disparage the benefits of working hard and making an honest living. For Vinson, it was unthinkable that this message should have the imprimatur of state legitimacy: "I believe that it is truly, truly a preposterous situation," he told the state House of Representatives, "when the State of Illinois, with public funds, denigrates the work ethic."[61] Yet, Illinois legislators refused to restrict Lottery advertising. Vinson's proposal was fairly limited in scope and still took three attempts to pass the Illinois House of Representatives before failing in the State Senate.

Other efforts at restricting lottery promotions gained even less traction. In February 1987, Democratic State Representative Monique Davis proposed a "Fairness in Advertising Bill." Most likely inspired by the Easy Street boycott and the subsequent IEFC report, her bill would have required the Lottery to print the odds of winning on every ticket, to keep sales records of winners by zip code, and to conduct annual reviews to ensure advertising did not target low-income or minority groups. As they had three years earlier, Lottery officials chafed at the prospect of regulation, basing their rebuttal on fact that tickets were too small to contain full game odds. Davis' bill failed to make it out of committee.[62] In 1992, Democratic representative John Matijevich proposed another bill that would have banned any ad promoting lottery tickets as a

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[60] Bernie Schoenburg, "Vinson wins bid to limit lottery ads" *The Pantagraph* (Bloomington, IL), May 25, 1984, A8.
[61] Sam Vinson speaking on Amendment #2 to House Bill 3083, May 18, 1984, State of Illinois, 83rd General Assembly, House of Representatives, 121st Legislative Day, Transcription Debates, 145.
[62] *Chicago Defender*, "Dems seeks change in lotto advertising," February 12, 1987; *Daily Republican-Register* (Mount Carmel, IL), "Lottery bill doesn't get numbers," April 2, 1987, 2.

way out of financial trouble. Opposition was swift. "The State of Illinois needs revenue," Republican William Black responded to Matijevich, "this Bill limiting the advertising ability of the lottery will have a negative impact on our sales." The state legislature had authorized a lottery in 1974 and "the least we can do now is to maximize the profits," Black maintained, arguing that it was imperative that the Lottery bring in as much money as possible. Matijevich's proposal was defeated 93-10.[63] State legislators had little incentive to restrict gambling advertising. The Lottery was a rare—albeit small—source of nontax income, and new regulations might remove the pot of lottery gold from the end of the rainbow.

Though it went overlooked in the esoteric debates about the size of lottery tickets, the other portions of Davis' 1987 bill were an equally important component of her attempt to assess the fairness of the Illinois Lottery. Davis wanted the state to study the demographics of lottery players and the placement of lottery advertising because she understood that Lottery marketing targeted low-income and black gamblers. Though officials used class- and color-blind language to insist their ads were distributed evenly throughout the state, the Lottery's quest for sales led to a concentration of ads in high-gambling communities. For the introduction of the state-run daily numbers game in 1980, for example, one Lottery official recommended a two-week teaser to "[set] up initial interest and awareness," followed by 17 weeks of further promotion. These ads were meant to attract adults statewide, though the Lottery's marketing firm "anticipated that the game will be very favorably accepted by the ethnic communities. Therefore, during the introductory period, special emphasis will be placed against these communities."[64] Though the

[63] John Matijevich and William Black speaking on House Bill 2889, May 22, 1992, State of Illinois, 87th General Assembly, House of Representatives, 146th Legislative Day, Transcription Debates, 32-34.

[64] Don E. Fossedal to Richard W. Carlson and James Sokolowski, "Review of the Daily Game Marketing Plan," March 13, 1980, Folder "Daily Game—on-line, February 19, 1980," Box 4, General Information Files, Department of Revenue: Lottery, ISA; Lee King and Partners, Inc., "Illinois State Lottery Daily Game Marketing Plan, March 1, 1980-Feburary 28, 1981," December 14, 1979, Folder "Lottery Board Control Memos," Box 47, Lottery Records, Office of the Director, ISA.

content of the ads did not contain any special overtures to any demographic subgroup, advertising was crucial in creating—and then sustaining—interest in the lottery. Before tickets went on sale, officials projected that poor and black communities would provide a strong market for tickets. Then, thanks in part to advertising, these areas recorded disproportionately high lottery sales. Consequently, the Lottery justified advertising in these communities on the fact that they bought large numbers of tickets. Ad placement begot sales, which begot more advertising, which begot more sales, and so on and so forth.

Targeted lottery advertising, a practice begun in the mid-1970s, continued into the 1990s. The 1986 IEFC report concluded "certain segments of the Lottery's marketing operations can be interpreted as evidence of targeting" as the Lottery appeared to have used "geographic targeting" of lottery players, particularly with the use of carefully-placed billboards in Chicago.[65] In 1992, 74 percent of all Lottery billboards statewide were located in either Chicago or East St. Louis.[66] In addition to billboards, radio and newspapers offer the greatest evidence of targeted lottery advertising. In Chicago, the Lottery spent $126,369.69 on newspaper advertising in the final six months of 1993. While 28 percent of this sum went to the state's two general market newspapers, the *Tribune* and the *Sun-Times*, a combined 63 percent went to black or Latino newspapers.[67] Yet, the IEFC concluded, Lottery ads were not egregious in their targeting because 56 percent of 1986 ads were television commercials and television represented the "poorest" option for targeting players by race, income, or education.[68] The Committee ignored that television commercials could also be aimed at particular populations. A 1981 Scientific Games report for

[65] Illinois Economic and Fiscal Commission, *The Illinois State Lottery*, 61.
[66] Cynthia L. Tanner to Dennis Wright, March 30, 1992, Folder "Bozell, Inc." Box 28, Administrative Correspondence and Related Documents, Department of Revenue: Lottery, ISA.
[67] "BBV Spending for Illinois State Lottery Newspaper Media, Period: July 1993-December 1993," Folder "Appropriations FY 95," Box 54, Administrative Correspondence and Related Documents, Department of Revenue: Lottery, ISA.
[68] Illinois Economic and Fiscal Commission, *The Illinois State Lottery*, 68, Appendix 3.

the Illinois Lottery explained that the company's demographic information allowed for "practically any 'targeted' marketing program" and "even time-buying for the electronic 'mass' media can, in fact, be targeted to [specific] demographic groups."[69] Whether on mass media such as television or through the pointed use of ethnic media, the Lottery found ways to cater its ads to specific subgroups.

Though the Lottery faced criticism for targeting certain gamblers, its advertising goals suited the desires of minority media executives eager for a cut of the Lottery's marketing budget. Regardless of their audience or their medium, media companies cannot survive without revenue from advertisers. In 1987, Horace Livingston Jr., the publisher of *The Voice*, a black newspaper for the Decatur, Peoria, Springfield, and Bloomington markets, wrote to Lottery director Rebecca Paul asking that she consider advertising with his paper. Livingston maintained that marketing in *The Voice* would "greatly enhance" ticket sales and would "show a fair share concern by returning revenues to communities on a fair and equal basis." The publisher based his appeal on the understanding that a large share of lottery sales came from the state's black community but that African-Americans did not receive their proper share of lottery profits. In compensation—and with a keen eye for self-interest—he proposed that the Lottery repay its debt by taking out ads in his paper. His paper, he noted, appeals to "the church goer as well as the militant, to the sophisticated as well as to the unsophisticated," various members of the African-American community, all of whom, he suggested, would be interested in buying lottery tickets. In his eyes, a lottery advertisement in a black newspaper would not be targeting black readers but doing a public service by pouring money into the black community and supporting a community institution. In the first three quarters of 1991, the Lottery spent over $5,000 on advertisements in

[69] Scientific Games Inc., "Preliminary Analysis of Sales Data of Illinois State Lottery," version I, June 19, 1981, untitled Folder, Box 71, Lottery Records, Office of the Director, ISA.

the Peoria and Decatur editions of *The Voice,* a small yet significant fraction of the $121,356 it spent on advertising in black-owned newspapers statewide.[70]

The use of targeted advertising was the result of the unique priorities of the lottery as a branch of the government of Illinois. State agencies occupy a range of tasks, from wildlife preservation to banking regulation. However, other than the lottery, none acts like a private sector company in attempting to sell a product to the public. Lottery officials were quick to maintain that the lottery was more like company than a state agency. To prepare Ralph Batch for a mid-1970s meeting with the editors of the *Tribune*, for instance, the Lottery's public relations firm advised Batch to emphasize that the "Lottery is a business, a living game … with a consumer product … What other state agency is providing $1 million per week to the General Revenue Fund?"[71] The goal of the Lottery, as this note understood, was to generate revenue for the state by selling as many tickets as possible. Advertising embodied this sales-based orientation and offered one of the biggest distinctions between the Lottery and the rest of the state. State governments—or federal agencies acting through the Ad Council—can sponsor advertising aimed at reducing unhealthy habits like smoking or drunk driving or pollution. These messages are relatively infrequent compared to lottery advertising. In October 1986, 93 percent of all state-funded ads in the Chicago TV market were for the Illinois Lottery.[72]

The context of the Lottery's enactment shaped its aggressive use of advertising in pursuit of maximizing sales. As in New Jersey in 1969, when Illinois voters passed a lottery in 1974, they were driven by magical expectations of immediate gains that could fund the state

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[70] Horace G. Livingston to Rebecca Paul, January 12, 1987, Folder "Advertising/Marketing Agencies," Box 41, Lottery Records, Office of the Director, ISA; Bozell, "Illinois Lottery, FY'91 Minority Spending Report," Folder "Bozell," Box 28, Administrative Correspondence and Related Documents, Department of Revenue: Lottery, ISA.
[71] Herbert H. Rozoff Associates Inc., "Meeting with *Tribune* Editors," (n.d. probably 1974 or 1975), Folder "Public Relations," Box 22, Lottery Records, Office of the Director, ISA.
[72] Clotfelter and Cook, *Selling Hope*, 201.

government and stave off tax increases. Tethered to these impossible expectations—and officially charged in their enacting legislation to raise sales as much as possible—Lottery officials were under constant pressure from state officials to report ever-increasing revenue totals. Even as sales exceeded $1.5 billion for the first time in 1989, and even as community leaders in low-income areas reported rising rates of problem gambling and other gambling-related issues, most politicians viewed lottery money as painless income. Regardless of the social costs at the grassroots, legislators simply wanted more tax-free revenue. When sales inevitably plateaued, advertising remained one of the only available methods to increase profits. As one advertising executive noted amid a sales slowdown in 1991, "Any time sales are flat, you have to look at advertising."[73] Thus, the Lottery continued to advertise and to buy media space in publications it knew would appeal to reliable players. While its actions were not part of a conspiratorial quest to tax and extract revenue from black and lower-income neighborhoods, neither were state legislators or lottery officials concerned that a disproportionate share of sales came from these communities.[74] Though driven by an organic quest for sales, the lottery's unique charter as a state agency facilitated targeted appeals of black and lower-income gamblers to raise revenue for the state.

Advertising placement only tells part of the story of lotteries' publicity apparatus. More than any private company, lotteries can count on massive amounts of free exposure through the media. Local and state news stations in Illinois deemed almost every lottery-related event to be

[73] Rob Karwath, "Ad agencies go all out for lottery pact," *Chicago Tribune*, March 29, 1991, 1.
[74] David Nibert, *Hitting the Lottery Jackpot*: *Government and the Taxing of Dreams* (New York: Monthly Review Press, 2000); Kasey Henricks and David G. Embrick, *State Looteries: Historical Continuity, Rearticulations of Racism, and American Taxation* (New York: Routledge, 2017).

newsworthy, from the introduction of new games to a change in game structure to the winner of the latest seven-figure jackpot. This coverage proved extensive. In August 1985, for instance, stations across Illinois broadcast 26 radio or TV stories about the Lottery, many of which ran on the same stations the Lottery paid to air its commercials.[75] These reports were supplemented by televised weekly drawings for lotto and daily drawings for numbers games. A recent study of lottery advertising in the Netherlands found that lottery advertising is most effective in the hours immediately before drawings as lottery marketing serves as a "reminder" to buy tickets.[76] Through the news media, the Lottery received thousands of dollars' worth of free reminders, as television and radio stations and newspapers made the lottery a ubiquitous cultural phenomenon.

In some cases, the Lottery counted on these promotions as a cheaper alternative to its costly advertising campaigns. In 1984, the Illinois Lottery produced commercials showcasing a "Lotto Millionaires' Banquet," a lavish, candlelit dinner party featuring lottery winners seated in front of cards listing their winnings while waiters—human lotto balls—invited viewers to buy a ticket to join the winners' circle.[77] These ads were based on a real event. Beginning in 1983, the Illinois Lottery began hosting an annual reunion for large jackpot winners, a practice begun in New Jersey in 1971. As a sales promotion, the banquet touched on the same themes as the lottery's traditional advertising. In her introductory remarks at the 1991 reunion, Lottery director Desiree Rogers declared that the celebration was held annually "to salute the good fortune and success of of [sic] our players and to show that the dream of winning can become a reality."[78]

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[75] Video Monitoring Services of America, Inc. "August Radio and TV Reports," Box 62, Administrative Correspondence and Related Documents, Department of Revenue: Lottery, ISA.
[76] Chen He and Tobias J. Klein, "Advertising as a Reminder: Evidence from the Dutch State Lottery," TILEC Discussion Paper No. 2018-018 (2018).
[77] Cubz, "1984 Illinois Lottery Commercial #2," https://www.youtube.com/watch?v=g0d7ADbCRqQ.
[78] Desiree Rogers, "Director's Media Speech for the 1991 Millionaires' Reunion," Folder "Millionaires' Reunion '91," Box 15, Lottery Records, Office of the Director, ISA.

Like the 1984 commercial, the reunions were as much about showing winners off to the public as celebrating the Lottery's millionaires.

Yet, without the cooperation of the Illinois media, no one other than the attendees would have had a chance to see the reunions. News coverage was crucial to the event's success. The 1991 reunion, held aboard a docked cruise ship, cost $19,302 and garnered between $27,000 and $33,000 worth of free publicity through media coverage of pre-reunion preparations as well as the dinner itself.[79] Rather than having to pay to produce and air a commercial, the reunion offered a newsworthy story that attracted free publicity throughout the state.

The reunions reinforced the magical belief that regular people won the lottery, and thus that gamblers should continue to play in pursuit of a jackpot of their own. For example, much of the coverage of the 1991 reunion concentrated on Alberto Alvarez, a bellhop who had carried bags for lottery millionaires during the 1990 reunion but was able to attend the 1991 banquet himself after he won a $2 million jackpot. The cruise sparked another round of media interest in Alvarez and, in the process, highlighted a story of the lottery as a mechanism of social mobility. The reunion, Lottery director Sharon Sharp noted in 1987, "provided a chance for lottery players to feel the humanness of the lottery … that we could never get from paid advertising."[80] Whereas actor's depictions of lottery winners played them up as larger than life or as comedic caricatures, news coverage of the reunion highlighted stories like Alvarez, actual people whose lottery dreams had come true, thus supplementing the availability bias inculcated by Lottery ads. After a local woman won the lottery in 1986, a Decatur newspaper explained the impact of this type of

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[79] Julie Lively to Desiree Rogers et. al., "Millionaires' Reunion Pre-Cruise Event Media Value Recap/Update," August 19, 1991, and Louise Palvig to Robin Glickstein, "MILLIONAIRE REUNION COVERAGE REPORT," August 15, 1991, Folder "Millionaires' Reunion '91," Box 15, Lottery Records, Office of the Director, ISA.
[80] Charles N. Wheeler III, "$48,828 lotto winners' party ripped by Burris," *Chicago Sun-Times*, November 24, 1987, 5.

story: “Such tales tend to rejuvenate interest in playing the lottery. People tell themselves that lightning can strike, that it can happen to them, an attitude fostered by lottery advertisements. Why bother to work? Play the lottery. Easy Street is just around the corner.”[81] While commercials dehumanized lottery winners to a degree, organic news broadcasts captured the ordinary quality of lottery winners. These broadcasts let gamblers compare themselves to winners and instructed players to buy tickets so that they could be in attendance at the next millionaire reunion.

Not all lottery advertising rested on promises of lottery riches. Though less common than its hard-sell pitches, the Illinois Lottery also promoted the benefits it provided to the state and its contributions to popular programs. To create goodwill among voters, gamblers, and politicians, the Lottery encouraged bettors to think of buying a lottery ticket as a civic good rather than an act of personal financial ambition. These soft-sell appeals relied on a different tactic to sell tickets, boosting the lottery’s reputation while maintaining the fiction that gambling provided a vital, bountiful source of revenue for the state.

Between 1974 and 1985, Illinois Lottery advertising did not emphasize the benefits the lottery provided to the state because all profits fed into the state general fund. While Lottery officials frequently boasted that they operated one of the largest sources of revenue for the general fund—and though the general fund was used to pay for a variety of popular public programs—the Lottery did not produce a marketable, identifiable benefit for Illinois. Then, in 1985, though he had vetoed similar legislation twice in the past, Governor Thompson signed

[81] *Herald Review* (Decatur, IL), “It could be you next,” January 26, 1988, 8.

House Bill 710, diverting Lottery funding to the Common School Fund, making Illinois one of three midwestern lotteries established in the 1970s that switched beneficiaries to education in the early 1980s.[82] Legislators validated Thompsons's initial skepticism once the bill went into effect. For every lottery dollar that flowed into the Common School Fund, one dollar of standard appropriation from the General Fund disappeared. The Lottery supplanted, rather than supplemented, state spending on education.

Nonetheless, the fact that revenue ostensibly benefited Illinois schools offered a public relations bonanza for the Lottery. The agency sought to make itself synonymous with education and it utilized a new type of promotion to market itself as a vital source of school funding. The Lottery's first education-focused ad after Bill 710 celebrated the Lottery as an investment for the state; one commercial declared that the Lottery would be "investing all of this year's profits, over half a billion dollars, in the schools of Illinois. After all, doesn't it make sense to invest your money where it will bring the greatest possible returns?"[83] Another ad featured a third grade class picture underneath a banner declaring, "We're putting this year's profits into futures."[84] In a parallel to the hard-sell commercial in which a construction worker offered the lottery as an alternative to the stock market, these ads framed buying lottery tickets as an investment not just in one's own financial future but the future of the state. By this logic, someone buying a ticket was not a hopeful bettor but an astute altruist investing in the common good.

The Lottery's attempts associate itself with education while selling tickets was best displayed in a series of promotions from 1989 to 1991 featuring Chicago Bulls star Michael

[82] Michigan and Ohio also used lottery revenue for their general funds initially but re-appropriated this money for education in 1981 and 1983, respectively.
[83] Lynn Sweet, "Lottery's profits: school bonanza or shell game," *Chicago Sun-Times*, March 29, 1988, 4.
[84] Illinois Lottery, "We're putting this year's profits into futures," Folder "January—December 1986 Lottery Control Board Meetings," Box 10, General Information Files, Department of Revenue: Lottery, ISA.

Jordan. Jordan was not the first celebrity to promote lotteries. Robin Leach, host of *Lifestyles of the Rich and Famous*, had appeared in ads for the Tri-State Lottery and impressionist Rich Little hawked tickets for the Colorado Lottery.[85] Nor was Jordan the first famous African-American to appear in a lottery ad. For instance, Curtis Sharp had become a star in New York after appearing in lottery commercials following his $5 million win. However, overt racial appeals in lottery marketing had proven problematic. In the early 1980s the DC Lottery printed an ad featuring Martin Luther King Jr., imploring players to "Honor the Dream, Play the DC Lottery," subverting King's dream of racial inclusion and economic justice to paint the lottery as a colorblind path to economic uplift for black gamblers.[86]

Nor was Jordan the first famous athlete to appear in Illinois Lottery ads. In 1988, Chicago Bears safety Gary Fencik appeared in commercials in which a dinner date explained to him how easy it was to play the daily numbers, a game presumably familiar to black gamblers but new to many white people (like Fencik) who may have never partaken in illegal policy games. The success of Fencik's campaign probably inspired Lottery officials to reach out to Jordan. Fencik's commercials represented the first ads for the numbers games since its introduction eight years earlier, and the spots helped boost sales by 7 percent over a three-month period.[87]

Jordan represented an appealing spokesman because of his fame and marketability. Shortly after he brought the Chicago Bulls their first NBA Championship in 1991, *Sports*

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[85] Nancy Skelton, "Lottery Ads Speak Not of Gambling: 'This Will Be Fun!'" *Los Angeles Times* September 9, 1985, A3.

[86] This ad is frequently referenced in books and articles about lotteries but none offers a direct citation. In fact, the exact content of the ad remains unclear. A 2001 letter to the *Washington Post* claimed the ad appeared in the *Washington City Paper* and read: "He, too, had a dream" (Andy Moursund, "Commercializing an Icon," letter to *Washington Post*, April 3, 2001). Michael Heberling references the ad as "His [Martin Luther King's] vision lives on…honor the dream—D.C. Lottery" (Michael Heberling, "State Lotteries: Advocating a Social Ill for the Social Good," *Independent Review* 6, no. 4 [2002], 599).

[87] No author (probably Illinois Lottery), "On-Line Games Summary," June 23, 1993, Folder "Daily Games," Box 21, Administrative Correspondence and Related Documents, Department of Revenue: Lottery, ISA.

Illustrated declared Jordan "unquestionably the most famous athlete on the planet and one of its most famous citizens of any kind." Jordan was not shy about using his fame for profit, and he drew nearly all his income from a variety of endorsements deals. Jordan's signature Nike shoes were particularly popular among young black men, but he promoted a range of products meant to appeal to all audiences, from Coca-Cola to Chevrolet. "He has a level of popularity and a value as a commercial spokesman that is almost beyond comprehension," a Chicago sports marketing executive noted.[88] It proved unsurprising, then, that the Illinois Lottery wanted to associate their games with the Bulls all-star. Director Desiree Rogers wrote to Jordan excitedly about aligning the Lottery with the "wholesome, athletic, All-American image that you represent."[89]

Jordan's wholesome reputation was important because, despite his potential power as a hard-sell spokesman, the Illinois Lottery turned to Jordan to deepen the link between their games and education. A commercial concept pitched by Bozell & Jacobs in 1991 resembled the investment-themed ads the Lottery had produced five years earlier. In the ad, titled "School is Cool," Bozell proposed that Jordan testify: "It happens every day. Every time we buy an Illinois Lottery ticket, some of that money goes to our schools. And our kids' dreams come a little closer to coming true," reminding players "Whether you win or not, they do."[90] By utilizing the inclusive "we," Bozell wanted Jordan to mark himself as a lottery player, not just an advocate for education or an NBA star but someone who bought tickets because he cared about helping Illinois schoolchildren. For the Lottery's disproportionately black player base, the use of "we" by a black spokesman could be read as a pitch to African-Americans to think about the positive

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[88] Jack McCallum, "The Everywhere Man Alone on the Mountaintop," *Sports Illustrated,* December 23, 1991.
[89] Desiree Rogers to Michael Jordan, July 31, 1991, Folder "Jordan, Michael," Box 15, Lottery Records, Office of the Director, ISA.
[90] Bozell, "School is Cool," July 22, 1991, Folder "Jordan, Michael," Box 15, Lottery Records, Office of the Director, ISA.

impact of their betting. Though in his private life Jordan was a notorious gambler, his wholesome image did not associate the lottery with gambling, and he elicited no selfishness or greed in his endorsement.

Like the 1986 investment ads, Jordan's commercials were designed to use education to steel gamblers against the inevitability that most of their tickets would fail to win prizes. Even as they lost, Jordan entreated them to keep playing. In one Jordan commercial concept pitched by Bozell, a voiceover explains, "Each year the Illinois Lottery helps to make alot [sic] of dreams come true. … Not of traveling the world, having a big house or a new car. But those of being a doctor, a lawyer, or a teacher" because "each year all the proceeds from the Lottery go to the Common school fund of Illinois."[91] This ad admitted what many others sought to obscure: a lottery ticket was not a guarantee of an instant fortune and was far more likely to leave a gambler poorer than richer. This commercial made the case for bettors to buy tickets anyway. The Lottery helped education, and while gamblers' dreams might not come true, children's' dreams of a better education would. This type of ad created a permission structure for bettors. While jackpot-based ads convinced gamblers to keep playing because a win might lie in their future, these campaigns—which ran concurrent to hard-sell appeals—were designed to help players justify their continued losses on the grounds that the money they spent on lottery tickets went to good cause. "There are no losing tickets," the 1991 ad reminded players, as the state would always win through gamblers' contribution to education. If the lottery could not meet players' greed, it sought to appeal to their civic mindedness.

But the Lottery sought out an endorsement from Jordan because he was a rare figure who could further advance its education message while also selling tickets. A memo from Bozell to

[91] Bozell, "School," Folder "Jordan, Michael," Box 15, Lottery Records, Office of the Director, ISA.

Lottery officials candidly stated the purpose of the Jordan campaign: "We all know that what it really is for … [is] to let Michael endorse the lottery in a way that we can show sales."[92] Though critics chastised the Lottery for paying Jordan nearly $1 million for just a few hours of work on his two lottery commercials, state officials justified his contract based on its results. In 1991, the Lottery offered a flipbook of Jordan dunking with each purchase of 15 tickets for the Little Lotto game.[93] All the flipbooks were sold, amounting to $2.5 million in sales—and $925,000 in profits for the state—and the first ten weeks of Jordan's promotion saw an average $126,000 increase in sales compared to the ten weeks prior.[94] An internal Lottery document cited the commercials with Jordan as "the only efforts that have had a positive impact on little lotto [sic] sales."[95] Jordan's soft-sell pitches had hard-sell results.

In addition to selling tickets, the Lottery's used education-focused ads because of the gap between the revenue it brought in and what it had been expected to produce. During debates over lottery legalization in the early 1970s, Illinois taxpayers had been told that gambling could help pay for a variety of state services, particularly education and highway repair. Ten years later, the Lottery had produced no visible, identifiable benefits, and letters poured in to Thompson's office asking how the state was spending its lottery riches. "Enough taxes," one Metamora resident wrote, "What has become of all the money from the lottery that was supposed to be the answer to

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[92] Paul Dabrowski to Desiree Rogers and Lois Shelton, "MICHAEL JORDAN/NIKE INSTANT GAME," Folder "Michael, Jordan," Box 15, Lottery Records, Office of the Director, ISA.
[93] TheMotiondevotion, "MICHAEL JORDAN-1991 Lottery commercial," July 31, 2012, https://www.youtube.com/watch?v=vQNQNWtWXkY
[94] Sharon Sharp, "Lottery director defends Jordan Contract," *State Journal-Register* (Springfield, IL), February 3,19991, 31; Dave Mizeur to Julie Neposchlan, "Michael Jordan Promotion," January 25, 1991, Folder "Bozell FY 91," Box 28, Department of Revenue: Lottery Records, Administrative Correspondence and Related Documents, ISA.
[95] No author (probably Illinois Lottery), "On-Line Games Summary," June 23, 1993, ISA.

all our problems in education?"[96] "I am under the impression that the state lottery games were intended to help our public schools," a Bethany voter wrote, "Yet I have seen more school closings and teacher strikes in recent years than ever before."[97] Even before lottery funds were actually directed to education funding in 1986, Illinois voters expected legalized gambling to be a quick and painless salve to the state's financial issues. After over a decade of sales, voters retained the belief that the Lottery should, could, and would provide the state with a tax-offsetting windfall.

Lottery officials were not as concerned about how to best help Illinois schools as they were with the possibility that Illinois residents might not buy tickets if they thought the state was squandering its lottery riches. As a result, while advertisements trumpeted the millions the Lottery brought in, they made no mention of this sum in relation to the state education budget. The Lottery recorded $1.6 billion in sales in the 1992 fiscal year, garnering $610 million for education, a sum which represented just 6 percent of overall state spending on elementary and secondary education.[98] Soft-sell ads served to inform residents that lottery money did, in fact, aid education and, though these benefits may not be particularly identifiable, that gambling raised millions for schools every year. This dispelled the belief, expressed by one Lake Villa high school student in a letter to Governor Thompson, that while the lottery "was started in order to help the financial system in the schools … so far none of these profits have been distributed to any of the schools."[99] By advertising its contribution to education, the Lottery sought to

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[96] W. Perrine, "What happened to lottery?" letter to *Journal Star* (Peoria, IL), n.d., clipping in Folder "Korshak—Press Clippsings [sic]," Box 49, Department of Revenue: Lottery Records, Administrative Correspondence and Related Documents, ISA.
[97] Stanley L. Himes to James Thompson, April 24, 1985, Box 106, Citizens Assistance Records, James Thompson Papers, Office of the Governor, ISA.
[98] Rob Karwath, "Lottery contribution to schools sets record," *Chicago Tribune*, July 15, 1992, S4.
[99] Laura Yarc to James Thompson, February 10, 1986, Folder 54, Box 65, Citizens Assistance Records, James Thompson Papers, Office of the Governor, ISA

recapture some of the alchemic thinking that had propelled its passage. These promotions offered cover for the Lottery, assuring voters that the Lottery *did* help education, even if they could not see its effects. The Lottery did not market itself as a magical fix for education but it also did not dispute the wishful beliefs about tax-free revenue that had compelled its passage.

According to one recent estimate, Americans encounters hundreds of commercial messages every day as companies seek to make a name for themselves with consumers.[100] While the promise of magical transformation—the possibility that a product will offer more than its functional value—sits in some form at the heart of nearly all advertising, lottery promotions are unique for inculcating wishful thinking. In Illinois in the 1980s and 1990s, lottery ads were designed to make gambling appealing to everyone and to keep gamblers investing in the lottery on a regular basis. Lotteries offer miniscule chances of hitting a life-changing jackpot, yet ads were designed to make a ticket seem like a smart bet—if not a sure thing. Officials knew that bettors were spending their money for the chance to win a major windfall. Advertising sought to instill this belief, to keep gamblers excited about playing and hopeful that their ticket would be their path to a new life.

The state bears responsibility for encouraging this magical thinking. Revenue-hungry politicians want lotteries to produce as much money as possible and advertising—even misleading advertising—represents one of the only available means of increasing sales. Though lottery officials maintained that their ads did not target any specific demographic, the actual placement of marketing around the state indicates a tactical focus on black and poor gamblers.

[100] Mara Einstein, *Advertising: What Everyone Needs to Know* (Oxford: Oxford University Press, 2017), 119-120.

Even if these ads ran against some of the values that politicians supported and wanted to nurture, soft-sell ads could only go so far in convincing gamblers to part with their money for the benefit of education. With legislators eager for new revenue, lotteries needed to behave like businesses. Though hard-sell practices led to proposals for state-level regulations on advertising messages or placement, these threats proved futile. For voters and for politicians, the benefits of tax-free revenue outweighed the largely invisible costs that lotteries inflicted at the grassroots. Even if they only generate a fraction of a fraction of state budgets, legislators are addicted to the revenue brought in from lotteries. Like gamblers, they continue to play, hoping to hit a jackpot.

In Illinois, the tension over the state lottery agency acting like a private business reached its logical conclusion in 2011 with the privatization of the lottery—the first company takeover of a state lottery in the country. Northstar Lottery Group assumed daily operation of the Lottery and quickly implemented a series of innovations designed to increase sales by whatever means necessary, most notably enabling the first sale of lottery tickets over the internet in the United States. However, in a series of events emblematic of the Lottery's failure to magically and painlessly solve state budget issues, in 2015, Northstar announced that the state budget crisis had reached the point where the state could not pay out prizes over $600.[101] Tickets continued to be sold as usual even as the state's budget problems—which stemmed in large part from continuing questions about education funding—trickled down to an arm of the state designed to fight those very issues.

The budget dilemma halting lottery payments offers a stark reminder of the costs of lotteries in misleading politicians and voters into thinking of gambling as a windfall. No matter how much they advertise, lotteries cannot solve state budget problems. Advertising carries a

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[101] Joe Mahr, "Lottery to again delay large payouts due to Illinois budget woes," *Chicago Tribune*, June 28, 2017.

significant cost to many gamblers lured to gamble but cannot significantly make a dent in state budgets. Nonetheless, in 2013, Northstar adopted a new slogan to entice Illinois gamblers to buy tickets. The simple phrase, paired with the Lottery's logo of a pot of gold at the end of the rainbow, captured gamblers' magical thinking as well as the role of the Lottery in promoting a wishful belief in luck, chance, and life-changing transformation: "Anything's possible."

CHAPTER 6

Panacea Politics:
Lotteries, Education, and Inequality

On October 4, 1998, with 88 days remaining in his final term as the governor of Georgia, Zell Miller delivered the keynote address at the convention of the North American Association of State and Provincial Lotteries. A Methodist politician from the Deep South might have seemed a curious choice to address a room full of gambling executives, but few of the attendees doubted the governor's credentials. Miller had been one of the nation's most adamant lottery advocates since 1989 and had played a crucial role in the passage of the Georgia lottery referendum in 1992. In his address, Miller detailed Georgia's famous lottery-funded education programs, in particular a scholarship that had been replicated by the White House, become the envy of other southern states, and even landed the governor on the cover of *Lotto World* magazine. He concluded his remarks by noting the similarities between Georgia's students and the gamblers who funded their education. "For many of its players, the lottery represents the chance for their dreams to come true," he observed. "In Georgia that is true not only for the players, but also for our children. They are the real winners of the lottery."[1] While many gamblers relied on the long odds of a lottery jackpot for upward mobility, Miller implied that these dreams would only come true for a small number of players. The Georgians who would actually see returns from the lottery, the lottery's "real winners," were the children who counted on it to fund their education. Both gamblers and students depended on the lottery to provide a better future, but Miller admitted that only the latter would see their dreams come to fruition.

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[1] Zell Miller, "Remarks by Governor Zell Miller, National Lottery Convention," October 4, 1998, Folder 100, Box 73, Subseries B, Series IV, Zell Miller Papers, Richard B. Russell Library for Political Research and Studies, University of Georgia, Athens, Georgia (hereafter "UGA").

The history of the Georgia Lottery reveals that the wishful hope for jackpots that Zell Miller associated with Georgia gamblers resembles the magical thinking that convinced southern voters to enact state lotteries in the 1990s. In Georgia, taxpayers, lottery players, and politicians—including Zell Miller himself—approached legalized gambling as a panacea. As in other states in previous decades, voters believed a lottery would have immediate, dramatic effects on their state finances without the imposition of new taxes. However, by tying lottery funding to scholarships for high-achieving students, Miller convinced Georgians to pass a lottery by updating the fiscal promise of legalized gambling. Unlike New Jerseyans in the 1960s who believed a lottery would balance the state budget, or Californians in the 1980s who hoped it would bolster the education system as a whole, in the 1990s Georgians expected individualized benefits. Miller promised that lottery-funded education initiatives would provide personal benefits for students. In a political context in which voters were concerned about education but wary of welfare, Miller framed a lottery as a tool to create a new scholarship that would suit contemporary ideas about the government's role as an agent of economic development. Instead of aiding the state's poorest citizens through a need-based program, the scholarship was based around merit. This orientation marked Miller's commitment to the new, conservative Democratic Party politics of the 1990s, as he enacted a scholarship program markedly distinct from the welfare-state Democratic policies of the Great Society era.

Miller advocated for the lottery by arguing that by helping Georgia families, the lottery would benefit the entire state. Though the scholarship would provide money for individual students, its impact would be so impressive and so immediate that a lottery would secure Georgia's place in the twenty-first century global economy. Correspondingly, Miller prophesied disastrous consequences if voters rejected his proposal. By tying gambling revenue to scholarships, Miller ensured that bettors were not the only ones who would turn to the lottery with the hope of winning a jackpot.

The magic of Miller's lottery proposal proved particularly effective in the political atmosphere of the 1990s. In 1994, suburban, Sun Belt conservatism went national when Georgia's own Newt Gingrich led a Republican takeover of Congress. In Gingrich's "Contract with America," Republicans marked their commitment to family values, the free market, and a rejection of Great Society welfare politics. However, historian Matthew D. Lassiter's study of Cobb County, Georgia, illustrates that this political worldview also entailed support for government programs that benefited the white middle-class, most prominently profligate spending on a military-industrial complex that seemingly did not negate rhetorical celebrations of a free market meritocracy.[2] The history of southern lotteries indicates that education offers a similar contradiction within suburban Sun Belt politics, as voters increasingly hostile to government solutions supported a growing government role in education. Yet, unlike military spending, middle-class support for a lottery divided the Silent Majority from the state's religious community. White evangelical Georgia churches mobilized against the lottery and tried to defeat a measure that religious leaders deemed anti-biblical, inequitable, and idolatrous.

Nonetheless, in the early 1990s, suburban Georgia voters privileged their finances over their faith. Three times voters faced a choice between legalizing gambling to fund new education programs and protecting family values by rejecting a lottery. All three times they voted for the lottery, opting to permit government to offer a sinful activity provided they benefited from the

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[2] Matthew D. Lassiter, "Big Government and Family Values: Political Culture in the Metropolitan Sunbelt," in *Sunbelt Rising: The Politics of Space, Place, and Region* eds. Michelle Nickerson and Darren Dochuk (Philadelphia: University of Pennsylvania Press, 2013), 82-109.

revenue. The lottery, then, exposes a fault line in the seemingly harmonious marriage between the economic and religious values of Sun Belt conservatism.

While Miller helped persuade voters that they would profit from a lottery, he also viewed the lottery as a singular issue that could shape his political future. After decades in Georgia politics, Miller strategically turned to the lottery as an electoral elixir. He staked two gubernatorial campaigns on the lottery and his gambling proposal allowed him to propose a grandiose education agenda that would not require a cent in new taxes. In the 1990 and 1994 gubernatorial races, Miller ensured that the lottery superseded every other major policy question, and he framed himself as the only candidate who supported the immediate, immeasurable benefits it would provide. Even as a Republican wave the swept over the South in the 1990s, the lottery represented a non-partisan alternative to taxation that won the Democratic Miller support from both sides of the aisle. Hoping for an education jackpot, voters elected him twice.

Furthermore, the Georgia Lottery demonstrates the consequences of how states decide to distribute lottery revenue. Miller's lottery scholarship, dubbed HOPE, was designed to aid middle-class families but also to attract electoral support for the lottery in the face of religious opposition to gambling. Social scientists have explored the demographics of HOPE and the gap between its beneficiaries and the poor, less-educated, and disproportionately non-white gamblers whose lottery habit funds the scholarship.[3] The origins of HOPE reveal the roots of this

[3] For example: Thomas S. Dee and Linda A. Jackson, "Who Loses HOPE?: Attrition from Georgia's College Scholarship Program," *Southern Economic Journal* 66, no. 2 (1999): 379-390; Gary T. Henry and Ross Rubenstein, "Paying for Grades: Impact of Merit-Based Financial Aid on Educational Quality," *Journal of Policy Analysis and Management* 21, no. 1 (2002): 93-109; Bridget Terry Long, "How Do Financial Aid Policies Affect Colleges?: The Institutional Impact of the Georgia HOPE Scholarship," *Journal of Human Resources* 39, no. 4 (2004): 1045-1066; Noel Campbell and R. Zachary Finney, "Mitigating the Combined Distributional Consequences of the Georgia Lottery for Education and the HOPE Scholarship," *Social Science Quarterly* 86, no. 3 (2005): 746-758; Larry D. Singell Jr., Glen R. Waddell, and Bradley R. Curs, "HOPE for the Pell?: Institutional Effects in the Intersection of Merit-Based and Need-Based Aid," *Southern Economic Journal* 73, no. 1 (2006): 79-99

regressivity, how a desire for an educational windfall and Miller's savvy political strategy created a doubly regressive Georgia Lottery.

Georgia offers a particularly instructive case study of lottery legalization and the politics of revenue distribution. Though not the first southern state to pass a lottery, Georgia's education programs provided a model for the enactment of lotteries throughout the region. Miller devised a way to tie lotteries to education without feeding the revenue into the general education budget, a tactic in line with the politics of welfare, taxes, and education in the 1990s. HOPE was not only the nation's first lottery scholarship but was the first in a wave of broad-based, government-funded merit scholarships enacted at the state level in the 1990s. Amid the national resurgence of a southern, conservative wing of the Democratic Party, these programs struck a blow at liberal affirmative action programs and ushered in an era of color-blind education policy focused on broad-based appeals to "opportunity" rather than the state's fundamental responsibility to provide for every student. The last comprehensive, scholarly analysis of American state lotteries was published four years before Georgia Lottery tickets went on sale and does not cover the third and final wave of lottery expansion in the 1990s.[4] The enactment of lotteries in the South reveals the final step in the evolution of the magical projections of lottery revenue. The case of Georgia illustrates how the promised benefits of lottery legalization changed over time and how one politician's electoral strategy facilitated the problematic distribution of state lottery revenue across the country.

[4] Charles T. Clotfelter and Phillip J. Cook, *Selling Hope: State Lotteries in America* (Cambridge: Harvard University Press, 1989).

Located in the heart of the Bible Belt, Georgia represented an unlikely home for legalized gambling. While most states cracked down on lotteries in the 1820s and 1830s, lotteries had been permitted in Georgia until the drafting of a state's 1868 constitution. Subsequent revisions sustained the state's lottery ban. Beginning in 1977, the same year Georgia legalized bingo, representative John D. White made an annual habit of submitting a lottery bill to the state legislature. Only in 1982, however, did his proposal even make it to the floor of the Georgia House of Representatives, where it was soundly rejected. As White continued his futile effort to introduce gambling bills, lotteries made their first inroads in the South, passing referendums in Florida in 1986, Virginia in 1987, and Kentucky in 1988.

In 1989, as he completed his fourth term as lieutenant governor and prepared to run for the state's highest office, Zell Miller renewed the push for a Georgia lottery. Miller proposed a constitutional amendment to revise the state's lottery prohibition, securing the necessary two-thirds vote in the State Senate for a proposal to put the question before voters in 1990. A former history teacher and staunch education advocate, Miller envisioned a lottery as a windfall for Georgia's schools and he thanked the Senate for taking "our dream of educational excellence a giant step down the long road to reality."[5] Despite Miller's optimism, and despite lobbying from groups funded by the lottery industry and state horseracing interests, the Georgia House of Representatives rejected Miller's lottery proposal in February 1989.[6]

However, the House's dismissal ultimately helped Miller's cause. After serving as lieutenant governor since 1974, Miller entered a crowded 1990 Democratic gubernatorial

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[5] Zell Miller, "Remarks on the Passage of the Lottery Legislation Through the State Senate," January 27, 1989, Folder 1, Box 149, Subseries C, Series IV, Zell Miller Papers, UGA.

[6] Georgians for a Lottery Referendum, "Coalition Formed to Support People's Right to Vote on State Lottery," August 29, 1989, Folder "26th District (1991)," Box 11, Series IV, James F. Martin Papers, UGA; David Beasley, "Racing Backers Push for Lottery Vote," *Atlanta Journal-Constitution*, September 7, 1989, B8.

primary. A familiar face in Georgia politics, Miller searched for a defining issue that could boost his campaign. The lottery was popular and, thanks to the House, its fate remained uncertain. In 1989 and 1990, polls registered support for the lottery ranging between 70 percent and 80 percent, with over 90 percent of Georgians in favor of letting the public vote on the issue.[7] Nonetheless, Miller was the only candidate to embrace the lottery wholeheartedly. Every other gubernatorial candidate—Democrat and Republican—came out either against the lottery or in favor of the public's right to vote on the issue without explicitly endorsing the lottery itself. For a politician who had been a part of Georgia politics for decades, the lottery made the lieutenant governor appear innovative rather than a stale product of the state's power structure. Miller framed the lottery as a democratic repudiation of Georgia's elected politicians, warning that the state's "old guard," which apparently did not include himself, was opposed to legalized gambling. As a result, Miller claimed, "the only way Georgia is going to get a lottery is if Zell Miller is elected governor," staking his campaign on an unlikely but promising political proposal.[8]

After he adopted the lottery as his signature issue, Miller considered channeling the benefits into tax relief. In a draft of a letter to state senators, he proposed that Georgia utilize lottery revenue to stave off rising property taxes and to offset a "significant" portion of taxpayers' responsibility for local school funding. Miller also wrote that a lottery would mean that "We do not need to raise state taxes," though this line was crossed out by an aide, perhaps out of an awareness that lotteries had failed to alleviate tax burdens in other states.[9] Even as

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[7] Michele K. Russo to Zell Miller, January 31, 1989, Folder 1, Box 149, Subseries C, Series IV, Zell Miller Papers, UGA; Georgians For a Lottery Referendum "University of Georgia Poll Indicates Wide Support for Lottery," January 11, 1990, Box 11, Series IV, James F. Martin Papers, UGA; Deborah Scroggins and Betsy White, "Miller Attacks Lottery Foes," *Atlanta Journal-Constitution*, June 30, 1990, B3.
[8] David Massey, "Officials Oppose Using Lottery for School Funds," *Marietta Daily Journal*, July 2, 1990, 1B.
[9] Zell Miller, draft of untitled letter (n.d.), Folder 18, Box 148, Subseries C, Series IV, Zell Miller Papers, UGA.

Miller shifted away from the implication that a lottery could cut taxes, Georgians grew excited at the prospect of a tax reduction and viewed the lottery as a windfall for both their state and for themselves. Tybee Island resident Henry N. Chafin Jr. wrote that voters would approve a lottery referendum "if they knew it … evently [sic] would ELIMINATE ALL TAXES in the state of GEORGIA and their LIVING STANDARD would also RISE."[10] Chafin ignored 35 years of data from other states illustrating that lotteries could only provide fractions of state budgets. He focused on projected revenue rather than how that money compared to the overall state budget. As a result, he wishfully hoped that a lottery could reduce taxpayers' responsibility without reducing any services.

Rather than concentrate on taxes, Miller's gubernatorial campaign sought to convince voters that a lottery represented a painless and significant means of funding education. At the time, this was a fairly novel idea. In the early 1990s, lotteries had only a tenuous connection to education. Though Georgia-based Scientific Games had tied the lottery to school funding in California's 1984 initiative, most of the first state-run lotteries directed their revenue towards states' general funds or to a variety of beneficiaries; by 1989, only 10 of 27 lotteries raised money for education.

Miller saw electoral potential in connecting a Georgia lottery to education because, in the late 1980s and 1990s, the public became increasingly concerned about the state of the nation's schools. In the aftermath of a damning Reagan Administration report on academic underachievement, *A Nation at Risk* (1983), education became a poignant political issue nationwide. The report sparked widespread unease among legislators and helped launch the first of many waves of education reform that would sweep the nation over the following three

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[10] Henry N. Chafin Jr. to Zell Miller, "Eliminate All Taxes in Georgia," February 7, 1992, Folder "Against Lottery," Box 12083, Zell Miller Papers, Georgia Archives, Morrow, Georgia (hereafter "GAA").

decades.[11] The report also staved off Republican calls to eliminate the Department of Education. For many voters, the solution to improving education was more, not less, government investment. In a 1994 poll, for example, 73 percent of Americans said they approved of more spending on education, compared to just 5 percent opposed.[12] In Washington D.C., a group of business, civil rights, and education leaders pursued a stronger federal role in education. Despite bipartisan pleas for smaller government, Democrats and Republicans shared an abiding belief in the power of the federal government to improve education.[13] Though the George H.W. Bush administration's major education initiative, *America 2000*, failed in Congress in 1992, it represented voters' broader concern about education policy in this period.

Southerners in particular turned their attention to education. In the mid-1980s, partly in response to *A Nation at Risk*, Secretary of Education Terrell Bell issued "wall charts," state-by-state statistical averages of ACT and SAT scores and other data that assessed the progress states had made since the publication of the report. Though states and educational groups protested the charts—claiming the figures were misleading, unrepresentative, or blatantly false—the diagrams proved popular in the media, part of a growing emphasis on comparative state education data.[14] Unfortunately for southerners, these comparisons invariably showed that, by almost any available metric, the South offered the nation's worst educational facilities. The 1987 wall chart, for example, found that 8 of the 10 states with the lowest expenditure per pupil were in the South

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[11] Maris A. Vinovskis, *From* A Nation at Risk *to* No Child Left Behind: *National Education Goals and the Creation of Federal Education Policy* (New York: Teachers College Press, 2009), 16-17.
[12] Martin Gilens, *Why Americans Hate Welfare: Race, Media, and the Politics of Antipoverty Policy* (Chicago: University of Chicago Press, 1999), 28.
[13] Gareth Davies, *See Government Grow: Education Politics from Johnson to Reagan* (Lawrence: University Press of Kansas, 2007); Jesse H. Rhodes, *An Education in Politics: The Origins and Evolution of No Child Left Behind* (Ithaca: Cornell University Press, 2012).
[14] Vinovskis, *From* A Nation at Risk *to* No Child Left Behind, 18.

and that South Carolina, North Carolina, and Georgia boasted the lowest average SAT scores while Mississippi and Louisiana had the lowest ACT scores.[15]

Like other southerners and like voters nationally, Georgians turned to government as the solution to their schooling woes. State spending on public schools in Georgia more than doubled during the 1980s and then increased another 47 percent between 1989 and 1995, and the state restructured its education financing system in 1985.[16] Even these increases in expenditure did not assuage public concerns. In a 1990 survey of undecided Georgia Democratic primary voters, 47 percent stated that the most important issue in the gubernatorial election was education, more than any other issue (11 percent stated that the lottery was the biggest issue).[17] A former educator, Miller was well suited for this political environment, and he hoped to join a cohort of gubernatorial candidates who dubbed themselves "education governors" or "higher-education governors."[18] In a 1990 letter to the president of DeKalb College, Miller wrote that his top priorities were "education, education, education."[19]

The lottery was central to Miller's education-focused campaign. Rather than focus on the policy details of school reform, Miller made the lottery synonymous with education and vice versa. His campaign focused on the disparity between "the Georgia that is" and "the Georgia that can be," claiming that the state was falling short of its potential. Education represented the linchpin of Miller's plan to close that gap, and the lottery sat atop his education platform,

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[15] The chart only considered the most commonly taken test in each state, meaning ACT scores from Georgia and SAT scores from Mississippi were not considered; William J. Bennett, *Statement by William J. Bennett, United States Secretary of Education, on Fourth Annual Wall Chart Statistics,* February 10, 1987 (Washington D.C.: United States Department of Education, 1987), 12.
[16] U.S. Department of Education, National Center for Education Statistics. *State Comparisons of Education Statistics: 1969-70 to 1996-97,* Report 98-018 (Washington D.C.: United States Department of Education 1998), 91.
[17] Cooper and Secrest Associates, Inc., "A Survey of Democratic Primary Voter Attitudes in the State of Georgia (Confidential)," July 10, 1990, Folder 5, Box 193, Subseries C, Series IV, Zell Miller Papers, UGA.
[18] John R. Thelin, *A History of American Higher Education* (Baltimore: The Johns Hopkins Press, 2011), 341.
[19] Marvin M. Cole to Zell Miller, April 11, 1990, Folder 14, Box 148, Subseries C, Series IV, Zell Miller Papers, UGA.

representing the first of nine education proposals in his official campaign booklet.[20] Miller detailed a host of new programs that the state could offer with lottery revenue, including an in-school anti-drug initiative, solutions for teacher shortages, after-school programs, leadership trainings for educators, summer enrichment programs, and voluntary prekindergarten.[21]

For Miller, the lottery represented a financial panacea that would fund a political panacea. He projected between $250 million and $400 million in annual profits for the state, using the highest possible estimates to exaggerate the lottery's potential.[22] However, the amount of money was not as important as how the state could spend it. In a speech at a preschool a few days before the election, the lieutenant governor stated that education, especially early intervention education, represented the "best solution to the drug problem, the best solution to prison overcrowding, the best solution to teen pregnancy, drop-outs, and welfare dependency."[23] Echoing education reformers nationwide, Miller maintained that education represented a cure-all for the social issues facing the state, including those not directly related to education.[24] The lottery, then, represented not merely a means of raising extra revenue and not merely a way to fund education but a mechanism to address a host of problems threatening Georgia's future.

These alchemic projections were particularly important in the partisan environment of the early 1990s American South. Dating back to the nineteenth century, Democrats had dominated southern politics. With the flowering of the Civil Rights Movement and the Johnson Administration's support for the Civil Rights and Voting Rights Acts, however, white voters

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[20] Zell Miller For Governor, "Lt. Governor Zell Miller's The Georgia that Can Be: A Blueprint for the 1990s," (n.d., 1989 or 1990), Folder 1, Box 154, Subseries C, Series IV, Zell Miller Papers, UGA.
[21] No Author, "Lt. Governor Zell Miller's Education for the 1990s (First Draft)" (n.d.), Folder 12, Box 148, Subseries C, Series IV, Zell Miller Papers, UGA.
[22] Steve Wrigley interviewed by Bob Short, May 20, 2009, Athens, Georgia, ROGP-081, UGA, 29-30.
[23] Zell Miller, "Remarks Prepared for Delivery to the Media," October 31, 1990, Folder 3, Box 149, Subseries C, Series IV, Zell Miller Papers, UGA.
[24] Jack Schneider, *Excellence for All: How a New Breed of Reformers Is Transforming America's Public Schools* (Nashville: Vanderbilt University Press, 2011), 30.

increasingly flocked to GOP and its coded allegiance to "states' rights" and "law and order." Southern support for Democratic presidential candidates never approached the 80 percent approval garnered by Franklin Roosevelt in the 1930s, and, after 1964, the Democratic candidate never received more than 50 percent of the southern vote with the exception of Georgian Jimmy Carter's victory over the Watergate-stained Gerald Ford in 1976.[25] Democratic dominance endured a bit longer at the state level, though in the 1990s a well-organized GOP gained strength throughout the region. For example, when Zell Miller won the governorship in 1990, Newt Gingrich was the lone Republican among Georgia's 10 congressional representatives. By the time Miller left office in 1998, Georgia sent eight Republicans and just three Democrats to Washington (the state added a new congressional seat in 1993).

Republicans made inroads in the South despite changes to the political makeup of the Democratic Party. Miller belonged to a new generation of Democrats, a conservative, anti-crime cohort that adopted the market-oriented, small government solutions of Reagan Republicans. This new Democratic ethos was embodied by Miller's friend and fellow southern governor Bill Clinton. Clinton took a leading role in the Democratic Leadership Council (DLC), an organization founded in 1985 on the belief that the Democratic Party needed to reorient itself away from Great Society liberalism in order to remain competitive in a nation that had taken a step to the right. The DLC supported limiting the use of of government as a tool of social justice, preferring to use state power to spur investment in education and economic development. The group was focused on winning back white middle-class voters who had abandoned the Democrats in the 1960s and 1970s, and, because of its membership, the DLC was occasionally derided as the "Southern white boys' caucus," or, according to Jesse Jackson, "Democrats for the

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[25] Alexander P. Lamis, "The Two-Party South: From the 1960s to the 1990s," in *Southern Politics in the 1990s* ed. Alexander P. Lamis (Baton Rouge: Louisiana State University Press, 1999), 2.

Leisure Class."[26] Though the ranks of the DLC gradually gave way—Miller would become one of the most prominent southern defections to the GOP in the early 2000s—the group dominated Democratic politics at the national level in the 1990s.[27]

Despite the DLC's embrace of moderate conservatism, Democratic politicians in the South struggled to stave off a surging Republican Party. In Georgia, Miller had to face a GOP that had a chance of seizing the governorship for the first time in decades. To win the 1990 election, Miller turned to the lottery to boost his credentials, a tactic that had already proven effective across the Georgia border in Kentucky. As the South completed its post-Civil Rights Era realignment, political scientists Michael Nelson and John Lyman Mason observe, lotteries offered a way for Democrats to "roll back the Republican rising tide" and secure statewide office.[28] With the help of campaign adviser James Carville (who would go on to run Clinton's 1992 presidential campaign), businessman Wallace Wilkinson surged from an early deficit in the Kentucky Democratic primary to win the 1987 gubernatorial election, largely on the basis of his support for a lottery. Miller hired Carville to his 1990 campaign, hoping the lottery would prove equally effective in the Peach State.

The lottery became particularly important to Miller's gubernatorial campaign because it enabled him to propose new education initiatives without the threat of tax increases. In a 2003 political memoir, Miller wrote, "If I had any hope of realizing my big dreams for education, I'd have to pull a rabbit out of a hat," so he "turned to the lottery as the hat."[29] Notwithstanding

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[26] Gil Troy, *The Age of Clinton: America in the 1990s* (New York: Thomas Dunne Books, 2015), 3, 45; Bill Clinton, *My Life* (New York: Alfred A. Knopf, 2004), 361.
[27] Other examples of Georgia Democrats who became Republicans in the 1990s include Attorney General Mike Bowers, Congressman Nathan Deal, and State Senator Sonny Perdue.
[28] Michael Nelson and John Lyman Mason, *How the South Joined the Gambling Nation: The Politics of State Policy Innovation* (Baton Rouge, LA: Louisiana State University Press, 2007), 11.
[29] Zell Miller, *A National Party No More: The Conscience of a Conservative Democrat* (Atlanta: Stroud & Hall Publishers, 2003), 44.

voters' concern about education, because of a brewing state budget crisis, it would prove difficult to add new programs that would require additional expenditure and therefore new taxes. The lottery offered an alternative. As the "hat" in Miller's magic trick, the lottery provided the cover out of which the rabbit (education funding) would appear, seemingly out of thin air. Carville noted the rhetorical importance of the lottery, explaining that Miller could talk about his extensive education platform "and he could do so without talking about raising taxes because of the lottery."[30] Regardless of how much money the lottery would raise or how much his proposals cost—Miller was not always clear about the latter—the very presence of this source of revenue on his platform provided political cover to propose more state spending. "A lottery is neither a tax nor another big-spending liberal program," Miller insisted in 1989. "It is a tried and true means of raising revenue without raising taxes, and to me that is not liberal or conservative—it's just good sense."[31] Because it raised money without taxes, Miller claimed the lottery was above the fray of partisan politics. He reassured his voters that they could expect something for nothing, as education funding could continue to grow even as the state slashed its spending.

In addition to a regional educational crisis, the Florida Lottery created fertile soil for Miller's lottery-based campaign in Georgia. Florida was the 23rd state in the country to start a lottery and first in the former Confederacy. Ticket sales in Florida began in January 1988 and shattered early estimates, reaching $1.6 billion in the lottery's inaugural year.[32] Though nearly every state saw significant second-year sales drop-offs, Florida's 1988 results bolstered Miller's assertion that a

[30] Richard Hyatt, *Zell: The Governor who Gave Georgia HOPE* (Macon, GA: Mercer University Press, 1997), 241.
[31] Zell Miller, draft of untitled speech, (probably for Georgia legislators), n.d. (probably 1989 or 1990), Folder 18, Box 148, Subseries C, Series IV, Zell Miller Papers, UGA.
[32] Scott G. Campbell, "Florida Lottery Rings Up $1.6 Billion in 1st Year," *Palm Beach Post*, January 29, 1989, 14.

lottery could provide a windfall for Georgia. A city counselor from Macon wrote in 1989, "Success in other states, particularly Florida, prove lotteries to be a viable revenue source at a time when alternative revenues are being sought."[33]

From a personal standpoint, Miller claimed that the opening of the Florida Lottery represented a crucial turning point in his support of a lottery for Georgia. Miller grew up in the small, north Georgia mountain town of Young Harris. He attended Young Harris College, a Methodist institution, for two years and, throughout his time in office, he fused his faith and his politics. However, the Methodist Church took a strict approach to gambling. The Church's 1980 doctrinal handbook maintains, "Gambling is a menace to society … and destructive of good government." The Church held that Methodist organizations and individuals should prevent the spread of gambling, including "public lotteries" which represented "undesirable and unnecessary … means of producing public revenue."[34] Unsurprisingly, as lieutenant governor, Miller did not favor a state-run lottery. He wrote in 1977 that he was "unalterably opposed" to the legalization of gambling. In 1988, he argued that a lottery would attract poor players "lured by the search for the lucky pot at the end of the rainbow," insinuating that Georgia should not enact a lottery because it would promote desperate, wishful thinking among the state's most vulnerable residents.[35]

Yet, in 1989, after witnessing the revenue raised in Florida, Miller began his own search for a pot of lottery gold at the end of the rainbow, hoping a lottery could win him the governor's race and solve Georgia's education problems. Miller ignored the contradiction between his faith

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[33] Theron Ussery to "City Councilors, County Commissioners, Editors," January 18, 1989, Folder "Lottery Issues, 1989," Box 9422, Max Cleland Papers, Secretary of State Records, GAA.
[34] United Methodist Church, *The Book of Discipline of the United Methodist Church, 1980* (Nashville: The United Methodist Publishing House, 1980), 98.
[35] Zell Miller to James D. Cool, February 7, 1977, Folder "Lottery '93," Box 12083, Zell Miller Papers, Governor's Subject Files, GAA; J. Emmet Henderson, "Which Lottery Statements By Gov. Miller Will Georgians Believe?," *The Christian Index*, September 10, 1992, 6.

and his progambling position. By contrast, he became such an evangelist for the lottery that his advocacy invoked religious undertones. He claimed a lottery would be the savior of the state's schools and he warned of disastrous consequences should voters reject his proposal. Miller went so far as to liken his conversion on the lottery to Paul's conversion on the road to Damascus (Book of Acts, Chapter 9), equating his change of heart on legalized gambling to a religious experience and the acceptance of salvation.[36]

Miller changed his beliefs about legalized gambling in large part because of the torrents of Georgians who traveled to Florida to buy lottery tickets. According to a Florida Lottery official, 9 of Florida's top 10 ticket retailers, and 23 of its top 25, were located near the Georgia border, and at least 50 percent of players at these locations came from Georgia.[37] Georgians won a number of multimillion Florida Lottery jackpots in the late 1980s, and Miller estimated that Georgians spent $20 million on tickets in 1988 alone.[38] In order to emphasize a lottery's potential for his state, Miller argued that lottery playing was already widespread in Georgia but that the money went to Florida. Miller painted gambling as inevitable. Echoing lottery proponents of the 1960s, he suggested that a state lottery would not increase the prevalence of gambling but simply ensure that money already spent on gambling remained in Georgia.

In July 1990, to emphasize the revenue available for the Peach State, Miller made a campaign stop at a convenience store in Jennings, Florida, a small town directly over the Georgia border. Amid lottomania over a $27 million jackpot, Miller stated that voters were "sick and tired of spending Georgia dollars to educate Florida children," implying that the real reason

[36] H. Gary Folds to Zell Miller, October 19, 1992, Folder "Lottery," Box 45043, Zell Miller Papers, Governor's Subject Files, GAA.
[37] Steve Wrigley to Zell Miller, "Florida Lottery," January 20, 1989, Folder 18, Box 148, Subseries C, Series IV, Zell Miller Papers, UGA.
[38] Zell Miller, "Facts and Figures on a Lottery for Georgia Education," Folder 16, Box 148, Subseries C, Series IV, Zell Miller Papers, UGA.

gamblers bought tickets was to provide money for education and that the primary impact of the lottery was improvements to Florida schools.[39] He also purchased a lottery ticket himself, legitimizing lottery gambling and illustrating how easy it was to provide money for the state. Miller's decision to buy a lottery ticket provided an apt parallel to his lottery-driven campaign. As lottery players hoped that, despite the odds against them, their gamble would secure a jackpot, so too Miller bet his campaign on his ability to convince voters that a lottery represented Georgia's financial salvation. Florida seemed proof that lotteries could successfully produce revenue in the South, that Miller's magical thinking was not, in fact, magical, and that legalized gambling was an issue that could sweep him into the governor's mansion.

Other candidates' sober messages of fiscal responsibility could not compete with Miller's bountiful promises of lottery beneficence. Roy Barnes, a lottery opponent who came third in the Democratic primary, recalled that he told voters that they have "some hard choices to make" to balance the state budget. But voters "don't want to hear that. We would rather win a million bucks from buying a dollar lottery ticket." The lottery offered a simple solution to the complex budgetary problems. Barnes aptly pointed to the parallels between the magical thinking of lottery players and those who believed that gambling could meaningfully improve state finances. The lottery was a "siren song," Barnes observed. "It was a very effective song."[40] Voters bought Miller's claim that a lottery would painlessly resolve the state's budget issues, and, Barnes bemoaned, fell for the siren song of the lottery

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[39] Don Melvin, "Georgian Discusses Florida Lotto," *South Florida Sun Sentinel* (Fort Lauderdale, Florida), July 22, 1990, 3.

[40] Roy E. Barnes interviewed by Thomas A. Scott, October 5 and 26, 1990, P1990-13, Series B, Public Figures, Georgia Government Documentation Project, Special Collections and Archives, Georgia State University Library, Atlanta, Georgia.

Ultimately, Miller succeeded in turning the gubernatorial race into what he called a "referendum on the lottery."[41] After he won 41 percent of the vote in the first round of the primary, he faced off against Atlanta mayor Andrew Young in a runoff election. A former congressman and Civil Rights leader, Young was vying to become the state's first African-American governor. While his popularity in Atlanta made him a contender, his work as an aide to Martin Luther King Jr. in the 1960s "will make it so some whites would never consider voting for him," one Savannah farmer admitted.[42] Nonetheless, Miller did not harp on question of race. Instead, the *Atlanta Journal-Constitution* reported that talk about the lottery dominated the election cycle: "Lottery fever swept aside abortion, taxes and environmental protection to become virtually the only issue of the campaign."[43] Thanks to the lottery, Miller captured a resounding 62 percent of the vote in the primary runoff.

The lottery once again proved the biggest issue in Miller's race against Republican Johnny Isakson, the seven-time state representative for eastern Cobb County. Initially, Isakson, like Young, had supported letting the public vote on the lottery question, but neither Young nor Isakson embraced it as wholeheartedly as Miller. In the final weeks before the election, Isakson tried to wrest the lottery issue from the lieutenant governor, reversing his previously tepid position. In a commercial, Isakson equated his and Miller's lottery fervor but claimed Miller's plan left lottery revenue prone to mismanagement. "Yes, both candidates say 'let the people decide on a lottery'," the commercial concluded, "but only with Johnny Isakson can we hope to

[41] A.L. May, "Miller Says He'll Make '90 Race for Governor Referendum on Lottery," *Atlanta Journal-Constitution*, January 30, 1990, D3.
[42] Ronald Smothers, "Andrew Young Going Afield to Run for Governor," *New York Times*, November 26, 1989, 34.
[43] Deborah Scroggins, "Georgia's Case of Lottery Fever," *Atlanta Journal-Constitution*, July 22, 1990, D1.

win," utilizing a common pun to equate winning the lottery with the benefits gambling would provide for the state.[44]

Despite Isakson's late attempts to seize it for himself, the simplification of the race into a competition over the lottery suited Miller. The lottery remained his signature issue. One poll found Miller had a 2-1 advantage among lottery supporters, which accounted for roughly 70 percent of the electorate.[45] In a survey a few days before the election, the lottery was the biggest reason Georgians gave for backing the lieutenant governor; 25 percent of Miller supporters said they would vote for him because of the lottery, more than said they would do so because he was a Democrat (15 percent) or because of his stand on education (13 percent).[46] As a result, Miller secured a close but decisive victory (53-45). One journalist concluded, "Zell Miller won the game of issues, on a one-run single scored in the first inning. The lottery may not be such a great reason for electing a governor, but it's one more than his opponent gave, and … it was enough."[47] Miller staked his entire campaign on the lottery and voters, believing his proposal offered a windfall for state education, bought it. "More than any one single thing," Miller told his biographer, "it elected me."[48] The lottery successfully worked its electoral magic.

For state politicians in Atlanta, Miller's victory provided definitive proof that Georgians wanted the chance to vote on a state lottery. Miller pushed for a bill specifying the lottery's structure and its beneficiaries in the first months of his term in order to put a constitutional amendment on the

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[44] No author, "Johnny Isakson's 'Lottery Difference' Spot," (n.d.), Folder 11, Box 215, Subseries C, Series IV, Zell Miller Papers, UGA.
[45] A.L. May, "Miller Still Winner With Lottery Issue," *Atlanta Journal-Constitution*, September 30, 1990, A1.
[46] Cooper & Secrest Associates, Inc., "A Survey of Voter Attitudes in the State of Georgia (Confidential)," October 27, 1990, Q10, Folder 8, Box 193, Subseries C, Series IV, Zell Miller Papers, UGA.
[47] Tom Baxter, "Miller Hit Jackpot With Lottery Issue," *Atlanta Journal-Constitution*, November 12, 1990, F2.
[48] Hyatt, *Zell*, 240.

ballot as quickly as possible. The bill passed both houses of the legislature, setting up a statewide referendum for voters to decide alongside the 1992 presidential election.

The campaign for the lottery amendment championed the lottery as a civic good that would raise crucial funding for education. Miller established a committee to promote the passage of the lottery, Georgians for Better Education (GBE), a group whose name, like Scientific Games's Californians for Better Education, implied concerned citizens rather than proponents of legalized gambling. The organization's title also obscured the fact that most of GBE's funding came from the Georgia Association of Convenience Stores as well as other retailers and companies eager to profit from selling lottery tickets.[49] In his address announcing the formation GBE, Miller remarked that the state needed to "take innovative approaches to educating our children," framing the lottery as a creative and forward-thinking policy.[50] As a former history teacher, Miller was probably aware that lotteries had been used as fundraising tools in the United States as early as the eighteenth century. The "innovative" dimension of Miller's proposal, then, was not the use of gambling to raise revenue but the possibility of raising money for education without increasing taxes. A GBE fact sheet explained the particulars of Georgia's education problems, including "overcrowded, dilapidated" classrooms, "outdated" textbooks, and the 38th highest per-pupil expenditure.[51] In a climate in which voters were already concerned about school quality, such tactics were designed to dramatize the state's educational woes. GBE promised that a lottery represented a simple salve for these problems.

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[49] Charles Walston, "Lottery Support Comes from Businesses due to Make a Profit," *Atlanta Journal-Constitution,* October 22, 1992, A1; Mark Sherman and Charles Walston, "Lottery Cost Paid By Miller, Friends," *Atlanta Journal-Constitution*, January 6, 1993, D2.

[50] Georgians for Better Education, "Governor Forms Group to Urge Passage of Education Amendments," September 3, 1992, Folder 7, Box 262, Subseries E, Series IV, Zell Miller Papers, UGA.

[51] Georgians for Better Education, "Background Information on the Education Amendments: Amendments 1 and 2," n.d. (probably September 1992), Folder 7, Box 262, Subseries E, Series IV, Zell Miller Papers, UGA.

Miller and GBE claimed that the future of the state was at stake in the lottery referendum. The lottery question, they insisted, held apocalyptic urgency. The lottery was not merely a new revenue source but a way to vault Georgia into the future, and they envisioned disastrous consequences if the state rejected the proposal. “Unless bold steps are taken and substantial changes are made now,” one GBE document argued, “our state will not be a contender in the next century.” Miller evoked the threat of the coming millennium, claiming that the state would face dramatic changes in the years to come. He cited the acceleration of deindustrialization and the growth of white-collar employment to impart the importance of a well-educated workforce. In the face of these chaotic changes, the lottery represented “the one way we can give our teachers … and our kids and their parents the tools they need to prepare for the 21st century.”[52] Referring to Miller’s proposal to use a portion of lottery funds on prekindergarten programs, GBE concluded, “As goes the education of 1992’s four-year-olds, so goes Georgia’s prospects for future growth, prosperity and security.”[53] These comments framed the lottery as the only way to improve education and, by extension, the only way for Georgia to embrace the rapid pace of technological and economic change sweeping the nation. Like Bill Clinton and Tennessee Governor Lamar Alexander, Miller envisioned in a future in which economic growth was tied to a well-educated workforce, an age where education offered the best path to future job creation.[54]

GBE relied on a simple message to equate the lottery with improved education. One GBE poster, shaped like a lottery ticket, claimed the lottery represented “The Ticket to a Better

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[52] Sarah Eby-Ebersole, *Signed, Sealed, Delivered: Highlights of the Miller Record* (Macon, GA: Mercer University Press, 1999), 75; Chuck Reece, “Press Advisory (For Immediate Release),” July 23, 1992, Folder 10, Box 29, Subseries A, Series IV, Zell Miller Papers, UGA.
[53] Georgians for Better Education, “Background Information on the Education Amendments.”
[54] Clinton observer Sidney Blumenthal writes that Robert Reich’s 1992 book *The Work of Nations*—in particular its argument about the link between education and economic growth—played a key factor in Clinton’s choice of Reich for secretary of labor; Sidney Blumenthal, *The Clinton Wars* (New York: Farrar, Strauss and Giroux, 2003), 32.

Education" while bumper stickers deemed the lottery "Georgia's Newest Cash Crop."[55] The "Cash Crop" designation harkened to the state's agricultural past to portray the lottery as a financial bonanza, implying that it would become a major moneymaker similar to cotton in the nineteenth century. Neither ad mentioned gambling explicitly, instead framing the lottery as a painless new source of revenue for the state. Supporters were glad Miller had chosen a beneficiary that would inspire popular support. "Education," one Waycross voter wrote, "seems to be the magic word" that would finally pass the lottery.[56] The lottery was indeed magical, as supporters emphasized that it would miraculously provide benefits for the state. In notes to prepare Miller for a 1992 press conference, aides reminded the governor to "pirouette back to our message: that this is about education, it's about our kids, it's about giving them the tools to compete in the new world economy … without increasing taxes."[57] Through the lottery, Miller promised the state could jump into the new millennium without extracting a dime from taxpayers.

Miller and GBE zealously advocated on behalf of the lottery because of the ferocity of the opposition against the proposed amendment. Resistance to the lottery in Georgia was stronger and more effective than the campaigns against lotteries in New Jersey, California, and almost every other state. The governor had been warned that the lottery would represent a tough political fight. According to Miller, Carville estimated that the lottery "will poll 67-33, but that

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[55] Georgians For a Better Education, "The Ticket to a Better Education" (n.d.), Folder 14, Box 156, Subseries C, Series IV, Zell Miller Papers, UGA; No author (perhaps Steve Thompkins), "Georgia's HOPE Scholarship Program: A History," Folder 13, Box 261, Subseries E, Series IV, Zell Miller Papers, UGA.
[56] Dorothy B. Hargrove to Zell Miller, February 17, 1992, Folder "Against Lottery," Box 12083, Zell Miller Papers, Governor's Subject Files, GAA.
[57] No author (probably Jon Macks and another unnamed aide), "Lottery Q&A," n.d. (1992), Folder 10, Box 29, Subseries A, Series IV, Zell Miller Papers, UGA.

33 percent will beat you to death" because of the intensity of their opposition.[58] The widespread opposition to a lottery in Georgia was due to a number of factors. Most importantly, Georgia was home to a large evangelical population and Methodist and Baptist churches rejected all forms of gambling. Additionally, by the early 1990s, experience in other states illustrated that lotteries were not the fiscal panacea that proponents claimed, thereby reducing the number of lottery supporters among the state's non-evangelical voters. Lottery opponents had been active in the 1990 gubernatorial campaign and had written angry letters to their elected officials when Miller suggested a lottery in 1989. As the debate reignited during the 1992 referendum campaign, opposition flowered fully and nearly succeeded in defeating the lottery proposal.

Antilottery activism was concentrated in the state's white evangelical Christian community. This outpouring of opposition represented part of a broader wave of religious political engagement in the 1980s and 1990s over issues including abortion, gay marriage, and school prayer. While these fights often took place at the national level, gambling remained a state-level issue and the threat of a lottery mobilized many evangelicals into what they imagined as a battle for the soul of their state. Religious lottery opponents held rallies across Georgia. As part of a mission education event, for example, a United Methodist women's organization held a series of antilottery vigils which attracted a number of women who had never been involved in politics before.[59] Some antilottery organizations bought billboards to broadcast their message while others used the state's Christian radio stations to explain the evils of the gambling bill.

The campaign against the lottery was largely decentralized in nature. While large, well-funded establishments bankrolled the rise of the Christian Right and supported the fights against

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[58] Miller, *A National Party No More*, 44.
[59] *United Methodist Women*, "UMW Host 'Vigils Against the Lottery' during School of Mission Events," (n.d., probably 1992), clipping in Folder "Against Lottery," Box 12083, Zell Miller Papers, Governor's Subject Files, GAA.

abortion and the Equal Rights Amendment, the campaign to defeat the lottery was organized by state- and local-level groups that mobilized voters at the grassroots. National involvement might have significantly impacted the referendum results. Georgia's churches failed to defeat the lottery because of their lack of coordination, particularly the failure of white evangelical leaders to engage the black clergy.[60] Throughout the state, much of the antilottery activity occurred within rural white Methodist and Baptist churches. Ministers preached against the lottery, coordinated lottery opposition among constituents, and hosted voter registration drives on church property.[61] An undecided voter from Mableton reported that his local United Methodist Church told its members that a vote for the lottery was the equivalent of selling one's soul to the devil and that some churches were considering boycotts against businesses that supported the passage of the lottery referendum.[62]

Opponents leveled a variety of arguments against the lottery, arguing that legalized gambling represented an immoral, regressive, and ineffective venture that would damage the state. While some opponents based their opposition on what they interpreted as biblical injunctions against gambling, the most common argument against the lottery relied on concerns related to its social consequences. In particular, opponents highlighted the lottery's regressivity, which they claimed made it an unethical enterprise. The members of a Methodist church in Woodstock wrote that they opposed a lottery because of their Christian compassion for the poor; people "would spend their last dollar on a lottery ticket hoping to strike it rich, when that dollar should go for food for the family."[63] The lottery was ungodly and antifamily, not because

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[60] Nelson and Mason, *How the South Joined the Gambling Nation*, 54.
[61] Charles Walston, "Lottery Foes Have Tough Job," *Atlanta Journal-Constitution*, September 27, 1992, A1.
[62] Barry Horton to Zell Miller, October 26, 1992, Folder "Lottery," Box 45043, Zell Miller Papers, Governor's Subject Files, GAA.
[63] The Body of Christ at Little River United Methodist Church to Zell Miller, February 10, 1992, Folder "Against Lottery," Box 12083, Zell Miller Papers, Governor's Subject Files, GAA.

gambling was inherently sinful but because of its harmful social impact. For his part, Miller vociferously denied that lotteries harmed anyone. Miller argued, "it is a misconception that most people who play in lotteries are poor or underprivileged," and he echoed lottery industry talking points to frame gambling as a painless source of taxation without ancillary social ills.[64] Nonetheless, J. Emmett Henderson, the executive director of the Georgia Council on Moral and Civic Concerns, maintained the lottery would mar the entire state. "Like the money changers in the temple, state lottery [sic] turns the state capitol, meant to be a house of justice, into a den of thieves."[65] Henderson likened Miller's money obsession to the contamination of holy spaces, utilizing a biblical metaphor to make a political argument about the impropriety of the state's role as the marketer of gambling products that prey on the poor.

In addition to concerns regarding the demographic makeup of lottery players, many Christians feared that the proliferation of gambling would lead to a spread of immorality and ungodliness, especially the degradation of the value of hard work. "The lottery has been promoted as a cure-all for education," one elementary school teacher from Tifton wrote, but these projections ignored that "children will suffer" because their parents spend too much on lottery tickets and because gambling "negates all that we teach our children."[66] Echoing a critique raised decades earlier in New Jersey, opponents charged that gambling would promote magical thinking, as players would hope for the long odds of a jackpot instead of striving to get ahead through traditional, meritocratic means. A Baptist preacher from Surrency wrote to Miller

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[64] Zell Miller to David Byrd, January 29, 1993, Box 12083, Zell Miller Papers, Governor's Subject Files, GAA; Miller and GBE also cited various lottery-industry funded reports on the regressivity of gambling: Georgians for Better Education, "Background Information on the Education Amendments" and Georgians for Better Education, "Fact Sheet: Who Plays the Lottery?" Folder 7, Box 262, Subseries E, Series IV, Zell Miller Papers, UGA.
[65] J. Emmett Henderson, "Lottery Turns State Government into Con Artist," *The Moral Concern* (Atlanta, GA), (n.d., October 1992), 1.
[66] Margaret Kelley to Zell Miller, November 6, 1992, Folder "Lottery," Box 45043, Zell Miller Papers, Governor's Subject Files, GAA.

to complain about the governor's "travels across our great state to promote your lottery as the salvation of education in Georgia." One of the reasons the preacher opposed the lottery was because it negated the lesson that if you "work hard … you will always succeed," and instead "foster[ed] the lottery on [sic] our people as the way to success."[67] Both of these critiques compared Miller to a lottery player. Just as Miller saw the lottery as a financial miracle—a "cure-all" or "salvation" for education in Georgia—so too gamblers tried to bypass the traditional meritocracy through betting. Miller, then, confirmed to opponents that the lottery bred wishful thinking: gamblers, like the governor, would turn to the long odds of the lottery as a quick fix to their financial problems.

Yet, religious opponents retained their own magical beliefs when it came to defeating the lottery amendment. Polls in July indicated the difficult fight facing the state's evangelical community: 68 percent of Georgians, including 85 percent of non-churchgoers and a surprising 45 percent of churchgoers, said they favored establishing a Georgia lottery.[68] As they ramped up their campaign with rallies, billboards, and sermons in the weeks before the referendum, Georgia evangelicals turned to prayer to defeat the lottery. Roy Smith of Jonesboro noted that, as a Christian, he could not stand for the passage of a lottery, "I just want you to know that myself and a lot of others are praying about this," Smith wrote, "I know that the power of prayer has moved a lot bigger mountains."[69] Requests of the heavens could stop the lottery when conventional politics could not, he suggested, as defeating a political referendum proved a small task compared to the immense potential power of prayer. Without explaining how exactly God

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[67] Gerald Baxley to Zell Miller, October 13, 1992, Folder "Lottery," Box 45043, Zell Miller Papers, Governor's Subject Files, GAA.
[68] Joe Parham, "Support For Lottery Still Widespread," *Gwinnet Daily News*, July 9, 1992.
[69] Roy Smith to Zell Miller, n.d. (probably September 10, 1992), Folder "Against Lottery," Box 12083, Zell Miller Papers, Governor's Subject Files, GAA.

would come to their aid, these voters retained faith that they could solicit divine intervention to overturn the referendum. "We are the people of miracles," Henderson told the crowd at an antilottery rally in Smyrna, "come Nov. 3, headlines all across the state will say, 'Church people have worked a miracle. Lottery [sic] has been defeated.'"[70] Though these Christians worried poor gamblers would buy lottery tickets hoping for a miracle, and though they criticized Miller for depicting the lottery as a miraculous new source of state revenue, they exhibited similar beliefs as they prayed for divine aid to overcome long odds of their own in their fight against the lottery.

These Christians did not think they were overdramatizing the significance of the lottery referendum by turning to the heavens for help. For many, the lottery presented an alternative to divine faith. Rather than simply an immoral vice, gambling was so pernicious that it threatened to upend the state's proper religious order. Margaret Scandrett of Warrenton wrote that a lottery "promotes an idolatrous belief in luck rather than faith in the sovereignty of God."[71] While Scandrett unwittingly pointed to the similarities between religion and gambling—both relied on faith in an invisible, abstract force—she argued that luck was "idolatrous" and therefore not a proper locus of belief. Similarly, Joan Whiting of Pendergess explained, "it hasn't been by luck" that Georgia had been spared from earthquakes, hurricanes, and other natural disasters. Rather, God "has shielded our state from such destructions." By approving a lottery, Georgians "voted the all powerful god out of office and voted for the golden calf named 'lottery'."[72] Whiting argued that God had produced miracles for Georgia but that the lottery represented a "golden

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[70] David Corvette, "Churches' Rally Against Ga. Lottery Draws 800," *Atlanta Journal-Constitution*, July 27, 1992, D2.
[71] Margaret Scandrett to Zell Miller, "Gambling," February 7, 1992, Folder "Against Lottery," Box 12083, Zell Miller Papers, Governor's Subject Files, GAA.
[72] Joan Whiting to Zell Miller, November 6, 1992, Folder "Lottery," Box 45043, Zell Miller Papers, Governor's Subject Files, GAA.

calf," a facsimile of God that could not protect Georgia as God had. Thus, the lottery threatened to bring in a new luck-based system that would revoke Georgia's divine protection. Henderson, too, denounced the lottery as "voodooism, paganism," associating gambling with what evangelicals considered lesser forms of religion constituted around magic and superstition.[73] Because of the lottery's religious implications, the legalization of gambling signaled not merely the spread of an ungodly vice but a fundamental change in the state's divine standing.

"NOTHING LESS THAN OUR WAY OF LIFE IS AT STAKE!" one north Georgia Methodist wrote in 1989 about the debate over the lottery.[74] His apocalyptic urgency reflected the position of lottery supporters and opponents. Both sides believed that the enactment of a lottery would result in rapid, massive, and fundamental changes in their state. Whereas supporters imagined a paradise of quality, accessible education without taxes, opponents envisioned a degraded state that sacrificed divine protection in exchange for thirty pieces of silver for education funding.

Opponents also utilized economic arguments to counter Miller's promise that the lottery represented a surefire path toward improved education. The reverend of a Baptist church in Blakely explained that every dollar spent on a lottery ticket represented a dollar taken away from the state's business community. He noted, "this is nothing less than prehistoric economics," critiquing the irrational thinking underlying Miller's claim that the lottery would have only positive effects on the state's finances.[75] Ironically, the most popular economic argument against the lottery focused on Florida, which had not seen any material improvement in education

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[73] Corvette, "Churches' Rally against Ga. Lottery."
[74] Joe M. Whittemore to Jim Martin, September 15, 1989, Folder "26th District (1991)," Series IV, Jim Martin Papers, UGA.
[75] Robert J. Bauer to Zell Miller, (n.d., approximately August 15, 1992), Folder "Against the Lottery," Box 12083, Zell Miller Papers, Governor's Subject Files, GAA.

funding since the passage of its lottery. When Miller tried to use the Sunshine State as proof of the importance of lottery revenue, opponents such as Benjamin Dille from Albany retorted by asking Miller to "look south of the Georgia/Florida line." "Lottery backed education in that state is in a shambles [sic] thanks to the 'panacea' called lottery." Dille rebuked the magical thinking that had surrounded the Florida lottery proposal and cautioned against the proliferation of similar alchemic projections in Georgia.[76]

Dille was right that Florida offered a cautionary tale regarding the effects of lottery legalization. By 1992, Florida's lottery faced serious problems that threatened to tarnish Miller's projections of a lottery windfall. In 1986, Floridians had passed a lottery referendum with the aim of helping education. "Don't Fail Our Kids," one bumper sticker read, entreating voters to approve the "Florida Education Lottery," beginning a southern trend of inserting the beneficiary directly into the name of the lottery organization.[77] However, a legislative loophole, previously exploited by officials in California, New York, Illinois, and elsewhere, prevented the state's education system from realizing any benefits from the lottery. For every dollar of lottery revenue added to the state's education fund, legislators removed one dollar from the state's standard education appropriation. As a result, the lottery supplanted, rather than supplemented, school spending. Even as sales exceeded $1 billion per year, general fund education expenditure per K-12 student slowed and, in 1991, actually began to decrease.[78] Floridians who had hoped for major educational benefits quickly turned on the lottery; as one teacher's union official

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[76] Benjamin B. Dille to Zell Miller, July 25, 1992, Folder "Against Lottery," Box 12083, Zell Miller Papers, Governor's Subject Files, GAA.
[77] EXCEL Excellence Campaign, "Don't Fail Our Kids, Pass Amendment 5," Folder 1, Box 149, Subseries C, Series IV, Zell Miller Papers, UGA; on the Florida lottery referendum, see: Patrick A. Pierce and Donald E. Miller, *Gambling Politics: State Government and the Business of Betting* (Boulder, CO: Lynne Rienner, 2004), 75-84.
[78] Florida Chamber of Commerce, "The Case of the Disappearance of Enhanced Education Funding," March 7, 1990 (n.p.), Florida Legislative Library, Tallahassee, Florida; Elise St. John, Jason E. Hill, and Frank Johnson, *An Historical Overview of Revenues and Expenditures for Public Elementary and Secondary Education, by State: Fiscal Years 1990−2002* (Washington D.C.: National Center for Education Statistics, 2007), 82.

explained, voters believed that "a fraud and a scam have been perpetuated on the people of Florida."[79] Indeed, the Sunshine State continued to rank near the bottom of the United States in education funding and education quality despite the passage of an amendment ostensibly designed to provide a massive financial influx for schools.

Miller acknowledged the funding issues in Florida and he insisted that Georgia could replicate the lottery bounty of its southern neighbor without duplicating the funding structure that had siphoned revenue into the general fund. A fact sheet distributed by GBE highlighted the specific passages in Georgia's lottery bill that would prevent the supplanting scheme executed by the Florida legislature.[80] Nonetheless, Georgians were understandably skeptical of Miller's claim that their state should emulate the Sunshine State. A well-informed Marietta eighth grader wrote that initially she was "convinced that the lottery would be wonderful for education in Georgia" but had recently become concerned because she did not "want a repeat of Florida."[81]

Therefore, GBE spent $100,000 in the final weeks of the campaign to convince voters that Georgia's lottery would not enact a similar arrangement.[82] Through reassurances that Georgia would handle its lottery windfall differently, Miller tried to have it both ways. As he castigated the mistakes made in Florida, he continued to promote its high sales figures, hoping that Georgians would focus on the available funding raised by other states without focusing on how these states had mismanaged the revenue. The lottery, he insisted, could still be a panacea.

[79] Mike Williams, "Lottery No Jackpot for Florida Schools," *Atlanta Journal-Constitution*, September 22, 1990, A1.
[80] Georgians for Better Education, "Differences Between Georgia and Florida Lottery Funds for Education," Folder 7, Box 262, Subseries E, Series IV, Zell Miller Papers, UGA.
[81] Katherine Chandler to Zell Miller, March 2, 1993, Folder "Lottery '93," Box 12083, Zell Miller Papers, Governor's Subject Files, GAA.
[82] Charles Walston, "Governor, Lottery Allies Begin Final TV Ad Blitz," *Atlanta Journal-Constitution*, October 14, 1992, F1.

Miller had one more trick to pull out of his hat to convince voters of the benefits of a lottery. To demonstrate that Georgia would avoid the appropriation issue, the governor tied lottery funding to new, identifiable education initiatives. Rather than let revenue get lost in the legislative budget process, Miller proposed that lottery income be used for three new programs: a merit-based college scholarship, voluntary prekindergarten, and technological upgrades for Georgia's schools. Because the legislature passed the enabling legislation before the referendum, voters knew how lottery money would be spent before they voted on it. Nelson and Mason observe that this timetable created natural constituencies for the lottery. Some voters would support its passage because they knew it would benefit them, though others had less incentive to vote for the lottery because they knew they were not eligible for these programs.[83] While the technology funding embodied Miller's claim that the lottery would allow Georgia to embrace the new millennium, prolottery advocacy focused primarily on the scholarship and the prekindergarten. These programs were each aimed at attracting specific constituencies to vote for the referendum, namely middle-class and poor parents, respectively.

Miller announced the HOPE (Helping Outstanding Pupils Educationally) Scholarship in September 1992. Although the governor has taken credit for what has become the centerpiece of his gubernatorial legacy, the first concrete proposal for a lottery-funded, merit-based scholarship originated three years earlier with Miller's chief of staff, Steve Wrigley.[84] Borrowing elements from Wrigley's memos, Miller helped settle on the final terms of the scholarship in 1992, and he chose a name that not only evoked the new hope it would provide to Georgia students but also rode the coattails of Bill Clinton's presidential campaign. In a film debuted at the 1992

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[83] Nelson and Mason, *How the South Joined the Gambling Nation*, 50.

[84] Steve Wrigley to Zell Miller, "'Pops' for the Lottery Fund," March 27, 1989, Folder 2, Box 149 and Steve Wrigley to Zell Miller, "Higher Ed Program," March 14, 1990, Folder 12, Box 148, Subseries C, Series IV, Zell Miller Papers, UGA.

Democratic National Convention—where Miller was the keynote speaker—Clinton was touted as "The Man From Hope," a reference to his birthplace of Hope, Arkansas, that embodied the message of hope and change the young candidate would bring to Washington. More important than a distinctive title, the initial criteria for HOPE were purposefully simple so that, as Wrigley explained, even those who did not like the lottery could support its passage.[85] Any Georgia high school student with a GPA over 3.0 and family income under $66,000 would be eligible to receive free tuition at a Georgia public college or university for their first year of study. If they maintained a 3.0 GPA, their scholarship would extend to their sophomore year. A central goal of the scholarship was to keep Georgia's high school students in-state, so smaller grants were also available for students to enroll in Georgia's private universities, technical institutes, and GED programs.

In order to garner support for the lottery, Miller framed HOPE as a silver bullet for Georgia's middle-class families. The median household income in Georgia in 1991 was $27,212, so most families fell under the $66,000 income cap, a figure settled on by Miller because it represented the combined income of two public school teachers with doctorates.[86] This choice reflected his image of a prototypical scholarship recipient: the son or daughter of well-educated middle-class parents, both of whom had jobs. In an era of downward mobility for many American middle- and upper-middle-class households, Miller framed the typical Georgia family not as economically prosperous but in need of state assistance. "Sadly," he noted, "too many of our families are realizing that their savings have left them too rich to qualify for most college aid,

[85] Steve Wrigley interviewed by Bob Short.
[86] Later changes would reveal that Miller did not want to institute any income cap, but he was forced to do so until he knew precisely how much revenue the lottery would generate; U.S. Bureau of the Census, Current Population Reports, *Money Income of Households, Families, and Persons in the United States: 1991*, Current Population Reports, Series P-60, No. 180 (Washington, D.C: U.S. Government Printing Office, 1992), xxi; No Author, "Georgia's HOPE Scholarship Program: A History."

but too poor to actually pay the high cost of college," as income could exclude a student from eligibility for a Pell Grant from the federal government.[87] Tuition costs had, in fact, soared in the United States; in 1990, public university tuition cost 13.1 percent of household income for those in the 50th income percentile while private school tuition cost nearly 36 percent. Though these percentages were nearly doubled for those in the 25th income percentile, Miller suggested that those deserving of aid were not the poor who could receive money elsewhere but rather the middle-tier of families suffering under rising tuition prices.[88] Miller maintained that the "only way we can pay for the HOPE program is to pass … the amendment authorizing a lottery for education."[89] HOPE was important, the governor implied, but not so important that he would be willing to raise taxes to pay for it. Miller told voters that they could utilize this new scholarship by passing this referendum—and *only* by passing this referendum.

Through HOPE, Miller framed the benefits of lottery revenue in terms of what each Georgia family would receive. Rather than promise to balance the entire state budget or provide funding for the state education system as a whole, Miller claimed the lottery would channel benefits directly into the pockets of tens of thousands of Georgia families. This shift away from collective, statewide education initiatives paralleled Miller's embrace of charter schools. After Minnesota passed the nation's first charter school legislation in 1991, Georgia became one of six

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[87] Zell Miller, "Remarks of Governor Zell Miller," HOPE Program Press Events, September 21, 1992, Folder 14, Box 156, Subseries C, Series IV, Zell Miller Papers, UGA; No author, "America's HOPE Scholarships: A Tax Cut to Make 14 Years of Education the Standard for All," June 4, 1996, Folder 32, Box 261, Subseries E, Series IV, Zell Miller Papers, UGA; on middle-class downward mobility in this period, see: Katherine S. Newman, *Falling from Grace: Downward Mobility in the Age of Affluence* (Berkeley: University of California Press, 1988).

[88] U.S. Department of Education, *The Condition of Education, 1992* (Washington D.C.: U.S. Government Printing Office, 1992), 185.

[89] Georgians for Better Education, Press Advisory, September 22, 1992, Folder 7, Box 262, Subseries E, Series IV, Zell Miller Papers, UGA.

states—and the only one in the South—to pass similar bills in 1993. By 1998, nearly 16,000 Georgia students were enrolled in charter schools.[90]

Like charter schools, HOPE embodied the central tenets of Miller's vision for education policy. "When it comes to education," Miller noted in a 1993 address, "I want opportunity to be the by-word for this administration."[91] Miller's focus on "opportunity" was more than just a buzzword, as it represented his embrace of the conservative Democratic politics of 1990s. DLC founder and CEO Al From insisted that Democrats needed to orient themselves around both "growth and fairness," claiming that, in the 1960s and 1970s, their party had ignored the former in favor of the latter. The DLC "gradually moved away from fairness to opportunity," he remembered, "because fairness meant to people, 'We're going to take from you to give to somebody else.' Opportunity meant that everybody had a chance to get ahead."[92] Meaning, whereas "fairness" implied government assistance to poor and black families, "opportunity" offered an alternative, market-oriented approach. The new Democrats viewed the economy as a relatively fair playing field and thought government should ensure every individual's chance to compete rather than exert political power to address historical or present inequities. Clinton's famous "New Orleans Declaration" for the DLC emphasized that "the promise of America is equal opportunity, not equal outcomes."[93] To win back white middle-class voters, the DLC wanted to use government as a tool of economic development, not social justice.

Education represented an important battlefront to illustrate this new approach. Political scientist Patrick J. McGuinn concludes, Clinton "used education to emphasize the New

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[90] Eby-Ebersole, *Signed, Sealed, and Delivered,* 118-121.
[91] Zell Miller, "Remarks By Governor Zell Miller," Governor's Conference on Education, September 19, 1993, Folder 4, Box 156, Subseries C, Series IV, Zell Miller Papers, UGA.
[92] Al From Oral History, 2006, Miller Center at the University of Virginia, Presidential Oral History Project.
[93] Al From, *The New Democrats and the Return to Power* (New York: St. Martin's, 2013), 132.

Democratic commitment to opportunity over entitlement and to distance his party from the discarded policies of the welfare state."[94] Miller did the same in Georgia. By claiming HOPE would create opportunity for Georgia's students, Miller incorporated the scholarship into this new Democratic ethos. The scholarship was not designed to aid poor or minority families and it would not interfere with the nominally free and competitive market. Instead of focusing on ensuring the poorest students had access to college—which might have been the goal of the 1960s, fairness-focused Democrats—Miller wanted a scholarship that was available to everyone and that subjected every student to the same standards. With HOPE, Miller assured middle-class families that the state would protect their children's right to be rewarded for their achievements. This assurance relied on a vision of education as a fair meritocracy and purposefully did not take into account factors such as school quality or familial need for tuition assistance. Miller anticipated the scholarship would be "the most significant and far-reaching, and … the most exciting" initiative of his administration."[95] Like charter schools, the lottery would benefit the state not by uplifting the entire education system but through the cumulative results of rewards to particular students for individual achievement.

Yet Miller was careful not to paint HOPE as a welfare program or a government handout, as this might have doomed the lottery's electoral chances. Alongside the lottery amendment on the ballot was the presidential ticket of Clinton and Al Gore, two southern Democrats who pledged to "end welfare as we know it." In cooperation with congressional Republicans, Clinton fulfilled this pledge in 1996 with the Personal Responsibility and Work Opportunity Reconciliation Act, which shifted the federal welfare system toward payouts contingent on proof

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[94] Patrick J. McGuinn, *No Child Left Behind and the Transformation of Federal Education Policy, 1965-2000* (Lawrence: University Press of Kansas, 2006), 4-5.
[95] Miller, "Remarks of Governor Zell Miller."

of employment. Miller took a similar approach. Throughout his governorship, he emphasized personal initiative while cutting the duration of recipients' welfare eligibility in order to force them back to work.

In the referendum campaign, the governor drew a careful distinction between HOPE and a government handout by emphasizing the scholarship's merit requirements. As he would later explain, the premise of HOPE was "You study and you work hard in school, and HOPE will be there to help you go to college. You give something, you get something."[96] HOPE could not be welfare, he implied, as its recipients were students who had worked hard and who therefore deserved aid from the government. Thus, Miller fought off the popular accusation that the lottery would subvert the ethic of hard work. Because HOPE was based around merit rather than need, Miller argued that the lottery would *promote* hard work because students would be motivated to study to earn a scholarship.

HOPE's emphasis on merit was embodied by the scholarship's nickname, "the GI Bill for college students," granted by Stephen Portch, who became chancellor of Georgia's university system in 1994.[97] The comparison built on the fact that, like aid for veterans, HOPE represented an individualized government program contingent on a transaction. For example, after three years in the Marines, Zell Miller used GI Bill funding to receive his bachelor's and master's degrees from the University of Georgia (UGA). Just as the GI Bill provided university scholarships to honor military service, HOPE rewarded students' academic success with free tuition. However, the GI Bill provided a more apt parallel than Portch intended. The GI Bill avoided associations with the welfare state in large because of the race and class of its recipients.

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[96] Zell Miller, "Remarks by Governor Zell Miller," State of the State Address, January 15, 1998, Folder 16, Box 157, Subseries C, Series IV, Zell Miller Papers, UGA.
[97] *Lotto World*, "Chancellor Gives Governor 'High Marks' for HOPE," August 1996, 22-23.

As Ira Katznelson, Lizabeth Cohen, and other historians observe, the scholarship component of the GI Bill was primarily utilized by those who would have gone to college already, namely white middle-class men, especially because, in southern states like Georgia, black veterans were often barred from exercising their benefits.[98] Like the GI Bill, HOPE ultimately fostered racial and economic inequality, an unsurprising feature of a scholarship designed to convince suburban middle-class parents to pass a lottery in order to subsidize their children's college tuition.

The other main pillar of Miller's lottery pledge was designed to target the state's poor and African-American voters. To fulfill his pledge that the lottery would secure Georgia's future, Miller proposed using lottery funding to institute voluntary prekindergarten for four-year olds. Echoing a national focus on early intervention education in the early 1990s, Miller established prekindergarten for at-risk children in 20 communities in the first years of his administration. The governor vowed that a lottery would allow him to expand the program statewide. As he had during the 1990 campaign, the governor made a series of appearances in schools to highlight the need for prekindergarten and the benefits of the lottery. "The only way we can expand pre-kindergarten across this state is to pass the lottery amendment," Miller told the assembled media at a federally-funded preschool in Decatur, though he admitted "the only other way I suppose would be an increase in taxes."[99] Following dramatic budget cuts early in his term and widespread anger at the Bush Administration's recent tax increase, Miller did not consider taxes a legitimate way to pay for prekindergarten. Rather, as with HOPE, he claimed that voters could

[98] Lizabeth Cohen, *A Consumers' Republic: The Politics of Mass Consumption in Postwar America* (New York: Vintage Books, 2003), 137-146, 166-173; Ira Katznelson, *When Affirmative Action Was White* (New York: Norton, 2005), 113-141.
[99] Charles Walston, "Miller: Preschool Needs Lottery," *Atlanta Journal-Constitution*, September 9, 1992, C1.

enact this service without taxes by passing a lottery. Some Georgians jumped at the possibility of free preschool. One woman from Dunwoody wrote that, “As a working mother, I understand the value in sending a child to prekindergarten instead of paying for another year of expensive day care. As a taxpayer, I find it intolerable that our public schools are next to last in the country. … We need the Georgia lottery.”[100] She envisioned the lottery as both a benefit for the entire state and, more importantly, for herself and for her children.

While Miller proposed placing prekindergarten facilities statewide, many of the children he posed with on his preschool tour were black, for example a group of girls with whom he played “kitchen” before addressing the media in Decatur.[101] Some Georgians lamented that Miller dangled free prekindergarten in front of black voters to lure them into pulling the lever for the lottery. In 1992, Earlene Hicks of Macon wrote to the state’s African-American community via her local newspaper: “Black people, do you see what Gov. Zell Miller is trying to do to you? He’s posing with 4-year-old black children … to try and con you into voting in favor of the lottery.” Specifically, she chastised Miller for painting the lottery as the answer to black financial desperation. “He thinks that by playing up to black people, as if we were the only ones who needed financial help, we will jump at the chance to have a lottery in Georgia,” she contended, criticizing Miller for implying that the lottery represented the savior of the state’s black children and cautioning black voters from supporting the lottery out of the belief that it presented a cure-all for economic and social issues.[102] Furthermore, she charged Miller with implying that only African-Americans needed lottery-provided aid, a potent argument given his claim that HOPE

[100] Margie Eden, “The Georgia Lottery,” Letter to *Atlanta Journal-Constitution*, October 31, 1992, A18.
[101] *Tifton Gazette* (Tifton, GA), “Promoting a Lottery,” September 9, 1992.
[102] Earlene Hicks, “Lottery Another Addiction We Don’t Need,” Letter to *Macon Telegraph,* October 4, 1992.

would provide vital subsidies for the state's suburban middle-class, which was implicitly coded as white.

Especially because of its racialized constituency and its resemblance to the Great Society's Head Start, Miller's prekindergarten proposal, more so than HOPE, resembled a welfare program. To deflect from accusations that lottery funds would be given as a handout to the poor or to African-Americans, Miller presented early intervention program in financial terms, deeming prekindergarten an "investment" by the state that would be repaid many times over in the coming years. In his 1990 campaign, Miller hailed early intervention as "the most cost-effective form of education," as it could prevent children from dropping out, winding up on welfare, or getting caught up in the criminal justice system: "it's a whole lot cheaper to teach a child when he's four than to incarcerate a man when he's 24."[103] For the tough-on-crime Miller, prekindergarten—and, by extension, a lottery—represented an alternative to the nascent mass incarceration complex. Given the disproportionate concentration of African-Americans in the state's penal system, by claiming that the state faced a choice between incarceration and early intervention education Miller made it clear that he had Georgia's black population in mind when he proposed prekindergarten. Additionally, in an age characterized by what David Harvey deems the "financialization" of non-financial matters, the economic argument for prekindergarten proved especially useful. The "investment" rhetoric justified aid to the poor not because they needed or deserved assistance but because it would prove cost-effective for the state over the long term. In this way, Miller marketed early education both to parents who could use the system and those who would not, promising that the entire state would benefit.

[103] Miller, "Remarks Prepared for Delivery to the Media."

By early November, however, it remained unclear if support for HOPE and the prekindergarten would be enough to pass the lottery. Polls indicated that the popularity of the lottery had slipped, and it sat at 57 percent approval two weeks before the election.[104] On election night, news initially appeared grim for Miller and GBE, as results from around the state showed a close vote and the possibility the lottery would be defeated. Ultimately, support in the state's urban areas secured a narrow, 100,000-vote margin of victory (52-47). Of Georgia's 159 counties, only 53 voted in favor of the lottery and only half of these counties approved it by a margin greater than 3 percent.[105] Fulton County, which includes most of Atlanta, boasted the second highest approval percentage statewide (65.7 percent), and the lottery won slight majorities in most of the state's affluent suburban counties, including Clayton (58.7 percent), Cobb (54.5 percent), and Gwinnett (53.2 percent). All three of these counties had voted for Isakson over Miller in 1990, indicating that the lottery picked up a fair number of suburban Republicans. Exit polls showed that African-Americans supported the lottery by a 2-1 ratio and voters with incomes under $30,000 favored it as well. A slight majority of white voters and those with incomes over $50,000 opposed the measure, though opposition was concentrated among fundamentalist Christians as well as those 60 and older, a group which may not have been swayed by the lure of college scholarships or free prekindergarten.[106]

Nonetheless, Miller had successfully convinced a majority of voters that a lottery represented a magical source of revenue for them and for their state. The governor sprang into action, appointing lottery commissioners who signed a contract with Norcross-based instant-

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[104] *Atlanta Journal-Constitution*, "'No' on the Lottery," October 22, 1992, A18.
[105] J. Emmet Henderson to Jim Martin, "Legalized Gambling," January 26, 1993, and attachment "Georgia Lottery Vote by Counties, 1992 General Elections," Folder "93 Lottery," Box 35, Series IV, Jim Martin Papers, UGA; *Atlanta-Journal Constitution*, "How Georgians Voted on the Lottery," November 5, 1992, C9.
[106] David Beasley, "'92 The People Decide: Lottery Faces Strong Opposition," *Atlanta Journal-Constitution*, November 4, 1992, B11.

ticket provider Scientific Games. After three years of advocacy from one of the state's most important politicians, Georgia prepared to join the gambling nation.

Georgia Lottery tickets went on sale on June 29, 1993, and were an immediate sensation. The state's 5,100 vendors sold 13 million instant tickets on the Lottery's first day and 52 million in the first week, amounting to $7.80 for every person in Georgia, breaking Florida's record for highest start-up per capita sales in American lottery history.[107] The Lottery introduced a daily numbers game in August and lotto in September, garnering total sales of $1.128 billion in its inaugural year, or $164 for every Georgia resident.[108] Not all of the money came from in-state, though. Just as Georgians had patronized the Florida and Kentucky lotteries, gamblers from South Carolina, Tennessee, and Alabama flooded over the state border for their chance to buy tickets.

Many Georgia Lottery players hoped their tickets would provide a financial windfall that would catapult them into lives of luxury. One Phenix City, Alabama, gambler noted that he was excited for the Georgia Lottery to start because "I'm gonna win a million dollars and then I'm moving to Buckhead," certain that his small investment would catapult him into a lavish Atlanta suburb.[109] Other players exhibited similar forms of magical thinking, including one gambler who noted, "You never know. If you don't take a chance you don't win."[110]

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[107] Georgia Lottery Corporation, "More than 52 Million Tickets Sold as Players won $25 Million in Prizes During First Week, Lottery Officials Say," July 6, 1993, Folder "94 Lottery," Box 45, Series IV, Jim Martin Papers, UGA.
[108] Georgia Lottery Corporation, "First Year Weekly Sales," attached to Georgia Lottery Corporation Background Information packet, Folder "95 Lottery," Box 52, Series IV, Jim Martin Papers, UGA.
[109] Jill Vejnoska, "The Georgia Lottery: Let the Games Begin," *Atlanta Journal-Constitution,* June 27, 1993, C4.
[110] *Atlanta Journal*, "Georgia Lottery: The Games Begin, Georgians Sound off on the Lottery," June 29, 1993, A10.

Advertising from the Georgia Lottery Corporation instilled the belief that a lottery represented an easy path to opulence. In a commercial that began airing before tickets went on sale, an old farmer—and presumed lottery winner—drove down a dirt road as dollar bills flew out from the back of his pickup truck. The ad imparted the idea that a lottery could bring wealth to unlikely individuals, as even a farmer could wind up with such a large windfall that he did not need to worry about squandering a few hundred dollars. The advertisement concluded by reminding viewers "Georgia's newest cash crop is coming to market June 29," painting the lottery as a financial boon both for the state and for the players who could get their share of this new goldmine. By repurposing the "cash crop" slogan from GBE's referendum campaign, the ad drew an explicit parallel between voters and gamblers. Voters had passed the lottery hoping it would provide money for their children's education, and gamblers bought tickets because they believed they could overcome the odds and secure a jackpot. The advertisement played on this parallel, and the lottery commission believed that the magical thinking that convinced Georgians to approve a lottery would also convince them to buy tickets.

Yet, as lottery opponents had feared, dreams of a quick jackpot proved particularly popular among low-income Georgians. In a 1993 poll, 33 percent of those who bought a lottery ticket at least once a week made less than $25,000 per year. As in other states, education was the best predictor of lottery playing. Over 50 percent of weekly players had less than a college degree and 67 percent of those surveyed with less than a college degree played the lottery at least once a week.[111] By 2000, one study found African-Americans three times more likely to bet at least $10 per week and someone without a high school diploma was four-times more likely.[112]

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[111] Gary T. Henry to Louise McBee (n.d., approximately September 1993), Folder 14, Box 3, Series IV, Louise McBee Papers, UGA.
[112] Joseph McCray and Thomas J. Pavlak, "Who Plays the Georgia Lottery?: Results of a Statewide Survey," (Athens, GA: Carl Vinson Institute of Government, University of Georgia, 2002), 12-17.

The concentration of lottery playing among poorer, worse educated players was tied to these gamblers' desires for social mobility but was augmented by ease of access to tickets. In 1993, zip codes with lower per capita income also had more lottery vendors; one downtown Atlanta neighborhood, for example, featured one vendor per 667 people; in an Atlanta suburb with twice the per capita income, there was one vendor per 1,416 residents.[113] In sum, gamblers without education supplied the funding to pay for tuition and schooling for Georgia children.

The true winners of the Georgia Lottery, then, were its beneficiaries, particularly those who could not have pursued a college degree without HOPE. In its first year (1993-1994), HOPE sponsored $19 million worth of scholarships for over 55,000 students, many of whom explained that the funding had made a crucial difference in allowing them to pursue higher education. After completing her first quarter at Albany Tech, La Sonda Clyde noted, "When I found out about HOPE, I decided that I no longer had a reason not to go to school."[114] Miller frequently told Clyde's story in his final years as governor because it embodied the new opportunity created by the scholarship: Clyde did not have plans to go to college, but HOPE provided her with the chance to pursue a degree. The scholarship raised her potential, thereby benefitting her and adding one more educated worker to the state's employment pool.

Once it put money in their pockets, HOPE changed many Georgians' minds about the lottery. After considering attending Duke University, Decatur High School student Bill Kaiser opted instead to attend the UGA to capitalize on the scholarship. His mother Peggy had opposed the lottery referendum, but her opinion changed when the state paid for the first two years of her

[113] Associated Press, "Poor Neighborhoods Have More Lottery Outlets," *Augusta Chronicle*, July 19, 1993, 8.
[114] No Author, "HOPE Awards: Fall 1993 thru Spring 1994 Quarters," June 24, 1994, Folder 1, Box 35, Subseries A, Series IV, Zell Miller Papers, UGA; Carolyn S. Carlson, "Tech Institutes' Enrollment Up," *Macon Telegraph*, October 31, 1993, 1A.

son's college tuition.[115] HOPE proved to be Miller's crowning achievement. Even after he was appointed to Paul Coverdell's vacant United State Senate seat in 2000, the former governor regularly received letters from students expressing gratitude for HOPE. One Waycross College student, for example, thanked him for the scholarship, which she deemed "the greatest thing. I would have never gotten to go to college if it wasn't for the [HOPE] grant."[116]

As he completed his first term as governor, Miller celebrated the results of the scholarship, claiming that the aid to individual families amounted to miraculous benefits for the state as a whole. "We are taking this state from among the bottom in some areas of education," Miller declared, "and putting—almost instantly—Georgia among the leaders."[117] Just as the lottery offered lucky gamblers an immediate windfall, Miller envisioned rapid, massive benefits for students who would gain access to higher education, and he continued to portray the lottery as a quick fix for the state's woes. However, Georgia was improving in some categories but not others. HOPE catapulted the state from 21st to 7th in the nation in proportion of students who received state grants and by 2003 Georgia led the nation in aid per undergraduate student. Yet, the state provided just $7 in need-based aid per student, third-to-last in the nation. Just .3 percent of all financial aid in Georgia was distributed solely based on need rather than merit or a combination of need and merit.[118]

Nonetheless, because of high ticket sales and the initial, dramatic impact of HOPE, Miller sought to expand the scholarship. Instead of providing more money to students who qualified under the $66,000 household income cap or adding a need-based component, he broadened the

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115 Ken Foskett, "Tuition Pitch Not Much of a Gamble," *Atlanta Journal-Constitution*, January 12, 1994, D4.
116 Michelle L. Music to Zell Miller, n.d. (October 2000), Folder 15, Box 26, Series V, Zell Miller Papers, UGA.
117 Ken Edelstein, "Lottery Money Divvied Up," *Columbus Ledger-Enquirer* (Columbus, GA), January 5, 1994, A1.
118 *The Journal of Blacks in Higher Education,* "Less 'HOPE' for Black Higher Education in Georgia," Vol. 57 (2007): 32-33; Jerry S. Davis to Glen Weiner, May 31, 1994, Folder 1, Box 35, Subseries A, Series IV, Zell Miller Papers, UGA; HOPE Scholarship Joint Study Commission Meeting Notes, July 30, 2003, Folder "Chair McBee, 2003-2004," Box 13, Series 1, Louise McBee Papers, UGA.

income eligibility. In 1994, Miller applied the scholarship to all four years of college and increased the income cap to $100,000, meaning 95 percent of state households were eligible for HOPE. “I want to make this scholarship as universal as possible,” Miller stated, “There will be nothing else like it in the United States.”[119] The program was politically justifiable because it provided opportunity to almost every student, even if they did not need the aid. In 1995, Miller removed the income ceiling altogether, thus allowing any Georgia high schooler, no matter how wealthy, to receive four years of free tuition at an in-state university provided they met the high school and college GPA requirements. “Now you don’t have to be the next [Atlanta Hawks star] Dominique [Wilkins], Mozart, or Einstein to get a scholarship in Georgia,” one HOPE brochure proudly proclaimed, celebrating that the scholarship as an agent of opportunity for any deserving Georgia student.[120]

Especially following these changes, HOPE redistributed the lottery losses of Georgia’s low-income residents to middle- and upper-class families. While the scholarship provided access to college for some students, because it was merit-based rather than need-based, the majority of its recipients were high achieving students from the state’s best public high schools or its private institutions. College attendance in Georgia increased seven percent thanks to HOPE, largely because the scholarship succeeded in its mission of providing students an incentive to enroll in-state. At Georgia’s most exclusive universities—historically black Spelman College and private Emory University—every single in-state freshman was a HOPE scholar by 1999. The director of

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[119] Nancy Badertscher, “Miller Seeks Millions More for Education,” *Macon Telegraph*, January 5, 1994; Rick Dent, “Governor Miller Proposes Expansion of HOPE,” September 23, 1993, Folder 1, Box 28, Subseries A, Series IV, Zell Miller Papers, UGA.

[120] The HOPE Program, “With the HOPE Program, the Cost of Higher Education in Georgia is Getting a Lot Lower,” 1994-1995 academic year brochure (n.d., n.p.), Folder 8, Box 232, Subseries C, Series IV, Zell Miller Papers, UGA.

the Georgia Student Finance Commission happily reported that "the brain drain from Georgia has slowed down to a drip."[121]

However, the scholarship also widened the gap between black and white students as well as between rich and poor students. Approximately 80-85 percent of HOPE Scholars could have pursued higher education without the subsidy, meaning only one of every five HOPE Scholars needed the program in order to attend college.[122] Additionally, in order to receive HOPE, students were required to fill out Free Application for Federal Student Aid (FAFSA) paperwork.[123] For recipients of external aid, such as Pell Grants, this funding was applied to their tuition first, leaving HOPE to cover the remainder. Thus, the federal government effectively subsidized the scholarships of the state's poorest residents, and HOPE went to those too rich to qualify for other aid.

While the small minority of parents who needed HOPE reveled in the beneficence of the new scholarship, the remaining 80 percent accepted that the state's poorest residents underwrote their children's tuition. Many middle-class parents felt that HOPE was providing them with long-deserved government aid. David Moulton from Evans planned to attend Augusta College on a HOPE Scholarship and his mother Candy raved that the program "gives the good old middle class a break for once."[124] Similarly, Democratic State Senator Jack Hill justified the regressivity of the scholarship because "Middle-income America [sic] are the folks paying the taxes. It's a

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[121] No author, "'Brain Drain' Disappearing in Georgia," n.d. (approximately 1999), Folder 2, Box 6, Series I, Paul Brown Sr. Papers, UGA.
[122] Susan Dynarski, "HOPE for Whom? Financial Aid for the Middle Class and its Impact on College Attendance," Working Paper 7756, National Bureau of Economic Research (2000); Ross Rubenstein and Benjamin Scafidi, "Who Pays and Who Benefits? Examining the Distributional Consequences of the Georgia Lottery for Education," *National Tax Journal* 55, no. 2 (2002): 223-238; Christopher Cornwell, David B. Mustard, and Deepa J. Sridhar, "The Enrollment Effects of Merit-Based Financial Aid: Evidence from Georgia's HOPE Program," *Journal of Labor Economics* 24, no. 4 (2006): 761-786.
[123] Georgia Student Finance Commission, "HOPE Program Information," September 1993, Folder "94 Lottery," Box 45, Series IV, Jim Martin Papers, UGA.
[124] Mike McLeod, "Lottery to Cover More College Costs," *Augusta Chronicle*, March 21, 1994.

good time to do something for them."[125] Like Candy Moulton, Hill framed HOPE as middle-class restitution, acknowledging the regressivity of lottery sales but suggesting that neither poor nor wealthy Georgians paid taxes and that state services did not aid the middle-class. These comments drew a distinction between middle-class families—implicitly hardworking and taxpaying—and welfare recipients who lived off their tax dollars. This notion relied on a vision of welfare rooted in the Great Society that assumed all government benefits went exclusively to poor and black people. Hill and Moulton looked down on welfare recipients but ignored the often-obfuscated government assistance that aided the middle-class, including tax credits, airport subsidies, mortgage deductions, and military-industrial complex funding. For Hill and Moulton, the lottery would turn the tables: while the middle-class aided the poor through taxes, the poor could now return some of that money by buying lottery tickets to fund a scholarship for the middle-class.

Georgia's middle-class families celebrated HOPE even though it quickly became clear that some scholarship recipients were hardly in need of the funding. The popularity of HOPE among Georgia's wealthiest families led to the infamous phenomenon of the "HOPE Mobile." If their child received good high school grades and chose to attend an in-state college, some parents bought them a car with the money set aside for tuition. One study found the practice so common that HOPE was directly responsible for rising car sales in the richest 25 percent of Georgia counties in 1994 and 1995.[126] In a letter to Miler's successor, one Athens resident fumed: "I have a problem with Hope scholarship [sic] paying for wealthy kids to go to school free. … It is disgusting seeing rich kids drive around Athens in their $35,000 SUV's that their parents can

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[125] Foskett, "Tuition Pitch Not Much of a Gamble."
[126] Christopher Cornwell and David B. Mustard, "Merit-Based College Scholarship and Car Sales," *Education Finance and Policy* 2, no. 2 (2007): 133-151.

afford since college is free."[127] The HOPE Mobile, then, paralleled the popular image of a "welfare Cadillac," a symbolic stand-in for welfare cheaters living luxuriously on undeserved government benefits. While the Cadillac was associated with African-American welfare recipients, anger against the HOPE Mobile was directed less at the individuals who received government funding and more at the design of a lottery revenue system that benefitted the wrong people. Because HOPE recipients were predominately white and wealthy, frustration with their ill-deserved government benefits was not inflected with racial animus as it was for African-Americans. The HOPE Mobile inspired anger because most of the lottery's inequity was hidden, taking the form of scholarships distributed to the state's middle- and upper-class students. An SUV rolling through UGA campus offered a unique, visible, and egregious example of the regressivity of state lottery spending.

Other uses of lottery revenue further deepened class and racial inequality in Georgia. Borrowing from two decades of Republican rhetoric about "law and order," Miller, Clinton, and other Democrats instituted a series of tough-on-crime laws in the 1990s. In the announcement of his 1994 gubernatorial campaign, for example, Miller claimed that "Crime is the number one problem in this country. Crime is the number one problem in this state," and he asked voters to approve a ballot measure that ensured criminals served the entirety of their sentences and locked someone up for life with no possibility of parole after two violent crimes.[128] Miller also supported an even tougher version of the "three strikes law" implemented by other states throughout the decade, and Georgia was one of 14 states to enact a habitual offender law in 1994.

[127] Carolyn C. Adams to Roy Barnes, October 23, 2001, Folder "HOPE Scholarship," RCB 56394, Roy E. Barnes Gubernatorial Papers, GAA. 9963.
[128] Zell Miller, "Campaign Announcement Speech," April 24, 1994 in: Zell Miller, *"Listen to this Voice": Selected Speeches of Governor Zell Miller* (Macon: Mercer University Press, 1998), 159.

Lottery technology grants helped fund Miller's escalation of the war on crime. Lottery funds paid for video cameras in Cobb County schools, statewide "Safe Schools, Safe Streets" programming, and metal detectors for 70 schools.[129] Lottery money helped create what scholars have designated a "school-prison pipeline," a system that integrates law enforcement into schools and funnels students from classrooms into the penal system.[130] Like other forms of policing, this pipeline disproportionately targeted African-Americans, a population that bought a large share of lottery tickets, accounted for a large percentage of those caught up in the state's prison system, and constituted a disproportionately small share of HOPE Scholars.

These school security measures represented another use of lottery revenue that would have appealed to Georgia's middle-class suburbanites. As scholars have illustrated, tough on crime politics were implemented to attract middle-class voters, both white and black, often by using particularly racialized images of criminals.[131] A voter report for Georgia's Democratic Party noted that crime and education "are <u>very</u> personal issues … the symbioses of these two issues ('crime in schools') has evolved to become one of the most powerful symbols of voter anxiety in the 1990's."[132] Though some of the money was also spent on school computers, Miller's technology spending focused on the particular issue of school safety, promising that, by

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[129] Harriet Hiland, "Cobb Students to be Under Surveillance," *Marietta Daily Journal*, July 19, 1994; Gail Hagans, "'Safe Schools, Safe Streets' Campaign Under Way," *Atlanta-Journal Constitution* April 26, 1994, C8; Associated Press, "70 Ga Schools to Meet Students at Front Door with Metal Detectors," *Athens Daily News*, February 22, 1994, B1.

[130] On the School-to-Prison Pipeline, see: Richard Mora and Mary Christianakis, "Feeding the School-to-Prison Pipeline: The Convergence of Neoliberalism, Conservatism, and Penal Populism," *Journal of Education Controversy* 7, no. 1 (2013), article 5.

[131] Ian Haney López, *Dog Whistle Politics: How Coded Racial Appeals Have Reinvented Racism and Wrecked the Middle Class* (New York: Oxford University Press 2010); Michael Javen Fortner, *Black Silent Majority: The Rockefeller Drug Laws and the Politics of Punishment* (Cambridge: Harvard University Press, 2015).

[132] Emphasis in the original. Cooper and Secrest Associates, Inc., "Qualitative Investigation Conducted for the Democratic Party of Georgia (Confidential)," May 1993, 34, Folder 21, Box 157, Subseries C, Series IV, Zell Miller Papers, UGA.

fixing the threat of crime in schools, the state government could rapidly improve its educational facilities without addressing the systemic issues that made crime a problem in the first place.

Thus, even as it became clear that some families were receiving money they did not need, Miller championed the lottery—and HOPE in particular—as a crucial source of financial assistance for the state's beleaguered middle-class. While the governor did not celebrate the lottery's regressivity, neither was he apologetic that his signature program primarily benefitted students already on track to attend college. Instead, Miller continued to emphasize that the scholarship was providing "opportunity." Speaking in White County in 1994, Miller explained that, due to rising tuition costs, in other states "a college degree is out of reach for the families of many middle class students. But not in Georgia. If a student is willing to work hard in school, we are willing to help them further their education."[133] Miller reiterated that the role of government was to protect opportunity, not enforce equality. As long as every student had the opportunity to access education—regardless of whether they received the same resources to develop those opportunities—then the onus of success lay with each student. By claiming HOPE was about teaching students the value of hard work, Miller justified the fact that even the state's richest students could receive the scholarship. Every student deserved the chance to be rewarded for their efforts.

When he did address HOPE's inequity, Miller backtracked on the magical promises that had won him the governorship and secured the passage of the lottery referendum. "The first thing we knew from other states," Miller told the Atlanta Chamber of Commerce two weeks after

[133] *White County Telegraph* (Cleveland, GA), "HOPE A Success," February 9, 1994, 1.

tickets went on sale, "is that the lottery should not be regarded as a panacea for major problems. It is not a meat-and-potatoes revenue source, but a dietary supplement."[134] Though in 1992 he had promised that the lottery would secure Georgia's place in the twenty-first century global economy, a year later Miller insisted that even if the lottery continued at its record sales pace, it should be viewed as a bonus rather than a fundamentally important, "meat and potatoes" source of revenue. This metaphor denied that the lottery could have had any broad impact on the state education budget as a whole. Miller suggested that the lottery funds were large enough to pay for HOPE and prekindergarten—and were large enough that these programs would have a dramatic effect across the state—but were not so large that the money would be better utilized aiding traditional state education programs. Because lottery income could not provide a dramatic benefit for the entire state, Miller implied that it was preferable that it provide dramatic benefits for a few individuals instead.

Miller's speeches about HOPE in White County and Atlanta were two of his many appearances around the state in 1993 and 1994 to celebrate the benefits the lottery brought to Georgia. Gradually, these events set the stage for the governor's 1994 reelection campaign. Miller decided to run again even though he had promised in 1990 that he would only serve a single term and despite the fact that he had lost political points in a failed attempt to remove the Confederate Stars and Bars from the state flag ahead of the 1996 Atlanta Olympics. Nonetheless, as he had in 1990, Miller placed the lottery at the center of his campaign. In 1994, he attempted to take full credit for the passage of the lottery and for its dramatic impact on education statewide. In his speeches, Miller announced the implementation of school technology funding—the first lottery revenue spent by the state—and, when speaking at colleges or universities,

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[134] Zell Miller, "Remarks by Governor Zell Miller," Atlanta Chamber of Commerce/Downtown Atlanta Partnership, July 13, 1993, Folder 3, Box 38, Subseries A, Series IV, Zell Miller Papers, UGA.

highlighted the number of HOPE Scholars on each campus. Some of Miller's campaign promotions were indistinguishable from lottery advertisements. One newspaper ad named every HOPE Scholar in the local county, declaring that the students were "The *REAL* Winners of the Georgia Lottery." The "Zell Miller for Governor" logo appeared directly under the list of names, reminding voters precisely who was responsible for the new tuition program.[135]

Georgia Republicans were upset that Miller was able to draw on a deep well of lottery goodwill to connect with voters. They knew they could not compete with the fact that HOPE was Miller's brainchild and that it had provided Georgians with direct financial benefits. One Republican state representative grumbled, "This lottery money is being doled out like Christmas money to buy votes," accusing Miller of treating lottery revenue like a generous gubernatorial gift bestowed onto a grateful Georgia public. Another Republican legislator used a similar metaphor, informing voters, "Yes, Georgia, there is a Santa Claus and he's running for governor."[136] Though meant to disparage Miller, the Santa Claus comparison proved appropriate. If the promise of lottery-funded education programs had been a rabbit-in-a-hat trick in 1990, four years later, HOPE, prekindergarten, and school computers resembled toys on Christmas morning, presents bestowed by Miller that appeared seemingly out of nowhere, without any additional costs for taxpayers. Though Republicans aimed their derision at Miller, the comparisons implicitly criticized Georgia voters, as the legislators equated them with children hoping for a Christmas miracle. In this case, the early success of HOPE presented tangible

[135] Emphasis in the original. Zell Miller for Governor '94, Draft of newspaper advertisement (n.d., approximately 1994), Folder 16, Box 154, Subseries C, Series IV, Zell Miller Papers, UGA.
[136] Ken Foskett, "Lottery Money Intensifies Battles Over Ga. Budget," *Atlanta Journal-Constitution*, February 21, 1994, B1; Ken Foskett, "'94 Georgia Legislature: Miller Proposes $9.8 Billion Budget," *Atlanta Journal-Constitution*, January 13, 1994, E1.

evidence of Miller's magical abilities. The governor embraced the role of gift-giver, and he hoped Georgians would repay him on election day.

Voters did, in fact, give Miller credit for the benefits they received from the lottery. The mother of a UGA HOPE Scholar remarked that she was not sure if she had voted for Miller in 1990 but that she would "definitely vote for him" in 1994 because the "HOPE scholarship is helping out my son and it's helping a lot of other kids go to school."[137] Miller counted on the fact that the families who had benefit from the lottery would associate these benefits with him personally and would reelect him on this basis. "All voters with children or grandchildren under the age of 18 should be out campaigning for Miller," the Rome *News-Tribune* concluded, explaining that citizens could express their gratitude for the new education programs by reelecting Miller.[138] In a survey of Democratic voters, most respondents associated Miller with the lottery and praised him for following through on his promise but hoped his campaign would shift gears. One respondent noted of the lottery, "he has already got that passed, he needs more to run on." Thus, the surveyors concluded, "In 1990 Zell Miller was able to fashion a win from a hot issue … It seems, presently, unlikely that any single issue will emerge as the single key to the electoral lock in '94."[139]

Miller had other plans. The governor turned his reelection campaign into yet another referendum over the lottery, hoping it would once again work its electoral magic. In 1994, he thrust the lottery into the center of the election by claiming that the new educational initiatives were under threat. By doing so, he framed his campaign as an altruistic act of political service to protect the programs he had had fought for in 1992. Miller's opponent, Republican Guy Millner,

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[137] Frank Lomonte, "Miller Hoping HOPE Scholarship Will Woo Ga. Voters," *Athens Daily News*, June 26, 1994.
[138] *Rome News-Tribune* (Rome, GA), "Miller for Governor," October 9, 1994, 11A.
[139] Cooper and Secrest Associates, Inc., "Qualitative Investigation Conducted for the Democratic Party of Georgia (Confidential)."

had voted against the lottery in 1992 and, like other Georgia Republicans, supported a statewide referendum on the lottery every four years. Miller painted Millner as a lottery opponent who wanted to replicate the supplement/supplant Florida scheme, thereby draining money from HOPE and prekindergarten. "The reason I'm running for reelection," Miller told a crowd at Georgia Southwestern College in late September, "is to protect HOPE and the other lottery programs from being sabotaged by those who want to put the lottery funds into the general treasury to be used for other things."[140] Polls indicated that Georgians were still concerned about education. Though HOPE had not improved the state's education ranking as instantly as Miller had promised, it did provide benefits to individual families, and the governor warned that the scholarship would disappear if Millner won. One voter wrote that HOPE "has been touted as a panacea for students," and summarized Miller's reelection message as "No Zell, No HOPE."[141]

Miller's accusations against Millner proved sufficient to derail the Republican's campaign. Millner insisted that he wanted to improve HOPE rather than discard it, but Miller successfully removed the nuance from Millner's position, painting him as a lottery opponent. At an October debate, Miller stated, "No where [sic] is there a greater difference of opinion on any issue than between Guy Millner and Zell Miller than on [sic] the lottery issue."[142] Because the candidates generally agreed on issues related to crime, welfare, and the War on Drugs, any substantial debate, particularly regarding education, devolved into bickering over the lottery. Millner continued to insist that he supported HOPE but to no avail. On election day, Miller defied the "Republican Revolution" that swept the nation. Led by Cobb County's Newt

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[140] Zell Miller, "Remarks by Zell Miller," Georgia Southwestern College, September 21, 1994, Folder 1, Box 28, Subseries A, Series IV, Zell Miller Papers, UGA.
[141] John C. Adam, letter to *Atlanta Journal-Constitution*, October 27, 1994, 117.
[142] Atlanta-Journal Constitution, "Town Meeting Question: 'How Are You Going to Finance Education?'," October 19, 1994, C4.

Gingrich, ten previously Democratic governorships around the country and three of Georgia's congressional seats flipped to the GOP. Meanwhile, Miller once again rode the lottery to a narrow victory, (51-49).[143]

By 1996, HOPE proved so innovative that it drew national attention and spawned a wave of imitators. On June 4, President Bill Clinton delivered the commencement address at Princeton University and, with Miller seated on the dais, announced the formation of "America's Hope Scholarship," a tuition tax credit for high-achieving students aimed at making the first two years of college as universal as high school. As Miller's invitation to Princeton indicates, Hope purposefully built off the success of HOPE, and Miller joked at a press conference that "since I borrowed the President's name of his birthplace [sic] for my program … now he is being able [sic] to take it back."[144] Clinton mirrored Miller's HOPE messaging, and the president framed Hope as a crucial measure to allow the nation's students to step into the Internet Age, orienting the scholarship around access to education. By providing tax credits to students paying college tuition, the Hope Scholarship represented one of DLC Democrats' main efforts to embrace the rhetoric of a colorblind meritocracy and to use government to aid economic development. Mired in his own reelection campaign, Clinton also used HOPE to seize the mantle as a proponent of education and to do so by aiding middle-class families through the tax code rather than through additions to the federal bureaucracy.

Clinton was not the only politician eager to replicate Georgia's HOPE or Miller's electoral success. In the late 1990s and 2000s, with Georgia on their mind, other southern states pursued lotteries for themselves. First, Democratic gubernatorial candidates, borrowing the

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[143] State of Georgia, General Election Results, November 8, 1994, Folder 8, Box 154, Subseries C, Series IV, Zell Miller Papers, UGA.
[144] The White House, "Press Briefing by Mike McCurry, Gene Sperling, Bruce Reed, and Governor Zell Miller," Princeton, New Jersey, June 4, 1996, Folder 31, Box 261, Subseries E, Series IV, Zell Miller Papers, UGA.

Miller playbook, staked their election chances on lottery proposals. In the 1998 midterms, Alabama's Don Siegelman and South Carolina's Jim Hodges were the only two Democrats to unseat incumbent Republican governors, and both did so by placing the lottery at the center of their campaigns.[145] The lottery allowed Siegelman to seize the mantle as champion of education, and incumbent Fob James could not compete with the promises of new, tax-free revenue on behalf of the state's children.[146] In South Carolina, incumbent David Beasley had initially appeared unbeatable, but Hodges exploited the lottery issue to secure an unlikely victory. One notorious commercial depicted "Bubba," a convenience store owner wearing a UGA t-shirt, who noted that Georgians "appreciated" South Carolinians buying over $100 million worth of lottery tickets to benefit Georgia education. "Here in Georgia," Bubba concludes with a sly smile, "we loooooove David Beasley," arguing, as Miller had in Georgia years before, that voters could stem the tide of money flowing out of state and use that money to make immediate, dramatic improvements in education. The only impediment to this windfall, Bubba implied, was the obstinacy of South Carolina's Republican governor.[147]

While Siegelman and Hodges utilized the electoral benefits of lotteries in Alabama and South Carolina, Miller's education programs provided a model for lottery revenue distribution throughout the South. In his campaign, Siegelman proposed utilizing lottery funds for a merit-based college scholarship, prekindergarten, and school technology funding, explicitly mimicking the three components of Miller's lottery proposal. An advertisement supporting the state's subsequent lottery referendum explained that the measure offered a "once in a lifetime chance to

[145] Nelson and Mason, *How the South Joined the Gambling Nation*, 75.
[146] Harld W. Stanley and Christian Grose, "Alabama 1998: Luck Runs Out for the GOP and Christian Right as Democrats Gamble on the Lottery," in *Prayers in the Precincts: The Christian Right in the 1998 Elections,* eds. John C. Green, Mark J. Rozell, and Clyde Wilcox (Washington D.C.: Georgetown University Press, 2000), 153-154.
[147] C-SPAN, "South Carolina Gubernatorial Campaign Ads," October 1, 1998, https://www.c-span.org/video/?112722-1/south-carolina-gubernatorial-campaign-ads.

change education in Alabama forever," similar to the bountiful promise that had passed the lottery in Georgia in 1992.[148] Yet, following a vigorous campaign from the conservative Christian community, Alabama voters defeated the lottery, only the third time voters had rejected a lottery proposal nationwide since 1964.[149] Nonetheless, South Carolina, Tennessee, and Arkansas all enacted lotteries and promptly utilized the revenue to fund in-state merit scholarships, some of which even borrowed the name "HOPE." Florida, which had been a model of the mismanagement of lottery funds, also copied Georgia's education programs, adding a "Bright Futures Scholarship" in 1997. HOPE inspired the spread of merit-based scholarships more generally. As of 2011, 14 states, most of them in the South, offered large scale, merit-based scholarship programs, and eight states utilized lottery-funded merit scholarships. Studies from other states have found these programs as regressive as Georgia's groundbreaking HOPE Scholarship.[150] A 2002 report, for example, concluded that "the students least likely to be awarded a merit scholarship come from populations that have traditionally been underrepresented in higher education."[151] Despite the embrace of the rhetoric of "opportunity," these scholarships cement the inequalities inherent in the American educational system.

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[148] Mike Carson, "Lottery Sets Siegelman, James Apart," *Montgomery Advertiser*, September 22, '1998, 1A; Analog Indulgence, "Alabama State Lottery Political Ad 1999," https://www.youtube.com/watch?v=Ozv04ELhGm4.

[149] California voters rejected a lottery ballot initiative in 1964 and North Dakotans rejected a lottery referendum in 1988. On the failure of the lottery in Alabama lottery, see: Allen Tullos, *Alabama Getaway The Political Imaginary and the Heart of Dixie* (Athens, GA The University of Georgia Press, 2011), 148, 150; Randy Bobbitt, *Lottery Wars: Case Studies in Bible Belt Politics, 1986-2005* (Lanham, MD: Lexington Books, 2007), 79-118.

[150] Christopher Cornwell, Maciej Misztal, and David Mustard, "The Effect of Large-Scale Merit Scholarships on State Sponsored Need-Based Aid," (2009), unpublished manuscript; Donald E. Heller, "State Merit Scholarship Programs: An Overview," in *State Merit Scholarships and Racial Inequality*, eds. Donald E. Heller and Patricia Marin, (Cambridge, MA: The Civil Rights Project at Harvard University, 2004), 16.

[151] Patricia Marin "Merit Scholarships and the Outlook for Equal Opportunity in Higher Education," in *Who Should We Help? The Negative Social Consequences of Merit Scholarships* eds. Donald E. Heller and Patricia Marin (Cambridge: The Civil Rights Project at Harvard University, 2002), 114.

Beginning in 2003, Rome millworker William Griffin spent $1 every week on a ticket for Lotto South, a 6/49 jackpot game run by the Georgia, Kentucky, and Virginia lotteries. On New Year's Eve 2005, Griffin's gambling habit paid off. Defying 1-in-14 million odds—as well as his wife Rita who chastised him for wasting the family's money on lottery tickets—Griffin won $27 million, the largest jackpot in Lotto South's five-year history. Rita disclosed how important the newfound fortune would be for the family. Their eldest son, Tristan, was about to start his final semester of high school and the threat of paying college tuition had been "hanging over our heads." With little saved for Tristan's tuition, William had counted on his son receiving a HOPE Scholarship, but, as he cashed his ticket and received his lump-sum payout of $15 million, William sheepishly joked, "I don't think we'll need that anymore."[152] Yet, though Georgia raised the grade requirements for HOPE in 2000, Tristan was still eligible for the scholarship. In the first years of the Georgia Lottery, players had sought jackpots that would place their income far above the $66,000 cap, but Zell Miller had removed the income maximum in 1995. As a result, even the child of lottery multimillionaires could take advantage of HOPE, a scholarship funded by gamblers who, unlike William Griffin, would almost certainly never have their financial troubles solved by a miraculous jackpot.

The history of the Georgia Lottery reveals that the inequity of the HOPE Scholarship is not a flaw in the program's implementation but an intended consequence of an education initiative designed to aid a particular segment of Georgia's population.[153] The scholarship was intended to aid Georgia's middle-class families. In the 1992 referendum, Zell Miller claimed that

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[152] Christian Boone, "Lottery Winner Ignored Wife's Advice Not to Play," *Atlanta Journal-Constitution*, January 7, 2006, B4.

[153] This conclusion is contrary to that of Michael Lanford, who argues that Miller's changes "crippled the HOPE scholarship's effectiveness, damaged its ability to serve equity goals, and potentially endangered its future;" Michael Lanford, "The Political History of the Georgia HOPE Scholarship Program: A Critical Analysis," *Policy Reviews in Higher Education* 1, no. 2 (2017): 187-208.

by voting for a lottery—and *only* by voting for a lottery—these households could receive the magical gift of free in-state college tuition. Out of the desire for a scholarship or a genuine belief that a lottery would improve education in Georgia, the state's middle-class, and its poor residents lured by free prekindergarten, provided the votes to pass a lottery in Georgia.

Thus, family values politics resonated with suburban voters only to the degree that they did not interfere with the possibility of tax-free government services. While previous scholars have focused on the power of conservative evangelicals in the late twentieth century, lottery proposals present instances when the Christian Right proved woefully out of touch with the political mainstream. Miller knew education-minded voters would prove susceptible to his exaggerated promises because he himself viewed the lottery as an effective political strategy. The lottery secured him an electoral victory in 1990—when he proposed programs to increase education spending without increasing taxes—and again in 1994, when he was reelected by claiming that these new programs were under threat from antilottery Republicans.

Georgia illustrates the final evolution of the alchemic promises that facilitated lottery legalization in the United States. After failing to balance state budgets in the 1960s and 1970s and then failing to meaningfully aid education finances in places like California and Florida in the 1980s, by the 1990s even lottery advocates like Zell Miller recognized that any promise of a benefit for the entire state was not realistic. Instead, Miller geared the lottery around dividends for individual families. However, a lottery could not produce enough revenue to fund tuition for all of Georgia's students. Miller opted to create a merit-based program that would limit accessibility to the scholarship in an educational environment increasingly oriented around competition. Tying HOPE to grades meant only the deserving few would receive a scholarship. The lottery was not a handout to these students but compensation for their hard work.

This emphasis on individual achievement grew out of and served the political culture of the 1990s. Amid the rise of charter schools, a bipartisan assault on welfare, and a growing rhetorical disdain for large government, an education initiative geared around need rather than merit could have been associated with the welfare state. By making the scholarship merit-based, by allowing even the richest families to apply, and by providing funding to individuals rather than the entire education budget, HOPE fit a growing Democratic focus on opportunity for the best students rather than aid for every student. Georgia helped set off a trend of merit scholarships in the South and nationwide in the 1990s. In their pursuit of a panacea, Zell Miller and Georgia parents deepened the regressivity inherent in the nation’s state lottery system.

CONCLUSION

The state lottery system of 2019 looks remarkably similar to that of 1999 or even 1989. Instant and lotto games account for massive percentages of nationwide ticket sales while daily numbers sales remain steady. Lottery tickets continue to appeal primarily to poorer, lesser-educated, and non-white Americans, and many states continue to use lottery revenue in ways that generally favor wealthier families. Lottery expansion has slowed, but two states (Alabama and Mississippi) appear to be on the verge of enacting the 45th and 46th lotteries nationwide. Sales have reached a general plateau, but still generate consistent growth. Total sales may reach upwards of $100 billion per year within the next 10 years.

A few differences stand out, though. In their never-ending quest for an expanded player base, state lottery commissions have begun offering online lottery sales, hoping to shift away from what in many states remains a cash-only business. The goal of this initiative is not merely to increase sales but to entice younger people who do not play the lottery at the same rate that their parents and grandparents did. Another important change relates to the precise types of contemporary lotto games. Powerball and MegaMillions can now be played in all 44 lottery states and largely overshadow intrastate lotto games. Lottomania over massive jackpots—which has become an increasingly common phenomenon as Powerball and MegaMillions operators reduce the odds of winning—is now a *national* phenomenon, whereas twenty or thirty years ago it was confined to a certain set of participating states.

The recent developments in lottery operations indicate the continued harm this form of legalized gambling levels on American society. Despite lotteries' relatively small contribution to overall state revenue, legislators have become hooked on gambling income, in large part because they view it as something for nothing, revenue without taxes. However, this view can only endure so long as politicians turn a blind eye to lotteries' inherent regressivity and the rise in problem gambling that has spread like wildfire across the nation. As indicated by states' recent push to legalize sports gambling, the possibility of tax-free betting revenue provides an enduring appeal, one that will undoubtedly lead to the legalization of new forms of wagering in the future.

However, rather than take steps to bring lottery games into the internet age, states should gradually dismantle their lottery operations. Such a bold measure is unlikely to occur in part because of the argument that the eradication of the state lottery system would inevitably lead to the rise of privately-run lotteries. Free from direct state oversight, lottery advocates warn, these games could be even more exploitative and regressive than current lotteries. Yet, the popularity of lottery tickets is built around their ubiquity, a ubiquity only possible because the law permits their sale in gas stations and convenience stores across 44 states. If states outlawed all lotteries, illegal games would certainly reemerge, but they would remain relatively small and would not have the same reach into millions of American households as legal lotteries.

Lotteries have morphed far beyond their initial mandate. Lotteries were a worthwhile experiment in the mid-twentieth century when they could combat organized crime, but states should not adapt measures that will bring new generations into the gambling fold. Policymakers must acknowledge the harm that legalized gambling has caused and the regressivity of lotteries as means of taxation. Lawmakers and voters must also acknowledge the hard choices involved in budget-making, that state services require traditional taxes and cannot survive on creative means such as lotteries.

Like gamblers who continue to buy tickets hoping for a life-changing windfall, policymakers have continued their pursuit of tax-free gambling revenue, hoping that, this time, they will hit the jackpot. If lotteries continue to exist, they should be restricted, regulated, and stripped of the magic and majesty bestowed by misleading advertising that attracts millions of players to spend over a billion dollars on tickets every week. Lotteries are not singlehandedly responsible for the proliferation of magical thinking, but they are problematic for other reasons, and they are an unnecessary form of regressive taxation in an age of inequality.

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LIST OF ARCHIVES CONSULTED

Arizona
Arizona State Archives, Phoenix, Arizona (ASA)
Arizona State Library, Phoenix, Arizona (ASL)

California
California State Archives, Sacramento, California (CSA)
California State Library, Sacramento, California (CSL)

Colorado
Denver Public Library, Denver, Colorado (DPL)

Connecticut
Connecticut State Archives, Hartford, Connecticut (CTSA)
Personal Papers of Paul Silvergleid, Waterbury, Connecticut

Florida
Florida Legislative Library, Tallahassee, Florida

Georgia
Georgia Archives, Morrow, Georgia (GA)
Hargrett Rare Book and Manuscript Library, University of Georgia, Athens, Georgia.
University of Georgia Richard B. Russell Library for Political Research and Studies, Athens, Georgia (UGA)

Illinois
Illinois State Archives, Springfield, Illinois (ISA)
Illinois State Library, Springfield, Illinois (ISL)

Kentucky
Kentucky State Archives, Frankfort, Kentucky (KSA)
Kentucky Historical Society, Frankfort, Kentucky (KHS)

Massachusetts
Massachusetts Archives, Boston, Massachusetts (MA)
Massachusetts State Library, Boston, Massachusetts (MSL)
Records of the Massachusetts State Lottery, Braintree, Massachusetts.

Nevada
University Libraries Special Collections, University of Nevada, Las Vegas, Las Vegas, Nevada (UNLV)

New Jersey
New Jersey State Archives, Trenton, New Jersey (NJSA)
New Jersey State Library, Trenton, New Jersey (NJSL)

<u>New York</u>
New York State Archives, Albany, New York (NYSA)
New York State Library, Albany, New York (NYSL)
Rockefeller Archive Center, Sleepy Hollow, New York (RAC)

<u>Oklahoma</u>
Carl Albert Congressional Research and Studies Center, Norman, Oklahoma (CAC)

<u>Oregon</u>
Oregon State Archives, Salem, Oregon (OSA)

<u>Rhode Island</u>
University Libraries, University of Rhode Island, Kingston, Rhode Island (URI)

<u>Tennessee</u>
Vanderbilt University Television News Archive, Nashville, Tennessee.

<u>Virginia</u>
Library of Virginia, Richmond, Virginia.

<u>Washington</u>
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