

Stop Misleading Gambling Ads:
The LOTTERY USER'S RIGHT TO KNOW (LURK) Law.

AAI Position adopted 12-2-07

You can't get something for nothing. That's something Kansas progressives and moderates and religious conservatives and libertarians can all agree on. Therefore Kansas government shouldn't be telling people they can get something for nothing by gambling.

A majority of gamblers are simply having harmless, affordable fun. Unfortunately, others have more desperate motives. Lottery ads sponsored by Kansas State government shouldn't mislead people in financial trouble looking for an easy way out and hoping to get something for nothing. Kansas government shouldn't pander to gambling addicts looking for a fix. Kansas government shouldn't encourage gambling by gamblers who can't afford it when it hurts their families.

Also, lots of taxpayers think gambling money is replacing a substantial amount of taxes - they think they're getting something for nothing. They have been misled. Gambling doesn't and can't provide more than a tiny share of state plus local revenues in Kansas, it's currently around 1/3 of 1%.¹ Moreover publicly advertised gambling is associated with increased costs to state government from crime, bankruptcy, and social service demands. While these costs have never been studied in Kansas, studies in other states suggest they could exceed all the proceeds of the lottery.²

AAI does not oppose commercial gambling, and it does not oppose the Kansas lottery. What it does oppose is glamorization of gambling in ads endorsed by the State of Kansas. Therefore AAI supports a Lottery User's Right to Know (LURK) Law.

The LURK Law would simply require every gambling ad sponsored by the Kansas Lottery to carry a truthful but scary government warning, outlined in a black box, just as we do with tobacco. Or better, we should require several different truthful warnings in rotation. Here are some possibilities:

WARNING: gambling can be addictive.

WARNING: you are much more likely to have an automobile accident on your way to buy a lottery ticket than you are to win the lottery.³

WARNING: problem gamblers place a heavy burden on their families.

WARNING: this year well over 99% of lottery players will lose more money than they win.⁴

WARNING: lottery revenues pay far less than 1% of your Kansas state taxes.

WARNING: problem gamblers place a heavy burden on state taxpayers.

¹ Fiscal year figures for 2003-4 (most recent data year available from the Kansas Statistical Abstract and the Kansas Lottery Annual Report): total state revenues= \$11.04B, total local revenues net of transfers from state = \$7.54B, net

lottery proceeds = \$B.071.

² Estimated costs range from \$9000 to \$16000 per “problem gambler” (Westphal, Johnson, and Stevens, University of New Orleans, 1999). Between 2% and 6% of US adults are problem gamblers (Shafer, Hall, and Beldt, Harvard Medical School, 1997). After correcting for inflation this suggests total gambling costs to Kansas of between \$.4B and \$2B. However, only an unknown fraction of this cost can be attributed to the lottery.

³ The US average is around 2 accidents per million vehicle miles. Your chances of winning the jackpot from one ticket in a Powerball-type lottery are around one in 146 million. Therefore if you drive 5 miles and back to buy 10 tickets you are around 292 times as likely to have an accident as hit the jackpot.

⁴ Based on percentages calculated by a model available from AAI. The Lottery authority should be required to gather and publish more precise data.