

EXECUTIVE SUMMARY

This report follows up a 1989 study on the lottery play of Wisconsin residents. The 1989 study, which became IRP Special Report no. 50, was completed before SuperCash! and Megabucks, two lottery games that offer high payoffs but low probabilities of winning, were introduced in Wisconsin. The 1989 study also sampled too few African-Americans to permit any reliable racial comparisons. The present report, which, like the prior one, was commissioned by the Wisconsin State Lottery Board, represents an improvement on both counts. Data on who plays SuperCash! and Megabucks, how often they are played, and how much players spend on each are presented and analyzed. And with the help of Survey Sampling Incorporated, a sample of African-American residents in Wisconsin large enough to permit reliable racial comparisons has been obtained.

There are two samples used in this study. One is a sample of Wisconsin residents, randomly selected from across the state; the other, as was just mentioned, is a sample of African-American Wisconsin residents. The random sample of Wisconsin residents, called the "statewide" sample in the tables of this report, contains 542 people. It is based on a cross-sectional sample of fifteen hundred telephone numbers purchased from Nielsen Media Research. The African-American sample is drawn from an initial list of nine hundred telephone numbers of households in Wisconsin census tracts whose population is 30 percent African-American. All nine hundred numbers were called, and only those respondents who identified themselves as African-American (n=225) were interviewed.

The data are from Computer Assisted Telephone Interviews conducted by the investigators. Each interview lasted an average of fifteen minutes.

Before analyzing the data, the investigators present information on a number of important items. How frequently did Wisconsin residents play lottery games in 1990? How much did lottery players spend per month? What percentage of their income did they spend? Which of the four games--Scratch-Off, Pull-Tab, SuperCash!, or Megabucks--were the most popular? In addition, we

learn about the attitudes Wisconsin residents have toward lottery games and how well they understand how the lotteries work.

The analysis consists of cross-tabulations and a logistic regression. The cross-tabulations, which make up the brunt of the report, allow one to see the interrelationship between two or more variables. For example, what percentage of whites and African-Americans play lottery games? Or, who spends more per month on lotteries, those younger than fifty or those older than fifty? The investigators use cross-tabulations to illustrate the relationship among demographic characteristics (e.g., age, education, income), attitudes toward lotteries, how frequently residents play lottery games, and how much they spend on them.

Cross-tabulations, however, cannot let us know if the interrelationship between variables is necessary or incidental. That is, to take one of the examples just mentioned, cross-tabulations cannot tell us if someone is more disposed to play the lottery because he is white or black; perhaps the white people in the sample are indeed more likely to play the lottery, but this may be because they have high incomes, not because they are white. To determine which demographic attributes and what attitudes toward lotteries actually "cause" one to play the lottery, a logistic regression analysis is needed. In chapter 6 of this report, the investigators present such an analysis. They simultaneously analyze the effects of variables such as gender, age, and attitudes toward lotteries on the selected outcome of interest--in this case, whether or not one plays the lottery.

SUMMARY OF MAJOR FINDINGS

1. The number of state residents who play the lottery has changed little since 1989. As reported in 1991, about three out of five played it sometime in the prior year.

2. Lottery spending is becoming more concentrated among those who spend more. Currently about 10 percent of the state's populace (16 percent of lottery players) account for nearly 75 percent of all lottery revenue.
3. Scratch-Off and Megabucks are the most widely played lottery games. And heavy-spending players prefer SuperCash! over Megabucks, but the reverse is true for light-spending players.
4. Attitudes toward the lottery have changed little in the past two years, except that overall approval of the lottery may be slipping.
5. Few state residents (less than 5 percent) report that lottery play creates personal problems for them.
6. Residents least likely to play include those who are either extremely poor, aged, either without high school diplomas or with college degrees, or who do not participate in other forms of gambling.
7. African-American and white respondents are equally likely to play the lottery, and spend comparable amounts of their income on it.
8. African-American respondents, relative to whites, report more personal problems associated with lottery play.
9. Demographic differences exist in who plays the lottery. Men, young people, married people, high school graduates, and those with some college but no degree are the most likely to play. The bulk of these differences existed in 1989 and 1991; thus the basic profile of lottery players in Wisconsin has changed little since 1989.
10. The effects of demographic characteristics upon lottery play is mediated by attitudes. Specifically, the effects of gender appear to be mediated by participation in other, non-lottery forms of gambling; the effects of education, by attitudes toward the lottery; and the effects of age, by both other gambling and attitudes.