

Executive Summary

This report represents the third in a series of studies of Wisconsin lottery play and attitudes held by Wisconsin residents toward lottery issues. As with the prior reports of 1989 and 1991, the current study was conducted by the Wisconsin Gaming Commission through the Institute for Research on Poverty, University of Wisconsin-Madison. To our knowledge, no other state lottery has access to the type of time-trend data that have been acquired through this series of repeated surveys and analyses.

The 1995 Wisconsin Lottery survey involved a total sample of 2,276 Wisconsin residents. This included a statewide sample of 2,084 individuals divided into five geographic regions, along with a specially selected oversample of 192 African-American Wisconsin residents. The use of these two samples allows for reliable racial and regional comparisons. The data are from Computer Assisted Telephone Interviews conducted by the investigators from November 30, 1994, through February 19, 1995. 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 1994? How much did lottery players spend per month? What percentage of their income did they spend? In addition, we learn about the attitudes Wisconsin residents have toward lottery games and how well they understand how lotteries work.

The analysis consists of cross-tabulations. These allow one to see the interrelationship between two or more variables. For example, what percentage of males and females play lottery games? Or, who spends more per month on lotteries, those with high incomes or those with low incomes? 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.

Three chapters of special interest are then presented. The first investigates racial differences in lottery-relevant issues, such as play of and attitudes toward lottery games. The second examines regional differences throughout Wisconsin on these same issues; the 1995 study marks the first analysis of geographic differences of the three lottery studies, and is possible through the larger sample size of the 1995 survey. Finally, a chapter is devoted to the potential introduction of a sports lottery in Wisconsin, including residents' reported voting stance on a referendum pertaining to a sports lottery creation, their reported likelihood of playing such a sports lottery along with their style of play, and their reported preferences regarding how the proceeds of such a sports lottery should be allocated.

SUMMARY OF MAJOR FINDINGS

1. Lottery participation has dropped somewhat since 1991. The proportion of Wisconsin residents who play the lottery most frequently, however, has doubled during the same time span.
2. Among players, lottery expenditures have leveled off since 1991. The extent of concentration of lottery spending among the heaviest lottery players also remains similar to that present in 1991.
3. The percentage of household income spent by Wisconsin Lottery players has dropped since 1991, a drop that can be accounted for by the higher incomes of the 1995 sample members. This indicates that as incomes have increased, residents have not used their extra income to increase their lottery expenditures.
4. Lottery players have diversified, rather than increased, their participation in lottery games to accommodate the new games introduced since 1991.

5. SuperCash! and Pick-3 are the lottery games most preferred by those players spending high amounts on the lottery, relative to those spending low amounts; Megabucks is more preferred by players spending lower amounts of money on lottery wagers.
6. While overall average approval of the lottery has slipped somewhat since 1991, a greater proportion of residents express high approval of the lottery.
7. Multiple demographic correlates exist of lottery play and amount spent on the lottery. On average:
 - Those with low incomes are less likely to play the lottery than are those with higher incomes, and they are more likely to spend fewer dollars but a higher proportion of their incomes on lottery wagers.
 - Widowed respondents are least likely to play the lottery and they spend less on lottery purchases, but, relative to other respondents, they spend the largest percentage of their incomes on the lottery.
 - Those with the highest and lowest levels of education are less likely to play the lottery than are those with intermediate levels of education. College graduates spent the fewest dollars and the lowest percentage of their income on the lottery.
 - Men are more likely than women to play the lottery, and they spend more on it.
8. We found several attitudinal correlates of lottery play and amounts spent on the lottery. Evidence also suggests that overall, Wisconsin residents appear to view their lottery play as a form of entertainment rather than as an attempt to improve their financial standing.
9. Wisconsin residents differ in their overall attitudes toward lotteries based on demographic characteristics. In general, those with low levels of income, those who are widowed, older respondents, and those with high or low levels of formal education express the lowest levels of approval of the lottery relative to other respondents.

10. Fewer African-American Wisconsin residents reported playing the lottery than did Caucasian residents. Whites were more likely to play pull-tab games and Powerball, while African-Americans were more likely to play SuperCash!, Pick-3, and Money Game 4.
11. Among lottery players, African-Americans play the lottery almost twice as frequently, on average, as whites. African-American players also spend nearly three times as much on the lottery, and three times the percentage of their incomes, as do white players. Controlling for income, however, presents a different picture: among those earning less than \$20,000 annually, no significant differences arise between white and African-American lottery players. It is only among those players earning more than \$20,000 that the significant race differences emerge in terms of lottery play frequency and amount spent.
12. Regional differences exist with regard to lottery play. Residents of the northwest region of the state report lower participation in the lottery overall and in several specific lottery games.
13. Similar differences are found on attitudinal scores, with those residents in northwestern Wisconsin expressing the least overall approval of state lotteries.
14. Regarding the potential creation of a new sports lottery:
 - The majority of state residents would support such creation in a referendum;
 - The majority of state residents, however, would not play the sports lottery;
 - Over two-thirds of those who would play the sports lottery would not reduce their existing lottery participation to do so; and
 - Most residents who would play the sports lottery would be more likely to do so if the proceeds were used to fund sports facilities throughout the state, and less likely to do so if the proceeds were solely directed to the construction of a new stadium for the Milwaukee Brewers.