Why do progressive governors support lotteries?

By Sheldon Jacobson

Some will argue that income and sales taxes are mandatory, while buying a lottery ticket is voluntary. This is certainly the case for someone who buys a ticket on occasion as a form of entertainment. Yet for those who have a gambling addiction, there is little choice.

For states that support progressive income taxes, lotteries are their antithesis. For example, California had more than $8 billion in lottery ticket sales in 2021. It also has a highly progressive income tax structure, with several income tax brackets.

If governors are committed to progressive income taxes, banning lotteries is in line with this stance. For those with no income taxes or flat income taxes, lotteries are consistent with such policies.

The optics of such a change would be disastrous; hence, it is certain to never occur. If anything, lotteries will continue to expand, not shrink, given how they are effective in generating revenue for state coffers. Moreover, their very regressive nature means that the people who are the most negatively affected by them are also the people with the least political clout to do anything about them.

Every time the Powerball or Mega Millions jackpots cross $1 billion, every state treasury grows a little faster. The net effect is a regressive tax that few progressive governors are willing to acknowledge.

Sheldon Jacobson is a professor in computer science at the University of Illinois at Urbana-Champaign. A data scientist, he applies his expertise in data-driven, risk-based decision-making to evaluate and inform public policy.