



THE NELSON A.
ROCKEFELLER INSTITUTE OF GOVERNMENT

The public policy research arm of the State University of New York



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Powerball No Panacea for State Coffers

Across the country, all eyes are on the record Powerball jackpot and while one or more lucky winners may be sharing a fortune, what will ticket sales do for state revenues? According to Rockefeller Institute researchers Lucy Dadayan and Don Boyd, every dollar brought in by states helps, but net revenues from lottery sales are not big in the scheme of state budgets. In their most recent *By the Numbers Brief*, Dadayan and Boyd indicate that gross lottery sales in fiscal year 2014 were approximately \$70.2 billion, and yet net revenues for state budgets after payment of prizes, administrative costs, and other expenses made up a more modest \$18.1 billion return to states, or about 2 percent of tax revenue. Despite the fact that lottery revenues are frequently directed to dedicated purposes (e.g., education), higher lottery revenue does not necessarily translate into increased state spending for those purposes.

To view the report, go to www.rockinst.org/pdf/government_finance/2016-01-By_Numbers_Brief_No3.pdf.

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About the Rockefeller Institute of Government

The Nelson A. Rockefeller Institute of Government is the public policy research arm of the State University of New York. The Institute conducts fiscal and programmatic research on American state and local governments. Journalists can find useful information on the Newsroom page of our Web site, www.rockinst.org.

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