



Running the Numbers on Lotteries and the Poor: An Empirical Analysis of Transfer Payment Distribution and Subsequent Lottery Sales

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Abstract

State lottery revenues are shown to increase during the week that transfer payments are distributed. The timing of the increase in lottery purchases suggests that a portion of the transfer payments is used to purchase lottery tickets. In addition to providing information on the timing of lottery purchases, this study finds that sales of Pick 3 and Pick 4 tickets increase during the period, while sales of Pick 5 and Pick 6 games do not, suggesting a general preference for the relatively higher probability, smaller jackpot games for the group.

Please contact the authors if you have any questions or wish to obtain a copy of the paper.