

THE ARGUMENT

Should the Massachusetts State Lottery expand to include online play?

Read two views and vote in our poll below.

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CHARLES KRUPA/ASSOCIATED PRESS

YES

Deborah Goldberg

Massachusetts state treasurer



Deborah Goldberg

The world is moving online — not just lotteries. We are behind the curve.

Coming from a retail background (Stop & Shop), I think like a retailer. When I arrived as state treasurer in 2015, I was skeptical that we needed an online lottery and needed to be convinced the move would not hurt retailers.

After watching the success of online lotteries in neighboring states and across the country — where they have had a positive economic impact — I have become accepting of online lotteries.

Data from a nonpartisan Spectrum Gaming study shows retailers will not be hurt by an online lottery. In Michigan, there has been positive growth for its traditional and online purchases. During the early part of the pandemic when people did not go out, the Michigan online lottery netted \$1 million a day in lottery revenue.

We value brick-and-mortar retailers. They get a commission for selling lottery tickets. They get a portion of winnings and lottery sales help their local communities. We want to work with the retailers, not against them.

The lottery revenue benefits the whole state. Over the course of its history, the lottery has turned over \$31 billion in local aid, has paid out \$100 billion in prizes and \$8 billion in commissions.

An online lottery can attract new customers that are more likely to play using a phone or computer. While sports betting is estimated to bring in \$60 million a year in tax revenue, the online lottery revenue is projected at \$200 million a year, after it has been running for two to three years.

The online lottery proposal is part of the Massachusetts Legislature's budget discussion. Profits from the online lottery will be dedicated to offsetting the cost of child care. This is important because the lack of child care is restricting the state's economic growth across all sectors.

For those concerned about problem gambling, online lotteries are able to create self-exclusion lists, as well as deposit and spending limits — something that is currently not available with the anonymous purchasing of lottery products at retail locations. Registration with Social Security number verification will guarantee the age verification of players. Lastly, play history can be monitored in real time, allowing players to assess their overall performance and trends to allow them to make informed decisions.

NO

Robert Mellion

Executive director/general counsel, Mass Package Stores Association



Robert Mellion

Moving the Mass. State Lottery online will put the state in direct competition with local businesses. Small retail convenience and package stores will be negatively impacted.

It is not the sale of lottery tickets that is profitable for small stores. The state has not increased the 5 percent earnings ratio for lottery sellers in 45 years. The real benefit comes from ancillary purchases, when people come in for lottery tickets and they also buy things like milk, beer, or wine.

An online lottery mechanism means people will not have to come into the stores anymore, which will create losses for retail outlets that already have taken hits because of the 2020 flavored tobacco ban, municipal bans on small bottles, and pending municipal plastic bans. Stores, suppliers, and wholesalers have reported the introduction of retail cannabis already has had a 4 percent to 6 percent negative impact on Massachusetts alcohol sales.

The data the state is using to say the online lottery will not have measurable impact on retailers comes from the states of New Hampshire, Virginia, Pennsylvania, and Michigan, where the state controls alcohol sales. In Massachusetts, 100 percent of the alcohol retailers are private — stores that will lose sales if there's an online lottery.

With an online lottery, the state will be using tax dollars to compete against the existing retail outlets. Mom-and-pop stores are struggling to survive and these locally owned stores feel like their elected officials don't care. Second and third generation owners are getting out of the business. Since 2018, about 800 — or one third — of the retail liquor licenses in the state have been transferred and most are going to corporations like Target, Cumberland Farms, and Market Basket.

The state does not need the online lottery. Massachusetts has the most successful lottery in the country. Last year the Mass. Lottery net profit was over a billion dollars, and the year before was a record-breaking \$1.112 billion.

Moving online is a response to the Legislature's approval of sports betting. The fear is that people will move from playing the lottery to online sports gambling. This is a problem the state created for itself and now wants to solve by hitting small businesses.

As told to Globe correspondent Linda Greenstein. To suggest a topic, please contact greensteinlm@gmail.com.