State Lotteries and the New American Dream

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ABSTRACT: This paper analyzes state lotteries in the economic and cultural context of the late twentieth century. As access to traditional meritocratic advancement declined, many Americans perceived lotteries as new means of attaining increasingly elusive upward mobility. Their turn to lotteries was facilitated by grassroots coalitions as well as lottery advertisers who claimed lotteries as effective means of making money. The relationship of lotteries and social mobility reveals the full implications of lottery playing in the United States and the reasons this form of gambling has assumed new importance as providing access to the American Dream.

Keywords: Lotteries, Social mobility, American Dream, advertising, inequality,


In October 1984, Matthew Turner's numbers finally came through. Though he had recently found steady work as a truck driver, Turner and his family had faced financial difficulties in recent years and lived in a low-income apartment complex outside of Boston. Their monetary concerns quickly disappeared, however, when Turner won $6.5 million in the Massachusetts Lottery's Megabucks game. Having seen his fortunes reverse so markedly and so quickly, as he went to collect the first of 20 annual installments of $244,000, Turner kept repeating one thing: "Only in America, only in America," implying that his rapid financial windfall and ascent up the social ladder represented a particularly American phenomenon, the fulfillment of a certain national promise.¹

Turner is one of many Americans who have struck it rich by winning the lottery since the emergence of state lotteries in the final decades of the twentieth century. His “Only in the America” quip gets at the heart of a previously unexplored phenomenon in the history of American gambling: the relationship between lotteries and upward mobility. This paper examines this relationship, illustrating that the shifting economic conditions of the late twentieth century laid the groundwork for newly-legalized lotteries to assume a new importance in providing upward mobility for many Americans. While state officials and lottery-company representatives championed lotteries as harmless and voluntary means of raising government revenue,
conditions at the grassroots meant that lotteries would not remain strictly a form of entertainment. Instead, winning the lottery became perceived as an important and accessible means of achieving the American Dream.

To examine the intersection of lotteries and the American Dream, this paper considers the rise of lottery playing in the economic, social, and cultural context of the late twentieth century United States. I argue that lotteries have transformed the way upward mobility works due to how lotteries have been marketed as well as working-class Americans’ experience of a changing economy. Drawing especially from sources found in the Special Collections Library at the University of Nevada, Las Vegas, this paper examines rates of social mobility in the post-World War II period and illustrates how state agencies and private companies presented lotteries as reliable means of monetary gain to replace a failing model based on hard work. Ultimately, I illustrate that, while upward mobility has always been a matter of chance, for many Americans it has increasingly become a gamble.

Before delving into analysis of modern state lotteries, two additional notes deserve mention. First, there is no single definition of “the American Dream.” As Jim Cullen notes in his history of the term, there have been many “American Dreams,” many manifestations of hope for the future built around the specific promise of life in the United States. In this paper, I mean the term by its modern definition which, according to Cullen, is that “in the United States anything is possible if you want it badly enough,” with the implication that American citizenship promises the opportunity to strive for material wealth and a life better than that of one's parents.

Second, this paper will look at the relationship of lottery playing and social mobility in the era of legal state lotteries, with a particular focus on the 1970s, 1980s, and 1990s. However, the experience of gamblers—and especially lottery players—seeking out a better life and financial reward through games of chance is not a new phenomenon. As early as the sixteenth and seventeenth centuries, gambling historian David Schwartz shows, some gamblers played games of chance “not as a rare entertainment, but as a shortcut to wealth and leisure.” Lotteries, more so than other forms of gambling, offered anyone who played the chance to get ahead. Because they were based on mass participation and did not require players to share a physical space, marginalized people could join in and, at times, win. Such was the case when Denmark Vesey, a slave, bought his freedom with funds won in an 1800 lottery in South Carolina. That he led one of the nation's most famous slave revolts 22 years later only confirms what Schwartz calls the “social upheaval inherent in lotteries.”

State Lotteries in Context

Much like they were hundreds of years ago, lotteries in modern America are big business. Following New Hampshire's lead, states began legalizing lotteries in the mid-1960s and, by 1992, 30 of the currently operational 44 state lotteries had been formed by either public referendum or legislative action. As lotteries spread across the nation, lottery playing became a widespread phenomenon. In 2014, Americans spent over $70 billion dollars on lottery tickets, more than they spent on music, books, sports tickets, video games, and movie tickets combined. While certain populations play more than others, according to the Pew Research Center, 25% of Americans buy a lottery ticket at least once a week and over 50% have bought one in their lifetime. One 1986 survey claimed that up to 70% of the American public had bought at least one lottery ticket, with 16% claiming that they spent over $10 a month on tickets.

As lotteries were introduced in state after state between the 1960s and 1990s, they faced waves of criticism from across the political spectrum. One common critique, often invoked by both liberal politicians as well as representatives of conservative Christian churches, maintained that lotteries would exploit the poor, taking advantage of their lowly economic condition for state profit. For example, Revered Bill Young, who helped lead a crusade against a lottery in Georgia in the late 1980s, told CBS that he wanted “to be remembered … as the man who stood for the poor of our community. The lottery is cruel [and] is seducing the poor with a bogus American Dream.”

Like Young, many lottery critics worried not only that the poor would waste their money on the lottery, but that it presented the false promise of the American Dream. In particular, a large cohort of lottery opponents argued that the existence of massive lottery jackpots—especially those promoted by the state—would undermine Americans’ traditional work ethic. For these critics, hard work represented the only proper to achieving the American Dream whereas lotteries subverted this vital path to success. For example, conservative columnist George Will wrote in Newsweek that: “The more people believe in the importance of luck, chance, randomness,
fate, the less they believe in the importance of stern virtues such as industriousness, thrift, deferral of gratification, diligence, studiousness.” Across the political aisle, California school superintendent Bill Honig further commented on the particular irony of states passing lotteries in order to provide funding for education: “All of us feel a little queasy ... What kind of message is that to kids: That you don't have to work hard because lightning will come out of the blue?” Similarly, one Omaha World Herald columnist in 1989 sneered that “The deepest roots of our work ethic are being poisoned by government encouraging its citizens to gamble.” Nebraska’s governor, Kay Orr, concurred. She stated that a lottery “teaches people the wrong thing ... I think the great reward is being able to have the fruits of our own labor.” Therefore, she condemned advocates who looked at lotteries “as their version of the American Dream.”

However, these defenses of an American Dream rooted in a traditional work ethic were based on increasingly inaccurate and outdated understandings of the American economy in the late twentieth century. Following waves of factory closure and the emergence of service work that put college education at a premium, the value of simply ‘working hard’ was vanishing. For many white working-class Americans, access to financial stability—not to mention upward mobility—largely disappeared between the late 1970s and 1990s. Despite longstanding claims that the United States remains a land where anyone can strike it rich, economists have illustrated that, since 1971, rates of social mobility in the United States have remained markedly low. The chance of anyone reaching the top quintile in income remains highly correlated to their birth income, more so than it was in the middle of the century and more so than is currently the case in Canada and many European countries.

Corresponding to this shrinking access to social mobility, popular perception of the effectiveness of the traditional meritocracy has declined. For example, the number of Americans who agreed with the statement “hard work always pays off” fell from 58% in 1968 to just 36% in 1984. While polls indicate that Americans are more likely than residents of other countries to believe in the value of hard work, these numbers have fallen in recent years as well, with the percentage of Americans who believe that their nation is a “land of opportunity” dropping from 87% in 1952 to 52% in 2013. Thus, when lottery critics championed the value of hard work, they ignored that, for many Americans, these possibilities were rapidly disappearing. Lottery critics who defended a traditional vision of social mobility belong among the ranks of other social conservatives who, according to historian Robert Self, have “put forth a family facing not economic hardship but moral assault … [seeking] not to assist families economically but to protect them from moral danger.” Lottery playing was not a choice of one form of social mobility over the other, but a replacement for a value system no longer suited to actual economic conditions.

The importance of this economic context for the surging lottery sales of the 1980s was acknowledged by no less than Victor Markowicz, former executive for GTECH, the world’s largest lottery corporation. In a 1988 editorial in Public Gaming International, Markowicz wrote that he envisioned a bright future for American lotteries thanks to corporate centralization as well as the declining number of self-employed Americans. He predicted that these trends would “contribute to the growth of the lottery industry” by helping spread lottery playing among the middle-class:

The business opportunities that once allowed people in America to get rich are shrinking ... In spite of the fact that people have good opportunities for advancement, they are unable to take the kind of quantum jumps that were available in the past. So disposable income has been going up, just as big dream opportunities have been narrowing down. Everybody needs a dream. The lottery is a vehicle for the realization of that dream. Because of the downward trend in self-made wealth, there [is] less and less competition with the lottery to be the potential provider of the dream. Markowicz explicitly compares dreams of profits from the lottery with those from work and business, implicitly arguing that lotteries represent the new locus of American aspirations for upward mobility.

In the modern United States, lotteries have filled the void of the old meritocracy and have cemented themselves as new avenues for the American Dream. In 2010, almost as many Americans stated that the most likely way for them to get rich was through winning the lottery (15%) as starting their own business (20%) or a high-paying job (19%). Similarly, in a 1992 sociological survey of a midwestern city, nearly 45% of respondents stated the most likely way they could get rich was through winning the lottery. While many players purchase lottery tickets for entertainment, a 1986 Los Angeles Times poll found that poorer people were more likely to say that they played “for money” rather than “for fun” or for both equally.
Lottery critics, players, and promoters have confirmed Markowicz’s assertion that the lottery remains popular in large part because it offers otherwise unavailable opportunities for life-changing sums of wealth. Sylvanus Duvall, who investigated lotteries for the Methodist General Board of Christian Concerns in 1964, maintained that “poor and moderate-income families [have] come to feel that ‘hitting the jackpot’ is the only way they ever will be able to extricate themselves from shabby living conditions.” One 1981 lottery winner confirmed Duvall’s assessment, calling his $1 million jackpot “a poor man’s dream come true.” In an economy bereft of opportunity, players envision lotteries as their best hope. An editorial in the inaugural issue of Lottery Players’ Magazine 1981 commented on inflation wreaking havoc on the nation’s pocketbook and its effects in driving up lottery sales. The editors wrote that the average citizen “busting his bones to make ends meet … is certainly a prime candidate for a lottery ticket.” This was because a growing number of citizens had realized “that the American dream has changed addresses. It’s no longer there at number of citizens had realized “that the American dream has changed addresses. It’s no longer there at

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the workplace. To find the American dream these days, check in at your local lottery sales agent’s busy room at the top.”

Irrespective of what we believed,” Lewis concludes, “there is simply not much room at the top.”

Selling the American Dream

Players’ hopes for lottery winnings in the face of infinitesimal odds was not entirely a response to shifting economic terrain. It was not inevitable that millions of Americans would place their hopes in lottery jackpots to provide much-needed wealth. For instance, many lotteries were unpopular in their early years, in part due to competition from illegal numbers games, accusations of corruption, as well as expensive tickets and infrequent drawings. Yet, lottery advertisers have purposefully prepared the perception that lotteries would provide players with huge jackpots that would replace the difficulties of their daily jobs. Though it was essentially illegal for state lottery agencies to advertise until a 1975 Supreme Court decision, advertising proved crucial to the success of lotteries in the decades that followed. In 1994, one Massachusetts lottery official predicted that a reduction in his agency’s advertising budget would result in a 20% decline in revenue.

Since the 1980s, lottery advertising has focused primarily on offering players the promise of wealth and profit. In the early years of lottery advertising, advertisements educated potential players about the lottery, telling them how to play and illustrating where the money went. In the 1980s, however, as more lotteries outsourced operations to private companies, advertisers increasingly marketed lotteries as viable alternatives to work and traditional modes of meritocratic advancement. One assessment of television advertisements from 1987, for example, revealed that 23% of ads provided information about the lottery, 15% emphasized the excitement of playing the lottery, and 62% emphasized the chance of winning a jackpot or players’ opportunities to change their lives. Similarly, many lottery slogans emphasize that, with a little luck, players could profit fabulously from a small wager. Kentucky’s lottery claims “Somebody’s Gotta Win, Might as Well Be You” while a former New Jersey Lottery slogan entreated players to “Give Your Dream a Chance.”

Accordingly, the notion that lotteries represented a manifestation of the American Dream has proven a major theme of lottery advertising. A series of advertisements from the New York State Lottery prove illustrative. One 1986 television commercial featured a gathering of players from around the world, all of whom, the commercial claimed, had won a jackpot in New York’s Lotto 48 game. One winner, from Italy, called winning the lottery “an American Dream come true” to a loud agreement from the assembled...
millionaires. A more recent television spot shows a man named Tony riding on a boat through New York harbor while a narrator describes that, for his entire life, Tony has “pursued the American Dream. The good life. The freedom and opportunity that Lady Liberty has always stood for.” After looking out on the State of Liberty, Tony walks off the boat while the announcer explains that Tony is “about to get his hands on the American Dream.” Yet, rather than reveal that Tony is a new immigrant who has come to America seeking a better life, the commercial shows Tony at a convenience store counter where he purchases a ticket for the “Liberty’s Millions” instant-scratch game. The next we see Tony, he is again riding a boat, but this time, it is his own yacht: “with 12 chances to win up to $1 million dollars,” the announcer concludes, “You could make your American Dream a reality.”

Similarly, in 1989, the New York Lottery took out a billboard in New Jersey in 1989 that showed a couple with eight children in a tenement apartment with writing in Spanish: “The New York Lottery helped me realize the great American Dream.” Yet, rather than reveal that Tony is a new immigrant who has come to America seeking a better life, the commercial shows Tony at a convenience store counter where he purchases a ticket for the “Liberty’s Millions” instant-scratch game. The next we see Tony, he is again riding a boat, but this time, it is his own yacht: “with 12 chances to win up to $1 million dollars,” the announcer concludes, “You could make your American Dream a reality.”

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The American Dream is alive and well in the good life we all seek.

The American Dream is thrivin’ well in the Lottery every week.

Taking a shot for a buck, why not?

’Cause strange as it might seem, everybody has an equal chance to advance

When livin’ the American Dream.

This song draws on one of the fundamental elements of the American Dream—that everyone citizen has an equal chance to succeed—and applies it specifically to lotteries. This was also the theme of a 1990 commercial for the California Lottery’s Super Lotto game whose announcer stated that “In America, we do not have kings or queens…What we have is something far more democratic. It’s called Super Lotto and its gives each individual a chance for untold wealth. So play Super Lotto because even though you can’t be born a king, no one ever said you can’t live like one.”

Even when not explicitly using imagery appealing to the American Dream, lottery advertising highlighted lotteries as means of making money and as suitable replacements for hard work. In the 1970s, the Connecticut Lottery took out a newspaper advertisement that ready simply “Get Rich Quick: Play the Lottery” with a picture of a lottery ticket. One recent Massachusetts Lottery billboard proclaims: “No matter what you do for a living, there’s an easier way to make money.” In 1990, the Illinois Lottery came under fire for placing billboard advertisement overlooking a poor Chicago neighborhood which read simply: “This could be your ticket out.” These advertisements paint lottery winning not as a game of infinitesimal chance, but of near certainty. The boldness of the “Get Rich Quick” campaign improperly implies that riches are handed out to everyone who buys a ticket. These campaigns are effective in large part because each player can take the same thing away from each advertisement: that they will be the big winner, the one player who beats the odds. This perception is purposefully cultivated by advertisers. A Minnesota state official concluded in 1989 that lottery advertising “seeks an emotional rather than a rational response.”

Therefore, one of the most effective forms of lottery advertising often does not entail actual advertising by state agencies, but instead features the stories of lottery winners. Seeing other people win the lottery further teaches players that their jackpot is inevitable, and publications such as Lottery Players’ Magazine gave particular attention to feel-good stories of lottery winners. Among the stories highlighted in the magazine during its run in the 1980s was that of Mirello Azo who won the Illinois Lottery just four months after immigrating to the United States from Lebanon. Other articles highlighted winners whose jackpot saved them from desperate financial situations. For example, in December 1983, Jack Dyer, a tank blaster for nine years at a factory in Lewisburg, Pennsylvania won $2.8 million the same day his plant was shut down. Similarly, in 1983, after failing to hold down a number of jobs and faced with a large hospital bill, Ralph Valletti Jr. was down to his last $200 dollars, $160 of which he allocated for bankruptcy proceedings and $4 he spent on Illinois Lottery tickets, which won him a $2 million jackpot. “I’m getting paid for all the hard times,” Valletti stated. “It’s just amazing. On Saturday, I’m beyond penniless. On Sunday, I’m a millionaire. Isn’t this a great country?” The former director of the Kansas State Lottery put the effects of such stories simply: when “people see a picture of a Lotto winner in the paper … [They] say, ‘You know maybe I could win,’” enticing them to purchase more tickets and place even greater hopes on the long odds of a life-changing jackpot.
Read closely, however, these stories illustrate the dangers of players' reliance on lotteries for the ostensibly inevitable jackpot. For every laid-off factory worker who won the lottery, countless others did not, and were made poorer in their efforts to win one. Unsurprisingly, the pages of publications such as *Lottery Players’ Magazine* bore almost no mention of those players who desperately needed lottery winnings but came away empty handed. The above stories, however, indicate that, contrary to the claims of state officials and private company representatives that lotteries are purely for entertainment, many Americans play out of a desperate need for money. This includes one reader from Georgia who wrote a letter to *Lottery Players’ Magazine* in 1986. The reader, who identified himself as “H.P.” said he hoped “that every state legalizes a lottery in the future. I feel that lotteries benefit people by keeping tax money in their pockets and creating more jobs” clarifying that he could not have a big political impact as he was unemployed and his lights at his home were turned off due to a failure to pay his bills. While W.P. did not specifically claim to be a lottery player, the magazine’s editor responded that “if you are in financial difficulties, don’t spend your money on lottery play. Use your money to straighten out your problems before you bet it on something like a chance of winning a jackpot…” When directly faced with a desperate individual, *Lottery Players’ Magazine*, which had deemed lotteries the new American Dream in an editorial just five years earlier, advised against playing. Contrary to advertisements run its own magazine and on billboards and television sets across the country, the editors ultimately acknowledged that lotteries could not promise quick and easy riches and that buying a ticket remained a bad bet.38

### Conclusion: Lotteries and the New American Dream

Though lottery critics have lambasted lotteries for corrupting American values of hard work, lotteries represent a symptom, not a cause, of the nation’s changing meritocracy. For many Americans, the onset of state lotteries coincided with a decline in access to upward mobility. Meanwhile, even as actual economic opportunities have declined, modern American culture continued to praise each individual’s ability to get ahead, in particular through lottery advertisements. Thus, lottery playing should not be considered irrational. Lottery playing represents the natural response of players without many alternatives who seek increasingly elusive upward mobility. Criticizing lotteries as a “stupid tax” or “tax on someone who is bad at math” is victim blaming; while some players enjoy the thrill and the dream of playing, many others do so as they see few other opportunities to get ahead. Similarly, condemning lotteries themselves is missing the forest for the trees. Lotteries might not be so popular—and would not be so problematic—if other parts of the economy were available for regular people to secure access to the American Dream.
Endnotes


23 Jack Smith, “Take This Job and ... Oh, Never Mind,” *Los Angeles Times* April 26, 1988, F1.


About the Author

Jonathan D. Cohen is a PhD Candidate in the Corcoran Department of History at the University of Virginia. His dissertation, For a Dollar and a Dream: State Lotteries and the American Culture of Inequality, 1964-2014, examines the relationship of lotteries and social mobility in the cultural, religious, political, and economic context of the late twentieth century. He received his B.A. from McGill University in 2013 and an M.A. from the University of Virginia in 2015. He is the managing editor of BOSS: The Biannual Online-Journal of Springsteen Studies.

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