

Tax-Supported Facilities and Services

Taxes are fees people pay to local, state, and national government for the services they receive and the facilities they use. This section's activities explore how people's taxes are spent on parks and recreation, stadiums for sports teams, and public education. The need for taxes raises the policy question whether states should expand lotteries and legalize sports betting to raise money for communities. A media literacy activity examines how lotteries are advertised online and in print.

Standard 6.9: Tax-Supported Facilities and Services

Give examples of tax-supported facilities and services provided by the Massachusetts state government and by local governments. (Massachusetts Curriculum Framework for History and Social Studies) [8.T6.9]



"Tax The Rich" mural by Megan Wilson on Clarion Alley, San Francisco California, licensed under [CC BY-SA 3.0](#)

"Our new Constitution is now established, everything seems to promise it will be durable; but, in this world, nothing is certain except death and taxes" wrote the American revolutionary Benjamin Franklin to his friend and French scientist, Jean-Baptiste Le Roy, a few months before his death in 1789 ([Benjamin Franklin's Last Great Quote and the Constitution](#), *Constitution Daily*, November 20, 2020).

A **tax** is a fee or a charge that people have to pay. From a public policy perspective, taxes involve two key public policy and civic learning questions: 1) How the U.S. as a nation spend tax monies; and 2) Who pays taxes and in what

amount.

Debates over tax policy tend to focus on whether to implement a more **progressive** tax system, which relies on those who earn more income to pay more tax, or to maintain a mainly **regressive** tax system which is uniformly applied, such as a sales tax or a state-run lottery, but results in those with a lower income paying more of their income in taxes.

Sports betting, how it should be regulated by government, and what to do with the money it raises, has also become a much discussed and debated tax-related issue for states and people.

Modules for this Standard Include:

1. [INVESTIGATE: People's Taxes and How They Are Spent: Parks and Recreation, Sports Stadiums, School Finances](#)
 - MEDIA LITERACY CONNECTIONS: Protecting the Commons
 - SPECIAL TOPIC BOX: The Culture Pass App in France
2. [UNCOVER: A Brief History of Taxation in the U.S.](#)
3. [ENGAGE: Should States Expand Lotteries or Legalize Sports Betting to Raise Money for Communities?](#)
 - MEDIA LITERACY CONNECTIONS: Advertising the Lottery Online and in Print

1. INVESTIGATE: People's Taxes and How They Are Spent: Parks and Recreation, Sports Stadiums, School Finances

Massachusetts collected **\$27.8 billion in taxes** in 2018. A **billion** is a thousand million. How big is a billion? If you saved \$100 a day, it would take you 27,397.26 years to reach \$1 billion ([UC Berkeley Museum of Paleontology, nd](#)).

In Fiscal Year 2021, the federal government collected \$3,863 trillion in taxes ([U.S. Government Tax Revenue](#)). A **trillion** is a million, million; one trillion seconds equals 31,546 years ([How Big is a Trillion?](#)). In 2020, the United States defense budget was \$7.78 trillion or 39% of the country's overall spending, the highest amount of any country in the world. China was the next highest, committing 13% or \$252 billion of its overall spending to defense.

How much money do people pay in taxes every year? Looking at the 153 million American households who filed federal income taxes in 2018, one commentator found those earning between \$40,000 and \$50,000 paid \$2,859. Those who earned less paid less; someone earning between \$20,000 and \$25,000 paid \$994. Those who earn more, paid more; someone earning 1 million to 1.5 million paid \$313,160 ([The Motley Fool](#), December 31, 2020).



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But, there are more taxes than federal taxes. Using figures from the Bureau of Labor Statistics, other analysts found over their lifetime, Americans will pay \$525,037 in taxes on earnings, expenditures (sales), property, and automobiles, a figure that varies by state -- those in New Jersey will pay the most; those in West Virginia the least ([USA Today](#), April 1, 2021).

At the same time, many wealthy Americans pay less than their fair share due to loopholes and deductions in the tax laws. Donald Trump famously paid only \$750 in federal income taxes in 2016 and 2017, and no taxes at all for 10 of the previous 15 years ([Makelt, CNBC](#), September 28, 2020).

You can learn more at [The Secret IRS Files: Trove of Never-Before-Seen Records Reveal how the Wealthiest Avoid Income Taxes](#) from ProPublica (June 8, 2021).

You can compare your own salary to that of a billionaire with an interactive called [You vs. A Billionaire](#) from RS Components, an electronics company located in the United Kingdom.

Sources of Revenue

State and local governments in Massachusetts get tax revenue from multiple sources as shown in Table 6.9 (Learn more: [The State of the State \(and Local\) Tax Policy](#)).

State Government	Local Government
property taxes	funds from state and federal government
individual income taxes	local property taxes
corporate income taxes	individual income taxes

sales taxes	charges for services such as water and sewer
motor vehicle license taxes	parking meter fees
marijuana sales taxes*	corporate taxes
other assessments	hotel taxes
	business license taxes

Table 6.9 Sources of Revenue for State and Local Government

*Massachusetts gained a new source of tax revenue when the first legal recreational marijuana stores opened in the state in November, 2018. Marijuana has been legal for purchase by people 21 and older in Massachusetts, under certain conditions, since 2016 ([Marijuana in Massachusetts--What's Legal?](#)). Marijuana sales are subject to taxation.

To explore marijuana taxation, read [What is Massachusetts Planning To Do with All That Marijuana Tax Revenue?](#), Boston.com, December 5, 2018 and [Weed Taxes Roll into Massachusetts](#), WBUR, July 8, 2019.

By 2021, every state except Nebraska and Idaho have legalized marijuana in some form. You can explore [state-by-state policies with this interactive map](#).

Areas of Spending

In Massachusetts (as with most state and local governments) public spending falls into one of six broad categories: [elementary and secondary education](#), [public welfare](#), [higher education](#), [health and hospitals](#), [police and corrections](#), and [highways and roads](#) (Urban Institute, [State and Local Expenditures](#), 2020).

Explore [How Are My State Taxes Spent?](#) to see how much money is typically spent on the following services:

- Education
- Health Care
- Transportation
- Corrections
- Low-Income Assistance
- Parks and Recreation

During the 2023-2024 legislative term, the Massachusetts legislature considered a bill to provide **free college education for all residents**, including undocumented immigrants. Currently at least 32 states offer free college programs, subject to specific qualifications such as income eligibility and full-time enrollment. The Massachusetts proposal would create a grant program to pay tuition and fees for students attending any public college or university or vocational training program.

Do you think providing free college for all is good use of tax dollars in your state?


Parks, Recreation, and Common Spaces

Parks and other common spaces for everyone to use for recreation are a key area where cities and towns spend the monies they collect in taxes. In the following Media Literacy Connection activities, you can explore how to maintain and protect those public spaces.

Media Literacy Connections: Protecting the Commons

The "commons" is the land and resources (forests, fisheries, water sources, and open spaces) that are owned by all members of a society. It is an old old concept, dating back to the Roman Empire. Unlike private property, commons are public spaces to be used and enjoyed collectively. Everyone (including state and local governments) is expected to maintain and improve shared commons for current and future use.

Local, state, and the federal government are responsible for maintaining public common spaces. They get the funds to do so from people's taxes, user fees (money paid to access a facility), public-private partnerships, and donations from supportive individuals and groups.

 Aerial view of Boston Common from northeast. Includes portions of Beacon Hill (foreground left), Public Garden (foreground right) and Boston Financial District at Seaport (South Boston) at back.

[Boston Common aerial](#) by [Nick Allen](#) is under [CC BY-SA 4.0](#)

In times of ever-rising costs and tight budgets, there is never enough money to fully cover the expenses of common spaces. Governments face tough choices about whether to sell public lands to private developers to cover other expenses. For example, the Trump Administration sold low-cost leases to private companies for oil and gas drilling on public lands, a move it defended as good for the economy.

In the following activities, you will explore local and state commons and identify ways to use media to increase interest and civic engagement in protecting a commons of your choosing:

- [Activity 1: Design a Social Media Video to Increase Interest in Common Spaces in Your Community](#)
- [Activity 2: Suggest Ways to Use Media to Encourage Citizens to Protect Local and State Commons](#)

Who Pays for Sports Stadiums?

["Public Will Foot Most of \\$1.4 Billion Cost for Stadium. Buffalo Fans Cheer,"](#) reported Jesse McKinley (*The New York Times*) in late April 2022. The new Buffalo Bills National Football League team stadium will cost the state of New York \$600 million and local Erie County \$250 million. The state will own the facility and pay some \$100 million for its maintenance. It is the most public funds ever given to build a professional sports stadium. Proponents cheered the plan, claiming it will keep the team in western New York while boosting the local economy. Critics viewed the stadium as "corporate welfare" where taxpayers support private businesses.

Questions of who pays for sports stadium were raised anew when New York City officials announced the building of a new soccer stadium in Queens. Will it cost taxpayers \$0 or \$516 million? asked the [New York Times \(January 13, 2023\)](#). It depends on how you read the numbers.

SoFi Stadium

The trend is for bigger and ever more lavish facilities for professional teams. In 2022, [SoFi Stadium](#) in Inglewood, California, home of the Los Angeles Rams and Los Angeles Chargers National Football League (NFL) teams is the most expensive sports stadium ever built. The stadium and its related campus is three times larger than Disneyland, and at a cost of more than \$5 billion, SoFi far exceeds the money spent on Allegiant Stadium in Las Vegas (\$1.9 billion), Met-Life Stadium in East Rutherford, New Jersey (\$1.7 billion), or Mercedes Benz Stadium in Atlanta (\$1.5 billion) ([Huddle Up, October 4, 2021](#)).

Unlike most professional sports stadiums in this country, SoFi was privately financed and did not directly receive public taxpayer money to build. However, the stadium's owners do receive some of the sales tax money on what fans purchase

inside the facility and the city of Inglewood paid for infrastructure development around the stadium and for a local bus transit system.

North American Professional Sports Stadiums

Most new stadiums for the four major North American professional sports teams are built with huge amounts of taxpayer monies. Teams receive federal tax-exempt bonds so they pay much less in taxes. There are local property tax exemptions and increased sales taxes as well as taxes on alcohol, cigarettes, restaurants, and hotels. One writer called such arrangements “privatizing the profits and socializing the costs” (quoted in [Literacy Hub](#), August 31, 2020, para. 5). You can use this [Who Paid for Your Stadium?](#) database to view the percentages of public and private funding of every existing stadium as of 2019.

Economists debate whether stadiums are worth the investment of public funds. Proponents argue that stadiums promote economic growth. There are construction jobs at the outset and service jobs in maintaining the facilities. Fans spend money in the park and around it. Fans travel to the city to watch their favorite teams play and stay in local hotels, eat at local restaurants, and shop in local stores.



"Petco Park - Padres v. Dodgers April 23" by Torrey Trust is licensed under CC BY 2.0

Critics paint a quite different picture, outlined in the book [Loving Sports When They Don't Love You Back](#) (Luther & Davidson, 2020).

- Everyday taxpayers who may never attend a game or go to the facility are helping to pay for stadiums that support the incomes and lifestyles of millionaire players and billionaire owners.
- The overwhelming majority of jobs generated by stadiums are low-wage, service work. The land and the money could have been used for other purposes, including open-space recreation and/or greater investments in needed public services.
- Fans fear the loss of their sport when owners threaten to move the team to another city if they cannot build a new stadium with local support.

One economist noted that a baseball team has about as much positive impact on the local economy as a mid-sized department store ([InvestigativePost](#), December 13, 2021, para. 9).

Are there proposals for a new facility or plans to update existing facilities for either baseball, football, basketball or hockey teams in your community or state?

How would you design a new stadium or redesign an existing stadium and utilize the land and resources around the facility?

- What will the stadium look like in size and shape?
- What features will the stadium have that reflect the needs and issues of climate change: Retractable roof; solar power panels and arrays with solar canopies for parking lots; 100% renewable energy; zero carbon emissions; geothermal heating and cooling?
- How will people get to the stadium? How much parking for cars and will there be public light rail transportation for fans? Charging stations for all-electric vehicles?
- What other features will be included to support people's lives: public park, planned neighborhoods, affordable housing; expanded educational and recreational facilities?

How else might land and money currently used for sports stadiums be used to benefit people and the community?

School Finances and Paying for Schools

"Education is the only area where the state tells cities and towns how much to spend on a local function. We don't tell cities and towns how much to spend on a local fire department or on their public works department" (Jeff Wulfson, Massachusetts Department of Elementary and Secondary Education quoted in [Toness, 2019](#), para. 7).

Massachusetts uses a formula to determine what it thinks communities need to pay for the expenses of K-12 education—everything from teacher salaries to books and curriculum materials to the costs of maintaining school buildings. This is called the **foundation budget**. The current foundation budget is \$11,448 per student multiplied by the number of students in the school district. The foundation budget is the minimum amount that must be spent. State and local governments pay their share of the foundation budget based on a complicated formula.

Cities and towns may spend more than the foundation budget, but they have to raise that money themselves through local taxes. As a result, wealthier communities, if they choose to do so, can raise more money through taxes to spend on education than poorer communities. According to *Boston Magazine*, in 2017, Cambridge, Weston, Dover-Sherborn and Watertown spent more than \$20,000 per pupil while Haverhill, Lowell, Malden and Taunton were among the communities spending less than \$14,000 per pupil.

Researchers have documented sharp differences in the funding of schools serving low-income and racially-diverse students from schools serving predominantly White and more affluent communities ([The Politics of Progressivity](#), Oberfield & Baker, 2022). Given economic and social stresses faced by poorer families along with the racism impacting non-White people, children from these groups have more needs and are therefore more expensive to educate.

Progressive funding is the idea that schools serving more low-income and diverse students should get more funding from local and state sources. In recent years, however, in many states, as students became poorer, or more racially diverse, lawmakers created less progressive finance systems.

Has funding for schools increased, decreased, or remained the same in your school district in recent years?

Suggested Learning Activities

- **Discuss and Analyze**
 - What are people's rights as taxpayers?
 - Read and review the [Taxpayer Bill of Rights](#)
- **Research, Document & Redesign Where Your Taxes Are Spent**
 - Did you know that more money is spent on nuclear weapons than foreign aid? More money is spent on disaster recovery rather than climate change investments. The average U.S. taxpayer worked 63 days to fund military spending by the U.S. government.
 - [The National Priorities Project](#) is a Northampton, Massachusetts-based organization dedicated to making the federal budget accessible to citizens.
 - [Where Does My Tax Money Go?](#) This Calculator Tells You What Happens After You Pay the IRS.
 - Write and draw a public service announcement (PSA) video or record a [podcast](#) about a taxpayer issue of your choosing.
 - Propose alternative ways for tax dollars to be spent to address local, state, and/or national needs.

Online Resources for Government Spending and School Funding

- [The Federal Power to Spend](#), from Exploring Constitutional Conflicts
- [Who Sets Fiscal Policy—the President or Congress?](#) *Investopedia* (August 19, 2018)
- [How School Funding Works in Massachusetts](#), *WBUR* (January 16, 2015)
- [How Progressive Is School Funding in the United States?](#) *Brookings* (June 15, 2017)
- [The States That Spend the Most \(and the Least\) In One Map](#) *The Washington Post* (June 2, 2015)
- [How Massachusetts Pays for Its Schools](#) is a WGBH video on how Massachusetts decides to distribute school funding.

Special Topic Box: The Culture Pass App in France

Beginning in May, 2020, as the nation loosened pandemic-related restrictions, the French Government began providing a smartphone app known as **Culture Pass** that gives every 18-year-old in the country 300 Euros (about \$350 dollars) to spend as they choose on **cultural purchases**. Young people (~720,000) can use these funds to go to the theatre, take a dance class, attend a museum exhibition, or buy art supplies or musical recordings by September 2021. So far two-thirds of the purchases have been for Japanese comic books ("Why the French Government is Buying Teens Comics Books," *The New York Times for Kids*, September 26, 2021, p.9).

More than 8,000 businesses and cultural institutions are offering products and services on the app. A more restricted version of the app for middle schoolers is on the way. Video game purchases are restricted to those published by French companies and must not feature violence. The **cost in taxpayer-provided money is estimated to be some \$95 million** this year, a figure that will rise in 2022.

What do you consider to be a cultural purchase? Books, eBooks, streaming services, video games, rock concerts, museums, theatre performances, movies, comics? Something else?

Suggested Learning Activity

- **Write a Response to the Culture Pass program in France**
 - What would you spend \$350 on for cultural purchases? Should any purchases be off-limits as not sufficiently cultural or educational?
 - How you respond to critics who say government money should not be used to let youngsters buy comic books or go to mass market entertainment movies and concerts?
 - In what other ways might governments in the United States support the education of children and adolescents with tax monies?

2. UNCOVER: A Brief History of Taxation in the U.S.

In the article, "[The History of Taxes in the U.S.](#)," Fontinelle (2019) noted that "most of the taxes we pay today have been around for less than half of the country's history" (para. 2). The modern estate tax appeared in 1916; the federal income tax was established by the 16th Amendment in 1913; West Virginia established the first sales tax 1921; social security taxes were first collected in 1937.



Poster Declaring Women Who Pay Taxes Want Votes Too (1913)
Image on Wikimedia Commons/[Public Domain](#)

Types of Taxes

Broadly speaking, Americans pay seven different types of taxes ([Hess, 2014](#)):

- **Income taxes** on the money or taxable income made by individuals and corporations. The first income tax was put in place in 1862 to help pay for the Civil War.
- **Sales taxes** on goods and services purchased.
- **Excise taxes** on items such as gasoline, cigarettes, beer, liquor, etc...
- **Payroll taxes** on salaries to cover Social Security and Medicare.
- **Property taxes** on value of real estate.
- **Estate taxes** on cash and other assets when a person dies.
- **Gift taxes** on items of value given to a person by another person.

While everyone pays taxes, the richest Americans pay the least, concluded economists Emmanuel Saez and Gabriel Zucman (2019). While all income groups pay about 28% of their income in taxes, the very top earners - billionaires or the 400 wealthiest individuals - pay only 23%. Corporations pay a 21% tax rate. You can track the accumulation of wealth at [The World's Real-Time Billionaires](#) from Forbes.



People filling out tax forms in Internal Revenue office, 1920

(Credit: [Library of Congress](#)/Public Domain)

The Constitution gives Congress the power to tax and spend, otherwise known as the “[power of the purse](#).”

The [Internal Revenue Service](#) (IRS) is the nation’s tax collection agency. Following the passage of the 16th Amendment, it was originally known as the Bureau of Internal Revenue, and renamed the Internal Revenue Service in 1952.

Once tax money is collected, the Federal Government engages in two types of spending: **Mandatory Spending** (required spending for programs such as Medicare, unemployment, social security and interest on the national debt) and **Discretionary Spending** (all the other spending that is requested by the President and approved by the Congress). Military spending now accounts for almost 60% of all discretionary spending and the rest goes to education, transportation, housing, energy, environment, food, agriculture and everything else.

Progressive and Regressive Taxation

At the center of discussions about taxes are the terms [Progressive Taxes](#) and [Regressive Taxes](#). The **progressive income tax** was institutionalized by the [16th Amendment to the Constitution](#) in 1913. Under a progressive income tax system, the more money a person makes doing work, the more money that person owes in taxes.

Much of the Massachusetts tax system is regressive, not progressive. **Regressive taxes**, such as sales taxes, force those with the least money to contribute a higher percentage of their total income to cover taxes. For example, Mary has a weekly salary of \$300 and Julie has a salary of \$1,500, but both pay a \$6 sales tax on their \$100 grocery bill. Mary pays 2% of her weekly salary in taxes while Julie only pays 0.4% of hers ([Why the Sales Tax is Considered a Regressive Tax](#), AccurateTax, 2017). Similar to sales taxes, property taxes, payroll taxes, and excise taxes all require lower-earning individuals and families to pay a higher percentage of their income in taxes.

The Massachusetts income tax is somewhat less regressive in nature. Since everyone pays Massachusetts income taxes at a flat rate, lower-income households pay less than do higher-income households.

Nationally and at the state level, there are calls for establishing more fair and equitable tax policies by increasing taxes on the wealthiest individuals and families. [New York State extended its “millionaire tax” through 2024](#). Under its millionaire tax, those making more than one million dollars a year pay taxes at a higher rate than everyone else.

Noting that the richest 130,000 families now have nearly as much wealth as the bottom 117 million families combined, 2020 Presidential candidate Elizabeth Warren proposed an [“Ultra-Millionaire Tax”](#) that would place additional taxes on those making more \$50 million a year. Presidential candidate Bernie Sanders also proposed a [Tax on Extreme Wealth](#) as part of his 2020 campaign.

Racial and Gender Bias in the Tax System

Racial and gender bias is built into the U.S. Tax system, notes reporter [Clark Merrefield](#) in a post for *The Journalist's Resource*, a blog from the Shorenstein Center on Media, Politics and Public Policy at Harvard University. In theory, everyone's tax bills are unrelated to their race, ethnicity, or gender. No law states that a White American can pay less taxes because they are White.

In practice, however, **deductions** (a reduction in amount of income to be taxed) and **exclusions** (income that is not taxed) result in significant savings (\$489 billion in 2016) for those who qualify for them; and those who qualify are disproportionately White households. Federal tax deductions and exclusions include home mortgage interest, state and local taxes, charitable contributions, tax-exempt bonds, life insurance exclusion, pension exclusion, capital gains exclusion, home sales exclusion, and estate set-up exclusion.

Many of these deductions and exclusions are out the reach of low-income individuals and families. One is less likely to make charitable donations, for example, if one is struggling to make enough money to live at or just above the poverty line. There is a enormous **wealth gap** in U.S. society in which White Americans have 10 times the wealth of Black Americans and 8 times that of Latina/o Americans (Brown, 2021, p.18). Economist Dorothy A. Brown (2021) concluded that across all income levels, Black Americans "are paying more taxes than white Americans because our tax laws were designed with white Americans in mind" (p. 21).

Suggested Learning Activity

- **Debate** (in person, on social media, or on [Flipgrid](#))
 - Should everyone pay the same percentage of their income in taxes or should those with more money pay more in taxes?
 - Should minors (individuals under 18 years old) be required to pay taxes?
 - [Does a Teenager Have to File a Tax Return?](#) *The Balance*, May 30, 2019.
 - [Teens and Taxes: The Five Most Significant Things A Teen Needs to Know](#)

Online Resources for Taxes and History of Taxation

- Learning Plans:
 - [Regressive Tax Lesson Plan](#)
 - [Progressive Taxes Lesson Plan](#)
 - [How to Read a Pay Stub](#) (Consumer Financial Protection Bureau)
 - [Calculating Net Pay](#) (Bank of America)
- [Getting to Know the Commonwealth Formerly Known as "Taxachusetts"](#), American Bar Association (November 18, 2016)
- [History of the U.S. income tax](#), Library of Congress
- [History of the IRS](#)

3. ENGAGE: Should States Expand Lotteries or Legalize Sports Betting to Raise Money for Communities?

Lotteries

A **lottery** is a drawing of lots (tickets with numbers) in order to award prizes to individuals who have paid money to buy chances to win. Forty-eight governments (45 states plus the District of Columbia, Puerto Rico and the U.S. Virgin

Islands) operate lotteries. Massachusetts began its lottery in 1972; MegaMillions started in 2000 and Powerball in 2010. By law, youngsters under 18 years old cannot buy lottery tickets, although adults can purchase them for minors as gifts.



Image on Wikimedia Commons/[Public Domain](#)

Lotteries have been part of American society since colonial times. Massachusetts had the first authorized lottery in Boston in 1745; 25,000 tickets were sold. Rhode Island soon did the same, starting their first lottery to build a bridge over the Weybosset River in Providence. You can learn more at [Colonial America Lotteries](#) from The Ephemera Society of America.

Lotteries generate huge sums of money for state governments. While the average American spends \$316.47 on lottery tickets, Massachusetts residents spent the most money of any state in the nation; about \$951.92 per person annually, \$400 more than people in Georgia, the next highest state ("[These 22 States Love Playing the Lottery the Most](#)," July 28, 2020).

Proponents and Opponents

Proponents contend lotteries provide needed revenue for cities and towns since state governments redistribute some of the money they take in from lottery sales as prizes for winners and financial support for local communities. In Massachusetts, 72% of lottery revenue is paid out in prizes (most states pay out less); 8% goes to cover operating expenses; and the remaining 20% is returned to cities and towns throughout the state (Massachusetts State Lottery Commission, 2019).

Opponents of lotteries question whether the money goes to the communities that need it the most ([How to Fix the Unfair Distribution of Revenue Collected by the Massachusetts State Lottery](#), 2018). There is also deep concern that lotteries promote an addiction to gambling since it is so easy to purchase tickets at stores. There are also equity issues since households in the lowest income brackets (making \$30,000 or less a year) spend significantly more lottery tickets than those earning higher incomes (\$75,000 a year and up).

You Do the Math

Mathematicians who analyzed the odds of winning the Fall 2022 nearly \$2 billion Powerball lottery found that your odds at the top prize are **one in 292,201,338** ([Everything You Need to Know about the Math of Powerball](#)). Smaller prizes are also very hard to get. Sixty-five percent of the time you get no matches of any type. Overall, only **4.02%** of the time does anyone win something.

Even if you win, you still pay taxes on your winnings, so that reduces the value of the payout. Calculating the odds for the maximum expected value of your \$2 ticket is about 85 cents.

Sports Betting

In just four short years between 2018 and 2022, live betting on sports events went from an illegal to a legal activity throughout the United States. As of 2023, 33 states and Washington, D.C. permit sports gambling, online or in person, with more states soon to follow. This is largest expansion of gambling in United States History ([Gambling's Spread](#), *The New York Times*, Lipton, 2022).

Link here for [U.S. Interactive Sports Betting Map](#) from the American Gaming Association (2023).

States anticipated getting huge amounts of extra revenue from taxes on bets, but most have not gotten nearly as much as they expected while sports betting companies have made great profits. However, New York, in contrast to other

states, set a high tax rate and collected \$546 million in taxes in the first ten months of 2022 (Lipton, 2022).

Complicated questions about legal sports gambling remain unanswered: Is allowing and then promoting sports betting a wise public policy for states to gain tax revenue? What kind of oversight is needed of gambling industry practices and advertising? How should communities respond to those with gambling addictions?

Media Literacy Connections: Advertising the Lottery Online and in Print

A lottery is a **game of chance**. Players are not guaranteed to win; in fact, hardly anyone ever does. The thrill that keeps people playing and paying is the hope that "today might be your lucky day" - the time when it all comes together and you win big money with its accompanying celebrity status.



"A ticket from the first public lottery in Massachusetts" | Public Domain

Lotteries are a form of **regressive taxation** where lower-earning individuals spend a higher percentage of their incomes on games of chance in which they have little opportunity to earn back what they spend. A few people do win large amounts of money, but the likelihood is extremely small. The chance of winning a Mega Millions jackpot is about 1 in 302.5 million; the odds of being struck by lightning are only 1 in 500,000.

In the following activities, you will uncover how lottery advertisements are designed to persuade people to gamble their money and then you will inform people about their chances of winning the lottery.

- [Activity 1: Analyze Lottery Advertisements](#)
- [Activity 2: Inform People About Their Chances](#)

Suggested Learning Activities

- **Research & Discuss**
 - Examine the mathematics of lotteries, probabilities, and games of chance with the [Local Lotto Curriculum](#) at the City Digits website developed by Laurie Rubel and her team at Brooklyn College.
 - After examining the mathematics of lotteries, discuss whether you will buy lotto tickets when you turn 18 years old.
- **Design an Infographic**
 - Display the probabilities of winning a lottery versus other likely and unlikely events (e.g., getting eaten by a shark!).
- **Discuss & Debate**
 - Are Lotteries an effective and fair to all public policy?
 - Why do Massachusetts people spend the most on lotteries of any state in the nation?
 - How should states distribute the money collected from lottery sales?
 - To communities in the state with the most people?
 - To communities in the state where the most tickets are sold?
 - To communities and regions with highest rates of poverty and consistently under-funded educational and social services?
- **Write a Letter or email Supporting or Opposing the following Lottery-Related Policies**
 - Require state-run lottery organizations to offer second-chance games (where people get to use the numbers on losing scratch tickets) as a way to reduce litter and recycle tickets.
 - Maintain the privacy of lottery winners who do not want their names released in the media.

Online Resources for Lotteries

- [See How Much Money Your City or Town Gives, and Gets, from the Lottery](#), WBUR (November 20, 2018).
- VIDEO: [The Lottery: Last Week with John Oliver](#) (note: The language isn't appropriate for students, but the stats are intriguing).

Standard 6.9 Conclusion

Taxes and how state and local governments spend them were the focus of this standard. **INVESTIGATE** examined what taxes people pay and how some of those funds are used to support public education. **UNCOVER** reviewed the history of taxation, including progressive and regressive taxation. **ENGAGE** asked whether lotteries are a fair and sensible way to raise money for communities.



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