Will State Net Million \$ Weekly?

Legislators who anticipate that the Michigan lottery will net \$1 million a week for the state's general fund may have set their sights too high.

This would require an average sale of slightly more than four million of the 50-cent tickets per week, and early indications point to sales leveling off at a somewhat lower point --but still over the three million mark.

Even so, whether the state's yearly take proves to be the \$39 million which three million tickets a week would mean or the \$52 million that would be realized from the four million average, it's a new-found pot of gold to help meet the Michigan budget.

As a point of comparison, it can be pointed out that the only other legalized gambling venture in Michigan -- horse racing -- brings the state about \$25 million per year.

The lottery was legalized by a statewide vote of the people last spring and this was followed by the Legislature's adoption of the necessary measure to set up the machinery.

MANY CITIZENS are under the impression that lottery income is earmarked to be spent on education, but this is not true, it's there for

spending as the Legislature sees fit. However, 45 per cent of the gross sales revenue must be paid back to the public in prizes.

A movement is afoot to bring about legislative consideration of a proposal that would earmark lottery income for schools, and the issue appears likely to be fought out in the Legislature's 1973 session.

The Lottery Bureau, headed by Gus Harrison, is expected to require a budget of from \$5 to \$6 million for its own operation. Ultimately the bureau's staff will number about 125 full-time employes. Only about three-quarters of them have been hired to date.

Harrison and his staff put the lottery into operation about six weeks earlier than had been anticipated and because of this there appears little doubt but what the state general fund will reap the \$20 million anticipated for the current fiscal year which ends June 30.

The lottery was launched with a crash advertising and promotion program and the bureau's expenditures for these purposes are expected to total about \$785,000 before the end of June. About half of that is going for newspaper advertising. Another considerable amount has gone into point-of-sale promotional

materials for the 7,000 licensed sales

LEGALIZATION of the lottery also has brought statewide speculation that bingo, too, may be added to Michigan's approved gaming activities. In this connection, State Sen. Carl D. Pursell (R-Plymouth) predicts that full legislative approval of bingo can be anticipated soon.

There also is speculation that Michigan may follow New Jersey's lead and add a daily lottery to the weekly drawing. Harrison is taking a hard look at the New Jersey operation, but adds that it is far too early to make such a decision.

The eight states now conducting government-operated lotteries are Michigan, New Jersey, New Hampshire. Connecticut, New York, Pennsylvania, Massachusetts and South Dakota. New Hampshire was the first to make the move, setting up its operation in 1963, and a lottery is now under consideration in Ohio and Illinois.

Of the approximately 7,000 sales agencies that have been licensed, 372 are in Observerland. They receive five per cent (2 ½ cents) from each ticket plus a bonus if they sell any ticket bringing a prize of \$5,000 or more.

LOTTERY TICKETS SOLD First Week \$5,898,480 Second Week 3,617,242 \$9,515,722

GROSS REVENUE First Week \$2,949,240 Second Week 1,808,621 \$4,757,861

MONEY INTO PRIZE FUND First Week \$1,327,158 Second Week 765,450 \$2,092,608

> COMMISSIONS PAID TO SALES AGENTS

REVENUE INTO STATE GENERAL FUND First Week \$1,517,000* Second Week 935,551 \$2,452,551

*Includes about \$70,000 in licensing fees.







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