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Tonight's Powerball jackpot at \$1.5 billion — for now

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ALAN DIAZ/ASSOCIATED PRESS

A customer showed his Powerball tickets in Hialeah, Fla., on Monday.

By Peter Schworm

GLOBE STAFF JANUARY 12, 2016

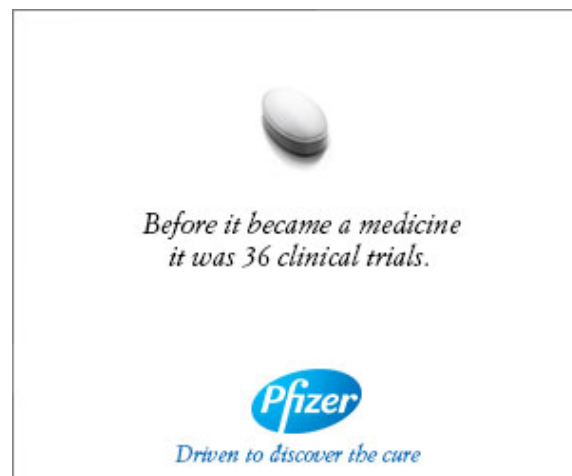
A life of leisure and instant luxury. Vacation homes scattered around the globe, and a private jet to whisk you there on a whim. Your own tropical island, perhaps. Any sports car that strikes your fancy.

All for a \$2 lottery ticket and an unimaginable stroke of luck.

Players across the nation are snatching up tickets for their chance Wednesday to win the record-setting Powerball jackpot — currently at \$1.5 billion. Their dreams of incredible wealth aren't likely to be dampened by thoughts of annuities, taxes, and inflation — to say nothing of the grim prospect of winning it all and somehow blowing it.

But in reality, the jackpot will wind up being far less than \$1.5 billion, once Uncle Sam takes his share. Those who take the lump sum, for instance, will receive an estimated \$930 million, which the federal government will tax at nearly 40 percent. Should the winner of the 44-state draw live in Massachusetts, they would lose another 5 percent in state taxes.

“I would say you're probably going to get about half,” said Cari Weston, director of taxation for the American Institute of CPAs, a Washington D.C. group that represents the accounting profession.



Powerball winner is closer to a sure thing

Officials expect that for Wednesday's Powerball drawing, about 85 percent of the possible combinations will be purchased.

Even half represents more money than almost anyone can fathom. A winner who invests the money conservatively could earn millions in annual interest without spending a cent.

Of course, the odds of winning Wednesday's drawing are decidedly not in your favor — one in about 292 million, to be exact. To put that in perspective, there are about 322 million Americans. The odds of being struck by lightning are far better, at about one in 1.2 million.

But folks can dream. In the hours leading up to last Saturday's drawing, lottery retailers in Massachusetts were selling \$23,000 in tickets per minute.

Over the past 20 drawings, including this one, the state lottery has sold more than \$65 million in Powerball tickets, and counting.

Christian Teja, a spokesman for the Massachusetts State Lottery, said ticket sales typically skyrocket when jackpots surpass \$300 million. The allure of the vast fortune, along with greater media attention, attracts people who rarely even think about playing the lottery.

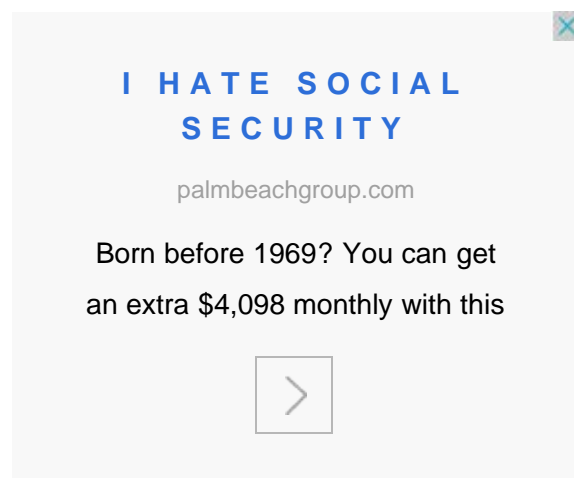
"It clearly brings in a more casual player," Teja said.

At Ted's Stateline Mobil in Methuen, the top lottery ticket sales agent in the state, three extra workers have been brought in to handle the influx. The store has sold at least 30,000 Powerball tickets every day for the past week, said store owner Tony Amico.

"It's brought in a lot of business," he said. "We have five machines cooking right now."

In Boston, Clarendon Wine Co. on Boylston Street, which sold a million-dollar ticket in Saturday's drawing, has seen a rush of customers betting on a repeat.

"People come in and think we're a lucky store," said Bryan Levine, co-owner of Clarendon. The ticket holder, who has yet to come forward, was just one number away from winning the \$949.8 million



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The advertisement is a light gray rectangular box with a small blue 'X' icon in the top right corner. It features the text 'I HATE SOCIAL SECURITY' in blue, with 'I' and 'HATE' on one line and 'SOCIAL SECURITY' on the next. Below this is the website 'palmbeachgroup.com' in a smaller font. The main text of the ad reads 'Born before 1969? You can get an extra \$4,098 monthly with this'. At the bottom center is a square button with a right-pointing chevron symbol '>'.

jackpot.

Despite the incredible sums, many lottery winners wind up bankrupt, and some later come to regret ever winning at all.

In one sad case, William “Bud” Post III went bankrupt after winning \$16 million in the Pennsylvania lottery.

Paul Golden of The National Endowment for Financial Education in Denver said winners can rarely remain anonymous, leaving themselves open to all manner of offers to invest, or give away, their money.

Golden said windfalls like lottery winnings come with intense emotions that range from elation to anxiety and guilt, and that winners are best served by being cautious.

“The greatest predictor of how someone will manage a windfall is how they manage the intense emotions that come with it,” he said. “It can take six to 12 months to adjust to the situation.”

Weston, of the accounting group, advised that winners hire a lawyer, accountant, and financial planner before collecting their prize.

“Have a plan before you have that found money,” she said. While many advisers recommend taking the money up front and investing it, Weston said that choosing a yearly check can guard against overspending.

“You’re going to want to spend it like crazy,” she said. “This way, there’s another check next year.”

Weston notes that lottery winners wind up paying more than 40 percent in taxes because they lose deductions they could have otherwise claimed.

She also urges people who have teamed up to buy tickets as a group to have a written agreement as to how to split the winnings, no matter how long the odds. “It’s almost like a pre-nup for the lottery,” she said.

Richard McGowan, a Boston College professor and gambling specialist, said that while there’s no harm in plunking down \$2 for a chance at a life-altering sum, buying \$100 in tickets barely dents the massive odds against winning.

McGowan said the allure of the lottery goes beyond self-interest: Many dream of what the money could do for all their family and friends.

“In a lot of ways, it actually shows the philanthropy of Americans,” he said. “They want to make a difference in other people’s lives.”

Matt Rocheleau of the Globe staff and Globe correspondent J.D. Capelouto contributed to this report. Peter Schworm can be reached at peter.schworm@globe.com. Follow him on Twitter [@globepete](https://twitter.com/globepete).

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