

News

# Report Says Massachusetts Is Addicted To Gambling Revenue

*A new MassBudget report says Massachusetts now relies on \$1.5 billion in annual gambling revenue while problem gambling harms lower-income residents the most. The study urges policy changes to reduce harm and direct more revenue to communities in need.*



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A recent [report](#) from the Massachusetts Budget and Policy Center says the state has grown heavily dependent on gambling revenue at the same time problem gambling continues to rise among vulnerable residents.

The study examined revenue from the Massachusetts Lottery, casinos, and sports betting. Together, they now generate about \$1.5 billion per year, making gambling the state government's fourth-largest revenue source, behind only the income tax, sales tax, and corporate taxes. The Lottery remains the largest contributor, though its value has dropped by roughly one-third since 2002 when adjusted for inflation.

The report notes that Lottery spending is highest among lower-income residents, who also experience the greatest financial harm from gambling losses. It cites national and state research showing that problem gambling rates are significantly higher among lower-income and non-white residents. At the same time, gambling operators generate much of their profit from a small group of frequent bettors.

Phineas Baxandall, MassBudget's director of research and policy analysis and the report's author, said the findings show the state is facing a difficult balance.

“The report found that the Commonwealth has come to significantly rely on gambling revenue to support a wide range of public programs,” Baxandall told NewBostonPost via email. “It identified tradeoffs between, on one hand, the public benefits of these programs, and on the other hand, the significant gambling harms suffered by individuals and families. The recommendations pointed to potential policy changes that could reduce those gambling harms and increase the portion of gambling profits directed to public programs.”

Casinos generated about \$340 million in revenue for Massachusetts last year, but growth appears to have leveled off. The report suggests that the rapid expansion of mobile sports betting may be drawing activity away from casinos rather than adding to the state's overall gambling revenue. Sports betting profits are also taxed at a lower rate — [20 percent](#) for mobile sports betting versus [25 percent](#) for casinos — meaning future tax revenue growth may slow unless operators increase how much they take in from bettors.

The report warns that online sports betting presents “new dangers” because of how aggressively companies market bonuses, risk-free bets, and other incentives. Surveys cited in the study show some online sports bettors gamble more than intended and often use money needed for essentials like rent or bills.

Where gambling revenue goes depends on the source. Lottery profits support unrestricted local aid for cities and towns. Casino revenue is divided across education accounts, transportation funds, municipal aid, tourism efforts, and public health programs. Sports betting revenue is partly unrestricted and partly earmarked for youth development initiatives and gambling-addiction services. The report notes that while some of these programs help lower-income communities, current revenue distribution does not fully offset the regressive impact of gambling losses.

The report recommends several changes to reduce the amount of gambling that takes place in the Bay State while maintaining the revenue that comes from it. MassBudget says the state should raise tax rates on casinos and sports betting operators. It also says regulators should limit bonuses, promotions, and other marketing tools that encourage people to gamble more often. The report calls for directing more gambling revenue to communities with greater financial need. It also says the state should require detailed data from gambling companies so officials can see who is gambling, how much they spend, and how companies target frequent gamblers.

Les Bernal, national director of Stop Predatory Gambling, said the report shows gambling has been a problem for years.

“No single act of state government inflicts more harm on the financial, social, and mental well-being of the people of the state than the cruel and oppressive institution of predatory gambling,” Bernal told NewBostonPost via email. “It’s been an epic public policy failure by every measure and the time has come to roll it back.”

The American Gaming Association could not be reached for comment this past weekend.