

Where Does the Lottery Money Go?



Millions of lottery dollars do go to public schools, but the lottery has been no jackpot at the end of a rainbow. **Find out why.**

Where Does the Illinois State Lottery Money Go?

In its history, most of the revenue from the Illinois State Lottery, 65 cents of each \$1, goes to prizes. Another 10 cents per dollar is reserved for commissions, bonuses, and operating expenses. That leaves 25 cents available for state funds, including the Common School Fund.

In FY 2021, the Illinois State Lottery generated \$3.455 billion in revenue. From that total, \$2.3 billion went to prizes, \$186 million covered commissions and expenses, and \$3.7 million for the Capital Projects Fund. That left \$762 million for the Common School Fund.

The Lottery's Place in Education Funding

Profits from the lottery are small compared to the total needs of the state's 852 public school districts. Although the lottery gave \$762 million to the Common School Fund in the 2021 fiscal year, it costs \$45.6 billion in state, federal and local revenues to run 4,235 public elementary and secondary schools in FY 2021. The state's share represented 31.9%, or \$14.5 billion, of that total cost. Lottery money comprised just 1.7 percent of the state's commitment to public schools.

So where did the rest of the support come from? Most of it, 65.9 percent, came from local funding like property taxes. The remaining 7.1 percent were federal dollars. The amount of lottery funding for schools is a fixed amount. After March 1, 2010, annual transfers to the Common School Fund are to equal the amount transferred in FY 2009, adjusted for inflation.



The Lottery Helps Fund Schools

The lottery is a helpful source of income for the state of Illinois. Without the lottery, the state would have two choices: raise other taxes or cut more than \$750 million from its annual Budget.

As the state's 8th largest revenue source, however, the lottery generated \$762 million to public schools, or a mere 1.7 percent of the state's total General Fund revenue of \$42.9 billion in FY 2021. By comparison, the two largest revenue sources, individual income, and sales taxes produced \$25.6 billion and \$7.3 billion, respectively. While the lottery does contribute to the state's coffers, in 2021 lottery profits for schools grew by just \$73 million (or 1.9 percent) when compared to 2020.

While the lottery is involved in school funding, this is just a small portion that schools receive from state and federal funding. To learn more about what makes up a school budget, and how our state's funding compares to others, we recommend [Understanding School Finance: 12 Questions and Answers](#), on the School Finance page of iasb.com.