

Lottery Winners — Rich, but Happy?

Every week, millions of dollars are spent, and won, on lottery tickets. The jackpot¹ in many lotteries can be as much as 100 million dollars, and winners suddenly find themselves with more money than ever before. Many will have enough to purchase a new car, build a luxury house, take a holiday, and quit working—all within a short amount of time. The lucky few who hit the jackpot,² however, may end up with problems—more than they had before they **struck it rich**. According to Steven Goldbart of a financial planning institute in San Francisco, two out of three winners spend all their winnings within five years.



Lottery winner Michael Carroll

Newly **affluent** lottery winners are actually in quite a tricky situation, and lottery organizers employ counselors to help jackpot winners. These counselors encourage winners to get advice from financial experts, such as accountants,³ about how best to invest their **windfall**. The counselors also help winners to understand how their lives may change for the better—and possibly for the worse. Luckily, many jackpot winners manage their **fortunes sensibly**. Some winners, however, do not use their money wisely and, as a result, end up getting into various **unforeseen** difficulties.

Case 1

In 2002, 19-year-old English garbage collector Michael Carroll won £10 million in the National Lottery. Three months later, he bought a home in a small town and turned the backyard into a 24-hour racetrack. The constant noise and dust has made his neighbors **irate**. He has purchased several luxury vehicles, and in 2004, Carroll was stopped for driving a brand-new BMW without license plates or insurance, for which he was banned from driving for six years. He has been in frequent trouble with the law due to drugs and other crimes. In 2006 he was jailed for nine months for violent behavior. Upon his release from prison, Carroll applied for loans to make the payments on properties he had bought and to continue his **extravagant** lifestyle. It is reported that his wife and child have left him, and that he is nearly out of money due to overspending on parties, jewelry, cars, houses, etc.

Case 2

In 2005 it was discovered that Laurie Grant of Colchester, Vermont, in the United States was having trouble paying \$300 for a driving violation. This was surprising, because ten years before Grant had won a four-million-dollar jackpot. Grant recalled that after she won the lottery she was spending thousands and thousands each day, and that there never seemed to be enough money. She gave an unreported amount of the money away as gifts. Now she finds herself owing the government \$270,000. These days, Grant is a part-time factory worker who has a difficult time **keeping up with** her bills. How will she get out of her trouble? Reportedly, Grant believes that she can win the lottery again and plays regularly.

Financial advisors agree that people who win a lottery should follow a few simple rules to secure the future of their fortune. First, meet with an accountant or other financial advisor. Second, pay all debts, such as home mortgages, car loans, and credit card bills. Finally, a winner should calculate how much money he or she will need to live on every year for the rest of his or her life. From that calculation, financial advisors say a person will know exactly how much money should be invested, and how much is left to spend. Only then, advisors suggest, should a lottery winner plan to hand in his or her resignation to the boss.

¹**jackpot** the biggest or most expensive prize given in a contest

²**hit the jackpot** to win the top prize in a contest

³**accountant** a person who keeps financial records and gives financial advice to a person or company

A How much do you remember from the reading? Choose the best answer for each question below. Try not to look back at the reading for the answers.

- 1 The author of the passage probably wants readers to understand that _____.
 - a. winning the lottery solves all of life's problems
 - b. winning a huge lottery jackpot may cause as many problems as it solves
 - c. even though it brings problems, a huge lottery jackpot is always a good thing
- 2 How quickly do two out of three lottery winners spend all their winnings?
 - a. in one year
 - b. in three years
 - c. in five years
- 3 What was Michael Carroll's job before he won the lottery?
 - a. librarian
 - b. taxi driver
 - c. garbage collector
- 4 According to the passage, which of the following should lottery winners do first?
 - a. talk to a financial advisor
 - b. pay all their debts
 - c. calculate how much money they need to live for the rest of their life

B Decide whether the following statements about the reading are true (T) or false (F). If you check (✓) false, correct the statement to make it true.

	T	F
1 Michael Carroll has spent nearly all of his lottery winnings.		
2 Laurie Grant has a sensible plan about how to get out of trouble.		
3 Michael Carroll has spent time in prison.		
4 Michael Carroll is more generous than Laurie Grant.		

Reading Comprehension:

Check Your Understanding