

PRIZE CAN'T GUARANTEE HAPPINESS

Sudden wealth is good for some lottery winners, but not all

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For some people, winning the big jackpot can turn out to be a big mistake.

William "Bud" Post III called it the "lottery of death."

The Pennsylvania man, who died in January at 66, hit a \$16.2 million lottery jackpot in 1988. After that, his sixth wife left him, a woman sued for a third of the winnings, he failed at business ventures with siblings, and spent time in jail for firing a gun over a bill collector's head.

His brother was arrested for hiring a hit man to kill him in the hope of getting a share of the winnings. Eventually Mr. Post declared bankruptcy.

Stories like this are the exception, but the truth remains that good fortune doesn't automatically come with a pile of money.

"Life is good, but it's not a constant party," said Susan Bradley, a certified financial planner who founded the Sudden Money Institute in Florida, which provides resources and training for new wealth recipients and their advisers.

"It's hard," she said. "You can change your phone number. You can move out of state. You can do all those kinds of things. But maybe you don't want to.

"Lottery winners are targets," she continued. "They also don't get the same kind of respect that someone who 'earned' the money gets. There's kind of this funny taint."

The Ohio Lottery does little specific counseling for winners, aside from stressing the importance of finding a good attorney and financial planner because it can't be seen as endorsing anyone in particular, said spokesman Mardele Cohen.

And while the lottery would prefer that winners go public - it's good publicity - more are choosing to avoid some of the drawbacks of instant wealth by remaining anonymous.

"Most of the folks anymore that win large prizes - \$1 million or more - are claiming in blind trusts so they don't have people they knew 30 years ago showing up," Ms. Cohen said.

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William 'Bud' Post, of Pennsylvania, won a \$16.2 million lottery in 1988. He was sued, failed at businesses, and filed for bankruptcy. (PITTSBURGH POST-GAZETTE)

Basically, that involves putting a third party - an attorney or other appointee - between the winner and the money with fiduciary responsibilities.

"You're anonymous, and that part's very, very good," Ms. Bradley said.

Not everyone takes that path, though.

West Virginian Jack Whittaker didn't hide from the world when he won a whopping \$314.9 million Powerball jackpot in 2002. He celebrated his good fortune and shared it with his home state, giving away tens of millions to philanthropy.

But he also suffered after his big win. Hundreds of thousands of dollars were stolen from his cars, home, and office, he lost his granddaughter to a drug overdose, and he pleaded no contest to attacking a bar manager. He was arrested twice for drunken driving and ordered into rehab.

The simplest lesson - explored in a famous 1978 study - is that more money doesn't always lead to more happiness.

Northwestern University researchers compared the happiness of lottery winners with paraplegics and quadriplegics. At first, lottery winners reported feelings of extreme happiness and the accident victims despair. But within a few months, each group had returned to about the same level of happiness they had before the life-changing event.

Still, the vast majority of lottery winners wouldn't want to give the money back.

"A lot of the publicity is really negative about people - that they've got hit men ... they waste all the money. I'm sure that does happen. I just know there are a lot of people who really do adjust successfully," said Eileen Gallo, a California psychotherapist who wrote her doctoral dissertation about sudden wealth.

H. Roy Kaplan, who teaches at the University of South Florida and has interviewed hundreds of lottery winners over the years, agreed: "For most people, it's a positive influence."

"I found some people, their lives were saved by winning. They were in dirty, deleterious jobs and it gave them a chance to retire," continued Mr. Kaplan, who wrote the 1978 book *Lottery Winners: How they won and how winning changed their lives*.

Many young people become entrepreneurs and their own bosses, he said.

In most cases, the first thing a winner does is buy a house, car, or go on vacation, said David Gale, executive director of the North American Association of State and Provincial Lotteries.

"If they choose the money in installment options, pretty much that first one they go out and have a good time," he said. "After that, they recognize for the most part that financial security is really what they've won."

Mr. Kaplan's advice - aside from, "Give me the money. I'd have a great time with it" - is to take things slow.

"Don't do anything right away," he said. "Don't quit [your job]. Take a leave of absence, get a financial planner. Don't do anything precipitously. Take a couple weeks off and think about it. You never have to worry again if you do it the right way."

As modern jackpots grow, the problems will remain the same, he predicted.

"The same kinds of issues will always be out there: letters begging for money, phone calls, notoriety. Just the sums change."

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West Virginian Jack Whittaker won a \$314.9 million jackpot in 2002. He has had several brushes with the law. (ASSOCIATED PRESS)