

Tough times have more trying their luck

Many find prizes are hardly free

BY DAHLEEN GLANTON • CHICAGO TRIBUNE • August 14, 2008

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ATLANTA -- As night falls, last-minute shoppers scurry out of Perimeter Mall while Neva Richardson settles in for the night.

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She takes a rolled up sweater and places it behind her head. She tries to find a comfortable spot, but it is difficult to get a good night's rest sitting behind the steering wheel of an automobile.

This was Richardson's life for 30 days, 15 hours and 32 minutes -- the amount of time she lived in a car parked in the lobby of the mall in order to win a red 2008 Mercury Milan worth \$24,000.

But like many big-prize winners, Richardson, a 27-year-old married mother of two from suburban Atlanta, learned that nothing is ever really free. She ended up with an \$8,000 tax bill and no means of paying it. And while she was away from work for a month, she got a voice-mail message from her employer informing her that she'd been fired from her job as a health insurance agent.

"It's OK because I got a new car," said Richardson, who entered the radio station contest because she was in dire need of a new car and she could not afford to buy one.

In these tough economic times, more and more people are trying their luck at sweepstakes, contests, lotteries and promotions, hoping to win financial security. The quest to win big prizes, according to consumer experts, is fueled by popular television shows such as HGTV's "Dream Home" giveaway, Oprah's "Big Give," "Extreme Makeover: Home Edition" and "Survivor" reality shows that offer anything from up to a million in cash to million-dollar mansions.

Lottery officials reported higher ticket sales in some states and radio stations have no shortage of offers from people willing to do silly things like riding a roller coaster for eight hours, eating a cockroach or gobbling up enormous amounts of food to win a prize.

"People will do all kinds of things for a car or concert tickets. We had someone volunteer to run naked down Peachtree Street, but that was illegal so we didn't do it," said Mike Moshure, assistant promotions director for radio station WSTR, which sponsored the car giveaway that drew 250 entries. "But we generally look for anything that will make people talk about us at the water fountain."

Some promotions can be dangerous. A 28-year-old Sacramento, Calif., woman died last year after drinking water continuously without going to the bathroom during an on-air radio show. The prize: a Nintendo Wii video game system.

"More than ever people are looking for the magic fix, pennies from heaven, and they are more susceptible to free claims when money is tight than when they feel like they have an abundance," said Kit Yarrow, a consumer psychologist at Golden Gate University in San Francisco.

The problem with big winnings, according to financial experts, is that the value of houses, cars and other items has to be reported as income. So at tax time, Uncle Sam wants his share.

"When people win big prizes, it is really in some ways setting them up for financial failure," said Lynette Khalfani-Cox, a money coach and author of "Zero Debt: The Ultimate Guide to Financial Freedom."

"They, like nine out of 10 Americans, have not been taught how to manage money well. So when you throw a lot of money at someone or give them high-ticket items like a home, they squander it," she said, adding that 70% of people who come into sudden wealth end up blowing the money.

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