SUPPORTING TEXAS EDUCATION AND VETERANS

TEXAS RETAILERS COME THROUGH FOR PUBLIC EDUCATION AND VETERANS WITH RECORD LOTTERY SALES AND REVENUE

Texas Lottery surpasses all-time sales record with new $6.7 billion mark in FY 2020

(AUSTIN) – The hard work and dedication of Texas Lottery retailers – essential businesses serving their communities throughout the COVID-19 health crisis – enabled the Texas Lottery to achieve **$6.704 billion in sales** during its 10th-consecutive record-breaking year, a $452.5 million increase (7.2%) over FY 2019. This achievement also resulted in a record **total contribution of $1.684 billion for Texas education and veterans.**

"Never in the 28-year history of the Texas Lottery has a year unfolded quite like Fiscal Year 2020 did, and our success is attributed first and foremost to our hard-working retailers," said Gary Grief, executive director of the Texas Lottery. "Understanding that nearly all of the 20,000 retail locations where lottery tickets are sold were deemed 'essential service' locations, we are proud to close out this fiscal year with a new sales record, and more importantly, provide another record-breaking year of revenue for public schools and veterans' services in Texas."

This year's revenue transfer included **$1.661 billion to the Foundation School Fund** and **$22.2 million to the Fund for Veterans' Assistance, the Texas Lottery's largest contributions to Texas education and Texas veterans** to-date. The Texas Lottery has now contributed more than **$25.7 billion to Texas public education** and more than **$142 million to Texas veterans** since the dedication of such funds by the Texas Legislature.

"The Texas Lottery is proud to partner with each and every one of our retailers across the state to provide *The Games of Texas* to as many players as possible," said Robert G. Rivera, chairman of the Texas Lottery Commission. "In a year marked by uncertainty in so many ways, these record achievements are especially noteworthy. Our retailers should be as proud as we are of their hard work and support for the schoolchildren and veterans of Texas. Likewise, we owe a debt of gratitude to our employees and vendor partners for their dedication, attention to detail and hard work in helping us achieve these record results."

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New Sales Records Achieved

Scratch ticket sales for FY 2020 totaled **$5.556 billion, a new Texas Lottery scratch ticket sales record,** accounting for 82.9% of the portfolio's total sales and a 14.7% increase over FY 2019. With strategic planning that led to a robust ticket lineup, the Texas Lottery saw **33 weeks of scratch ticket sales greater than $100 million** during the fiscal year – including the 27 best weeks the Texas Lottery has ever experienced.

Core scratch ticket games were once again the anchor to the Texas Lottery's scratch ticket sales success. A year after a $20 game was first added to the Loteria family of games, the extended play family generated $947.9 million in sales, a $210.3 million increase from the previous year. During the fiscal year, strong sales for the $250,000 50X Cashword scratch ticket game solidified the $10 game's core status, making it regularly available throughout the year in order to meet high player demand.

The Texas Lottery's scratch ticket families also provided momentum for the portfolio's latest record-breaking year. In FY 2020, the agency took the creative step of branding its annual Multiplier family of games with the MONOPOLY™ theme and incorporating the return of the $5 Million Vegas Challenge™ – the popular multi-game second-chance drawing promotion first launched in FY 2019. These features were vital in generating record retailer commissions and revenue for beneficiaries, as the FY 2020 edition of the Multiplier family saw more than $421.8 million in sales across the family's five price points.

In addition to record scratch ticket sales, draw games generated a total of **$1.148 billion in sales for the Texas Lottery.**

In-state jackpot games outperformed the growth experienced in FY 2019 with $702.5 million in FY 2020 sales, the highest amount since FY 2010. Propelled by the longest-rolling jackpot in the history of the game, Lotto Texas with Extra! boasted a healthy jackpot for a majority of the year, leading to $146.7 million in sales, the highest amount since FY 2014. Of that, Extra! – the game's add-on feature – set a new record with $31.1 million in total sales.

Likewise, the daily draw game portion of the portfolio generated $495.1 million in sales during FY 2020, breaking the FY 1997 record of $481.4 million. In particular, sales for Pick 3 and Daily 4 performed exceptionally well in FY 2020 as a result of the growing popularity of the Fireball add-on feature, which launched in April 2019. The two draw games combined generated $412.3

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million in sales, accounting for more than 35% of total draw sales for FY 2020. All or Nothing also experienced a notable sales gain, with a $4.5 million increase from the previous year.

Texas sales of the multi-state games Powerball and Mega Millions combined for a total of $445.7 million in FY 2020. These games saw a national decline in sales this year, primarily as a result of sales in other states more severely impacted by the COVID-19 pandemic.

Record Year for Retailer Commissions

FY 2020 was a record year for the Texas Lottery's nearly 20,000 retailers across the state. Retailer commissions totaled **$335.6 million, the highest payment to retailers** in Texas Lottery history and **an average amount of $16,734** for each of the Texas Lottery's retail partners.

Record Year for Prizes Paid to Players

FY 2020 was also a big year for Texas Lottery players. Highlighted by a $157,091,592 Mega Millions jackpot prize paid out to a Leander resident – the largest unshared prize ever paid out to a Texas Lottery player – players collected **$4.523 billion in prizes, the highest prize payment** in Texas Lottery history. This total was a $391.6 million increase over the previous prize payout record amount of $4.132 billion set in FY 2019. The Texas Lottery paid an average of more than $12.359 million a day in prizes to players during FY 2020.

Responsible Gaming Efforts Recognized

While achieving another year of record sales growth, the Texas Lottery remained laser focused on social responsibility by enhancing implementation of its responsible gaming initiatives. The agency improved awareness training for retailers, vendor staff and agency employees, participated in the international campaigns for Problem Gambling Awareness Month and responsible holiday gifting and made PLAY RESPONSIBLY campaign information widely available to players and retailers. During FY 2020, the Texas Lottery was certified by the National Council on Problem Gambling (NCPG) and the North American Association of State and Provincial Lotteries (NASPL) for meeting the NASPL/NCPG Responsible Gaming Verification Standards at the Implementation Level. As the fiscal year closed, the Texas Lottery received international recognition, as it achieved recertification by the World Lottery Association (WLA) at Level 3 of the WLA Responsible Gaming Framework.

Record Year for Fiscal Stewardship

The Texas Lottery continued to adhere to its conservative budgeting approach in FY 2020, as it reduced its FY 2019 administrative costs rate of 3.97% – one of the lowest administrative expenditure rates in the country – to just **3.23%, a new agency record**.

FY 2020 by the Numbers

- If it were a publicly traded company, **$6.704 billion in annual sales would place the Texas Lottery tied at No. 450 on the [2020 Fortune 500 list](#)** with Booz Allen Hamilton Holding and ahead of other well-known brands including S&P Global, Wynn Resorts, Ralph Lauren and Clorox.
- This is the **17th consecutive year** that the Texas Lottery generated more than $1 billion in revenue for Texas, **with a total contribution to the state of $1.684 billion**.
- **97.8% of Texas Lottery sales are returned** in the form of contributions to the Foundation School Fund, the Fund for Veterans' Assistance and other state programs, and through prizes, retailer commissions, and incentives.

The Beneficiaries: Texas Education and Texas Veterans

The Foundation School Fund, administered by the Texas Education Agency, funds the operational needs and special program services for Texas school districts, including teacher salaries, utilities, equipment, bilingual education, special education, gifted and talented education, and career and technical education.

[The Texas Veterans Commission Fund for Veterans' Assistance](#) makes grants available to eligible charitable organizations, local government agencies, and Veterans Service Organizations that provide direct services to Texas veterans and their families. With 1.7 million veterans spread across the state, these programs provide financial assistance, transportation services, Post-Traumatic Stress Disorder counseling and housing assistance.

About the Texas Lottery

Beginning with the first ticket sold in 1992, the Texas Lottery has generated $31 billion in revenue for the state and distributed $66 billion in prizes to lottery players. Since 1997, the Texas Lottery has contributed $25.7 billion to the Foundation School Fund, which supports public education in Texas. As authorized by the Texas Legislature, certain Texas Lottery revenues benefit state programs including the Fund for Veterans' Assistance. Since the first veterans' themed scratch ticket game was launched in 2009, the Texas Lottery has contributed more than $142 million for programs supporting Texas veterans.

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The Texas Lottery provides several entertaining games for lottery players including Powerball®, Mega Millions®, Lotto Texas®, All or Nothing™, Texas Two Step®, Pick 3™, Daily 4™, Cash Five® and scratch ticket games. For more information visit us on Facebook, Twitter, Instagram, YouTube or at www.txlottery.org. PLAY RESPONSIBLY.

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