Washington's Lottery

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Brief History of Washington's Lottery

- 1982 - HB 1251 creating Washington's Lottery signed by Governor Spellman on July 16
- 2000 - Voters approved an initiative redirecting Lottery revenue contributions from the general fund to the Student Achievement Council and the Education Construction Fund
- 2002 - Joined multi-state *Mega Millions*
- 2009/11 - Some Lottery funds redirected to the general fund and the Education Legacy Trust Fund
- 2009 - Joined multi-state *Powerball*
- 2010 - SB 6409 redirected Lottery revenue into newly created Washington Opportunity Pathways Account (WOPA), stadium debt reduction, problem gambling prevention, general fund, and economic development
- Statutory mandate to "produce the maximum amount of net revenues for the state consonant with the dignity of the state and the general welfare of the people." RCW 67.70.040(1).

Washington's Lottery Commissioners



Judy Giniger
Chair
Seattle
Term ends
8/2026



Schuyler Hoss
Commissioner
Vancouver
Term ends
8/2029



Rudy Mendoza
Commissioner
Kennewick
Term ends
8/2027



Eileen Sullivan
Commissioner
Tacoma
Term ends
8/2028



Vacant
Commissioner

Vision, Mission, and Values

Vision

To be as innovative leader, creating fun gaming experiences that benefit the people of Washington.

Mission

To offer games of chance with integrity and imagination to maximize contributions to our state.

Values

Integrity * Responsibility * Collaboration * Customer-focus * Creativity * DEIB

Where Does the Money Go?

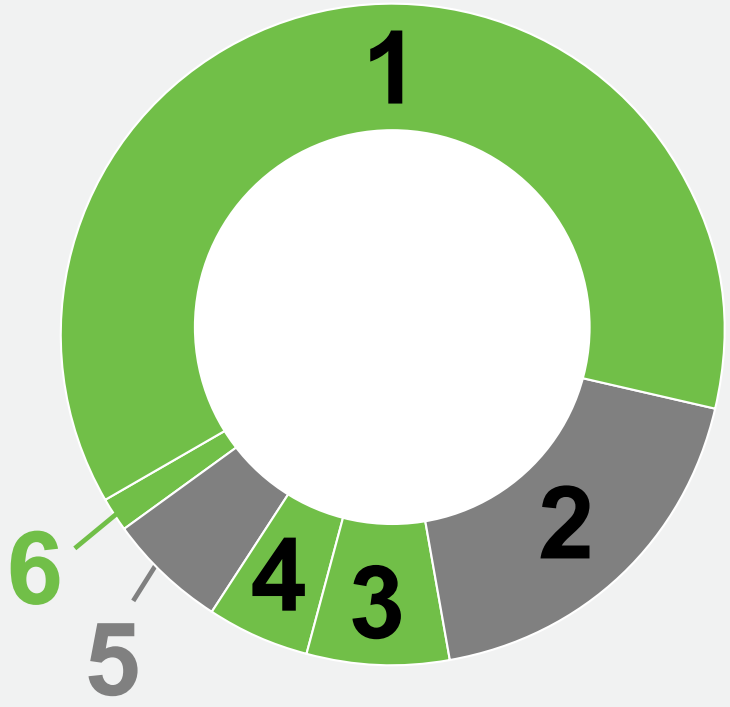
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Lottery Beneficiaries

- **WASHINGTON OPPORTUNITY PATHWAYS ACCOUNT (WOPA)**
  Washington Grant, college scholarships, state financial aid programs, early childhood education and assistance program (ECEAP), charter schools
- **ECONOMIC DEVELOPMENT RESERVE ACCOUNT**
  1/3 of unclaimed prizes
- **PROBLEM GAMBLING ACCOUNT**
  0.26% of net receipts (sales less prizes)
- **GENERAL FUND**
  Amount of Powerball profits that exceed $102m when combined with profit from in-state games
- **LUMEN FIELD (THRU DEC 2020)**
  $14.2M in FY21 (all payments are completed)

Where the Money Went Fiscal Year 24

FY24 TOTAL DISTRIBUTION : $1.03 BILLION



1. PRIZES $636.28M (61.74%)
2. WASHINGTON OPPORTUNITY PATHWAYS ACCOUNT: $189.85M (18.42%)
3. COST OF SALES : $70.30M (6.82%)
4. RETAILER COMMISSIONS : $51.50M (5.00%)
5. GENERAL FUND : $58.19M (5.65%)
6. ADMINISTR ATION : $16.88M (1.64%)
7. ECONOMIC DEVE LOPMEN T: $6.70M (0.65%)
8. PROBLEM GAMBLING : $0.79M (0.08%)

*Amounts not displ ayed in g raph

COST OF DOING BUSINESS PROFIT

The Legislatu re decides the beneficiaries and h ow much the Lot tery can spend on administ ration .

Draw Games

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Draw Games – Jackpot/Cashpot

- **Powerball**
  - National game; $2 purchase; starting jackpot $40 million; draws Mondays, Wednesdays & Saturdays; odds 1 in 292 million; largest jackpot $2.04 billion
- **Mega Millions**
  - National game; $2 purchase; starting jackpot $40 million; draws Tuesdays & Fridays; odds 1 in 303 million; largest jackpot $1.602 billion
- **Lotto**
  - WA State game; $1 purchase (2 plays); starting jackpot $1 million; draws Mondays, Wednesdays, & Saturdays; odds 1 in 6.99 million
- **Hit 5**
  - WA State game; $1 purchase; starting cashpot $100,000; draws daily; odds 1 in 851,000

Draw Games – Daily

- **CashPOP**
  - WA State game; $5 purchase; top prize $500; odds 1 in 7.50
- **Match 4**
  - WA State game; $2 purchase; top prize $10,000; odds 1 in 10,600
- **Daily Keno**
  - WA State game; $1 purchase; top prize $500,000 (10 of 10); odds 1 in 8.91 million
- **Pick 3**
  - WA State game; $0.50 purchase; top prize $500; odds 1 in 1,000

Scratch Products

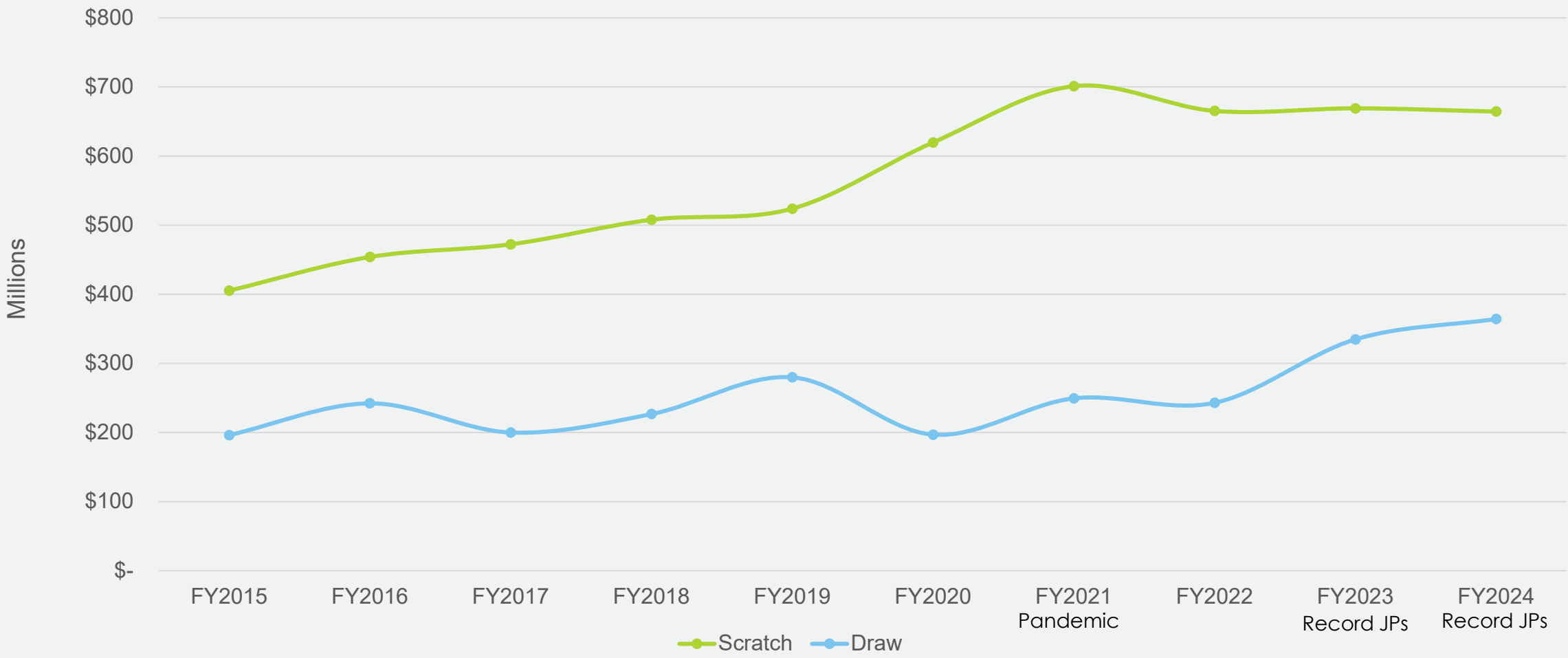
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Scratch Games

- **Price points**
  - $1, $2, $3, $5, $10, $20, $30
- **How do we develop our game ideas?**
  - *Scratch* Ticket Partners
    - International Game Technology (IGT)
    - Scientific Games (SG)
    - Pollard Banknote
  - Lottery Staff
  - Instant Product Manager
- **FY24 Sales: $664,329,886**
  - Over 64.6% of our total sales



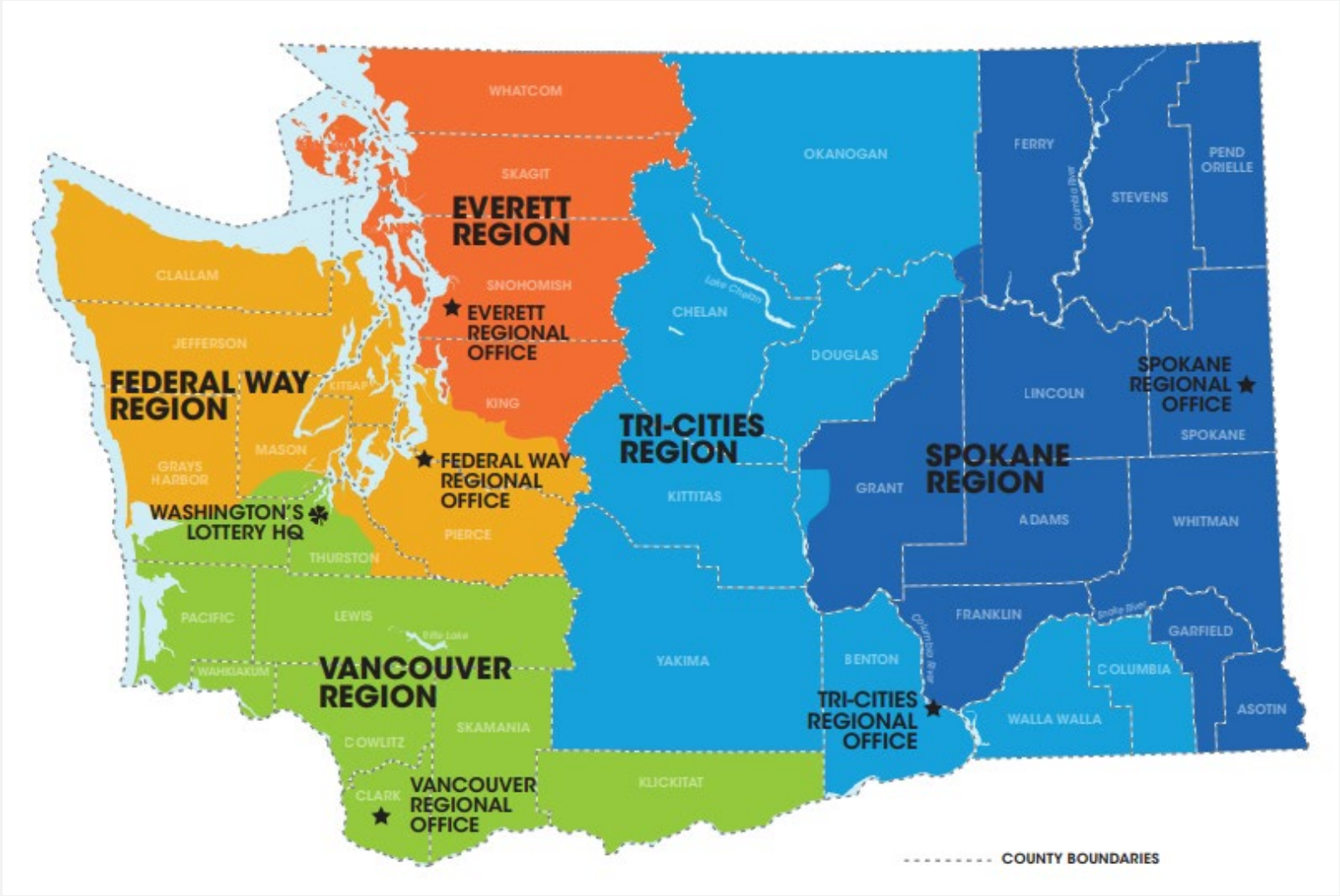
Sales: FY2015 – FY2024



Operations

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Washington's Lottery Region Map



***Regional office locations:** Vancouver, Federal Way, Everett, Tri-Cities, and Spokane

Spokane DOI Store



Lottery Kiosks

- Tacoma Mall
  - FY24 Sales $884,852
  - Installed December 2012/rebuilt 2023



- Alderwood Mall
  - FY24 Sales $173,024
  - Installed July 2024



- SeaTac Airport
  - FY24 Sales $4,003,342
  - Installed April 2016/moved 2022



Retailer Network FY24

- **Current retailer count:** 3,658
- **Current vending machines installed:** 2,216
  - FY24 vending sales $565,926,191
- **Corporate accounts**
  - 1,464 accounts
  - Sales FY24: $595,857,546
- **Independent stores**
  - 2,224 stores
  - Sales FY24: $404,225,925
- **Tribal locations**
  - 54 locations
  - Sales FY24: $20,355,876
- **Lottery Owned Locations**
  - Sales FY24: $7,586,352.50

Lottery Audits

- **Required**
  - Annual Prize Payment Audit
  - State Auditor Accountability Audit
  - Management Review by OFM
  - Internal Control Officer
  - FY25 Audit Plan
  - Enterprise Risk Management Plan
  - Quarterly audit on gaming system access controls
  - MUSL audit
- **Enhanced Scrutiny**
  - Annual Certified Financial Review
  - Independent auditors at all drawings
  - Monthly ticket reconstruction audit
  - Strict draw procedure including multiple officials witnessing the drawing

Player Profile



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THE DISCOVERY SQUAD

"We're passionate about seeking out new things to try"

CONFIDENT - ADVENTUROUS - FUN-LOVING

Who they are

- **Core Ages: 25-44**
  28-35, for creative imagery
  (aspirational to over 35s, without appealing to under-20s)
- No gender bias - 51% male, 49% female
- Married with kids - probably under 11
- Live in and around cities
  and bigger suburbs
- Educated, with a good job

  More likely to have Bachelors' or more

  Above average Household Income ($100k+)
  in Customer Service, Sales & Office Roles



Key Personality Traits + Characteristics

- **Experience Seekers:**
  Challenge themselves to do new things
- **Empathetic Observers:**
  Take in the world around them;
  Think about how they can help the environment; More likely to support brands with a cause
- **Optimistic Aspirers:**
  Life should be as fun as possible; Good at fixing things; Would like to set up their own business one day
- **Gregarious Connectors:**
  Friends are important; Appreciate & pursue learning about other cultures

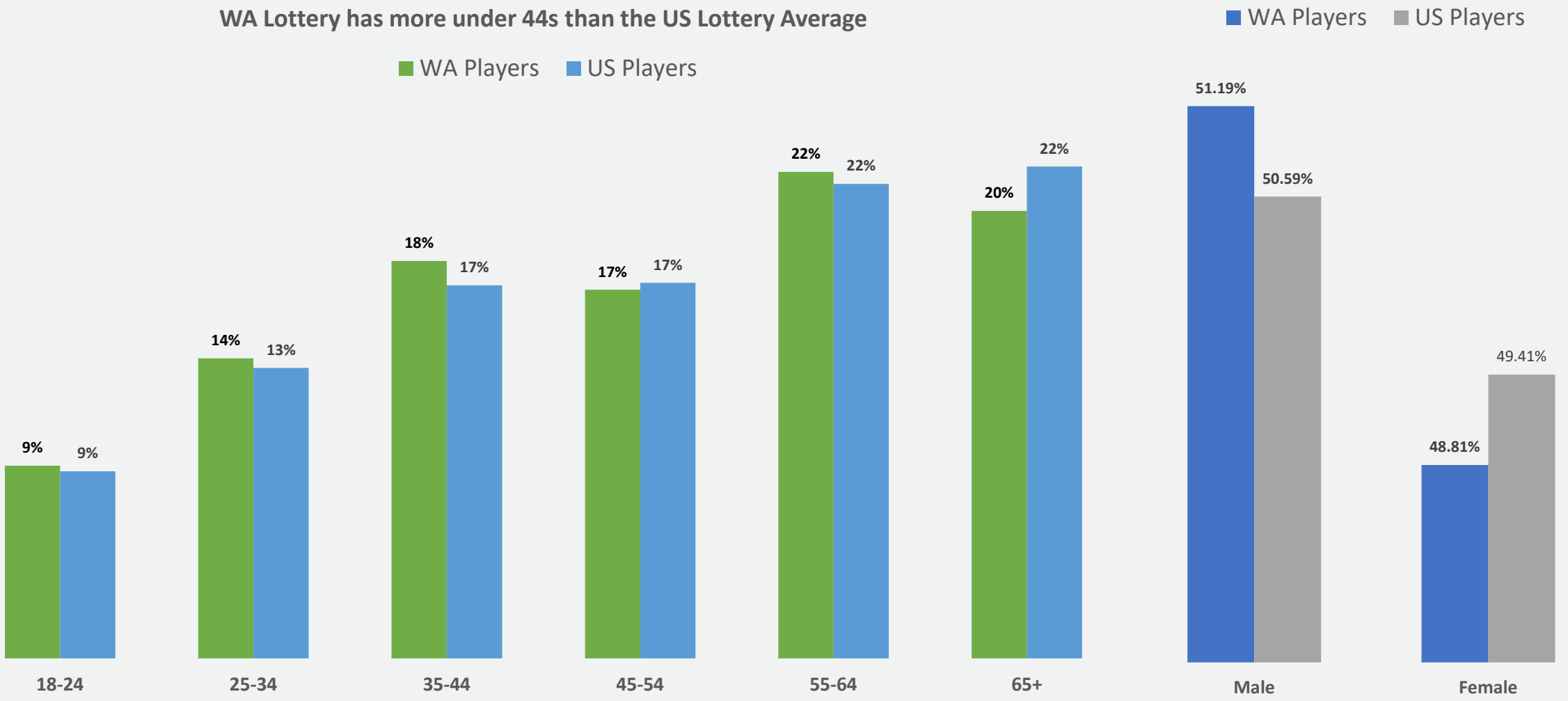
How they play

- **More likely to play regularly**
  for all games - and have the highest play of Hit 5, Match 4 and Pick 3
- **Love to try new games**
  using the site and app to learn about new games, and new chances to win prizes
- **Started playing in the last 6 - 10 years:**
- **More likely to think playing is fun**
  as well as a chance to win
- **95% have a positive opinion of Washington's Lottery**

How see themselves

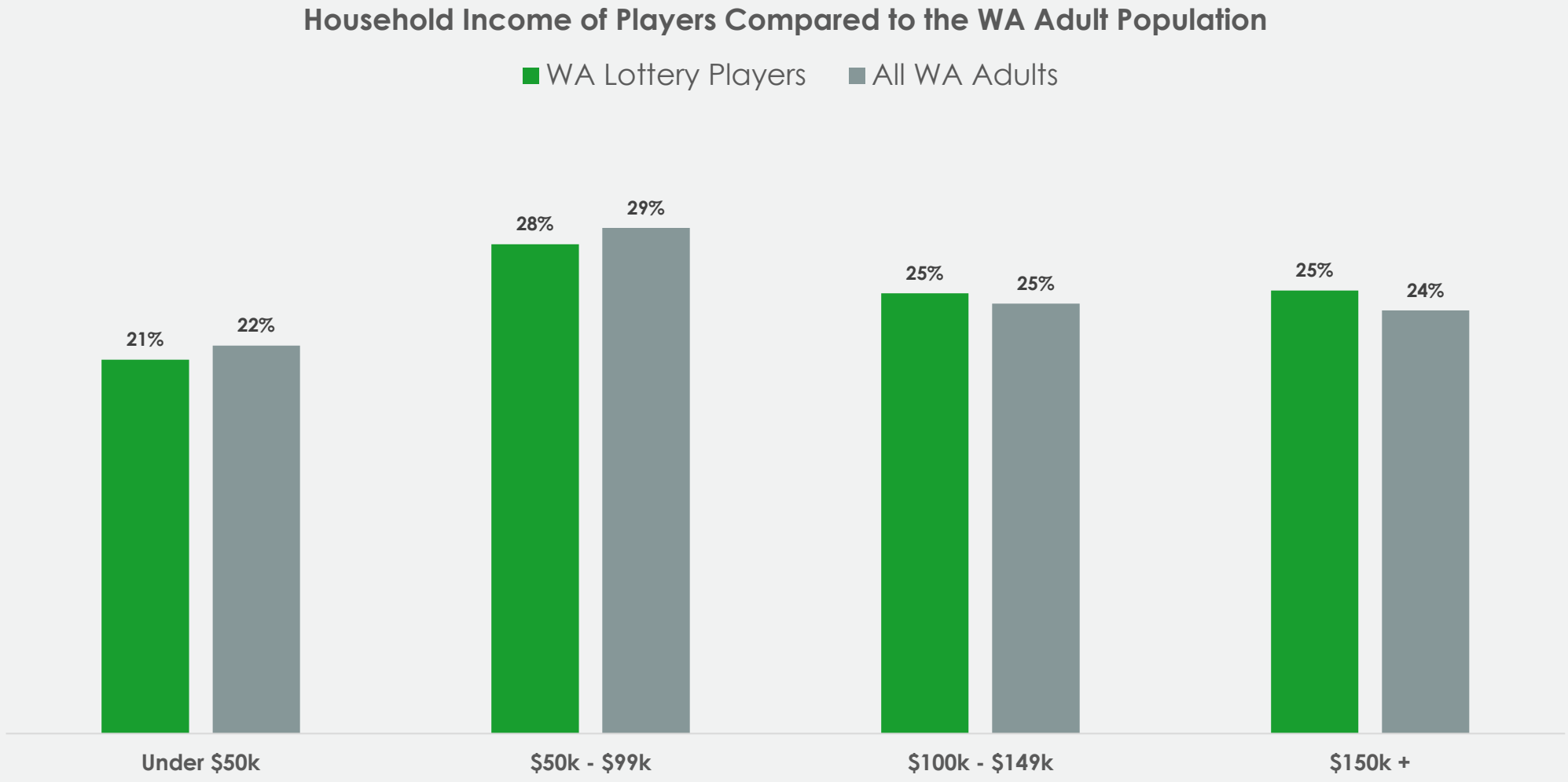
- A Friend & an Individual
- Friends are important to the Discovery Squad
- Among their social circles, they're usually the first of the bunch to try a new product
- They value confidence, speaking up, wittiness
- It's notable that they are still "comfortable eating in a restaurant alone" - leaving them at the intersection of a gregarious friend and an individualistic experience seeker

WA Lottery Players: a Snapshot



Source: Simmons Local (WA), 18+ Adults, Spring 2024

Economically, Lottery players in Washington are very similar to the average



Source: Simmons Local (WA), 18+ Adults, Spring 2024

Responsible Gambling

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Responsible Gambling Verification

- Offered by the North American Association of State and Provincial Lotteries/National Council on Problem Gambling
- Five-year process working through three progressive levels – Planning, Implementation, and Sustaining
- Each level involves in-depth evaluation of:
  - Employee training
  - Retailer training
  - Public education and awareness
  - Product oversight
  - Advertising
- Granted Sustaining Level on 12/23/2024

Other RG Activities

- Participating in the Disordered Gambling Advisory Workgroup
- Annual “Gift Responsibility” campaign
- Promoting Problem Gambling Awareness Month each March
- Promoting responsible play in large and small ways
- Ongoing partnership with ECPG
- Member of NCPG



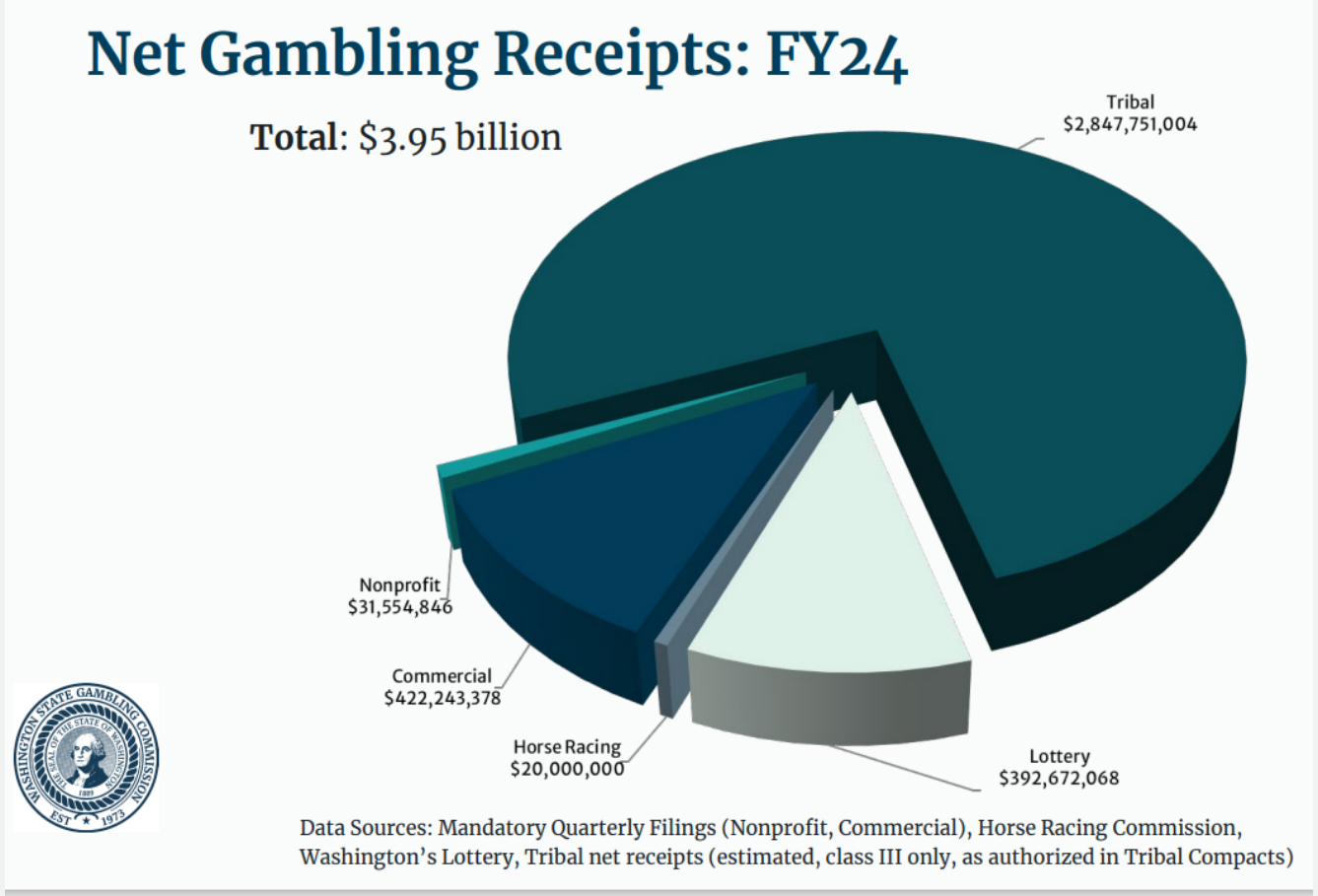




Future Challenges

It's Not 1982 Anymore

- Increasing competition for entertainment dollars
- Ongoing changes to technology
- Evolving player expectations
- Scams that threaten the public's trust



THANK YOU

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