

Iowa Lottery Overview

Presented to:
Administration and Regulation Appropriations Subcommittee
Iowa House of Representatives

By Matthew N. Strawn, Chief Executive Officer
January 30, 2023




Risk Mitigation & Operational Integrity

- ▶ Clean audit of Lottery's latest fiscal year from Office of State Auditor (FY 2022)
- ▶ Annual performance threshold met for unannounced, undercover Lottery security compliance checks at retail licensees (2022)
- ▶ Performed comprehensive independent, third-party network security assessment (2022)
- ▶ Updated criminal and financial backgrounding procedures for sensitive position and key management personnel (2022)
- ▶ Addition of chatbot technology to Iowa Lottery website, providing consumers enhanced 24/7 customer service about the lottery and its products (2022)
- ▶ Revising national lotto game prize claim periods to better align with consumer expectations and security objectives (2022/2023)

Focus On: Responsible Play

- ▶ Iowa Lottery application to the National Council on Problem Gambling/North American Association of State and Provincial Lotteries for national Responsible Gambling Verification Best Practices designation (October 2022)
- ▶ Lottery-led presentation about families and addiction at Iowa BEST Summit for K-12 educators statewide (October 2022)
- ▶ Publication of Iowa Lottery Responsible Gambling Plan (2022)
- ▶ Record three-year total (nearly \$1.5 million) secured for Lottery-Iowa HHS problem-gambling messaging during Problem Gambling Awareness Month (2020-2022)
- ▶ December 2022 initiative to highlight responsible gifting of lottery products at the holidays, with upcoming statewide PSA campaign in March 2023 to highlight Problem Gambling Awareness Month




Play It Smart, Be Informed

The more you know, the more fun you'll have when you play the Iowa Lottery. That's where this player's guide comes in. We've got tips and tools here to help you make informed decisions as you buy lottery tickets.

Think of it this way: You wouldn't buy a new vehicle or even a phone without first doing your research. So just like you gather information in other areas of your life, you can choose to be informed when you play the lottery.

At the Iowa Lottery, we care about you as a player and want you to play responsibly. You've heard us say it before: Playing smart is a lot more fun. The information here can help you do just that.



[Know Your Limits And Play Within Your Means](#)

[Understand The Odds Before You Play](#)

[Resources To Learn More About Lottery Odds And Prizes](#)

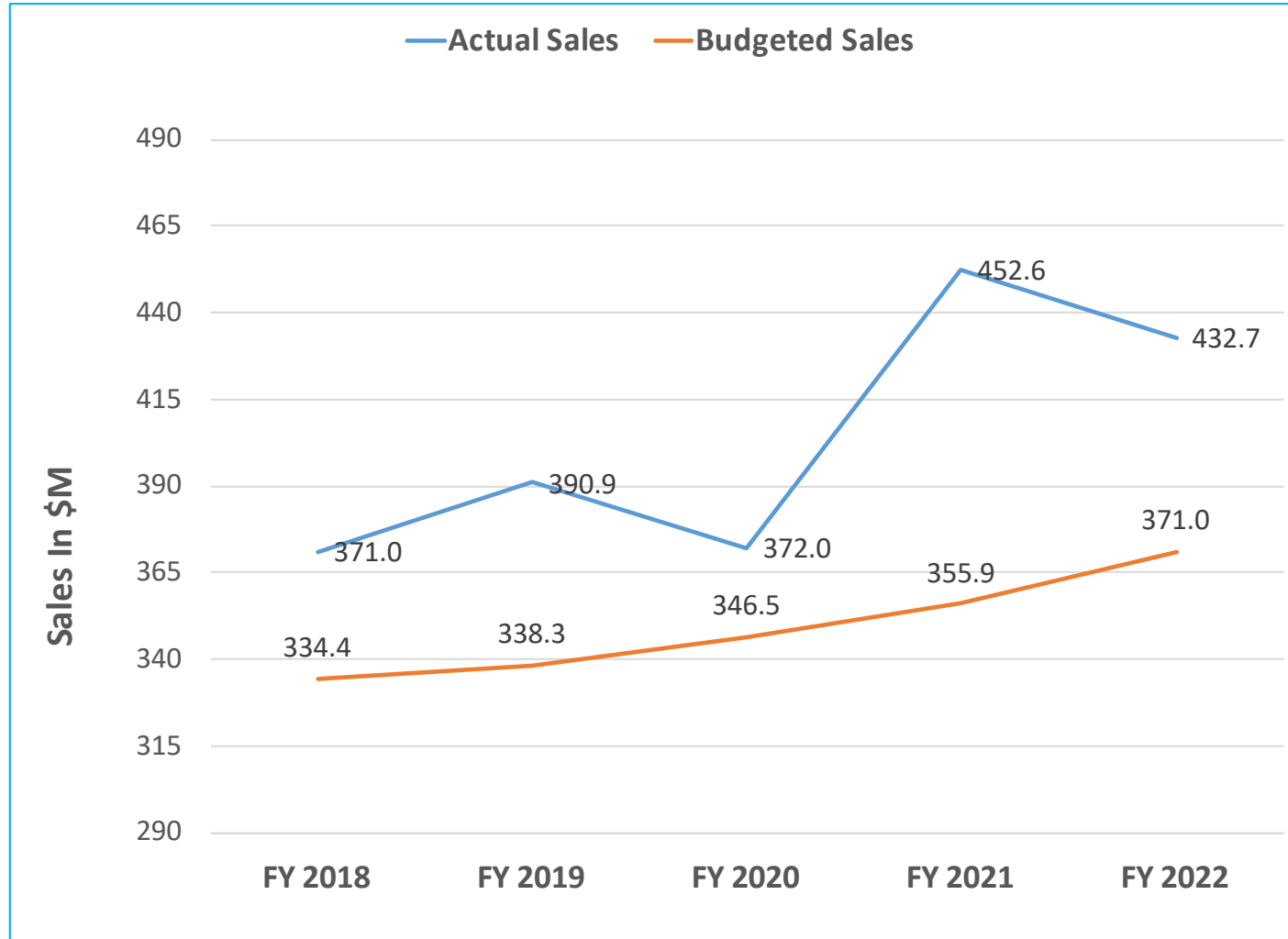
[Win Responsibly](#)

[Lottery Myths vs. The Facts](#)

[Test Your Understanding](#)

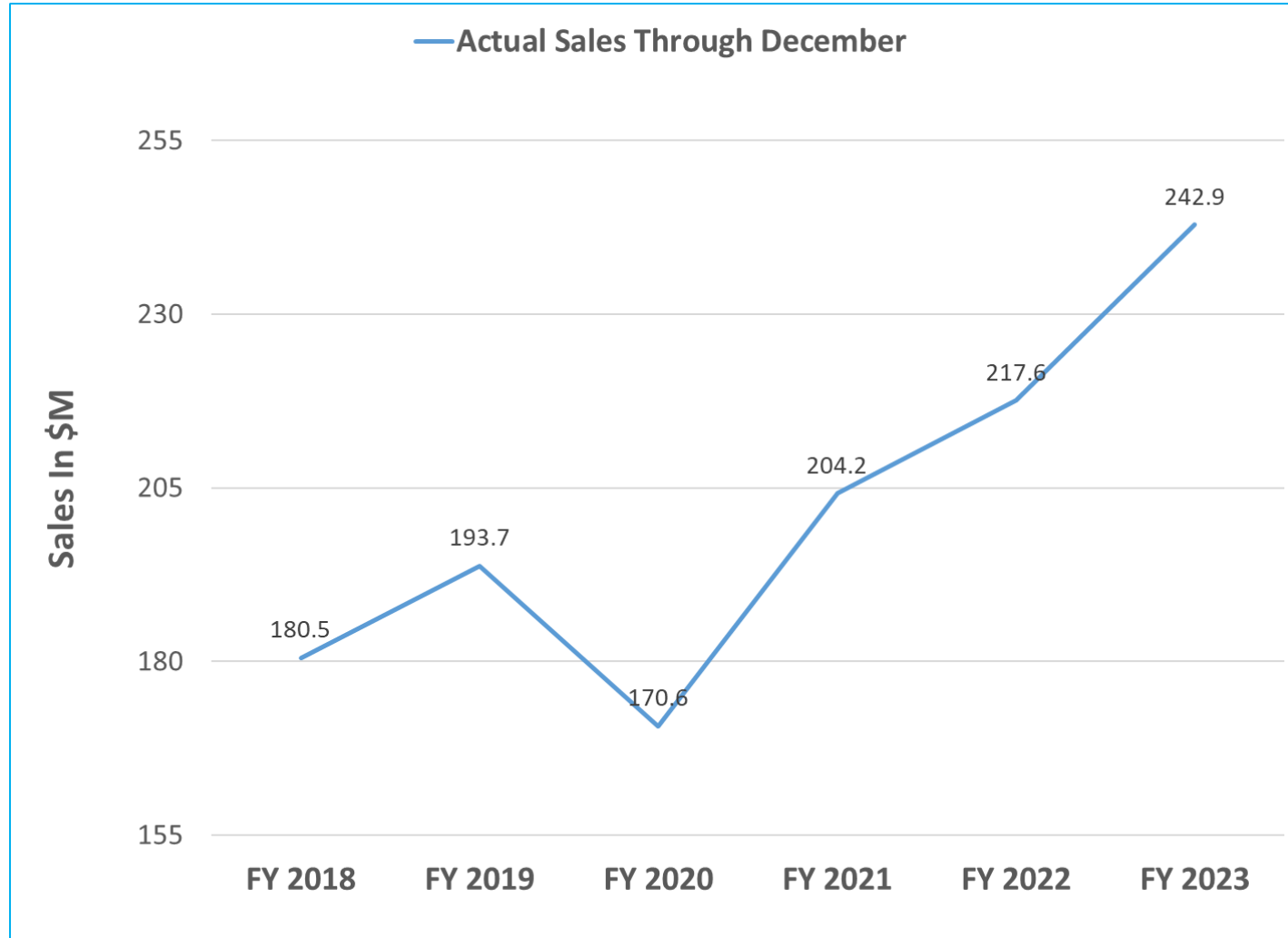
[If You Think It's Gotten Beyond Your Control](#)

5-Year Overview: Iowa Lottery Sales

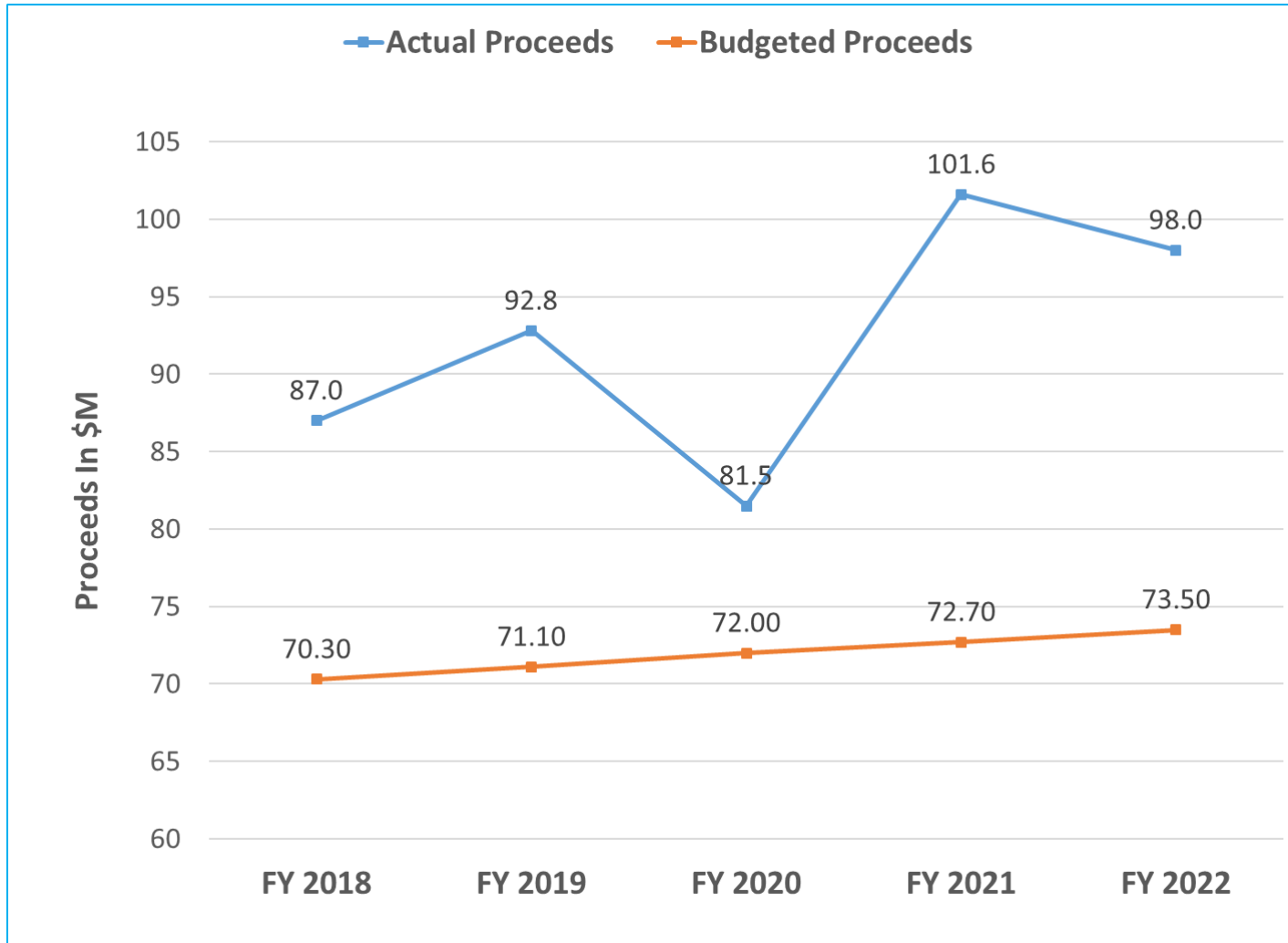


*FY 2023: Total sales of \$242.9 million through December represents an 11.6 percent year-over-year increase

Iowa Lottery Total Sales Through December FY 2018 - FY 2023

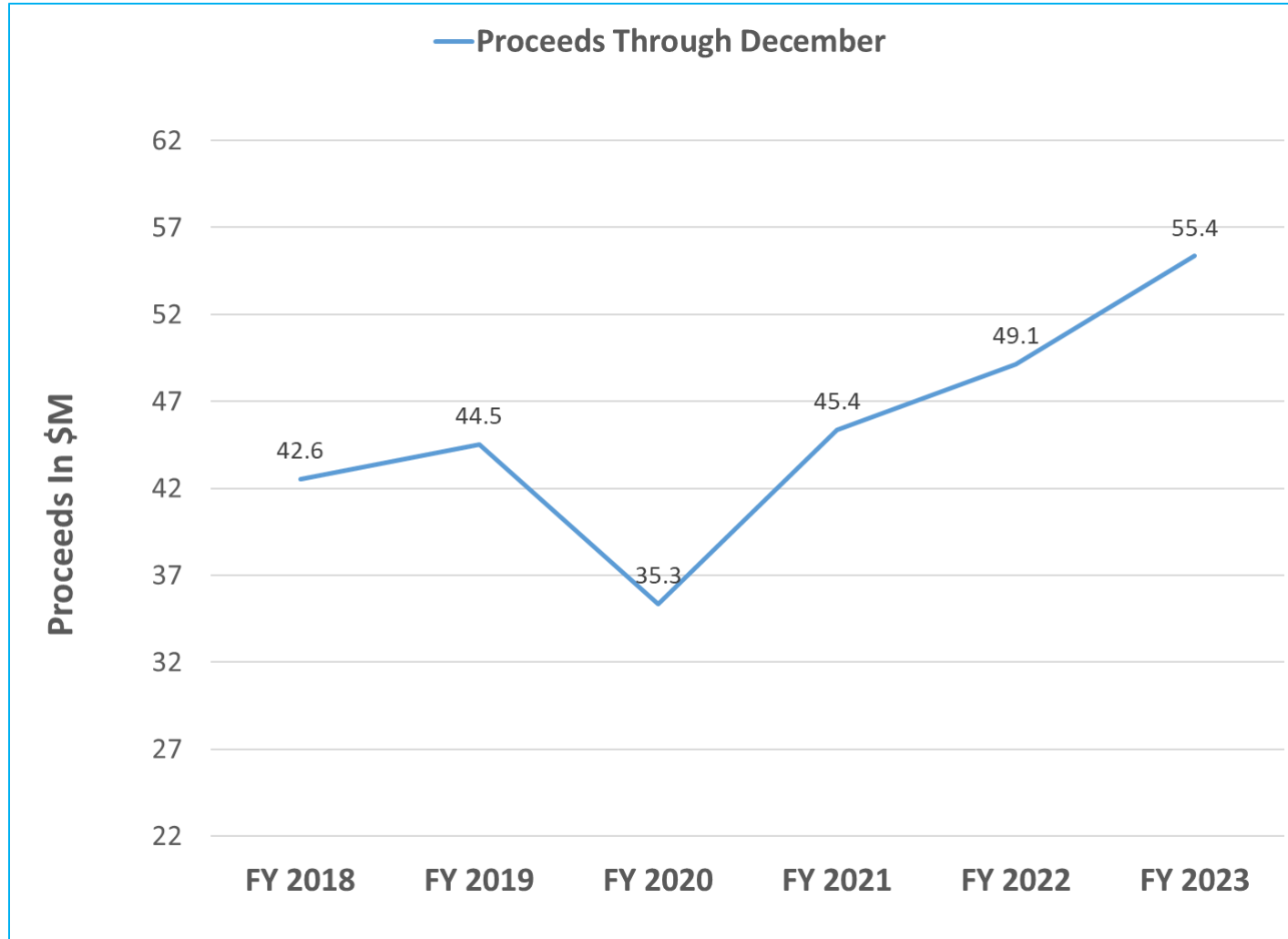


5-Year Overview: Iowa Lottery Proceeds

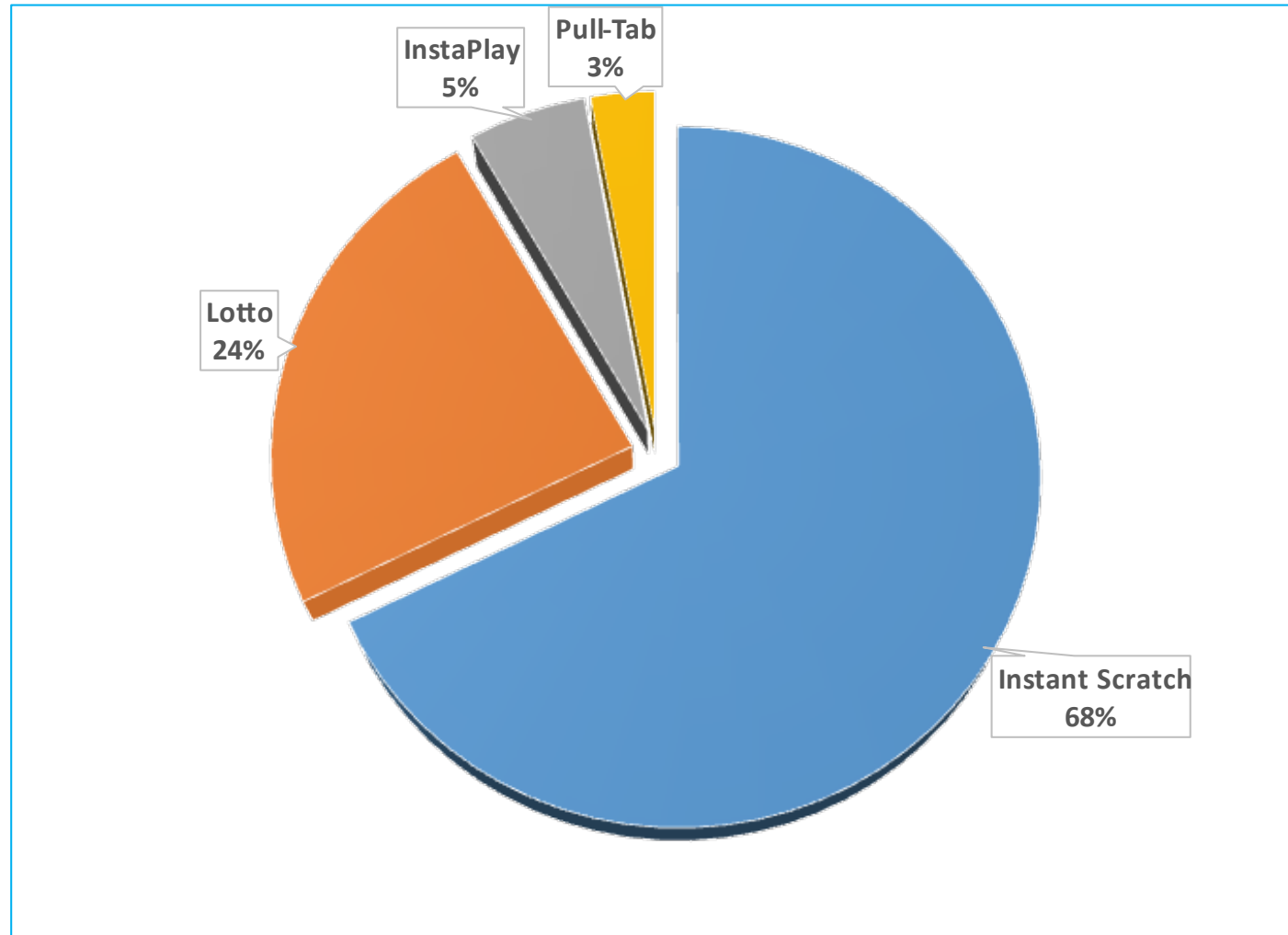


*FY 2023: Total proceeds of \$55.4 million through December represents a 12.7 percent year-over-year increase.

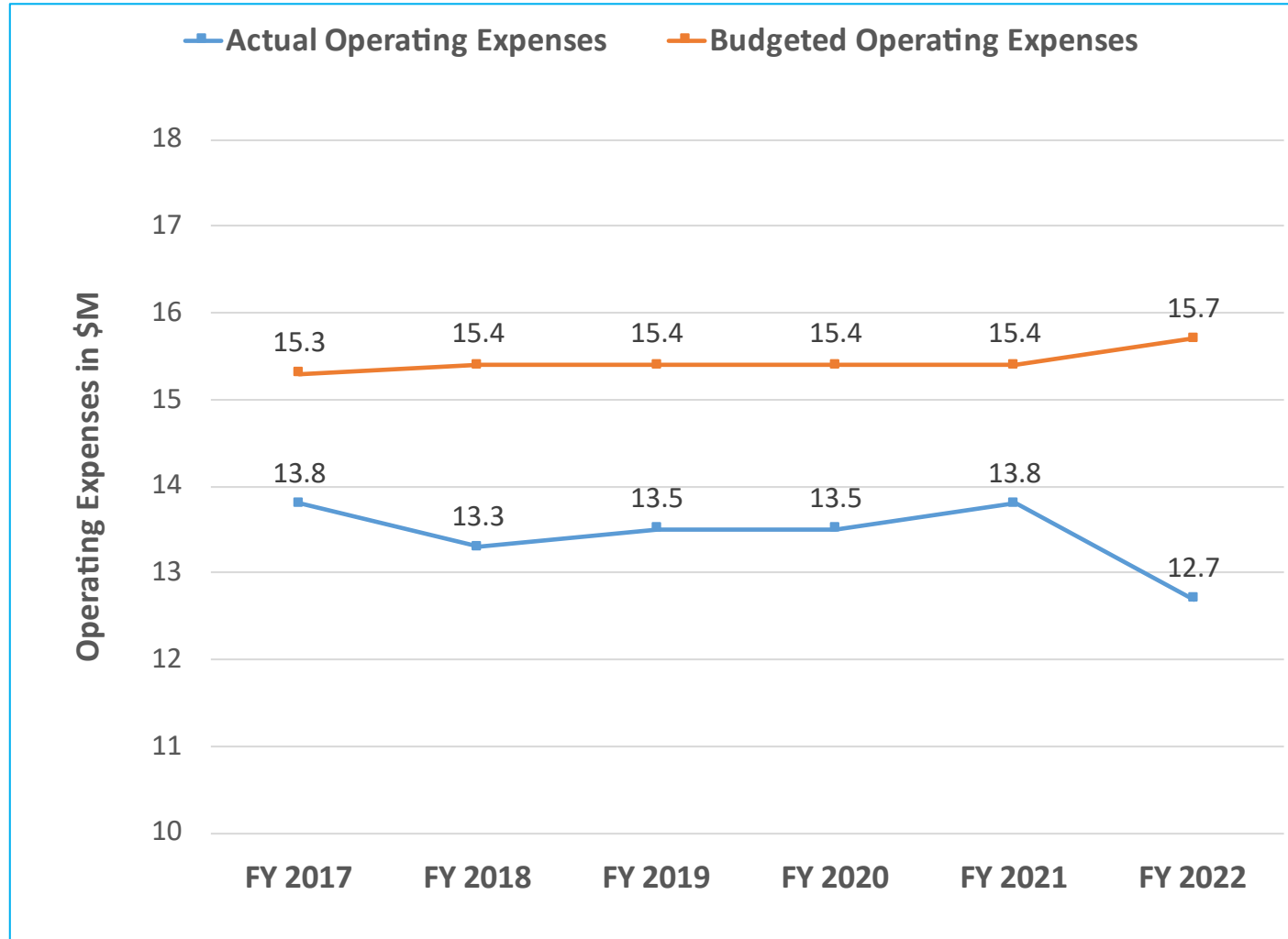
Iowa Lottery Proceeds Through December FY 2018 - FY 2023



FY 2022: PERCENTAGE OF LOTTERY SALES BY PRODUCT CATEGORY

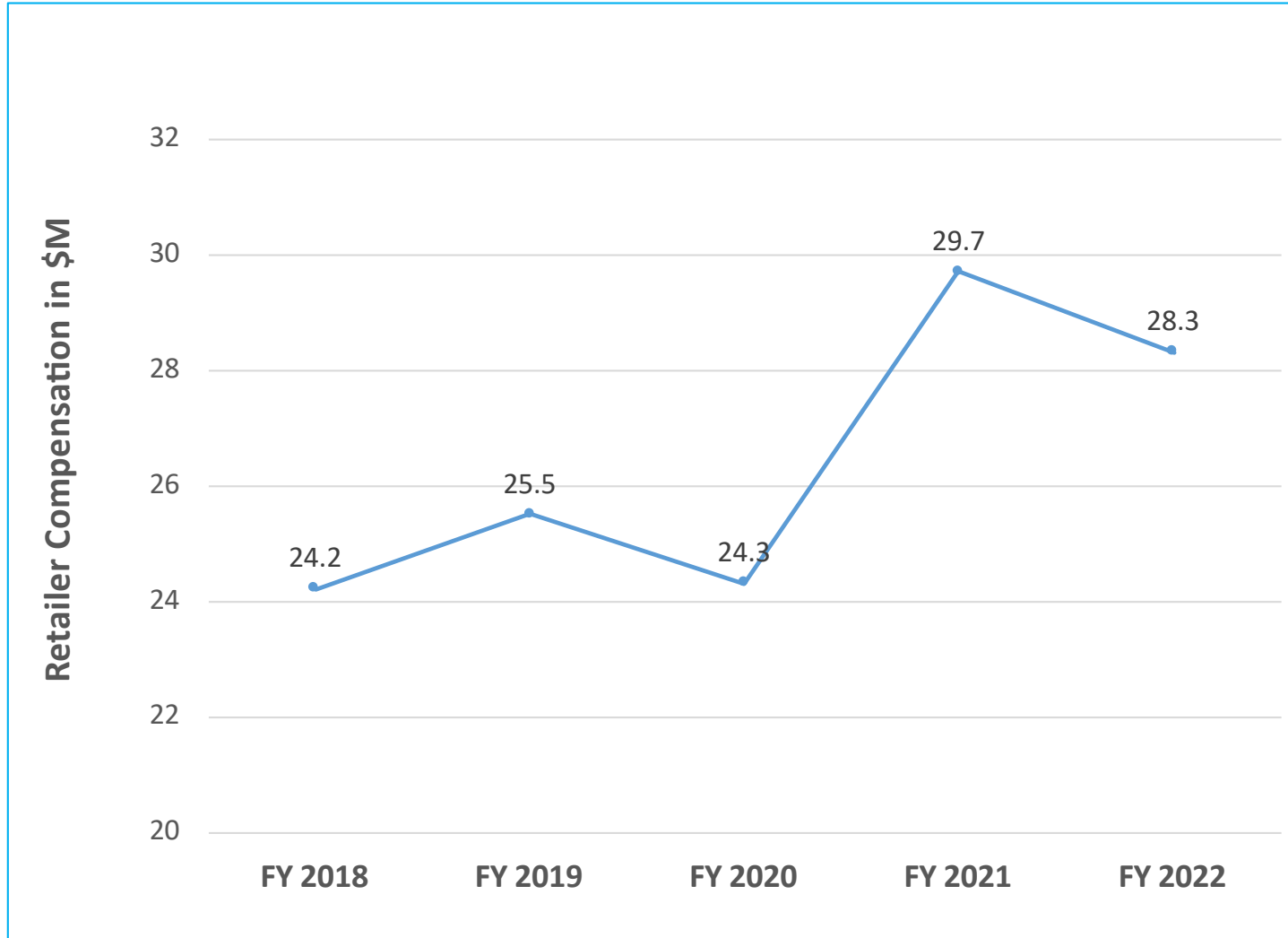


5-Year Overview: Operating Expenses



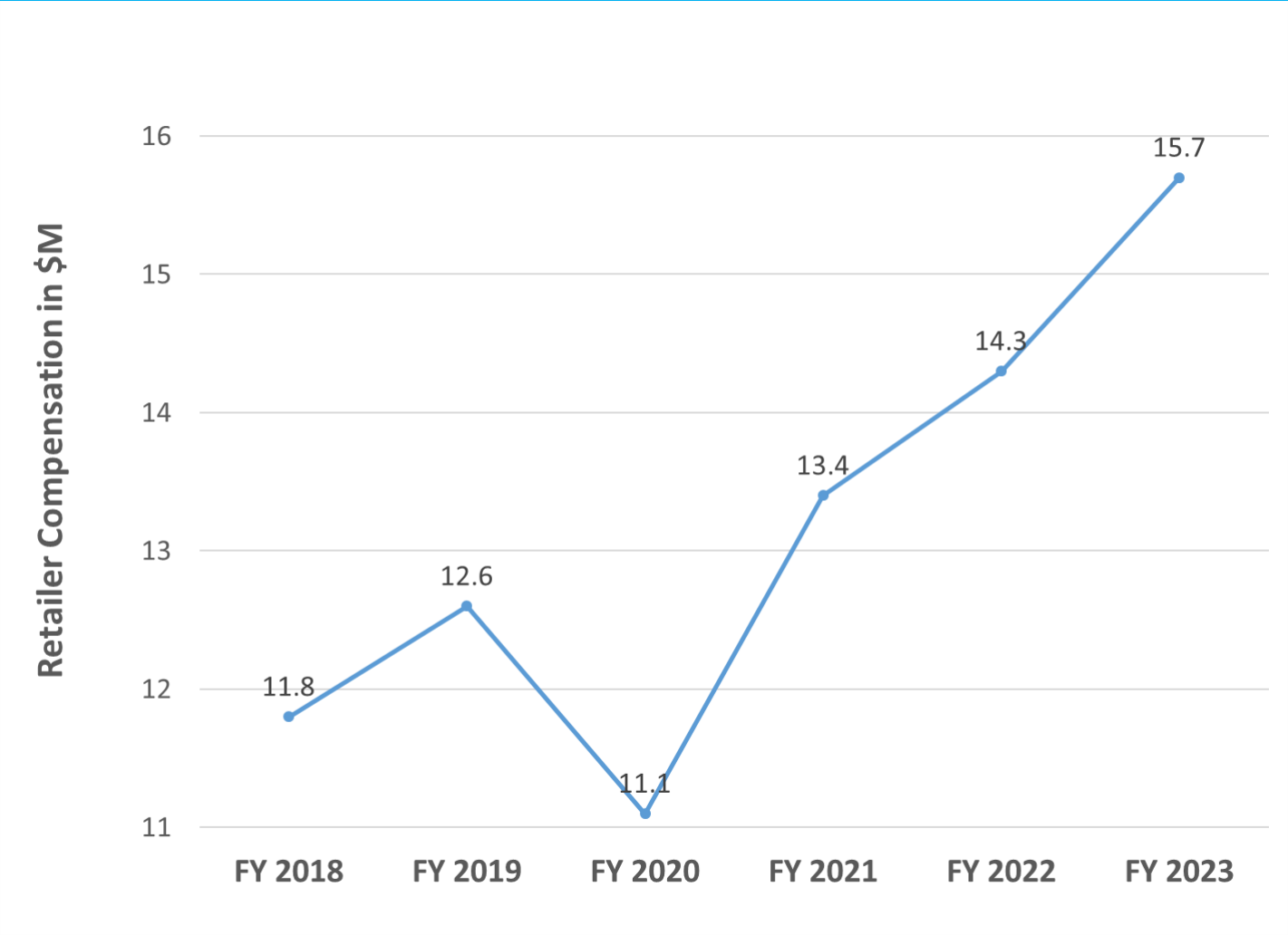
*FY 2023: Operating Expenses are 10.5 percent UNDER budget through December.

5-Year Overview: Retailer Compensation



Current Snapshot of Retailer Compensation

(Through December of each year)



The Breakdown of Each Dollar Spent



63¢ to player prizes



23¢ to vital state programs



7¢ to Iowa businesses that sell lottery products

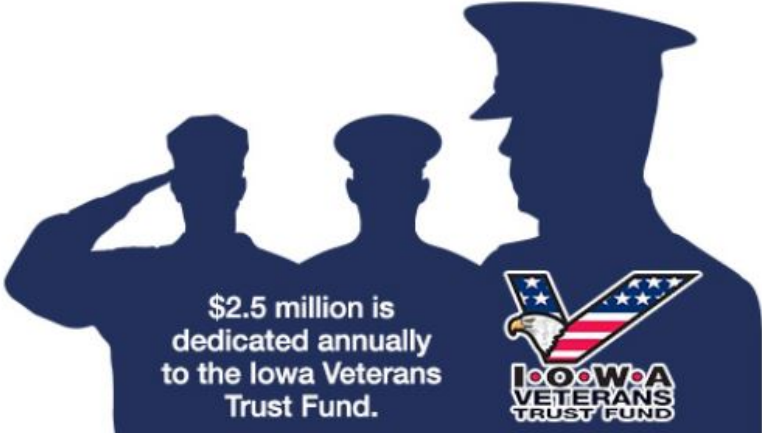


7¢ to daily lottery costs



Based on FY 2022 totals, here is how each \$1 spent on lottery products makes a difference in Iowa.

Iowa Lottery Proceeds to State Causes



\$95.2 million to state
General Fund in FY 2022

The Road Ahead: Opportunities & Challenges

Opportunities

- ▶ Diversification of Iowa Lottery prize payment options to modernize process, provide greater convenience for players and retailers (CY 2023)
- ▶ Continued onboarding and development of national retailers as Lottery licensees (CY 2023)
- ▶ Deployment of “in-lane” sales solutions to increase points of Lottery distribution in traditional retail setting (CY 2023)

Challenges

- ▶ National economic challenges: inflation, fuel/commodity costs, workforce
- ▶ General volatility of sales in lotto/draw games (ie., Powerball, Mega Millions)
- ▶ Increased competition for entertainment dollar (sports betting, commercial casinos pursuit of online/mobile sales, eSports growth, daily fantasy sports, etc.)
- ▶ Continued evolution by retailers and consumers toward digital (online) and cashless commerce

Thank you!



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Woo Hoo for YouTM