TEXAS LOTTERY NETS OVER $2 BILLION FOR
PUBLIC EDUCATION & VETERANS' SERVICES FOR FIRST TIME

$8.73 billion in sales fuels Texas Lottery to 13th straight record sales year and largest-ever beneficiary contributions in FY 2023

AUSTIN – A year bolstered by large jackpots and continued success from innovative scratch ticket game planning propelled the Texas Lottery to not only another record-breaking sales year, but an unprecedented contribution to the State of Texas. For fiscal year (FY) 2023 (Sept. 1, 2022 – Aug. 31, 2023), the Texas Lottery achieved a record **$8.73 billion in sales, resulting in a historic $2.162 billion to fund Texas public education and veterans' services.** This feat marks the first time the Texas Lottery has generated at least $2 billion for its beneficiaries and the 13th consecutive fiscal year it has shattered its sales record. Additionally, sales in FY 2023 **increased by $428.8 million, or 5.2%, over FY 2022**, leading to **new records for both scratch ticket and draw game sales,** which were supported by five of the agency's top 10 sales weeks of all-time. With its latest banner year, the Texas Lottery has now seen **sales growth of $2.474 billion, or 39.6%**, over the past five years.

"The Texas Lottery is proud to announce it has crossed the $2 billion threshold for funds generated for public education and veterans' services in Texas for the first time," said Gary Grief, executive director of the Texas Lottery. "The record revenue transfer to the state confirms the Texas Lottery's unwavering commitment to its mission and pivotal role of supporting its beneficiaries. Additionally, this unprecedented accomplishment is a result of a record-breaking sales year that was catapulted by the popularity of the new $100 scratch ticket price point and the good fortune of having several massive national jackpots, which produced increased excitement and participation among our players. The outstanding achievements of the past fiscal year would not have been possible without the tremendous dedication of our staff, vendor partners, retailers and most importantly, our valued players."

The record revenue transfer of $2.162 billion for this fiscal year included **$2.131 billion to the Foundation School Fund** and **$29.7 million to the Fund for Veterans' Assistance, marking the Texas Lottery's largest contributions to Texas public education and veterans.** The Texas Lottery has now contributed **$31.8 billion to Texas public education** and more than **$221 million to Texas veterans** since the dedication of such funds by the Texas Legislature.

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"We are extremely proud to have reached new heights and to have delivered outstanding results for the Foundation School Fund and the Fund for Veterans' Assistance," said Robert G. Rivera, Chairman of the Texas Lottery Commission. "This record year exemplifies the Texas Lottery's firm commitment to its mission of generating revenue for its beneficiaries through the sale of engaging and innovative lottery products that are entertaining for its players. We extend our appreciation to all of the players and retailers that support the Texas Lottery and contribute to the funding that provides support for public education and veterans' service in the state of Texas."

Record Scratch Ticket Sales

The Texas Lottery saw continued success within its scratch ticket portfolio during FY 2023 with sales reaching **$6.729 billion, marking a new Texas Lottery record** and an increase of $1.99 million over FY 2022. Scratch ticket sales accounted for 77.1% of the Texas Lottery's total sales in FY 2023.

A year after launching $20 Million Supreme, the first-ever $100 scratch ticket game in the U.S., the Texas Lottery released a second game at the triple-digit price point in FY 2023 – Loteria Supreme. The two $100 games combined for $574.8 million, or 8.5%, of total scratch ticket sales in FY 2023. Notably, the $100 price point saw the largest overall growth in scratch ticket sales with a staggering 172.2% increase, or $363.6 million, over FY 2022. $20 Million Supreme was the top-selling scratch ticket game of FY 2023 with more than $381.48 million in sales, while Loteria Supreme finished as the No. 6 bestselling game with an impressive $193.3 million in just 22 weeks on the market. $100 games held the top spot on the list of bestselling scratch ticket games for 35 weeks during FY 2023.

The $10 price point maintained its popularity among Texas Lottery players, as games priced at that level generated more than 23.5% of all scratch ticket sales, totaling $1.58 billion for FY 2023. With its two versions totaling $468.8 million in sales, Mega Loteria was the top-selling game at the $10 price point during FY 2023.

Scratch ticket sales growth in FY 2023 was also led by the $20 price point, which totaled $1.524 billion and included two of the three top-selling scratch ticket games – Million Dollar Loteria (No. 2) and $1,000,000 Crossword (No. 3). Overall, the $20 price point saw an increase of $32.9 million, or 2.2%, over FY 2022.

The $50 price point achieved $971.8 million in total sales for FY 2023 with four games holding positions among the Texas Lottery's top 15 selling games during FY 2023, led by $1,000,000 Diamond Riches with $192.2 million in sales during the fiscal year.

Multicultural-themed scratch ticket games continue to prove popular with Texas Lottery players, generating sales of $1.528 billion, or 22.7% of total scratch ticket sales, in FY 2023. Of the Texas Lottery's top-15 selling scratch ticket games during FY 2023, Loteria-themed games checked in at seven spots on the list.

The agency's FY 23 scratch ticket game families were also crucial to the record sales year. In January 2023, the Cash Blitz family was introduced with scratch ticket price points of $1, $3, $5, $10 and $20. The family of games

generated $316.7 million in sales during the fiscal year, while the Gem 7s family raked in $159.2 million since the launch of the $1, $5, $10, $20 games in May 2023. And the Cash Blowout family, which features tickets at the $1, $5, $10 and $20 price points, has totaled $234.5 million since its September 2022 launch.

Record Draw Games Sales

In FY 2023, the Texas Lottery's draw games portfolio achieved a record-breaking **$1.996 billion in sales, marking an increase of $426.8 million over FY 2022.**

Texas' in-state draw games accounted for $853.9 million in sales during FY 2023, representing 42.8% of the portfolio's total draw sales. The daily games played a pivotal role in the success of in-state draw games with $547.4 million in sales, which was a substantial 27.4% of total draw sales for the fiscal year.

Within the daily games category, Pick 3™ plus FIREBALL and Daily 4™ plus FIREBALL combined for $444.4 million in total sales, making up more than 22% of total draw sales. Since its introduction in 2008, Daily 4 has seen a year-over-year sales increase every year, including FY 2023 with a record $148.8 million in sales. Pick 3 contributed $295.6 million in sales, representing 14.8% of total draw game sales for the fiscal year.

Additionally, Cash Five® saw a 2.1% increase over the previous year with $51.2 million in sales, while All or Nothing™ saw a significant 13.9% increase over FY 2022, with sales of $51.8 million.

Texas' in-state jackpot games were a vital contribution to the overall sales growth for the draw games portfolio in FY 2023. Driven by an estimated annuitized $95 million Lotto Texas® jackpot for the April 22 drawing, the third-largest jackpot in game history, Lotto Texas with Extra!® together generated $243.2 million in sales in FY 2023, making up 12.2% of total draw game sales. Of that amount, Extra! – the game's add-on feature – set a new record with $52.6 million in total sales, reflecting a year-over-year increase each year since its introduction in FY 2013. Texas Two Step® also produced $63.3 million in sales during the fiscal year.

With four multi-state draw game jackpots topping $1 billion in FY 2023, Powerball® and Mega Millions® generated a combined $1.142 billion in Texas sales, setting a new record for the Texas Lottery. Of that total, Powerball sales totaled $616.7 million and Mega Millions sales totaled $525.8 million, both the highest sales totals for each of those games in Texas Lottery history.

Record Year for Retailers

The Texas Lottery's extensive network of 21,025 retailers across the state earned an impressive **$436.8 million in commissions on ticket sales, the highest-ever payout to retailers in the history of the Texas Lottery.** In total, **$466.8 million was paid to retailers in commissions, incentives and rewards from the retailer bonus program** – a new Texas Lottery record. For the year, each of the Texas Lottery's retail partners received **an average payment of $20,775.**

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Record Year for Prizes Paid to Players

The 2023 fiscal year was also significant for Texas Lottery players, as the agency paid out **$5.907 billion in prizes to winners** – the highest prize payment in its history and a $244.7 million increase compared to the previous year.

Responsible Gambling Efforts Recognized

Social responsibility through the implementation of responsible gambling initiatives remained a major focus for the Texas Lottery in FY 2023.

Annual training for retailers, vendor staff and agency employees was supplemented with continued participation in the international campaigns for Problem Gambling Awareness Month and responsible gifting to educate adults on the risks of lottery play for youth. There also were year-round messages via the agency's "Upcoming Games" videos on social media, on-hold recordings for the customer service phone line, and 24/7 access to online training videos. Agency communications transitioned to promoting tips for keeping lottery play a positive experience with information and resources for help widely available at retail and the Texas Lottery® website.

During FY 2023, the Texas Lottery maintained its certifications by the National Council on Problem Gambling and the North American Association of State and Provincial Lotteries for meeting Responsible Gaming Verification Standards at the Implementation Level as well as World Lottery Association certification at Level 3 of the Responsible Gaming Framework.

Fiscal Stewardship

The Texas Lottery demonstrated fiscal prudence, as it continued to adhere to its conservative budgeting approach in FY 2023. Administrative expenditures totaled **$271.8 million, or 3.12% of sales** for the fiscal year. This careful approach distinguishes the Texas Lottery as a model of fiscal responsibility within the industry, as it has one of the nation's lowest administrative expenditure rates.

FY 2023 by the Numbers

- If it were a publicly traded company, **$8.73 billion in annual sales would place the Texas Lottery at No. 433 on the 2023 Fortune 500 list**, just behind Foot Locker and ahead of other well-known brands including Burlington Stores, Hertz Global Holdings, Williams-Sonoma and Chipotle Mexican Grill.
- This is the **20th consecutive year** that the Texas Lottery generated more than $1 billion in revenue for Texas, **with a record total contribution to the state of $2.162 billion**.
- **97.7% of Texas Lottery sales were 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 $37.8 billion in revenue for the state and distributed $83 billion in prizes to lottery players. Since 1997, the Texas Lottery has contributed $31.8 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 $221 million for programs supporting Texas veterans.

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, X, Instagram, LinkedIn, YouTube or at texaslottery.com. PLAY RESPONSIBLY.

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