

Sports Betting and State Lotteries – A Positive Coexistence

- ▶ Some policymakers have expressed concern that state lotteries will see reduced revenue as sports betting becomes legal, but this has not proven true in states that have embraced sports betting
- ▶ In New Jersey in Fiscal Year 2019¹, the first year of legal sports betting in that state, the NJ Lottery set all-time revenue records:

↑ **5.5%**



The NJ Lottery's sales rose 5.5% to \$3.48 billion²

\$3.25b



Sports betting brought in handle of \$3.25 billion³

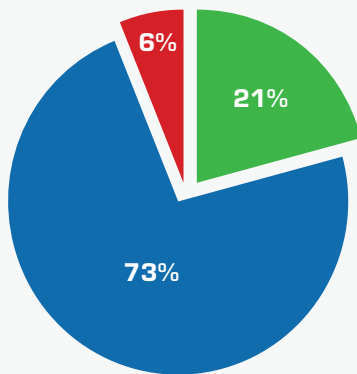
95%



95% of Sports Bettors also play the lottery⁴

As New Jersey illustrates, there is plenty of room for Lotteries and Sports Betting to coexist

A Survey of U.S. Lottery Players⁵ asked how Sports Betting would Impact their Lottery Play:



21% said they would spend **more** on Lotteries

73% said they would spend the same

6% said they would spend less on Lotteries

(and of this group, 50% said they would spend only 25% or less of current lottery spend on sports betting)

Sports Betting and Lotteries in the Millennial Market

- ▶ Sports betting attracts younger, more affluent, highly educated users⁶
- ▶ Millennials' interest in lotteries was already declining prior to the US legalization of sports betting, reflecting changing trends in how younger generations seek entertainment⁷
 - ▷ Sports betting caters to people with knowledge and interest in sports, challenging them to use their skill to predict an outcome
- ▶ Sports Betting has the potential to mobilize this new demographic for lottery cross-sell

NASPL (the North American Association of State and Provincial Lotteries) concludes:

There is no evidence of cannibalization of lottery play from sports betting!⁴

