Anatomy of a Jackpot: Characteristics of Purchasers of Large Jackpot Lottery Tickets

The 15th International Conference on Gambling & Risk Taking
May 27-31, 2013

Todd Maki & Don Feeney
Although not shown on this map, the US Virgin Islands have been selling Powerball tickets since November 2002.
Jackpot “Run” & Survey Design

• Record breaking Powerball jackpot
• Started at $40 million on Oct 6, 2012
• Rolled 15 times to reach $550 million Nov 28, 2012
• MN Sold $25.2 million worth of tickets
• Sales from all lotteries totaled $1.3 billion

• Internet Survey
• 1,000 Minnesota adults
• In the field Dec 14 to 18
• Took, on average, about 10 minutes to complete
• Representative of the general population (age and gender)
• Conducted by Ipsos
During the jackpot run

• 95% of MN adults were aware of the “very high” Powerball jackpots
• 51% of MN adults reported making a purchase

Source: Internet Survey (Ipsos), December 14-18, 2012
Last time purchasing a Powerball Ticket before Oct. 6th

% of MN Adults

- 26% Within a week
- 12% Within a month
- 15% Within 3 months
- 20% Within 12 months
- 17% Over 12 months ago
- 10% Never

Source: Internet Survey (Ipsos), December 14-18, 2012
Type of Powerball Purchase During the Jackpot Run

% of MN Adults

- Individual Purchase (only): 49%
- Individual & Group: 6%
- Group Purchase (only): 5%
- Did not purchase a ticket: 40%

Sources: Internet Survey (Ipsos), December 14-18, 2012
How many people purchased tickets for each drawing?

% of MN Adults

Source: Internet Survey (Ipsos), December 14-18, 2012
How many tickets did they purchase?

Average (mean) where # of tickets purchased is >=1 for each drawing

Source: Internet Survey (Ipsos), December 14-18, 2012
Number of tickets purchased for the $40 million jackpot

Survey respondents

Source: Internet Survey (Ipsos), December 14-18, 2012
Number of tickets purchased for the $550 million jackpot

Survey respondents

Source: Internet Survey (Ipsos), December 14-18, 2012
How does the amount reported compare to actual wagers?

Source: Internet Survey (Ipsos), December 14-18, 2012
How does the amount reported compare to actual wagers?

Source: Internet Survey (Ipsos), December 14-18, 2012
Demographics of Powerball Players

% of MN Adults purchasing tickets during the jackpot run

- Male: 57%
- Female: 45%

Source: Internet Survey (Ipsos), December 14-18, 2012
Demographics of Powerball Players

% of MN Adults purchasing tickets during the jackpot run

- 18 - 24: 38%
- 25 - 34: 41%
- 35 - 54: 55%
- 55+: 56%

Source: Internet Survey (Ipsos), December 14-18, 2012
Demographics of Powerball Players

% of MN Adults purchasing tickets during the jackpot run

- HS or less: 58%
- Some college: 56%
- College degree or higher: 46%

Source: Internet Survey (Ipsos), December 14-18, 2012
Demographics of Powerball Players

% of MN Adults purchasing tickets during the jackpot run

- $35K or less: 40%
- $35K to 75K: 55%
- $75K to $150K: 54%
- $150K or more: 56%

Source: Internet Survey (Ipsos), December 14-18, 2012
What’s next?
Here are Powerball Sales from an even bigger run April 3 to May 18, 2013

Total sales: $1.2 billion
Anatomy of a Jackpot:
Characteristics of Purchasers of Large Jackpot Lottery Tickets

The 15th International Conference on Gambling & Risk Taking
May 27-31, 2013

Todd Maki & Don Feeney
Minnesota State Lottery Sales
Fiscal Year 2012

Total: $520 Million

Scratch Sales
$355 Million
68%

Lotto Sales
$165 Million
32%

Total: $520 Million
MN State Lottery Powerball Sales by Fiscal Year

Millions

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Lotto*MN</th>
<th>Powerball</th>
<th>Power Play</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY91</td>
<td>$48</td>
<td>$69</td>
<td></td>
</tr>
<tr>
<td>FY92</td>
<td>$53</td>
<td>$69</td>
<td></td>
</tr>
<tr>
<td>FY93</td>
<td>$89</td>
<td>$69</td>
<td></td>
</tr>
<tr>
<td>FY94</td>
<td>$93</td>
<td>$69</td>
<td></td>
</tr>
<tr>
<td>FY95</td>
<td>$86</td>
<td>$71</td>
<td></td>
</tr>
<tr>
<td>FY96</td>
<td>$74</td>
<td>$75</td>
<td></td>
</tr>
<tr>
<td>FY97</td>
<td>$94</td>
<td>$103</td>
<td></td>
</tr>
<tr>
<td>FY98</td>
<td>$117</td>
<td>$117</td>
<td></td>
</tr>
<tr>
<td>FY99</td>
<td>$94</td>
<td>$93</td>
<td>$117</td>
</tr>
<tr>
<td>FY00</td>
<td>$87</td>
<td>$87</td>
<td>$88</td>
</tr>
<tr>
<td>FY01</td>
<td>$93</td>
<td>$91</td>
<td>$93</td>
</tr>
<tr>
<td>FY02</td>
<td>$117</td>
<td>$97</td>
<td>$117</td>
</tr>
<tr>
<td>FY03</td>
<td>$91</td>
<td>$88</td>
<td>$97</td>
</tr>
<tr>
<td>FY04</td>
<td>$87</td>
<td>$88</td>
<td>$88</td>
</tr>
<tr>
<td>FY05</td>
<td>$93</td>
<td>$93</td>
<td>$117</td>
</tr>
<tr>
<td>FY06</td>
<td>$117</td>
<td>$97</td>
<td>$117</td>
</tr>
<tr>
<td>FY07</td>
<td>$97</td>
<td>$88</td>
<td>$97</td>
</tr>
<tr>
<td>FY08</td>
<td>$87</td>
<td>$88</td>
<td>$88</td>
</tr>
<tr>
<td>FY09</td>
<td>$63</td>
<td>$87</td>
<td>$63</td>
</tr>
<tr>
<td>FY10</td>
<td>$74</td>
<td>$87</td>
<td>$74</td>
</tr>
<tr>
<td>FY11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY12</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The table shows the sales figures in millions for each fiscal year from FY91 to FY12.
## Game Change: January of 2012

<table>
<thead>
<tr>
<th></th>
<th>Old Powerball (January, 2009)</th>
<th>NEW Powerball (January, 2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Starting Jackpot</strong></td>
<td>$20 Million</td>
<td>$40 Million</td>
</tr>
<tr>
<td><strong>Second Prize</strong></td>
<td>$200,000</td>
<td>$1 Million</td>
</tr>
<tr>
<td><strong>Overall Odds</strong></td>
<td>1:35</td>
<td>1:31</td>
</tr>
<tr>
<td><strong>Jackpot Odds</strong></td>
<td>1:195 million</td>
<td>1:175 million</td>
</tr>
<tr>
<td><strong>Ticket Cost</strong></td>
<td>$1</td>
<td>$2</td>
</tr>
<tr>
<td><strong>Minimum prize</strong></td>
<td>$3</td>
<td>$4</td>
</tr>
<tr>
<td><strong>How to Play</strong></td>
<td>Pick 5 numbers from 1-53 and 1 Powerball number from 1-39</td>
<td>Pick 5 numbers from 1-53 and 1 Powerball number from 1-35</td>
</tr>
</tbody>
</table>
Results after the first year:

<table>
<thead>
<tr>
<th></th>
<th>$1 Powerball</th>
<th>$2 Powerball</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draws</td>
<td>Last 104</td>
<td>First 104</td>
</tr>
<tr>
<td>Average Jackpot</td>
<td>$75 million</td>
<td>$109 million</td>
</tr>
<tr>
<td>Minimum Jackpot</td>
<td>13 @ $20 million</td>
<td>15 @ $40 million</td>
</tr>
<tr>
<td>Maximum Jackpot</td>
<td>$245 million</td>
<td>$550 million</td>
</tr>
<tr>
<td>Average Draw Sales (MN)</td>
<td>$577,535</td>
<td>$919,331</td>
</tr>
<tr>
<td>Total Draw Sales (MN)</td>
<td>$60,063,602</td>
<td>$95,610,446</td>
</tr>
<tr>
<td>Average Draw Sales (All States)</td>
<td>$28,187,318</td>
<td>$45,801,844</td>
</tr>
<tr>
<td>Total Draw Sales (All States)</td>
<td>$2,931,481,090</td>
<td>$4,763,391,806</td>
</tr>
</tbody>
</table>