

Where the Money Goes



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Here's how each dollar in Lottery ticket sales, including Powerball, is approximately allocated:

Prize Winners. More than half of Lottery sales is reserved for prize expenses. Prizes not claimed are returned to winners in the form of increased payouts on scratch-off tickets. Players have won more than \$3 billion in Lottery prizes since the Lottery's inception.

State Treasury. The Lottery statute mandates that 35 percent of all Lottery revenue be transferred to the state treasury. Effective July 1, 2004, the Louisiana constitution provides that Lottery proceeds be earmarked for the Minimum Foundation Program, which funds K-12 public education in Louisiana. In addition, the first \$500,000 in annual Lottery proceeds are earmarked for the Louisiana Department of Health and Hospitals-Office of Behavioral Health to fund problem gambling programs.

As of January 2011, the Lottery has transferred more than \$2.3 billion to the state treasury. In fiscal year 2010, more than \$133.7 million was transferred. The Louisiana Lottery ranks first among other U.S. jurisdictional lotteries in percentage of revenue transferred to its government.

Lottery Retailers. More than 2,800 businesses in Louisiana earn 5 percent commission on the sale of Lottery products as licensed retailers. In addition to revenue from commissions, retailers earn an incentive of up to 2 percent for cashing winning tickets of \$600 or less. Retailers are also paid a selling bonus of up to 1 percent on the sale of winning tickets for Lotto jackpots, Easy 5 jackpots, Powerball match-5 prizes (including Power Play winnings) and Powerball jackpots (1% of Louisiana's contribution to the jackpot's cash value or a minimum bonus of \$25,000). Retailer commissions and incentives totaled \$20.6 million in fiscal year 2010. As of January 2011, the Lottery has paid more than \$351.8 million to retail business partners in incentives, bonuses and commissions, which make up more than a third of the Lottery's total operating budget, net of prize payments.

Lottery Operations. The Lottery retains less than 10 percent of its revenue to fund statewide operations, including its headquarters, five regional sales offices where players claim winning tickets, technology for generating tickets and conducting drawings, ticket printing, advertising, promotions and staffing. In 2010 and for the twelfth consecutive year, the Louisiana Lottery received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the U.S. and Canada. The Louisiana Lottery was also the first in the country to receive industry verification that its quality assurances meet best practices.

The Louisiana Lottery's latest quarterly financial statement, balance sheet and comprehensive audited financial report for the last fiscal year, can be found on the Lottery's website at www.louisianalottery.com.

