

EARLY INSIGHTS: MONDAY DRAWS AND DOUBLE PLAY®

After expanding Powerball's draw lineup for the first time in nearly 30 years, the Multi-State Lottery Association (MUSL) has some early insights on the performance of Monday Powerball® drawings and the new add-on feature, Double Play®. Powerball debuted its third weekly drawing on Aug. 23, 2021, along with Double Play in select jurisdictions. The launch occurred during a jackpot cycle that culminated with a \$699.8 million jackpot in the October 4 drawing. The jackpot, won by a single ticket in California, was the 5th largest in Powerball history, and the game's first jackpot won on a Monday night.

So, what have the first few weeks of sales shown us?

1. There has been no evidence that Double Play is cannibalizing Powerball or Power Play® sales. In fact, participating lotteries have collectively seen a 7.4% incremental increase on top of base Powerball and Power Play sales since introducing the feature.
2. Year-to-date comparisons of Fiscal Year 2021 and 2022 show Powerball and



Power Play® sales are up 101%.

3. While it may be too early to determine whether the addition of a third weekly Powerball drawing will continue to drive incremental revenue, the jackpot cycle immediately following the \$699.8 million win is showing promising signs.

Double Play has hit several high notes since launching in 13 U.S. lottery jurisdictions: Colorado, Florida, Indiana, Maryland, Michigan, Missouri, New Jersey, Pennsylvania, Puerto Rico, South Carolina, South Dakota, Tennessee,

and Washington. Powerball tickets that include Double Play for an additional \$1 per play are eligible to win prizes in both the Powerball drawing and a separate Double Play drawing, which also offers 9 ways to win. Instead of a rolling jackpot, Double Play has a \$10 million top cash prize. Just five weeks into sales, the Maryland Lottery sold the first Double Play ticket to win the \$10 million prize.

"The jackpot was rolling along at almost \$550 million when the \$10 million Double Play ticket was sold, so it was already an exciting time," said

Maryland Lottery and Gaming Director John Martin. "But this took it to a whole different level. We also had a \$50,000 third-tier Double Play winner on Oct. 23, so the fact that people are winning substantial prizes means it's getting a lot more attention. We're very happy with the results of Double Play so far."

Player participation for Double Play varies by jurisdiction, but multiple lotteries are recording participation percentages in the double digits. Puerto Rico is one of those lotteries. Unlike other Double Play lotteries, the Puerto Rico Lottery is requiring a qualifying

purchase of Power Play (\$1) before Double Play (\$1) can be added to a Powerball ticket (\$2) making for a \$4 purchase. Puerto Rico Lottery Director Armando Perez Cruz credits several factors for Double Play's success among his player base, including the popularity of Revancha, the secondary draw for Puerto Rico's lottery game, Loto Plus.

"Our players were already familiar with the secondary draw concept because of Revancha," noted Perez Cruz. "On top of that, players have shown us they like the option to enhance their Powerball ticket and game experience, which made Double Play a natural fit in our product lineup."

Double Play's positive score sheet hasn't gone unnoticed. Additional lotteries have expressed interest in offering Double Play in the first or

second quarter of Fiscal Year 2023.

Fiscal Year 2022 has gotten off to a strong start because of the ticket sales spurred by the \$699.8 million jackpot run, but the Multi-State Lottery Association is being pragmatic about the sales uptick. The Association still has a lot of ground to cover to reach game sales recorded in the previous fiscal year, and an even bigger lift is needed to achieve the sales benchmark set in Fiscal Year 2016 with the world record \$1.586 billion jackpot. However, MUSL remains focused on its immediate goal of achieving 10% annual revenue growth, as outlined in its newly approved Strategic Plan.

"MUSL is seeking sustained year-over-year revenue growth," said J. Bret Toyne, MUSL Executive Director.

"Double Play directly supports

two of the three components in our growth plan – increase sales of existing products and increase the number of products offered by MUSL."

The Powerball Product Group added the Monday drawing with the intent of producing bigger, faster-growing jackpots. In addition, the higher frequency of play was anticipated to increase the number of cash prizes and jackpots awarded on an annual basis, and ticket sales from a third weekly drawing and Double Play were expected to increase contributions to lottery beneficiaries. While it's premature to determine whether those objectives have been fulfilled, game leaders are finding some encouraging indications in the jackpot cycle immediately following the \$699.8 million win.

Under the new tri-weekly

draw schedule, the Powerball jackpot was able to grow from \$20 million to \$123 million in the first four weeks. Compared to the previous jackpot cycle that started with bi-weekly drawings, the Powerball jackpot only reached an estimated \$101 million in the first four weeks. Toyne noted several benefits if the trend remains consistent across additional jackpot cycles.

"The faster jackpots can be fully funded, the smaller the prize liability is for participating lotteries," Toyne said.

"Powerball is a jackpot-driven game with many players waiting on the sideline until the jackpot reaches an enticing amount, which goes higher and higher every year. If we can get to those enticing jackpot levels quicker, it's a win-win for players, lotteries and beneficiaries." ■



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