Georgia Lottery Corporation

Real Dollars for Beneficiaries

- The Georgia Lottery's mission is to maximize revenues for specific educational programs.
- In fiscal year 2014, the GLC transferred $945,097,000 to the Lottery for Education Account – that's more than $2.5 million (on average) raised every day for HOPE & Pre-K.
- Georgia's Lottery ranks #3 of all traditional state lotteries in terms of highest per capita returns to beneficiaries. Last year's total dollar returns/profits to/for HOPE and Pre-K were the 9th highest in the nation (surpassed by states with much larger populations like California, Texas and New York).

Beneficiary Return Percentage

- In Fiscal Year 1997, the Georgia Lottery transferred 35% of lottery revenues to the Lottery for Education Account in the amount of $581 million. In Fiscal Year 2014, the Georgia Lottery raised $945.1 million for HOPE & Pre-K, accounting for 25.2% of lottery revenues.
- When Georgia's lottery legislation was drafted 20 years ago with a 35% target, it represented more of the drawing games that payout at a lower percentage than the instant (scratch-off) games that are more popular now. The "as nearly as practical" language included in the legislation allowed the lottery to be flexible and change with the marketplace.
- It has taken 15 years to reach the current level of game revenue and profit at the Georgia Lottery Corporation. It is the blend and balance of the games menu at the Georgia Lottery Corporation that produces the bottom-line.
- In 1997, the Texas Legislature decreased prize payouts on instant games. The action resulted in a 40% decrease in instant sales ($1 billion sales loss) over a two year period. Although the percentage return to beneficiaries increased from 31.58% to 35.01%, the real dollars to beneficiaries dropped by more than $155 million (-24.5%). After the prize payout reduction was reversed, it took nearly a decade for instant sales in Texas to return to 1997 levels. Lottery case study after case study details the potential for unintended negative consequences of slashing prize payouts to boost profit.
- Increased Payouts = Increased Demand = Increased Benefits for Education. According to a 2006 study by GTECH, a leading gaming and technology and services company comparing state lotteries across the country, increased ticket sales volume increases the amount of net income, or profits, retained by a lottery and returned to the state.
- GLC has had its success because it has flexibility to adjust prize payouts to meet consumer demand and to compete in crowded retail marketplace. If GLC is forced to return a fixed percentage of lottery proceeds to the state, however, experience indicates the state risks declining lottery proceeds.