

Texas Lottery Commission Press Release - September 26, 2002

Contact:

Keith Elkins, 512.344.5210

## ***Lotto Texas*<sup>™</sup> Beginning Jackpots To Be Lowered To \$3 Million**

(Austin, September 26) - Due to a continuing decline in *Lotto Texas* ticket sales and historically low interest rates, the Texas Lottery Commission today announced that beginning jackpots will be lowered to \$3 million following Saturday's \$4 million drawing.

"Today's action is simply unavoidable," said Linda Cloud, Executive Director of the Texas Lottery Commission. "Anytime you are spending more money than you are taking in to purchase the same value item, in this case an annuity to fund a \$4 million jackpot prize, it's just a matter of time until your reserve funds run dry."

Cloud said the lottery was forced to take today's action due to deeper and deeper withdrawals from a lottery Prize Reserve Fund to help pay for jackpot prizes at the game's lower prize levels. The Prize Reserve Fund is made up of 1.1 per cent of *Lotto* ticket sales and is used to supplement the 6-of-6 jackpot prize and 3-of-6 guaranteed \$5 prize amounts as needed, when sales are inadequate to pay these prizes.

Lottery research indicates a majority of players wait until the jackpot "rolls" to double-digit amounts, which over the past year has not occurred as statistically projected.

Between July 21, 2001, and July 13, 2002, for example, 104 *Lotto* drawings were conducted and players matched 6-of-6 numbers 22 times. Nearly half of those jackpot "hits" were for prizes ranging from \$4 million to \$10 million. Since the new Fiscal Year began September 1, there have been seven *Lotto Texas* drawings, and players have matched 6-of-6 numbers four times, for jackpots ranging from \$4 million to \$7 million. It is the lower jackpot levels that require the biggest withdrawals from the Prize Reserve Fund.

Saturday's *Lotto Texas* drawing's advertised \$4 million prize will not be affected by today's action.

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The Texas Lottery, the 4th largest selling lottery in North America, is "Focusing on the Future of Education, One Ticket At A Time." By providing the 'Games of Texas' for more than 10 years, the Texas Lottery Commission (TLC) has generated more than \$10 billion for the state and paid nearly \$17 billion to players in prizes. For more information about the TLC, please visit the official website at <http://www.txlottery.org>