

DEVELOPING THE NEXT MULTI-STATE **GAME BOOM**

The Multi-State Lottery Association (MUSL) is strategizing its next course of action following a year of unprecedented growth in the national games category. The Association just achieved a new fiscal year sales record, with sales of products facilitated by MUSL totaling \$10.7 billion through the end of FY2023. For leaders on the MUSL Board of Directors, the sales surge underscores the essential role played by MUSL in optimizing the performance of the national games category.

“The national games category adds up to billions of dollars in net revenues,” noted New Mexico Lottery CEO David Barden, who has begun his second year as MUSL Board President. “To maintain that progression, it’s beneficial to have an organization, like MUSL, that has the foresight to spearhead new development opportunities.”



David Barden

Barden has tasked Hoosier Lottery Executive Director Sarah M. Taylor to chair MUSL’s Development Committee. Taylor is well-versed in the evolving national games category, having previously served as MUSL Board President during the implementation of Powerball’s third weekly drawing and the Double Play® add-on feature in 2021, and most recently, as the Board’s liaison to the Mega Millions Consortium. Like Barden, Taylor recognizes MUSL’s unique ability to chart the next progression of multi-state games.

“MUSL has a robust Committee structure that serves as an incubator for game development initiatives,” said Taylor. “We have the ability to leverage the combined expertise of 38 member lotteries, alongside a dedicated team at MUSL, and a comprehensive infrastructure capable of providing full support, from concept development to market.”

Although MUSL is commonly associated with its flagship product, Powerball®, the organization encompasses much more, both in terms of its portfolio and governance structure. The Association and its products have always been owned and operated by MUSL’s member lotteries. The governance encourages member lotteries to actively participate in the decision-making and management of



Sarah Taylor

the multi-state games they offer.

“All lotteries have a stake in the health of these products,” Taylor added. “We have a shared goal of maximizing the draw game category, so it can continue to be reliable source of funding for our beneficiaries.”

In addition to new game opportunities, MUSL leaders also see the potential to expand the organization’s existing products. Alongside Powerball, MUSL facilitates Lotto America®, 2by2®, and the Double Play add-on feature. Game leaders expressed that all three products are primed for expansion into new lottery markets.

Lotto America has hit a new cadence since introducing a third weekly drawing in Fiscal Year 2023. The \$1 draw game now shares the same draw nights as Powerball – Monday, Wednesday and Saturday. Like Powerball, the 13 lotteries that offer



Lotto America have been able to engage their frequent players an extra night, and as a result, additional sales from the Monday drawing are generating dynamic jackpot growth. Lotto America jackpots start at \$2 million, but under the new tri-weekly draw schedule, the game achieved a new jackpot record of \$40 million last April.

“Lotto America has shown us that a \$1 multi-state draw game can still deliver a lot of value to a lottery portfolio,” said Adam Prock, Lotto America Product Group Chair and Minnesota Lottery Executive Director. “Our players like the improved jackpot odds (1 in 25.9 million) compared to the larger national games (Powerball 1 in 292.2 million, Mega Millions 1 in 302.5 million), and the game has one of the highest player participation rates (27.7%) in the prize multiplier feature for an extra dollar.”



Adam Prock

2by2 is \$1 daily draw game with a top cash prize of \$22,000 every day of the week, and up to \$44,000 on Tuesday. The game has a fun premise – players pick two red ball numbers from 1 to 26 and two white ball numbers from 1 to 26. Players win a prize by matching a single number; they win the top cash prize by matching all four numbers. The

game has developed a loyal following in Kansas, Nebraska, North Dakota, and most recently, Wyoming.



“For lottery directors that are looking to expand their daily draw lineup, I strongly encourage them to consider 2by2,” said Brian Rockey, 2by2 Product Group Chair and Nebraska Lottery Director. “2by2 is a stable product with a reliable performance, and it fills a nice niche between the daily pick games and larger national games.”



Brian Rockey

Lastly, the Double Play add-on feature has been wildly successful since its debut and expanding quickly. The New Mexico Lottery became the 17th lottery to begin Double Play sales in June 2023, with planned launches in Iowa, Oklahoma, Virgin Islands, Mississippi and Kentucky before the end of the calendar year. By 2024, more than half of all MUSL member lotteries will offer Double Play.

Double Play gives players another chance to match their Powerball numbers in a separate drawing with a top cash prize of \$10 million. Players can add the Double Play feature to their Powerball ticket for an additional \$1 per play. The Puerto Rico

Lottery requires a qualifying purchase of Power Play (\$1) before Double Play (\$1) can be added to a Powerball ticket (\$2), making for a \$4 purchase.



Drew Svitko



“Double Play lotteries have boosted their Powerball sales, including the add-on features, by an average of 9 percent,” said Drew Svitko, Powerball Product Group Chair and Pennsylvania Lottery Executive Director. “We expect that Double Play will eventually reach the same level of lottery participation as Power Play.”

The MUSL Board of Directors will meet in August to revisit the organization’s Strategic Plan and explore development opportunities. Barden and other Board leaders acknowledge the challenge of surpassing the record sales year, however, they express confidence in MUSL’s track record of success.

“MUSL and its member lotteries have dedicated years to the development and evolution of these products, transforming them into billion-dollar brands,” added Barden. “Their success is a testament to MUSL’s return on investment.” ■