

# LETTER FROM THE DIRECTOR



# FISCAL YEAR 2020 IN REVIEW

Despite nearly a 20% decrease in sales as a result of the state's COVID-19 Stay at Home order in March, the Colorado Lottery ended fiscal year 2020 with the second highest sales in its 37-year history, just shy of record-breaking fiscal year 2019. This growth is critical to funding outdoor recreation, conservation and schools in Colorado.

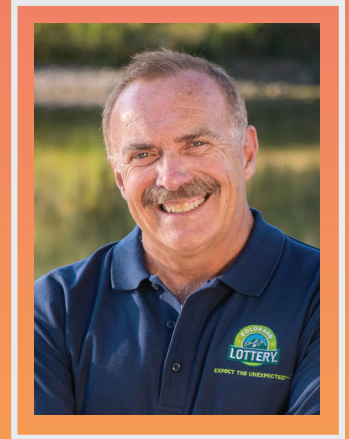
**Revenue:** At the Lottery, we are reimagining our future to better support our beneficiaries. Fiscal year 2020's focus on industry best practices brought strategic changes to Scratch game design, production and inventory management, which has had a direct impact on sales. We also gave Colorado's jackpot game a makeover — it was relaunched in September of 2019 as Colorado Lotto+ with better odds and more chances to win, resulting in 26% growth compared to original Lotto sales from fiscal year 2019. On the operations side, we converted our antiquated back office system to a vendor-based solution that is less costly and more effective.

**Responsibility:** In fiscal year 2020, the Lottery was awarded Level 2 certification for Responsible Gaming (RG) from the World Lottery Association (WLA) and submitted its application for Level 3. Enhanced training for staff and retailers, more research and stricter marketing guidelines are among the RG program elements implemented this year.

**Conservation:** The only lottery in the nation whose proceeds support the outdoors, the Colorado Lottery is taking a more hands-on approach to conservation. Our inaugural *Runyon to the Res: Arkansas River Clean Up* event brought nearly 200 volunteers together in Pueblo, CO, where the Lottery has its headquarters. Another conservation milestone in fiscal year 2020 was the designation of Crazy French Ranch, now Fishers Peak, Colorado's 42nd state park and a crowning achievement made possible thanks to millions of dollars in Lottery funding.

We look forward to continuing to do good work for the state and the people of Colorado.

-Tom Seaver

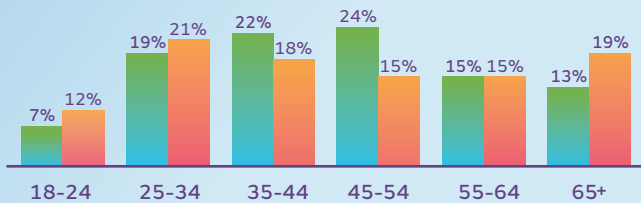


## ABOUT OUR PLAYERS

OUR PLAYERS ARE A REFLECTION OF THE GREAT STATE OF COLORADO.

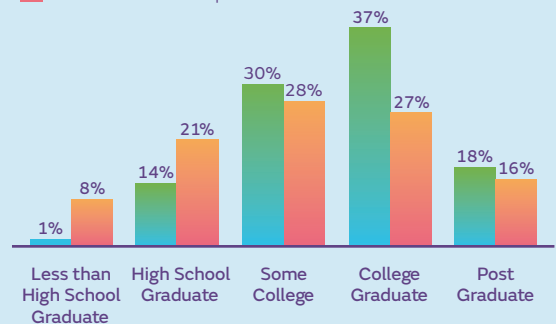
### AGE GROUPS COMPARISON

2019 Lottery Player Age Groups  
2020 Lottery Legal Purchase Age Estimated CO Population Age Groups



### EDUCATIONAL COMPARISON

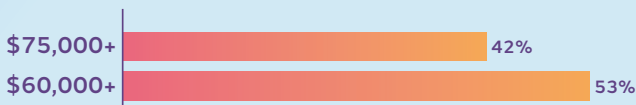
2019 Lottery Player Education  
2020 Estimated CO Population Education



### LOTTERY PLAYER HOUSEHOLD INCOME

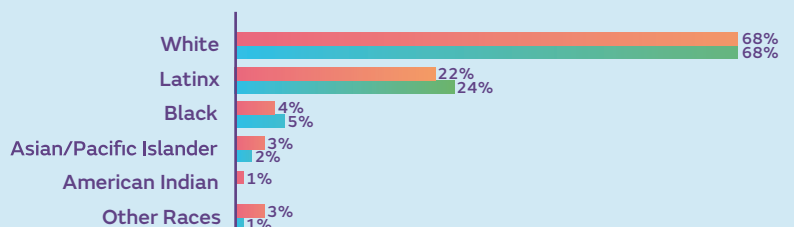
\$60,000+ (Over half of Lottery players had an average household income of greater than \$60,000)

\$75,000+ (Over 40% of Lottery players had an average household income greater than \$75,000)



### ETHNICITY COMPARISON

2019 Estimated CO Population Ethnicity  
2019 Lottery Player Ethnicity



# WINNER HIGHLIGHT:

## Two For The Price Of Two

“Joe B.” was committed to winning. He played the same numbers with the Colorado Lottery for 30 years.

His consistency paid off on March 25 when he won not one, but two, Powerball prizes each worth \$1 million. Joe told us that he likes to play one play of his own numbers and then a couple more plays with Quick Picks. He bought a few Powerball plays early in the morning at 7-Eleven on 926 Lake Ave., then stopped and bought a few more plays around 9 p.m. at a Loaf N’ Jug on 2050 Lake Ave. on March 25, 2020 — the two stores were just blocks away from each other in Pueblo.



# RESPONSIBLE GAMING

Since joining the World Lottery Association in 2018, The Colorado Lottery has significantly improved its overall Responsible Gaming (RG) program, and FY20 saw continued success in this area.

- **Training:** All new Lottery employees, regardless of their role, undergo RG training, with specific departments receiving additional specialized training. The entire staff is also given an annual refresher course during Problem Gambling Awareness Month.
- **Marketing:** The Lottery developed a *Marketing Code of Conduct* that sets best practice standards for both our employees and vendors. Each new advertising campaign must uphold our RG principles that promote: honesty, responsibility, fairness, respect, and transparency.
- **Awareness:** The annual media budget dedicated to RG awareness doubled compared to the previous year. This additional money helped get our revamped *Play Smart / Play Responsibly* message to more people than ever.
- **Treatment:** While the Lottery has been a long-time partner to the Problem Gambling Coalition of Colorado, this year we sought to improve our own ability to assist those struggling with gambling addiction. We worked with treatment providers to help our employees better recognize the signs of problem gaming and how to connect those individuals with treatment resources.

## TOP 10 INDEPENDENT RETAILERS

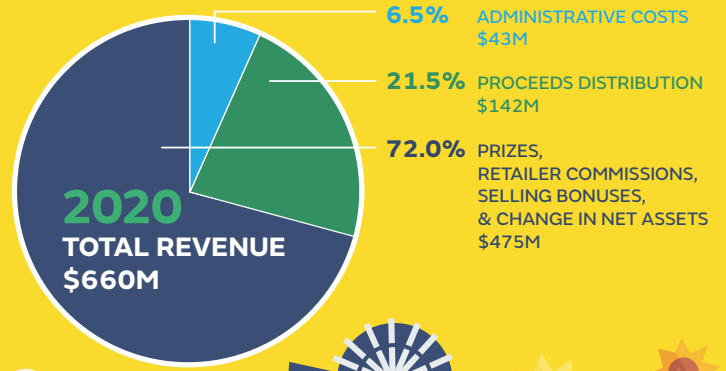
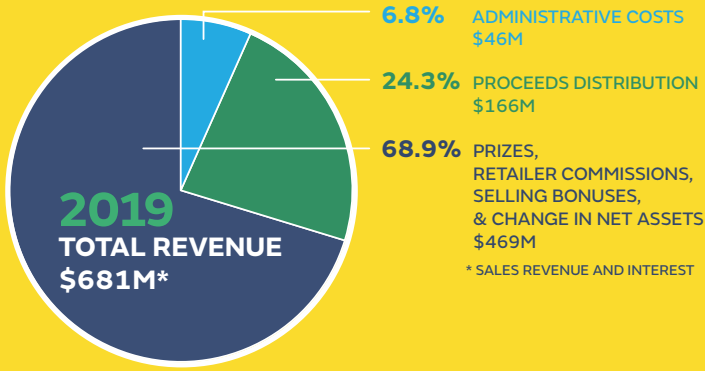
1. Daytona Mart
2. Winners Corner
3. Florida Market
4. Discount Gas & Convenience
5. Three Seven Corner Mart
6. Shamrock Mississippi
7. Shop N Go
8. Kwik Way #757
9. Gateway Services
10. Pueblo West Kwik Stop

## TOP 10 CHAIN RETAILERS

1. Safeway #1975
2. King Soopers #19
3. National Essentials
4. King Soopers #80
5. King Soopers #114
6. King Soopers #128
7. Safeway #2612
8. King Soopers #62
9. King Soopers #107
10. Borderline #1



# KEY FINANCIAL HIGHLIGHTS



## LOTTERY SALES BREAKDOWN (IN MILLIONS)

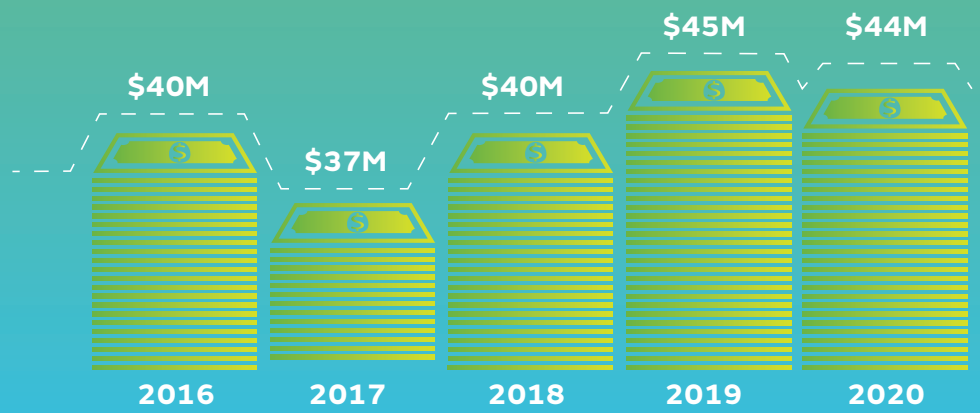
**SALES REVENUE:**  
 2019 - \$680M  
 2020 - \$660M

**PROCEEDS DISTRIBUTION:**  
 2019 - \$166.5M  
 2020 - \$142.4M

Year	Power Ball	Mega Millions	Scratch	Colorado Lotto+	Cash 5	Pick 3	Lucky for Life
2016	\$115	\$29	\$395	\$27	\$19	\$9	
2017	\$73	\$26	\$380	\$30	\$19	\$11	\$16
2018	\$88	\$38	\$408	\$28	\$22	\$12	\$16
2019	\$86	\$73	\$443	\$28	\$20	\$13	\$17
2020	\$51	\$38	\$491	\$33	\$18	\$13	\$15



## LAST FIVE YEARS: TOTAL RETAILER COMMISSIONS





## PROCEEDS HIGHLIGHT: HEARTLAND RANCH NATURE PRESERVE

Located in Bent County, the Heartland Ranch Nature Preserve has grown to nearly 40 square miles since it was established in 2015. The Southern Plains Land Trust expanded this breathtaking sanctuary by adding 13,894 acres through three separate purchases between 2017-2019. A total of \$1,310,700 in Great Outdoors Colorado (GOCO) Open Space grants played a pivotal role in expanding the reserve to further land conservation, open space preservation, and the protection of wildlife and native biodiversity.



## ALAMOSA RIPARIAN PARK



The result of a two-year effort by Western Rivers Conservancy, the City of Alamosa, GOCO and other partners, the 203-acre Alamosa Riparian Park was completed in late 2019. The project preserves one mile of the iconic Rio Grande and creates new opportunities for recreation along its banks. This riverfront park is the City of Alamosa's first property under a conservation easement. The largest funder of the project, GOCO, ranked Alamosa Riparian Park as its number one open space project in 2018 and provided \$695,000 for the city to purchase the land. The Conservation Trust Fund gave an additional \$20,000 to the project.

## BACK OFFICE CONVERSION



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Years' worth of effort by Lottery staff and our IGT partner has resulted in the conversion of the Lottery's back office system. The new system went live on-time in early June, despite significant setbacks due to the pandemic. The vendor was not able to work on-site through a large portion of the testing phase and all training for Lottery staff on the new system had to be virtual. Switching over to a new back office system affects staff, players, and retailers alike, and while any downtime is difficult, the conversion was successfully completed with minimal interruption to operations. The new system is more reliable, less expensive and uses enhanced technology to serve the needs of the Lottery.



## LOTTERY COMMISSION

(Left to right) Stan Podolski, Stella Peterson, Jim Bensberg, The Honorable Charles Dennis Maes, Bill Clayton

The Colorado Lottery Commission plays an important role in the oversight and governance of the Colorado Lottery and in fulfilling its fiduciary responsibilities with regard to all Lottery games. As we usher in a new Commission Chair for fiscal year 2021, Stella Peterson, we want to thank our past Chair, Jim Bensberg for his leadership and unwavering support. To learn more, visit: [www.coloradolottery.com/about/commissioners/](http://www.coloradolottery.com/about/commissioners/)



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