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Media Inquiries: Mary Ann Rivell Public Information Officer PublicInfo@lottery.nj.gov Phone: (609) 599-5875

## LOTTERY POSTS RECORD SALES AND STATE CONTRIBUTION FOR FISCAL YEAR 2019

**TRENTON** (**Feb. 3, 2020**) – The New Jersey Lottery posted record sales and a record contribution to the State according to the latest Audit Report for Fiscal Year 2019 released today, which is available for review on the <u>Lottery's website</u>.

In Fiscal Year 2019, the Lottery generated \$3.48 billion in sales, a \$182 million increase over the prior year. The substantial increase in sales translated into a record contribution to the State in Fiscal Year 2019 of over \$1.10 billion, which is used to support New Jersey's public employee pension system. The success was shared by New Jersey players, who won more than \$2 billion in prizes, and retailers, who earned \$198 million in commissions.

"Impressive jackpots were an important component of total Lottery sales during Fiscal Year 2019," said New Jersey Lottery Acting Executive Director James A. Carey, Jr. "Mega Millions had a \$1.5 billion jackpot in October 2018 and also brought a \$267 million jackpot to a New Jersey ticketholder in March 2019. Powerball jackpots performed well too, with a \$687 million jackpot in October 2018 and a \$768 million jackpot in March 2019. The high jackpots drove combined sales of the two multi-state games to approximately \$521 million."

In May of 2019, the Division of State Lottery amended the services agreement with its sales and marketing vendor Northstar New Jersey Lottery Group, which revised the formula for calculating the incentive payment owed to Northstar in Fiscal Year 2019 and in future years, and increased the performance targets that are used to calculate any incentive payment owed to Northstar. As a result, the incentive compensation paid to Northstar for FY 2019 totaled \$26.1 million, significantly lower than the \$33.9 million incentive payment that would have been owed to Northstar in FY 2019 under the previous contractual terms, saving taxpayers \$7.8 million. For comparison purposes, in Fiscal Year 2018, the Lottery paid \$31.8 million to Northstar in incentive compensation. Under the new contract terms, in FY 2019, the incentive compensation dropped, even as sales increased from \$3.299 billion to \$3.482 billion.

The Lottery is the State's fifth largest individual revenue producer benefiting the residents of New Jersey. Since its inception in 1970, the Lottery has contributed over \$28 billion to the State, helping to bolster the public employee pension system for teachers, police and fire personnel and other public employees, as well as supporting businesses and communities throughout New Jersey.

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