

# TO GIFT, OR NOT TO GIFT LOTTERY, THAT IS THE QUESTION.

## LOTTO RESEARCH

### More and more consumers are joining in the fun and ease of sharing the joy of playing the lottery with friends and family

Almost half of all Americans have gifted a Lottery product at some point in their lives. However, despite this not being a new concept, the % of Americans that has gifted a Lottery ticket has risen significantly since 2017, from 37% to 47% in 2023.

Now this increasing trend may have a lot to do with the COVID pandemic, and the ease of access to Lottery games and products during a time when we had limited human interaction, but it also illustrates the power of the individual state lottery brands, and especially their Instant ticket products.

93% of those who have gifted Lottery have given a Scratch-off/Instant ticket as a gift, significantly more than Powerball/Mega Millions tickets at 16%. Even so, this still means that around 7% of Americans have bought a jackpot ticket as a gift for a friend, family member or co-worker. That's a pretty amazing data-point!

However, with Scratch-offs being the dominant gifted product, it is interesting to see the breadth of tickets purchased as gifts for others. At least one-third of gifters have bought either the \$1 or \$2 Scratch off ticket as a gift, but as with the national trend towards the higher priced tickets, it is the \$5 Scratch-off which is the most gifted ticket in terms of volume, at 47% of Americans.

Higher up the chain, a quarter of gifters have given out \$10 Instant games, whilst one in eight have generously offered a \$20 Scratch-off. For these two higher price points, men are significantly more likely (about 30% higher) than women to send



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a \$10 or \$20 to a friend or relative. These generous gifters also skew younger, with 18-34 year olds significantly more likely to gift a \$20 ticket (18%) than those 55+ (8%).

So, does that mean that Lotteries should aim their higher priced holiday tickets towards the younger market? Well, not necessarily. Gifting in general (or, "in aggregate?") skews higher among older age groups (35-54 and 55+) and also among white/Caucasian Americans.

As my dear reader may expect, there is definitely a large skew towards gifting Lottery games for the holidays. **More than three-quarters of U.S. Lottery gifters say they buy Lottery for the holidays/Christmas, while 62% buy for birthdays, and even 19% gift Lottery "just because"**, which further illustrates the convenience, ease and adaptability of state lottery games and products in our day to day lives.

However, 'ease of purchase' (35%) is not even the #1 reason why Americans gift Lottery. That privilege sits with 'I know the person I am buying for likes the Lottery' at 45%, which is significantly higher among females at 49%, and those aged 55+ at 48%.

Perhaps even more surprising is the fact that almost two-thirds (64%) of Americans enjoy receiving Lottery games as gifts. Only 24% of people don't enjoy getting a Lottery ticket as a gift, while a further 12% sat firmly on the fence.

So how are we looking for this holiday

season? **Approximately six years ago, 16% of Americans planned to buy Lottery as a gift during December, but in 2023 this number is up strongly and significantly to 26% of all Americans.**

This skews significantly higher among males, 35-54 year olds and higher income households (\$100k+) which is at a surprisingly strong 35%.

What consumers plan on gifting in 2023 though is of little surprise, with Scratch-offs/Instant games as the clear top product at 86%, and Powerball/Mega Millions a distant second at 21%, driven by male gifters.

Finally, planned spending on gifting Lottery in the United States is also on the rise, albeit slightly, when compared to 6 years ago. In 2017, 40% of gifters planned to spend at least \$20 on Lottery products as gifts, whilst in 2023 this number has risen to 42%, although a small pocket (5%) of Lottery gifters does plan to spend at least \$100 during this holiday season just on gifting Lottery games.

What does all this information mean for the Lottery industry? Ultimately, it is a very positive story, with **strong underlying upwards trends in planned gifting and spend on Lottery products and games in Q4 2023.** It also points to the importance of being visible and effective at all forms of Lottery retail during the post-Thanksgiving period through to the New Year. Maybe there are things we can appeal to more consumers to join in the fun and ease of holiday gifting of Lottery games?

Based on all the available research, Lotteries across America will not only have the opportunity to spread a little happiness this Winter, but the odds are that gifting might also generate new Lottery players, and re-engage lapsed Lottery players, as an affordable and fun way to play games during the holiday season, enabling the good cause charitable buckets to be filled even higher.

Trust me I'm a researcher. ■