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**FOR IMMEDIATE RELEASE:**

**INDEPENDENT LOTTERY RESEARCH EXAMINES LOTTERY PRIVATIZATION**

*Chicago, Illinois – January 18, 2007* – Independent Lottery Research (ILR), a well known research company dedicated to analyzing the lottery industry, has completed a wide ranging project to understand the issues surrounding the selling or leasing of state run lotteries to private companies. ILR, founded in 2005, has worked with lotteries and lottery vendors all over the world examining lottery playership, lottery games, sales, new lottery products, and new technologies.

ILR conducts a monthly National Poll on issues concerning lotteries and has published newsletters and columns on topics as varied as lottery proceeds, lottery advertising effectiveness, holiday themed lottery games, and the effect of large prizes on infrequent players. ILR created an analytical tool for measuring current lottery players: Joe, and the potential of lapsed, infrequent, and non-players: Jack.

These terms have been widely accepted by the industry as descriptions of broad lottery segments.

In the January 2007 National Poll, ILR asked adults about their attitudes toward the idea of privatizing lotteries.

One in five residents of states who have publicly announced considering privatizing their lottery were aware. More than half say that they think selling a lottery to a private company is a “bad idea”. However, one third believe a privatized lottery would run more efficiently than a state run lottery.

For more data about lottery privatization, please contact ILR directly at (312) 546-5925 x3.

Matthew Smith, a Director of ILR, observed based on the research: “Caution should be exercised by both proponents and opponents to the concept of lottery privatization because the emotional and personal relationship that both players (Joes) and infrequent and lapsed players (Jacks) have with their state lotteries. Whether they play a lot, a little or not at all, citizens have much to say about how the Lottery is run and how lottery profits are used. Response rates on Lottery surveys are quite high compared to other studies, indicating a strong level of interest in the topic.”

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The data show widely different reactions to the concept with substantial numbers of people on both sides of the issue but, the poll indicates considerable skepticism when it comes to actually turning the Lottery over to a private company.

Dr. Margaret Mueller, another ILR Director, suggests that companies interested in bidding on a license do innovative due diligence: "Beyond estimates of future revenue based on existing players and games, our data indicates an enormous potential of untapped revenue from adults who are lapsed, infrequent players, and non players. A recent survey we did on the effect of new technology on sales among non players potentially increased sales in a state by 30%."

A number of states, Illinois, Indiana, and New Jersey have expressed a desire to investigate the economics of selling or leasing their lotteries.

Michael Jones, another Director of ILR and the former head of the Illinois Lottery, thinks that the talk of privatization puts more pressure on existing lotteries to look beyond current practices and stress broadening the existing player base and rethinking current product strategies: "Governors seem to be losing patience with the decade long stagnant sales and declining profitability experienced by some lotteries. Whether operated privately or publicly lotteries are only really successful when they appeal to a broad range of adults and maximize sales and profits in an ethical and socially responsible manner."

ILR has accumulated a sizeable information base on lotteries, new and existing games, new technologies, lottery attitudes, marketing effectiveness, and forecasts for lottery sales and profit growth.

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