

# Preliminary Lottery Forecast May 2025



# Economic Overview

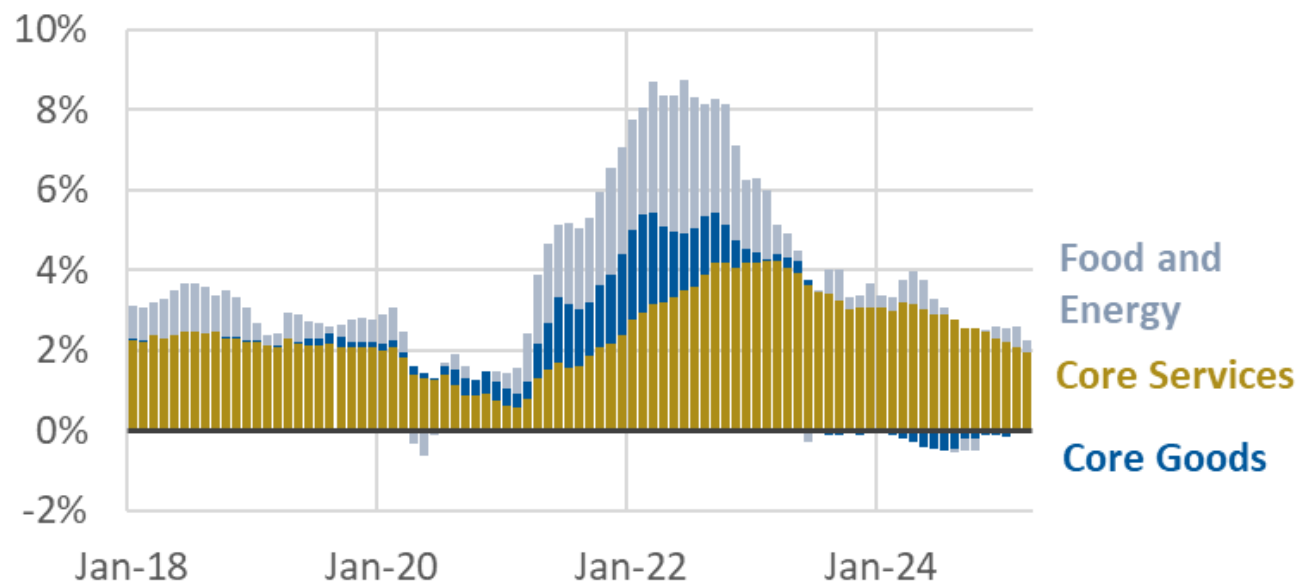


# Dual Mandate: Price Stability



## Disinflation Progress has Stalled

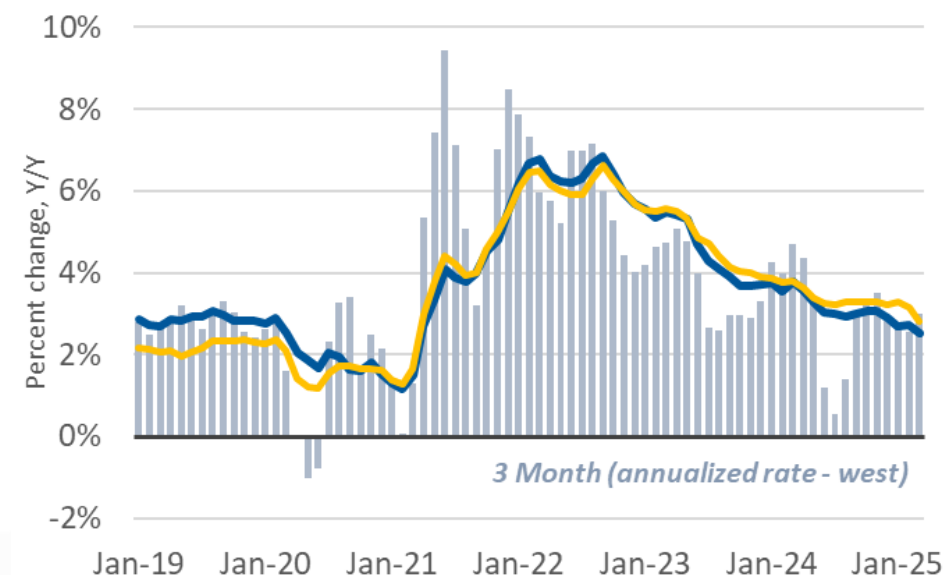
Decomposing Year-over-Year Change in the West Region Consumer Price Index



Latest Data: Mar 2025 | Source: BLS, Oregon Office of Economic Analysis

## West Region & U.S Core CPI

Consumer Price Index excluding food and energy



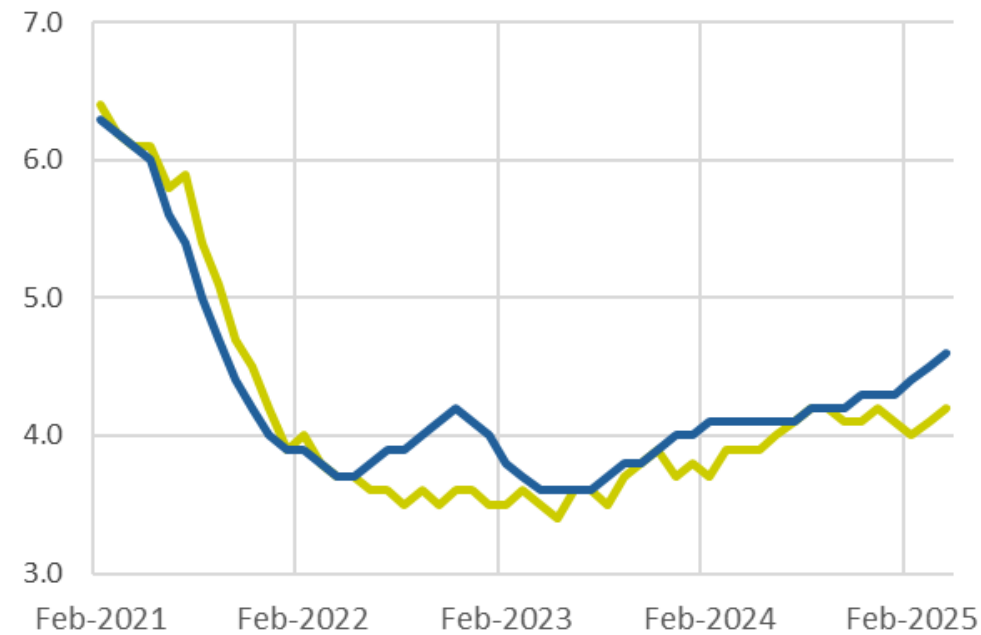
Latest: Mar '25 | Source: BEA, BLS, Oregon Office of Economic Analysis

# Dual Mandate: Max Employment



## Oregon and U.S. Unemployment Rate

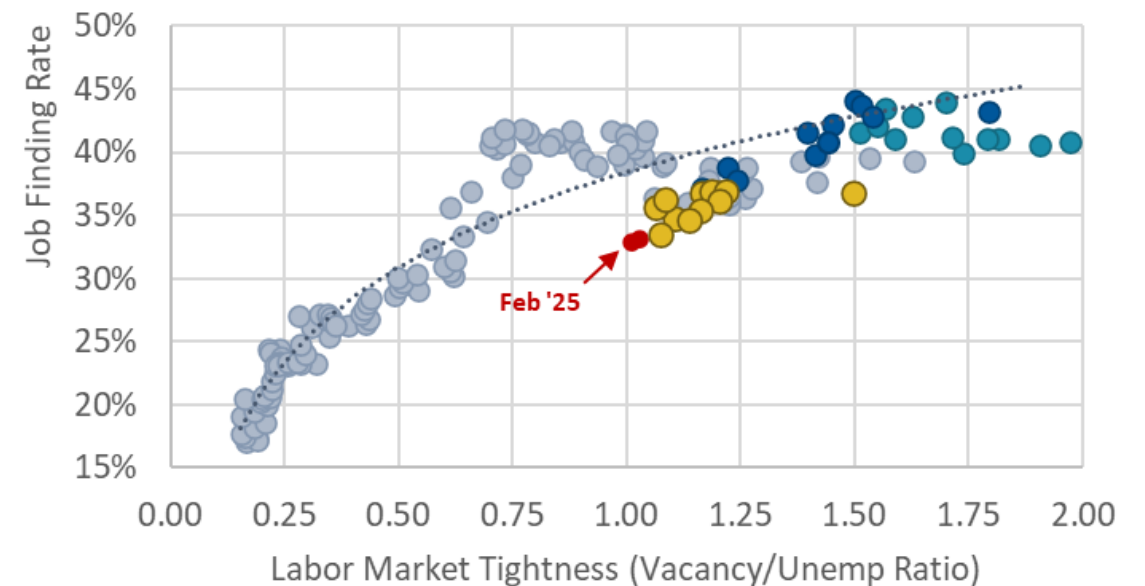
Monthly, Seasonally Adjusted



Data: Mar 2025 | Source: Oregon Employment Department

## Oregon Labor Matching

2010-2019 | 2022 | 2023 | 2024 | 2025



Latest Data: Feb '25 | Source: BLS, Oregon Office of Economic Analysis

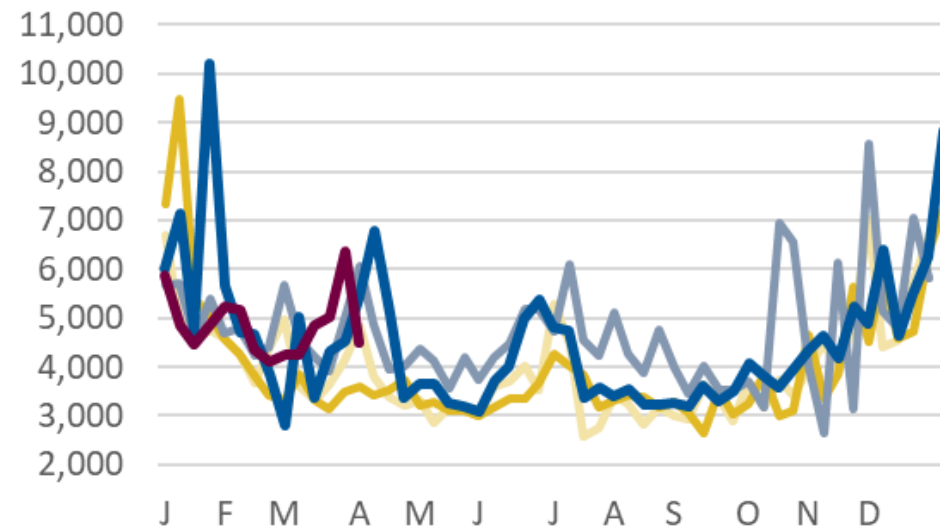
# Oregon Weekly Claims



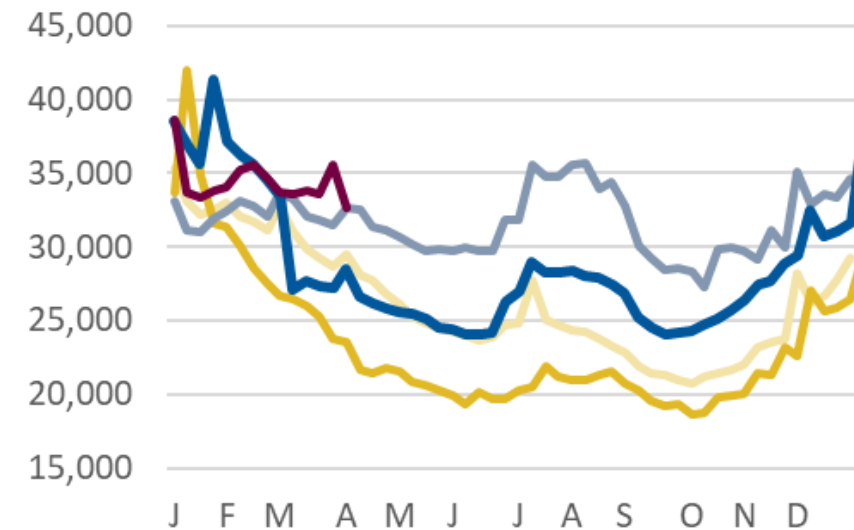
## Oregon Claims

Unemployment insurance claims for 2018, 2022, 2023, 2024, 2025

Initial Claims



Continuing Claims

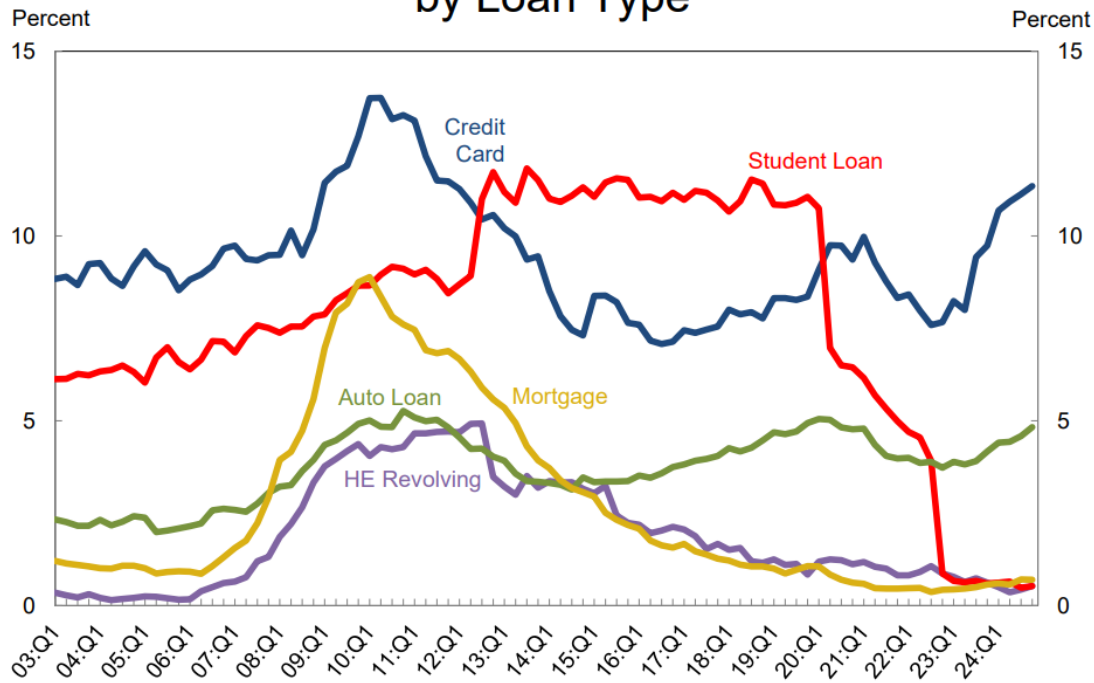


Data: Not seasonally adjusted | Latest: Apr 5th, 2025 | Source: US Dept of Labor, Oregon Employment Department, Oregon Office of Economic Analysis

# Just how much softening is there?

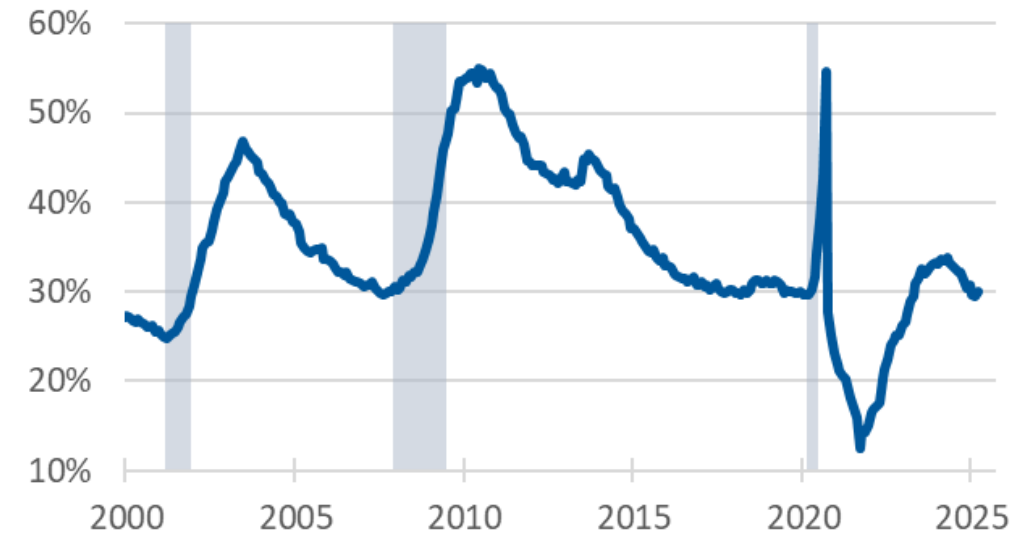


Percent of Balance 90+ Days Delinquent  
by Loan Type



Source: New York Fed Consumer Credit Panel/Equifax

Oregon Unemployment Insurance  
Benefit Exhaustion Rate



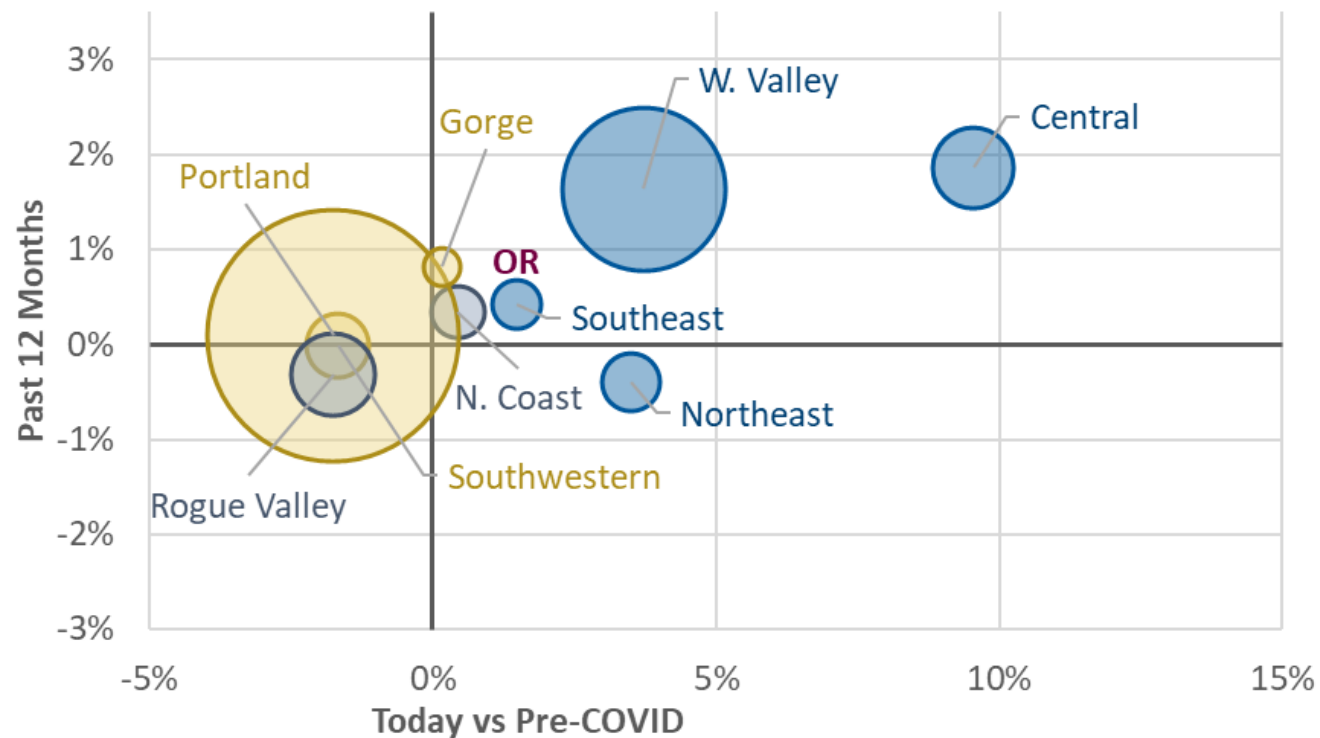
Latest Data: Mar 2025 | Source: US Dept of Labor, Oregon Office of Economic Analysis



# Employment Outlook



## Oregon Employment by Region



Latest Data: Feb 2025 | Source: Oregon Employment Dept, Oregon Office of Economic Analysis

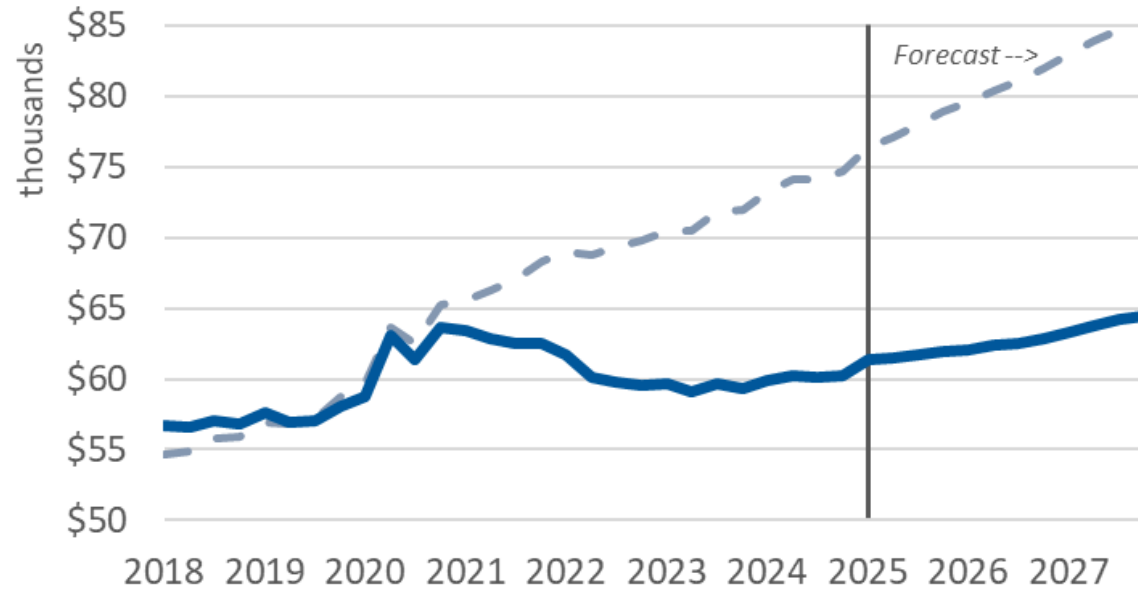
Note: Circle size represents the respective region's size of non-farm employment, Past 12-months percentage is calculated as the average of the current quarter's employment levels divided by the employment levels of the same quarter from the previous year. Pre-COVID comparison is calculated by dividing this month's current employment level by the maximum employment level observed between January and March 2020.

# Oregon Wages



## Oregon Average Wage Outlook

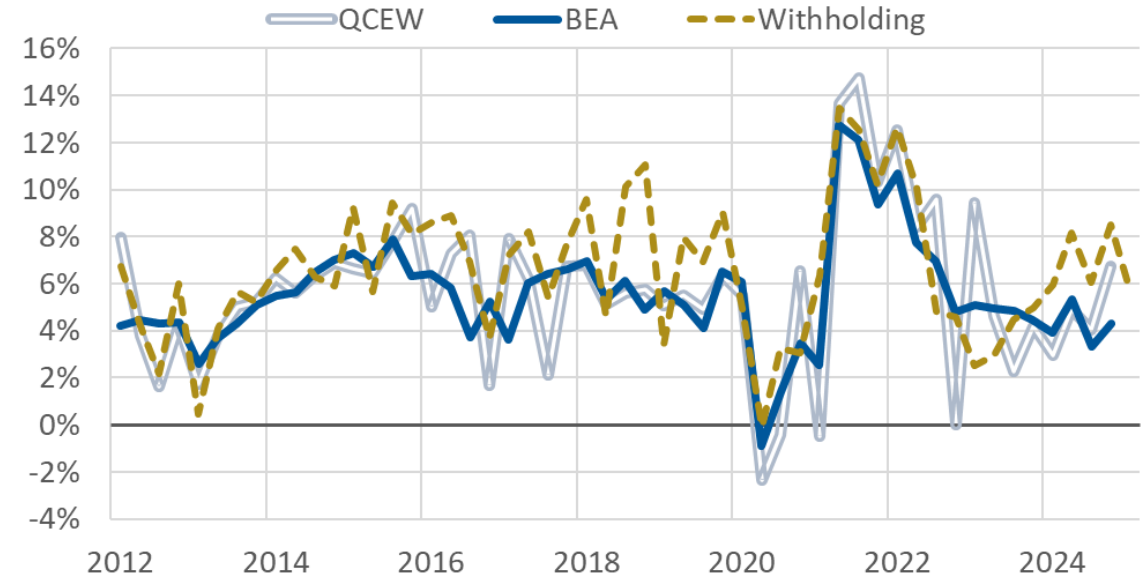
Nominal | Inflation-Adjusted 2019\$



Deflator: CPI West Region All Items | Source: Oregon Office of Economic Analysis

## Oregon Wage Growth

Year-over-year percent change



Latest Withholding 2025q1, Latest BEA 2024q4 and QCEW 2024q4

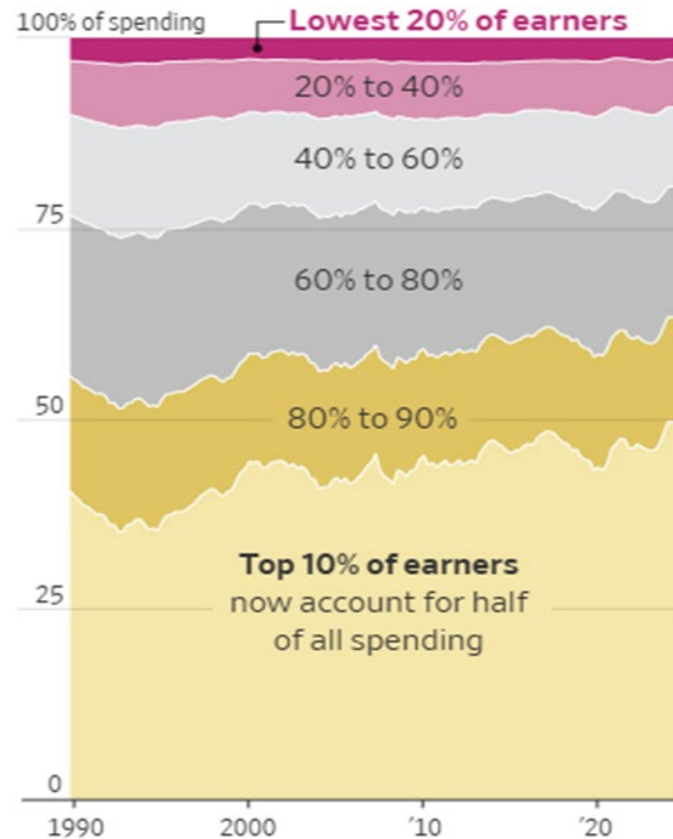
Source: BEA, Oregon Employment Dept, Oregon Dept of Revenue, Oregon Office of Economic Analysis





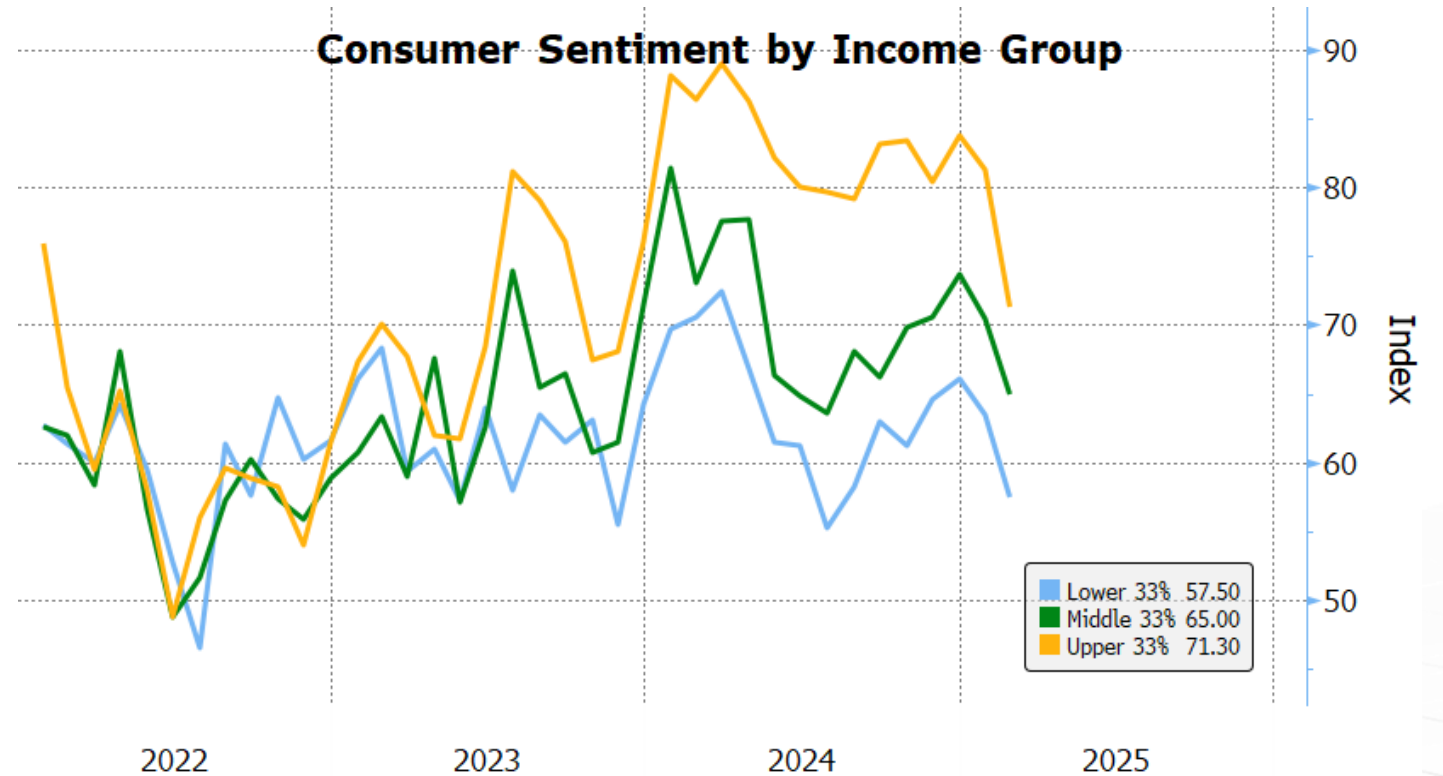
# Consumer sentiment faltering of late

Share of spending, by income group



Source: Moody's Analytics

Consumer Sentiment by Income Group



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# Lottery Overview



# Tracking

Tracking thru 4/12/25

Actual Sales vs March Forecast

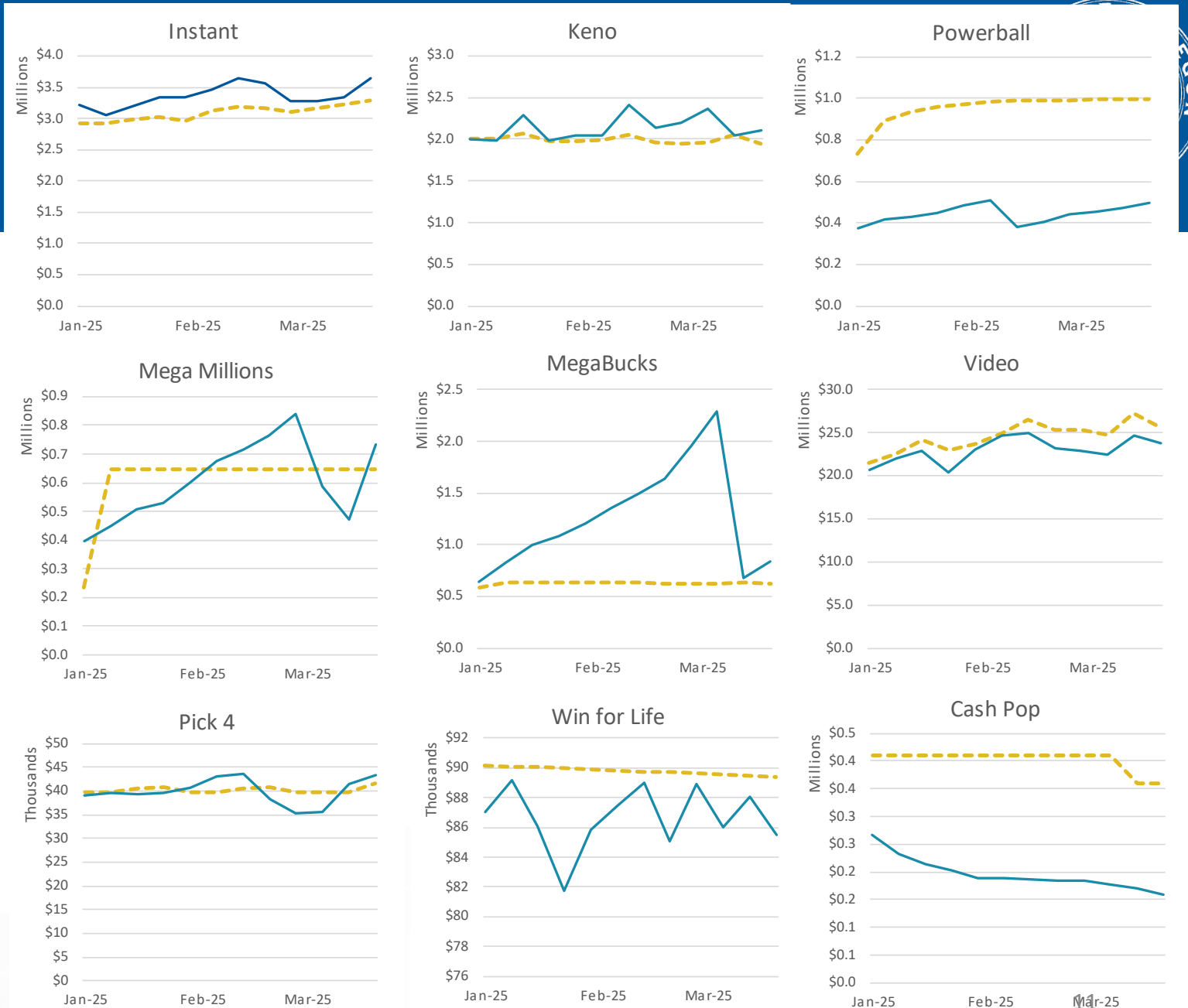
Tracking roughly \$12 million below forecast (-5.8%) based on weekly sales data.

-\$12.3 million video

+64k traditional

Video sales have been lower than expected.

MegaBucks and Scratch Its have seen strong sales, while Powerball sales were lower than expected.



# Sales Forecast Revisions



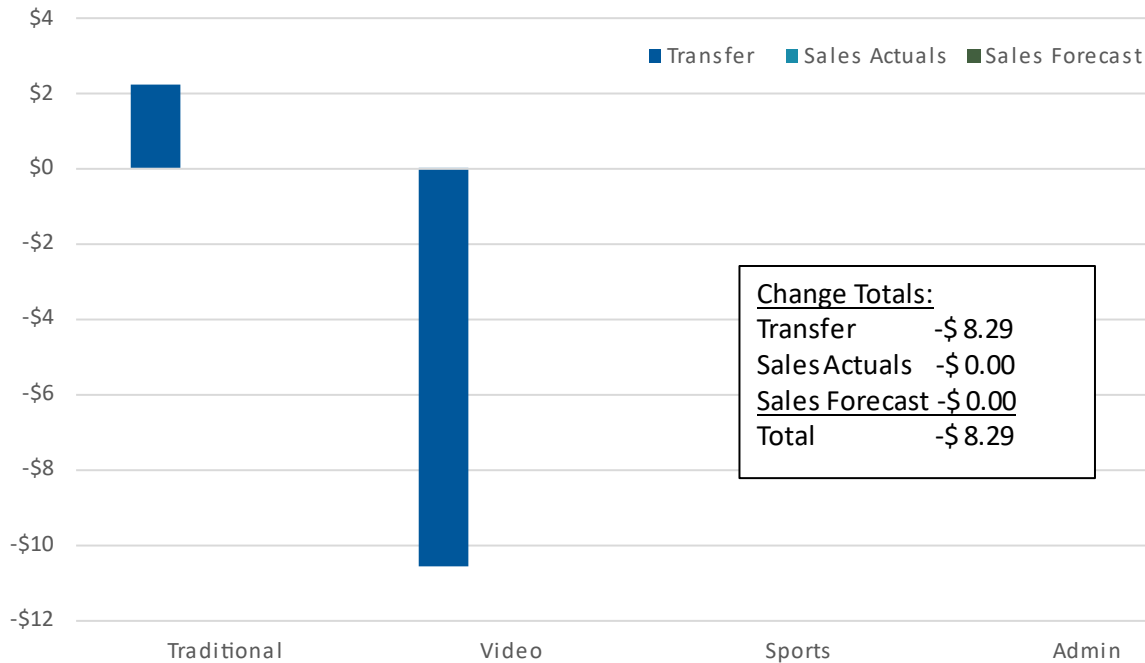
- Scratch it sales have risen with the implementation of a \$30 ticket.
- Mega Millions sales have been higher than expected, and pricing change from \$2 to \$5 starting 4/8 expecting to lead to higher jackpots and higher sales.
- Powerball and video sales have been lower than expected.

	Scratch Its	Mega Millions	Powerball	Video Lottery
2025	2.4%	6.4%	-17.6%	-1.9%
2026	3.7%	55.0%	-2.1%	-2.8%
2027	4.0%	55.0%	-2.1%	-3.1%
2028	4.3%	55.0%	-2.1%	-3.4%
2029	4.6%	55.0%	-2.1%	-3.7%
2030	4.9%	55.0%	-2.1%	-4.1%
2031	5.2%	55.0%	-2.1%	-4.2%
2032	5.6%	55.0%	-2.1%	-4.2%
2033	5.9%	55.0%	-2.1%	-4.3%

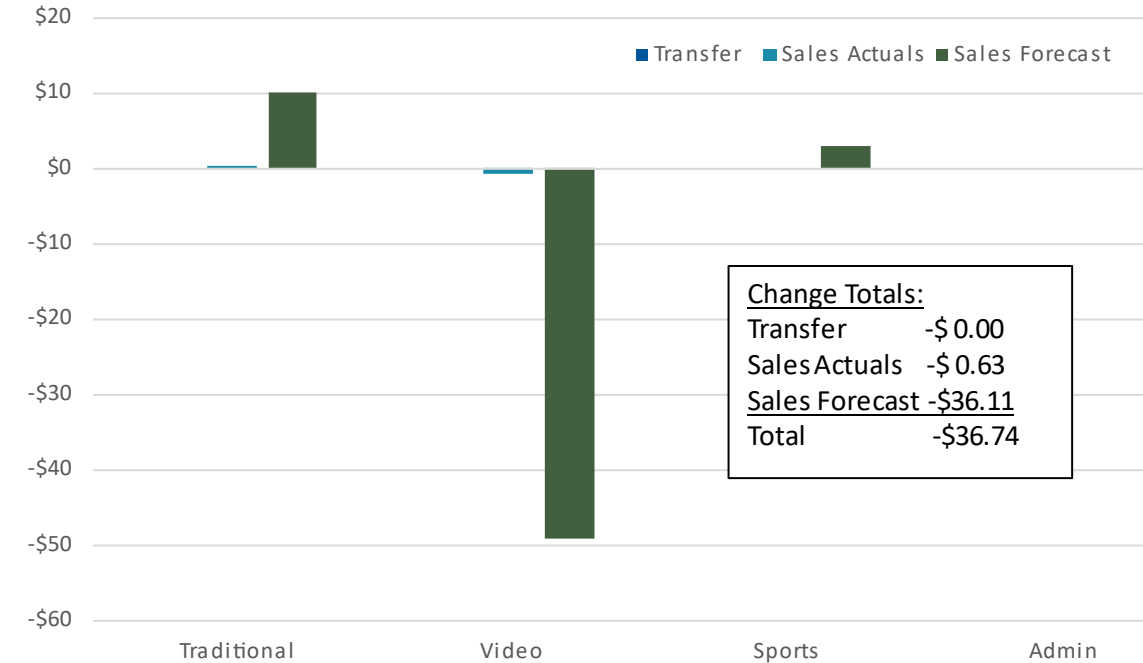
# 2023-25 Forecast Changes



**2023-25 Lottery Forecast Change**  
(June 2025 Compared to March 2025)



**2025-27 Lottery Forecast Change**  
(June 2025 Compared to March 2025)

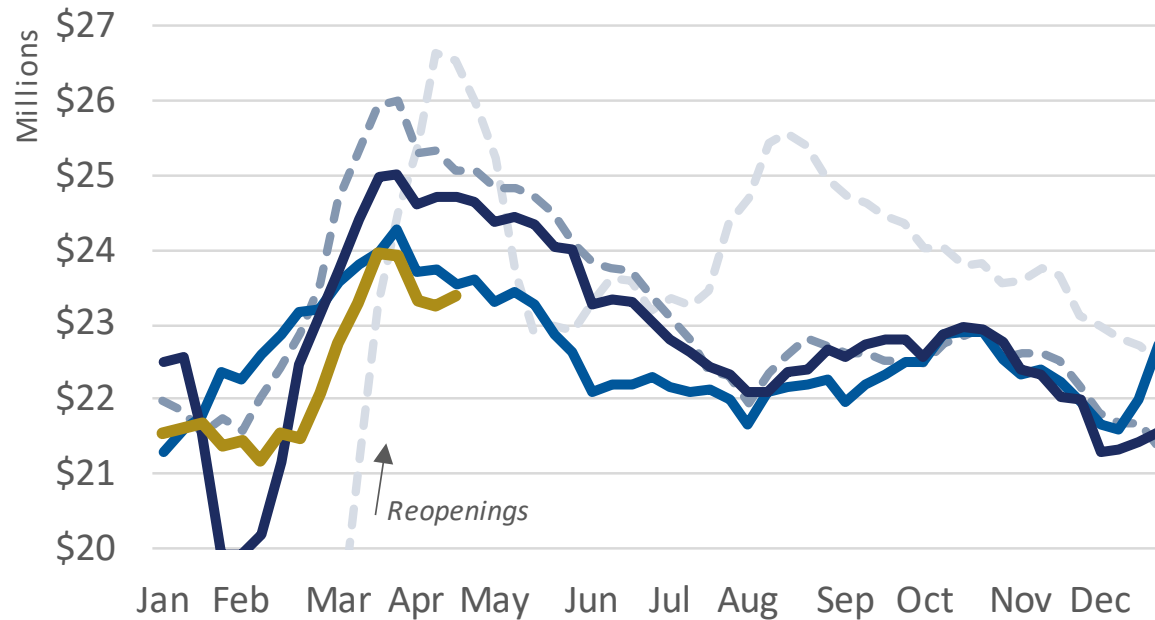


# Video sales are rising, but slower than last year and below forecast



## Oregon Video Lottery Sales

2021 | 2022 | 2023 | 2024 | 2025



Source: Oregon Lottery, Oregon Office of Economic Analysis

## Oregon Video Lottery Sales

Percent change year-over-year



Source: Oregon Lottery, Oregon Office of Economic Analysis

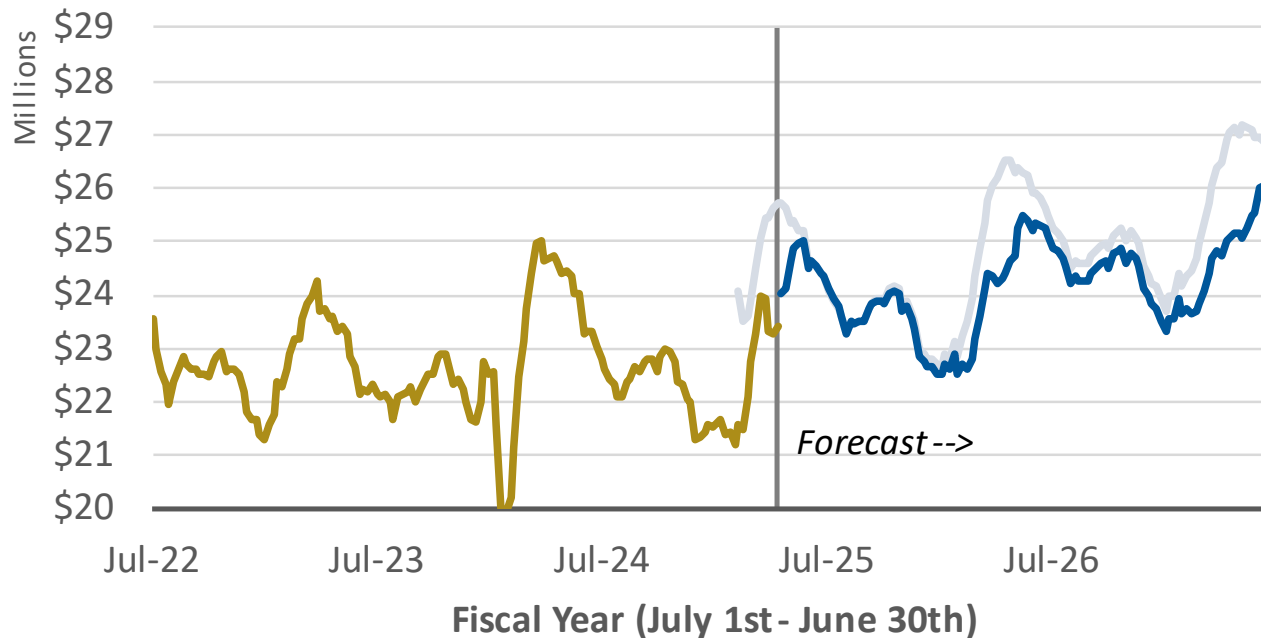


# Prelim Video Forecast



## Oregon Video Lottery Sales

4 week average of *actuals*, *Mar' 25 Forecast*, and *Jun' 25 Forecast*



Source: Oregon Lottery, Oregon Office of Economic Analysis

- Lowered 2-4% compared to previous forecast for the next few biennium.

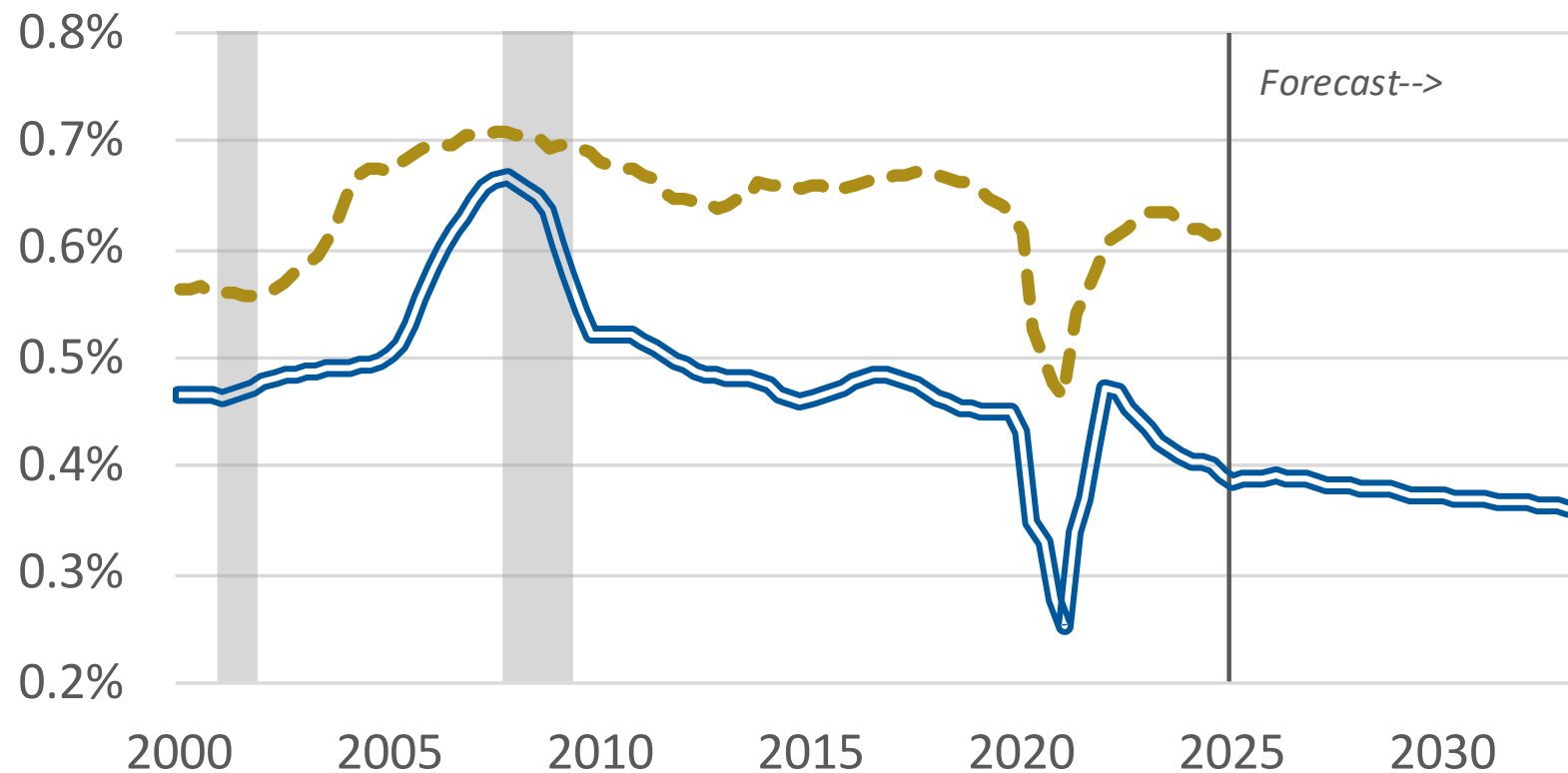
Revenue Forecast Changes (Current vs Previous)					
	2023-25	2025-27	2027-29	2029-31	2031-33
Traditional	1.1%	6.0%	6.6%	6.7%	6.8%
Video	-0.7%	-2.2%	-3.4%	-4.0%	-4.3%
Sports	0.0%	4.2%	0.0%	-0.4%	-0.5%
Admin	0.0%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total	-0.4%	-1.3%	-2.4%	-3.0%	-3.3%

# Gaming as a Share of Income Declining



## Gaming as a Share of Personal Income

U.S. Casino Gaming | Oregon Video Lottery



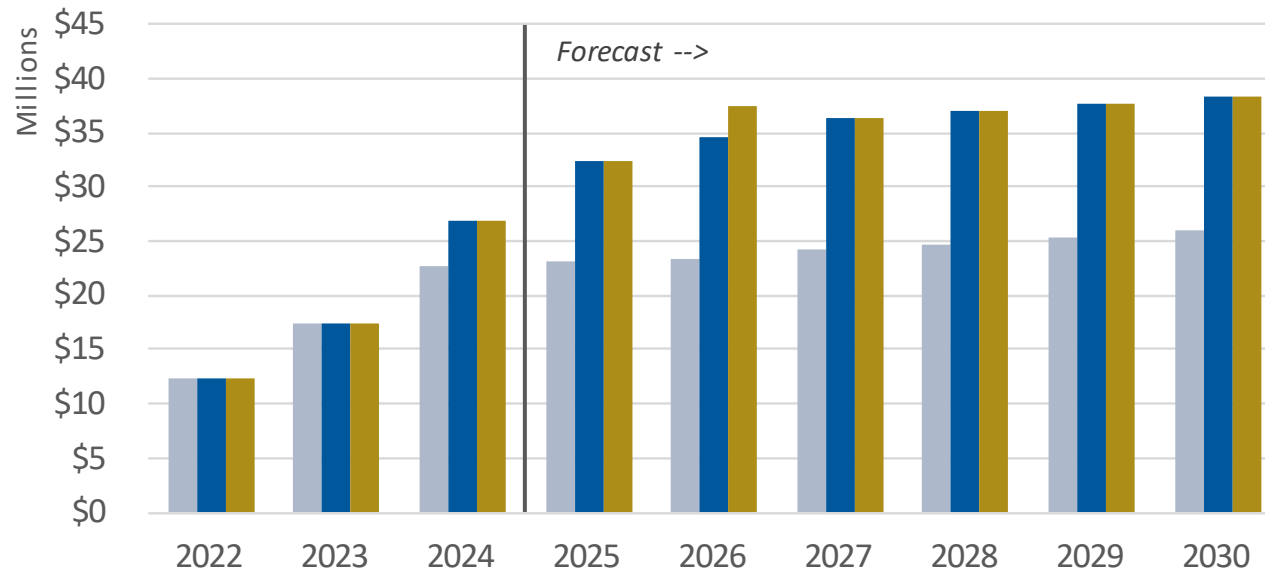
Data: 4 quarter avg Source: BEA, IHS Markit, Oregon Lottery, OR Office of Econ Analysis

# Sports Betting, Part 1



## Sports Betting Transfers by Fiscal Year

Original Estimates | Mar '24 Forecast | Jun '25 Forecast



- Latest quarterly transfer was higher than usual and deferred until next quarter, leading to higher value for FY 2026.
- Unsure if that is the beginning of a trend or an anomaly

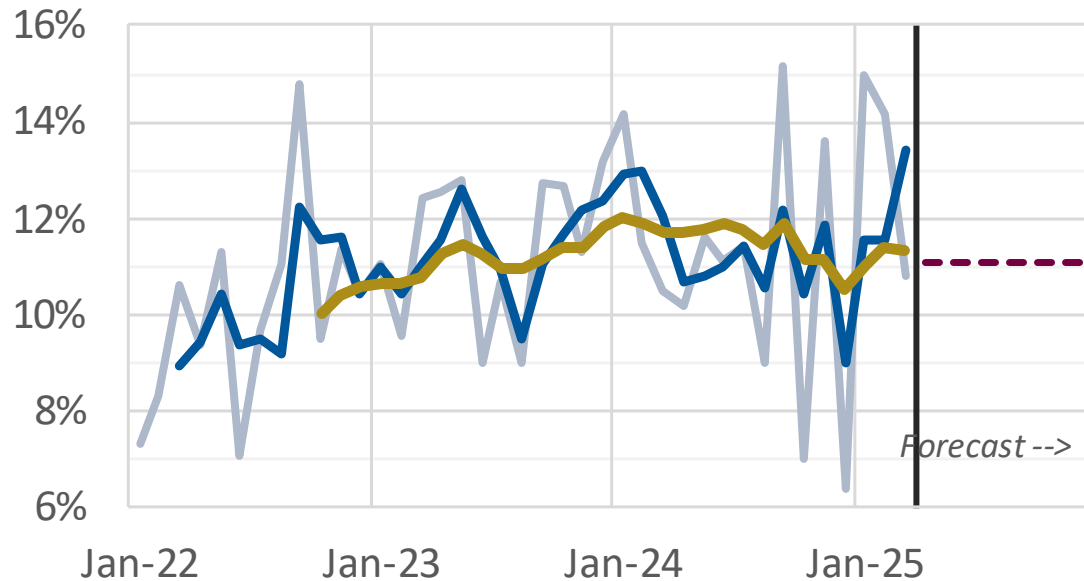
# Sports Betting, Part 2



## Oregon Sports Betting Margin

Gross Gaming Revenue (GGR), percent of Turnover

Single Month | 3 Months | 12 Months | Forecast



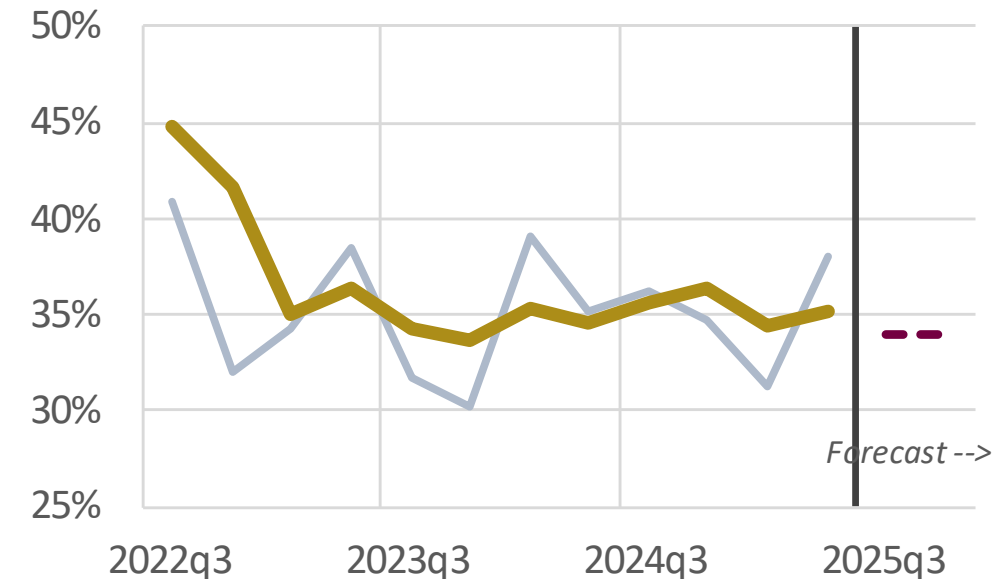
Source: DraftKings, Oregon Lottery, Oregon Office of Econ Analysis

Forecast 11.1%, previously 10.9%

## Oregon Sports Betting Transfers

Quarter transfers, percent of previous qtr's GGR

Single Quarter | 4 Quarters | Forecast



Source: DraftKings, Oregon Lottery, Oregon Office of Econ Analysis

Forecast 34%, previously 34%

TABLE B.9

## Summary of Lottery Resources

June 2025 Forecast

	2023-25			2025-2027		2027-29		2029-31		2031-33	
	Current	Change from	Change from COS	Current	Change from	Current	Change from	Current	Change from	Current	Change from
(in millions of dollars)	Forecast	Mar-24	2023	Forecast	Mar-24	Forecast	Mar-24	Forecast	Mar-24	Forecast	Mar-24
<b>LOTTERY EARNINGS</b>											
Traditional Lottery	207.421	2.250	43.725	184.159	10.038	188.400	11.181	191.443	11.549	195.041	12.013
Video Lottery	1,541.800	(10.544)	(83.184)	1,627.291	(49.786)	1,754.666	(65.358)	1,886.272	(84.893)	2,033.789	(93.557)
Sports Betting <sup>1</sup>	59.369	0.000	15.054	73.842	3.006	74.769	0.001	77.178	(0.331)	79.877	(0.433)
Administrative Actions	42.882	0.000	42.882	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Available to Transfer</b>	<b>1,851.472</b>	<b>(8.294)</b>	<b>18.477</b>	<b>1,885.293</b>	<b>(36.742)</b>	<b>2,017.834</b>	<b>(54.175)</b>	<b>2,154.893</b>	<b>(73.675)</b>	<b>2,308.707</b>	<b>(81.978)</b>
<b>ECONOMIC DEVELOPMENT FUND</b>											
Beginning Balance	84.396	0.000	0.000	45.206	(5.433)	0.000	0.000	0.000	0.000	0.000	0.000
Transfers from Lottery	1,851.472	(8.294)	18.477	1,885.293	(36.742)	2,017.834	(54.175)	2,154.893	(73.675)	2,308.707	(81.978)
Other Resources <sup>2</sup>	7.685	0.000	5.685	2.000	0.000	2.000	0.000	2.000	0.000	2.000	0.000
<b>Total Available Resources</b>	<b>1,943.553</b>	<b>(8.294)</b>	<b>24.163</b>	<b>1,932.499</b>	<b>(42.175)</b>	<b>2,019.834</b>	<b>(54.175)</b>	<b>2,156.893</b>	<b>(73.675)</b>	<b>2,310.707</b>	<b>(81.978)</b>
<b>ALLOCATION OF RESOURCES</b>											
Constitutional Distributions											
Education Stability Fund <sup>3</sup>	333.265	(1.493)	3.316	298.324	39.834	363.210	(9.752)	290.835	(8.368)	204.543	(7.210)
Oregon Capital Matching Fund <sup>3</sup>	0.000	0.000	0.000	34.191	(38.706)	0.000	0.000	80.872	(4.078)	175.853	(6.289)
Parks and Natural Resources Fund <sup>4</sup>	277.721	(1.244)	2.772	282.794	(5.511)	302.675	(8.126)	323.234	(11.051)	346.306	(12.297)
Veterans' Services Fund <sup>5</sup>	27.772	(0.124)	0.277	28.279	(0.551)	30.268	(0.813)	32.323	(1.105)	34.631	(1.230)
Other Distributions											
Outdoor School Education Fund <sup>5</sup>	36.406	0.000	(20.000)	59.821	0.000	63.183	0.000	65.936	0.000	69.062	0.000
County Economic Development	59.982	0.000	0.000	62.390	(1.909)	67.274	(2.506)	72.320	(3.255)	77.975	(3.587)
HECC Collegiate Athletic & Scholarships <sup>6</sup>	18.330	0.000	0.000	18.853	(0.367)	20.178	(0.542)	21.549	(0.737)	23.087	(0.820)
Gambling Addiction <sup>7</sup>	18.473	0.000	0.143	18.853	(0.367)	20.178	(0.542)	21.549	(0.737)	23.087	(0.820)
County Fairs	3.828	0.000	0.000	5.744	0.000	6.073	0.000	6.350	0.000	6.650	0.000
Other Legislatively Adopted Allocations <sup>8</sup>	1,094.384	0.000	32.439	342.983	0.000	287.141	0.000	236.879	0.000	186.892	0.000
Employer Incentive Fund (PERS) <sup>1</sup>	28.186	0.000	0.000	48.634	1.700	48.973	0.001	51.131	(0.229)	53.536	(0.291)
<b>Total Distributions</b>	<b>1,898.347</b>	<b>(2.861)</b>	<b>18.957</b>	<b>1,200.867</b>	<b>(5.879)</b>	<b>1,209.154</b>	<b>(22.279)</b>	<b>1,202.977</b>	<b>(29.559)</b>	<b>1,201.622</b>	<b>(32.542)</b>
<b>Ending Balance/Discretionary Resources</b>	<b>45.206</b>	<b>(5.433)</b>	<b>5.206</b>	<b>731.632</b>	<b>(36.296)</b>	<b>810.681</b>	<b>(31.896)</b>	<b>953.916</b>	<b>(44.116)</b>	<b>1,109.085</b>	<b>(49.486)</b>



# Timeline and Next Steps

- Friday, April 25<sup>th</sup>: OEA preliminary economic meetings
- Wednesday, April 30<sup>th</sup>: preliminary Lottery meeting
- Wednesday, May 14<sup>th</sup>: OEA forecast release

## Next Quarter

- Lottery forecast meeting: Thursday, August 14<sup>th</sup>
- OEA forecast release: Wednesday, August 27<sup>th</sup>



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