

Deal with Dollar General revives concerns Texas Lottery is targeting low-income players

State lotteries have long been dogged by accusations their games prey on the poor, who studies show tend to play more often and spend more money than high-income players. This month, the Texas Lottery Commission is poised to make tickets available at every check-out aisle in the state's nearly 1,500 Dollar General stores. The agency also will plaster each store with Texas Lottery advertisements.

The commission expects the deal, which has yet to be officially announced, will dramatically increase lottery sales. Dollar General's own description of its customers indicates the state's biggest major lottery sales push in years will land heavily on poorer Texans. "We generally locate our stores and plan our merchandise selections to best serve the needs of our core customers, the low and fixed income households often underserved by other retailers," the company stated in its 2018 annual report. In a 2016 presentation to investors, a Dollar General executive called its core customers its BFF - best friends forever — and described them as "living paycheck to paycheck" and relying on government assistance.

An analysis by Kantar, a global market research firm that conducts annual surveys of shoppers, shows that nearly 30 percent of Dollar General shoppers have household incomes under \$25,000, the federal poverty rate for a family of four. More than half have household incomes less than \$50,000. While the chain has made inroads with more affluent shoppers, "The core shopper is at or around the poverty line," said Simon Johnstone, a Kantar analyst. For lotteries, in-lane sales represent an exciting frontier that will make it simpler for players to buy their tickets and non-players to be lured into an impulse buy. "An in-lane lottery solution allows retailers to both be a destination store for lottery games, and gives the chance to upsell to every other shopper in the store," FasTrak, a lottery company, explained in a promotion. That it's debuting in Texas in a chain catering to lower-income shoppers, however, "is disturbing," said Rep. Garnet Coleman, D-Houston, a longtime critic of the lottery who said he hadn't heard of the new partnership. "We know the whole presence of a dollar store is to seek out people who earn less money with bargains."