

What's Happening in Sports Betting

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Sports betting is on the rise in the U.S. Apart from spread betting, 'draw no bet' wagers and a few other examples, a bet will have two possible outcomes: winning a profit based on bookmaker odds, or losing the wager. This has proven a huge attraction to the public for the past several decades. Sports betting legalization has been a topic in the gaming industry for the past several decades. This is no surprise given the sports betting industry represents a massive untapped opportunity domestically. It's estimated that Americans bet roughly \$100 billion per year on NFL and college football games alone. Most of this figure comes from illegal betting¹.

Even though a regulated sports betting industry would be a significant revenue generator for both sports betting operators and state governments (in the form of tax dollars), passing legislation surrounding the activity has been more than problematic. Delaware, one of four states grandfathered in under the terms of the Professional and Amateur Sports Protection Act (PASPA) of 1992 (Nevada, Montana and Oregon are the other three), was ready to fully legalize sports betting in 2009. But a decision in a lawsuit by the major professional and amateur leagues stated that Delaware could only offer the kind of sports betting that was legal prior to 1992, which was only parlay betting on the NFL². The tone of the professional leagues within the U.S. is changing, though. With powerful sports figures such as Adam Silver, the commissioner of the NBA, openly voicing support for sports betting, the light at the end of the tunnel may be growing larger for legalized sports betting.

As noted earlier, a widespread and fully mature online sports betting market in the U.S. would be the largest such market in the world, according to research from industry trade publication GamblingCompliance. By the time the U.S. gets to that point, though, everything about sports betting will have changed, including the way bets are placed, what games and events are the most popular to bet on and even who takes the bets. While legalization among different states in the U.S. is being considered, several substantial companies have already been lining up to see what is in store for the American sports culture, with major transitions lying ahead. Familiar Nevada and European sports betting operators, like MGM and William Hill, are observing the opportunity, and state lotteries and Native American gaming are also taking an interest in the upcoming trend, experts told ESPN. Online daily fantasy sports sites, with their infrastructure and established player bases in a sought after demographic, would appear to be in good position to offer traditional sports betting if made legal, as well³.

"Online is where everything is going," John McManus, executive vice president and general counsel for MGM Resorts International recently stated. "That's where people are going to want to place bets. That's where it makes sense to place bets and to be done safely." INTERPOL integrity monitor and former investigator Chris Eaton states, "In 10 years' time, I expect sports betting to be part of major telecommunications companies and data companies." Sports betting will put forward some more innovative factors, especially within technology so some of the technology companies may be better suited when in the position to build the betting exchange in a better way. Dan Spillane, NBA senior vice president and assistant general counsel, gave some insight, stating, "One of the goals is to give people who are interested in betting on sports an incentive to switch from illegal markets to legal markets. And backing or selecting one particular form of betting to the exclusion of others, I'm not sure that's going to accomplish that goal." The NBA's Spillane, while familiar with the exchange model, says the league hasn't determined whether a certain betting platform is better than the rest⁴

While momentum for widespread legalization and regulation of domestic sports betting appears to be gaining momentum, the road ahead remains long and filled with hurdles. Even though the "when" of sports betting

¹ http://www.espn.com/chalk/story/_/id/13614240/research-shows-united-states-dominate-global-legalized-sports-betting-market

² www.ggbmagazine.com/article/betting-on-sports-betting

³ www.espn.com/chalk/story/_/id/17892685/the-future-sports-betting-how-sports-betting-legalized-united-states-the-marketplace-look-like

⁴ www.espn.com/chalk/story/_/id/17892685/the-future-sports-betting-how-sports-betting-legalized-united-states-the-marketplace-look-like

legation is unclear, most experts agree the “if” is now an inevitable “yes.” We believe industry players need to continue preparing to fully take advantage of the eventual widespread legalization and implementation of sports betting within the U.S. To that end, ELG recently hosted a webinar on the opportunities related to sports betting. A replay and materials associated with the webinar can be found [here](#).