

# ONLINE SPORTS BETTING:

## THE BOOMING INDUSTRY AND ITS EFFECTS

By Emma Tufo



Source: [Bloomberg.com](https://www.bloomberg.com)

Photographer: Barry Gossage/NBAE via Getty Images; Illustration: Jessica Karl

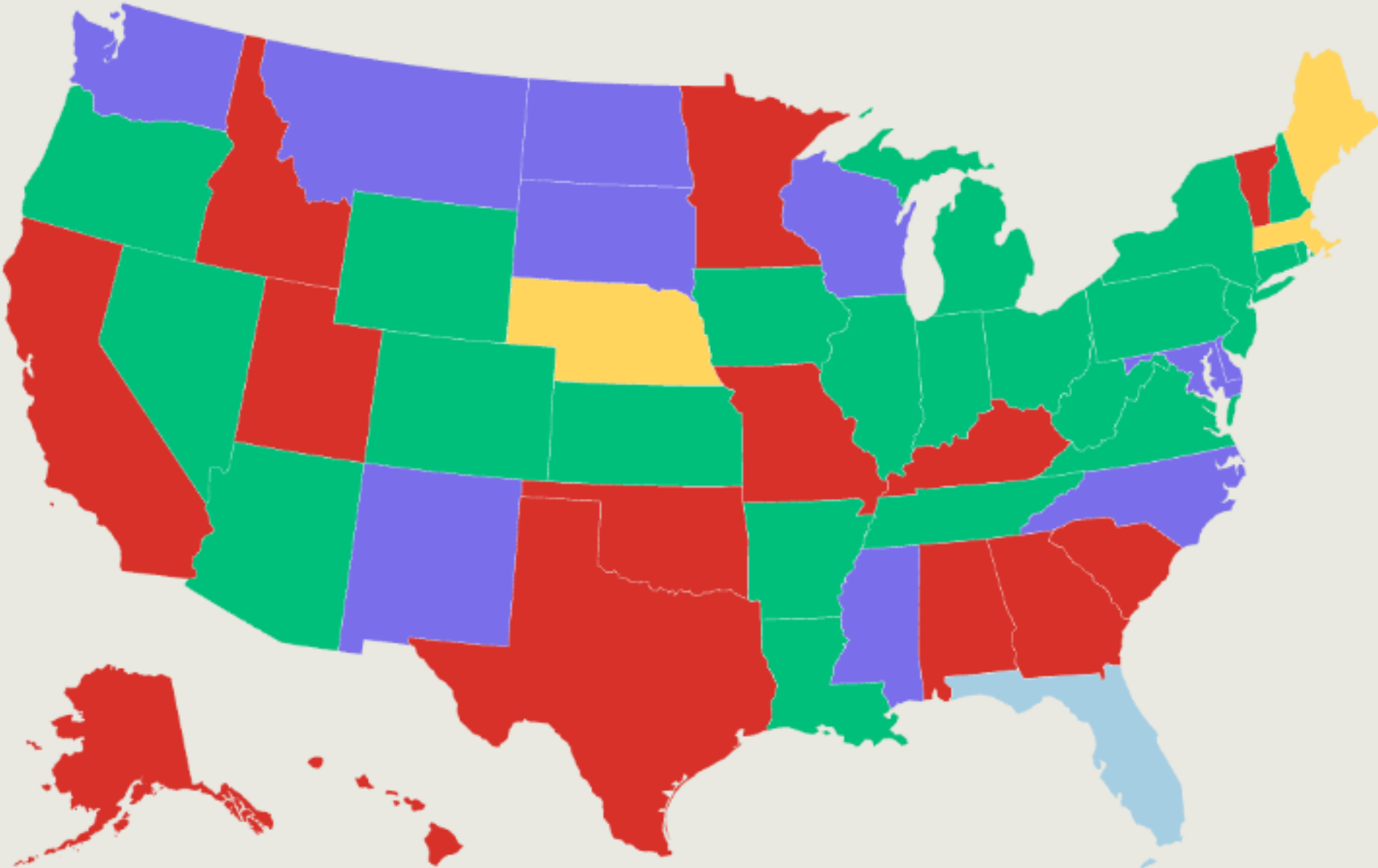
In 2018, the Supreme Court overturned a federal law from 1992 that banned commercial betting in most states across the country.

This action gave states the power to legalize sports betting, which had been regulated for years prior.

And since then, states have done just that, as the legalization of sports betting spreads across the United States, opening the door to what we now see as the sports betting boom.

### Sports Betting's Legal Status by State

■ In limbo ■ Legal online wagering ■ Legal physical sportsbooks ■ Not legal ■ Pending



Map: Emma Tufo • Source: [American Gaming Association](https://www.american-gaming.com) • [Get the data](#) • [Embed](#) • [Download image](#) • Created with [Datawrapper](#)

As a result of the legalization, people now feel that the practice is accepted, in a way. On the first weekend when it was legal in New York State, \$150 million was wagered, according to [Gov. Kathy Hochul's proposed budget for 2023, Forbes said](#).

Is the legalization just to blame, or is there more to this industry's takeover?

## TECHNOLOGICAL ADVANCEMENTS

Sportsbook apps are continuously emerging, allowing for a seamless betting process done simply through one's cellphone.

Mobile betting allows for an enhanced experience through in-play betting, AI predictions can increase bet accuracy and mobile applications are used for live streaming, according to the Visual Capitalist.

These technological advancements continue to make the practice more appealing to the public, increasing the excitement of sports as a whole when there's something on the line.

"You can play as fast as you want, as quick as you want. The technology makes it so fast and so easy," said Jim Maney, executive director of the New York Council on Problem Gambling, for the [Washington Post](#).

### Sportsbook Popularity

Morning Consult asked U.S. adults who said they bet on sports at least monthly whether they were familiar with and use each of the following sportsbooks:

■ Familiar with it (%) ■ Uses it (%)



Chart: Emma Tufo • Source: [Morning Consult/Visual Capitalist](https://www.morningconsult.com) • [Get the data](#) • Created with [Datawrapper](#)

Apps such as FanDuel Sportsbook, DraftKings Sportsbook, BetAmerica, etc, are booming and their success will to increase even more as the sports betting market grows and expands.

According to the Morning Consult, DraftKings and FanDuel are the most popular amidst U.S. bettors, used by over 70%.

Sportbooks allow for a variety of ways to bet on games with low stakes. It's why the gambling powerhouses in Las Vegas are no longer the gambling powerhouses in sports, according to Nalayan Srinivasan in his article for the [Michigan Journal of Economics](#).

"These new sportsbooks are leading the way in micro betting which essentially allows betting on a single quarter of a game, a players stat line, or even something as small as the result of one play," wrote Srinivasan.

## EFFECTS

Due to the rapid growth of the sports betting industry, experts are becoming worried as these companies begin to partner with major colleges.

Caesar's Entertainment Inc. signed deals with athletic programs at Louisiana State University and Michigan State University, allowing the operator to advertise in their sports facilities, according to [The Wall Street Journal](#).

In a [study](#) done by Nancy M. Petry, a professor of psychiatry, and Jeremiah Weinstock, a post-doctoral fellow, to find the relationship between social support and pathological gambling in college students, college is described as a developmental period that's vulnerable to problem behaviors as one emerged into adulthood.

They studied whether social support is an important factor relating to physical and mental health issues, including gambling.

They found just that. Pathological gamblers perceived lower social support compared to nonpathological peers.

These companies that are partnering with colleges and advertising within them are raising concerns that it will lead to rises in addiction for this age group. Especially when this demographic is at a vulnerable time in their lives.

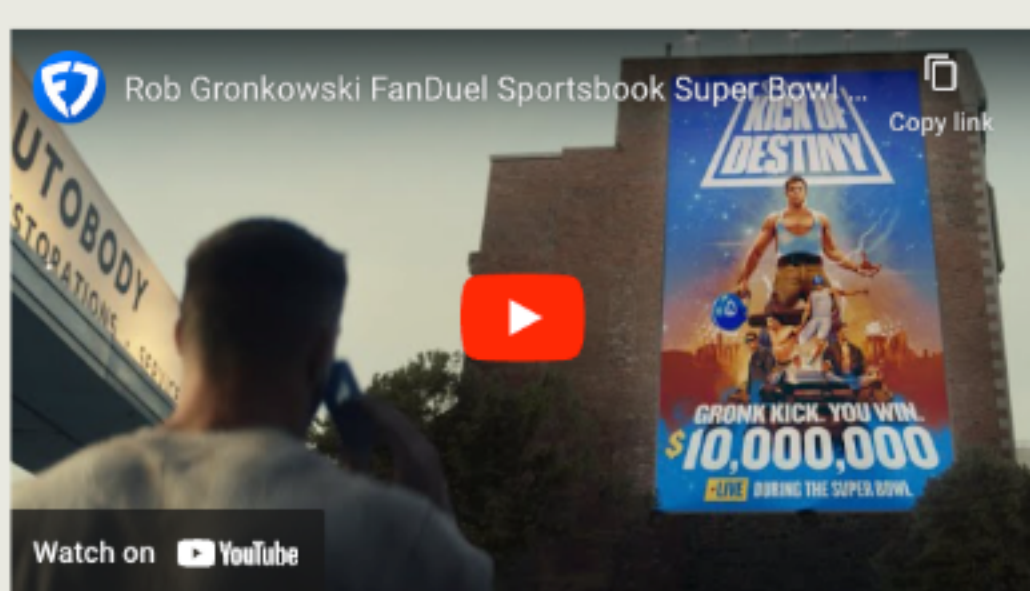
According to the study done by Petry and Weinstock, roughly 40%-80% of college students gambled within the last year, whether it was to have a good time with friends or part of a psychiatric disorder. This disorder is estimated to last for 5% of all college students their entire lifetime.

## IN THE MEDIA

### Targeting a young audience

Advertisements for these companies are popping up everywhere. As one scrolls on social media, watches a television commercial, or even the broadcast during the break of a sports game, they're likely to see a fun, bright-colored ad telling them to download DraftKings or a broadcaster talk about game odds.

Fan-favorite athletes are also joining in, promoting these companies and the practice as a whole.



Former NFL star Rob Gronkowski for FanDuel

This raises an entirely new concern, for parents never before had to worry about children watching too many sports, said the Washington Post in an article.

With college students and young kids watching television, experts are becoming alarmed.

Young people are more vulnerable to addiction and the prevalence of gambling disorders has increased across all age groups, according to the Gateway Foundation on their [website](#).

The legalization opened the doors - and now there seems to be no limits for online sports betting. Mental health and addiction experts are worried.

With such a fast-growing industry - it's almost out of their hands. All experts can do is try and help those that need it.

The University of Maryland, a school that was once partnered with PointsBet, even ended its partnership with the company in April due to the controversies surrounding sports betting as a whole.

Even filled with controversy, the takeover was imminent. People love sports and the excitement that comes with it. Having money on it just adds to that for bettors.