



Place Your Bets

The past few years have seen remarkable changes in the U.S. gambling industry, notably due to the legalization of online sports betting in select states, leading to major investments in digital platforms and industry consolidation. With March Madness approaching, we delve into the rapidly growing market of online gambling.



- While sports betting has been around for decades, in 2018, the U.S. Supreme Court's repeal of a nationwide sports betting prohibition allowed states to establish their own regulations, triggering transformative partnerships and mergers that redefined the gambling industry. In fact, shortly after the 2018 judicial decision, the U.S. took the lead in global online gambling revenues in 2021, beating out more mature markets like the U.K., Australia, and Germany.
- The chart above reveals that the U.S. online gambling market's robust growth has been propelled by the surge in online sports betting. Growth has also been supported by the increasing allure of online gambling convenience via smartphones and broader legal acceptance by states. While online casinos and lotteries are estimated to grow 10% and 6% annually from 2023 through 2028, online sports betting is estimated to grow much faster, at nearly 16% annually.¹ Moreover, despite its larger population, the U.S. currently has a user penetration rate of only 14% for online gambling, compared to the U.K.'s 27%, implying the potential for ample growth in the U.S. market.²
- In our view, with the growing user adoption by a younger tech-savvy generation that prefers online platforms over traditional casinos, and ongoing enhancements in offerings and user experience to increase betting amounts, companies engaged in online gambling that can scale and leverage technology may have the potential for sustainable growth over the long-term.

^{1,2} Statista Market Insights

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