

Sizing The Illegal And Unregulated U.S. Gambling Market



A recent study commissioned by the American Gaming Association offers the most comprehensive look at the size and scope of the illegal and unregulated gambling market in the U.S. The study examines illegal sports betting and iGaming wagering as well as unregulated “skill” machines that have proliferated across America.

Policymakers, law enforcement and businesses must work together to shut down illegal and unregulated gambling and protect your constituents. Take action by clarifying state gaming laws to close loopholes, empowering state and local law enforcement, and engaging federal partners to stop illegal gambling.

A HALF-TRILLION DOLLAR MARKET

- Americans gamble **\$511 billion** every year with illegal and unregulated sportsbooks, iGaming websites and deceptively nicknamed “skill games” in bars, liquor and convenience stores, truck stops and other locations.
- Americans bet nearly **\$64 billion** with illegal online sportsbooks and bookies; **\$338 billion** with illegal online casinos; and **\$109 billion** on more than **580,000** unrelated gaming machines.
- A stunning **40 percent** of all gaming machines in the U.S. are unregulated and unlicensed.

SIPHONING BILLIONS IN TAX REVENUES FROM STATES AND COMMUNITIES ACROSS AMERICA

- Because illegal gambling operators pay no taxes, states and communities lose an estimated **\$13.3 billion** annually in tax revenues.
- By shutting down the illegal market and encouraging legal, regulated wagering, states could potentially double the tax revenue collected from gaming to **\$25 billion** from \$13.5 billion in 2022.

TAKING ADVANTAGE OF CONSUMERS

- Illegal and unregulated operators prey on vulnerable customers and offer no commitment to responsible gaming.
- Unsuspecting customers are lured with the ease of access illegal operators can offer because they pay no taxes and don’t invest in meeting strict regulatory and licensing standards.
- **Seven out of 10** gamblers want to bet legally, but many are deceived by unlicensed, offshore websites that pose as legal operators.

AT A GLANCE: SCALE AND SCOPE OF ILLEGAL, UNREGULATED MARKET

UNREGULATED MARKET	ESTIMATED HANDLE	ESTIMATED REVENUE	ESTIMATED STATE TAX LOSS
SPORTS BETTING (Bookies + Offshore)	\$63.8B	\$3.8B	\$700M
ONLINE SLOTS & TABLE GAMES	\$337.9B	\$13.5B	\$3.9B
UNREGULATED MACHINES	\$109.2B	\$26.9B	\$8.7B
TOTAL	\$510.9B	\$44.2B	\$13.3B