

# Debunking the **8 Myths** About LEGAL SPORTS BETTING

**Sports betting is here, and it's time to talk facts — not fear.**

Across the country, states are reaping the benefits of a regulated market that protects consumers, combats illegal operators, and ensures betting remains a fun pastime for millions of Americans. Despite the alarmist headlines, the data shows that problem gambling rates remain low, consumer protections are stronger than ever, and most people spend less per month on sports betting than Netflix. Here's a look at the most common myths—and what the research really says.

## Myth #1

### “Problem Gambling Is Skyrocketing”



**The Reality:** Problem-gambling rates remain low and stable, while regulated platforms offer robust safeguards to help anyone who might have an issue.

- ✓ **Expert Consensus:** The National Council on Problem Gambling (NCPG) finds only 1% of the population falls into the category of “severe problem gambling.”<sup>1</sup> This has held steady for decades—before and after the rise of legal online sports betting.
- ✓ **Consistent Studies:** Studies commissioned in Massachusetts,<sup>2</sup> Connecticut,<sup>3</sup> and Indiana<sup>4</sup> all reach the same conclusion—that is, similar 1–2% problem-gambling rates, underscoring that legalized sports betting is not fueling addiction.
- ✓ **Responsible-Play Tools:** Legal operators invest heavily in consumer protections, far exceeding what's available in illegal or unregulated environments.

## Myth #2

### “Legal Sports Betting Is the ‘Wild West’ — No Oversight or Regulation”



**The Reality:** The true “Wild West” is the unregulated market. States with legal sports betting have rigorous safeguards and strict oversight.

- ✓ **One of the Most Regulated Industries in the Nation:** In the 38 states that have legalized sports betting, operators work closely with state regulators—meaning that 38 separate state regulators have insight into their operations and hold them accountable across several online gaming license suitability standards, including ensuring the highest thresholds for “Know Your Customer”, strict adherence to age and location verifications, anti-money laundering protections, and financial risk management.

<sup>1</sup> “FAQs: What is Problem Gambling?” National Council on Problem Gambling, <https://www.ncpgambling.org/help-treatment/faqs-what-is-problem-gambling/>.

<sup>2</sup> University of Massachusetts School of Public Health and Health Sciences, “Gambling and Problem Gambling in Massachusetts: Results of a Follow-up Population Survey,” December 2023. <https://massgaming.com/wp-content/uploads/Gambling-and-Problem-Gambling-in-Massachusetts-Results-of-a-Follow-Up-Population-Survey-Report-4.3.24.pdf>.

<sup>3</sup> Gemini Research, “Impacts of Legalized Gambling in Connecticut,” Prepared for the Connecticut Department of Mental Health and Addiction Services (DMHAS), January 2024. <https://portal.ct.gov/-/media/dmhas/publications/2023-ct-final-report-jan312024.pdf>.

<sup>4</sup> Indiana University School of Public Health, “Adult Gambling Behaviors in Indiana,” 2022. [https://ipgap.indiana.edu/documents/2022\\_Adult\\_Gambling\\_Behaviors\\_in\\_Indiana.pdf?\\_gl=1\\*oagzyh\\*\\_ga\\*MTI3NDQwMDk2LjE2ODkwNDM3NDQ\\*\\_ga\\_61CHOD2DQW\\*MTY4OTA0Mzc0NC4xLjAuMTY4OTA0Mzc0NC42MC4wLjA.&\\_ga=2.262835852.1469668823.1689043745-127440096.1689043744](https://ipgap.indiana.edu/documents/2022_Adult_Gambling_Behaviors_in_Indiana.pdf?_gl=1*oagzyh*_ga*MTI3NDQwMDk2LjE2ODkwNDM3NDQ*_ga_61CHOD2DQW*MTY4OTA0Mzc0NC4xLjAuMTY4OTA0Mzc0NC42MC4wLjA.&_ga=2.262835852.1469668823.1689043745-127440096.1689043744).

- ✓ **Exceeding Other Industries:** The NCPG points out that legal sports-betting apps often have stronger consumer protections than other industries that interact with customers virtually, such as stock-trading platforms.<sup>5</sup>
- ✓ **Illegal Market Is the Real Threat:** Where sports betting isn't legal, offshore operators and sportsbook platforms that pursue legal acrobatics to evade licensure thrive with irresponsible advertising, no age checks, no spending limits, and no consumer recourse.

## Myth #3

### “Legal Sports Betting Wrecks Household Finances— Lower Credit Scores, Higher Debt, More Bankruptcies”



**The Reality:** Most bettors wager less on a legal online sports betting site/app each month than they spend on coffee over the course of a week at Starbucks. In fact, the studies that our opponents like to cite and circulate when working to kill sports betting lend powerful support to the argument that online sports betting is ultimately just a form of entertainment.

- ✓ **No Significant Impact:** A 2024 Wofford College study found “no statistically significant impacts” on financial well-being from online sports betting.<sup>6</sup>
- ✓ **Casual Betting, Not Big Investments:** Even studies critical of sports betting show the top third of bettors deposit only about \$100 per month, while the bottom two-thirds deposit just a few dollars per month on average.<sup>7</sup>
- ✓ **Tiny Statistical Changes:** Upon closer examination, claims of rising bankruptcy or credit card debt are often based on minuscule differences (less than 1%) that 99% of economists would characterize as statistically insignificant and easily explained by broader economic factors.

## Myth #4

### “Underage and Vulnerable Populations Can Easily Access Sports Betting Platforms”



**The Reality:** Legal platforms have strong safeguards; illegal sites have none, creating the real risk for underage gambling.

- ✓ **High-Tech Age Verification:** Legal operators use bank-grade ID checks, multi-factor authentication, and regular log-in prompts to block underage access.
- ✓ **Expert Approval:** The NCPG's former executive director publicly praised U.S. online operators' sophisticated age-verification and age restriction measures.<sup>8</sup>
- ✓ **Illegal Sites Are the Risk:** Offshore operators like Bovada often require only a check-the-box self-attestation for age, and they aggressively market on platforms popular with minors.

<sup>5</sup> Gunjan Banerji, “More Men Are Addicted to the ‘Crack Cocaine’ of the Stock Market,” The Wall Street Journal, December 2024. <https://www.wsj.com/finance/stocks/stock-market-trading-apps-addiction-afecb07a>.

<sup>6</sup> Tim Bersak, Richard Gearhart, and Lyudmyla Sonchak-Ardan, “Impacts of Access to Legal Sports Betting on Self-Reported Mental Health: Evidence from Household Pulse Survey,” August 2024. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4928244](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4928244).

<sup>7</sup> Scott R. Baker et al, “Gambling Away Stability: Sports Betting’s Impact on Vulnerable Households,” July 2024. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4881086](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4881086).

<sup>8</sup> Jeremy Balan, “California Tribes ‘Fearmongering’ Against Operators in Ads About Children,” SportsHandle, June 2022. <https://sportshandle.com/california-tribes-fearmongering-ads-against-operators/>.

## Myth #5

### “Legalizing Online Sports Betting Does Nothing to Combat the Illegal Market”



**The Reality:** A regulated market **directly weakens** illegal operators. Consumers overwhelmingly prefer legal platforms when they have access to them.

- ✓ **Preference for Legal:** When given a safe, legal choice, consumers leave illegal sites and choose to wager on legal and regulated platforms. We know this from market surveys where an overwhelming majority of bettors say it is important to only bet through legal providers due to a variety of factors, including confidence that bets will be paid out, awareness of legal options, and a strong desire to use a regulated book.<sup>9</sup>
- ✓ **Customers Seek Options:** Geolocation data also show significant wagering activity occurring in areas close to the border of a legalized state with a non-legalized state. A good example are the substantial wagers placed from unpopulated cornfields in Iowa (with legal OSB) along its border with Nebraska (no legal OSB). These are most likely wagers from Nebraska residents who, rather than wager in the illegal market, choose to drive to the Iowa border to make safe, legal wagers. We have seen this same trend in the New York/New Jersey borders, prior to New York’s legalization of OSB.
- ✓ **Data-Backed Decline:** In states that launch legal online sports betting, searches for illegal operators drop by about 50% in the following year.<sup>10</sup>
- ✓ **Enforcement Power:** States with robust regulation often see major offshore platforms pull out, rather than face penalties. In states without legal options, these sites flourish unfettered.<sup>11</sup>

## Myth #6

### “Increases in Problem-Gambling Call-Center Traffic Means More People Are Facing Problem Gaming”



**The Reality:** Rising hotline calls often reflect **greater outreach and awareness**, not a spike in new gambling disorders.

- ✓ **Weak Indicator:** Hotline operators note that most calls aren’t about addiction but instead involve app troubleshooting or lottery inquiries.<sup>12</sup>
- ✓ **Higher Awareness:** Mandatory advertising of hotline numbers makes help more visible, naturally boosting call volume. This is also a positive development, as 1) it indicates residents are aware of – and using – the resources available to them and 2) such awareness takes away the stigma out of – and normalizes discussions – around responsible gambling and seeking help to address problem gambling. Just because a state has not legalized sports betting does not mean the activity is not happening there. It does, only through illegal channels – and legalization and regulation ensure the state, bettors, and their loved ones have the information and resources to make informed decisions.
- ✓ **One Consistent Number:** Experts encourage states to adopt a single, well-publicized hotline to direct people to assistance efficiently.

<sup>9</sup> “New Study Finds Sports Bettors Abandoning Bookies for Legal Market,” available at <https://www.americangaming.org/new-study-finds-sports-bettors-abandoning-bookies-for-legal-market/>.

<sup>10</sup> Based on Google Trends research, focused on searches for “Bovada” in the calendar year before vs. after the launch of legal online sports betting.

<sup>11</sup> Jessica Welman, “Mississippi regulators struggling to get offshore to respond to C&D letters,” SBC Americas, December 2024. <https://sbcamericas.com/2024/12/13/mississippi-regulators-cease-desist/>.

<sup>12</sup> Stephen Elliott, “States Are Learning on the Fly About Sports Betting Addiction,” Stateline, March 2023. <https://stateline.org/2023/03/22/states-are-learning-on-the-fly-about-sports-betting-addiction/>.

## Myth #7

### “Legalized Sports Betting Has Led to an Increase in Domestic Violence”

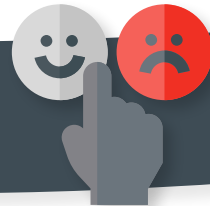


**The Reality:** There’s **no evidence** whatsoever that legal sports betting contributes to increases in domestic partner violence.

- ✓ **No Proven Causation:** A **2024 Wofford College study** found **no evidence** linking legalized sports betting to domestic violence or significant health harms.<sup>13</sup>
- ✓ **Correlation vs. Causation:** The underlying study behind this myth is predicated on assumptions that suffer from the same flawed logic as someone who concludes that because ice cream consumption and drownings both increase in the Summer, the former is the cause of the latter. Here, the study assumes that people bet on their local teams and points to alleged increases in domestic violence when their teams and presumably their bets lose. The study, however, cannot explain why there is an even greater increase in domestic violence when their local teams win in an upset. In that scenario, the individual would not only have won the wager but received a bigger pay-out.
- ✓ **Minuscule Differences and Cherry-Picked Stats:** The study comparing legal online sports betting vs. states without legal frameworks and found a difference in domestic violence rates of **4.21 vs. 4.17 per 1 million**. **This difference is not statistically significant and has not been empirically attributed to online sports betting.**

## Myth #8

### “One in Six Men Who Are Addicted to Gambling Commit Suicide”



**The Reality:** This statistic is derived from a compilation of studies from across the globe—many of which have **NOTHING** to do with online sports betting and do not distinguish between legal and illegal markets. Because legal sports betting markets in the U.S. prohibit the extension of credit—a hallmark of the illegal market and the **REAL** cause of the increase in suicide rates—they likely reduce the risk of suicide among bettors of all ages.

- ✓ **A Tragic Consequence of Illegal Gambling:** Suicides linked to gambling typically stem from large, unmanageable debts. **Legal** operators do not extend credit to players and often do not allow credit cards for deposits.
- ✓ **Illicit Operators Pose Real Danger:** Illegal bookies readily extend credit, allowing bettors to accumulate massive debts that can lead to severe financial and emotional distress.
- ✓ **Older Studies:** Most research linking gambling to suicide predates 2018, before widespread legalization of sports betting. There’s **no direct evidence** that modern legal sports betting contributes to higher suicide rates.

## Conclusion

**Legalized sports betting isn’t a Pandora’s box—it’s a regulated, consumer-focused market that gives bettors a safe alternative to illegal offshore sites.** The data is clear: problem gambling rates remain low, financial impacts are negligible for most Americans, and strict age-verification systems protect minors. Where problems do arise, regulated operators and state agencies are better equipped to respond swiftly and effectively. By grounding your policy decisions in facts, you’ll ensure that your state’s sports-betting framework protects consumers, curbs illegal operations, and upholds responsible play for everyone.

<sup>13</sup> Bersak, Gearhart, and Sonchak-Ardan, “Impacts of Access to Legal Sports Betting on Self-Reported Mental Health: Evidence from Household Pulse Survey.”