

U.S. Sports Betting Legality: Profit Windfall for Leagues

By Peter Gutman, J.D. Candidate 2021 | October 28, 2018

This past May, the Supreme Court released a 6-3 decision which [legalized sports betting](#) across the US. One study predicted that following the decision thirty-two states would likely offer sports betting within the next five years. While all four major sports leagues supported upholding the sports gambling ban in court, all of the league commissioners, aside from the NFL, showed some openness to the idea of change outside of court.

A Nielsen Sports survey, commissioned by the American Gaming Association, was released last week. The survey concluded that the big four US sports leagues, the NBA, NFL, NHL, and MLB, were likely to gain [\\$4.2 billion](#) each year from legal betting. The most fascinating aspect of this survey was that most of the projected revenue is expected to come from increased fan engagement, not from the betting itself. One explanation for this may be that sports betting is a novel issue and leagues have yet to lay out plans for revenue sharing with the gaming industry.

While leagues were originally reticent to legalized betting due to fears of losing integrity, they have since spoken more freely about their desire to share in the profits. As such, the NBA and MLB both suggested they should take [1% of all bets wagered on their games](#). Further, the leagues are not the only ones who will see a benefit from legalized sports betting. Sports media analysts also view the decision as a welcome sign in a time of recent turmoil. The sports media business may be in trouble since rights costs to sporting are rising, viewership is decreasing, and many are cutting cable altogether. However, the legalization of sports betting nationwide will be paired with an [increase in viewership and engagement](#) since sports bettors are said to watch almost twice as much coverage as non-bettors.

Although some fear that legalized betting creates skeptics out of fans who may believe games will become fixed, the [reality is that fans already place bets legally in Nevada](#) and others do so illegally through private sportsbooks nationwide. Even though some fans will be turned off by the acceptance and full embrace of gambling, the increase of fan interest overall will far outweigh this group.

Sports have always been intrinsically linked to the gambling industry, which only further increased with the rise in fantasy sports in the 2000s. As technology continues to evolve, people are offered an increasing amount of options in regard to how they spend their time. This ruling will give the sports industry another leg up in attracting a larger viewership, ranging from old to new fans who now have a vested interest in the results.

