



PHOTO ILLUSTRATION BY ERIN MARTIN

\$6.6 BILLION BET IN FIRST YEAR OF LEGALIZED SPORTS BETTING IN NORTH CAROLINA

The North Carolina Problem Gambling Helpline saw an increase in intake calls after legalization

Miles Hayford
Elon News Network

It's been 13 months since sports betting was legalized in North Carolina, and the inaugural year was a success for the state and betting operators but led to an increase in gambling addiction.

A total of \$6.6 billion in bets were placed in the first year, with players winning more than \$5.85 billion. The eight authorized sports betting operators — Underdog Sports Wagering, BETMGM, ESPN Bet, Draft Kings, bet365, Fanatics Sportsbook, FanDuel Sportsbook and Tribal Casino Gaming Enterprise — made more than \$713 million in the first year and the state received \$128 million in tax revenue. The 2025 NCAA Tournament allowed North Carolina to see record numbers in bets as North Carolinians enjoyed their first full March as legalized sports bettors. More than \$667 million was bet in just one month — the highest ever in state history, according to figures released by the North Carolina Lottery Commission. The operators received more than \$643 million.

Elon professor of sport management Bill Squadron said it got off to as good of a start as people hoped it would.

"It has generated a significant amount of tax revenue, it's given North Carolina residents an opportunity to do something legally that many people were probably doing illegally, and for other residents, an opportunity to do something that they may have had an interest in doing," Squadron said.

The legalization has made a significant financial impact on the state. The \$128 million in tax revenue comes from an 18% tax on gross wagering revenue, which is the difference between the amount players wager minus their winnings. The tax revenue will

be used in a number of ways. This includes \$1 million annually given to North Carolina Amateur Sports; \$1 million annually to the North Carolina Youth Outdoor Engagement Commission; 30% to the North Carolina Major Events, Games, and Attractions Fund; 20% will be distributed between the 13 state universities' athletic departments; 50% to the state's General Fund; and \$2 million to the North Carolina Department of Health and Human Services to fund gambling addiction treatment and education programs.

Squadron said it is important to provide some of the money to be spent toward education and treatment around gambling.



ONE OF THE POTENTIAL IMPACTS IS THAT NORTH CAROLINA, OVERALL AS A CENTER FOR SPORTS ACTIVITIES OF ALL KINDS, WILL REALLY GROW.

BILL SQUADRON
SPORT MANAGEMENT PROFESSOR

"It's certainly an important area to study very rigorously, and make sure that you know everything that can be done to help people who have issues with gambling to address them," Squadron said. "It's important to study the issue, keep a very close eye on it and take steps to mitigate it where that's possible."

Gambling saw a sharp increase in 2024 after the legalization, according to a North Carolina Problem Gambling Helpline data report given to Elon News Network. The NCDHHS supports the helpline and surrounding programs. From 2023 to 2024, the helpline saw an increase in intake calls

from 895 to 1,288. There was also a huge increase in text conversations as there were 172 in 2023 and after the legalization there were 449 in 2024. After several years of lottery and casino gambling taking up most of the gambling in North Carolina, calls about sports betting jumped up from 76 in 2023 to 262 in 2024.

Thirty-nine states and Washington, D.C., have legalized sports betting since the Supreme Court ruled that states could begin legalizing it in 2018. North Carolina's gambling addiction numbers match a national trend. A study conducted by researchers from the University of California San Diego found that internet searches for help with gambling addiction increased 23% nationally since legalization in 2018.

Hannah Jones, a press assistant for the NCDHHS, wrote in a statement to Elon News Network that the organization is prioritizing sports betting gambling as the issue grows in North Carolina.

"There are many partners who are increasingly focused on investing in responsible gambling tools and practices," Jones wrote. "This includes statewide regulations and in-app safeguards. We have also been focusing on research and data to be able to better understand the impact of this expansion, and to more quickly shift or modify our resources and programs to meet any new or emerging need."

Jones wrote that funding and awareness are the most important tools the NCDHHS has to put in safeguards that combat sports betting addiction. It is partnering with East Carolina University and Birches health to provide metrics-based gambling disorder treatment and is working with EPIC Risk Management, an NCAA funded organization that provides prevention education on college campuses to athletes about the risks involved with sports betting.

Elon professor of economics Brandon Sheridan said sports betting and the tax revenue associated with it will be beneficial to the state.

"I don't think it's something that necessarily transforms an economy ... I think it's just one of those extra sources of revenue that allows you some additional flexibility in what you spend on, how much you spend on things and what your sources of revenue are," Sheridan said. "It allows the state to be more generous in some other areas. Half of that's going to the General Fund, so in theory, they can spend that on education or infrastructure."

He said it won't be an economic boon, providing significantly more jobs, but it is an "extra pot of money" that allows the state to have increased funding for certain projects. However, Sheridan believes the state needs to be careful with relying on this tax revenue annually. Sheridan said people will be less likely to gamble when the economy is doing poorly in order to protect their savings. Also, sports betting can lead to an increase in debt in North Carolina if addiction becomes prevalent. According to Sheridan, the state should be careful how much spending they commit to based on sports betting-related tax revenue projections.

Another potential impact from the legalization that is starting to be seen is the boost of tourism and entertainment in the state. Thirty percent of the tax revenue generated is going to the newly created North Carolina Major Events, Games and Attractions Fund. The fund allows local governments in North Carolina to apply for funds to support its efforts to attract major events and stimulate economic and tourism activity.

"One of the potential impacts is that North Carolina, overall as a center for sports activities of all kinds, will really grow," Squadron said. "That's one of the potential positive impacts that can have ripple effects where it adds to jobs, it raises the visibility of North Carolina as a state that's a leader in the sports world and creates more entertainment opportunities for North Carolina residents."

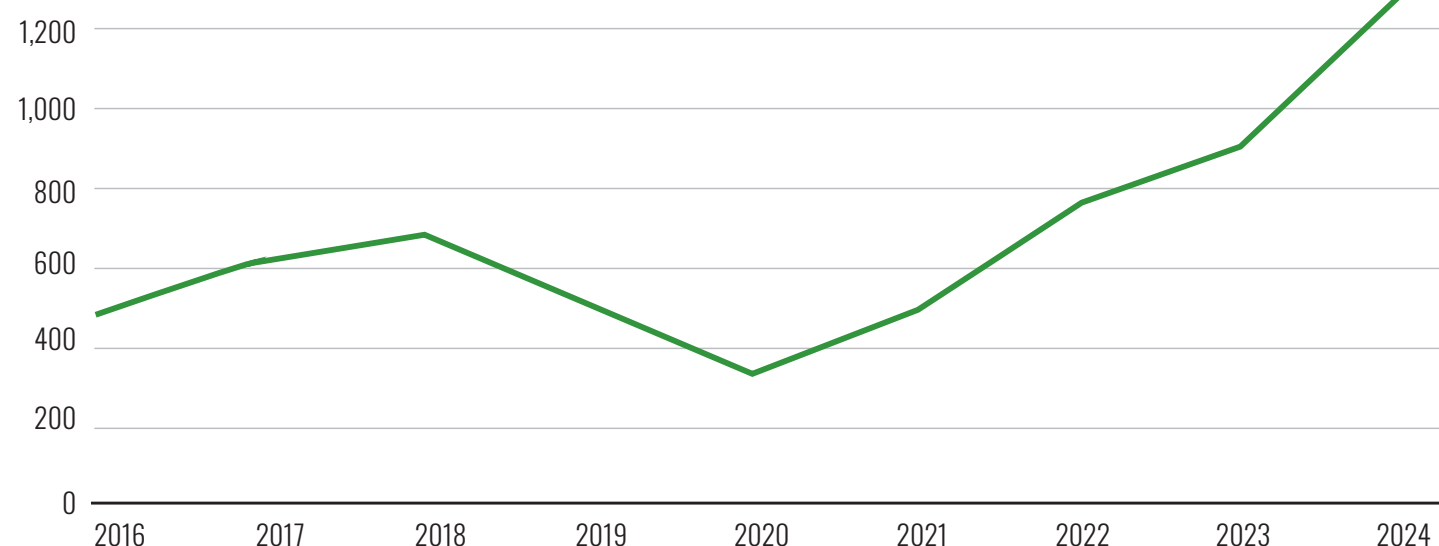
North Carolina is only a year into legal sports betting, however, and more evolution and change is likely to occur. One such change being considered in the General Assembly right now is a ban on prop bets on college sports. Prop bets aren't dependent on the outcome of a game, but rather rely on things that individual players do like scoring a touchdown or scoring a certain amount of points. A group of lawmakers recently introduced House Bill 828, which would ban prop bets and limit betting at in-person sportsbooks when college games are taking place at the facility. The bill has been supported by the NCAA due to the frequency of harassment of athletes on social media relating to prop bets.

Squadron said changes such as this are crucial for sports betting's future in North Carolina.

"It's very incumbent on regulators and legislators and academics to keep a very careful eye on how that sports betting market and activity are evolving," Squadron said. "Continuous monitoring and scrutiny makes a lot of sense. I think it is off to a very good start, but that doesn't mean that things are perfect, and you always want to look for ways to improve the situation."

North Carolina Gambling Intake Calls Per Year

Number of calls the NC Problem Gambling Helpline receives each year



DATA FROM NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

DATA VISUALIZATION BY MILES HAYFORD