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Economy

Online betting platforms: What's the money line?

01 September 2026

Key takeaways

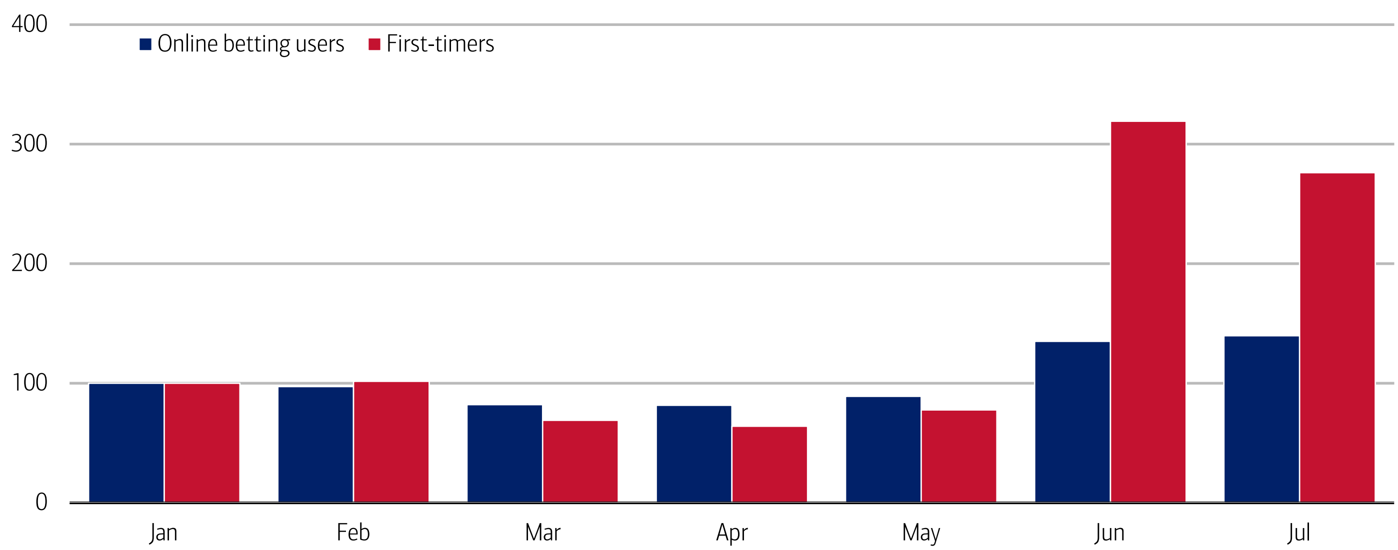
- Online betting adoption is accelerating. According to Bank of America consumer account data, the number of online betting users rose sharply this summer, with first-time users in June and July more than triple January levels. Activity is concentrated among younger consumers, with Gen Z and Millennials accounting for 88% of online betting activity in July.
- Based on observed inflows and outflows to these platforms, customer inflows averaged less than three-quarters of outflows during the period analyzed. While these figures may not capture winnings that remain on platforms, they suggest online betting is not currently functioning as a meaningful source of income for most bettors.
- In 2026, the median deposit account balance of households that participated in online betting was 59% of households that did not. With prediction markets rapidly expanding alongside traditional sports betting, this has prompted some to blur the lines between entertainment and investment, according to a Bank of America proprietary survey.

Place your bets – increasingly online

Increasingly, online betting appears to be gaining adoption. In this analysis, we identify online betting payments (automated clearing house (ACH), debit card and credit card) to and from companies that offer online betting platforms – namely prediction markets and sports betting. Note that this excludes online social gambling from typical casinos or other gaming platforms. See Methodology for more details.

According to Bank of America customer account data, around 5% of customers participated in online betting in July. Yet consumer adoption of online betting platforms has been rising rapidly and was up 40% in July compared to the start of the year (Exhibit 1). Perhaps more notably, the number of first-time (i.e. someone with a first-time payment to one of these platforms) online betting users jumped more than 3x that of January users in June and July. See Methodology for first-time users.

Exhibit 1: In June and July, the number of first-time online betting users jumped around 3x that of the start of the year
Online betting users (number of customers, index January 2026 = 100, monthly)



Source: Bank of America internal data

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Sports calendar drives spending

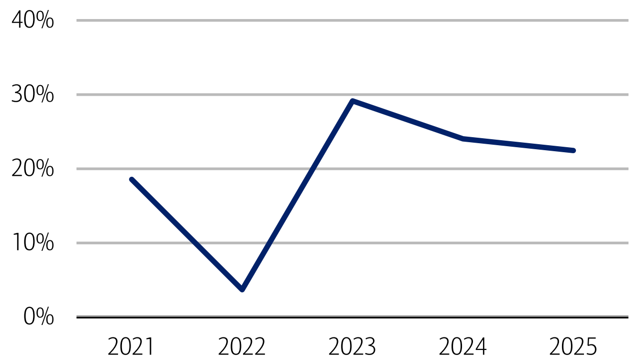
Some of the June/July peak was likely driven in part by promotions and buzz related to prediction markets as well as the FIFA World Cup 2026™ (read more on the economic impact of the World Cup in August's On the ball). Our analysis suggests online betting activity appears quite volatile and predominantly tied to the timing of major sporting events.

For example, the growth in first-time users is apparent in both the basketball and football seasons (both college and professional leagues), with the latter having seen 22% year-over-year (YoY) growth in the 2025 season (Exhibit 2). Football season is defined as September through February and therefore overlaps with other major league sports such as baseball and hockey.

According to a recent CivicScience survey, over a third of those who partake in online sports betting did so weekly and almost a quarter placed bets daily (Exhibit 3). Women were less likely to report doing so frequently (i.e. daily or weekly) compared to men.

Exhibit 2: First-time online betting users grew 22% YoY in the 2025 football season*

First-time online betting number of customers during football season* (annual, YoY%)



Source: Bank of America internal data

*Football season is defined as September through February.

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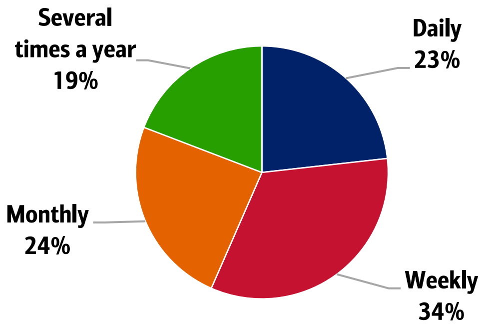
Exhibit 3: Over a third of those who partake in online sports betting do so weekly

How often do you partake in online sports betting? (% of respondents among sports bettors)



Source: CivicScience

Note: 4,559 Responses from June 1, 2025 to June 16, 2026.

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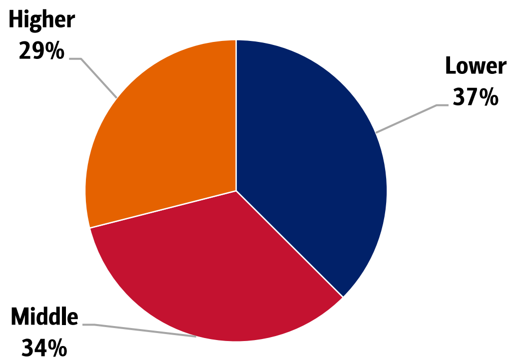
Gen Z doubles down

Who is placing the bets? According to Bank of America consumer account data, across income terciles, online betting activity is relatively evenly split, although lower-income households comprised a slightly larger share of online betting activity than other income groups (Exhibit 4).

However, by generation, online betting activity within Bank of America consumer account data is heavily skewed towards Gen Z and Millennials. In July, they comprised 88% of online betting activity (Exhibit 5). Notably, until June, Millennials accounted for a larger share of activity, suggesting Gen Z initiated a turning point in the composition of online bettors this summer.

Exhibit 4: Lower-income households comprised a slightly larger share of online betting activity than other income groups in July

Share of households with online betting activity in July by income (%)



Source: Bank of America internal data

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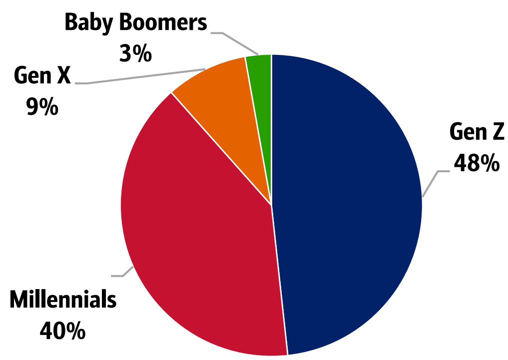
Exhibit 5: Gen Z and Millennials comprised 88% of online betting activity in July

Share of customers with online betting activity in July by generation (%)



Source: Bank of America internal data

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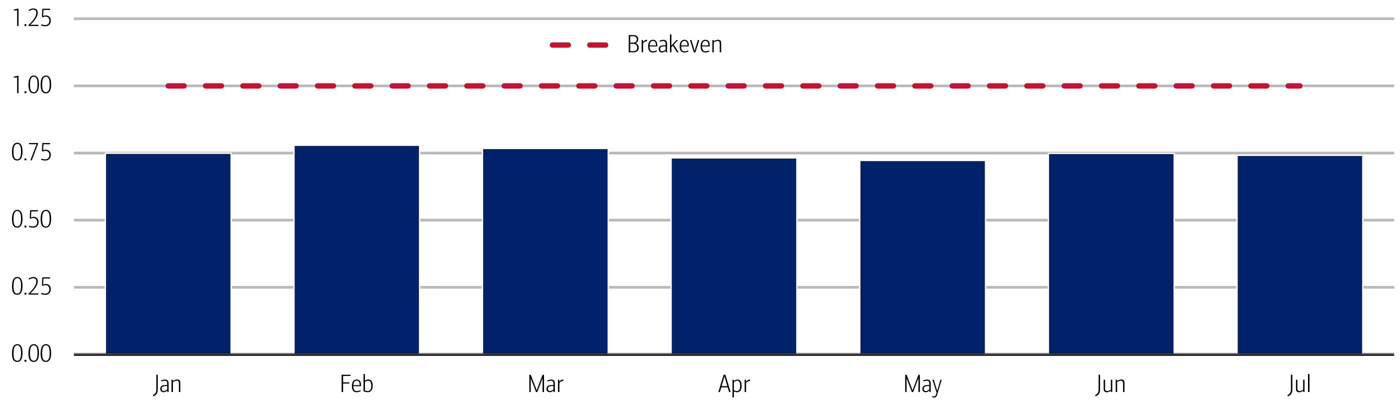
The concentration of betting activity among Gen Z may reflect broader shifts toward app-based financial and entertainment experiences (read more on Gen Z behavior in August's Gen Z reality check). Younger consumers have generally been quicker to adopt emerging digital platforms, including crypto, buy now pay later (BNPL) products and online marketplaces (read more on online marketplace adoption in April's Secondhand fashion piece).

Are the odds in your favor?

With more consumers increasing their online betting activity, are they also bringing in extra income? Using Bank of America payments data, we measure the inflow-to-outflow payment ratio of customers placing bets. It is important to note that we can only see money deposited to and from these platforms each month and therefore may not capture winnings that remain on betting platforms and have not yet been withdrawn.

However, our analysis found the online betting cash recovery ratio has remained below 1, with total inflows less than three-quarters of total outflows on average for the duration of the series (Exhibit 6). In other words, customers typically recover less than 75 cents for every dollar transferred to online betting platforms.

Exhibit 6: The online betting cash recovery ratio has remained below 1, with total inflows less than three-quarters that of total outflows on average for the duration of the series
Online betting cash recovery ratio (monthly, 2026)



Source: Bank of America internal data
Note: A ratio less than 1 means inflow was less than outflow. These estimates should be interpreted as observed inflows and outflows to betting platforms rather than realized profitability, since winnings retained on-platform are not fully observable.

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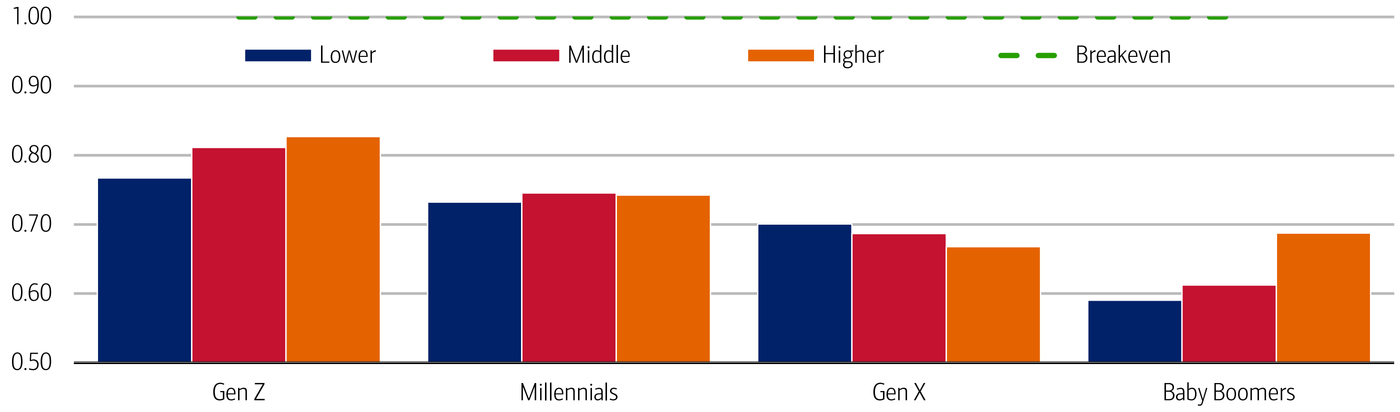
Does Gen Z see online betting as a source of income?

Although Gen Z participants had the highest online betting cash recovery ratio across income groups, they still fell well short of breaking even (Exhibit 7). Despite seemingly recovering more than older generations, total inflows remained substantially below total outflows, suggesting that online betting is not a reliable or constant source of income.

Exhibit 7: While Gen Z still recovers less of what they spend, older generations have the lowest cash recovery ratio
Online betting cash recovery ratio by income and generation (July 2026)



Source: Bank of America internal data
Note: A ratio less than 1 means inflow was less than outflow. These estimates should be interpreted as observed inflows and outflows to betting platforms rather than realized profitability, since winnings retained on-platform are not fully observable.

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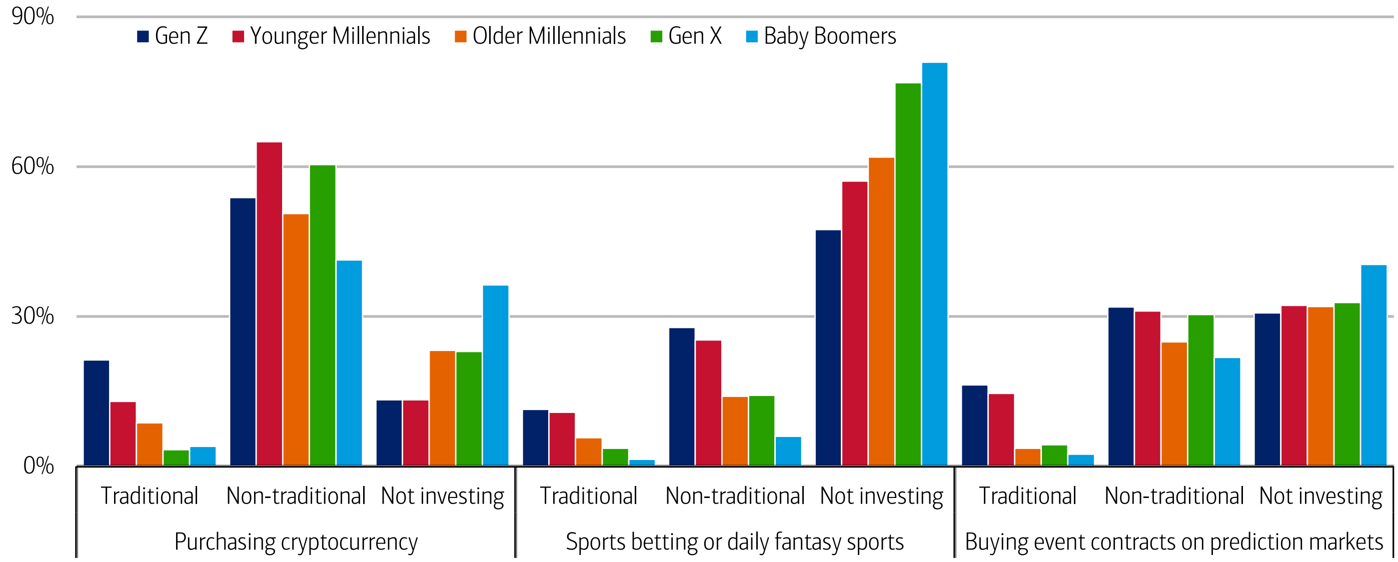
20% consider sports betting as a type of investment

Despite the lack of profitability, investing and betting appears increasingly blurred for some consumers. Prediction markets, crypto assets, retail trading and sports betting all share common features such as community participation and real-time pricing.

According to a Bank of America proprietary survey, 20% of respondents consider sports betting as a type of investment, although more consider it not a form of investing (Exhibit 8). Gen Z is twice as likely to consider sports betting as a form of investing; however, across all generations, buying event contracts on prediction markets was more likely to be considered an investment than sports betting.

Exhibit 8: Gen Z is more likely to consider buying event contracts on prediction markets or sports betting as a non-traditional form of investing
Classifications of investing activities (% of respondents by generation)



Source: Bank of America proprietary survey
Note: Survey conducted March 24-31, 2026 across 2,351 respondents.

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The financial spread widens

Does the financial health playbook look different between households who gamble versus those who don't? Yes, although some of this comes down to demographics.

Following the 2018 Murphy v. NCAA Supreme Court decision opening the door for states to legalize sports betting, according to a working paper from the National Bureau of Economic Research, as legalization went into effect, sports betting spread quickly, with both the number of participants and frequency of bets increasing over time. This increase did not displace other gambling or consumption but significantly reduced savings, as risky bets crowd out positive expected value investments.[1]

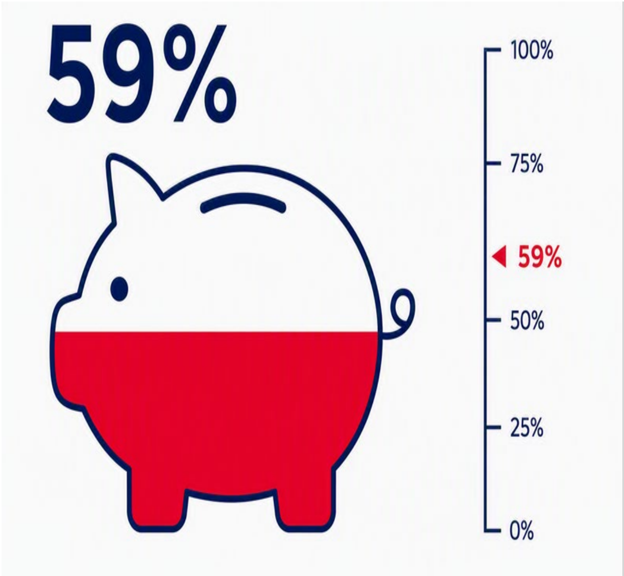
That same paper found these effects were concentrated among financially constrained households. Bank of America customer deposit account data found that of those households that participate in online betting in 2026, their median deposit account balances were only 59% of those who did not (Exhibit 9).

In addition to having lower median deposit balances, households with online betting activity have stronger total card spending growth excluding online betting (Exhibit 10). These households also had stronger spending growth in July across both discretionary and necessity items, though this could also be because younger and lower-income households spending growth has strengthened recently (read more on this in the August Consumer Checkpoint).

[1] Baker, S.R., Balthrop, J., Johnson, M.J., Kotter, J.D., & Pisciotta, K. (2024, November). *Gambling Away Stability: Sports Betting's Impact on Vulnerable Households.* National Bureau of Economic Research.

Exhibit 9: In 2026, the median deposit account balance of households that participated in online betting was 59% of that of households that did not

Median household deposit account balances in 2026 (share relative to non-betting households)



Source: Bank of America internal data

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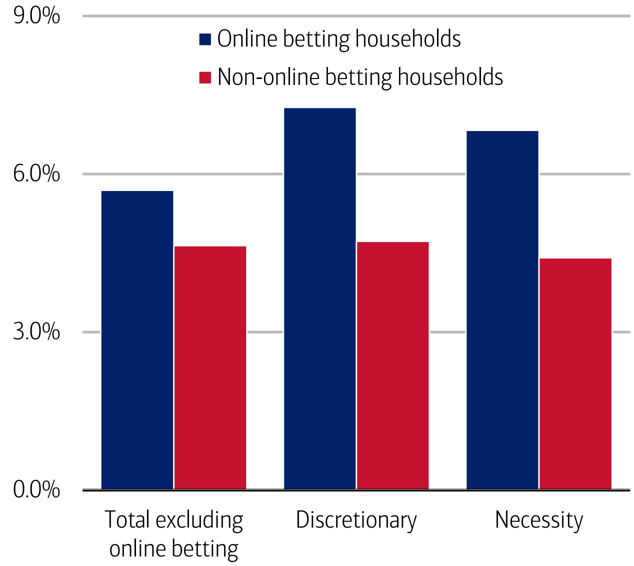
Exhibit 10: Households with online betting activity had stronger spending growth in July across both discretionary and necessity items

Credit and debit card spending per household in July (YoY%, three-month moving average)



Source: Bank of America internal data

Note: Discretionary spending does include online betting.

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Policymakers enter the game with a possible new set of rules

While sports betting remains the dominant area within online betting, broader prediction markets appear to be attracting increasing consumer attention too. According to BofA Global Public Policy, wagers have been placed (or markets have been created) on almost everything: whether a political speaker will drink water on camera during a speech, the total flu cases predicted for the year, etc. These features have raised the question of whether such instruments function more like financial contracts or resemble forms of wagering under state law.

Prediction markets operate by listing standardized contracts – often referred to as event contracts – that pay out based on whether a specified outcome occurs (Exhibit 11). According to BofA Global Public Policy, the Commodities Futures Trading Commission (CFTC) argues that certain prediction market event contracts, when traded on federally regulated exchanges, constitute derivatives (classified as commodity interests under the Commodity Exchange Act (CEA)) and are therefore subject to federal oversight.

Exhibit 11: Prediction markets vary from both sports betting and other financial contracts

Comparison of prediction markets with futures and swaps

Dimension	Futures	Swaps	Prediction Markets
Core purpose	Hedge or manage exposure to future price movements	Manage exposure to variability in a defined reference	Aggregate views about whether a specified event will occur
Basic market structure	Exchange-traded, standardized	Contractual agreements, increasingly standardized and cleared	Exchange-traded, standardized event contracts
What determines payments	Changes in the price of an underlying asset	A defined reference (a specified variable or benchmark used to determine payments)	Whether a defined event or outcome occurs
Nature of exposure	Continuous exposure to price movements over time	Contingent cash flows based on contract terms	Discrete, event-based outcomes resolved at a point in time
Typical underlying reference	Prices, rates, financial indexes	Rates, indexes or other measurable variables	Real-world events
Primary regulatory focus and debate	Market integrity, risk management and systemic stability	Transparency, reporting and counterparty risk	Social impact and acceptability, and consumer protection, including whether oversight should rest with federal authorities, states, or both

Source: BofA Global Public Policy

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CFTC creates rulemaking around incentive programs

The CFTC recently implemented rulemaking around perpetual futures contracts (i.e. speculating an asset's price with no expiration date) and put out an advisory regarding incentive programs for event contract trading. Within this, the CFTC warned against sweepstakes-like or randomized reward programs, or prizes based on pure chance.

Growing concerns about the rapid rise of prediction markets have prompted lawmakers from both parties and chambers of Congress to introduce several bills aimed at establishing clearer federal rules, particularly around consumer protections. At the same time, many states and tribal regulators argue that some event contracts, especially those tied to sports and entertainment, closely resemble traditional gambling and should remain subject to existing state gaming, licensing and consumer protection laws.

According to BofA Global Research, the CFTC is aiming to make clearer distinctions between sports books and prediction markets highlighted by recent rule proposals and advisories regarding in-house market making, incentive programs and casino style odds.

Methodology

Selected Bank of America transaction data is used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. The data used is not comprehensive; it is based on **aggregated and anonymized** selections of Bank of America data and may reflect a degree of selection bias and limitations on the data available.

Bank of America credit/debit card spending per household includes spending from active US households only. Only consumer card holders making a minimum of five transactions a month are included in the dataset. Spending from corporate cards is excluded. Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

If applicable, the consumer deposit data based on Bank of America internal data is derived by anonymizing and aggregating data from Bank of America consumer deposit accounts in the US and analyzing that data at a highly aggregated level.

If applicable, any payments data represents aggregated spend from US Retail, Preferred, Small Business and Wealth Management clients with a deposit account or credit card. Any reference to aggregated AI spend include total credit card, debit card, ACH, or bill pay.

Online betting transactions conducted through Bank of America debit and credit card or ACH channels and online betting platforms are identified using industry-researched merchant names. Note that the scope of this series is limited to predominantly online sports betting, horse racing, and prediction markets.

First-time users are defined as customers making their first observed transaction in the category during the particular month, based on transaction records dating back to 2015.

Football season (defined as September through February) was selected as a measure as this captures a sizeable amount of online betting activity.

The measures in this report reflect customer payment flows to and from identified online betting platforms and should not be interpreted as a comprehensive measure of gambling activity, betting volume, customer profitability, or platform market share.

Generations, if discussed, are defined as follows: Gen Z, born after 1995; Younger Millennials: born between 1989-1995; Older Millennials: born between 1978-1988; Gen Xers: born between 1965-1977; Baby Boomer: 1946-1964; Traditionalists: pre-1946.

A Bank of America Market Insights Survey was conducted between March 24-31, 2026, among 2,351 respondents.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

Additional information about the methodology used to aggregate the data is available upon request.

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