

Protecting New York's \$200 Million+ Online Social Gaming Industry



Economic impact analysis reveals that online social casino-style games that use sweepstakes promotions contributed over **\$230 million** to New York's economy in 2024 and could generate more than **\$80 million** annually with smart regulation. Recent polling shows that Americans overwhelmingly support regulating – not banning – the games.

Public Opinion: Voters Support Regulation Over Bans

- ◆ 84% agree the government should modernize laws to regulate and tax online social games
- Only 8% believe the games should be banned
- ◆ Voters overwhelmingly prefer that lawmakers focus on pressing issues like inflation and the high cost of living, health care and immigration, not banning popular free-to-play entertainment.

Economic Impact: A \$230 Million Industry in New York

According to a report by Eilers & Krejcik commissioned by the Social Gaming Leadership Alliance (SGLA), online social games with sweepstakes promotions generated nearly **\$11 billion** in sales in 2024, of which New York accounted for **\$762 million**.

Annual contributions to New York in 2024 include:

\$15M+	\$135M+	\$44M+	\$38M+
in payment processing and card network fees to NY-based companies like Mastercard and American Express	in interchange fees to NY-based card issuing companies	for affiliation deals	in household earnings through NY-based jobs at companies that work with the industry
Total economic benefit to New York: \$230M+			

Smart Regulation To Unlock Upwards of \$80 Million in New Annual Revenue in New York

With sensible regulation, New York could gain:

\$7–13M	\$30–68M	Additional revenue
from operator registration fees	from a player purchases tax	from advertising, brand partnerships, and expanded market access

A Modern Framework for Safe, Responsible Games

The introduction of regulation and taxation would not only provide additional opportunities to capture increased economic value from online social casino operations in the state, but a regulatory framework would make it easier to audit operators and enforce compliance with consumer protection laws to ensure:



Robust age verification processes to prevent access by minors



Best-in-class data, financial, and fraud protections



Built-in tools for responsible social gameplay

Voter Priorities: Focus on Real Issues

Voters want leaders to prioritize:

48%	35%	29%	24%
Inflation and cost of living	Health care	Immigration	Crime and safety

- Only 4% of voters see regulating online entertainment as a priority.
- ◆ 75% of voters believe government leaders should not take away the games they enjoy.

Conclusion

Governor Hochul has a choice: ban a thriving industry or listen to constituents and regulate online social games smartly to safeguard consumers, protect \$230 million in current economic benefits, unlock upwards of \$80 million in new revenue each year, and preserve the games voters love to play.

The Social Gaming Leadership Alliance

The Social Gaming Leadership Alliance (SGLA) champions social gaming operators who offer innovative, free-to-play entertainment experiences enjoyed by millions of Americans. We advocate for appropriate oversight that recognizes the unique entertainment value of social online games, protects players, platforms and the community, and promotes the responsible use of digital marketing including sweepstakes promotions. Our partners are VGW, Yellow Social Interactive (YSI), BTwo, ARB Interactive, Playstudios and Nuvei.

About Online Social Games

Online social games are mainstream digital entertainment that delivers interactive board, card, and casino-style games to millions of Americans through free-to-play experiences where players can always participate for free – and most of our players never make a purchase. Purchased digital tokens to enhance gameplay cannot be redeemed for anything of value, transferred, or traded, underscoring the fundamental distinction between social gaming and real-money gambling operations. Our operators offer sweepstakes promotions that always allow free participation and operate under the same marketing laws as many well-known promotions by removing any payment requirement.

Sources
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