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Gaming

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## Impact of Social Plus in Maryland

Prepared for the Social Gaming Leadership Alliance

December 2025

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# Executive Summary

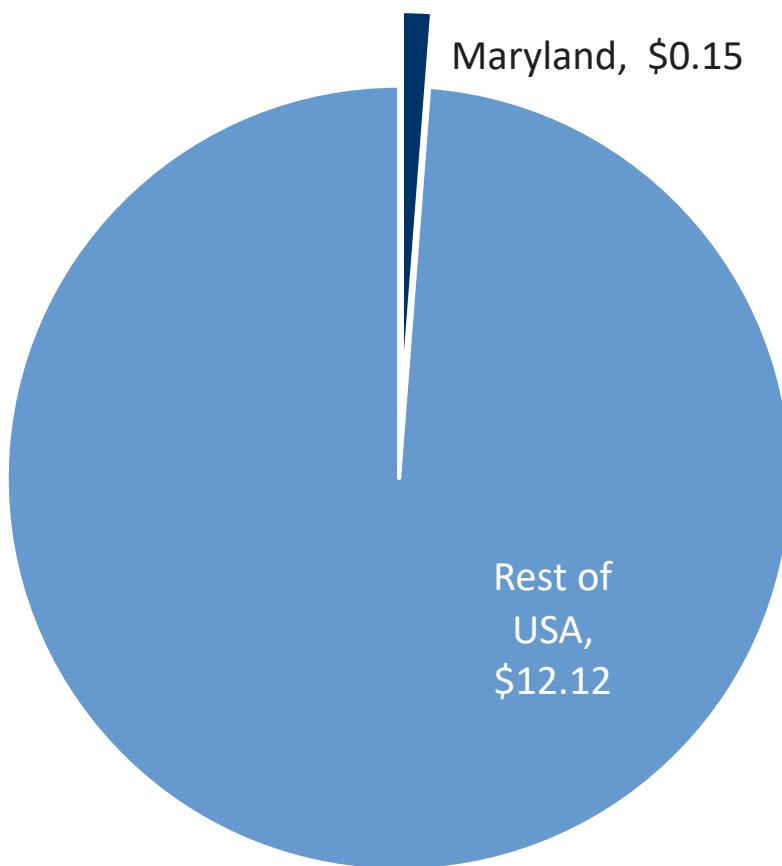
Eilers & Krejcik Gaming was engaged by the Social Gaming Leadership Alliance to research and model the economic impact of Social Plus in the USA, with a focus on Maryland. A summary of our findings is below; these topics are explored in detail throughout this report, and details on methodology are available towards the end of this report. A disclosure related to our firm's involvement with the industry can be found on the Authors page.

- **Social Plus** is a category of casino-styled social games that leverage sweepstakes promotions to award users with real cash and/or prizes. Operators of these types of games must comply with sweepstakes laws, including providing an alternate method of entry (AMOE) through which users can request free contest entries; no purchase is necessary to participate or win prizes. Major payment processors require operators to run KYC checks, geolocate users, and comply with relevant AML laws.
- **Market size and background.** We estimate Social Plus operators will generate **\$12.5bln in sales in 2025**, of which **Maryland accounts for about \$145mm**. Our estimate for total market net revenue (removing the cost associated with player prizes) is **\$4.0bln - about \$46mm from Maryland**. The market has existed since at least 2012 and has grown substantially over the past several years due to a combination of factors that notably include 1) a spike in consumer awareness in 2020 during quarantine market conditions which benefitted online gaming broadly, and 2) increased investment capital into the space. The market is overwhelmingly USA-based (about 98% of total revenue, per our estimates).
- **Current economic benefit.** The Social Plus industry generates **more than \$1.8bln in combined direct and indirect nationwide impact** through suppliers annually – i.e., excluding direct job creation within the industry itself. This includes an estimated **\$1.468bln in direct spending** on: 1) marketing with USA-based ad networks, social media companies, streaming services, and affiliate companies like MD-based AbbyKiko Marketing, which we estimate at \$870mm; 2) payment processing fees to USA-based businesses including card networks, payment processors, and card issuers/acquirers like MD-based SECU Credit Union or Central Credit Union of Maryland which we estimate at \$423mm, and 3) hosting fees with USA-based companies like Columbia-based Data Canopy and Amazon – which is opening a new data center in Frederick County in 2026 – which we estimate at \$175mm. The industry supports an additional \$348mm in estimated indirect household earnings, supporting over 2,762 USA-based jobs at companies throughout the supply chain. Our methodology (described in more detail towards the end of this report) uses Bureau of Economic Analysis RIMS II economic multipliers for each respective part of the supply chain and doesn't attempt to include the entire chain, leading to estimates that we believe are more likely to understate than overstate the aggregate economic impact.
- **Additional potential revenue streams.** Maryland has additional opportunities to capture increased economic value from social casinos with sweepstakes via regulation. We estimate that the introduction of operator registration/licensing, coupled with the state's sales tax on player purchases, **could generate over \$20mm in new annual revenue** to the state while simultaneously enhancing consumer protections. A regulatory framework would make it easier to audit operators, enforce compliance with consumer protection laws, and ensure players have reliable recourse if issues arise.

# Maryland's Share of Social Plus Market

**Key Takeaway:** We estimate **Maryland's Social Plus player purchases at \$145mm in 2025**, roughly 1.2% of the total U.S. market. Our estimate for Maryland is driven by an eligible population of ~4.6 million adults aged 21 and over, its disposable income of \$87,853 per eligible player) and widespread internet access (91.5% of households have broadband internet).

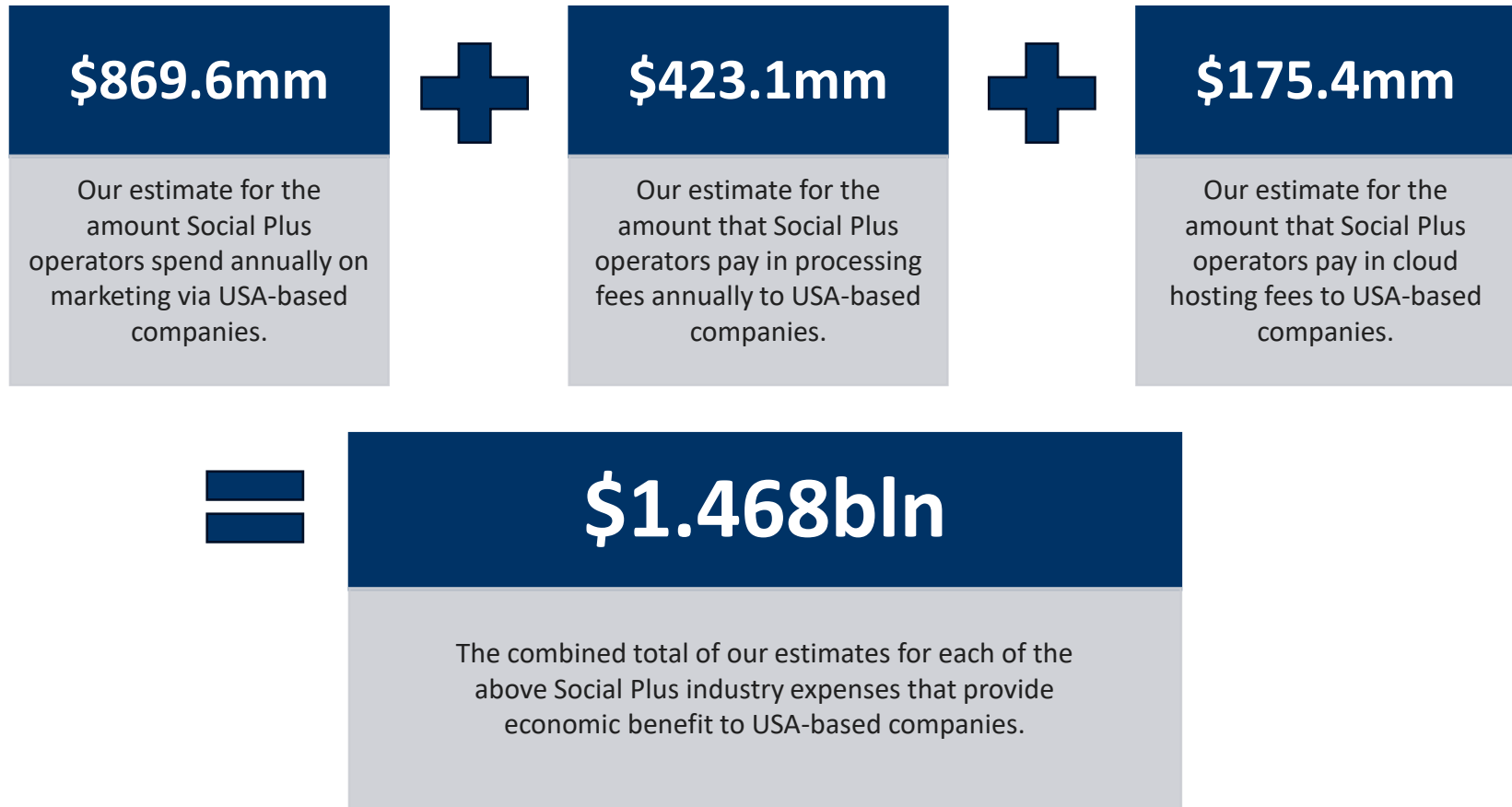
## Social Plus Market Size – Maryland as Share of Total USA Revenue (in Billions of USD)



## Noteworthy Inputs/Details:

- **Operator Data:** Operators representing a majority of the total market provided data reviewed by Eilers & Krejcik Gaming.
  - Maryland estimates account for all major tracked operators with no significant exclusions.
- **Population:** ~4.6mm eligible adults (21 and over).
- **Income:** \$87,853 average disposable income per eligible adult (2023 Bureau of Economic Analysis data).
- **Broadband:** 91.5% household access (US Census ACS).
- Note that the difference between the market size in the chart to the left and the market size on the prior slide is because this pie chart displays USA revenue, which we estimate to be 98% of total revenue.

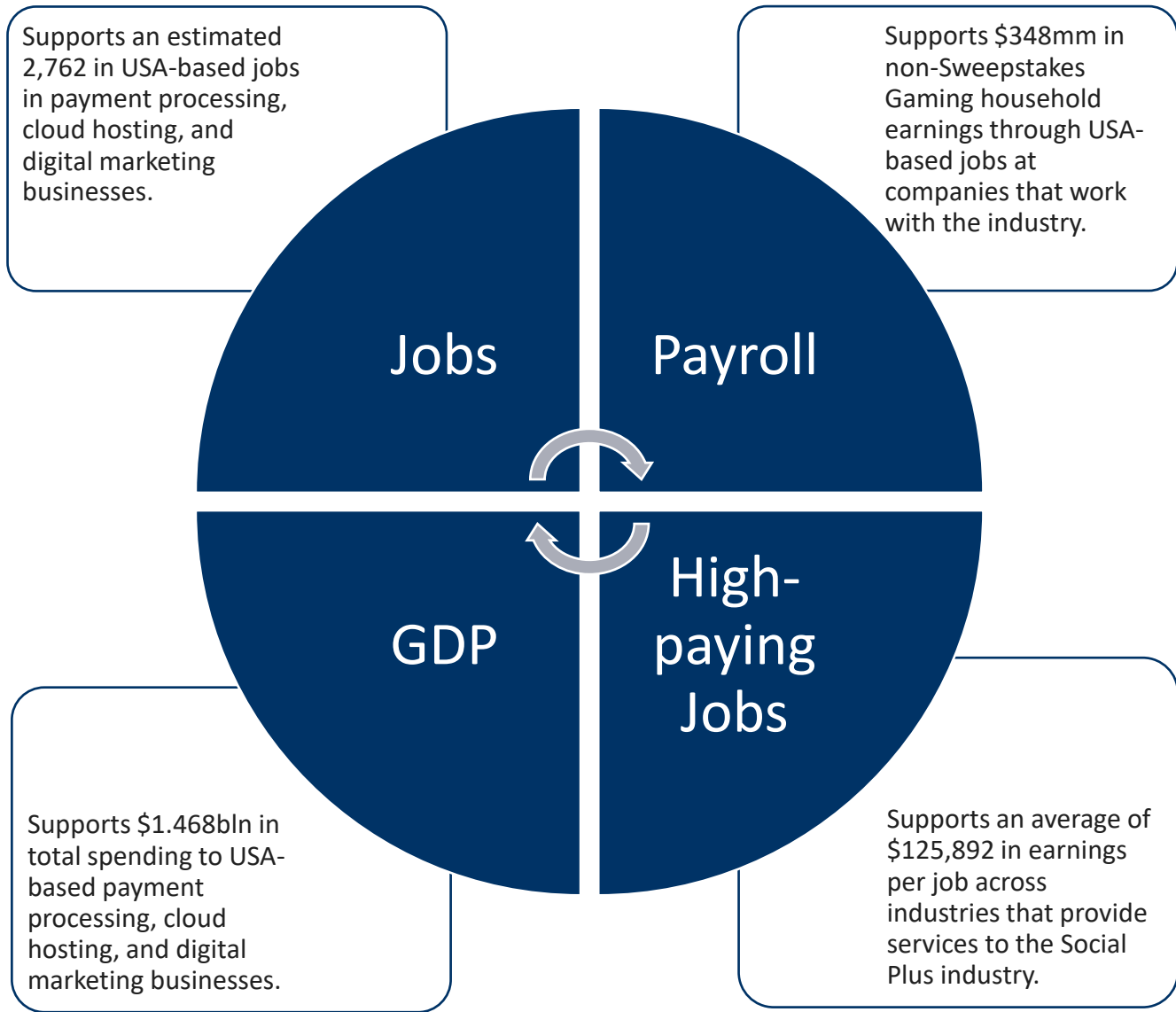
# Total Economic Impact of Select Major Supply Chain Components



**EKG Insight:** Our list of supply chain components above does *not* represent a comprehensive list of areas through which economic benefit is provided via the Social Plus industry. We include these estimates to help demonstrate the scale of the direct and indirect economic benefit being provided by the industry nationwide.

Source: Eilers & Krejcik Gaming, LLC

# Economic Impacts Extend Beyond the Consumer Experience



**Key Takeaway:** Due to the nature of the supply chain of the Social Plus industry, **we expect that there are additional large and meaningful indirect economic impacts as a result of economic activity by USA-based vendors and the employees of those vendors within their local communities.**

*Note: We conducted due diligence on actual suppliers for several key operators (e.g., hosting via AWS/Google, marketing via Meta/Google, payment processing via Visa). These align within the bounds of Bureau of Economic Analysis RIMS II economic multipliers for the appropriate industries for each component of this analysis, supporting the validity of these impact estimates, but we note that the Social Plus industry is unique and may not be perfectly represented by aggregate values that appear for businesses in its North American Industry Classification System category.*

*Details on methodology are available in the Methodology section at the end of this report.*

# Potential Revenue via License/Registration Fees

If Maryland were to require Social Plus operators to register with the state, associated fees could provide a variety of benefits:

- Direct revenue generation for the state
- Ability to audit operators for compliance with existing laws and any newly introduced regulations
- A cleaner path to enforcing penalties against any non-compliant operators
- Ability to introduce a framework for monitoring and collecting additional revenue from any other new related taxes

## How much potential revenue could license/registration fees produce?

Proper introduction of a fee to operate would require a dedicated study that includes communicating with potential license holders to understand how many applicants exist and how much they would reasonably pay for market access. However, we can produce a simpler estimate via looking at examples of online casino license fees and leveraging our knowledge Social Plus operators.

In online casino markets, the median license fee among the six states that charge such a fee (Delaware's online casino market is state-run and controlled by the Delaware Lottery, so there is no fee) is **\$250,000**. Daily Fantasy Sports (DFS) licensing fees are much lower (often in the tens of thousands).

A typical EBITDA margin for a sweepstakes operator is about 15% - but some major operators may have as low as a ~10% margin, and any potential fee would ideally be palatable for those operators to avoid too few license holders. Inversely, if the fee is too inexpensive, the number of potential registrants could escalate to an undesirable level that creates more regulatory overhead than is desirable.

We ran figures with several price points; in the absence of a more robust study, we believe **\$75,000/year per brand** (not per operator) is a reasonable fee that 1) would not be a deterrent for major operators, 2) is in the range that would maximize revenue generation for the state, and 3) would deter smaller operators that may be undesirable to work with from applying.

At that price point, an operator with a 10% EBITDA margin would need to earn \$750,000+ per year in Maryland sales for a given brand to break even. Due to the top-heavy distribution of revenue in this market between brands, we believe most top-10 operators would register 2-3 brands, and that **total revenue generation would likely fall into the \$2-4mm/year range**. This is a low-confidence estimate due to the simplistic methodology used to arrive at it.

Source: Eilers & Krejcik Gaming, LLC

# Potential Revenue via Taxing Player Purchases

Taxing player purchases at registered Social Plus operators is a simple way to expand the economic benefit of the industry to Maryland – and it's an approach that scales alongside growth. Maryland's tax code already includes the sale of in-game currency as taxable at the statewide rate of 6.0%, and a registration process can help make sure that Maryland is collecting that tax from all Social Plus operators. Based on today's market size, if 6.0% is being paid by all operators, the math to estimate what that generates is simple: \$145mm in Maryland revenue \* 6.0% sales tax = \$8.7mm in annual tax revenue.

However, the above calculation materially understates the potential tax revenue that could be generated if operators were required to register with the state, as a significant number of major operators are not currently serving customers in the state (due to complying with orders from the Maryland Lottery and Gaming Control Commission). Our modeling estimates that if 100% of operators were operating in Maryland – without changing any other market dynamics – revenue via the state would more-than-double to about \$294mm.

**\$294mm in Maryland revenue if all operators were live \* 6.0% sales tax = \$17.6mm in annual tax revenue**

As a point of comparison, a 6.0% sales tax on player purchases equates to a higher effective tax rate if viewed relative to net revenue. If you deduct the cost of prizes redeemed by sweepstakes customers in Maryland (approximately 68% of gross revenue) to arrive at net revenue, the **\$17.6mm in tax revenue is equal to about 18.75% of our estimate of the net revenue** (\$94.0mm) that Social Plus operators would generate in Maryland if all operators were serving the state.

## Summary of Potential Maryland Revenue Streams

By charging operators license/registration fees and taxing player purchases at Social Plus operators, Maryland could generate north of \$20mm in annual revenue. It's easy to imagine that escalating in the future via 1) operators developing relationships with local businesses for promotions, 2) operators gaining access to advertise on marketing channels that require proof of a license to advertise casino-styled content, and 3) more social casino operators joining the Social Plus market via leveraging sweepstakes contests.

**Key Takeaway:** Introduction of an annual license/registration fee and collection of sales tax – both of which would largely be paid by operators who are based out-of-state – could bring **direct economic benefit of more than \$20mm a year to Maryland**, and that excludes Maryland's component of other parts of the supply chain serving the industry.

Source: Eilers & Krejcik Gaming, LLC

# About the Authors



**Matt Kaufman** is Managing Director of Digital & Interactive Gaming at Eilers & Krejcik Gaming. In his role at EKG, Matt leads the firm's production of syndicated research on mobile gaming. He is a frequent strategic advisor for some of the largest social gaming operators and has acted as an advisor on billions of dollars' worth of M&A transactions in the space. Matt previously held roles at social poker operator Z4 Poker and with several of the largest online casino affiliate companies, including PokerStrategy.com and Catena Media. He is a partner at online casino affiliate Media Techs and was named to Global Gaming Business' 40 Under 40 list for 2023.



**Kahlil Simeon-Rose, Ph.D.** is an economist and senior consultant at Eilers & Krejcik Gaming. He currently serves as a tenured Associate Professor at Washington State University's Carson College of Business. His research spans topics such as regional economic forecasting, taxation policy, and the socioeconomic outcomes of the gaming industry. Dr. Simeon-Rose's academic background includes a Ph.D. in Hospitality Administration from the University of Nevada, Las Vegas, with a dissertation centered on the economic impact of tax policy. Dr. Simeon-Rose's research portfolio includes 40 peer-reviewed publications in top-tier journals such as Cornell Hospitality Quarterly, Journal of Gambling Studies, and Tourism Management, alongside numerous industry reports.



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Eilers & Krejcik Gaming LLC is an independent research and consulting firm headquartered in Orange County, California. The firm's focus is on product, market, and policy analysis related to the global gaming market, inclusive of regulated real money gambling, social gaming, and a variety of adjacent verticals.

The firm's market estimates and research on social gaming have been cited in mainstream media and throughout operator earnings reports. Clients include operators, suppliers, private equity and venture capital firms, institutional investors, and state governments. EKG is a trusted partner of several active funds and has advised on commercial due diligence processes for billions of dollars' worth of deals within the mobile gaming space.

Firm executives Adam Krejcik and Matt Kaufman work closely alongside many of the largest mobile gaming firms to help identify targets and execute on M&A, make investments in startups, develop and improve on products, and adjust business strategy in a rapidly changing global marketplace.

## Disclosure

Eilers & Krejcik's owners are founders/investors in EKG Ventures, an investment company which has investments in companies including operators of social games, analytics platforms, lottery courier services, fantasy sports products, Social Plus products, and a variety of other gaming industry businesses. EKG Ventures operates separately from Eilers & Krejcik Gaming, aside from its mutual ownership. The authors of this report are not involved with EKG Ventures and have no financial exposure to it. Eilers & Krejcik Gaming produces market research and offers consulting services to operators of a wide variety of gaming products, including Social Plus operators.



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