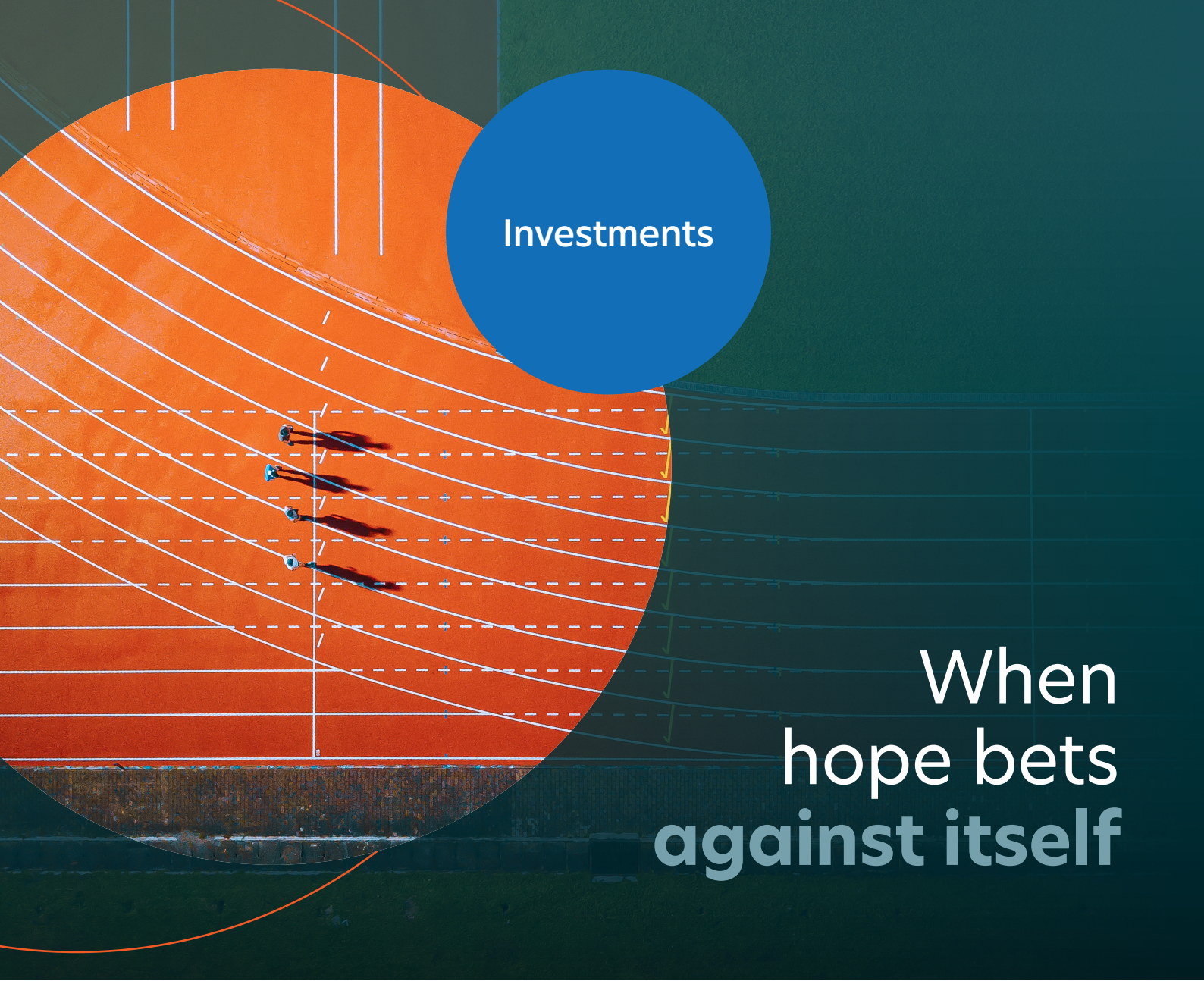




Investments

When
hope bets
against itself



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South Africa's gambling industry has never looked richer or more troubling.

New figures released in October 2025 show the sector raked in an estimated R75 billion in gross gambling revenue in the last year, fuelled by an explosion in online and mobile betting. For perspective, the total gambling turnover, the amount actually staked, runs into the trillions of rands, according to the National Gambling Board.

Behind the glossy numbers lies a stark irony: much of this boom comes from ordinary South Africans hoping to stretch shrinking incomes. Reports from the South African Responsible Gambling Foundation indicate that roughly a third of people seeking help for gambling problems depend on social grants. Gambling, once a night out's entertainment, has quietly become a survival strategy.



The illusion of quick wins

Online platforms make betting easy: a tap, a game, a 'cash-out' button. For someone trying to make a R570 child-support grant last a month, the idea of doubling it in a few minutes feels like hope itself.

Yet mathematically, gambling is built to lose. Whether it's a bookmaker's 'margin' hidden in the odds or the casino's 'house edge', every bet carries a negative expected return.

The average player loses about 5 cents in every rand you choose to bet, sometimes more.

Did you know?

For the year ending 31 March 2025, 60% of all gambling money, after paying out winnings, came from online sports betting.

Bookmaker's 'margin':

the built-in profit that a betting company makes on the bets it offers – kind of like a 'service' fee.

Casino's 'house edge':

the built-in advantage that a casino or betting company has over players. It's the small percentage of every bet that the house expects to keep as profit over time.

So what if the same money went somewhere else, **into an investment instead of a bet?**





A comparison

Let's take an example that fits many South African households. Here's how it plays out:

- **R250 a month spent** on online betting versus investing the same amount monthly over **10 years**.

Total amount spent or invested over the 10 years:
R30 000

Scenario	Description	Value after 10 years
Lose every time	You lose all bets (most likely long-term outcome).	R0
Win every time (ignoring house edge)	Impossible perfect luck, someone winning every single bet at even odds (which most likely can't happen in real life).	R60 000
Win every time (realistically, after 5% house edge*) *The bookmaker pays out 95c for every R1 staked, on average	Even if you 'win' every time, payouts are trimmed by 5% each time.	R57 000
Invested in income fund (5%)	Average steady growth.	R38 748
Invested in balanced fund (7%)	Moderate long-term growth.	R43 004
Invested in equity fund (12%)	Higher long-term growth.	R56 008

Notes:

- The 'lose every time' case reflects the reality for most gamblers over time.
- The 'win every time' case shows how unrealistic you have to be to beat consistent investing, you'd have to win almost every bet for a decade just to match or slightly exceed equity returns.
- Even if you 'win', your odds are slightly tilted against you, over many bets, that 5% compounds. In simple

terms, to break even, you'd need to beat the odds by more than 5% every single time for 10 years, which is effectively impossible.

- Investments compound predictably, while betting outcomes depend entirely on luck.
- Note: Calculations are available on request.

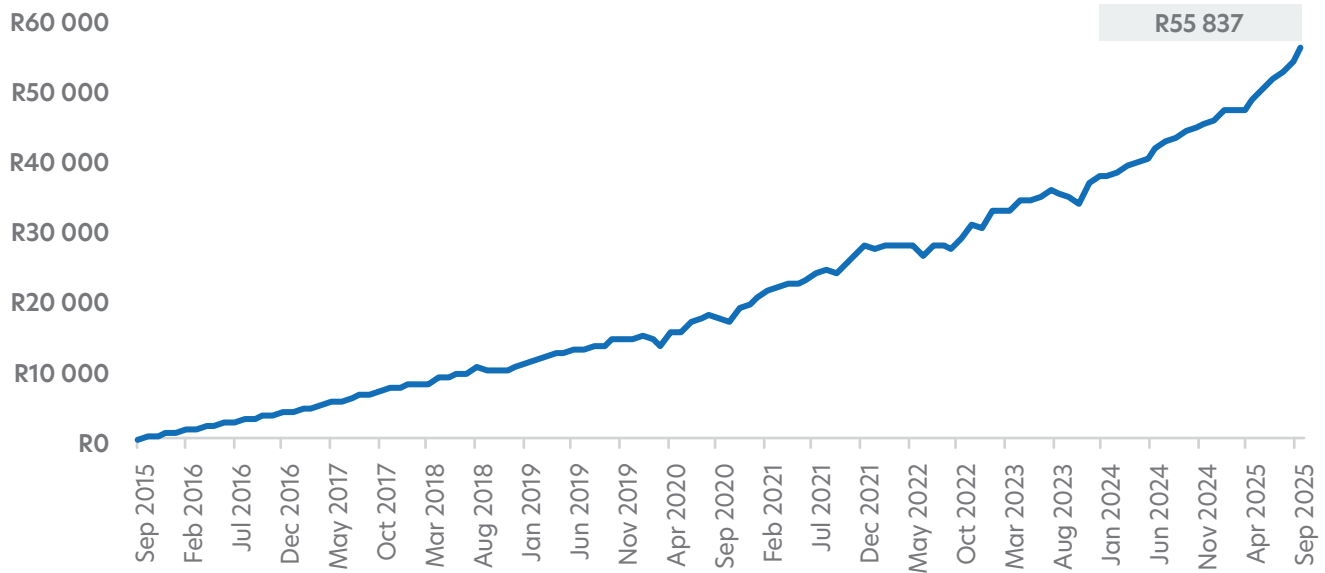


In plain terms

The same R250 monthly habit that quietly vanishes in a betting app could, through patient investing, grow into more than R55 000 over a decade (in a tax-free savings account), enough for a child's tertiary deposit, a home-improvement project or a retirement cushion.

Let's look at an actual tax-free unit trust investment, the AF Investments Aggressive Passive Unit Trust – class T.

R250 per month accumulated over 10 years invested in AF Investments Aggressive Passive Unit Trust - Class T



Source: Alexander Forbes Investments



Why people still choose to gamble

Hope over arithmetic.

When money is tight, people don't calculate expected value, they chase possibility. Betting offers immediacy. Investing asks for patience.

Access and advertising.

Betting apps are friction-free (happening very easily without anything to make it slower or more difficult) and constantly promoted. Investing platforms still feel slow, formal, or intimidating.

Lack of small, safe saving vehicles.

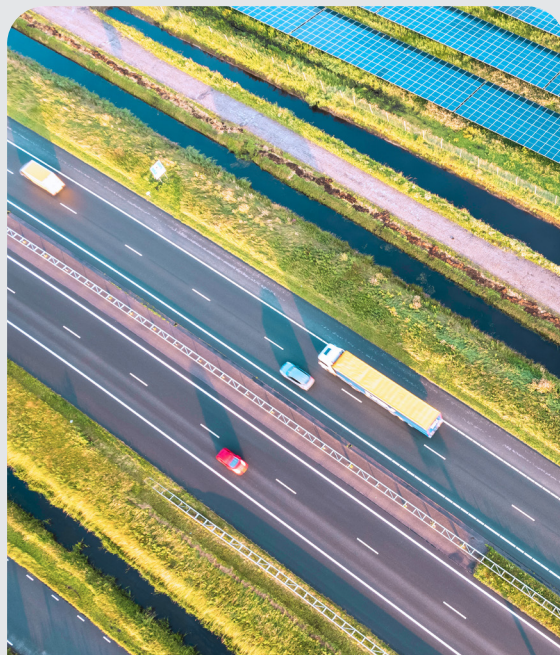
For many South Africans, the entry-level investment product feels out of reach, or the fees too opaque.

But over time, gambling deepens the very scarcity it promises to relieve. It's not entertainment when it eats tomorrow's food budget.



A social cost worth counting

The financial loss is just the start. Counsellors report rising household stress, borrowing to fund bets, and neglect of essentials like medicine or school transport. Stats SA data even shows gambling now accounts for about 1.6% of total household spending, a silent but significant drain.





The better bet

Every rand has a destiny. Spent on a bet, it gives you a moment's thrill and mostly disappears. Invested, it gives you growth, security and choices.

As the gambling industry celebrates its record revenues, South Africans should ask a harder question: whose pockets are really filling up?

For the rest of us, there's a surer wager, one that doesn't depend on luck: consistent, diversified investing.

With Alexforbes, no matter your **investment destination**, you're in the right place.

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