By MARK WALLACE

JASON AINSWORTH plays the online game Second Life at least four hours a day. In the game, he runs a virtual real estate development business. But his after-tax profit - about $1,800 a month - is real, and it's enough to pay the mortgage on his home in Las Vegas.

For many people, what are known as massively multiplayer online games have become significant sources of income. Web sites have sprung up that allow players to use real currency to buy items - like weapons or real estate - that they may want or need for the games.

Games like Second Life, World of Warcraft, Ultima Online and dozens of others offer the opportunity to interact with thousands of players worldwide in virtual environments that continue to exist whether or not any particular person is playing at the moment. The virtual broadsword you found in the dragon's cave (or that dream house you built) before logging off on Tuesday will be right there on Wednesday.

Acquiring those items, however, requires work. In Ultima Online, it can take weeks to amass enough virtual gold to buy a superior weapon. It can take just as long to earn enough "simoleans," the virtual currency of The Sims Online - the online version of Electronic Arts' best-selling role-playing games - to buy and furnish a house.

But not everyone cares to spend time toiling in pursuit of game money. This provides an opportunity for people like Mr. Ainsworth. A thriving market has sprung up in which players spend real-world cash to buy game currency or desirable items from other players. Transactions take place on eBay or on sites like gamingopenmarket.com or www.ige.com. Payments are made through PayPal and other online services. Players then log into the game and transfer the virtual goods or currency.

Mr. Ainsworth, 36, was not a fan of online games until his 10-year-old daughter became interested in The Sims Online. He then noticed that a large number of simoleans were for sale on eBay. "I started hearing about players leaving the game who were selling their assets," he said, "so I figured, buy low, sell high."

But Mr. Ainsworth found his moneymaking options in The Sims "very limited"; he switched to Second Life, a virtual world that is less a game than a three-dimensional environment in which players can do whatever they choose. There, he has leveraged his real-life experience - he is a developer and contractor - into an online business. In 14 locations in Second Life's virtual world, he owns enough "land" to rent space to nearly 50 retailers, who in turn earn virtual money selling everything from jewelry to clothing to art (all nonexistent, of course). Mr. Ainsworth converts his game profits into real money on sites like eBay, Ige and gamingopenmarket, which charge a small fee, and he includes that income on his tax returns.

"A lot of your success or failure depends on your ability to keep the fire lit," he said. "I have good months and bad months, but the work is fun."

Earnings can be considerable. Ailin Graef, who goes by the screen name Anshe Chung in Second Life, said she was on track to earn about $100,000 in real money in her first year in the game's real estate business.

Hundreds of people who play Second Life make a profit on it, said Philip Rosedale, chief executive and founder of Linden Lab, the game's developer. The value of the average player's transactions, if converted to real money, is more than $1,000 a year and has been growing nearly 25 percent a month, Mr. Rosedale said.

Who buys this stuff? One Second Life resident, who asked to be identified only by her screen name, Diamond Hope, said she spent $10 to $15 a month on clothing and other accessories in Second Life, but would spend more if she could afford it. "With all the things you can buy in Second Life," she said, "it's hard not to want them, just like real-life stuff."

In the open-ended environment of Second Life, players are provided with a host of powerful tools that can be used to design and market all manner of virtual goods and services. But there is money to be made even in games that provide a standard set of artifacts that must be earned in long hours in front of a screen.

John Chapman, 28, of Canton, Mich., earned about $25,000 a year for the three and a half years in which trading in Ultima Online artifacts was his only source of income. "I wasn't getting rich, but I wouldn't even call it work," he said in an e-mail interview. "It doesn't get any better than getting paid to play games."
Mr. Chapman spent several hours a day buying game currency on eBay, then buying and reselling hard-to-acquire items within Ultima Online, often doubling or tripling his money. "Mainly when you are selling virtual items you are selling the best stuff of the game," he said.

Marcus Eikenberry, of Portland, Ore., who turned his passion for Ultima Online into MarkeeDragon.com, an online broker of the game's goods, said hard-to-find items like castles could fetch up to $500 at the top of the market.

But virtual merchants must often track the same vagaries found in real-world economics. Since Electronic Arts, the publisher of Ultima Online, made it easier for players to create castles, their value has fallen. And as new games like World of Warcraft draw users, Ultima Online is becoming "a dying market," Mr. Eikenberry said.

And players must be wary of fraud. "When a reputation can be changed as simply as opening a new account, it's very difficult to build an honor system," Mr. Ainsworth said.

Another gray area is the overlap between actual and virtual finance. Tax issues remain largely unresolved, and the question of who owns virtual goods - the players or the game company - is open to debate.

While most game companies do not encourage the buying and selling of virtual goods, none have found a way to stop it, and most simply ignore it. Many players dislike the practice, saying that it gives those with more money an unfair advantage. But game companies are beginning to accept "real-money trade" as a fact of life. Sony Online Entertainment recently began a service that allows players of its EverQuest II game to buy and sell items through a Sony site.

Linden Lab, based in San Francisco, has taken an even more open approach on the question of intellectual property rights. In November 2003, the company said it would permit Second Life subscribers "to retain full intellectual property protection for the digital content they create."

An Australian programmer, Nathan Keir, took advantage of this when he created a game within Second Life called Tringo, a hybrid of Tetris and Bingo, that has proved wildly popular. Mr. Keir has earned more than $5,000 selling virtual copies of the game, and he was able to license its real-world development rights to a software company in California for an amount "in the low five figures" plus royalties, he said.

With about 10 million people worldwide playing at least one of the 350 or so massively multiplayer online games, there is no shortage of income-producing possibilities for the imaginative. Steve Salyer, a former game developer, is now president of Internet Gaming Entertainment, a Los Angeles company that runs Ige.com. He estimates that players spend a real-world total of $880 million a year for virtual goods and services produced in online games - not counting sales of the games themselves, and monthly subscription fees, often around $10.

An active market also exists for the services provided by "power gamers," who in return for a fee will show new players the ropes or even take control of their characters for a few days or weeks to earn them quick advancement.

All of which begs this question: Is making real money in games a game or a job? Mr. Ainsworth says his real-life business earns him far more than he makes in Second Life. But money is only part of the appeal of his virtual career. "As soon as it quits being fun," he said, "I quit."