



TFA Monthly Newsletter

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IN THE NEWS

Predictive Markets: A Looming Massive Threat to Tribal Gaming By David Howard

At both the IGA and NAFOA conferences last month, the hottest topic was Kalshi and the significant threat predictive markets pose to Tribal gaming. Some industry experts warn that this is the biggest threat to Tribal gaming since the passage of IGRA.

Predictive markets, also known as prediction markets or information markets, are exchange-traded markets created for the purpose of “betting” on the outcome of future events. Major market players, most notably Kalshi, aggregate information from participants and can provide insights into the likelihood of various outcomes.

A predictive market operates similarly to a commodities market, but instead of buying oil, soybean or cotton futures, participants buy and sell futures contracts based on the predicted outcome of certain events. The genesis of these contracts applied to commodities where, for example, to hedge exposure to a par-

ticular crop in a geographic area, an investor could purchase a contract on a weather event (i.e. an owner of Florida oranges could buy a contract that there wouldn’t be a hurricane hitting that region).

Types of Predictive Markets

- Political Prediction Markets: Betting on election outcomes, legislative decisions, or political events.
- Financial Prediction Markets: Forecasting stock prices, interest rates, or commodity prices.
- Sports Prediction Markets: Wagering on the outcomes of sporting events, including scores and player performances. ***More than three quarters of Kalshi's trading volume now originates from sports event contracts.***
- Weather, Entertainment and Miscellaneous: Predicting weather events, award winners, box office success, or other cultural phenomena.

Global Gaming Women announces events for G2E
9/11/2025 – cdcgaming.com

Minnesota tribal conference addresses online sports betting in state amid entry of prediction markets
9/15/2025 – cdcgaming.com

Alabama-Coushatta Tribe Announces Location of New Naskila Casino Resort
9/25/2025 – indiangaming.com

Murkowski, Sullivan join 10 US senators urging reversal of funding cuts for Native Students
9/25/2025 – ictnew.org

California state legislature sends online sweepstakes ban to governor's desk
9/26/2025 – tribalbusinessnews.com

Obituary: Gaming icon Ernie Stevens Jr. oversaw record-breaking growth in tribal gaming
9/26/2025 – ictnews.org

Draft Letter Questioning CFTC's Allowance of Sports Contracts Circulating on Capitol Hill
9/29/2025 – ingame.com

*(continued from Page 1)***Prediction Market Surge**

- **September 2025 trading:** Kalshi announced it had crossed the \$1 billion mark in monthly volume, reaching 62.2% of global volume in the prediction space.
- On Sunday, Sept. 14: set a new daily record of 588,520 trades, surpassing even Election Day 2024.
- During the opening week of the NFL 2025 season, Kalshi's platform handled more than \$441 million in trading volume, with nearly \$200 million on Sunday alone.
- Rival Polymarket is planning to re-enter the U.S. market after three years abroad.

Platform Partnership Expanding Reach of Prediction Markets

Kalshi has broadened its reach and exposure via partnerships with major fintech platforms such as Robinhood, Webull, ProphetX and Crypto.com.

Legal Landscape: Not Proven to Be Regulated

The legality of prediction markets remains unsettled. In September 2025, Kalshi won a favorable ruling against the CFTC over political markets. States are challenging sports contracts: Nevada and New Jersey courts blocked regulators' orders, citing federal preemption under the Commodity Exchange Act, while Maryland sided with regula-

TFA will be attending G2E 2025 from October 6-9 in Las Vegas



If you will also be in attendance and would like to set up a meeting, please contact Kristi Jackson at kjackson@tfacp.com

tors. California tribes filed an injunction to block Kalshi's operations on tribal lands under IGRA. Appeals are ongoing, with the Supreme Court expected to weigh in, but Kalshi is still accepting trades in California and elsewhere.

The Self-Certification Loophole

"Self-Certification" is being used by Kalshi and other prediction markets to rapidly roll out new contracts. By simply filing notice with the CFTC, Kalshi can launch markets the very next day unless the agency intervenes, effectively bypassing lengthy regulatory review. Critics, including state regulators and tribal groups, argue this sidesteps gambling frameworks, compacts, and revenue-sharing.

How Tribes Can Join the Fight

One way for Tribes to combat this competitive threat to gaming revenues is via their lobbyists and counsel who can

communicate the strong message of dissatisfaction with state and federal officials.

Tribes can also engage with NAFOA which has joined a tribal coalition's amicus brief in *Kalshi v. Flaherty* (3rd Cir., June 2025), arguing that Kalshi's sports contracts are Class III gaming under IGRA.

For tribal economies, this issue shines a bright light on tribes' dependence on gaming. It underscores the need to re-focus efforts on diversification from gaming into other economic endeavors.

As always, TFA is here to assist tribes in navigating these developments and pursuing diversification strategies that safeguard long-term sovereignty and financial stability.



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