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Prediction Markets Are The Super Bowl's Breakout Winners

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SAN JOSE, CALIFORNIA - FEBRUARY 02: A detailed view of the Vince Lombardi Trophy during Super Bowl LX Opening Night at San Jose McEnery Convention Center on February 02, 2026 in San Jose, California. (Photo by Chris Graythen/Getty Images)

Kalshi's Super Bowl trading volume has grown fivefold in a single Eyear. Crypto.com timed the launch of its standalone prediction market app, OG, to land days before Super Bowl kickoff, offering more than 300 markets on everything from the coin toss to the Gatorade color dumped on the winning coach. Polymarket is approaching $700 million in trading volume across championship markets. Robinhood has rolled out hundreds of Super Bowl event contracts of its own.

Super Bowl LX, between the Seattle Seahawks and the New England Patriots on Sunday, has become less a sporting event than a coming-out party for prediction markets: platforms that let users buy and sell contracts on real-world outcomes, from election results to whether Bad Bunny will play a certain song at halftime.

The numbers behind the boom are large. Prediction market trading volume on the Super Bowl will reach $3.1 billion in 2026, up 39% from $2.26 billion last year, according to estimates from Gaming Compliance International, a regulatory intelligence firm that monitors the global online gambling market. But that surge sits inside a far larger and more troubling picture: GCI projects that Americans will wager $7.1 billion online on the game this weekend, and 78% of that money, some $5.5 billion, will flow to unregulated operators.

A $7.1 Billion Big Game

GCI estimates that 504 million online bets will be placed on Super Bowl LX by American consumers. Of those, 341 million (68%) will go to unregulated operators. Only 163 million will be placed with legal, licensed sportsbooks.

The dollar amounts are more lopsided still. Of the $7.1 billion in projected handle, regulated operators will capture just $1.6 billion, or 22%. The remaining $5.5 billion goes offshore or to unlicensed platforms.

"Nearly four dollars in every five wagered online on the Super Bowl will go straight to unlicensed operators, beyond regulatory oversight, consumer protection, or tax contribution," said Matthew Holt, CEO of Gaming Compliance International.

The trend has been moving in the wrong direction for years. In 2023, total Super Bowl online handle was $4.5 billion, with unregulated operators taking 76%. By 2024 it had climbed to $5.4 billion (74% unregulated), then $6.4 billion in 2025 (75% unregulated). This year's 78% unregulated share marks the highest proportion GCI has recorded.

Crypto gambling adds another layer. GCI estimates that $930 million in Super Bowl bets will flow through crypto-related gambling services, accounting for 13% of total handle and 17% of the unregulated share. A full 32% of Super Bowl advertising exposure, according to GCI's analysis, now goes to unregulated crypto gambling brands, which blanket social media and illegal sports streams with offers that dwarf what legal operators can afford on television.

The Prediction Market Surge

Within this market, prediction markets are the fastest-growing segment by far.

The $3.1 billion in projected Super Bowl trading volume represents a 39% jump from last year, per GCI data. Kalshi, the New York-based exchange regulated by the Commodity Futures Trading Commission, has seen its Super Bowl volume increase fivefold year over year. Crypto.com's new OG app, also CFTC-regulated, launched with what the company says are more than 300 Super Bowl markets and introduced margin trading to event contracts for the first time. Crypto.com says its events contract business has grown 40-fold in six months, and is offering up to $500 in rewards to attract its first million users.

These platforms have a structural advantage that traditional sportsbooks lack: they operate in all 50 states. Legal sports betting is available in only 30. For consumers in Texas, California, or Utah, prediction markets are the only way to legally put money on the game.

"If you're looking at one event that defines how people express their fandom, how people bet on things, it is the Super Bowl," said Ismail Vali, president of GCI and the former founder & CEO of Yield Sec, the intelligence platform GCI acquired in late 2025. "I could take a bet on who's going to win the Super Bowl on Sunday, but I could take a predictor bet every 15 minutes."

That return frequency is the secret weapon. Traditional sports bets are placed and forgotten until the game ends. Prediction market users adjust positions continuously, every 15 minutes on average according to Vali, generating fees on each trade. The product is sticky in a way that a one-shot wager never was.

The NFL has noticed. Executive Vice President Jeff Miller has called prediction markets "innovative" and "dynamic," though the league has stopped short of allowing them to advertise during the Super Bowl broadcast itself. Polymarket, barred from traditional ads, opened a free grocery store in New York City as a promotional workaround. Kalshi ran its own Super Bowl giveaway push.

Gambling Or Finance?

The central question hanging over all of this: are prediction markets gambling?

The platforms say no. They describe themselves as "information markets" or "event contract" exchanges, regulated by the CFTC as financial instruments, not by state gaming commissions. The American Gaming Association disagrees, calling them sports betting regardless of the label.

"To most of the legal regulated betting industry, these things look and smell like betting," Vali said. "But the main thing is it's being sold to American consumers as legal sports betting, albeit "trading" as the prediction platforms call it, in 50 states in America."

Vali draws a distinction between traditional unregulated gambling (offshore operators who never wanted a license and have served American consumers for three decades) and what he calls "innovator gambling": prediction markets, crypto casinos, and social sweepstakes platforms that use legal gray zones to reach the same audience through the back door.

"These platforms are saying they're not gambling, and currently in most US states they're regulated by the CFTC, which is a financial futures organization," Vali said. "It's a Burger King world -- however you want to run your marketplace, you should be able to. But you have to come down to those fundamentals."

The numbers hint at where things are heading. Prediction markets currently account for just 0.2% of legal sports betting profitability in the United States, according to GCI. On the unregulated side, that figure is 8.7% and climbing. State lawsuits against prediction market platforms are multiplying, and competitors within the gambling industry are filing their own legal challenges.

The Collapse Of Licensed Operators

The prediction market boom lands at the worst possible time for the regulated gambling industry.

In 2023, there were 103 legal, licensed online gaming operators in the United States. By 2024, that number had dropped to 95. Last year it fell to 57: nearly half gone in two years. This was not consolidation through mergers and acquisitions. It was attrition. Brands could not make money and shut down.

We're witnessing the silent death of licensed and regulated gambling brands today," Vali said. "Everybody legal and regulated is hemorrhaging money across the sector."

The structural problem is the patchwork of state laws. Only seven US states allow both online sports betting and online casinos. Without the ability to cross-sell customers from sportsbook to casino to poker (the model that drives lifetime value globally), regulated American operators are stuck competing on a single low-margin product against unregulated rivals who offer everything.

"Legalization alone will not remove or reduce unregulated gambling," Vali said. "Legalization needs monitoring, policing, enforcement, and optimization."

What Comes Next

None of the major prediction market platforms are profitable yet. They are spending heavily on development, marketing, and legal battles to establish their right to exist. But their engagement metrics are unlike anything the gambling industry has seen. Users come back every 15 minutes. The product has penetrated popular culture: South Park devoted an episode to prediction markets last year. During the 2024 election, Vali noted, Eric Trump pointed to Kalshi and Polymarket as arbiters of truth rather than traditional media.

The real test comes after Sunday. March Madness and the NBA playoffs will determine whether regulators allow sports event contracts to persist or shut them down. Every major sporting event is now a referendum on whether this new category survives.

The broader question is whether prediction markets are good for consumers or just another layer of unregulated activity in a market already tilted against them. The platforms insist they are not gambling. The gambling industry insists they are. The only thing everyone seems to agree on: they are winning.