

# [***Betting The House: Gambling Odds Get Longer For Kevin McCarthy After Chaotic Vote For Speaker***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:677V-SVP1-DXVP-50H7-00000-00&context=1516831)

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**Highlight:** As Republicans fight over who will lead the House of Representatives, gamblers don't like Kevin McCarthy s odds.

**Body**

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Betting on Red: Kevin McCarthy is not the favorite among gamblers as Steve Scalise's odds have climbed since Tuesday's votes.

Isabel Lord for Forbes; McCarthy: Roy Rochlin/Getty Images; Jordan: Bloomberg; Jeffries: Mandel Ngan/AFP; Scalise: Getty

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After he finished his final exams, Jake, a 19-year-old political science major in Ohio, started studying again. But this time he wanted to find out which politician is most likely to become the next speaker of the U.S. House of Representatives.

For the last two years, Jake has been making small bets on the outcomes of political races the 2020 presidential election, the midterms and he s built a modest $500 bankroll. Armed with research, Jake is going all in on Kevin McCarthy to become the next speaker, even though he lost three times on Tuesday, the first roll call for the 118thCongress.

I'm putting all my winnings and earnings on the speaker contest, says Jake, who only wanted to use his first name. He won the nomination. The last time someone won the nomination for speaker and didn t get it was in 1923. There s a precedent: If you win the nomination, you're going to get it.

With 20 far-right Republicans refusing to support McCarthy, he could not secure the 218 votes necessary to be elected speaker. The debacle marked the first time in 100 years that the House majority failed to elect a speaker during its first day in session. Things could still go McCarthy s way on Wednesday as former President Donald Trump, who was silent on Tuesday, threw his support behind the Republican leader. But after failing to win a fourth vote on Wednesday, Scalise is now favored to win over McCarthy.

Some really good conversations took place last night, and it s now time for all of our GREAT Republican House Members to VOTE FOR KEVIN, Trump emphatically posted on hiswebsite, Truth Social. Kevin McCarthy will do a good job, and maybe even a GREAT JOB JUST WATCH!

Jake is wagering on the speaker contest atPredictIt, one of the only legal platforms in the U.S. for political wagering. McCarthy s odds have dropped dramatically in the last 36 hours and the action is heating up. As of January 3, 11.8 million shares were traded on PredictIt for the speaker contest, jumping to 12.3 million shares traded on Wednesday morning, according to PredictIt. McCarthy was trading at 49 cents mid-morning, up from a low of 35 cents yesterday.

McCarthy s odds have cratered over the last two months. Shares for McCarthy were priced at 88 cents in November, but his odds started to drop the week before Christmas, reaching 60 cents. After failing to get enough votes three times on Tuesday and twice on Wednesday, he dropped even further to 26 cents.

Gambling on ***politics*** is illegal in the U.S. And PredictIt s days are numbered. The site, which is operated by Victoria University of Wellington in New Zealand, has been running since 2014, thanks to a no-action letter provided by the Commodity Futures Trading Commission (CFTC). But in August, the CFTC ruled that PredictIt must shut down by February 15, 2023. Its technology provider, Aristotle International, a political software company, and a few traders havefiled a lawsuitthat seeks to prevent the shutdown.

And, technically, it s not a gambling website: the platform is ostensibly an academic research tool like the Iowa Political Exchange. An investor may not wager more than $850 in any one contract (a contract could be yes for McCarthy to become speaker) and the total number of active traders in a single contract is limited to 5,000. In total, the site hosts more than 10 thousand traders.

We consider it more like a stock market; there needs to be someone willing to match your price, says Lindsey Singer, a spokesperson for PredictIt.

While the U.S. continues to ban political wagering, offshore gambling sites are happy to take the action. At BetOnline, a website based in Panama, McCarthy is still the favorite at -125 odds while Steve Scalise (R-La.) is at +190. Paul Krishnamurty, BetOnline's political odds analyst, says while the speaker contest market opened at midnight, it is attracting more wagers as the voting drags on. The betting livened up in the last 24 hours it wasn t being taken seriously as an interesting betting event at first, says Krishnamurty.

Theoretically, anyone, not just a member of the House, can become speaker if they attract enough votes. At BetOnline, bettors have wagered about $20,000 on Trump becoming speaker over the last two years. But that scenario is unlikely. After the midterms, any positivity about his chances is waning rapidly, Krishnamurty says.

Political betting is growing in popularity. The 2020 presidential election was BetOnline s second-best day in its history with one gambler putting down $5 million on Trump. As for 2024 presidential election, Krishnamurty expects big money to be wagered: Sky s the limit.

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Wanna Bet? The odds for the speaker race changed sharply after McCarthy lost three times on January 3.

PredictIt

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Betting on ***politics*** is not just for college kids and gamblers. Pratik Chougule, who worked at the State Department during the Bush Administration and was a policy coordinator during the Trump presidential campaign, wagers on political events.

The hope and the promise of these betting markets is that the aggregate, the market price, tells you something about the likelihood of an event happening, Chougule says. Prediction markets tend to perform pretty well in some cases and not that well in other cases. But this is an unprecedented kind of a situation no one really exactly knows what's going on, even the so-called smart money.

In a chaotic, historical event like the speaker nomination, even people in Congress don t know what the outcome will be. The question is, who in Congress today even really knows what's going on? Chougule asks. Even if McCarthy and Scalise, and all their staffers were trading, do they really know what's going to happen? Probably not.

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