



The Perils of Prediction

June 19, 2026

If you want to place a bet that the Sun won't rise tomorrow, or (less likely) that the Cleveland Browns will dominate the next Super Bowl, you can turn to the prediction platform called Polymarket. People who believe something will happen—literally anything—can make a bet, like the \$200 million wagered on whether Ukrainian President Volodymyr Zelensky would wear a suit at his next meeting, or the \$1.3 million that was bet on whether Donald Trump would say the word 'hottest' during a recent meeting with UK Prime Minister Keir Starmer. Speculative markets have emerged for the return of Jesus Christ, the existence of aliens and whether the Earth is flat.

Polymarket has become a surefire way to determine whether your judgment about what's going on, and what's going to be going on, is better or worse than the wisdom of the crowd. But, like most gambling activities, the majority of the trades and traders have lost money. A very small number of people can boast that they consistently have better judgment than the rest of us; according to one study, the top 1% of Polymarket accounts have gathered roughly three-quarters of the gains.

This is in line with other betting markets. In one study, 1.3% of daily fantasy sports bettors took in 91% of the total profits. 97% of Brazilian retail futures traders lose money; U.S. retail equity options traders lose 5% to 9% per earnings announcement trade. And there is evidence that some of the winners have had access to information not available to the rest of us; insider trading on Polymarket has provoked a federal indictment and a Congressional probe.

So, what's the lesson here? If there is a conclusion beyond the perils of gambling, it is that the wisdom of the crowd, for all the disparate voices it includes, tends to be wiser than all but a very few of us, on pretty much everything. The Sun is likely to rise tomorrow, any bet you make on the hour, and day of the Second Coming is likely to be a loser, and index funds will continue to beat the cumulative bets made by active traders.

Sources:

<https://tradersunion.com/news/editors-picks/show/1347478-the-most-absurd-bets-on-polymarket/>

<https://www.advisorperspectives.com/articles/2026/05/28/polymarkets-losers-discovering-age-old-truth>

If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number [\(215\) 325-1595](tel:2153251595) or you can [click here to schedule a meeting](#).

Please feel free to forward this article and offer it to anyone you know who might have financial questions or need some unbiased advice. Most of the financial advice is sales advice. In stark contrast, we are fee-only (non-commissioned) fiduciary advisors. We just provide truthful, unbiased advice to our clients.



Jeffrey Broadhurst
MBA, CFA, CFP
Broadhurst Financial Advisors, Inc.



****PRIVACY NOTICE****

This message is intended only for the individual or entity to which it is addressed and may contain information that is privileged, confidential, or exempt from disclosure under applicable federal or state law. You are hereby notified that any dissemination, distribution, or copying of this communication, except in accordance with its intended purpose, is strictly prohibited.

Our physical and mail address:

1911 West Point Pike
P.O. Box 301
West Point, PA 19486-0301

Contact us:

Phone: (215) 325-1595
Email: jeff@broadhurstfinancial.com