

I am writing as a small business owner to express my opposition to the CFTC's proposal to ban election markets and to urge the Commission to reconsider its stance. These markets offer significant benefits, particularly in terms of hedging against political uncertainties that can impact small businesses like mine.

As a small business owner, I am acutely aware of how political outcomes can directly affect my operations. Changes in policies related to taxation, healthcare, and regulation can have substantial implications for my business's financial health. Election markets provide a valuable tool for managing these risks by allowing me to hedge against potential adverse outcomes. For example, if there is concern that a particular election result might lead to increased regulatory burdens or changes in tax policy, I can use election markets to offset potential financial impacts. By participating in these markets, I can create a financial buffer that helps stabilize my business in the face of uncertainty, much like how larger corporations use futures markets to hedge against commodity price fluctuations.

Furthermore, operating within a regulated environment on platforms like Kalshi and PredictIt ensures that these hedging activities are secure and transparent. This regulatory oversight protects small business owners from the risks associated with unregulated and illegal markets, such as fraud and market manipulation.

Banning election markets would push these valuable risk management tools to offshore or illegal platforms, depriving small business owners of the protections and benefits that come with regulation. Therefore, I urge the CFTC to recognize the importance of election markets for small businesses and to support their operation within a legal and regulated framework. This approach will not only enhance market efficiency but also provide small business owners with essential tools to navigate political uncertainties.