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» Getting to know the business of sports betting

» Discovering how bets work

» Setting goals (and limits) for yourself

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Chapter 1

Betting Sports for Fun and Profit

In some ways, sports betting is quite simple. You think one team is better than the other team, and you're willing to stake money on it.

But hidden beneath that easy-to-understand crust is the mantle of harder-to-grasp unpleasant truths. Lots of people lose lots of money at this endeavor. There are a million ways to bet. Your brain can sometimes be your worst enemy when it comes to betting. Once you start betting, it's hard to tell if you're any good at it. And there's the one undeniable truth that is so easy to forget: Teams do wacky, unpredictable things to confound every sensible prediction and make bettors pull their hair out.

That last truth is the first one I want to discuss. Because teams behaving in strange, unpredictable ways is something I experienced personally many years ago, and one game in particular started a fascination with this hobby that hasn't abated. It took place in October 1989. While the world was busy watching the Berlin Wall fall on CNN, I was doing something far more important: I was an end-of-the-depth-chart player on a football team about to have a slow-motion epiphany.

Eight Days in October

Naturally it was Friday the 13th. I looked it up recently: Friday, October 13, 1989.

I was a senior in high school and a proud member of the Grapevine High School varsity football team in Texas. I was the complete package: slow, weak, undersized, with almost a complete lack of athletic talent. Lucky for everyone involved, the coaches were wise enough to keep me far from the field on gameday. But that gave me a great vantage point for what was about to happen.

A surprise win

Memory is tricky, but here's my version of the events: The Grapevine Mustangs were 3–3 with 4 games left in the season and an outside chance at a playoff berth. Coach Snead, who would go on to win two state championships, had been telling us all week that we were better than our record indicated. We needed the confidence boost because we were about to face the 800-pound gorilla of the district, the Euless Trinity Tigers. Gorilla is an understatement. These guys were King Kong. They kicked our asses every year. In 1989, they were undefeated, well coached, confident, and clearly outmatched us at every position. Their quarterback was even dating the homecoming queen from our high school. Our goal was to avoid complete embarrassment. Winning wasn't a thought in our minds.

But it was Friday the 13th, after all. Strange things happened. On the opening drive of the game, the Trinity quarterback faked a handoff to the dive back, reverse-pivoted on the bootleg and ran smack into not one of our players but the *referee*, fumbling away the football. That lucky break was followed by another, and before we knew it, we were ahead. Then the guys actually started to play well — really well. We uncharacteristically caught every ball and made every tackle. We got every lucky bounce and every lucky call. It was like Bishop Pickering's miracle golf round in the rain in *Caddyshack.* And when the final whistle blew, we had beaten the gorilla by a gaudy 53–7 score.

53–7? The team, the fans, and even coach Snead were in shock.

Victory's revenge

So we did what teenagers do: We celebrated. Starting with the dogpile on the field at the end of the game, to the bus ride home, into the weekend. We just finally figured it out, right? We must be way better than we thought we were all along. There were so many broken arms from patting ourselves on the back that the training staff had to order more slings.

You can probably tell where this is going.

Our midseason celebration ended about three seconds after the opening whistle of the following week's game, played at home against the worst team in the district. In our 53-to-7 euphoria, we forgot we had to, you know, show up and play in the last three games of the season. The cliché fairy summarily revoked our "David Beats Goliath" status and put us into "Chickens Coming Home to Roost" mode. We looked like the Bad News Bears (from the early part of the movie, not later on when they went to the Astrodome and Walter Mathau starting believing in them). We were lazy and sloppy in every aspect of the game, just as we had been in practice all week, and lost that game to an "inferior" opponent. Playoff dream: dashed.

But in retrospect, there was something totally inevitable about that eight-day roller-coaster that ended in that ignominious crash-and-burn. We "overlearned" from the positive outcome of one week and formed a collective illusion that we could beat anybody without trying. It wasn't the fault of any single player or a coach; it was something that emanated from within every member of the team. We had just a little less focus in practice than normal. We were late getting to our spots. We ran a little slower; we cadillacked our way through the toughest drills. We held each other less accountable in practice as if we all had a tattoo that said "It's all good . . . we beat Trinity 53–7."

My acne-splotched, mullet-topped team in 1989 could have won the state championship if we played every game like we did the night of October 13, and with the same level of measurable talent and the same coaches, ten repeats of our October 20 performance would have led to a winless season.

Finding profit in the roller coaster

In college, I got interested in sports betting, and I did so with the lessons of October 1989 firmly in my mind: Not the lesson where freedom triumphs over tyranny in Eastern Europe, but that talent and measurable attributes only determine part of what happens on the field of play.

A team's personality can vary wildly from one week to the next because athletes are not robots (*not yet,* at least). They have memories. They have biases. They're superstitious. They react to things that happen to them. And while none of those things are easily measurable, they can show up at game time, in the same way that the 1989 Grapevine Mustangs reacted to their big win, and lay an egg.

And so for three decades, I've looked for, and sometimes found, those patterns across sports. My approach to sports betting is based on the essential premise that people and teams react predictably to events like winning, losing, surprise, disappointment, travel, breaks, and so on. From that basic proposition, I've added a little bit of mathematical rigor, some knowledge about the forces that push and pull betting markets, and an appreciation for the value of other approaches to the craft, whether it's information-based, stats-based, or something in between.

Today more than ever, the truth is out there and only a click or two away. I spent countless hours creating a database of sports scores and statistics from scratch on my ancient computer. That same information that I painstakingly collected is available today from dozens of web resources. Today's bettor can take advantage of astonishing quantities of detailed, esoteric historical sports data. And for the more enthusiastic gamblers, tools are out there to study and bet on any pattern they can dream up.

If you're a fan of a given sport and can match team patterns with analyses of personnel and schemes, all the better. There are two basic approaches to picking winners: numbers driven, or technical analysis, and information driven, or fundamental analysis. There is no one formula for success. What makes it fun and challenging is that you'll mix cold, hard facts with touchy-feely interpretations of human behavior. You'll need computer power as much as you'll need the coach's chalkboard and the psychiatrist's couch. You'll want to read Turing, Lombardi, *and* Freud.

Do Sports Bettors Win?

Is this a trick question? If not, the answer is: Some do; some don't. Cool?

If you're familiar with betting on table games at the casino, you know in the long run, you'll lose. Period. The probabilities associated with cards, dice, and the little bouncing ball on the roulette wheel mean the aggregate outcome is not in doubt. Narrow your focus to a single lucky person, or a single weekend in Las Vegas, or a crazy craps table, and it seems like there are winners everywhere. But the math makes it a physical certainty that the more people play, the longer they play, the more certain it is the gamblers are going down.

But sports betting is different. The sports bettor reads a menu of available bets at the bookmaker and decides whether or not to risk some of his bankroll on a certain outcome. The bookmaker makes predictions on games too, but they can't read the future.

Short of doing something the casinos would frown upon, the greatest blackjack, craps, and roulette players in the world will lose money at those games if they played forever. Sports betting is under no such stricture. Unlike table games at the casino, there is no physical or mathematical law that says, without a doubt, you will lose money gambling on sports. You just might be that unicorn who can spot those Grapevine-beats-Trinity moments better than anyone else in the world. The fact that you're not destined to lose is a start! It's something that should give you hope — just not too much.

REMEMBER

The conventional wisdom you'll inevitably hear is that most people lose betting sports. And when I say "most," I don't mean half the world wins and half the world loses. I mean many, many more lose than win. But since there are no mathematical certainties here as there are with cards and dice, we have to get *empirical.* That is, let's see what evidence and experience can teach us.

First off, I want to make it clear. If you asked 50 people in line at a sports book if they were ahead or behind in their lifetime of sports bets, all 50 would say they were ahead. As I'll discuss in Chapter 15, it's easy to lose track, and our brain tends to play tricks on us in terms of calculating wins and losses. So simply asking people to self-report results is a nonstarter when it comes to sports books.

Research on data pulled from a prominent European sports book a few years ago showed that only 10 to 15 percent of bettors were ahead a year after making their first deposit. A big swathe of people had lost a little, and there was a long tail of people who had lost their initial deposit plus money from subsequent deposits. But this data isn't satisfying to me; it's not clear that these gamblers didn't lose their money some other way besides sports betting. I don't think it follows that a given bettor only has a 15 percent chance of winning.

Another source of data is tightly controlled sports betting contests, where entrants must make regular picks on sports events as if they were bets. When gamblers can't shade the odds or misreport, you get a much better glimpse of the possibilities.

Have you ever tracked sports writers in a newspaper picking weekly games? There's a sports picks contest in nearly every (remaining) major newspaper. My own hometown rag is *The Dallas Morning News,* and in the last few years, they've asked local sports media to make virtual bets on football games throughout each week of the season. In spite of being plugged into sports news, of the eight pickers in *The Dallas Morning News,* only a few were above 50 percent, and only a single sports writer was in profitable territory (north of 52.38 percent, a number I'll discuss in later chapters). Maybe 15 percent is accurate after all.

Another example is the world-famous Station Casinos SuperContest Gold. Every football season, sports bettors flock to this exclusive winner-take-all contest for a $10,000 entry fee. Each contestant has to make five NFL picks every week against a menu of standard odds. These are folks so confident in their abilities to pick winners that they're putting up 10 grand to prove it. In the 2019–2020 contest, there were 42 contestants who would have showed a profit if they had been betting an even amount on each game. And there were 74 who weren't.

These contest results should tell you a few things: First, the contest winner picked games at a seemingly modest 61 percent. Believer it or not, that's an exceptional win/loss rate for sports betting. So set aside your delusions of grandeur. The luckiest, most talented pickers barely sniff the 60s. Second, the combined average of these 100-plus bettors was about 48 percent winners. We could interpret this outcome to mean there are a lot of skill-free sports-betting hobbyists with $10,000 to spare, or it could mean that it's just really difficult to pick winners over the course of a season. So you might take heart in the fact that one-third of these contestants were able to pick profitably. Or you might despair at the two-thirds who couldn't. Either way, my goal is to implant you with a simple idea: This is not easy, but it's also not impossible. Winning is within the grasp of a bettor who is willing and able to put the time in.

TIP

Pro gamblers will tell you that 55 percent wins is the day-job line. If you can beat 55 percent on a year-in, year-out basis, you can quit your day job in favor of sports betting. Sounds great right? Unfortunately, the odds are against you. It takes dedication to the craft and special talent to get to that level. That's why there aren't many people who can claim to make a living off of sports betting today. The sweet spot between 52.5 percent and 54 percent is a much more realistic goal for readers of this book. It might not sound sexy, and you won't be able to quit your day job, but maybe you can have some fun and make a little money along the way.

The Wagers of Sin

In a landmark decision in 2018, the U.S. Supreme Court finally released Americans from the shackles of earlier legal decisions that prevented them *legally* from doing something that is so common and comfortable that millions of us were already doing it. I'm not exaggerating about that number. If you count fantasy sports and office pools, there are tens of millions of people who have money riding on the outcome of an athletic event. It's a multi-billion dollar market, and it's growing.

Table 1-1 shows what UNLV Center of Gaming Research says the sportsbooks in Nevada have been doing for the last 25 years (while the other 49 states were looking on in envy) . . . and that's just the *legal* bookmakers.

TABLE 1-1 Sports Betting Revenue in Nevada

Total Bet on Sports in Nevada (1984-2018)	$87 billion
Football	$31 billion
Basketball	$21 billion
Baseball	$16 billion
Other Sports/Multi-sport Wagers	The rest

Betting on sports has its dark side, which I'll discuss later in this chapter. There's the possibility of corruption, and there's the addictive nature of gambling, and more. But for the majority of people who partake, betting on sports is not only fun and entertaining, but it borders on the sublime. Why? Athletic competition and gambling are practically written into our DNA.

For students of American history, the banning and subsequent unbanning of sports betting has echoes of the Volstead Act and the Prohibition Era. Nobody would claim alcohol consumption is good for your health, but to suddenly disallow a habit already so, er, engrained, in so many millions of people looks in retrospect to be ludicrous. With all of the undeniable problems that came along with alcohol consumption in early 20th-century America, its blanket prohibition not only didn't provide a solution, but it introduced its own set of problems.

Fans and Bettors: Better Fans

It's been proven by sociologists that it doesn't take more than a few dollars to increase the intensity of interest and emotional investment while you're watching a game. At the same time, that instinctive drive to bet as an enjoyment multiplier leads many people to bet from the hip. Betting instinctively certainly has its place. You might win; you might not. But if you care whether you win or not, you'll take some time to learn about the dynamics of the betting markets. You'll probably find that your prognostications get more accurate, and your wallet gets fatter (or at least less thin).

Chances are, you're not going to be able to quit your job based on your sports betting winnings. That's not the goal of this book. But if you treat sports betting as a *hobby* with a *chance* for monetary reward, you'll find a small investment of time and knowledge can pay you back over and over in terms of enjoyment . . . and maybe profit!

Sharps and squares

A vocabulary of convenience has grown up around sports betting that I'll use in this book repeatedly. You know how it works: As with any hobby, the vocabulary you use is a passport to respectability. There's a lingo with computer programmers, stand-up comics, golfers, yoga instructors, and every other hobby, sport, craft, and profession.

REMEMBER

Your first lesson in lingo is a pair of terms: *sharp* and *square.* Both words serve as both nouns and adjectives. A sharp is an experienced, discriminating sports bettor who wins money in the long run. And no, a square is not the only person at the high school party who refuses to break the rules for fear of getting caught. In this world, a square is an average member of the betting public. Most people are squares. We're all a little square sometimes.

If you're sensing judgmental undertones in the word, you're not wrong. To be square is more than just being unprofitable in the long run; it's about running with the herd. Being square also means that you not only are ignorant of but you also misinterpret and misunderstand key concepts in sports betting — to the detriment of your bank account.

(By the way, if you're looking for geometrical logic in these terms, you're not going to find it. Squares have 90-degree angles. I hit my head on the corner of a square table when I was a kid and it felt pretty sharp to me.)

In Figure 1-1, I attempted a Venn diagram of the betting population, but instead of circles and ellipses I used squares and triangles as an attempt to match the terminology. It's like a Cezanne masterpiece, except better, right?

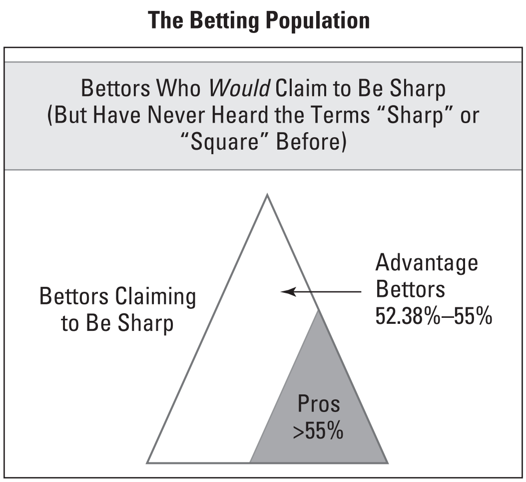

FIGURE 1-1: Sharps versus squares.

Do you track what's happening here? Bettors who know the word will always claim to be sharp. If you're sensing some b.s. in the sharp-versus-square distinction, you're probably onto something. Nobody *claims* to be a square, and many more claim to be sharp than actually could *possibly* show a long-term winning record. It's only natural: As humans, it is our solemn genetic duty to overrate our abilities and overstate our own success.

REMEMBER

The lesson to take out here: Don't put too much weight on these labels. Forget sharp and square. I want you to get better at betting and to have fun.

Advantage bettors

Somewhere along the continuum of betting skill and knowledge, a person moves *from* complete ignorance *to* a level of dangerous knowledge where you think you know more than you do and probably risk more than you should. Then on the far side of the spectrum are the dedicated professionals, who have as good an eye as anyone for sports wagers, who don't merely consume the market price, but they set the market price. The pros know more than is teachable in a book.

In between squares and full-on professionals is the territory you should target. You'll be a bettor who understands the marketplace, who has instilled discipline in your betting habits, who has a sound sense of your own abilities to evaluate both sides of a bet relative to the financial risks. When you're sharper than square, but maybe not ready to quit your day job, you're an *advantage bettor.* Being an advantage bettor is a reasonable goal for a reader of this book. Even if you can't get there, this book will offer a survey of methods, opinion, resources, and information that will help you evolve as a sports bettor, from less sophisticated to more sophisticated, from less profitable to more profitable, and hopefully from less fun to more fun.

Why 50 Percent Doesn't Cut It

Let's understand what we're up against first with a simple illustration. Imagine a game where you and a friend are betting on the outcome of a coin flip. You win $1 for heads and you lose $1 on tails. You could theoretically play forever, right? Sometimes you'd have nice winning streaks, and sometimes you'd go on losing streaks, but the longer you play, the more likely it is your expected return on this game would be absolutely 0. No gain, and no pain.

I talk more about calculating odds later, but on any bet, your expected return is the sum of the outcomes multiplied by their probabilities. In the coin flip game, it should be intuitive that your expected rate of return is 0, but just to show the work:

$$(50\%\ \text{chance of a win}) \times \$1$$

$$(50\%\ \text{chance of a loss}) \times -\$1$$

$$.5 \times 1 + .5 \times -1 = 0.$$

When you place a bet with a bookmaker, that bookmaker charges a commission that varies depending on the bet (and the bookmaker) that reduces the amount of your winning payout.

A bookmaker, or bookie, is an organization or individual (legally sanctioned or not) that accepts bets on sporting events. They're often associated with a casino. Bettors make a bet by staking cash or credit on a certain outcome, and are given a virtual or paper ticket receipt that describes the wager and the payout. In the event their bet wins, they exchange the ticket for the bet payoff.

REMEMBER

On average, a bookmaker keeps 1 cent for every 22 cents wagered: a 4.5 percent commission. If you were to make your coin flip bet at a bookmaker, the terms would be altered slightly to your distinct disadvantage. You still lose $1 on tails, but when heads comes up, you'd only profit 96-ish cents. Even if the coin is fair, the game is now tilted against you. It's a mathematical certainty that if you played forever, you'd give all your money to the bookmaker.

The good news with sports betting is that you're not dealing with a coin from your pocket. To drive the metaphor into the ground, you're the coin. You select which bets to make and which to pass on. The bookie, as a rule, has a stake on every game. But the bettor gets to pick and choose. Your ability to select which outcomes to bet on, and on which odds, means there's a possibility of flipping a coin that's weighted in your favor.

52.38 is the new 50

With a 4.5 percent commission, you'd need more than a fair coin if you hoped to play forever. In fact, you'd need a coin weighted to heads at least 52.38 percent of the time just to break even. I like to think of the number .5238 as the *Gambler's pi,* a number you'd be wise to commit to memory. I'll talk more about how the probability of a good outcome affects your success in later chapters, but for now, understand that the bookmaker's fee has a big impact on your ability to maintain this hobby over the long term.

Remember those newspaper writers from *The Dallas Morning News* earlier in this chapter? Six of the eight writers picked north of 50 percent but less than 52.38 percent. You'd be surprised at how often this subtle raising of the bar can hamper the dreams of sports bettors in the long run.

You'll read that "most people don't win in the long run" at sports betting. If you take as evidence the simple profit/loss numbers of the Nevada sports books, and you consider that companies are falling all over themselves trying to get in on the sports betting concession in newly legalized states, then it's clear that booking bets is a winning proposition, and the profits are paid for by losing bettors.

But that analogy should end at edge of the casino floor. Unlike in roulette or blackjack, there's no mathematical law dictating your eventual bankruptcy in sports betting. It's more akin to a poker room or a horse track, where there is an endless parade of dabblers and dilettantes providing losing bets for the benefits of the betting houses . . . and the winners.

So what's the profile of a winning bettor?

WARNING

Break-even bettors have to win 52.38 percent of their bets. Professional sports bettors would be thrilled if they could win a mere 56 or 57 percent of their bets in the long run. Yes, this is a warning, because 58 percent is devilishly hard to achieve, and if your expectations aren't in line, you're in for a disappointment.

How sports bettors win

Pros win by doing two things well:

- Forecasting the outcome of games
- Looking for tiny edges in the odds and seizing them in a timely fashion

Pros aren't quitting their day jobs to live on a yacht in the Caribbean; they're quitting their day jobs because being a pro is an up-at-dawn, number-grinding, pride-swallowing siege that entails immersive study and iron-willed discipline. Later in the book, I'll talk about handicapping games (picking the winning side), and I'll show you why shopping for the best odds is so critical to being profitable.

Comparative betting success

So let's review the narrow margins of sports betting:

- Throwing darts at a board: 50 percent winners
- Required to break even: 52.38 percent winners
- Fully immersed professional: 56 percent winners

If you're wondering what it looks like in terms of winning bets and losing bets, consider Table 1-2, where 3 levels of bettors make 6 bets per week:

TABLE 1-2 **Comparing Bettors**

Bettor Type	Wins	Losses	Win %	Units Won
Sharp Professional	181	131	58%	36.9
Break-Even (ish)	164	148	52%	1.2
Dart-Throwing Square	156	156	50%	–15.6

For now, just assume a "unit" is a dollar, or maybe $1,000. The point is, look at how thin the margin is between a victory and defeat: A break-even bettor and a dart-throwing square bettor are perilously close in terms of wins and losses. Over the course of a year, the square is slowly going broke, averaging 3 wins and 3 losses per week. To be a break-even bettor, the square need only convert one betting week out of every 6 from 3 wins and 3 losses to 4 wins and 2 losses. That means winning just one additional bet for every 36 placed! Giving you the tools to raise your winning percentage a few points seems like a reasonable goal for this book.

Of course, another thing you probably infer from having such thin margins between success and oblivion is that these results play out over a very long time scale. How will you really know if you've been promoted from square to sharp? It's not like you get a certificate in the mail. When I talk about bankroll management in Chapter 5, I discuss ways to judge your long-term success.

What Kind of Sports Bettor Are You?

Maybe you've placed a few bets before, or maybe you're an old hand. I'd suggest coming to terms with what you hope to get out of your sports betting career before going any further.

Financially interested fan

You're a big sports fan with an interest in betting on games, but you're not expecting to become a pro anytime soon. You'd be satisfied if you think and speak authoritatively on sports betting markets. You'd like to be able to walk into a bookmaker, understand the menu of games on the big board, and approach the betting window with the confidence of a seasoned bettor.

You follow some college and pro teams, and you want wagers on those teams and on games that you like to watch or stream. For the biggest games, you'll look at player props for extra action.

If you win money, great. But you're going to win some and lose some. For the financially interested fan, it's mostly about the fun of taking your fandom to the next level.

Ace Rothstein-esque

Sure, you're a fan, but you've got an eye for teams, coaches, and schemes. Maybe you played the sport you're betting on, but it doesn't matter because you have a feel for how athletes work. You look for hot streaks to ride and know when it's time to hop off. You know why the center is the most important position on the football field, and that on-base percentage is superior to batting average in terms of offensive baseball stats.

In the classical sense, you're a handicapper. You're an equal opportunity bettor, ready to lay a wager on a winning proposition regardless of the sports. You know the numbers pretty well, but you don't get caught up in whether a team's YPP is superior because handicappers evaluate teams and players on a qualitative basis first. You go by feel and look, and you're in tune with how situations and match-ups lead to betting advantages.

Success is possible as a pure fundamental handicapper, but just understand that you'll have to be better than Joe Sixpack and the rest of the general public when you go to the betting window, and that can be harder than you think, especially for the most popular betting sports like NFL football.

WARNING

Knock yourself out, Ace. It's always possible that your feel for the game is superior to the market's. It will be even more important for you to keep a good record of your betting history so you can prove that it's really true.

Data guru

In World War II, the generals called people like you *boffins*, which are people engaging in arcane scientific pursuits. But instead of inventing radar or the atomic bomb, you're going to find statistical angles on sports that nobody has thought of.

You're stats oriented; I daresay a stat-head. Did you watch the game? Some of it; at least the highlights. But the box score is far more important to you. You know the WHIP, FIP, and ERA+ for most pitchers in the league, and you're not afraid to deploy standard deviation and ANOVA.

As a bettor, your plan is to deploy numbers to your advantage. I'm guessing you already know Excel inside and out. The topics that will interest you in this book are the discussion of power ratings and technical analysis.

There's lots of good news for data-oriented bettors. Profitable angles are out there, and the proliferation and availability of data online makes your life easier. What's more, there's a growing literature out there for using mountains of data to find advantages, including Andrew Mack's excellent *Statistical Sports Models in Excel.*

WARNING

Now here's the bad news: Oddsmakers are now data-driven too. They employ their own boffins, who toil away in bookmakers' back rooms to identify the most important and predictive statistics. I'll talk in later chapters in detail about how odds are made, but it starts with a data-driven power rating for each team.

Spread shredder

Sure, you're willing to put time in on handicapping teams qualitatively and quantitatively, and that will get you some good days and some bad days. But if you're willing to put time into seeking out and betting on tiny edges, and repeating it over and over, you'll be flying in the rarified air of professional sports bettors. They lie in wait for situations where the expected return from their wager is slightly positive, and not only are they willing to pounce, they have the discipline to manage their bankroll to their advantages, and they maintain multiple options for placing bets: either accounts offshore, private bookmakers, or, if necessary, casinos. And they do it all without drawing attention to themselves by bookmakers who would limit their action.

If you're familiar with the world of professional poker, you know that winning players are able to evaluate risk and reward on the spot. They make only smart bets, knowing that sometimes the smart bets lose and the not-so-smart bets win. In the long run, they're comfortable that if they make enough wagers with a positive expected outcome, they'll come out ahead.

Professional sports bettors have similar characteristics: They're coupon clippers; they are grinders. If you have the time and discipline to invest yourself in the craft, your recognition skills will improve, and you'll eek out more and more long-term profit. To do this means moving beyond sports betting for fun and entertainment; it has to be a job that you commit to. Very few gamblers have what it takes to reach this level and have a long stay. If you're able to do it, I salute you.

A little of everything

When you start betting on sports, your eyes will be opened to a variety of prediction and betting techniques that all seem like they can put you on the road to profit. My recommendation is to take bits and pieces from each of the approaches I just covered. Each has its own costs, risks, and rewards.

But deciding early on how you want to approach sports betting can help set your expectations and focus your time and efforts. Chances are, you have natural inclinations one way or the other, so go with it. Put your time in and see where it takes you.

The Legal Landscape of Sports Betting

The laws surrounding sports gambling are a knotted web. In this section, I'll make an attempt to untangle it for you. Gambling on sports is as ubiquitous as the law is gray, and many states have laws overlapping and sometimes contradicting federal laws.

I'm not a lawyer but . . .

If you're taking legal advice from a paperback book that's referring to you (affectionately) as a "Dummy," you *might* consider getting a second opinion, so allow me to say this very clearly:

WARNING

Don't break the law. If you read anything in this book that you're construing as an encouragement to break local, state, federal, or international civil or criminal statues, you've misinterpreted it.

Federal laws

The good news for casual bettors is that state and federal laws have a host of anti-gambling statues, but they're aimed at people and entities booking bets rather than those placing bets. If history is any guide, the chances of you, as a bettor, getting into legal hot water for placing a bet is virtually zero.

The federal government has effectively restricted sports betting through a series of statutes with a variety of purposes and side effects:

- **The Organized Crime Control Act of 1955** was based on fears of mafia-led bookmaking businesses. The Ike-era law said any entity that took in $2,000 in gambling revenue or more and involved five or more people was illegal. You'd be hard pressed to find a bookmaker that can survive on four clients or less.
- Bobby Kennedy's war on organized crime put more restrictions on sports betting with **The Wire Act of 1961,** a broadly worded law whose aim was to starve the Sicilian beast from its sports and horse-racing revenue, which were heavily reliant on (federally regulated) interstate and international telecommunications lines. Contrary to popular belief, the original intent wasn't to make it illegal for the average Joe Kennedy to place a sports bet. In fact, its purpose was to give state and local authorities an easy excuse *for them* to pursue and disrupt betting outfits. Because making the act of placing a bet would run up against free speech issues, The Wire Act and other Kennedy-era laws criminalized activities that were related to running a bookmaking business, not on placing bets. (It's as if Congress wanted to make fishing illegal by outlawing standing next to water for more than a few minutes at a time.)
- The *coup de grace* for sports gambling was **The Bradley Act,** also known as **The Professional and Amateur Sports Protection Act (PASPA) of 1992,** which was passed in the wake of some unseemly sports scandals that saw college athletes shaving points and altering outcomes of games for a few six packs of beer. The PASPA explicitly prohibited any form of sports gambling operation, but in particular set out to take on states who wanted to turn sports betting into a source of tax revenue via lottery-like contests and sweepstakes. (If you're wondering, Nevada got an exemption. Their legislators ensured the casinos could continue to book bets to their shareholders' delight.)
- If you remember the online poker craze of the early 21st century, you might remember how it died at the hands of **The 2006 Unlawful Internet Gambling Enforcement Act,** or **UIGEA.** (I dare you to try and pronounce it.) Anti-gaming zealots in Congress stealthily attached a clumsily worded rider to an unrelated anti-terrorism bill that passed virtually unnoticed by most legislators. This law made it illegal for U.S. banks to transact with known offshore casinos and bookmakers. Millions of Americans had been quietly

enjoying a peaceful activity in the privacy of their own homes, so the federal government did what came naturally: It passed a law that made it much harder to do. As was the case with earlier laws, the 2002 law did not make it illegal to play poker or place a wager online; it just made it much more difficult. Suddenly you couldn't simply put a deposit in your PartyPoker account with your Discover card. This restriction was enforced in a blanket way, affecting the various offshore bookmakers that had popped up in the early days of the internet. Many offshore casinos stopped doing business with American citizens as a preventative measure, and the poker boom was over.

REMEMBER

While federal laws have made running a sports betting business illegal and impossible in every state except Nevada, none of the above laws made it, or make it, a federal crime for an individual American citizen to place a wager on the outcome of a sporting event.

The Supreme Court to the rescue

In May 2018, the Supreme Court of the United States voted 6 to 3 to overturn the PASPA. (I urge you to offer a quiet word of thanks in honor of your favorite Supreme Court Justice who voted in favor of this decision every time you place a bet.)

The effect of the decision was to let states decide for themselves whether, and in what form, to allow sports betting. And dozens of states have jumped at the chance. In anticipation of this outcome, there were over 40 bills making their way through various state legislatures as of the day the ruling came down from the high court!

State laws

That brings us to 2020.

The state you're in (as in "Iowa" or "New Jersey," not as in "shock" or "nonplussed") defines the availability of sports bets to its residents and guests. We'd need a lot more pages to describe the ins and outs of every state's attitude toward gambling. Some don't bother with any laws at all. Others, like Washington (the state, not the district) actually has a law that forbids people from placing bets online.

The laws are manifold and variegated, but they can be summed up in the Table 1-3.

TABLE 1-3 State Laws on Sports Betting

STATE	STATUS	ONLINE BETTING ALLOWED?	NOTES
Alabama	No significant legislative action in progress		
Arizona			DFS = Illegal
Arkansas	Operational	Unclear	
Colorado	Awaiting governor action		
Connecticut	Almost there!		
Delaware	Operational	Approved	
District of Columbia	Lottery parlays only	Not approved	
Florida	No significant action		
Georgia	No significant action		
Hawaii			DFS = Illegal
Idaho			DFS = Illegal
Illinois	Approved	Approved	Trial period only; no betting on Illinois collegiate teams
Indiana	Approved	Approved	
Iowa	Approved	Approved	
Louisiana	No significant action		
Maine	Governor's veto was recently overridden; sports betting is on the way!		
Mississippi	Operational	Not approved	
Montana	Approved	Approved	Run by state lottery; DFS = Illegal
Nevada	Operational	Operational	
New Hampshire	Approved	Approved	
New Jersey	Operational	Operational	
New Mexico	Tribal casinos	Not approved	

STATE	STATUS	ONLINE BETTING ALLOWED?	NOTES
New York	Operational	Under consideration	
North Carolina	Tribal casinos	Not approved	
Oregon	Operational	Available via state-lottery-sponsored app	No betting on college sports
Pennsylvania	Operational	Operational	
Rhode Island	Operational	Approved	
Tennessee	Not approved	Approved	No college prop bets
Vermont	Legislative commission created		
Washington			DFS = Illegal
West Virginia	Operational	Approved	
Wyoming	No significant action		Charitable pari-mutuel wagering allowed

NO PURCHASE REQUIRED

Have you ever wondered why contests and promotional giveaways often get advertised with the statement "No Purchase Required"? That seems strange, doesn't it? The whole point of the giveaway is to get me to buy a magazine subscription or tickets to the opera, right?

The reason "No Purchase Required" appears is because of a legal concept called *consideration,* which is part of the legal definition of gambling. The law says for an activity to be considered gambling, both sides must have consideration; that is, they both put something of value on the line. If a purchase were required to win a drawing or sweepstakes, many states would classify that as a gambling activity. If you're not required to spend money for a chance, we can all pretend we're not gambling by the letter of the law. Prize-filled sweepstakes? Not gambling. Freemium apps on your phone? Not gambling. Customer loyalty contests that you can translate to real merchandise? Not gambling. Life insurance? Not gambling. (Okay, maybe that last one doesn't count.)

Sports betting and organized crime

When I was a kid, I thought racketeering was a tennis strategy.

Most people remember the basic contours of the Black Sox scandal, and a few know the names Art Schlichter or Tim Donaghy, both of whom used their position in their sport (Schlichter as an NFL quarterback; Donaghy as an NBA referee) to change the outcome of games on behalf of gamblers. You might also remember the Tulane point-shaving scandal from the late 20th century.

There is a natural fear that sports betting invites the nefarious influence of organized crime into the pristine territory of professional and amateur sports. After all, people like to gamble, and it is inarguable that organized crime finds its way into society where human wants and needs fall on the wrong side of the law and/or what society deems acceptable.

But if the Prohibition era offers any lessons, it's that passing laws against things that people want doesn't make people want that thing any less. Americans' demand for alcohol did not change by passage of the Volstead Act. Nor did Americans' taste for gambling disappear with various state and federal statutes.

The reality is that illegal bookmakers, whether small and independent or large and connected with friends of Tony Soprano, operate to make money. And while a quick buck can be made by influencing the outcome of games, in the long run, bookmakers prefer the consistent, reliable income provided by the *vig.*

REMEMBER

I already mentioned the 4 to 5 percent commission charged by the bookmakers. It has a cooler name than "commission": It's called the *vig,* or vigorish. Sometimes it's known as *juice,* and it's effectively a service charge collected by bookmakers.

When gray-market betting standards began to stabilize between the World Wars, bookmakers quickly came to understand that game-fixing and scandal would keep bettors at home. It's that simple: If betting customers suspect that games are fixed, they won't bet.

In this way, perhaps counterintuitively, sports betting, even if associated with criminal organizations, drives demand for games that are at least perceived to be fair by the betting public. There are other factors at work as well:

- Athletes are paid well and are thus harder to influence.
- Athletes and games are under greater scrutiny for odd behavior and outcomes.
- Technology makes it easier to spot iffy betting patterns.
- Betting houses limit wagering amounts on sports at risk for corruption.

I'm not telling you every contest is on the up-and-up, but if you think the fix is always in, you're mistaken.

What Can't I Bet On?

The sports betting universe is vast and varicolored. To start with, it's legal in scores of countries, in one form or another, with each country mixing in its own tastes and traditions. Rules and processes can differ across borders, and even from venues next door to each other. The internet, now in its full adulthood, is driving changes and advances in the market every day.

That means with offshore bookmakers, you'll be able to find one with nearly every level of professional sports. NBA bettors can bet on Summer League basketball. Tennis bettors can even bet on Challenger events (the equivalent of the minor leagues). And there are international sports galore. In Appendix B, I list the biggest online sports books and the range of bets they offer and specialize in.

Bookmakers are in business to take bets. If there's an event on the field of play with an unknown outcome, it's in their interest to find a way to take bets on it. State by state, the rules will vary, and some states are sensitive about taking bets on amateur sports like college football. When Nevada was the only legally sanctioned betting locale, there were strict betting limits on local teams (like the UNLV Runnin' Rebels). Today, the Nevada Gaming Commission keeps a very tight control on what bets are on offer, and they work to ensure fair markets and protection against corruption influences are in place before they tell bookmakers they can accept bets. But with all the competitive pressure, Nevada's menu is expanding ever faster. (For example, in 2019, you were able to vote on the Heisman Trophy winner for the first time.)

Setting Some Goals (and Limits)

In upcoming chapters, I talk about betting strategies and how to size your bets. To start with, you'll need to establish your *bankroll.*

REMEMBER

A bankroll is your pool of wagering money. It's a loose term that some people apply to the amount they allow themselves to bet when on a gambling trip with buddies. A bankroll is really two discrete pieces of information:

- How much *money* you're comfortable losing
- How much *time* you're comfortable losing it in before you add to your bankroll from other sources

If you don't set an amount, you're sunk. If you set an amount but adjust it once per week after you've emptied your piggy bank, you're sunk. This is realism, not pessimism, and when you place bets on sports with real money, only one thing is certain: Bookmakers always win; gamblers don't.

So think worst-case scenario where you can lose every bet over a time period of a week or a month (or maybe a pay period) and still meet your obligations in life. (Do I really have to tell you this? It feels patronizing, but it's the truth.) After a certain amount of time has passed in your betting career, you can reassess your bankroll and decide if it's still the right amount for you.

WARNING

Figure out your bankroll and stick to it. Tell a friend or write it on your hand in permanent ink — whatever it takes. Gambling as a hobby is fun and entertaining. As you learn more, you hope it will become profitable as well. But as you no doubt know, gambling has its dark side, and we need to talk about it.

This Is Your Brain on Gambling

What you'll read in these pages is about betting on individual games, sometimes even on individual plays or parts of games. And what I hope to convince you of is that the path to success relies on developing theories, finding small advantages, and *repeating those advantages over and over.*

That could be a problem, because for some people, repetitive actions like betting contribute to what the American Psychiatric Association defines as an *impulse control disorder,* a broad category of conditions related to things like biting your nails and pyromania.

(By the way, do you know how a crooked soccer team is like a pyromaniac? They both like to throw matches.) Yes, you're right: That was uncalled for. This is a serious subject, and I apologize to all pyromaniacs (and crooked soccer teams). Okay, time to be serious again.

There are millions of people in this country and throughout the world who are able to gamble as a pastime and not let it take control of their lives. Besides, can you really get "addicted" to gambling? Unfortunately, the answer seems to be yes. According to the American Psychiatric Association, 1 percent of the population suffers from a serious gambling *disorder.* Addiction, disorder, potato, po-tah-to.

Ferris Jabr wrote in a 2013 *Scientific American* article that psychiatric professionals are broadening their definition of addiction beyond the more common concepts of physical dependence on chemicals that we all know so well. Addiction, they say, can now include *any* activity that disrupts the normal risk and reward response workings of the brain. And here's the fascinating part about gambling: It's *not* the winning or losing per se that gets you into trouble; it's the time between placing a bet and the bet resolving that causes your brain scan to light up like a Christmas tree. It's the seconds when the slot machine reels spin, or the moment when your cards are dealt but you haven't looked at them yet. Or it might be the first pitch of a ballgame you have a big bet on. In this span of time, your brain sends little "thumbs up" circuits to itself. Over time your, brain rewires itself to require bigger and more enthusiastic thumbs ups for the same response.

Let's get one thing straight: This effect is an elemental force in our brains. Addiction-related compulsion is not an indicator of a character flaw; it doesn't mean you're "weak"; and it's certainly not something you can overcome through sheer willpower. That's because an addict's brain literally overwrites the normal checks-and-balances pathways in your brain that exist to keep you on the straight and narrow with new circuitry focused exclusively with a desire to do *that thing* — whatever it is. Instead of your brain commanding you to do common-sense things like "protect your children" and "don't poke yourself in the eye with a toothpick," it starts acting irrationally and whispering things in your ear like "You know, it's technically not *embezzlement* if my boss doesn't find out." Before you know it, you've maxed out your credit cards for that long-shot bet that the Washington Generals will finally beat the Harlem Globetrotters.

And worst of all, *it might be bad for you and you might not even know it.*

And before you ask, yes, it's different from playing fantasy football in many ways. For starters, you're chances of landing in the money are low (especially the way *you* draft). It's also normally a zero-sum affair where there's no commission being charged. Finally, the outcome happens in slow motion. Unfortunately, the path to sports betting success relies to some degree on the thing that makes it dangerous: repetition. You want to find small edges and bet them over and over, and you get paid in adrenaline in a way fantasy football never could.

The basic definition of a gambling disorder is that you continue to do it in spite of harmful consequences in other parts of your life. If you have millions in the bank but you're squandering small amounts of it through bets, it's entirely possible that gambling hasn't caused you any immediate harm, but that doesn't mean there's not a problem.

Here's a handy list of questions to ponder before you go any further, and you should revisit them periodically throughout your sports betting career:

- Is gambling your only recreational activity?
- Have there been multi-week periods where you're trying to think of ways to acquire money to gamble with?

- Do you often exceed your gambling budget for a given time period (for example, a month or a pay period)?
- Have you ever lied to someone important to you (a spouse, a parent, a sibling) about how much you gamble?
- Has gambling ever cause serious, long-lasting problems with your family members or friends?
- Has gambling ever interrupted or caused problems in your professional or academic life?
- Have you ever felt the need to bet increasing amounts of money to maintain a set “level of excitement”?
- Have you ever taken a long-term loan on money with the express purpose of using it to gamble?
- Have you ever written a bad check or stolen money in order to gamble?
- Has gambling ever caused you to be late on payments of your primary bills (mortgage, car, health insurance)?
- When you aren’t gambling, do you feel restless or irritable?
- Have you ever tried and failed to stop, cut down, or control your gambling hobby?
- Do you ever gamble to relieve feelings of guilt, anxiety, helplessness, or depression?
- Have you spent the last year talking to people about gambling and/or writing a book with a black and yellow cover that tries to convince other people that they should do more sports betting?

Uh oh, I think my wife threw in that last question. Skip that one.

So considering all the other questions, if you answer yes to more than a handful of them, I would urge you to consult a professional to see if gambling is in fact a hobby you should avoid.

TIP

Fortunately, there are resources available to people who might be on that slippery slope. Start by calling 1-800-522-4700 for a confidential evaluation. Or check out the resources at `ncpgambling.org`.

If you think you might be a problem gambler, please burn this book and forget everything you’ve read so far. Maybe you have a pyromaniac friend who could help you out.