Progression Betting

With horse betting, or any kind of betting, anything other than flat betting is in fact a kind of progression . . . but the subject in this article is (as it should be) a bit controversial: Raising bets after losses.

"Gamblers Ruin" is a term (not quite as scary as it sounds) used to denote a loss of betting bankroll. Though that is something that should be avoided at all cost - it really isn't actually the 'ruin' of the horse bettor - but it will put him out of the game until a new betting bankroll has been scraped together.

The surest way to Gamblers Ruin is the infamous "Martingale" method of doubling up after each loss. A gambler sticking to one of the even money bets in - say Roulette - will only be operating at about a 1.5 percent disadvantage. If that player has a huge bankroll and starts with a minimum bet, he might be able to make a true Martingale betting method work for days, weeks, even months - who knows?

Sooner or later, however, a vicious and prolonged losing streak will come along which will take the gambler past his ability to make the next bet - either because his bankroll has been severely depleted, or because he doesn't have the nerve to make the next bet.

Example: Say his minimum starting bet is $5.00 - and he encounters a losing streak of 15 in a row. Here are the required bets for doubling up on each loss:

5 - 10 - 20 - 40 -80 - 160 - 320 - 640 - 1280 - 2560 - 5120 - 10,240 - 20,480 - 40,960 - 81,920

. . . and bet number 16 would call for $163,840 - just to get back his original $5.00 bet and end up with a paltry $5.00 in profit!!

The insanity of it is obvious.

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In horse race betting, an extended losing streak of 15 races is not that rare for win-betting - particularly if you're going after higher paying horses.

Now, if you played only select 4-5, 1-1, and 6-5 types to approximate the even money roulette bets, a 15 race streak might never happen. Even a 10 race losing streak would be extremely rare - but, my gosh, after chasing a 10 race losing streak down while doubling up just to get back a little profit on your original bet?

Your ROI would be pitiful!

A player could, however, scale way back from the 'doubling up' betting mode. Variations on the following have been put forth before - the idea is this:

Find a horse bet that has a good winning percentage - say 35% or higher. Flat bet it until an average length losing streak has been encountered - say 5 races - and only then start the betting progression. You then run the progression until you have 'cleared' the series - i.e. recovered losses and gained a profit.

But those visions keep coming back - of the Martingale maniac sweating blood as he steps up to make his next 'bridge jumper' sized bet - trying only to just GET BACK TO EVEN!

As a safety factor, a winning (hit / strike rate) percentage that exceeds 40% (even 50%) is better. You should feel confident that this percentage is solid before undertaking the kind of progression outlined below.

That pretty much limits the approach to place, and show betting.

Let's say you have a good handicapping method that hits 32% winners at an average $7.60 mutuel. You're carrying a great ROI of around +21%.

That same horse betting might be expected to hit win or place (pay to place) about 60% of the time. The place bet would pay maybe $3.80 on average. Here your ROI would be figured this way: 60 winning bets in 100 pay you $3.80 - so $228 returned on $200 bet = +14% ROI.

No great bragging rights there - but a bettor could apply a progression that would likely pump up that ROI enough that he could grind out a pretty good horse race betting income - if he cared to do so . . .

Here's how:

Let's assume that with a 60% winning race average, losing streaks of 2 and 3 would be fairly common - streaks of 4 and 5 would occur only occasionally - and losing streaks of 6 or more would be rare.

The race bettor would start his progression only after 3 consecutive losses had been incurred. Then, it would be very unlikely that he would encounter another 4 losses in succession (i.e. 7 straight losses).

Since most wins (recoveries in the betting progression) will happen soon after starting the progression series - we can escalate our bet series rapidly at first, and begin to taper back only after we know we're in one of those "blue moon" losing streaks of more than 8 races - if that occurs.

This could be the betting progression that would begin after the third loss:

2 units, 4 units, 6 units, 8 units, 9 units, 10 units, 11units, 12 units.

- When you hit the second payoff anywhere in the series - you drop back one.

- Then you drop back one on each win.

- If you miss again before "clearing" the series - you start back up the series from that point.

When you "clear" the series - that is you are profitable by a minimum of three units (the accumulated loss at the point when the series began), you go back to one unit betting.

The following is an example place bet series:

Lets assume a base betting unit of $20.00

Bet #1 = 1 unit / win pays $3.60

Bet #2 = 1 unit / win pays $4.20

Bet #3 = 1 unit / loss

Bet #4 = 1 unit / loss (remember we are flat betting until 3 losses in a row)

Bet #5 = 1 unit / loss

Bet #6 = 2 units / loss (progression has begun here)

Bet #7 = 4 units / win pays $3.00

Bet #8 = 6 units / win pays $3.00

Bet #9 = 4 units / win pays $3.80

Bet #10 = 1 unit / win pays $5.00

This is 6 wins in 10 plays , 60%, which is our projection. The average payoff was $3.76 - which is slightly below the $3.80 projection.

Flat betting - that series would have had this outcome:

- 10 x $20.00 = $200.00 total race bets

- back out were returns of: $36.00, $42.00, $30.00, $30.00, $38.00 and $50 for a total of $226.00

- a net of $26.00

- ROI = +13%

With the progression applied, results were:

- bet 23 units = $460.00 total race bets

- back out were returns of: $36.00, $42.00, $120.00, $180.00, $152.00 and $50 for a total of $580.00

- a net of $120.00

- ROI = + 26%

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You might ask, "Why play this place progression and put more of my bankroll at risk when I could just play the horses to win - flat bet a little more and rake in a consistent +21% ROI?"

Good question.

We're not particularly recommending this method of play - it is riskier. Only a few of you might be tempted to give it a whirl.

If the bet series ran out in a "blue moon" negative streak, the player would stand to lose:

- 2 units, 4 units, 6 units,8 units, 9 units, 10 units, 11units, 12 units - or 62 units. At $20.00 this would be $1,240.00

For that increased risk, the horse race bettor would likely get a solid increase in bottom line ROI long-term (it happened to double in the example given above) - and he would spread money into the place pool - thus helping protect his win mutuels from the effect of his own wagers.

This would then also be another addition to the "portfolio."

 Again - running this kind of horse betting progression carries a higher risk - we don't recommend it for everyone.

For those of you who might be interested - the caveat is:

You must be very sure of the consistency of your horse betting hit percentage. This kind of confidence is misplaced if you don't have actual betting results for say, at least, say - three hundred races!

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