

Base Bet Plus Square Root

This horse race betting method has been around for about 20 years, maybe longer, and was popularized by James Selvidge.

For an in-depth study of the approach, see his book - "Money Management" published by Jacada Publications (I don't know if it's still available).

The betting method can easily be tested in real-time with a small bankroll. Selvidge recommended the base bet be only \$1.00 (with multiple "flows" going on simultaneously), but you can use \$2.00 or whatever base amount you want.

BB+SR is good for the small bettor. It is a conservative race betting approach that allows a steady rise during an average winning series, yet protects hard-earned bankroll profits when a losing streak is encountered after good profits have been accumulated in that series (this quite unlike Kelly and some other methods).

Why not just flat bet? This is a better question than it might at first appear to be. Complex money management formulas often end up with a lower ROI on a series of wagers than just flat betting would have done. The thing is, [you need to look at the combination of ROI and total profits gained](#). Using a flat bet of \$2.00, or \$20.00 or whatever - through a long series of bets, may very well earn a higher ROI, yet while gaining far fewer profit dollars than another money management method (because you bets are not escalating as you gain profits).

The BB+SR horse race betting method in a nutshell: Your next bet is \$2.00 (or whatever base bet you choose) plus the square root of any accumulated profits. No profits? Then the next bet is the base bet amount only. (you'll need a cheepo calculator with Square Root function)

This horse racing betting method needs "doing" before it becomes clear, so lets do a sample.

The series of bets below were from [Horse Racing Gold](#) "Daily Best Bets." These were all the bets for the days listed where the Best Bet horse went off at 3/1 or higher. These are consecutive days and races. This is a very good series. I could have chosen, of course, other days that would have been either better or worse.

Key: bb = base bet, sr = square root, p/l = profit or loss (race and total)

date	win	pla	sho	bb	sr	tot bet	pay	p/l	series p/l
8/24/03				2		2	x	-2	-2
8/24/03				2		2	x	-2	-4
8/24/03				2		2	x	-2	-6
8/24/03				2		2	x	-2	-8
8/24/03				2		2	x	-2	-10
8/24/03	11.2	5.8	3.6	2		2	11.2	9.2	-0.8

8/27/03	11	4.8	3.4	2		2	11	9	8.8
8/27/03	8.6	3.9	3.6	2	3	5	8.6	16.5	25.3
8/27/03		4.6	3.7	2	5	7	x	-7	18.3
8/27/03		4.4	3.5	2	4	6	x	-6	12.3
8/28/03				2	4	6	x	-6	6.3
8/28/03				2	3	5	x	-5	1.3
8/29/03	12.8	5.6	4.1	2	1	3	12.8	16.2	17.5
8/29/03				2	4	6	x	-6	11.5
8/29/03	13	6.8	4	2	3	5	13	27.5	39
8/30/03	8.9	4.6	3.7	2	6	8	8.9	27.6	66.6
8/30/03	11.6	7.2	4.2	2	8	10	11.6	48	114.6
8/31/03				2	11	13	x	-13	111.6
9/1/03	8.6	4.8	3.6	2	11	13	8.6	42.9	154.5
9/4/03	11.6	3.8	2.6	2	12	14	11.6	67.2	221.7
9/5/03				2	15	17	x	-17	204.7
9/6/03				2	14	16	x	-16	188.7
9/6/03				2	14	16	x	-16	172.7
9/7/03			4.3	2	13	15	x	-15	157.7
9/7/03	9.4	5.6	3.6	2	13	15	9.4	55.5	213.2
9/7/03	9.4	4.4	3	2	15	17	9.4	62.9	276.1

flat \$ in	52					BB+SR	211		
flat \$ out	116.1	+\$64.10				487.1	+\$276.10		
flat ROI	2.232	+123%				2.308	+131%		

As always - You need to test this approach on your reality - on your own historical handicapping and betting records.