

Computer Handicapping – “Money Management Rules”... Yes It Does!!!

By Joe Mainardi

It only seems like it's been forever since I last contributed something potentially meaningful to these fine pages. In actuality, my last one was in January, and I can only tell you that I wish I had found the time to write in more often. The honest truth is that I've been so busy with the development of the Professional version of Hor\$ense for Windows (Hor\$ense Pro, for short), that time just flew by. I was in full “head-down programmer” mode until mid-June, and I figuratively collapsed until just last week. What I did during that time was do some heavy-duty wagering, and this gave me the perfect opportunity to revisit the “dark side” of handicapping... also known as money management. So, if you can handle the truth, let's dig in.

In January, I recommended that you make this the year that you finally keep detailed wagering records. *So, how did you do???* Well, for those of you that took care of this tedious side of the job, you're probably glad that you did. Here's my own personal story on why it's worth every painstaking moment... and I hope that it convinces you to do the same.

When I started keeping wagering records in January of 2001, I knew that I needed to know at least the bare minimum about the races I was playing. So, being somewhat lazy – okay, very lazy – I asked myself what I thought would be the minimum **race** information that I could live with. Just a word of warning here: start with too much information, and then weed out the garbage after you get to your first checkpoint. So, I picked all kinds of items, from the age restrictions of the race to the racing surface, and later on I'll tell you what works for me. But I'm not done yet – I never am – and I thought that knowing something about what I won with and what beat me would be valuable as well. More on this subject later, as well.

I dutifully kept records on all of these factors and, once I had built up a solid sample set (150 wagers), I was ready find ways to improve. Just before heading to Vegas for Memorial Day weekend in 2004, I ran my analysis, and I was surprised at what I discovered. First, and I know that this will be very hard to believe, I found no strong correlation between what was winning and what was losing money. For every group of races where my winners had fast times, there was not only an equal number of times where speed wasn't a factor, but an equal measure of horses that beat me where the fastest horse did (or didn't) win. It was like that with each facet. So, I stopped collecting horse information and focused on race information. THIS is where the “rubber meets the road”!!!

I distilled all of the race information, and it came down to five main factors: [1] the age/sex combination (ex., fillies & mares, 3 years-old and up), [2] the distance of the race (sprints vs. routes only), [3] the racing surface, [4] the type of the race (stakes, allowance, etc.) and [5] the value of the race (substituting claiming value for all claiming type races, and using the “graded” number instead of purse value). In addition, I used the Hor\$ense “pass/play” recommendation; you can use whatever else tells you in your gut that you should pass on the race.

Okay, so far I've only told you how I got to where I needed to be. You want to know what difference that it made... right? Right??? I thought so!!! Well, before I tell you what it was that worked, let me tell you what has happened. Until that fateful day in May of 2004, I was winning at 22% but had a -13% ROI (an approximate \$300 loss) over 41 months. After “making my move”, I'm now winning at 23.5% and I now have an ROI of +28% (an approximate \$800 profit) in just 15 months!!! Now, do I have your attention??? I kinda though so...

I should make you do your own work, so consider this a kick-start. Here are MY four wagering filters, but you really need to figure out what works (or doesn't work) for you: [1] lay off the cheap stuff (nothing less than \$20k claimers and allowance races) AND the graded stakes (what?... well, I was 4-for-34... any other questions?), [2] stay away from odds that are “too low” (my lower limit is 5/2, but sometimes they go below that after the gates open), [3] dirt-routes (no kidding... not including those races eliminated by #1 and #2 above, I was still only a paltry 2-for-17), and [4] those races where your gut tells you to back off (wow, what a surprise there, huh?).

What does all of this mean? Well, if you take my entire wagering history since January 2001, bets that were the basis of my four “golden rules” are winning at a 25% clip, with an ROI of 47%. On the other hand, those that are listed as the “stay away” races are only winning at a 21% level, with a stinky -36% ROI. I don't know about you, but I know that I'll always keep detailed records. It would serve you well to do the same!!!