

How The Game Has Changed (Part I)

By Barry Meadow

Let's look at some of the changes in the game over the last few decades—and how they impact you. This month, we'll look at some of the reasons why it may be more difficult to win these days; next month, we'll look at some of the positive changes in the game for players.

Computer handicapping programs entered the mainstream in the late 1980's, and have gotten ever more sophisticated. And the availability of cheap downloads of every past performance in the country has enabled dedicated database researchers to run ever more complex queries on more and more data, looking for patterns and relationships that a human brain may miss. While plenty of players remain mired in the pen-and-paper past, or rely on outdated handicapping maxims, most of today's most successful players use computers to find out what really counts.

As a sad result, factors which once may have been profitable have now turned out to be not so. Let's look at some fascinating research published by Ken Massa of HTR. One of the software's outputs is Fraction 1 Velocity—the result of an algorithm that attempts to measure which horse will be in front at the first call. Calculating this number for tens of thousands of races each year landed these results:

Year	Win%	ROI
2000	19%	1.01
2010	18%	0.87

The rating is chugging along with virtually the same win percentage, but look at how the ROI has fallen. Massa found similarly unhappy results using Quirin Speed Points. The top-ranked QSP horses have a strong impact value (an I.V. of at least 1.36 for any horse with at least six Quirin Speed Points), but the prices have fallen off the cliff, with no group of six, seven, or eight points (the highest QSP-rated horses) showing

an ROI exceeding 0.80.

More evidence of falling prices: Back in the 1980's, when I wrote *Money Secrets At The Racetrack*, the post-time favorite lost half the track take. Those days are long gone. These days, favorites lose the full track take, and that take has gone higher in a number of places. The strategy of concentrating on "further selected favorites"—horses that are favored that have some positive traits and no or few negative traits to increase the ROI—seems a waste of time when it's unlikely to move your win ROI from \$0.82 to \$1.01 (although you can still key such favorites in bets such as trifectas or pick 4's if you can combine them with price horses).

Such handicapping standbys as speed figures, earnings-per-start, early speed, and leading trainers and jockeys show similarly disappointing results. Decades ago, some of this information was tracked by a relatively small number of players; now, it's available to all, right there in the program or a computer printout. If a trainer ships from Nowhere Downs to Saratoga, everybody already knows about him. If a horse had trouble last time out at Arlington Park, fans from Gulfstream to Santa Anita probably witnessed it either on television or via the Internet.

Ah, the Internet. So much information is available these days—from free post stats at Charles Town to professional workout reports from Del Mar—that anybody who plays without this info probably isn't trying very hard. In the old days, to study the results you'd cut out charts from the newspapers (remember that black-and-white thing you used to read?) or save a pile of Forms; nowadays, you can get all that from the Internet with a fraction of the effort. Diligent old-school players have now been replaced by the computer guys, who have just as much information.

Or by the television DVR users. TVG began broadcasting in 1999, followed later by HRTV, and now cable viewers (i.e., almost anybody) can watch (and record) races from many tracks. An even more thorough service, RTN, offers live feeds from every track in the country for only \$50 a month. No longer do you need to attend the track, or even a simulcast facility, to see what's happening. These days, your competition may reside anywhere.

Artificial surfaces—each one different from the next--have come and gone in recent years, adding new layers of difficulty to handicapping. Of what value are past post

stats or horse-for-course records or energy profiles if the track formerly employed a different surface--a surface which maybe it rips out the next year?

The rise of takeouts (with one exception—low-takeout pick 5's at a number of tracks) has further hampered today's players. In 1946, it was a big story when New York raised its pari-mutuel takeout from 10% to 15%. Fifty years ago, in addition to New York, three of the largest racing states—Florida, Kentucky, and Maryland—offered takeouts not exceeding 15%, and breakage was a nickel. Today, the national blended takeout rate has drifted past 20%, with dime breakage the rule. It gets more difficult to win when you're giving up an extra dollar or two or more out of every \$100 you collect.

Then there are the changes in state tax laws of nine states in which you are assumed to have a net win of everything you've collected, with no regard for losing wagers. Thus if you hit signers totaling \$35,000, these states assume that you've won \$35,000 for the year, even if you've actually lost all that and more. So you're taxed through the pari-mutuels, then taxed again even when you lose.

In 2015, you have many fewer opportunities to hit those signers, too, as the number of races, and racing days, keeps dropping. Also sinking is the number of thoroughbreds being bred, despite the large number of state incentive programs and the increased purses at racinos.

And speaking of racinos, they have helped throw class rankings out of whack, since a cheapie at a racino can earn more than a decent horse at a track without slots. This is good for owners, but maybe not so good for players, who have yet to find a racino state that slashes the takeout. Good luck gauging a horse's condition at these places, since with purses so inflated, some trainers enter horses who can barely pass a physical.

The continuing drug wars—trainers and vets vs. stewards and labs—haven't done much to help handicappers, who suspect (probably rightly) that some of those 30% trainers have been pumping their horses full of questionable drugs. Handicappers can assume remarkable improvements from trainer switches, but how much—one length? Nine lengths? Players have little choice but to totally ignore form when a super trainer is the newly listed trainer.

Then there's the rise—and fall—of what might have been the greatest opportunity players have ever seen—the betting exchange. Betfair was launched in 2000, followed

by places such as ehorsex.com, ibetx.com, and tradebetx.com. At one time, all accepted wagers from U.S. players. I bet the exchanges nearly every day between 2003 and my retirement in 2011. But now, only betfair.com is still standing, and it doesn't take U.S. players. Exchange wagering was authorized in California (2010) and New Jersey (2011), but nothing's happened, mainly because horsemen fear they won't collect much from the exchanges. Right now, though, they're collecting nothing, so I guess they've gotten their wish.

Next month: Changes that have helped players