

Takeouts and their Effects

By Barry Meadow

Every bet has a cost, the takeout. It generally hovers between 15 and 25 percent, depending on the jurisdiction and the type of wager. As a rule, betting to win returns 2-6% more than wheeling the same horse in an exacta, and 4-8% better than pressing the key-to-all-to-all button in the trifecta.

Most tracks don't try very hard to inform their players of takeout rates. There might be a note in small print in the program, or on the track's website, but don't count on it. It's something like asking you to buy a car without telling you the price.

The following list shows the range of takeouts for all U.S. tracks:

	WPS	E	T/S/P	DD	P3/4/6	P5
Arizona	21	22	26	22	26	15
Arkansas	17	21	21	21	21	
California	15-17	23-24	24-25	20-24	24-25	14-25
Colorado	19	14	25	24	25	
Delaware	17	19	25	19	25	15
Florida	17	20-21	15-26	18-20	15-20	15-18
Illinois	17	21	25	21	15-25	15
Indiana	18	22	22	22	22	
Iowa	17	20	20-23	20	15-19	15
Kentucky	16-18	18-22	19-22	19-22	14-22	14-22
Louisiana	17	21	25	21	12-25	25
Maryland	18	21	26	21	15-26	12
Massachusetts	15	15	15	15	15	
Michigan	17	28	28	28	28	
Minnesota	15	18	18	18	18	18
Nebraska	18	20	25	20	20	20
New Jersey	17	19	25	19	15-25	15
New Mexico	19	22-25	25	22-25	25	
New York	16-18	19-20	25	19	15-25	15-25
Ohio	18	23	23	23	15-23	23
Oklahoma	18	21	24	21	24-25	
Oregon	18	21	22	21	14-22	15
Pennsylvania	17	20	25-31	20	23-26	25
Texas	18	21	25	12-25	12-25	12
Washington	16	22	22	22	22	22
West Virginia	17	19	22-25	19	22-25	25

WPS

win-place-show

<i>E</i>	<i>exactas</i>
<i>T/S</i>	<i>trifectas/superfectas/pentafectas</i>
<i>DD</i>	<i>daily double</i>
<i>P3/4/6</i>	<i>pick 3, pick 4, and pick 6</i>
<i>P5</i>	<i>pick 5</i>

*Numbers are rounded up (e.g, 22.50 is listed as 23).
When a range is listed, takeout varies with bet and track.*

Some states mandate specific takeout rates for all tracks within its borders. However, in other states, tracks may offer differing takeout rates for some bets. For instance, Del Mar offers its pick 5 for just 14%--while its upstate California neighbor, Golden Gate, charges 24% for the same bet. In Louisiana, Evangeline Downs charges 12% for its pick 3, while Delta Downs, Fairgrounds, and Louisiana Downs offer the bet with a 25% takeout.

Certainly, one factor in deciding where to place your money is the takeout rate at any particular track that interests you, along with specific pool rates. For instance, if you enjoy playing the pick 5 in Kentucky, your choices ranges from a 14% takeout at Kentucky Downs to 19% at Keeneland to 22% at Churchill Downs, Ellis Park and Turfway.

At any particular track, the rates often vary from one bet to another. You would think that a track that offers a low-takeout bet would trumpet this with the enthusiasm of a discount mattress store, but that's rarely the case.

For instance, here are the Maryland tracks' takeout rates, rounded off:

- Pick 3—26%
- Pick 4—26%
- Pick 5—12%

Now why would you play a pick 4 at Pimlico when the pick 5 offers the multiple-win exotic bet at half the cost?

And this from Kentucky's Turfway Park:

- Pick 3—22%
- Pick 4—14%
- Pick 5—22%

The plan here would be to skip the pick 3 and pick 5 and play only the pick 4.

If you're planning to attack a circuit, be aware of the varying takeouts. A method which might be successful in California (where the win takeout is 15.43%) might be a

loser in neighboring Arizona (where the win takeout is 21%). A call to your track's mutuels department should suffice, or check out *horseplayersassociation.org*.

While it may seem that only a few percent shouldn't matter much, it does—particularly as the amount of money you're betting increases. Check the annual losses for a typical player at two different rates (15% vs. 25%):

Amount Bet	15% Takeout	25% Takeout
\$ 2,000	\$ 300	\$ 500
\$ 20,000	\$ 3,000	\$ 5,000
\$200,000	\$30,000	\$ 50,000

Generally, you'll need to pass more races into a 20% takeout than into a 16% takeout, because a horse that would be 3-1 with the lower takeout might be just 5-2 with the higher takeout, and these add up. Take a look at a sample situation:

Pool size:	\$100,000
Bet on Horse A:	\$ 30,000
With 16% takeout:	\$ 5.60
With 20% takeout:	\$ 5.20

While this may not seem like much of a difference, over a long series of plays the payout differential can be costly.

The takeout shouldn't be your sole consideration in deciding which tracks and which pools to play. The takeout percentages need to be balanced against the ease of playing locally, the availability of getting information for distant tracks, the learning curve associated with playing a new circuit, and other factors.

But take the takeout seriously.

Takeouts are a tricky business, in that the takeout must be sufficient for the track to pay its expenses and purses, but not so high that players take their action elsewhere. And takeout fees go to other entities as well--breeders awards, workers' compensation funds, state commission administrative costs, off-track stabling locations, satellite expense funds, and much more.

Sometimes, state legislators and horsemen's groups foolishly believe that gamblers never notice the rising takeouts. But whether players do or don't notice the takeouts, it doesn't matter, because the drip-drip-drip of the takeout causes their bankrolls to shrink, which causes handle to shrink, which causes the entire game to shrink.

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