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by bill finley

WHY SLOTS PLAYERS ARE SMARTER THAN YOU THINK

Horseplayers tend to look down on slots players. We are the smart ones, using our brains to solve the complex puzzle that is a horse race. They, the slots bettors, are too stupid to think, and that's why they while away their hours mindlessly playing a game a trained chimpanzee could master in no time.

But maybe we have it all wrong. Are we, the horseplayers, actually the dumb ones?

I went to the harness races last week in Chester, Pa., to interview slots players on a day when there was live racing and to ask them why they so preferred the casino to the horses. Chester is typical of most "racinos." On this Wednesday afternoon, the casino area was thriving while about 100 people were watching the races. They race for good money at Chester, especially by harness racing standards, but the betting pools are anemic.

I never once bet on a horse during the Chester visit. Instead, I played various casino games while chatting with the patrons, asking them why they had no interest in playing the horses. The answers were just what you would have expected: the slots are more fun, the races are all fixed, I don't understand how to bet on the horses, etc. Some people just shrugged their shoulders.

I even experienced firsthand one of the reasons why people like slots over horses. You can bet very little and have some sort of chance of going home a big winner. I hit a slot machine for \$2,400 on a \$1 wager.

Winning that money had an awful lot to do with dumb luck, but at least I was playing a game where I had a fair chance. That wouldn't have been the case had I instead been betting on the trotters and pacers.

Bettors are no different than any other consumers. They are buying a product, in this case entertainment, excitement and the hope that they can win money. Whether it's a conscious decision or not, there is a certain price they are willing to pay for that product. It's no different than if they were buying peanut butter. I pay \$3.99 for a jar of peanut butter. If they raised the price to \$25 I would stop buying it and so would just about everybody else. The company would go out of business.

I started out by putting \$100 into a slot machine. I played for about 20 minutes before the big hit and my total never got below \$90.

Had I not hit it big and had I continued to play for another 20 minutes or so I probably would have lost about \$20. In other words, I would have spent \$20 for 40 minutes of entertainment, a reasonable price to pay. That's not something I would choose to do regularly, but it's easy to see why that appeals to so many people.

The reason why I could spend 40 minutes inside a casino and not necessarily go broke is because the takeout on the slot machines at Chester is 9%. Every time I put my dollar into the machine the expected loss was 9 cents. As is the case with the \$3.99 jar of peanut butter, it's a price most consumers are willing to pay. Had the takeout, or price of making a bet, been .75 cents per dollar, no one would pay it and the casino would go broke.

Had I been betting the horses I would have had a much different experience. The takeout on win, place and show bets at Chester is 17%, almost twice the price of making a bet on a slot machine. Had I been playing trifectas I would have been betting into a 30% takeout, more than three times the price of betting a slot machine. The takeout on superfectas is 32%. That's starting to sound like the \$25 jar of peanut butter.

The irony is that racing's marriage with casinos have provided the sport with its best opportunity yet to drastically cut the price of making bets. At places like Chester, as well as a handful of Thoroughbred tracks, the take from race horse wagering has become a tiny fraction of the amount that goes into purses and the coffers of track owners. You could cut takeout rates to 4 or 5% and quite possibly reinvent racing, creating a wildly popular and successful game that a gambler could actually beat. The worst thing that could happen is that the negligible amount of money now coming in from pari-mutuel bets would drop some. As long as the slots money keeps rolling in, it wouldn't matter one bit.

Until the unlikely event that that happens, horse racing continues to ask people to go against unreasonably high takeout rates that make it impossible to win. The only players that have so much as a prayer are the whales getting huge rebates.

Imagine if the takeout on a slot machine at Chester was the same as a superfecta, 32%. I never could have sat there for 20-odd minutes and lost only a few dollars. My money would have been sucked away by that machine in an instant. And I would have been playing in an empty casino.

So eager to judge slots players and label them simpletons, it took me a little time to figure this out. I'll be back at Chester in the summer to cover some of their big races. This time, I'll be sure to look over at the 100 or so people that chose the horses over the slots and think to myself, "what idiots."

Feedback? Email

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