



Why Fixed-Odds Wagering on Horse Racing Is a Bad Deal for Your Constituents — and for Horse Racing

What is Fixed-Odds Wagering?

Fixed-odds wagering allows bettors to lock in a price on a horse at the moment they place a bet. Unlike traditional **parimutuel wagering**, the odds don't change based on the total pool of bets. You're now betting against "the House."

Why Fixed-Odds Wagering Is a Bad Deal for Gamblers

1) Built-in bookmaker advantage

Fixed-odds bets are set by sportsbooks whose business model depends on guaranteeing a profit margin. The odds are deliberately shaded to favor the house, ensuring bettors receive less value over time.

2) Worse prices for the public

In traditional **parimutuel wagering**, bettors compete against each other and the final odds reflect the collective judgment of the crowd. Fixed-odds bookmakers instead control the pricing, typically offering odds that are lower than the fair market value.

3) Restrictions on winning bettors

Sportsbooks offering fixed-odds wagers often limit or ban successful bettors. Skilled handicappers who win consistently may find their bets capped or accounts restricted.

4) Increased risk of manipulation and insider advantage

When odds are posted in advance, sophisticated bettors and insiders can exploit information before the public becomes aware of it.

5) Encourages faster, more addictive betting patterns

Fixed-odds wagering tends to mimic sportsbook betting, encouraging rapid-fire wagering and more aggressive promotional tactics designed to increase betting volume.

Why Fixed-Odds Wagering Harms Horse Racing

1) Cannibalizes the traditional wagering pools

Horse racing has historically relied on parimutuel wagering to fund purses, racetrack operations, and breeding programs. Fixed-odds wagering can siphon money away from those pools, weakening the sport's financial foundation.

2) Shifts revenue away from racing to bookmakers

Under the traditional system, the majority of wagering revenue stays within the racing ecosystem. Fixed-odds betting transfers more of that money to sportsbooks and corporate bookmakers.

3) Weakens the integrity of the betting market

The parimutuel system creates transparency because odds reflect all wagers in the pool. Fixed-odds betting introduces opaque pricing controlled by bookmakers, reducing public trust in the wagering market.

4) Encourages short-term betting volume over long-term sport health

Bookmakers focus on maximizing betting handle rather than sustaining the sport itself. This dynamic risks turning horse racing into just another betting product rather than a sport with its own economic ecosystem.

5) Undermines the sport's unique identity

Horse racing's wagering system has always been distinct because bettors compete against each other rather than the house. Fixed-odds wagering erodes this tradition and transforms racing into a conventional sportsbook event.