

Why far fewer bettors pony up on the horses

Overhead costs, cultural shift conspire to keep next generation away from races

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It's midmorning and John Astarita, sitting in his usual cubicle in the [Wynn Las Vegas](#) race and sports book, is several pages deep in the Daily Racing Form, the newsprint bible for horse bettors. Atop that is a stack of computer printouts developed by University of Chicago-trained mathematicians, priced at \$30 a pop and tracking the careers of some of the horses racing today.

It's days before the Kentucky Derby, the Super Bowl of horse racing, yet the Wynn sports book has plenty of vacant seats. This high season for horse betting attracts a mostly older crowd to watch the dozens of races that will dominate TV screens in Las Vegas sports books through Saturday, Derby day.

Horse racing revenue has declined 30 percent at Nevada casinos in the past decade even as other forms of gambling, after taking a hit in the recession, have increased over that period.

Astarita is a dying breed. Like aging students crowding the library during finals week, he and other horse bettors who have arrived with their research materials offer plenty of explanations why there are fewer people each year willing to study a sporting event that is going the way of Latin.

"You don't get value for the money," said Astarita, 62. Bettors are "churned" by fees tracks build into their payouts, while running small lineups of horses with meager chances to win big. "Rebate shops" that take horse bets online are "sucking the lifeblood out of the business" by making big bets that cut into what small gamblers win on long shots. And younger people, attracted to the fast pace of Internet poker, "don't want to wait 30 minutes between races," he said.

Like most horse bettors, Astarita is fluent in a jargon few people, casino gamblers included, can understand. Casino sports book bosses speak his language, though. And they agree with every word.

Horse racing's downward spiral has multiple causes, industry experts say.

The horse population is dwindling because declining wagers mean less money for breeders, riders and trainers of winning horses. To maximize the quality of each race while increasing the number of races held, tracks package fewer horses for each race than they did decades ago. That depresses betting action by giving gamblers fewer opportunities to make money betting long shots.

“I don’t know why they card races with six horses,” said Duke Matties, another local bettor who frequents Wynn Las Vegas. “I’d throw that out and get at least eight horses in a race. Bettors would rather have eight to 10 horses of bad quality than six quality horses.”

Although sports such as football and basketball dominate sports media coverage and sports channels, horse racing has lost its place in American culture as a mainstream event.

“People enjoy betting on things they can watch,” said John English, a senior vice president with American Wagering. Although available on cable channels such as TVG, horse racing isn’t much seen by the general public, he said.

Horse betting needs to be more convenient and marketed better to a younger crowd to survive, added Jay Kornegay, vice president of race and sports operations at the Las Vegas Hilton.

“We need to capture younger people, and I’m not sure how we do that,” he said.

Race business at the Hilton, as well as at casinos in town, has declined despite efforts to attract bettors by offering free strategy sheets and expanded betting options.

Race tracks’ financial problems, too, have cut interest in horse betting.

Although players may still lose about the same on any given bet, winning bets generally pay less than they did 20 years ago because of the money the track keeps to pay overhead.

“Instead of \$85 or \$87 of every \$100 bet going to pay all the winners, it’s more like \$80 today,” Kornegay said. “The tracks are trying to figure out how to make money. But this ends up hurting the players.”

Adding insult to injury for losing gamblers, many tracks charge for parking, admission and racing forms.

Over the past decade, many gamblers left Nevada casinos for foreign-based websites that rebate a big percentage of wagers to players, said Johnny Avello, executive director of race and sports operations at Wynn Las Vegas.

Offshore casinos that conduct business online can afford the rebates because they lack the overhead of their brick-and-mortar counterparts, Avello said.

Building the audience for live racing may be the only way to attract new players, industry experts say.

Some tracks have attempted that with mixed success. The track in Del Mar, Calif., hosts rock concerts that draw crowds of younger customers.

Many tracks have survived by building casinos, called “racinos,” next door.

But casinos have simply diverted customers’ attention to slot machines rather than boosting interest in racing, said Peter Gold, general manager of VegasInsider.com, a sports handicapping and gambling information website. Tracks mostly cater to in-the-know bettors and do little to demystify the sport by defining betting terms and simplifying rules for the general public, Gold said. Many tracks have also become tired hangouts for “degenerate gamblers” rather than places that inspire romance and nostalgia, he said.

“It’s not an evolution, it’s a devolution,” he said.

Like Astarita, Matties, 38, watched his first races at New York tracks as a kid. His brother trained horses, and Matties would eventually breed them.

He puts in 10-hour days studying racing statistics, starting his research a few days before a race.

“It’s a ton of work, and most people don’t want to put in that effort,” he said.

Gamblers say horse racing is more complicated to bet on than team sports. Horses don’t run against each other often enough to gauge their relative performance, and other factors, such as weather, surface conditions, riders, trainers and breeders, have a big effect on horses’ performance, Matties said.

Astarita’s latest complaint concerns deep-pocket investors who use computer programs to track historical race information the way hedge fund managers study stocks, wagering hundreds of millions of dollars on races — and reaping big rebates. These shadow bettors, unseen in Nevada casinos, place their bets online seconds before the start of a race — moving the odds too quickly for smaller bettors to react.

“These are neural network computers that can build their own memory. We can’t compete,” he said.

But he does more than try. Today’s odds sheet on Churchill Downs is covered with so much ink from Astarita’s pen that it’s impossible to read. Astarita, a former harness track rider, navigates his complex notations with ease, ticking off numbers that indicate the expected speed and place of each horse.

More gamblers file in as the morning goes on as more races get under way. There’s a shout across the room as a long-shot horse comes in first at Churchill. It quickly turns quiet, with gray heads moving from the action on overhead screens to their betting sheets. Eyeglasses move into place and the studying resumes.

“I usually play Philly Park or Calder because I know the riders and the track,” said Astarita, who sips hot green tea to boost his concentration. Those tracks aren’t running today, so he bets on a Churchill horse, appropriately named Long Range Missile, that looks like a front-runner. Another horse presses close for much of the race and Long Range Missile slows down, coming in third. The other horse unnerved him, Astarita said, like a doctor reading a diagnosis. A lot of today’s horses run better on synthetic tracks, anyhow, he added.

The rush that supposedly defines the gambling experience seems far away.

“Thrilling? Sex is thrilling,” he said. “This is work. It’s a job, and I happen to be very good at it.”