



Types of Sports Betting

Information from Anthony Cabot & Keith Miller's *Sports Wagering in America: Policies, Economics, and Regulation*, published by the UNLV Gaming Press.

Three Dominant Systems

Most wagering falls into one of these categories

1. Pari-mutuel wagering

All bets placed into a common pool. After a specified percentage is deducted for taxes and the house, the winners share the remaining amount proportionally to their wager.

2. Fixed odds wagering

Odds and payout are agreed to by bettor and operator. This is the primary method of sports betting in the United States.

3. Exchange wagering

Peer-to-peer betting where operator matches buyers and sellers on opposite sides of betting propositions, charging a commission; similar to a stock exchange.

Types of Fixed Odds Wagers

1. Fractional Odds

Includes money line wagering, which is common for baseball & hockey. Many futures bets are fractional as well.

2. Point Spread

Handicaps teams by requiring favorites to win by a specified margin; most common on football & basketball.

3. Parlays

Bettor must choose the winner of multiple contests to win the bet

4. Proposition Bets

AKA "derivatives" or "exotic" bets, these are wagers on the outcomes of events during a game or season unrelated to the game outcome. Examples: which team scores first, whether players reach certain milestones.

5. In-Game Betting

Placing wagers usually electronically, during the progress of a game, often on individual plays.