

**LOOKING INTO THE WIZARD'S CRYSTAL BALL**  
by Michael Jay Kipness (AKA "The Wizard")

**THE 10 RULES OF HANDICAPPING**

**RULE NO 1 - Bet within your comfort level**

One of many conversations I had with my mentor, A professional handicapper that I greatly respect, was about this rule. He would ask me how much I could bet on a race without getting nervous, meaning that if I lost I could easily go on to the next race. At the time I had just moved my family to Las Vegas and bought a home and installed a pool.

I was a little tight on cash so my level was about \$300 to \$400 a race. I had about a \$15,000 bankroll at the time.

A professional handicapper that I greatly respect asked me if I would increase my bets at least three times if I had a \$50,000 bankroll, which meant would I step up my wagers from \$300 to \$400 a race to \$900 to \$1000 a race because of the additional bankroll. I told him that I could do it with no problem.

A professional handicapper that I greatly respect just smiled. Soon after, he told me he did not want me betting my own money anymore and he would give me a \$50,000 bankroll to play with. He had enough faith in me and told me we would split the profits after returning him the original \$50,000 down the road. I gladly took the \$50,000 and was ready to start increasing my wagers.

I stayed within my comfort zone for the first few bets before a play came that I really liked. I invested \$1100 into the race. When I called in the bet, just calling out the different amounts for the exotic bets made me a bit anxious. I was used to phoning in \$50 box exactas and now I was calling out 150 ox exactas. Instead of a \$150 win bet, I was calling out \$400 to win.

The horses I bet were the same as if I were wagering \$400 into the race, but the amounts were far more than I was used to. Once the bets were made, I watched the horses load into the gate. A wave of anxiety came upon me, a feeling I was not used to.

During the running of the race, I felt nervous and lost the focus I was used to having when watching a race.

For the next few bets I went right back to my comfort level of \$300 to \$400. After a few weeks, I was slightly ahead with the \$50,000 bankroll, but I *had* a tough time increasing my bets to the \$1000 level. I tried it several times, and each time I felt uncomfortable even though it technically wasn't my own money. I was betting with no pressure from A professional handicapper that I greatly respect.

After two months I was down about \$6000 and realized I was not betting within my "comfort zone" and decided to make bets that did not exceed \$500. If I were able to build back the original \$50,000 and some profits, I would still stay within my zone and only increase in small increments. Once I was able to do this I started winning again.

The lesson to be learned is only wager amounts that you are comfortable with. Never bet with money you cannot afford to lose.

**RULE NO 2 - There is always tomorrow**

How many times have you heard or told yourself that time is running out on the day and you need to "get out" with a winning bet. You've found yourself behind on the day with two races left. You don't want to go home a loser. So you chase your money by betting the last couple of races just to "get out". What usually happens is that you dig an even bigger hole and, after ripping up more losing tickets, you admit to yourself that the last bet wasn't because you really liked the horse. It was just to have some action in an attempt to recoup your losses.

This way of thinking will kill you most of the time. Desperation bets are rarely winners. In this game, there's always tomorrow. That's the beauty of it. A new meeting and fresh possibilities will always present themselves to make a potential score. Some days, no matter how hard you try and whatever you do, the gods of racing will not let you win.

Maybe you made some good bets but suffered through some tough racing luck. Or you simply made some poor judgments on horses and they ran poorly. It's important to know when to bet but also when to fold your cards and call it a day. There is always tomorrow.

**RULE NO 3 - Increase your bets when winning, decrease when losing**

It's simple enough to say but difficult to do. One of the greatest feelings is when you can do no wrong at the track. You just can't lose. You win the photo. Your horse gets into trouble but wins anyway. You bet a trifecta and the return is much bigger than you thought it would be. When these things happen, you are in a zone.

Some streaks last days, some a couple of weeks and others just for the day. But whatever form these hot streaks take, there is no better feeling. The worst feeling is the losing streak. You blow the photo. You finally get a score only to lose on protest. Your horse is making a winning move to the lead and then

**RULE NO 4 - Judge how you are doing and the success of a product over a long period. Keep records!**

If you follow a particular ratings service or handicapper to assist you, you need to judge the performance over a period of time. If you play every day, one month would qualify as a decent amount of time. If you play once or twice a week, three months would be the proper time span to judge performance.

Six months to a year is a good span on time to determine if your system works. One month would be the minimum.

It is unfair to yourself or a service you are following to judge the quality of the work after one day, a weekend or even a week. Always start out betting small amounts when you are trying something new and once you gain confidence in the product, increase your bets. Keep records on how you are doing. Many people avoid record keeping because they can't bear the fact that they are losing.

Keeping a tally on how much you are up or down over a period of time is the only way to determine if the way you are playing is beneficial. That's the beauty of this game.

If you do your own handicapping, keep a journal on the types of bets, the races these bets are on and how much you wagered. Also, keep records on profits and losses.

**RULE NO 5 - Go to the track or simulcast outlet prepared**

The worst thing a player can do is to arrive unprepared. You need to have an idea of the races you're looking to play and races that are just too tough. If you're serious about making money over the long term you must have some structure to the day so that you can make smart plays and stay away from bad ones.

In a simulcast outlet, you are bombarded by many tracks. If you're not focused and have no idea what you want to do, you are doomed to make poor decisions. Before you attempt to play more than one track, deal with a track you are familiar with and stick to it at first.

That is why mastering Rule No 4 is important because if you keep records over time, you will find out the type of races you are best at and the ones at which you have limited success. Stay with

your strengths. Don't fall into the trap that you have to bet the daily double every time, in order to collect a bet right from the start.

There is always a flow to the day. The first few races might be the worst to plays, and the best opportunities will come later. Be prepared to detect a track bias.

#### **RULE NO 6 - Stay away from short-priced favorites**

Betting on short-priced favorites to win is a waste of time and will lead you to the poor house. Obviously you cannot win every race so you must be selective. If you are picking your spots, why waste your time and money betting horses that are 7/5 or lower.

There are so many other races and other wagering opportunities available to you that you do not need a \$4.20 payout. I would suggest that the shortest price you should take on a win bet is \$6.00.

The reason I say \$6.00 is that you should limit your wagers to betting on horses to no lower than 2/1 because more times than not they will drop to 9/5 and even shorter when the late money comes in, so you need to give yourself some leeway. I feel very comfortable setting the limit at this price.

It's important that you train yourself to look for the favorite who is overbet and is vulnerable at a short price. These situations deserve attention because in the long run the return on investment is solid. When there is an overbet favorite, other horses go off at bigger odds than they should. This is when you want to attack.

#### **RULE NO 7 - Do not be a slave to one type of handicapping system or school of thought**

All handicapping angles work some of the time. To be a successful handicapper you must be able to be flexible in your thinking and be willing to adjust at any time. Speed figures, pace numbers, video comments, pedigree analysis, class ratings, and etc. all have their place.

To be a slave to just one of these handicapping angles limits your game immensely. It's great to have an understanding of all these handicapping principles, but you must be willing to utilize any number of principles in the right situations. Each principle has its strengths and weaknesses. It's the job of the skilled handicapper to apply what factors are important for that particular race.

#### **RULE NO 8 - Wait until the last few minutes to bet**

What's the rush to place your bet? Long lines? Simply open a phone account with a reputable company or a company that will allow you to wager securely with your computer. There are ways to wait until the last couple of minutes to bet. Why the rush? Let plays come to you. Watch the tote board. Think out your wagering strategy. Watch the horses on the track.

But you know what the biggest reason is to wait to place your wagers? Because in the last few minutes the odds can change dramatically in the win, place and the other pools. That is because the biggest bettors in the country can wait until the horses are loaded into the gate placing their wagers.

What could be a solid wager at 4/1 with four minutes to go could end up being 5/2 with one minute left? At 4/1 that horse was a great bet. At 5/2 you would cut your bet in half or possibly not even wager, switching to another horse at better odds.

#### **RULE NO 9 - Before you place that bet, ask yourself if it's a smart wager**

This is a question worth asking because it allows you to check in with your inner thoughts or instincts. It allows you to feel in your bones if the bet you are making is one you won't regret after the race is run. How many times after a race is run do you ask yourself why you bet on that horse? It was a forced bet. I was chasing. You want to avoid these types of plays and only wager on those which look like attractive bets before or after, win or lose.

There are other questions as well. If you are playing any exotic wagers, ask yourself if there are any combinations you left out? If there are, rush back and include the wager even if it's for just a token bet.

**RULE NO 10 - Don't listen to or believe in "inside information"**

Bet your own horses or follow someone you respect. Once in a while you might get a tip that has some validity, but by the time you get it, the tip has passed through many hands and will no doubt be grossly overbet.

Did you ever get a tip on a horse that ends up paying \$20? I doubt it because if there were such a thing you would be the last person to find out about it. Inside information on first-time starters is the most treacherous (despite your friend pointing to a hot workout), because you can be assured that the trainers and owners will be keeping it to themselves if it really is such a good thing. So the next time someone calls you with a "tip", tell him "thanks, but no thanks".

Until next week,

Your Friend, "The Wizard"

*Any questions or comments can be directed to me personally at [wizard@cshore.com](mailto:wizard@cshore.com). I answer all my emails personally and promptly.*