

The Vigorish

This week is a follow up to last week's topic of Las Vegas NFL odds. This is an explanation of how Las Vegas uses the NFL odds to make money at their Sports Books. The odds are developed by the Sports Book experts on about the Sunday before the next week's NFL games and are designed to have an equal amount of money bet on each team of a particular game. If the betting public bets more money on one team more than the other, then the odds will be shifted to bring the bets back to equal amount on both teams. This continues until the Sports Books close the bets. The Books do not care which team wins the game because they can pay off the winners bet with the losers bet. How do they make money you ask? Let me use the example of the Rotter and the Rhino betting on the same game but on opposite teams. Each of us makes a \$100 bet on our team but the Books charge us \$110 each to make the bet. If the Rhino wins his bet, he gets his \$110 back plus the \$100 of my bet. The Sports Book keeps the \$10 portion of my bet. This 5% of the total bet is called the vigorish or "the vig". It does not sound like a significant amount but the vig on NFL sports betting adds up to more than all the other sports bets combined.