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How Sportsbooks Make Money

Hold, the balanced-book ideal, and where the margin really comes from — the slogan 'the house always wins' replaced with the mechanics.

By **WagerLex** (wagerlex.com) · 5 July 2026 (Week 27) · Educational reference document — not an app or betting product

> A sportsbook is often described as 'the house that always wins', which is true and unhelpful in equal measure. This reference replaces the slogan with the mechanics: what hold is, why a book would love a perfectly balanced market and almost never gets one, how it manages the position it is left holding, and why the margin is charged inside the price rather than added on top. Every figure is arithmetic you can re-derive. Reference material only — WagerLex takes no wagers and recommends no operator.

01 Hold, defined

Hold is the share of total stakes a book expects to keep once a market is balanced. On a standard -110/-110 side the two prices imply 52.38% each, summing to 104.76%; that 4.76% overround corresponds to a theoretical hold near 4.55%. It is the cover charge for placing the bet.

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02 The balanced-book ideal

A book that takes equal money on both sides of a market is guaranteed its margin regardless of the result — it pays winners out of losers' stakes and keeps the vig. Perfect balance is the target the pricing is built around, not a description of what actually happens.

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03 Why real books carry a position

Money rarely arrives evenly. When action piles on one side, the book either moves the line to attract the other side or accepts an unbalanced position and manages the risk. On any single market it can therefore win or lose on the outcome; the edge is statistical and long-run, not a per-game guarantee.

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04 The vig is priced in, not billed

The margin lives inside the -110 rather than being added as a visible fee. A price that already looks like 'the price' is where the cost hides, which is why most bettors never see the hold they pay — it is folded into a number they were trained to treat as standard.

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05 Theoretical vs. actual hold

Theoretical hold assumes balanced action; actual hold is what the book keeps once bettors pick sides unevenly and results land. The two can differ market to market, which is why a book reports hold across large volumes rather than boasting about any single event.

06 Why soft markets hold more

Main lines attract the most money and the sharpest bettors, so they are priced tightly and hold little. Props, parlays and futures are lower-liquidity and harder to price precisely, so books carry a wider margin — and the hold on those markets runs higher than on a standard side.