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Lesson 1: Gambling History and the "House Edge"

Today we learned that gambling has been around for thousands of years. Ancient Greeks enjoyed "throwing the bones." They used *astragali*—actual bones from animals like goats and deer—as dice. After many years, *astragali* were replaced by dice, and these became the world's most common means of generating random events. Ceramic dice have been found in Egyptian tombs built before 2000 BC.

Ancient Romans made huge bets on chariot races and gladiator duels. Several modern casino resorts began in ancient times as Roman gambling centers. China used lotteries to help finance the Great Wall, and—according to the conquistadors—Montezuma often enjoyed watching his nobles gamble over *patolli*, an ancient Aztec board game.

While ancient gambling often had a religious purpose, modern gambling is different. Most gambling today is against a commercial business—like a casino, racetrack, bingo hall, sports book, or lottery provider—often called "the house." The house is in business to make money, and it does so by keeping a mathematical advantage in all the games it provides. This is called the "house edge." The law of averages explains that, when betting against the house, it's possible to win once in awhile, but it's impossible to win over the long run. We played a dice game to test this idea in class.

Question: When betting against the house, what type of gambling allows you to make money in the long run?

Answer: None. Your only choice is how much money you want to lose and how fast you want to lose it.

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