Win More Wagers

GUIDE

MANAGE RISK · STAKES

Units, Bankroll & Fractional Kelly

How much to stake is as important as what to bet. A calm, conservative way to size wagers, and why we never use full Kelly.

INSIDE

- Bankroll and unit rules
- The Kelly formula, step by step
- Why fractional Kelly and hard caps
- How bad runs really look
- A one-page bankroll worksheet

Letter · printable | v1.0 · November 2026 | Free · Education only

> Even a good estimate can ruin a bankroll if the stakes are too big. **Stake size is how you survive being wrong.** Everything here is educational and conservative by design.

1 Bankroll and units

- Your **bankroll** is money you can afford to lose. Not rent, bills, savings or borrowed money.
- One **unit** normally equals **1% of the active bankroll**.
- Keep stakes fixed in units. Never raise them to chase a loss.
- Treat correlated wagers as one exposure.

Grade	Meaning	Stake
Pass	No defensible advantage	0
Lean	Interesting, below the approval threshold	0 to 0.5 units
Standard	Positive edge survives review	0.5 to 1 unit
Strong	Meaningful edge, reliable data	1 to 1.5 units
Exceptional	Rare, robust, price-sensitive	2 units typical; 3 is the absolute maximum

Educational guidance from our process. With a $2,000 bankroll, 1 unit = $20; the 3-unit maximum = $60. Your own limits always come first.

2 The Kelly formula

Full Kelly fraction = (b × p − q) ÷ b

b = net decimal odds (profit per $1 risked) · p = win probability · q = 1 − p. If the result is zero or negative, do not bet.

WORKED EXAMPLE · -110 AND AN ESTIMATE OF 55%

b = 0.9091. Kelly = (0.9091 × 0.55 − 0.45) ÷ 0.9091 = **5.5%** of bankroll.

Method	Fraction of Kelly	Stake % of bankroll	On $2,000
Full Kelly	1	5.50%	$110.00
Half Kelly	½	2.75%	$55.00
Quarter Kelly	¼	1.375%	$27.50

3 Why fractional Kelly, and why caps override it

Kelly assumes your probability is exactly right. It is not. Try the same -110 wager with a lower true rate:

If the true win rate is	Kelly says	Meaning
55%	5.5%	A positive stake
53%	1.3%	A positive stake
52%	0% (no bet)	Betting would lose money on average

One 3-point miss changes the answer from "bet 5.5%" to "do not bet". That is why we use a fraction of Kelly, shrink our estimates, and apply **hard caps** (such as the 3-unit maximum) that override whatever the formula says.

4 How bad runs really look

Bankroll left after **10 losses in a row**, staking a fixed share of the *current* bankroll each time:



WORKED EXAMPLE · STREAKS ARE NORMAL

Even a bettor who wins **52%** of the time at even odds will see a run of 6 or more losses somewhere in 100 bets about **47%** of the time (5 or more: about 75%). Plan for it before it happens.

5 Your bankroll worksheet

Item	Your answer
Money set aside for betting (can afford to lose)	$ _____
1 unit = 1% of bankroll	$ _____
Maximum on any single wager (3 units or less)	$ _____
Maximum total at risk in one day (my cap)	$ _____
I will stop for the week if I lose	$ _____
I will review my limits on	__ / __ / ____

KEY TAKEAWAYS

- **1 unit ≈ 1% of the active bankroll; stakes stay fixed in units.**
- **Kelly = (b × p − q) ÷ b. It needs an exact probability, which you never have.**
- **Use a fraction of Kelly, shrink estimates, and let hard caps win.**
- **Plan for losing streaks. They are normal.**
- **Never use living-expense money. Never chase.**

Size a stake

Use the Fractional Kelly and Bankroll & Unit Planner calculators.

winmorewagers.com/calculators