

Sports betting v. the stock market

By Matt Egan, CNN Money

NEW YORK – Sports gamblers have lots in common with stock market investors.

They both believe they can predict the future, and they sometimes fall into the trap of making decisions with their hearts instead of their brains. And of course, they both hate to lose.

But don't let those similarities fool you. Gambling on sports may be more fun, but it's definitely a more risky use of money than putting it in the stock market.

In the long run, investors have the chance to make more money because there are fewer downside risks.

To put it another way, the stock market is a lot more forgiving than the MGM Grand (let alone your local sports bookie).

“A lot of people regard investing as gambling, but I frequently say no. Which casino in Atlantic City, Las Vegas or Macau pays the bettor 73 percent of the time?” said Sam Stovall, chief investment strategist at S&P Capital IQ.

That's the percentage of time that Stovall's research shows the S&P 500 – the gold standard in the stock market – has increased in value during the years since 1926.

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