This detailed briefing reviews the main themes and most important ideas or facts in the provided sources about poker strategy, specifically the concept of "high variance" play.

Poker Strategy: The "High Variance is a Myth" Briefing

This briefing analyzes the strategic implications of playing a "high variance" poker style, arguing that it can lead to higher long-term profitability and surprisingly, may not result in significantly larger downswings compared to a lower variance approach. The discussion centers on defining marginal spots, quantifying their impact on win rate, and analyzing the true effect on bankroll volatility.

Key Themes:

1. **Defining High Variance Spots:** High variance spots are close decisions in poker where a player risks a substantial amount of money to win a small amount long-term, assuming the decision is +EV (expected value). These are situations that many players, even winners, might pass on to minimize swings, but are theoretically profitable over a large sample.
2. **Quantifying the Impact of Marginal Spots:** Taking these marginal, high-variance spots consistently can significantly increase a player's hourly win rate.
3. **The Misconception of Downswings and Bankroll:** The common intuition that higher variance play leads to larger downswings and thus requires a significantly larger bankroll is challenged. Data analysis suggests that the increased win rate from high-variance play can actually *offset* the higher session-to-session volatility, leading to comparable or even smaller maximum downswings over a large sample.
4. **Live Poker Standard Deviation Differences:** The standard deviation (a measure of volatility) in live poker is significantly higher than in online poker, largely due to larger pot sizes relative to blinds and deeper stack depths in live games.
5. **Weighted Standard Deviation and Extrapolation:** Accurately calculating standard deviation for poker sessions requires accounting for varying session lengths (weighted standard deviation) and extrapolating from longer session data to estimate volatility over shorter intervals.

Most Important Ideas & Facts:

**1. Defining Marginal / High Variance Spots:**

* A high variance spot is characterized as a "close decision right? We're risking a lot of money over a close decision where we win a little bit of money if we're right and we lose a lot of money if we're wrong but over the longterm these high variant spots we're going to assume if we take these spots and choose them correctly they're going to be plus EV."
* **Example 1: River Bluff with 76 of Diamonds:** This hand illustrates turning a hand with minimal showdown value (third pair on a paired board) into a profitable bluff. By betting $300 (a small overbet size), the player risks $300 to win an additional $18.61 in EV. "We're winning somewhere between three to four big blinds on this River by going for the bluff by taking this marginal spot." Checking back yields $0 EV.
* **Example 2: Bluffing with Pocket Aces on the River:** In a 3-bet pot where an obvious flush draw gets there, the opponent's range is heavily weighted towards sets. Folding is the low-variance option, yielding $0 EV. However, turning pocket Aces into a bluff by going all-in is a "very marginal High variant spot" but yields "about $19" in EV, equivalent to "just about four big blinds."
* **Example 3: Calling a River Jam with Ace-Jack High:** In a 3-bet pot against a pro, the player faces a river jam with Ace-Jack high. Despite the population tending to "under Bluff in three by pots when all the goes in," analysis of the opponent's range suggests they have more bluffs than value hands. Folding is the low-variance option, but "Ace is winning about $28" by calling, making it the higher EV play.

**2. Quantifying the Impact on Win Rate:**

* Rough "back of the napkin math" suggests that if 10% of hands played involve a high-variance spot, and each adds 3 to 6 big blinds in EV, it could add "about three big blinds per hour to our win rate."

**3. Challenging the Downswing/Bankroll Myth:**

* **Player A (High Variance Crusher):** Based on 7,000 hours of data from "self-described High variant nut jobs" (Hungry Horse Boot Camp participants), these players win "about 13 big blinds per hour." Their standard deviation was calculated at "114.15 per hour."
* **Player B (Lower Variance Winner/TAG Nit):** Based on 15,800 hours of data from "self-described tag nits" (pre-boot camp data), these players win "about six big blinds per hour." Their standard deviation was calculated at "105.6 per hour."
* **Expected Downswings (10,000-hour sample, 1% probability):**High Variance Crushers (13 BB/hr, SD 114.15): Expected maximum downswing of "about just under 5,000 big blinds (4,898 big blinds)."
* Lower Variance Pre-Boot Campers (6 BB/hr, SD 105.6): Expected maximum downswing of "around 8,023 big blinds."
* **Crucial Insight:** "Even though the variance is higher for the Post boot campus the massive increase in hourly win rate just completely offsets that higher variance the magnitude of your down swings you would expect that with a higher variance you're going to have bigger downswings but if your hourly win rate grows enough relative to that actually that's not the case your maximum downswings you can expect those to be much lower."
* **Apples-to-Apples Comparison:** Even when artificially increasing the lower variance player's win rate to 10 BB/hr (closer to the crusher's win rate, while maintaining lower variance), their expected maximum downswing (5,238 BB) is still comparable to the high-variance crusher's (4,898 BB). The conclusion: "Worst case scenario is going to be about the same here for the the high variance Crushers and the low variance winners but the high variance Crushers are just winning a lot more money."
* **"Is there an extra risk? Doesn't seem to be the case — all that's really happening is your win rate is going up by taking those marginal spots your actual down swings they're not really changing all that much."**
* **Extreme Scenario (SD 1.5x higher):** Even if the high variance style *did* increase standard deviation by 50% more than estimated, requiring an "extra $20,000 in your bank roll," the "extra 22.5k per year" in win rate still makes it worthwhile.
* **Long-Term Perspective:** "When you're asking about these down swings it's really like a short-term consideration after enough time passes and after you've played enough hours of hands your bank roll has grown enough that you you do reach a point where you're just no longer scared of going broke."

**4. Differences in Live vs. Online Poker Standard Deviation:**

* Online poker standard deviation (100 BB stacks) is typically "around 60 to 80 big blinds per 100" (full ring) or "75 to 120 big blinds per 100" (six max).
* Live poker standard deviation, however, is "well over 100 per hour," potentially "closer to 200 big blinds prow" when adjusted for hands per hour (33 hands/hour).
* **Reasons for Higher Live SD:Larger Pot Sizes:** "The open sizes the three bet sizes etc. in life poker are much larger relative to the blind level... so the pots are just much bigger we're going to have bigger swings there."
* **Deeper Stack Depth:** "Live we're often playing 200 plus big blinds deep or online we just rarely rarely see that."

**5. Calculating Standard Deviation for Live Poker Data:**

* Standard deviation measures "the spread of data or the volatility." Variance is the square of standard deviation.
* **Challenges:Varying Session Lengths:** Requires "weighted standard deviation" to prevent disproportionate effects from long/short sessions.
* **Intra-Session Volatility:** A simple start-to-end session win/loss doesn't capture the "volatility and variance that it first appears" within a session (e.g., being down $2,000 then winning $1,000).
* **Methodology:** Grouping data by increasing average session lengths revealed that estimated standard deviation decreases with longer average sessions. To find the true standard deviation for shorter intervals (like 1-hour sessions), **extrapolation** was used, following "the natural line of that curve but in the opposite direction." This process confirmed that the "horses do actually have this higher variance style of Po."

Conclusion:

The overall conclusion is that **"high variance is a myth,"** at least in terms of being inherently "safer" for one's bankroll to avoid. The source strongly posits that "it is actually safer for your bankroll to take every single marginal spot long term because you'll just win so much more money that the chances of you enduring a super big downswing are less because your win rate will just be that much higher." While the session-to-session swings may be greater, the significantly increased long-term win rate generated by embracing marginal +EV spots ultimately provides a stronger buffer against ruin and leads to lower expected maximum downswings.