AMERICAN HORSE COUNCIL FOUNDATION

Economic Impact OF THE HORSE INDUSTRY *in New York*

Copyright © 2018 by the American Horse Council Foundation
All rights reserved including the right to reproduce this report or portions thereof in any form.

U.S. $50

NEW YORK THOROUGHBRED
NYTHA
HORSEMEN'S ASSOCIATION, INC.
©Susie Raisher

Contents

EXECUTIVE SUMMARY **1**

TOTAL HORSE POPULATION ESTIMATE 2

ECONOMIC IMPACT MODELING 3

ECONOMIC IMPACT RESULTS

THE RACING SECTOR 4

- Background 4
- Economic Impact 5

THE COMPETITION SECTOR 6

- Background 6
- Major Sanctioning Bodies 6
- Economic Impact 7

THE RECREATION SECTOR 8

- Background 8
- Economic Impact 9

HORSE INDUSTRY HIGHLIGHTS **10**

LAND PRESERVATION 11

VOLUNTEERISM 11

THERAPY OPERATIONS 12

RESCUES AND SANCTUARIES 12

EQUINE ASSOCIATIONS 12

EQUINE ACADEMIC INSTITUTIONS 12

THE METHODOLOGY **14**

- Household Surveys 16
- Institutional Surveys and Data Collection 16

OPERATING DATA 19

- Racing Industry 19
- Equine Associations 19
- Public Horse Sales 19

NEW YORK THOROUGHBRED
NYTHA
HORSEMEN'S ASSOCIATION, INC.
©Susie Raisher

EXECUTIVE SUMMARY

The economic activity involved in caring for New York's estimated 154,000 horses, along with the spending by horse enthusiasts in their pursuit of horse events and recreation, has a nearly $5.3 billion impact on New York's economy and supports a total of 42,400 jobs.

Total Output to the New York Economy: **$5.3 billion**.

Total Employment Impact: **42,400** Jobs.

The direct impact on New York is nearly $3.3 billion in Output and more than 30,000 jobs.

Direct Output: **$3.3 billion**.

Direct Employment Impact: **30,218** Jobs.

Total Economic Impact Summary ($MMs)

	Direct	Indirect and Induced	Total
Employment	***30,218***	***12,182***	***42,400***
Labor Income	$1,310	$763	$2,073
Value Added	**$1,846**	**$1,279**	**$3,125**
Output	$3,287	$1,989	$5,276

The Horse industry also plays a significant role in preserving agricultural land. In New York, 1.3 million acres of land is used for horse-related purposes.

The horse population estimate is based on a survey of New York households along with data from horse-owning institutions such as rescues and sanctuaries, equine assisted therapy facilities, and equine academic programs. Thoroughbreds are the largest single breed in New York.

NY Horse Population Estimate by Breed (000s)

Breed	Total
Thoroughbred	39
Standardbred	25
Quarter Horse	18
All Other Breeds*	72
Total	**154**

*Source: The Innovation Group; *Includes horses of unknown breed at institutions and in Amish households.*

Total Horse Population Estimate

Rescues and sanctuaries, EAAT operations, and academic programs own horses that were not captured in the household surveys. Moreover, horses owned by Amish households are not considered to have been captured in the household surveys, and an estimate for ownership was derived by third-party studies and Amish population estimates. The total New York horse population in 2016 is estimated to be 154,005.[2]

Total Horse Population Estimate, Including Institution and Amish Owned

Horse Ownership Household Surveys	144,985
Institutionally Owned and Amish Owned Horses	9,020
Total Utilized for Economic Impacts	**154,005**

Source: The Innovation Group

[2] It should be noted this is not a census, but rather a population estimate for the purpose of estimating the economic impact of the industry.

Economic Impact Modeling

The IMPLAN tools utilized to model the direct effects varied according to the type of data collected for each input segment. There are five types of economic activity changes that IMPLAN is designed to model for: industry, commodity, labor income, household income, and institution (government) spending. The most commonly used activity is an industry change, as the business generating a change in revenue, labor, or employment is often known and attributable to a specific industry sector.

The commodity change function was most appropriate for modeling the horse ownership expense data and tourism spending by horse participants and spectators. Goods and services can be produced by more than one industry, and the survey instruments did not specify where or from whom the good was purchased. A commodity change distributes the total demand or sales for the good or service across all producing industries or institutions based on their regional market share distribution of that commodity. For example, 97% of the entire U.S. supply of grain is produced by the Grain Farming Sector while the other 3% is produced by the Federal Government.

All horse ownership expenses other than employment compensation were entered into the IMPLAN commodity sector that corresponds to the most appropriate NAICS code for each individual expense line item. Employment compensation was modeled as an industry change through IMPLAN sector 19 (Support activities for agriculture and forestry).

For other data, the Industry Change function under IMPLAN is the more appropriate tool. For racetrack operations, for example, estimates of racetrack revenue are entered into IMPLAN under sector 490 (Racing and Track Operation), and IMPLAN calculates the spin-off effects resulting from that direct revenue.

For some of our data segments, only employment or employment compensation data was available. In these cases, the IMPLAN software estimated other aspects of an operation based on how many people are employed in a given business sector using its employment multiplier.

The following table shows the sectors and inputs utilized for Industry Change activities:

Industry Change Direct Inputs by Segment

Horse Industry Segment	IMPLAN Sector	Revenues (MMs)	Employment	Salaries (MMs)
Competition Events	491 Promoters of performing arts and sports and agents for public figures	$25.4	-	-
Racetrack Operators	490 Racing and Track Operation	$548.5	1,755	$115.1
ADW/OTBs	490 Racing and Track Operation	$431.3	178	-
Fair Races	490 Racing and Track Operation	$0.1	-	-
Steeplechase	515 Business and professional associations	$2.6	5	-
Racing Commissions	531 Employment and payroll of state govt, non-education	-	20	$6.9
EAAT	477 Offices of other health practitioners	$11.1	241	-
Academics	473 Junior colleges, colleges, universities, and professional schools	-	74	-
Associations	514 Grantmaking, giving, and social advocacy organizations	-	373	$22.4
Public Horse Sales	395 Wholesale trade	$65.0	-	-
Tourism Travel	402 Retail - Gasoline stores & 408 Air transportation	$582.2	-	-
Tourism Dining	501 Full-service restaurants	$348.4	-	-
Tourism Lodging	499 Hotels and motels, including casino hotels	$432.9	-	-

[3] The IMPLAN sectoring scheme is based on the North American Industry Classification System (NAICS), developed under the auspices of the Office of Management and Budget (OMB), which classifies business establishments based on the activities they are primarily engaged in or the commodities they create.

The Racing Sector Economic Impact

BACKGROUND

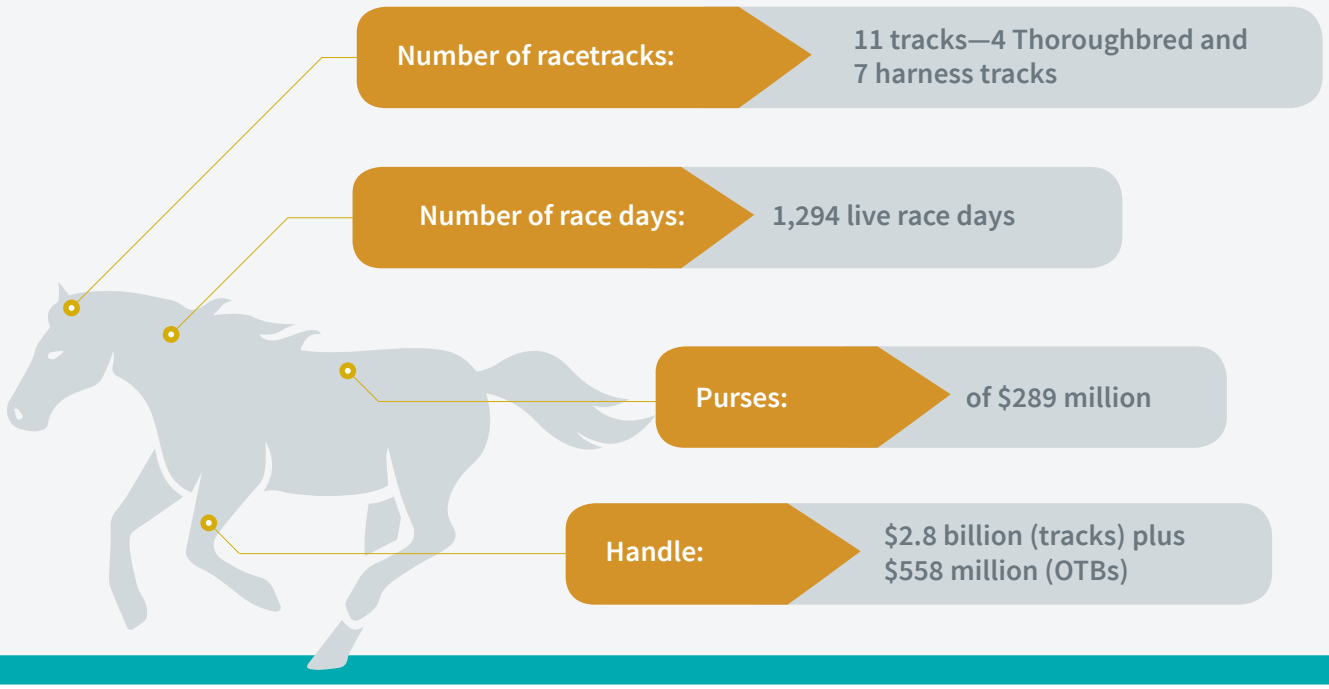
Racehorses require substantial expenditures on breeding, maintenance and training. Training fees for racehorses are substantial and usually comprise a day-rate plus a percentage of purse money won. Additional fees while a horse is in training include the costs of insurance, veterinarians, farriers and jockey fees. Jockeys are independent contractors who earn a fixed mount fee plus a percentage of the purse money won. There are transportation fees between racetracks and farms and boarding fees when the horse is not in training. Horses competing at the top level in stakes races also have additional entry fees. Racehorses also require specialized feed and supplies.

The horseracing sector also involves large indirect expenditures to specialized service providers. Totalizator companies provide wagering technology, machines and infrastructure. Broadcasting and television companies provide satellite services, broadcasting infrastructure, photo finish and timing equipment. Other vendors provide food and beverage concessions, track maintenance (turf and rail), and security technologies.

The major racing breeds are Thoroughbred, Quarter Horse and Standardbred (harness racing). Arabians and Appaloosas also participate in a small number of races typically at Thoroughbred or Quarter Horse tracks. Standardbred or harness racing is predominantly limited to the Northeast, Midwest, and Mid-Atlantic states, while Quarter Horse racing is predominantly a Great Plains and Western sport.

New York is one of the largest horse racing hubs of the United States and hosts the Belmont Stakes, the third race of the Triple Crown. There are four Thoroughbred tracks: Aqueduct, Belmont Park, Finger Lakes, and Saratoga Race Course. As noted previously, Saratoga is one of the pre-eminent and oldest tracks in the country and attracts more than 1 million visits a year. New York hosts seven harness tracks, the most in the U.S.: Batavia Downs, Buffalo Raceway, Monticello Raceway, Saratoga Harness, Tioga Downs, Vernon Downs, and Yonkers Raceway (Empire City). New York also has an extensive OTB network with five operators; these OTBs alone account for 4.5% of U.S. handle.

The New York racing numbers for 2016:



ECONOMIC IMPACT IN NEW YORK

The Racing Sector

creates **12,815** direct jobs

adds **$1.0 billion** in direct value to the state economy

Racing Sector Total Economic Impact to the New York Economy: **$3.08 billion**

These direct Impacts...

creates **6,888** jobs from indirect and induced effects

drive a further **$704 million** in added value to the state economy

Racing Sector Economic Impact Summary ($MMs)

	Direct	Indirect and Induced	Total
Employment	*12,815*	*6,888*	***19,704***
Labor Income	$730	$425	**$1,156**
Value Added	$1,028	$704	**$1,733**
Output	$2,003	$1,086	**$3,089**

Note: Includes Attribution to Racing Sector from Tourism

The Competition Sector Economic Impact

BACKGROUND

Equine competition involves extensive economic activity. The wide variety of disciplines and tiers—from local competitions that take place each weekend throughout the country to high-level national and international competitions— allows for participation by owners and riders at all levels, from beginner to professional. Further, the tiered structure of sanctioned competitions creates incentives for owners and riders to expand their participation and work toward qualifying for higher level competitions.

Higher-level competitions require increasing expenditures. Competition horses require the services of experienced trainers, grooms, veterinarians, and farriers, as well as specialized feed, supplements, care, and conditioning. Moreover, specialized equipment is needed to maintain, train, transport, and travel with equine athletes and competitions require fees for entries, housing, and other services. Riders also require teaching and coaching, specialized equipment and clothing, and support from drivers, grooms and others while competing. Professional competitors also incur advertising costs from promoting their horse in a breed magazine or show program to highlight previous accomplishments for prospective judges.

MAJOR SANCTIONING BODIES

The following four organizations alone sanction more than 6,000 events annually, generating substantial economic impact and opportunities for show organizers, vendors, host facilities and stables, and surrounding businesses like hotels, restaurants and convenience stores.

- **U.S. Equestrian Federation (USEF):** 11 breeds[5] and 18 broad competitive disciplines, including the three equestrian disciplines held at the Olympic Games.
- **The American Quarter Horse Association (AQHA):** 22 additional disciplines such as barrel racing, cutting, and a variety of roping events.
- **National Reining Horse Association (NRHA)** involve the execution of precise movements related to cattle ranching, such as 360-degree spins done in place and hallmark sliding stops.
- **United Professional Horsemen's Association (UPHA)** also hosts competitions focusing predominantly on American Saddlebred, the Morgan Horse, the Hackney Pony and the National Show Horse.

National Competitions Licensed by Major Organizations

USEF	AQHA	NRHA	UPHA
2,394	2,031	1,674	214*

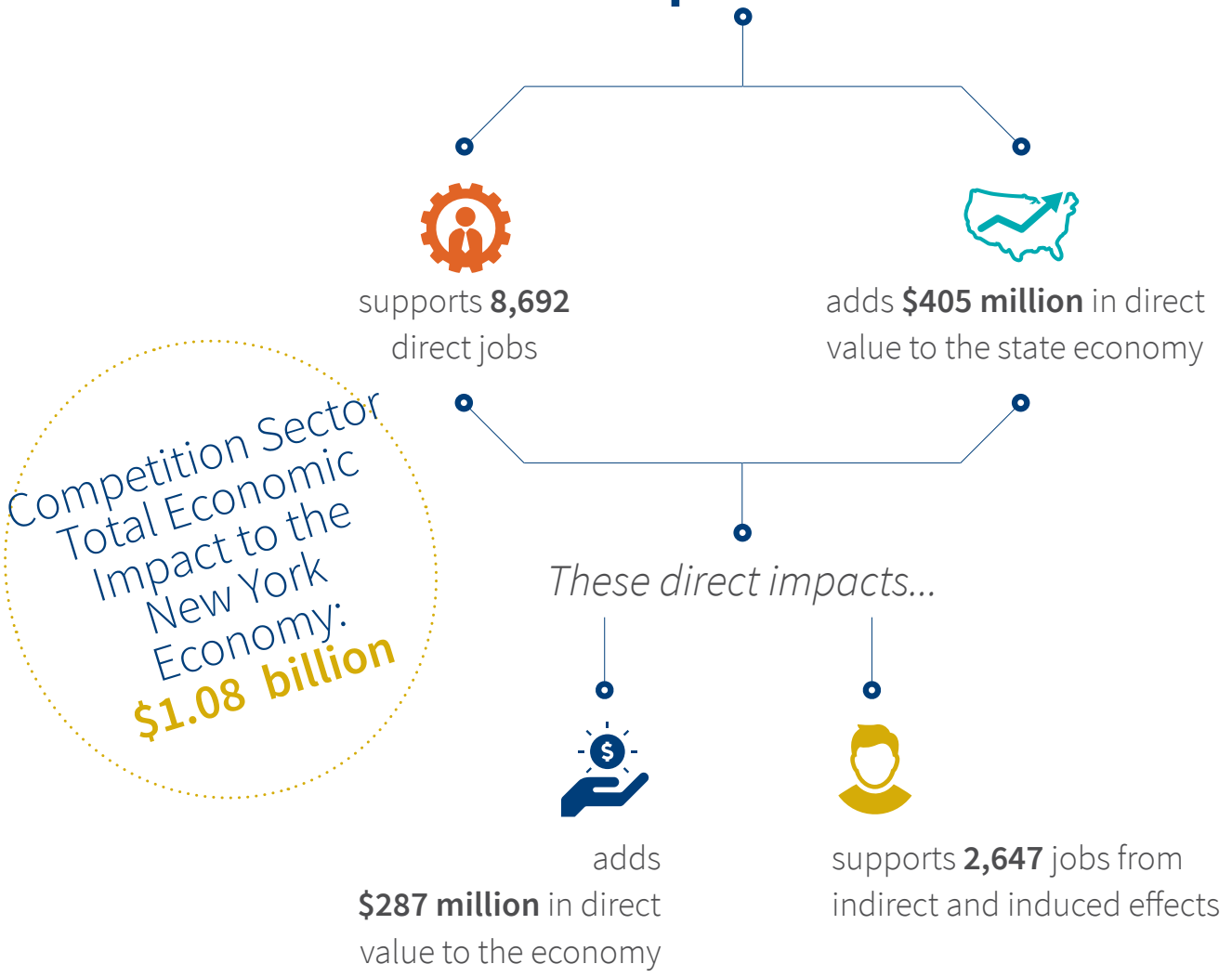
*Non-USEF events only; UPHA is also involved with 66 USEF shows. AQHA hosted 73 events in New York.

Other breed registries and equestrian associations have additional types of competitions unique to their breeds or interests, for example, rodeo and associated timed events, trail obstacle courses, mounted shooting competitions, team penning, equine driving, and team roping. There are also several state and regional associations that sponsor competitions, and an untold number of non-sanctioned events throughout the country.

[5] Andalusian/Lusitano, Arabian, Connemara, Friesian, Hackney, Morgan, National Show Horse, Paso Fino, American Saddlebred, Shetland, and Welsh Pony/Cob.

ECONOMIC IMPACT IN NEW YORK

The Competition Sector



Competition Sector Economic Impact Summary ($MMs)

	Direct	Indirect and Induced	Total
Employment	*8,692*	*2,647*	***11,339***
Labor Income	$284	$169	**$453**
Value Added	$405	$287	**$692**
Output	$637	$450	**$1,087**

Note: Includes Attribution to Competition Sector from Tourism

The Recreation Sector Economic Impact

BACKGROUND

In number of horses and participants, recreation is the largest sector of the horse industry. With more than 3.1 million horses being used nationally, the economic impact of the recreational equine industry has several components.

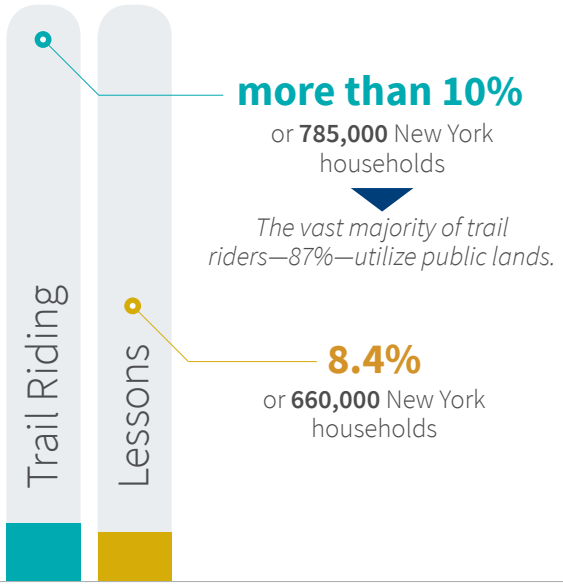
As with competition and racing, recreational riding provides income for stables, farriers, veterinarians, trainers and other industry providers. Economic activity from recreational riding can be recognized through participant spending on riding lessons, trail guides, travel expenditures, riding equipment, and more. Lesson and instruction providers and their horses comprise a significant part of the recreation sector, as horseback riding remains a highly popular sport.

Organizations such as the American Riding Instructors Association (ARIA) have provided paths for certification in different equestrian disciplines, including Recreational Riding Instruction.

Trail riding is a main equine recreational activity that allows people to experience public lands and parks on horseback. There are associations across the country dedicated to preserving trails and public lands and often providing environmental conservation work through their members.

- Back Country Horsemen of America members volunteered over 340,000 hours maintaining trails on public lands.
- American Paint Horse Association (APHA) hosts a series of trail rides across the country and teaches members how to plan, map, and register their own horseback trail rides.
- American Endurance Ride Conference (AERC) promotes the safe use of endurance horses and advocates for the protection and development of equestrian trails.

Percentage of U.S. households in 2016 that participated in:



Moreover, **24%** of AHC survey respondents who trail ride in New York are from out of state.

ECONOMIC IMPACT IN NEW YORK

The Recreation Sector

supports **6,132** direct jobs

adds **$284 million** in direct value to the state economy

Recreation Sector Total Economic Impact to the New York Economy: **$765 million**

These direct impacts...

drives a further **$199 million** in added value to the state economy

adds **1,833** jobs from indirect and induced effects

Recreation Sector Economic Impact Summary ($MMs)

	Direct	Indirect and Induced	Total
Employment	*6,132*	*1,833*	***7,965***
Labor Income	$205	$117	**$321**
Value Added	$284	$199	**$484**
Output	$451	$314	**$765**

Note: Includes Attribution to Recreation Sector from Tourism

Horse Industry Highlights

Total Impact: Top Ten Industry Sectors Supported

Sector	Employment	Labor Income	Value Added
Racing and Track Operation	2,583	$269	$361
Hotels and motels, including casino hotels	3,254	$162	$332
Full-service restaurants	6,486	$206	$246
Support activities for agriculture and forestry	8,768	$211	$214
Commercial Sports (except track operations)	1,312	$124	$149
Real estate	741	$24	$136
Wholesale trade	541	$52	$94
Owner-occupied dwellings	0	$0	$93
Air transportation	384	$44	$86
Grantmaking, giving, and social advocacy organizations	404	$25	$61

Land Preservation

The Horse industry plays a significant role in preserving agricultural land. Of the New York AHC horse-owning respondents, approximately 58% reported owning or leasing a farm, barn, or stable. We estimate that the reported acreage in the AHC survey represents approximately 1.3 million acres of land in New York used for horse-related purposes.

Acreage of Horse-Related Land (000s)

	Acres
Owned	1,179
Lease	119
Total	**1,298**

Volunteerism

Horse owning respondents to the AHC survey reported a high incidence of volunteerism.

22%

Association households in New York reported using **volunteers** as part of their horse care, management, or activities.

59,000

There may be as many as **59,000** New York residents volunteering their time for horse-related activities.

▶ *Therapy Operations*

Equine-assisted therapy operations (EAAT) are certified by the Professional Association of Therapeutic Horsemanship International (PATH) and involve 4,800 instructors in 877 certified facilities. There are 57 facilities in New York generating $11.1 million in revenues, supporting a workforce of 241 employees and adding $7.9 million of value to the state's GDP. These direct impacts drive a further $5.7 million in added value to the economy and 51 jobs from indirect and induced effects.

▶ *Rescues and Sanctuaries*

There are an estimated 602 equine rescues and/or sanctuaries currently active in the United States, with 37 in New York. Total operating expenses and capital investment for these New York operations are estimated to have been $3.8 million in 2016, which results in direct impacts of $1.7 million in value added and 55 employees. These direct impacts drive a further $1.3 million in added value to the economy and 12 jobs from indirect and induced effects.

▶ *Equine Associations*

There are 308 equine-related associations active in the U.S., including State Horse Councils, breed registries, non-academic educational organizations, activity-based associations, libraries and museums. In New York, there are twelve associations, including The Jockey Club, the National Museum of Racing and Hall of Fame, and the Professional Horsemen's Association of America. These associations employ 373 people and contribute $22 million in employee compensation. The employment impacts are estimated to add $55.7 million in direct value added to the state's economy, with an additional $28 million in value added and 255 jobs from indirect and induced effects.

▶ *Equine Academic Institutions*

There are five colleges and universities in New York having equine-related programs and degrees, resulting in an estimate of 74 total employees within the Equine Academic Industry earning $5.0 million in employee compensation. The employment impacts are estimated to add $5.7 million in direct value added to the state's economy, with an additional $4.2 million in value added and 38 jobs from indirect and induced effects.

MHA
NEW YORK THOROUGHBRED
NYTHA
HORSEMEN'S ASSOCIATION, INC.
©SusieRaisher

The Methodology Behind the Numbers

Economic impact analyses are commonly used tools to quantify the benefits that result from the opening or closure of a business or industry to an area. The Innovation Group performed the horse industry analysis utilizing IMPLAN data and software.

THE ECONOMIC IMPACT OF AN INDUSTRY CONSISTS OF THREE LAYERS OF IMPACTS:

1 Direct Effects

The direct effect is the economic activity that occurs within the industry itself: for example, the people employed on horse farms and at racetracks and the spending by horse owners on feed and veterinarians and farriers. For the horse industry, direct effects are defined as employees of or direct expenditures by front-line industry entities or customers of front-line entities. Direct expenditures include operating expenses and average annual capital expenditures.

2 Indirect Effects

Indirect impacts are the effects of the direct expenditures on other business sectors: for example, the farmer who grows the alfalfa and grain as well as the mill that processes the grain. Indirect effects reflect the economic spin-off that is made possible by the direct purchases of the facility. Firms providing goods and services to equine operations have incomes partially attributable to the horse industry.

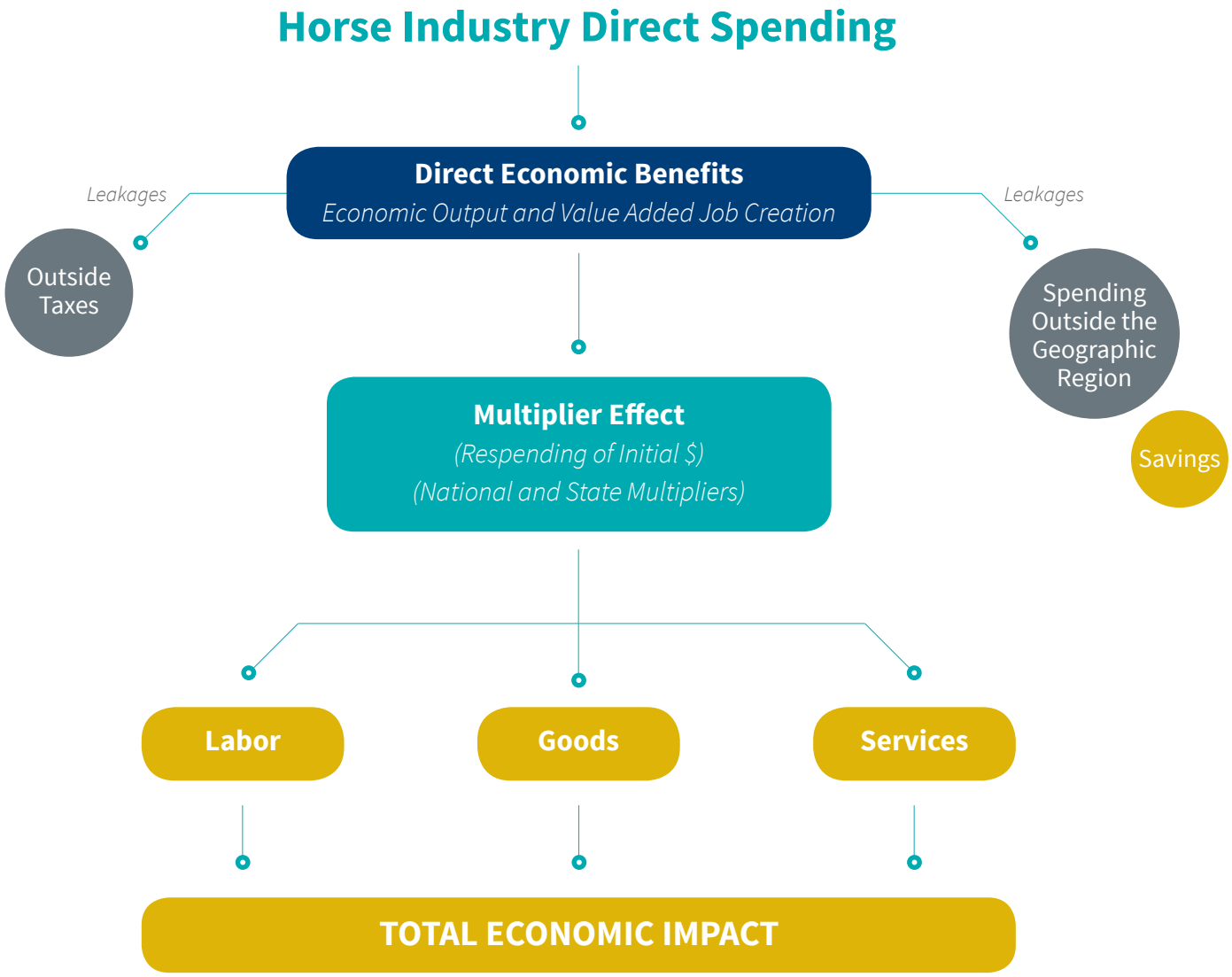
3 Induced Effects

Finally, the induced impacts result from the spending of labor income: for example, racetrack employees or feed mill employees using their income to purchase consumer goods locally. As household incomes are affected by direct employment and spending, this money is recirculated through the household spending patterns causing further local economic activity.

Indirect and induced effects are calculated using multipliers derived from an input-output model[1] of the economy. The IMPLAN input-output model identifies the relationships between various industries—for example, which industries are involved in producing $1,000 worth of feed and by how much is each industry affected? The model is then used to estimate the effects of expenditures by one industry on other industries so that the total impact can be determined. Industry multipliers are developed based on U.S. Census data. IMPLAN accounts closely follow the accounting conventions used in the "Input-Output Study of the U.S. Economy" by the Bureau of Economic Analysis.

[1] IMPLAN software and data were utilized for this study.

The following flow-chart shows how the economic impact model operates.



Determining the direct economic impact is a critical first step in conducting a valid economic impact analysis. The horse industry is unique because of its multiple segments and the dispersed nature of industry participants and activities. The racing industry alone involves a complex web of participants and activity, with scattered registries that do not capture all participants. The following sections describe the survey results and data collected for the analysis.

The Surveys

HOUSEHOLD SURVEYS

The American Horse Council commissioned The Innovation Group to conduct a series of household surveys to estimate:

- The number of horses in the United States
- The owner expenses involved in caring for and training horses
- The owner expenses related to using horses for racing, competition, and recreation
- The spending by non-owners on horse activities, such as riding lessons, trail riding, and going to the races

The first three items formed the core inputs into the direct impacts of horse ownership. The methodology employed a two-pronged approach: first, a "balanced start" survey representative of the demographic composition of the U.S. population was undertaken to derive statistically valid inferences on horse ownership, participation in horse activities, and spending by spectators at horse-related events. Secondly, a survey of horse owners was distributed through equine associations and the American Horse Council asking respondents about expenses related to horse ownership and horse-related activities.

These two surveys—conducted on the Qualtrics platform—are referred to as Balanced Start Survey and AHC Association Survey, respectively, in this report. Given the overlap in horse ownership among family members, and the desire to collect data on youth participation, the horse ownership surveys were conducted at the household level.

The Balanced Start survey generated 3,284 responses yielding 1,000 observations that had at least one spectator, participant, or owner in the household. These three categories combined represent what could be termed "horse enthusiasts." The incidence rate for horse ownership resulting from the Balanced Start survey is 1.3% of households, which equals more than 100,000 New York households based on U.S. Census estimates for 2016.

The AHC Association Survey yielded 19,857 started responses nationally of which 12,854 were completed. For New York, 874 responses were started and 532 completed. This survey was intended to characterize the population of association members and horse ownership in greater detail. The sample frame consisted of the membership lists of the participating associations with notification of eligibility largely by email for an internet-based survey. Paper surveys were also disseminated to associations that requested that medium so that they could include respondents who may not be comfortable with an internet-based survey. The membership lists were not sampled, but rather the full membership was invited to respond to the survey.

The constituent associations were responsible for notifying their members of the survey and promoting response. We expected and observed different response rates due to the heterogeneous dissemination methods of the survey instrument amongst the numerous organizations. For this reason, and because email lists were not available to remove duplicates and identify simultaneous membership among multiple associations, we asked respondents to self-identify their membership in the relevant organizations as part of the survey. We used this data point in tandem with the associations' membership tallies to correct for nonresponse among and between the various associations.

Of the completed surveys, 8,401 nationally and 368 in New York confirmed their membership in at least one equine association. While we could use the incomplete and non-member responses to inform our inquiries during analysis, without knowledge of the population that they described from association membership tallies, we could not use them for the purposes of extrapolating to the population of equine association members. Further we would not be able to calculate appropriate nonresponse weights to produce estimates and make inferences with these observations.

The result of the two surveys was an estimate of the horse population for two groups of owners: Association Members and Non-Members. The AHC survey was weighted by the results of the Balanced Start survey, resulting in an estimate of 145,000 horses as shown in the table below.

Horse Population Estimates 2016 (000's): Household Surveys

	Racing	Competition	Recreation	Traditional Working Horse	Other	Total
Association Members	27	16	33	1	9	87
Non-Members	9	6	34	4	4	58
Total	**37**	**22**	**67**	**5**	**14**	**145**

Quarter Horses typically dominate the Competition, Recreation, and Traditional Work (such as farming and ranching) sectors, while Thoroughbreds and Standardbreds dominate the racing sector.

Horse Population Estimate by Breed (000s): Household Surveys

Breed	Total
Quarter Horse	18
Thoroughbred	39
Standardbred	25
All Other Breeds	63
Total	**145**

Source: The Innovation Group

The association survey results showed statistically significant differences in per-horse expenses among the sectors. These different average expenses were applied to the horse counts by sector in the preceding table to form the main core of direct effects. The survey results also showed statistically significant differences in per-horse expenses between association members and non-members, with non-member combined expenses and investments averaging $3,396.

Per-Capita Horse-Related Expenses and Investments 2016: Association Survey

Racing	Competition	Recreation	Traditional Working Horse	Other
$17,416	$30,851	$9,534	$5,285	$6,103

As noted, the Balanced Start survey also included a line of questioning asking non-horse owners if they participated in horse activities or spectate at horse events. The incidence rate for spectators is additive; it excludes people who own horses or participate in horse activities. In total, 30.5% of households have at least one horse enthusiast, which equals nearly 2.4 million New York households extrapolated to 2016 Census estimates.

Horse Enthusiast Breakdown by Type

Type	NY Households	Percent
Owner	100,383	1.3%
Participant (Non-Owner)	1,257,178	16.0%
Spectator Only	1,032,512	13.2%
Total Horse Enthusiast HH	**2,390,073**	**30.50%**

Source: The Innovation Group

These participants and spectators are estimated to have spent **$1.4 billion** on travel, dining and lodging while participating in and attending events. Sales margins and leakages as calculated by IMPLAN reduce the direct effect in New York of this spending to $986 million, which can be seen in the results table in the report. A sizable portion of the tourism spending is attributable to Thoroughbred racing in the state, especially at Saratoga Race Course. Saratoga is one of the pre-eminent and oldest tracks in the country and attracts more than 1 million visits a year. Its highly attended summer racing season features the oldest major race in the U.S., the Travers Stakes.

INSTITUTIONAL SURVEYS AND DATA COLLECTION

Separate surveys were conducted of institutions involved in the horse industry: rescues and sanctuaries, competition event organizers, equine-assisted therapy operations (EAAT), and equine academic programs. These were also distributed through equine associations and the American Horse Council.

There are an estimated 602 equine rescues and/or sanctuaries currently active in the United States, having handled nearly 24,000 horses in 2016. New York has 37 total institutions across the state with 21 being equine rescues, eight sanctuaries, and eight institutions that act as both. Based on results of the survey, total operating expenses and capital investment for these operations are estimated to have been $3.8 million in 2016.

The survey of competition event organizers did not result in usable data; thus, the economic contribution of this sector was determined through the horse ownership surveys, utilizing the expense line item Entry and Stall fees for horses identified as Competition. Equestrian competitors are estimated to have spent $25 million in Entry and Stall fees in 2016.

The EAAT and academic surveys provided limited data and therefore were supplemented by results of a recent survey conducted by the Professional Association of Therapeutic Horsemanship International (PATH) and by follow-up calls to academic institutions. EAAT and academic operations involves therapy, instructional, and research activities directly attributable to the horse industry. Based on results from the PATH survey, the total direct contribution estimated from all 57 EAAT operations in New York is $11.1 million in revenues, supporting a workforce of 241 employees. We received valid responses from three of five colleges and universities in New York having equine-related programs and degrees, resulting in an estimate of 74 total employees within the Equine Academic Industry.

Operating Data

For many industry segments, direct collection of proprietary operating data or public reporting was more appropriate than a survey instrument. Proprietary financial data and racing statistics were requested from racetrack operators. Publicly available data consisted of state racing commission reports and racing statistics, IRS 990 forms, and sales reports for public horse sale events.

RACING INDUSTRY

Racing industry data was obtained for pari-mutuel operations, state and county fairs, steeplechase events, and state racing commissions.

A census was conducted of all known racetrack and pari-mutuel operations in the U.S. In total, 21 responses were received, including from the four largest operators—Churchill Downs, New York Racing Association, Penn National, and the Stronach Group. The employment and operating data represents 46 of the 113 known racetracks in the U.S. that had at least one day of live racing in 2016. In addition to the racetrack responses, we also received operational data from OTB/ADW companies. A regression analysis based on breed, number of race days and handle was performed on the respondent dataset to determine the revenue, employment and employment compensation for the unknown population. Operating data from five of New York's 11 active racecourses was supplemented by statewide wagering and racing data from the New York Gaming Commission - Division of Horse Racing and Pari-Mutuel Wagering. Racing data from state and county fairs were obtained from the USTA (Trotting Association).

Additionally, the National Steeplechase Association provided purse and racing statistics, which was supplemented by operational data (revenue and employment) available through public filings of IRS 990 forms. In 2016, there were three locations in New York where steeplechase racing occurred, with a total of 13 races.

State horse racing commissions like the New York Horse Racing division are funded through pari-mutuel taxes, which are derived from the wagering revenue recorded in the racetrack sector above. As such, the direct effect input from this segment is limited to employment and labor income related to commission operations. Further, to avoid double-counting, the labor income of racing commission operations is subtracted from the direct input of racetrack revenue prior to the IMPLAN modeling.

EQUINE ASSOCIATIONS

The American Horse Council directory lists 308 equine-related associations active in the U.S., including State Horse Councils, breed registries, non-academic educational organizations, activity-based associations, libraries and museums. These non-profit organizations submit detailed financial information to the IRS on tax form 990, some of which are publicly available documents. In total, we collected employment and salary data from 56 organizations. After removing extreme outliers from the dataset, averages were used to estimate the unknown population. The direct effect input from all 12 equine-related associations in New York includes 373 employees earning $22.4 million in compensation.

PUBLIC HORSE SALES

Sales data was collected through archival records of major horse public sales throughout the U.S. from sale company's websites or online databases such as Blood Horse and Harness Racing. In addition to the major companies and sales, such as Fasig-Tipton, Keeneland and Harrisburg, we collected data from smaller state and local sales throughout the country. In total, 731 horses sold in New York during 2016 resulted in annual sales of $65 million. For this segment, only the marginal effect is considered. Consistent with the 2005 national horse study, revenue accruing to horse owners is not included as an economic impact on the basis that industry-wide, horse ownership expenses exceed revenues. However, the sales margin of $11.8 million, as estimated by IMPLAN, reflects the staffing and expenses required to host the sales events and the commissions accruing to the hosting enterprises.

Thank you and Acknowledgment

Organized in 1969, the American Horse Council works daily to advocate for the social, economic and legislative interests of the United States equine industry.

The Economic Impact Study of New York was commissioned with major support from:

New York Thoroughbred Breeders, Inc.

New York Thoroughbred Horsemen's Association

New York Thoroughbred Breeding and Development Fund

AMERICAN HORSE COUNCIL FOUNDATION

For more information about the horse industry in the United States, contact:

American Horse Council
1616 H Street NW, 7th Floor
Washington, DC 20006
202-296-4031
www.horsecouncil.org
info@horsecouncil.org

©2017 American Horse Council Foundation
All rights reserved including the right to reproduce this report or portions thereof in any form.