



Florida Horse Racing Industry Economic Impact

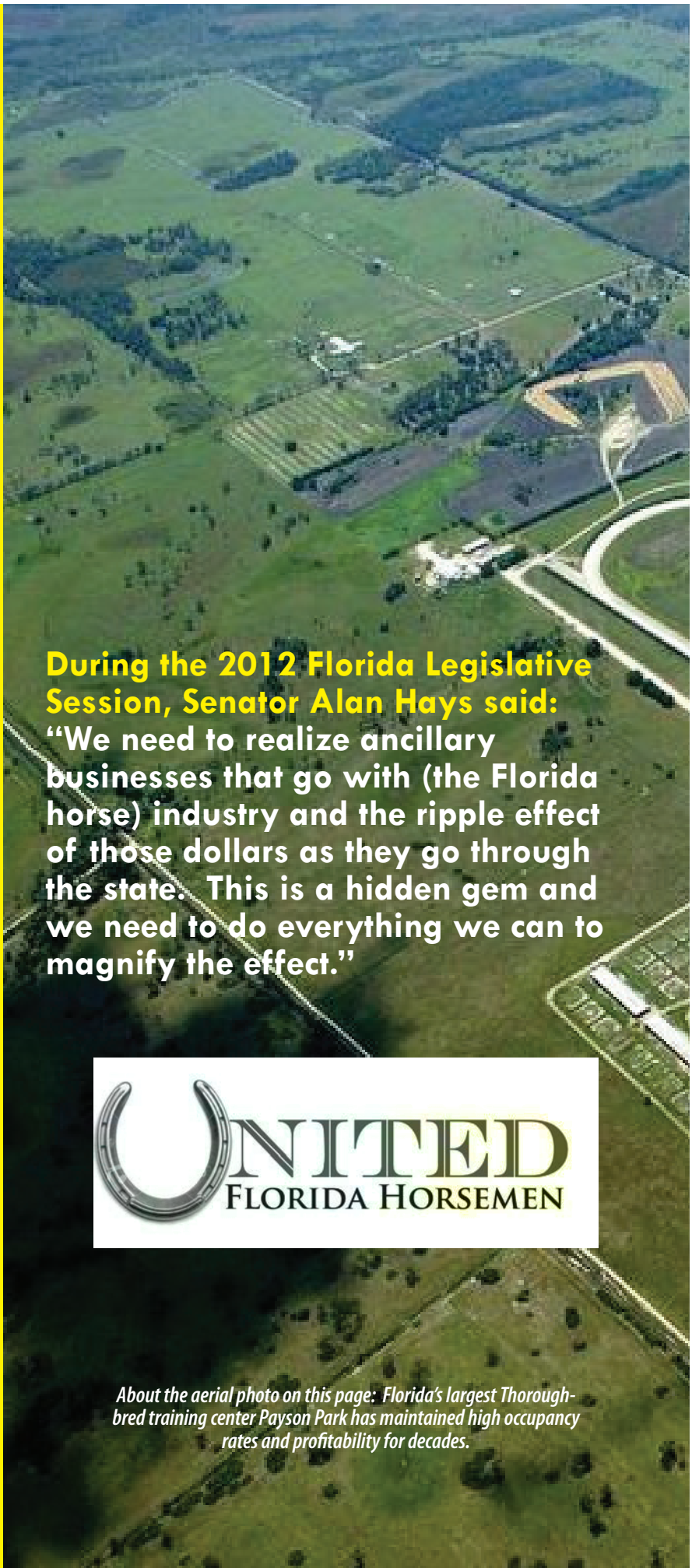
**Racing, Training, Breeding and
Racetrack Operations**

**Presented to the
Florida Senate Committee on Gaming**

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*With Professional Research Supplied by
Cummings Associates and Civic Economics*






During the 2012 Florida Legislative Session, Senator Alan Hays said:
“We need to realize ancillary businesses that go with (the Florida horse) industry and the ripple effect of those dollars as they go through the state. This is a hidden gem and we need to do everything we can to magnify the effect.”



About the aerial photo on this page: Florida's largest Thoroughbred training center Payson Park has maintained high occupancy rates and profitability for decades.

An aerial photograph of a horse racing track. The track is a large, oval-shaped dirt track with a white border. To the left of the track is a large, modern building, likely a grandstand or clubhouse. To the right of the track is a large, open field, possibly a paddock or training area. The surrounding area is green and appears to be a rural or semi-rural setting.

A racehorse generates a wide range of jobs for those engaged in their breeding, care, feeding, training, transportation and more.

Racehorses are also the impetus behind the employment of those engaged in the business of track operations (which serves the horses, horsemen, visitors and fans) and those who maintain the elaborate framework of Florida pari-mutuel wagering.

Further, racehorses are the reason for the employment of those engaged in the regulation and monitoring of the industry in the form of taxes and fees paid to various governmental and sanctioning bodies. Those workers and businesses, in turn, circulate that money further within the economy.

These jobs are to be found throughout the State of Florida, in locations both urban and rural. Indeed, the widely distributed and labor-intensive nature of the horse racing industry makes it a particularly desirable form of gaming.

From small farms in the north to the heart of South Florida, racing provides employment opportunities that other forms of gaming simply cannot.

All told, the Florida Horse Racing Industry supports over 12,000 in-state jobs, pays those workers over \$400 million in wages and benefits each year, and generates an annual economic impact of over \$900 million.



An accredited American Quarter Horse foal gets to its feet within an hour of birth--much like the Florida Quarter Horse industry, which has grown by triple digits since its comeback several years ago.

Florida's racehorse breeding industry is world-renowned. Horsemen are drawn to agricultural locations throughout Florida to enjoy our year-round moderate climate, mineral-rich water and soil, outstanding facilities and strong support industries.

Florida's professional racehorse breeding farms--more than 75 percent of them in Ocala/Marion County and the surrounding area--routinely bring positive national publicity to the state, thanks to the champion horses they produce and train.

As our young horses mature, they are frequently transported between Florida and other states for sales, and in pursuit of the best racing opportunities. At the age of two, most horses bred for racing begin serious training, and some are entered into their first races.

The **Florida Thoroughbred Breeders' and Owners' Association (FTBOA)** is a longstanding not-for-profit association which represents more than 1,300 Thoroughbred breeders and owners who breed, raise, train and race horses born in the State of Florida. They work closely with the **Florida Horsemen's Benevolent and Protective Association**, which boasts over 6,000 owner/trainer members statewide--most of whom are small business owners.

Membership in the **Florida Quarter Horse Racing Association**, which works with the **Florida Quarter Horse Breeders' and Owners' Association**, has grown in just five years to over 600 members.



Horse van or air transporter
\$100-300 A MONTH



Stall Bedding Vendor
\$150-\$180 A MONTH



Vet Services for One Racehorse
\$400-\$500 A MONTH



Average Trainer's Workers' Comp Policy
\$20,000 A YEAR



Trainers' Minimum Annual Cost to Keep A Racehorse On Track in Training: **\$25,000**

Horse Racing Is A Time-Tested Economic Driver. **Here's Why . . .**

Many Florida Horse Racing Operations are Just Small Family Businesses

Exactly How Do Racehorses Benefit Florida?

The typical racehorse trainer has 6 to 8 horses in training and employs between 4 and 8 full-time people a year, plus part-timers. His or her break-even cost to keep a racehorse in training on the track is \$25,000 a year, which means each "average" racehorse trainer pumps approximately \$200,000 a year into Florida's economy at the minimum.

So, if legitimate horse racing were eliminated or racing days curtailed or "decoupled," who would really be affected?

The need for the typical 1,000-2,000 horses at tracks such as Calder Race Course, Gulfstream Park, Hialeah Park and Tampa Bay Downs serves to grow the local employee base by thousands. Small businesses emerge in the surrounding areas as racehorse owners and trainers seek to employ locals.



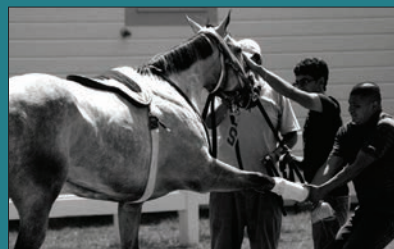
Two Horseshoeings
\$300 PER MONTH



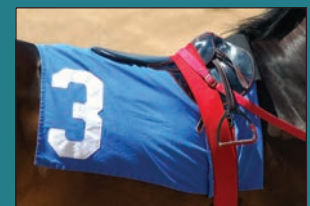
Feed Store and Supplements Vendor
\$250-\$350 A MONTH



Horse Dentist
\$150 PER MONTH



Hotwalker, Groom & Exercise Rider
\$2,000-\$3,000 A MONTH



Equipment Repair and Miscellaneous Fees
\$250 PER MONTH

How Do Horsemen's Average Expenses Stack Up?



Fisch Photography

EXPENSES PER HORSE All breeds, 2012

Expense Categories	Weighted 2012
Feed, Bedding and Grooming Supplies	\$ 1,890
Medicine and Vitamins	\$ 312
Tack, Equipment, and All Other Supplies	\$ 230
Boarding and Training	\$ 2,835
Rider Education / Lessons	\$ 5
Stud Fees	\$ 425
Shoeing / Farrier	\$ 355
Veterinary Services	\$ 883
All Other Horse Services	\$ 294
Trailing and Horse Transport	\$ 310
Travel and Transportation	\$ 145
Entry Fees	\$ 410
Facilities Maintenance	\$ 367
All Other Business Expenses	\$ 1,130
Employee Compensation (Wages and Non-Cash)	\$ 3,311
Federal Taxes	\$ 292
State Taxes	\$ 42
Local Taxes	\$ 64

Total \$ 13,298

Expenses per horse for 2012 reflect a weighting of the survey sample by breed
Sources: Survey of Florida horsemen

Direct economic effects capture the initial impact created by the initial outlay of funds. This includes expenditures on feed, grooming supplies, medicine, horse supplements, veterinary services, travel, etc.

For horse tracks, all revenue derived from operations of the races as well as food and beverage sales and other ancillary activities are considered direct effects.

Indirect effects stem from purchases made by businesses related to the initial impacts described above. For the horse industry, indirect effects include business support services, services to buildings housing the horses, rentals of commercial and industrial machinery, and real estate firms handling the various purchases and rentals of land and buildings related to the horse industry in the state.

For horse tracks, indirect effects include legal and accounting services provided to the tracks and casinos, insurance agencies contracted by the various firms involved in all aspects of the horse industry, advertising related to the horse races, maintenance and repair of all related facilities, and telecommunications provided to all the tracks--just a few examples of the many types of indirect impacts that take place in horse-related industries throughout Florida.

Induced effects are the result of increased household spending due to the direct and indirect economic effects.

Employees of firms directly or indirectly affected by the horse industry buy cars, homes, groceries, eat at restaurants, see doctors, and purchase goods at various retail outlets throughout the state of Florida and stimulate the economy by doing so.

The above figures represent an overall average. For horses in training on the track, which require much more attention and labor, annual costs are usually a **minimum of \$25,000.**

Prices for Florida Thoroughbreds skyrocketed in 2013 by as much as 60 percent over 2012 and are up over 45 percent from just three years ago.

On the first day of the 2013 Ocala Breeders' Sales, for example, 189 Thoroughbreds brought a first-day spring sale record total of \$11,372,500, compared with 186 horses selling for \$7,533,000 at the previous year's opening session. The \$60,172 session first-day average--also a record--soared 48.6 percent above the average of \$40,500. The \$37,000 median price rose 48 percent, compared with \$25,000 a year ago.

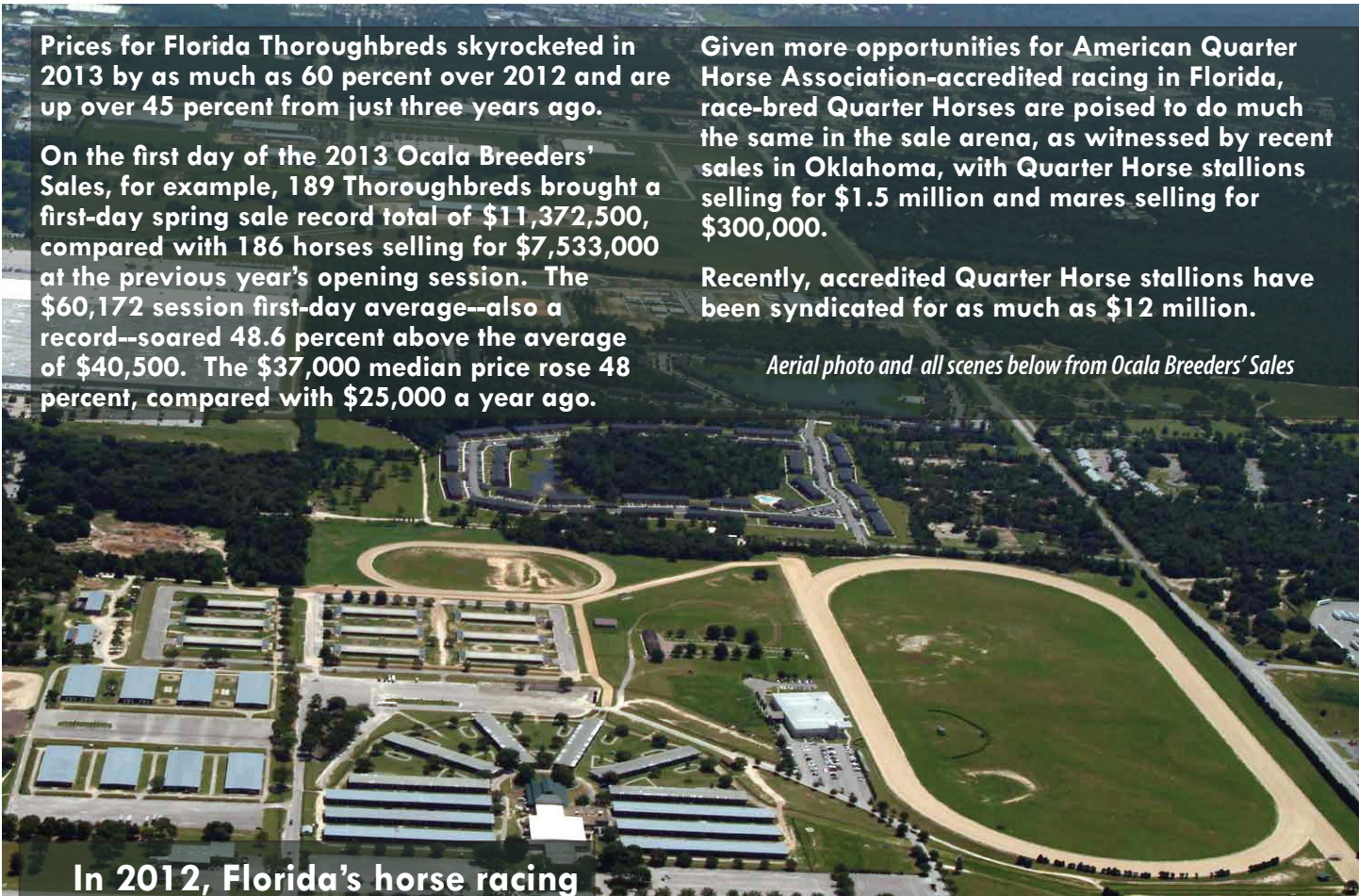
Given more opportunities for American Quarter Horse Association-accredited racing in Florida, race-bred Quarter Horses are poised to do much the same in the sale arena, as witnessed by recent sales in Oklahoma, with Quarter Horse stallions selling for \$1.5 million and mares selling for \$300,000.

Recently, accredited Quarter Horse stallions have been syndicated for as much as \$12 million.

Aerial photo and all scenes below from Ocala Breeders' Sales

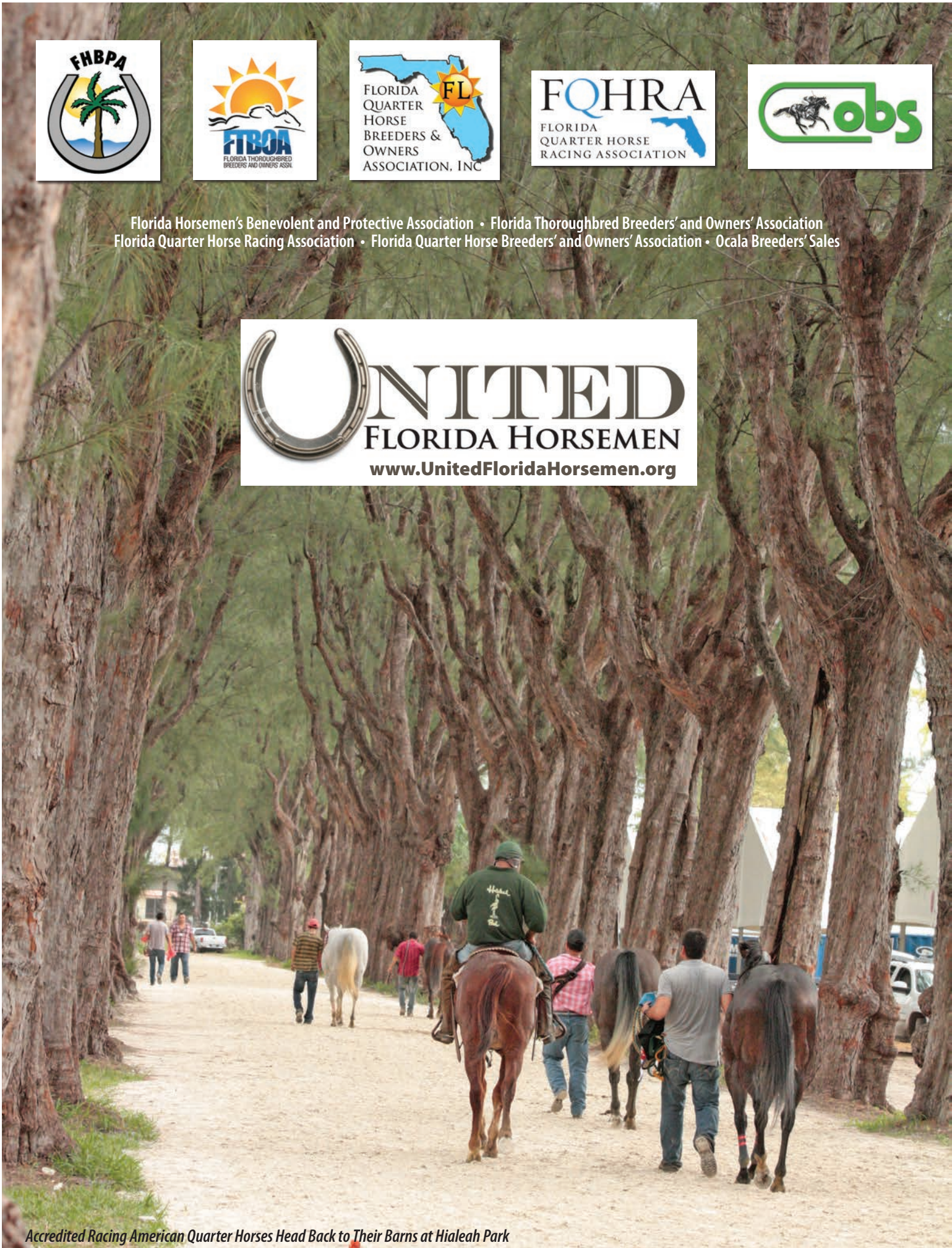
In 2012, Florida's horse racing industry saw 24,413 horses engaged in the activities of horse racing and racehorse breeding:

- 20,462 Thoroughbreds
- 2,474 Quarter Horses
- 1,477 Standardbreds





Florida Horsemen's Benevolent and Protective Association • Florida Thoroughbred Breeders' and Owners' Association
 Florida Quarter Horse Racing Association • Florida Quarter Horse Breeders' and Owners' Association • Ocala Breeders' Sales



Accredited Racing American Quarter Horses Head Back to Their Barns at Hialeah Park