

THE INFLUENCE OF THE RACE HORSE INDUSTRY ON IOWA'S ECONOMY



Prepared For:

The Iowa Horsemen's Benevolent and Protective Associations (IA HBPA),
The Iowa Thoroughbred Breeders & Owners Association (ITBOA),
The Iowa Quarter Horse Racing Association (IQHRA),
The Iowa Harness Horsemen's Association (IHHA), and
Prairie Meadows Racetrack & Casino

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About CEDIK

CEDIK (Community and Economic Development Initiative of Kentucky) is an integrated engagement and research unit within the College of Agriculture, Food and Environment at the University of Kentucky. CEDIK provides research and information that supports community and economic development. The unit was established in 2010 with the mission to catalyze positive change to build engaged communities and vibrant economies. For more information on the programs and services offered by CEDIK, visit <https://cedik.ca.uky.edu/>.

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EXECUTIVE SUMMARY

The Community and Economic Development Initiative of Kentucky (CEDIK), with the University of Kentucky was commissioned by the Iowa Horsemen's Benevolent and Protective Associations (IA HBPA), the Iowa Thoroughbred Breeders & Owners Association (ITBOA), Iowa Quarter Horse Racing Association (IQHRA), Iowa Harness Horsemen's Association (IHHA), and Prairie Meadows Racetrack & Casino to conduct a study on the economic impact of the race horse industry to Iowa's economy.

The race horse industry included in this study is represented by owners, breeders and trainers of Thoroughbred Horses, Quarter Horses and Standardbred/Harness Horses. The economic impact also includes the pari-mutuel side of the Prairie Meadows Racetrack and Casino. Surveys of owners, trainers and breeders were conducted beginning with August 2018. A total of 208 surveys were collected over a six months period, of these, 22 surveys represented the Quarter Horse industry. The remaining were collected from the Thoroughbred industry. While, there were no surveys returned from the Standardbred/Harness Horse industry, secondary data detailing Standardbred Horses raced in 2017 and average expenses provided by the Iowa Harness Horsemen's Association (IHHA) were used to calculate the economic impact of the industry.

Data reflecting expenses and employment at Prairie Meadows Racetrack and Casino were provided by Prairie Meadows and were included in the economic impact analysis. Purses and purse supplements paid to all three breeds were excluded from the total expenses of the pari-mutuel operation of Prairie Meadows Racetrack and Casino to avoid double counting. Though paid by the Prairie Meadows Racetrack and Casino, purses are a source of revenue for the horsemen and used to cover part of their annual expenses.

The findings of this study illustrate a total economic impact of \$196.8 million in output (revenues) and 2,961 FTE in employment, as follows:

- \$143.3 million in output generated by the Thoroughbred Racing industry. Of the total impact, \$83.3 million was the direct impact.
- \$29 million in output from Prairie Meadows Racetrack and Casino, with \$18.6 million in direct impact.
- \$16.7 million in output from the Quarter Horse Racing industry, with \$9.7 million generated in direct impact.
- \$7.5 million in output generated by the Standardbred Racing industry, with \$4.4 million in direct impact.
- 85% (2,510) of the total employment economic impact was generated by the Thoroughbred Racing industry. The remainder comes from the Quarter Horse Racing industry and Prairie Meadows Racetrack and Casino.

In certain instances, the economic impact of the industry is likely underestimated because of missing data. Overall, the total economic impact of Iowa's race horse industry to the local economy may result in higher output and employment.

INTRODUCTION

Pari-mutuel horse racing began in Iowa in 1983 at several fairs around the state. By the late 1980s, the pari-mutuel racing at fairs ended and in 1989 Iowa's first commercial track, Prairie Meadows, opened in Altoona. Initially, horse racing meets were held at Prairie Meadows for Thoroughbreds, Quarter Horses and Standardbreds/Harness Horses. Beginning with 2015 Standardbreds were run only at fairs in Iowa and no longer at Prairie Meadows.¹

While the state's race horse industry has faced its challenges, in a 2015 report, the Iowa Racing and Gaming Commission stated that the "racing share of overall revenue could grow exponentially and have a significant economic impact in Iowa."² Prairie Meadows' efforts to increase purses and diversify portfolios are one reason for growth. The track offers simulcast betting, casino, and gaming and hosts entertainment and conference venues. It continues to invest in the operations through capital improvements, marketing, new activities to attract patrons, and developing its non-racing uses.

The challenges facing Iowa's race horse industry includes changing industry trends, competition from other states and alternative forms of gambling, and a changing business model. Because of these challenges it is important to understand the value of the industry to the state.

The Iowa (IA) Horsemen's Benevolent and Protective Associations (IA HBPA) in collaboration with the IA Thoroughbred Breeders & Owners Association (ITBOA), IA Quarter Horse Racing Association (IQHRA), IA Harness Horsemen's Association (IHHA), and Prairie Meadows Racetrack and Casino contracted with the Community and Economic Development Initiative of Kentucky (CEDIK), from University of Kentucky to conduct an economic impact study of Iowa's race horse industry on the state's economy. The report highlights the findings and builds from a previous study conducted by Thalheimer Research Associates in 2008.

The economic impact of the race horse industry in Iowa can be measured in direct, indirect, and induced effects. Direct effects are expenses by the industry itself, such as horse operations, including horse owners, trainers, and breeders and Iowa's racetrack operation. The indirect and induced effects were determined using the input-output modelling through IMPLAN (Appendix). The results illustrate that the total economic impact is \$197 million in output and 2,961 FTE jobs.

The findings of the study are presented in the next sections, including an overview of the equine industry in the context of Iowa's economy.

¹ Pari-mutuel horse racing across America, <http://www.horseracing-tracks.com/>

² Iowa Racing and Gaming Commission, "Exchange Wagering Report", 2015,

<https://irgc.iowa.gov/document/exchange-wagering-report-full>

I. THE EQUINE INDUSTRY OVERVIEW

In 2017, Iowa generated \$183 billion in Gross Domestic Product (GDP). Of this, \$32 billion was generated by the manufacturing sector, followed by finance and insurance with \$25 billion (Figure 1). Agriculture, forestry, fishing and hunting (which includes the equine industry) is one of the top 10 contributors to Iowa's economy.

Figure 2 provides an overview of total employment versus farm employment and the change over time (since 2000). According to the Bureau of Economic Analysis (BEA), total employment in Iowa increased by 8%, while farm employment has declined by 20% from 2000 to 2017.

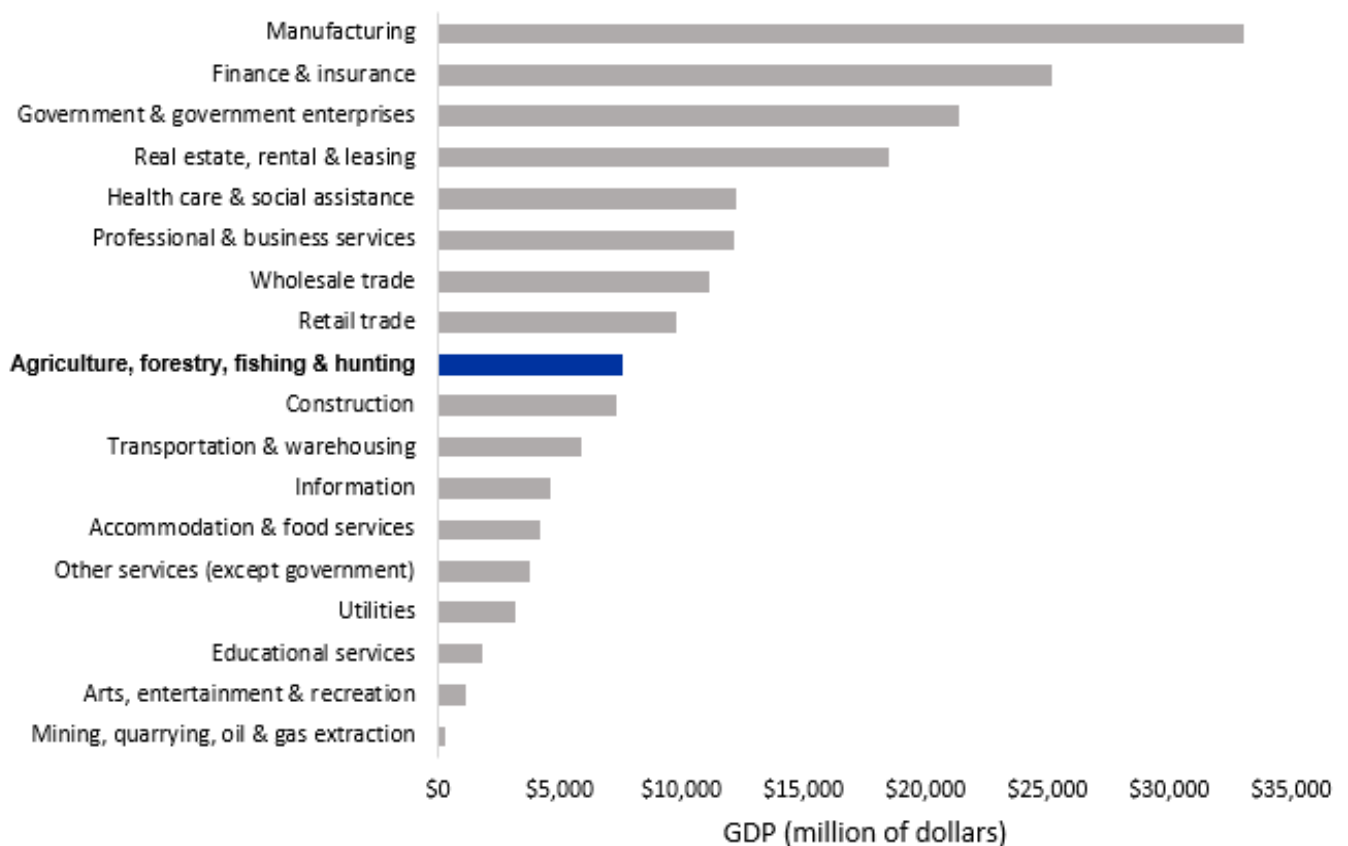


Figure 1. Iowa GDP by industry, 2017

Source: Bureau of Economic Analysis (BEA)

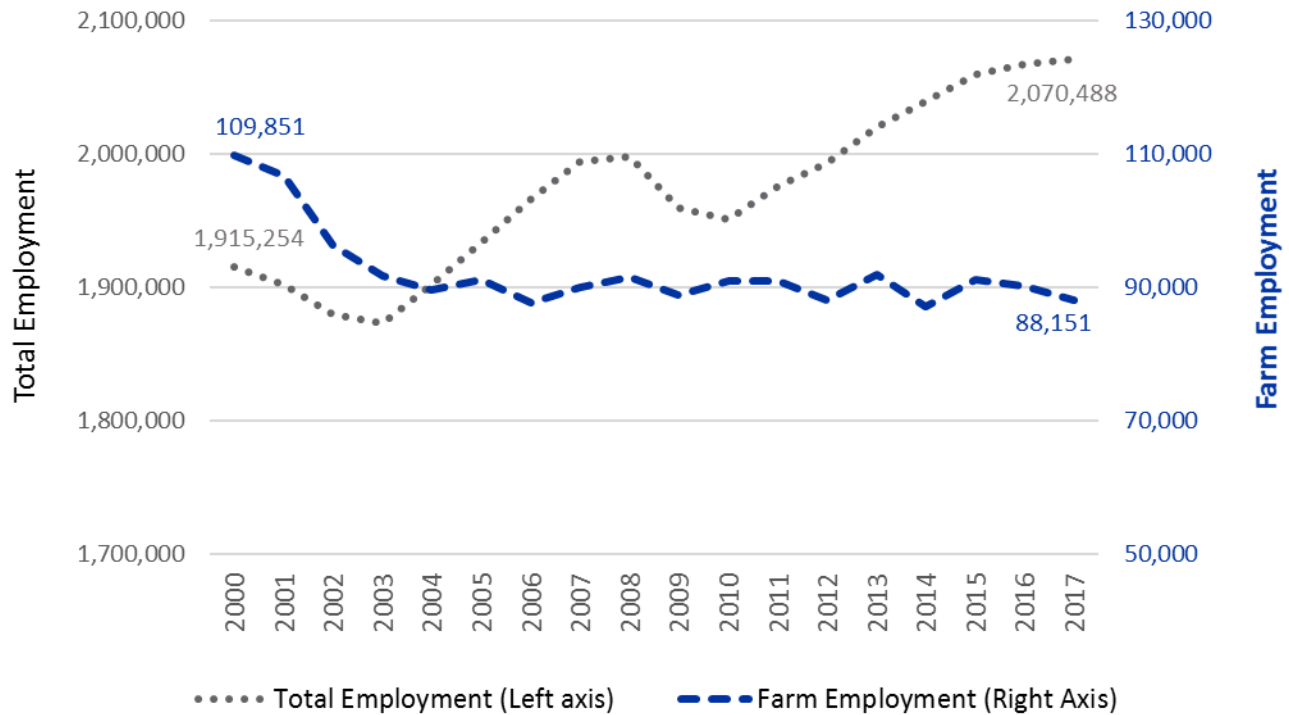


Figure 2. Iowa Total vs Farm Employment, 2000-2017

Source: Bureau of Economic Analysis (BEA)

USDA/NASS data report that in 2017 there were 86,104 farms in Iowa. This represents a decline of 2.9% from 88,637 farms in 2012. Over the same time period, the number of horse and pony farms in Iowa has decreased by 7.1%,

from 9,599 farms in 2012 to 8,921 farms in 2017 (Table 1).³ The actual inventory of horses and ponies has declined over the five years, while the value of sales (in current-dollars) has increased by 35.2%.

Table 1. Equine characteristics, 2012 and 2017

	2012	2017	5-yr change (%)
Total farms	88,637	86,104	-2.9%
Horse and pony farms	9,599	8,921	-7.1%
Horse and pony inventory (headcount)	62,206	50,816	-18.3%
Horse and pony sales (\$1,000)	14,470	19,563	35.2%

Source: USDA, National Agricultural Statistics Service

³ As categorized and reported by USDA/NASS

II. IOWA'S RACE HORSE INDUSTRY

Iowa's race horse industry is comprised of horse owners, breeders, and trainers, as well as the Prairie Meadows racetrack. There are three types of racing horse breeds in Iowa: Thoroughbreds, Quarter Horses and Standardbreds (for harness racing). To determine the economic impact, data representing expenses (including wages and salaries) and employment were collected, when available, either directly from the racetrack and the horse racing associations or through a survey.

1. Prairie Meadows Racetrack

As mentioned previously, Prairie Meadows, the only pari-mutuel horse racing track in Iowa, opened in 1989. The race meets for Thoroughbred and Quarter Horses take place

The survey was distributed to owners, breeders and trainers of Thoroughbred and Quarter Horses. This section provides an overview of the racetrack, the survey results for Thoroughbred owners, breeders and trainers, as well as sub-sections on Quarter Horse racing and Harness horse racing industries in Iowa. The focus of this study is to quantify the economic impact of the race horse industry. Thus, for Prairie Meadows only the pari-mutuel side of the operations was taken into account.

from April to October, but the facility is open 24/7 year-round due to its other activities. The racetrack attracts owners and/or owner-trainers of Thoroughbred and Quarter Horses from across U.S., Canada, and Ireland (Figure 3).

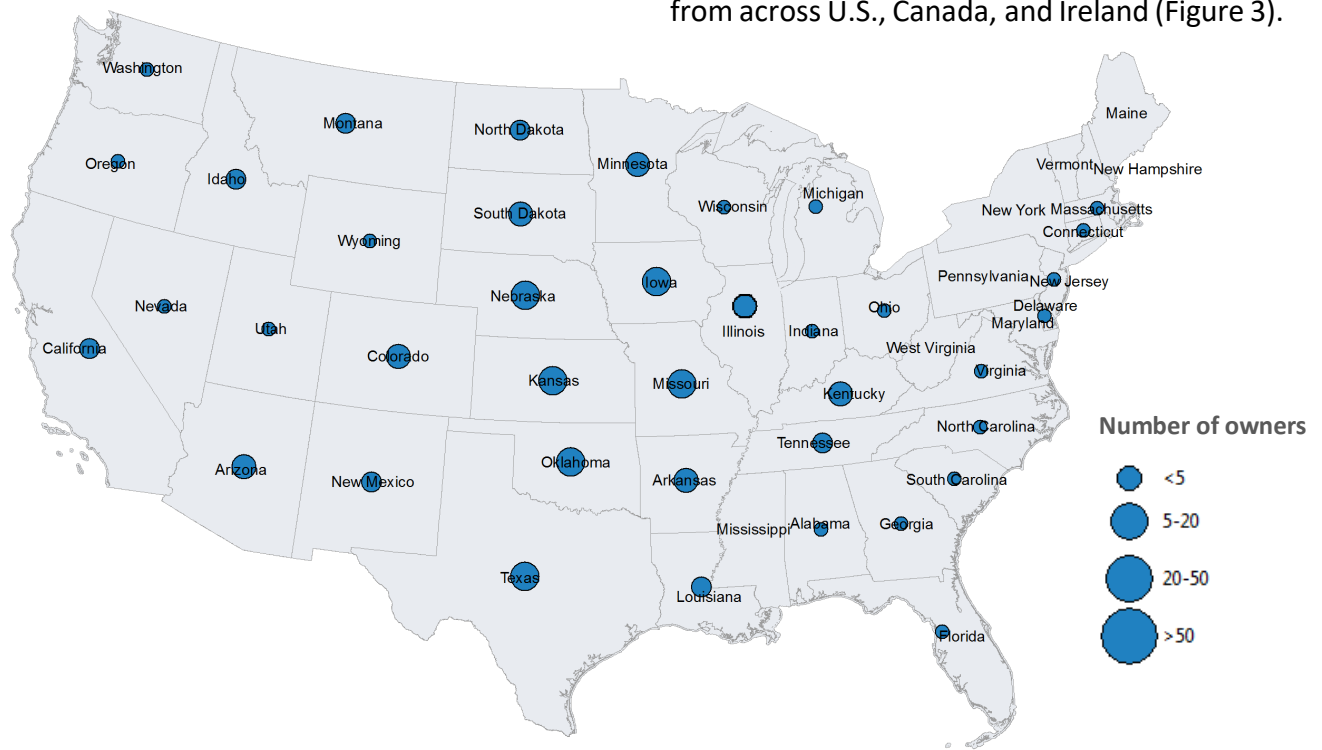


Figure 3. 2017 Origin of Prairie Meadows TH and QH owners and/or owner-trainer (continental U.S. only)

Source: Prairie Meadows Racetrack and Casino

Between May and October 2017, there were on average 978 horses and 65 trainers or owner/trainers on property at Prairie Meadows (Table 2).

Table 2. Average horses and trainers on property, 2017 racing season *

	May	June	July	August	September
Total Horses On Property	1,138	1,202	1,086	805	658
Thoroughbreds	1,087	1,149	1,036	379	29
Quarter Horses	0	4	5	379	585
Commercial Ponies	8	9	7	8	10
Stable Ponies	31	32	27	26	25
Outrider Ponies	12	11	12	12	10
Iowa Bred	472	461	394	213	129
2 years-olds	160	187	181	235	243
Total Stalls Available	1,426	1,426	1,426	1,426	1,426
Trainers on Property	73	77	72	53	52

* Does not include first week of October

Source: Prairie Meadows Racetrack and Casino

Prairie Meadows Racetrack and Casino had 1,107 employees (FTE) in 2017, from which 86 FTE were related to the pari-mutuel activities. Table 3 illustrates the number of pari-mutuel employees by type of employment. Part-time

employment is considered as 50% of full-time, while seasonal workers were employed for 4.7 months, on average, in 2017. The FTE employment was taken into consideration for the economic impact.

Table 3. Pari-mutuel employment, 2017

Employment type	2017 count	2017 FTE
Full-time	36	36
Part-time	32	16
Seasonal	147	34
Total	215	86

Source: Prairie Meadows Racetrack and Casino

In 2017, Prairie Meadows Racetrack and Casino spent over \$215 million on its operations. Of these expenses, \$37.6 million related to the pari-mutuel activity, including almost \$7 million in salaries, wages and benefits and approximately \$20 million in purses. The highest percent was paid for Thoroughbred

racing, followed by Quarter Horse racing and Harness/Standardbred racing (Table 4).

Of the \$20 million, \$19 million were purses and supplements paid out for 2017 and slightly less than \$1 million were carryover from previous years. To avoid double counting, Prairie Meadows Racetrack and Casino expenses were

discounted by the amount paid in purses and purse supplement for 2017. The remaining of the expenses were allocated to utilities,

marketing costs, fees, depreciation, and supplies.

Table 4. Purses and purse supplement paid by breed, 2017

Breed	2017 Purses (\$-amount)*
Thoroughbred racing	\$15,179,585
Quarter Horse racing	\$3,511,585
Harness Horse racing	\$1,669,510
Total	\$20,360,680

* Includes carryover from previous years

Source: Prairie Meadows Racetrack and Casino

2. Owner, Breeder, and Trainer Surveys

Following Thalheimer's 2008 study and conversations with Iowa race horse associations, CEDIK developed seven survey instruments, as follows: six separate surveys to owners, breeders, and trainers for Thoroughbred and Quarter Horses, and one survey for Harness/Standardbred horse owners, breeders, and trainers combined. The surveys were distributed by paper and online via Qualtrics. The organizations mailed the surveys to their members, advertised the online links via Facebook, or emailed them directly when email addresses were available. This allowed respondents with multiple roles (e.g.,

owner and breeder) to complete the survey instruments relevant to them.

There were a total of 208 usable surveys collected, 186 for Thoroughbreds and 22 for Quarter Horses. Table 5 illustrates the number of members and surveys collected, as well as the response rate. Overall, there were very few surveys collected for the Quarter Horse industry and no surveys for the Harness Horse. To allow for full economic impact modeling, additional information, and data on their industry was provided by the equine associations supporting this study.

Table 5. Membership and survey responses, 2017

	Number of members*	Number of surveys	Response rate (%)
Thoroughbred Horse racing owners only**	525	121	23.0%
Thoroughbred Horse racing breeders	433	51	11.8%
Thoroughbred Horse racing trainers (including O/T)	132	14	10.6%
Quarter Horse racing owners	150	13	8.7%
Quarter Horse racing breeders	55	9	16.4%
Quarter Horse racing trainers	15	0	0%

* Members can have multiple roles (e.g., owner and breeder; owner, breeder and trainer, etc)

** Members actively racing TH in 2017

Source: IA HBPA, ITBOA, and IQHRA

2.1. Thoroughbred Racing Industry Survey Results

2.1.1. Owners

There are 921 Thoroughbred Race Horse owners (including 70 joint owner-trainer) registered as members in Iowa, according to data from the Iowa Horsemen's Benevolent and Protective Association (IA HBPA). Of those, 525 members actively raced Thoroughbreds in 2017. One hundred and twenty one (121) members responded to the survey. Slightly over 41% of the respondents are owner/breeder and

4% are owner/trainers (Table 6). Of owner/breeders, 81% of respondents dedicate 12 months per year to their operation.

More than 80% of owners had horses at Prairie Meadows during 2016 and 2017 (Figure 4). Seventy-eight percent of owners had between one to four horses at Prairie Meadows.

Table 6. Respondents that were also breeders and/or trainers, 2017

Thoroughbred horse owners that are also...	Number of respondents
Owner/Breeder	50
Owner/Trainer	5
Owner/Breeder/Trainer	2

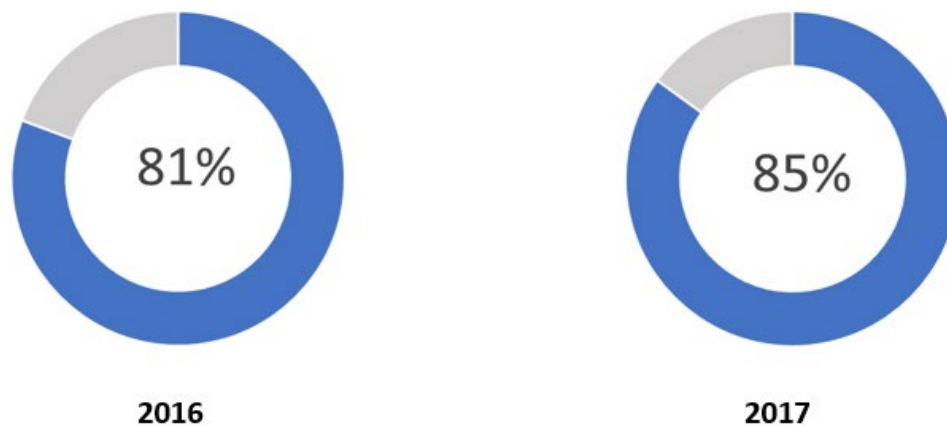


Figure 4. Percent Thoroughbred owners with horses in training at Prairie Meadows, 2016 & 2017

Tables 7 and 8 highlight revenues and expenses of Thoroughbred owners in Iowa. Though not all respondents answered all questions, overall revenues associated with the owners' farm operation exceeded expenses in 2017. On average, the largest share of expenses was dedicated towards trainer fees and commissions.

These expenses were associated with 494 Thoroughbreds and 147 broodmares. In 2017, the average fee per horse per day was \$56.

Table 7. Revenues and Expenses, 2017

	2017 Revenues	2017 Expenses
Total	\$9,466,330	\$9,093,704
Average per respondent	\$106,363	\$99,931
Number of respondents	89	91

Table 8. Percent of total expenses by category, 2017 (n=53)

2017 Expenses by category	Average Percent
Wages and salaries, including benefits	3%
Trainer fees and commissions (board, training, etc.)	49%
Boarding fees paid to others (turnouts/layups)	7%
Jockey fees/commission	7%
Other fees and payments (includes registration, licenses, entry, nominations, stall, memberships, showing fees, pony to post, etc.)	2%
Feed (if homegrown, estimate value. Include grain, hay and supplements)	5%
Bedding (if homegrown, estimate value)	1%
Farrier	4%
Insurance premiums (equine related liability, mortality, farm, etc.)	1%
Interest (on loans)	<1%
Depreciation (equine and other)	2%
Stable bonuses	<1%
Rent/lease (includes rental of land and buildings, equine, equipment, stall, etc.)	1%
Supplies (includes tack and other equipment, etc.)	1%
Transportation (includes air travel, truck, car, van, fuel, meals, shipping or equine, etc.)	6%
Health (includes veterinarian fees, medicine, lab work, etc.)	7%
Sales tax (includes claims, horse sales tax, etc.)	1%
Other state and local taxes (includes state unemployment insurance, workers compensation insurance, etc)	1%
All other expenses	3%
TOTAL	100%

In addition to expenses for stable operations, horse owners also made investments in structural improvements and equipment.

Survey respondents reported spending \$12,458, on average, for capital improvements in 2017.

2.1.2. Breeders

Iowa Thoroughbred Breeders and Owners Association (ITBOA) indicates it has approximately 433 members that are Thoroughbred horse breeders. A total of 51 usable surveys were collected. Of these, 38 (75%) breeders were also owners. Only two respondents were active as trainers and three respondents were breeder/owner/trainer. Of the 51 respondents, 29 owned, leased, or managed a horse farm in Iowa, in 2017.

According to the Jockey Club, there were 162 mares bred to 17 Iowa Stallions, in 2017. A total of 188 foals were registered as Iowa bred in 2017.⁴ To be registered as Iowa bred the Thoroughbred and Quarter Horse foals must be born in Iowa.

The survey results illustrate that 79% of the respondents owned at least one resident broodmare in Iowa and 74% of foals were registered as Iowa-breeds (Table 9).

Table 9. Selected indicators for breeding operation, 2017

	Value
Percent respondents that owned at least one resident broodmare in Iowa	79%
Number of Thoroughbred broodmares on farm	237
Percent of Thoroughbred broodmares owned	97%
Number of stallions at stud on the farm	12
Average stud fee paid	\$5,425
Number of yearling on the farms	87
Number of foals/weanlings on the farm	137
Percent of foals registered as Iowa breeds	74%

Tables 10 and 11 highlight 2017 revenues and expenses for Thoroughbred breeder operations. Not all respondents answered this part of the survey. On average, the expenses were higher than revenues. The results are

based on the number of responses and might be skewed towards who participated in the survey.

⁴ The Jockey Club/2019 Iowa Fact Book, <http://www.jockeyclub.com/factbook/StateFactBook/Iowa.pdf>

Table 10. Revenues and Expenses, 2017

	2017 Revenues	2017 Expenses
Total	\$3,221,451	\$5,538,501
Average per respondent	\$103,918	\$153,847
Number of respondents	31	36

Table 11. Percent expenses by category, 2017 (n=30)

2017 Expenses distribution by category	Average Percent
Wages and salaries, including benefits	1%
Contract labor	4%
Professional services (accounting, marketing, etc.)	2%
Boarding	<1%
Farrier	5%
Feed	16%
Bedding	3%
Health (veterinarian fees, medicine, lab work, etc.)	5%
Supplies and equipment	1%
Repair and maintenance	2%
Insurance Premiums	<1%
Transportation expenses	2%
Utilities	4%
Rent/lease (land, equipment)	3%
Fees & Payments	3%
Interest (on loans)	<1%
Depreciation (equine and other)	<1%
Sale prep fees	2%
Stud fees (breeding fees)	11%
Sales-use tax (stud fees and breeding stock)	<1%
Property tax (breeding stock, farm, trucks, etc.)	5%
Other state and local taxes	<1%
All other expenses	31%
TOTAL	100%

These expenses were associated with 469 horses (Figure 5). Survey results illustrate that, on average, 68% of the total expenses were incurred in Iowa. The rest of the expenses are related to breeder operations out-of-state. The average investment for structure and capital improvements was \$19,325 in 2017.

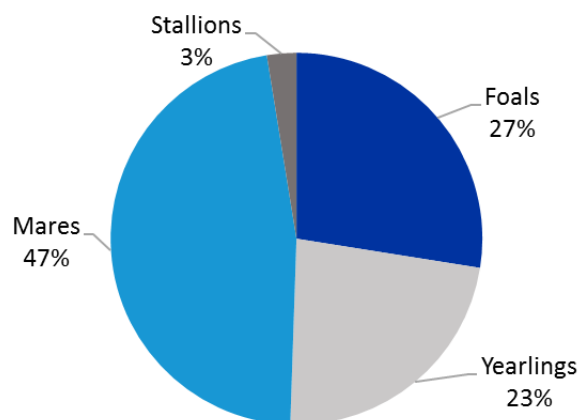


Figure 5. Percent horses associated with 2017 expenses

2.1.3. Trainers

There are 63 Thoroughbred horse trainers who are members of the IA HBPA. Of the total members, 14 participated in the survey. Twenty-one percent of the respondents were active as trainer/owner and 64% as trainer/owner/breeder. Thoroughbred horse trainers had on average 14 horses in training at Prairie Meadows in 2017. The average training fee charged was \$59 per day.

The average number of paid workers (peak season and off-season) is reported in Table 12.

On average, a trainer had three additional unpaid helpers (peak season and off-season).

Iowa registered horse trainers received \$104,500 in revenues and spent an average of \$100,500 for their training operations in 2017. Of the total expenses, 31% was for wages and salaries (Table 13). In addition to operational expenses, the survey indicated the average trainer made investments in equipment and structures (with an expected lifespan of more than a year) of over \$15,000.

Table 12. Average number of Paid workers, peak season, and off-season

Paid workers	
Assistant trainer	2
Stable foreman	0
Hot walker	5
Groom	4
Night watchman (security)	0
Exercise rider (contract)	3
Exercise rider (freelance by ride)	2
Pony person	2
Other	0

Table 13. Percent expenses by category, 2017

2017 Expenses distribution by category	Average Percent
Wages and salaries, including benefits	31%
Contract labor	6%
Worker's compensation	6%
Unemployment insurance	3%
Depreciation	4%
Interest	1%
Feed and bedding	36%
Supplies	7%
All other training expenses	7%
TOTAL	100%

2.2. Quarter Horse Racing Industry Survey Results

2.2.1. Owners

Approximately 9% (13) of 150 Quarter Horse owners participated in the survey. Most of the respondents were also active as trainer or breeder in 2017. On average, respondents indicated that they had three horses in training at Prairie Meadows. The average daily training fee paid per horse was \$38, in 2017.

Quarter Horse owners reported an average of \$137,748 in revenue per operation and \$61,152 in expenses per operation. Table 14 highlights average expenses by category. Those expenses are associated with three race horses and five bloodstock horses. In addition, respondents reported an average investment in equipment and structures for 2017 of \$5,900.

Table 14. Percent expenses by category, 2017

2017 Expenses by category	Average Percent
Wages and salaries, including benefits	<1%
Trainer fees and commissions (board, training, etc.)	43%
Boarding fees paid to others (turnouts/layups)	<1%
Jockey fees/commission	2%
Other fees and payments	1%
Feed (if homegrown, estimate value. Include grain, hay and supplements)	2%
Bedding (if homegrown, estimate value)	1%
Farrier	<1%
Insurance premiums (equine related liability, mortality, farm, etc.)	1%
Interest (on loans)	<1%

2017 Expenses by category (continued)	Average Percent
Depreciation (equine and other)	<1%
Stable bonuses	<1%
Rent/lease	<%
Supplies (includes tack and other equipment, etc.)	1%
Transportation	1%
Health (includes veterinarian fees, medicine, lab work, etc.)	2%
Sales tax (includes claims, horse sales tax, etc.)	<%
Other state and local taxes	<%
All other expenses	46%
TOTAL	100%

2.2.2. Breeders

Of the Iowa Quarter Horse Racing Association approximately, 55 members are Quarter Horse breeders. A total of 9 usable surveys were collected. Not all respondents answered all questions in the survey. Questions with low response rate (less than 50% of respondents) were not reported. Tables 15 through 17

highlight the survey results for the industry. As the results illustrate, 78% of respondents owned, leased, or managed a horse farm in Iowa, in 2017. All respondents reported that they owned at least one broodmare in Iowa, in 2017 (Table 15). The average revenues for a horse breeding operation were \$84,900 and the average expenses were \$59,700, in 2017.

Table 15. Selected indicators for breeding operation, 2017

	Value
Percent respondents that owned at least one resident broodmare in Iowa	100%
Number of Quarter Horse broodmares on farm	56
Percent of Quarter Horse broodmares owned	20%
Number of yearling on the farms	7
Number of foals/weanlings on the farm	9

Table 16. Revenues and Expenses, 2017

	2017 Revenues	2017 Expenses
Total	\$424,500	\$298,500
Average per respondent	\$84,900	\$153,847
Number of respondents	5	5

The distribution of spending by category is reported in Table 17. These expenses apply to 59 horses (Figure 6). Survey results illustrate that, on average, 83% of the expenses above incurred in Iowa. The remaining might be related with expenses out-of-state. The average investment for structure and improvements was \$4,300 in 2017.

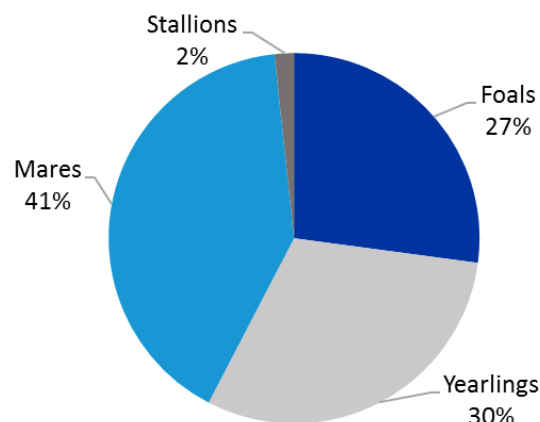


Figure 6. Percent horses associated with 2017 expenses

Table 17. Percent expenses by category, 2017 (n=5)

2017 Expenses by category	Average Percent
Wages and salaries, including benefits	1%
Contract labor	4%
Professional services (accounting, marketing, etc.)	2%
Boarding	<1%
Farrier	5%
Feed	16%
Bedding	3%
Health (veterinarian fees, medicine, lab work, etc.)	5%
Supplies and equipment	1%
Repair and maintenance	2%
Insurance Premiums	<1%
Transportation expenses	2%
Utilities	4%
Rent/lease (land, equipment)	3%
Fees & Payments	3%
Interest (on loans)	<1%
Depreciation (equine and other)	<1%
Sale prep fees	2%
Stud fees (breeding fees)	11%
Sales-use tax (stud fees and breeding stock)	<1%
Property tax (breeding stock, farm, trucks, etc.)	5%
Other state and local taxes	<1%
All other expenses	31%
TOTAL	100%

III. TOTAL ECONOMIC IMPACT

Total economic impact is comprised of direct, indirect, and induced effects. Calculating the total economic contribution of an industry begins with determining the direct effects, or the total spending of the industry. Indirect and induced effects are then calculated using input-output modeling.

Input-output models trace the flow of dollars throughout a local economy and capture the indirect and induced, or secondary, effects of an economic activity. To quantify the indirect and induced effects of the race horse industry for this analysis, the direct impacts were entered into the input-output model IMPLAN (Appendix).

The combined expenses of horse owners, trainers, breeders and racing tracks constitute the direct effects of the race horse industry in Iowa. The indirect effects are those associated with a change in economic activity due to spending for goods and services directly tied to the industry. In this case, these are the changes in the local economy occurring because those involved in Iowa's race horse industry purchase goods (e.g., hay, tack supplies, and electricity) and related services (e.g., veterinary services, accounting, and tax preparation).

As members of the horse industry make purchases, this creates an increase in purchases across the supply chain. The induced effects capture the economic changes related to spending by people directly employed in Iowa's race horse industry. It also includes household spending related to indirect effects.

The total economic impact for Thoroughbred Racing industry, Quarter Horse Racing industry, Harness/Standardbred Racing industry, and Prairie Meadows is reported in the following subsections. While there were no surveys returned by Quarter Horse trainers, averages from the Thoroughbred trainer-survey and input from the Iowa Quarter Horse Association provided estimates for expenses. These data were included in the economic impact modeling section.

The direct impact of expenses includes wages and salaries and capital investments. Prairie Meadows expenses do not include purses and purse supplements paid in 2017 to avoid double counting. Purses are revenues for horsemen and are used to cover expenses with their operations. For the owner, breeder and trainer operations, all expenses were adjusted to account for percent that were Iowa based. In addition, breeder expenses were adjusted by the time dedicated to their breeding operation, to avoid double counting if a breeder serves multiple roles (owner and/or trainer).

Direct employment includes full-time, part-time and seasonal paid employment and is measured as full-time equivalent (FTE). Part-time employment is considered 0.5 of full-time employment. Seasonal employment was adjusted with the average months considered as full-time. Since breeding and training are not year around activities, the FTE employment was further adjusted by training days for owner-trainer and time dedicated to the business for the breeder operation.

1. Thoroughbred Racing Industry

In 2017, Thoroughbred Horse owners, breeders and trainers spent an estimated \$83.3 million on their operations. This includes wages and salaries, boarding and training fees at Prairie Meadows and capital investments. This is the

direct effect of Thoroughbred Racing industry. The estimated total economic impact for the industry was \$143.3 million (Table 18). The difference between the total impact and direct effect is the indirect and induced impact.

Table 18. Economic impact of Thoroughbred Racing industry on output

	Direct impact	Total impact
Total	\$83,287,229	\$143,254,034
TH race horse owners	\$38,942,789	\$66,981,596
TH race horse breeders	\$31,613,088	\$54,374,512
TH race horse trainers	\$12,731,352	\$21,897,926

Source: IMPLAN 2017

Horse owners are either both the owner and trainer or they hire trainers. Those trainers in return hire additional workers. To avoid double counting, owners and trainers were combined for employment. On average, there were 8 FTE workers per stable, including trainers. Employment was adjusted to account for its

seasonality. This results into a total economic impact of 1,141 paid FTE people employed in the industry. Their economic impact is reported in Table 19. As the results illustrate, for every one job in the race horse industry there are additional 1.2 jobs created elsewhere.

Table 19. Economic impact of Thoroughbred Racing industry on employment

	Direct impact	Total impact
Total	1,141	2,510
TH race horse owners and trainers	841	1,850
TH race horse breeders	300	660

Source: IMPLAN 2017

2. Quarter Horse Racing Industry

In 2017, Quarter Horse owners, breeders and trainers spent an estimated \$9.7 million on their operations. This includes wages and salaries, boarding and training fees at Prairie Meadows and capital investments. This is the direct effect of Quarter Horse Racing industry. The estimated total economic impact for the industry was \$16.7 million (Table 20).

A similar methodology with that used to calculate the employment for the Thoroughbred Race Horse was applied in this section. However, there were very few respondents reporting employment for the breeders' survey. This leads to an underestimated FTE employment for breeders.

The total employment impact may be higher than what the survey results illustrate. Based on the survey results, total paid FTE employed

in the industry was 158 workers. This leads to a total impact of 374 in employment (Table 21).

Table 20. Economic impact of Quarter Horse Racing industry on output

	Direct impact	Total impact
Total	\$9,725,022	\$16,727,038
QH race horse owners	\$6,028,645	\$10,369,270
QH race horse breeders	\$2,249,632	\$3,869,367
QH race horse trainers	\$1,446,745	\$2,488,401

Source: IMPLAN 2017

Table 21. Economic impact of Quarter Horse Racing industry on employment

	Direct impact	Total impact
Total	158	348
QH race horse owners and trainers	128	282
QH race horse breeders	30	66

Source: IMPLAN 2017

3. Standardbred Racing Industry

While, there were no surveys collected for the Standardbred Racing industry, secondary data illustrate that there were approximately 360 Standardbreds ages two and three years old and four or older that were trained and/or raced in Iowa, in 2017. Data from USTA (US Trotting Association) reported that there were 38 Harness racing days in 2017. In addition, there were slightly over 500 Standardbred mares and approximately 25 Standardbred stallions in Iowa. According to Iowa Harness Horse Association, average expenses per Standardbred horse trained are between \$8,000 and \$10,000 and for mares, between

\$2,000 and \$2,500 per year (not including stud fees). This leads to total expenses of approximately \$4.4 million. The output multiplier is 1.7, which means that for every \$1 spent directly in the industry, an additional \$0.70 dollars are generated in indirect and induced effects. This leads to a total economic impact of \$7.5 million (Table 22). The total impact may be underestimated in the absence of more detailed data, including stud fees.

No information was available on the number of people employed in the industry thus again leading to an underestimated overall economic impact.

Table 22. Economic impact of Harness/Standardbred Racing industry

	Direct impact	Total impact
Output	\$4,365,000	\$7,507,800

Source: IHHA and IMPLAN 2017

4. Prairie Meadows Racetrack and Casino

Prairie Meadows Racetrack and Casino incurred \$215,462,000 in total expenses in 2017. Of these expenses, \$37,612,000 were associated with the pari-mutuel side of operations, including wages and salaries and purses. To model the economic impact of the racetrack, only the pari-mutuel expenses were taken into consideration. In addition, purses and purse supplements for 2017, amounting to \$19

million, were excluded from the analysis. This leads to approximately \$18.6 million in direct spending for Prairie Meadows racetrack.

In 2017, there were 1,107 FTE people employed at Prairie Meadows Racetrack and Casino. Of these, 86 FTE workers were associated with the pari-mutuel operation. The total economic impact of the pari-mutuel operation for Prairie Meadows exclusively, is reported in Table 23.

As the results illustrate Prairie Meadows Racetrack and Casino had a total impact of \$29 million in expenses and 103 jobs from its pari-mutuel activity.

Table 23. Economic impact of Prairie Meadows Racetrack and Casino

	Direct impact	Total impact
Output	\$18,564,000	\$29,331,120
Employment	86	103

Source: Prairie Meadows Racetrack and Casino and IMPLAN 2017

5. Total Economic Impact

Iowa's Race Horse industry generated \$196.8 million in economic activity in 2017 (Table 24). The industry supported 2,961 jobs in the state.

Table 24. Total economic impact

	Output	Employment
Thoroughbred Horse	\$143,254,034	2,510
Quarter Horse	\$16,727,038	348
Harness Horse	\$7,507,800	n/a
Prairie Meadows Racetrack	\$29,331,120	103
Total	\$196,819,992	2,961*

* Does not include Standardbred Racing industry employment

Source: IMPLAN 2017

Approximately \$116 million in output comes from the direct effect. The rest is generated through indirect and induced impacts by the industry's interaction with other industries in the region and the household spending. Thus, any change in the race horse industry will affect

not just the industry itself, but also other sectors in the economy. For example, a 10 percent decline in direct output will lead to a total decline of \$20.3 million in the economy. The top 10 most impacted industries are presented in Table 25 below.

Table 25. Top 10 industries impacted by a 10% decline in direct output

	Output
Agriculture (in addition to the 10%)	\$1,553,227
Wholesale trade	\$842,212
Other animal food manufacturing	\$710,171
Real estate	\$594,724
Pesticide and other agricultural chemical manufacturing	\$481,229
Insurance carriers	\$296,760
Truck transportation	\$287,449
Owner-occupied dwellings	\$281,258
Monetary authorities and depository credit intermediation	\$279,387
Maintenance and repair construction of nonresidential structures	\$189,800

Source: IMPLAN 2017

SUMMARY and CONCLUSIONS

The horse racing industry has been facing a rapidly changing environment due to diversified gaming forms, changing customer demands, and increased competition from other entertainment forms. Before creating policy to support or hinder the racing industry, it is important for policymakers to understand the industry's importance to the state's economy. This study illustrates the horse racing industry's contribution to Iowa's economy.

The economic impact in this study is generated using expenses and employment (FTE) for the pari-mutuel race horse industry and the horsemen training, breeding and racing horses in Iowa, in 2017. Secondary data and surveys were collected for the Thoroughbred racing industry, Quarter Horse racing industry and Harness Horse racing industry and the Prairie Meadows Racetrack and Casino.

To ensure that no out-of-state expenses were included in the economic impact and to avoid double counting since horsemen can have multiple roles (owner, breeder, and trainer), adjustments were applied to expenses and employment throughout the analysis.

Overall, Iowa's Race Horse industry generated almost \$197 million in economic activity and supported 2,961 FTE jobs, in 2017. Of the total impact, \$116 million were generated as a result of direct expenses and employment. The remaining impact is generated as a result of the industry's ties with other supporting industries through direct purchases of supplies and services and through household spending (indirect and induced impact). Horsemen purchase hay, feed, equipment, veterinary services, invest in capital repairs, and pay wages, salaries and benefits to full-time and part-time employees, who in return spend their money in the local economy.⁵

Due to data limitations for certain breeds, the economic impact may be underestimated, particularly for employment. In addition, the economic impact reported in this study does not include the value of Prairie Meadows and that of race horses and race horse farms. This is similar with other studies measuring the economic impact of the race horse industry, including the 2008 study by Thalheimer Research Associates.

The Iowa horse racing industry has faced significant challenges and this is reflected through the decline in the number of races and race days (particularly for Thoroughbreds), as well as the available purses. The findings from this study suggest that the overall economic impact of the race horse industry has increased by \$74 million since this study was last completed in 2008. This increase could be attributed to a number of factors including higher expenses horsemen are paying to support the industry, an increased commitment to the Iowa horse racing industry from those remaining Iowa horsemen as measured through breeding numbers, or because of the difference in modelling methodology between the two studies. In addition, these impacts are not adjusted for inflation which would result in a narrower gap between the two studies.

⁵ Tuck, Brigid, "Economic Contribution of Minnesota's Horse Racing Industry," University of Minnesota, 2017.

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APPENDIX A: INPUT-OUTPUT METHODOLOGY

A Review of Input-Output Analysis

Input-output (I/O) (Miernyk, 1965) was designed to analyze the transactions among the industries in an economy. These models are largely based on the work of W. Leontief (1936). Detailed I/O analysis captures the indirect and induced interrelated circular behavior of the economy. For example, an increase in the demand for educational services requires more equipment, more labor, and more supplies, which, in turn, requires more labor to produce the supplies, etc. By simultaneously accounting for structural interaction between sectors and industries, I/O analysis gives expression to the general economic equilibrium system. The analysis utilizes assumptions based on linear and fixed coefficients and limited substitutions among inputs and outputs. The analysis also assumes that average and marginal I/O coefficients are equal. The framework has been widely accepted and used. I/O analysis is useful when carefully executed and interpreted in defining the structure of a region, the interdependencies among industries, and forecasting economic outcomes. The I/O model coefficients describe the structural interdependence of an economy. Multipliers indicate the relationship between some observed change in the economy and the total change in economic activity created throughout the economy.

IMPLAN 3

IMPLAN is a computer program developed by the United States Forest Service (Alward et al, 1989) to construct I/O accounts and models. IMPLAN can construct a model for any county, region, state, or zip code area in the United States by

using available state, county, and zip code level data. Impact analysis can be performed once a regional I/O model is constructed. Five different sets of multipliers are estimated by IMPLAN, corresponding to five measures of regional economic activity. These are total industry output, personal income, total income, value added, and employment. The total impact of a change in the economy consists of direct, indirect, and induced impacts.

Two types of multipliers are generated. Type I multipliers measure the impact in terms of direct and indirect effects. However, the total impact of a change in the economy consists of direct, indirect, and induced changes. Both the direct and indirect impacts change the flow of dollars to the state, region, or county's households. Subsequently, the households alter their consumption accordingly. The effect of the changes in household consumption on businesses in a community is referred to as an induced effect. To measure the total impact, a Type II multiplier is used. The Type II multiplier compares direct, indirect, and induced effects with the direct effects generated by a change in final demand (the sum of direct, indirect, and induced divided by direct). IMPLAN also estimates a modified Type II multiplier, called a Type SAM multiplier that also includes the direct, indirect, and induced effects. The Type SAM multiplier further modifies the induced effect to include spending patterns of households based on a breakdown of households by nine difference income groups.

The concept is depicted in Figure 7, which illustrates the major flows of goods, services, and dollars from a basic industry. The basic industry, in this case education, purchases inputs from

outside the community (upper left portion of Figure 7), labor from the residents or "households" of the community (left side of Figure 7), and inputs from service industries located within the community (right side of Figure

7). It is evident from the relationships illustrated in Figure 3 that a change in any one segment of a community's economy will cause reverberations throughout the entire economic system of the community.

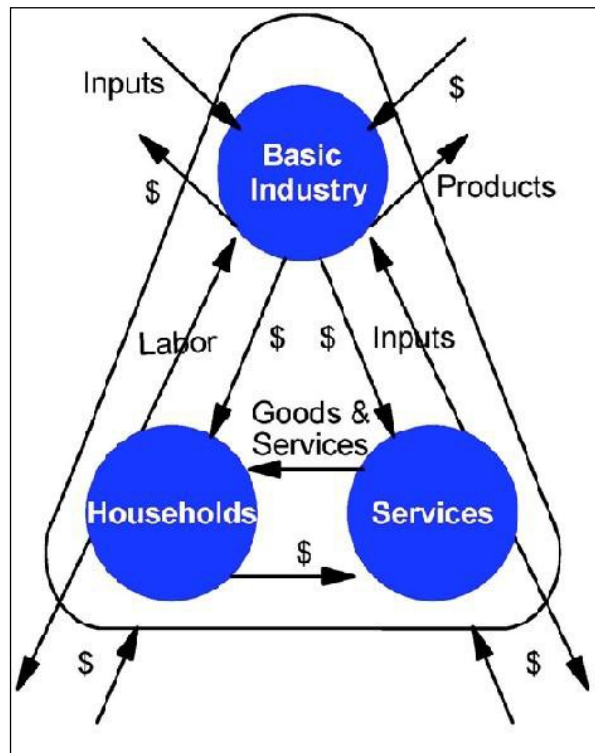


Figure 7 Community Economic System



Iowa Thoroughbred Race Horse Owner Survey

The Community and Economic Development Initiative of Kentucky (CEDIK) at the University of Kentucky was commissioned to conduct an analysis documenting the Thoroughbred race horse industry's contribution to the Iowa economy. This study is sponsored by The Iowa Horseman's Benevolent and Protective Association with support of ITBOA (Iowa Thoroughbred Breeders & Owners Association), IQHRA (Iowa Quarter Horse Racing Association), IHHA (Iowa Harness Horsemen's Association) and Prairie Meadows Racetrack and Casino. You have been selected to participate as part of a representative sample of Iowa Thoroughbred owners. Separate surveys are being sent to Iowa's Thoroughbred race horse breeders and trainers. If, in addition to being an owner, you are also a breeder or trainer, you may also be receiving one of these surveys requesting information specific to your operation as a breeder or trainer. There is no identifying information on this survey so your answers will be anonymous and will be held in strictest confidence. This survey should take approximately 15 to 20 minutes. Your participation in the survey is greatly appreciated.

1. Where is your place of residence?

County

State

Zip Code

2. Were you actively involved as a Thoroughbred race horse owner with horses at Prairie Meadows in 2016 or 2017?

Yes

No

2016?

☐

☐

2017?

☐

☐

Please answer the following questions for the **most recent year your horses trained at Prairie Meadows** (response to previous question)

3. Are you also active as a trainer or breeder? An active trainer has at least one horse in training and an active breeder is the owner of at least one broodmare.

Trainer

☐

Breeder

☐ *If yes, approximately how many months do you devote annually to your breeding operation?*

_____ months

4. Approximately what percent of your racing operation revenues were from activities as...
(total should be 100%)

Owner?

Trainer?

Breeder?

5. How is your racing stable business classified?

Proprietorship

☐

Partnership

☐

Corporation

☐

Please limit your responses to the following questions as an **owner of a racing stable of one or more horses**. Separate surveys of breeding and training activities are also being conducted.

6. How many horses do you typically have in training at Prairie Meadows?

7. If you stabled horses for race meets outside of Iowa, please list the tracks where they were stabled (exclude shippers for individual horses).

Track 1 _____

Track 2 _____

Track 3 _____

Track 4 _____

Track 5 _____

Track 6 _____

8. What was the daily training fee you paid your trainer at Prairie Meadows in 2016 or 2017 per horse, per day?

2016 \$ _____

2017 \$ _____

9. If you, **as a horse owner at Prairie Meadows**, stayed overnight in 2017 for one or more nights with a travel party, including yourself, in a city near Prairie Meadows and spent money locally outside the racetrack, please answer the following:

**Iowa location (city/cities) where
your travel party stayed**

**Total number of trips you made
within the year**

Number of nights spent at all Iowa locations

**Number of people in your travel party,
including yourself**

**Typical spending, per day, away from the
track, for the entire party at Iowa location**

\$ _____

10. If you, as a horse owner at **Prairie Meadows**, stayed overnight in 2017 at a different racetrack for one or more nights with a travel party, including yourself, and spent money locally outside the racetrack, please answer the following:

Iowa location (city/cities) where
your travel party stayed

Non Iowa location (city and state)

Total number of trips you made
within the year

Number of nights spent at all Iowa locations

Number of people in your travel party,
including yourself

Typical spending, per day, away from the
track, for the entire party at Iowa location

\$ _____

Typical spending, per day, away from the
track, for the entire party at non-Iowa
location

\$ _____

11. Approximately, what were your **Total Revenues** related to being an owner of a racing stable of one or more horses in 2017?

\$ _____

12. Approximately, what were your **Total Expenses** as an owner of a racing stable of one or more horses in 2017?

\$ _____

13. What were your expenditures for your racing stable operation by category in 2017?

We realize that providing this information will take additional effort but it is vital to presenting an accurate picture of the contribution of the thoroughbred industry to the Iowa economy.

Please fill out the information below based on your best estimate. We realize that the following list of accounts will not be the same for all owners.

Percent

Wages and salaries, including benefits

Trainer fees and commissions
(board, training, etc.)

Boarding fees paid to others (turnouts/layups)

Jockey fees/commissions

Other fees and payments (includes registration, licenses, entry, nominations, stall, memberships, showing fees, pony to post, etc.)

Feed (if homegrown, estimate value. Include grain, hay and supplements)

Bedding (if homegrown, estimate value)

Farrier

Insurance premiums (equine related liability, mortality, farm, etc.)

Interest (on loans)

Depreciation (equine and other)

Stable bonuses

Rent/lease (includes rental of land and buildings, equine, equipment, stall, etc.)

Supplies (includes tack and other equipment, etc.)

Transportation (includes air travel, truck, car, van, fuel, meals, shipping or equine, etc.)

Health (includes veterinarian fees, medicine, lab work, etc.)

Sales tax (includes claims, horse sales tax, etc.)

Other state and local taxes (includes state unemployment insurance, workers compensation insurance, etc)

Please fill in all that you can identify. The remainder should go in the category "All Other Expenses".

Please make sure Total adds to 100%.

All other expenses

TOTAL

14. How many horses are associated with the expense statement above?

Race horses _____

Bloodstock _____

15. Approximately what percent of the Total Expenses above were for your owner operation in Iowa?

16. What new investment in equipment and structures was made in 2017 for your Iowa equine operation?

\$ _____

Thank you for your time taking the survey!

If you have any questions about this survey please contact Simona Balazs
at simona.balazs@uky.edu, (859) 218-5764.



Iowa Thoroughbred Race Horse Breeder Survey

The Community and Economic Development Initiative of Kentucky (CEDIK) at the University of Kentucky was commissioned to conduct an analysis documenting the thoroughbred race horse industry's contribution to the Iowa economy. This study is sponsored by The Iowa Thoroughbred Breeders & Owners Association (ITBOA) with support of IA HBPA (Iowa Horseman's Benevolent and Protective Association), IQHRA (Iowa Quarter Horse Racing Association), IHHA (Iowa Harness Horsemen's Association) and Prairie Meadows Racetrack and Casino. You have been selected to participate as part of a representative sample of Iowa Thoroughbred breeders. Separate surveys are being sent to Iowa's thoroughbred race horse owners and trainers. If, in addition to being a breeder, you are also an owner or trainer, you may also be receiving one of these surveys requesting information specific to your operation as an owner or trainer. There is no identifying information on this survey so your answers will be anonymous and will be held in strictest confidence. This survey should take approximately 15 to 20 minutes. Your participation in the survey is greatly appreciated.

1. Where was your place of residence in 2017?

County

State

Zip Code

2. Were you active as an owner or trainer in 2017?

Owner

☐

Trainer

☐

3. Did you own at least one resident broodmare in Iowa, in:

Yes

No

2016?

☐

☐

2017?

☐

☐

4. Did you own, lease or manage a horse farm in Iowa in 2017?

Yes

☐

No

☐ (If No, Skip to Question 12)

5. Where is your farm located?

County

State

Zip Code

6. What is your farm's total acreage?

_____ acres

7. Approximately how many acres are used for your horse farm operation?

_____ acres

8. How many **Thoroughbred** broodmares were on your farm during 2017 breeding season?

_____ mares

9. How many **Quarter Horse** broodmares were on your farm during 2017 breeding season?

_____ mares

10. How many of these mares did you OWN by yourself or with others?

Number of Mares

Thoroughbred broodmares _____

Quarter Horse broodmares _____

Answer the following if you were a horse farm owner in 2017. If you were a farm manager, please fill out for the farm owner if appropriate.

11. Approximately what percent of your farm revenues in 2017 came from:

Percent

Percent

Boarding horses _____

Racing horses _____

Weanling/yearling sales _____

Layups/turnouts _____

Sales prep _____

Sale of older horses _____

Agent fees _____

Sale of non-equine livestock _____

Standing stallions _____

Sale of cash crops _____

Breaking/training _____

Other _____

The following questions pertain to an inventory of your breeding stock.

- 12.** How many of the following horses, exclusive of those shipped in to be bred and boarded for less than a month or for sales prep, were on your farm in 2017?

	Number	Average Months
Stallions at stud	_____	_____
Year-round broodmares	_____	_____
Seasonal broodmares	_____	_____
Foals/weanlings	_____	_____
Yearlings	_____	_____

- 13.** How many foals above were registered as Iowa-breeds?

_____ foals

- 14.** How many of the following were typically on your farm in 2017 and what was their average length of stay?

	Number	Average Months
Sale-prep	_____	_____
Breaking	_____	_____
Training	_____	_____
Layups	_____	_____
Turnouts	_____	_____

The following questions pertain to the cost to an owner of keeping bloodstock.

- 15.** What typical daily fee did an owner of a horse boarded at your farm pay for the following, in 2017?

	Fee		Fee		Fee
Broodmare year-round	\$_____	Weanling	\$_____	Stallion at Stud	\$_____
Broodmare seasonal	\$_____	Yearling	\$_____	Breaking/training	\$_____
Foal at mare's side	\$_____	Sale-prep	\$_____	Layups/turnouts	\$_____

The following questions pertain to employment on your horse farm.

16. How many PAID and Non-PAID employees did you typically have in your horse farm operation in 2017?

	Paid Employees		Non-Paid Employees	
	Number	Average Months	Number	Average Months
Full-time year long	_____	_____	_____	_____
Part-time year long	_____	_____	_____	_____
Seasonal	_____	_____	_____	_____

17. Did your race horse breeding business show a profit in 2017?

Yes
☐

No
☐

18. What is the form of your breeding operation?

Proprietorship
☐

Partnership
☐

Corporation
☐

19. What price did you receive for horses you sold at both public auction and privately in 2017?

	Sold at Auction		Sold Privately	
	Number	Average Dollar Amount	Number	Average Dollar Amount
Weanlings	_____	\$ _____	_____	\$ _____
Yearlings	_____	\$ _____	_____	\$ _____
Broodmares	_____	\$ _____	_____	\$ _____
2-year old in training	_____	\$ _____	_____	\$ _____

20. What was the stud fee paid for mares bred in 2017?

Average

Low

High

\$ _____ \$ _____ \$ _____

21. What were **Total Revenues** for your horse breeding operation in 2017?

\$ _____

22. What were **Total Expenses** (including depreciation) for your horse breeding operation in 2017?

\$ _____

23. What were your expenditures by category in 2017?**Percent**

We realize that providing this information will take additional effort but it is vital to presenting an accurate picture of the contribution of the thoroughbred industry to the Iowa economy.

Please fill out the information below based on your best estimate. We realize that the following list of accounts will not be the same for all breeding operations.

Please fill in all that you can identify. The remainder should go in the category "All Other Expenses".

Please make sure Total adds to 100%.

Gross wages and salaries including benefits**Contract labor****Professional services**
(accounting, marketing, etc.)**Boarding****Farrier****Feed** (if home-grown, estimate value.
Include grain, hay and supplements)**Bedding**
(if home-grown, estimate value)**Health** (veterinarian fees, medicine, lab work, etc.)**Supplies and equipment** (include tack & other equipment, clippers, soaps, oils, sprays, brushes, equine clothing, etc.)**Repair and maintenance** (include fertilizer, lime, seed, etc.)**Insurance premiums** (equine related liability, mortality, farm, etc.)**Transportation expenses**
(include air travel, fuel, truck, car, van, meals, shipping of equine, etc.)**Utilities** (equine related phone, gas, water, electricity, etc.)**Rent/lease** (land, equipment)**Fees & payments** (include equine registration, entry, licenses, stall, memberships, showing fees, etc.)**Interest** (on loans)**Depreciation** (equine and other)**Sale prep fees****Stud fees** (breeding fees)**Sales-use tax** (stud fees and breeding stock)**Property tax** (breeding stock, farm, trucks, etc.)**Other state and local taxes** (include state unemployment insurance, workers compensation insurance, etc)**All other expenses****TOTAL**

24. How many horses do the expenses above apply to?

Number

Foals _____

Yearlings _____

Mares _____

Stallions _____

25. Do the expenses given above apply mostly to?

Your horses

Your horses and outside boarders

O

O

26. Approximately what percent of the Total Expenses above were incurred in Iowa?

27. What was the value of NEW investment for Structures and Improvements (including fences) in 2017 for your breeding operation in Iowa?

\$ _____

Thank you for your time taking the survey!

If you have any questions about this survey please contact Simona Balazs
at simona.balazs@uky.edu, (859) 218-5764.



Iowa Thoroughbred Race Horse Trainer Survey

The Community and Economic Development Initiative of Kentucky (CEDIK) at the University of Kentucky was commissioned to conduct an analysis documenting the Thoroughbred race horse industry's contribution to the Iowa economy. This survey is sponsored by The Iowa Horseman's Benevolent and Protective Association (IA HBPA) with support of ITBOA (Iowa Thoroughbred Breeders & Owners Association), IQHRA (Iowa Quarter Horse Racing Association), IHHA (Iowa Harness Horsemen's Association) and Prairie Meadows Racetrack and Casino. You have been selected to participate as part of a representative sample of Iowa Thoroughbred trainers. Separate surveys are being sent to Iowa's Thoroughbred race horse breeders and owners. If, in addition to being a trainer, you are also a breeder or owner, you may also be receiving one of these surveys requesting information specific to your operation as a breeder or owner. There is no identifying information on this survey so your answers will be anonymous and will be held in strictest confidence. This survey should take approximately 15 to 20 minutes. Your participation in the survey is greatly appreciated.

1. Where is your permanent residence?

County

State

Zip Code

2. Are you also active as an owner or breeder? An active owner has at least one horse in training and an active breeder is the owner of at least one broodmare.

Owner

Breeder

Owner and Breeder

☐

☐

☐

3. Approximately what percent of your training operation revenues in 2017 were from activities as... (total should be 100%)

Owner?

Trainer?

Breeder?

4. What is the daily standard training fee at Prairie Meadows per horse, per day?

2016 \$ _____

2017 \$ _____

5. Typically, how many months a year is a horse in your care sent to a farm for layup or turnout and what is the daily cost?

Months for layup/turnout _____

Cost per horse per day \$ _____

6. What is your best estimate of the **total annual cost** (training fees and all other costs including those billed directly to the owner) for an owner to keep a horse training at Prairie Meadows?

\$ _____

7. How many horses-in-training did you have in your stable at Prairie Meadows...

For the 2016 meet? _____

For the 2017 meet? _____

8. Please list other locations where you train your horses, if applicable:

Location

Track 1 _____

Track 2 _____

Track 3 _____

Track 4 _____

9. How many of the following PAID workers do you employ? Please answer for peak season and off season.

	Paid Workers PEAK Season	Paid Workers OFF Season
Assistant trainer	_____	_____
Stable foreman	_____	_____
Hot walker (contract)	_____	_____
Hot walker (freelance by horse)	_____	_____
Groom	_____	_____
Night watchman (security)	_____	_____
Exercise rider (contract)	_____	_____
Exercise rider (freelance by ride)	_____	_____
Pony person	_____	_____
Other	_____	_____

10. How many UNPAID workers do you employ (for example, a family member)? Please choose only one category that best describes the major function of each unpaid employee. Please answer for peak season and off season.

	Unpaid Workers PEAK Season	Unpaid Workers OFF Season
Assistant trainer	_____	_____
Hot walker	_____	_____
Exercise rider	_____	_____
Groom	_____	_____
Other	_____	_____

11. How many months do you consider as Peak Season?

12. What is your typical pay rate (\$/month) for the following employee categories in your Prairie Meadows stable?.

Pay rate per month

Assistant trainer \$ _____

Stable foreman \$ _____

Hot walker (contract) \$ _____

Hot walker (freelance by horse) \$ _____

Groom \$ _____

Night watchman (security) \$ _____

Exercise rider (contract) \$ _____

Exercise rider (freelance by ride) \$ _____

Pony person \$ _____

13. Do you use a mechanical hot walker in your operation?

Yes

O

No

O

14. On a typical day, how many horses in your care are exercised by rider?

15. In a typical week, how many horses in your care are ponied on the track?

16. What were your **Total Revenues from your training operation** for the year 2017?

\$ _____

17. What were your **Total Expenses** (exclude expenses billed directly to owner) for the year 2017?

\$ _____

18. What were your expenditures for your racing stable operation by category in 2017?

We realize that providing this information will take additional effort but it is vital to presenting an accurate picture of the contribution of the thoroughbred industry to the Iowa economy.

Please fill out the information below based on your best estimate. We realize that the following list of accounts will not be the same for all training operations.

Please fill in all that you can identify. The remainder should go in the category "All Other Expenses".

Please make sure Total adds to 100%.

Percent

**Wages and salaries
including benefits**

Contract labor

Worker's compensation

Unemployment insurance

Depreciation (include equipment
and structures, real estate, etc)

Interest

Feed and bedding

Supplies (include tack and equipment, etc)

All other training expenses (exclude expenses billed directly to owner.
Please list major categories in the box below)

Total

19. What was the value of NEW investments in equipment (assets with more than 1 year of life) and structures which you made in 2017 for your training operation?

Equipment \$_____

Structures \$_____

20. In 2017, if your horses were stabled for part of the year in other locations what is your estimate of the **percent of Total Training Expenses** above allocated to racing at Prairie Meadows?

Thank you for your time taking the survey!

If you have any questions about this survey please contact Simona Balazs
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