

FOR IMMEDIATE RELEASE

Indiana Horse Racing Commission
1302 N. Meridian St., Suite 175
Indianapolis, IN 46202
Contact: Jessica Barnes
Office: (317) 233-3120
jbarnes@hrc.in.gov



Hoosier Horsepower is Booming

Economic Impact Study shows nearly \$2 billion Impact for Indiana's Agri-Business

INDIANAPOLIS, Ind. (Tuesday, Jan. 17, 2023) – It's not just auto racing and paved tracks that are making investments in our state; another type of Hoosier Horsepower is making a big impact as well. The horse racing industry is a big business for the state of Indiana, touching all 92 counties. The newly released results of a recent economic impact analysis, conducted by Purdue University, show the Indiana agri-business industry of horse racing has more than doubled in the past decade. The racing and breeding business linked to horse racing has now reached just under the \$2 billion mark of economic impact. The Indiana General Assembly laid the footprint for success nearly 30 years ago to grow the agri-business industry in Indiana by creating jobs, increasing goods and services sold in Indiana, and subsequently increasing tax revenues.

Purdue University's study was a joint effort between all entities associated with Indiana horse racing, including the Standardbred, Thoroughbred and Quarter Horse Associations, Indiana Horse Racing Breed Development, and Racetrack Ownership. Like prior studies, detailed surveys were circulated by Purdue University, to those involved in racing, covering all aspects of the industry including breeding farms, training facilities, racetrack operations, and other impacted businesses in between.

“As a group, we identified there had been a significant increase in participation in our industry, but we didn't know the exact impact on the state,” said John DeLong, President of the Indiana Standardbred Association. “Seeing the results from this survey is very enlightening and encouraging to our organization which has worked hard to boost Standardbred racing in the state. We are set to host the prestigious Breeders Crown for a third time in 2023, which only strengthens us as one of the most viable options in Standardbred racing.”

One of the most staggering statistics was the amount of investment within the state. The report noted between 2007 and 2020, a 59.2 percent increase in horses owned, trained, or bred. Another statistic showed 25.1 percent of the information reported resulted in an increase in Indiana owned property with an additional 47.9 percent representing an increase in invested equipment directly related to horse racing.

“We have seen a lot of new farm development in recent years, especially around Horseshoe Indianapolis,” said Joe Davis, President of the Indiana Horsemen's Benevolent and Protective Association. “This survey solidifies what we expected to see based on our growing numbers in racing and breeding operations. Plus, these facilities are directly impacting their local communities by hiring additional workforce, purchasing supplies, and bringing tax dollars to the state. We knew there had been a significant increase in our industry but had no idea it had amounted to \$2 billion.” Tom

Mosley, President of the Indiana Thoroughbred Owners and Breeders Association added, “Our annual fall sale has shown significant increases over the past few years and the number of new owners is growing immensely. We are adding new stallions and brood mares to our program each year, which has elevated the quality of our breeding program. It’s exciting to see this surge of interest in our business.”

“We have seen a lot of investment in the Indiana Quarter Horse racing industry just in the past five years,” added Paul Martin, President of the Quarter Horse Racing Association of Indiana. “The Quarter Horse breed is one of the most popular in the state through several disciplines, from pleasure riding to rodeo activities, including the popular barrel racing circuit. It’s encouraging to see some of those people starting to branch out into the racing end of our breed. Our hosting of the Bank of America Challenge Championships this past fall, the industry’s premiere event, boosted our awareness on a national level and increased interest in our program in Indiana.

The most recent study on the economic impact of Horse Racing in Indiana encompasses mature business levels since the implementation of casino gaming at the tracks, which includes the addition of table games at the two racetracks in 2020. The continued growth of the Indiana equine agri-business that has been shown at each benchmark, in direct proportion, proves positive when looking towards the future and the implementation of further gaming opportunities.

“We are committed to bringing the Indiana horse racing industry to a higher level,” said Joe Morris, Senior Vice President of Racing for Caesars Entertainment, which includes both Harrah’s Hoosier Park and Horseshoe Indianapolis. “Our goal is to continue to elevate all three breeds into the national conversation of horse racing. We work closely with the horsemen organizations to ensure we are traveling in the right direction at all times. Our relationship with these groups is imperative to continue the growth of our industry. Our collaboration with the horsemen and horsewomen in this state, the Indiana Horse Racing Commission, and the Breed Development programs is second to none in the United States, and we are not done yet. Our racing team is devoted to the success of horse racing in Indiana and seeing the results of this survey proves we are headed in the right direction.”

“It is a great accomplishment that all facets of horse racing have worked together over the past two decades to build such a viable and impactful industry for Indiana,” stated IHRC Chairman Phil Borst.

About Indiana Horse Racing:

Indiana Horse racing has been included at the county fair level since the late 1800s. Racing for equine athletes has been a staple at the Indiana State Fair annually since the 1930s. The implementation of pari-mutuel racing to the state in 1994 has increased the participation and development of breeding and racing programs in the state. Standardbred racing is now held annually for a 160-day racing meet at Harrah’s Hoosier Park in Anderson with all Thoroughbred and Quarter Horse racing held at Horseshoe Indianapolis in Shelbyville for a 123-day season. Additionally, county fair racing is conducted at locations throughout the state from June until October, showcasing the Standardbred breed in additional venues. Horses associated with racing are located in all 92 counties of Indiana.

#



Economic Impact of Indiana Horse Racing and Breeding Industry

November 2022

Tanya Hall, M.S.

Purdue University Extension

Since 2005, Indiana has made a number of strategic investments into the horse racing and breeding industry via legislative changes to support wagering at racetracks. This 2022 study by Purdue University Extension was commissioned by industry representatives to determine if those investments were yielding increased economic activity within the state. To conduct the study, both racetracks and individuals involved with the state's racing and breeding industry were surveyed to understand the 2021 financial picture of the industry. Over 630 responses (14 percent) to the survey provided a statistically sound convenience sample.

Collectively, the survey respondents stated ownership of 6,525 horses. Recognizing that these responses reflect 14 percent of the total industry, it is estimated that approximately 12,137 horses are involved in the state's racing and breeding industry. The survey responses indicated that there is a considerable amount of movement within this industry, meaning individuals travel to Indiana to race and/or breed their horses, as reflected in Indiana being one of the top three states for racing and breeding. Additionally, investments are being made within Indiana to further their interests in the industry. Between 2007 and 2020, 59.2 percent (n=196) indicated increasing the number of horses owned, trained or bred, 25.1 percent increase in Indiana owned property (n=183) and 47.9 percent increased investment in equipment (n=165). Since 2020, 58.2 percent of respondents increased their investment in horses (n=325), 25.8 percent increased their Indiana owned property (n=236) and 53.9 percent indicated increased investment in equipment (n=217). This investment is occurring despite a relatively small average net income of \$28,436 after accounting for all income and expenses, as reported by the survey respondents with their 2021 data.

Indiana has two racetracks – one in Madison County and the other in Shelby County, Indiana. In 2021, the state's racetracks generated a \$380.8 million handle from wagering both on and off the tracks on race days. Approximately five percent of this handle became the racetrack's wagering revenue. Nearly all the wagering activity occurred off the track via electronic gaming machines. Since 2010, the number of race days increased by 46 days due to more quarter horse racing. All breeds experienced an increase in the handle (25.7 percent), with the largest growth being in quarter horse wagering (147 percent). Despite these increases in race days and handle, employment at the racetracks dropped by 293 individuals (full-time equivalent) since 2010.

The data from the survey respondents and the racetracks combined with the IMPLAN software calculated that the 2021 Indiana horse racing and breeding industry contributed \$933 million directly to the state's economy, generating a total of \$1.44 billion in economic activity. The majority of this activity was attributed to the state's racetracks (88 percent) as they generated \$1.27 billion to the state's economy. Therefore, for every dollar in expenditures supported \$0.45 in additional activity in the state. It is estimated that the horse racing and breeding industry employed 1,988 individuals and stimulated an additional 5,000 jobs. The industry also contributed to the tax base by generating \$129.13 million in federal revenues and \$77.33 million in state and local tax collections.

An economic impact analysis by Purdue University has been done three times, in 2005, 2010 and 2021. The 2010 study estimated that the horse racing and breeding industry had a \$733 million direct effect, with more than \$1 billion in total economic impact. **Collectively, the total economic footprint of the Indiana horse racing and breeding industry was nearly \$2 billion dollars in 2021.** Since 2005, the industry experienced a 415.5 percent growth or an increase of \$752 million in direct economic impact. Comparing 2010 and 2021



data shows a healthy 27.3 percent increase (\$200 million) in direct effects. In looking at total economic impact on Indiana's GDP, the industry has grown from \$294 million to \$1.44 billion over the past 16 years (390.8 percent). Since 2010, the industry's total economic impact on the state's GDP has grown 34.1 percent or \$367 million. This growth over the years can likely be attributed to the state's investment in the Indiana horse racing and breeding industry, which has enticed horse owners, breeders and trainers to harness their entrepreneurial spirit and participate in Hoosier horse racing.