Characteristics of and Economic Variables Associated With the Equine Industry in Selected Maryland Counties

Fact Sheet 666

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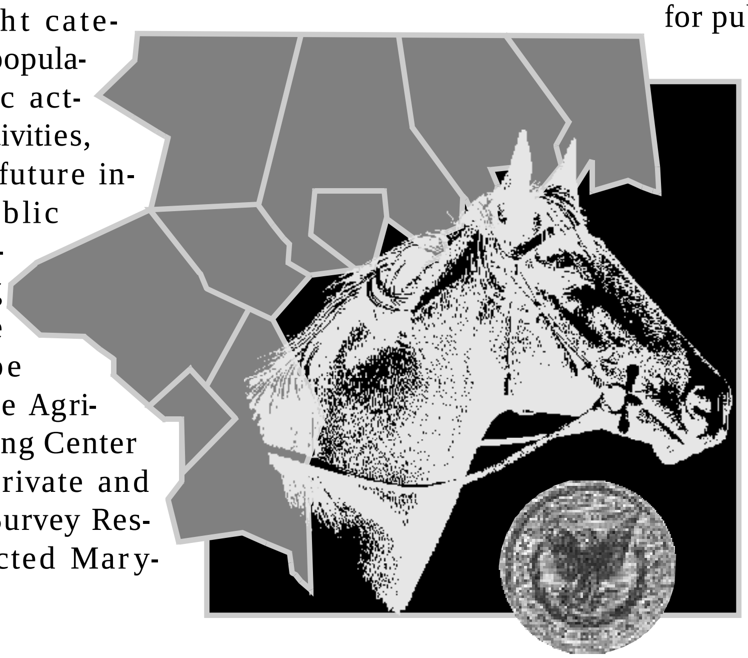
In response to a need for data on the composition and characteristics of and the economic activity associated with the Maryland equine industry, researchers at the Cooperative Extension Service's Agricultural Marketing Center conducted a comprehensive survey in Baltimore, Carroll, Cecil, Harford, Howard, Montgomery, and Prince George's Counties (Figure 1).

This fact sheet provides an initial overview of the survey results and discusses the correlations and trends indicated by the collected data. The survey results have been organized into eight categories: equine populations, economic activity, equine activities, critical issues, future involvement, public and private stables, and riding orientation. The raw data will be published by the Agricultural Marketing Center and entitled "Private and Public Stables Survey Responses in Selected Maryland Counties."



Parameters of the Survey

A mailing list of private and public stables located within the seven selected counties was compiled from more than 300 individual lists obtained from equine organizations, trade publications, support businesses, and other industry sources. For survey purposes, individuals in the same immediate family were identified as one household. Spectators at shows and other horse events were not included. Two different questionnaires were used: one for private stables and the other for public stables.

In November 1992, 16,940 questionnaires were mailed to households that maintained private stables, and 249 were sent to public stables. The response rate was 17.2 percent from households and 42.2 percent from public stables. Researchers consider analyses based on such a response rate highly reliable.

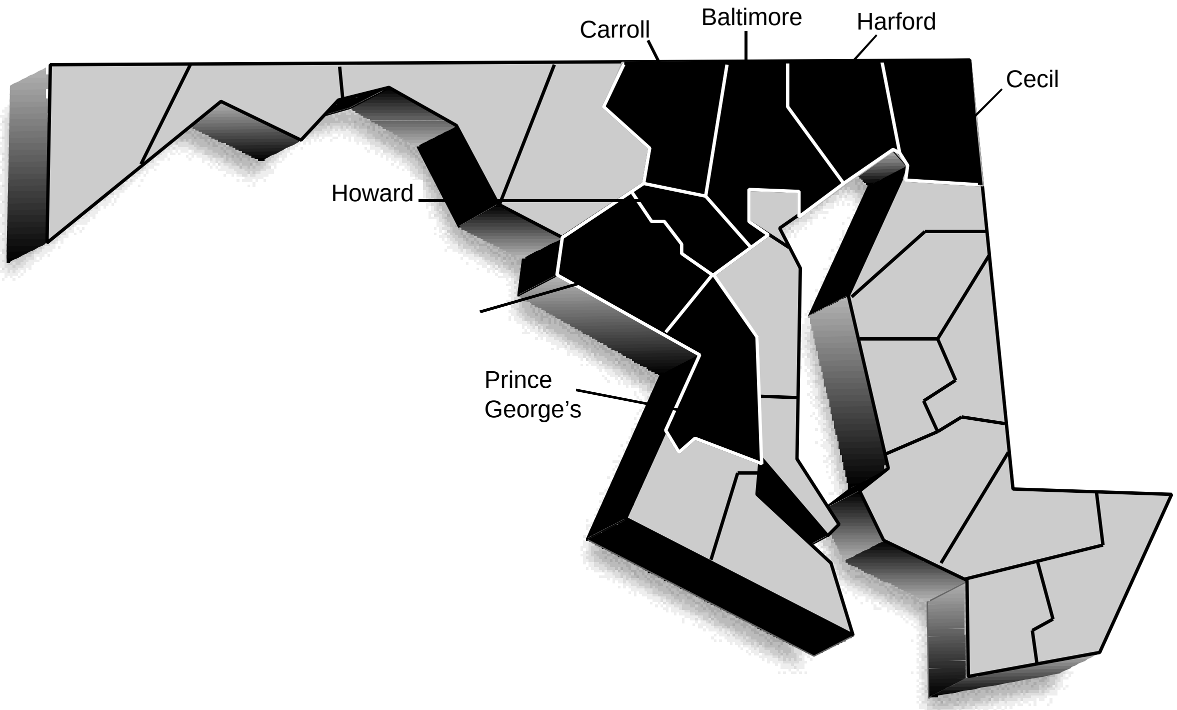


Figure 1. Survey counties.

Correlations and Trends

Equine Populations

The estimated number of horse enthusiasts, one who owns or leases a horse, in the seven-county survey region was 80,976 (Table 1). Of the private-stable respondents, 88.5 percent indicated that they either owned or leased at least one horse. The average number of horse enthusiasts in each household was two. The average number of enthusiasts affiliated with each public stable was 200.

The number of horses in the study region totaled 76,024 (Table 1). This total specifically excluded horses stabled at Pimlico and Laurel racecourses, which generally average about 1,500 Thoroughbreds combined.

Table 1 reveals a positive correlation between counties with comparatively high human populations and the number of horses and horse enthusiasts in that county. This is in contrast to other agricultural animal populations, which usually are higher in areas of lower human populations. A follow-up study on this subject is underway at the University of Maryland's Agricultural Marketing Center.

Economic Activity

The financial figures presented in Table 1 were adjusted to reflect the estimated minimum level of economic activity of the equine industry in the entire state. This estimate is based on the combined results from the seven survey counties in this study and figures from the Maryland Department of Economic and Employment Development (DEED), which has compiled economic figures for the State's Thoroughbred industry.

Calculating the annual economic activity generated by the equine industry was complicated because the majority of horse enthusiasts (79 percent in this study) kept horses for recreational rather than business purposes; thus, traditional financial documentation (such as balance sheets and income and expense statements) were not normally available. Additionally, there are numerous

Table 1. Survey summary: Estimated horse and equine enthusiast populations and regional economic figures

County	Number of enthusiasts	Number of horses	Annual economic activity[1]	Percentage of expenditures: Spent out of county	Spent out of State	Jobs created
Baltimore	24,630	24,477	231.7	15.0	10.5	7,563
Carroll	8,252	10,163	56.9	19.0	10.5	1,379
Cecil	3,568	4,454	30.2	19.0	20.0	860
Harford	7,083	6,420	42.9	18.0	13.0	1,166
Howard	9,022	7,950	57.6	24.5	8.0	2,759
Montgomery	19,138	13,967	130.7	17.0	10.0	4,332
Prince George's	9,283	8,593	67.9	20.5	9.5	2,651
Regional total	80,976	76,024	617.9	Not applicable	Not applicable	20,710

[1]Figures shown are in millions of dollars.

group equine activities that are not accounted for as a result of survey nonresponses and others in which financial overlaps were likely to occur. Financial overlaps can occur when two or more repondents listed economic data related to the same activity. For example, if an individual reported expenses related to participating at a show and the public stable hosting the event did so as well, then there is an overlap or double accounting of the same economic activity. Such data are not separable.

Given that 95.65 percent of the public-stable respondents and 85.90 percent of the private-stable respondents categorized themselves as "primarily nonracing," the economic figures in Table 1 were adjusted to reflect only nonracing equine activities. Excluding racing, the annual regional economic activity generated by the equine industry was estimated to be $617.9 million. Although not shown in the accompanying tables, the average annual maintenance cost per horse was $3,052 at private stables and $3,258 at public stables. Multiplying these figures by the horse population yields an annual expenditure of approximately $235 million for maintenance, which is generally the largest component of horse ownership.

According to DEED, the racing segment of Maryland's horse industry has an annual economic impact of more than $1 billion. DEED divides this estimate into an annual "sport" component of $502 million with the "agriculture of horse breeding" component totaling $498.1 million. (Unfortunately, these numbers are not available on a county-by-county basis.) Therefore, the annual total direct economic contribution of the horse industry to the Maryland economy is in excess of $1.6 billion. This figure does not include indirect business activity such as sales and real estate taxes related to horses and equine activities, and it does not include a multiplier to capture the economic turnover effect of indirect business activity (such as horse enthusiasts using income generated from their horse operation to pay for nonhorse items in the county and state). The percentages of direct economic activity spent outside of the individual counties and the State, which are listed in Table 1, denote a significant economic factor: Horse enthusiasts transact at least 75 percent of all horse business within their counties of residence and at least 80 percent within the State.

Employment

The total number of jobs created by the equine industry (Table 1) in the seven survey counties is 20,710, including full-time, part-time, and seasonal employment. This figure is supported by a report from the Governor's Special Commission on Professional Sports and the Economy, which estimated that approximately 20,000 people in the entire state were employed by the Thoroughbred industry alone.

In contrast to many agriculturally related jobs, approximately 83 percent of jobs in the horse industry were categorized as year-round positions, as opposed to seasonal. This is primarily attributed to the fact that horses require punctual daily care.

The average daily amount of unpaid labor was approximately 2 hours and 45 minutes per household at private stables and 7 hours per stable at public stables. The high amount of unpaid labor that horse enthusiasts devote to their horses testifies to the fact that a significant number of horses are kept for pleasure-oriented recreation rather than business-oriented purposes.

Equine Activities

Survey respondents consistently ranked trail riding as their favorite equine activity (Table 2). Racing and showing were distant second and third choices, respectively.

Table 2. Survey summary: Popular equine activities

	Survey responses by county (percentage)							
Activity	Baltimore	Carroll	Cecil	Harford	Howard	Montgomery	Prince George's	Regional average
Dressage	6.9	11.2	6.2	9.6	15.0	17.6	17.6	12.0
Driving	1.5	1.8	3.5	4.5	<1.0	1.4	<1.0	2.0
Eventing	4.6	3.2	12.4	6.7	2.9	8.2	4.1	6.0
Fox hunting	6.7	8.4	5.3	3.4	6.4	9.0	4.1	6.2
Jousting	<1.0	<1.0	<1.0	1.1	<1.0	<1.0	<1.0	<1.0
Lessons and instruction[1]	10.8	9.8	8.8	6.2	14.4	10.4	9.0	9.9
Polo	<1.0	<1.0	<1.0	<1.0	<1.0	2.0	<1.0	<1.0
Racing (all types)	22.3	9.8	20.4	14.0	12.1	10.0	24.7	16.2
Rodeo and related events	<1.0	1.4	<1.0	<1.0	1.6	<1.0	<1.0	<1.0
Showing (all types)	12.0	18.2	16.8	20.2	15.7	11.5	13.1	15.4
Trail Riding	33.8	35.4	25.7	34.3	31.0	28.5	25.5	30.6
Vaulting	<1.0	<1.0	<1.0	<1.0	<1.0	<1.0	<1.0	<1.0

[1]Includes therapeutic riding.

Table 3. Survey summary: Most critical issues facing the Maryland equine industry

Issue	Survey responses by county (percentage)							Regional average
	Baltimore	Carroll	Cecil	Harford	Howard	Montgomery	Prince George's	
Attracting new enthusiasts	6.6	3.5	3.5	3.5	2.0	2.6	5.0	3.8
Income tax laws/policies	11.0	10.6	9.7	9.8	9.9	6.0	13.8	10.1
Government regulations	2.1	3.2	1.8	2.9	1.0	2.5	4.2	2.5
Increasing competition from other entertainment sources	1.6	1.0	4.4	1.2	1.3	1.0	1.9	1.8
Lack of profitability /increasing costs	19.2	16.2	19.5	22.0	11.5	15.5	17.8	17.4
Liability insurance	10.6	15.5	11.5	12.1	19.4	19.4	9.2	14.0
Loss of open space	38.6	39.8	39.8	41.6	43.4	43.4	39.6	40.9
Number of activities/facilities	3.7	4.6	2.7	2.9	3.9	3.2	4.2	3.6
Property taxes	1.9	1.0	4.4	1.7	3.3	2.5	1.5	2.3
Quality of activities/facilities	4.7	4.6	2.7	2.3	4.3	3.9	2.8	3.6

The data in Table 2 reveal a pattern of subregional and localized preferences for certain activities. For example, there was an increased preference for dressage in the counties south and west of Baltimore County and a markedly high preference for racing by respondents in Baltimore, Cecil, and Prince George's Counties. Some of these preferences may be explained by the presence and accessibility of facilities. For instance, there was an increased preference for polo in Montgomery County, which is the home of the Potomac Polo Club.

Critical Issues

Survey respondents overwhelmingly chose loss of open space as the most critical issue facing the Maryland equine industry, with a response rate of 40.9 percent (Table 3). Lack of profitability and increasing costs were a distant second, with a response rate of 17.4 percent.

Because trail riding was selected as the most popular equine activity in the seven surveyed counties, it follows that loss of open space was the most prevalent concern. Preliminary analyses of data subsets revealed some other expected patterns. For example, respondents who said their primary involvement with horses was for business purposes chose lack of profitability and increasing costs as the most critical issue facing the equine industry, and a higher percentage of public stables than private stables

Table 4. Survey summary: Projected horse involvement over next 5 years

County	Survey responses by county (percentage) Increased involvement	Decreased involvement	Remain constant
Baltimore	38.8	7.4	53.8
Carroll	41.7	6.2	52.1
Cecil	46.0	5.6	48.4
Harford	47.9	6.8	45.3
Howard	43.5	6.9	49.6
Montgomery	42.2	6.4	51.4
Prince George's	47.6	7.0	45.4
Regional average	44.0	6.6	49.4

chose liability insurance as the most critical issue. As with the survey responses for popular equine activities, there are some localized patterns in the survey responses to critical issues respondents named. (Table 3).

Future Involvement

Given the state of the economy and the severe financial pressures on many segments of the equine industry in recent years, it is somewhat surprising that 44 percent planned to expand their involvement in the equine industry over the next 5 years, and only 6.6 percent of the private-stable respondents indicated that they expected to decrease their involvement with the horse industry during the next 5 years (Table 4). Forty-eight percent of public-stable respondents indicated that they intended to expand their stables and services, and 60 percent indicated that they expected increased demand for the services they offered during the next 5 years.

These responses paint a positive picture for growth in the horse industry. The consistency of responses across all counties adds validity to the growth-pattern conclusion. On average, respondents indicated that they had been involved with some type of horse activity for 22 years and that their average age of first involvement was 16 years. This long-term involvement with equine activities indicates a stable market.

Public and Private Stables

Although there are numerous commonalities between public- and private-stable facilities, there are a few notable differences. For example, because public stables are generally larger than their private counterparts and better equipped to supervise complex horse activities, the majority of instructional programs and competitions are offered through public-stable facilities. Thus, the questionnaire sent to public stables addressed some issues not included in the private-stable questionnaire.

Public stables. Regarding instructional programs, 67 percent of the public-stable respondents indicated that they provided riding instruction for individuals, and 70 percent provided training for horses. Fifty-eight percent of public-stable respondents indicated that they offered riding opportunities for individuals that do not own horses.

Approximately 45 percent of the public-stable respondents indicated that they hosted at least one horse-related competition annually and, within this affirmative response group, the average number of competitions hosted annually was six. Affirmative respondents indicated that, on average, 1,015 individuals were involved annually as competitors or exhibitors, and 1,670 were involved annually as spectators.

A definite positive correlation exists between the number of public riding stables in an area and human population density of that area. This correlation was highlighted by the fact that 55.5 percent of the public stables were located in either Baltimore or Montgomery County, the most populous counties in the survey, with clustering occurring near the population centers. Although less dramatic, this same pattern exists throughout the surveyed region.

Private stables. Although 47.5 percent of the private stables were at the same location as a respondent's primary residence, there was a great deal of difference among the counties. In the more rural counties of Carroll, Harford, and Cecil, 71.8 percent of the respondents indicated that their stables were located on the same property as their residences, whereas in the more urban counties, only 39.2 percent answered affirmatively. These numbers support the correlation between public stables and population density previously mentioned.

Riding Orientation

Although researchers did not attempt to identify specific breeds in this study, the topic of primary riding orientation (English versus Western) was addressed. Respondents indicated an 84.5 percent preference toward English, but there was a notable variation in responses among the counties. For example, in Cecil County only 3.3 percent of respondents indicated a Western orientation, whereas 27.6 percent did so in Carroll County. A county-by-county breakdown of primary riding orientation is presented in Figure 2.

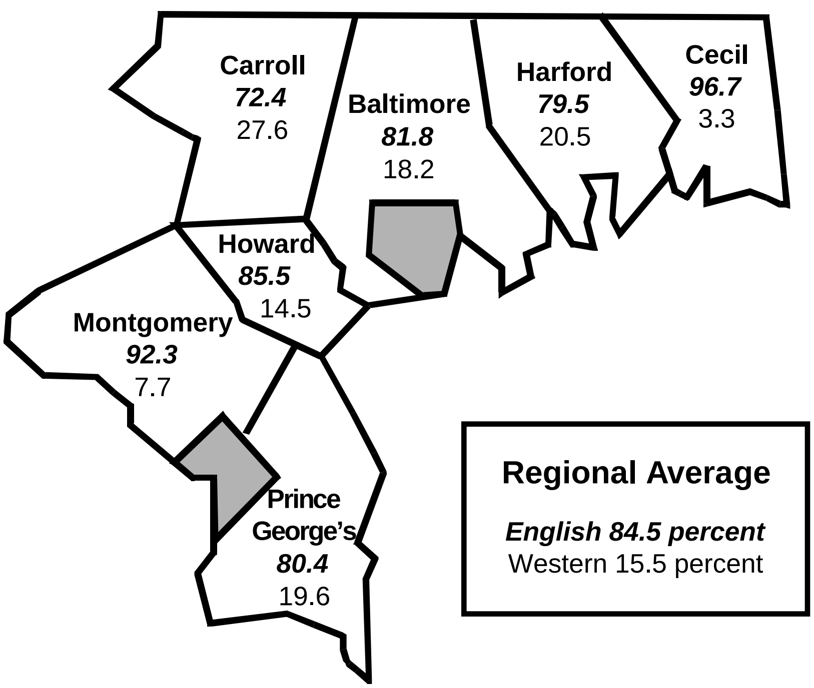


Figure 2. Percentage of private-stable repondents categorizing their horse activities as primarily English (in bold, italic type) or Western.

Future Research

This fact sheet has presented an initial overview of the results of the first extensive survey of the equine industry in Maryland. Thus far, comparisons of the findings of this and other, less comprehensive studies have revealed that the size and economic impact of the equine industry in Maryland had previously been substantially underestimated.

Multiple studies of the equine industry in Maryland are underway at the University of Maryland. Most of these studies involve use of data subsets from this survey and relate to critical issue topics, such as loss of open space and profitability. In addition, new studies investigating reproductive performance in horses and breeding incentive programs are underway.

Efforts are being made to expand the geographic area of this study and the number of related topics. Periodic data updates monitoring growth and change are also anticipated.

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