Performance Horse Ownership and Use: A Texas Horse Industry Quality Audit Report

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Horses represent quality of life for people who use performance and working horses in a variety of activities and events. The economic impact of the industry is significant, with varied expenditures by owners who cite numerous reasons for having horses. Authors' address: College of Agriculture, Dept. of Animal Science (Gibbs) and College of Veterinary Medicine, Large Animal Medicine & Surgery (Moyer and Martin), Texas A&M University, College Station, TX 77843. © 1997 AAEP.

1. Introduction
The diversity of the U.S. horse industry is one of its greatest strengths. Horses have been bred over the years to produce companions, performance athletes, work stock, racehorses, conformation show horses, more breeding stock, and just about everything imaginable. However, these first two, companions and performance athletes, represent a major part of the total horse industry and play a significant role in the overall social and economic aspects of horse ownership and use. The purpose of this paper is not to ignore horse racing, for its history and presence is known and understood by many. Because of that, this paper's objective is to address other areas of the industry—to focus on what horses are being used for and why people are spending their time and money on horses. A profile and characterization of horse ownership and use is currently a significant priority of the Texas Horse Industry Quality Audit, which is a collaborative project involving the College of Agriculture and Veterinary Medicine at Texas A&M University.

2. Discussion
The American Horse Council's (AHC's) 1996 Barents Group survey produced valuable numbers pertaining to the economics of the industry. Furthermore, it helped document what has been known for years, that horses are where the people are. The five most populated states are home for 36% of the U.S. population who own or keep 31% of the nation's horses. The majority of national survey respondents indicated participation in recreation and showing compared with utilization of horses for racing, work, and other purposes. The western performance or riding horse, be it a leisure trail riding horse or a high performance athlete, is popular among U.S. citizens. These horses are kept, used, and enjoyed for a variety of reasons. Western performance horses attract people in part because of their tie to our heritage as the U.S. was developed. The horse helps to satisfy some people's urges to be western, to walk in the dirt, to wear authentic apparel. As one horse trader and team roper recently stated, "there's just a big demand for the Lonesome Dove horses,
that $1500 to $5000 horse that lets a man or woman play cowboy or cowgirl and forget about their job.” No place is this any more evident today than in European countries, where western performance horses have become a favorite for many affluent people. The export of reining, cutting, and pleasure horses to the east has, in the past few years, begun to satisfy a recreational and competitive need that started sweeping across the U. S. decades ago. Thus the people who own those horses secure the clothing, equipment, training, and services that go to support an equine athlete. What may still be a luxury item in some countries is owned and enjoyed by persons in the U. S. at all levels of income or status. That is one reason why the industry is so varied, versatile, and economically significant in the U. S.

Apart from heritage and the desire to be western, there are several other very important reasons for horse ownership and use. Will Rogers once said that “there’s something about the outside of a horse that’s good for the inside of a man.” There is undoubtedly a lot of truth to that today, because the halter show horse industry continues to represent the efforts by breeders to produce a prettier, more appealing horse that has demand to be owned, exhibited, and enjoyed, maybe without even ever being ridden. These halter show horses, evaluated on conformation, are one of several industries within the industry. The fact that horses truly help people is evidenced more clearly, however, by the increase in therapeutic riding programs for emotionally and physically challenged youths and adults. There are even elementary school districts that have started utilizing horses to target their youth at risk students, citing positive responses in perceived attitudes and behaviors. More data are needed to support the obvious effects that are becoming increasingly common for horse use by U. S. citizens.

To better document reasons for horse ownership and use, a 1996 survey by the Texas Agricultural Extension Service (TAEX)\(^3\) was distributed in eight Texas counties. More than one reason for ownership or use was expressed by 91% of respondents, and 61% listed four or more reasons for having horses (Table 1). Horses are, in fact, a quality of life issue, as recognized by over half of the respondents. Furthermore, horses provide relaxation and decreased stress for many people. One half of horse owners recognized the value of horses as vehicles for youth development. In Texas alone, there are almost 10,000 4-H’ers enrolled in the horse project area.

The most frequent reason cited by survey respondents for horse ownership was competition of some kind. Charles Dickens once wrote: “Ride on, rough shod if need be, smooth shod if that will do, but ride on. Ride on over all obstacles and win the race.” Today, the interest in competitive activities involves many breed associations and performance horse organizations. In many cases, competition is categorized to appeal to participants by horse age, person age, and to some extent, ability of either the horse, the rider, or both. For instance, many western competitions are divided into open, amateur, and youth, with further designations for novice rider or even novice horse. The hard sought after youth horse is often one that is a strong competitor in several events such as showmanship, horsemanship, western riding, and trail. Some of these horses are also suitable for English rail events such as hunter under saddle, hunt seat equitation, or possibly even hunter hack.

Although multievent horses are certainly in great demand, it is also important to recognize that horses have become more specialized, being bred, raised, trained, and exhibited for and in only one event. Three such examples are reining horses, cutting horses, and pleasure horses. Reining horses are shown and evaluated for their ability to execute sliding stops, fast spins, circles of various size and speed, lead changes, and an overall willingness to be guided by the rider. Consequently, this high performance horse must be supported by specialized goods and services: trainers who train reining horses; farriers who know sliding plates; veterinarians who understand hock and tendon strain, tying up, and other stresses; bit makers who recognize the segments of the training process; saddle and blanket makers with products that stay out of a horse’s way; leg wrap, splint boot, and other leg support manufacturers that recognize the importance of protection and support; and nutritionists and feed manufacturers that understand fatigue, electrolyte balance, and energy supply needs of such an athlete, to name a few. These horses come with a wide variety of riders, male and female, young and old, very experienced and nonexperienced. Riders of reining horses, cutting horses, and other athletes can and do exhibit in a variety of sanctioned activities at all levels.

There are also horses that are bred, raised, trained, and shown to be evaluated on the quality of their movement, but at a slower pace—hence the western pleasure horse industry. The interest and demand to produce, train, own, and show horses based on quality of movement has resulted in the development of yearling longe line competitions, allowing...
for the evaluation of young performance prospects before they are ever even saddled or ridden. In the TAEX survey, 35% of owners reported using 22% of their horses for western rail-type events, which would include classes such as western pleasure, western riding, reining, trail, and horsemanship-equitaiton classes. Respondents listed a total of 15 different categories of activity or competitive use, which have been consolidated into eight broader categories listed in Table 2.

Although these percentages undoubtedly differ somewhat from state to state, they do capture the diversity that is apparent in the utilization of riding horses by owners. For instance, the competitive cattle-related activities alone cater to steer wrestlers (bull doggers), cutters, calf ropers, team ropers, team panners, and working cow horses.

All this horse activity generates a significant amount of money turnover. In addition, determining the economic impact becomes much more difficult compared with horse racing, primarily because of the variety in sanctioning groups, locations, and activities being held. A 1990 survey indicated that 60% of horse-related expenditures take place in the county where that horse and owner reside.4 Contrary to what some believe, horse ownership and use in the U. S. is not reserved for the rich. It crosses all income classes, which is a major reason for its strength, success, and continual stability. The AHC survey indicated that as many owners make under $50,000 annually (38%) as those that make $50,000–100,000 per year. Nationwide, 14% of horse-owning households earn less than $25,000. Both the AHC1 and TAEX surveys were similar in revealing that 21–23% of households earn over $100,000 annually. Nationwide, the median income was $60,000.

Knowing something about the income levels of horse-owning households makes it more interesting to evaluate typical expenditures for horse keeping. The AHC1 reported fixed costs of approximately $2000 per year to maintain a horse. Table 3 shows the distribution of expenditures provided by respondents to the TAEX survey.3 A closer look at Table 3 prioritizes expenditures for feed as first, health care as second, and hoof care as third. These rankings were similar to the results of a recent horse farm survey5 and other studies.4,6

| Table 2. Survey Profile of Performance and Working Horses |
|-------------|----------------|
| Activity     | %              |
| Western rail | 22.1           |
| Competitive cattle-related | 20.4 |
| Work (ranch and feedlot) | 15.6 |
| Leisure      | 13.5           |
| English (rail and hunters) | 11.8 |
| Driving      | 8.3            |
| Speed events | 4.6            |
| Endurance-competitive trail | 3.7 |
| Total        | 100            |

Horse owners spend 35% of the average horse purchase price annually, just to keep the horse. The range in dollars paid for horses was $400 to $50,000 and averaged $5249 in the TAEX survey.3 These figures were a reflection of horses being purchased by 71% of horse owners in the past 3 years. The average was over two times higher than $2181 reported 7 years earlier.4

Just as horse purchase prices have climbed, amounts spent to go places and do things with horses have increased as well. In Texas, purchases made for towing vehicles ranged from $1800 to $42,000 and averaged $22,948, which is very similar to that reported by the American Paint Horse Association.7 Trailer purchase prices ranged from $150 to $45,000 and averaged $8720, which is higher than $5550 reported in the American Quarter Horse Association nationwide survey 3 years earlier.8 With the use of both estimated and actual depreciation rates, the average end-of-year combined value for towing vehicles and trailers on hand was $25,697 per respondent.3

With average expenditures for trucks and trailers as previously noted, it is not surprising that a horse-owning household might travel to a horse event with one horse per person and an average of three horses per trip. With an average trip length of 2.5 days and 238 miles, expenditures total just over $1200 per trip. One team-roping promoter’s sponsorship material states that team ropers spend 30% of their monthly income roping.9 Today’s horse owner that competes is doing so for recreation, for relaxation, and for challenge, not to mention prizes and incentives. The typical horse owner is not in the horse business to make money, because studies show the majority earn less than 25% of their total annual income with horses.3

Beyond a base salvage value of about 50¢/lb, nobody really knows what a horse’s value truly is. That’s one of the positive aspects about the horse industry, because horses are available at all costs and in all sizes. They can be hauled in everything from the most basic of transportation vehicles to the most luxurious, or they may never be taken anywhere, yet still be enjoyed and utilized on a regular basis. The widespread interest in horses has driven the development of an ever growing, ever changing...
industry that translates into business for goods and service providers all across the U. S. According to the AHC,\(^1\) the goods and services are valued at $25.3 billion, which is quite comparable with the apparel manufacturing and motion picture industries. This economic activity is due, in large part, to the fact that horses provide enjoyment for owners. Regardless of a horse's dollar value, athletic ability, or beauty, the business of keeping all horses is significant. The majority of the estimated 6.9 million horses in the U. S. are used for competition or recreation.

Executive Summary

The horse industry is a highly diverse industry that supports a wide variety of activities in all regions of the country. It combines the primarily rural activities of breeding, maintaining, and training horses with the more urban activities of operating race-tracks, off-track betting parlors, and horse shows. The following points highlight the importance of the industry.

1. The horse industry produces goods and services valued at $25.3 billion. It is roughly the same size as other major industries, such as the apparel manufacturing industry and the motion picture industry in terms of the value of goods and services produced.

2. The industry has a $112.1 billion impact on the U.S. economy when the multiplier effect of spending by industry suppliers and employees is taken into account. Accounting for the off-site spending of spectators would result in an even higher figure.

3. 7.1 million Americans are involved in the industry as horse owners, service providers, employees, and volunteers. Even more participate as spectators.

4. The industry directly provides 338,500 full-time equivalent (FTE) jobs. Spending by suppliers and employees generates additional jobs, for a total employment impact of approximately 1.4 million FTE jobs.

5. There are 6.9 million horses in the United States, over 70 percent of which are involved in showing or recreation.

6. The median income of horse-owning families is around $60,000. Horse ownership is broad based across income classes, with 38% of owners under $50,000 of income and 21% over $100,000.

7. The horse industry pays approximately $1.9 billion in taxes to all levels of government.

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