

Mixed BAG

During the first six months of the 2008 season,

American Quarter Horse purses are up but handle is down.

By Michael Cusortelli

WITH THE PRICE OF A GALLON OF GASOLINE HOVERING AT \$4, and home foreclosures and corporate layoffs at all-time highs, the horse racing industry has been taking a close look at its own numbers.

During the first six months of the calendar year, American Quarter Horse racing has seen mixed results in two key statistics, purses and wagering handle. Through June 30, tracks have paid \$54,763,428 in purses – including horsemen's money – a figure nearly 4 percent higher over the \$52,710,556 during the same period in 2007. With 33 more races run, the average-per-race purse has risen 3 percent.

Handle, however, is another story. Quarter Horse bettors have pushed \$165,383,666 through the windows, a decline of 7 percent from last year's \$178,495,415. Average-per-race handle has dropped nearly 8 percent.

Thoroughbred racing is also experiencing a down year in terms of handle. Figures released by the National Thoroughbred Racing Association and Equibase showed that the Thoroughbred sport's handle during the same period dropped to \$7,265,345,359, nearly 4 percent less than the first six months of '07.

"Our industry is in the midst of a challenge period, with discretionary entertainment dollars tighter than they have been for several years," says NTRA president Alex Waldrop.

Wagering on Thoroughbred racing has dropped 11 percent since the end of the Triple Crown series on June 7. However, Thoroughbred purses rose nearly 4 percent for the second quarter of 2008 and are up 1.5 percent for the year.

"I'm not surprised that our handle is down, but I think there are a lot of factors involved besides just the economy – I don't think it can be attributed to just one thing," says AQHA Executive Director of Racing Trey Buck. "For one thing, there's the disagreement between several racetracks and their horsemen regarding the division of the advance-

deposit wagering revenue. Another factor might be the news media coverage following the death of Eight Belles (TB) in the Kentucky Derby and the U.S. Congress getting involved about the animal welfare issues. Those kinds of things tend to turn some of racing's more casual fans off a little.

"Also, while tracks have done a better job regarding customer service, I think a lot of tracks can do even better," he adds. "So many tracks are putting so much effort into getting alternative gaming that they might not be taking care of their horseplayers as much as they can. Some of the tracks that already have alternative gaming can also do a better job of taking care of their core business, which is horse racing."

Back in the day when racing's purses were funded just by handle, it was unheard of that purses would be up while wagering was down. However, the added money put toward Quarter Horse purses – much of which is fueled by that alternative gaming – was \$45,997,396 through the end of June, an increase of 5 percent over last year's \$43,837,995.

"I think it's really a good sign that purses are up over last year," Buck says. "I'm encouraged by that, because it shows that our horsemen and tracks have been working together to get favorable legislation passed. That's good news."

TOTEBOARD

	2008	2007	DIFFERENCE
Number of races	4,275	4,242	+0.8%
Number of starters	13,232	12,700	+4.2%
Total purses	\$54,763,428	\$52,710,556	+3.9%
Total added money	\$45,997,396	\$43,837,995	+4.9%
Average earnings per starter	\$4,138	\$4,150	-0.3%
Total wagering handle	\$165,383,666	\$178,495,415	-7.3%