

HORSES

Timeline of Events

1960s

- American Horse Council was established in 1969.

1970s

- Wild and Free-Roaming Horses and Burro Act of 1971 to manage equids on public lands (1971)

1980s

- “Economic Impact of the Horse Industry in the U.S.” published by the American Horse Council (1987).
- Tax Reform Act of 1986 was passed.
- First issue of the AHC newsletter (American Horse Council News) was published.
- First issue of the AHC directory (Horse Industry Directory) was published.
- Horse Protection Act

1990s

- Indian Gaming Regulatory Act
- National Gambling Impact Study Commission was authorized to investigate the effects of gambling on American society.
- GATT and NAFTA
- “Economic Impact of the Horse Industry in the U.S.” published by the American Horse Council.
- National Recreation Trails Fund Act
- COLT (the AHC’s PAC)
- There are 134 breed associations and registries.
- There were more than 14,000 sanctioned horse shows and thousands of unsanctioned events during 1995.

Trends

Industry Participants

- Horse owners, including part-owners who take no active role in caring for or training the horse.
- Nonhorse-owning service providers, including stable owners, trainers, veterinarians, rodeo stock contractors, and horse transportation providers.
- Employees of horse-owners, service providers, racetracks, and shows, including part-time and seasonal employees.
- Family members of horse owners and other volunteers who are involved in the care of horses without pay

- Individuals who ride or use horses as part of their jobs, including jockeys, sulky drivers, certain rodeo cowboys, and mounted police.

There are 6.9 million horses in the United States (not comparable to the 1987 survey data). More than 70 percent are involved in showing or recreation.

7.1 million Americans are involved in the industry as horse owners, service providers, employees, and volunteers.

The horse industry produces goods and services valued at \$25.3 billion annually. The industry 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.

The industry has \$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 by spectators would result in an even higher figure.

The industry employs 619,400 people, which equals 338,500 full-time (FTE) jobs. Even more people participate as spectators.

The total employment impact of the industry on the U.S. economy is 1.4 million FTE jobs. 0.34 million direct, 0.43 million indirect, and 0.63 million induced.

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

The industry is diverse in the socio-economic activities that it supports.

- Racing, showing, and recreation contribute greater than 25% of the total value of goods and services.
- The industry contributes to urban and rural economies of all 50 states.
- The median income of horse-owning families is around \$60,000.
- Members of a wide-range of income classes own horses. The income of 38 percent of owners is less than \$50,000. The income of 21 percent of owners is more than \$100,000.

Role of Breeding In Racing

- Approximately 328,000 horses are involved in breeding, either permanently or temporarily.
- Breeding produces goods and services worth \$1.3 billion.
- Breeding contributes \$7.4 billion to the U.S. GDP.
- Breeding provides 30,800 FTE jobs.
- Breeding provides an additional 96,100 jobs elsewhere in the economy.

Congressional Priorities for 1997

Taxes:

- Ease material participation requirements for horse owners and breeders.
- Support broad-based, capital gains tax cut.
- Support reduction of estate taxes on individuals and small businesses, farms, ranches.

Racing:

- Oppose any federal action that would limit opportunities available in interactive/home betting.
- Clarify the Indian Gaming Regulatory Act.
- Respond to the National Gambling Impact Study Commission.

Recreation:

- Support reauthorization and funding of the National Recreational Trails Fund Act.
- Support legislation to broaden opportunities to use horses for recreation.

Import/Export Rules:

- Eliminate the federal horse health certificate and border inspections for the U.S.-Canadian border.
- Support workable requirements for regionalization as required by the World Trade Organization under GATT.

Animal Welfare:

- Work with USDA to ensure that rules regulating the transport of horses to slaughter are strong and enforceable.
- Support fair and reasonable enforcement of the Horse Protection Act.

Political Action:

- Continue to involve AHC members in the legislative process.
- Ensure that the AHC PAC is well-funded.

Uncertainties For The Future

- Will the capital gains taxed be reduced? Tax changes affect every segment of the industry. There is support for reduction in capital gains tax and estate tax.
- Will the estate tax be reduced?
- Will the federal commission and/or Congress permit interactive wagering?
- Will the availability of trails be reduced?
- Will the requirements for permits to transport horses internationally be modified? The objective is to reduce the costs to American horse owners doing business with Canadians especially.
- Will the USDA's regionalization efforts be developed/finalized?
- What actions will the USDA take on recommendations related to the Horse Protection Act?
- Will the AHC be able to provide funds for legislators who support the organization?

References

1. 1997 horse industry directory. American Horse Council, Inc., Washington, D.C.
2. The economic impact of the horse industry in the United States--Volume 1: National Summary. American Horse Council, Inc., Washington, D.C. 1996.
3. The economic impact of the horse industry in the United States--Volume 2: Estimates for eleven focus states. American Horse Council, Inc., Washington, D.C. 1996.
4. The economic impact of the horse industry in the United States--Volume 3: Technical documentation. American Horse Council, Inc., Washington, D.C. 1997.
5. The economic impact of the horse industry in the United States--Volume 4: National and state breeds breakouts. American Horse Council, Inc., Washington, D.C. 1997.
6. The economic impact of the horse industry in the United States--Executive Summary. American Horse Council, Inc., Washington, D.C. 1987.

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