



**THE
INNOVATION
GROUP**

Economic Impact Analysis: Wyoming Horse Racing Industry

State of Wyoming

Prepared for:

Wyoming Racing LLC

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Prepared by:

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CLIENTS SERVED

Government

- Bermuda Cabinet Office and Hotel Association
- Biloxi Chamber of Commerce
- City of Philadelphia
- Commonwealth of Northern Mariana Islands
- Costa Rica Tourism Board
- Government of Panama
- Iowa Racing and Gaming Commission
- Louisiana Department of Transportation
- Manitoba Lotteries Corporation
- Maryland Economic Development Corporation
- Maryland State Senate
- Massachusetts State Senate
- National Park Service
- Ohio State Racing Commission
- Pennsylvania State Senate
- Pennsylvania State Treasurer
- State of Illinois
- State of Kansas
- State of New Hampshire
- State of New York
- State of Oregon
- State of West Virginia
- Toledo-Lucas County Conv. & Visitor Bureau
- U.S. Department of Interior

EXECUTIVE SUMMARY

The Innovation Group was retained by Wyoming Downs, LLC and Wyoming Horse Racing, LLC to assess the economic impacts injected into the Wyoming state economy from the ongoing operations of the Wyoming Horse Racing Industry. Economic impact analyses are commonly used tools to quantify the direct, indirect and induced benefits that result from the opening or closure of a business or industry to an area.

The Wyoming Horse Racing Industry is a vital contributor to Wyoming's economy. Through its various operating activities—including the major racetracks, off-track betting and historical horse racing facilities, and the activities of breeders, trainers, and owners of racehorses— and industry induced tourism, the Wyoming Horse Racing Industry supports roughly 286 jobs and directly contributes over \$25.0 million into Wyoming's Gross Domestic Product (GDP) annually.

- Annual Direct Contribution to GDP: \$25.0 million.
- Annual Direct Employment Impact: 286 Jobs.

From those direct effects, the Wyoming Horse Racing Industry's contribution ripples out into other sectors of the economy.

- Annual Total Value Added to the Wyoming Economy: \$38.0 million.
- Annual Total Employment Impact: 454 Jobs.

Over the last decade, race-horse breeding in Wyoming has gone from being so marginal that it did not warrant reporting by the Wyoming Pari-Mutuel Commission to an industry that produced 176 registered Wyoming-bred horses that raced in the 2018 season.

The following table summarizes the statewide impacts. Through direct, indirect, and induced effects, the Wyoming Horse Racing Industry generates over \$62 million in annual output for the state's economy.

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	286	\$9.7	\$25.0	\$40.1
Indirect Effect	114	\$5.1	\$8.9	\$14.7
Induced Effect	54	\$2.0	\$4.1	\$7.4
Total	454	\$16.9	\$38.0	\$62.1

IMPLAN Group, LLC, IMPLAN System (data and software); The Innovation Group

Given the rapid growth of the industry over the past several years, with significant historical growth and strong growth potential from the historical racing segment, The Innovation Group believes these annual impacts will increase in future years.

INDUSTRY FORECAST

The following table displays The Innovation Group's forecast for the Wyoming Horse Racing Industry. The forecasts are based on historical growth rates, with a deceleration of historical rates of increase or decrease applied as the industry matures. As shown in the table below, The Innovation Group forecasts that the industry's total handle could reach nearly \$1 billion by 2023. This reflects a CAGR of 10.8% from 2018 to 2023 and is driven almost entirely by the forecasted growth for HHR within the state.

Wyoming Horse Racing Industry Forecast*

	2018A	2019P	2020P	2021P	2022P	2023P	2018-2023 CAGR
Live Racing							
Total Handle	\$1,560,505	\$1,755,568	\$1,931,125	\$2,075,959	\$2,179,757	\$2,234,251	7.4%
State Commission	\$23,408	\$26,334	\$28,967	\$31,139	\$32,696	\$33,514	7.4%
Breeder's Award	\$11,850	\$13,331	\$14,664	\$15,764	\$16,552	\$16,966	7.4%
Simulcasting							
Total Handle	\$3,849,563	\$3,657,085	\$3,510,802	\$3,405,478	\$3,337,368	\$3,303,994	-3.0%
State Commission	\$57,067	\$54,856	\$52,662	\$51,082	\$50,061	\$49,560	-2.8%
Breeder's Award	\$24,471	\$23,405	\$22,469	\$21,795	\$21,359	\$21,146	-2.9%
Historical Racing							
Total Handle	\$570,599,000	\$684,718,800	\$787,426,619	\$866,169,281	\$909,477,745	\$954,951,633	10.8%
State Commission	\$2,852,995	\$3,423,594	\$3,937,133	\$4,330,846	\$4,547,389	\$4,774,758	10.8%
Breeder's Award	\$2,282,396	\$2,738,875	\$3,149,706	\$3,464,677	\$3,637,911	\$3,819,807	10.8%
Wyoming Municipalities	\$5,705,990	\$6,847,188	\$7,874,266	\$8,661,693	\$9,094,777	\$9,549,516	10.8%
Combined Total							
Total Handle	\$576,009,068	\$690,131,453	\$792,868,546	\$871,650,718	\$914,994,871	\$960,489,878	10.8%
State Commission	\$2,933,470	\$3,504,784	\$4,018,762	\$4,413,068	\$4,630,146	\$4,857,832	10.6%
Breeder's Award	\$2,318,717	\$2,775,612	\$3,186,840	\$3,502,236	\$3,675,822	\$3,857,918	10.7%
Wyoming Municipalities	\$5,705,990	\$6,847,188	\$7,874,266	\$8,661,693	\$9,094,777	\$9,549,516	10.8%

Source: The Innovation Group; *Excludes Advanced Deposit Wagering