

Horse Industry Generates \$122 Billion Economic Impact

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The \$122 billion equine industry is a growing segment of the U.S. economy, employing 1.74 million people, according to a recent economic impact study.

The 2017 Economic Impact Study of the U.S. Horse Industry found that the care, business and recreation surrounding the 7.2 million horses in the country generated \$79 billion in total salaries. The research was conducted by the American Horse Council (AHC) Federation in conjunction with The Innovation Group.

“Those involved in the equine industry already know how important it is to the U.S. economy,” said AHC President Julie Broadway. “Having these updated numbers is critical not only to the AHC’s efforts up on Capitol Hill, but also for the industry to demonstrate to the general public how much of a role the equine has in American households. While the number of horses in the U.S. has decreased, this was not entirely unexpected due to the decline in breed registration trends over the last few years.”

Texas – the epicenter of the cutting industry – had the highest population of horses, followed by California and Florida. The study also found that 38 million, or 30.5 percent, of U.S. households contain a horse enthusiast, and 38 percent of participants are under the age of 18. Some 80 million acres of land is reserved for horse-related activities.

“For this update of the study, we wanted to get a better picture of the number of youth in the pipeline, which is a number that we have not previously included in our economic impact studies,” Broadway said. “Additionally, being able to put a number on the amount of land used for equine-related activities is essential to ensuring that we are able to continue to protect and preserve that land for its intended use.”

While the equine industry as a whole generates approximately \$122 billion in total economic value, it’s commonly thought that the “big three” that are the primary economic drivers are recreation, racing and competition. However, the AHC Foundation felt it was also important to bring in a new sector of the industry’s economic impact: working horses.

“Traditional working horses remain an important part of the industry, and not just on American ranches,” said AHC President Julie Broadway. “In cities like New York and even here in Washington, D.C., it’s not uncommon to have horses patrolling the streets, allowing individuals access to horses that they may not have otherwise had. Horses can also be found pulling carriages and adding charm to America’s cities and historic destinations.”

The working horse sector consists of equines used in segments such as mounted police units, carriage operations, equine assisted therapy programs and lesson programs,

which account for 8 percent of the equine population. The working horse sector supports more than 42,000 direct jobs and adds \$1.9 billion in direct value to the U.S. economy. These direct impacts drive a further \$2.7 billion in added value to the economy and create more than 28,000 jobs from indirect and induced effects.

The recreation sector supports more than 162,000 direct jobs and adds \$7.5 billion in direct value to the U.S. economy. Those direct impacts drive a further \$10.5 billion in added value to the economy and create more than 110,000 jobs from both indirect and induced effects. Additionally, nearly 13 million households have participated in trail riding, with the vast majority of trail riders – 87 percent – utilizing public lands to ride on.

The racing sector continues to have the largest economic impact. It supports more than 241,000 direct jobs and adding \$15.6 billion in direct value to the U.S. economy. These direct impacts add \$21 billion in value to the economy and in total create more than 231,000 jobs from both indirect and induced effects. At Thoroughbred and Quarter Horse racetracks, approximately \$11 billion in wagering occurred in 2016, and tracks had \$1.2 billion in total purses. Harness racetracks also had significant wagering of \$1.45 billion, with \$423 million in total purses.

Finally, the competition sector supports more than 241,000 direct jobs and adds \$11.8 billion in direct value to the U.S. economy. These direct impacts drive a further \$16.5 billion in added value to the economy and create more than 175,000 jobs from indirect and induced effects. Additionally, the United States Equestrian Federation, American Quarter Horse Association, National Reining Horse Association and United Professional Horsemen's Association licensed approximately 6,313 competitions throughout 2016, utilizing 1,654 competition managers.

“While the racing sector is still the number one performing segment of the industry in economic impact, the recreation industry continues to be the largest based on horse population, as well as creating new enthusiasts by providing easy access to equine activities such as trail riding and lessons,” Broadway said. “It’s also important to note how every segment of the equine industry has created 38 million households with equine enthusiasts in the United States!”