

INTRODUCTION

This report summarizes the results of an economic analysis of the Wyoming Downs Racetrack in Evanston, Wyoming and its off-track betting sites in Casper, Evanston, Cheyenne, and Rock Springs, Wyoming. This project was a joint effort between the University of Wyoming's Department of Agricultural and Applied Economics, the Wyoming Business Council, the Wyoming Pari-Mutuel Commission, and Wyoming Downs. The Wyoming Business Council and Wyoming Downs funded the study. The purpose of the analysis was to determine the economic contribution of horse racing and related wagering activities associated with Wyoming Downs to the Evanston area and the State of Wyoming.

With an initial investment of over \$10 million, Wyoming Downs opened north of Evanston in 1985. The 1999 racing season at the track ran from June 12 to September 6 with 27 weekend racing dates. Total attendance for the 1999 racing season was over 40,800 with most of the racing spectators coming from Utah. The track also attracted 1,116 racing participants (owners, trainers, jockeys, and other horse persons) during the season. In addition to the racetrack, Wyoming Downs also maintains year round off-track betting sites in Casper, Evanston, Cheyenne, and Rock Springs.

PROCEDURES

The economic contribution of Wyoming Downs was separated into four components for the analysis: 1) Track and Betting Operations (live racing and off-track), 2) Racing Spectators (live racing), 3) Racing Participants (owners, trainers, jockey, etc.), and 4) State and Local Government Revenue. Each of these components is discussed individually in the report. The analysis only considered the direct economic effects of

Wyoming Downs. No attempt was made to estimate the secondary effects of horse racing and other wagering on the state and local economies. The analysis includes both the live racing and the off-track betting activities since the two are jointly owned and operated by Wyoming Downs.

Information on employment, payroll, and expenditures for the track and betting operations was collected from Wyoming Downs and the Wyoming Pari-Mutuel Commission. Information on racing spectator spending was collected from personal interviews of 654 visitors at Wyoming Down conducted by the Wyoming Business Council and the University of Wyoming during the 1999-racing season. Information on racing participant spending was obtained from surveys of horse trainers, jockeys, and horse owners conducted by the Wyoming Pari-Mutuel Commission and the University of Wyoming. Information on state and local government revenues was obtained from Wyoming Downs and the Wyoming Pari-Mutuel Commission records.

Since the majority of wagering expenditures represented a redistribution of money between winning and losing bettors, wagering was not included in the expenditures by spectators and participants. Wagering was only considered in terms of revenues that it generates for the State of Wyoming and its contribution to expenditures by Wyoming Downs.

RESULTS

Wyoming Downs Racing Operation

The Wyoming Downs racing operation supported a total of 232 jobs in Wyoming during 1999 (Table 1). These jobs included individuals employed at the track and at off-track betting sites by Wyoming Downs, track food concessionaire employees, the track

photographer and employees, and Pari-Mutuel Commission employees located at the track during the racing season. Ninety percent of these employees were Wyoming residents with the other 10 percent from other states, primarily Utah. Because the racing season at the Wyoming Downs racetrack is seasonal, about 70 percent of the jobs were also seasonal, with individuals working either part or full-time during the racing season. The other 30 percent of the jobs were year-round, working either part or full-time at the off track betting sites. All of the year-round employees were Wyoming residents.

Labor earnings (wages, salaries, and proprietor income) associated with the Wyoming Downs racing operation totaled \$846,699 during 1999 (Table 1). Because the hours worked were not known, it was not possible to calculate an average hourly wage rate for employees. However, the wage rate for Wyoming Downs employees ranged from \$5.15 per hour for high school students just starting out up to \$700 per week for full-time employees. The salaries of Wyoming Pari-Mutuel Commission employees located at the track were funded from revenues collected by the State from racing activities. Based on the distribution of employment most of the payroll went to Wyoming residents.

Wyoming Downs spent \$2.7 million on the race track operation during 1999 (Table 1). Eighty-two percent of this total (\$2.2 million) was spent in Wyoming, mostly in the Evanston area. In-state expenditures included purses, liquor purchases, taxes and fees, and other expenditures, primarily purchases from local vendors and contractors. These expenditures included \$387,136 of payroll and independent contractor expenses discussed in the previous paragraph as labor earnings. Although purses were paid out in Wyoming, much of this expenditure went to out-of-state owners and owner/trainers since

90 percent of these individuals are from outside Wyoming. The \$2.7 million in expenditures were for the racetrack only and did not include substantial expenditures in Wyoming such as wages, rent, capital improvements, and purchases from vendors for the four off-track betting facilities.

Wyoming Downs Spectators

The total attendance at Wyoming Downs during the 1999-racing season was over 40,800 (Table 2). Of this total 71 percent were spectators from outside Uinta County who indicated that their primary reason for the trip was to attend the horse races (Nonresident – Racing). Twenty percent were spectators from outside Uinta County who indicated that their primary reason for the trip was something other than attending the horse races (Nonresident – Other). Over seventy percent of all nonresident spectators were from Utah. Nine percent of the spectators were residents of Uinta County.

Total visitor expenditures in the Evanston area by nonresident spectators (excluding wagering at the track) directly attributable to Wyoming Downs were estimated to be \$2.3 million during the 1999-racing season (Table 2). In arriving at this estimate, all expenditures in the Evanston area were included for “Nonresident – Racing” spectators. For “Nonresidents – Other” spectators, non-track visitor expenditures were prorated based on the number of days of the total visit that were spent at the racetrack. The average trip expenditure in the Evanston area by “Nonresident – Racing” spectators was \$65.52 per person per racing day. The average trip expenditure in the Evanston area by “Nonresident – Other” spectators was \$53.89 per person per racing day. “Nonresident – Racing” spectators averaged 1.5 days in Evanston during the trip and spent 1.4 days at

the racetrack. “Nonresident – Other” spectators averaged 1.8 days in Evanston during the trip and spent 1.2 days at the racetrack.

Uinta County residents were estimated to have spent about \$209,000 in the Evanston area during their trip to the racetrack during the 1999-racing season or \$54.49 per person per racing day. These expenditures do not represent new money to the Evanston area economy. However these expenditures are presumably discretionary dollars that might have otherwise been lost by the Evanston economy to other places like Salt Lake City without horse racing. A detailed summary of the results from the racing spectator survey is presented at the end of the report.

Wyoming Downs Racing Participants

Racing participants include horse owner, trainers, jockeys, exercisers, grooms, outriders, platers, and pony riders who work with or own horses stabled at the track during the racing season. During the 1999-racing season a total of 1,116 racing participants were licensed for Wyoming Downs (Table 3). Ten percent of these participants were Wyoming residents. The other 90 percent were from various parts of the country, particularly Utah and to a lesser extent Idaho.

Based on the results of the survey of horse trainers at Wyoming Downs it is estimated that horse training expenditures in the Evanston area averaged \$1,639 per horse during the 1999-racing season (Table 3). This amount represented the training expenditures in the Evanston area, not the total expenditures associated with training a horse. It included local expenditures such as feed, bedding, farrier, veterinary, supplies, track fees, labor, and personal living. Wyoming Downs records indicate a total of 994 horses stabled at the racetrack during the 1999-racing season. Multiplying the average

expenditure per horse by the number of stabled horses indicates that about \$1.6 million was spent in the Evanston area for horse training during the 1999-racing season.

In addition to training expenses, nonresident horse owners also had travel expenditures to visit the racetrack. The results of the survey of horse owners indicated that they spent an average of 11.3 days in the Evanston area during the racing season. Total trip expenditures in the Evanston area associated with these trips were estimated to be \$1,218.79 per owner or \$107.86 per day per traveling party (Table 3). Records from the Wyoming Pari-Mutuel Commission indicate that there were 535 nonresident horse owners who were not also trainers licensed at Wyoming Downs during the 1999-racing season. Multiplying the average trip expenditures per owner by the number of nonresident horse owners indicates that nonresident horse owners spent about \$652,000 on trip expenditures in the Evanston area during the 1999-racing season (Table 3).

State & Local Government Revenue from Wyoming Downs

State and local government revenue from Wyoming Downs was separated into three categories, 1) Wyoming Pari-Mutuel Commission Revenue, 2) Trust and Agency Fund Revenue, and 3) Other Tax Revenue.

The Pari-Mutuel Commission is a self-supporting entity of State Government that is funded from revenue generated by Wyoming Downs and its off-track betting sites. The commission receives a percentage of the total wagers made for both live racing and off-track betting in Wyoming. The commission also collects a daily permit fee from Wyoming Downs for every day the track and off-site betting locations are open. Finally, the commission charges a licensing fee for anyone working at the track or the off-site

betting locations. In 1999, total revenue to the Pari-Mutuel Commission from these three sources amounted to \$239,358 (Table 4).

The Pari-Mutuel Commission also maintains a Trust and Agency Fund Account. This account receives revenue from fines and penalties assessed by the Commission. This revenue goes to the local school district in Evanston. This account also receives revenues for the Breeders Award. A percentage of total wagers are retained for the Breeders Award, which is distributed to racehorse owners in Wyoming based on a points system. In 1999, the total revenue to the Trust and Agency Fund from racing was \$66,030 (Table 4).

Like other businesses in Wyoming, Wyoming Downs also pays various state and local taxes. In 1999 Wyoming Downs paid \$15,447 in property taxes, \$2,130 in liquor taxes, and \$16,926 in sales and use taxes. Total business taxes for 1999 were \$34,503.

SUMMARY

Wyoming Downs makes a significant contribution to the Wyoming economy, particularly in the Evanston area. In 1999 it is estimated that Wyoming Downs brought \$6.6 million dollars into the Wyoming economy. This amount includes \$2.3 million in expenditures in the Evanston area by nonresident spectators, \$1.6 million in horse training expenditures in the Evanston area by racing participants, \$652,000 in trip expenditures in the Evanston area by nonresident horse owners, and \$2.0 million in track expenditure (net of admission and track fees) in Wyoming by Wyoming Downs.

The economic activity associated with horse racing and related wagering activities at Wyoming Downs supported 232 full and part-time jobs in the Wyoming economy. Labor earnings associated with this employment totaled \$846,699. In addition, the

economic activities at Wyoming Downs generated \$339,891 of State and local government revenue in Wyoming.

Table 1. Wyoming Downs Track & Betting Operations, 1999 Season

Employment	Total Jobs	Wyoming Residents	Other
<u>Live Racing</u>			
Full-time Seasonal	30	26	4
Part-time Seasonal	95	95	0
<u>Off Track Betting</u>			
Full-time Year-Round	56	56	0
Part-time Year-Round	10	10	0
Food Concessions	28	12	16
Photographer	5	4	1
State Government	8	6	2
Wyoming Downs Total	232 100.0%	209 90.1%	23 9.9%

Labor Earnings	
Live Racing	\$288,035
Off Track Betting	\$290,833
Independent Contractors	\$99,101
Food Concessions	\$69,412
Photographer	\$21,775
State Government	<u>\$77,543</u>
Wyoming Downs Total	\$846,699

Annual Expenditures by Wyoming Downs (Race track only)

Purses	\$1,384,107	
Payroll	\$288,035	
Liquor Purchases	\$31,343	
Taxes & Fees	\$240,082	
Other Expenditures	<u>\$283,000</u>	
Expenditures in Wyoming	\$2,226,567	82.3%
Expenditures Outside Wyoming	<u>\$479,673</u>	17.7%
Total Expenditures	\$2,706,240	100.0%

Table 2. Wyoming Downs Spectators, 1999 Season

Type of Spectators

	<u>Number</u>	<u>Percent</u>
Nonresident - Racing	28,796	70.6%
Nonresident - Other	8,169	20.0%
Uinta County Residents	3,835	9.4%
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Total Attendance	40,801	100.0%

Nonresident Spending in Evanston Area

	<u>Racing Visitors</u>	<u>Other Visitors</u>	<u>Total</u>
Restaurants/Bars	\$392,822	\$73,660	\$466,481
Entertainment	\$371,312	\$90,757	\$462,069
Lodging	\$281,673	\$73,274	\$354,948
Track Concessions	\$233,665	\$56,103	\$289,768
Gasoline	\$164,064	\$36,942	\$201,007
Admission Fees	\$144,517	\$38,979	\$183,496
Groceries/Liquor	\$127,587	\$26,739	\$154,326
Shopping/Retail	\$123,825	\$37,955	\$161,780
Other	\$47,191	\$5,865	\$53,056
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Total	\$1,886,656	\$440,274	\$2,326,930
Per Person Per Racing Day	\$65.52	\$53.89	\$62.95

Uinta County Resident Spending in Evanston Area

Restaurants/Bars	\$35,747
Entertainment	\$58,230
Lodging	\$11,894
Track Concessions	\$27,928
Gasoline	\$12,933
Admission Fees	\$17,040
Groceries/Liquor	\$11,663
Shopping/Retail	\$25,173
Other	\$8,396
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Total	\$209,003
Per Person Per Racing Day	\$54.49

Table 3. Wyoming Downs Racing Participants, 1999 Season

Number of Participants

	<u>Total</u>	<u>Wyoming</u>	<u>Other</u>
Owners	556	63	493
Trainers	64	5	59
Owners/Trainers	252	15	237
Jockeys	45	2	43
Exercisers	15	2	13
Grooms	150	19	131
Agents	2	0	2
Outriders	1	0	1
Platers	6	1	5
Pony Riders	25	1	24
Total Participants	1,116	108	1,008

Horse Training Expenditures in Evanston Area

	<u>Per Horse</u>	<u>Total</u>
Hay	\$186.68	\$185,560
Grain	\$257.61	\$256,064
Feed Supplements	\$49.24	\$48,945
Bedding	\$83.10	\$82,601
Farrier	\$113.91	\$113,227
Veterinarian	\$186.41	\$185,292
Tack and Equipment	\$59.02	\$58,666
Supplies	\$48.04	\$47,752
Track Fees	\$45.33	\$45,058
Labor Expense	\$346.19	\$344,113
Personal Living Expense	\$211.96	\$210,688
Other	\$51.52	\$51,211
Total Expenditures	\$1,639.01	\$1,629,176

Nonresident Horse Owners Trip Expenditures in Evanston Area

	<u>Per Owner</u>	<u>Total</u>
Restaurants/Bars	\$290.33	\$155,328
Lodging	\$268.30	\$143,538
Gasoline	\$179.58	\$96,076
Shopping/Retail	\$127.17	\$68,034
Track Concessions	\$116.56	\$62,360

Entertainment	\$69.79	\$37,336
Groceries/Liquor	\$63.40	\$33,917
Admission Fees	\$20.37	\$10,898
Other	\$83.30	\$44,564
Total Expenditures	\$1,218.79	\$652,052

Table 4. State & Local Government Revenues from Wyoming Downs, 1999 Season

Pari-Mutuel Commission

Assessment - Live Racing	\$29,321	
Assessment - OTB	\$130,847	*
Pari-Mutuel Permit	\$37,450	
Other Licenses	\$9,645	
Jockey Licenses	\$1,575	
Owner Licenses	\$19,460	
Owners/Trainers & Trainers Licenses	\$11,060	
Commission Total	\$239,358	

Trust and Agency Fund

Fines & Penalties	\$1,475	
Breeders Award - Live Racing	\$16,022	
Breeders Award - OTB	\$48,533	*
Fund Total	\$66,030	

Other Revenues

Property Taxes	\$15,447
Liquor Taxes	\$2,130
Sales & Use Taxes	\$16,926

Other Total \$34,503

Total Government Revenue \$339,891

* Year-to-date amount as of Nov. 7, 1999

Wyoming Downs Racing Visitor Survey Results (654 Observations)

Q1. Home Zip Code Number?

Utah	70.5%
Other Wyoming	10.3%
Other States	9.8%
Uinta County, WY	9.4%
Total	<u>100.0%</u>

Q2. First Visit to Wyoming Downs?

Yes	21.1%
No	78.9%
Total	<u>100.0%</u>

Q3. How Many Times Have You Visited Wyoming Downs in the Past 12 Months?

0 to 1 times	24.4%
2 to 5 times	45.9%
6 to 10 times	12.6%
11 to 15 times	10.3%
16 or more	6.8%
Total	<u>100.0%</u>

Mean 5.2 Times

Q4. What was the Primary Destination of this Trip?

Evanston	92.1%
Other	7.9%
Total	<u>100.0%</u>

Q5. What was the Primary Reason for this Trip?

Attend Horse Races	79.1%
Get Away for the Weekend	12.8%
Get Away for the Day	11.9%
Visit Friends/Relatives	11.2%
Vacation	5.5%
Other	4.3%
Business/Convention	1.8%

Total Sums to more than 100% due to multiple response

Q6. Nights Away From Home?

0 Nights	49.7%
1 Night	21.6%
2 Nights	15.5%
3 or More Nights	13.2%

Total	100.0%	
Mean	2.03	Nights

Where Staying if Staying Away From Home?

Evanston Area	60.6%
Other Wyoming	5.5%
Other States	33.9%
Total	100.0%

Q7. Type of Lodging if Staying Overnight in Evanston Area?

Hotels/Motels/Lodge	82.1%
Friends/Relatives	17.9%
Private Campground/RV	9.6%
Public Campground	2.9%
Own Second Home	2.5%
Rental Condo/Apartment	1.1%
Bed/Breakfast	0.7%
Other	9.3%
Total	Sums to more than 100% due to multiple response

Q8. Immediate Traveling Party Expenditures in Evanston Area Per Trip?

	<u>Nonresidents</u>	<u>Residents</u>
Restaurants/Bars	\$47.59	\$21.67
Entertainment	\$46.24	\$35.30
Lodging	\$34.29	\$7.21
Track Concessions	\$28.16	\$16.93
Gasoline	\$18.97	\$7.84
Admission Fees	\$17.70	\$10.33
Groceries/Liquor	\$16.39	\$7.07
Shopping/Retail	\$15.56	\$15.26
Other	\$5.31	\$5.09
Total	\$230.21	\$126.70
Number of People	2.68	1.86
Number of Days	1.51	1.28
Number of Racing Days	1.33	1.25

Q9. Rating of Visitor Services Used in Evanston Area?

Very Poor (1)	Poor (2)	Satisfactory (3)	Good (4)	Very Good (5)	Average Rating
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Wyoming Downs Facility	0.5%	1.6%	20.9%	44.7%	32.3%	4.07
Friendly/Helpful People	0.9%	2.4%	18.3%	46.5%	31.9%	4.06
Historic/Cultural Attractions	1.2%	3.8%	22.8%	40.7%	31.5%	3.98
Recreation Services	0.8%	1.9%	24.9%	45.3%	27.1%	3.96
Track Concessions	0.7%	4.8%	26.9%	41.6%	26.0%	3.87
Lodging Service	1.1%	5.3%	32.5%	37.6%	23.5%	3.77
Information Services	0.8%	4.6%	34.7%	37.6%	22.3%	3.76
Restrooms/Rest Areas	2.0%	4.0%	31.5%	41.5%	21.0%	3.76
Restaurants/Bars	0.8%	11.0%	27.5%	39.8%	20.9%	3.69

Q10. Other Types of Gambling Participated in During the Past 12 Months?

Casino Gambling	66.5%
Sports Betting Pools	22.7%
Phone Wagering	3.4%
Off-Track Wagering	26.2%
Off-Shore Internet Wagering	3.2%
Other	2.6%
Total	<hr/> <hr/> Sums to more than 100% due to multiple response