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# Report finds horse racing is on a slippery track

*Associated Press*

SARATOGA SPRINGS, N.Y. — The horse racing industry is hearing dire warnings about an uncertain future and diminishing fan base.

The discouraging assessment comes in discussions Sunday of a report commissioned by the Jockey Club titled "Driving Sustainable Growth for Thoroughbred Racing and Breeding."

A key subject is racing's shrinking share of the gambling and spectator sports audience. The study finds racing has been hit hard by casinos and online poker. Also of concern is the divisive issue of Lasix medication and the dispute among owners, trainers and industry leaders.

The study was done by the consulting firm McKinsey & Company. Its recommendations will form the foundation of a multimillion-dollar undertaking that will finance initiatives designed to move the sport forward. The report was prepared after interviews of more than 120 industry officials and stakeholders.

For all the gloomy news, however, the report points to racing's core strengths: Kentucky Derby attendance is up 8 percent since 2000; TV ratings for the Breeders' Cup increased 6 percent since 2006; and the betting handle on major races rose by 23 percent per race over the past decade.

But all major metrics have fallen since 2000, the study notes. Betting handle is down by 37 percent, attendance at tracks is down by 30 percent, starts per horse and race days are both down by 14 percent. If these trends continue, the findings say thoroughbred racing will lose fans at a rate of 4 percent a year.

Every year, the study said, 2 percent of fans die, 5 percent lapse and only 3 percent are newly attracted. If this trend persists, by 2020 the fan base will be only 64 percent of what it was in 2010.

The report cited a generally unfavorable public view of racing, a long and frustrating learning curve for new bettors and increased competition from casinos and other forms of gambling as central to the sport's decline.

Only 22 percent of the public has a positive impression of the racing, the report said. In the face of racing's decline in image, commercial casinos in the United States grew 34 percent from 2001 to 2010. Casinos at racetracks now account for \$6.7 billion in wagering. There are 854,000 slot machines in 939 casinos across 38 states. For a new bettor, online and casino gambling offer significant advantages over thoroughbred racing — they are available around the clock and easily learned.

If not addressed and reversed, the report said, current trends will lead to a 27 percent decline in the number of viable tracks, a 25 percent decline in tax revenue paid to states and a 50 percent increase in losses to horse owners by 2020. Negative trends in the breeding industry will also steepen as the demand for horses declines.

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