Economic Impact Analysis

Equine Industry in Marion County
Welcome To Ocala / Marion County
Horse Capital of the World
Home of the Florida Thoroughbred Breeders' and Owners' Association
Marion County Breeds

Akhal-Teke
Altèr Real, see Lusitano
American Cream Draft
American Paint Horse
American Quarter Horse
American Saddlebred
American Warmblood
Andalusian
Anglo-Arabian
Appaloosa
Appendix Quarter Horse
AraAppaloosa
Arabian horse
Ardennes horse, or Ardennais
Argentine Criollo
Azteca horse
Bashkir Curly, see Curly horse
Belgian (horse)

Belgian Warmblood (includes Belgian Half-blood)
Chickasaw Horse, aka Florida Cracker Horse
Clydesdale
Dutch Warmblood
East Friesian horse
Falabella
Fjord horse/Norwegian Fjord Horse
Florida Cracker Horse
Friesian horse
Friesian Sporthorse
Gypsy Vanner
Hackney horse
Haflinger
Hanoverian
Holsteiner
Irish Draught
Irish Sport Horse
Kiger Mustang
Lipizzan or Lipizzaner
Lusitano
Mangalarga

Miniature horse
Missouri Fox Trotter
Morab
Morgan horse
Mustang
Paint, see American Paint Horse
Paso Fino
Percheron
Peruvian Paso
Rocky Mountain Horse
Saddlebred, see American Saddlebred
Shire
Spotted Saddle horse
Standardbred Suffolk Punch
Swedish Ardennes
Tennessee Walking Horse
Thoroughbred
Trakehner
Warmblood, Welsh Cob
Zweibrücker
Economic Impact Analysis

• Recently completed analysis of the **2014 HITS Ocala Winter Circuit**

• Onsite/Online Survey of **500 participants** at the June 2014 OBS Thoroughbred Auction

• an online survey of Marion County businesses conducted June-August 2014 resulting in **524 responses**
The data was analyzed using the application of economic impact IMPLAN models to determine what the impact of the equine industry has on an annual basis, targeting the Ocala Metropolitan Statistical Area using a regional economic model employing 2012 region data. The IMPLAN model was constructed for the Ocala MSA (Marion County) using the trade flows methodology, with all social institutions included internally. The model provides multipliers and include direct, indirect, and induced effects.
Methodology - Graphic

What is Economic Impact?

- Starting a Successful Event or Series of Business Activity Events
- Tourism: Drives Return Visits for Business, Purchase Real Estate or Pleasure
- Creates Positive Impressions & Economic Impact
Total industry output (revenue) impacts to the study area was **$94.0 million**;

Total value added (GDP) impact was **$60.4 million**;

Total employment impact was **1,300 jobs**.
For the calendar year 2014, over

- **3,100+** horses were sold at OBS
- A record total of more than **$142 million**, a 20% increase over 2013 gross sales.
- Buyers represented 42 states and 18 countries.
  - Japanese—20 horses for over $4 million
  - Korean—147 horses for over $4.4 million
  - Qatar—8 horses for over $2.3 including one for **$1.6 million**. This purchase tied for the highest price for a two year old in training in North America with all **three** top sales occurring at OBS.
An online survey of Marion County businesses was conducted June-August 2014 resulting in the following:

- **524** responses (60% horse farms/breeders/training facilities and 40% other businesses)

- questions of industry classification, annual sales and employment, percentage of business attributable to equine-related customers/events, and the share of this activity that originates from customers outside of Marion County
## Summary - Economic Impact

<table>
<thead>
<tr>
<th>Survey results</th>
<th>Horse Farms &amp; Training Facilities</th>
<th>All Other Sectors</th>
<th>Total All Sectors</th>
<th>Share of County Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of survey respondents</td>
<td>517</td>
<td>207</td>
<td>524</td>
<td>55.2%</td>
</tr>
<tr>
<td>Share of surveyed firms with equine business sales from nonlocal sources</td>
<td>66.6%</td>
<td>37.7%</td>
<td>55.2%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business population</th>
<th>Number firms in Marion County</th>
<th>7,990</th>
<th>9,007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of firms in Marion County with equine business sales from nonlocal sources</td>
<td>677</td>
<td>3,011</td>
<td>3,688</td>
</tr>
</tbody>
</table>

| Average equine-related nonlocal sales and employment per firm | Sales ($) | $882,700 | $897,379 | $684,216 |
|--------------------------------------------------------------|-----------|-----------|-----------|
| Jobs | 3.41 | 1.78 | 2.85 |

| Expanded county equine-related nonlocal sales and employment | Sales (million $) | $564 | $1,196 | $1,760 | 11.2% |
|-------------------------------------------------------------|-------------------|-------|-------|-------|
| Jobs | 2,307 | 5,366 | 7,673 | 5.0% |

<table>
<thead>
<tr>
<th>Regional economic multipliers</th>
<th>Industry Output</th>
<th>1.709</th>
<th>1.881</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Added (GDP)</td>
<td>1.039</td>
<td>0.848</td>
<td></td>
</tr>
<tr>
<td>Employment final demand indirect/induced effects (jobs/MS output)</td>
<td>7.36</td>
<td>6.68</td>
<td></td>
</tr>
</tbody>
</table>

| Regional Economic Impacts | Industry Output (MS) | $863 | $1,653 | $2,016 | 16.6% |
|---------------------------|----------------------|-------|-------|-------|
| Value added (GDP) (MS) | $586 | $1,014 | $1,600 | 18.3% |
| Employment (fulltime & part-time jobs) | 6,246 | 12,903 | 19,209 | 14.5% |

*Employment impacts estimated using direct jobs reported. Industry average sales and employment from online survey (Aug 2014). Impacts represent direct, indirect & induced multiplier effects in regional economic model for Marion County FL (IMPLAN Group LLC). Average multipliers weighted by total value/total in each industry group, 25% gross margin applied to wholesale & retail trade sectors. Sources for number of firms: U.S. Department of Agriculture, 2012 Census of Agriculture (horse farm operations with sales); Florida Department of Labor, Quarterly Census of Employment and Wages, 3rd quarter, 2013 (all other business sectors).*
Summary - Economic Impact

- $2.62 billion in industry output (revenues)
- $1.60 billion in value added contribution to Gross Domestic Product
- Employment of 19,209 full-time and part-time jobs
- These impacts represent 15 to 18 percent of the overall Marion County economy in 2012.
Recommendations

• The equine industry offers a sizeable impact on the local economy thus future efforts should be focused upon assuring continued support of the industry.

• With 2/3 of out-of-town visitors reporting a “more favorable” impression of the region as a result of their experiences during 2014 OBS/HITS events and more than 80% indicating they plan to return the following year, these measures should continue to be documented and opportunities for increased business or tourism opportunities explored.

• The reported positive impressions of the community provides impetus for future large scale equine events and it is important that community leaders understand their importance.
The out-of-town visitors to OBS/HITS represent a high socioeconomic status which distinguishes them from attendees of other large scale events.

- With the typical OBS/HITS attendees having a larger than average discretionary income, local industries which are sizably impacted by equine-related activities need to focus marketing and service delivery that caters to this unique visitor.

- Offering local, regional and state-wide outreach campaigns targeting education of government agencies and private foundations could pay off significantly.

- Focusing on social media and innovation to motivate equine visitors to visit more often, for longer periods and spend more could be significant to the local economy.
By all measures, the Ocala/Marion County equine industry is a powerful contributor to the local economy.

A concerted effort should be made to disseminate these findings to educate key local and state officials and stakeholders to encourage efforts which will continue to add to the economic development and job creation opportunities.