



# SUMMARY OF THE ECONOMIC & FINANCIAL CONTRIBUTION OF RACEHORSE ACTIVITIES IN THE CURRAGH

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## KEY POINTS

- The total direct and stimulated expenditure of the Irish Breeding and Racing Industry is estimated at €1.8 billion. This comprises €914 million in core industry expenditure, and €927 million as the initial expenditure filters its way through the economy. In total the industry accounts for 28,900 employees.
- One of the really important aspects of the horse racing industry in Ireland is the very strong rural and regional economic activity that it generates, and the employment that it supports throughout the country. In addition, it makes a very strong contribution to the social fabric of the country.
- The analysis in this short report includes the Curragh Racecourse, Racing Tourism, and considerable stabling, and training activities located in the 1,500 acres around the Curragh. It excludes the considerable contribution that breeding activities make to the economy. All of these activities support significant employment, tourism, and general economic activity. This is a really important asset for a rural economy.
- The racehorse activities in the Curragh, which includes training activities, the Curragh Racecourse, and Racing Tourism makes a direct and in direct economic impact valued at €99.6 million.
- The development plans for the Curragh Racecourse are due to increase the number of racegoers to 94,000 by 2022, and 101,000 in 2023. If these targets are delivered, the Curragh will comfortably deliver an economic contribution of €110 million by 2023.
- These activities support an estimated 1,176 jobs in the region.
- ‘The Curragh makes a very significant economic and employment contribution to a rural area, and the region will continue to contribute to Ireland’s stated regional economic growth agenda. The development of the Curragh Racecourse will build the tourism potential of the area and is totally consistent with the Fáilte Ireland strategy to grow Ireland’s Ancient East as a strong tourism brand in its own right’.

## BACKGROUND TO HORSE RACING INDUSTRY IN IRELAND

Ireland is known as ‘The Land of the Horse’. The country has a strong reputation for the quality of its horses and the quality of its horsemanship. This is based on a long tradition and a natural advantage in the production of horses. This natural advantage derives from the climate, the grassland, the people, and the long tradition of horsemanship in the country.

The Thoroughbred sector is a key element of the overall horse industry, and it makes a very strong contribution at a national level to employment and overall economic activity. The

most recent assessment from Deloitte suggests that in 2016:

- The total direct and stimulated expenditure of the Irish Breeding and Racing Industry was €1.8 billion. This comprises €914 million in core industry expenditure, and €927 million as the initial expenditure filters its way through the economy.
- The core expenditure is made up of public and private sales of bloodstock; nomination fees; expenditure by owners; on-course and off-course spending by racegoers; and expenditure by Government in the sector.
- It is estimated that there are 9,500 full time equivalent (FTE) employees in the core industry, including breeders, stable staff, trainers; jockeys, catering; and other related employment.
- It is estimated that there are a further 19,400 employees in indirect and secondary employment. In total the industry accounts for 28,900 employees.

The backdrop to the economic contribution of the sector is the fact that over 9,000 foals are produced every year; 8,600 horses are in training; 350 race meetings are held at 26 racecourses throughout the country. These activities support considerable employment and generate significant economic activity and financial expenditure throughout the country.

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## THE HORSERACING SECTOR IN THE CURRAGH

Activity associated with the horseracing industry are spread throughout the country and support considerable economic activity.

The Curragh in Kildare is the epicenter of the horseracing industry in Ireland. The Curragh is Ireland's premier racetrack; it contains the National Stud; and there is considerable stabling, and training activities located in the 1,500 acres in the vicinity of the racecourse. All of these activities support significant employment, tourism, and general economic activity. This is a really important asset for a rural economy. The analysis excludes the considerable contribution that breeding activities make to the economy.

In estimating the impact of horseracing to the economy around the Curragh, there are two distinct activity metrics:

- (1) The training fees paid to trainers; the stable staff who work for the trainers; the fees paid to cover farrier bills; veterinarian bills; dentistry; entries; and other miscellaneous costs.
- (2) The financial receipts and economic value that derive from race meetings at the Curragh Racecourse, including overseas visitors, and from visitors to the National Stud.

### TRAINING ACTIVITIES

The key statistics in relation to the training of racehorses around the Curragh are as follows:

- There are 873 horses stabled and trained around the Curragh.
- Over 400 horses stabled outside the Curragh use the Curragh Training grounds on a regular basis each year.
- There are 55 horse trainers around the Curragh.
- 406 stable staff, racecourse staff, and other staff employed around the Curragh.

The economic and financial impact of these activities are estimated as follows:

- It is estimated that the training fees paid in a full year are €17.8 million.
- It is estimated that farrier, veterinary bills, dentistry, entry fees, and other miscellaneous costs total €2.1 million.
- It is estimated that gross wages paid to staff working around the Curragh total €12.5 million in a full year.

Table 1 summarises the financial contribution of the activities around training in the Curragh.

The total direct contribution is €30.2 million. Every euro that gets pumped into the local economy gets spent again and again. The multiplier effect seeks to capture the full impact of the initial expenditure as it works its way through the economy. Applying a conservative multiplier of 1.7, suggests that the direct injection of €30.2 million into the local economy, has a total impact valued at €51 million.

The employment of 461 trainers and other staff is estimated to support another 410 secondary or indirect jobs in the local employment. The total employment contribution of the sector is estimated at 871 jobs, which is very significant employment in a rural area.

The employment supported by the activities, contributes €2.2 million to the Exchequer in payroll taxes.

**In summary the total economic contribution of training activities in the Curragh is estimated at €51.3 million.**

**Table 1: Financial Contribution of Training Activities.**

ITEM	€	€
<b>Training Fees</b>		€17.8 m
<b>Other Expenses</b>		€2.1 m
<b>Gross Wages</b>	€12.5m	
<b>Payroll Taxes</b>	€2.2m	
<b>Net Wages</b>		€10.3
<b>Sub-Total</b>		€30.2m
<b>Multiplier Effect *1.7</b>		
<b>Total Financial Contribution</b>		€51.3m

## **THE IMPACT OF THE CURRAGH RACECOURSE & RACING TOURISM**

The Curragh Racecourse and the Racing Tourism make a very significant contribution to the economic activity in County Kildare, and they both represent a significant boost to tourism in the area.

### **THE CURRAGH RACECOURSE**

In 2019, the Curragh Racecourse hosted 19 meetings. Total prize money of €11.7 million was paid out. If a multiplier effect of 1.7 times is applied to this prize money, the direct and indirect financial impact of the prize money paid is estimated at €19.9 million.

The Curragh Racecourse had turnover of €7.12 million in 2019. If a multiplier effect of 1.7 times is applied to this turnover, the direct and indirect financial impact of the racecourse is estimated at €12.1 million.

72,872 people attended race meetings at the Curragh Racecourse in 2019. Around 20% of those were overseas visitors. The overseas visitors would contribute €1.4 million in extra tourism expenditure. If a multiplier effect of 1.7 times is applied to this tourism expenditure, the direct and indirect financial impact of the overseas visitors is estimated at €2.4 million. This tourism expenditure supports another 37 jobs in the tourism economy.

**In total, the economic and financial contribution of the Curragh Racecourse is estimated at €34.4 million.**

### **RACING TOURISM**

The National Stud is a major tourist attraction, and attracts significant visitor numbers every year. In 2019, there was 137,000 visitors to the National Stud. This would have generated entrance fee income of €1.5 million.

**If a multiplier of 1.7 is applied to this, the direct and indirect impact of the expenditure is €2.6 million.**

Fáilte Ireland research suggests that Overseas Holidaymakers on average spend €96 per day and Domestic Overnight Visitors spend €74 per day.

**40 per cent of visitors to the National Stud are overseas visitors, and 60 per cent are domestic visitors, this would translate into €11.3 million in additional tourism expenditure in the region.**

Fáilte Ireland estimates that every €1 million of tourism expenditure supports 27 tourism jobs. This means that the visitors to the National Stud support 305 jobs in the tourism/hospitality sector.

Fáilte Ireland estimates that for every euro spent on tourism, 23 c is generated in tax. This means that the expenditure by tourists generate an estimated €2.6 million in Exchequer revenues.