

The Economic Impact of the 2015 Preakness on the Maryland Economy

Summary

The 140th running of the Preakness Stakes drew a record crowd of 131,680 to historic Pimlico Race Course in Baltimore, the largest attendance in Preakness history. Race-day betting nationwide was up 1.4 percent over 2014. While money brought in by betting drives the industry, in-state operations of the race, attendance at the racetrack and related events is most important in generating the economic impacts for the region and the State.

For the State of Maryland, the Preakness is an opportunity to showcase its horse industry, hospitality and tourist attractions to business decision makers and a wider audience. The economic impacts of the event include not only the dollars spent on the race and by spectators, but also the positive publicity and exposure for the state, particularly the horse industry. However, the impacts that can be measured are limited to the operating expenditures of the event and the spending by visitors that would not otherwise occur.

Based on the number of visitors and projected average visitor spending, this study estimated the direct, indirect and induced impact of that spending in terms of jobs, salaries and tax revenues generated. This analysis addresses direct expenditures that can be attributed to the Preakness. This includes expenditures and visitor spending for Preakness Celebration events before and after the race itself.

2015 Highlights:

- A crowd of 131,680 enjoyed the 140th running of the Preakness at historic Pimlico Race Course.
- Preakness day wagering reached \$85,814,142 on the entire racing card, with \$6,177,230 bet in-state.
- Raceday operations generated direct expenditures of \$8.3 million and 165 full-time equivalent jobs (Table 1).
- Visitors to the Preakness and Preakness Celebration spent an estimated \$10.6 million which supports 222 full-time equivalent jobs (Table 2).
- Including indirect impacts (multiplier effect), total Preakness-related expenditures totaled \$33.6 million (Table 3).
- In all, Preakness visitors and operations generated 482 full-time equivalent jobs and \$12.9 million in salaries (Table 3).
- The total expenditures and employment from Preakness race day operations and visitor spending generated approximately \$2.2 million in State and local taxes (Table 4).

**Table 1: Preakness 2015
Direct Economic Impact of Operations**

Category	Gross Expenditures	Full-Time Equivalent Jobs	Employee Income
Race-Day Expenditures	\$4,264,414	81	\$2,376,658
Food and beverage (On-site)	2,896,011	62	1,380,938
Operations from Betting	1,111,902	22	388,488
Total	\$ 8,272,327	165	\$ 4,146,085

**Table 2: Preakness 2015
Direct Economic Impact of Visitor Expenditures (Off-Site)**

Category	Gross Expenditures	Full-Time Equivalent Jobs	Employee Income
Hotels/Motels	\$1,259,075	10	\$378,416
Transportation & parking	1,565,250	35	454,414
Restaurants	4,678,006	100	2,230,668
Retail	3,136,821	77	1,427,938
Total	\$ 10,639,152	222	\$ 4,491,434

**Table 3: Preakness 2015
Economic Impact: Operations and Visitor Expenditures**

	Direct	Indirect	Total
Gross Expenditures	\$18,911,478	\$14,751,103	\$33,662,582
Visitor Expenditures	\$10,639,152	\$8,544,430	\$19,183,582
Operations	\$8,272,327	\$6,206,673	\$14,479,000
Full-Time Equivalent Jobs	388	95	482
Visitor Expenditures	222	57	279
Operations	165	38	203
Employee Income	\$8,637,520	\$4,296,870	\$12,934,390
Visitor Expenditures	\$4,491,434	\$2,467,164	\$6,958,599
Operations	\$4,146,085	\$1,829,706	\$5,975,792

**Table 4: Preakness 2015
Fiscal Impact: Operations and Visitor Expenditures**

Category	Direct	Indirect	Total
State Taxes	\$1,309,158	\$207,287	\$1,516,446
Retail Sales Tax	\$1,181,730	\$100,655	\$1,282,385
Personal Income Tax	\$127,429	\$106,632	\$234,060
Local Taxes	\$607,503	\$68,462	\$675,965
Personal Income Tax	\$79,671	\$68,462	\$148,132
Hotel Tax	\$119,612	-	\$119,612
Admissions and Amusement Tax	\$408,220	-	\$408,220
Total of Selected State and Local Taxes	\$1,916,662	\$275,749	\$2,192,411