Down to the Wire

Saving the NJ Horse Racing Industry

Tag Words: horse, racing, racetrack, gaming, equine industry, agriculture, New Jersey

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Summary

Horse racing has been a long standing popular entertainment sport in New Jersey that dates back as early as the late eighteen hundreds. This sport, which features thoroughbreds racing around the track and Standardbreds pulling sulks around the oval, has been a popular past time for all ages and has served as a means of gambling for those who do not want to travel to Atlantic City. Recently however, the state government has decided that "the state can no longer sustain the subsidy [that has been] give[n] to the Standardbred industry and the racetrack[s]," additionally they believe that “adding slot machines or other gaming to racetracks would be harmful to the efforts to revive Atlantic City,” and that “setting up competition inside the state [such as additional support of the horse racing industry] is counterproductive to getting Atlantic City back on its feet. The lack of government backing and the withdrawal of the subsidies usually given to the racetracks in agreement that they don’t install slot machines and betting tables has substantially hurt the racetracks profits and has contributed to the downward spiral of the horse racing industry in New Jersey. If the horse racing industry in the state were to go under it would take with it New Jersey’s agriculture, its farmland, and other equine infrastructure. During our recent attempts to find alternative ways to preserve the horse racing industry, other than relying on government support, we discovered that the advertising aspect for the two main tracks in New Jersey, Monmouth Park and the Meadowlands, is severely lacking. To combat this issue we have developed creative and affordable advertising schemes that would attract additional patrons to the racing tracks. The influx of new visitors to the tracks will increase track revenue and redeem the tracks from their destitute states.

Video Link

Saving the NJ Horse Racing Industry: http://www.youtube.com/watch?v=PlaLRHcCEjg
The Issue: Horse Racing Industry

History of Horse Racing In New Jersey

Thoroughbred and Standardbred racing in New Jersey has a huge impact on the economic viability of the state, and has for many decades. Currently, horse racing in New Jersey generates $278.2 million annually for racing related operations, and $502.3 million annually for the tracks themselves. Racing related jobs in New Jersey employ 3820 people and generate an estimated 75 million dollars in taxes. Moreover, of the 42,500 equine animals that live in this state, 12,500 are involved in racing related activities (7).

As one can see, equine racing in New Jersey is a very important economic asset to the state. Over the decades racetracks in New Jersey have thrived and withered, some like Monmouth Park have achieved success and fortune, while others like The Garden State Park Racetrack have fallen victim to unfortunate events such as grandstand fires which burned the park to the ground, reducing the once beautiful track to a pile of rubble. This section will focus on the four parks that remain functional today. These parks include the Atlantic City Race Course, Freehold Raceway, The Meadowlands, and Monmouth Park.

Freehold Raceway was the first of the four remaining parks to showcase horse racing. Originally this racing occurred at an annual fair where the annual membership fee to race was one dollar and a one-time payment of ten dollars would permit a person to be a lifetime member (1). It was not until July of 1917 however, that the first major meet was held at the track for five days, this meet had over 1,000 dollars in purses. “In 1941 Freehold Raceway became the first pari-mutuel track in New Jersey with a 13 day meeting featuring betting machines and an infield tote board that cost a total of 35,000 dollars. There were 24 betting booths and 15 cashiers’ cages (1). Many top horses raced at Freehold Raceway over the years, some of these include Albatross, Cardigan Bay, and Su Mac Lad. Recently, In April of 2008, the track opened New Jersey’s third off track wagering facility to the public located in Toms River. Currently Freehold Raceway is open year round and races Standardbreds from August through to early June.

The second track to open its doors was Monmouth Park. This track opened July 30th 1870 with the original purpose of increasing summer trade for a once bustling shore community. Unfortunately, three years after the park opened, financial difficulties forced the track to close. Monmouth Park was later reopened after 4 years of restoration work on the grounds and the buildings in 1882 (2). Again, in 1891, the park was shut down, this time it was because of an obscure law that lumped betting booths (located at the park) and houses of prostitution into the same category. Monmouth Park was further hurt and prevented from making a comeback when anti-gambling abolitionists succeeded in passing an amendment in the NJ Constitution that banned any kind of betting or bookmaking. Horse racing in New Jersey would not return for the next 50 years because of this. In 1930 New Jersey sportsman and auto executive Amory L. Haskell began a campaign to lift the ban on pari-mutuel gambling. To his success, the ban was lifted in 1939 but wartime restrictions on travel and building materials prevented the revamping and reopening of the racetrack until June 19, 1946 when Monmouth Park once again re-opened to a crowd of 18,724 people (3)(2). Today, Monmouth Park is home to thoroughbred racing and holds events from May to late November.

The third track remaining, Atlantic City Race Course, opened its doors on July 22nd 1946 with the help of John B. Kelly, Fred C. Scholler, Glendon Robertson, and James Fraser. The founding four men supported the opening of this track by eliciting famous celebrities such as Bob Hope and Frank Sinatra as stockholders. The total project cost 3.5 million to carry out, and
when the job was finished and doors opened, they were met with a crowd of over 28,000 people. Robert Levy, predecessor to John B Kelly created Matchmaker stakes. This stakes, known as “the race for love and money,” awards valuable stallion seasons in addition to substantial purses to its top three finishers at the track. Thirty years later the “matchmaker” is still going strong and has become one of racing’s most unique events. Today, Atlantic City Race Course houses 35,000 spectators and is home to thoroughbred racing (4).

The last of the three tracks to open its doors was The Meadowlands. This substantially sized racetrack first opened its doors in 1976 to a crowd of 42,133 spectators. Rambling Willie was the first of many great racehorses to leave his hoof prints on the oval, taking a time of 1:55 3/5, the fastest harness mile run in New Jersey at the time (5). The Meadowlands has been the site of the Hambletonian since 1981, which is the second leg of the trotting Triple Crown. Currently, at the Meadowlands, the fall season is dedicated to thoroughbred racing, and the rest of the year is designated for Standardbred and harness horse racing.

In recent years, horse racing in New Jersey has gone downhill. This is partially because racetracks in New Jersey do not have slot machines or video lottery terminals. States such as Pennsylvania, Delaware and New York that have installed these machines at their tracks have seen a significant increase in revenue. The legislature in New Jersey does not want to install these venues at the track because they want to keep the majority of gambling within Atlantic City. Studies have shown that if slots and video lottery terminals were installed at the tracks in New Jersey then Atlantic City gross gaming revenue would reduce 1.8 precent. This figure is on top of the already predicted 12.3 percent reduction in gross gaming revenue for Atlantic City caused by the impacts of the existing and scheduled future machines in the Pennsylvania and New York racetracks (6). The introduction of these machines to nearby states’ racetracks has generated a huge loss in attendance to the New Jersey racetracks. Spectators that want to bet on the races but also gamble a little bit are traveling outside of New Jersey to other states’ tracks where they can bet on horses and play slots at the same time. This is a huge contributing factor to the decline of the horse racing industry in New Jersey. The rippling effects of this decline will be felt throughout multiple industries in New Jersey, not just those in the racing industry. Other industries such as farming, facility construction, advanced veterinary care, and feed/supply stores will suffer a decline in business and revenue as well.

Written by: Kelly Steimle

Keeping the Garden in the Garden State
The horse is the state animal of New Jersey for a reason. Not only does the horse reside in the center of many residents' passions, the horse also resides in an important central position in an infrastructural web with spokes radiating out into many industries, such as feed growers and suppliers, retail, insurance, veterinary medicine, and real estate (8). As an extraordinarily important consumer for these industries, the horse racing industry in New Jersey provides revenue and employment opportunities that contribute a large portion of the New Jersey horse industry's $1.1 billion annual positive economic impact on the state (8).

According to recent land surveys, 176,000 acres support equine facilities in New Jersey. This is approximately one-fifth of New Jersey's agricultural acres. Of those 176,000 acres, approximately 78,000 are devoted entirely to pasture and hay production. Additionally, 46,000 non-equine-related acres also contribute to the production of hay and forage. Therefore, approximately 124,000 acres in New Jersey are devoted strictly to the production of hay and
forage, much of which is consumed by the state's equine population (8), of which both the thoroughbred and Standardbred race horses in New Jersey make up a large portion. What reasons and incentives would hay, forage, and grain growers have to continue business in our state if their largest customer was no longer existent?

With New Jersey leading the United States in both population density and relative annual farmland loss (9), agricultural land is somewhat of a commodity. With much of New Jersey's lost farmland falling into the hands of developers and only eleven percent of preserved farms in the state in the equine industry, nearly 57,000 acres of equine-related land could be lost to such developers, as nearly 700 equine facilities devoted to the training, competing, and breeding of approximately 8,200 racing Standardbreds and 4,300 racing thoroughbreds would cease to be viable in a state no longer supportive of competitive racing activities (8). New Jersey would cease to be the Garden State and become the “Suburban Housing Development State”.

The current recommendation by the Governor's Advisory Commission on New Jersey Gaming, Sports, and Entertainment, which is proposing to completely eradicate the live-racing industry in New Jersey (10), fails to recognize the massive detrimental impact on New Jersey's agricultural industries that would result if the horse racing industry was no longer a sustainable industry in this state.

Written by: Amanda Prisk

Economic Impact of Horse Racing in New Jersey
The New Jersey equine industry provides economic benefits to the state and its residents. As a whole, the equine industry encompasses horse racing, breeding, competitive and recreational riding and driving, as well as pleasure interests. The equine industry also impacts other economic sectors, including tourism, real estate, insurance, retail, feed and farm supply, and veterinary medicine. The New Jersey equine industry is valued at $4 billion in assets, including $582 million in horses and other equine animals and $2.9 billion in land and buildings. New Jersey’s racetracks account for an additional $476 million in land and building assets. The equine industry generates $1.1 billion in positive economic impact on the state economy each year, with $780.5 million due to the racing industry. (7)

New Jersey is home to four racetracks. The Meadowlands, Monmouth Park, Freehold Raceway, and the Atlantic City Race Course generate a total of $502.3 million dollars annually. This figure does not include wagering during races or the travel and tourism-related economic impact on surrounding communities. Other racing-related operations, which include breeding operations and training facilities, generate $278.2 million annually. (7)

The horse racing industry generates thousands of jobs in New Jersey. The four New Jersey racetracks combined provide employment to 3820 people. Racing-related operations outside of the actual racetracks generate 3191 more jobs. In addition, New Jersey racetracks provide $31.2 million of the $31.9 million total tax revenue generated by the horse industry for the state and local governments. This demonstrates the importance of racing to the New Jersey horse industry as a whole. (7)

While all sectors of the equine industry affect the state’s economy, horse racing has the most significant impact. Especially in terms of direct generation of revenue and employment
opportunities, the New Jersey racing industry is the key element keeping the equine industry alive and well in this state.

Written by: Melissa Reese

Who the Racing Industry is Competing Against
While many horse owners on and off the track support the racing industry in New Jersey, many others, mostly outsiders do not. These parties are the racing industry’s biggest threats, for they can easily sway the public with false statements and/or pull on their heart strings by only providing the bad or sad stories of the sport of racing. And then there is the big business-dealing end of competition that just wants to shut down the tracks, claiming they are a waste of money. But these parties haven’t looked at the whole picture of the NJ horse industry.

PETA and Animal Rights Activists
PETA and Animal Rights Activists are claiming that the sport of horse racing is cruel to the horses for many reasons. They think that the horses are being trained too young to race at the age of two years old, when their skeletal structure is still in the growing process. Also, they believe that breeders of race horses are responsible for the small gene pool, leading to inbreeding. This inbreeding is all caused from the selective breeding of racing winners.

“Due to selective genetic pairing and breeding, many racehorses are born with fragile bodies to begin with. Selective breeding does not provide the gene pool with diverse enough genetic material to avoid genetic defects that arise largely as a result of inbreeding.” (11)

These groups also think that every horse racing on the track is pumped up with drugs, legal and illegal, that allow them to race through the pain and injuries the horse is feeling, and that trainers and veterinarians are knowingly doing this to these animals just to make money off of them. They also feel that whipping of the horses during the racing is horrible and has lead to many horses being pushed too far, leading to their injuries or demise. (In fact, there are rules stating when a jockey is using a whip incorrectly or too harshly on the horse during a race and fines and/or disqualifications do take place.(15)(16))

PETA wants tracks to:
- ban whips,
- switch to softer footing more like synthetic turf
- stop training horses at young ages
- stop drug usage on horses

Governor Chris Christie
He is the current biggest threat to the industry. Christie is seeing the slow fall of the racing industry and has proposed some “ways” to help solve the issue. So far the race tracks will be losing their subsidies from the casinos. The purpose of the subsidies was originally to keep the slots and table games out of the tracks. This money in return is going to the casinos. Decreasing the number of race days is another option, but as this will increase attendance on those days it doesn’t necessarily increase income to the tracks. (17)(18)
Governor Christie was sworn in January 12, 2010. Christie is known as a very strong politician who gets what he wants by using his wide network of people he knows. His plan for gaming in New Jersey is to get the state out of the horse racing business. Back in July 2010 Christie proposed a plan that involved the closing or selling of state-owned Meadowlands Racetrack, selling the Izod center due to the loss of its main attractions of the NBA Net’s and NHL’s Devils. In closing these, the plan proposes giving the state finical aid to finish the Xanadu shopping entertainment complex in the Meadowlands. (20)(21)

Christie see’s that Atlantic City casinos are having a hard time with business too, but he is choosing to help out the casinos instead of the race tracks. He wants to make Atlantic City’s gambling atmosphere more “family friendly.” Although many fear that he is putting all of New Jersey’s scarce economic resources into just one place. (20)

As of reports on November 16, 2010, the plan proposes to move all live racing to one track, which would be Monmouth Park, but still having a live 6 day Standardbred meet to preserve the heritage of The Hambletonian. The recommendations to solve the crashing horse racing industry are to move all racing from the Meadowlands to Monmouth Park and to sell Monmouth Park to a private entity. This would drastically decrease the number of live racing days for both Standardbreds and thoroughbreds, below the current minimum. (22) Flaws to this plan involve, but do not only include, ignorance of the fact that cutting the number of race days also cuts the opportunity for racetracks to earn money. Secondly, it is not taken into consideration that Monmouth Park is designed for thoroughbred racing, not harness racing. The footing on the track is not the same as at the Meadowlands, a harness track, and the barns are not designed for the carts that come with harness racing.

Casinos
Casinos, mostly Atlantic City casinos, used to pay the tracks a $30 million subsidy to keep slots and table games out of the race tracks. This was put into place to avoid competition with gambling in Atlantic City casinos; making the people who wanted to gamble and play table games or slots in New Jersey have to travel. With Governor Christie’s pending legislative action they will no longer have to pay these subsidies, but racetracks are still not permitted to have slots.

Unfortunately, with the struggling economy many people do not want to travel as far for entertainment. Therefore, with lack of gambling in New Jersey tracks, people tend to go out of state to Pennsylvania and New York where there are “racinos”- race tracks with added gambling options. Many North Jersey residents are choosing to travel less, and it is a shorter drive out of state than it is to drive down to Atlantic City for a day of gambling.

Written by: Pamela Brzezynski

Current Events
The Hanson Report
During July of 2010, the Governor's Advisory Commission on New Jersey Gaming, Sports, and Entertainment issued a report, known as the Hanson Report, to determine the
viability of live horse racing in New Jersey. In the report, the commission provided options for the future of horse racing in the state.

The first option suggests completely eliminating harness racing in the state and converting the front paddock at the Meadowlands Racetrack to a 50,000 square-foot off-track wagering facility, as well as further development of the Meadowlands facilities for use as sports, entertainment, or other event venues. Additionally, this option also suggested that Monmouth Park have a 50 – 71 day meet, with 10 days of turf racing at the Atlantic City Race Course (23).

The second proposed option involves relocated at 70-day Standardbred harness racing meet from the Meadowlands to Monmouth Park. However, this would require changing the racing surface at Monmouth Park to footing suitable for harness racing (23).

The third option suggest leasing the Meadowlands Racetrack to the Standardbred Breeders and Owners of New Jersey (SBOANJ) for $1.00 per year, with early termination rights and an equity-based share at the off-track wagering facility in Bayonne, NJ. The SBOANJ would be responsible for all operating expenses and capital improvements (23).

The final proposed option included in the Hanson Report is that private entities purchase a Standardbred farm in New Jersey and convert it for commercial use by constructing a 5,000-seat grandstand, a track one mile in length, and any necessary amenities (23).

However, one option the Hanson Report blatantly failed to consider was the placement of slot machines and video lottery terminals at New Jersey's racetracks. According to the SBOANJ, other states such as Pennsylvania, New York, and Delaware have developed such “racinos”. In fact, racinos have been show to be extremely beneficial by lowering taxes in many states that have constructed such facilities, due to the high revenues from such gaming. The SBOANJ, as well as many other equine organizations, is baffled at how the state is willing to spend copious amounts of taxpayer money to protect the Atlantic City casinos and Xanadu's investors, while dismissing the racing industry as no longer viable (23).

Governor's Advisory Commission on Gaming, Sports, and Entertainment's Subsequent Proposals

On November 15, 2010, in response to nation-wide outrage and concern regarding the Hanson Report, the Governor's Advisory Commission on Gaming, Sports, and Entertainment held a meeting to further discuss the future of the live horse racing industry in New Jersey. Much to the dismay of thousands of equine industry members, the panel once again firmly suggested to cease live horse racing at New Jersey's Meadowlands Racetrack and transfer all racing operations to Monmouth Park in Oceanport (24).

For months following the initial release of the Hanson Report, horse owners and Democratic lawmakers alike have been scrambling to develop ways to keep live horse racing in New Jersey. Tom Luchento, the president of the Standardbred Breeders and Owners Association of New Jersey, Dr. Karyn Malinowski, head of the Rutgers University Equine Science Center, and other industry leaders have expressed complete disgust for the panel's continued disregard for the impact the horse racing industry has on New Jersey's agriculture. “It's completely and utterly a death sentence,” says Luchento. “The harness and thoroughbred and breeding and other industries...depend on us. They will go down [with the racing industry], too. When the veterinarians and the farmers leave and even the hay people and blacksmiths, [the other equine industry sectors] will fold up...They will all fold” (24).

Democratic lawmakers have also put forward their own proposals in an effort to sustain the state's racing industries, arguing that thousands of jobs will be eliminated.
Written by: Amanda Prisk

**Saving the Horse Racing Industry**

It is obvious that it will not be easy to solve the crisis facing New Jersey’s horse racing industry. However, despite the many challenges it has to overcome, there is hope for the racing industry. New Jersey’s racetracks still have options to improve their situation. By using some creativity, reaching out to the public, and following surrounding states’ examples, the track management at New Jersey racetracks can increase attendance and revenue in order to achieve the goal of financial self-sufficiency.

**Other States’ Success Stories:**

New York, Pennsylvania, and Delaware have installed alternative gaming options, such as video lottery terminals (VLTs) in their racetracks, converting the tracks into racing casinos, or “racinos.” While the availability of alternative gaming options appeals to spectators from an entertainment standpoint, the VLTs serve another purpose- to increase race purses. Revenue from the VLTs is used to boost purses, attracting more horses and better jockeys to run at those tracks. As a result, New Jersey tracks are suffering as racing fans, jockeys, and horses are going to out-of-state tracks.

**Getting the Public Involved:**

In order to increase track attendance, it is necessary to attract new fans to the track. Hosting activities or events that appeal to non-racing fans will serve to draw more people into New Jersey’s racetracks. For example, having a family day at the track, with children’s activities such as arts and crafts, face painting, a petting zoo, or pony rides could make for an enjoyable outing for the whole family. While at the track, the family can watch the horses, and parents can even bet on some races. Racetracks could also hold tours through the barns on non-racing days so fans can get a behind-the-scenes look at the horses. This type of experience may encourage people to return to the track on other occasions.

During the fall season, special weekend events could include pumpkin painting contests, corn husking races, best scare-cow person making, or even Halloween costume day. Serving apple cider and candy apples would also get fans into the atmosphere of the season. In the spring, the tracks could hold an Easter egg hunt, or put a horsey twist on it and have a horse-shoe hunt, giving participants the chance to win different prizes. Another event that would be appealing to the general public could also be hosted in the spring: Meet the New Foals of the Year. Organizing this event with some of New Jersey’s breeding farms would allow the public to see the foals up close and get more of a behind-the-scenes look at this lesser-known sector of the racing industry. The event could be expected to draw a large crowd, as children and adults alike would enjoy the opportunity to interact with the baby horses. Moreover, after meeting the foals, the families will have more of an incentive to return to the races in the future- to see if those foals grow up to win some races! There is something special about the establishment of that type of personal connection with the horses that make the racing industry what it is. That personal connection could keep people coming back for more.

The option to hold birthday parties or other private or corporate events at the racetrack may also increase attendance and awareness about horse racing. Guests at these events will have
a unique opportunity to experience the racetrack that they may not have gotten otherwise. After an introduction to the track, some guests may develop a deeper interest in horse racing. Some might even become lifelong racing fans and supporters.

In addition, the incorporation of a non-horse related business or restaurant at the track may also increase revenue for New Jersey race tracks. For example, the addition of a Dave & Buster’s (or a similar business) would surely attract customers. New Jersey residents currently have to travel out of state to go to a Dave & Buster’s restaurant/arcade. A convenient location at one of New Jersey’s racetracks would appeal to New Jersey residents and would attract a diverse crowd to the track, exposing many new fans to the thrilling sport of horse racing. Other possible entities or businesses of interest include Cheesecake Factory, Chuck-E-Cheese (for kids), a pottery or craft-making place (such as Color Me Mine), a flea market, or a farmer's market (Jersey Fresh produce).

Getting the public directly involved with the races is another way to attract racing fans. For example, at the Meadowlands, fans have been allowed to ride in the pace car that starts the harness races. This is an opportunity not only to get close to the race, but to get into the race. Being on the track, directly in front of the horses as they race, would be a thrilling, one of a kind experience for fans. It is rare to have that ability to get involved in the actual running of the race. Similarly, Monmouth Park could allow spectators to start races, opening the starting gates and ringing the start bell. In addition, the Meadowlands could also offer fans a ride around the track in a sulky or carriage (pulled by a non-racing horse, for safety purposes), maybe through a raffle or other fundraising method. Monmouth Park could allow fans to ride around the track on non-race days. This would be similar to a trail ride offered by a dude ranch- the customers sign a waiver and pay to ride a borrowed horse for a lap around the track. These are unique experiences that get people involved at the track.

*Ideas for ‘Getting the Public Involved’ were contributed by all group members.*

**The Importance of Advertising:**

The Meadowlands and Monmouth Park already host events similar to some of those described above. However, unless fans go to the racetracks’ websites, these events go largely unnoticed. Lack of advertising prevents the tracks’ events from being as successful as they could be.

The advertising for Cavalia, an equestrian spectacle created by one of the co-founders of Cirque du Soleil, serves as a great example of the positive impact of effective advertising. In 2006, Brynn Bagot Public Relations developed a “comprehensive public and media relations campaign to build recognition for Cavalia, garner media exposure and create buzz surrounding its Dallas premier. All media relations were designed to complement Cavalia’s print, radio, outdoor and online advertising.” (26) A specific timeline was created for each advertised event. Target media outlets included metro, regional, business, community, lifestyle, society and equestrian. In addition to printed ads and commercials, interviews with the cast and behind-the-scenes tours where publicized to increase interest and involve the public. The result: sold-out performances and a two-week extension of the original performance schedule. (26) New Jersey’s racetracks could certainly benefit from the utilization of effective advertising such as that used by Cavalia.
Increased advertising would help attract more people to the track, especially for special events. Advertising could also improve public awareness and understanding of the horse racing industry and its importance to the state of New Jersey. Advertising media to focus on include billboards, newspaper or magazine ads, radio or television commercials, internet advertisement, and distributable flyers or brochures.

Written by: Melissa Reese

A Future Without Horse Racing
In conclusion, horse racing is an essential element of the New Jersey equine industry, and it is vital to the well-being of the entire state. Without this important component, New Jersey’s agricultural and economic infrastructure would quickly begin to crumble. If horse racing leaves New Jersey, the state also stands to lose much more. As previously stated, the equine industry contributes significantly to the quality of life of New Jersey residents. One major industry accomplishment is the preservation of open space in the form of working agricultural landscape. This land is not only scenic, but also productive, and it is maintained without cost to taxpayers.

The equine industry—horse racing in particular—is also an entertainment and sporting attraction for New Jersey residents. The opportunity to gamble by betting on races combines with a love of this uniquely thrilling sport to give racing fans an incomparable satisfaction. Racetracks are part of New Jersey’s state history. The elimination of live racing from New Jersey tracks would be an insupportable blow to the state’s horse racing heritage. Live racing of Standardbred and thoroughbred horses is what keeps true racing fans coming back for more, and it is what keeps many New Jersey businesses in operation.

The equine industry has an indisputable economic impact on the state, once again with the most significant impact coming directly from horse racing. The revenue generated directly by racetracks, as well as racehorse breeding and training operations, combines with the indirect economic impact on other industries to have a wide-spread influence on the state economy. Horse racing, along with other equine operations, combine with tourism, insurance, real estate, agriculture, and many specialized equestrian services to form an essential network of jobs and services within the state. If horse racing suffers, that network will collapse, and many New Jersey businesses and residents will suffer as well.

It is necessary to take action to save horse racing before it is too late for the Garden State. Increased advertisement and the hosting of special events by the state’s racetracks will help boost attendance and revenue. Increasing awareness about the importance of preserving horse racing in New Jersey will also help combat the challenges the industry is currently facing. The public can also help by going to the tracks, and by writing letters to the governor in support of horse racing.

Written by: Melissa Reese
The Service Project: Letters and Presentation

Our project was performed in response to finding that the tracks do have events listed on their websites but not have outside advertisements letting the public know about them. We then decided to focus our service project more on the scope of increasing the tracks’ marketing and advertising tactics.

A letter was composed and sent via email to the media and/or marketing managers at the Meadowlands Racetrack and at Monmouth Park. Along with the letter was sent a power point with our advertisement suggestions. For Monmouth Park an email letter was sent via their comments options box. Advertising costs were also researched and compiled for consideration by track management at these racetracks.

Amy Silver, Director of Media Relations asilver@njsea.com
Rachel Ryan - Marketing Manager raryan@njsea.com

A letter was also composed and sent to Governor Chris Christie in support of New Jersey’s horse racing industry. The letter showed awareness of the industry’s current situation and included suggestions for a short-term solution to the financial problems affecting the preservation of live racing at New Jersey racetracks.

Governor Chris Christie
Office of the Governor
PO Box 001
Trenton, NJ 08625

Email letter written and sent by: Pamela Brzezynski
Letter to Governor Christie written and sent by: Melissa Reese
Newspaper, Magazine, Local Paper ad made by: Pamela Brzezynski
Billboard ad made by: Amanda Prisk
Radio ad made by: Kelly Steimle
Flyer ad made by: Melissa Reese

Here is the link to our Advertisement Suggestions.
I am sure you are well aware of the current problems facing the New Jersey Horse Industry. The Governor’s plans to cut subsidies, put more effort into Atlantic City Casinos, and possibly combined the Meadowlands and Monmouth Park, two completely different tracks, into one live racing venue. What many “non-horse” people and possibly even some horse owners do not see is the horrendous effects that this fall in the racing industry will bring to our beloved state.

The purpose of this letter to you is to suggest possible ways to help increase our tracks business, in attempt to fight back against the Governor Christie’s plan for the industry. What caught my attention the most was the lack of public awareness of events that take place at your track. I had to search and truly look for upcoming special events or activities in order to know what was going on. The web site could use a new user-friendly touch that can be understood by brand new users of your site.

The key here is advertise, advertise, ADVERTISE! Cannot make more business or draw in more race fans without letting the public know what your track events are. In going on your web sites it can be seen that you have events planned but there is no advertising of them outside of your website.

Our suggestion, for your track is get your name out there. Post billboards; put ads in newspapers, magazines, local papers, local coffee shops; radio commercials; TV commercials; flyers sent to residents by mail or hung feed or tack shops. The advertisement just needs to be catchy and to the point. Even if the ad is as simple as the tracks name, a photo of a horse, and contact information. These simple yet functional ads can be plastered everywhere. The repetitiveness of seeing the ads everywhere almost forces people to go and look up what it’s all about. This simple ad tactic had a repetitive nature that lead to the success of Cavalia this past summer. The ads were seen everywhere with just a simple horse and the name of the show, making on lookers question and have to go look up what it was all about.

We have attached a few of our suggestions, please feel free to use them as spring boards for advertisements for your race track.

Thank You for Your Time,

Pamela Brzezynski, Amanda Prisk, Kelly Steimle, and Melissa Reese
Rutgers University Students

Attached: Advertisement Suggestions
Dear Governor Christie:

As a lifelong New Jersey resident and horseperson, I feel it is necessary to bring to your attention some concerns that I have relating to the current situation of New Jersey’s equine industry. First, I must emphasize the importance of the equine industry to the state and its contribution to the quality of life of New Jersey residents. Backyard horse farms, breeding farms, training facilities, and competitive venues all provide the public with a connection to nature, agriculture, and most importantly, to our state animal-the horse.

In New Jersey, equine operations account for approximately one-fifth of the state’s total agricultural acreage. These operations make up a significant portion of New Jersey’s working agricultural landscape; land that is maintained and kept in production privately, with landowners paying taxes on the property. Equine operations maintain scenic, functional land for the benefit of New Jersey residents at no cost to the public, in contrast with open space paid for by taxpayers. Horses may have a direct impact on some people, through competitive, recreational, or therapeutic use. They may also have an indirect impact, through the creation jobs and the maintenance of functional agricultural land throughout the state.

In New Jersey, the equine industry generates a total of $1.1 billion in positive economic impact annually. The horse racing industry is responsible for $780.5 million of that impact. New Jersey’s four racetracks provide 3820 of the nearly 13,000 jobs generated by the state’s equine industry. Clearly, the equine industry is of value to the state economy, with horse racing being an especially vital component in terms of economic impact. For this reason, the challenges facing New Jersey’s horse racing industry are guaranteed to cause a ripple-effect that threatens to cripple the entire equine industry, resulting in negative consequences for the economy and quality of life in the state.

I am aware that New Jersey racetracks have been given the task of becoming financially self-sustainable. However, under current legislation, reaching this goal will be all but impossible. One major challenge comes from competition with racetracks in surrounding states. New York, Pennsylvania, and Delaware have converted their racetracks into racing casinos by installing alternative gaming options, such as video lottery terminals (VLTs), or slot machines. Revenue from those machines is used to boost race purses, attracting more horses to run at tracks outside of New Jersey. In addition, those racing casinos are appealing to horse racing fans. As a result, New Jersey tracks have lost business to racetracks in neighboring states.

A second major challenge for New Jersey’s racetracks comes from Atlantic City casinos. I understand that for the past several years, casinos have subsidized race purses in order to keep New Jersey racetracks somewhat competitive with surrounding tracks, under the condition that New Jersey tracks would not install VLTs. However, with no future subsidies in sight from financially-struggling casinos, there is no other clear option to keep New Jersey’s racetracks afloat. The installation of VLTs in New Jersey racetracks would be a good starting point on the path to making racetracks self-sustainable. Now that the racetracks are no longer receiving any incentives from Atlantic City casinos to prevent such action, there is no reason not to install VLTs or other gaming options in order to boost race purses and track attendance. I would also like to take this opportunity to point out that the closing of New Jersey’s racetracks would not improve the financial situation of Atlantic City casinos. Racing fans are racing fans, and it has already been shown that they are willing to travel out of state to gamble at neighboring racetracks, rather than choosing to gamble in Atlantic City. For love of the sport, horse racing enthusiasts will not simply shift their focus from racing to casino gambling.
New Jersey has much to lose if its racetracks are closed, and horse racing leaves the state. Not only will the breeding and training operations disappear, but it is also doubtful that the state’s equine-related industries, such as hay and grain growers, veterinary medical practices, retailers, real estate, and tourism, could survive the loss of horse racing and its devastating effects on the equine industry as a whole. It is also highly doubtful that New Jersey residents would want to see the state’s horse farms, with rolling pastures full of horses grazing and foals at play, be developed into shopping centers and housing complexes. In short, if horse racing suffers, many New Jersey businesses and residents will suffer as well.

It is necessary to take action to save horse racing before it is too late for the Garden State. As a graduating senior at Rutgers University, and a future equestrian professional, I want to develop my business in New Jersey. If nothing is done to ensure a healthy future for the state’s equine industry, I may have no choice but to leave New Jersey in order to make a living. I hope you will consider my point of view, and know that I am not alone in this position. Please do what is best for the state as a whole and give New Jersey’s racetracks the opportunity to flourish. Thank you for your time and attention.

Sincerely,

Melissa Reese
Advertising Costs

*Billboards:* The cost of billboard advertising ranges from about $700 to $2,500 a month. (27)

*Newspapers:* The estimated cost of newspaper ads ranges from $6.00-$13.00 for a column inch of black and white advertising space. (28)

*Magazines:* The average cost of magazine ads is higher than that of newspaper ads, and there are more options as far as size (1/8, 1/4, 1/2, or full page), and color ad vs. black and white. For example, a full-page, black and white ad in Horse News values $510. (28)

*Radio:* The estimated ad rate for the radio station is $383.00. Advertising rate estimates are typically for a 30 second spot. (28)

*Television:* The price of a television commercial includes two separate costs: the cost of producing the commercial, and the cost of airing it. It has been estimated that the average cost of producing a 30-second national TV commercial is nearly $350,000. However, local advertising usually fits better within the budget of most businesses. Decent quality TV commercials can be produced for as little as $1,000 by freelancers or small production agencies. Commercial air time is sold in 30-second spot blocks. The cost of a 30-second spot varies according to the number of viewers expected to be watching it. A 30-second time slot in a medium-sized market can be purchased for as little as $5 per 1,000 viewers, meaning that you could easily expect to pay less than $100 per commercial slot. (28)

*Internet:* Most online ad rates are expressed in terms of CPM (Cost Per Thousand Impressions) or CPC (Cost Per Click). Low rates are generally had for untargeted advertising placements to a general consumer audience and generally range between $0.25 CPM to $2.00 CPM. Rates increase based on any number of factors, including the demand and affluence of the target audience and other factors. (29)

*Flyers/Brochures:* Printing and copying costs vary depending on size, color, and number of documents. The only additional cost would be the cost of stamps to mail brochures, and/or the labor involved in manually distributing flyers to tack shops, farm supply stores, and other public locations.

Written by: Melissa Reese
References


The Demise of the NJ Horse Racing Industry and the Eminent effect it will have on Agriculture in the Garden State
By Kelly Steimle
Sent to the Hunterdon County Democrat

I was researching the New Jersey Racing industry for one of my agribusiness classes at Rutgers University and found that this industry is in more peril than I thought. I was saddened that such a wonderful sport, which had such a huge effect on New Jersey agriculture, was diminishing so quickly, and I was enraged when I read of the government’s lack of support and backing for this industry.

A study conducted by the Rutgers Equine Science center and lead by Dr. Karyn Malinowski found that the New Jersey horse racing industry has an economic impact of 502.3 million dollars annually, generates a total of 3,820 racing related jobs, and contributes 75.4 million dollars in tax revenues for the federal, state and local government. The NJ horse racing industry first began to feel pinched when state lotteries and Atlantic City came about in the 70’s. Recently, surrounding states are continuing to provide additional alternative gaming opportunities such as slot machines or VLT’s (video lottery terminals) and betting tables at their states tracks, this new addition of alternative gambling opportunities at the tracks are further contributing to the economic demise of the tracks in New Jersey because New Jersey residents are traveling out of state to attend these tracks to gamble because they offer something other than just horse betting. The New Jersey Sports Exposition Authority predicted that in 2009 the Meadowlands and Monmouth Park, two of New Jerseys most prominent racetracks would lose 10 million and 10.8 million respectively in revenue, no doubt due in part because of the instillation of VLT’S and alternative gaming opportunities to tracks in the states surrounding NJ.

So why hasn’t New Jersey added VLT’S and alternative gaming opportunities to their 4 racetracks? The answer lies with Governor Christie. Christie has proposed plans to “revamp the states faltering gaming industry,” by focusing on saving Atlantic City. To do so he intends on withdrawing the subsidies that Atlantic City pays the racetracks so that they do not install slot machines, he claims that “The state can no longer sustain the subsidy we give to the standard bred industry and the racetrack here,” [and noted] that adding slot machines or other gaming to racetracks would be harmful to the efforts to revive Atlantic City. Christie believes that “fixing Atlantic City is the first priority because South Jersey depends more on Atlantic City than North Jersey depends on the Meadowlands.”

What effect would closure of the Meadowlands track and economic failure of the horse racing industry have on agriculture in the garden state? According to the study done by Karyn Malinowski and members of the Equine Science Center, if racing related activities leave (or are forced out of New Jersey by Governor Christie), then the garden state could loose much of its agribusiness which generates a 780 million dollar economic impact annually, 7,000 jobs would be lost and 110 million dollars generated in federal, state, and local taxes would dwindle. Additionally 57,000 acres of working agricultural landscape and open space would be left behind and would become vulnerable to housing and commercial development, the “garden state” would now cease to exist and would be replaced by “the housing development state.”

Sources: The New Jersey Equine Industry 2007 Economic Impact
Horse Racing Industry is Vital to Keeping New Jersey the Garden State

To the Editor,

The horse is New Jersey's state animal for a reason. Just drive down any back road in the state and you will probably see horse farms dotted throughout the countryside. However, horses are important to New Jersey as more than just lawn ornaments in a picturesque rural landscape, a point overlooked in the state government's push to cripple the horse industry by eliminating live racing.

According to data produced by the Rutgers University Equine Science Center, a total $1.1 billion is annually contributed to the state's treasury by the horse industry, with $502.3 million of that contribution coming directly from racing-related operations. With this large of an annual economic contribution, the horse resides in a central position in a complex web of interlocking commercial and agricultural industries, such as real estate, insurance, retail, hay and grain growers, and veterinary medicine, a major point ignorantly ignored by the Hansen Report.

For example, recent land surveys show that approximately 176,000 acres support equine facilities in New Jersey. This is approximately one-fifth of New Jersey's agricultural acres. Of those 176,000 acres, approximately 78,000 are devoted entirely to pasture and hay production. Additionally, 46,000 non-equine-related acres also contribute to the production of hay and forage. Therefore, approximately 124,000 acres in New Jersey are devoted strictly to the production of hay and forage, much of which is consumed by the state's equine population, of which the horse racing industry makes up a large portion. As nearly one-third of New Jersey's equine population is concentrated in racing-related activities, the horse racing industry serves as major consumers of such "state-grown" products provided by these industries, with an indirect
economic impact of $78.2 million annually. If their most valuable and profitable customer was to no longer need their goods, what reason would any producers of these equine necessities have to remain in the state of New Jersey?

Lastly, as New Jersey leads the country in both population density and relative annual farmland loss, agricultural land is somewhat of a commodity. With much of New Jersey's lost farmland falling into the hands of developers and only eleven percent of preserved farms in the state in the equine industry, nearly 57,000 acres of equine-related land could be lost to such developers, as nearly 700 equine facilities devoted to the training, competing, and breeding of approximately 12,500 race horses would cease to be viable in a state no longer supportive of competitive racing activities. The picturesque landscapes would cease to be dotted with beautiful horses and would become overrun with housing developments, thus taking the “garden” out of the Garden State.

As residents of New Jersey and/or horse owners, our voices must unite to raise awareness of the grave situation of the live horse racing industry in New Jersey and the impact its downfall would cause to the state's already grim economic situation. On a nice weekend, visit the Monmouth Racetrack or the Meadowlands Racetrack and then drive through the New Jersey countryside. Imagine what that same countryside dotted with horses and farms will look like if horses are no longer able to race in this state.

Sincerely,

Amanda Prisk
New Jersey Resident and Horse Owner
Senior (Animal Science Major and Equine Science Minor)
Rutgers University School of Environmental and Biological Sciences

A Letter for the Editor,

I would like to bring more public awareness and attention to the issue many New Jersey horse owners are soon to be facing if we don’t make some sort of change. Recently, our Governor Chris Christie is changing the way tracks and casinos are conducting business. In the past the casinos paid tracks a subsidy so ensure that no other gambling operations, as in table games and machines, were at race tracks. Having this “deal” between tracks and casinos ensured that each type of gambling was kept at its “proper” location. Although this is all about to change, for Gov. Christie has made a plan in which the subsidies no longer have to be paid to the tracks. This is leading to a lack of resource for the racing industry, and the tracks are forced to find ways to sustain and operate on their own. And sadly, many of them are in danger of closing down without this outside support.
What concerns me the most is how people do not see how horrible it would be if these tracks do end up closing. When the trainers leave our state to go to open tracks they are leaving behind all the business they dealt with. A few of these business include: the barns they lease stalls from, the feed stores they bought feed and supplements from, tack and equipment stores they bought from, the hay and grain growers, farriers and blacksmiths, veterinary practices, the dealers they buy trucks and trailers from, and most importantly the open land these horses resided on. Now if all these business suffer from the loss of their racing background clientele they themselves could be run out of business and/or the cost of their products could increase. Sky rocketing prices for horse supplies could in turn lead to breeders, boarding barns, lesson barns, and the average horse owner to either leaving NJ or stop owning there equine companions. Without horses in NJ all the people who worked for these companies, barns, lesson barns, breeders and farms will be out of a job. And all the closed down farm land will most likely be turned into over crowed housing developments leading to more overcrowding in our school and more traffic out on the roads.

Therefore it’s not just the tracks and racing horses NJ will lose, it’s everything that involves our equine companions that will go too. Because as for many horses are not a simple hobby, it is our life style and business. So I think we as horse trainers, breeders, owners, and riders need to let our Governor know that by not supporting race tracks in some sort of fashion, whether it is subsidies or letting them have more gambling options, it is in the long run going to greatly hurt our state’s economic income.

Because after all, isn’t New Jerseys state animal the horse?

PAMELA BRZEZYNSKI
3 Gregory Drive,
Hamilton NJ 08690
609-586-8352

Sent via e-mail to The Star-Ledger (eletters@starledger.com) on 11/3/10:

To the Editor,

As the most densely populated state in the country, New Jersey is also home to an impressive horse population. Horse breeding farms, training facilities, and competitive venues all contribute to the scenic views and open space to which New Jersey residents have become accustomed. In New Jersey, equine operations account for approximately one-fifth of the state’s total agricultural acreage. These operations are an important part of New Jersey’s working agricultural landscape. This land is maintained and kept in production privately, with landowners paying taxes on the property. (In contrast with “open space” paid for by taxpayers.) Whether horses have a direct impact, such as competitive, recreational, or therapeutic use, or the indirect impact of creating jobs and maintaining functional agricultural land throughout the state, they function to improve the quality of life of all New Jersey residents.

In New Jersey, the equine industry generates a total of $1.1 billion in positive economic impact annually. The horse racing industry is responsible for $780.5 million of that impact. New Jersey’s four racetracks provide 3820 of the nearly 13,000 jobs generated by the state’s equine industry. Clearly, the equine industry is of value to the state economy, with horse racing being an especially vital component in terms of economic impact. For this reason, the challenges facing New Jersey’s horse racing industry are guaranteed to cause a ripple-effect that threatens to
cripple the entire equine industry, resulting in negative consequences for the economy and quality of life in the state.

The New Jersey racing industry is facing several challenges. One major challenge comes from competition with racetracks in surrounding states. New York, Pennsylvania, and Delaware have converted their racetracks into racing casinos by installing other gaming options, such as video lottery terminals (VLTs), or slot machines. Revenue from those machines is used to boost race purses, attracting more horses to run at tracks outside of New Jersey. In addition, these racing casinos are appealing to horse racing fans. As a result, New Jersey tracks have lost business to racetracks in neighboring states. New Jersey racetracks also face competition with Atlantic City casinos in terms of gaming interests. For the past several years, the casinos have subsidized race purses in order to keep New Jersey racetracks somewhat competitive with surrounding tracks, with the condition that the racetracks would not install VLTs. However, with no future subsidies in sight, there is no other clear option to keep New Jersey’s racetracks afloat. Governor Christie has charged the state’s racetracks with the task of becoming completely self-sustainable. The tracks are threatened with closure if they fail to do so.

If the racetracks are closed, and horse racing leaves New Jersey, the state stands to lose much more. Horse racing is an essential part of the equine industry, which contributes significantly to the state’s economy and the quality of life of New Jersey residents. It is doubtful that the state’s equine-related industries, such as hay and grain growers, veterinary medical practices, retailers, real estate, and tourism, could survive the loss of horse racing and its devastating effects on the equine industry as a whole. It is also highly doubtful that New Jersey residents would want to see the state’s horse farms, with rolling pastures full of horses grazing and foals at play, be developed into shopping centers and housing complexes. In short, if horse racing suffers, many New Jersey businesses and residents will suffer as well.

It is necessary to take action to save horse racing before it is too late for the Garden State. The installation of VLTs in New Jersey racetracks would be a good starting point on the path to making racetracks self-sustainable. Now that the racetracks are receiving no incentive from Atlantic City casinos, there is no reason not to install VLTs or other gaming options in order to boost race purses and track attendance. While New Jersey casinos are facing financial problems too serious to allow the continuation of purse subsidies, racetracks have a clear and proven solution to their financial troubles. The conversion of New Jersey’s racetracks into racing casinos would give them a fair chance to be competitive with neighboring tracks and to increase revenue enough to become more self-sustainable. This is, after all, what the governor wants, and it is what New Jersey needs.

Sincerely,

Melissa Reese

*All individual works complied into one document by: Pamela Brzezynski
*Edited by: Melissa Reese