

The Economic Impact of the 2017 Preakness on the Maryland Economy

Summary

The 142nd running of the Preakness Stakes drew a crowd of 140,327 to historic Pimlico Race Course in Baltimore, again topping records for attendance. Race-day betting nationwide was up over three percent over 2016, while in-state betting was up six percent. 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.

2017 Highlights:

- A crowd of 140,327 enjoyed the 142nd running of the Preakness at historic Pimlico Race Course.
- Preakness day wagering reached \$98,137,261 on the entire racing card, with \$5,262,652 bet in-state.
- Raceday operations generated direct expenditures of \$10.1 million and 180 full-time equivalent jobs (Table 1).
- Visitors to the Preakness and Preakness Celebration spent an estimated \$11.1 million which supports 219 full-time equivalent jobs (Table 2).
- Including indirect impacts (multiplier effect), total Preakness-related expenditures totaled \$38.2 million (Table 3).
- In all, Preakness visitors and operations generated 500 full-time equivalent jobs and \$14.3 million in salaries (Table 3).
- The total expenditures and employment from Preakness race day operations and visitor spending generated approximately \$2.6 million in State and local taxes (Table 4).

**Table 1: Preakness 2017
Direct Economic Impact of Operations**

Category	Gross Expenditures	Full-Time Equivalent Jobs	Employee Income
Race-Day Expenditures	\$5,507,818	90	\$2,975,115
Food and beverage (On-site)	3,685,391	72	1,680,358
Operations from Betting	947,277	19	340,842
Total	\$ 10,140,487	181	\$4,996,315

**Table 2: Preakness 2017
Direct Economic Impact of Visitor Expenditures**

Category	Gross Expenditures	Full-Time Equivalent Jobs	Employee Income
Hotels/Motels	\$1,327,659	10	\$388,822
Transportation & parking	1,575,002	33	440,254
Restaurants	4,932,824	97	2,249,126
Retail	3,307,689	79	1,435,838
Total	\$11,143,173	219	\$ 4,514,040

**Table 3: Preakness 2017
Economic Impact: Operations and Visitor Expenditures**

	Direct	Indirect	Total
Gross Expenditures	\$21,283,660	\$16,940,450	\$38,224,110
Visitor Expenditures	\$11,143,175	\$9,150,275	\$20,293,450
Operations	\$10,140,485	\$7,790,175	\$17,930,660
Full-Time Equivalent Jobs	400	100	500
Visitor Expenditures	219	58	277
Operations	181	42	223
Employee Income	\$9,510,355	\$4,872,595	\$14,382,950
Visitor Expenditures	\$4,514,040	\$2,607,070	\$7,121,110
Operations	\$4,996,315	\$2,265,525	\$7,261,840

**Table 4: Preakness 2017
Fiscal Impact: Operations and Visitor Expenditures**

Category	Direct	Indirect	Total
State Taxes	\$1,546,880	\$289,945	\$1,836,825
Retail Sales Tax	\$1,352,510	\$133,870	\$1,486,380
Personal Income Tax	\$194,370	\$156,075	\$350,445
Local Taxes	\$651,590	\$98,500	\$750,090
Personal Income Tax	\$120,885	\$98,500	\$219,385
Hotel Tax	\$126,130	-	\$126,130
Admissions and Amusement Tax	\$404,575	-	\$404,575
Total of Selected State and Local Taxes	\$2,198,470	\$388,445	\$2,586,915