

The Economic Impact of the 2018 Preakness on the Maryland Economy

Summary

The 143rd running of the Preakness Stakes drew a crowd of 134,487 to historic Pimlico Race Course in Baltimore, despite a rainy and foggy day. Race-day betting was down slightly from 2017's record high, both in-state and nationally. While money brought in by betting drives the industry, the in-state operations of the race, attendance at the racetrack and related events are 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 estimated in this report 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.

2018 Highlights:

- A crowd of 134,487 enjoyed the 143rd running of the Preakness at historic Pimlico Race Course.
- Preakness day wagering reached \$93,782,591 on the entire racing card, with \$4,043,196 bet in-state.
- Raceday operations generated direct expenditures of \$11.3 million and 177 full-time equivalent jobs (Table 1).
- Visitors to the Preakness and Preakness Celebration spent an estimated \$11.6 million which supports 230 full-time equivalent jobs (Table 2).
- Including indirect impacts (multiplier effect), total Preakness-related expenditures totaled \$41.0 million (Table 3).
- In all, Preakness visitors and operations generated 512 full-time equivalent jobs and \$15.1 million in salaries (Table 3).
- The total expenditures and employment from Preakness race day operations and visitor spending generated approximately \$2.7 million in State and local taxes (Table 4).

Table 1: Preakness 2018
Direct Economic Impact of Operations

Category	Gross Expenditures	Full-Time Equivalent Jobs	Employee Income
Race-Day Expenditures	\$7,163,629	101	\$3,429,266
Food and beverage (On-site)	3,458,180	65	1,569,060
Operations from Betting	727,775	12	201,712
Total	\$ 11,349,584	177	\$5,200,038

Table 2: Preakness 2018
Direct Economic Impact of Visitor Expenditures

Category	Gross Expenditures	Full-Time Equivalent Jobs	Employee Income
Hotels/Motels	\$1,354,441	11	\$415,057
Transportation & parking	1,672,802	38	408,586
Restaurants	5,032,331	95	2,283,291
Retail	3,542,839	86	1,554,279
Total	\$11,602,413	230	\$ 4,661,213

Table 3: Preakness 2018
Economic Impact: Operations and Visitor Expenditures

	Direct	Indirect	Total
Gross Expenditures	\$22,952,000	\$18,093,870	\$41,045,870
Visitor Expenditures	\$11,602,415	\$9,619,220	\$21,221,635
Operations	\$11,349,585	\$8,474,650	\$19,824,235
Full-Time Equivalent Jobs	408	105	512
Visitor Expenditures	230	61	291
Operations	177	43	221
Employee Income	\$9,861,255	\$5,276,335	\$15,137,590
Visitor Expenditures	\$4,661,215	\$2,774,490	\$7,435,705
Operations	\$5,200,040	\$2,501,845	\$7,701,885

Table 4: Preakness 2018
Fiscal Impact: Operations and Visitor Expenditures

Category	Direct	Indirect	Total
State Taxes	\$1,631,020	\$316,780	\$1,947,800
Retail Sales Tax	\$1,425,270	\$144,565	\$1,569,835
Personal Income Tax	\$205,750	\$172,215	\$377,965
Local Taxes	\$698,770	\$108,385	\$807,155
Personal Income Tax	\$127,555	\$108,385	\$235,940
Hotel Tax	\$128,670	-	\$128,670
Admissions and Amusement Tax	\$442,545	-	\$442,545
Total of Selected State and Local Taxes	\$2,329,790	\$425,165	\$2,754,955