

The “Real Story” on Minnesota Racing Costs

For New Minnesota Race Horse Owners

By Dave Astar, March 15, 2017

If you are interested in race horse ownership in Minnesota, and want to understand your costs, online information isn't very helpful. Local websites contain links to national data which is irrelevant.

Some Minnesota online sites link folks to the Jockey Club. That website (<https://www.ownerview.com/>), provides a good general overview of new owner issues, but the closest it gets to annual Minnesota costs per horse is this:

Jockey Club Ownerview Illustrated Costs

Annual Cost Per Horse	Total	Northeast	Southwest	West	Mid-Atlantic	Midwest	Canada	Central Mountain
In Training								
Average Expense	\$40,423	\$50,254	\$42,434	\$39,396	\$37,897	\$37,073	\$31,461	\$24,656
Summary of Ownership Cost Estimated Avg								
Trainer Fees	\$23,270							
Veterinary	\$5,338							
Stall Fees	\$3,685							
Vanning/Shipping	\$2,758							
Trainer Travel	\$2,003							
Feed Supplements	\$1,879							
Race Nominations	\$1,746							
Blacksmith	\$1,450							
Race Day Expenses	\$1,020							
Licensing	\$328							
Lay-up	\$1,719							
Trainer Fees	Total	Northeast	Southwest	West	Mid-Atlantic	Midwest	Canada	Central Mountain
Average Expense	\$23,720	\$26,848	\$24,454	\$25,450	\$24,192	\$21,062	\$23,907	\$19,423
Veterinary Fees	Total	Northeast	Southwest	West	Mid-Atlantic	Midwest	Canada	Central Mountain
Average Expense	\$5,338	\$6,353	\$4,805	\$6,521	\$5,305	\$5,267	\$6,603	\$3,692

Midwest \$37,073

Actual annual Minnesota costs do not come near the “Midwest” figure, and I wonder how many folks became discouraged about Minnesota ownership when they saw this information?

To really understand Minnesota costs, you need to understand how you want to run your horse because Minnesota is somewhat unique. You also need to understand whether you are going to own a Minnesota Bred horse, or a horse bred in any other state. Why? Because the value propositions are hugely different!

While there is variation on the cost theme, there are essentially 3 ways to prepare a horse to race in Minnesota, and here are my actual average annual costs:

Full Year Costs for the 3 Ways you can Prepare a Horse to Race in Minnesota

	MN Only Older		MN Only Maiden		Year Round Older	
Trainer	\$10,646 (\$70/day at Cby for 5 Mths)		\$10,646 (\$70/day at Cby for 5 Mths)		\$23,421 (\$70/day for 11 Mths)	
Trainer Prep	\$4,258 (\$70/day at Haw for 2 Mths)		\$6,159 (\$45/day for 4 1/2 Mths)		\$0	
Veterinary	\$1,248 (\$104/month)		\$1,248 (\$104/month)		\$1,950 (Cost for 11 Mths Racing)	
Stall Fees	\$0		\$0		\$0	
Vanning/Shipping	\$1,040 (MN to Il and Back plus local moves)		\$1,040 (MN to Il and Back plus local moves)		\$2,170 (Includes transport to two other tracks)	
Trainer Travel	\$0		\$0		\$0	
Feed Supplements	\$450		\$450		\$450	
Race Nominations	\$750		\$750		\$1,250	
Blacksmith	\$1,000		\$1,000		\$1,500	
Race Day Expenses	\$600		\$600		\$1,320	
Licensing	\$150		\$150		\$1,375	
Lay-Up	\$3,042 (\$20/day for 5 Mths)		\$3,042 (\$20/day for 5 Mths)		\$608 (\$20/day for 1 Mth)	
TOTAL:	\$23,184		\$25,085		\$34,044	

*Plus 10% of earned purses to Trainer AND 10% of earned purses to Jockey of earnings for 1st, 2nd and 3rd place finishes.

None of these costs approach \$37,033.

In the first two scenarios, you will spend close to \$23K or \$25K annually to race your horse in Minnesota! Owners of Minnesota Bred horses predominantly do this. In fact, over 90% of all Minnesota bred horse purse earnings are earned during the near 70 racing days every summer in Minnesota. Owners gear their Minnesota Breds to run as often as possible during the summer racing season. They do this for the following reasons:

- Minnesota Bred horses get to run in Minnesota against only Minnesota Bred horses. These “state bred restricted” races have good purses and the Minnesota horses don’t have to beat Kentucky Breds, Florida Breds, etc... This is where the easy money is for state bred horses.
- There are other restrictions on races, called conditions. For example, Maidens have their own races. Non-winners of 2 races have their own races. Non-winners of 3 races have their own races, and there are some other restrictions. These restricted conditions are added to the “Minnesota Bred Only” restriction. For example, when a race is structured as a Minnesota Bred Only Maiden Race, these horses that have never won a race get to run for good purses against only Minnesota Bred horses who have never ever won a race. Easy money!
- Money is added to Minnesota Bred races in Minnesota from a Breeders Fund. That makes the purse earnings potential much higher by running Minnesota Bred horses in our home state. Every state does this by the way for their state bred horses.

- Owners of Minnesota Breds want the easy money, and even if they did want to run for harder money against horses bred in other states, they do not want to lose the horse's conditions for lower purse money in other states.

Thus, the first two scenarios I illustrated are my realistic annual costs associated with the near 400 Minnesota Bred horses that race in Minnesota every year.

Of course a few Minnesota Bred horses are good enough to compete with non-Minnesota Breds elsewhere. I have had some of these horses, but the key to economic success with Minnesota Bred horses is to earn purses during the Minnesota summer racing season. If Minnesota Breds were to run all year at other race tracks, or if you wanted to own a non-Minnesota Bred horse and run it all year, the 3rd scenario comes into play and costs would approach the illustrated \$34K figure.

Lastly, a popular low cost option for new owners is to claim a horse for the Minnesota racing season.

What About Costs for a Claimed Race Horse?
(Six Month Example for horse claimed April 1st and lost in claim Sept 1st)

	Claimed Horse	
Trainer	\$12,768	(\$70/day at Cby & Haw for 6 Mths)
Trainer Prep	\$0	
Veterinary	\$2,400	(\$400/month)
Stall Fees	\$0	
Vanning/Shipping	\$400	
Trainer Travel	\$0	
Feed Supplements	\$400	
Race Nominations	\$0	
Blacksmith	\$825	
Race Day Expenses	\$500	
Licensing	\$200	
Lay-Up	\$0	
TOTAL:	\$17,493	

CLAIMING DRAMATICALLY REDUCES COSTS. THE ABOVE ILLUSTRATION ASSUMES NO RESIDUAL COSTS IF THE OWNER IS THE LAST OWNER, AND ALSO ASSUMES NOTHING ABOUT THE PRICE OF THE CLAIM OR THE SELLING OF THE CLAIMED HORSE.

This example assumes someone could claim a horse at Hawthorne in April and lose it for a claim 6 months later. It is again a lower cost scenario which carries a different set of risks.

Again, these are “my” actual average cost scenarios based on what works for me. Trainer costs and quality can vary, vet costs can vary, acquisition costs can vary and residual costs can vary once your horse can no longer race. Those elements should be factored into your financial plans (i.e. I spread my acquisition or breeding costs over an estimated 3-year racing lifetime for my horses).

With these costs in mind you can determine if owning a racehorse is really for you, and whether racehorse ownership fits in your financial plans. You can also determine if you want to own horses yourself or join with others to form a stable. Many people do this by forming simple LLC's with friends, joining a group of other owners, joining a racing club or searching out a large syndicate. Simply divide the illustrated costs by the number of

partners in these multiple owner stables to get a handle on your “all in annual” costs, and remember these costs have nothing to do with the original acquisition price.

I believe these “all in annual” cost scenarios, will be much more helpful than those which are publicly available to folks thinking about venturing into the great game of Minnesota horse racing.