



Bringing Experienced Owners Together - Joining Forces to Buy Better Horses - Campaigning for Change

**BEST OF
THE BLOG**

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Join the Keep Owners in Racing Campaign & Press the Industry to Implement a Radical Plan to Retain Owners in the Sport

“A hard rain is about to fall on our sport from the economic storm triggered by the pandemic. It will rip through the weakest parts of the racing pyramid, and sink without trace many trainers, breeders, syndicators, betting shops and maybe some racecourses.”

One of the few plus-points of lockdown was that it gave a friend and owner, Ged Shields, and me time to research and write ***A Blueprint for Racehorse Ownership in the UK: Making retention and acquisition of owners the number 1 goal of a Racing Recovery Plan***. It was launched in the *Racing Post* on 12th July and is now being driven forward by a campaign with a web site, video interviews, blogs and social media. Full details are on www.keepownersinracing.com and @keepownersinra1. This was our launch press release:

A hard rain is about to fall on our sport from the economic storm, triggered by the pandemic, and will continue for several years. It will rip through the weakest parts of the racing pyramid and sink without trace many trainers, breeders, owners, syndicators, betting shops and some racecourses. The pandemic is acting as a kind of “time machine” rushing racing’s outmoded business models to the end phase of a process that was always likely to happen.

Many staff will lose their jobs and equine welfare challenges increase as racehorses are retired, sold or “moved on”. No part of the industry will go untouched and the only question to be answered, in time, is the scale of contraction.

Why are we so depressingly confident in this assertion? Since the Resumption of Racing on 1st June we have spent five weeks researching the sport’s economic map and the financial interconnections of the supply chain from breeders to bookmakers. We’ve reflected on our own investment in the sport and the way we are currently being treated. We have been committed owners since 2004 with 132 winners so far and a current involvement in 39 horses covering everything from Flat to jumps, sole ownership to syndicates and foals to veterans. We use ten trainers across the country and ownership is by far the major drain on our discretionary expenditure. We will inevitably be part of the contraction that is coming but will do everything possible to mitigate its impact.

How far we personally retrench will be determined by how well racing’s leadership handles the next phase of the crisis and whether they are prepared to drive through a number of long overdue changes to the sport. We’ve highlighted our own Agenda for Action, as a blueprint for racing recovery, containing five strategies and twenty specific recommendations reflecting our data-driven analysis of the sport. It can be downloaded from the www.keepownersinracing.com home page.

Why did we produce it? Because of our deepening concern that the post-pandemic economic impact, racing’s tendency for stakeholders to fall out and fight each other rather than focus on the task ahead and the frustration of owners at how they are treated will lead to a significant contraction in ownership with a hugely damaging impact on the industry.

Encouragingly, we were impressed by the 100-day stakeholder truce and the collaborative approach adopted by the Resumption of Racing Work Group before normal hostilities returned. Huge changes to the pattern, fixture list, prize-money allocation and safety procedures were adopted. We applaud their efforts and feel it is vital that racing extends this endeavour to a new **Recovery of Racing Group** focused on the retention and acquisition of owners as the top priority. They should consider carefully our Blueprint’s headline messages:



- 1. Learn from the last financial crisis:** without a Recovery of Racing Plan, contraction in ownership and horses in training will be far worse than after 2008 / 09 when there was a straight decline in numbers for seven years. We predict a loss of 20% of owners (2,244) and 15% of horses (3,531): an immediate financial impact of £124m.
- 2. The damage is done by the multiplier:** for every £1 spent by owners, £7 is generated across the industry for bookmakers, breeders, sales houses, trainers and racecourses. This multiplier amplifies the £124m loss to racing to a significantly more damaging £868m.
- 3. Owners bankroll the sport:** in 2019 / 20 they spent £527m on training fees and lost a collective £428m. This excludes the £145m spent (and mostly lost) on bloodstock (excluding Horses in Training sales). For every pound spent on training fees the median return was 8p on the Flat and 6p for National Hunt. It will be even worse in 2020 as prize-money declines further. This is unsustainable and increasingly drives owners out of the sport.
- 4. The trend is not racing's friend:** racing faces strong headwinds this decade due to economic contraction, owner demographics and the need to rebuild personal and company balance sheets. The average age of owners is over 60 with substantial numbers over 70. Most are extremely concerned about Covid-19 and wary of going racing. This inhibits further any desire to continue investing in racehorses.
- 5. Be radical in response:** racing needs a recovery plan that retains and attracts owners as the prime goal for the next five years. There is no time to lose. Racing can address this in one of two ways. Option one is to deny the scale of the challenge, massively underestimate its impact, muddle through with divided leadership, claim that it is already doing things and avoid making difficult decisions, keeping fingers crossed and hoping the "old normal" returns soon. It won't. Option two is to embrace radical change, form a coalition of all the stakeholders and drive forward wide-ranging responses that create the "next normal". We urge British Racing to adopt option two. It is not short of the talent to do this, but they tend to operate in isolation and seem focused on narrow stakeholder interests that are often in competition with the others.

Stakeholders need to come together, put their disputed issues on the table and find sufficient common ground to implement the necessary initiatives, such as those outlined in this Blueprint. ***We have made our "call to arms" and now challenge the industry to develop and communicate a Recovery of Racing Plan within the next 100 days.***

