



President's Update



By Dan Sullivan

Still—Nothing But Purses

Ladies and Gentlemen, one more month and I will change the subject. But, the recent reduction in Illinois purses up north and the difficulties down south suggest one more recitation of what constitutes financial reality in horse racing.

Where does the money to conduct Illinois horse racing come from in each and all instances? The money comes from betting.

What do the gamblers bet upon when they come to the track or decide to just bet from the comfort of their home by going on line? They bet on horses.

Where do the horses come from that are at the track? The horses come from owners.

Why do the owners bring their horses to any given track? For the purses. They only come for the purses. They do not come to pet the horses or to look at how beautiful they are or for anything else. They can do that at the nearest farm. They come solely and only for the purses.

What are purses? Purses are monies that allow an owner to buy horses to bring to, and support at, the track. What do the owners do with those purses? They support the trainers and the rest of the backstretch. If there were no purses or inadequate, how would owners support the trainers and the rest of the backstretch? By the owners' charitable donations? Obviously, this is not a rational business plan.

Where do purses come from in each and every instance? A portion of each bet by a gambler goes to the purses. That is, if there are no bettors, there are no purses.

There is no other source of money for an owner, except the owner's own charitable contribution, allowing the owner to put a horse at a track. Under the only workable business plan developed over decades, perhaps centuries, there is no other source of funds for the tracks to marshal to support horse racing off which they derive income. That is, the tracks do not have other sources of money to subsidize horse racing. Even if they did they are not eleemosynary institutions. They are there to make money off the horses. In short, the owners' horses support the track and the backstretch.

In other words, if any participant in racing wants charity, that participant needs to go to church, not the race track.

It is important to understand a regulated portion of each bet goes to the track. A certain regulated part of each bet goes to the purse account. The tracks can't gyp the purse account even if they wanted to gyp it. Regulation of the purse account won't allow it.

So, the purses assure owners bring their horses to the track. If the purses decrease so the owners end up making their trainers and others on the back stretch charitable causes, the owners take their horses somewhere else. Or, the owners stop buying horses so the breeders stop breeding.

To a certain degree this problem is self-perpetuating. Decreases in the purse account starve future purses. This is because decreases in the purse account discourage bettors from participating. When bettors stop participating, the purse account diminishes. With lower purses the horse census on the back stretch decreases. There is also a reduction of quality of the horses on the backstretch. This makes it increasingly difficult to field competitive or even interesting races. The bettors lose interest and quit coming to the track.

At some point in this downward spiral of bettors abandoning Illinois tracks, the owners of Illinois race horses give up. If not reversed, at some point in this onward march of diminishing returns, horseracing in Illinois fails.

There is still hope to retain the betting public but it requires the monetary encouragement of ownership of Illinois horses. But, this hope cannot just be just a hope without action. For a realization of the Illinois dream, it will require heavy lifting by every participant in Illinois horse racing. Every dollar in the purse account has to go to the purse account. The purse account is not a bottomless honey jar usable for anything else except purses for the owners.

This is because horse racing in Illinois depends upon the purses – nothing but the purses.



ATTENTION!

The next eligibility payment for the 2016 Pat Whitworth Debutant and Jim Edgar Futurity is due September 30, 2016.

If you haven't received your sustaining eligibility notice or you have a late nomination, call Dan Arrigo at 847-253-3670

WANTED

Illinois Thoroughbred Breeders

JOAN KAREL: \$924.60 • RALPH FOX: \$4,619.12
GEOFF HERMES: \$283.59 • DAVID SIMPSON: \$187.27
GARY SINDELAR: \$437.46 • PHILIP C. BLUM: \$667.37
RICHARD W. PLETAN: \$1,528.35 • Tracy Carr: \$190.44
Mary P. Ozanic & Randy Bond: \$86.94
Paula Olson: \$1,615.23 • Cleveland Richardson: \$34.50
Estate of John Robertson: \$539.03
Estate of Harry Newman: \$605.49
Tomas Garzq: \$671.21 • Sandy Bank: \$96.60

WANTED! The I.T.B.O.F. is seeking contact with the above named persons in order to pay them Breeders' Awards. If you can supply a current name, address, and/or telephone number on any of these persons, you could be of service to a fellow horseman.