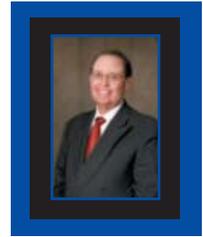




President's Update

By Dan Sullivan



Commission on Government Forecasting And Accountability

Recently, the Commission on Government Forecasting and Accountability published *Wagering In Illinois – 2016 Update**, which is 80 pages long. The study analyzes Illinois horse racing in pages in pages 51 - 60. Please read these nine pages by going to ITBOF's website, ITBOF.net, and pray the legislature allows on track gaming.

I have repeatedly referred to the devastating effect the lower purse structure is having on the Illinois agribusiness of breeding Illinois thoroughbreds. I have remarked upon a foal count that cannot continue to support at least 50 percent of the field sizes of races that racing secretaries use their imaginations to try to fill with every diminishing purses. I have observed that owners must have purses to justify buying Illinois horses that fill 50 percent of the fields that race in Illinois.

In 9 pages the Commission succinctly provides statistics and the history of the lack of favorable legislation that has caused the loss of owners who will support Illinois racing. No one who is a shareholder in Illinois racing—a breeder, owner, trainer, jockey, hot walker or track owner—needs to gossip on the back stretch or speculate elsewhere on what is happening to Illinois racing. They can go to the article on ITBOF's website and read the section on horse racing. In not more than half an hour, they will have all the cold hard facts that show what is happening. Here are some quotes from the report if a reader doesn't have time to review the graphs illustrative of the problems owners and breeders now face trying to justify engaging in a losing enterprise.

"The overall handle total in 2015 was 40.8 percent below the levels from just ten years ago."

"Between 1990 and 2015 the percentage of the total handle generated from **on-track** wagering fell from 49 percent to 14 percent." This quote raises a question of how much the tracks even care about getting spectators to the track? It is so much cheaper for tracks and the companies that own them to realize on electronic betting. From the viewpoint of the bettor, why go to the track when you can bet from your couch or at a local OTB? This raises a further question. What have the tracks done to excite someone enough to go to the track, even more than once a year?

But, even simulcasting, OTB and ADW operations are not the answer. "So, it appears that while advance deposit wagering has not caused horse racing handle numbers to turn around to its higher levels of the past, it has brought in enough interest to at least slow the declines of an industry that had been falling at a drastic pace." What an observation. Our sport is dying because of a lack of participation but only more slowly because of the advent of ADW.

"While many ideas have been discussed over the past decade to turn Illinois' horse racing industry around, so far little progress has been made." Right, if bettors lose interest in going to the track and bettors lose interest in understanding the sport, then the tracks, who have the responsibility of marketing the breeders' and owners' product, have failed.

The report remarks upon the fact that lawmakers provided \$141.8 million in 2011 to subsidize horse racing. It was expected the tracks would make track improvements to bring in higher atten-

dance. "However, the Racing Board stated that little to no changes (above what is typically spent) were made in the form of horse track improvements from these additional dollars."

The report observes claims have been made that slots would turn things around. Yet, in Indiana and Pennsylvania, slots have not increased handle but they have increased purses. They have increased purses even though handle continues to decrease. Of course by having slots subsidize purses all surrounding states are draining Illinois of owners and, therefore, horses. Let's face it, to save the Illinois race horse agribusiness, it must be subsidized by alternate forms of gaming in the hope that the tracks can rebuild interest and increase handle. So to save Illinois horse racing all the stakeholders, Legislature included, must accept a combination of gaming at the track is required to save horse racing.

"Although, data suggests that the horse racing handle will not necessarily increase as a result of having slot machines at the track, having this other source of revenue would give Illinois horse tracks a secondary source of income needed to offer competitive purses, which should help sustain horse racing in Illinois.

"And without the ability to compete with other states, many fear that the pressure on **additional** Illinois tracks to close for good may become insurmountable."

There you have it folks. Can the tracks come up with marketing plans that increase interest in actually attending a horse race? Can the legislature be brought to understand the need to support horse racing with on track gaming knowing they are doing so to get tax revenue but also that some of that revenue will support the agriculture interests of Illinois? Can the legislature be brought to an understanding that we need purse subsidies right now—this minute; not from tax revenue but from alternative forms of gaming that also provides tax revenue to help bail out our God-forsaken State and, at the same time, support its agriculture?



***If you are interested in reading the report mentioned in this article, please go to www.itbof.net and click on "Wagering in Illinois" on the left side of the page. This will take you to a page with a brief description of the report and there is another button that says "Wagering in Illinois 2016 Update." Click on this button and you may read or download the full 80-page report.**