



Arizona HORSE “Cents”

The economic impact of the industry to Arizona

By Joanne Littlefield



Horses are a big deal in Arizona. That statement was true in the late 1800s when the territory was being settled and it is still true today.

It might seem that fewer Arizonans—if not in actual numbers then perhaps as a percentage of Arizona’s burgeoning population—seem to be interested in horses. Yet University of Arizona economist Bruce Beattie says he and his colleagues found that likely in excess of $\frac{3}{4}$ of a billion dollars is spent every year on horse care and activities related to horses in Arizona.

When ripple effects of these expenditures are taken into account, the number grows to a little more than a billion dollars. And the impact to the state economy is just about everywhere.

“The industry footprint covers the state,” Beattie says. “It’s a significant, very diverse, and very disparate industry with sometimes competing factions. But in total, horse ownership, maintenance, and activity is an important component of the Arizona economy.”

In 2001, to more precisely gauge the magnitude and impact of the industry, the Arizona State Horseman’s Association (ASHA) asked researchers from the UA Department of Agricultural and Resource Economics (AREC) to evaluate the many ways horses contribute to Arizona’s economy.

Chuck Lakin raises cotton, alfalfa and other crops in western Maricopa County. He has also raised horses and been involved in horse shows and rodeos for years. Through his involvement with the ASHA, he was one of the key players in commissioning the study.

“A great many people have been able to use the study findings,” Lakin says.

“Certainly anyone who is interested in getting into the horse business, either as a hobby or as a commercial venture, could benefit from the information gathered.”

ASHA wanted to update figures from a previous telephone survey about horse ownership that was conducted in the early 1990s. That study was based on a random sample of all households in Arizona. It provided an estimate of, among other things, how many of the total number of households in Arizona had horses and the number of horses owned or maintained by those households.

Whether it’s defending a commodity or activity for environmental, economic or other reasons, groups seeking the

information have many different reasons for wanting to ascertain the value and economic impact of “their” commodity or activity. AREC economists have enlisted over the years to look at a range of economic drivers for the state.

The original (1990) study reported the age distribution of people living in households that kept horses, so the economists knew what the age structure looked like.

“We thought that was fairly important because we know that a lot of Arizona’s population growth since 1990 has been in both retirees and those who may not be so much into horses as others might be,” Beattie says. The UA researchers extrapolated new numbers from the current census figures for Arizona.

“We then age-weighted those populations growth figures to make an educated guess at what might be a reasonable number of Arizona horse households and number of horses in 2001,” Beattie says.

To develop estimates of expenditures associated with pleasure horses the researchers queried people such as horse breeders, veterinarians and tack store owners. Questions included the typical price paid for a pleasure horse, the typical investment in tack, the typical vet bill per year, the feed bill per year, how much land is tied up in providing horse facilities and the costs per month for rented facilities.

“The thousand-pound gorilla in all of this is Arizona-based pleasure horses,” Beattie says. “That’s the big deal.” Three quarters of the statewide economic impact is due to the pleasure horse component.

“Suppose you or I own a horse to go riding with the kids on the weekend, or to participate in roping events,” he suggests. “We’re doing that for pleasure—we own the horse for the same reasons that we might own a TV set to watch college football games, or own a set of golf clubs to play golf. We own these things and participate because we get pleasure from doing so.”

Because horse show expenditures on the part of out-of-state participants were not accounted for in the 1990 study, Beattie’s research team—AREC economists Trent Teegerstrom, Jorgen Mortensen and Eric Monke—developed and circulated a questionnaire at each of the four major horse shows in the state: the Arabian, the Quarterhorse, the Paint and the Hunter/Jumper

shows. It asked participants such things as how long they were staying in Arizona, where they came from, how many nights they stayed in hotels, and what sorts of other recreational and entertainment venues they attended.

“We got information on transportation costs for the owners and their horses, gifts, food and drink, recreation and entertainment, souvenirs, horse feed, bedding and tack costs,” Beattie says.

So how does Arizona compare to other states regarding the economic impact of horses? “Much depends on what else is going on in terms of economic activity in the respective states,” Beattie says. “In terms of total dollars, you might have the same level of activity going on in Arizona as some other state. But the economic impact (percentage share of the state economy) will differ greatly between the two states, simply because one state’s overall economy is much larger or smaller than the other.”

The importance of horses in defining Arizona—the rich Native American, Hispanic, and western tradition—is an important contribution of the horse industry that our economic numbers do not pretend to capture, Beattie notes. Also hard to put a price tag to are the aesthetic and psychological benefits of being around horses.

“I, for one, am not a horse owner and have not been atop a horse since I was a child—and sadly, I wasn’t good at it even then,” Beattie admits. But like many other people who don’t own a horse, Beattie says he gets considerable pleasure just from seeing horses as he travels around Arizona, including to and from work in the middle of Tucson.

“They’re beautiful animals. I think there’s a lot of peacefulness associated with horses that is not all captured in dollars and cents.” ★

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Horses from the College of Agriculture and Life Sciences equine unit graze at the UA’s Campus Agricultural Center.

