

# The Bottom Line

## Purse Earnings Comparison: California vs. Other States

When a California owner considers the pros and cons of racing in other states, there are many factors that should be taken into account; some obvious, some not so obvious. Expenses such as shipping and travel costs are obvious. However, deductions from purse earnings are not, and often appear as unwelcomed, unanticipated costs.

While most California Thoroughbred owners are quite familiar with the standard California paymaster's account statement, few understand that the various deductions taken from purse winnings are **not** standard from state to state. To illustrate some of these differences, *Owners' Circle* compared paymaster account statements from California and three other major racing jurisdictions: New York, Kentucky, and Florida. The results, particularly from New York, present a very different picture.

As shown in Chart 1 on the next page, we compared average purses in the four states for three common race categories: maiden special weight, allowance, and \$25,000 claiming races. Statistics used were from the current Santa Anita, Aqueduct, and Gulfstream meets and the most recently completed fall meet at Churchill Downs. There were two constants in all four jurisdictions – the winner's share of the purse (60%) and the jockey mount fee.

In all jurisdictions, the jockey mount fee for first place amounts to 10% of the winner's share. Other than an optional deduction to support equine retirement (CARMA), there are no other fees deducted from the winning owner's share of the purse in California. In Kentucky, owners who earn purses at Churchill Downs must also pay 1.45% as a Louisville city tax. At Gulfstream Park, a \$3.00 drug testing fee is deducted.

New York is a different matter. The comparison revealed a series of deductions from an owner's winnings, both expected and unexpected. The New York deductions include:

- The jockey mount fee,
- Fees for backstretch insurance,
- The Jockey Club Foundation,
- Backstretch pension,
- NYTHA (New York Thoroughbred Horsemen's Association),
- The NY Jockey Injury Comp fund,
- Lasix, and,
- Optional fee for the Ferdinand Fund (equine retirement).

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Chart 1

Average purses in the four states for three common race categories: maiden special weight, allowance, and \$25,000 claiming races.

Purse Distribution*	LATC	NYRA	Churchill Downs	Gulfstream
<b>Maiden/MSW Purse</b>	<b>46,000.00</b>	<b>44,000.00</b>	<b>46,000.00</b>	<b>41,000.00</b>
To Winner (60%)	27,600.00	26,400.00	27,600.00	24,600.00
Deductions				
Jockey Fee (10%)	2,760.00	2,640.00	2,760.00	2,460.00
CARMA (Optional)	82.80			
Louisville City Tax			400.20	
RMTC Drug Testing Fee				3.00
Backstretch Insurance		12.50		
Jockey Club Foundation		2.50		
Backstretch Pension		264.00		
NYTHA		528.00		
NY Jockey Injury Comp.		198.00		
Lasix Fee		20.00		
Ferdinand Fund (Optional)		5.00		
<b>Net to Winner</b>	<b>24,757.20</b>	<b>22,730.00</b>	<b>24,439.80</b>	<b>22,137.00</b>
<b>\$25,000 CL Purse</b>	<b>25,000.00</b>	<b>25,000.00</b>	<b>21,000.00</b>	<b>24,000.00</b>
To Winner (60%)	15,000.00	15,000.00	12,600.00	14,400.00
Deductions				
Jockey Fee (10%)	1,500.00	1,500.00	1,260.00	1,440.00
CARMA (Optional)	45.00			
Louisville City Tax			182.70	
RMTC Drug Testing Fee				3.00
Backstretch Insurance		12.50		
Jockey Club Foundation		2.50		
Backstretch Pension		150.00		
NYTHA		300.00		
NY Jockey Injury Comp.		112.50		
Lasix Fee		20.00		
Ferdinand Fund (Optional)		5.00		
<b>Net to Winner</b>	<b>13,455.00</b>	<b>12,897.50</b>	<b>11,157.30</b>	<b>12,957.00</b>
<b>ALW Purse</b>	<b>48,000.00</b>	<b>46,000.00</b>	<b>48,000.00</b>	<b>43,000.00</b>
To Winner (60%)	28,800.00	27,600.00	28,800.00	25,800.00
Deductions				
Jockey Fee (10%)	2,880.00	2,760.00	2,880.00	2,580.00
CARMA (Optional)	86.40			
Louisville City Tax			417.60	
RMTC Drug Testing Fee				3.00
Backstretch Insurance		12.50		
Jockey Club Foundation		2.50		
Backstretch Pension		276.00		
NYTHA		552.00		
NY Jockey Injury Comp.		207.00		
Lasix Fee		20.00		
Ferdinand Fund (Optional)		5.00		
<b>Net to Winner</b>	<b>25,833.60</b>	<b>23,765.00</b>	<b>25,502.40</b>	<b>23,217.00</b>

\*Average purse distributions from LATC 2008-09, Aqueduct 2009, Churchill Downs Fall 2008, and Gulfstream 2008-09 meets.

The following copies of actual paymaster account statements (with the owners' names changed for privacy) from Aqueduct Racetrack and Santa Anita Park illustrate the vast difference in number of deductions between the two states.

Although most of the listed deductions are funded from some source in every jurisdiction, in California owners are not directly assessed these costs through deductions to their purse earnings. Backstretch insurance in California is funded through uncashed winning tickets, and workers' compensation insurance is funded through a .5% deduction from handle on exotic wagers. As for lasix, in California it is a trainer expense that is

generally billed by the trainer to an owner. Administrative expenses for TOC and CTT (California Thoroughbred Trainers) – the equivalent to the NYTHA in New York – are funded through the equivalent of a 1-1/2% deduction from the gross purse fund, with an additional 1% going towards the backstretch pension funding.

Not only did the comparison study illustrate the strong value of purses in California as compared to other states, but that value is clearly enhanced by the fact that there is a minimum of mandatory deductions from an owner's winnings in the Golden State. Plus... the weather's better here!

**Statement of Account**  
From 01-01-2009 to 03-06-2009  
**Los Angeles Turf Club, Inc.**  
P.O. Box 60014  
Arcadia, CA 91066  
(626) 574-7223

Fac	Acct#	Account Name	Balance	Available	On Hold
SA	XXXX	Winning Stable	30,139.20	30,139.20	0.00
Totals			30,139.20	30,139.20	0.00

Universal ID/Acct	XXX / XXXXX
Account Type	Owner
SSN/Fed ID	****XXXXX

Balance	\$30,139.20
Available	\$30,139.20
On Hold	0.00

Fac	Date	Type	Race	Fin	Description	Extra Description	Clear Date	Debits	Credits	Balance
	01-01-09				Beginning Balance					0.00
SA	01-30-09	PU	7	1	Purse Transaction	Not a Fingah	02-02-09	0.00	33,600.00	33,600.00
SA	01-30-09	CRM	7	1	Winning Stable	California Retirement Management Account	01-30-09	100.80	0.00	33,499.20
SA	01-30-09	JF	7	1	Not a Fingah	Jockey Fee	01-30-09	3,360.00	0.00	30,139.20
***net earnings \$30,139.20										

**Statement of Account**  
From 01-01-2009 to 03-06-2009  
**THE NEW YORK RACING ASSOCIATION INC.**  
P.O. Box 90 Jamaica, NY 11417  
Phone: 718-641-4700 ext 3251  
Fax: Aqu 718-843-4689 Bel 516-488-5130 Sar 518-583-2675

Fac	Acct#	Account Name	Balance	Available	On Hold
NYR	XXXX	Winning Stable	22,730.00	22,730.00	0.00
Totals			22,730.00	22,730.00	0.00

Universal ID/Acct	XXX / XXXXX
Account Type	Owner
SSN/Fed ID	****XXXXX

Balance	\$22,730.00
Available	\$22,730.00
On Hold	0.00

Fac	Date	Type	Race	Fin	Description	Extra Description	Clear Date	Debits	Credits	Balance
	03-01-09				Beginning Balance					0.00
NYR	03-07-09	PU	3	1		Not a Fingah	03-09-09	0.00	26,400.00	26,400.00
NYR	03-07-09	BI	3	1	Backstretch Ins.	Not a Fingah	03-09-09	12.50	0.00	26,387.50
NYR	03-07-09	JC	3	1	Jockey Club Fndn	Not a Fingah	03-09-09	2.50	0.00	26,385.00
NYR	03-07-09	BP	3	1	Backstretch Pension	Not a Fingah	03-11-09	264.00	0.00	26,121.00
NYR	03-07-09	HA	3	1	NYTHA	Not a Fingah	03-11-09	528.00	0.00	25,593.00
NYR	03-07-09	JI	3	1	NY JOCKEY INJURY COMP (%-0)	Not a Fingah	03-11-09	198.00	0.00	25,395.00
NYR	03-07-08	LX	3	1	Lasix Fee	Not a Fingah	03-11-09	20.00	0.00	25,375.00
NYR	03-07-08	FF	3	1	Ferdinand Fund	Not a Fingah	03-11-09	5.00	0.00	25,370.00
NYR	03-07-08	JP	3	1	Jockey Fee/ JOCKEY KITTY ACCOUNT	Not a Fingah	03-11-09	2,640.00	0.00	22,730.00
***Net Earnings \$22,730										