

# BUYING YOUR FIRST RACEHORSE



Your Guide  
to Thoroughbred Ownership

Unless otherwise noted,  
photos courtesy of  
Anne Eberhardt Keogh.



Thoroughbred racing is one of the oldest and most revered sports in the U.S. and beyond. Its timelessness stems from the excitement and enthusiasm it evokes for all involved — especially owners. The emotional bond to the horse offers a payback unlike any other sport, and because anyone can play the game, Thoroughbred owners come from all walks of life. Thoroughbred ownership is all-inclusive and offers many options and entry points as far as



the time and money you are interested in spending. The Thoroughbred Owners and Breeders Association (TOBA) invites you to take a peek into just how simple and rewarding Thoroughbred ownership can be.

Getting started in the business is easier than you think. If you are just entering the exhilarating world of Thoroughbred ownership, you have the benefit of being able to learn from many others who have gone before you. Also, organizations such as TOBA have spent years determining how to help interested parties learn more about Thoroughbred ownership and make the transition into this gratifying industry.



## Step 1: How to Begin

Operating a Thoroughbred business is really no different from operating any other business. Sitting down and creating a well thought out business plan is your first step to ensure success. Getting your thoughts together in one place is an integral part of the process. Researching, formulating a budget and talking with industry experts should help you formalize your first business plan. This document will help you set attainable goals and stay focused on the business of owning successful Thoroughbred racehorses. Don't forget to revisit your business plan regularly and make adjustments as necessary.

## Step 2: Business Considerations

A racehorse can be purchased several ways. First, you need to decide if your ownership will be designated as sole owner, a private partnership or a public partnership (syndicate). There are advantages and disadvantages to each, so take the time to determine which situation is best for you.

Sole owners experience all of the glory, but assume all the costs and risks. A private partner-

ship with friends can be an advantageous and rewarding experience. However, be sure each party understands the other's expectations and responsibilities. Even with the closest friends, it is wise and recommended to have a written

Horse owners must show a clear intention of making a profit, so handle expenses and income accordingly.

business plan and partnership agreement in place. With a public partnership, or syndicate, you have the benefit of experienced owners and the risk is greatly diminished, but individually you have little control over decisions affecting the horse. Typically, the syndicate manager or general partner makes the decisions regarding a horse's racing career. When selecting a public partnership you should research the company and its management thoroughly.

As with setting up any new business, you will need to take steps not only to protect your investment but also to abide by the rules that govern Thoroughbred racing.

Records for your Thoroughbred business should be kept separate from any of your other ventures (including personal). Horse owners must show a clear intention of making a profit, so handle expenses and income accordingly. Open separate bank accounts for your Thoroughbred business activities, and maintain complete and accurate financial books and records. Save all receipts and keep track of the hours spent on your horse-business-related activities. Many opt to hire a professional accountant to help keep track of income and expenses and to advise on tax-related matters.



Licensing is required for anyone wishing to race a Thoroughbred, and a valid owner's license must be obtained from each state in which you wish to race your horse. Many states require that each member of a partnership or syndicate be licensed. Licenses can be issued by state racing commissions or the National Racing Compact. The National Racing Compact is an organization that assists owners by issuing a national license that is recognized in several states.

Equine insurance is not required but is always a good idea, especially because you are dealing with a living, breathing creature. There are many equine insurance agencies to choose from, or an owner can choose to self-insure.

### Step 3: Assembling Your Team

As with any business, you want to surround yourself with the best possible people — experts in their specific field. Thoroughbred racing is no different and requires a solid team of advisors consisting of at least a trainer and veterinarian.



### What does it cost to own a racehorse?\*

Expenses	Ownership		
	Tenth	Half	Sole
Mortality insurance (\$50,000 agreed value)	\$300	\$1,500	\$3,000
Breaking / initial training (six months @ \$45/day)	\$810	\$4,050	\$8,100
Training at the track (five months @ \$85/day)	\$1,275	\$6,375	\$12,750
Lay-up (one month @ \$25/day)	\$75	\$375	\$750
Veterinary care (routine & preventive only)	\$480	\$2,400	\$4,800
Farrier services	\$150	\$750	\$1,500
<b>ANNUAL TOTAL</b>	<b>\$3,090</b>	<b>\$15,450</b>	<b>\$30,900</b>

\*Approximate costs are based on a young horse in its first year of racing.

You might want to consider adding a bloodstock agent to your team, too. A bloodstock agent is someone who is paid a commission to buy and sell horses. This person is well-versed in Thoroughbred pedigrees and conformation, especially for the purpose of buying and selling at public auction or private sales. Depending on your agreement, they may also facilitate the purchase process, including establishing credit with the sales company, finding an equine veterinarian and selecting an appropriate boarding facility.

Finding a trainer with a similar philosophy as yours is of utmost importance. There are many styles and theories behind training Thoroughbred racehorses, so be diligent about your

research and ask questions. Constant open communication is necessary between a trainer and owner. Talk to people you trust in the industry about what they look for in a good trainer. Also, the racing office at most racetracks can provide a stable list, including trainers' names, barns and phone numbers. When choosing a trainer, keep certain factors in mind such as budget, rate of success, horse health, service and reputation.



## Step 4: Purchase Options

A racing partnership offers the most economical way for you to get your foot in the door, whether you purchase shares of an existing partnership or form your own. Many partnerships are looking for new investors, so that option can also offer more instant gratification than starting up your own entity. Also, racing partnerships are a good way for new owners to learn about Thoroughbred racing.

Claiming races constitute the majority of Thoroughbred races and are those in which the horses are all eligible to be purchased for a predetermined price. The primary advantage to claiming is that it offers immediate racing action. The primary risk is that prospective owners are not entitled to have the horse

### Kentucky Derby Winners Sold at Public Auction Since 1960

Horse	Derby Year	Auction Price	Horse	Derby Year	Auction Price
Mine That Bird	2009	\$9,500	Unbridled	1990	\$70,000
Big Brown*	2008	\$190,000	Sunday Silence	1989	\$32,000
Big Brown*	2008	\$60,000	Winning Colors	1988	\$575,000
Funny Cide	2003	\$22,000	Alysheba	1987	\$500,000
War Emblem	2002	\$20,000	Genuine Risk	1980	\$32,000
Monarchos	2001	\$170,000	Spectacular Bid	1979	\$37,000
Fusaichi Pegasus	2000	\$4,000,000	Seattle Slew	1977	\$17,500
Real Quiet	1998	\$17,000	Bold Forbes	1976	\$15,200
Silver Charm*	1997	\$100,000	Foolish Pleasure	1975	\$20,000
Silver Charm*	1997	\$16,500	Canonero II	1971	\$1,200
Thunder Gulch	1995	\$40,000	Dust Commander	1970	\$6,500
Go for Gin*	1994	\$150,000	Majestic Prince	1969	\$250,000
Go for Gin*	1994	\$32,000	Kauai King	1966	\$42,000
Lil E. Tee	1992	\$25,000	Venetian Way	1960	\$10,500

\*Sold twice.

examined by a veterinarian prior to claiming. However, everyone knows the horse's record going into the race and therefore, hopefully, its ability to be competitive in the future. Be advised that claiming rules vary from state to state so become familiar with a jurisdiction's rules beforehand.

The environment at a public auction is electric and can be nearly as exciting as an actual race. Sales of 2-year-olds-in-training have grown in popularity because these horses can start racing in the near future. No one knows the true ability of a yearling or 2-year-old, so there is some

Private sale is another option for purchasing a Thoroughbred and involves the same amount of preparation as an auction but usually affords you

There is now a professional athlete in your family, and it's time to cheer him or her on to victory.

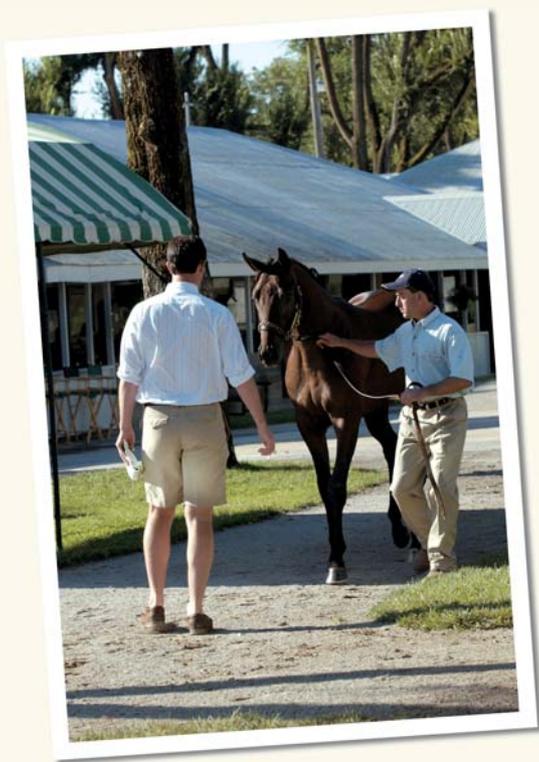
and your advisors a bit more time with the horse. As with an auction, you will want to rely on your experienced and trusted team throughout this type of transaction.

### Step 5: At the Races

This is what you've been waiting for! A day at the track, especially when your horse is racing, is nothing short of exhilarating. You got involved in this sport because of the camaraderie, the networking, and the opportunity to spend a day with your family, friends and fast horses. You've assembled the best possible team, and you're ready to experience the thrill of the competition. There is now a professional athlete in your family, and it's time to cheer him or her on to victory.

When it comes to types and levels of races, the options are numerous. This is where your trainer's knowledge comes in. He or she will determine what races to enter based on the level of competition and where your horse will shine. Every two weeks each track publishes a condition book that lists the schedule of races for the next two weeks. Your trainer will study that book and determine — if your horse is race-ready — which race he or she is best suited for.

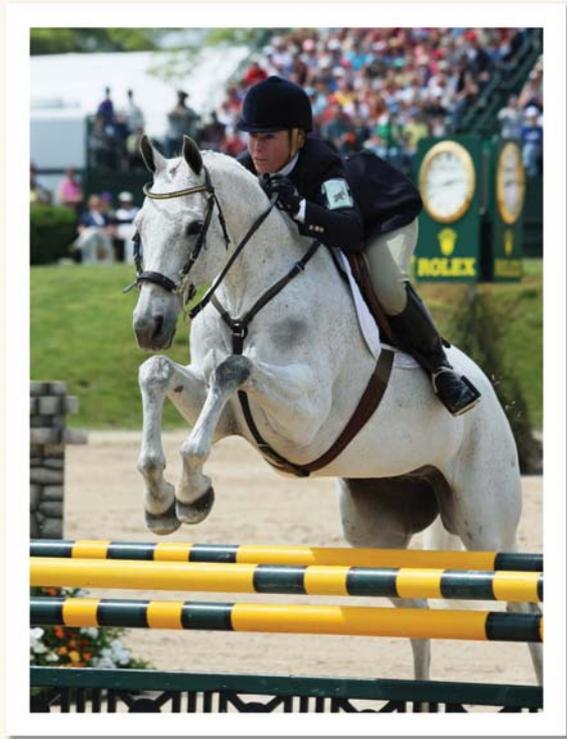
You and your team have done all the hard work to get to this point. Now it's time to sit back and enjoy.



risk, but the reward can be plentiful. At a public auction it is important to employ your team of advisors as you'll be considering many different alternatives during a short period of time.

## Step 6: Thoroughbred Retirement

Retirement is an inevitable part of a Thoroughbred racehorse's career, and the age of the horse and reason for retirement can vary greatly. Some Thoroughbreds retire to a breeding farm and have a career as a stallion or broodmare. Many previously raced Thoroughbreds go on to excel as sport horses. Courageous Comet, for example, was a moderately successful racehorse but



Courageous Comet competing at the Rolex Kentucky Three-Day Event.

*Photo: Tom Holder*

achieved far greater success as a three-day event mount, including a trip to the 2008 Olympics. Others simply become beloved pleasure horses or companion animals. Either way, it is the owner's responsibility to have a plan in place for their Thoroughbred's life after the track.

There are many organizations that focus on giving Thoroughbred racehorses a second career. Some of the many organizations available to you are listed below. For more information or a more comprehensive list, please contact the Thoroughbred Charities of America, (859) 276-4989 or [thoroughbredcharities.org](http://thoroughbredcharities.org).

### CANTER

(810) 384-8410 • [canterusa.org](http://canterusa.org)

### New Vocations

(937) 947-4020 • [horseadoption.com](http://horseadoption.com)

### Re-Run

(732) 521-1370 • [rerun.org](http://rerun.org)

### Thoroughbred Retirement Foundation

(518) 226-0028 • [trfinc.org](http://trfinc.org)



Courageous Comet races at Finger Lakes Race Course.

*Photo: Tom Cooley*





## Resources

To learn more about the specifics involved with this stimulating sport, you can contact any number of expert resources in the Thoroughbred industry.

### Associations

American Association of Equine Practitioners  
(859) 233-0147 • [aaep.org](http://aaep.org)

Breeders' Cup  
(859) 223-5444 • [breederscup.com](http://breederscup.com)

Horsemen's Benevolent & Protective Association  
(859) 259-0451 • [nationalhbpa.com](http://nationalhbpa.com)

National Thoroughbred Racing Association  
(859) 245-6872 • [ntra.com](http://ntra.com)

The Jockey Club  
(859) 224-2700 • [jockeyclub.com](http://jockeyclub.com)

Thoroughbred Owners and Breeders Association  
(859) 276-2291 • [toba.org](http://toba.org)

### Licensing

Association of Racing Commissioners International  
(859) 224-7070 • [arci.com](http://arci.com)

National Racing Compact  
(877) 457-2538 • [racinglicense.com](http://racinglicense.com)

### Information & Statistics

Equibase  
(859) 224-2860 • [equibase.com](http://equibase.com)

Equineline.com  
(859) 224-2800 • [equineline.com](http://equineline.com)

The Racing Game  
(859) 276-2291 • [theracinggame.com](http://theracinggame.com)

### Industry News

*The Blood-Horse*  
(859) 278-2361 • [bloodhorse.com](http://bloodhorse.com)

*Daily Racing Form*  
(212) 366-7600 • [drf.com](http://drf.com)

*Thoroughbred Daily News*  
(732) 747-8060 • [thoroughbreddailynews.com](http://thoroughbreddailynews.com)

*Thoroughbred Times*  
(859) 260-9800 • [thoroughbredtimes.com](http://thoroughbredtimes.com)





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