

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672  
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HIGHLIGHTS OF FINDINGS

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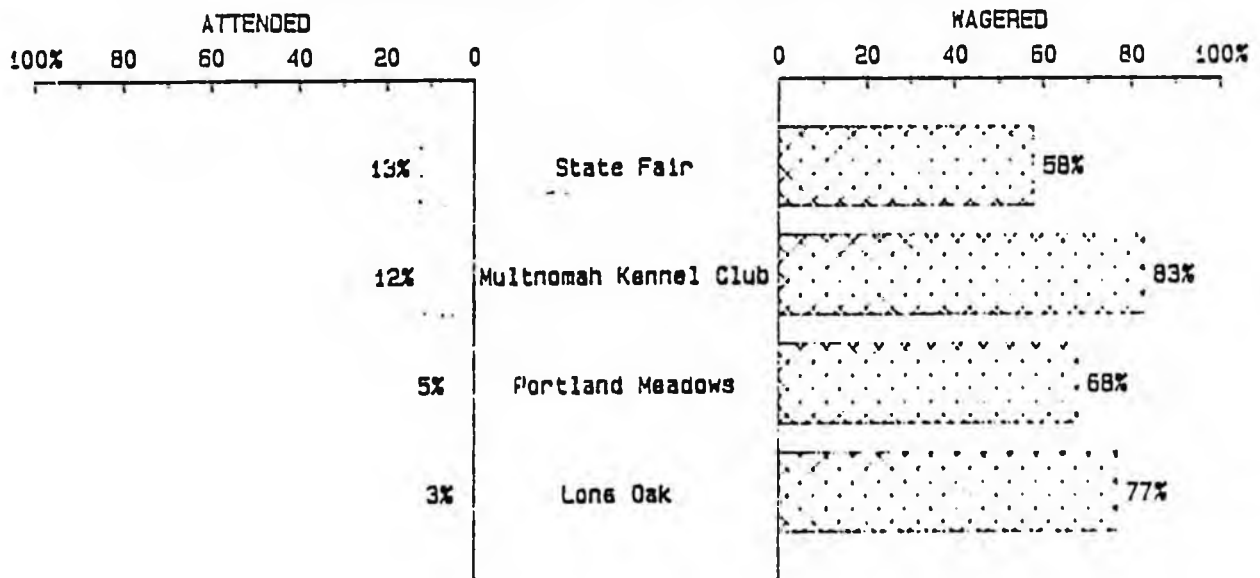
The Pari-mutuel Patron

Statewide incidence of attendance at major pari-mutuel events ranges from 13% of households at the Oregon State Fair Horse Racing Meet during the last three years to 3% at the September-October Lone Oak Meet.

Patterns of wagering range from 83% placing one or more bets at the Multnomah Kennel Club to 58% wagering at the State Fair Horse Racing Meet.

The lower frequency of betting at the State Fair Meet stems from the presence of visitors -- half those attending or more -- who are at the Fairgrounds primarily for the Fair, and only incidentally for Meet.

**INCIDENCE OF ATTENDANCE  
AND WAGERING AT MAJOR PARI-MUTUEL EVENTS  
IN OREGON DURING LAST THREE YEARS**



## HIGHLIGHTS

Following is a commentary on characteristics of pari-mutuel patrons during the last three years. The reader is referred to the Analysis of Findings, page 5, for a quantitative description. . . . .

### State Fair Horse Racing Meet

- Only about half (50%) are there strictly for the Meet, and an additional 25% have both the Fair and Meet on their minds. This means that the incidence of attendance just for the Meet is considerably less than the estimated 13%;
- An almost equal percentage come from the Willamette Valley (43%) and Tri-County (39%), with a sprinkling from other areas;
- Average age = 42 Years;
- Average income = \$25,652; and,
- Fans are about equally divided into the following occupations: professional-managerial, white-collar, retirees, and all other occupations, e.g., blue-collar, etc.

### Lone Oak Meet

- Relatively older (49 years, on average), but less affluent (\$20,233 yearly income before taxes);
- Twice as many in the grandstand come from the Willamette Valley (55%) than Tri-County (27%);
- Blue collar workers and retirees predominate, which is consistent with the more modest annual incomes reported; and,
- There is a higher incidence of men attending (73%) than for other pari-mutuel events.

## HIGHLIGHTS

### Multnomah Kennel Club

- Dog races have experienced the highest attendance among pari-mutuel events, once the State Fair figure is adjusted for attendees primarily there for the Fair;
- Kennel Club fans are overwhelmingly from the Tri-County. The State Fair & Lone Oak Meets do a better job pulling patrons to Salem than the Kennel Club or Meadows in attracting visitors from Willamette Valley;
- Overall, Kennel Club customers are a younger (40 years, on average), but more affluent group (\$28,478 annual income, on average);
- The grandstand at the Club is heavily salted with men (65% vs. 35%); and,
- Dog races attract a relatively larger share of blue-collar and white-collar types than the race meets in Salem.

### Portland Meadows

- Like the Kennel Club, Portland Meadows is primarily a Tri-County event, with a modest percentage attending from the Valley;
- These races attract a relatively younger (43 years, on average), more affluent customer (\$28,333 average income); and,
- The grandstand has a more even mix of men (55%) and women (45%), and is more heavily populated by professionals, blue-collar, and the retired.

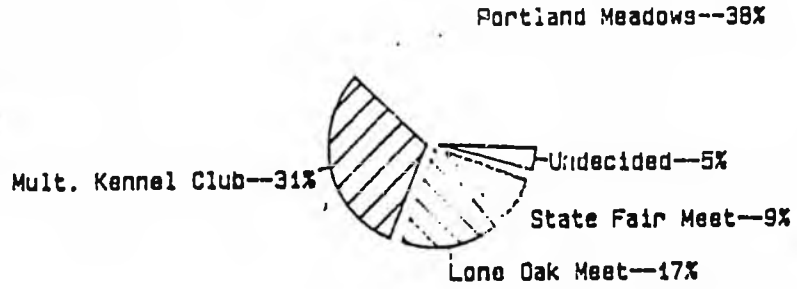
### Preferred Pari-mutuel Event

For those who sampled major pari-mutuel events in the state, the Meadows and Multnomah Kennel Club top the list in popularity.

This is shown in the chart on the following page. . . . .

HIGHLIGHTS

MOST POPULAR RACING EVENT



Rationale For Preferred Wagering Event

Fans preferring the Portland meets like them for the . . . .

- Better Facilities;
- Better Races; And,
- Better Wagering.

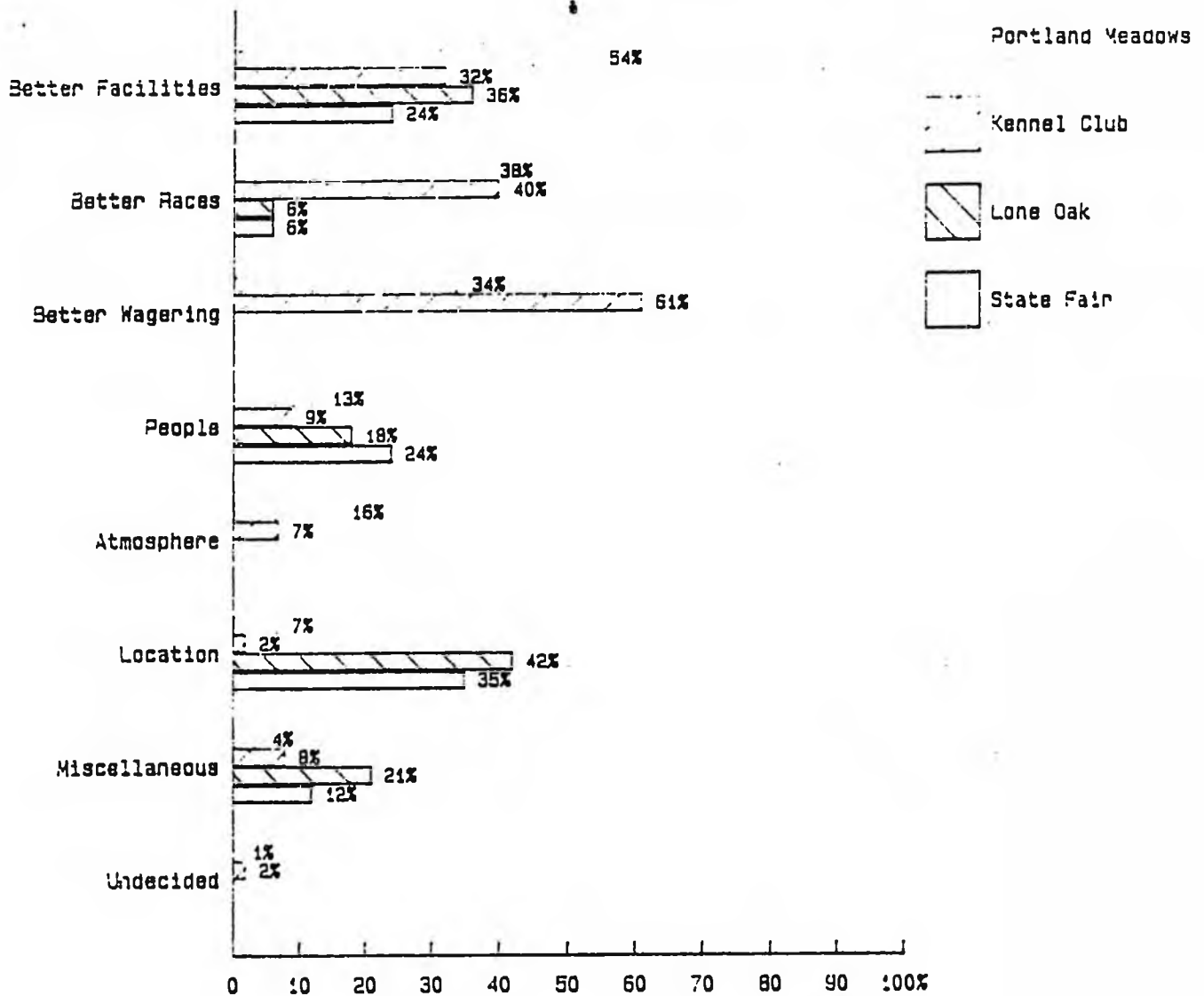
Rationales of patrons opting for the Salem events pertain mostly to the . . . . .

- Convenience Of Location; And,
- Quality Of The Crowd.

The full picture can be seen in the next chart. . . . .

HIGHLIGHTS

RATIONALE FOR PREFERRED PARI-MUTUEL EVENT



HIGHLIGHTS

Spending Trends At State Fair/Lone Oak Meet

The Salem Meets are characterized by the following  
spending patterns . . . . .

- Men spend more, on average, than women;
- The older the patron the more likely to spend money at the Meet, up to age 59. After that, spending trends down;
- Retirees spend the most at the races, followed by professional-managerial types, then blue-collar occupations;
- The higher the annual income, the more spent at the races up to \$34,000. At that point, the trend levels off; and,
- Fans from the Tri-County who visit the races in Salem spend substantially compared to attendees from the Willamette Valley.

Size of Market For Spring Salem Horse Racing Meet

There are two markets for the Spring Horse Racing Meet in  
Salem. . . . .

- Statewide Market. This consists of the market among households in the state that have one or more members who attended a pari-mutuel event during the last three years. There are two segments in this market:
  - \* Primary Segment, comprised of an estimated 6% of households in the state, who definitely or probably would attend the Spring Meet; and, the,
  - \* Potential Segment, composed of an estimated 14% of Oregon households indicating they might or might not attend the Spring Meet.

HIGHLIGHTS

Characteristics of each market segment are summed up below. .

- About an equal number of men and women can be found in each;
- (Median) average age in the primary segment is 45 years, while in the potential it is 41 years;
- A relatively larger percentage in the primary segment have gone no further than high school, while in the potential market there is a relatively larger percentage with some college;
- Those in the primary segment are less affluent, with an (median) average annual income of \$21,250 compared to \$23,035, on average, for potentials; and,
- In the primary segment, about twice as many are from the Willamette Valley, with a non-negligible percentage from the Coast, while in the potential segment the gap between Valley and Tri-County is not as wide.

There is also a market for the Spring Meet among current attendees at the State Fair and Lone Oak Meets.

Not surprisingly, there is much stronger interest in the Spring Meet among patrons already in the grandstand. Moreover, Lone Oak fans are more disposed to "sign up" than Fair Meet customers since most are mainly there for the races rather than the Fair.

This market consists of three segments. . . . .

- Primary Segment: Comprised of an estimated 43% of current attendees who would definitely be interested;
- Secondary Segment, constituting an additional 29% (estimated) who would probably attend; and,

HIGHLIGHTS

- Potential Segment, made up of 7% who might or might not be in the grandstands.

Patterns in the composition of this market are explained below. . . . .

- There are only modest differences between segments in the male-female mix;
- The younger the customer, the less likely to want to attend the Spring Meet. Average age in the primary segment is 43 years, in the secondary segment it is 39 years, while in the potential it is 29 years; and,
- There is a direct relationship between yearly income, on average, and intention to attend the Spring Meet -- larger the income the more likely to attend;

Creating Awareness & Participation Among Potential Patrons

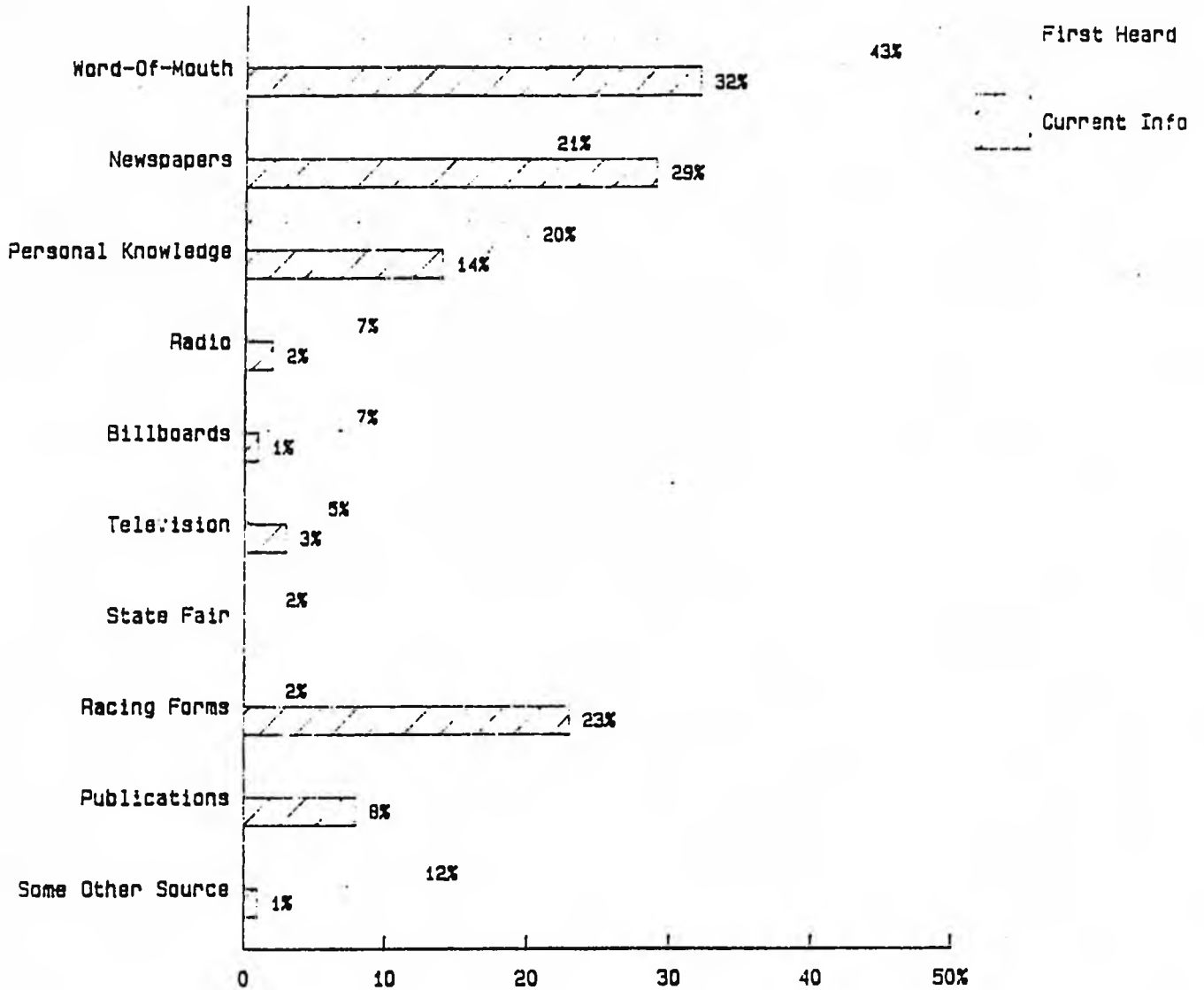
Newspapers and word-of-mouth are the primary means by which information about pari-mutuel events is diffused.

These two sources not only initially provide information to patrons, but continue to remain the primary means through which data about meets and horse races are acquired.

The chart on the next page illustrates this point. . . . .

HIGHLIGHTS

SOURCES OF INFORMATION ABOUT RACES  
AMONG CURRENT PATRONS AT SALEM MEETS



HIGHLIGHTS

The problem this presents for creating awareness and customership at race meets is that newspapers cover the entire demographic spectrum, and are not an efficient means to communicate with a highly targeted group, like race fans.

Communications via word-of-mouth also present marketing challenges because it is difficult, costly, and time consuming to intervene in a "system" that spreads information about horse racing via word-of-mouth.

Television, radio, and other channels to consumers play a very modest role.

Suggested Strategy For Broadening The Potential Market

The following is an outline of a suggested strategy for broadening the market for the Spring Racing Meet. . . . .

-- The two markets for the Spring Meet -- statewide and current attendees at Salem races -- should be approached in a coordinated fashion.

-- Major channels to the statewide market are newspapers and word-of-mouth.

-- Priorities for target groups might be Willamette Valley retirees, blue-collar workers, and professionals.

Coastal residents in the same occupational categories are also worth considering rather than Tri-county consumers because the Meadows would not be as strong a factor in the Coastal marketplace.

-- Building salience of the Meet should be viewed as a process that should begin well in advance of the event. Tasks to be accomplished in chronological order are. . . . .

HIGHLIGHTS

- \* Create awareness through simple messages identifying the Spring Meet;
- \* Move to providing knowledge about the Meet, e.g., dates, times, location, etc.
- \* Stimulate interest with such messages as. . . . .

"Chance To Win Money"

"There Is Excitement In The  
Fast Action Of The Horse Races"

"The Beauty Of Animals  
Bred For High Performance"

"The Enjoyment & Entertainment  
Of The Horse Races"

- Besides newspapers, the word-of-mouth system should also be accessed through contact with opinion makers in pari-mutuel industries e.g., jockeys, breeders, industry suppliers, and others, to spread the same messages over an extended period of time.
- Beyond the statewide market is the market among fans who have already attended either the State Fair or Lone Oak. Interest is high in this group.
- However, it is highly targeted, presenting problems of accessibility due to its spread across the demographic spectrum. Thus, we suggest building a direct mail list based on 1986 attendance at State Fair and Lone Oak Meets, using some kind of a drawing to obtain names and mailing addresses of attendees. Maintaining this list on a yearly basis will provide direct access to this important market.
- In addition, current customers of the Salem Meets will also be influenced by the information directed at the statewide market, as described above.

### HIGHLIGHTS

- Without facility renewal and renovation, the Spring Meet may tend to be subordinated to Portland Meadows Meet. The Meadows is preferred for its facilities, while the Salem grandstand has no comparable advantages.
  
- Thus, it is necessary to bring the grandstand and adjacent areas up to par, with appropriate structural and cosmetic improvements, and then to maintain the luster with a vigorous maintenance program.
  
- In addition, consideration should be given to making the experience of fans at the Salem Meet compare favorably to the Meadows, with appropriate food, drink, and entertainment.
  
- On that line, it would also be useful to consider that horse racing meets have a strong entertainment value. There is no other pari-mutuel facility in a more advantageous position to exploit this aspect than the Salem Fairgrounds, with its buildings and exhibit space. These can be used to build interest in horses among race fans, as well as to provide other entertainment.
  
- Next, attention should be given to experimenting with more intense promotion of the \$2 bet to cultivate the patronship of the "might or might not attend" segment among current customers. This group is characterized by a relatively lower income than those in the primary market.

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ANALYSIS OF FINDINGS

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THE OREGON PARI-MUTUEL PLAYER

It goes without saying that wagering is part of human nature. In one form or another, Oregonians, like everyone else, try and beat the odds.

There are two types of wagering. . . . .

- Unofficial: Informal, unsanctioned wagering we all engage in everyday; and,
- Official: Wagering that is legally sanctioned and formally carried out at sporting events.

Among friends and family, unofficial wagering goes on all the time. Although not usually for monetary gain, calculating the odds and wagering against them is commonplace.

There is an official wagering system, as well, centering around formal wagering events, like those held at the Portland Meadows, State Fairgrounds, Multnomah Kennel Club, and Oregon Lottery.

Attendance At Wagering Events

We estimate attendance by one or more members of Oregon households at major pari-mutuel events during the last three years to be. . . . .

- State Fair Horse Racing Meet = 13%
- Multnomah Kennel Club = 12%
- Portland Meadows Horse Racing Meet = 5%
- Lone Oak Horse Racing = 3%

### State Fair Horse Racing Meet

During the last three years, the State Fair Horse Racing Meet had the largest draw (13% of households).

However, not everyone in the grandstand is there for the races. One-half (50%) those attending the 1985 Meet indicate they are at the Fairgrounds mostly for the Fair.

The actual percentage at the Fairgrounds for the horse races is likely to be closer to 6%, in total.

Although attendees come mostly from the Willamette Valley (43%) and Tri-County (39%), there is a more even mix than at the Multnomah Kennel Club, Portland Meadows, or Lone Oak Meet.

Occupationally, race fans are divided between retirees (22%), professionals (26%), and white-collar types (22%).

(Median) average age is 42 years, while average income is \$25,652, which is somewhat lower than for players at the Portland Meadows, or Multnomah Kennel Club.

About half the attendees (58%) at the State Fair Meet wager on the races, which is on the low side compared to other pari-mutuel attractions. This should not be surprising, as many visitors doubtlessly drift over to see the Meet from the Fair in the next field, and are there to see the Meet along with the other Fair attractions.

### Lone Oak Meet

Compared to the State Fair Meet, just a fraction of Oregon households attended the races at the Lone Oak Meet during the last three years. But, with over three out of every four (77%) indicating they placed a bet, it is clear that fans are there for the horse racing action.

Another point of difference between the State Fair and Lone Oak Meets is that the latter has been less heavily patronized by race patrons from the Tri-County (27%).

The Lone Oak fan has been substantially older than his or her State Fair Horse Racing counterpart (age 49, on average, vs. 42 years for the Fair), and the grandstand is heavily populated by men (73% vs. 27%).

Furthermore, almost twice as many retirees have been attending the Lone Oak races than the State Fair (41% vs. 22%), and, notably, fans at Lone Oak are relatively less affluent, with a (median) average income of \$23,233 last year, before taxes.

#### Multnomah Kennel Club

The Kennel Club has had about as strong a draw as the Fair Horse Racing Meet during the last three years (12% vs. 13%), but in contrast to the Fair Meet, a far larger percentage have been players -- 83% placed a bet vs. 58% attending the State Fair.

The dog races have little "pulling power" outside the Tri-County. Patrons tend to be about two-thirds men (65%) to one-third women (35%), with a (median) average age of 40 years.

On the occupational spectrum, as with other pari-mutuel events, the Kennel Club more heavily attracts blue-collar players.

#### Portland Meadows

Patronage at Portland Meadows has been less than half that of the Kennel Club during the last three years -- 5% vs. 12%.

Like the Kennel Club, the Meadows draws heavily from the Tri-County (60%), with modest showings from the Willamette Valley (17%), and a non-negligible percentage from the Coast (13%).

There is a more even mixture of men and women at the Meadows (55% vs. 45%) compared to the Kennel Club where men are more prevalent.

Meadows patrons are neither the youngest nor oldest pari-mutuel players in the State, with an average age of 43 years.

The grandstand is more heavily salted with professional-manager types (25%), but also has a share of blue-collar workers (20%), and retirees (20%).

Despite the relatively affluent clientele -- \$28,333 (median) average income -- the incidence of wagering at the Meadows stands at about 68% -- lower than at the Kennel Club (83%), and more in line with Lone Oak (77%).

Please see the table below for the tabular findings. . . .

ATTENDANCE AT WAGERING EVENTS DURING LAST THREE YEARS:

(Please Read Down, Compare Across)

	<u>State Fair Racing Meet</u>	<u>Multnomah Kennel Club</u>	<u>Portland Meadows</u>	<u>Lone Oak Meet</u>
Attended. . . . .	.13%	12%	5%	3%
Wagered . . . . .	.58%	83%	68%	77%
Tri-County. . . . .	.39%	65%	60%	27%
Willamette Valley . . . . .	.43	18	17	55
Coast . . . . .	.7	6	13	10
Southern. . . . .	.6	2	5	4
Eastern . . . . .	.5	9	5	4
Total:	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Male. . . . .	.57%	65%	55%	73%
Female. . . . .	.43	35	45	27
Total:	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
(Median) Average Age:	42 Yrs.	40 Yrs.	43 Yrs.	49 Yrs.
College Complete. . . . .	.28%	31%	33%	36%
College Partial . . . . .	.38	25	30	29
High School Or Less . . . . .	.34	44	37	36
Total:	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Prof/Manage/Owner . . . . .	.26%	17%	25%	9%
Clerical/Sales. . . . .	.22	20	15	14
Craft/Op/Serv/Labor . . . . .	.16	27	20	23
Housewife . . . . .	.6	6	13	4
Retired . . . . .	.22	19	20	41
Unemployed/Student. . . . .	.8	11	7	9
Total:	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
(Median) Average Income:	\$25,652	\$28,478	\$28,333	\$23,233

Attitudes Toward Pari-mutuel Events

Overall, race fans do not confine their customership to one pari-mutuel event.

About three-quarters of Lone Oak attendees (74%) indicate they patronized the Meadows and/or Kennel Club during the past three years.

On the other hand, among those attending the State Fair Meet, the crossover is not as high (49%) because many are not race fans, but there primarily for the Fair.

For customers who sampled the major pari-mutuel events in Oregon during the last three years, Portland Meadows is rated #1, followed by Multnomah Kennel Club.

Notably, the State Fair and Lone Oak Meets receive relatively fewer votes when pitted against Portland rivals. . . . .

MOST POPULAR RACING MEET:

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	<u>8</u>
Portland Meadows. . . . .	38%
Multnomah Kennel Club . . . . .	31
Lone Oak Meet . . . . .	17
State Fair Meet . . . . .	9
Undecided . . . . .	<u>5</u>
 TOTAL:	 100%

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Facilities are the primary reason for selecting the Meadows -- "better facilities," "bigger, faster track," etc.

For those preferring the Kennel Club, it is the "wagering" that makes the difference.

On the other hand, the primary rationale in choosing the Lone Oak or State Fair Meets is their location. Needless to say, this applies to fans in and around the Salem area.

Here are the rationales. . . . .

RATIONALE FOR PREFERRED PARI-MUTUEL EVENT:

	<u>Portland Meadows</u>	<u>Kennel Club</u>	<u>Lone Oak</u>	<u>State Fair</u>
<u>Better Facilities</u> . . . . .	.54%	32%	36%	24%
Like Facilities. . . . .	.31	10	18	6
Bigger, Faster Track . . . . .	.16	-	12	18
Cleaner. . . . .	-	15	-	-
Good Food & Drink. . . . .	.7	7	-	-
Free Admission & Parking . . . . .	-	-	6	-
<u>Better Races.</u> . . . . .	.38%	40%	6%	6%
Better Horses, Jockeys, Or Dogs. . . . .	.31	30	6	6
More Organized Races . . . . .	.7	10	-	-
<u>Better Wagering</u> . . . . .	.34%	61%	-%	-%
Higher Stakes. . . . .	.17	30	-	-
Smaller Bets (\$2). . . . .	.17	20	-	-
Better Odds. . . . .	-	11	-	-
<u>People.</u> . . . . .	.13%	9%	18%	24%
Nice Crowd . . . . .	.8	-	12	24
Less People. . . . .	-	-	6	-
Good Staff . . . . .	.5	2	-	-
Large Crowd. . . . .	-	7	-	-
<u>Atmosphere.</u> . . . . .	.16%	7%	-%	-%
<u>Location.</u> . . . . .	.7%	2%	42%	35%
<u>Miscellaneous</u> . . . . .	.4%	8%	21%	12%
Like State Fair. . . . .	-	-	6	6
Miscellaneous. . . . .	.4	8	15	6
<u>Undecided</u> . . . . .	.1%	2%	-%	-%
<u>TOTALS:</u> 1/	167%	161%	123%	101%

1/ Adds to more than 100% due to multiple mentions.

STATE FAIRGROUNDS RACING FACILITIES

In total, 80% are favorable toward the meets held at the State Fairgrounds facility. This high level of approval is pervasive, no matter which demographic or attitudinal group is singled out.

The "fun" offered by the races held at the Fairground is rated highest, while the food is scored lowest.

These are two of eight items race fans attending the Lone Oak or State Fair Meets were asked to evaluate. Ratings were made on a scale of 50, with 50 the highest or most complimentary mark and 10 the least favorable assessment.

Here is the full picture. . . . .

RATINGS OF STATE FAIRGROUNDS FACILITY:  
(Scale Of 50)

	<u>(Mean) Average Rating</u>
Fun Offered By Races. . . . .	41.2
Courtesy & Friendliness Of Race Staff . . . . .	41.2
Way Races Were Handled. . . . .	37.8
How Interesting Races Are . . . . .	37.5
Overall Quality Of Race Environment . . . . .	37.4
Wholesomeness Of People Attending Race Meet . . . . .	37.0
Cleanliness Of Spectator Areas. . . . .	35.5
How Good The Food Was . . . . .	<u>28.2</u>
 OVERALL (MEAN) AVERAGE RATING:	 37.0
<hr/>	
Sample Size:	(301)
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It is gratifying to find that the "fun offered by the races" is singled out for the highest praise. This is consistent with the finding in the next table, that horse racing is primarily viewed as a form of entertainment rather than a sport. . . . .

ATTITUDE TOWARD HORSE RACING:

	<u>8</u>
Entertainment. . . . .	.52%
Sport. . . . .	.29
Both . . . . .	.18
Undecided. . . . .	<u>.1</u>
 TOTAL:	 100%

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Sample Size: (301)

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Note that other areas also crucial to the success of a racing meet do not come in for as much praise. Although "cleanliness of spectators areas," and "how good the food was" are perceived to be important factors in a racing facility, these are two areas scored lowest on the scale (please see p. 7).

Paradoxically, food and cleanliness at the State Fair, right next door, have consistently been rated favorably by Fair customers.

WAGERING AT THE RACES

Not everyone who attends the races places a bet. The incidence of wagering varies from about 58% at the State Fair Meet to 83% at the Kennel Club.

Patterns of wagering at the races parallel trends in attendance. In other words, pari-mutuel players tend to be those who frequent the races most often. For example, men attend in greater numbers than women, and also wager more bets.

The most notable exception to this is in the Willamette Valley, where wagering is almost always out of proportion to attendance, as highlighted by the arrows in the table below. . . . .

PARI-MUTUEL WAGERING-ATTENDANCE DIFFERENTIAL:

(Please Read Across, Compare Down)

State Fair Meet

<u>Residence:</u>	<u>Wagered</u>	<u>-</u>	<u>Attended</u>	<u>=</u>	<u>DIFFERENTIAL</u>	
Tri-County . . . . .	.29%	-	39	-	-10%	
Willamette Valley. . . . .	.53%		43		+10%	<---
Coast. . . . .	.12%		7		+ 5%	
Southern Oregon. . . . .	3%		6		- 3%	
Eastern Oregon . . . . .	3%		5		- 2%	

Multnomah Kennel Club

<u>Residence:</u>	<u>Wagered</u>	<u>-</u>	<u>Attended</u>	<u>=</u>	<u>DIFFERENTIAL</u>	
Tri-County . . . . .	.64%	-	65	-	- 1%	
Willamette Valley. . . . .	.20%		18		+ 2%	
Coast. . . . .	5%		6		- 1%	
Southern Oregon. . . . .	1%		2		- 1%	
Eastern Oregon . . . . .	.10%		9		+ 1%	

Portland Meadows

<u>Residence:</u>	<u>Wagered</u>	<u>-</u>	<u>Attended</u>	<u>=</u>	<u>DIFFERENTIAL</u>	
Tri-County . . . . .	.52%	-	60	-	- 8%	
Willamette Valley. . . . .	.26%		17		+ 9%	<---
Coast. . . . .	.15%		13		+ 2%	
Southern Oregon. . . . .	-8%		5		- 5%	
Eastern Oregon . . . . .	7%		5		+ 2%	

PARI-MUTUEL WAGERING-ATTENDANCE DIFFERENTIAL: (CON'T)

Lone Oak Meet

<u>Residence:</u>	<u>Wagered</u>	<u>-</u>	<u>Attended</u>	<u>=</u>	<u>DIFFERENTIAL</u>
Tri-County . . . . .	.24%	-	27	-	- 3%
Willamette Valley. . . . .	.71%		55		+16% <---
Coast. . . . .	5%		10		- 5%
Southern Oregon. . . . .	-%		4		- 4%
Eastern Oregon . . . . .	-%		4		- 4%

Age tends to be associated with betting, as well. Betterers are slightly older than attenders, on (median) average. This can be seen by reviewing the differentials in the table below. . . . .

PARI-MUTUEL ATTENDANCE-WAGERING DIFFERENTIAL BY AVERAGE AGE:

	<u>State Fair Horse Racing</u>	<u>Multnomah Kennel Club</u>	<u>Portland Meadows</u>	<u>Lone Oak Horse Racing</u>
Wagered. . .	49 Yrs.	42 Yrs.	48 Yrs.	51 Yrs.
Attended . .	<u>42</u>	<u>40</u>	<u>43</u>	<u>49</u>
<u>DIFFERENCE:</u>	+7 Yrs.	+2 Yrs.	+5 Yrs.	+2 Yrs.

With a relatively older clientele wagering, it follows they should be more affluent, which is evident at the State Fair and Kennel Club, but not apparent at Portland Meadows or Lone Oak Meets, as seen in the next table. . . . .

PARI-MUTUEL ATTENDANCE-WAGERING DIFFERENTIAL BY (MEDIAN) AVERAGE INCOME:

<u>(Median) Average Income:</u>	<u>State Fair Racing</u>	<u>Multnomah Kennel Club</u>	<u>Portland Meadows</u>	<u>Lone Oak Racing Meet</u>
Wagered. . . . .	\$27,500	\$30,000	\$28,750	\$22,500
Attended . . . . .	<u>\$25,652</u>	<u>\$28,478</u>	<u>\$28,333</u>	<u>\$23,333</u>
<u>DIFFERENCE:</u>	\$ 1,848	\$ 1,522	\$ 417	-\$ 833

State Fair/Lone Oak Spending

Not surprisingly, there is about three times as much spending at the Lone Oak Meet than at the State Fair races.

Wagering is pervasive across all demographic groups. Among those who might be considered least able to afford it -- less than \$15,000 annual income -- three out of every four indicate they generally bet on the races.

On the other hand, understanding how to wager on different types of races is less widespread.

The (median) average amount spent at the races by State Fair Meet patrons is \$20.94, but considerably more is paid out by the Lone Oak fan -- \$37.10, on average.

Attitudes toward horse racing have some impact on wagering behavior. . . . .

- Among those who feel racing is entertainment, there is a stronger tendency to wager;
- But, fans believing horse racing is a sport tend to spend about \$10 more, on average, than those who feel it is primarily entertainment; and,
- Attitude toward racing -- sport or entertainment -- has little impact on understanding of how to bet.

These additional findings emerge. . . . .

- Men wager more, on average, than women;
- The older the patron, the more likely to spend more at the Meet, up to age 59. After that, spending trends down;
- Retirees tend to spend the most at the races, followed by professionals, and those in craft-operative-service-labor jobs;

-- The higher the annual income, the more spent at the races, up to \$34,000. After that, the trend levels off; and,

-- Fans from the Tri-County who visit the races in Salem spend substantially more compared to attendees from the Willamette Valley.

Findings illustrating these conclusions are shown in the table below . . . . .

SPENDING PATTERNS AT STATE FAIR HORSE RACING FACILITY:

	<u>% Who</u>	<u>(Median) Average</u>	<u>% Who</u>
	<u>Wager</u>	<u>Amount Spent</u>	<u>Understand</u>
			<u>How To Bet</u>
<u>Sex:</u>			
Men. . . . .	.84%	\$31.25	68%
Women. . . . .	.73%	\$25.82	49%
<u>Age:</u>			
18 to 29 Years Old . . . . .	.78%	\$20.81	57%
30 To 44 . . . . .	.80%	\$23.50	64%
45 To 59 . . . . .	.82%	\$35.50	71%
60 Years Old Or More . . . . .	.83%	\$33.00	61%
<u>Occupation:</u>			
Professional-Managerial. . . . .	.82%	\$31.25	
Clerical/Sales . . . . .	.88%	\$16.25	66%
Craft/Operative/Service/Labor. . . . .	.84%	\$30.75	63%
Housewife. . . . .	.57%	\$20.00	65%
Retired. . . . .	.86%	\$33.33	50%
Unemployed/Student . . . . .	.64%	\$18.75	62%
<u>Income:</u>			
Less Than \$15,000 Income . . . . .	.75%	\$20.20	57%
\$15,000 To \$24,000 . . . . .	.86%	\$25.50	58%
\$25,000 To \$34,000 . . . . .	.30%	\$34.64	65%
\$35,000 Or More. . . . .	.82%	\$32.14	71%
<u>Residence:</u>			
Tri-County Patron. . . . .	.81%	\$38.00	60%
Willamette Valley Patron . . . . .	.84%	\$24.81	63%

HORSE RACING AT THE FAIRGROUNDS

Attendance Patterns

Patrons of the 1985 meets at the Fairgrounds -- State Fair or Lone Oak -- are not "green horns" when it comes to the races.

- By a 93% to 7% margin, those in the grandstands attended a professional horse race in the past;
- In total, 37% at the State Fair Meet on a given day attended previously, and 58% planned to return again during the 1985 Meet. These percentages are even higher for Lone Oak -- 74% and 89%, respectively;
- Well over the majority at the 1985 State Fair and Lone Oak Meets attended in 1984.

Awareness Of Salem Meets

To determine the level of awareness of the Lone Oak Meet among State Fair patrons, respondents interviewed during the Fair were asked. . . . .

"On another subject, have you happened to have heard of any other horse racing meets in the Salem area, or not?"

This test of spontaneous awareness yielded a 10% identity quotient -- which is lamentably low.

To elicit the full awareness, an additional probe was put to patrons who previously replied incorrectly . . . . .

"Have you happened to have heard of the Lone Oak Meet held here in September and October, or not?"

A total of 54% replied affirmatively to this question, for a total awareness level of 64%. This is shown in tabular form on the following page, along with the same information about the State Fair Meet for Lone Oak patrons. . . . .

AWARENESS OF SALEM HORSE RACING MEETS:

(Please Read Across)

	<u>Spontaneous Awareness</u>	+	<u>Aided Awareness</u>	=	<u>Total Awareness</u>
State Fair Patron Awareness Of Lone Oak Meet. . . . .	10%	+	54%	=	64%
Lone Oak Customer Awareness Of State Fair Meet. . . . .	16%	+	78%	=	94%

Horse Racing Meet Impressions/Interest

Among State Fair and Lone Oak Meet patrons there has been considerable crossover. About three out of every four (76%) race fans at the Fair Meet have also been customers at Lone Oak. The comparable figure for fans at Lone Oak is 94%.

Both groups have strong compliments for the Meet they attended, as indicated in the next table. . . . .

OVERALL IMPRESSION OF RACE MEET:

	<u>Fair Meet Patron's Impression Of Lone Oak</u>	<u>Lone Oak Patron's Impression Of Fair</u>
Very Favorable. . . . .	31%	27
Somewhat Favorable. . . . .	51	53
<b>TOTAL FAVORABLE:</b>	<b>82%</b>	<b>80%</b>
Not Too Favorable . . . . .	7	11
Not Favorable At All. . . . .	5	7
<b>TOTAL UNFAVORABLE:</b>	<b>12%</b>	<b>18%</b>
Undecided . . . . .	6	2
<b>TOTAL:</b>	<b>100%</b>	<b>100%</b>

State Fair patrons and Lone Oak fans that do not crossover between the two Meets -- relatively few in number -- claim the main reason is the location of the other Meet.

Here are some pertinent comments from questionnaires. . . . .

"Don't live in Salem so it isn't that convenient for us." "We live too far away." "It's a long drive from Portland." "Was not here at the time -- from Utah."

For State Fair Meet customers, there is also some sentiment that the "sport of kings" is not an avid source of interest.

Nonetheless, about half those who have never crossed over from the State Fair to Lone Oak, or vice versa would be interested in attending the companion meet.

Keep in mind when reviewing results in the next table that most race fans have at one time or another crossed over to the other meet, and the remainder, represented below, constitute a relatively small group . . . . .

INTEREST OF STATE FAIR OR LONE OAK PATRON IN ATTENDING COMPANION MEET:

	<u>Fair Meet Patron's Interest In Lone Oak</u>	<u>Lone Oak Patron's Interest In Fair Meet</u>
Very Interested. . . . .	10%	38%
Somewhat Interested. . . . .	34	10
<hr/>		
<b>TOTAL INTERESTED:</b>	<b>44%</b>	<b>48</b>
<hr/>		
Not Too Interested . . . . .	16	9
Not Interested At All. . . . .	38	33
<hr/>		
<b>TOTAL UNINTERESTED:</b>	<b>54%</b>	<b>42%</b>
<hr/>		
Undecided . . . . .	2	10
<hr/>		
<b><u>TOTAL:</u></b>	<b>100%</b>	<b>100%</b>

Spring Racing Meet

Come next year, there is to be a Thursday through Sunday meet at the State Fairgrounds, during April and May.

Interest in such a meet is strong, with almost three quarters (72%) of those already attending either the State Fair or Lone Oak Meets opting for the Spring event.

Looking at the statewide picture, on the other hand, just 6% of households express a likelihood of attending.

Here is the full picture. . . . .

INTEREST IN ATTENDING SPRING RACING MEET AT FAIRGROUNDS:

	<u>Oregon Households</u>	<u>State Fair/Lone Oak Attendees</u>
Definitely Attend. . . . .	1%	43%
Probably Attend. . . . .	5	29
<hr/>		
TOTAL LIKELY TO ATTEND:	6%	72%
<hr/>		
Probably Not Attend. . . . .	.25	10
Definitely Not Attend. . . . .	.55	11
<hr/>		
TOTAL UNLIKELY TO ATTEND:	80%	21%
<hr/>		
Undecided. . . . .	.14	10
<hr/>		
TOTALS:	100%	100%
<hr/>		
Sample Sizes:	(804)	(301)
<hr/>		

Statewide Market

There are two markets for the Spring Racing Meet. The first is the statewide market, while the second is the market among those already attending either the State Fair or Lone Oaks Meets.

The statewide market can be categorized into the . . . . .

- Primary Segment, which includes those who definitely or probably will attend in the Spring (6%); and,
- Potential Segment, constituting those who might or might not attend (14%).

Keep in mind that eight of every ten households express no intention of patronizing the event at the Fairgrounds.

Here are some observations on these market segments. . . . .

- About an equal number of men and women can be found in each;
- (Median) average age in the primary segment is 45 years, in the potential it is 41, while for those not in the market the average age is 48 years;
- A relatively large proportion in the primary segment have gone no further than high school, while in the potential segment there is a relatively larger percentage with some college;
- Those in the primary segment are among the least affluent, with an average annual income of \$21,250; and,
- In the primary segment, about twice as many are from the Willamette Valley, and a non-negligible percentage live at the Coast, while in the potential segment the gap between the Valley and Tri-County is not as large.

These findings are shown in the table on the next page. . . . .

COMPOSITION OF STATEWIDE MARKET SEGMENTS FOR SPRING HORSE RACING MEET:  
(Please Read Down, Compare Across)

	<u>Primary Segment</u>	<u>Potential Segment</u>	<u>Not In Market</u>
<u>Size Of Market Segment.</u> . . . . .	.6%	14%	80%
<u>Location:</u>			
Tri-County . . . . .	26%	32%	43%
Willamette Valley . . . . .	46	39	24
Coast . . . . .	16	9	7
Southern Oregon . . . . .	6	6	15
Eastern Oregon . . . . .	6	14	11
TOTALS:	100%	100%	100%
<u>(Median) Average Age.</u> . . . . .	.45 Years	41 Years	48 Yrs.
<u>(Median) Average Income</u> . . . . .	\$21,250	\$23,035	\$22,987
<u>Sex:</u>			
Male . . . . .	50%	53%	48%
Female . . . . .	50	47	52
TOTALS:	100%	100%	100%
<u>Occupation:</u>			
Professional/Managerial . . . . .	20%	23%	23%
Clerical/Sales . . . . .	10	12	15
Craft/Oper/Sales/Labor . . . . .	22	23	20
Housewife . . . . .	14	7	16
Retired . . . . .	24	24	19
Unemployed/Student . . . . .	10	11	7
TOTALS:	100%	100%	100%
<u>Education:</u>			
College Complete . . . . .	24%	28%	29%
College Partial . . . . .	24	35	28
High School Or Less . . . . .	52	37	43
TOTALS:	100%	100%	100%
<u>Residence Status:</u>			
Home Owner . . . . .	50%	67%	72%
Renter/Other . . . . .	50	33	28
TOTALS:	100%	100%	100%
<u>Sample Sizes:</u>	(50)	(113)	(641)

These two segments present the following marketing challenges. . . . .

-- Primary Segment: Maintain the likelihood of attending the Spring Meet; and,

-- Potential Segment: Strengthen the likelihood among those who might or might not attend.

Promoting the Spring Meet to the 80% who would probably or definitely not attend would be a costly endeavor and unlikely to produce results.

To sum up, if the strong intentions of the 6% in the primary segment to attend the Spring Meet can be maintained, and uncertain intentions of the 14% in the potential segment can be strengthened, the grandstand would probably be filled to capacity!

Market Among Current Race Patrons

A similar question was asked of patrons at the 1985 State Fair and Lone Oak Meets. . . . .

"There are plans for a meet here at the Fairgrounds in April and May of next year, on Thursdays through Sundays. How likely would you be to attend this meet -- definitely attend, probably attend, might or might not attend, probably not attend, or definitely not attend?"

Not surprisingly, there is much stronger interest in the Meet among patrons who are already in the grandstand -- in total 43% would definitely attend, 29% probably, 7% might or might not, and 21% would probably or definitely not attend.

Lone Oak patrons are much more disposed to "sign up" than Fair Meet customers -- 56% definitely and 28% probably would attend -- but a hefty percentage from the Fair Meet also express an interest -- 21% definitely and 29% probably.

There are three important market segments for the Spring Meet among those the races in Salem have already managed to attract. . . .

- Primary Segment, which is comprised of the 43% who would definitely attend;
- Secondary Segment, constituting an additional 29% who would probably attend; and, the
- Potential Segment that is made up of those (7%) who might or might not take in the Spring race meet.

Keep in mind, also, that 21% would be unlikely to attend, but this group is primarily composed of State Fair patrons who drifted over to the races during their day at the Fair.

The tasks with respect to each segment are similar to those previously described -- please see page 20.

Now, here are some observations on the composition of the market among current race patrons. . . . .

- The market segments differ only modestly with respect to the percentage of men and women;
- The younger the customer, the less likely to attend the Spring Meet. Average age in each segment is 43 years in the primary segment, 39 for the secondary segment, and 29 years in the potential segment;

From a marketing point of view, this means that ways have to be found to make the Spring Meet appealing to the younger race fan. This task is of special importance, because the younger patron is the race fan of the future;

- There is a direct relationship between yearly annual income and intentions to attend the Spring Meet. The larger the annual income, the more likely to attend; and,
- Entertainment value weighs more heavily with the secondary segment, while in the primary segment, entertainment and sports are more evenly mixed.

Here are the tabulations showing the composition of each market segment. . . . .

COMPOSITION OF MARKET AMONG CURRENT RACE PATRONS:

(Please Read Down, Compare Across)

	<u>Primary Segment</u>	<u>Secondary Segment</u>	<u>Potential Segment</u>	<u>Not In Market</u>
<u>Size Of Market Segment.</u> . . . .	43%	29%	7%	21%
<u>Residence:</u>				
Tri-County . . . . .	17%	12%	30%	62%
Willamette Valley . . . . .	83	88	70	38
TOTALS:	100%	100%	100%	100%
<u>Interviewed At:</u>				
State Fair Meet . . . . .	18%	38%	57%	64%
Lone Oak Meet . . . . .	82	62	43	36
TOTALS:	100%	100%	100%	100%
<u>Attitude Toward Races:</u>				
Sports . . . . .	33%	21%	33%	29%
Entertainment . . . . .	44	63	48	65
Both . . . . .	23	16	19	6
TOTALS:	100%	100%	100%	100%
<u>(Median) Average Age:</u>	43 Yrs.	39 Yrs.	29 Yrs.	41 Yrs.
<u>(Median) Average Annual Income:</u>	\$29,000	\$22,930	\$20,000	\$28,683
<u>Sex:</u>				
Male . . . . .	75%	70%	76%	72%
Female . . . . .	25	30	24	28
TOTALS:	100%	100%	100%	100%
<u>Occupation:</u>				
Professional/Managerial . . . . .	22%	21%	19%	23%
Clerical/Sales . . . . .	13	13	14	14
Craft/Oper/Serv/Labor . . . . .	33	36	29	25
Housewife . . . . .	5	3	-	8
Retired . . . . .	18	18	5	16
Unemployed/Student . . . . .	9	9	33	14
TOTALS:	100%	100%	100%	100%

Rationale For Not Attending

Those unlikely to attend the Spring Meet have four rationales, as illustrated in this selection of replies, taken at random from major comment categories. . . . .

- Location (28%): "I live in Seattle."  
"We wouldn't come that far." "Might not be in the area in the Spring." "Live in Portland, go to races there." "If I were visiting, I would. If not, I wouldn't."
  
- Other Meets Better (18%): "I like the Meadows better." "Races at Meadows are still better." "Races at Meadows are still running through April." "I like Portland dog races best." "Not a good idea to run them at the same time as Portland Meadows."
  
- Not A Racing Fan (16%): "We're not that big a racing fan." "I don't particularly care for races." "Just don't like the horses."
  
- Time Conflicts (12%): "Too busy then with other things I do." "I don't go often to the races, and don't know what I'll be doing." "Because of school, I may be working or something."
  
- Other Rationales Individually Constitute Less Than 10%.

COMMUNICATING WITH FANS

Statewide Communications

Information about racing events in the state is diffused through relatively few channels -- primarily newspapers and word-of-mouth.

The problem this presents for promotion of a racing meet is that newspapers cover the entire demographic spectrum, and are not an efficient means to communicate with a highly targeted group, like race fans.

Communications via word-of-mouth also present challenges to marketing because it is difficult, costly, and time consuming to intervene in the "system" that spreads information about horse racing via word-of-mouth.

Television, radio, and other channels to consumers play a very modest role, as seen in the next table . . . . .

SOURCES OF INFORMATION ABOUT PARI-MUTUEL EVENTS:

	<u>Portland Meadows</u>	<u>Multnomah Kennel Club</u>	<u>State Fair Meet</u>	<u>Lone Oak Meet</u>
Newspapers. . . . .	.43%	39%	49%	41%
Word-Of-Mouth . . . . .	.43	38	28	41
Television. . . . .	.5	7	11	9
Publications. . . . .	.5	4	6	9
Personal Knowledge. . . . .	.5	5	2	5
Radio . . . . .	.3	6	4	5
Billboards. . . . .	-	4	5	-
Other . . . . .	.8	9	11	5
Undecided . . . . .	<u>.3</u>	<u>2</u>	<u>4</u>	<u>5</u>
<u>TOTALS:</u> 1/	-- 115%	114%	120%	120%

1/ Adds to more than 100% due to multiple comments.

Sources Of Information For State Fair/Lone Oak Patrons

Two communications questions were asked of patrons at the 1985 Salem racing events. First, . . . . .

"Where did you first hear about the State Fair/Lone Oak Meet?"

Next, . . . . .

"Where do you get most of your information about horse racing meets and races?"

The table shows that at the initial stage of attracting respondents, word-of-mouth and newspapers are most important, but once at the track, not surprisingly, the racing form adds an additional informational input. . . . .

SOURCES OF INFORMATION ABOUT RACES AMONG CURRENT PATRONS AT SALEM MEETS:

	<u>Where First Heard About Races</u>	<u>Source Of Current Information</u>
Word-Of-Mouth. . . . .	43%	32%
Newspapers . . . . .	21	29
Personal Knowledge . . . . .	20	14
Radio. . . . .	7	2
Billboards . . . . .	7	1
Television . . . . .	5	3
State Fair . . . . .	2	-
Racing Forms . . . . .	2	23
Publications . . . . .	-	8 <sup>1/</sup>
Some Other Source. . . . .	12	1
Undecided . . . . .	<u>1</u>	<u>-</u>
<u>TOTALS:</u>	120%	113%

<sup>1/</sup> This refers mostly to the program, and other miscellaneous publications where race meet information appears.

Horse Racing Messages

Beyond sources of information is the question of message content.

Statewide, among those who attended a pari-mutuel event there are four messages that would create the most favorable impression. . .

- "Chance To Win Money"
- "There Is Excitement In The Fast Action Of The Horse Races"
- "The Beauty Of Animals Bred For High Performance"
- "The Enjoyment & Entertainment Of The Horse Races"

The table below shows where these key messages would work best. . . . .

FIT BETWEEN HORSE RACING MESSAGES & POTENTIAL ATTENDEES:

<u>"Chance To Win Money"</u>	<u>"There's Excitement In The Fast Action Of The Horse Races"</u>
Men	Men & Women
25 To 34 Year Olds	25 To 34 Year Olds
Potential Fans With A High School Education, or Less	In All Educational Groups
Attendees In Craft, Operative, Service, And Labor Occupations	Among Professional & Blue Collar Workers
Middle Income Households	Middle To Middle-Upper Income Households
Tri-County	In Both The Tri-County & Willamette Valley

FIT BETWEEN HORSE RACING MESSAGES & POTENTIAL ATTENDEES: (CONT)

"The Beauty Of Animals  
Bred For High Performance"

"The Enjoyment & Entertainment  
Of The Horse Races"

Females  
  
24 To 44 Year Olds &  
Senior Citizens  
  
Fans With A High School  
Education Or Less  
  
Housewives and The Retired  
  
Among Less Affluent  
  
In The Tri-County &  
Willamette Valley

Both Men & Women  
  
25 To 54 Year Olds  
  
Those With A College Degree &  
Potential Fans With A High  
School Education Or Less  
  
In All Occupational Groups  
  
Among The More Affluent  
  
In Both The Tri-County &  
Willamette Valley

Message Content For Primary & Potential Market Segments

The most important messages to send to primary and potential market segments in the state would stress the "entertainment" value of the Spring Meet, followed by the "excitement" and "beauty" of the horses.

"Wagering" is down on the list. However, this must be evaluated with care because it may be considered a socially undesirable answer for some.

Specifically, the "entertainment value" means . . . . .

- Generalized, Unspecified Entertainment Value At Low Cost;
- "People Watching" Opportunities;
- Colorful Competition;
- How Jockeys Handle The Horses;
- Opportunities For Family Enjoyment Of The Sport;
- Horse Racing Takes Place Outdoors; And,
- The Chance To See Horse Riding Skills.

Full picture can be seen on the following page. . . . .

MESSAGES CREATING CLIMATE FAVORABLE TO ATTENDING HORSE RACING MEET:

	<u>Statewide</u>	
	<u>Primary Segment Messages</u>	<u>Potential Segment Messages</u>
<u>Entertainment Value</u> . . . . .	<u>64%</u>	<u>62%</u>
Unspecified Entertainment Value . . . . .	34%	27%
Chance For People Watching . . . . .	8	12
Colorful Competition . . . . .	6	10
Inexpensive Entertainment . . . . .	4	2
Outdoor Sport . . . . .	4	4
Good Showmanship . . . . .	4	4
Entertainment Of Meeting Jockeys . . . . .	2	2
Family Sport . . . . .	2	1
 <u>Horses</u> . . . . .	 <u>56%</u>	 <u>47%</u>
Excitement Of Horse Races . . . . .	32%	28%
Beauty Of Horses . . . . .	24	19
 <u>Wagering</u> . . . . .	 <u>30%</u>	 <u>26%</u>
Chance Of Winning Some Money . . . . .	24%	26%
Different Ways To Place Bets . . . . .	4	-
Can Learn To Be Good Loser . . . . .	2	-
 <u>Miscellaneous</u> . . . . .	 <u>4%</u>	 <u>4%</u>
 <u>Undecided</u> . . . . .	 <u>6</u>	 <u>13</u>
 <u>TOTAL:</u>	 <u>160%</u>	 <u>152%</u>

Horse Racing Format

Beyond the issue of what racing fans want to hear is what they want to see and do.

The best insight into this question comes from actual attendees at the State Fair and Lone Oak Meets.

-- In line with previous survey probing, the suggestion most frequently offered involves making the facilities more inviting. Patrons want:

- \* Better facilities;
- \* Better food and drink;
- \* More cleanlines ;
- \* A better atmosphere; and,
- \* An improved P.A. system.

Here are some illustrative comments. . . . .

"Enclose the stadium." "Enclose in glass to keep warmer." "Betting windows upstairs."  
 "Get bigger board like one at P.M."  
 "Improve stands." "Indoor seating." "Paint building and fix up inside." "Add clubhouse."  
 "Improve restrooms."

"Lower prices of beer." "Get OLCC to sell hard liquor." "Better food with more variety." "Improve food." "Put in nice restaurant." "Lower cost of food."  
 "More variety." "Set up more diversified snacks."

"Clean the place up." "Eliminate the trash, the drunks, etc." "Cleaner more attractive atmosphere." "More garbage cans." "Keep seats cleaner."

"Plants, flowers -- pomp and circumstance -- dress up the pace horses." "More of a family deal -- allow kids under 12." "Have music between races." "Get uniforms for staff like Portland Meadows." "Have racing club."

"P.A. system all garbled." "Get a better speaker system." "Improve loud speaker system."

Another area pegged for improvement is wagering . . . . .

"Go back to \$2 bets." "Lower wagers, others are cheaper." "Restore \$2 bets. We leave in the 7th because we can't spend more money."

"Some races are fixed." "Racing secretary should be heavy on honesty." "Think the jockeys hold back the horses."

"More payback on money put up for race."  
 "Higher money, higher payoff."

"Offer more money to owners." "Increase the purses." "Bigger purse for the horseman."

Finally, the horses and races cannot be overlooked, as indicated by suggestions of fans. . . . .

"The quality of ponies." "Improve the quality of horses and jockeys." Get rid of quarter horses and get more thoroughbreds." "Bring in a better quality horse." "Get more familiar horses and jockeys."

"More variety in the quarter horse races." "More thoroughbred races." "More horses in races for better odds." "A longer race is more interesting." "I would offer full fields." "Starting gates moved too much."

"Make races closer together." "Speed up length of time between races and run longer races." "Speed up post time." "Faster means to expedite bets. Lines are too long." "Get competent stewards to get race off on time."

"Enlarge the track." "Track is full of rocks." "Lengthen the straightaway." "Keep track in good condition." "Make a one mile track."

"Better access to see the horses before the race." "A little more time to see the horses on the run through." "Enlarge the barn areas." "If going to be scratched, not in paddocks during posting."

Please see the table on the next page for tabulation of these comments, and the full compendium of suggestions of racing fans in the appendix to this report. . . . .

SUGGESTIONS OF RACE FANS TO IMPROVE THE SALEM RACING MEETS:

	<u>8</u>
<u>Improve Facilities.</u> . . . . .	<u>45%</u>
Better Facilities . . . . .	19%
Better Food And Drink . . . . .	12
More Cleanliness. . . . .	7
Better Atmosphere . . . . .	6
Better P.A. System. . . . .	1
	↓
<u>Improve Wagering.</u> . . . . .	<u>37%</u>
Have \$2 Bets. . . . .	25%
More Winnings . . . . .	5
More Honesty. . . . .	4
Offer More To Owners. . . . .	3
 <u>Improve Horses &amp; Races.</u> . . . . .	 <u>33%</u>
Better Horses . . . . .	11%
More Variety In Races . . . . .	8
Speed Up The Time Between Races . . . . .	6
Improve Track . . . . .	6
Provide Access To Stable. . . . .	2
 <u>Races Are Okay As Is.</u> . . . . .	 <u>10%</u>
 <u>Do A Better Job Of Promoting Races.</u> . . . . .	 <u>8%</u>
 <u>Lower Admission Price</u> . . . . .	 <u>6%</u>
 <u>Miscellaneous</u> . . . . .	 <u>8%</u>
 <u>Undecided</u> . . . . .	 <u>10%</u>
 <u>TOTAL:</u>	 157% <u>1/</u>

1/ Adds to more than 100% due to multiple suggestions.

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RESPONDENT COMMENTS

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REASONS FOR PREFERRING STATE FAIR MEET  
(Keyed by age and occupation)

It's a better atmosphere and not as muddy. There's a better type of crowd.  
(30-44, Radio Station Manager)

You can't see the race at Portland Meadows -- just the finish line is all  
you can see. It's better here. (45-59, Housewife)

We live here and it's just easier to attend this race. (30-44, College  
Teacher)

I like to combine the race with seeing the exhibits. Also, they have a bar  
that's restricted to the race area and I like that. (45-59, Core Layer  
at Plywood Mill)

They have a few more quarter horse races here than at Portland. Usually  
there are more local people racing here than from far away. Smaller meets  
aren't as competitive so there are no horses from out of the area. (45-59,  
Driver/salesman for Beer Company)

I like the track better. It's easier on the horses. (30-44, Banquet Manager)

It's a more wholesome atmosphere overall. There's a real cross section of  
people here. (30-44, Steamfitter)

To me, this is the last stop for the horses. They have to perform here or  
retire. (45-59, Brick layer)

I like the people and the races are more fun. (18-29, Plywood Manufacture)

We live here, and the social possibilities are better, like meeting girls.  
Girls like horses better than they like dogs. (18-29, Mechanic)

They have less posts and better payoff. They don't try to rip you off with  
long shots. (30-44, Automobile Detailer)

REASONS FOR PREFERRING MULTNOMAH KENNEL CLUB  
(Keyed by age and occupation)

I like the dogs. (18-29, Reception Clerk)

The dogs are cleaner and cheaper. Also, we live in Portland. (60 or over, Retired Teacher)

The odds are better there. (60 or over, Retired Nuclear Technician)

I like them all, but the dogs are my favorite and it's close to home. (45-59, Unemployed)

Dogs move a lot faster and they seem to pay more when you win. (30-44, Grocery Clerk)

I prefer dogs to horses any day. (30-44, Pest Control)

Tickets are only \$2 at Multnomah Kennel Club and they're \$3 at the fair. It's a bull ring track at the fair, and I don't care for that. (30-44, State Social Worker)

We like dog racing best because we are more familiar with dogs, but we do enjoy horses, too. (45-59, Car Dealer)

It's so much cleaner than at the fair and the people are much nicer. The dog races feel like some place you would take your family. (30-44, Housewife)

I just like the faster races. (30-44, School Teacher)

The people are eager to bet and the time between races is faster. (30-44, Grocery Checker)

There's just more excitement, overall. (18-29, Grocery Checker)

We are dog owners and like to see dogs compete in a racing situation. (18-29, Dog Trainer)

You can win more money, plus it's nicer and it's warmer. (30-44, Salesman)

It's more of an event. There are more people, more show and more color. Also, it pays better. I think you need all of this -- it helps get the people going. (18-29, Student)

I like the fact that there are no jockies involved. (18-29, Student)

There are more races, \$2 bets and the time between races is shorter. (18-29, Deputy Sheriff)

I like the betting part of the dog races better, although I prefer watching horses run. I like the free passes to dog races. I wish they would do that with horses. (30-44, Mill Worker)

MORE REASONS FOR PREFERRING MULTNOMAH KENNEL CLUB

The payoffs are higher. (18-29, Unemployed)

The facility is clean, post time is on time, the food is more varied and it isn't as costly. (45-59, Teacher)

I prefer the dog races because there's less time between races and there's no jockey involved. (45-59, Retired U.S. Government Worker)

They don't have jockeys who stand up and pull the horse back, so he doesn't win. (18-29, Unemployed)

You don't have the human element so much -- no jockey to alter the race. (45-59, Truck Driver)

They don't play games at the dog races like they do here and at all horse races. (45-59, Employment Officer)

They have newer facilities. They've spruced them up and made it nicer. (30-44, Teacher)

I enjoy watching the dogs run and they pay better. (18-29, Student)

It's cleaner, nicer, warmer and they have a better payoff. (30-44, Phone Repairman)

The payoff is higher and I feel there's less control of the dogs because they don't have jockeys. (18-29, Advertising Display)

The payoff is better and it's a better crowd. (60 or over, Retired Grain Inspector)

The jockeys are crooked at Lone Oak. They have electrical shockers under their saddles. (30-44, Payroll Accountant)

They have \$2 bets and cheaper admission. Their payoff is better. (30-44, Cannery Worker)

The payoff is better (Trifecta betting) and more people attend. (45-59, Upholsterer)

It's cleaner and the races are held at a better time of the year. (45-59, Retired Army)

REASONS FOR PREFERRING LONE OAK MEET

(Keyed by age and occupation)

I like it because it goes on after the fair, when I'm enthused about seeing more of the horse races. (30-44, Administrative Assistant)

I like the smaller track. (45-59, Housewife)

I like it because my horses don't like to run on sand. (30-44, Horse Trainer)

We live in Corvallis, and it's closer to Salem than Portland. (45-59, Retired Maintenance)

It has free parking and admission. (30-44, Retired Navy)

It's closer to home -- just a 10 minute drive. (30-44, Post Office Clerk)

You get in free and the parking is free. (30-44, Gambler)

You are allowed to get to where the horses are and you can take anything in with you. (60 or over, Technician)

I like it because I win more often and it doesn't try to be "big time". (18-29, Salesman)

The ventilation is bad at Portland Meadows. It's too smokey and we're closer to home here at the fairgrounds. (45-59, Homemaker)

It's closer to home so I can come more often. (18-29, Office Manager)

It's cleaner and in the summer, it's even better. You can get to the horses. (30-44, Dentist)

It's closer to my home and the people are nicer. (60 or over, Retired)

We've won here, and we haven't won at the others. (18-29, Administrative Technician)

Portland Meadows is run so poorly and Lone Oak is run more professionally. (18-29, Bartender)

At Lone Oak, you can see what is going on. (60 or over, Retired Banker)

REASONS FOR PREFERRING PORTLAND MEADOWS

(Keyed by age and occupation)

The quality of horse and rider is a little better at Portland Meadows, plus it's closer to my home. (45-59, Parts Counter Sales)

It's a nicer, glassed-in grandstand. (45-59, Retired)

There's more money available to win, and there's a \$2 window. (30-44, Sales - Entertainment)

I don't like the fair crowd and the type of people that come during the fair, although it's improved during the Lone Oak Meet. (45-59, Custodian)

It's a better meet -- better quality of horses. (30-44, Logger)

I win more there than at Lone Oak. (18-29, Cannery Worker)

I race horses there, but mainly it's closer to where I live. (30-44, Division Manager in Private Industry)

Lone Oak is a "cowboy" track. They are more professional in Portland. (60 or over, Retired Professional)

It's a better run outfit and the quality of horses is better. (45-59, Farmer)

Competition of the horses is the big difference. They need more horses for better odds. (45-59, Housewife)

The facilities are nicer -- a better eating area, enclosed watching area and better food. (60 or over, Retired Bookkeeper)

I made money there, and the hospitality is great. People couldn't do enough for you. (18-29, Horse Trainer)

I've worked there for 25 years and I like horses better than dogs. (60 or over, Retired)

It's better and more exciting than Salem. It has more people. (30-44, Audio-visual Technician)

Facilities are better, the spectator area is enclosed and you don't get so cold as here at the fairgrounds. (45-59, Cook)

I like the way they run it. I like the \$2 bets and quenellas. (45-59, Pressman)

There's just a lot of action. Everybody really gets involved and there's a lot more betting. (18-29, Jockey)

It's closer to where I live and it's really easy to get in and out of. (65 or over, Mower Operator for City of Portland)

MORE REASONS FOR PREFERRING PORTLAND MEADOWS

Portland has more professional and larger events. (30-44, Truck Driver)

My father owns it. The state takes out less money, so you can make more money at Meadows. (18-29, Housewife)

It's bigger, nicer, roomier and there are more people. (18-29, Horse Groomer)

I like the drinks and it's enclosed in glass. (30-44, Housewife)

They run the races better and they have \$2 bets. (30-44, Newspaper Writer)

You can be indoors. (30-44, Building Inspector)

You can get in where it's warm. (18-29, Technician)

They have bigger races for higher stakes with better quality horses and grounds. (30-44, General Manager of Steel Company)

They have inside seating and tables and chairs. It's a more relaxed atmosphere and a much better setup. (45-59, Industrial Maintenance)

There are more people. It's a better environment with tables and chairs to sit down in and work your bets. (18-29, Groom)

I've never been to the dog races, but Portland Meadows is better and that's why I like it. (60 or over, Retired)

They have a better track. I like quarter horses. (45-59, Construction)

My dad owns horses, and it pays more at Meadows. (30-44, Shell Oil Purchasing Agent)

They operate faster. They don't spend as much time between races. (60 or over, Retired)

They have better facilities for the night races. The quality of the horses is better. (30-44, Carpenter)

They have better facilities -- cleaner restrooms and better lighting. It's a bigger track with better horses. (45-59, Printer)

It is the best track and I like the \$2 betting better. (60 or over, Retired Restaurant Operator)

The service people and cashiers are nicer. I like the layout of the track and the enclosed setting. (18-29, Housewife)

You can win more money. More people give me better odds. There is a larger variety of bets. (30-44, Farm Worker)

REASONS FOR NOT HAVING ATTENDED (LONE OAK) (STATE FAIR) MEET  
(Keyed by age and occupation)

I didn't know it was here. (18-29, Engineer)

I work so much of the time, I just didn't have the time to come. (60 or over, Truck Driver)

We don't bet and are not that interested in racing. (60 or over, Retired)

We don't live in Salem, so it isn't that convenient for us. (60 or over, Retired)

It's the busy time of the year for me. I wouldn't have time for horse racing. (30-44, Stage Hand for Entertainers)

I'm not a bettor. I just stopped in to watch. (30-44, Cabinetmaker)

I haven't been in town or had the opportunity before. (18-29, Student)

I'm not that interested. I mainly came because of the fair. (30-44, Accountant)

I haven't had a chance. I just moved here from Ohio. (18-29, Waitress)

It costs money. (30-44, Office Manager)

I didn't know it was here and it's a long drive from Portland. (30-44, School Teacher - Kindergarten)

You have to pay to get into the fairgrounds just to see the races, and I don't like that. (45-59, Retired Navy)

I won't go because you have to pay to get in. (60 or over, Technician)

I didn't know when it was held. (30-44, Farmer)

Our home base is Oklahoma, but we race horses all over the country and now that we have a winning horse, will probably race him at Lone Oak again. (18-29, Horse Trainer)

We live quite a way away from here and I'm not that great a race fan. (30-44, Saw Filer)

REASONS NOT INTERESTED IN ATTENDING (LONE OAK) (STATE FAIR) MEET  
(Keyed by age and occupation)

I live on the other side of the Cascades and the weather is a problem at that time of the year. (45-59, Logger)

We're not big racing fans. For us, it's just entertainment but we know so little about it. (30-44, Sales Manager for General Mills)

I won't attend because of the low payback on quenellas. (60 or over, Retired)

I have three kids and I couldn't bring them. I'd like to, and they want to come. (45-59, Unemployed Core Layer in Plywood Mill)

I don't bet on races, so I don't know much about them. We only go to the races because they're part of the fair. (60 or over, Retired)

We would be interested if our friend races. We don't know any of the horses or persons racing so don't find it that interesting. (45-59, Rancher)

I gave up horse racing years ago. Betting in general makes me nervous and up tight. I just wanted to show the family today. (30-44, Tree Service)

We don't come just for the horse race. They're not that entertaining and we don't bet anyway. Races are not our kind of entertainment. (45-59, TV Technician)

I won't come because it's outdoors. There is no inside seating and no heaters outdoors. It's cold out there. (60 or over, Retired School Teacher)

It was convenient while we were at the fair, but I would not come especially to see the races. (30-44, Accountant)

I like the fair along with it. If I get tired of the race, I can go see the fair. (30-44, School Teacher)

It costs too much money to get parked and into the races. (60 or over, Retired)

I won't go if I have to pay to get in. (60 or over, Technician)

It's too far to drive, plus, my wife wouldn't let me. (45-59, Pressman)

REASONS WOULD NOT ATTEND APRIL AND MAY RACING MEET

(Keyed by age and occupation)

I probably won't be in the area then. (30-44, Psychologist)

I live in Seattle. (45-59, Printer)

We're too involved in baseball at that time of the year. (45-59, Housewife)

I'll be too busy at that time with other things. (18-29, Woodworker)

I spend all my time fishing at that time of year. (30-44, Auto Parts Salesman)

I have no money to bet with. (18-29, Laundry Worker)

I'm not that interested in racing. I only do it at the fair. (30-44, Railroad Signalman)

It'll be too cold at that time of the year. (60 or over, Insurance Agent)

I only come because of the fair and everything combined with it. I would not come for the races alone. (30-44, Steam Fitter)

I probably won't remember it by then. I don't get a paper. (18-29, Insurance Clerk)

That's the same time horses are running at Portland Meadows. I don't think that's a good idea. (30-44, Self-employed)

The dog races are on that that time and I like them the best. (45-59, Unemployed)

The tickets cost \$3 and that's too much. (30-44, State Social Worker)

That's the time of year that I go fishing. (30-44, Salesman)

I'm fed up with horse racing--the poor payout. (45-59, State Employment Officer)

Longacres is open at that time. (30-44, Gambler)

I will be working at Longacres then. I would attend here before Portland Meadows, however. (18-29, Bartender)

Portland Meadows is running then and I like it better. Also, it's closer to home. (45-59, Auto Parts Salesman)

That's Portland's time and I'll be at the Meadows. (30-44, Division Manager)

SUGGESTED CHANGES TO IMPROVE THE MEET AT THE FAIRGROUNDS

(Keyed by age and occupation)

Offer more variety in the quarterhorse races -- not just 220 and 770.  
Enlarge the track. (30-44, Radio Station Manager)

Give us better access to see the horses before the race, other than just  
as they are posted. (30-44, Psychologist)

Improve the loudspeaker system -- you can't hear a thing. (45-59, Housewife)

Have it a little fancier by planting flowers. Dress up the pace horses  
like they do in Canada. (30-44, Registered Nurse)

Lower the minimum bet to \$2. (30-44, Farmer)

Publish something that explains the betting so everyone would have a  
chance to win. (18-29, Engineer)

Enclose the grandstand in glass to keep it warmer in winter. Bring back  
the \$2 bet. (30-44, Teacher)

Get more garbage cans so people don't have to throw everything on the  
ground. (18-29, Woodworker)

Get rid of the quarterhorses and get more thoroughbreds in here. (30-44,  
Salesman)

Raise the purse for the horseman. The people that have the horses and do  
all the work get the least money. (45-59, Horse Trainer)

Make the races longer. I think a longer race is more interesting and  
more fun to watch. (30-44, Salesman)

I'd lengthen the straightaway to make the track longer or make it for  
quarterhorses. That's more their normal distance. (45-59, Driver/Salesman  
for Beer Company)

Clean the place up and lower the cost of the food. (18-29, Auto Rebuilder)

A more pleasant atmosphere for watching the races would be great. How  
about a nice bar and restaurant? (18-29, Food Clerk)

I would like to see indoor seating with heat. We were cold. We wanted  
to see the races, but it was too cold by the track. We need more  
instructions to help me understand the race. (18-29, Therapy Aide)

I would have a commentary for fans to hear on what is happening. They  
should give out racing guides free. You can't always see what is happening.  
(18-29, Student)

MORE SUGGESTED CHANGES TO IMPROVE THE MEET AT THE FAIRGROUNDS

I would bring in a better quality of horse. (30-44, Student)

Don't have so much time between races and have some music while we wait. (60 or over, Insurance Agent)

Have more horses in each race. (30-44, Mill Worker)

Provide a better spectator area. Enclose it and dress it up a bit. (30-44, Woodworker/cabinetmaker)

I'd like to be given more information on the way they work the races. I don't know much about racing. (18-29, Chemical Cleaner)

Offer bigger purses to horse owners to get more horses in. Clean it up. Provide more trash containers and maybe enclose the clubhouse. (30-44, Banquet Manager)

I'd enclose the grandstands -- at least on the ends. Make the environment in the stands more comfortable for the betting public regarding seating and the like. Offer better food with more variety. (45-59, Housewife)

If the wager was dropped to \$2, I think there would be more bets. We would lose less money and it would be more fun. (18-29, Mechanic)

Start the races a little bit later -- like about 8:00. I don't get off work until 6:00. (18-29, Pharmacy Supply Salesman)

If it were up to me, I'd go back to the \$2 races. Separate the races from the fair so that we could afford to see the races every day. Keep the parking separate for the races. (45-59, Produce Merchandiser)

They're too tight with their passes. Give more of them out to get a better attendance. (60 or over, Horse Trainer)

Lower food prices. The track could be a little bit better. Add buggy races and make a bigger parking area. (18-29, Unemployed)

I like more mile races and fewer baby (2-year-old) races. (30-44, Cannery Worker)

Eliminate the kids on week nights. Serve better quality food and more variety. Provide softer benches and lower the bets to \$2. (30-44, Cook)

There should be more information on general betting, especially Trifectas and Exactas. (18-29, Waitress)

It seems to be more of a jockey race than a horse race. The jockey seems to hold a good horse back. I would like to see that change. (18-29, Insurance Clerk)

Explain what horse racing is to people that are unfamiliar. Give more information for people that don't know how to bet. (45-59, Housewife)

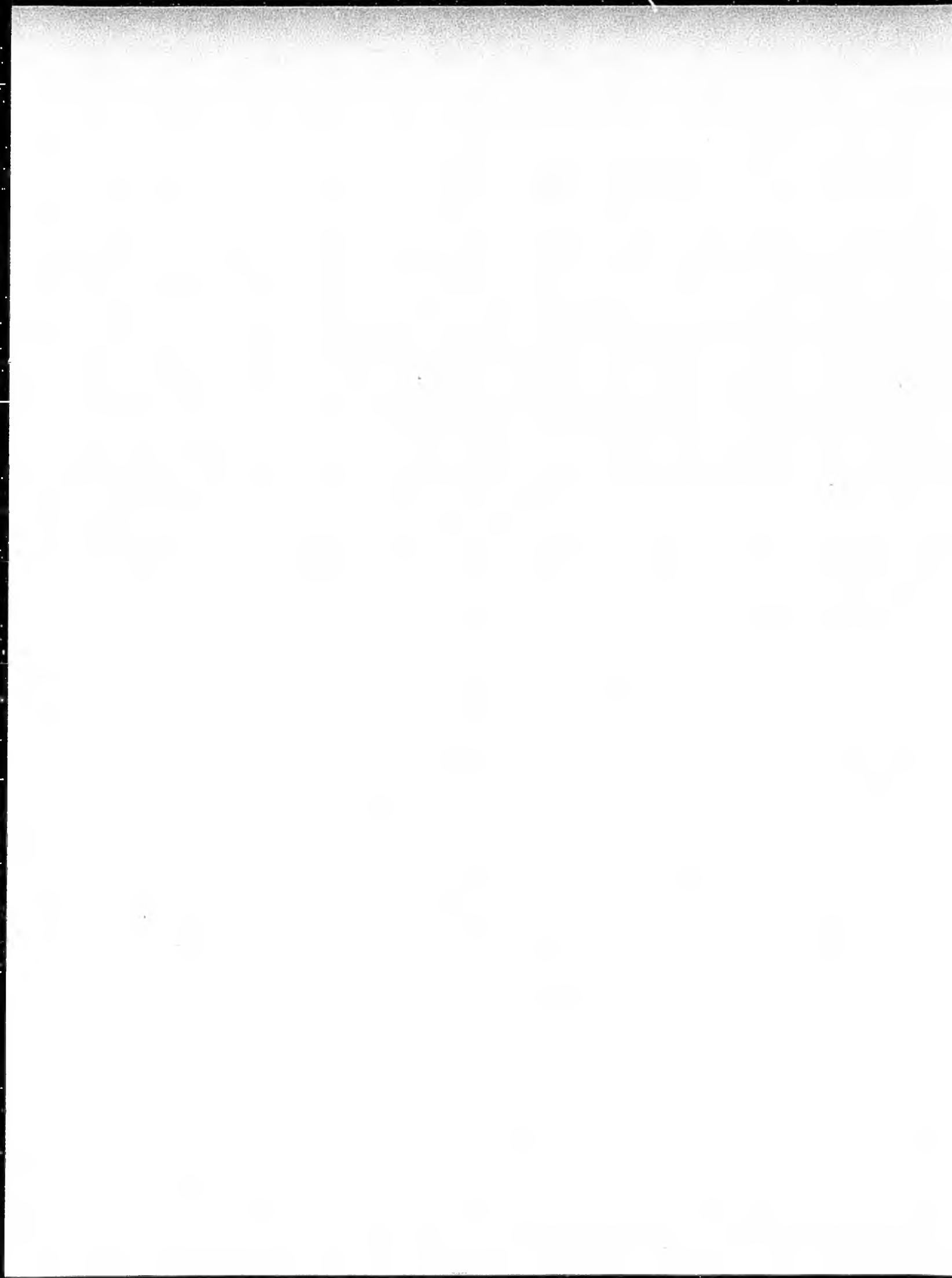


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APPENDIX

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The Questionnaires

Hello, my name is \_\_\_\_\_ from the Bardsley & Haslacher Research Center. I'm conducting a public opinion survey and would like to ask you a few interesting questions. Everything you say is strictly confidential, there will be no callbacks, and I PROMISE I'M NOT SELLING A THING.

1 - 1 Own First, may I ask if you own or rent the place  
 2 Rent or other in which you are now living?

4 - 1 Under 3 years Next, may I ask how long you have lived in the  
 2 3 - 9 years State of Oregon?  
 3 10 years or more

25 - On another subject, please answer "yes" or "no" according to whether you happened to attend any of the following events during the last three years. The first one is: (INT: READ EACH EVENT, STARTING WITH RED CHECKED ONE, AND CIRCLE ONE CODE NUMBER ON THE LEFT, BELOW)

ATTENDED			WAGERED	
YES	NO/DK		YES	NO/DK
1	2	(a) Portland Meadows Racing Meet	1	2
1	2	(b) State Fair Horse Racing Meet	1	2
1	2	(c) Lone Oak Horse Racing Meet	1	2
1	2	(d) Multnomah Kennel Club	1	2

25a- (IF ATTENDED ANY EVENT ABOVE ASK Q. 25a & 26 - ALL OTHERS SKIP TO Q. 27) Did you happen to wager any money on the race, or not? (CIRCLE CODE UNDER "WAGERED" ABOVE AT THE RIGHT)

26 - (IF ATTENDED ANY OF THE EVENTS ABOVE) Where do you get most of your information about (name event attended) -- from newspapers, TV, radio, word-of-mouth, billboards, publications, or someplace else? (INT: CIRCLE CODE FOR EACH EVENT LISTED BELOW THAT RESPONDENT HAS ATTENDED IN QUEX. 25)

PORTLAND MEADOWS	STATE FAIR	LONE OAK	MULTNOMAH KENNEL	
1	1	1	1	(a) Newspapers
2	2	2	2	(b) Television
3	3	3	3	(c) Radio
4	4	4	4	(d) Word-of-mouth
5	5	5	5	(e) Billboards
6	6	6	6	(f) Publications

Other (WRITE SOURCE IN SPACE(S) BELOW EVENT(S))

ASK OF EVERYONE

- 27 - 1 Sport  
2 Entertainment  
3 Equal/no difference  
12 DK
- Generally speaking, do you feel horse racing is more of a sport, or more entertainment?
- 

- 28 - Suppose you were talking to someone about horse racing. Regardless of whether you like horse racing, or not, what things could you tell them about horse racing that are FAVORABLE, and that might lead them to want to attend a horse race? Just the first one or two things that come to mind. (INT: PROBE TO DEVELOP A THOROUGH AND DETAILED ANSWER)

Anything else?

---

- 29 - 1 Definitely attend  
2 Probably attend  
3 Might or might not  
4 Probably not attend  
5 Definitely not attend  
12 DK
- There are plans for a horse racing meet at the State Fairgrounds in Salem in April and May of next year, on Thursdays and Sundays. Admission would be \$2.50. How likely would you be to attend the races on any of the days during this meet -- definitely attend, probably attend, might or might not attend, probably not attend, or definitely not attend?
- 

- 32 - 1 18 - 24  
2 25 - 34  
3 35 - 44  
4 45 - 54  
5 55 - 64  
6 65 or over
- Now, I have a list of age groups. As I read them off, will you please tell me which one best represents your age bracket?
- 

- 33 - 1 College - complete  
2 College - partial  
3 High school  
4 Grade or no schooling
- Would you mind telling me the last grade you completed in school?
- 

- 34 -
- May I ask your occupation, please? (INT: INCLUDE "HOUSEWIFE," "RETIRED," "STUDENT," ETC.)
- 

- 35 - 1 Yes  
2 No or DK
- Does any member of your immediate household belong to a labor union?
- 

- 36 - 1 Under \$12,500  
2 \$12,500 - \$14,999  
3 \$15,000 - \$19,999  
4 \$20,000 - \$24,999  
5 \$25,000 - \$34,999  
6 \$35,000 - \$59,999  
7 \$50,000 or over
- As I read some broad income groups, will you please stop me when I come to the one which closely represents your total household income for last year, before taxes? (Just your best estimate). (READ LIST)
-



OREGON STATE FAIR

LONE OAK MEET

- ① 1 WEDNESDAY, 8-29-85 3 FRIDAY, 8-30-85 5 THURSDAY, 9-5-85 9 THURSDAY, 10-3-85  
 2 THURSDAY, 8-29-85 4 SATURDAY, 8-31-85 6 FRIDAY, 9-6-85 10 FRIDAY, 10-4-85  
 7 SATURDAY, 9-7-85 11 SATURDAY, 10-5-85  
 8 SUNDAY, 9-8-85

BH-52

BARDSLEY & HASLACHER, INC.

Time started:

082385

(INSTRUCTIONS: HELLO. MY NAME IS \_\_\_\_\_, AND I WONDER IF I COULD ASK YOU A FEW INTERESTING QUESTIONS ABOUT HORSE RACING AT THE FAIRGROUNDS? YOUR ANSWERS WILL BE KEPT STRICTLY CONFIDENTIAL AND WILL BE USED TO PLAN FUTURE MEETS HERE.)

- 1 - 1 First time Is this the first time you attended a professional horse race, or have you attended a professional horse race before?  
 2 Attended before  
 12 DK

(ASK THIS QUESTION FOR FAIR MEET ONLY, NOT LONE OAK MEET)

- 2 - 1 Attend the fair Was your main reason for coming to the fairgrounds today mostly to attend the fair, or mostly to attend the race meet? (INT: CIRCLE BOTH ONLY IF MENTIONED)  
 2 Attend the race meet  
 3 Both  
 12 DK

(ASK EVERYONE)

- 3 - 1 First day attended Is this the first day you attended this meet here in Salem, or have you attended on other days of this meet, as well?  
 2 Attended other days  
 12 DK

- 3a - 1 Yes Do you plan to return again to this meet on another day, or not?  
 2 No  
 12 DK

- 4 - On a scale of five, with five the highest rating, please rate each of the following items along the scale — 1,2,3,4 or 5? How about (INT: START WITH RED CHECK, READ ALL 8)?

5 4 3 2 1 DK

5 4 3 2 1 12 — (a) How good the food was (IF NECESSARY, SAY 1,2,3,4 or 5?)

5 4 3 2 1 12 — (b) Way they actually handled the races (IF NECESSARY, EXPLAIN THAT THIS REFERS TO POST-TIMES, CONDITION OF TRACK, TYPES OF WAGERS, ETC.)

5 4 3 2 1 12 — (c) Cleanliness of spectator areas

5 4 3 2 1 12 — (d) Courtesy and friendliness of race staff

5 4 3 2 1 12 — (e) Wholesomeness of people attending the meet

5 4 3 2 1 12 — (f) Fun offered by the races

5 4 3 2 1 12 — (g) Overall quality of the race environment

5 4 3 2 1 12 — (h) How interesting the races here are

- 5 - 1 Yes, attended Did you attend this horse racing meet at the fairgrounds last year, or not?  
 2 No, did not attend  
 12 DK

- 6 - 1 Yes, Portland Meadows (ASK Q. During the last three years, have you attended  
 2 Yes, Multnomah Kennel (6a, 6b) any of the racing meets at Portland Meadows  
 3 Both (ASK Q. 6a, 6b) or Multnomah Kennel Club in Portland, or not?  
 4 No (SKIP TO Q. 7)  
 12 DK (SKIP TO Q. 7)

- 6a - 1 (State Fair Meet)(Lone Oak Meet) (IF YES) Which of the meets do you like  
 2 Portland Meadows Meet the most — (State Fair Meet,) (Portland  
 3 Lone Oak Meet Meadows Meet,) (Lone Oak Meet), or  
 4 Multnomah Kennel Club (Multnomah Kennel Club?) [READ ONLY STATE  
 12 DK MEET OR LONE OAK MEET, AND OTHERS ATTENDED]

- 6b - Why do you like the (State Fair Meet) (Lone Oak Meet) (Portland Meadows Meet)  
 (Multnomah Kennel Club Meet) better? (PROBE TO DEVELOP A THOROUGH ANSWER)

NOW, GO TO Q. 7

- 7 - 1 Newspaper (WHICH?) Where did you get most of your information  
 2 TV (WHICH?) about horse racing meets and races? Where  
 3 Radio (WHICH?) else? Any other source?  
 4 Word-of-mouth  
 5 Billboards  
 6 Publications (WHICH?)  
 7 Someplace else (WHERE?)  
 12 DK

- 8 - 1 Sport Generally speaking, do you feel horse racing  
 2 Entertainment is more of a sport, or more entertainment?  
 3 Both (VOLUNTEERED) (CIRCLE BOTH IF VOLUNTEERED)  
 12 DK

- 9 - \$ \_\_\_\_\_ Amount Would you mind telling me about how much in  
 12 DK total you spent at the races today? (Please  
 exclude the amount you spent at other parts  
 of the fair.)

- 10 - 1 Yes, wager Do you generally wager on the races here, or  
 2 No, do not wager not?  
 12 DK

- 11 - 1 Excellent How would you rate your understanding of how  
 2 Good you wager for the different types of races —  
 3 Only fair excellent, good, only fair, or poor?  
 4 Poor  
 12 DK

- 12 - 1 Yes, correct (SKIP TO Q. 13) On another subject, have you happened to have  
 2 Yes, incorrect (ASK Q. 12a) heard of any other horse racing meets in the  
 3 No (ASK Q. 12a) Salem area, or not? (IF YES) What is the  
 12 DK (ASK Q. 12a) name of that meet?

- 12a- 1 Yes (ASK Q. 13) (IF DID NOT SAY LONE OAK OR STATE FAIR MEET)  
 2 No (SKIP TO Q. 16) Have you happened to have heard of the (Lone  
 12 DK (SKIP TO Q. 16) Oak Meet held here in September and October)  
 (state Fair Meet) or not?

- 13 - 1 Radio (IF YES ON Q. 12 or 12a, ASK) Where did you  
2 TV first hear about the (Lone Oak Meet) (State  
3 Newspaper Fair Meet)? From what source or sources —  
4 Word-of-mouth radio, TV, newspaper, word-of-mouth, bill-  
5 Billboard board, or some other source (SPECIFY?)  
6 Some other source (SPECIFY?) (CIRCLE AS MANY AS MENTIONED)

12 DK

NOW, GO TO Q. 14

- 14 - 1 Very favorable What is your overall impression of the (Lone  
2 Somewhat favorable Oak Meet) (State Fair Meet) — very favor-  
3 Not too favorable able, somewhat favorable, not too favorable,  
4 Not favorable at all or not favorable at all?  
12 DK

- 15 - 1 Yes, attended (SKIP TO Q. 17) Have you ever happened to have attended the  
2 No, not attended (ASK Q. 15a) races at the (Lone Oak Meet) (State Fair Meet)  
12 DK (SKIP TO Q. 16) or not?

15a- (IF NOT ATTENDED) Would you mind telling me why you haven't attended the (Lone  
Oak Meet)? (State Fair Meet)? (PROBE TO DEVELOP A THOROUGH & SPECIFIC ANSWER)

NOW, ASK Q. 16

- 1 Very interested (SKIP TO Well, how interested would you be in attending  
2 Somewhat interested (Q. 17) the (Lone Oak Meet) (State Fair Meet) held here  
3 Not too interested (ASK Q. 16a) at the Fairgrounds in (September and October)  
4 Not interested at all (ASK Q. 16a) (August and September). — very interested,  
12 DK (SKIP TO Q. 17) somewhat interested, not too interested, or not  
interested at all?

16a- (IF NOT INTERESTED) Would you mind telling me why you would not be interested?  
(PROBE TO DEVELOP A THOROUGH AND SPECIFIC ANSWER)

NOW, GO TO Q. 17

- 17 - 1 Definitely attend (SKIP TO Q. 18) There are plans for a meet here at the  
2 Probably attend (SKIP TO Q. 18) Fairgrounds in April and May of next year,  
3 Might or might not (SKIP TO Q. 18) on Thursdays through Sundays. How likely  
4 Probably not attend (ASK Q. 17a) would you be to attend this meet — definitely  
5 Definitely not (ASK Q. 17a) attend, probably attend, might or might not  
12 DK attend, probably not attend, or definitely  
not attend?

17a- Would you mind telling me why you would not definitely or probably attend the April  
and May Racing meet? Any others? (PROBE TO DEVELOP A THOROUGH ANSWER) What other  
reasons?

18 - Last, if you could play armchair general and run the horse racing meet here for a while, what changes would you make to improve this meet and make it more inviting to race fans? (PROBE TO DEVELOP A THOROUGH ANSWER)

---

Last, I have just a few questions to help classify groups of people by common characteristics. No one's single answers will ever be singled out.

19 - \_\_\_\_\_ Number Including yourself, how many in total in your party are attending the races here today?

20 - \_\_\_\_\_ Occupation What is your occupation? (INT: INCLUDE "HOUSEWIFE", "RETIRED", "STUDENT", ETC.)

21 - \_\_\_\_\_ City \_\_\_\_\_ County In what city and county do you now reside? (IF OUTSIDE OREGON, GET STATE)  
\_\_\_\_\_(STATE)

22 - 1 18 - 29  
2 30 - 44  
3 45 - 59  
4 60 or over Are you between 18 and 29, 30 to 44, 45 to 59, or 60 or over?

23 - I have some broad income brackets and wonder if you would tell me whether your total family income before taxes last year was above or below \$25,000?

(IF BELOW \$25,000)  
Was it above or below \$15,000?  
1 Below \$15,000  
2 Above (\$15,000 - \$24,999)

(IF ABOVE \$25,000)  
Was it above or below \$35,000?  
3 Below (\$25,000 - \$34,999)  
4 Above (\$35,000 or more)

24 - 1 A lot  
2 Quite a bit  
3 Only a little  
4 Hardly any at all  
12 DK Finally, do you play the Washington or Oregon State Lotteries a lot, quite a bit, only a little, or hardly any at all?

25 - 1 Male  
2 Female

26 - 1 White  
2 Black  
3 Oriental

4 Hispanic  
5 Other

27 - 1 State Fair  
2 Lone Oak

TIME ENDED:

# Parimutuel wagering

FIFTEEN QUESTIONS ABOUT HB 32 AND PARI-MUTUEL WAGERING  
by Representative Larson

1. What is Pari-mutuel wagering?

Pari-mutuel wagering is a system of betting, which dates back to the mid 1800's. This type of wagering differs from typical gambling by virtue of the fact that the odds are not arbitrary. Pari-mutuel wagering occurs when all collective bettors pool their money together. The odds are then calculated systematically. The total amount wagered versus the individual bets, determines the total amount, which is divided among the winners.

2. What local support has there been for Pari-mutuel Wagering?

Both the cities of Palmer and Wasilla had an advisory proposition placed on the ballot of the October 7, 1986 general election concerning pari-mutuel wagering on certain horse races. (attachments)

The results in Palmer were 58.2% in favor of the concept of local option pari-mutuel horse racing. (In addition the Palmer Municipal code--chapter 3.32--addresses pari-mutuel wagering by virtue of city ordinance #321, dated August 13, 1985.)

The results in Wasilla showed 62% of the voters approved the concept. (In addition the City of Wasilla has Resolution on the books (W85-J-6) which supports the local option for pari-mutuel gambling.)

The Matanuska-Susitna Borough passed a resolution of support for state controlled, local option, pari-mutuel betting on 3/3/87.

3. What type of benefits will Pari-mutuel racing provide?

The most obvious benefit, initially, would be the generation of the racing business itself by the private sector. Infrastructure, such as breeding, training, and racing facilities will be an incentive for the construction industry. Additionally, racing will create a destination and accompanying services for the tourism trade. This business is a natural spin-off of our historical and agricultural heritage.

Clearly an obvious benefit would be the added state revenue, after the racing commences. The income will come painlessly to the state without burdening the taxpayer. The amount of revenue depends on the frequency of the events authorized by the commission.

4. Is pari-mutuel racing legal elsewhere?  
Currently 36 states allow the pari-mutuel betting system for either horses, dogs or both.
5. What is the development scenario for Pari-mutuel racing?  
After the local endorsement of the voters, preparation time could be six months to several years, depending on the level of development. A racing season might be for approximately 10 weeks, with both the Alaska and Tanana Fairs as the more competitive exhibitions. As participation increases, so would the growth.

Pari-mutuel professionals tell us that an average scenario would include typically eight races a day, with eight entries per field. Estimates indicate that 270 animals would be required for a successful start-up.

The most important thing about this type of racing is the controlled conditions which will guarantee the integrity of the race. Sophisticated racing equipment would be rented from outside; this is very normal procedure elsewhere, where racing is on a similarly small scale.

6. What is the fiscal note for HB 32?  
Our expectation for the fiscal note is relatively small, based on the assumption that this is a 10 week season. The Commission will be providing the initial professional expertise. One and sometimes two staff persons will assist (part-time) in the preparation of regulations, public hearings, and paperwork. Based on the development of races and facilities, the employment requirements would follow the same growth curve.
7. Will team dog racing compete with existing dog races in Alaska?  
No. In fact, the Alaskan Musers feel it would be good for their sport as well. Dog team races would probably occur in the summer when similar training occurs anyway. A team of dogs would use the same racing facility, only under slightly different track conditions. Naturally horses and dogs would not race at the same time.
8. What is the role of the Racing Commission?  
The Commission will regulate racing and pari-mutuel racing. Their wide range of regulatory responsibilities are outlined clearly in the bill, including their specific enforcement powers regarding prohibited acts and penalties.

The Commission shall adopt regulations; appoint officials; supervise and distribute the pool; ascertain standards for veterinaries, equipment, audits, and other related matters; license races; inspect racetracks and animals; establish dates, durations, locations, fees; account for all records, collections and disbursements; hire staff; compel witnesses; and appoint hearing officers.

9. Has there been Pari-mutuel Legislation introduced in Alaska before?

Pari-mutuel legislation was introduced in the 10th, 11th, and 12th Legislative sessions. It passed the house in the 10th session, but died in the Senate. In both the 11th and 12th Legislative sessions the proposed legislation was never considered by the first committee of referral.

10. How is CSHB32 different from the earlier Pari-mutuel legislation?

Prior legislation did not require a majority municipal referendum nor did it require a municipal permit.

11. How is para-mutuel wagering different from other games of chance and contests of skill?

Oversight and regulation is much greater. The complexities of the wagering system and accompanying safeguards were built into it purposefully.

CSHB 32 legislates pari-mutuel guidelines which will disallow abuse. (A "totalisator" is used which is an especially designed electrical device which calculated the bets and determines the winnings--according to the odds.) The regulatory nature of the Commission coupled with the required, sophisticated equipment enhance the pari-mutuel system to offset tampering and to ensure security for the establishment and the bettor.

12. What is a "typical participant" in pari-mutuel wagering?

Studies have shown that participants are generally white collar workers with one or more years of higher education and an income of \$35,000 or more. Achievers (loosely defined as managers, administrators, business or government leaders, educators or politicians) are common participants in pari-mutuel racing.

13. How would this system affect the non-participants?  
It wouldn't, except by choice. First, it would have to be a local decision to allow pari-mutuel wagering within the municipality. Sec. 05.40.120 requires a municipality to have a majority referendum authorizing pari-mutuel racing. Sec. 05.40.120 requires a public hearing before issuance or renewal of a license.

Secondly, and more importantly, it would be an individual choice to partake in wagering. The vulnerability of an individual can not be regulated. Article 3 prohibits a person under the age of 18 to use the pari-mutuel system.

14. How have other states benefited from pari-mutuel wagering?  
Other states have benefited by revenues to the general fund, tourism potential, animal sales, construction and real estate purchases (some states constitutionally allow dedicated funds and many specific groups have benefited--such as capital improvement projects, school systems, or rehabilitation).

Texas, another state financially hurt from declining oil revenues, has just recently approved a pari-mutuel racing bill which will allow a statewide referendum regarding the issue. A co-sponsor estimates that if pari-mutuel wagering is approved, the state's general fund will benefit to the tune of \$110 million by 1991.

15. Who would be the monetary beneficiaries?  
The licensee (usually a privately owned track) makes money by taking 15% of the pool. This figure is set high at the beginning, so as to allow for a quicker return on the private investment.

The state, which establishes the Commission, also takes a percentage equalling 10% of the pool. In addition the state is the recipient of all licensing revenue and can collect up to \$1.00 of the admission tickets.

The entrants would receive 10% of the pool respectively in the form of purse money.

The participants who have the "winning tickets" share the remaining 65% of the pool.

The municipality would be able to tax the property and collect a portion of the admission and concession fees, resulting in local revenue.

# Horse Racing At The Fair



TRIPLE TUFF leads the field in one of last year's races at the new Alaska State Fair race track south of Palmer.

Riding is Bobby McCarthy Jr. Triple Tuff is now owned by Len and Marsha Melton.

## Photo Finish At State Fair

Nearly 1,000 people gathered at the Alaska State Fair race track in Palmer over the weekend to watch 22 horses charge across the finish line with one race so close only the photo finish camera could tell the winner. Great interest has generated among the crowd in racing.

Friday night the 220 winner was Pow Wow Gidget owned by Ellis Enterprises and ridden by Dana Richmond; second Thanks Doc, owner Jinx Coster, jockey Sissy Melton; third was Dungaree ridden by Steve Clark and owned by Dennis Clark. In the 350, Doc won over Pow Wow Gidget.

The 440 saw Babe's Twig owned and ridden by Cecil Premus take the race with Triple Tuff owned by Len Melton, ridden by Hoot Melton, hot on his heels and Moon's Hotshot, Ellis Enterprises and jockey Dana Richmond taking third. Just a Bird and Mac's Little Kid also ran.

General Bars ridden by Bob McCarthy, owner Dennis Clark, won over Nile Queen ridden by Kris Koelman, owned by Emmett Roelman. Both are thoroughbreds.

An exciting cow pony race

with eight entries had only a third place winner, Danny owned and ridden by Kelly Wilson. The first and second place animals were disqualified for fouls.

Outstanding weather contributed to standing room only for Saturday afternoon racing. Pow Wow Gidget took Thanks Doc and Ragged Ann owned by Esther Erikson and ridden by Terry Erickson in the 220.

The next racing date will be Saturday and Sunday at 2 p.m. on July 6 and 7. Race horse owners may practice at the Alaska State Fair, Inc. race track one mile from Palmer on Tuesday and Thursday evenings, 7:30-9:30 p.m. and Sunday afternoon from 2-4 p.m. (except on racing days). Ed Premus will be the gate keeper while Vernon Frunce is on vacation.



FISCAL NOTE

REQUEST: \_\_\_\_\_

Revision Date: 1/19/88  
 Title: Establishing the Alaska Racing Commission & authorizing parimutuel wagering  
 Sponsor: Larson and Menard  
 Requestor: State Affairs

Agency Affected: Revenue  
 BRU: Income and Excise Audit  
 Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
<b>OPERATING</b>						
PERSONAL SERVICES	78.4	118.6	123.3	128.2	133.3	-
TRAVEL	13.9	*a 6.0	6.2	6.4	-6.7	-
CONTRACTUAL	28.0	29.1	30.3	31.5	32.8	-
SUPPLIES	2.5	2.3	2.2	2.0	2.0	-
EQUIPMENT	33.4	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	<b>156.20</b>	<b>156.00</b>	<b>162.00</b>	<b>168.10</b>	<b>174.80</b>	<b>-</b>
<b>CAPITAL</b>						
	-	-	-	-	-	-
<b>REVENUE</b>						
	-	*b 96.3	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

POSITIONS:

FULL-TIME	2	3	3	3	3	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: (Attach a separate page if necessary)  
 a. Does not include site inspections nor events from 89-92.  
 b. Does not include license fees.

Prepared By: Steven E. Kettel  
 Division: Income and Excise Audit

Phone: 465-2320  
 Date: 1/19/88

Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Date: 1/19/88

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

REVISED FISCAL NOTE  
CS H B 32

Worksheet

Personal Services—only the Office Manager and the Clerk Typist would be on board for FY 88. An auditor would be added in FY 89 as activities commenced.

Travel—Six commission meetings at 2 days each in Anchorage in FY 88 to develop regulations. Assumed were 3 commissioners from Anchorage, 1 from Fairbanks and 1 from Juneau.

FAI/ANC 6 x \$220	=	\$1,320
JNU/ANC 6 x \$352	=	2,112
per diem 6 x 5 x 2 x \$80	=	4,800
claims for mileage	=	500
Sub Total		\$ 8,732

Public hearings held in Anchorage, Fairbanks, Nome and Juneau by the office manager at 1.5 days each.

Travel	=	\$ 998
Per diem	=	480
Sub Total		\$ 1,578

Site inspections are averaged per inspection as follows for the manager and one commissioner.

Airfare	=	\$ 600
per diem 2 x 2 x \$80	=	320
Sub Total		\$ 920

Events will be attended by the manager and one commissioner.

For 1 6-day event, 8 days are required on site.

Airfare	=	\$ 600
Per diem 2 x 8 x \$80	=	1,280
Compensation @ \$100 per day	=	800
Sub Total		2,680

FY 88 GRAND TOTAL \$13,910

In FY 89 there would be four commission meetings. No site inspections events or regulatory hearings have been included.

FAI/ANC 4 x \$220	=	\$ 880
JNU/ANC 4 x 352	=	1,408
per diem 4 x 5 x 2 x \$80	=	3,200
mileage	=	500

FY 89 GRAND TOTAL \$ 5,988

For FY 90 - 92 a .04% increase was added.

FISCAL NOTE  
CSHB 32

Assumptions for revenue figures

1. Effective date of July 1, 1987 and no races during FY '88.
2. Unknown number of races.
3. 34,400 players per 6-day event.
4. An average handle of \$963.2 based on an average wager of \$28.00 (Montana's average).
5. A takeout of 35% (\$337.1) with the state's share at 10% for state revenues of \$33.7 per event.

Assumptions for costs

1. Commission will be headquartered in Anchorage and meet 6 times in FY 88; quarterly thereafter. Each meeting will be 2 days.
2. Personal services will include an office manager to manage and oversee daily activities and to review and attend all events; an auditor I to follow-up all events; and a clerk typist III to process the paper.
3. Travel will include attendance by the office manager and one commissioner at each event plus the commission meetings.

FISCAL NOTE

REQUEST

Revision Date: 2/18/88  
Title: "An Act establishing the Alaska  
Racing Commission . . ."  
Sponsor: Reps. Larson and Menard  
Requestor: Senate HESS

Agency Affected: Public Safety  
BRU: Alaska State Troopers  
Components: Criminal Investigation  
Bureau

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Initially AST anticipated more activity than appears to be necessary. Accordingly, the original fiscal note requesting minimal funding is unnecessary and what costs remain can be absorbed within the current operating budget.

Prepared by: Francis C. Allan *F.C.A.*  
Division: Alaska State Troopers

Phone: 269-5691  
Date: 2/18/88

Approved by Commissioner: *Walter A. H. ...*  
Agency: Public Safety

Date: 2-24-88

Distribution: (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

*JWR  
2/19/88*

FISCAL NOTE

REQUEST

Revision Date: 2/18/88  
Title: "An Act establishing the Alaska  
Racing Commission . . ."  
Sponsor: Reps. Larson and Menard  
Requestor: Senate HESS

Agency Affected: Public Safety  
BRU: Alaska State Troopers  
Components: Criminal Investigation  
Bureau

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Initially AST anticipated more activity than appears to be necessary. Accordingly, the original fiscal note requesting minimal funding is unnecessary and what costs remain can be absorbed within the current operating budget.

JWR  
2/19/88

Prepared by: Francis C. Allan *F.C.A.*  
Division: Alaska State Troopers

Phone: 269-5691  
Date: 2/18/88

Approved by Commissioner: *George A. Hostetler*  
Agency: Public Safety *Dep Comm.*

Date: 2-24-88

Distribution: (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

HB

57

## CHILDREN'S TRUST FUNDS

### OVERVIEW

Since 1980, advocates for abused and neglected children have established Children's Trust Funds in 31 states; 26 have been established in the last three years. The Children's Trust Fund establishes a permanent funding mechanism for child abuse and neglect prevention programs at the community level. It allows communities to coordinate and utilize their own local design and resources to administer programs according to their specific local needs. The National Committee for Prevention of Child Abuse views the Children's Trust Fund as an important funding vehicle for reaching its goal of a 20 percent reduction of child abuse by 1990.

The notion of a Children's Trust Fund was first conceived by Dr. Ray E. Helfer, a pediatrician nationally recognized in the field of child abuse, and at the time a vice-president of the National Committee for Prevention of Child Abuse. Dr. Helfer began to think about the fact that we have trust funds in our country to preserve our highways and our wildlife. Why not, he thought, a trust fund for our most important resource--our children. In June of 1979, the Kansas Chapter of the National Committee for Prevention of Child Abuse presented this concept to individuals representing children's advocacy groups, state agencies, and the legislative and executive branches of state government. The concept met with such wide appeal that individuals from over 35 private organizations and representatives from state government drafted legislation and gained passage of the first state's Children's Trust fund in the 1980 Kansas Legislative Session.

Philosophically, a Children's Trust fund is meant to create a continuing funding mechanism which promotes a directed focus on prevention programming for child abuse and neglect (in a few states family abuse is included) at the community level. The Children's Trust Fund provides start-up or expansion grants for community-based prevention programs. Revenues are generated from one or more of the following methods: an increased fee on marriage licenses, a surcharge on birth certificates, check-offs on the state income tax forms, an increased cost on divorce filings; an increased fee on death certificates. Guidelines for funding reflect a strong emphasis on volunteerism, collaboration, community need and support, evaluation, innovation, and potential of replication. Projects funded by the Children's Trust Funds represent a wide diversity of programs.

The governing body of a trust fund is intended to create a public/private partnership. In some states, existing bodies which have representation from state agencies, the state legislature, and the private sector have been charged with the responsibility of administering the trust fund. In other states where this model did not exist, a public advisory council of public and private sector representatives has been created.

Understandably, the Children's Trust Fund legislation has been especially attractive to state legislators. This approach presents legislators with an opportunity to fund programs they have traditionally neglected -- those for the prevention of child abuse and neglect. In addition the trust fund model can create a funding base which is protected from periodic depressions in state economies, and the potential of cuts in state budgets.

The Children's Trust Fund approach is flexible. Each state that has enacted the legislation differs in geographic size, population, demographics, economies and political ideologies. Yet each has taken the Children's Trust Fund and adopted the concept to suit its own constituency. The field is rich with models that might suit any state's situation. (See attached chart)

The 31 states with Children's Trust Funds are:

Alabama, Arizona, California, Delaware, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Missouri, Montana, Nevada, New Jersey, New Mexico, New York, North Dakota, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, and Wisconsin.

#### FUNDING MECHANISM

As previously stated, revenues to build the Children's Trust Funds have been generated by surcharges on marriage licenses, birth certificates, divorce decrees, death certificates, or by specifically designated checkoffs on state income tax forms.

Some states have actually enacted more than one funding scheme, increasing the cost of birth certificates after having raised the marriage license fees, or passing an income tax checkoff on top of the surcharge on certificates. The cost of copies of death certificates and divorce filing fees have also been increased to support Children's Trust Funds.

Typically the money is located in a separate fund in the state treasury. In some states, though, policy prohibits establishing a specially designated fund of state money. In those cases, the extra fees from marriage licenses go into general

revenues and are then automatically passed along to the Children's Trust Fund advisory boards for grants to support preventive programs in child abuse.

### ADMINISTRATION

Through the advisory boards which direct and administer the Children's Trust Funds, a public and private partnership has developed important new links to address the prevention of child abuse. States include on their boards statutorily specified heads of governmental agencies which are working to prevent child abuse -- education, social services, health, mental health, law enforcement, criminal justice. The advisory boards' public members are appointed by the governor and legislative leadership of the states. In most states the advisory board is attached to the department of social services for administrative support; but in some states the Children's Trust Fund board is an independent entity. The South Carolina Children's Trust Fund is a private, non-profit organization with a 501(c)(3) tax exempt status.

The responsibilities of boards vary from state to state, but they generally include both advisory and administrative duties. In administering the Children's Trust Fund, a board may hire staff to run the program; develop a state plan for the Children's Trust Fund; establish priorities for projects to be funded; develop eligibility criteria for grantees; review proposals; approve the awarding of grants; monitor expenditures of the trust fund; evaluate the effectiveness of the Children's Trust Fund; and submit an annual report to the legislature and the governor. As appointees of the governor and the leadership of the legislative branch of state government, board members are in a unique position to act as advocates for the prevention of child abuse.

### DEFINITIONS

In the statute or in the administrative rules and regulations, oftentimes primary prevention and secondary prevention are defined. An example follows.

PRIMARY PREVENTION is taking measures to keep child abuse from happening before it has ever occurred. The key aspects of primary prevention efforts are as follows.

- It is offered to all members of a population;
- It is voluntary;
- it attempts to influence societal forces which impact on parents and children; and
- It seeks to promote positive family functioning rather than to just prevent problems.

Examples of primary prevention programs include educational programs in schools, parenting and prenatal support classes, "awareness" announcements in the media, etc.

SECONDARY PREVENTION is taking measures to keep child abuse from happening before it has occurred to a serious degree, but after certain warning signals have appeared. The major components of secondary prevention are as follows.

- It is offered to a pre-defined group of "at risk" individuals;
- It is voluntary;
- It is more problem-focused than primary prevention; and
- It seeks to prevent future parenting problems by focusing on the particular stresses of identified parents or guardians.

Examples of secondary programs include support programs for teenage parents, programs for parents of infants with specific problems, and programs for families with identifiable stresses.

#### POSSIBLE PROGRAMS

The following examples are intended to stimulate thinking and discussion about possible community-based prevention programs which could be funded by the Children's Trust Fund. An emphasis on volunteerism is encouraged.

SUPPORT PROGRAMS FOR NEW PARENTS -- The purpose of support programs for new parents, such as perinatal support programs, is to prepare individuals for the job of parenting. Such programs could include supports during both the pre- and postnatal periods. Prenatal programs can build on existing medical programs and educate about-to-be parents in child development, parent-child relationships, and adult relationships. Information on community resources available to new parents and to infants and children should be provided. In supplying information and in teaching skills for coping with the challenges of being parents, special emphasis should be placed on developing techniques useful in communicating with the new baby. One focus of these services should be to develop group activities that form a social network among new parents, thereby creating peer relations and peer support. Although such programs could be available to all parents, special attention should be made to all first-time parents, teenage parents, and single parents.

Prenatal and postnatal medical care is clearly important, particularly since low-birth-weight babies and babies otherwise sick in infancy are at risk for being abused. Many prospective parents now participate in prenatal care programs that go beyond the medical needs of the pregnant mother and the growing fetus to include attention to the demands of parenting. All prenatal