



2023
Thoroughbred
Horse Farm
Compensation
Survey

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We are pleased to provide you with the summary results of our 2023 Thoroughbred Horse Farm Compensation survey. This survey focuses on compensation matters for Thoroughbred horse farms throughout the United States and Canada. We hope that these compiled results will be a helpful tool for you to use in conducting your business throughout the year.

We would like to thank the NTRA for assisting us to expand this survey nationally. We also thank those who responded, as these responses continue to make this survey useful.



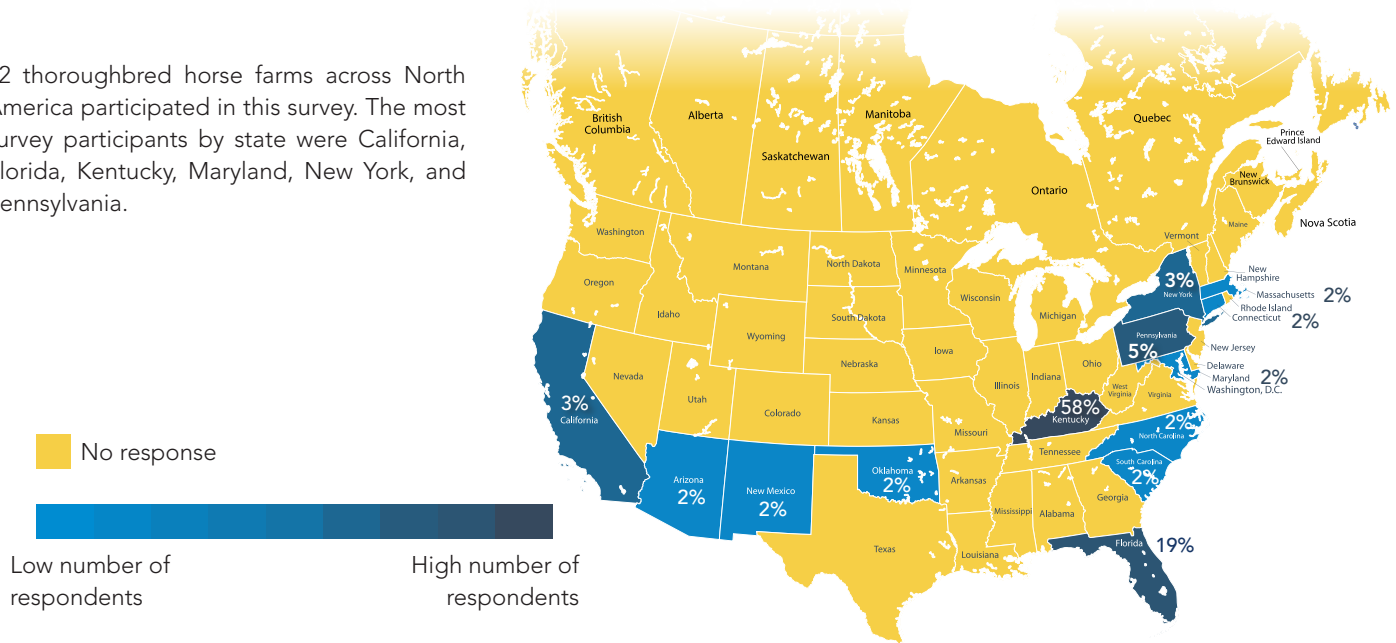
As always, we welcome your feedback and suggestions for future survey topics.

Sincerely,

Jen Shah & Melissa Hicks
Dean Dorton Equine Team

SURVEY DEMOGRAPHICS

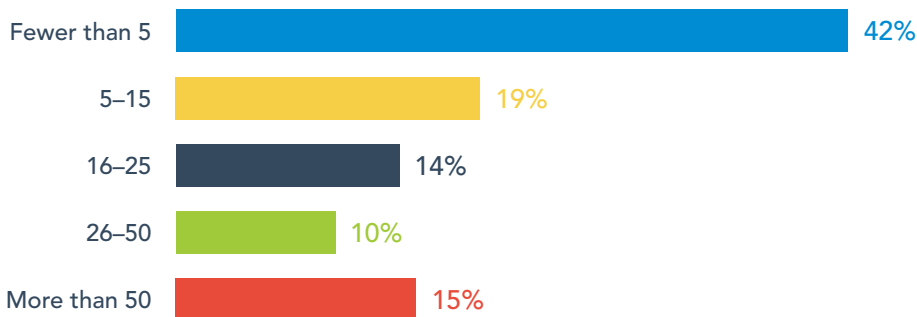
52 thoroughbred horse farms across North America participated in this survey. The most survey participants by state were California, Florida, Kentucky, Maryland, New York, and Pennsylvania.



The responding farms range in size from 6 acre to 4,358 acres, with an average of 87% used acreage per farm.



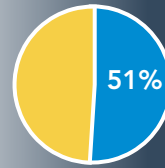
Most responding farms have, on average, fewer than five full-time (year-round) employees.



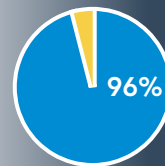
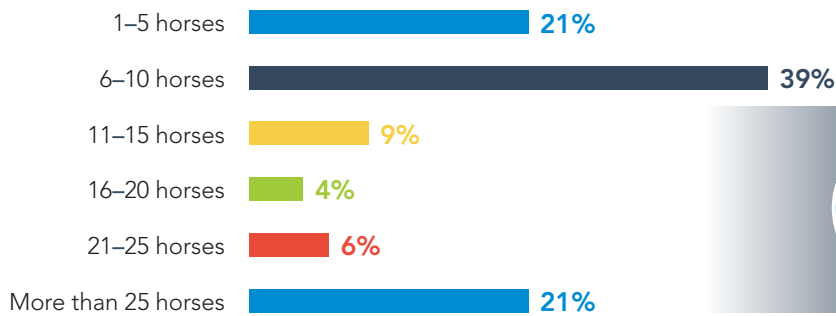
SURVEY DEMOGRAPHICS

About half of the responding farms have stallions, while nearly all of the responding farms have mares and foals. The breakdown of stallions, mares, and foals maintained per full-time groom is:

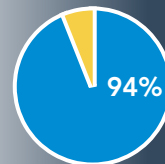
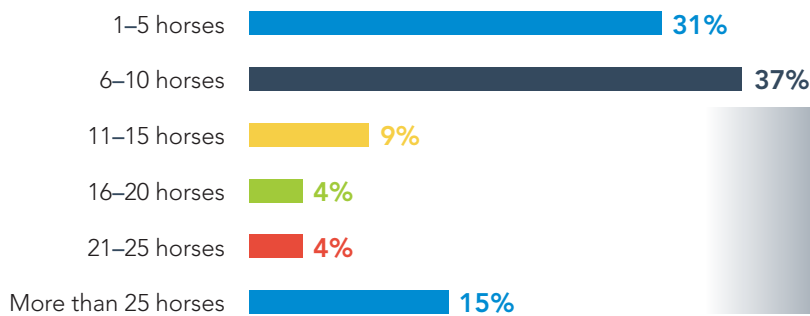
Stallions



Mares



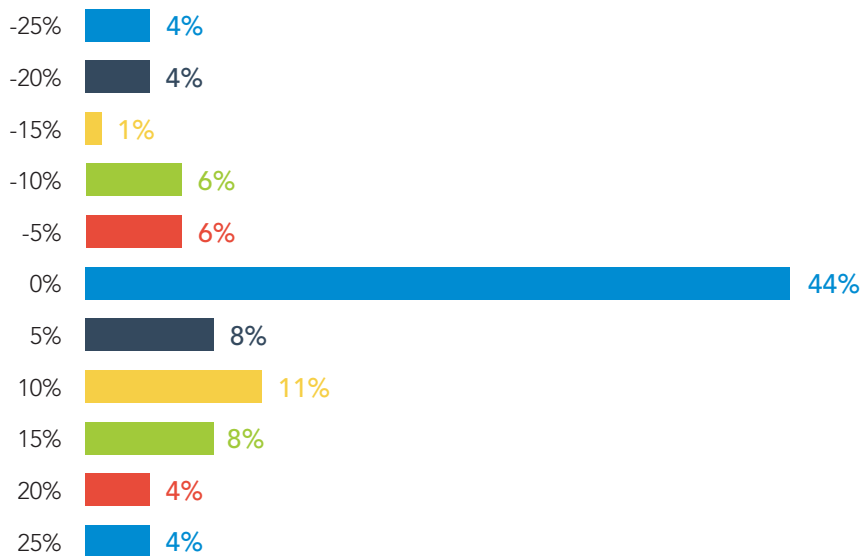
Foals



EMPLOYEES

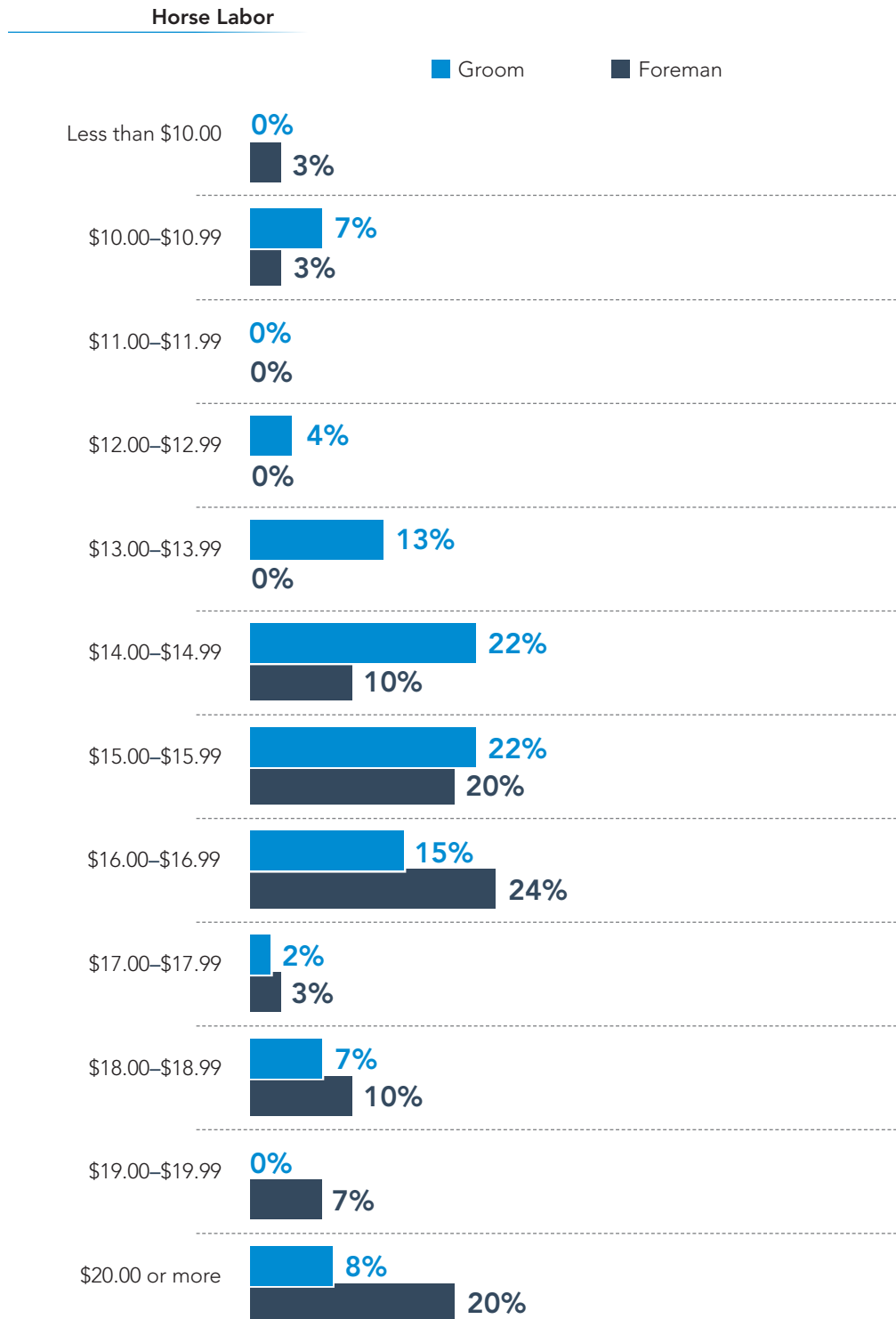
The change in employment is trending upwards from our 2021 survey. 35% of farms have increased employment over the past year compared to only 20% in 2021. Even with increased employment levels, 39% of farms still feel understaffed.

EMPLOYMENT CHANGE SINCE LAST YEAR



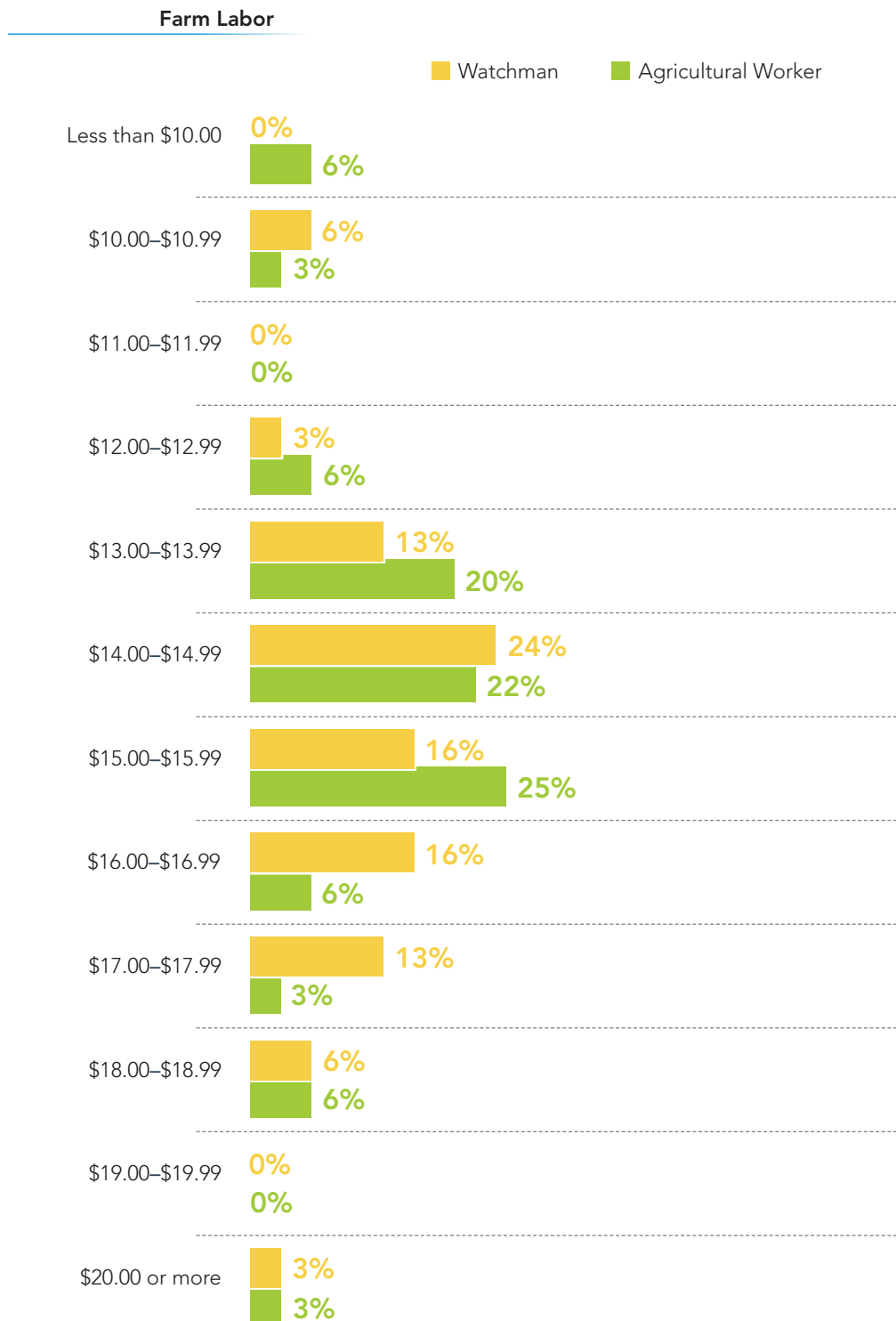
AVERAGE PAY RATES: HOURLY

The following chart details compensation for hourly farm employees:



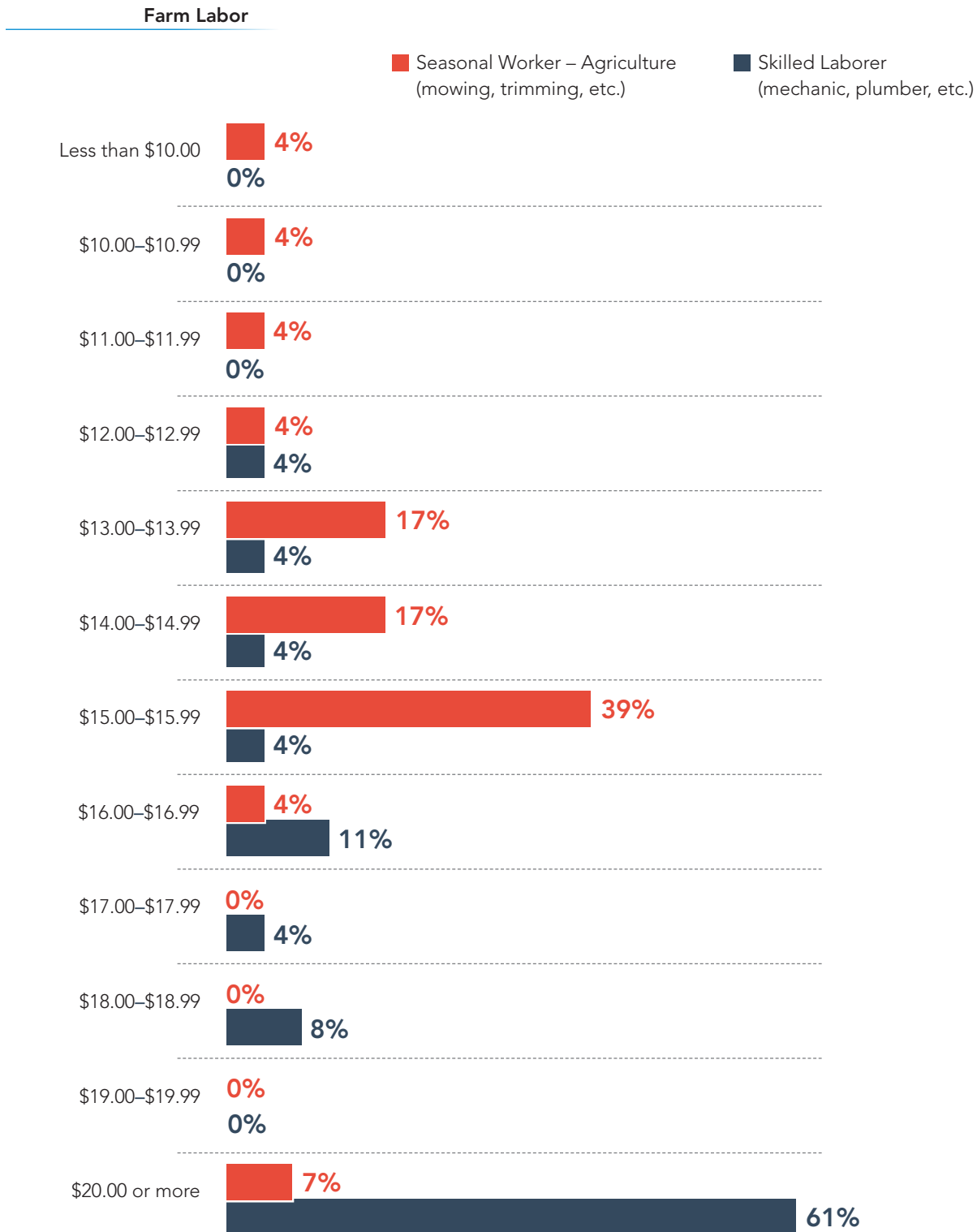
AVERAGE PAY RATES: HOURLY

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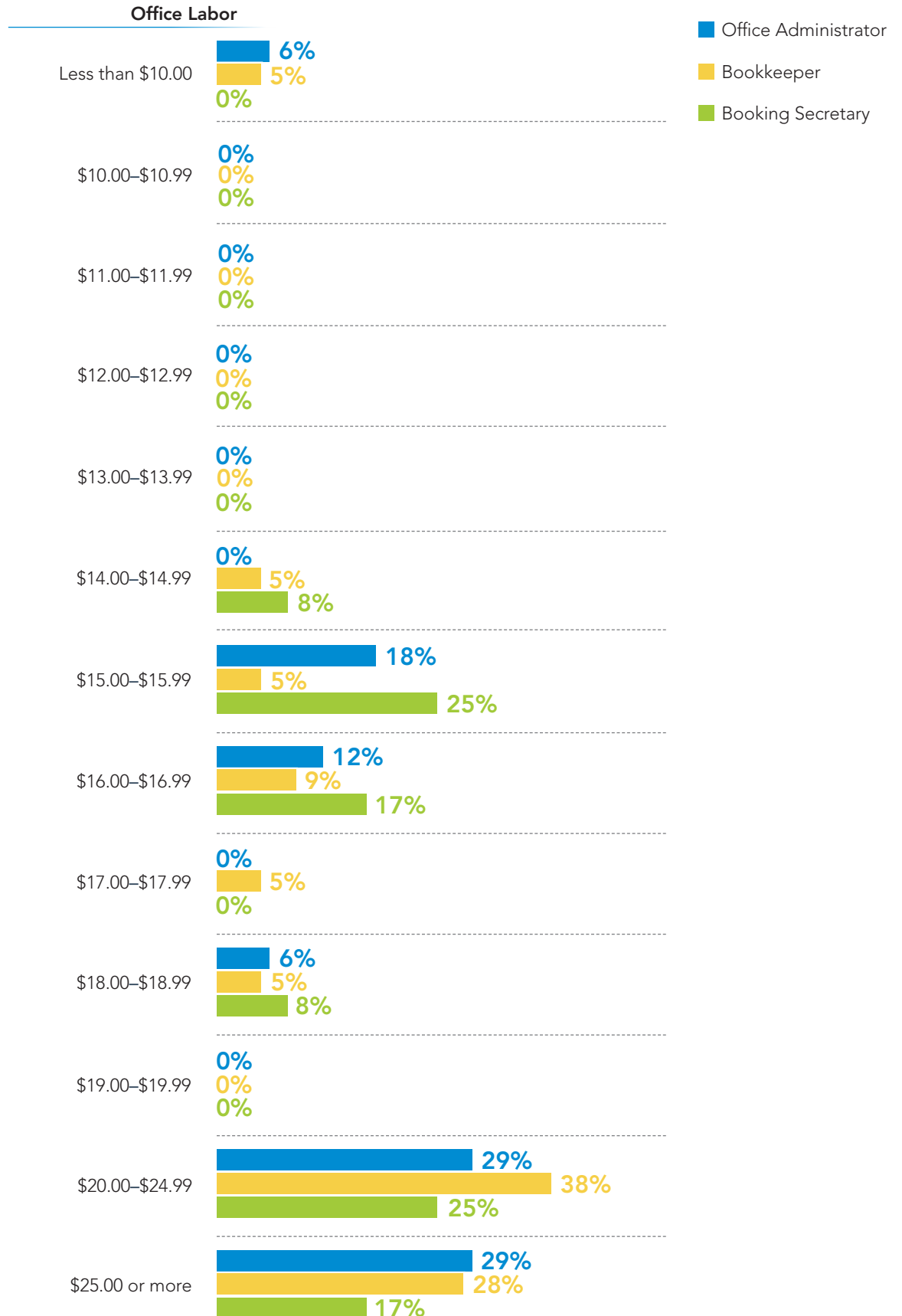
AVERAGE PAY RATES: HOURLY

The following chart details compensation for hourly farm employees. We noted that the majority of farms do not employ skilled laborers.



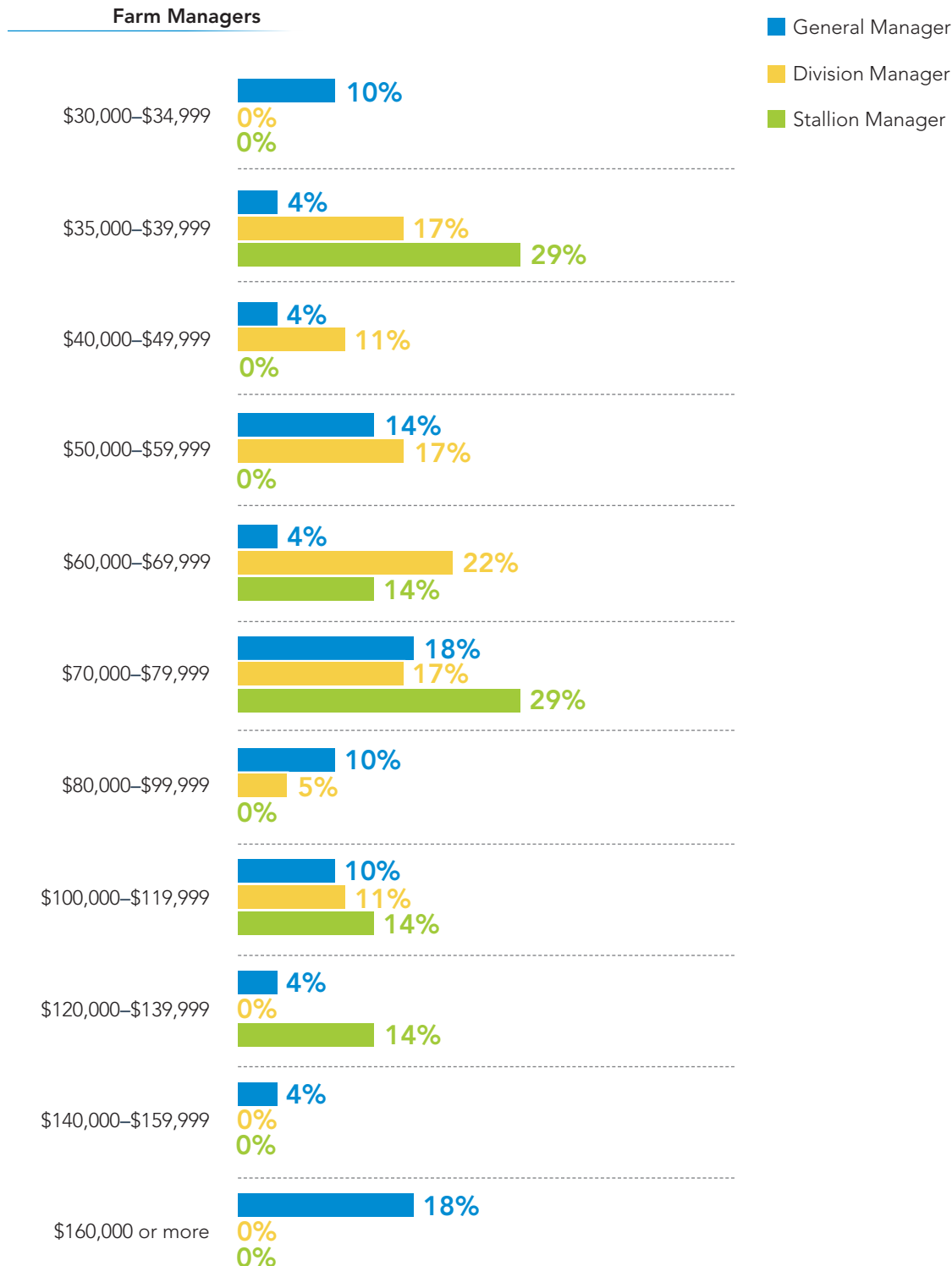
AVERAGE PAY RATES: HOURLY

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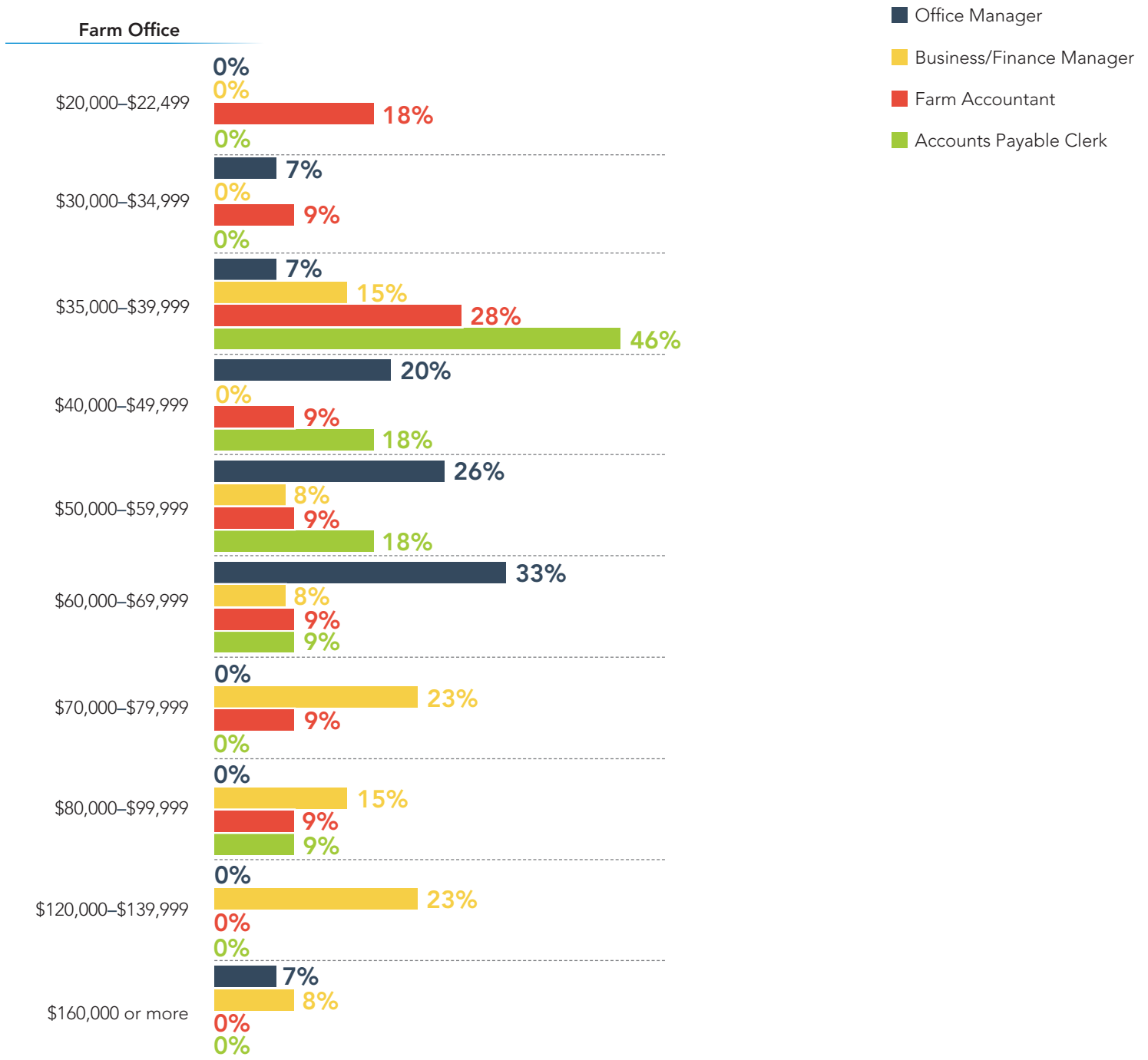


AVERAGE PAY RATES: SALARY

The following chart details compensation for salaried farm managers.

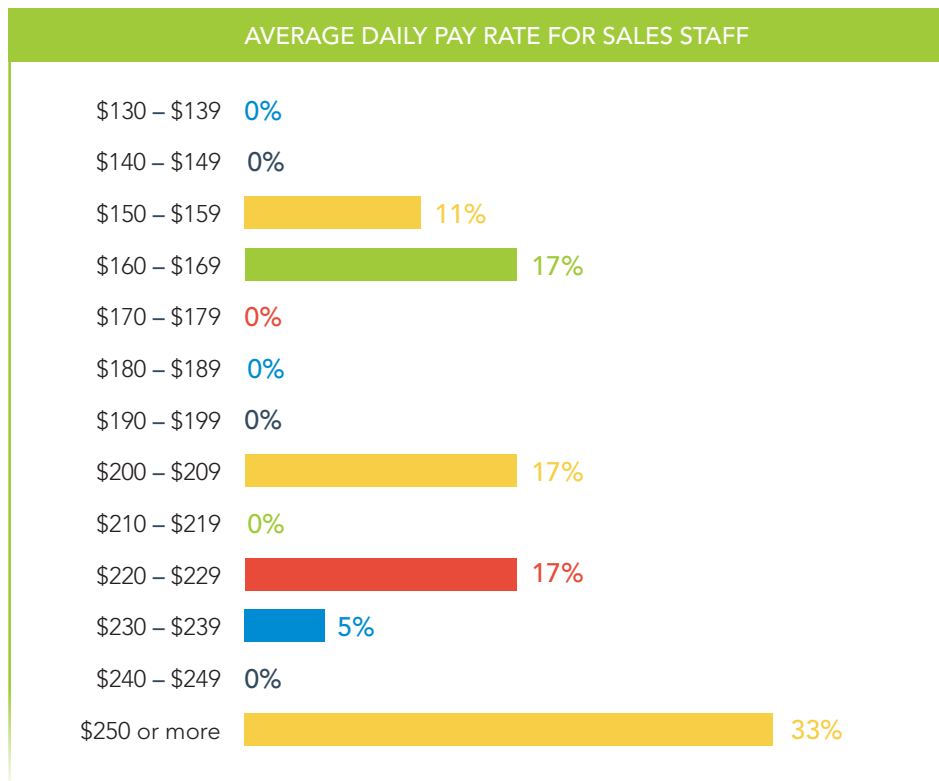


AVERAGE PAY RATES: SALARY



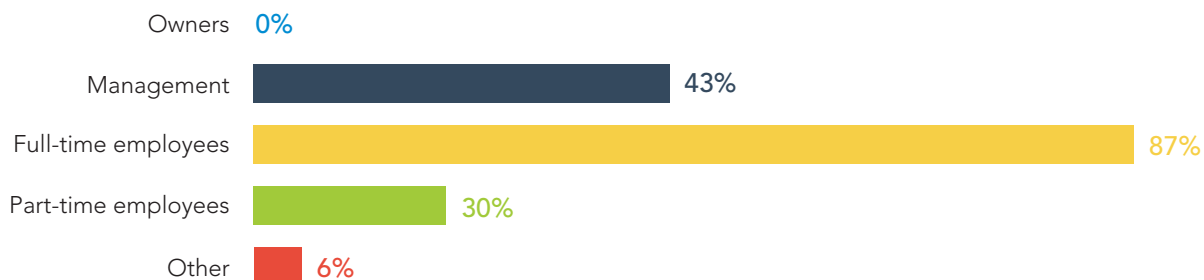
SALES STAFF

38% of responding farms employ sales staff.



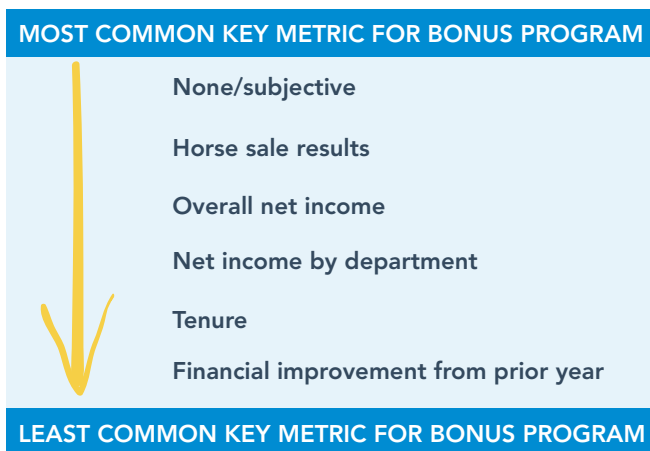
BONUS PROGRAM

64% of responding farms offer a bonus program. The following positions are eligible to participate:



Examples of others who participate include seasonal employees, year-round employees, riders, and contract workers.

28% of horse farms offering a bonus program use horse sale results as the key metric for their bonus program calculation.



The majority of farms do not use a specific percentage of any key metric for funding the bonus plan itself. Of those that do, specific percentages range from horse sale proceeds (example: 3% of Yearling sales) to 2-5% sales, 10% or 12% of company revenue.

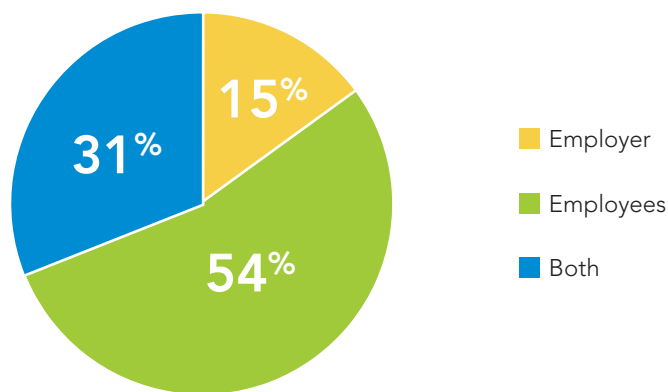
62% of farms pay bonuses **annually**. 24% pay semi-annually, 7% pay after sales proceeds are received, and 7% pay during other times like at the end of breeding season, end of sales, holiday bonus, after racing, or just on a discretionary basis.

DENTAL INSURANCE

28% of responding farms provide dental insurance.

15% of responding farms pay the full premium for dental insurance for their employees.

Who pays the premium?



For farms where both employer and employee pay a share of the premium for dental insurance, the shared cost ranges significantly from farm to farm:

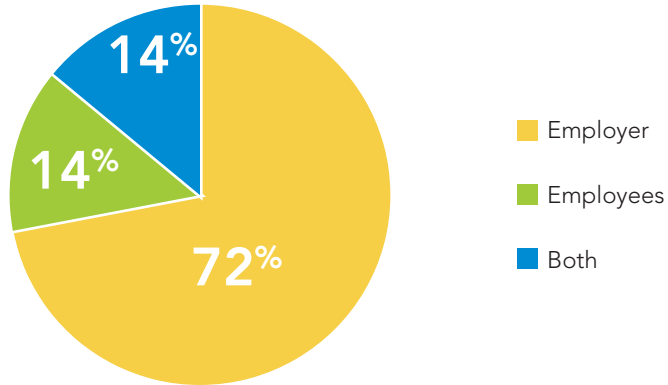
- 100% for the employee and 0% for dependents
- Employer: 60% and Employee: 40%
- Employer: 20% and Employee: 80%
- Employer: 11-30% and Employee: 70-89%

LIFE INSURANCE

30% of responding farms provide life insurance.

72% of responding farms pay the full premium for life insurance for their employees.

Who pays the premium?



HEALTH INSURANCE

Less than one-half of the farms provide health insurance.



Single Health Coverage

100% of all farms that provide single (individual) health insurance pay the premium entirely or split the premium between the employer and the employee.

Who pays the premium?



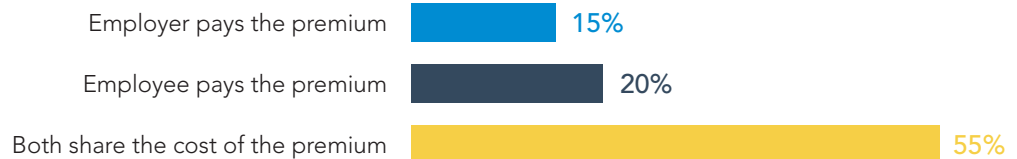
Since our last survey, more farms share this cost with employees versus covering the full cost of premiums. For farms where the single health insurance premium is shared by the employer and employee, there are variances in percentages paid:

- 50/50 Employer and Employee
- Employer: 100% of base plan, 90% of buy-up
- Employer: 90% and Employee: 10%
- Employer: 95% and Employee: 5%
- Employer: 80% and Employee: 20%
- Employer: 70% and Employee: 30%
- Employer: 60% and Employee 40%
- Management: 100%; Hourly - Employer: 75% and Employee: 25%

Family Health Coverage

90% of farms offer family health insurance coverage an increase from 72% in 2021.

Who pays the premium?

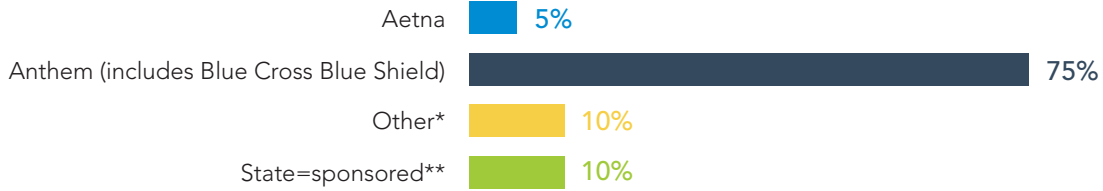


For farms where the family health insurance premium is shared by both the employer and employee, there are variances in percentages paid:

- Employer: 66% and Employee: 33%
- Employer: 80% and Employee: 20%
- Employer: 40% and Employee: 60%
- Employer: 75% and Employee: 25%
- Employer: 70% and Employee 30%

HEALTH INSURANCE

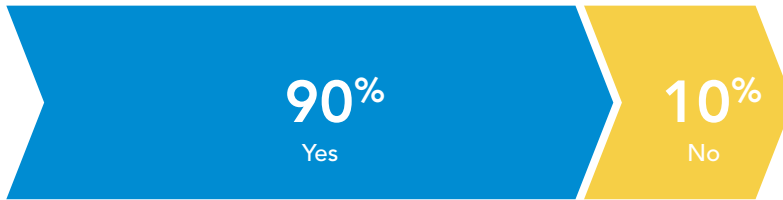
HEALTH INSURANCE PROVIDER



*Other means the insurance provider was not listed or respondents indicated that employees choose their provider

**State-sponsored indicates a plan such as a state-sponsored thoroughbred association plan

Insurance premiums **increased** for the majority of farms this year.

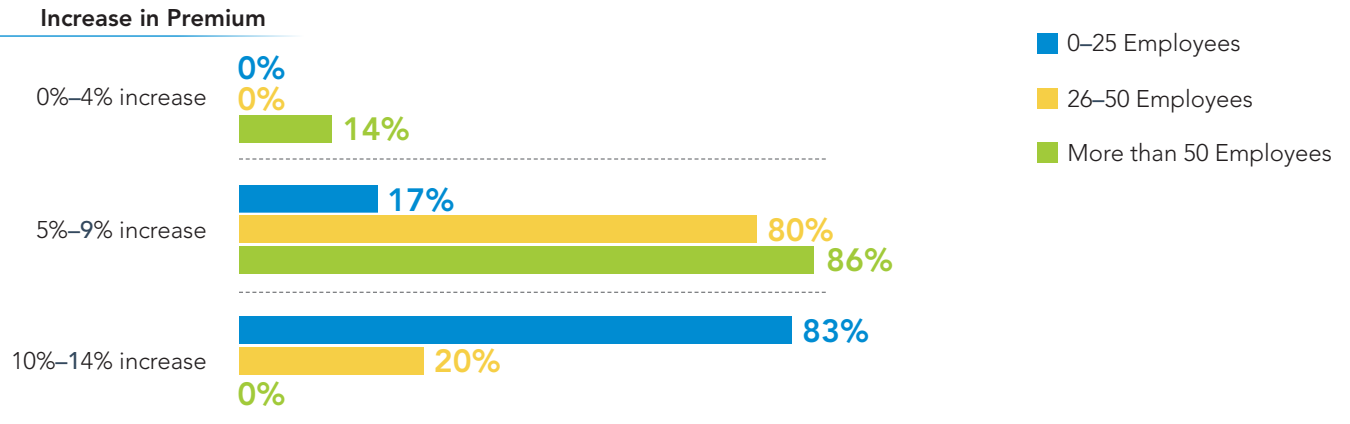


Increases for farms ranged from 3.2% to 10%, but the average increase was **7%**

HEALTH INSURANCE

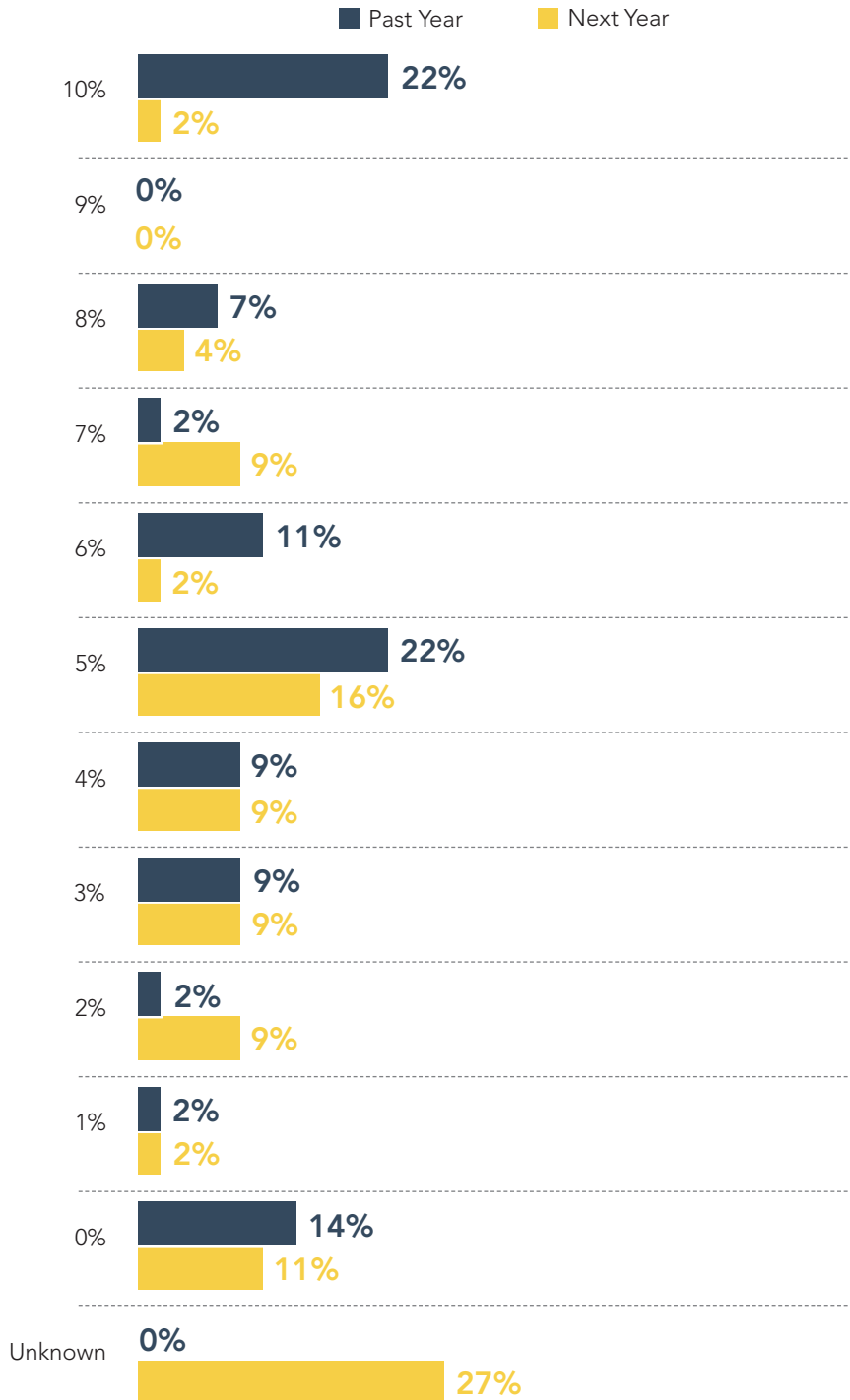
The following chart details the percent (%) change in health insurance premiums over the prior year based on employee ranges.

The increase is broken down by full-time employees as categorized on the right-hand legend:



WAGE INCREASES

Most of the respondents had a 5% or 10% wage increase in the past year. In the coming year, the majority of farms are unsure how much their average price wage increase will be, with 5% being the most popular response.



EMPLOYEE RETIREMENT PLAN

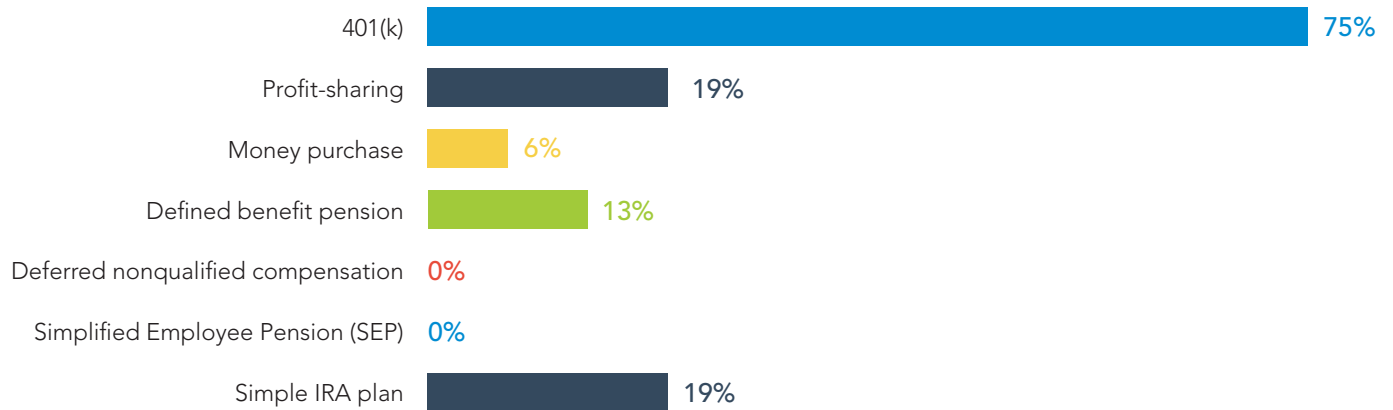
36%

of the responding farms provide an employee retirement plan.

Who funds the plan?



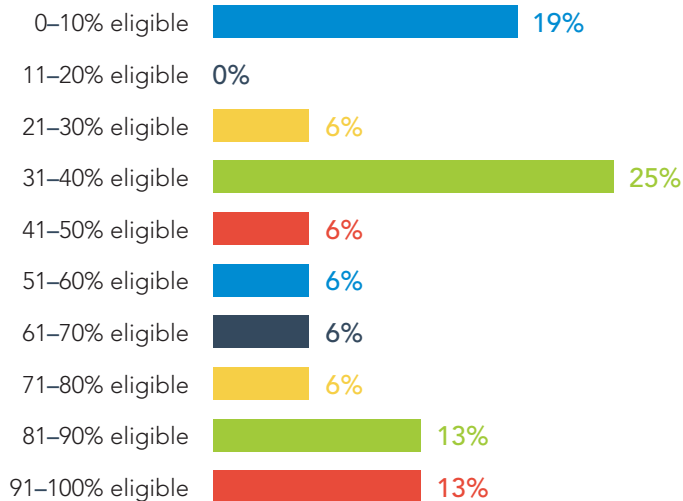
Type of Employee Retirement Plan



The below reports a decline in participation by eligible employees versus our 2021 survey.

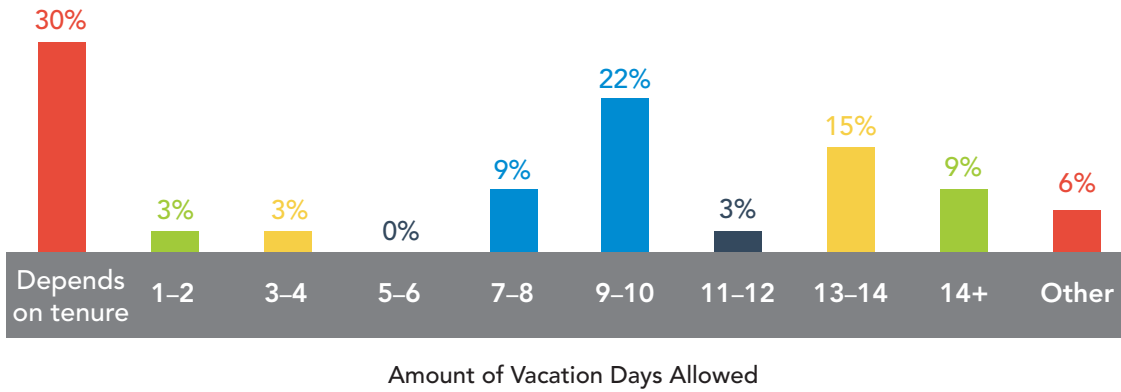
PARTICIPATION RATE (%) OF ELIGIBLE EMPLOYEES

Percent (%) of Eligible Employees



VACATION DAYS

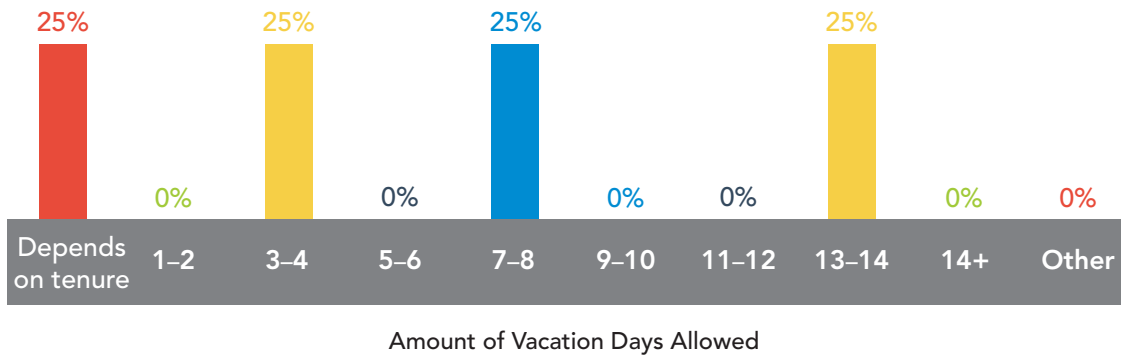
74% of the respondents provide paid vacation time for **FULL-TIME** employees.



Other:

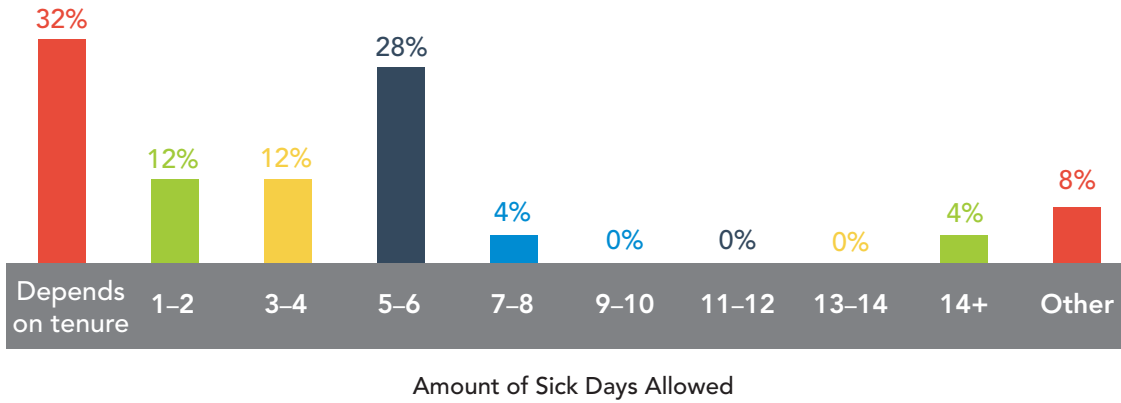
- Accrues over a period of time; examples include receiving a small amount initially and then accruing more the longer they are employed with the farm

9% of the respondents provide paid vacation time for **PART-TIME** employees.

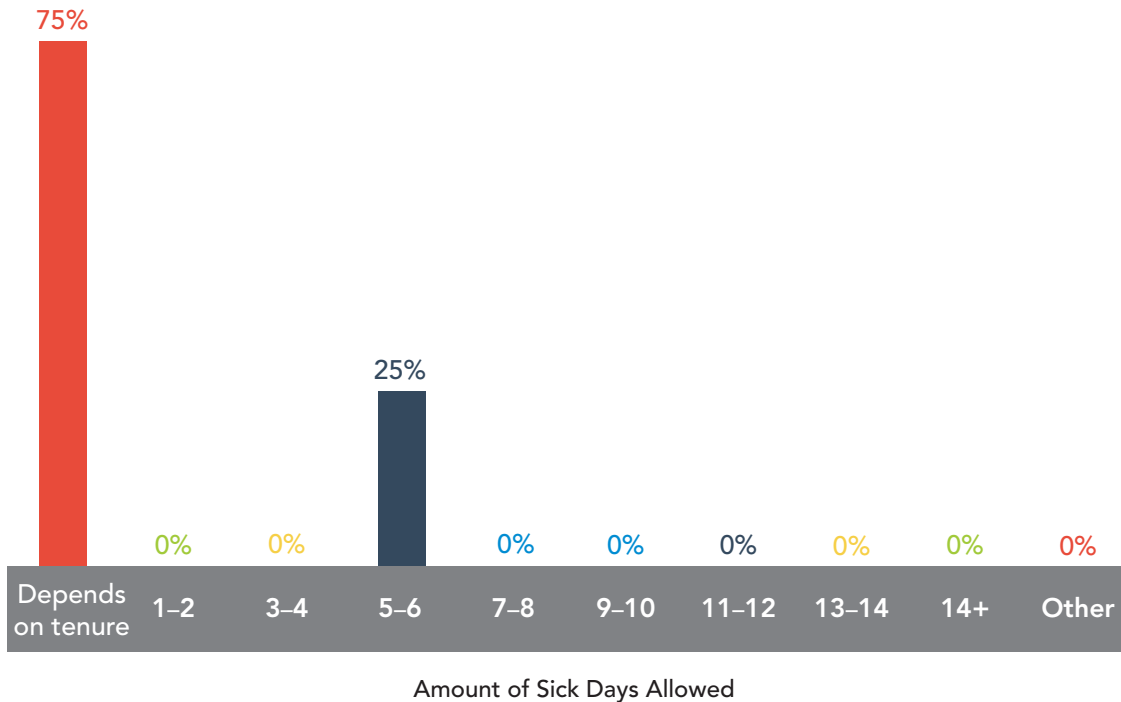


SICK DAYS

56% of the respondents provide paid sick time for **FULL-TIME** employees.



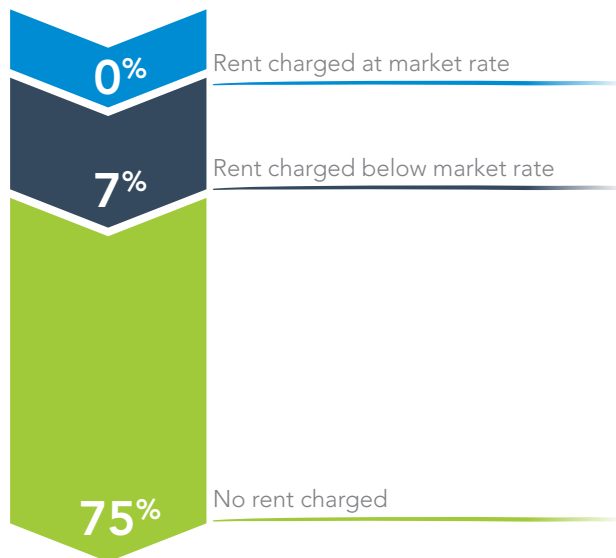
9% of the respondents provide paid sick time for **PART-TIME** employees.



HOUSING

82% of the responding farms provide on-farm housing for employees.

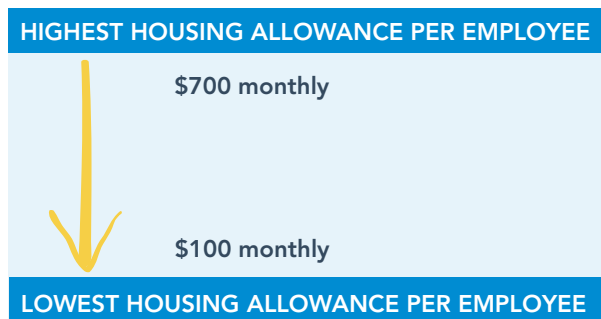
Rent varies per farm as follows:



36% of farms **require signed agreements** with tenants.

25% of farms **provide a housing allowance** to offset off-farm housing costs.

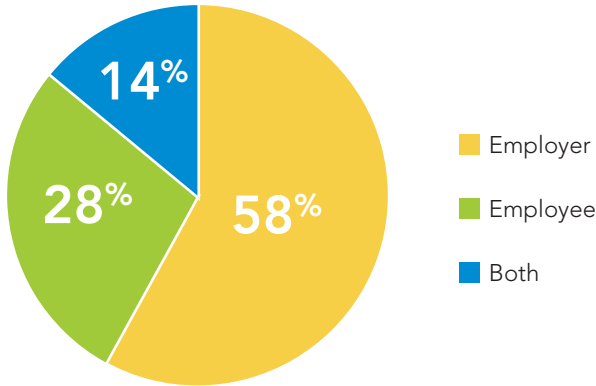
18% of respondents base the amount of housing allowance on an employee's position or title. Housing allowance paid on average per employee position varies significantly. The overall average was **\$380 per month**.



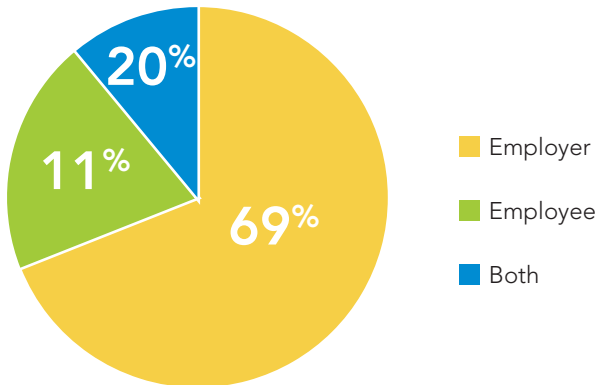
HOUSING

The responsibility for who covers expenses related to on-farm housing vary widely. All of the below reflect an increase in sharing these costs versus the employer fully funding them.

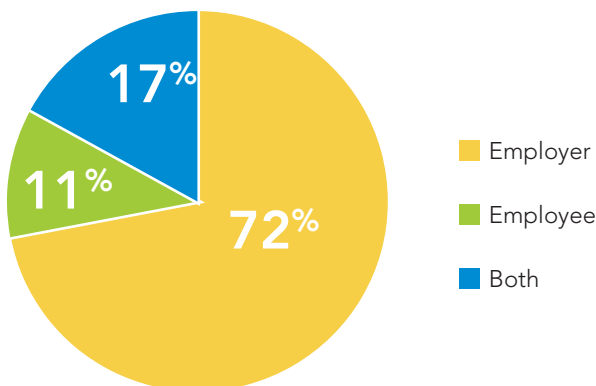
Utilities



Home Insurance



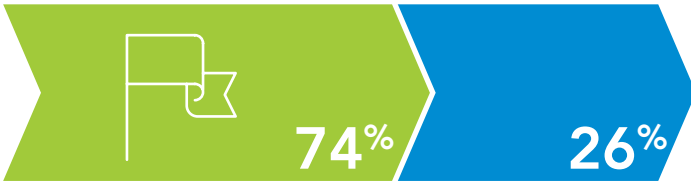
Maintenance



VEHICLES



61% of respondents provide vehicles for any employees.



74% of respondents said that vehicle use is restricted to farm business.

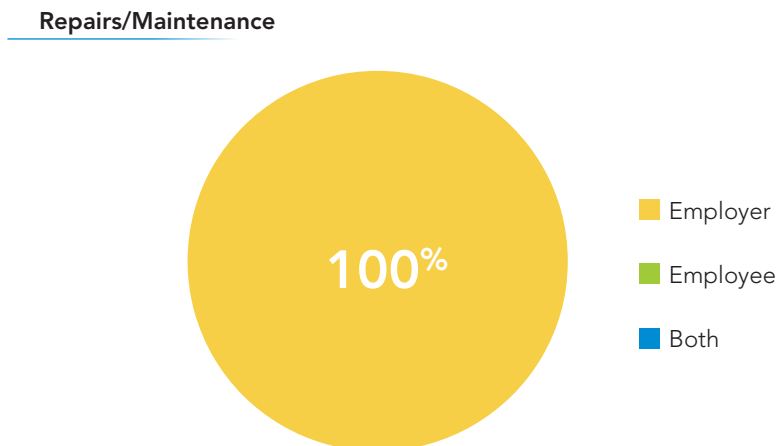
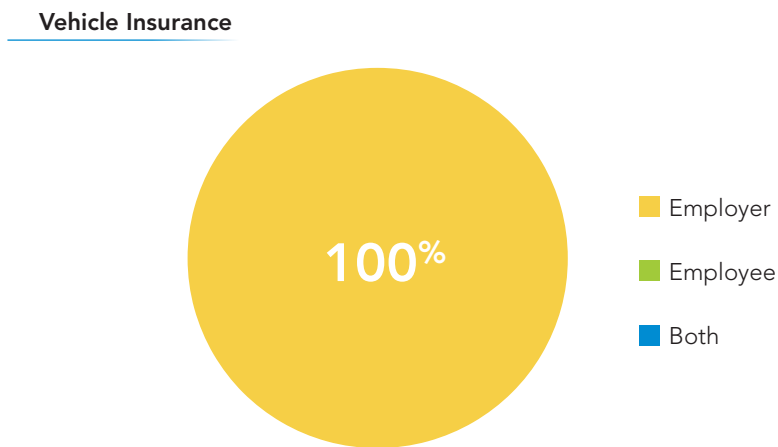
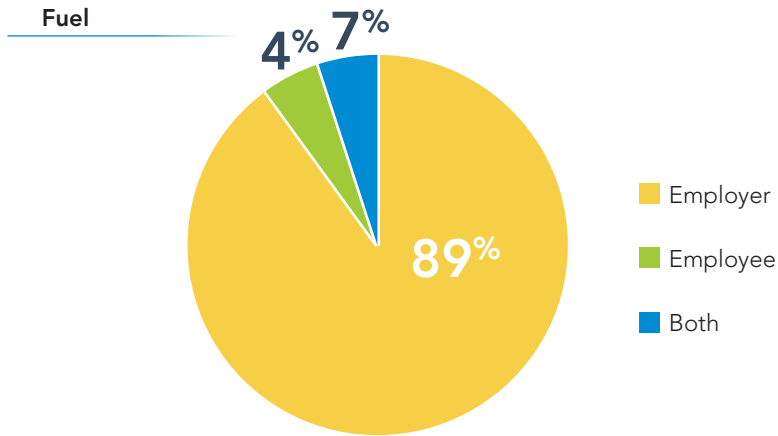


56% of respondents indicated that a written vehicle policy is maintained by the farm.



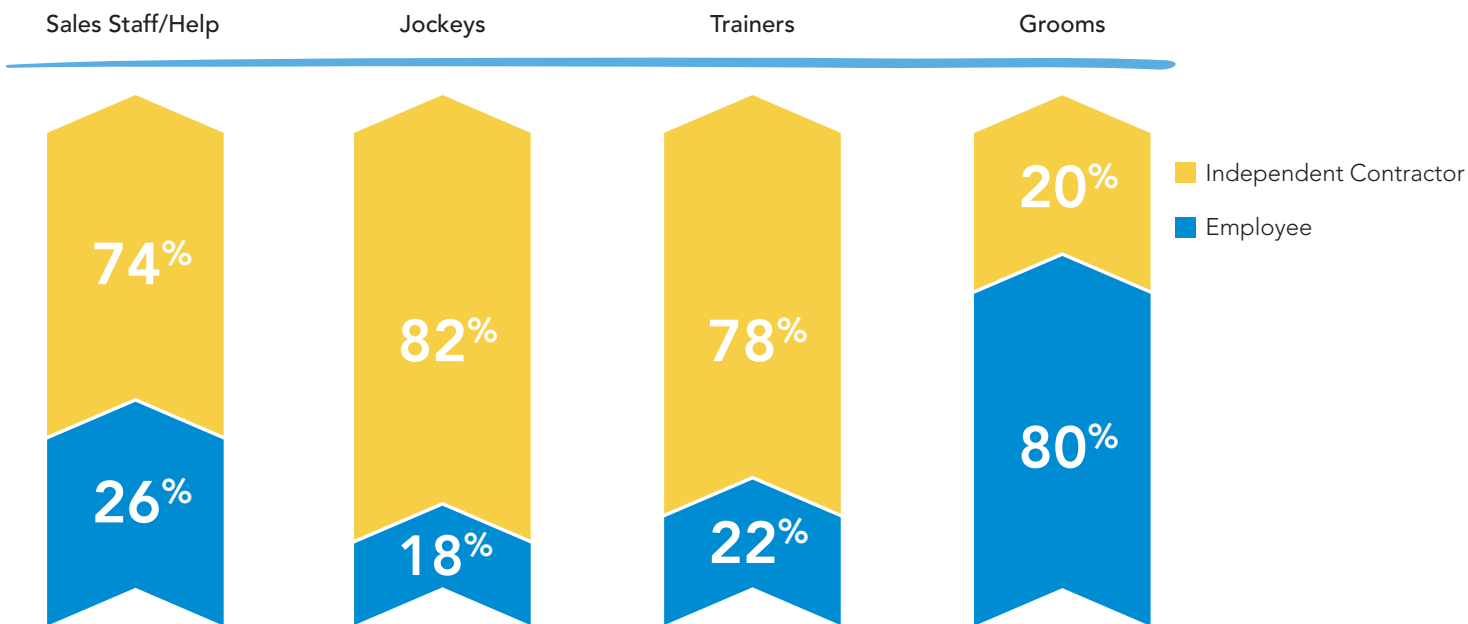
VEHICLES

The responsibility for who covers expenses related to vehicles primarily remains with the employer.



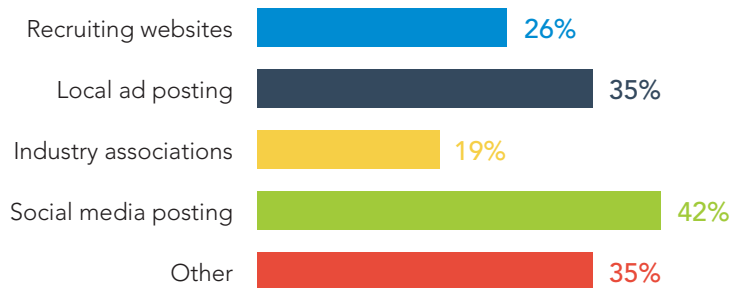
LABOR

Farms have different labor needs depending on the season and the operations of the farm. How people are hired varies depending on the timeframe, job role, and other factors. Hiring trends also show that it is a mixed approach to finding the right labor.



Farms use multiple sources to find new labor including some of those listed indicated below.

Ways of finding new labor

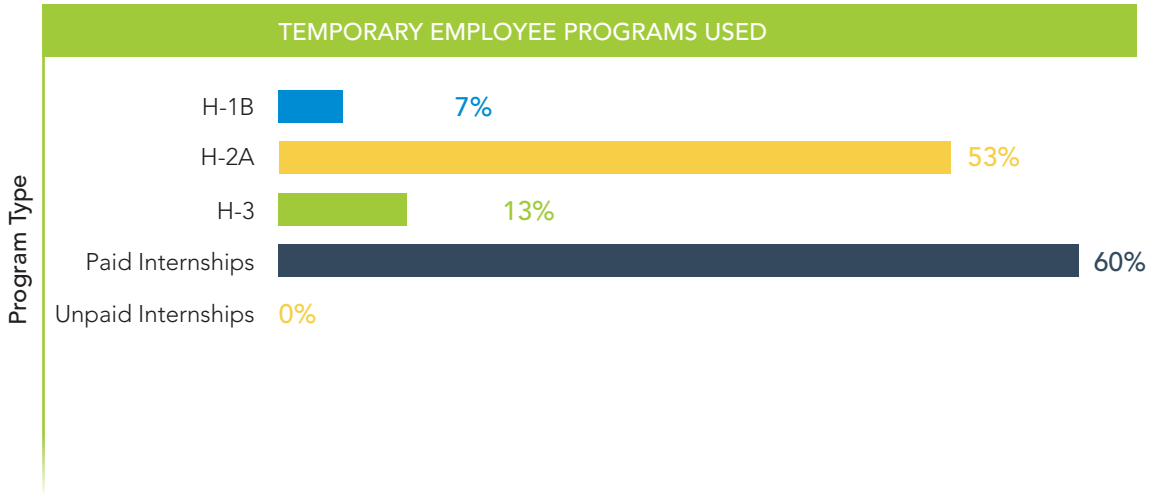


Other:

- Word of mouth
- H2A Visa, local high school and college fairs
- Stable recovery
- Sign in front of the farm
- Networking and employee contacts

LABOR

35% of the respondents hire temporary employees through Visa programs or other temporary work programs, such as internships.



ECONOMIC RELIEF PROGRAMS

19% of responding farms participated in an economic relief fund program this year which was significantly less than 2021 survey results. This is not surprising, given most of the temporary relief fund programs expired.

Employee Retention Tax Credit  19%

ABOUT DEAN DORTON

With offices in Kentucky, known for its world-class horse farms, racing, and sales, Dean Dorton has provided accounting, tax, and business consulting services to the horse industry for over 40 years. Our clients cover a broad spectrum of organizations involved in the horse industry, from small boarding farms to large multi-departmental farms involved in boarding, breeding, selling, and stallion management; from racing stables to a racetrack; from bloodstock agents to equine veterinary firms; and from industry associations to equine insurance agencies.

Horse industry clients from Kentucky, other parts of the United States, and internationally gain comfort from having our industry specialists work with them. As a firm, we endeavor to know the business of horses, not just accounting and tax rules relating to the industry. We accomplish this in a number of ways, including, most usefully, by working with our many clients in the industry on their business matters.

We perform a variety of services for our clients involved in the equine industry. And, we welcome inquiries, whether from new participants in the industry who want assistance in properly structuring and administering their stables or farms or from longtime industry participants seeking to improve the performance and administration of their operations.



DEAN DORTON TEAM

The Dean Dorton equine team is available to assist you with your needs throughout the year.



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