

**The Economic Impact of Keeneland Racing, Sales, Special Events  
and supporting operations on the Lexington Metro Area**

By  
Thomas E. Lambert, PhD  
Applied Economist  
Departments of Equine Administration and Economics  
College of Business  
University of Louisville  
Louisville, KY 40292  
502-852-7838  
[Thomas.Lambert@Louisville.Edu](mailto:Thomas.Lambert@Louisville.Edu)

September 2024

## Executive Summary

Keeneland contributes an estimated **\$1.6 billion +** to the Lexington Metro due to its racing, Thoroughbred auctions, tours, special events, retail and library operations as well as the construction and rehabilitation of facilities on its premises. Notably, around 64% of racing patrons come from outside of Kentucky, and around 67% of those attending and participating in the annual horse auctions come from outside the state. Of those attending the auctions from out of state, approximately 24% come from outside the U.S.

Spending by outsiders makes Keeneland somewhat of an “exporter” of racing and auction events for the metro area (Fayette County and surrounding counties) in that this money comes from outside the region, which makes such earnings a net gain to the Lexington metro area. And these spending effects do not stop at Keeneland. Restaurants, hotels, airports, transportation providers, area attractions and retailers in the Lexington area benefit from both spending from those visiting and/or doing business with Keeneland.

Keeneland Race Course in Lexington, Kentucky has had a long tradition of world-class horse racing going back to its inception and first race meet in October 1936. Keeneland is also the world’s largest Thoroughbred auction company with annual sales beginning in 1943 (Keeneland 2022). This paper examines what economic impact the Keeneland race meets, Thoroughbred auctions, special events, retail activities, tours and Keeneland Library have on the Lexington metro area (Bourbon, Clark, Fayette, Jessamine, Scott, and Woodford counties in Kentucky) on a roughly annual basis by examining data for 2023. This report also factors the impact on the local economy of Keeneland’s construction of the new Paddock Building, which will be open to the public in Fall of 2025. These collective effects are summarized below and enumerated in this report.

## Executive Summary

1. Keeneland contributes an estimated **\$1.6 billion +** to the Lexington Metro annually due to its racing, auctions, tours, special events, retail, library operations, and Keeneland's current construction project.
2. On a normal year (without construction) Keeneland generates on average **\$1.46 billion** annually for the Lexington metro area.
3. Keeneland Thoroughbred auctions generate **\$1.16 billion** for the Lexington metro area.
4. From this \$1.16 billion for Keeneland Thoroughbred auctions, **\$336 million** is the impact on the local tourism economy with visitors from around the world spending dollars in area restaurants, hotels, retail establishments and local businesses.
5. Keeneland Racing generates nearly **\$300 million** for the Lexington metro area.
6. Of the \$300 million total impact for Keeneland racing, **\$190 million** is generated from out-of-town visitors spending money at local restaurants, hotels, bars, at area attractions retail establishments and more.
7. Keeneland's supporting business lines (everything other than racing and sales) generates **\$97.7 million** for the Lexington metro area. This includes the Keeneland Shop, Keeneland Tours, Keeneland Special Events and Keeneland Library.
8. Keeneland's additional construction and the additional jobs from the construction generates **\$166.6 million** for the Lexington metro area. *This does not factor in the additional jobs, revenue, and capacity that the new construction will generate in 2025 and beyond.*

## Keeneland Total Impact

Keeneland contributes roughly an estimated **\$1.6 billion +** to the Lexington Metro annually due to its racing, auctions, tours, special events, retail and library operations as well as the construction and rehabilitation of facilities on its premises. Without construction effects, and to approximate annual effects using current prices, the effect is approximately an estimated **\$1.46 billion**. Please see tables 1 and 2 below.

**Table 1—Total Keeneland Economic Impact for Recent Year**

Impact	Jobs <sup>1</sup>	Revenues/Output
1 – Direct	1459	\$ 860,982,480.34
2 - Indirect	3322	\$ 558,473,778.08
3 - Induced	975	\$ 207,143,841.94
<b>Totals</b>	<b>5757</b>	<b>\$ 1,626,600,100.36</b>

**Table 2—Total Keeneland Economic Impact – *for on a non-construction year***

Impact	Jobs	Revenues/Output
1 – Direct	788	\$ 766,982,480.34
2 - Indirect	3151	\$ 522,197,865.00
3 - Induced	762	\$ 170,789,824.09
<b>Totals</b>	<b>4702</b>	<b>\$ 1,459,970,169.43</b>

<sup>1</sup> Job estimates are a combination of full time and part time, permanent and temporary, jobs which have been converted to full-time, year-round, equivalent jobs in order to arrive at estimates.

Indirect effects include the jobs and revenues attributable to vendors and supplier to Keeneland operations whereas induced effects refer to jobs and sales of local businesses that benefit from the spending of Keeneland employees and the employees of Keeneland vendors and suppliers.

**Details and Elaboration of Tables 1 and 2, Examples of Area Industries Impacted, Tax Receipts**

Tables 1 and 2 Elaboration

*Supporting Tables and Numbers for the Estimates in Tables 1 and 2 are below. Tables 3, 4, 5, 6, and 7 sum to the estimates in Table 1, and Tables 3, 4, 5, and 6 total up to the numbers in Table 2.*

**Keeneland Thoroughbred Auctions**

Keeneland, the world's largest Thoroughbred auction company, attracts participants from all over the globe to attend auctions in September, November, January and April. These events grossed nearly \$660 million for 2023 and supported around 3,214 jobs at Keeneland. The auctions also support Keeneland suppliers and vendors, and boost local restaurants, retailers, and other businesses who benefited from the spending of Keeneland employees, the employees of its suppliers, and the spending of buyers and visitors who attend the auctions. The following enumerates this impact:

**Table 3—Keeneland Thoroughbred Auction Sales – Total Impact\***

<b>Impact</b>	<b>Jobs</b>	<b>Revenues/Output</b>
<b>1 - Direct</b>	120	\$659,672,100.00
<b>2 - Indirect</b>	2,510	\$401,747,910.01
<b>3 - Induced</b>	584	\$99,812,728.27
<b>Totals</b>	<b>3,214</b>	<b>\$1,161,232,738.28</b>

### **Keeneland Race Meets**

Keeneland hosts boutique racing events in April and October attracting fans from all fifty states and participants from around the world. The earnings at Keeneland Race Course help to expand Lexington regional spending by a factor of almost 3 (almost \$300 million) thanks to indirect and induced spending effects of suppliers, Keeneland and supplier employees, and the expenditures of track patrons at various businesses. *\*This impact is also inclusive of Keeneland's retail operations.*

**Table 4—Keeneland Racing – Total Impact**

<b>Impact</b>	<b>Jobs</b>	<b>Output</b>
<b>1 - Direct</b>	635	\$106,000,000.00
<b>2 - Indirect</b>	597	\$119,393,591.93
<b>3 - Induced</b>	167	\$70,507,164.35
<b>Totals</b>	<b>1400</b>	<b>\$295,900,756.28</b>

### Keeneland Special Events

Beyond racing and sales, Keeneland hosts destination weddings, corporate events, fundraisers and events year-round. Around \$150,000 in spending for Keeneland special events results in an additional \$152,000 in spending in the Lexington area, and the approximately 20 jobs in this category of operations support another 30 jobs in the region. These boosts in employment and revenues to the area beyond what takes place at Keeneland are due to indirect and induced effects.

**Table 5—Keeneland Special Events - Total Impact**

<b>Impact</b>	<b>Jobs</b>	<b>Revenues/Output</b>
<b>1 - Direct</b>	20	\$150,049.00
<b>2 - Indirect</b>	25	\$115,225.59
<b>3 - Induced</b>	6	\$37,556.92
<b>Totals</b>	<b>51</b>	<b>\$302,831.51</b>

### Keeneland Tours and Library

Keeneland's year-round operations also include a strong tour program hosting thousands of visitors as well as Keeneland Library, the world's largest repository for Thoroughbred literature. The Keeneland Library also hosts numerous exhibits and community outreach efforts attracting researchers, members of the community and visitors from around the world. With 13 or so employees earmarked for tours and library

work, each of these jobs support another 24 or so in the region, and their revenues from their work help to create around \$1.4 million in revenues among suppliers and other businesses.

**Table 6—Keeneland Tours and the Keeneland Library – Total Impact**

<b>Impact</b>	<b>Employment</b>	<b>Revenues/Output</b>
<b>1 – Direct</b>	13	\$ 1,160,331.34
<b>2 - Indirect</b>	19	\$ 941,137.47
<b>3 - Induced</b>	5	\$ 432,374.55
<b>Totals</b>	<b>37</b>	<b>\$ 2,533,843.35</b>

*When the total effects of \$2.5 million in Table 6 are added to the sales of other operations (Keeneland Shop and Events which total around \$95.2 million in direct, indirect, and induced effects)<sup>2</sup> mentioned in Point 7 in the Executive Summary above, operations outside of racing and auctions add almost \$97.7 million to the Lexington regional economy as noted in Point 7.*

### **Keeneland Construction**

Table 7 below displays the impact of the construction effects carried out over the previous year at Keeneland. It illustrates how the construction industry in the Lexington region is boosted by the new construction and supports an additional amount of spending of \$72 million thanks to indirect and induced effects. Over 600 jobs are created in the construction industry, and this in turn supports more jobs (almost

---

<sup>2</sup> The \$95.2 million is ensconced in and part of Table 5.



400 more) in the region. Payroll jumps by \$166 million thanks to the new construction projects at Keeneland. These conjectures are NOT included in Table 2 in the Executive Summary.

**Table 7—Keeneland Construction Effects**

<b>Impact</b>	<b>Jobs</b>	<b>Revenues/Output</b>
<b>1 – Direct</b>	671	\$94,000,000.00
<b>2 – Indirect</b>	171	\$36,275,913.08
<b>3 – Induced</b>	213	\$36,354,017.85
<b>Total</b>	<b>1055</b>	<b>\$166,629,930.93</b>

**Tax Revenue**

And Table 8 below indicates how much Keeneland’s existence generates in Lexington area local, state, and federal income taxes. These total over \$39 million and are for Keeneland itself as well as taxes generated by Keeneland’s suppliers/vendors and taxes generated by Keeneland employees living and shopping in the Lexington region as well as spending by Keeneland patrons and visitors.

**Table 8—Estimated Annual Local, State, and Federal Taxes Paid Due to Keeneland’s Presence**

<b>Tax Revenues</b>	<b>Local</b>	<b>State</b>	<b>Federal</b>	<b>Total</b>
<b>Totals</b>	\$ 6,504,011.82	\$ 12,684,628.72	\$ 20,426,093.56	\$ 39,614,734.11