

May 2023

KENTUCKY THOROUGHBRED FARM REPORT

UNIVERSITY OF
LOUISVILLE
COLLEGE OF BUSINESS
Equine Industry Program



EXECUTIVE SUMMARY

THE GOALS

- Increase and diversify the number of individuals entering careers on Thoroughbred farms in Kentucky
- Decrease turnover for critical farm positions
- Promote internal upskilling and career growth
- Expand available solutions and engage the industry in their deployment

THE REALITY

The equine industry in Kentucky and nationwide suffers from the lack of a skilled labor force to fill its vacancies and provide the manpower necessary to keep the industry alive. The horse industry contributes nearly \$1.6 billion to Kentucky's Gross Domestic Product and employs upwards of 80,000 people in direct and indirect equine jobs. However, almost all equine facilities across the Commonwealth state that their business's growth, or lack thereof, is contingent upon the availability of employees, which has dropped in recent years. To compensate for this shortfall of staff, many Thoroughbred farms have had to utilize the H-2A Visa program to recruit and employ workers from outside the United States. This endeavor is expensive because of additional costs, such as housing and transportation, on top of prevailing wages. This recruitment and employment route also sets the price of the existing workforce based on the pay scale required by the H-2A system. For these reasons, this avenue of employment is not sustainable or desirable.

The Kentucky Chamber of Commerce Foundation, through its Talent Pipeline Management Program, surveyed 350 Kentucky Thoroughbred farms to understand the current industry and its struggles and devise steps needed to move forward.

Analyzing the survey results helped to identify three main obstacles stifling workforce growth:

1. Misalignment of equine education and industry needs
2. Needed advancement regarding workplace culture
3. Needed development of industry engagement programs to increase community awareness and involvement

Kentucky boasts eight universities and one community college that offer equine-specific programs. Yet, more than 54% of critical jobs on Thoroughbred farms value hands-on experience in addition to a high school diploma instead of post-secondary education. Roughly 80% of employees that leave positions on Thoroughbred farms seek increased wages, benefits, or easier working conditions, often leaving the industry altogether. In addition, as the U.S. population drifts farther away from an agrarian society, fewer individuals are aware of career opportunities within the equine industry, causing a disconnect for potential recruitment.

THE SOLUTIONS

Many entities within the Thoroughbred industry are developing and supporting promising programs and initiatives to address the growing hurdles: leadership training and mentorship programs are potential ways to encourage positive workplace cultures; engagement with local public school systems and the offering of work-based learning opportunities will help to educate a new generation about career opportunities within the industry; and strategically targeting marginalized populations will help to diversify the workforce and boost community engagement within the industry.

As the industry moves forward, it is essential to understand the industry and the available data to find answers to common issues and track growth and changes in the coming years. This industry is vital to our Commonwealth and the global equine market, and making sound decisions today can preserve this industry for decades.

Introduction-Thoroughbred Farm Workforce

"Workforce" is a buzzword in the U.S. economy that has increased in importance during the post-COVID-19 re-opening. But even before the pandemic, workforce participation, especially in Kentucky, had been on the decline for years. As stated in the Kentucky Chamber's *20 Years in the Making: Kentucky's Workforce Crisis* report, Kentucky saw a change from 63.5% of the eligible population participating in the workforce in 2000 to 59.2% in June 2020. In addition, statistics show workforce participation is still significantly below pre-pandemic levels, with many industries still finding themselves short-staffed. Workforce challenges are especially pressing in the Thoroughbred industry, which has suffered growing workforce obstacles predating the pandemic. With workforce participation continuing to be a growing concern, it is essential to look at individual sectors to analyze demographics and current trends to address areas of needed change or awareness.

Industry Impact

According to the Kentucky Department of Agriculture, Kentucky's Thoroughbred industry is one of three industries known globally, alongside bourbon and auto manufacturing. The Kentucky Thoroughbred Association notes that with \$115 million in annual tax revenue, \$209 million in state value from equine tourism and recreation, and \$517 million directly impacting Kentucky's economy through racing, the Thoroughbred industry is vital to the Commonwealth. In addition, the sale of Thoroughbred horses at Kentucky auction houses tops the scales at \$650 million per year. "Throughout the Commonwealth, the equine industry combines to generate \$6.5 billion in annual cumulative direct, indirect, and induced economic activity". (KTA, 2023). The state also boasts \$118 million in purses at its six Thoroughbred racetracks, with the Kentucky Derby and Oaks alone attesting to \$356 million in economic impact. Furthermore, Kentucky stands 236 Thoroughbred stallions with stud fees ranging from \$2,000 - \$300,000. These stallions have helped secure that 111 out of the 145 Kentucky Derby winners are Kentucky-bred.

In addition, Kentucky boasts the most robust equine-specific education and employment arenas in the world. Kentucky offers equine-specific studies at eight universities and one community college. Because of Kentucky's rich equine heritage, graduates and others wishing to join the industry have more than 60 equine-related job categories to choose from, with those jobs employing over 80,000 individuals annually. (KTA, 2023).

This report investigates the Thoroughbred farm industry to portray the present status of Thoroughbred farms in Kentucky and open the door for ways to continue to propel the industry forward. By focusing on the current state of the industry and its hurdles, individuals and organizations can implement devised solutions to ensure the industry's long-term sustainability.

The Survey

In the summer of 2021, a list of over 350 Kentucky Thoroughbred farms was compiled using public sources. An email was sent to the farm's published address containing a link to a survey created by the Kentucky Chamber of Commerce Foundation and the University of Louisville Equine Industry Program. This survey aimed to develop a more thorough understanding of Thoroughbred farm business practices so that common issues could be identified, trends tracked, and solutions proposed that would benefit all farms. The questions from the survey were recommended by the Thoroughbred Farm Collaborative and were similar to ones administered by the Kentucky Chamber Foundation in other industries. Sixty-seven farms responded, giving a roughly 18.6% response rate, equivalent to the rate expected for an online survey.

The survey is the first to focus on Thoroughbred farms in Kentucky. Other surveys have included agriculture in general; however, the Thoroughbred industry is vital to the overall economic impact of the state and has different needs and expertise than other areas of agriculture. Kentucky produced 38.7% of Thoroughbreds' North American foal crop in 2020 (The Jockey Club Factbook, 2022). This type of contribution to the North American Thoroughbred industry shows the importance of Thoroughbred farms in this state, which impact the global Thoroughbred industry by selling Kentucky-bred horses. The ground-breaking survey aims to provide a

baseline for tracking trends and changes within the industry. There have been anecdotal ideas and beliefs about workforce issues within the Thoroughbred industry; however, accurate business trends are challenging to follow and predict without factual data. This survey provides Thoroughbred farm owners and the industry information to assess current staff needs, hiring trends, retention efforts, and continuing education opportunities. Five critical farm positions were chosen as the focus of the survey: entry-level and experienced grooms, night watch, landscaping/maintenance, and division managers. Regardless, it is understood that the industry needs staff to fill positions outside those listed. The ultimate goal is for professionals to utilize this data to make sound business decisions.

A Picture of the Workforce

Survey responses reflected general assumptions of the industry. Most farms are in central Kentucky, with the highest concentrations in Woodford, Bourbon, and Fayette Counties.

The smallest responding farm reported land spanning 15 acres, while eight covered over 1000 acres; however, 52% of farms

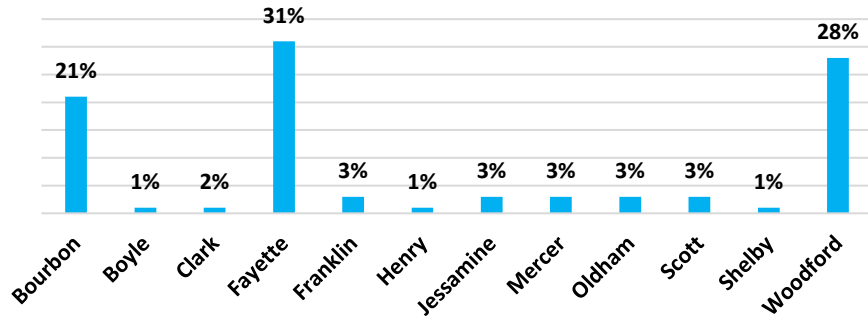
have between 100 and 400 acres. In total, an average horse population of 130 per farm was reported. These farms had a range of employees from 1-150, with the bulk being entry-level and experienced grooms.

Maintenance and landscaping workers also represented a large portion of the workforce, with division managers and night watch representing the fewest positions. While most corporate or large-scale Thoroughbred farms in the U.S. can be found in Kentucky, small farms (those employing 15 or fewer employees) outnumber corporate farms within the state.

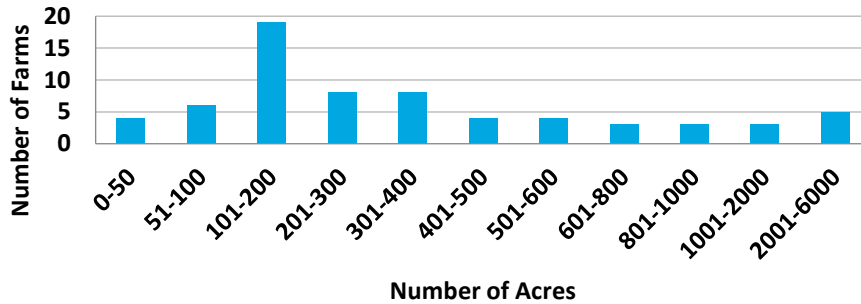
GROOM

A Thoroughbred groom is an individual who is responsible for the daily care and handling of horses and who serves as the first line of communication with management regarding the well-being of the animals.

PERCENT OF FARMS BY COUNTY



NUMBER OF FARMS PER ACREAGE RANGE



THOROUGHBRED FARMS DISTRIBUTION OF HORSES

Type of Horse	Number of Horses Per Farm (Range)	Number of Horses Per Farm (Average)	% Of Farms that Contain Every Kind of Horse
Mares	0-271	57	100%
Foals	0-181	31	96%
Yearlings	0-150	27	94%
Stallions	0-17	1	34%
Other	0-49	8	80%

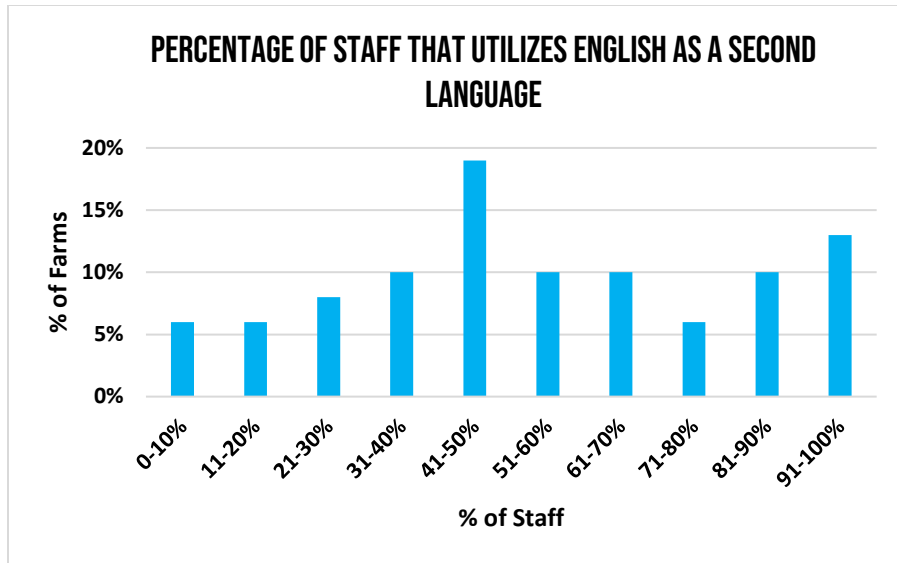
NUMBER OF EMPLOYEES AT EACH POSITION PER FARM

Employees	Range	Avg
Entry Level Grooms	0-25	2
Experienced Grooms	0-40	6
Maintenance/Landscaping	0-26	3
Division Managers	0-13	2
Night Watch	0-10	1
Total Employees	0-150	15

Job Description of a Thoroughbred Farm Worker

It is essential to recognize the working conditions in the Thoroughbred industry are unique. The industry is primarily categorized as agricultural livestock work; however, the industry's nuances are essential. Horses are behaviorally different from other forms of livestock and therefore require a lower worker-to-animal ratio and specific horse-handling skills. In addition to specific skills, horses are large and sometimes unpredictable, increasing the potential risk of injury to those working with them. The work also requires people to be in the elements affected by heat, cold, and other weather conditions.

Employees of horse farms oftentimes cannot take traditional holidays since the animals need to be cared for regardless of the day. In addition, agricultural labor is not required to receive overtime pay; therefore, many farms maintain 48-hour (6-day) work weeks. As cities expand, farmland becomes more challenging to access and inconvenient to travel to and from work. As production farming becomes more efficient and corporate farms become the norm, fewer people have agricultural work experience. A significantly smaller percentage of the American population has grown up on farms or has little experience handling livestock, and even fewer consider these jobs possible. These reasons have historically led to a decline in the domestic talent pool and forced the industry to rely on immigrant workers for years. Employees from immigrant populations tend to be more willing to engage in work of this nature as it is like the work in their home countries. However, American Thoroughbred farm jobs offer substantially more pay, rendering it an excellent opportunity. Three-quarters of responding farms noted more than 30% of their workers speak English as a second language.



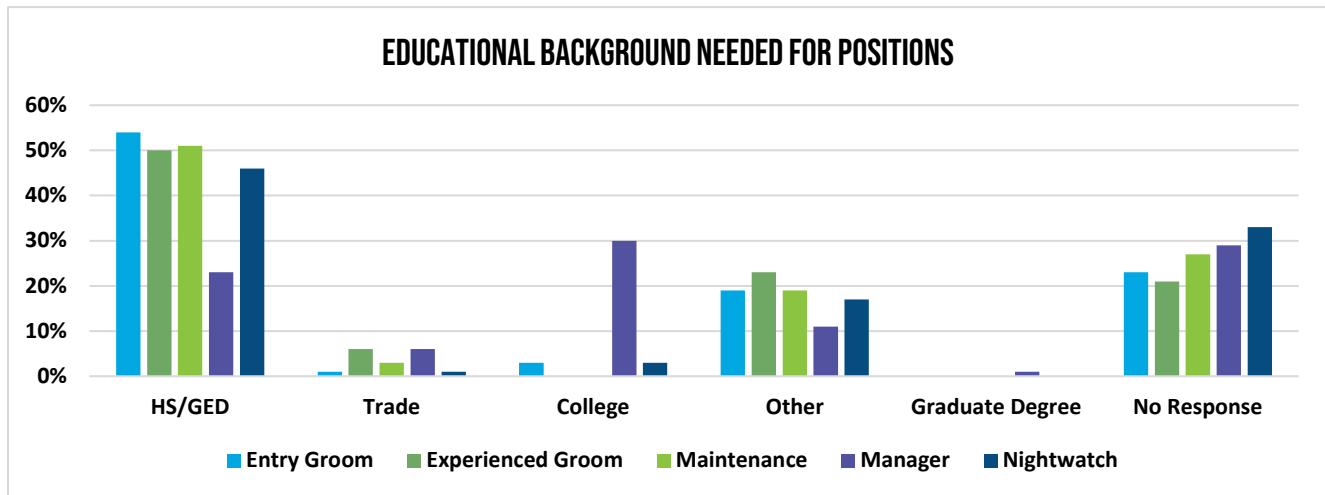
In contrast, only 11% of the farms' hired workers are on visas, indicating that farms hire domestic workers from minority populations. Of those farms, most hired workers are on H2A visas, while a significantly smaller number were employed on a J-1 visa. J-1 visas are a type of exchange visitor visa used for educational and cultural exchange purposes. Individuals must be involved in a program or experience that meets those qualifications. H2A visas refer to a nonimmigrant guest-worker visa issued to seasonal agricultural workers for temporary agricultural work within the U.S. All but one farm that hired employees through a visa process have utilized the expertise of an attorney or intermediary when engaging with visa programs. When the remaining farms were asked why they did not hire workers using a visa program, 33% of respondents indicated that they hire employees from other applicant pools, followed by "not able to meet the requirements of the program" (22%), "too complicated" (22%), and "too expensive" (13%).

Hiring and Retention

This survey specifically asked about entry-level grooms, experienced grooms, maintenance and landscaping workers, division managers, and night-watch. By examining the education requirements for each job, it is noted that most farms reported entry and experienced grooms and maintenance workers were required to have a GED or high school diploma. 30% of division managers had a college education, which was the only position with a

significant portion of college-educated individuals. Around 25% of the farms chose the "other" option with this question, and their comments were insightful. Several farms noted that formal education was not the most crucial attribute that led to a candidate's hiring, as horsemanship skills or hands-on experience were more valuable. In contrast, several others commented that they did not know their workers' educational backgrounds and that education did not factor into their decision-making for hiring individuals.

Due to small applicant pools, many farms are willing to take an eager applicant rather than stipulate educational criteria that may or may not pertain to the job. If more people were applying for these positions, farms would more likely assign greater value to formal education in entry-level roles. Because of these truths, a job opportunity exists for a segment of society that may not qualify for other positions; however, horsemanship skills and the ability to work with animals are not often taught in today's educational systems, leaving room for improvement regarding obtaining an equine education.

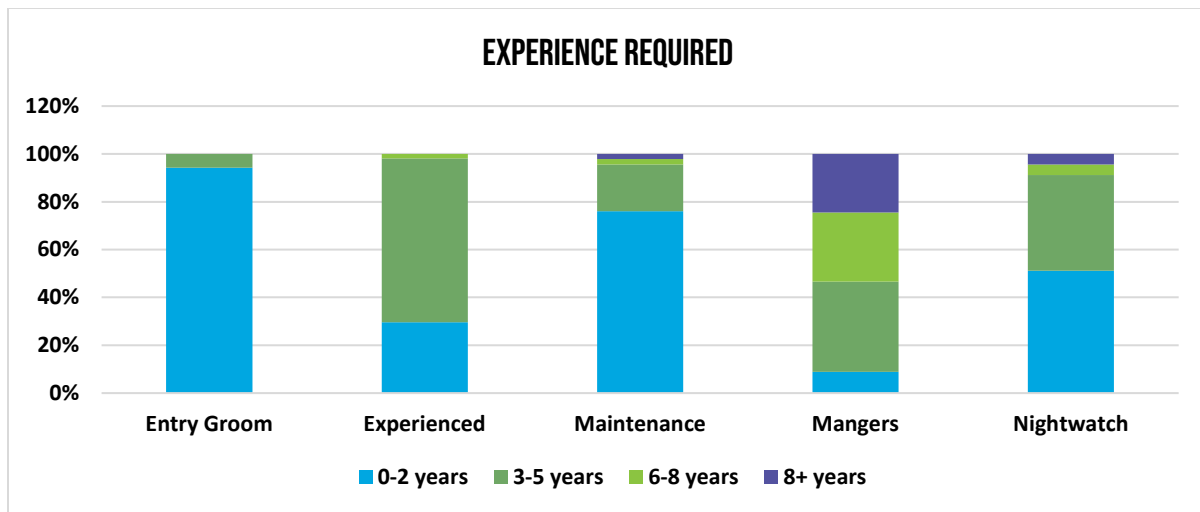


Experience Matters

As expected, lower-level positions generally require less experience than upper-level or technical roles. As in many industries, this experience comes from holding various positions in the industry and learning as you go. The Thoroughbred industry also has many employees trained by a family member or close friend who works in the industry. Experienced grooms and managerial positions need substantially more training and experience

than others. However, with as much value placed on industry experience, the survey found that many entry-level workers have no previous horse experience when they begin in their roles.

People with college or graduate degrees show up more in managerial roles, which is expected since the nature of a division manager would require a greater understanding of equine science and management and rely on communication skills. With few secondary educational opportunities for young people entering the workforce and the urbanization of our society, hands-on skills and horsemanship knowledge is also essential in these roles since this position group is the most likely to be providing training to entry-level positions.



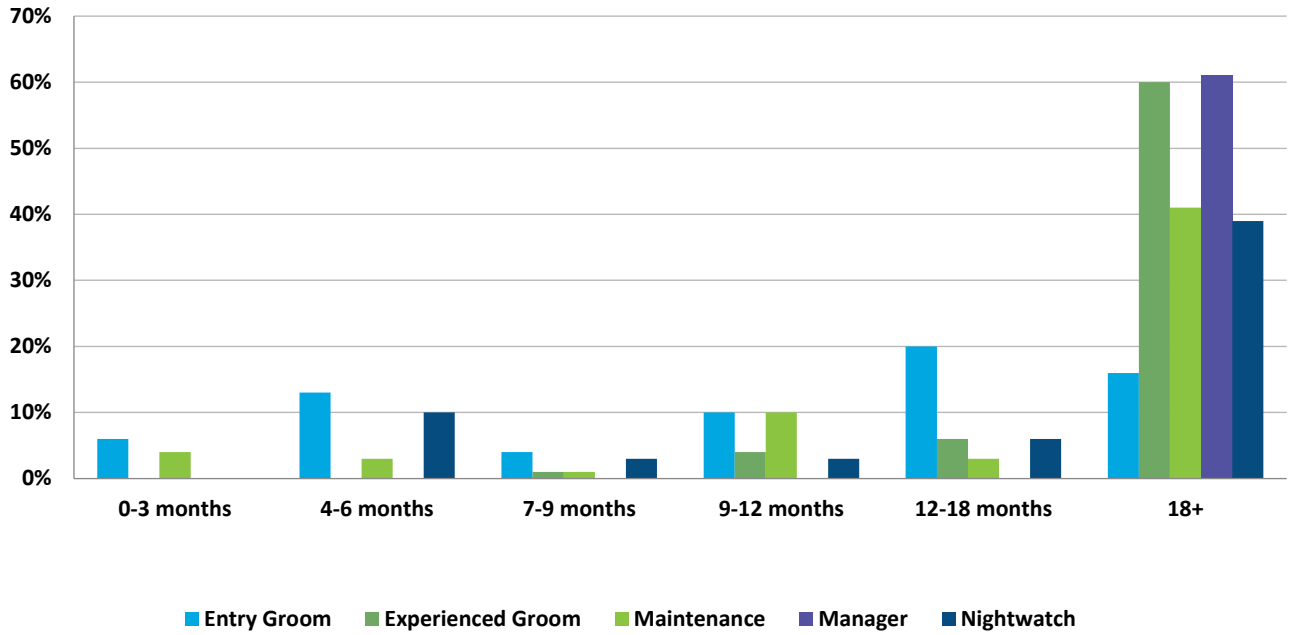
Given these facts, why are farms hiring people with little to no experience handling valuable and unpredictable horses that require experience and skill? With few educational opportunities for young people entering the workforce and the urbanization of our society, fewer people have farm or livestock experience, let alone horse-specific experience. To further exacerbate the problem, recreational horse activities are expensive. Therefore, many young people who ride horses are in a socioeconomic category that makes them more likely to go to college after high school than enter the workforce immediately. Those that do are typically working summers or limited hours (sometimes through an internship) with plans to work elsewhere upon completion of their degree. Numerous college and university majors cater to equine science and business, yet there are few opportunities for a non-degree-seeking person to gain the skills necessary for working with and around horses.

In addition, as the industry strives to create career pathways and obtainable pipelines into and through the industry, post-secondary equine programs are becoming more prevalent and needed. Students go beyond learning the daily care and handling of horses and are educated on the scope and depth of the industry and the business aspect of various sectors. They also partake in work-based learning opportunities to introduce them to networks in a relationship-driven industry.

Turnover

Lower-level positions in the Thoroughbred farm industry tended to have a higher proportion of people who left after a shorter time. However, in every category, most employees stayed in their current position for a year or longer. People leave these jobs mostly due to voluntary termination in search of increased wages, benefits, or easier work conditions. Turnover created by promotion (~10%) or termination due to insubordination (~10%) was much less of a factor for the lower-level positions. 90% of the people leaving their position are not getting promoted, creating a clear message that the long-term career opportunities in this industry are not being communicated or executed by management. The creation of pathways for promotion or other options for career advancement could not only slow the turnover rate but keep quality workers in the industry and thus strengthen the farm workforce. The understanding of a way forward in the industry could also be successfully used as a recruitment tool by farms. Within a farm, division managers are much more likely to vacate a position due to promotion or retirement, yet often come into the industry above entry-level positions. It is essential to mention that some turnover can also be attributed to seasonal jobs, as many farms will hire extra night watch positions during foaling season, which are temporary, for example. Some farms hire college students during the foaling season or sales prep, with the students returning to college when the season is complete. However, many of these responses were anecdotal or speculative since only 16% of the responding farms conducted exit interviews.

AVERAGE NUMBER OF MONTHS SPENT IN POSITIONS



It is also noted that farms are not only competing for staff but against other industries with higher wages.

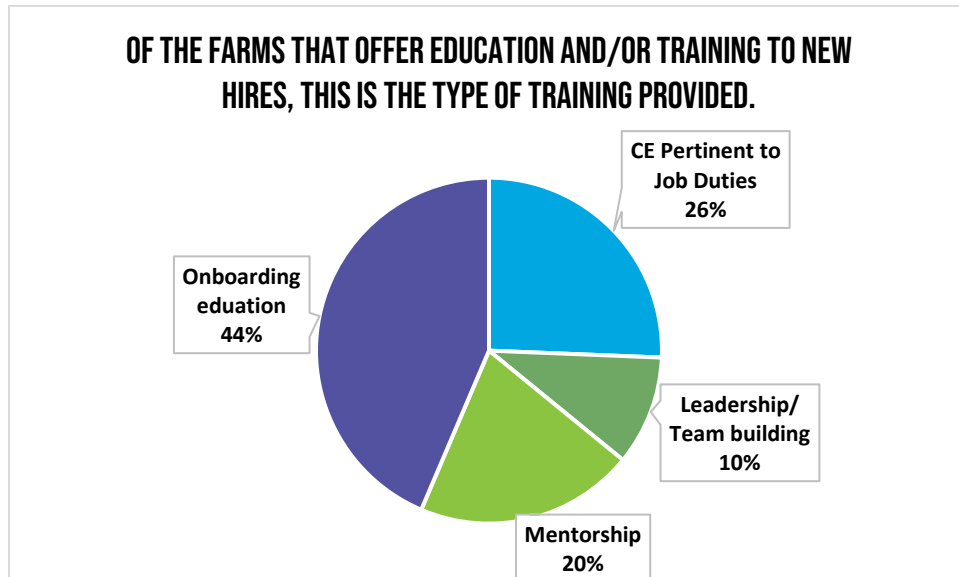
POSITION	RANGE	AVERAGE
Entry Groom	\$8-15	\$12.37
Experienced Groom	\$12-18	\$14.19
Maintenance	\$10-19	\$13.45
Division Manager	\$12-30	\$19.47
Night Watch	\$8-18	\$14.15

INDUSTRY	AVERAGE
Construction	\$19.50
Manufacturing	\$18.70
Healthcare	\$17.30
Hospitality	\$13.47

Interestingly, the size of the horse farm was insignificant when the compensation was concerned. It is often assumed that the larger the farm, the better the pay; however, neither the number of acres nor the number of horses impacted the workers' salaries statistically.

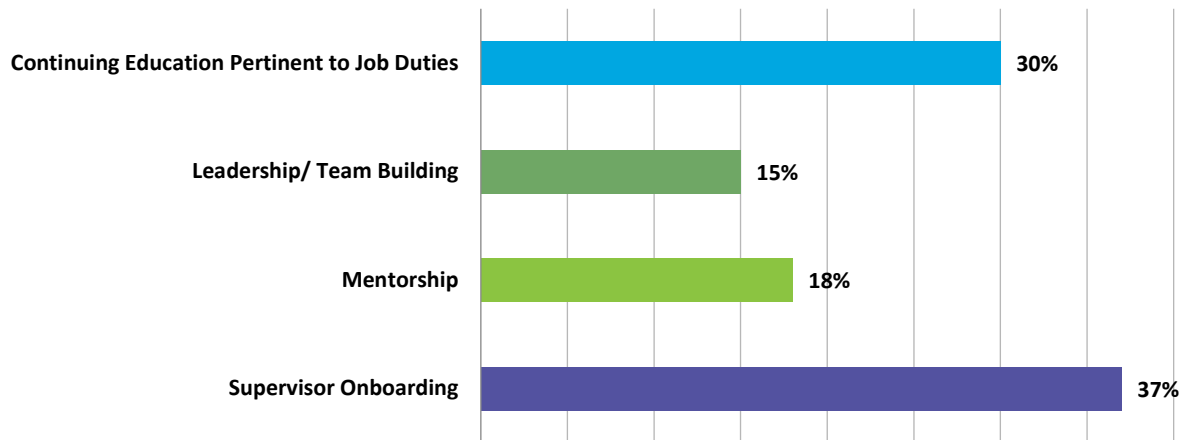
Training

Training for new employees is vital for efficiency and horse-specific knowledge necessary to care for the animals and increase the workers' safety; however, only 56% of farms offer education or training for new hires. Most training for new hires includes onboarding education, which refers to how new hires are integrated into the role. This training may include learning about company structure and protocol, introducing other employees, and discussing daily expectations. Other forms of training involve those pertinent to specific job duties and mentorship opportunities. Leadership and team building comprised a minor portion of the training. In addition, there is a severe lack of horsemanship or horse science training for new hires, even though experience handling horses was indicated as the most critical skill needed in hiring an applicant. It is assumed that experience is somehow gained by observation or informal mentorships while on the job. However, with concentrated skills training, there is an opportunity for better horse handling ability, more specific and uniform skills acquisition, and allowing employees to perform at a higher level in a shorter amount of time.



Currently, minimal training is offered to division managers, even though it is known that adverse work environments or feelings of mismanagement frequently cause high turnover rates in lower-level positions. On the contrary, management and leadership training have significantly improved work environments and productivity in other industries. These types of skill-specific training for managers could also impact the turnover rate and reduce the costs of hiring and retraining at entry-level positions on Thoroughbred farms. Numerous management and leadership development programs available in both online and in-person formats could add overall value to the farm.

TYPE OF MANAGEMENT TRAINING OFFERED

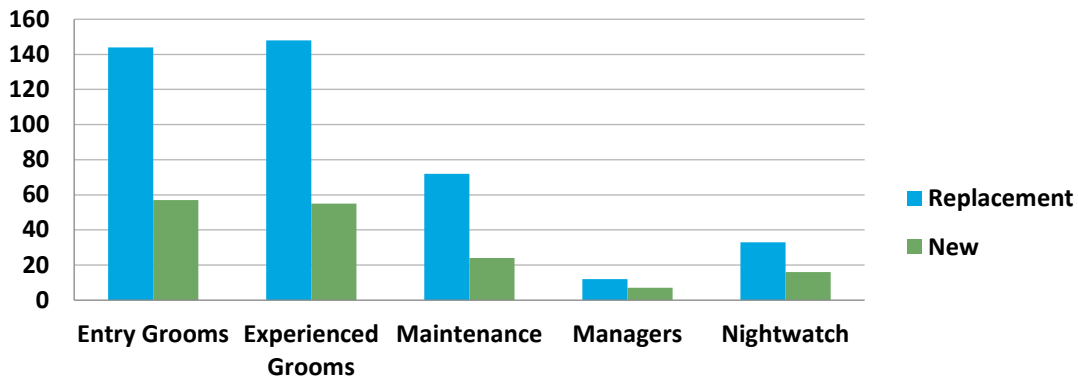


Hiring for the Future

Projected replacement hires due to turnover on Thoroughbred farms for the next two years are relative to the size of the horse farm. The more horses, the more people are needed to take care of them and the more likelihood of turnover. The positions predicted to need the most replacement hires are the positions with the highest number of staff in general: entry-level and experienced grooms. Maintenance workers follow, then night watch and division managers.

<p style="text-align: center; font-weight: bold; margin: 0;">REPLACEMENT HIRE</p> <p style="text-align: center; margin: 5px 0 0 20px;">Includes any existing position that needs to be backfilled due to voluntary or involuntary turnover (i.e., relocation, termination, or retirement).</p>	<p style="text-align: center; font-weight: bold; margin: 0;">NEW HIRE</p> <p style="text-align: center; margin: 5px 0 0 20px;">Includes any additions to staff due to growth, changes in facility operation, or other anticipated business changes that are an “addition” to existing staff.</p>
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REPLACEMENT HIRES AND NEW HIRES NEEDED 2022-2024



2022-2024	ENTRY GROOMS	EXPERIENCED GROOMS	MAINTENANCE	MANAGERS	NIGHT WATCH	TOTAL
Replacement Hires	144	148	72	12	33	405
New Hires	57	55	24	7	16	152
TOTAL	201	203	96	19	49	557

Hiring Growth

Growth in this industry is challenging to predict, and we discussed previously that the number of staff on a farm is directly related to the number of horses. The Thoroughbred foal crop has shown a steady decrease since 2006 (except for a slight leveling off in 2015), with a 6.2 percent decline from 2020 to 2021 (The Jockey Club, 2022). However, the primary market where horses are sold, namely weanling and yearling auctions, showed positive numbers in 2021 and 2022. 2021 Yearling Thoroughbred sales at the major auctions of Keeneland, Fasig-Tipton, and Ocala Breeder's Sales, we are back to pre-pandemic numbers with a 29.3% increase over the 2020 average price per horse sold (Bloodhorse, 2022). This could encourage some owners and breeders to increase production. However, it is essential to remember that horse production is a slow-reaction industry. The gestation period of a horse is 11 months, and the most common sale point for a Thoroughbred is in the summer and fall of their yearling year; therefore, market trends today that impact decision-making will not affect supply until two years down the road. Other industry factors, such as racing regulations and the general economy, will also impact the number of horses, leading farms to often discuss their hiring needs in ratios (horse: human) rather than a specific number of staff needed. Growth estimates are somewhat conservative given the industry's current climate but still connected to the size of the operation. Farms with under 150 horses estimated needed growth of 0-3 hires, while farms with over 150 horses estimated growth of 5-6 hires.

Commentary and Comparisons

One reason for the high turnover rate is the lack of knowledge of potential upward mobility within the industry and the resulting lack of pay increases. Table 1 below was developed using data collected from this survey. Table 2 shows pay rates for farmworkers, farm, ranch, and aquacultural animal workers according to the U.S. Bureau of Labor Statistics (BLS) in Kentucky for 2021. The average pay differences are not vast within the survey's categories; however, they trend slightly below BLS data.

TABLE 1

Pay Rates According to Chamber Survey

NUMBER OF HORSES	NUMBER OF ENTRY-LEVEL GROOMS	AVERAGE PAY RATE
1-25	8-15	\$12.00
26-50	10-15	\$12.81
51-75	10 - 14.5	\$12.64
76-100	9-11	\$10.75
101-125	10 - 12.96	\$11.85
126-150	12-13.5	\$12.61
151-175	n/a	n/a
179-200	12-14	\$13.00
201-250	11-13	\$12.00
251-300	13	\$14.00
300+	11-14	\$12.80

TABLE 2

US BLS, Farmworkers, Farm, Ranch, and Aquacultural Animals in Kentucky

Hourly Wage	\$14.62
Annual Salary	\$30,400

In addition, according to the collected data, not much education is needed for Thoroughbred farm jobs (see Tables 3 and 4), and they have a high turnover rate. A similar story can be found in the accommodation and food services industry, which has had and continues to have one of the highest job turnover rates in both the U.S. and Kentucky economies every year since 2011. Figure 1 below shows that the annual job turnover rate for that industry is primarily due to the lower-than-average pay rates.

TABLE 3

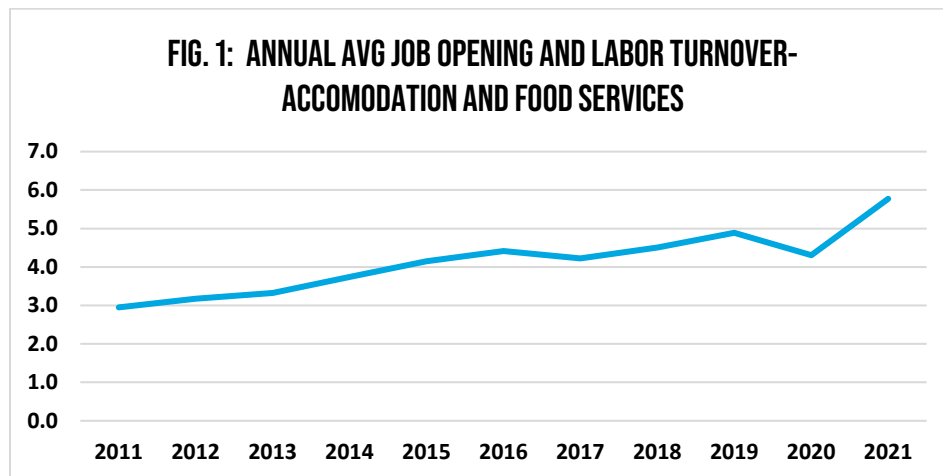
Educational Level for Positions

POSITION	HS/GED	TRADE	COLLEGE	OTHER	GRADUATE DEGREE	NO RESPONSE
Entry Groom	54%	1%	3%	19%	0%	23%
Experienced Groom	50%	6%	0%	23%	0%	21%
Maintenance	51%	3%	0%	19%	0%	27%
Division Manager	23%	6%	30%	11%	1%	29%
Night Watch	46%	1%	3%	17%	0%	33%

TABLE 4

Turnover Causes

JOB TURNOVER	PROMOTION	TERM/INSUB	RETIREMENT	VOLUNTARY TERM	OTHER	N.R.
Entry Groom	10%	11%	0%	47%	11%	26%
Experienced Groom	10%	7%	6%	49%	7%	31%
Maintenance	1%	9%	4%	44%	9%	41%
Division Manager	23%	4%	16%	17%	4%	46%
Night Watch	4%	6%	7%	36%	9%	49%



It is noted that only farms larger than 100 employees show an average growth of three or more employees per year, according to the Chamber's survey (shown in Table 5). This is not surprising given that the total number of farms per year has declined in Kentucky from 2012 to 2017, especially those between ten and 200 acres, according to data from the U.S. Department of Agriculture (USDA). Only the largest farms have seen their total number of acres increase, perhaps due to the consolidation of smaller farms. The smaller farms also have less horse inventory than before, yet their financial gain has increased even after adjusting for inflation (Kentucky Data 2012 and 2017). This indicates a shift in strategic breeding for quality instead of quantity.

TABLE 5

Hiring Plans

TOTAL HORSES (FARM SIZE)	AVG NUMBER OF GROWTH HIRES
0-10	0.33
11-20	0.5
21-30	0.67
31-40	0.5
41-50	2
51-75	0.93
76-100	0.71
101-125	2.5
126-150	1.14
151-175	0
176-200	5.5
201-250	6
251-300	6
300+	5.71

There are some questions raised by the data collected by the survey and USDA data. Turnover is high in the industry, and there is a current labor shortage. Yet, at the same time, there is a consolidation of

farms and dwindling inventory, which would ordinarily suggest a possible surplus of labor for the industry. It is possible that although the industry has shrunken, the labor force has shrunken even faster. This is especially possible given the dramatic fall in immigration over the PAST ten years (Jordan 2020). Interestingly, although most survey respondents indicated they did not use work visas, language use data would still suggest a high reliance on workers from other countries.

Progress Abounds

Extraordinary measures are already underway to combat many hurdles faced by the industry. Through the Talent Pipeline Management® network with the Kentucky Chamber Foundation, Thoroughbred farms have collaborated to discuss and tackle these challenges. Over three years, farms have identified the critical positions discussed in this study and the quantity of staff needed in a specific timeframe. They have also developed a definitive list of skills necessary for entry-level, hands-on equine positions and set clear, tangible goals for tackling staff recruitment and retention. These goals are being undertaken from both an industry-wide and local perspective by forging relationships with multiple local and state entities. Thoroughbred farms are at the forefront of these conversations and efforts and are beginning to reap the benefits of their dedicated work.

Through these discussions, the strategic inclusion of new populations has increased awareness of the industry as a potential career field, and it has opened doors to employment for Kentuckians who face hurdles to meaningful employment. The Blackburn Correctional Complex Workforce Readiness and Reentry Program is a unique and widely unknown program that is the fruit of a partnership between the Thoroughbred Retirement Foundation (TRF), the Kentucky Department of Corrections (KyDOC), and the Kentucky Chamber Foundation (KCF). Thoroughbred farms across the Commonwealth facilitate employer connections and job opportunities with incarcerated gentlemen by engaging in career education seminars, mock job interviews, and industry education. Employer engagement allows inmates

to gain knowledge of the industry and the skills needed for potential careers while learning horse handling and basic horse care while incarcerated. The program works in conjunction with the TRF Second Chances Program to strengthen incarcerated gentlemen's minds, bodies, and souls by using horses for skill training and therapy. Upon completion of the program, it is the goal of the TRF, KCF, and employers to facilitate the gentlemen's hire and transition into their new position upon release. Support needs are also monitored, ranging from transportation and housing to clothing and financial education. Each individual has their own strengths and challenges, as do employers, and the team is dedicated to helping break down barriers regardless of the cause.

Thoroughbred employers' partnership with the Stable Recovery program shows the inclusion of another population. A recovery house that requires participants to attend equine training allows men and women to gain hands-on horse-handling skills, experience various aspects of the industry, and learn about potential career opportunities while putting their recovery first and foremost.

The willingness for employers to learn about, and support, these populations has shown a shift in industry culture, morale at participating facilities, and the chance for employers to make a difference in their communities and staffs' lives.

Solutions and Opportunities

As noted earlier, the industry's broad goal is to increase and diversify the number of individuals entering careers on Thoroughbred farms while also decreasing turnover and promoting internal career growth. In addition to the Blackburn Correctional Workforce Readiness and Reentry Program and Stable Recovery, other initiatives have begun to address these goals, including:

- Creation of equine collaborative groups, allowing employers to design and implement programs and solutions together

- Collaborative groups empower employers to lead workforce development in Kentucky, and as more employers become involved, the clearer the picture of the industry and the more solutions can be generated.
- Development of career pathways to highlight the potential upward movement of professionals
 - Career pathway documents have been designed and created by equine businesses throughout the industry to illustrate the ways to move from entry-level to career professional.
- Collaborative work with partners such as Kentucky Education Television and Bus to Business[®] to increase awareness of industry careers within the general public
 - Bus to Business[®] is a Kentucky Chamber Foundation statewide initiative focused on connecting students with employers and bringing classrooms to careers. The goal of the program is to show students what career pathways are in their own communities. Through this program, students are given the opportunity to tour businesses, complete hands-on work-based learning activities, and speak directly with employers and industry leaders about career pathways available in their organizations.

Although the Thoroughbred Farm collaborative has made great strides in a relatively short time, the true impact of these initiatives will take years to show. However, there are specific steps that can be taken to continue to move the industry forward.

Attracting and Retaining Talent Through Growth of Current Employees

Pouring energy and education into current staff has been proven as a surefire way to retain individuals while also signaling to potential employees the benefits of working for the company.

- **Engage supervisors in leadership training specific to equine farms.** Allowing those in management roles to enhance their leadership skills and shift to a mentorship relationship with the staff will increase the self-worth and dedication of staff to the farm.
- **Develop strategic mentorship programs on farms.** According to a study conducted by North Carolina State University, 70% of what employees learn during their careers is done by engaging in routine daily work activities under the supervision of a more experienced staff member. By implementing well-designed mentorship programs, supervisors and staff will enhance their skills.

Develop and Support Industry Engagement Programs to Encourage Community and Youth Involvement

As discussed earlier in this report, Americans are growing increasingly distant from agriculture in their everyday lives. To recruit new talent to the industry, the general public must know what the industry entails and the opportunities it offers.

- **Increase recruitment from high schools (grades 9-12) by developing specific work-based learning co-op pipelines.** Strategic engagement between employers and their local school systems, starting at the elementary level, will allow students to learn about local facilities, the career opportunities they offer, and the skills and education needed to obtain a position. Having employers involved in schools will embed Thoroughbred farms in a student's everyday life.
- **Partner with 4-H and FFA programs to educate youth on the opportunities within the Thoroughbred industry.** American students will likely be exposed to their future career paths by the fourth grade. The earlier employers and industry professionals engage with those under ten years of age, the better.

Strategically Target Formerly Incarcerated and Long-Term Recovery Individuals

Although Thoroughbred farms across the Commonwealth have employed individuals with a criminal history and/or those recovering from substance use disorder, these two populations were not strategically targeted by the industry. By encouraging employers to become educated, these untapped talent pools could substantially affect a farm's staff numbers.

- **Partner with local programs and initiatives, such as Blackburn Correctional and Stable Recovery, where Thoroughbred industry education is possible.** By working with entities already engaged with the aforementioned populations, the Thoroughbred industry can focus on bringing equine and career knowledge to participants while supporting organizations to help tackle those populations' hurdles.
- **Employers should expand their knowledge of fair chance hiring.** By attending educational opportunities and speaking with companies already involved, employers can develop their toolkits and ease their concerns regarding hiring opportunity populations. The Kentucky Chamber Foundation's Fair Chance Academy is a free training resource that provides employers with the history of substance use and incarceration in Kentucky and policies to support those populations upon their return to work.

Encourage Upskilling within the Industry

A long-standing speed bump in the equine industry is the lack of an individual's ability for upward growth within their career. On average, an equine professional stays in the industry for less than five years, often seeing them choose to move out of the field altogether in favor of another industry.

- **Design and implement a community training program.** By designing and implementing local community training programs, employees can have access to entry-level training and the ability to pursue further education to encourage internal promotions.
- **Support in the design and implementation of employer-driven upskilling models.** By working collaboratively across sectors, the industry provides a blueprint for potential long-term career advancement opportunities and the upskilling education and experience needed.
- **Encouragement for employers to work cross-industry to develop thorough advancement avenues.** By working collaboratively across industry sectors, employers communally partake in strengthening the industry. This type of big-picture thinking will also enhance the industry's recruitment potential and opportunities available to new hires.

Challenge the "Normal" Business Structure of Farms

The equine industry, especially the Thoroughbred sector, has been, and continues to be, an extremely traditional industry. Many of today's incoming employees value various aspects of working life, often above salary, forcing the Thoroughbred industry to examine their business practices heavily.

- **Integrate flexible schedules.** Traditionally a six-day-per-week schedule, some farms are leading the way with new practices and models to accommodate five-day work weeks and/or shift scheduling within workdays. These schedules allow a more desirable work/life balance for staff, and the needle is shifting on retention because of them.
- **Increase compensation based on experience and skill sets.** This research report confirms that many Thoroughbred farm operations were designed to utilize familial or foreign labor to maintain productivity. As determined by industry research, those two particular staff sources are quickly diminishing, forcing employers to look beyond the traditional agriculture and equine industries for future staff. Since it has been found that the equine industry typically pays less

than other industries requiring the same skill levels, employers must increase wages to a competitive level.

- **Tailor the scope of work within positions to accomplish employment goals.** Although a demanding profession, often with long hours and less desirable work conditions, Thoroughbred farms have much to offer an employee. Auditing the logistics of their operation will provide employers with ways to build a more efficient and productive facility, therefore lessening the strife of its staff.

In Summary

The data obtained from this survey has provided a conclusive look at the collective Thoroughbred farm industry and pointed out familiar hurdles. One opportunity presented is the importance of horsemanship skills and industry experience when hiring. Addressing the accessibility to training opportunities for applicants with little to no knowledge or skills is also paramount. This raises the opportunity to encourage people with experience to apply for these jobs and tackle the hurdles of increasing potential employees' knowledge and skill set. Simultaneously, it is paramount to make people aware of job opportunities in the horse industry, so they are more likely to seek the necessary skills. Investment in education and hands-on skills acquisition events and programs could teach some of the required knowledge and provide access points for people interested in working with horses.

From an employee management perspective, innovative ideas about working conditions, wages and incentives, shift hours, and promotional pathways could prove beneficial. When an organization competes for quality employees, wages matter, but other factors must also be considered. Benefits could include childcare options, transportation, flexible shifts/hours or part-time options, merit or tenure-based incentives and wage increases, and pathways to promotions within the farm. Some of these ideas are already being implemented sporadically, and solutions are not limited to these areas; however, it is essential to acknowledge the organization's role in creating upbeat and accommodating work environments that nurture quality employees. When a person chooses to apply for a job in another field with equal pay versus at a Thoroughbred farm, we must ask what entices the person to seek other industries and how we can create more fulfilling work environments where people find value and can grow.

This data is needed to evaluate the current status and to watch trends and changes occurring within the industry. We can also use this data to make better business decisions concerning Thoroughbred farms in

Kentucky and help to track progress and change. Filling positions within the workforce has been a topic of concern for some time, and current economic and global factors are only making this topic more relevant. It is essential to understand the industry and the available data to find answers to common issues and track growth and changes in the coming years. This industry is vital to our Commonwealth and the global equine market and making sound decisions today can preserve the industry for decades.

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