

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

Earnings and length of professional careers of jockeys in the United States

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EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

Abstract

This paper discusses an analysis of earnings and career lengths for jockeys in thoroughbred horse racing and the application of the data found in equibase.com to personal injury and wrongful death cases. Jockey's earnings are directly correlated to their winnings. This paper offers a reasonable approach to compute past and future lost earnings in case of lost ability to race. Tables show the maximum, average, median, the 10th, 25th, 50th, 75th and the 90th percentile of earnings before taxes and expenses.

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

Earnings and length of professional careers of Jockeys in the United States.

This paper discusses an analysis of winnings and earnings, and career lengths for jockeys in thoroughbred horse racing and the application of the data in personal injury, wrongful death and medical malpractice cases.¹

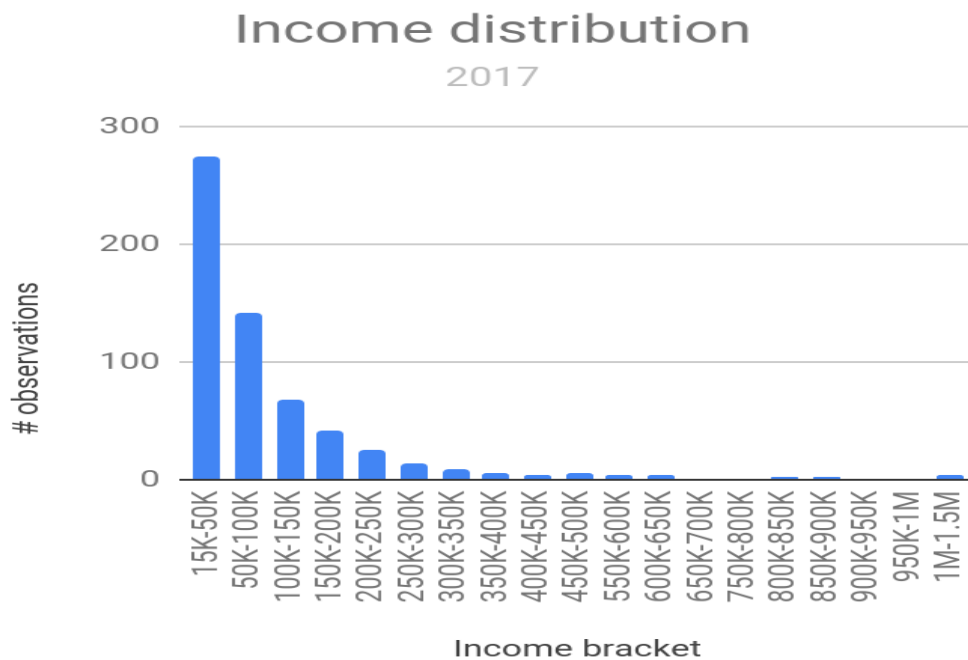
Assessing the future earnings of professional Jockeys is difficult. This paper discusses some reasonable approaches to issues that a damages analyst may encounter. First, the earnings are typically dependent on the jockey's success and his ability to win races. Secondly, professional lives in the sport are typically limited and can end suddenly by injury. When compared to other sports careers such as football, soccer and skiing, a career in horse racing can be relatively long.² Careers in football and soccer are typically much shorter.³ The differences are not only caused by a higher incidence of injuries but also different physical demands of the sport. In sports where speed and endurance are crucial, many athletes leave the sport in their thirties when they lose their competitive edge. In sports where experience is an advantage athlete leave the sport in their forties, or fifties when they lose their competitive edge. Horse racing is such a sport. In horse racing we see jockeys who start at the age of 16 or 17 and some riders that compete until in their early sixties. Some riders such as Mario G. Pino and Danny Sorenson have raced for over 40 years.⁴

It is widely accepted that it is difficult to earn high wages in competitive sports. Only the very best earn the incomes that make them wealthy. We like to think of the highly paid athletes like Lebron James who earned more than 30 Million Dollars in 2017 and Cristiano Ronaldo who banked over 90

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

Million Dollars in 2017.⁵ This level of earnings is extremely rare. Only the elite, after years of training get paid for their craft. Earnings for the majority of jockeys are relatively low and only a few show very high earnings.

Chart 1. Income distribution



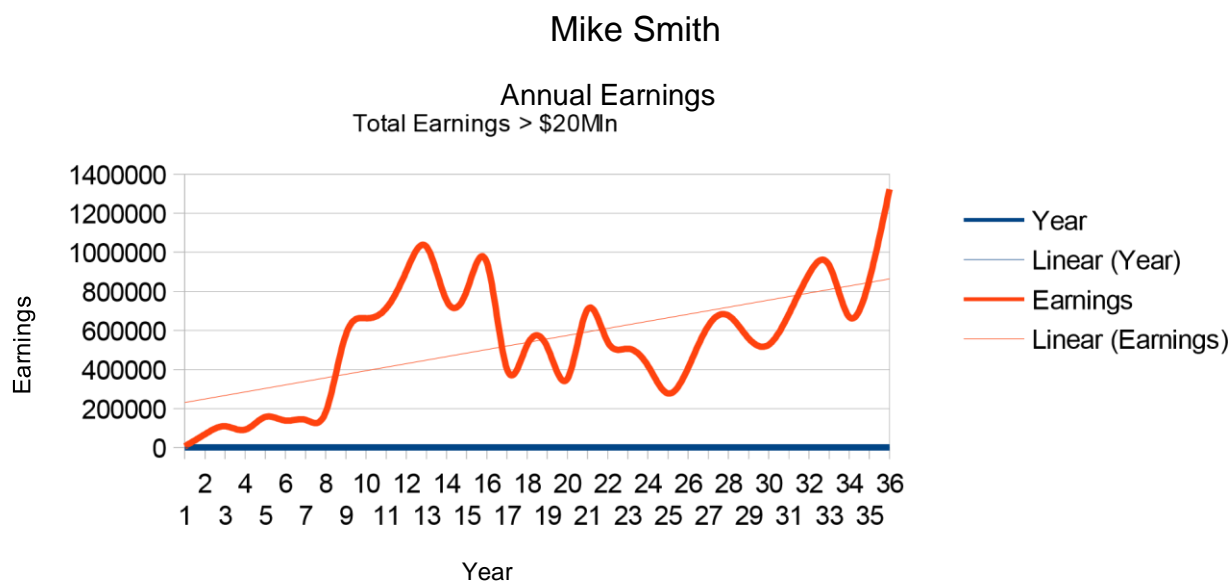
Jockey's receive mounting fees and a percentage of winnings. As a result, their earnings are directly related to how they perform in races. Jockey's winnings vary a great deal over their life. An analysis of Mike Smith's earnings profile, the winner of the 2018 Kentucky Derby, shows that he experienced peak earnings between 8 and 17 years of experience. However, his highest earnings to date were in 2017 when he had more than \$20 million dollars of winnings. Reasons for fluctuating

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

winnings, in addition to the jockey's performance, are a result of horse quality and purse amounts.

Those vary per race and location. Average daily purses varied from \$49,000 at the Portland Meadows to over 1.6 Million Dollars at the Kentucky Downs in 2017.⁶ The more successful horses and jockeys tend to race at the tracks with the higher purses. However, the data suggest that certain riders are successful over long periods of time.

Chart 2 Mike Smith's winnings varied a lot over the years.



EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

Methodology

The source used to calculate 2017 earnings and participation in the sport is data found in www.equibase.com. This website tracks the industry and will display total earnings, annual earnings and rankings by jockey's last name.

The jockeys, discussed in this paper, race thoroughbreds. These horses are known for their agility, speed, and spirit. They were developed in 17th and 18th-century England, when native mares were crossbred with imported Oriental stallions of Arabian and Turkoman breeding. They were typically used for show jumping, polo, and fox hunting. Thoroughbreds are also commonly crossbred to create new breeds or to improve existing ones, and have been influential in the creation of the Quarter Horse. Jockeys, discussed in this paper, are the ones that participate in well known races including the “Stakes” and the Triple Crown.⁷ They race at tracks such as Belmont, Kentucky Downs, Aqueduct, Churchill Downs, Mountaineer and Turfway Park.⁸

Jockeys are usually self-employed persons. A typical jockey has expenses including Jockeys' Guild membership and mount fees, travel, tips, pictures, hotels and meals in addition to the cost of agents and valets. This paper excludes expenses but for the cost of the Agent and Valet. Other expenses vary a great deal per individual and will need to be gathered from individual sources. Jockey's receive approximately 9.2 percent from the winnings.⁹ Of that amount he then needs to pay his agent 25% and the Valet between 5 and 10% of his share of the purse. This leaves approximately 6.4% of the winnings before other expenses for the jockey. This paper calls that 'Take Home Pay.' Other income, such as Mounting fees, are ignored in this paper.¹⁰

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

Many jockeys only participate in a few races and earn less than \$15,080 per year or the federal minimum wage. When a jockey earns less than the federal minimum wage, they are not assumed to be full time professional jockeys. The sample used for this paper excludes those individuals. The sample size is 605.

Jockeys at the lower spectrum of earnings regularly perform other duties in addition to racing. For example, they 'break in horses,' train them and may be reserves at races. Others perform duties around the track such as 'horse identifier,' 'racing and entry clerk' or 'jock room custodian.'

Similarly, in order to calculate the length of the career, the rider should not have participated in races after 2017 and 2018 and have earned more than \$15,000 in at least 50% of the years of participation. The sample size for this calculation is 107.

Furthermore, this paper looks at the Jockeys that still race in 2018, their lifetime winnings, average winnings per year, average estimated earnings and current years of experience.

The Industry developments

On June 4, 2015, “The New Republic” reports, “Horse racing lives in a perpetual state of decline. Half a century ago, the Sport of Kings had a firm place in mainstream American culture; today, that place is a window of approximately five weeks, from the opening bell of the Kentucky Derby in May to the final stretch of the Belmont Stakes in June.” It seems that the downfall has stabilized. The winnings of the best earner fluctuate between \$3.1 and \$4.6Mln. The winnings per start have gone up.

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

The total number of jockeys has decreased. Purses in the Kentucky Derby have increased: 2018 – \$2Mln; 2017 – 2Mln; 2016 – \$2.4Mln; 2015 – \$2Mln; 2014 – \$1.8Mln; 2013 – \$1.4Mln; 2012 – Attendance at the Kentucky Derby is stable 2008 - 157,770; 2015 – 170,513; 2016 – 167,227; 2018 – 157,000. The online ticket prices prior to the Belmont Stakes have skyrocketed from \$42.12 in 2017 to \$149.79 in 2018.¹¹

Table 1.

Racetracks and purses			
Track Name	Average Daily Purse	Median Purse	Location
Aqueduct	\$491,008	\$50,000	Queens, NY
Del mar	\$1,008,300	\$54,070	San Diego, CA
Belmont	\$798,467	\$62,000	Elmont, NY
Mountaineer	\$92,472	\$6,596	WV
Hawthorne	\$138,257	\$10,200	Chicago, IL

The 2015 total for money wagered on races rose 1.2 percent over 2014 and rose 4.4 percent in the first four months of 2016 compared to the same period a year ago, according to the Jockey Club and Equibase.com, which tracks the industry.^{12 13}

The highest earners in the thoroughbred and quarter horse racing show varying levels of income. However, there is no trend whether earnings are going down or up.

Table 2 Highest earners by year

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

Year	Name	Starts	1 st	2 nd	3 rd	Winnings	Per Start
2017	Rodrigo Sigala V	329	71	49	31	\$3,292,912	\$10,009
2016	Esgar Ramirez	515	77	68	70	\$4,392,894	\$8,530
2015	Ricky Ramirez	455	91	74	49	\$3,675,636	\$8,078
2014	G. R. Carter, Jr.	721	134	92	108	\$3,147,926	\$4,366
2013	Jaime Parga Leo	524	83	70	56	\$3,700,432	\$7,062
2012	G. R. Carter, Jr.	807	121	118	106	\$4,419,681	\$5,477
2011	G. R. Carter, Jr.	886	172	148	116	\$4,411,602	\$4,979
2010	Esgar Ramirez	779	120	103	80	\$3,371,518	\$4,328
2009	Ramon Sanchez	763	157	137	119	\$4,688,341	\$6,145

Results:

The analysis of Equibase data shows that “Take Home Pay” varied between \$15,190 and \$1,759,336. The highest earner was Jose L Ortiz. In 2017 he achieved \$27,318,875 in winnings. Out of 1,408 starts he won first place 270 times, second place 259 times and placed third 211 times. Jose is estimated to have taken home \$1,759,336 after paying his agent and valet.

Earners in the Median range such as Alejandro Medellin, having \$842,335 in winnings started only 509 times, placed first place 53 times, second place 56 times and third 66 times. Assuming he takes home 6.4%, he earned \$54,246. At the bottom of the sample rankings, Jennifer Whitaker achieved \$236,337 in winnings in 2017. She placed first 14 times, second 23 times and third 15 times in 127 starts. Assuming she takes home 6.4%, she took home \$15,220.

Earnings

Table 3 2017 Earnings Jockeys

Median Take home	\$54,309
Average Take Home	\$114,980

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

Highest Take Home	\$1,759,336
Minimum Take Home	\$15,190
Standard Error	\$7,467

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

The following table shows the earnings by percentile:

Table 4. Earnings by percentile:

10%	25%	50%	75%	90%
\$19,233	\$30,131	\$54,309	\$123,122	\$234,051

The distribution of the earnings is positively skewed $(114,980-54,309)/7,467 = 8.12$

Career length

Career lengths, based on www.equibase.com data, generally vary between 1 and 42 years. The median number of years that a jockey is in the business is 17 years and the average is 17.5 years. The confidence level is .9

Mario Pino and Danny Sorenson have been racing for more than 41 years and are still active. Russel Baze raced for 42 years. Yet, Jorge Chavez' career ended after 19 years. Whyat C. Johnson only raced for 1 year.

Table 5. Career length

Average	17.5
Median	17.0
Standard Deviation	10.7
Count	102

This curve is also positively skewed. The expectation of a jockey being in the business can be anywhere between 1 and 42 years with the greatest probability between 7 and 27 years.

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

Life time winnings:

The median life time winnings are more than \$15Mln. That means that the Jockey's life time take home income is over \$1Mln. The highest level of winnings at the time of the writing of this paper is almost \$386Mln.

Table 6. Lifetime winnings

	Lifetime Winnings	Annual Average	Years of Experience
Median	\$15,774,985	\$1,170,966	13.4
Max	\$385,518,233	\$16,877,224	41.4
Min	\$471,241	\$108,736	1.0

If the total winnings per person are divided by the number of years in racing, the average annual earnings are higher than the 2017 earnings per Jockey. This may be caused by the fact that successful Jockey's stay longer in the business. It is probable that the low earners find better paying, less risky jobs outside of racing. This reduces their work life in the field.

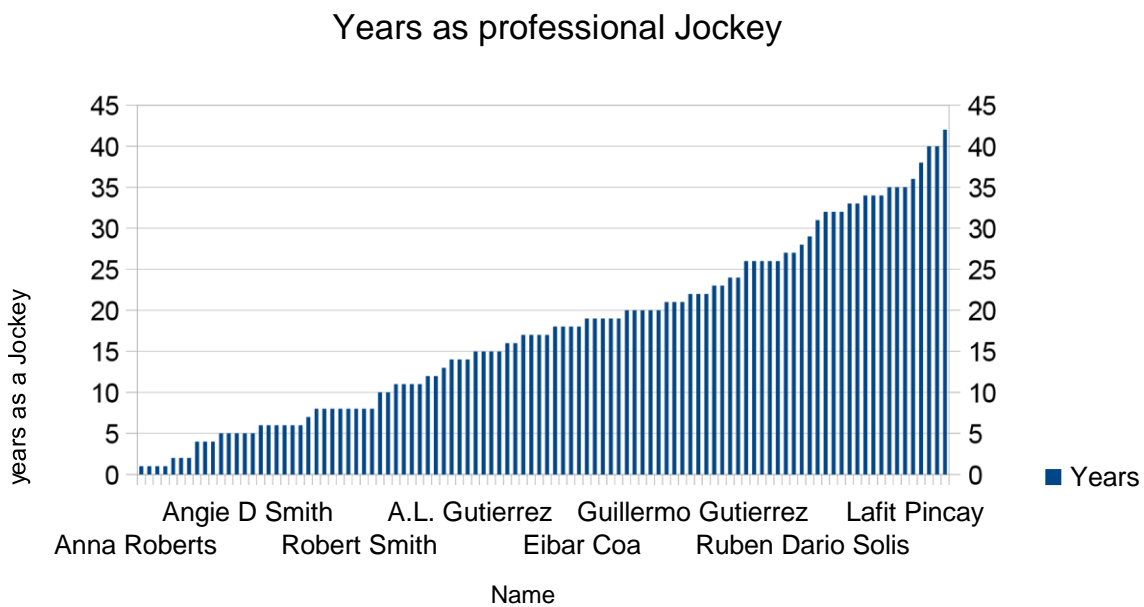
Table 7. Lifetime by percentile

	10%	25%	50%	75%	90%
Lifetime winnings	\$1,754,348	\$4,977,849	\$15,774,985	\$35,751,475	\$86,956,924
Average Annual Winnings	\$286,694	\$591,428	\$1,170,966	\$2,295,814	\$6,260,660
Average Annual Earnings	\$18,348	\$37,851	\$74,942	\$146,932	\$400,682
Years	4.4	7.4	13.4	23.4	31.4

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

The chart below shows the number of years that 79 separate jockeys were involved in racing thoroughbreds:

Chart 3. Length of careers



Practical Applications

Just like anyone else, professional athletes can be victims in personal injury and medical malpractice cases. It is difficult to assess the loss of earning capacity in these cases due to lack of data. This paper tries to help to develop reasonable approaches to calculate lost earning capacity of a Jockey. Below find two basic scenarios of lost earning capacity.

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

Scenario 1

Joe Jock is a jockey who got hurt at age 29 in a car accident. He started riding horses at age 17 and has 12 years of experience. His 2015 and 2016 earnings were \$55,000 which was close to the sample's median of \$54,309. His doctors report that he cannot ride horses any longer. In this case, it is reasonable to project that he could ride for another 5.5 years before retiring, assuming his career would be the median length if not for the accident. Therefore, a reasonable projection of his lost earning capacity related to winnings in horse racing could be 5.5 times \$54,309 or \$298,700 before discounting to present value.

Scenario 2.

Ferry Fast is a 28-year-old who has been a successful jockey at secondary venues such as Hawthorne in Illinois and Mountaineer in West Virginia for the past 11 years. He is well known to be able to race in all kinds of weather, dry and wet tracks. Based on his tax returns, he has earned \$180,000 annually during the last 3 years. His agent believes he needs to start racing in locations such as Belmont and Aqueduct in New York. The average purse in these locations is approximately 5 to 8 times higher than in the locations where he currently races. Since he is a good rider in poor weather, his agent believes a good time to break into this market is during the winter months. A few months before Ferry is expected to make his move, he gets hurt in a car accident. He breaks his back in two places and is not expected to race any longer. An analysis of the earnings profiles of similar careers to Ferry's, show that riders jump to higher earnings when they start racing at the higher paying tracks. His agent

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

believes that Ferry would have had a long career. He quotes Perry Wayne Ouzts, who competed until in his 60s and participated in more than 50,000 races.¹⁴

In this case an analyst may develop 2 scenarios. Scenario 1 where the expected earnings are in the 90th percentile for 40 years minus 11 or 29 years. This would result in a loss of more than \$6.7Mln. and scenario 2 where the earnings continue to remain at \$180,000 per year for 17.5 minus 11 or 8.5 years. The loss in this scenario would be over \$1.5mln.

Scenario 3

In *John Perez and Rayna Perez v. Joseph C. Maroon M.D. UPMC, UPMC Presbyterian, UPMC Presbyterian Shady-side, Tri-State Neurosurgical Associates, DePuy Spine, Inc, DePuy Spine Sales LP*, the Court of Common Pleas of Allegheny County, Pennsylvania, GD-11-024543 (2018, Jury Verdicts LEXIS 34942) the discussed information was adjudicated and admitted in court. In this case the professional 43-year-old Jockey, John Perez, jammed his neck, suffered a spinal cord compression, broke his femur, broke his neck and tore a meniscus in the starting gate in 2009. John had finished high school and started full time racing immediately after graduation.

John underwent several surgeries. His doctors limited him to sedentary work. He would have been expected to have a similar earnings profile as other jockeys. Therefore, a sample of 12 jockeys were selected from equibase.com based on the expert opinion of his agent and similar beginnings of their careers and length. Their winnings were averaged and the average percentage of change was computed. This percentage was multiplied with John's previous year's earnings in order to project the earnings if

EARNINGS AND LENGTH OF PROFESSIONAL CAREERS OF JOCKEYS IN THE UNITED STATES

not for the incident. John's revenues were estimated as 9.2% of the winnings. This figure for past losses until the year of the accident was multiplied by .65 in order to reflect the 10% pay to the valet and 25% pay to the agent. This calculation results in the amount that John would take home from racing.

After his injury he tried a number of light or sedentary jobs related to horse racing, including racing official. He could probably work as a telephone information clerk, a sedentary job with a Special Vocational Preparation (SVP) of 2. The wages for such a job were deducted from his probable earnings as a jockey to calculate the loss of earning capacity.

Conclusions

There are several reasonable approaches possible to calculate the earning capacity of professional jockeys based on the information provided by equibase.com and expert opinions. The damages expert can assume that the jockey performed and will perform based on his or her historical performance. This may be a good approach for a middle career jockey. However, if a jockey is relatively early in his career, more information can be obtained from agents and other experts in the field in order to calculate future earnings if not for the injury or death.

The methodology here can give good predictions of the Jockey's take home pay. Other experts may be needed to assess reasonable expenses that aid in establishing the jockey's earning capacity. For instance, the jockey may have travel or living expenses that are directly related to participation in races. These expenses need to be valued based on their economic value and not necessarily on the fact that they were deducted from the jockey's income on a tax return.

End notes

- 1 In contrast to many other states, medical malpractice cases in Pennsylvania need to be treated differently than personal injury (PI) and wrongful termination (WT) cases. They typically need to be discounted to present value while the offset method is used for PI and WT cases. The Medical Care Availability and Reduction of Error Fund ("M care") was created by Act 13 of 2002 ("Care Act"), and signed into law on March 20, 2002. § 1303.510. Reduction to present value Purdon's Pennsylvania Statutes and Consolidated Statutes Title 40 P.S.
- 2 Marc Bailey (2014, August 15). What do footballers do when they retire? *Telegraph*. Retrieved from <https://www.telegraph.co.uk/men/active/11028666/What-do-footballers-do-when-they-retire.html>, Soccer players that play in their forties are exceptions. Most of them retire in their 30s according to the British Professional Football Association (PFA), the average retirement age is 35.6.
Kent Ninimiya (n.d.). How long is the average career of an NFL player? *Livestrong.com*.
<https://www.livestrong.com/article/15527-long-average-career-nfl-player/>, According to the NFL Players Association, careers span on average 3.3 years
Ian McCourt (2014, February 16). Sochi 2014: Winter Olympics – day nine as it happened. *The Guardian*. Retrieved from <https://www.theguardian.com/sport/2014/feb/16/sochi-2014-winter-olympics-day-nine-live>
- 3 Daisy m. Jenkins (2014, August 16). Pro Athletes, Big Winners and Losers When the Career Clock Goes to Zero, *HuffPost*. Retrieved from https://www.huffingtonpost.com/daisy-m-jenkins-esq/pro-athletes-big-winners-b_5504073.html
- 4 <https://www.equibase.com>
- 5 Kurt Badenhausen (2017, June 17). Ronaldo, LeBron top the world's highest-paid athletes of 2017. *Forbes*. Retrieved from <https://www.forbes.com/sites/kurtbadenhausen/2017/06/07/ronaldo-lebron-top-the-worlds-highest-paid-athletes-of-2017/#6405246b4a1c>
- 6 The Jockey Club and Thoroughbred Owners and Breeders Association. Thoroughbred Owner View (n.d.).
<https://www.ownerview.com/race-tracks/purses>,
- 7 TOBA Thoroughbred Owners & Breeders Association (n.d.). Retrieved from <https://toba.org/graded-stakes/> A **graded stakes race** is a **thoroughbred horse race** in the **United States** or **Canada** that meets the criteria of the American Graded Stakes Committee of the **Thoroughbred Owners and Breeders Association** (TOBA). Based on statistical analysis of the quality of the field in previous years, a grade level (I, II, III or listed) is assigned to the race. The race needs to meet the minimum purse criteria for the grade in question.
- 8 CNN (2018, November 17) Triple Crown Fast Facts. Retrieved from <https://www.cnn.com/2013/09/28/us/triple-crownfast-facts/index.html>. Triple Crown, is a title awarded to a horse who wins the Kentucky Derby, Preakness Stakes, and Belmont Stakes.
- 9 Tax returns
- 10 Bloodhorse Staff (2018, July 11). Jockeys' Guild, NYTHA Announce Mount Fee Changes. Retrieved from <https://www.bloodhorse.com/horse-racing/articles/228491/jockeys-guild-nytha-announce-mount-fee-changes>
- 11 <http://www.newsweek.com/belmont-stakes-ticket-price-average-triple-crown-justify-win-954634>, Accessed 6/8/2018.
- 12 Nina Godlewski (2018, June 2). Justify chance at the Triple Crown is driving up Belmont Stakes ticket prices 255 percent more than last year. *Newsweek*. <http://www.newsweek.com/horse-racing-fading-revenue-popularity-457123>
- 13 Bennett Liebman (2006, June 6). Reasons for the decline of horse racing. *The New York Times*. Retrieved from <https://therail.blogs.nytimes.com/2010/06/06/reasons-for-the-decline-of-horse-racing/>
- 14 Press release (2018, March 4). Ageless Ouzts Rides His 50,000th Career Mount Saturday At Turfway Park. *Horse Racing News / Paulick Report* . Retrieved from <https://www.paulickreport.com/news/people/ageless-ouzs-rides-50000th-career-mount-saturday-turfway-park/>