

**The Economic Impact of the 2023 Capital Challenge  
Horse Show on Prince George's County, MD**

**Prepared for  
Capital Challenge LLC**

**By  
Stephen S. Fuller, Ph.D.  
University Professor Emeritus  
George Mason University  
Arlington, Virginia**

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# **The Economic Impact of the 2023 Capital Challenge Horse Show on Prince George's County, MD**

## **Executive Summary**

Since its founding in 1994, the Capital Challenge Horse Show (CCHS) has been held at Show Place Arena at Prince George's Equestrian Center. In 2023, the CCHS's classes and competitions were scheduled over an eleven-day period, August 28<sup>th</sup> through October 9<sup>th</sup>, with many staff and participants arriving several days in advance to prepare for the horse show with others remaining beyond the run-of-the-show thereby extending the show's presence in Prince George's County to a two-week period. The 2023 CCHS utilized both indoor and outdoor rings with activities beginning before sunrise and scheduled into the evenings on many days.

In the 30 years following the first Capital Challenge, it has become a nationally recognized event attracting young and emerging talent as well as professionals, nationally and internationally. The CCHS hosts equitation riders of all ages and levels in multiple divisions as well as important year-end finals including the Taylor Harris National Children's Medal Finals, the EMO Insurance/USHJA 3'3" Jumping Seat Medal Finals, the Palm Beach International Academy Junior Equitation Championships, and the Ariat Adult Medal Finals. The 2023 CCHS offered 198 classes during its run and multiple competitions with prize money totaling \$440,455. This large scale and broad range of activities attracts participants from across the county. In 2023, participants included owners, riders, and trainers from 48 states, the District of Columbia, and internationally from Canada and Bermuda.

The 2023 Capital Challenge Horse Show attracts many participants and horse show professionals to Prince George's County from across the nation up to two full weeks, staying in local hotels, eating in local restaurants, and making purchases for local merchants for personal and professional needs.

- There were 1,732 participants in the horse show—including the owners, riders, and trainers— attracted from 48 states, the District of Columbia, and two countries (Bermuda and Canada); 96 percent of whom were from states other than Maryland, many accompanied by their families, friends, and associates, with an average length of stay of 6.7 days.
- Additionally, there were 130 judges and officials, the professionals and technicians required to manage and operate the horse show, with an average length of stay of 11 days; 94 percent of these were non-Maryland residents.
- The CCHS attracted an estimated 3,388 "spectators" consisting largely of family members and friends of participants for period of varying lengths with some extending to the full run of the show; it is estimated that less than five percent of these visitors were Maryland residents.

The Capital Challenge Horse Show's 2023 economic impacts are detailed in Table 3 on page 9. These economic impacts confirm the economic value of the Capital Challenge Horse Show and its ability to generate unique expenditures and tax revenues to the benefit of the Prince George's County economy. The CCHS's duration and breadth of classes and competitions attracted participants to Prince George's County from 48 states, the District of Columbia, Bermuda and Canada giving the county important visibility as a sports tourism destination.

- Direct outlays generated by the Capital Challenge Horse Show and by all participants in and related visitors to the Horse Show in 2023 totaled \$11.3 million.
- The total impact of this direct spending on the Prince George's County economy in 2023 was \$16.0 million reflecting an aggregate multiplier of 1.4187.
- As the direct spending associated with the CCHS was re-cycled through (re-spent in) the Prince George's County economy, it generated \$3.3 million in new personal earnings (taxable) for workers residing within the county.
- This direct spending associated with the CCHS supported a total of 98 full-time, year-round equivalent jobs with an estimated 64 of these jobs being held by residents of Prince George's County.

The contribution of the Capital Challenge Horse Show to Prince George's County economy in 2023 can be measured in terms of increases in the county's total annual output—new and expanded business and personal income—as well as the generation of new personal earnings to the benefit of workers residing in the county and the support of jobs that in the absence of the CCHS would not have been achieved. The sources and magnitudes of these benefits underscore the economic importance of the Capital Challenge Horse Show and its name brand identity to economic advancement of Prince George's County.

## **The Economic Impact of the 2023 Capital Challenge Horse Show on Prince George's County, MD**

Since 1994, the Capital Challenge Horse Show (CCHS) has been held at Show Place Arena at Prince George's Equestrian Center. In 2023, the CCHS's classes and competitions were scheduled over an eleven-day period, September 28<sup>th</sup> through October 9<sup>th</sup>, with many staff and participants arriving several days in advance to prepare for the horse show with others remaining beyond the run-of-the-show thereby extending the show's presence in Prince George's County to a two-week period. In the 30 years following the first Capital Challenge, it has become a nationally recognized event attracting young and emerging talent as well as professionals nationally and internationally.

The CCHS hosts equitation riders of all ages and levels in multiple divisions as well as important year-end finals including the Taylor Harris National Children's Medal Finals, the EMO Insurance/USHJA 3'3" Jumping Seat Medal Finals, the Palm Beach International Academy Junior Equitation Championships, and the Ariat Adult Medal Finals. The 2023 CCHS utilized both indoor and outdoor rings with activities beginning before sunrise and scheduled into the evenings. In 2023, CCHS offered 198 classes during its run with prize money totaling \$440,455 for its many competitions. These large scale and broad range of activities attract participants from across the county. In 2023, participants included owners, riders, and trainers from 48 states and the District of Columbia and internationally from Canada and Bermuda

The participants attracted to CCHS and to Prince George's County in 2023 included 1,732 owners, riders, trainers, 130 judges and officials who managed the competition, and 36 retail vendors displaying merchandise at the Arena (and their employees with many accompanied by their families). Approximately 95 percent of the competitors, judges and officials, and vendors came from out-of-state and represent major sources of new economic activity to the benefit of the county's local businesses. Additionally, it is estimated that there were 3,398 family members and friends, non-participants in the horse show, attending the horse show as spectators, and also reflecting this predominantly out-of-state geographic pattern.

These CCHS participants, all but a small number being Prince George's County residents (approximately 5% resided in the state of Maryland), represent new markets for Prince George's County businesses that would not have existed in the absence of the CCHS. The economic potential of these visitors to Prince George's County is a function of how long they remain in the county during the run of the horse show, whether they choose to stay overnight in the county, and what incidental spending they undertake during their time in the county for food and refreshments, retail items, consumer services, entertainment, accommodations, and other goods and services.

## **Sources of Economic Impact**

The 2023 Capital Challenge Horse Show's economic impacts derived from multiple sources including the expenditures required to stage and operate the horse show. While much of this spending is confined to the two-week period starting during the last week in August and running to the middle of September (August 28<sup>th</sup>-September 9<sup>th</sup>) during which the CCHS took place, some of the outlays generated by the horse show support on-going activities within the local economy over a longer timeframe.

Beyond the direct outlays to stage the Capital Challenge Horse Show, there are other major sources of expenditures and beneficial impacts that are linked directly to participation in or support of the horse show. These include: (1) the exhibitors and professionals associated with the horse show (owners, riders, trainers, judges, and officials); (2) the vendors providing retail services at the show; and (3) daily spending before, during and after attending the show by its spectators—including family and friends of participants. This spending constitutes outlays that would not have occurred in Prince George's County in the absence of the CCHS.

### Direct Outlays by CCHS

Capital Challenge LLC outlays during calendar year 2023, inclusive of those expenses to stage the 2023 CCHS, totaled \$3.651 million. These annual outlays included staffing throughout the year as well as during the horse show, rental of the Equestrian Center, management, administration, and marketing, and operations related to the horse show, among others.

### Exhibitors, Judges and Show Officials

There were 1,732 exhibitors (owners, riders, trainers) 130 and show professionals (judges and officials) in attendance at the 2023 horse show, in addition many were accompanied by family members and friends, bringing 1,437 horses with them (the horse show was sold out). Many of these participants were in attendance at the CCHS for a substantial portion of its scheduled eleven days (80% were in attendance at the Show for 5 or more days), ranging up to 14 days for those individuals involved in setting up and tearing down the horse show with several workers being on site for as many as 23 days. Approximately 96 percent of the exhibitors and show professionals were residents of states other than Maryland; 48 states and the District of Columbia were listed for these individuals' places of residence and foreign participants included several from Bermuda and Canada.

Records for this year's horse show identified 1,732 owners, riders, and trainers who were in attendance during the show. These exhibitors came to the show from 48 states (including Maryland) and the District of Columbia. This national geographic reach of the CCHS makes it one of the major sporting events hosted by any jurisdiction in the Washington region.

The 2023 CCHS required 130 professionals to stage/manage the events during the run-of-the-show. Known as “Judges and Officials” these are the professionals who set up and manage the day-to-day operations of the horse show, these are the technicians required to manage and operate the horse show with an average length of stay of 11 days during the run-of-the-show. They included the horse show’s managers, photographers, stewards, media, camera crew, schooling supervisors, timekeepers, judges, announcers, veterinarians, feed/bedding personnel, crew, and CCHS staff. These are the professionals who set up the show, manage the flow of daily activities, and close it down.

### Vendors

Thirty-six retail vendors, each bringing with them several employees, were reported at the 2023 CCHS. Most of these vendors were on-site for the full run of the horse show and were present within the local economy on average for twelve days given set up and tear-down time before and after the show. These full-run retail vendors at Show Place Arena came from 15 states other than Maryland and included one vendor from Italy. Some of the three vendors listing Virginia as their home state were from distances sufficiently far away from Upper Marlboro that they required overnight accommodations and had similar spending patterns as vendors from more distant states. These out-of-town vendors represent an important source of demand for lodging and food services over the full duration of the CCHS requiring hotel accommodations plus daily spending for a wide range of business and consumer services during their stay.

### Spectators

The daily activities of the CCHS draw “spectators”, consisting largely of family and friends, accompanying participating owners and riders and others to the horse show. The exact number of these “spectators” is not officially counted as there are no ticket sales by which these visitors can be tabulated. CCHS has estimated the number of accompanying family and friends associated with the owners and riders and other officials during the run-of-the-show totaled 3,388 individuals. Based on their average numbers of days (6.7 days) that these non-participants were in attendance over the run-of-the-show, it is estimated that these they accounted for 22,700 person-days on site at the Arena cumulatively over the run-of-the show or, on average, there were 2,064 non-participant “spectators” on site each day of the show’s eleven-day run. These non-participant “spectators” represent important sources of demand for local hotels, restaurants, retail, and other personal and professional services.

### Accommodations in support of CCHS

An example of the economic impacts of the CCHS include its hotel room demand during the run-of-the-show. This number of hotel room nights reported here includes only those rooms booked through the CCHS’s official agent for judges and

officials and professionals associated with the operations of the horse show. For the 2023 CCHS, eight hotels in Prince George’s County had 1,450 nights booked by CCHS averaging 13 nights per occupant. These bookings exclude accommodations that would have been booked individually by owners, riders, trainers, and spectators—family and friends accompanying owners and riders and other non-participants—attending the horse show. Due to the shortage of available and desired quality conveniently located hotel accommodations relative to Upper Marlboro, it is reported that some owners, riders, and trainers and accompanying family members and friends have chosen to stay in hotels in adjacent jurisdictions.

**Geographic Distribution of Participants in the 2023 CCHS**

In 2023, the CCHS attracted participants—owners, riders, and trainers—from 48 states, the District of Columbia and two foreign countries. Maryland ranked 9<sup>th</sup> among the sources of CCHS participants accounting for 4.2 percent of the total. Florida ranked first, with 13.9%, followed (in descending order) by: New York (10.7%), California (8.4%), New Jersey and Texas (each with 6.2%), Pennsylvania (6.0%), Virginia (5.0%), and Georgia (4.6%). In total, 95.8% of all participants—owners, riders, and trainers) at the 2023 CCHS were from non-Maryland states.

Table 1 presents the percentage of various categories of CCHS participants, judges and officials, vendors, and accompanying family and friends, who were from Maryland compared to the remainder of the United States.

Table 1

Geographic Distribution of Owners, Riders,  
Trainers, Judges and Officials, Vendors, and Spectators

Type of Visitor	Number	Percent From	
		Maryland	Other States
Owners, Riders, And Trainers	1,732	4.2	95.8
Judges and Officials	130	6.2	93.8
Vendors <sup>1</sup>	36	11.1	88.9
Spectators <sup>2</sup>	3,388	4.2	95.8

Source: CCHS; calculations by author.

<sup>1</sup>businesses, not a personnel count.

<sup>2</sup>accompanying family and friends of owners and riders, non-participants; reflects geographic distribution of owners, riders and trainers.

Beyond the raw number of participants attracted by the CCHS, as shown in Table 1, an equally important determinant of the economic impacts that will be generated

from the spending by the various CCHS’s participants is the duration of their stay while attending the Capital Challenge Horse Show. The estimated average duration of each category of participant is presented in Table 2 with these average days in attendance ranging within each category with judges and officials reflecting the extreme (from 1 to 23 days) but averaging 11 days for the 130 persons in this category. Vendors are assumed to be present each day with set up and knock down extending their local presence beyond the run-of-the-show. In total, it is estimated that the CCHS attracted an average of 3,327 participants each day of its eleven-day run, 95 percent of whom are non-Maryland residents, representing a total of 36,603 person days of market potential to the benefit of the Prince George’s County economy that would not have occurred in the absence of the CCHS in 2023.

Table 2

Average Length of Stay of CCHS Participants in 2023

Participant Type	Number	Average Length of Stay (days)	Total Person-Days in County <sup>1</sup>
Owners, Riders, And Trainers <sup>2/4</sup>	1,732	6.7	11,604
Vendors <sup>3</sup>	72	12.0	864
Judges and Officials	130	11.0	1,430
Spectators <sup>2/4</sup>	<u>3,388</u>	<u>6.7</u>	<u>22,700</u>
Totals	5,286	8.4	36,598

Sources: CCHS, calculations by author

<sup>1</sup>average daily on-site head count of 3,327 accumulated over the 11-day run of the horse show; includes professionals and other CCHS participants who arrive early or depart after the close of the show.

<sup>2</sup>participating in or attendings the CCHS; spectators consist largely of accompanying family and friends of owners and riders.

<sup>3</sup>assumes each of the 36 vendors on site has 2 on-site proprietors or attending staff.

<sup>4</sup>20%, 3 days on site; 50%, 5 days on site; 15%, 10 days on site; 15% 14 days on site.

The availability of accommodations, restaurants, and retail establishments in convenient proximity to the Arena and elsewhere in Maryland determines the capture rate for the CCHS generated visitors’ spending. Clearly, the market potential from this collateral spending associated with and attracted by the CCHS is not fixed in magnitude and Prince George’s County can increase its capture rate by anticipating these opportunities and targeting them by its business development activities.



## **Economic Impacts Associated with Staging the Show**

Total spending associated with the 2023 Capital Challenge Horse Show can be divided into two major categories: (1) spending to stage the horse show by Capital Challenge LLC and (2) spending associated with CCHS participants including accompanying non-participants (spectators)—family and friends—attending the show.

Spending to stage the Capital Challenge Horse Show in 2023 totaled \$3.651 million. These outlays included staffing, rental of the Equestrian Center, marketing and entertainment, administration, and operations. These staff and administration expenses included labor, supplies, rentals, and a wide range of costs required to support the daily operation of the horse show and maintenance of 1,437 horses participating in the show. While this spending was concentrated during the period surrounding and including the dates of the horse show, some of these outlays extend over the course of the calendar year.

The most recently calculated overall economic multiplier (U.S. Bureau of Economic Analysis) for Prince George’s County for spectator events, such as the CCHS, is 1.5166; that is, for each \$1 of direct spending generated by the CCHS in Prince George’s County, the county’s economy, would expand by a total of \$1.52. Spending by exhibitors, vendors, CCHS staff, and non-participants (“spectators”) for accommodations, restaurant services, transportation, and other locally provided services during the run-of-the-show have an aggregate multiplier of 1.3719; that is, for every dollar of direct spending for retail and consumer services in the county, a total of \$1.37 is generated to the benefit of the county’s economy.

The economic benefits that are generated by the direct outlays associated with staging the show by Capital Challenge LLC are presented in Table 3. This direct spending of \$3.651 million contributed a total of \$5.537 million Prince George’s County’s economy (its Gross County Product), generated \$1.278 million in personal earnings (wages and salaries) to the benefit of workers residing in Prince George’s County, and supported 41.6 full-time, year-round equivalent jobs more broadly across regional, state, and national economies with an estimated 27 of these jobs (full-time, year-round equivalent) being held by Prince George’s County residents.

Exhibitors and competitors, “judges and officials”, vendors, and spectators (non-participants) attracted to the CCHS also represent important sources of economic benefits that accrue to Prince George’s County are shown in Table 3. Exhibitors, competitors, judges and officials, vendors and “spectators”—accompanying family and friends of owners and riders, are overwhelmingly (95%) non-local and therefore require lodgings and meals during their average 8.4 days (per person) attending the horse show. These 1,732 exhibitors (owners, riders and trainers), 36 vendors and their employees, and 130 show-related professionals, many accompanied by family members and associates (non-participants spectators),

represent a significant source of local spending, including lodging, meals, retail, and outlays associated with maintaining their horses during the run-of-the-show.

Table 3

Summary of Economic Impacts Generated by the  
2023 Capital Challenge Horse Show  
(in millions of dollars)

Sources	Direct Outlays	Total Output <sup>1</sup>	Personal Earnings <sup>2</sup>	Jobs Supported <sup>3</sup>
CCHS	\$3.651	\$5.537	\$1.278	41.6
Other Sources				
Owners, Riders, And Trainers	2.959	4.059	0.787	22.0
Judges and Officials	0.365	0.500	0.097	2.7
Vendors	0.443	0.610	0.117	3.2
Spectators <sup>4</sup>	3.861	5.296	1.027	28.7
Sub-total Other	<u>\$7.628</u>	<u>\$10.465</u>	<u>\$2.028</u>	<u>56.6</u>
Total CCHS/Other	\$11.279	\$16.002	\$3.307	98.2

Source: Capital Challenge Horse Show; author.

<sup>1</sup>the total value of goods and services generated directly and indirectly as a result of direct spending to stage the CCHS.

<sup>2</sup>the additional earnings generated within Prince George's County accruing to resident workers as a result of the direct and collateral outlays by the CCHS.

<sup>3</sup>the additional new jobs supported by the spending and re-spending of outlays associated with the 2023 CCHS.

<sup>4</sup>non-participants attending the horse show, including family and friends of owners and riders.

In 2023, 1,732 exhibitors (owners, riders, and trainers), with an average length of stay of 6.7 days, are estimated to have spent a total of \$2.959 million in the local economy over the run-of-the-show. This spending by exhibitors—contributed \$4.059 million to the Prince George's County economy over the run-of-the-show, generated \$787,000 in new personal earnings that would have accrued to workers residing in the county, and supported a total of 22 full-time, year-round equivalent jobs with an estimated 14 of these jobs being held by county residents.

Spending by the 130 judges and officials and other horse show professionals, with an average length of stay of 11 days during the run-of-the-show, some stays including days during the show's set up and knock down periods, is estimated to have totaled \$365,000 and to have contributed a total of \$500,000 to the county's economy. This spending would have generated \$97,000 in new personal earnings to

the benefit of Prince George’s County resident workers and supported 2.7 full-time, year-round equivalent jobs.

Vendors operating indoor booths and outside boutiques during the horse show represent an important source of economic impact. Each vendor represents several people requiring accommodations for an average of eleven (11) days, food and beverage services, and business support services—marketing, advertising, merchandising—during their set up, operating hours, and take-town period. A previous survey of Washington International Horse Show vendors found that on average vendors spent approximately \$1,026.33 per day (in 2023\$) locally during the run-of-the-show.

The 36 vendors supporting the horse show, with an average length of stay of 11 days, are estimated to have spent \$443,000 during the run-of-the-show. This spending would have contributed a total of \$610,000 to the Prince George’s County economy, generated \$117,000 in new personal earnings to the benefit of Prince George’s County resident workers and supported 3.2 full-time, year-round equivalent jobs.

Spending by accompanying family and friends of the participants—“spectators”—at the show, both inside the Arena and Equestrian Center, and before and after the show elsewhere in Prince George’s County during their stay, is an important source of “new” business activity as an estimated 95 percent of the show’s participants are not Maryland residents (and even a larger percentage are not Prince George’s County residents) and, therefore, their spending would not have occurred in the county in the absence of the CCHS. The market potential of this direct, on- and off-site spending by non-participant “spectators” to the CCHS, including food services, retail, accommodations, and miscellaneous spending, totaled an estimated \$3.861 in 2023. The total economic impact of this direct spectator spending would have contributed \$5.296 to the county’s economy, generated \$1.027 in new personal earnings, and supported 28.7 full-time, year-round jobs, with an estimated 18.5 of these jobs being held by Prince George’s County residents.

In total, non-Capital Challenge LLC spending—spending by owners, riders, and trainers, judges and officials, vendors, and accompanying family and friends (spectators)—over the run-of-the-show was an estimated \$7.628 million. This direct spending would have added a total of \$10.465 million to the county’s economy (Gross County Product) and generated an additional \$2.028 in new personal income for workers residing in Prince George’s County. Overall, this non-Capital Challenge LLC spending, occurring during its 11-day run (including some before and after show spending related to set up and knock down activities), supported a total of 56.6 full-time, year-round equivalent jobs either locally or elsewhere in the broader economy with an estimated 36.8 of these jobs (full-time, year-round equivalent) being held by Prince George’s County residents.

## **Summary of Economic Impacts**

The direct spending by Capital Challenge LLC to stage its 2023 horse show and the spending by owners, riders, trainers, judges and officials, vendors and accompanying family and friends (spectators) while in the county participating in or attending the show totaled an estimated \$11.3 million. The economic impacts generated by the Capital Challenge Horse Show (CCHS) and its related spending contributed a total of \$16.0 million to the Prince George's County's economy in 2023; that is, each \$1 of direct spending associated with the CCHS, from all sources, generated \$1.42 of total benefits for the county's economy.

This direct spending of \$11.3 million also generated \$3.3 million in new personal earnings for workers residing in Prince George's County because of the re-spending of payroll and business income by employees, vendors, and others associated with the 2023 horse show and the spending before-and-after daily shows by owners, riders, trainers, judges and officials, vendors, and accompanying family and friends (spectators).

This economic activity—direct outlays, indirect impacts and induced effects—also supported 98.2 full-time, year-round equivalent jobs locally and elsewhere in the broader economy with an estimated 63.8 of these jobs being held by county residents.

With 95 percent of CCHS's owners, riders, trainers, judges and officials, vendors, and accompanying family and friends (spectators) each staying for an average of 8.4 days in Prince George's County (see Tables 1 and 2) and supporting the local economy through their spending for goods and services, this spending and the spending to stage the Capital Challenge Horse Show generated economic benefits accruing to local businesses and workers residing in Prince George's County. The county's fiscal base (much of this spending and its personal earnings impacts are subject to county taxes) also benefited from this new spending, revenue benefits that would not have been realized in the absence of the Capital Challenge Horse Show being staged at the Equestrian Center.

The magnitude and breadth of these economic benefits underscore the value of the Capital Challenge Horse Show to the Prince George's County's economic vitality. Most importantly, these positive economic impacts are magnified and extended by the publicity associated with the Capital Challenge Horse Show that strengthens Prince George's County's sports tourism brand by attracting large numbers of out-of-state visitors, including international visitors, to the county to experience and enjoy Prince George's County and its unique and varied attractions.

