W 371-A

MANAGEMENT AND COST CONSIDERATIONS FOR HORSE OWNERS

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The reasons for horse ownership are numerous, but likely fall into one of three broad categories: 1) recreation, 2) profit, or 3) recreation and profit. Many horse owners do not generate income from ownership, but they all incur cost. Thus, the cost of horse ownership is the focus of this publication.

Before purchasing a horse, or even if a horse has already been purchased, owners and potential owners should ask and answer the following key questions:

- Where can a horse be purchased?
- What is the potential purchase price?
- What is the intended use of the animal?
- What equipment and supplies are needed?
- What costs are associated with ownership, both upfront and annually?
- How will daily needs of the animal be met?
- Where will the animal be kept or housed?
- What will be done with the animal if it no longer suits the owner's needs?
- What will it cost to humanely end the life of the animal?
- What is the appropriate method and cost to dispose of the carcass?

Additionally, many of these questions should be revisited during each year of ownership to determine if economic demands have changed in order to plan accordingly.

Research and/or experience can provide answers to these questions. Some of the answers may be the deciding factor in horse ownership or if management of the horse is conducted by the owner or others. The following discussion provides basic answers to the aforementioned questions as well as develops a budget template for horse ownership.

HORSE OWNERSHIP

Horse Purchase and Purchase Price

Horses can be purchased in a variety of ways, and the initial purchase price can have a large range. The two primary ways of purchasing a horse are through an auction or through private treaty. Each purchasing alternative has advantages and disadvantages. Potential horse owners should research marketing avenues and the value of horses in the area.

Auctions offer the prospective buyer the opportunity to evaluate several horses at one time as well as observe horse value as perceived by other prospective buyers. Additionally, auctions reduce costs associated with locating and viewing horses such as travel time and travel cost. Alternatively, private treaty sales provide prospective buyers with more time to research the horse and the current owner and to collect any other necessary information prior to the sale occurring. Regardless of the purchase method, a potential buyer should have a pre-purchase examination performed by a veterinarian to check the horse's soundness and health.

The value, or purchase price, of a horse is highly variable. The initial purchase price of a horse could be as little as a few hundred dollars or as much as several hundred thousand dollars for high-performance horses or those with exceptional breeding pedigrees.

Supply and demand are key drivers of horse prices. However, supply and demand are not the only factors impacting horse value. The value of a horse is largely dependent on breed, pedigree (selective breeding and desired traits), build or conformation, and ability to perform both in an athletic or reproductive capacity. The breed of animal, including imported and domestic animals, is a large determinant in equine value. An animal with a specific breeding program with desirable traits and justified performance in shows or races will increase the value. Similarly, a horse with desirable physical traits and a desirable conformation will increase the value. Additionally, the ability of a horse to perform desired tasks increases the value of the animal. Thus, a trained horse has a higher value than an untrained horse with all other variables equal.

Intended Use and Supplies

Horses are utilized in many different manners. Some horses are used for working livestock or as draft animals while others are used for hunting, racing, some form of showing/competition, or strictly for recreational riding. Their intended use determines the necessary equipment and supplies, and thus the overall cost of activity or work. Each use requires different equipment and training. Increased training of the horse results in increased costs. Similarly, the more specialized or higher

quality of the equipment needed increases cost. There may also be costs associated with riding lessons for the intended rider(s) of the horse in combination with training of the horse.

Cost of Ownership and Meeting Daily Needs

There are several costs associated with owning a horse and the upkeep of a horse. Some costs are strictly related to owning the horse and have little to do with the use of the horse while some costs may vary based on the size of the horse and how it is used. Ownership costs are costs that are incurred regardless of whether the horse is utilized for recreation or profit. Horse ownership costs include:

- Market value of the horse.
- Board/place for the horse to stay.
- Feed.
- Health program.
- Farrier.
- Equipment.
- Transportation.
- Waste management.

Market value: The market value of the horse was discussed previously and varies greatly. Potential horse owners should be cautious in how much they spend on their horse purchase as the outlay of cash could inhibit the owner's ability to purchase other necessary items and cover maintenance costs.

Board/facilities: Prior to purchasing a horse, it is necessary that a potential horse owner either has facilities to keep a horse or has a boarding arrangement with a horse boarding facility. While many horse owners purchase land for pasture and build a small lean-to or run-in shed to keep horses, some owners build barns with stables to house horses. Others may not want to house the horses themselves, so they board their horse on pasture or in a barn owned by someone else. Each of these options has a different cost and can be done inexpensively or at a higher cost.

If land is owned or purchased to keep the horse, then a fence and some type of shelter is usually necessary. The fence could be anything from a wooden post and rail fence to a smooth wire fence (high tensile, woven wire, fixed knot wire, etc.) with wooden or metal posts. The shelter could be as simple as a lean-to or run-in shed with three enclosed sides, or it could be a more traditional-style barn with stalls, electricity, water, etc. Fencing and shelter can require a significant outlay of money in addition to the cost of purchasing land. It is also important to remember that there will be annual maintenance costs associated with the fencing and shelter. There may also be cost associated with bedding, hay and equipment storage. Horse owners should be sure to account for property taxes, insurance and interest on any money that is borrowed to make capital purchases.

Feed: The cost of feed varies based on the type of management system being implemented. For most maintenance horses, along with many in light and moderate workloads, pasture can provide the majority of the nutrients needed to maintain a horse's condition from spring through fall. However, in winter that same horse will likely need to be supplemented, ideally with increased forage intake, due to the lack of available pasture growth. Similarly, horses in work, breeding or lactation that are kept on pasture may need more than pasture to meet their nutritional needs.

Alternatively, horses housed in a barn with no pasture intake will need hay or a forage substitute and in some instances may require supplementation with concentrates (grain) to meet nutritional needs. At a minimum, horses must consume at least 1 percent of their body weight in forage per day for proper digestive system health. Most horses can be maintained at a daily forage intake level of 2-2.5 percent of body weight.

Health program: Health care is a vital component to keeping horses healthy. Preventative health care is generally a good option to manage health care costs. Health care should include deworming based on fecal egg count, medicines to treat minor wounds, routine vaccinations and a Coggins test (checks for Equine Infectious Anemia (EIA) antibodies in the blood). Other health care costs and veterinary expenses can and will occur. These other costs may include emergency care and humane end of life.

Farrier: Horse hoof care is an important aspect of horse ownership. Owners can learn how to trim hooves, but often a farrier is employed for hoof care and shoeing. Horse's hooves require trimming at a minimum. In general terms, horses need their hooves trimmed about every eight weeks. In addition to trimming the hooves, owners may wish to have shoes put on their horse. New shoes can be put on, or the shoes can be reset, which is less expensive. Ultimately, shoeing and trimming depends on owner preference and hoof health, along with type and location of activity.

Equipment: Some equipment is universal across all horse owners while some equipment is specialized based on the use of the horse. Thus, the cost of equipment can vary greatly. Common equipment needed includes equipment for grooming, feeding, cleaning and riding. Tack may include saddles, stirrups, bridles, halters, reins, bits, etc. Grooming, feeding and cleaning equipment may include brushes, buckets, water system, pitchfork, etc.

Transportation: Transportation costs can have a wide range depending on the type and location of boarding, animal use, and frequency of activity. Horse owners and potential horse owners should consider the cost of traveling to the place in which

the animal is housed and how often that travel will take place. They also should consider costs associated with activities that require transportation of the animal such as shows, events and veterinary visits. It is not necessary for all horse owners to own a horse trailer, but it is a cost consideration and should be budgeted if costs are incurred. Similarly, the cost of owning a vehicle that can adequately support a trailer should be considered.

Waste Management: Waste management is also a cost consideration for equine owners. On average, a 1,000-pound horse produces 51 pounds of raw waste a day in the form of manure and urine. Management of equine waste is different for animals housed in a barn relative to animals on pasture. The degree of management necessary for pasture is dependent on the stocking density. The denser the stocking rate then the more intense management necessary. Alternatively, increased management is necessary for barn/stall kept animals. Waste disposal alternatives include on-farm pasture spreading/application, composting and contracting a waste hauler.

Other expenses: Other costs that may be incurred include riding lessons, training for the horse and rider, special clothes, or other specialty items.

Budgeting Basics

Horse ownership can be expensive. Therefore, cost management is important for many horse owners and potential horse owners. Thus, it is important to create a budget to account for all costs associated with owning a horse to determine if one can afford to own a horse and how the horse will be managed to fit the horse owner's budget.

Many of the major costs associated with horse ownership have already been briefly discussed. However, a more in-depth discussion is necessary for budgeting purposes. Costs that should be considered include variable costs and fixed costs.

Variable costs are expenses that change based on production. Variable costs in equine production may include feed, supplements, veterinary/health care, farrier services, bedding and some other discretionary items.

Fixed costs are expenses that that do not change based on level of activity or production. For example, if fixed costs total $10,000 per year and only one horse is owned, then the entire $10,000 is attributed to one horse. Alternatively, if fixed costs remain the same and two horses are owned, then the fixed cost per horse is $5,000 ($10,000/2 = $5,000). Examples of fixed costs are the purchase price of the horse, land, barn/facility to house the horse, tack, fencing, truck, trailer, interest expense, repairs and maintenance on buildings and fencing, insurance, rent, and utilities. These costs can be rather large and can account for a great deal of the total annual cost of owning a horse. Even if land is owned prior to horse ownership, it is important to include a cost for the property utilized by the horse.

Depreciation is a way to allocate the fixed cost of items that have a useful life of more than one year, i.e., the horse, barn, tack, fencing, truck and trailer. It is used to account for the reduction in value of the asset due to wear and tear over time. For example, if fixed costs are $10,000, and the asset has a useful life of five years and has a salvage value of $2,000 at the end of the five years, then the annual cost using straight line depreciation is ($10,000−$2,000)/5=$1,600 per year.

Similarly, horse owners should consider interest costs. Interest costs represent an opportunity cost on purchased items such as land and equipment. An opportunity cost is the cost of forgoing one alternative to pursue the current action. Interest costs are actually realized when money is borrowed. However, when horse owners do not borrow money and instead utilize assets, they incur an opportunity cost, which is calculated through an interest expense. For instance, a landowner has the option of using land for a horse or renting the land to someone else. Thus, a landowner has a choice between alternatives and the interest expense represents the cost of choosing one alternative over another.

Budgets for Horse Owners

As previously mentioned, horse owners have several alternatives to where the horse will be housed and how the horse's daily needs will be met. For the sake of brevity, budget examples presented address a horse owner paying for boarding and a horse owner with owned land. Several variations can be made to the budgets, shown in tables 1 through 6, to address individual situations.

Horse Owner Paying for Boarding

Many horse owners do not have a facility or land to house a horse. Thus, those horse owners must locate a boarding operation (i.e., pasture, stall) to keep the horse. For more information related to boarding facilities please see UT Extension publication W 371-B "Management and Cost Considerations for Owners of Horses Businesses." The cost of boarding facilities can vary greatly depending on the amenities and services provided by the facility. Tables 1, 2 and 3 illustrate a budget example of a horse owner paying for boarding.

The total annual cost of owning a horse boarded at a boarding facility is presented in table 1. The budget is broken into variable cost, fixed cost and total costs. The total annual cost of owning a horse is $16,111, which is composed of $9,842 in variable costs and $6,269 in fixed costs. Variable costs include boarding fees, feed if not included in board, health program, and travel to the boarding facility. The primary variable cost categories are boarding costs

and travel costs associated with trips to the boarding facility. Expenses associated with feed and a health program also contribute significantly to variable costs. Table 2 provides detailed expenses for a preventative health care program.

Boarding costs can vary considerably based on the type of board and services offered by the management of the boarding facility. Examples of boarding include pasture, partial and full board. Pasture board is generally the least expensive. Pasture boarded horses are generally on pasture with water and hay made available, but limited additional daily management. Full board generally includes a barn stall with daily turn-out for exercise. It also includes the daily feedings and stall cleaning and maintenance. Partial board can be a variety of arrangements. Partial board could be the owner having to feed and provide stall cleaning and maintenance on the weekends. It could be the boarding facility provides management for the horse, but the owner has a separate feed charge or obligation. Thus, boarding can take several forms and can vary greatly in total cost to the horse owner.

Horse owners should also consider costs associated with showing their animals. Showing costs are not included in the budget in table 1, but there is a line item in the table 1 for horse owners to include these costs if they are incurred. Show costs can also have a wide range depending on distance of travel, size of the show and competitiveness of the show.

Table 3 presents fixed costs associated with owning a single horse when housing the horse in a boarding facility. The total capital investment attributed to horse ownership in this example is $35,250, which includes the purchase of one horse, tack, truck and trailer. In this budget example, annual depreciation associated with fixed costs is $5,119 while the interest on the investment is $1,150. Straight line depreciation is used in the budget and is included to account for the reduction in value of the asset due to wear and tear over time. Opportunity costs related to the investment are calculated using simple interest to account for alternative uses of the funds used for horse ownership.

Horse Owner with Owned Land

As an alternative to paying to have a horse boarded at a facility owned by someone else, many horse owners choose to own land and facilities to house horses. This alternative is generally more convenient for horse owners because they do not have to travel to a barn at a different location from their home to interact with their horse(s). However, horse owners incur several additional costs when owning land; building a barn and fence; and maintaining the land, barn and fence. Table 4 provides an example of costs associated with maintaining a horse on owned land. The suggested stocking rate for 1,000- to 1,200-pound horses in Tennessee is 2-2.5 acres per horse. The stocking rate assumed in the budget (table 4) is 3 acres per horse.

The total projected annual cost of owning one horse on owned land is $16,374, which is broken into $6,782 of variable costs and $9,592 of fixed costs. Horse owners with horses on owned land have a more itemized budget for variable costs than a horse owner utilizing a boarding facility. Variable costs include feed, pasture maintenance, animal health (table 3), bedding, asset maintenance and repair, and utilities (table 5).

Feed costs — which include hay, salt and mineral, and pasture maintenance (weed control, mowing and fertilizing) — make up a considerable portion of the annual variable costs ($566). However, the health program ($854), bedding ($780), and repair and maintenance costs ($886) contribute more to variable costs than feed does. Utilities are sometimes overlooked especially if they are included with current utility bills. However, utility costs can and often do account for a large portion of variable costs. In this budget example, utility costs account for nearly 53 percent of total variable costs ($3,576). An additional consideration to the budget is if labor is being hired for work related to equine ownership.

Fixed costs are the second cost category and include depreciation, interest, insurance and taxes. Given the budget example, depreciation accounts for nearly 64 percent ($6,107) of the total fixed costs. Similarly, the opportunity cost of horse ownership, which is represented by an interest expense, accounts for nearly 27 percent of the total fixed costs.

The costs presented in table 4 and table 6 can vary significantly due to fixed costs and should only be used as a reference. A major component impacting the variability of the overall cost of maintaining and housing horses on owned land is due to fixed costs. Table 6 presents potential capital asset purchases that will be incurred by horse owners who house horses on owned land. The total expected investment attributed to horse ownership based on table 6 is $70,050. This capital investment can vary based on land prices, quantity and quality of owned equipment, size and total cost of the barn, and quality of horses purchased as well as other factors.

Cost Comparison: Boarding Facility and Owned Land

Based on the budget examples in this publication, the annual costs of keeping a horse in a boarding facility is $16,111 while keeping the horse on owned land is $16,374. Based on the budget examples, the use of a boarding facility appears to have a lower cost than housing the horse on owned land. However, horse owners are encouraged to evaluate both alternatives to determine the costs in their physical location. It is also important for horse

owners to evaluate their ability to care for a horse on a day-to-day basis. Based on the example, a horse owner using a boarding facility will pay $3,060 more per year in variable costs while someone who owns land will incur $3,323 more in fixed costs compared to the person using a boarding facility. The purchase of land and building facilities can require a significant outlay of money and may not fit all horse owners' budgets.

CONCLUSION

The decision to own a horse is not an easy choice. A great deal of research is necessary for a person to make an educated decision related to horse ownership.

Potential industry participants are encouraged to evaluate the costs and returns of horse ownership to evaluate their ability to participate. Most horse owners do not own horses for profit, and thus, only incur costs. Therefore, it is important for horse owners to have the financial capacity to adequately provide care for the animal.

This publication is meant to be used as a guide to help people understand the costs that should be considered when evaluating equine ownership. The budgets provided in this publication are presented as a guide for costs that should be considered and are not representative of all operations as each operation will have unique costs. Therefore, potential equine industry participants are encouraged to use these budgets as a starting point to help develop their own budget.

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Table 1. Annual Cost of Horse Ownership When Using a Full Boarding Facility*

	Quantity	Unit	Price	Total
VARIABLE COSTS				
Boarding cost[a]	1	head/month	$400.00	$4,800.00
Hay[bc]	4.4	ton/year	$200.00	$880.00
Concentrate[b]	0	ton/year	$300.00	$0.00
Salt/mineral[d]	2	blocks/year	$16.00	$32.00
General health[e]	1	head/year	$854.00	$854.00
Barn travel[f]	150	miles/week	$0.42	$3,276.00
Show expenses		shows/year		$0.00
Other		head/year		$0.00
Total Variable Cost				**$9,842.00**
FIXED COSTS				
Annual depreciation of capital assets[g]				$5,119.05
Annual interest on investment[h]				$1,150.00
Total Fixed Cost				**$6,269.05**
Total Cost				**$16,111.05**

[a] Full board costs may range from $350 to $1,200 per month. Boarding costs sometimes include hay and concentrate, but some facilities charge separately.

[b] Should be accounted for if not part of boarding costs.

[c] Most horses needs for maintenance can be achieved with only forage.

[d] Only needed if forage test determines mineral needs are not met by forage.

[e] Farrier costs are included in general health cost.

[f] Travel to and from the boarding facility will vary based on proximity to the barn and number of trips per week.

[g] Annual depreciation is calculated using straight line depreciation. See table 3 for the detailed calculations of annual depreciation expenses.

[h] Annual interest on investment is calculated using simple interest over the useful life of the asset. See table 3 for the detailed calculations of annual interest on investment.

* Table adapted from Burdine et al. 2006.

Table 2. Annual Health Care and Veterinary Costs for One Horse*

	Quantity	Unit	Price	Total
Fecal Egg Count	2	tests	$16.00	$32.00
Deworming[a]	2	doses	$16.00	$32.00
Vaccination				
EWE, WN, EIV, tetanus, rabies	1	doses	$50.00	$50.00
EWE, WN, EIV, tetanus, rabies booster	1	doses	$30.00	$30.00
PHF	1	doses	$20.00	$20.00
Strangles	1	doses	$20.00	$20.00
Veterinary Visits				
Basic Health Exam	1	tests	$20.00	$20.00
Travel Fee	1	trips	$40.00	$40.00
Farrier	9	trims	$65.00	$585.00
EIA/Coggins Test	1	tests	$27.00	$27.00
Health Certificate	1	cert	$30.00	$30.00
Total Health Cost				**$854.00**

[a] Deworming should be based on results from fecal egg count.
#Timing of vaccinations: www.aaep.org/custdocs/adultvaccinationchart.pdf.
* Table adapted from Burdine et al. 2006.

Table 3. Boarded Horse Ownership Costs*

	Quantity	Unit	Purchase Price/Unit	Salvage Value/Unit	Total Purchase Price	Total Salvage Value	Allocated to Horse Ownership[a]			Useful Life (years)[b]	Interest Rate	Annual Depreciation[c]	Annual Interest on Investment[d]
							Percent	Purchase Price	Salvage Value				
Horses	1	head	$4,000	$2,000	$4,000	$2,000	100%	$4,000	$2,000	7	5%	$285.71	$150.00
Tack/Barn equipment	1	per head	$2,500	$0	$2,500	$0	100%	$2,500	$0	3	5%	$833.33	$62.50
Truck	1	each	$35,000	$15,000	$35,000	$15,000	25%	$8,750	$3,750	5	5%	$1,000.00	$312.50
Trailer	1	each	$20,000	$5,000	$20,000	$5,000	100%	$20,000	$5,000	5	5%	$3,000.00	$625.00
Total					**$61,500**	**$22,000**		**$35,250**	**$10,750**			**$5,119.05**	**$1,150.00**

[a] Estimates of the overall cost of an asset attributed to horse ownership.
[b] Based on IRS depreciation, depletion and amortization. www.irs.gov/publications/p225/ch07.html#en_US_2015_publink1000177268
[c] Annual depreciation is calculated using straight line depreciation, e.g., ($4,000 - $2,000)/7 years = $285.71 per year is the annual depreciation charge for the horse.
[d] Annual interest on investment is calculated using simple interest over the useful life of the asset, e.g., (($4,000 + $2,000)/2) X 0.05 = $150 per year interest on investment for the horse.
* Table adapted from Burdine et al. 2006.

Table 4. Annual Cost of Horse Ownership on Owned Land*

	Quantity	Unit	Price	Total
VARIABLE COSTS				
Hay[ab]	1.5	ton/horse	$200.00	$300.00
Concentrate	0	ton/horse	$300.00	$0.00
Salt/mineral[c]	2	blocks	$16.00	$32.00
Pasture weed control	3.00	acre/horse	$16.00	$48.00
Pasture mowing	3.00	acre/horse	$12.00	$36.00
Fertilizer, lime, seed	3.00	acre/horse	$50.00	$150.00
General health[d]	1	horse	$854.00	$854.00
Bedding[e]	1	horse	$780.00	$780.00
Fence repair	$1,800	percent	5.0%	$90.00
Barn repair	$7,000	percent	2.0%	$140.00
Machinery maintenance	$43,750	percent	1.5%	$656.25
Waste disposal[f]	4	tons/horse	$30.00	$120.00
Utilities				$3,576.00
Show expenses		shows/year		$0.00
Other		head/month		$0.00
Total Variable Cost				**$6,782.25**
FIXED COSTS				
Annual depreciation of capital assets[g]				$6,107.14
Annual interest on investment[h]				$2,570.00
Insurance: casualty and liability	$52,250	percent	1.5%	$783.75
Property taxes	$20,800	rate/$100	$0.63	$131.04
Total Fixed Cost				**$9,591.93**
Total Cost				**$16,374.18**

[a] Most horses needs for maintenance can be achieved with only forage.
[b] It is assumed horses are fed at 2 percent of body weight (1,000 lbs.) for 150 days with pasture being utilized the rest of the year.
[c] Only needed if forage test determines mineral needs are not met by forage.
[d] Farrier costs are included in general health cost.
[e] Bedding alternatives include shavings, wood pellets, peat moss and straw.
[f] Waste is assumed to be composted and spread across available pasture.
[g] Annual depreciation is calculated using straight line depreciation. See table 6 for the detailed calculations of annual depreciation expenses.
[h] Annual interest on investment is calculated using simple interest over the useful life of the asset. See table 6 for the detailed calculations of annual interest on investment.
* Table adapted from Burdine et al. 2006.

Table 5. Annual Utility Expenses Associated with Horse Ownership on Owned Land*

	Average Monthly Bill	Percent Cost to Horse[a]	Annual Total
Water	$60.00	30%	$216.00
Electricity	$40.00	100%	$480.00
Phone	$140.00	20%	$336.00
Gas	$0.00	100%	$0.00
Internet	$60.00	20%	$144.00
Fuel (gasoline, diesel)	$200.00	100%	$2,400.00
Total Utilities			**$3,576.00**

[a] Estimates of the overall cost attributed to horse ownership.

* Table adapted from Burdine et al. 2006.

Table 6. Horse on Owned Land Costs*

	Quantity	Unit	Purchase Price/Unit	Salvage Value/Unit	Total Purchase Price	Total Salvage Value	Allocated to Horse Ownership[a]			Useful Life (years)[b]	Interest Rate	Annual Depreciation[c]	Annual Interest on Investment[d]
							Percent	Purchase Price	Salvage Value				
Horses	1	head	$4,000	$2,000	$4,000	$2,000	100%	$4,000	$2,000	7	5%	$285.71	$150.00
Tack/Barn equipment	1	per head	$1,500	$0	$1,500	$0	100%	$1,500	$0	3	5%	$500.00	$37.50
Barn	1	each	$7,000	$0	$7,000	$0	100%	$7,000	$0	20	5%	$350.00	$175.00
Land	3	acres	$4,000	$4,000	$12,000	$12,000	100%	$12,000	$12,000	39	5%	$0.00	$600.00
Fencing	0.3	miles	$6,000	$0	$1,800	$0	100%	$1,800	$0	7	5%	$257.14	$45.00
Truck	1	each	$35,000	$15,000	$35,000	$15,000	25%	$8,750	$3,750	5	5%	$1,000.00	$312.50
Trailer	1	each	$20,000	$5,000	$20,000	$5,000	100%	$20,000	$5,000	5	5%	$3,000.00	$625.00
Tractor	1	each	$30,000	$20,000	$30,000	$20,000	50%	$15,000	$10,000	7	5%	$714.29	$625.00
Total					**$111,300**	**$54,000**		**$70,050**	**$32,750**			**$6,107.14**	**$2,570.00**

[a] Estimates of the overall cost of an asset attributed to horse ownership.
[b] Based on IRS depreciation, depletion, and amortization. www.irs.gov/publications/p225/ch07.html#en_US_2015_publink1000177268
[c] Annual depreciation is calculated using straight line depreciation, e.g., ($4,000 - $2,000)/7 years = $285.71 per year is the annual depreciation charge for the horse.
[d] Annual interest on investment is calculated using simple interest over the useful life of the asset, e.g., (($4,000 + $2,000)/2) X 0.05 = $150 per year interest on investment for the horse.
* Table adapted from Burdine et al. 2006.

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