



By Dan DeWeese, Editor at Large

Investments of Passion

Against a background of rising energy costs, falling real estate values and debate over the likelihood of a recession, retailers in the equestrian industry are ducking for cover. 2007 was not a banner year for most—sales in December were down four percent among major mainstream vendors, according to CNN. Purveyors of equestrian products were similarly affected. Many stayed home during the winter trade show season to take stock of substantial inventory leftovers. Anecdotal evidence indicates that order taking was less than brisk from buyers who attended markets. Exhibitors speculated that retailers were preparing to tighten their belts in anticipation of lean sales. It may be premature to punch a hole closer to the middle of those belts. The equine trade specialty industry tends to ride out downturns in the economy at large, and even surge during recessions. While there are a couple of wild cards thrown into the mix this time around, cautious optimism about the year ahead seems warranted.

First, a little history

In the last 30 years, the U.S. economy has suffered four recessions, according to the National Bureau of Economic Research. During three of those, Western apparel was hot among mainstream consumers. Beginning with the movie-inspired “Urban Cowboy” fad in 1980-81, the Garth Brooks-inspired line dance craze from 1989 through 1994 and finally the Retro Western-inspired hipster cowboy look from 1999 to 2005, cowboy themes and styling spurred sales to sometimes record levels. The one exception was the 1981-82 recession, which began just as the industry got tossed from the mechanical bull market it had been riding on from “Urban Cowboy.”

Western movies are in vogue again as escapist entertainment, and rogue cowboys appeal to the American psyche as bastions against the threats of high oil costs, foreign terrorists and mortgage-clutching bankers. Marketing types call customers inspired to seek new images or lifestyles “aspirational.” I just call them Cowboy Wannabes.

The other bright spot in these otherwise dark economic times is that horse enthusiasts are a particularly dedicated lot who will make personal and financial sacrifices to keep their animals. In a recent article about recessions, Reuters news service observed, “downturns typically mean a slowdown in investments that are seen as discretionary,” but notes that the current “credit crunch has left the appeal of so-called ‘investments of passion’ ...largely untarnished.” The passions Reuters specifically alluded to were art and wine, but historically, horse owners have steadfastly stood by their steeds during good times and bad. There is little reason to think that whatever lies ahead economically will compel them to do otherwise.

So kick back and raise a glass of wine to the passions of horse lovers and silver screen cowboy heroics—they could make this a good year. 🐾

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