



Lake Erie and the Ohio Charter Sport Fishing Industry 2010

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Why Survey?

- **Provide business update**
- **Estimate economic impacts**
- **Look for trends & issues**
- **Provide snapshot in time of the industry**



How Data is Used

- **Develop economic estimates**
- **Explain the business aspects of the industry**
- **Work for positive changes**
- **Influence decision makers**



One Example

- Dredging recreational harbors is an issue
- High cost / Benefits undocumented
- Great Lakes Commission Documented recreational boating economic impact
- Included Charter Industry Impacts



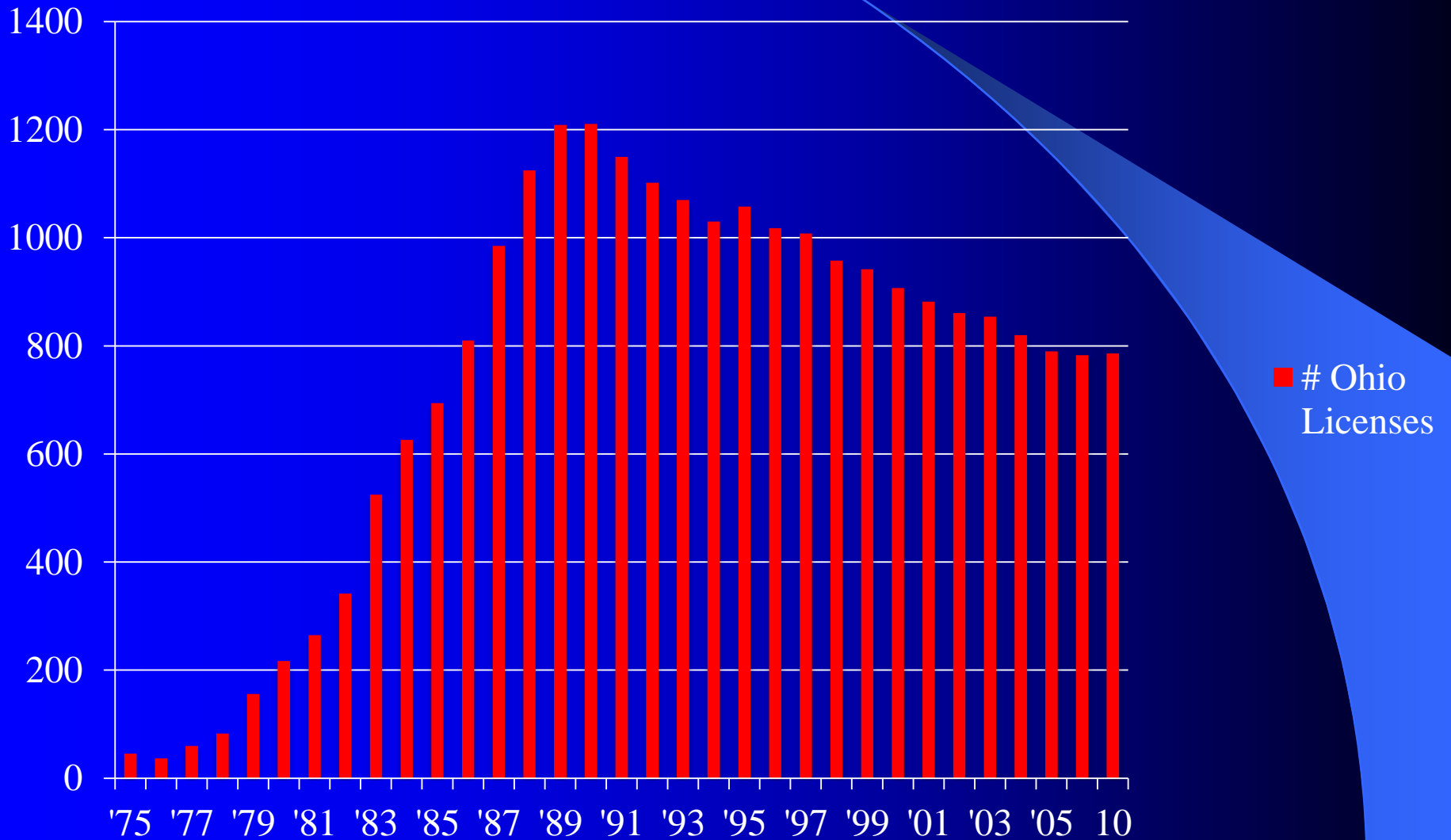
One Example (Continued)

- 2002 Great Lakes Charter Industry Survey
- **MSU** estimated in 2003 direct spending by charter customers to be **\$20.57 million**
- 2003 direct economic impact of charter customer trip spending was estimated at **\$16.7 million in sales, \$6.9 million in wages, \$9.2 million in value added** to local economies sustaining **331 jobs**

NUMBERS LIKE THESE CAN INFLUENCE DECISIONS BY MANAGEMENT AGENCIES, STATE AND FEDERAL GOVERNMENT

Ohio Guide Licenses 1975 to 2010

Ohio Licenses



Ohio Charter Captain Surveys 1985 to 2010



Year	No. Captains Responding	Percent return
1985	110	45%
1990	153	59%
1994	150	39%
1998	147	46%
2002	310	54%
2006	249	48%
2010	239	47%

2010 Why Charter?

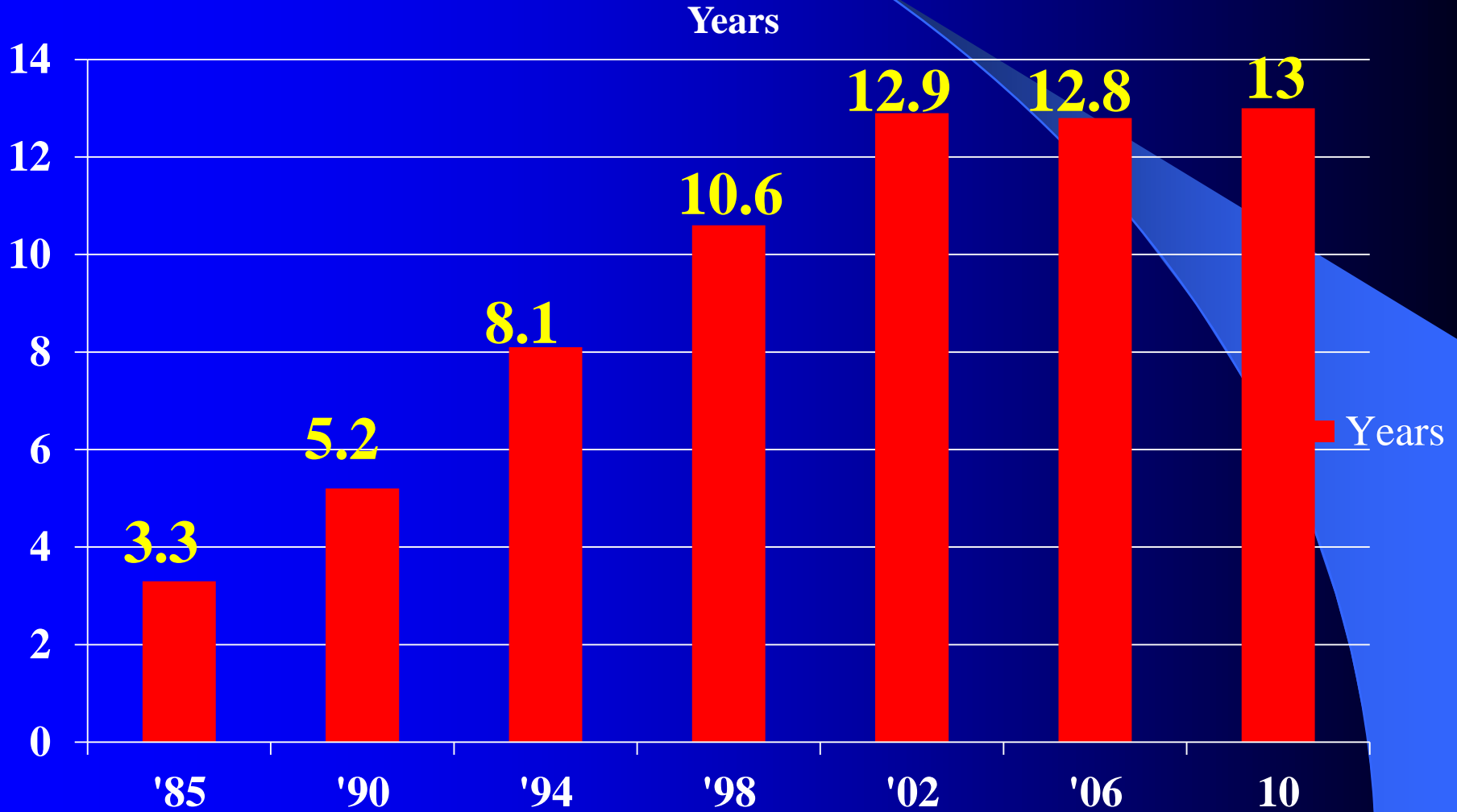
Help People Enjoy Fishing	56%
Secondary Source of Income	54%
Like the Work	53%
Primary Income Source	12%
Other	11%



Why Charter? 1985 to 2010

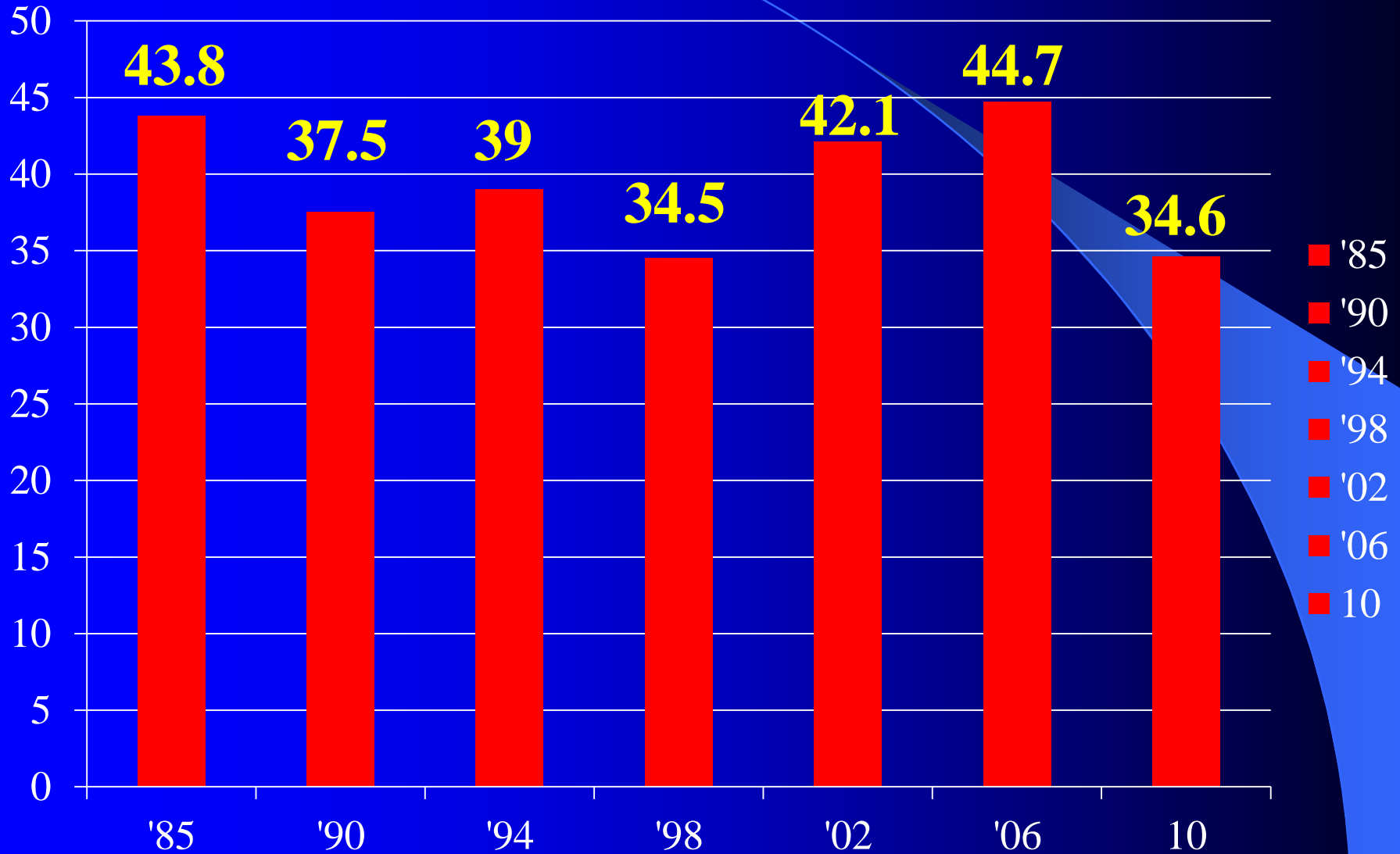
	85	90	94	98	02	06	10
Like the work	57%	74%	69%	75%	72%	72%	53%
Help people enjoy fishing	55%	69%	58%	75%	65%	71%	56%
Secondary source of income	60%	65%	65%	65%	56%	54%	54%
Primary income source	11%	15%	14%	13%	13%	13%	12%
Other	15%	16%	11%	10%	8%	8%	11%

Average Years as a Licensed Charter Captain 1985 to 2010



Average Annual Trips per Business

Number of Trips



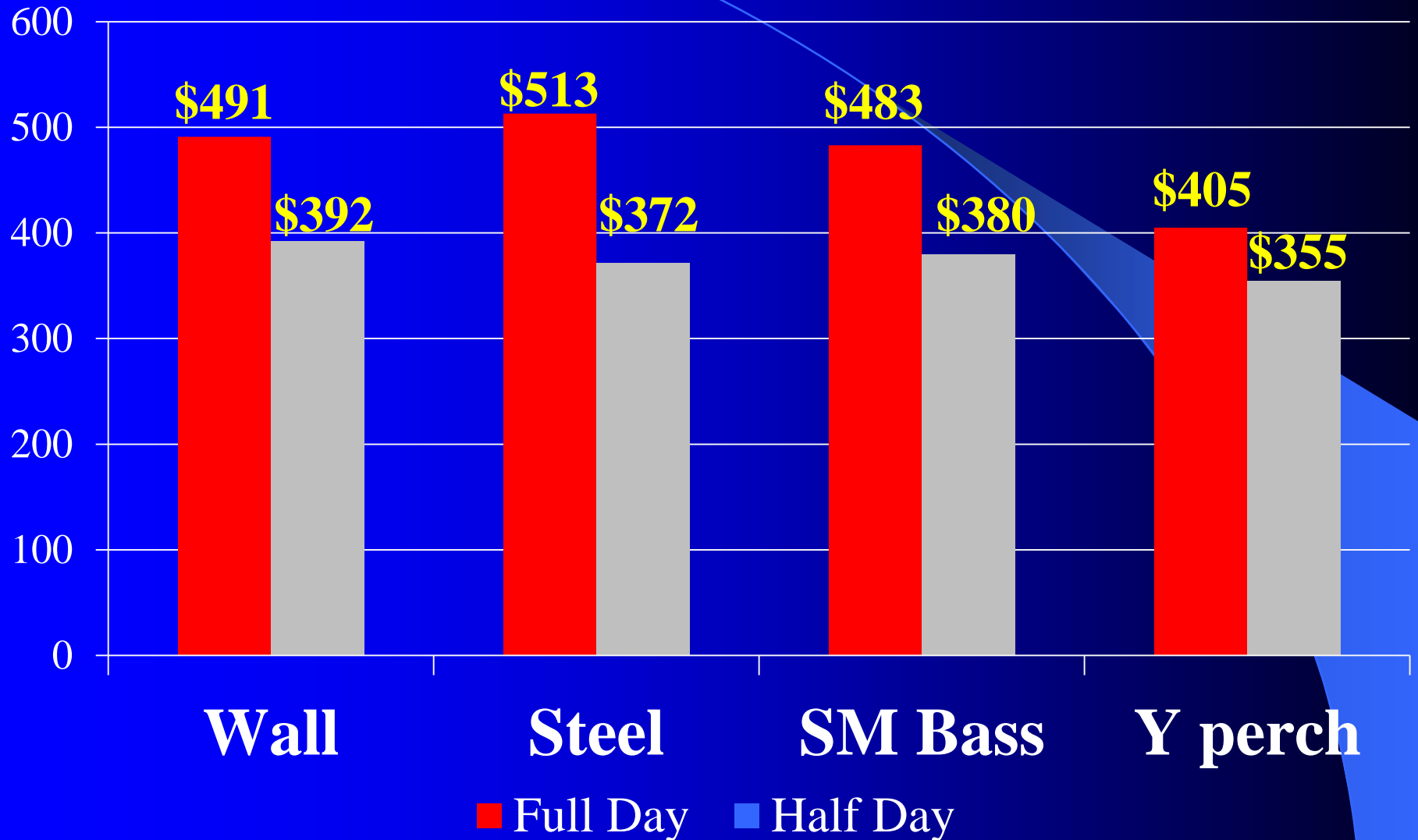
Trips in 2010

- Total costs are represented by capital costs and operating costs combined. The total costs of the average charter operation in 2010 were \$19,551. Given these data, a typical captain would have to run at least 40 full-day walleye charter trips at the average \$491 per trip to yield a net positive return to the operation. Operations with boat loans would have to run over 48 full-day walleye trips. Captains reporting depreciation would have to run 51 full-day trips in 2010. Captains without boat loan payments and fully depreciated boats would need to have run 31 trips in 2010 to yield a net positive return.

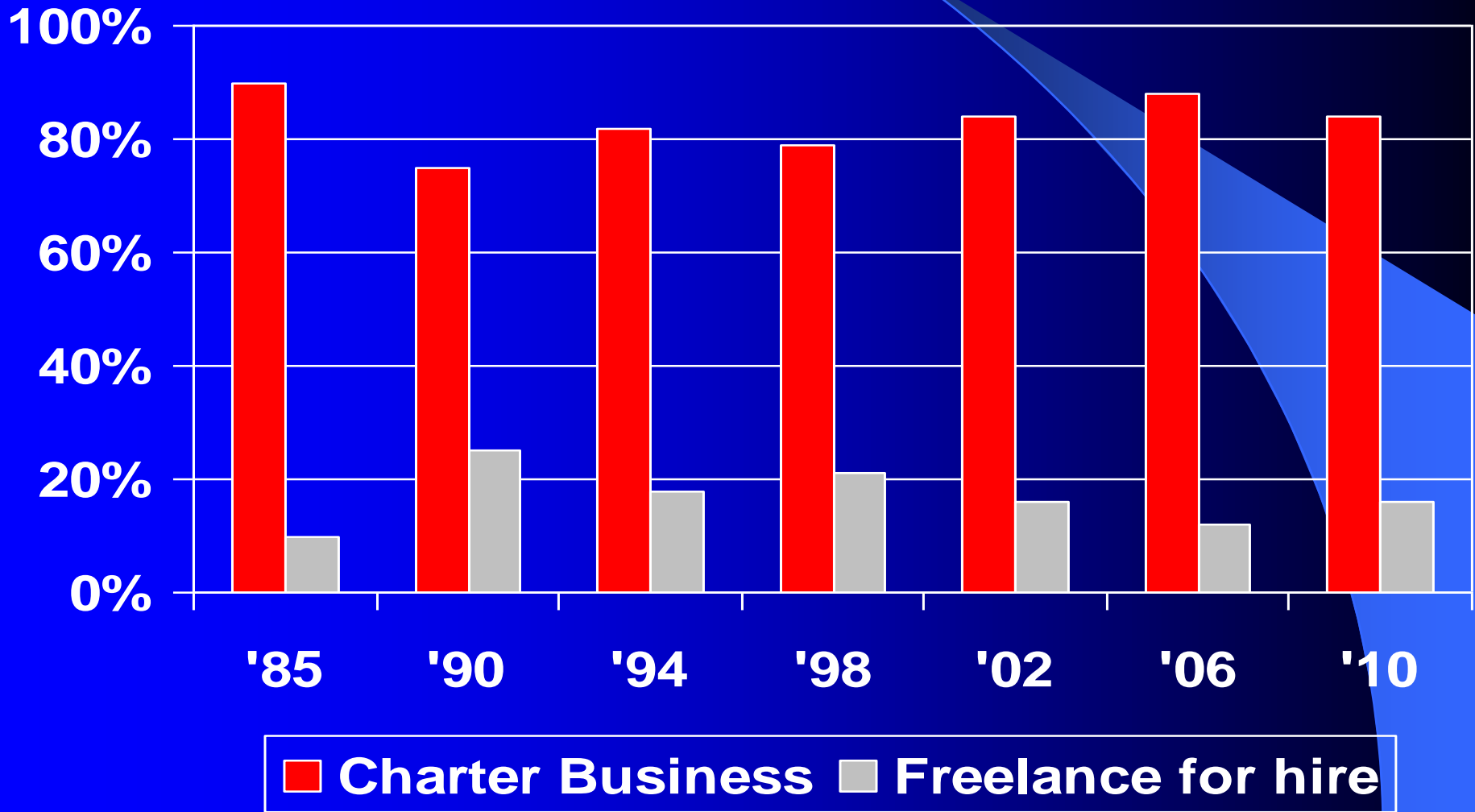
Economic Impact in 2010

- In 2010, the active charter captains generated an estimated \$9.93 million in gross revenues (610 firms x \$15,132 per firm plus 143 captains for hire x \$4,862). Similar calculations for 2006 adjusted for inflation to 2010 dollars show an over 13% decline in estimated gross revenues from \$11.47 million in 2006 (Lichtkoppler et al, 2008, US Department of Labor, 2011b).

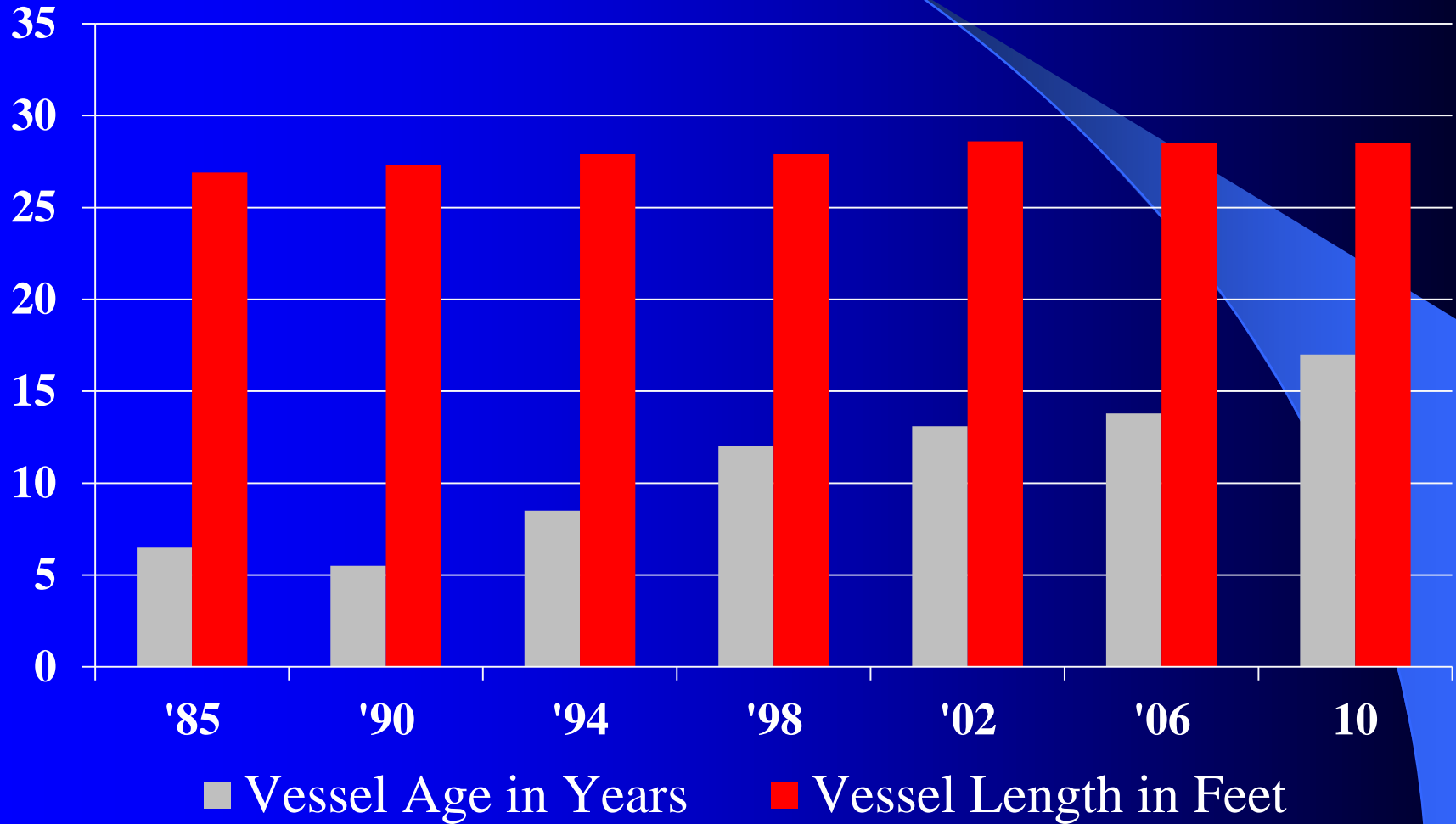
Average Charge Per Trip 2010



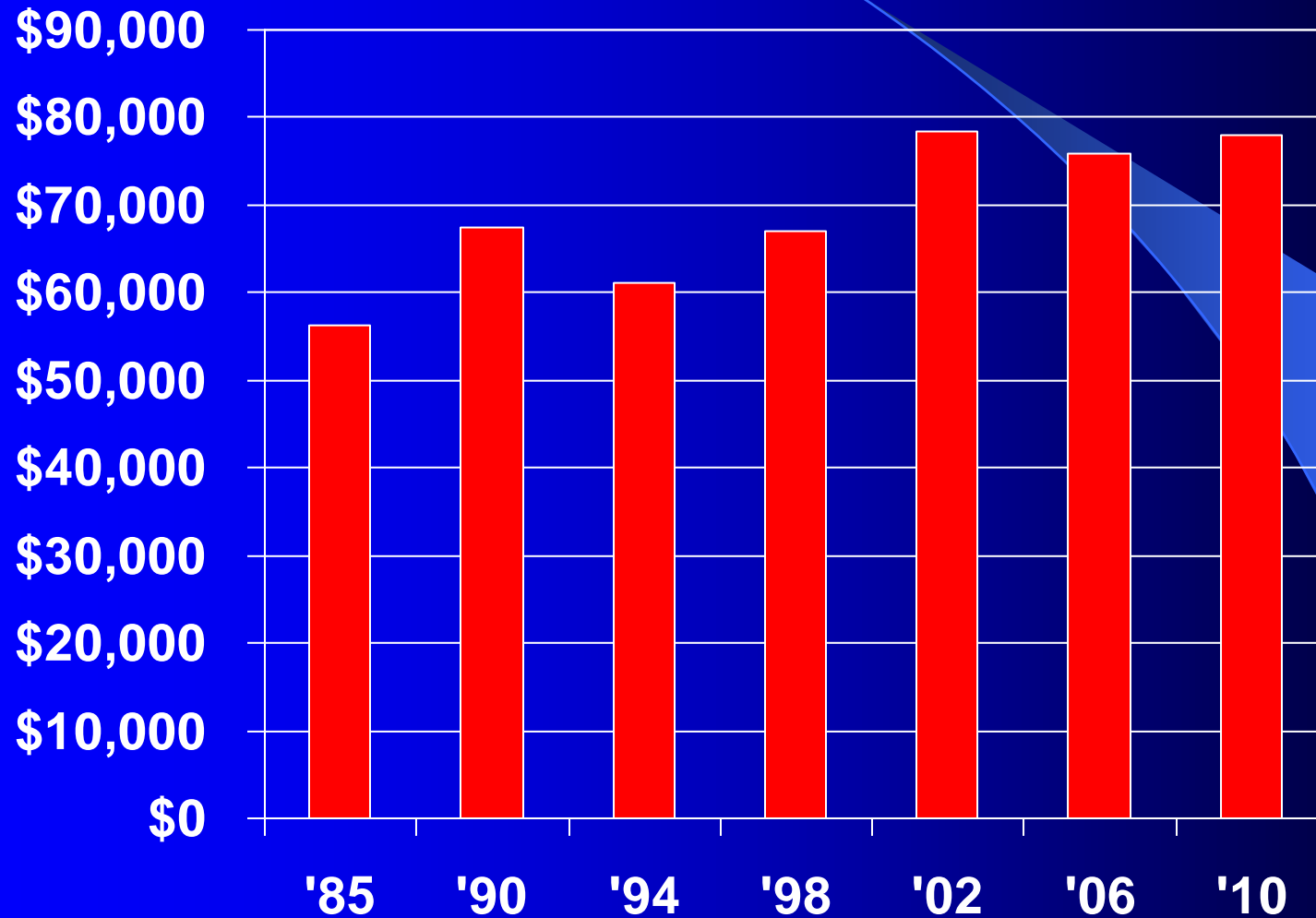
Charter Firm or Freelance Captain



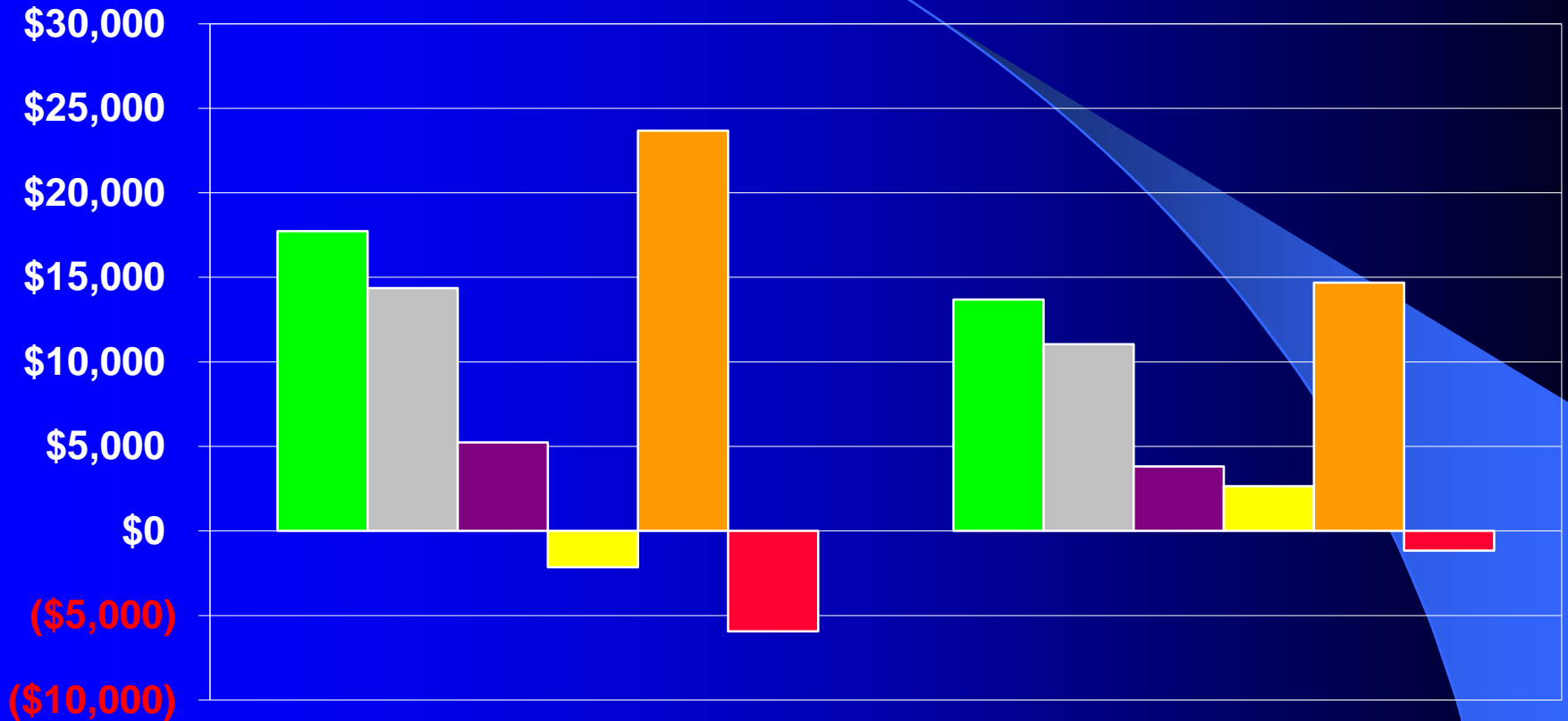
Charter Vessel Characteristics



Average Charter Vessel Replacement Cost



Average Revenue, Net Cash Flow, and Net Economic Return to an Ohio Lake Erie Charter Firm in 2010



■ Revenue

■ Opp Cost & boat payments

■ Economic Cost

■ Avg Operate costs

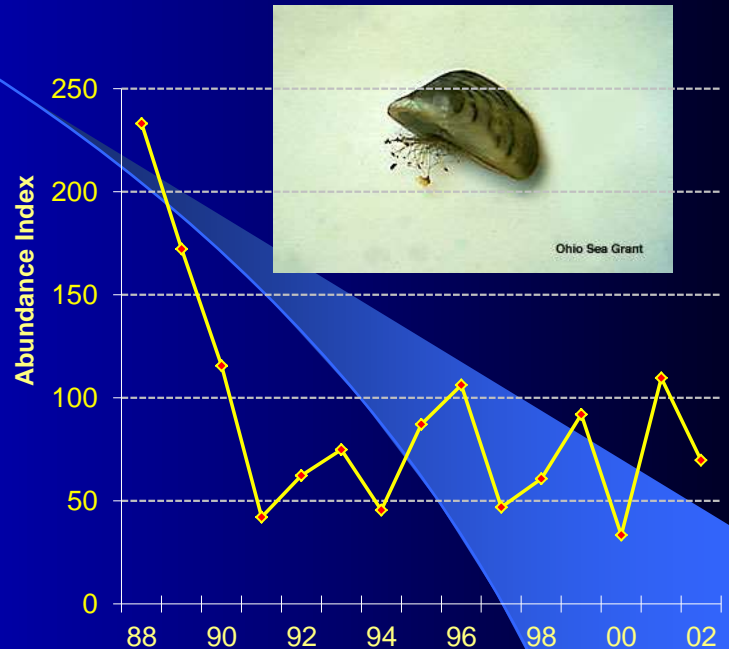
■ Net Cash Flow

■ Net Return To Operator

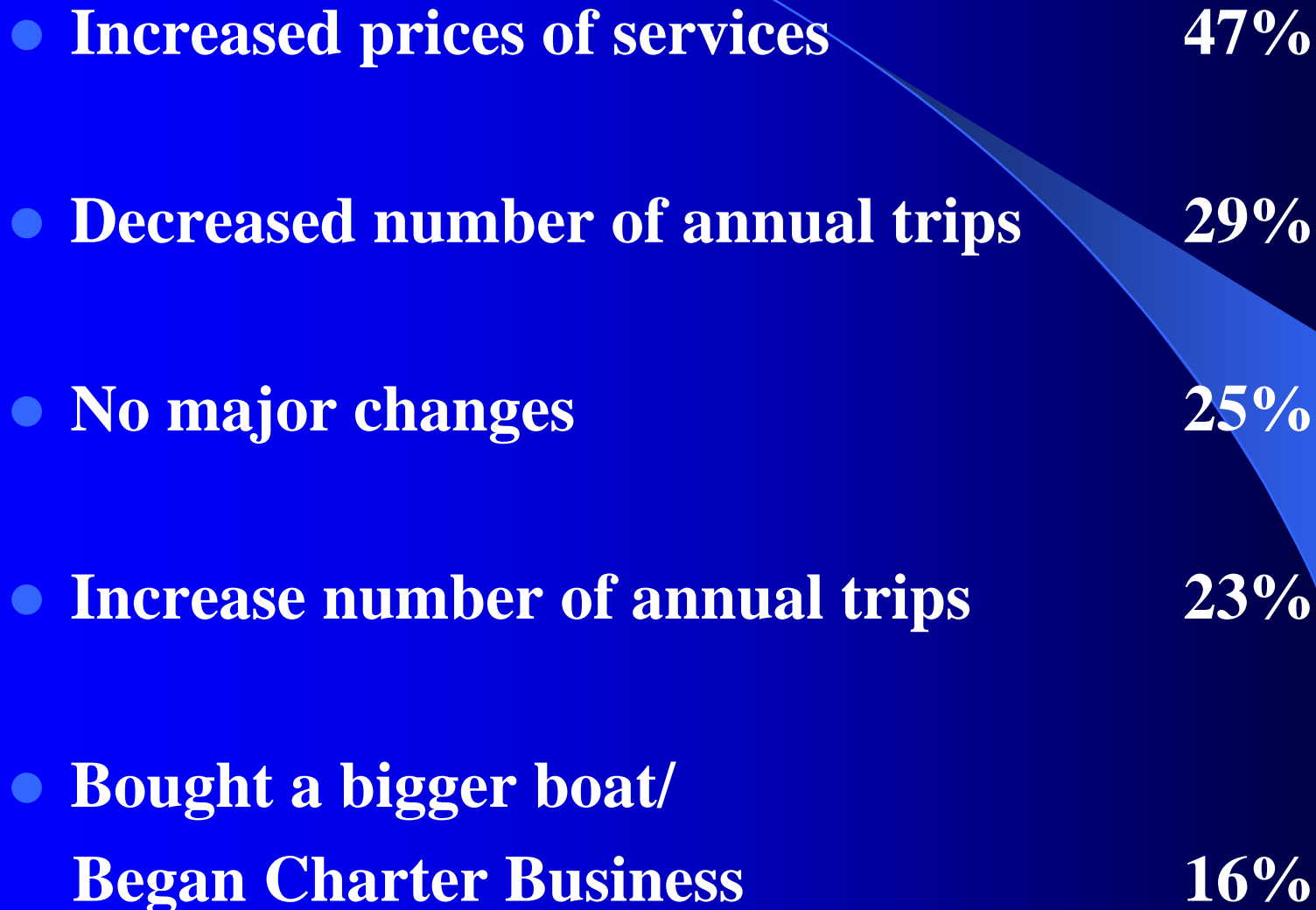
Charter Captain Concerns 2010

Future of the Fishery	4.7
Catching Fish	4.3
Attracting Customers	4.1
Business Expenses	3.9

***Ranked on a
5 point scale**



Top 5 Activities Changed by Ohio LE Charter Captains Over Last 5 Years

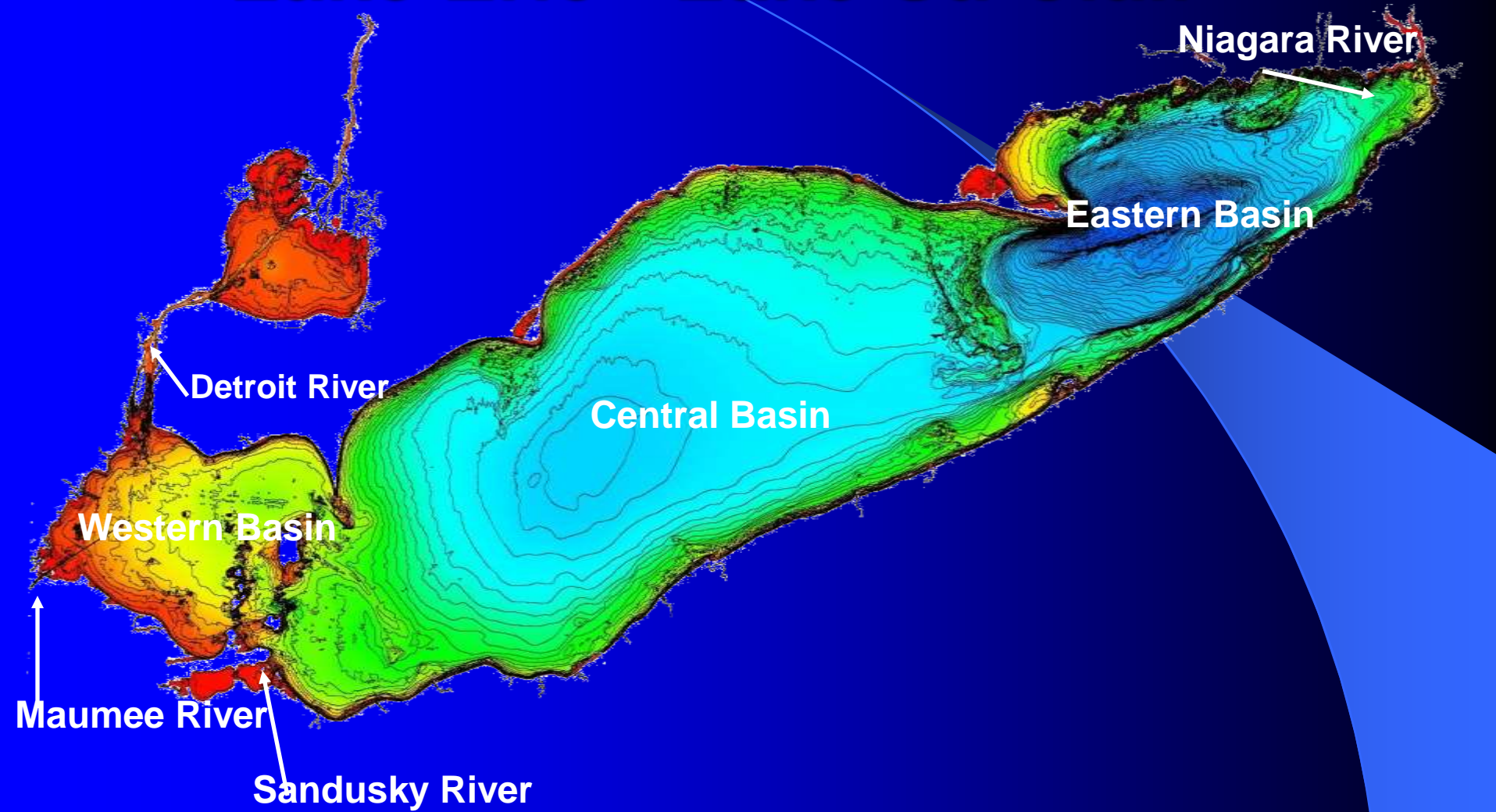
- **Increased prices of services** 47%
 - **Decreased number of annual trips** 29%
 - **No major changes** 25%
 - **Increase number of annual trips** 23%
 - **Bought a bigger boat/
Began Charter Business** 16%
- 

Critical issues Confronting LE

- **Aquatic Invasive Species** 4.5
- **Harmful Algal Blooms** 4.0
- **Nutrient Loading and Phosphorus** 3.9
- **The Dead Zone** 3.3
- **Coastal Comm./Econ. Dev.** 3.0
- **Sedimentation and Dredging** 2.9
- **Climate Change** 2.5

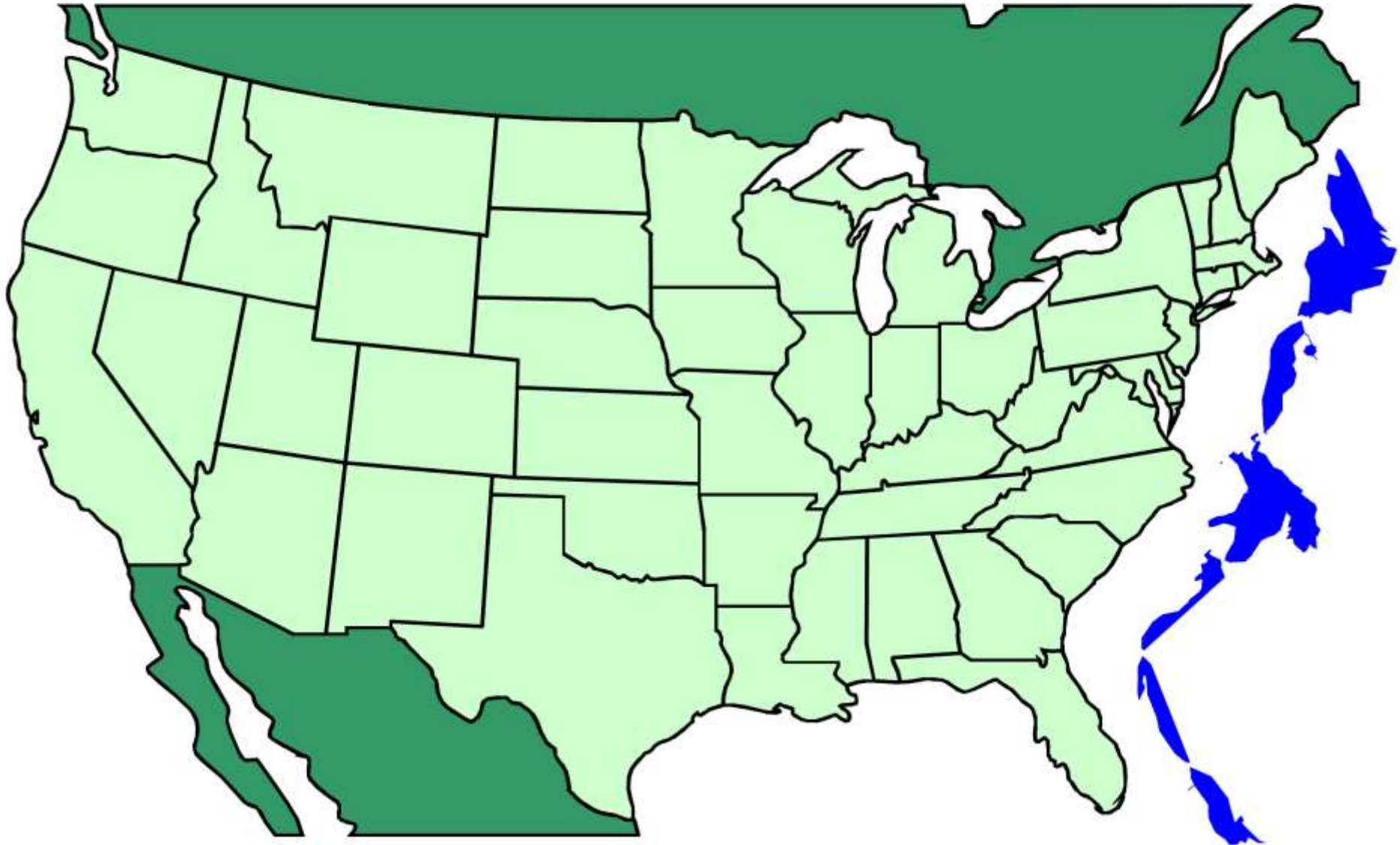
***Rated on 5 point scale**

Lake Erie - Lake St. Clair

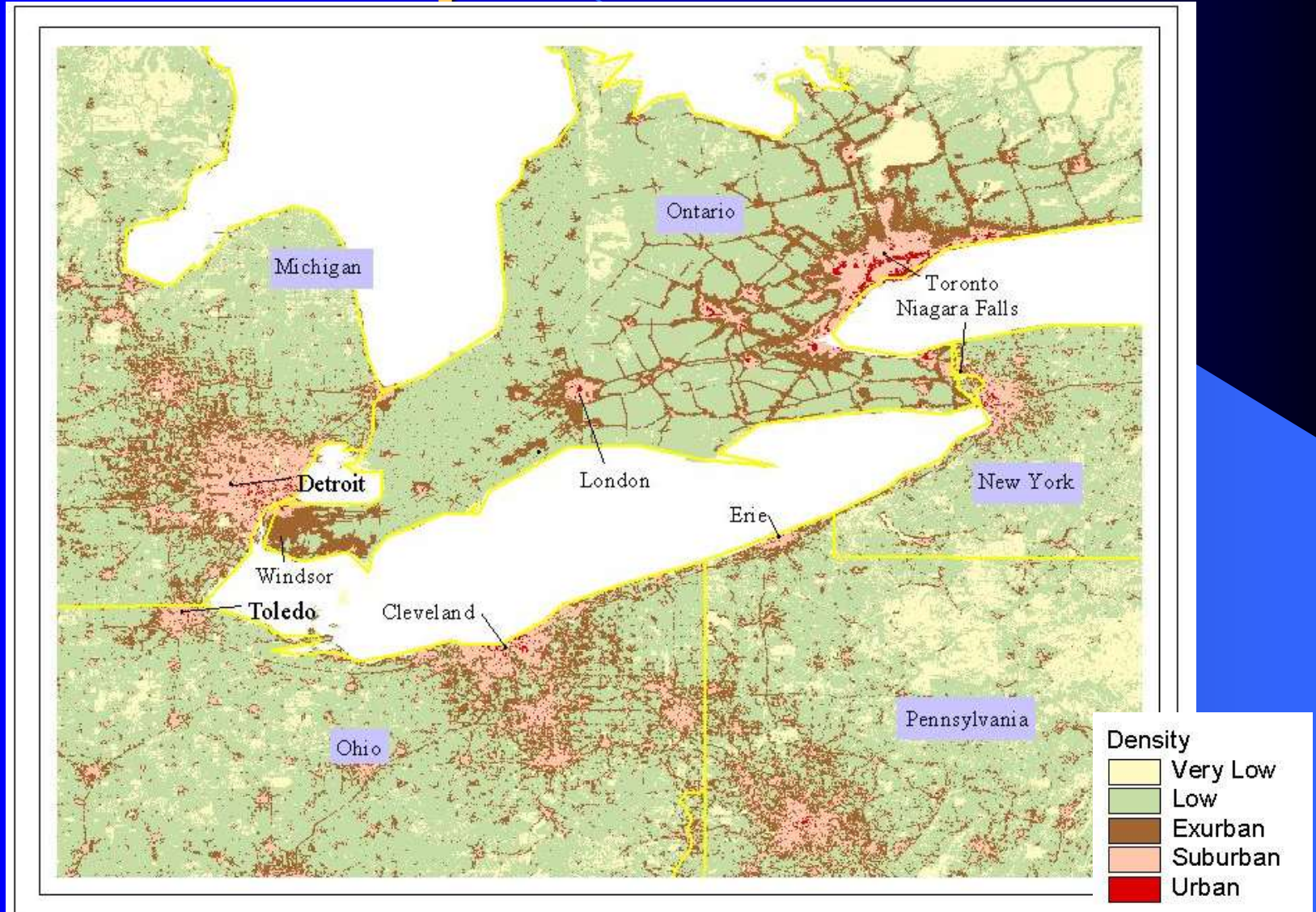




Great Lakes Coastlines



Current Population Patterns



Source: LandScan data (Oakridge National Lab)



2010 Lake Erie Algae Bloom- NOAA Satellite photo



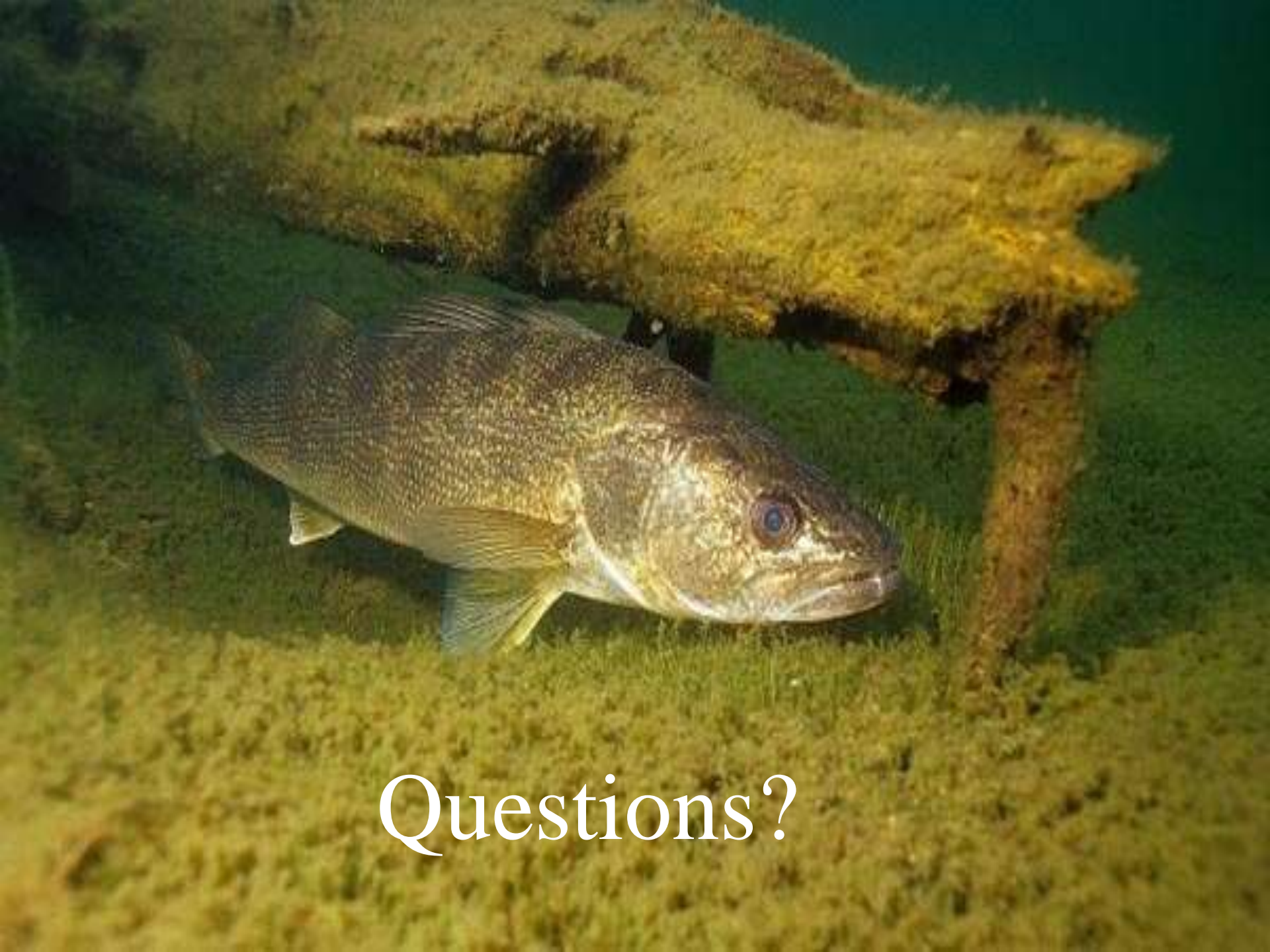
Future Plans 2010

Increase Trips	44%
Increase Prices	29%
No Major Changes	27%
Buy New Boat	9%
Quit	16%



Future Sea Grant Research

- **In 2012, Ohio Sea Grant led all Great Lakes Sea Grant Programs to conduct a survey of the Great Lakes Charter Captains to include the Mississippi River Inter-basin.**
- **Obtain a random sample of charter businesses with a focus on aquatic nuisance species.**
- **Funding from USACE to determine economic impact of charter operations and ANS**



Questions?



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