

MEDS - 25
March 1972

MARINE ECONOMICS DATA - 6-ROD NEWPORT/DEPOE BAY CHARTER BOAT^{a/}

Description \$29,500 market value, wood hull, 15 ton, 185 HP diesel engine, fathometer and 2 radios. 120-day season with 100 operating days, average 2.5 trips per day, with 9 passengers per trip at \$12 per passenger.

(1) Gross returns..... \$27,000

Variable costs^{b/}

	<u>Season total</u>
Vessel repair.....	\$ 670
Rod and reel upkeep.....	205
Wet gear.....	400
Fuel.....	680
Charter house booking fee (20% of gross) ^{c/}	5,400
Miscellaneous.....	120
Deckhand (10% of gross).....	<u>2,700</u>
(2) Total variable costs.....	\$10,175

Fixed costs^{d/}

Insurance.....	\$ 2,000
Depreciation.....	2,950
Moorage.....	160
Miscellaneous.....	<u>190</u>
(3) Total fixed costs.....	\$ 5,300

Opportunity costs^{e/}

(4) Operator's labor and management (30% of gross).....	\$8,100
(5) Total investment (\$29,500 @ 8%).....	2,360

Summary

Return to labor, management, and investment (1 less 2 and 3).....	11,525
Return to labor and management (1 less 2, 3, and 5).....	9,165
Return to investment (1 less 2, 3, and 4).....	3,425

a/ Developed by selected Newport and Depoe Bay charter boat operators in cooperation with the Oregon State University Marine Advisory Program. This data is representative of an above-average operator for this port.

b/ Costs that vary with the number of trips. May include unpaid operator and family labor.

c/ For bookings, moorage, utilities, advertising, and on-board refreshments.

d/ Costs that do not vary with the number of trips.

e/ Opportunity cost of labor is the estimated value of this operator's time, or what could have been earned working for someone else. Opportunity cost of management is the estimated value of this operator's management (decision-making and risk), or what could have been earned managing another similar business. Opportunity cost of investment is the estimated fair return to total investment in the business, regardless of the actual amount of debt.