

MEDS 50
Rev August 1973

MARINE ECONOMICS DATA - 150-BOAT CONNECTICUT BOATYARD^{a/}

Description \$87,656 investment, outdoor dryland winter storage for 150 boats, 40 foot by 50 foot service building, 20-ton capacity mobile travel lift, 6-ton capacity yard trailer and tractor, 7-ton capacity yard crane, high-pressure boat washer, 3 acres unpaved improved lot, temporary electric service to stored boats, and 15 foot by 50 foot well for lifting boats. ^{b/}

<u>Service & sales</u>	<u>Rate^{e/}</u>	<u>Sales</u>		
		<u>Low</u>	<u>Medium</u>	<u>High</u>
Boat hauling, storing, & launching.....	\$9.50/foot	120 boats	135 boats	150 boats
Repairs.....	---	\$32,000	\$36,000	\$40,000
Special services.....	---	4,000	4,500	5,000
Merchandise.....	---	80,000	90,000	100,000
<u>(1) Gross returns.....</u>		\$146,780	\$165,127	\$183,475

<u>Variable costs^{d/}</u>	<u>Season total with:</u>		
	<u>Low serv. & sales</u>	<u>Med. serv. & sales</u>	<u>High serv. & sales</u>
Parts & merchandise.....	\$ 60,000	\$ 67,500	\$ 75,000
Hired labor.....	47,520	50,160	52,800
Building & lot maintenance.....	2,050	2,050	2,050
Equipment maintenance.....	1,275	1,275	1,275
Utilities.....	1,600	1,900	2,000
Tool replacement.....	750	750	750
Transportation.....	600	600	600
Blocks & poppets.....	240	270	300
<u>(2) Total variable costs.....</u>	\$114,035	\$124,505	\$134,775

<u>Fixed costs^{e/}</u>			
Depreciation.....	\$ 2,848	\$ 2,848	\$ 2,848
Insurance.....	2,500	2,500	2,500
Office.....	2,500	2,500	2,500
Accounting & legal.....	200	200	200
Miscellaneous.....	300	300	300
<u>(3) Total fixed costs.....</u>	\$ 8,348	\$ 8,348	\$ 8,348

<u>Opportunity costs</u> ^{f/}	<u>Low serv. & sales</u>	<u>Med. serv. & sales</u>	<u>High serv. & sales</u>
(4) Operator's labor.....	\$ 7,200	\$ 7,200	\$ 7,200
(5) Operator's management.....	5,607	6,308	7,000
(6) Total investment.....	13,343	13,343	13,343

Summary

Return to labor, management, and investment (1 less 2 and 3).....	\$24,397	\$32,274	\$40,352
Return to labor and management (1 less 2, 3, and 6).....	11,054	18,931	27,009
Return to investment (1 less 2, 3, 4, and 5).....	11,590	18,766	26,152

^{a/} Original data developed by selected New Haven, Connecticut, boatyard operators, February 1972, in cooperation with the University of Rhode Island and Oregon State University. The data is representative of an above-average boatyard.

^{b/} Although the boatyard may be part of a marina and boat sales business, only the costs and returns attributable to the boatyard are included.

^{c/} Average boat length is 27 feet.

^{d/} Costs that vary with service and sales. May include otherwise unpaid family labor.

^{e/} Costs that do not vary with service and sales.

^{f/} 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.