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

<table>
<thead>
<tr>
<th>Year</th>
<th>No. Captains Responding</th>
<th>Percent return</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>110</td>
<td>45%</td>
</tr>
<tr>
<td>1990</td>
<td>153</td>
<td>59%</td>
</tr>
<tr>
<td>1994</td>
<td>150</td>
<td>39%</td>
</tr>
<tr>
<td>1998</td>
<td>147</td>
<td>46%</td>
</tr>
<tr>
<td>2002</td>
<td>310</td>
<td>54%</td>
</tr>
<tr>
<td>2006</td>
<td>249</td>
<td>48%</td>
</tr>
<tr>
<td>2010</td>
<td>239</td>
<td>47%</td>
</tr>
</tbody>
</table>
2010 Why Charter?

- Help People Enjoy Fishing: 56%
- Secondary Source of Income: 54%
- Like the Work: 53%
- Primary Income Source: 12%
- Other: 11%
<table>
<thead>
<tr>
<th>Why Charter? 1985 to 2010</th>
<th>85</th>
<th>90</th>
<th>94</th>
<th>98</th>
<th>02</th>
<th>06</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Like the work</td>
<td>57%</td>
<td>74%</td>
<td>69%</td>
<td>75%</td>
<td>72%</td>
<td>72%</td>
<td>53%</td>
</tr>
<tr>
<td>Help people enjoy</td>
<td>55%</td>
<td>69%</td>
<td>58%</td>
<td>75%</td>
<td>65%</td>
<td>71%</td>
<td>56%</td>
</tr>
<tr>
<td>fishing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary source of income</td>
<td>60%</td>
<td>65%</td>
<td>65%</td>
<td>65%</td>
<td>56%</td>
<td>54%</td>
<td>54%</td>
</tr>
<tr>
<td>Primary income source</td>
<td>11%</td>
<td>15%</td>
<td>14%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Other</td>
<td>15%</td>
<td>16%</td>
<td>11%</td>
<td>10%</td>
<td>8%</td>
<td>8%</td>
<td>11%</td>
</tr>
</tbody>
</table>
Average Years as a Licensed Charter Captain 1985 to 2010

Years

'85  3.3
'90  5.2
'94  8.1
'98  10.6
'02  12.9
'06  12.8
10   13
Average Annual Trips per Business

Number of Trips

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</thead>
<tbody>
<tr>
<td></td>
<td>43.8</td>
<td>37.5</td>
<td>39</td>
<td>34.5</td>
<td>42.1</td>
<td>44.7</td>
<td>34.6</td>
</tr>
</tbody>
</table>

- '85
- '90
- '94
- '98
- '02
- '06
- 10
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 Charter Vessel Replacement Cost

$0, $10,000, $20,000, $30,000, $40,000, $50,000, $60,000, $70,000, $80,000, $90,000

'85, '90, '94, '98, '02, '06, '10
Average Revenue, Net Cash Flow, and Net Economic Return to an Ohio Lake Erie Charter Firm in 2010
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*
Current Population Patterns

Source: LandScan data (Oakridge National Lab)
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 will join 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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