

ILIN-T-88-001 C2

LOAN COPY ONLY



**1987 Survey  
of Charterboat Operators  
on Southern Lake Michigan**

Diane M. Samdahl, Ph.D.

**CIRCULATING COPY**  
Sea Grant Depository

IL-IN-SG-R-88-1

500 January 88

COMM - NA85AADSG 0830N

Published by the Illinois-Indiana Sea Grant Program with funding from the National Sea Grant College Program, National Oceanic and Atmospheric Administration, U.S. Department of Commerce.

This work is a result of research sponsored by NOAA, National Sea Grant College Program, Department of Commerce, under Grant COMM-NA85AADSG 0830N. The U.S. Government is authorized to produce and distribute reprints for governmental purposes not withstanding any copyright notation that may appear hereon.



Issued in furtherance of Cooperative Extension Work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. **William R. Oswald**, Director, Cooperative Extension Service, University of Illinois at Urbana-Champaign.

The Illinois Cooperative Extension Service provides equal opportunities in programs and employment.

# **1987 Survey of Charterboat Operators on Southern Lake Michigan**

Conducted and prepared by

**Diane M. Samdahl, Ph.D.**  
**Research Coordinator**  
**Illinois-Indiana Sea Grant Program**

TABLE OF CONTENTS

	<u>Page</u>
Introduction . . . . .	1
Characteristics of Charterboat Operators . . . . .	2
Organization of the Charter Business . . . . .	6
Equipment, Services, and Pricing . . . . .	10
Schedule of Outgoing Charters . . . . .	14
Assets, Income, and Expenditures . . . . .	17
Charter Customers . . . . .	20
Captains' Opinions About Charter Fishing . . . . .	22
Conclusions and Recommendations . . . . .	27
Appendix: The Questionnaire . . . . .	30

LIST OF TABLES

	<u>Page</u>
Table 1: Demographic Characteristics of the Charterboat Operators . . . . .	3
Table 2: Total Years as a Charterboat Operator . . . . .	4
Table 3: Total Years Chartering on Southern Lake Michigan. . . . .	4
Table 4: Percentage of Captains Who Have Thought About Quitting in Recent Years. . . . .	5
Table 5: Reasons for Considering Quitting the Charter Business. . . . .	5
Table 6: Business Structure of the Charter Business. . . . .	7
Table 7: Full-time/Part-time Status of Operations During the Busiest Season in 1986. . . . .	7
Table 8: Percentage of 1986 Income Derived From the Charter Business. . . . .	8
Table 9: Membership in a Captains' Charterboat Association . . . . .	8
Table 10: Advertising Media Used by These Charterboat Businesses. . . . .	9
Table 11: Total Number of Boats Used for Chartering . . . . .	11
Table 12: Percentage of Boat Use Devoted to Chartering. . . . .	11
Table 13: Characteristics of the Primary Charter Vessel . . . . .	12
Table 14: Percentage Offering Various Services to Charter Customers . . . . .	13
Table 15: Basic Fees for Peak Season Salmon Fishing . . . . .	13
Table 16: Date of Earliest Charter Trip in 1986 . . . . .	15
Table 17: Date of Last Charter Trip in 1986 . . . . .	15
Table 18: Distribution of Charters Throughout the Season. . . . .	16
Table 19: Operators' Desire for More Customers. . . . .	16

LIST OF TABLES (continued)

	<u>Page</u>
Table 20: Current Disposal Value of Boats and Equipment .	18
Table 21: Gross Income in 1986. . . . .	18
Table 22: Basic Operating Costs for 1986. . . . .	19
Table 23: Captains' Perceptions of Their Customers. . . .	21
Table 24: Captains' Opinions About General Fishing Conditions. . . . .	23
Table 25: Captains' Opinions About Charterboat Operations. . . . .	24
Table 26: Captains' Opinions Regarding Charter Customers.	26
Table 27: A Comparison of Charterboat Expenses in Five Great Lake States . . . . .	29

1987 SURVEY OF CHARTERBOAT OPERATORS  
ON SOUTHERN LAKE MICHIGAN

INTRODUCTION

Charterboat fishing is a major activity on the Great Lakes which provides recreational opportunities and adds to the tourist economy of local communities. The Sea Grant Programs in Wisconsin, Michigan, Ohio, and New York have undertaken a series of surveys of the charter industry in order to understand its structure, growth potential, and impact on local tourism economies. The study reported here was sponsored by the Illinois-Indiana Sea Grant Program to provide comparable information about charter fishing on southern Lake Michigan.

In the spring of 1987, a comprehensive list was compiled of all charterboat operators in Illinois and Indiana. The names of Illinois captains were obtained from the Illinois Department of Conservation. Since charterboats are not licensed in Indiana, the names of these charterboat operators were obtained from a 1982 Illinois-Indiana Sea Grant list of charter operators and from current membership in captains' associations. These sources yielded a listing of 344 addresses for charter services.

A questionnaire was developed that incorporated aspects of the other Great Lakes charterboat surveys as well as issues unique to charterboat operators on southern Lake Michigan (see Appendix). The questionnaire was sent out to all charterboat operators on the list compiled for this study; a second questionnaire was mailed out to non-respondents three weeks later. The repeated mailing and a postcard reminder resulted in a total of 175 (51%) responses. Thirty-two respondents did not operate charter fishing excursions in 1986, reducing the usable sample size to 142.

The following discussion reports the results of that survey. All data are shown in tabular format, and a brief discussion highlights the major points of each table. Averages are presented as the median, that point at which half the respondents were higher and half were lower, to avoid distortion due to a wide variation in scores. All data about seasonal operations refer to 1986.

### CHARACTERISTICS OF CHARTERBOAT OPERATORS

Most (97%) of the 142 charterboat operators who responded to this survey were male; over half (57%) were between 36 and 50 years of age. Three-fourths (74%) of the respondents had education beyond high school, and one-third (32%) were college graduates. Most (90%) of these persons were married, and one-third (35%) reported that their spouse helped with the charter operations. Thus, these charterboat operators are primarily middle-aged married men with fairly high levels of education (see Table 1).

These captains have spent most of their chartering history on southern Lake Michigan; the newest captain had been a charterboat operator for only one year, but the most experienced captain had operated a charterboat for 27 years. The average (median) number of years operating a charterboat was five (see Tables 2 and 3).

Over half (56%) of these captains have considered quitting the charter business. Of the reasons listed for quitting, the expense of operations was mentioned by three-fourths of the respondents, followed by declining fishing conditions in southern Lake Michigan (41%), poor health (11%), and other unspecified reasons (35%) (see Tables 4 and 5).



Table 1

## DEMOGRAPHIC CHARACTERISTICS OF THE CHARTERBOAT OPERATORS

---

<u>Gender</u>	<u>Percent</u>
Male	97
Female	3
	<hr/> 100% (n=138)
 <u>Age</u>	 <u>Percent</u>
35 or less	10
36-50 years	57
51 or more	33
	<hr/> 100% (n=137)
 <u>Education</u>	 <u>Percent</u>
High school	26
Some college	42
College graduate	32
	<hr/> 100% (n=137)
 <u>Marital Status</u>	 <u>Percent</u>
Not married	10
Spouse does not help with the charter operation	55
Spouse assists in the charter operation	35
	<hr/> 100% (n=137)

---

Table 2

TOTAL YEARS AS A CHARTERBOAT OPERATOR

---

<u>Years</u>	<u>Percent</u>
1 year	4
2 years	7
3 years	15
4 years	15
5 years	15
6-10 years	22
11-15 years	16
16 years or more	6
	100% (n=142)

Range from 1 to 27 years.  
Average (median) is 5 years.

---

Table 3

TOTAL YEARS CHARTERING ON SOUTHERN LAKE MICHIGAN

---

<u>Years</u>	<u>Percent</u>
1 year	4
2 years	9
3 years	14
4 years	15
5 years	14
6-10 years	20
11-15 years	17
16 years or more	6
	100% (n=140)

Range from 1 to 27 years.  
Average (median) is 5 years.

---

Table 4

PERCENTAGE OF CAPTAINS WHO HAVE THOUGHT  
ABOUT QUITTING IN RECENT YEARS

---

	<u>Percent</u>
Yes, have considered quitting	56
No, have not considered quitting	44
	<hr/> 100% (n=137)

---

Table 5

REASONS FOR CONSIDERING QUITTING THE CHARTER BUSINESS

---

<u>Reason</u>	<u>Percentage of captains mentioning this factor*</u>
Operations are too expensive	74
Fishing conditions are poor	41
Poor health or personal factors	11
Have lost interest	5
Other reasons	35

---

\*Note: Percents total more than 100 because many listed more than one reason. This is based upon 81 captains who said they had considered quitting the charterboat business in the near future.

---

### ORGANIZATION OF THE CHARTER BUSINESS

Most (72%) of these captains were the sole proprietor of their charter business; eight percent operated their charterboat as a partnership and the remaining 20 percent were part of a larger corporation. The owner was also a captain in all but one of the charter operations reported here.

Almost half (48%) hired an additional captain or mate to assist during the busy season. Personnel were hired on a part-time basis, and most captains who needed help hired only one person (see Table 6).

During the busiest part of 1986, only one-third (30%) of these captains devoted full-time to their charter business; the rest maintained their charters on a part-time basis. The charters were the sole basis of income for seven percent of these respondents; however, few (17%) received over half of their income through chartering. The average (median) respondent received only 10 percent of his income from the charterboat (see Tables 7 and 8).

Three-fourths (78%) of these respondents belonged to a charterboat captains' association. Most (86%) had their own advertising brochure. Many (48%) advertised in other brochures, and 41 percent advertised in tourist guides. Other forms of advertisements were also used (see Tables 9 and 10).

Table 6

## BUSINESS STRUCTURE OF THE CHARTER BUSINESS

---

<u>Business Organization</u>	<u>Percent</u>
Sole proprietor	72
Partnership	8
Corporation	20
	<hr/> 100% (n=138)
<u>Is the owner also a captain?</u>	<u>Percent</u>
No, owner not a captain	1
Yes, owner also a captain	99
	<hr/> 100% (n=112)
<u>Hiring of mates or captains in 1986</u>	<u>Percent</u>
None hired	52
Yes, some hired	48
	<hr/> 100% (n=132)

Average (median) was one part-time employee.

---

Table 7

FULL-TIME/PART-TIME STATUS OF OPERATIONS  
DURING THE BUSIEST SEASON IN 1986

---

<u>1986 operations</u>	<u>Percent</u>
Part-time	70
Full-time	30
	<hr/> 100% (n=137)

---

Table 8

PERCENTAGE OF 1986 INCOME DERIVED FROM THE CHARTER BUSINESS

---

<u>Percentage of Income</u>	<u>Percent</u>
5% or less	36
6% to 10%	17
11% to 20%	17
21% to 30%	9
31% to 40%	2
41% to 50%	6
51% to 75%	11
76% to 100%	10
	100% (n=126)

Range from 0-100%.  
Average (median) is 10%.

---

Table 9

MEMBERSHIP IN A CAPTAINS' CHARTERBOAT ASSOCIATION

---

<u>Membership</u>	<u>Percent</u>
No, not a member	22
Yes, member of an association	78
	100% (n=137)

---

Table 10

## ADVERTISING MEDIA USED BY THESE CHARTERBOAT BUSINESSES

---

<u>Type of advertisement</u>	<u>Percentage of captains using this media*</u>
Own advertising brochure	86
Other types of brochures	48
Ads in tourist guides	41
Signs and billboards	21
Ads in sports magazines	18
Other forms of advertisement	93

---

\*Note: Percentages total to more than 100 because many captains use several forms of advertisement.

---

## EQUIPMENT, SERVICES, AND PRICING

Most (95%) respondents operated one vessel in their charter business; only five percent reported having two or more boats. Forty percent of these boats were used solely for charters, and only nine percent reported that charter operations comprised less than half of the total boat usage. The average amount of total boat use devoted to chartering was 95 percent (see Tables 11 and 12).

The primary charter vessels described by these respondents ranged in age from 1-60 years, with an average age of 10 years. Length varied from 18-46 feet, with an average length of 29 feet. Two-thirds (65%) of these boats had two engines, and 83 percent had combined inboard-outboard motors. Most (95%) operated on gas rather than diesel fuel. The capacity of the primary charter vessel ranged from four to twenty passengers, with an average of six passengers (see Table 13).

Most operators include the cost of bait and tackle as part of the basic fee charged for the charter. The cost of a fishing license is seldom included in the cost of the charter. Many (60%) operators require that customers obtain a fishing license elsewhere, but 38 percent can sell a license on their premises.

Many operators will assist in cleaning the fish (72%) and can provide ice for packing and temporary storage (69%). Frozen storage of fish is not provided by many (76%) charters.

About one-third (39%) of the boats have a heater on board for the comfort of the customers. One-third (31%) provide coffee or drinks for their customers during the charter. Snacks or meals are typically not provided (68%) or are available only at an extra cost to the customer (23%) (see Table 14).

The average cost of a half-day charter trip to go salmon fishing was \$50 per person; the per boat minimum averaged \$220 (ranging from \$80 to \$360). For a full-day trip the average was \$76 per person, with a per-boat minimum average of \$320 (ranging from \$95 to \$600) (see Table 15). Few operators differentiated between salmon fishing and other fishing, or between peak season and off-season, in establishing their rates.



Table 11

## TOTAL NUMBER OF BOATS USED FOR CHARTERING

<u>Number of boats</u>	<u>Percent</u>
One	95
Two or more	5
	100% (n=137)

Table 12

## PERCENTAGE OF BOAT USE DEVOTED TO CHARTERING

<u>Percentage of total boat use</u>	<u>Percent</u>
50% or less	9
51-75%	7
76-95%	34
96-99%	10
100%	40
	100% (n=134)

Range from 1-100%.  
Average (median) is 95%.

Table 13

## CHARACTERISTICS OF THE PRIMARY CHARTER VESSEL

<u>Age</u>	<u>Percent</u>	
2 years or younger	3	
3-5 years	22	Range from 1 to 60 years.
6-10 years	26	Average (median) was 10 years.
11-15 years	33	
16 years or older	16	
		100% (n=137)
<hr/>		
<u>Length</u>	<u>Percent</u>	
20' or less	2	
21-25'	22	Range from 18' to 46'.
26-30'	37	Average (median) is 29'.
31-35'	32	
36' or more	7	
		100% (n=137)
<hr/>		
<u>Number of engines</u>	<u>Percent</u>	
One	35	
Two	65	
		100% (n=137)
<hr/>		
<u>Type of fuel</u>	<u>Percent</u>	
Gas	95	
Diesel	5	
		100% (n=137)
<hr/>		
<u>Maximum passenger capacity</u>	<u>Percent</u>	
Five or fewer	10	Range from 4 to 20 passengers.
Six	85	Average (median) was 6
Seven or more	5	passengers.
		100% (n=137)

Table 14

## PERCENTAGE OFFERING VARIOUS SERVICES TO CHARTER CUSTOMERS

<u>Service</u>	<u>Not provided</u>	<u>Included in basic fee</u>	<u>Available at extra cost</u>
Fishing license	60	2	38
Tackle	2	95	3
Bait	12	85	3
Cleaning of fish	11	72	17
Ice and packing of fish	16	69	15
Frozen storage for fish	76	13	11
Heater on boat	60	39	1
Coffee or other drinks	54	31	15
Snacks or meals	68	9	23

Table 15

## BASIC FEES FOR PEAK SEASON SALMON FISHING

<u>Half-day Trips</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
Per person	\$30	\$350	\$50
Boat minimum	\$80	\$360	\$220
<u>Full-day Trips</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
Per person	\$32	\$600	\$76
Boat minimum	\$95	\$600	\$320

### SCHEDULE OF OUTGOING CHARTERS

The earliest charter trips reported for 1986 occurred on March 21; the latest date for the first trip of the season was September 1. The majority of captains had their first charter during the last two weeks of April (see Table 16).

Ten percent of the captains reported taking their last charter during July or August; of those, a few were unable to operate a full season because of required boat repairs. The majority of captains scheduled their final charter trip during the last week of September or the first week of October. The latest charter reported was on December 1 (see Table 17).

Charterboat operators reported taking an average (median) of 38 half-day trips and six full-day trips during 1986. Less than 12 percent reported taking more than 100 half-day trips; the maximum was 207. The busiest period of operations was during May, June, and July when there was an average of eight trips per month (see Table 18).

Only twenty percent of these captains reported having as many customers as they wanted. Half (51%) said that they wanted (and could handle) many more customers than they had in 1986. Thus, the majority of captains appear to be booking only a few trips a week but would prefer to have more business (see Table 19).

Table 16

## DATE OF EARLIEST CHARTER TRIP IN 1986

---

<u>Date</u>	<u>Percent</u>
March 15-31	3
April 1 -15	33
April 16-30	31
May 1 -15	23
May 16 or later	10
	100% (n=134)

Earliest date: March 21  
 Latest date: September 1

Average (median): April 23

---

Table 17

## DATE OF LAST CHARTER TRIP IN 1986

---

<u>Date</u>	<u>Percent</u>
Before September 1	9
September 1 -15	21
September 16-30	26
October 1 -15	29
October 16-31	10
November 1 or later	5
	100% (n=131)

Earliest date: May 30  
 Latest date: December 1

Average (median): Sept. 29

---

Table 18

DISTRIBUTION OF CHARTERS THROUGHOUT THE SEASON

Month	Half-Day Trips		Full-Day Trips	
	Maximum number	Average*	Maximum number	Average*
April	20	3	10	1
May	60	10	15	2
June	48	10	30	2
July	30	8	31	2
August	45	7	3	1
September	38	5	15	1
October	14	1	5	0

Seasonal average half-day trips: 38

Seasonal average full-day trips: 6

Seasonal average total trips: 42

\*Note: Because of averaging within each month, the sum of the monthly totals does not equal the overall seasonal average of number of trips.

Table 19

OPERATOR'S DESIRE FOR MORE CUSTOMERS

	<u>Percent</u>
Had as many as I wanted	20
Wanted a few more but not many	29
Wanted many more customers	51
	100% (n=133)

### ASSETS, INCOME, AND EXPENDITURES

The value of boats and equipment owned by these charter businesses ranged from about \$8,000 to \$435,000, with an average (median) of \$41,725. Almost half (40%) of these operators estimated the value of their boat and equipment at between \$20,000 and \$40,000.

The largest asset listed was the boat, averaging \$30,000 in current (disposal) value and ranging up to a maximum of \$400,000. Rods, reels, and bait were reported at an average value of \$2,600, ranging up to a maximum of \$6,000. Fish-finding equipment (average value \$1,025) and the radio and radar equipment (average value \$800) were other major business items, each ranging in value up to \$6,000. Life preservers had an average value of \$300, ranging up to \$6,000.

About one-third of these captains also owned a trailer (average value \$2,000) and a truck (average value \$5,000). Other equipment, listed by 25 percent of the respondents, averaged \$1,500 (see Table 20).

The gross income in 1986 reported by these charter operators ranged from \$200 to \$90,000, with an average (median) value of \$8,000. About one-third (34%) grossed \$5,000 or less; four percent grossed over \$40,000 (see Table 21).

The primary operating expense was for docking, averaging \$1,500 but ranging up to \$27,000 for 1986. The next primary expense for all charterboat operators was fuel, averaging \$1,000 and ranging up to \$6,000. Maintenance, insurance, tackle, bait, and advertisements all averaged under \$1,000.

About half of the respondents listed mortgage expenses, averaging \$3,500 and ranging up to \$14,000. Half also listed salary expenses, averaging \$1,200 and ranging up to \$12,000. Taxes, mentioned by a third of the respondents, averaged \$600 and ranged as high as \$7,500 (see Table 22).

Table 20

## CURRENT DISPOSAL VALUE OF BOATS AND EQUIPMENT

---

<u>Item</u>	<u>Maximum</u>	<u>Average</u>
Boats	\$400,000	\$30,000
Rods, reels, bait	30,000	2,600
Fish-finding equipment	20,000	1,025
Radio and radar	20,000	800
Life preservers	6,000	300
Truck <sup>1</sup>	19,000	5,000
Trailer <sup>1</sup>	6,000	2,000
Other <sup>2</sup>	62,500	1,500

Range from \$8,000 to \$435,000.  
Average (median) value was \$41,725.

<sup>1</sup>Truck and trailer were listed by 37% of all respondents.  
<sup>2</sup>Other equipment was listed by 25% of all respondents.

---

Table 21

## GROSS INCOME IN 1986

---

<u>Income</u>	<u>Percent</u>
\$ 2,500 or less	12
\$ 2,501 to \$ 5,000	22
\$ 5,001 to \$ 7,500	13
\$ 7,501 to \$10,000	16
\$10,001 to \$20,000	18
\$20,001 to \$40,000	15
\$40,001 or more	4
	100%

Range from \$200 to \$90,000.  
Average (median) income was \$8,000.

---



Table 22

## BASIC OPERATING COSTS FOR 1986

---

<u>Item</u>	<u>Maximum</u>	<u>Average</u>
Docking	\$27,000	\$1,500
Fuel	6,000	1,000
Insurance	6,000	850
Maintenance	10,000	750
Tackle and bait	5,100	500
Advertisements	10,000	300
Mortgage <sup>1</sup>	14,000	3,500
Salaries <sup>1</sup>	12,000	1,200
Taxes <sup>2</sup>	7,500	600
Other <sup>1</sup>	22,500	200

Range from \$1,150 to \$49,000.  
Average (median) costs were \$8,600.

<sup>1</sup>Approximately half of the respondents reported salary, mortgage, and other expenses.

<sup>2</sup>Approximately one-third of the respondents listed tax expenses.

---

### CHARTER CUSTOMERS

The charter operators responding to this questionnaire gave information regarding the customers they served in 1986. About half (47%) of these captains said that most groups of customers had chartered with them before; 15 percent of the captains said that most of their customers were new to them that season.

Few captains reported women among their customers. Fifty-nine percent said that most of their customers were groups of men, and 33 percent said that about half of their customers were groups of men. Only nine percent of the captains said that most of the groups they chartered were composed of persons from the same family; 56 percent said that few groups were composed of family members. However, although they may not be from the same family, all members of each group appeared to know each other, according to 90 percent of these captains.

Many (95%) of the captains thought that the charter excursion was not part of a longer trip for their customers. Likewise, 57 percent of the captains guessed that few of their customers stayed overnight in a local hotel or campground (see Table 23).

Table 23

## CAPTAINS' PERCEPTIONS OF THEIR CUSTOMERS

---

<u>Had chartered with me before</u>	<u>Percent</u>
Only a few of the groups	15
About half of the groups	38
Most of the groups	47
	100%
<u>The group was all men</u>	<u>Percent</u>
Only a few of the groups	8
About half of the groups	33
Most of the groups	59
	100%
<u>The people were from same family</u>	<u>Percent</u>
Only a few of the groups	56
About half of the groups	34
Most of the groups	10
	100%
<u>Everyone already knew each other</u>	<u>Percent</u>
Only a few of the groups	6
About half of the groups	4
Most of the groups	90
	100%
<u>Charter was part of longer vacation</u>	<u>Percent</u>
Only a few of the groups	95
About half of the groups	2
Most of the groups	3
	100%
<u>The people stayed overnight in area</u>	<u>Percent</u>
Only a few of the groups	57
About half of the groups	30
Most of the groups	13
	100%

---

### CAPTAINS' OPINIONS ABOUT CHARTER FISHING

The captains in this survey were asked their opinions about various aspects of charter operations. Using a five-point scale that went from strongly disagree (1) to strongly agree (5), respondents indicated their agreement with statements concerning general fishing conditions on Lake Michigan, business aspects of charter operations, and feelings toward their clientele.

There was mixed opinion about whether good areas on Lake Michigan are becoming overcrowded, with 27 percent disagreeing and 39 percent agreeing. However, over one-third (38%) felt that poor fishing has affected the charter business, and two-thirds (67%) agreed that good fish are disappearing from Lake Michigan. There was strong disagreement (68%) with the statement that Lake Michigan fish are too contaminated to eat. Also, there was a strong consensus (77%) that commercial fishing should not be allowed on the Lake (see Table 24).

Most respondents (77%) felt that operating a charterboat is a satisfying job. Many (58%) felt that there is a growing interest in charterboat fishing. However, many operators (55%) thought that daily operating costs are too high. There was mixed opinion about the statement that equipment was too expensive to repair or replace, with 24 percent disagreeing and 36 percent agreeing. Three-fourths (77%) agreed that advertisements would help increase charter business.

When asked if they would move their boat if another marina were available, 42 percent said "no" while 45 percent said "yes." These captains felt that charter operations should be licensed and inspected (71%), but many (51%) did not want harbors and licensing to be under local control (see Table 25).

Few (29%) of these charter operators expressed a preference for customers who are serious about catching fish. Most (94%) agreed that they enjoyed teaching people how to fish. Most captains (62%) felt that their customers preferred to have luxury boats and facilities. Although most (68%) thought that catching big fish was important to their customers, many (49%) also agreed that people enjoy a charter even if they don't catch fish (see Table 26).

Table 24

## CAPTAINS' OPINIONS ABOUT GENERAL FISHING CONDITIONS

<u>Good fishing areas are overcrowded</u>	<u>Percent</u>	
1-Strongly Disagree	14	Average = 3.1
2-Disagree	14	
3-Neutral	34	
4-Agree	22	
5-Strongly Agree	17	
<u>Poor fishing has reduced charters</u>	<u>Percent</u>	
1-Strongly Disagree	13	Average = 3.3
2-Disagree	15	
3-Neutral	24	
4-Agree	20	
5-Strongly Agree	28	
<u>Good fish are disappearing from Lake Michigan</u>	<u>Percent</u>	
1-Strongly Disagree	9	Average = 3.8
2-Disagree	10	
3-Neutral	14	
4-Agree	22	
5-Strongly Agree	45	
<u>Lake Michigan fish are too contaminated</u>	<u>Percent</u>	
1-Strongly Disagree	47	Average = 2.0
2-Disagree	21	
3-Neutral	21	
4-Agree	7	
5-Strongly Agree	5	
<u>Commercial fishing should not be allowed on Lake Michigan</u>	<u>Percent</u>	
1-Strongly Disagree	8	Average = 4.2
2-Disagree	4	
3-Neutral	13	
4-Agree	9	
5-Strongly Agree	66	

Note: Totals within each item may not equal 100% due to rounding.

Table 25

## CAPTAINS' OPINIONS ABOUT CHARTERBOAT OPERATIONS

<u>Operating a charterboat is a satisfying job</u>	<u>Percent</u>	
1-Strongly Disagree	1	
2-Disagree	3	
3-Neutral	19	Average = 4.2
4-Agree	35	
5-Strongly Agree	42	
<u>There is a growing interest in charter fishing</u>	<u>Percent</u>	
1-Strongly Disagree	8	
2-Disagree	10	
3-Neutral	24	Average = 3.6
4-Agree	31	
5-Strongly Agree	27	
<u>Daily operating costs are too high</u>	<u>Percent</u>	
1-Strongly Disagree	6	
2-Disagree	5	
3-Neutral	34	Average = 3.7
4-Agree	18	
5-Strongly Agree	36	
<u>Equipment is too expensive to repair or replace</u>	<u>Percent</u>	
1-Strongly Disagree	8	
2-Disagree	15	
3-Neutral	39	Average = 3.2
4-Agree	18	
5-Strongly Agree	19	
<u>Advertising would increase business</u>	<u>Percent</u>	
1-Strongly Disagree	4	
2-Disagree	5	
3-Neutral	24	Average = 3.9
4-Agree	28	
5-Strongly Agree	39	

(continued)

Table 25 (continued)

---

<u>Would move boat if another marina were available</u>	<u>Percent</u>	
1-Strongly Disagree	25	
2-Disagree	26	
3-Neutral	24	Average - 2.9
4-Agree	11	
5-Strongly Agree	24	
<u>Charter operations should be licensed and inspected</u>	<u>Percent</u>	
1-Strongly Disagree	6	
2-Disagree	1	
3-Neutral	22	Average - 4.1
4-Agree	13	
5-Strongly Agree	58	
<u>Harbors and licensing should be under local control</u>	<u>Percent</u>	
1-Strongly Disagree	43	
2-Disagree	8	
3-Neutral	24	Average - 2.5
4-Agree	6	
5-Strongly Agree	19	

---

Note: Totals within each item may not equal 100% due to rounding.

Table 26

## CAPTAINS' OPINIONS REGARDING CHARTER CUSTOMERS

<u>Prefer customers serious about fishing</u>	<u>Percent</u>	
1-Strongly Disagree	8	
2-Disagree	11	
3-Neutral	52	Average = 3.1
4-Agree	15	
5-Strongly Agree	14	
<u>Enjoy teaching people how to fish</u>	<u>Percent</u>	
1-Strongly Disagree	0	
2-Disagree	1	
3-Neutral	5	Average = 4.6
4-Agree	23	
5-Strongly Agree	71	
<u>Customers prefer luxury boats and facilities</u>	<u>Percent</u>	
1-Strongly Disagree	3	
2-Disagree	8	
3-Neutral	27	Average = 3.8
4-Agree	26	
5-Strongly Agree	36	
<u>Catching big fish is important to the customers</u>	<u>Percent</u>	
1-Strongly Disagree	5	
2-Disagree	8	
3-Neutral	20	Average = 3.8
4-Agree	38	
5-Strongly Agree	30	
<u>People enjoy a charter even when they don't catch fish</u>	<u>Percent</u>	
1-Strongly Disagree	10	
2-Disagree	18	
3-Neutral	22	Average = 4.6
4-Agree	30	
5-Strongly Agree	19	

Note: Totals within each item may not equal 100% due to rounding.



## CONCLUSIONS AND RECOMMENDATIONS

The data reported in the previous sections are based on the 142 charterboat operators who responded to the mailed survey. They represent about half of the charterboat operators in northern Illinois and Indiana. Little is known about the operators who did not take part in this survey, and readers are cautioned about using these data to make definitive statements about the industry as a whole. However, these data do provide a wealth of information on charterboat operations on southern Lake Michigan.

In general, these captains are primarily middle-aged married men with a fairly high level of education. Their history of chartering on Lake Michigan was quite varied, averaging about five years of charter experience in this region. More than half of these captains had considered quitting the business at one time or another, primarily due to the expense of business operations.

Most charter businesses were organized as a sole proprietorship; half hired crew members in addition to the owner/operator. Charter businesses were generally in operation on a part-time basis even during the busiest time of the year. Most captains received only a small share of their income from chartering, averaging \$8,000 per year.

In 1986, most chartering operations on southern Lake Michigan began during the last half of April and lasted through the end of September. The busiest season was during May, June, and July. There was a lot of variation in the total number of trips these captains booked, averaging about eight trips per month but ranging as high as 200 or more trips per month. Most captains indicated that they wanted (and could handle) more customers than they had received.

Only one boat was used in most businesses; that boat was devoted primarily to chartering and not often used for other purposes. The average charter boat was 10 years old, 29 feet in length, and could carry about six passengers. The average investment in the business was \$41,725. This amount reflects the current value of the boat (\$30,000), rods, reels, and bait (\$2,600), and other equipment. Primary operating expenses came from mortgage (\$3,500), docking (\$1,500), salaries (\$1,200) and fuel (\$1,000), with an average total yearly expense of \$8,600.

The average fee charged was \$220 for a half-day trip and \$320 for a full-day trip. Few operators had different rate structures to distinguish between salmon fishing and other

fishing, or between peak season and off-season trips. Most captains provided fish cleaning and storage but few other services. However, they felt that charter customers might prefer more luxurious boats and amenities.

Most of these captains found operating a charterboat to be a satisfying job. They enjoyed teaching people how to fish, and believed that catching big fish was important to their customers. However, they expressed concern that good fish are disappearing from Lake Michigan. These captains did not feel that contamination was a concern for Lake Michigan fish. They felt strongly that commercial fishing should not be allowed in the area. About half were optimistic that interest in charterboat fishing is growing.

The above data can be compared to information about charterboat operations in other Great Lakes states. Exact comparisons between states are not possible due to differences in how the data were collected and reported for each survey. However, the results of prior surveys give an indication of the general nature of charterboat operations in several other states bordering the Great Lakes.

Table 27 presents a summary of operating expenses and fee-generated revenue for charterboat operations in New York, Wisconsin, Ohio, Michigan, and Illinois-Indiana. As shown, the Illinois-Indiana captains have as much or more money invested in boats and equipment as captains in other states. In addition, fees charged to customers and the average annual operating expenses are high in this region relative to other states.

Multiplying the average revenue from fees by the total number of charterboat operators in Illinois and Indiana, we can estimate the total regional revenue generated from fees to be \$2.5 million dollars. Further study of local spending by charter customers will be required before an estimate can be made of the charter industry's total economic impact on the regional economy.

These data begin to document the importance of charterboat fishing in this area. Charter operations typically reflect an owner/operator with one boat who makes a few trips a week for five or six months. Although this work contributes only a small amount to the annual income of most operators, the total regional impact is enormous. This small-scale industry certainly merits further study to better understand the strengths and potentials of the charter market.

Table 27

A Comparison of Charterboat Expenses  
in Five Great Lake States

	1982 <u>New York</u>	1982 <u>Wisconsin</u>	1985 <u>Ohio</u>	1986 <u>Michigan</u>	1987 <sup>1</sup> <u>Illinois-Indiana</u>
Average value:					
Boats	\$15,000	\$20,400	\$30,100	\$28,000	\$30,000
Equipment	\$5,500	\$4,100	\$4,000	\$5,860	\$6,200
Truck/Trailer	\$8,900	\$1,700	\$12,200	-----	\$7,000
Average fees:					
Half-day	-----	\$52	-----	\$200	\$220
Full-day	\$160	\$94	\$225	\$300	\$320
Average total operating expense	\$3,950	\$8,900	\$6,120	-----	\$8,600
Average revenue from fees	\$5,250	\$7,500	\$9,800	\$15,000	\$8,000
Statewide income from fees	-----	-----	\$3.9 million	\$13.8 million	\$2.5 million
Local spending by customers	-----	-----	\$8.7 million	\$25.5 million	-----
Total impact on state economy	-----	-----	\$21.0 million	\$59.5 million	-----

<sup>1</sup>Averages for Illinois-Indiana represent the median value, not the mean.

APPENDIX

The following pages contain the four-page questionnaire used in this survey.



5. In your best estimation, how many of your groups had the following characteristics:

	Only in a few groups	In about half of the groups	In most of the groups
Everyone in the group already knew each other	1	2	3
The people in the group were from the same family	1	2	3
The group was all men	1	2	3
The charter was part of a longer vacation	1	2	3
People in that group had chartered with me before	1	2	3
The people stayed overnight in a local campsite or hotel	1	2	3

**SECTION III: OPERATIONS**

1. Please describe each vessel that you use for your charter boat operations.

	Primary Vessel	2nd Vessel	3rd Vessel
Year built	_____	_____	_____
Length	_____	_____	_____
Number of Engines	_____	_____	_____
Type of power (Inboard, etc)	_____	_____	_____
Type of fuel (Gas, diesel)	_____	_____	_____
Maximum passengers	_____	_____	_____
Percent of use which is devoted to charters	_____	_____	_____

2. What is the present (disposal) value of equipment used in your charter business?  
(Round off to even numbers; this is for general descriptive purposes only).

Current value

Boats	_____
Tow trailer	_____
Rods, reels, bait	_____
Fish-finding equipment	_____
Radio, radar	_____
Life preservers	_____
Truck	_____
Other	_____
<b>TOTAL CURRENT VALUE</b>	_____

3. What were the prices charged per charter trip during 1986? Indicate prices during peak season and off-season if they were priced differently.

	PEAK SEASON		OFF-SEASON	
	Salmonid Fishing	Other Fishing	Salmonid Fishing	Other Fishing
<u>Half-day trip</u>				
per person	\$ _____	_____	_____	_____
boat minimum	\$ _____	_____	_____	_____
<u>Full-day trip</u>				
per person	\$ _____	_____	_____	_____
boat minimum	\$ _____	_____	_____	_____

4. In 1986, what was the gross income earned from charter boat trips (round off to an even number; this is for general descriptions only): \_\_\_\_\_

5. In 1986, did you pay wages to any captains, mates, or other assistants in your charter operations?  
 1. \_\_\_ no  
 2. \_\_\_ yes

If yes, how many paid positions did you have: \_\_\_\_\_ part time positions  
 \_\_\_\_\_ full time positions

6. What were the basic operating costs for your charter operation in 1986? (Round off to even numbers; this will be used for general descriptive purposes only).

1986 Costs

Docking and storage	_____
Fuel	_____
Maintenance	_____
Tackle, bait	_____
Salaries, wages	_____
Mortgages, loans	_____
Insurance	_____
Taxes	_____
Advertising	_____
Other costs	_____
<b>TOTAL 1986 EXPENSES</b>	_____

7. Do you belong to a charter boat association? 1. \_\_\_ no  
 2. \_\_\_ yes

8. Does your charter operation advertise in the following:

	No	Yes
Your own brochure	1	2
Other brochures	1	2
Billboards, signs	1	2
Sports magazines	1	2
Tourist guides	1	2
Other: _____		

SECTION IV: EVALUATION

1. Have you thought about quitting the charter business in the near future?  
 1. \_\_\_ no  
 2. \_\_\_ yes

If yes, what is the major factor in that decision:

1. \_\_\_ expense of operations  
 2. \_\_\_ poor fishing conditions  
 3. \_\_\_ health, family, or personal factors  
 4. \_\_\_ just lost interest  
 5. \_\_\_ other: \_\_\_\_\_

2. Please indicate whether you agree or disagree with each of the following.

	Strongly Disagree	Neutral	Strongly Agree
Daily operating costs are too expensive	1	2 3	4 5
People enjoy a charter even if they don't catch fish	1	2 3	4 5
Good fishing areas are overcrowded	1	2 3	4 5
There is a growing interest in charter fishing	1	2 3	4 5
My equipment is too expensive to repair or replace	1	2 3	4 5
Customers prefer to have luxury boats and facilities	1	2 3	4 5

(Continued)

	Strongly Disagree		Neutral		Strongly Agree
Operating a charter boat is a satisfying job	1	2	3	4	5
Poor fishing has reduced the charter business	1	2	3	4	5
I would move my boat if there was another marina	1	2	3	4	5
Advertising would help increase my business	1	2	3	4	5
Catching big fish is important to the customers	1	2	3	4	5
I enjoy teaching people how to fish	1	2	3	4	5
Good fish are disappearing in Lake Michigan	1	2	3	4	5
I prefer customers who are serious about catching fish	1	2	3	4	5
Lake Michigan fish are too contaminated to eat	1	2	3	4	5
Charter operations should be licensed and inspected	1	2	3	4	5
Harbors and licensing should be under local control	1	2	3	4	5
Commercial fishing should not be allowed on Lake Michigan	1	2	3	4	5

**SECTION V: BACKGROUND**

1. Are you:    1. \_\_\_ owner/partner of charter boat business  
              2. \_\_\_ captain but not an owner  
              3. \_\_\_ other: \_\_\_\_\_
  
2. Are you:    1. \_\_\_ male  
              2. \_\_\_ female
  
3. What is your age:    1. \_\_\_ 35 or under  
                          2. \_\_\_ 36 to 50  
                          3. \_\_\_ 51 to 65  
                          4. \_\_\_ 66 or over
  
4. What is the last level of school you completed?  

1. ___ Eighth grade or less	5. ___ Some college
2. ___ Some high school	6. ___ College degree
3. ___ High school graduate	7. ___ Graduate school
4. ___ Vocational school graduate	
  
5. Do you have a spouse involved in your charter boat operations?  

1. ___ I have no spouse
2. ___ my spouse is not involved in the charter operations
3. ___ my spouse works with me in the charter business

Thank you very much for your assistance!

Please return your questionnaire promptly. Use the pre-paid envelope we provided.

Information from this survey will be summarized in a generalized report describing the nature of the charter boat industry in Illinois and Indiana. Copies of that report will be available through the Illinois-Indiana Sea Grant Program by August 1986.



**NATIONAL SEA GRANT DEPOSITORY**  
**Pell Library Building - GSO**  
University of Rhode Island  
Narragansett, RI 02882-1197 USA

For further information or copies of this report, please contact the Illinois-Indiana Sea Grant Program, University of Illinois, 51 Mumford Hall, 1301 W. Gregory Drive, Urbana, IL 61801 (217/244-333-9448).