

# Reducing the cost of flying

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"Frugal Flier"



# Welcome!

## How did you hear about this Webinar?

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- A.** *AOPA Pilot* magazine
- B.** ePilot newsletter
- C.** Email invitation
- D.** AOPA's Web site



Mooney Acclaim

# The Elephant in the Airspace

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- Is it your imagination?
- Flying might or might not be more expensive now than it used to be.



# 1972 Airplane Costs

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- New IFR Cessna 172  
\$19,024



2010 inflation  
adjusted:  
\$99,876

- 5-year-old Skyhawk  
\$15,000



2010 inflation  
adjusted:  
\$78,750

- 15-year-old Skyhawk  
\$8,000



2010 inflation  
adjusted:  
\$42,000

# Today's Aircraft Costs

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- **New Skyhawk**  
**\$265,000**
- **5-year-old Skyhawk**  
**\$115,000**
- **15-year-old Skyhawk**  
**\$50,000**



**Up 166%**



**Up 46%**



**Up 19%**

# Vref

VREF Publishing, Inc. | CESSNA SKYHAWK 172 I-M - Windows Internet Explorer

http://www.vrefonline.com/aircraftDisplay.asp?id=454

File Edit View Favorites Tools Help

VREF Publishing, Inc. | CESSNA SKYHAWK 172 I-M

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**Main Menu**

- Aircraft Selection
- Market Leader Newsletter
- My VRef
- Engine Plan
- Help
- Contact Us
- Log Out

**Report  
Your Market  
As It  
Happens**

## CESSNA SKYHAWK 172 I-M

Fixed. We may have turned the corner. Have a Great Summer!

AOPA Wednesday, August 04, 2010

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**PRICES INCLUDE:** Dual digital navcoms, 1000 SMOH, 7 P&I, ADF.



ADD-ONS (DED)	\$RETAIL	\$WHOLESALE
ENG RATE	11	7.7
Garmin 430W	5,000	3,500
New paint	6,000	4,200
New int	5,000	3,500
(Needs paint)	-6,000	-4,200
(Needs int)	-5,000	-3,500

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MODS/CONV	\$RETAIL	\$WHOLESALE
180HP NEW Eng	38,542	
180HP	10,000	7,000

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**ENGINE**  
Lycoming TP0-200

### VREF LIGHT SINGLE INDEX

A compilation of the Tiger AA5B, the Beechcraft C23 Sundowner, the Cessna 172P, the Cardinal, the Piper Warrior, and the Archer markets.



[VIEW DETAILED GRAPH](#)

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**PERFORMANCE & SPECS**

Config	Sgl. pat, fxd gr
Mx sts	4
Mx T.O. wt	2300 lbs
Cruise K	114 kts

Internet 100%

# New Capabilities

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- New aircraft come with astonishing new capabilities



# Avgas: Then and Now

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- 1972:  
75 cents  
per gallon  
(\$3.94 today)

- Now:  
\$4.77  
per gallon (up 21% over inflation  
rate...Surprised?)





# Other Fixed Costs

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Insurance, hangar, maintenance all cost more?  
“Get engaged!”



# Bad News for Line Boys

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- Minimum wage in 1972: \$1.60 per hour (\$8.40)
- Minimum wage today: \$6.55



# CFI's doing a little better

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- Wage in 1972:  
\$8.50 per hour  
(\$44.63 today)
- 2010 avg. rate  
\$50 – up 12%



# Get Frugal or Get Grounded

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- Shared ownership spreads costs
- Co-ownerships, flying clubs, fractional ownership, rental are some ways to lower ownership cost
- Put the aircraft – or the pilot – to work!



# Questions

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# For Renters

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- Schedule weekdays
  - Off peak = Less time on the ground
- Buy block time
- Dry lease/fuel finder service
- Renter's insurance



# Make Yourself Useful

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- Invest in your own skills (advanced ratings and qualifications)



# Other cost saving tips

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- Purchase oil by the case
- Change it yourself
- Throttle back
  - 65% power, rather than 75%
  - Owner-approved maintenance





# Other cost saving tips

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- Hangar the aircraft or...
  - Canopy covers
  - Wing covers
  - Engine blanket
  - Light bulbs



# Simulators

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- Keep your skills sharp on a simulator or flight training device
- Save \$\$ on recurrency training



# Experimental/LSA

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- Lower acquisition costs for Experimental category
- Lower operating cost for LSA



Champ 7EC

# Get a Single-seater

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Most of our flying is solo



RV-3

# Put Your Airplane (Pilot) to Work

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- Sightseeing flights
- Aerial photography
- Glider tow
- Part 135



Piper Saratoga

# Sightseeing flights

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- Let your airplane earn its keep!



Waco

# Aerial Photography

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- Part 91 or Part 135?
- Sample scenarios



Cirrus SRV over Lake Superior

# Glider Tow

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- Private pilot
- 100 hours PIC
- Logbook endorsement for ground and flight training
- Currency – 3 tows in 12 months





# Part 135

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- **Commercial pilot certificate**
- **Commercial operating certificate**



# A Word about Mechanics

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# Questions

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# Forms of shared ownership

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- Co-ownership
- Fractionals
- Flying Club
- Leaseback
- Market-rate rental
- Employer expense reimbursement
- Employee expense reimbursement



Beechcraft Bonanza V35

# Co-owners

## Individuals, LLC or Corp

- Two or more owners sharing use of an aircraft
- Will an LLC or Corp protect assets?
- AOPA offers
  - Checklist
  - FAQs
  - Sample agreement
- Cirrus Share
- Piper Match



# Fractional Ownership

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- Several commercial ventures
- Minimum purchase = 1/8 aircraft (75 flight hours per year)
- Professional management part of package



Diamond DA42

# Fractionals

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- AirShares Elite
- OurPlane
- PlaneSmart
- SharePlus



# Flying Club

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- A co-ownership of equity owners
- One or more aircraft
- LLC
- Corporation
- Non-profit



Penn Yan Flying Club



# Lease (back)

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- Lease with a flight school or to a flying club or Part 135
- AOPA online resources
- AOPA's Legal Services Plan
- Get professional advice



Piper Comanche

# Market-rate Rental

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- Owner rents to a few named local pilots to offset cost of ownership
- FAA has no problem with rental
- It's an insurance question



Cessna 172

# Employer expense reimbursement

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- If flight is incidental to business, then reimbursed for all-in costs of flight
- Includes hangar, insurance, maintenance, etc.
- No tax forms necessary – it's a reimbursement



# Unreimbursed employee expense

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- You can deduct the unreimbursed expenses on your taxes
- IRS Form 2106
- Subject to a 2% threshold of your joint-filed adjusted gross income
- Talk with your tax advisor!



Diamond DA20 C1 Eclipse

**Is flying still worth it?**



**Heck yeah!**

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Ercoupe LSA

# Final Questions

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- More aircraft ownership info is online <http://www.aopa.org/members/pic/ownership/>
- Contact us at 800-USA-AOPA or email [pilotassist@aopa.org](mailto:pilotassist@aopa.org)
- We will leave Chat open for 10 minutes after audio ends.