Reducing the cost of flying

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Welcome!
How did you hear about this Webinar?

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Mooney Acclaim
The Elephant in the Airspace

- Is it your imagination?
- Flying might or might not be more expensive now than it used to be.
1972 Airplane Costs

- New IFR Cessna 172
  $19,024

- 5-year-old Skyhawk
  $15,000

- 15-year-old Skyhawk
  $8,000

2010 inflation adjusted:
- New IFR Cessna 172: $99,876
- 5-year-old Skyhawk: $78,750
- 15-year-old Skyhawk: $42,000
Today’s Aircraft Costs

- New Skyhawk $265,000  
  Up 166%

- 5-year-old Skyhawk $115,000  
  Up 46%

- 15-year-old Skyhawk $50,000  
  Up 19%
New Capabilities

- New aircraft come with astonishing new capabilities
Avgas: Then and Now

• 1972: 75 cents per gallon ($3.94 today)

• Now: $4.77 per gallon (up 21% over inflation rate...Surprised?)
Other Fixed Costs

Insurance, hangar, maintenance all cost more? “Get engaged!”
Bad News for Line Boys

- Minimum wage in 1972: $1.60 per hour ($8.40)
- Minimum wage today: $6.55
CFI’s doing a little better

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

- 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!
For Renters

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

- Invest in your own skills (advanced ratings and qualifications)
Other cost saving tips

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

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

- Keep your skills sharp on a simulator or flight training device
- Save $$ on recurrency training
Experimental/LSA

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

Champ 7EC
Get a Single-seater

Most of our flying is solo

RV-3
Put Your Airplane (Pilot) to Work

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

Piper Saratoga
Sightseeing flights

• Let your airplane earn its keep!

Waco
Aerial Photography

- Part 91 or Part 135?
- Sample scenarios

Cirrus SRV over Lake Superior
Glider Tow

- Private pilot
- 100 hours PIC
- Logbook endorsement for ground and flight training
- Currency – 3 tows in 12 months
Part 135

- Commercial pilot certificate
- Commercial operating certificate
A Word about Mechanics
Questions
Forms of shared ownership

- 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

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

Diamond DA42
Fractionals

- AirShares Elite
- OurPlane
- PlaneSmart
- SharePlus
Flying Club

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

Penn Yan Flying Club
Lease (back)

- 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

- 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

- 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
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!
Is flying still worth it?

Heck yeah!
How do you rate this webinar?

- On a rating scale of A to D, with A being the highest satisfaction rating, please rate this webinar by clicking on the appropriate box in the feedback section on the left side of your screen.
- Your candid comments are also welcome in chat or by email to pilotassssist@aopa.org
Final Questions

- A recording of this Webinar, and the slides, will be posted online on www.aopa.org/members/pic/webinars.html.

- More aircraft ownership info is online at http://www.aopa.org/members/pic/ownership/.

- Contact us at 800-USA-AOPA or email pilotassist@aopa.org.

- We will leave Chat open for 10 minutes after audio ends.