

Fifty ways to get your flying (or, are you a clubber?)

By Chris Hope, Master CFI

As I started to write this column, I kept thinking of Paul Simon's song from my past, "There Must Be Fifty Ways to Leave Your Lover". There have to be at least that many ways to get your flying fix. There are no "wrong" ways – just different ways. (OK, that's not entirely true. Running drugs from South America is definitely a "wrong way".)

When I started flying, I was fortunate to have my flying habit financed by the American taxpayer. (Thank you.) There was a lot to be said for that system, for a young man with a wife and a new-born son and no money. I flew large planes, fast planes, very expensive planes. I never pulled out my own credit card at fuel times. And when I had a maintenance problem, I just said. "Hey Maintenance, the hoozogesit isn't working right." There were some down sides, which are the same down sides for anyone who flies for someone else's convenience. Flying for hire means you fly what your boss wants, when your boss wants, and where your boss wants. But hey, it's flying.

Over the years since, I have rented airplanes and owned planes solely by myself (very briefly) with two or three partners, and with up to 100 fellow members in a club environment.

While there are a number of reasons to form or join a club, the predominant one is **MONEY**. We all find out very quickly that there are

some very large fixed costs associated with flying, and if we fly less than 100 hours per year, we often decide that sharing those costs in return for giving up sole rights to the aircraft might be a wise choice.

So first of all, what are the general costs of ownership, and which costs might be affected by joint ownership and which are not? One of the biggest costs is fuel. And having all of the partners in the world is not going to bring that cost down. The second is the cost associated with fixing the things that break. If you don't fly, little things don't break. And for many people, the third cost associated with the day to day flying is a reserve account for a new engine or major upgrade. These three costs are normally considered to be operating costs, and are generally pretty consistent on an flight-hourly basis.

Then there are those fixed costs, the expenses that are due whether the plane flies or not. These include the cost of hangar or tie-down, the cost of insurance, and the cost of the plane itself. And some people would also include into this group the cost of major repairs and upgrades. And this is the set of costs that can be divided by two, three, or twenty or more.

So let's look at some clubs, how they are set up and how well they serve the members. In my own Midwest metropolitan area, we have a bunch of clubs, and all are set up a bit

differently. All of the clubs have this in common – there is an initiation fee, monthly dues, and hourly rental rate for the plane. In general, the initiation fee and monthly dues covers the fixed costs, and the hourly rental fee covers the cost of fuel and maintenance. Otherwise, there are “fifty ways to run your flying club.”

Cloud One Flying Club, for example, is a small club, eighteen members, with two aircraft. Their set-up is fairly common. They own a 1976 Cessna 172 and a 1968 Piper Arrow. They take pride in the fact that they have owned both of these aircraft for a number of years, and have upgraded the finishes, engines, avionics and interiors over the years. And because they have held and babied their two aircraft for so long, they have no debt.

Their club has a fixed count of eighteen members. Each member has a one-eighteenth share in the club’s assets. Entry into the club is by purchasing an existing membership from a willing member, and leaving the club is by finding a willing buyer. The transfer cost of membership is solely between member-seller and buyer, although the club will share with the potential buyer the value of the club’s assets. These assets include money in the bank account, and the current estimated market value of the two aircraft (the estimated value of a membership is currently in the \$9,000 range). According to Marc Robertson, the club president, this arrangement takes the club board out of the business of determining

the value of a membership and lets the seller and buyer figure that out. Marc says that the membership level obviously stays level, which makes it easier to decide what the pro rata member costs are for the fixed expenses.

Cloud One handles its aircraft upgrade costs by including an allowance for upgrades in the monthly dues. Marc said that in the past, the club tried to hold the monthly dues to as low a point as possible, only to find that when big expenses popped up they needed to assess the members to make up the difference. Ouch!

And according to Marc, eighteen members for two aircraft has worked out pretty well. The Cessna is a better trainer, and the Arrow is a better cross-country plane, and for the most part members work out scheduling issues among themselves.

At one of the suburban airports, the forty-member Kansas City Flying Club operates four aircraft. They have the same costs as Cloud One, but they have taken a different approach to membership. KCFC has an open membership, in which members purchase a membership without the need to find a seller, and can leave the club without finding a buyer. That, coupled with the fact that the membership count is twice as high, allows KCFC to offer a much less expensive initiation fee, but members who leave do not receive any of their initiation fee back. The advantage over the Cloud One is that a member does not have

to seek a buyer when leaving. The disadvantage is that a member has to look at the membership fees as part of the cost of flying, and not as an investment. And a disadvantage to the club is that for budgeting, the club cannot count on a fixed amount of members with a fixed level of monthly income.

Bob Winney, club president, says that the club really has two goals. The first is to bring the cost of aircraft ownership down by sharing the fixed costs as broadly as possible. The second is to bring the club members together on a regular basis for fellowship and hangar flying.

The club currently has four four-seat aircraft, ranging from a Cessna 172 to a Beechcraft Debonair. Bob says that the feeling of the membership is that they would rather have one less aircraft and lower monthly dues, so there is a plane on the market.

On the social side, club members meet for dinner monthly, and conduct aircraft wash-up events in the summer, so the social aspect of the club is definitely alive and well.

A common aspect of these two clubs, and indeed most clubs, is that costs are held down because members perform the work normally performed by the FBO. That is, members are responsible for keeping the planes looking good, inside and out. Members are responsible for helping out with the grunt work at inspection time, and members have to pitch in to keep the books and pay the bills and participate in all of the other

mundane tasks that are part of any organization.

Plane-Available, a relatively new club, has a completely different business plan. Whereas in both Cloud One and KCFC the members actually own the aircraft, this is not true for Plane Available. James Graham formed Plane Available with the idea that there were a lot of potential students in the metropolitan area, and a lot of free-lance instructors. But most flight schools will not rent an aircraft to a free-lance CFI as they prefer to use their own staff instructors. At Plane Available, any student pilot can join with the instructor of his choice. Instructors need only to fly a short checkout ride with one of the club CFIs that has been designated to do so.

The club was not formed solely for students. Anyone holding a license is welcome, with the same choice of payment plans. Under the Plane-Available plan, members have the choice of paying an initiation fee and monthly dues and a lower hourly rate, or waiving those fees and paying a higher hourly rate. And like KCFC, when a member chooses to leave, there is no money back.

Another difference between Plane-Available and the other two clubs is the age of aircraft. Whereas Cloud One and KCFC have chosen to keep costs down by owning older aircraft, P-A has chosen to operate newer aircraft. P-A tends to appeal to a pilot who is willing to spend a little more, and have the more advanced avionics and aircraft comforts. And James also looked around the area

and saw that no club currently includes a light-sport aircraft in their fleet.

P-A currently operates a Cessna 162 and two 172s with a 182 on the way. All of the planes are less than five years old, and all have Garmin glass panel systems. James believes that the Cessna 162 Skycatcher, a light-sport aircraft, allows would-be sport pilots the chance to learn to fly without the costs associated with a more formal flight school. And he believes that this business model will allow more pilots to fly without the costs of renting.

Out of the myriad of flying club business plans, there is one more worth noting. Rod Rakic, the co-owner of OpenAirplane, feels that there is a market for pilots who desire to fly aircraft in different parts of the country. As an example, I love to fly around the local area when I am on vacation, whether we have traveled to Maine, to the Florida keys, to San Diego, or to the Pacific Northwest. But since I live in the middle of the country, it is generally much less expensive to fly the friendly skies of the airlines. But renting an aircraft at my destination always involves a couple hours of checkout and other time-consuming paperwork.

OpenAirplane says, "Let's allow our members to check out an aircraft in one part of the country and then

have flying rights in that same model aircraft in other parts of the country." There is no cost of membership. Members complete a checkout in a particular aircraft of their choice in one city, and then have rights in that same aircraft in other cities. Members obviously do not own the aircraft. This is not a fractional-shares arrangement as some business aircraft are. And OpenAirplane does not own the aircraft either. They merely partner with FBOs and flight schools across the countries that are willing to participate.

So, over all, are clubs a good thing? I think so. Costs are always lower than renting or owning outright, and in most clubs you get the opportunity to get your hands dirty with the day-to-aspect of aircraft ownership. But you get to share that. And, you get to hang around with other pilots. What's not to like?

And by the way, Sporty's apparently thinks so as well. The "lots of pilot stuff" company in Batavia OH has just rolled out a program whereby flying clubs can register their club's name and receive a five percent rebate on any item their club members purchase. Sweet deal, right?

So, set up a New Year's s resolution to look around your community for a bunch of like-minded pilots, share some costs, and go fly.

Don't just practice until you get right. Practice until you don't get it wrong

Chris Hope has taught fledgling and experienced pilots for more nearly 40 years, mostly in the Kansas City area. Chris holds flight instructor certificates for single

engine land and sea airplanes and multi-engine land planes, as well as for instrument training. He holds ground instructor certificates for advanced and instrument training. Chris is an FAA Gold Seal Instructor and a Master Certified Flight Instructor. Chris serves as a member of the FAAS Team in the Kansas City area. His website is www.ChrisHopeFAAFlightInstructor.com