Charter Fishing in Michigan

A PROFILE OF CUSTOMERS AND ECONOMIC IMPACTS

Many small groups of friends and family choose to charter a fishing boat, fully equipped with lines, lures, fish-finding technology and an experienced captain. Most trips target salmon, trout or walleye.

STUDYING A CHANGING INDUSTRY

Michigan's charter fishing industry developed following the successful establishment of stocking programs of Pacific salmon in Great Lakes waters in the late 1960s.

To better understand the changing industry, Michigan Sea Grant surveyed 141 charter customers about their recent charter trips and compared the results to a similar study from 1985. The survey focused on spending decisions, and provided an estimation of the economic impact of charter trips.

WHO CHARTERS A BOAT IN MICHIGAN?

Charter customers come from all over the region to fish in Michigan. The average group includes four customers.

CUSTOMER ZIP CODE	1985	2009
Royal Oak area	21.7%	2.9%
Detroit area	14.3%	14.0%
Flint area	7.9%	1.5%
Grand Rapids area	5.4%	12.5%
Other southern lower peninsula (L.P.)	17.2%	30.9%
Northern L.P. and entire U.P.	3.5%	5.8%
Ohio	11.0%	12.5%
Indiana	3.7%	6.6%
Kentucky	1.5%	2.9%
Illinois	4.5%	1.5%
Other states and Canada	9.3%	8.9%

RELATIONSHIPS WITHIN CHARTER GROUPS	%
Family members	69.5%
Friends	53.9%
Business associates	19.9%
Clients or donors	4.3%
People I had not previously met	9.9%

ADVERTISING THAT WORKS

Word-of-mouth is still the most powerful advertising tool, but websites are increasingly important.

COMMON SOURCES OF INFORMATION	1985	2009 §
Charter boat association website	-	33.8%
Charter boat captains website	-	29.7%
Online search engine (e.g., Google)	-	15.9%
Brochure	19.3%	13.0%
Friend or relative	45.9%	55.1%
Referred by another captain	-	10.9%
Bait and tackle store	5.0%	5.1%
Other local business	3.8%	2.2%
Magazine article or ad	4.3%	0.7%
Newspaper article or ad	4.5%	0.0%
Sign or billboard	5.3%	0.0%
I saw the boat and inquired	11.2%	8.0%

§ *Respondents selected all sources of information used.*

Attracting Charter Customers

Charter customers ranked the factors that influenced their choice of charter boats: 4= extremely important, 3= very important, 2= important, 1= not important.

FACTORS CONSIDERED WHEN CHOOSING A CHARTER BOAT	IMPORTANCE
Ability of captain to locate fish	3.5
Safety features of vessel	3.1
Appearance of boat and captain	2.9
Boat or port is easy to get to	2.1
Appearance of website and/or ads	2.0
Lots to do in the port area	1.5
Proximity to 1st or 2nd home, or family	1.1

CUSTOMER SATISFACTION

Satisfaction of charter fishing customers was very high, with 94 percent of customers rating their most recent trip as "Excellent" or "Good." Most were repeat customers, averaging 3.6 trips with the same captain.

Customer Satisfaction Criteria

Charter customers valued the captain's personality and boat environment more than the fish species caught. (4= extremely important, 3= very important, 2= important, 1= not important)

FACTORS RELATED TO TRIP SATISFACTION	IMPORTANCE
Hospitality of captain and mate	3.4
Comfortable environment on boat	3.1
Number of fish caught	2.7
Scenery and/or weather	2.3
Size of fish caught	2.2
Species of fish caught	2.0

ECONOMIC IMPACTS TO COASTAL COMMUNITIES

Charter customers from outside the coastal communities generate sales that support local jobs. Over the last 20 years, their expenditures generated nearly $400 million in new sales in the coastal regions and supported more than 9 million employment hours. Details of the estimated economic impacts are provided in the full project report (O'Keefe and Miller 2011).

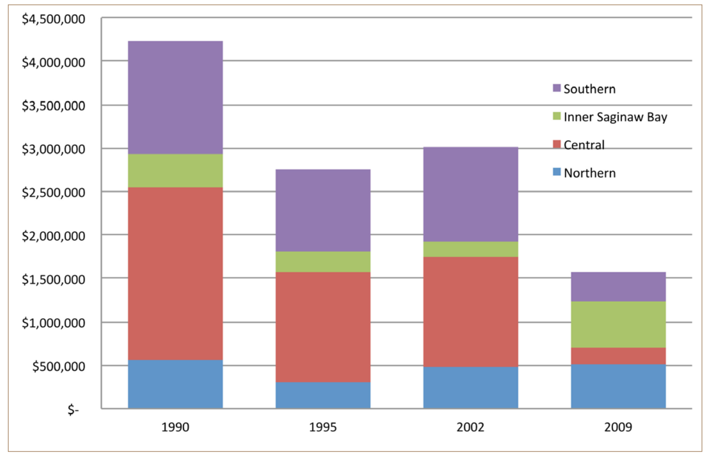
ECONOMIC IMPACTS TO MICHIGAN COASTAL COMMUNITIES		
1990-2009 ¥	GROSS SALES	EMPLOYMENT HOURS
Lake Erie/St. Clair System	$47,523,422	848,037
Lake Huron	$55,827,831	1,810,553
Lake Michigan	$280,940,207	6,288,230
Lake Superior	$11,640,635	361,526
Total	$395,932,096	9,308,346

ECONOMIC IMPACTS TO MICHIGAN

State economic impacts tend to be smaller because only data from out-of-state visitors is included in new expenditures. From 1990 to 2009, charter fishing generated $147.6 million in gross sales and 3.2 million employment hours for Michigan's economy.

LAKE HURON TRENDS

Lake Huron charter-related spending has declined significantly since 1990. The southern and central regions of the main lake basin were particularly hard hit by the recent decrease in Chinook salmon, while Saginaw Bay saw an increase in business as walleye fishing improved. Changes in both walleye and salmon were at least partly attributed to the decline of alewife, which serve as prey for salmon but inhibit successful walleye reproduction.



Coastal communities around Lake Michigan accounted for 78 percent of economic output attributed to charter fishing in Michigan during 2009. Charter fishing in Lake Michigan dropped slightly in recent years, but remains strong. Despite the very difficult economic climate, employment hours were only 17 percent below the long-term average in 2009.

Industry Outlook

- The charter industry is heavily influenced by ecosystem changes and economic fluctuations.
- The decline of alewife in Lake Huron has hurt some ports and helped others. A growing industry in Saginaw Bay may be a good sign for the future.
- The decline in charter customers from Detroit and Flint metro areas is a major shift in customer demographics and probably relates to the decline of the auto industry.

Project Website and Additional Resources

Two online tools were developed to aid charter captains and others with an interest in the economic impacts of c harter fishing. These are available along with more detailed reports (Mahoney et al. 1985; O'Keefe and Miller 2011) at the URL below.

www.miseagrant.umich.edu/fisheries/economics/charter

Michigan Sea Grant enhances the sustainability of Michigan's coastal communities, residents and businesses through research, outreach and education.

CONTACT:
Dan OKeefe,
okeefed@msu.edu