



Should I Buy A Boat ?

The water is calling and we want to make sure you have all the facts before you buy that boat!



 THE
Carefree
BOATER

Table of Contents

- 1 The Boating Life - You Can't Beat It!**
- 2 What Kind Of Boater Are You?**
- 3 Evaluating The True Cost Of Boat Ownership**
- 4 Adding Up The Cost Of Owning A Boat**
- 5 Owning A Boat Can Add Up**
- 6 Try Before You Buy**
- 7 Now, It's Time To Get Out There And Go Boating!**

Appendix: Boating Budget Worksheet





The Boating Life – You Can't Beat It!

So, you're interested in taking up boating? Whether you dream of taking your children fishing or can't wait to thrill them with a ride on a tube, a lifetime of fun and memories is waiting for you and your family. Get away from it all, explore great fishing and camping spots, or go grab dinner at the marina. Take some colleagues out on the boat and close that big deal! For these and many other reasons, the boating lifestyle is calling you.

Before diving into the reality of boat ownership, let's review the reasons people typically want to get into boating in the first place. The boating lifestyle is one of the most rewarding and exciting decisions you can make for yourself and for your family. Boating is one of the best ways a family can spend quality time with each other, and the boating lifestyle has something for families of all ages and stages. Young couples will enjoy the social life on the lake and all the new friends they meet on the water. Families with smaller children will enjoy the excitement of pulling the youngsters on a tube, or learning to fish. As the kids get older, there are numerous opportunities for excitement such as wake boarding and a whole host of other water sports. Are you an empty nester? Get out on the water and enjoy the sunset, or entertain the grandchildren when they are in town.

Boating is truly a “lifetime sport” and there is literally no end to the satisfaction that comes with kicking back and relaxing on the water. Now that we have spilled some secrets that boat owners know, let’s get into the financial details of boat ownership.

What Kind Of Boater Are You?

A good first question to ask is: “What kind of boater will I be?”

If you have never been on the water and don't know for sure if you will even like boating, we suggest you call up a marina and rent a boat for the day or get some friends to let you spend the day with them on the lake.

So, who would make a good boat owner? Let’s put it in terms of car ownership. A good candidate for boat ownership would take care of his or her own car. They enjoy doing their own oil changes and general maintenance. They keep their car clean and like to wax and polish it. Above all, they take immense pride in their possession and are willing to spend whatever time it takes to keep it in tip-top shape. If the person we just described is not you, that’s okay! There are other options, such as boat clubs and boat rentals. We’ll go into more details about these options at the end of this eBook.



Evaluating the True Cost of Boat Ownership

The very first question you’ll face when looking into boating is: “How much is it going to cost?” Sometimes it’s easy to be tempted by what looks like a good deal on a used boat, thinking to yourself, “I can afford that.. Why not?” There are many aspects to consider when buying a boat; purchasing is only the beginning. In this eBook, we will break it all down so you can not only know what all the hidden costs and fees are, but also be able to compare and contrast all the options you have when it comes to purchasing, storage, transportation, and more.

Adding Up The Cost of Owning A Boat

Decide Which Type of Boat You Want

Assuming you agree that you are, in fact, good material for a boat owner, it's time to look at all the options. First, look at the numerous different kinds of boats you could choose from, both new and used. For the purposes of this eBook, we are going to focus on two common types of pleasure boats: sport and pontoon. Sport boats cover everything from your basic "ski boat" to modern, high-performance sport boats with wakeboard towers and other water sport accessories. Pontoon boats are built for capacity rather than performance. They generally float on two to three pontoons, and the deck is arranged with multiple sitting areas and entertainment space. However, modern pontoon boats have fairly powerful motors that are capable of pulling the kids on a tube and some other fun water activities. They certainly aren't just for fishing anymore.



Estimated Price Range of New Boats 1 - If you are in the market for a new boat, you can expect to pay somewhere between \$80,000 to \$110,000 for a performance sport boat. If you are in the market for a pontoon boat, you can expect the price tag to fall somewhere between \$50,000 and \$90,000. In some instances, you might find prices on new boats that are less than these figures and you will most definitely find boats that exceed these price ranges. We are using average pricing here to give you the best idea of what buying a new boat for the purposes of boating on inland freshwater lakes will cost. Keep in mind, boat prices tend to increase 3-5% every year.

Estimated Price Range of Used Boats - Used boats can be purchased in practically any age and stage. We will assume that you would be shopping for a used boat that still has a fair market value. Sure, you can find a \$1,500 fixer-upper in the classified ads, but we recommend you shop for a good quality used boat that still has plenty of life left in it. For a high quality used sport boat, expect to spend between \$10,000 and \$30,000. For a comparably aged pontoon, expect to spend between \$10,000 and \$15,000.

As a word of caution, if you are buying a used boat, we strongly urge you to either buy from a reputable boat dealer, or buy from an individual who has made arrangements to have the boat shown at a marina where you can have it inspected, and test it on the water. We never recommend buying a used boat sitting on a trailer. There are numerous risks involved in this transaction – far too many to list in this eBook.

Decide Where To Keep The Boat

Once you buy a boat, you have to store it somewhere when you aren't using it. Of course, this comes as no surprise, but we want to examine the two major options when it comes to boat storage: marina or trailer.



Life At The Marina

If you are going to own a boat, this is really the way to go. You'll have monthly fees associated with the marina, of course, but when the time comes to go boating - you'll simply drive to the marina, pull your boat out of the slip, and be on your way. Additionally, many marinas have services to help you make sure your boat is clean, maintained, and ready to go when you are.



Life In The Yard (On a Trailer)

Many choose to forego the marina, save a few dollars, and haul their boat around on a trailer. While there may be some instances where this does make sense, when you add up all of the extra costs associated with trailering your boat, this option rarely comes out ahead. Considering the vehicle required (3/4 ton pickup or equivalent SUV), a trailer, fuel for the large vehicle, and the security risks of parking in the public

ramp lots, towing your own boat can (and does) add up quickly.

Another big factor you have to consider is the cost of your time. It can easily take an hour or two to load your boat up, tow it to the launch ramp, wait your turn, and get your boat into the water. Then it takes just as much time to load it back up and bring it home. This is two to four hours you aren't spending on the water with your family. It gets worse! The hassle of taking your boat out on the lake can often make you think twice about going at all.

We want you to get the most out of your boating experience. Please weigh these options carefully so you can make the right decision.

Calculate Ongoing Costs

Once you have purchased the boat, you will have to consider several other recurring costs. These are the costs that you never hear about and often sneak up and surprise new boat owners. Below is an exhaustive list of monthly and annual fees you



can expect as a boat owner, as well as an explanation of depreciation and the value of your boat over time.

One Time Fees - Beginning boaters will typically have to buy all required safety equipment for the boat. This list includes tie lines, bumpers, personal flotation devices, tow ropes, and an anchor, not to mention any number of fun items you want to keep on the boat, such as tubes and other items.

If you purchase a fiberglass boat, you will want to use a lift to keep it out of the water when you are not using it. The lift is purchased and installed in your slip at the marina. A lift will drastically increase the life of a boat's hull by keeping it out of the water.

Boating safety is also vitally important. Whether owning, renting, or participating as a boat club member, some training is required by law and necessary to an enjoyable, safe boating experience.

- **Start Up Boating Accessories:** \$1,000 - \$1,500
- **On-The Water Training** \$275
- **Boat Lift** \$6,000 - \$10,000

Typical Monthly Expenses - Boat owners are subject to several monthly expenses related to the storage, usage, and maintenance of their boats. The following are the most common:

- **Slip Fee** \$200/mo
- **Boater's Insurance** \$50/mo
- **Maintenance** \$100/mo
- **Cleaning (during season)** \$100/mo

Typical Annual Expenses

- **State Boating License** \$75

Calculate Fuel Usage

It is important not to overlook the cost of fuel when you are out on the water. Fuel typically costs more at a marina and, if you are running wake boarders all day on the lake, it isn't hard to spend \$50 - \$100 a day with a sport boat. Pontoon boats with large engines can burn as much or more fuel. Every boater will be different, but this is generally true.



Factor In Depreciation

Without getting too deep into the financial intricacies of the value of assets, it's important to remember that most assets depreciate. Boats are no different than cars in this respect. They lose a certain value the day you buy them, and they continue to lose value over their lifetime. As a general rule, count on a new boat depreciating 20% after the first year, and 15% each year thereafter. Used boats will continue to depreciate at an average of 10% per year.

Consider The Value of Your Time

Have you ever figured out what your time is worth per hour? It's a good exercise. Take your annual salary, divide it by 52, and then divide that by 40. For instance, if you make \$100k per year, then you average over \$1900/week which equates to a little over \$48/hr. If it takes you half an hour to hook up the trailer, half an hour to drive to the lake, another half hour to wait in line at the boat ramp and a half hour to launch – you've spent two hours just to get into the water! In monetary terms, that is almost \$100 worth of your time. Knowing the trip home takes just as long, by the end of the day you've spent \$200 worth of your time and four hours of your boating day wrestling with your boat. Speaking of time, make sure that you



HAVE enough time before you consider purchasing a boat. Take stock of you and your spouse's personal free time and work schedule. Be sure to account for your children's school and sports schedules as well. Make sure your family has the time to truly enjoy boating. Many have learned this lesson the hard way after a boat sits in storage all season, never seeing the water.

Owning A Boat Can Add Up!



When you add up the annual cost of the various fees related to the usage and storage of boat, it can easily run the average user \$5,000 - \$6,000 per year in fees. That's on top of the purchase price of the boat that can be a cash sale, but is likely financed. At average interest rates, a boat payment can easily run \$300 - \$500 per month. Add that to the mix and you are looking at \$9,000 - \$12,000 per year. What if this is too much? We briefly mentioned some other options at the beginning of the eBook, and if this information puts boat ownership out of your reach, consider these other options!

Try Before You Buy

We close out this eBook by going into a little more detail about boat clubs and rentals. Even if your long-term plan is to buy your own boat, it is highly suggested that new boaters look into one of these options first. The consequences of making the wrong decision can be long-lasting. If you buy a boat thinking you and your family will have a lot of fun with it, then find out that you don't have the time or the interest – you will lose thousands of dollars. Your first year of owning a new or used boat can easily hit the \$10,000 mark. So, what are the other options?

Boat Clubs – One of the fastest growing markets in boating is boat clubs. Sure, for some, buying a boat out-right makes the most sense. But often, people are finding that joining a boat club offers the best of both worlds. You can boat any time you like with practically no restrictions and have none of the boring responsibilities (maintenance, storage, etc.), all for a fraction of the cost of owning a boat. The Carefree Boater has some articles about local boat club options you can find here:

Boat Club Membership – A Smart Alternative

Boat clubs are an increasingly popular alternative to those who want to enjoy the boating lifestyle, but without all of the added expense and hassle that comes with owning a boat. In a nutshell, a boat club member pays monthly or annual membership fees and, in return, has unlimited reserved access to fleet of boats maintained by the club.

All Of The Benefits – None of the Negatives

Boat anytime you want! All you have to do is reserve the boat, show up, and USE IT! A club member is responsible for the fuel, and that's about it!



Boat clubs are private businesses that own and maintain a fleet of boats designed to meet the boating needs of their local boat club. Typically, the club will operate a fleet of sport and pontoon boats, as well as other specialty boats, depending on the regions. The boat club allows members to reserve and use a boat at anytime, with their only responsibility being gasoline.

Boat Rental – Many marinas keep a handful of boats that are available for rental. For some, this is a good option, too. For instance, if you think you might realistically only go out on the lake 1-2 times each year, then just rent a boat.

Rental fees range from \$150 to \$300 per day, and typically the renter just shows up and takes the boat out. One little known issue with renting a boat, however, is that liability falls completely on the operator. If an accident were to happen while on the water, the renter will be held liable for any damages to the boat or to any other property involved in the accident. Often the boats available for rent are old pontoon boats with low horsepower engines and these are only accessible to boaters whose schedules fit the restricted rental timetable.

Now, It's Time To Get Out There And Go Boating!

We hope this eBook is an invaluable resource as you plan the next steps toward your dream of becoming a boating enthusiast. We won't lie to you, owning a boat can be very expensive. For those who are up for the challenge and the financial burden, there is little that is as rewarding and exciting as the life of a boater. Other options, like boat clubs and rentals, also provide access to the same fun without the hassle! Either way, grab your flip-flops and sunscreen, it's time to hit the water!

As an added help to our readers, we have included a budget worksheet below where you can compare our estimates to the costs from your own research. Print this sheet out, fill it in, and you'll be well on your way to making the best decision when it comes to boating.



Boating Budget Worksheet

Item	Our Estimate	Your Cost
New Boat (Sport or Pontoon)	\$50,000-110,000	
Used Boat (Sport or Pontoon)	\$10,000 - 30,000	
On the Water Training	\$275	
Boating Accessories	\$1,000-1500	
Boat Lift	\$6,000 - 10,000	
Ongoing Costs		
Slip Fee (annual)	\$2400	
Maintenance (annual)	\$1,200	
Insurance (annual)	\$600	
Cleaning (annual)	\$500	
Boaters License	\$75	