Does flying privately make financial sense?

Crunching the numbers reveals a clear answer.

by Matt Thurber

IS FLYING PRIVATELY AN ECONOMICALLY SOUND idea or is it just a wonderful way to travel?

The answer depends a lot on your circumstances, but consider the following cost comparisons for two hypothetical trips by car, airliner and private aircraft. The numbers explain why, even in a down economy, the opportunities offered by business aviation remain attractive.

Trip #1: An Aviation Consultant's Perspective

René Banglesdorf, CEO of Georgetown, Texas-based Charlie Bravo Aviation, calculated costs for six people to travel 1,000 miles in two cars from Dallas to a client's facility in Fort Stockton, Texas; a meeting in San Antonio; and back to Dallas. Banglesdorf–who conservatively valued the passengers' time at $100 per hour–assumed the business aircraft would be a chartered Pilatus PC-12 and that the trip would take one day by private aircraft, two by car or airliner. She also assumed that the passengers would be able to work aboard the business aircraft (hence no lost productivity) and that airline passengers would require a rental car for the San Antonio meeting but that the business aircraft passengers wouldn't need a car, because they could meet at an airport FBO. (Both this trip and Trip #2 assume $1 per mile for car expenses, based on data obtained from the Edmunds.com True Cost to Own calculator.)

The results in the table below speak for themselves. "Doing the math is a compelling enough exercise," Banglesdorf said. "But then you factor in the talent companies attract when they communicate that their sales, technical and management [personnel's] time and quality of life are that valuable, and it's a whole new ballgame."

Trip #1 expenses

Travel Mode	Airplane Tickets or Charter	Car Expenses	Rental Car	Hotel	Meals	Lost Productivity	Total Cost
Car	n/a	$1,000	n/a	$900	$720	$8,000	$10,620
Airline	$3,600	none	$50	$900	$600	$6,000	$11,150
Business Aircraft	$3,500	none	none	none	$240	none	$ 3,740

Trip #2: The NBAA's Calculation

For this trip, we asked the National Business Aviation Association to perform the calculations, using its Travel$ense software. The program can crunch a large number of variables, which can be helpful when you're trying to decide the most efficient way to spend travel dollars. Variables include aircraft type and cost, car cost per mile, start and end location (not just airports), meeting locations and duration and annual compensation for each passenger.

BJT asked for an evaluation of a roundtrip by three top executives via car, airliner and Bombardier Challenger 300 business jet. The departure point was the Beverly Hilton hotel in Los Angeles and the destination was Wynn Las Vegas hotel in Las Vegas, where a three-hour meeting was scheduled.

Trip #2 expenses

Travel Mode	Airplane Tickets or Charter	Car Expenses	Taxi/Rental Car	Hotel, Meals, Etc.	Taxi/ Rental Car	Lost Productivity	Total Cost
Car	n/a	$562.00	n/a	$678	n/a	$42,946	$44,246
Airline	$ 791	$261.50	$240	$612	$240	$38,130	$39,532
Business aircraft	$5,467	$ 67.50	$240	$374	$240	$19,166	$25,007

In valuing the executives' time, the program assumed that their annual salaries and bonuses totaled $10 million, $5 million and $2 million, respectively; that benefits equaled 25 percent of these figures; and that the executives would achieve 50 percent of their normal productivity levels while away from the office, regardless of travel mode. ■