



Recreational Boating Definitions (2006)

Vessels, Boats and Craft

Vessels include every description of watercraft, including non-displacement craft and seaplanes, used or capable of being used as a means of transportation over or on the water.

A **Recreational Boat** is a non-commercial vessel of any size designed for non-commercial use, intended to be operated by, and carry at least one person within the confines of a hull. Windsurfers, surfboards, rafts and tubes are not considered recreational boats¹.

Recreational watercraft are craft of any size without hulls designed to be operated by a person or persons sitting, standing, or kneeling, including pwc, windsurfers, surfboards, rafts and tubes. [Note: the definitions in the next 2 sections below are recreational boat specific but they are equally appropriate for watercraft, e.g., watercraft owners, recreational watercraft day.

Registered Recreational Boats are recreational boats that are registered with a government authority, either national, state or local².

Recreational Boat Owners and Participants

A **Recreational Boat Owner** is a person or organization (e.g., club) who owns one or more recreational boats. This can include an ownership partnership.

A **Recreational Boating Participant** is any person who goes out on the water in or on recreational boats at least once during a given year³.

Live-aboard or **Residential Boat Owner** is a person whose recreational boat serves as his/her primary residence for a significant portion of the year. Live-aboard must be identified and treated specially when calculating boat days and assessing economic impacts.

Boating Days, Trips and Launches

A **Recreational Boat Day** is any portion of a day during which a recreational boat is used, including, but not limited to, days the craft is operated on the water (under power, sail or human power). Boats can be used for lodging and entertaining without being operated.

A **Recreational Boating Day** is any portion of a day during which a boat is operated on the water under (power, sail or human power) for any amount of time.

A **Recreational Boating Trip** is an occasion when a recreational boat is launched (i.e., from a dock or launch site) or moved from its slip or mooring and operated on the water (under engine, motor, sail, or human power). A boat trip can last all or part of a day or involve one or more overnight stays.

A **Boat Launch** occurs when a boat is put in the water for the purposes of operating it out on the water⁴.

Boating Related Manufacturers

A **Recreational Boat Manufacturer** is a person, partnership, or corporation engaged in the manufacturing and/or assembly of recreational boats for sale as a regular form of business.

A **Recreational Boat Engine Manufacturer** is a person, partnership, or corporation engaged in the manufacturing of recreational marine engines including outboard, sterndrive, inboard and jet drive engines, and electric motors. In the case of sterndrive and inboard engines, the manufacturer may marinize (adapt) already built engines for marine uses.

Boating Accessories Manufacturers include Original Accessories Manufacturers (OAM) which supply accessories that are included as components of new boats that are manufactured by other companies and Aftermarket Accessories Manufacturers (AAM) which supply accessories that are replacements or add-ons to previously owned boats.

Accessories, Parts and Repowers

Boating Accessories are products that contribute to the performance and versatility of boats. Accessories include products that are components on new boats (OAM) and ones that are added to previously owned boats (AAM). Accessories include the following: electronics, electrical, navigation, docking and anchoring, appliances, furnishings and decorations, communications, entertainment, and various safety and water sports equipment.

Aftermarket Parts and Accessories include parts and accessories that are not original equipment on the boats when they are manufactured. These parts and accessories are not fitted by the original manufacturers.

Re-power is the replacement of the original mechanical propulsion source (e.g., outboard engine, inboard engine, sterndrive engine, and jetdrive engine) for a recreational boat.

Recreational Boat Shipments

Recreational Boat Shipments is the number of recreational boats sold at wholesale by manufacturers during a specified period of time.

Value of Shipments covers the received or receivable net selling values (FOB) at the plant (exclusive of freight and taxes), of boats shipped by recreational boat manufacturers, including craft made under contract, during a specified period of time. It is essentially the value of craft produced.

Recreational Boat Manufacturing Value-added is the gross output (sales or receipts and other income, plus inventory change) minus intermediate inputs (goods and service inputs purchased from other domestic industries and foreign sources). This is also termed gross product originating, and represents the value that is added by the application of capital and labor to intermediate inputs in converting those inputs to finished products. Value added provides an understanding of the degree of transformation which occurs within industries.

Sales, Revenues, and Margins

Wholesale is the sale of goods, such as boats, in quantity for resale purposes.

Gross Profit is calculated as sales minus all costs directly related to those sales. These costs can include manufacturing expenses, raw materials, labor, selling, marketing and other expenses.

Sales Revenue is the total amount of money received by a seller for goods sold or services provided during a certain time period.

Gross Margin is the ratio of gross profit to sales revenue.

Retailing, Dealerships, Brokerages and Shows

A **Recreational Boating Retailer** is a business which is engaged only or primarily in the retailing of recreational boats, engines, trailers and/or craft related supplies and accessories including engines, trailers, and accessories.

A **Recreational Boat Dealership** is a business which is primarily engaged in retailing new or pre-owned boats and/or related services, or retailing boats in connection with related services. Dealerships also provide other services including parts and accessories, repair and maintenance, financing and insurance and brokerage⁵.

A **Recreational Boat Broker** is a person or business which receives commissions for negotiating the purchase, sale, or exchange of previously owned recreational boats for their clients. Brokers do not own the boats for which they negotiate sales and purchases⁶.

A **Boat Show** is a consumer event where unrelated manufacturers and dealers display new or pre-owned boats, engines, accessories, and services (e.g., marinas, insurance, and financing) which are available for purchase. Generally there is an admission fee. Boat Shows can be inside or outside, and either on-land or in-the-water. Boat Shows often include programs and activities designed to educate participants about the recreational boating lifestyle, new recreational boating products, services and safety.

Retail is selling directly to consumers (i.e., selling boats to boat dealership customers).

Marinas and Yacht Clubs

A **Marina** is a public, private or commercially provided facility, ordinarily located at the waterside, that primarily supplies wet (e.g., slips, moorings, anchorage) and/or dry (e.g., drystack, on-land) storage for recreational boats for a rental fee or for purchase and generally offers/sells one or more boating-related services and/or products such as fuel, restrooms and showers, maintenance and repairs, sewage pumpout, boat sales, and/or ship store.

Revenue is the total amount of money received by a marina for goods sold or services provided during a certain time period. It also includes all net sales, exchange of assets; interest and any other increase in owner's equity and is calculated before any expenses are subtracted.

Clean/Green Marinas Programs: This designation is awarded to marinas that implement operational procedures that meet or exceed various criteria which protect the environment. Marinas are encouraged through voluntary participation, "peer" pressure and desire to do environmentally conscious activities reinforced by current regulatory processes to adapt best management practices (BMPs) to prevent or reduce pollution. The practices relate to siting, design, operation and maintenance.

Yacht Clubs are generally private membership organizations for a common purpose of promoting and supporting the members' common interest in yachting and boating. Membership qualifications often include initiation fees, dues and adherence to a constitution and bylaws. Yacht clubs can offer storage (e.g., slips, moorings, and dry storage) for its members, marine services (e.g., fuel and pumpouts), clubhouses, restaurants, recreational facilities, sailing and cruising activities (e.g., races and regattas) as well as social programs. Yacht clubs may have agreements with other clubs that provide reciprocal privileges including free use of the clubs' facilities.

Boat Storage

Wet Slips and Wet Berths are portions of a pier, main pier, finger pier, or float where a boat is berthed or moored, or used for embarking or disembarking. The docks that designate the storage space supply various services, including water, electricity, sewage pumpouts, cable TV and Ethernet. Wet slips are rented to boaters on an annual, seasonal or a short-term (transient) basis. In some marinas, wet slips are owned by individuals who hold fee simple title to their slips and have non-exclusive ownership and use of common marina property (club house, restrooms, and recreational facilities) that is managed by condominium management.

Moorings can be fixed mooring piles or stakes or buoys secured by anchors that provide transient and long-term storage of boats. Buoy moorings include an anchor unit or anchor pin, a mooring line, a surface buoy and a pick-up line to tie boats.

A **Mooring Field or Basin** is an anchorage area consisting of individual mooring buoys that provide transient and long-term storage at a fee⁷.

Dry-stack Boat Storage is the vertical storage of boats in rack systems for in-and-out launching and retrieval of boats as well as winter storage. Dry stack racks can be located either outside or inside and

are usually located on near a waterfront, often at a marina or boatyard. Dry stack storage facilities can stack boats from two to six levels high. Boats are loaded and unloaded from the racks using forklifts. Off-water dry-stack facilities are common in areas with a large number of trailerable boats and limited and costly waterfront property. In this case, boats are unloaded from the stacks and loaded on trailers for transport. Sometimes in dry-stacks, the racks are owned by individuals who hold title to their racks.

Boat Ramps (Launches) are public and private facilities that may provide: boarding piers (sometimes called a courtesy pier, launch dock, pontoon or jetty) where boats are temporarily moored for embarking and disembarking, one or more (paved or unpaved) launch ramps that are sloped surface designed for launching and retrieving trailered boats and parking areas for boats and trailers. Other services can include restrooms and picnic areas.

Boat Building and Repair

Boat Repair and Maintenance Establishments provide reoccurring maintenance, repair of broken or damaged boats, re-powers, installation of aftermarket accessories and/or refinishing, restoring and rebuilding. This includes hulls, engines, plumbing and ventilation, electronics and sail systems. Boatyards, marinas and dealerships often provide general and specialized boat repair, maintenance and installation services. Other businesses offer mobile repair services.

Recreational Boat Yards are facilities that build, refit, restore, maintain, repair, and store recreational boats. Services provided include: haul, setoff and launch decommissioning, towing, fuel, parts and accessories sales, engine repair, carpentry, painting, rigging, fiberglass, metal, navigation, electronics, transporting and surveying. Boatyards often provide both short and long term storage of boats, including inside (e.g., drystacks), outside on-land (e.g., dry docks) and wet (slips, moorings) storage. Boatyards frequently broker pre-owned boats and some sell new boats. While the majority of boatyards are located on the water, some are inland.

Shipyards are fixed facilities with drydocks and fabrication equipment capable of building a ship, defined as water-craft suitable or intended for other than personal or recreational use.

Marine Financing

Marine Finance consists of various lending services that support the recreation marine industry, including boat and yacht financing for consumers, floor plan financing for dealerships, commercial and working capital loans for marine businesses and real estate loans for marinas and other marine businesses.

Consumer Marine Loans are installment loans made by financial institutions (e.g. banks, finance companies and credit unions) for the purposes of financing a recreational boats or yachts.

A **Dealer Marine Loan or Floor Plan** is a commercial loan made to a marine dealership for the purpose of financing its inventory of new and pre-owned recreational boats⁸.

Economic Impact of Recreational Boating

The **Economic Impact of Recreational Boating** is a measure of the change in economic activity associated with boating participation (e.g., trip spending and annual craft spending) and/or an investment in boating facilities (e.g., new marinas). Measures of the changes in economic activity can include: (1) spending by boaters that becomes sales or receipts to local boating and non-boating businesses, (2) wages and salaries paid to employees working in these businesses and income and profits that accrue to proprietors, (3) the number of jobs supported by sales, including full-time, part time and seasonal jobs, and (4) income or value added which includes income and indirect business taxes.

Trip Spending is total amount that boaters spend for and during their boating trips. Spending can occur at home before the trips, on the trip, and at the trip destination(s). Overnight trips include additional spending on lodging or transient storage.

Annual Craft Spending includes what boaters spend on the upkeep and maintenance of their craft. Most components of craft spending (e.g., loan payments, seasonal and annual storage fees and taxes) are fixed and do not change, regardless of the number of days the boats is operated during the year. Craft

spending includes insurance, storage, maintenance and repairs, replacement engines and trailers, accessories, and financing.

Direct Economic Effects of Recreational Boating include changes in sales, employment, income and value added in businesses that sell products and services directly to recreational boaters. This includes marinas, boat yards dealerships accessories retailers, boat yards and insurance providers, and restaurants, lodging establishments and food stores.

Secondary Economic Effects of Recreational Boating include both indirect and induced effects. Indirect effects are changes in sales, employment, income and value added in business sectors that supply goods and services to the businesses and organizations that sell products and services directly to boaters. For example, the sale of insurance, canvass or rubbish pickup to a boat yard or marina would be an indirect effect. Induced effects are the increased sales produced from purchases of persons employed in the boating and support businesses. Employees of the businesses that sell insurance, canvas and rubbish pickup service to marinas spend the income they earn from on housing, utilities and groceries, etc.

Total Economic Effects of Boating include the direct effects plus the secondary (indirect plus induced) effects.

¹ Boats can be sail, motor and/or engine or self powered. Boats may be registered, documented or legally not registered depending on the laws in the governing entity where they are kept or operated. In the U.S., the U.S. Coast Guard classifies personal water craft as boats.

² Many countries require that various types of recreational boats are registered. Registration requirements are not the same in all countries. In the U.S., most states require that boats with motors or engines be registered in the state where the owners reside or the boats are operated regardless of their length. Many states also require boats over a certain length to be registered even if they do not have a motor or engine. The size requirement varies from state-to-state. Boats can be registered and also U.S. Coast Guard documented.

U.S. Documented Recreational Boats: Documentation is a national form of registration that provides conclusive evidence of nationality for international purposes. Some vessels that measure at least five net tons and are wholly owned by citizens of the U.S. can be documented. Many financial institutions require vessels which are eligible for documentation to be documented and to have preferred mortgages recorded against them.

EU Registered Boats: Registration of non-commercial recreational/pleasure craft is not compulsory in most EU Countries if they are kept and operated only in the owners' resident countries. It is compulsory if the boat is taken abroad. This applies both to recreational boats which are sailed or driven to foreign ports and boats which are trailered to other countries.

³ Participants include operators and passengers who may be the owners and non-owners of the boat.

⁴ Boats are usually launched using trailers or a mechanical lifts. Some boats are launched infrequently (e.g., once annually), while others (e.g., boats in dry stacks or stored on trailers) are put in the water each time they are used. Trailered and car-top boats are usually launched from public, private or commercially supplied boat launch ramps.

⁵ Dealerships generally include areas or facilities for the display and marketing of boats and supporting uses. The boats can include ones that may be owned or not owned by the dealership. Some states and countries require selling a minimum number of boats annually to be considered a dealership.

⁶ Brokers often solicit, compile and sell listings of previously owned recreational boats. Often they charge listing fees to the boat sellers. Brokerages often operate from boatyards and marinas.

⁷ Mooring Field or Basins are operated by public agencies (e.g., municipality and harbor authorities), non-profits and private businesses under concession contracts. Depending on their size, mooring fields may provide dinghy docks, restrooms, garbage disposal, pumpouts and fuel services.

⁸ In the U.S. Dealer Marine Loans are referred to as Floor Plan Lending. This is a form of asset based financing where loan advances are made against specific boats comprising the inventory and are repaid when the boats are sold enabling dealers to specially order, build, or replace inventory, without tying up working capital. Loan advances are made on 100 percent of the collateral value of the boats. These boats that are floor planned financed are typically displayed by the dealership for retail sale to consumers.

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