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Getting on Board with Private Aviation

Private aviation is an attractive prospect – go where you want, when you want, in the comfort of your own private plane. COVID-19 has only made that prospect even more alluring, providing the flexibility to travel without exposure to crowded airports and airplanes.

Today, owning your own jet isn't the only way to fly private. Many options provide the convenience and comfort of private aviation at a lower cost and with less complexity, but every option has unique considerations, making it important to take the time to assess the right choice for you. Here are some things to consider to make sure you're prepared for take-off.

BENEFITS

Private aviation has tangible benefits that make it a smart option for business travelers, frequent fliers or for individuals and families.

Flexibility

When flying commercial, flight schedules are predetermined, so you need to tailor your schedule to what's available. With private aviation, flights work around your schedule. This flexibility is important when days are scheduled down to the minute and one delay can derail an entire calendar. Similarly, the ability to adjust flight times as your schedule changes is a valuable perk.

Private aviation also offers flexibility in terms of luggage and gear. Flying with items like golf clubs, skis, firearms or even baby strollers can become easy when TSA rules, size/weight restrictions and careless baggage handlers are not a part of the process.

Time Saving

Commercial flights require airport arrival significantly before take-off for the check-in and security process. Boarding a private plane, in contrast, can be as simple as pulling up to the runway. This can save significant time.

Private flights can also be tailored directly to your destination. Often, this means that a direct flight can be arranged as opposed to a commercial flight that might have one or more connecting flights.

However, it is important to note that while private aviation can offer greater flexibility, it can also be prone to more delays than commercial flights as the smaller planes are less able to withstand severe weather. Delays are the very thing private fliers seek to avoid, so be mindful that there is no guarantee you will always have more control in that regard.

Comfort

Fewer passengers and more space inevitably mean more in-flight comfort. It is perhaps one of the most enticing aspects of flying private. With a more comfortable flight, you can be better able to enjoy your destination upon landing. For business passengers, they are more prepared to head directly into a critical meeting and perform in the absence of time to regroup or adjust. Commercial departure and arrival processes can be long and draining, making it difficult to be “on” upon landing.

Productivity

As noted, private aviation limits wasted time with scheduling and boarding, but it also provides a quiet and secure place to do sensitive work or even conduct in-flight meetings or presentations.

One client uses private planes, not for himself, but to fly his children and grandchildren to visit him. In doing so, he gets to connect with his family more often, and it's an offer they can't turn down.

Access

The smaller size of private aircraft means they require less runway than a massive airliner, making regional airports accessible. Many of these smaller airports may be closer to your final destination than the closest major airport, reducing additional travel time after the flight.

A remote airport in the Caribbean happens to be the closest airport to a client's destination. It also has a very short runway, so flying private makes sense for him, as the smaller plane has no issues landing there and he can avoid additional travel time.

PLANNING

Many clients interested in private aviation have had exposure to flying private, enjoyed the experience, and want to pursue it further. Like any other aspect of wealth planning, private aviation can be incorporated into your lifestyle, but must be approached strategically.

Setting a Budget

One of the biggest mistakes individuals and businesses make when delving into private aviation is failing to set a budget. The same flexibility that makes it so easy to fly can also make it easy to never want to fly commercial again and to “overspend” on travel. Private aviation can and should be factored into a transportation budget in the same way as vehicles, boats or other travel expenses.

It's worth considering that if the private plane is used as an integral part of business operations, costs can be assessed differently from a leisure traveler. The National Business Aviation Association (NBAA) is a great resource for businesses that rely upon, or are considering, private aviation.

We spend considerable time working with our clients on a travel budget. We often review historical spending numbers and ask “is private aviation worth the cost?” In many cases, the answer is “yes” and they continue on a private aviation path. Sometimes, the answer is “no” or “maybe not” and we then revisit and revise the aviation budget.

In some private aviation options, costs appear to be presented up front, but often arrival and departure fees, fuel surcharge, and other costs can take clients by surprise.

Understanding Total Costs

In the same way that a traditional airline ticket has the base fare and then the addition of facility charges, taxes, and fees, you must also consider those elements with private flights when realizing the true cost of travel.

Clients also might pay for a set amount of time, but then later decide that they want to add additional time. Often, the cost structure is different when adding on, so it's important to think about what reinvestment looks like.

FINDING THE RIGHT FIT

Determining which private aviation option best aligns with your needs is a numbers game, the most significant being annual flight hours. While we provide a brief overview of these options here, it is important to research them carefully before moving forward.

Full Ownership

A private plane may be the ultimate tool to better achieve business objectives or to improve your quality of life. If you fly at least 300 hours per year and you have the resources necessary to house and maintain the plane, full ownership of a private jet might be the right choice. As more people have become interested in private aviation, it is now much easier to rent your plane when not in use, allowing for a chance to help defray the high costs of direct ownership.

Shared Ownership

If you fly 150 hours or more per year, you may want to consider shared ownership in which you purchase an aircraft with one or two other individuals to share expenses. This option still grants considerable control, though you will of course have to coordinate flight schedules.

Fractional Ownership

In fractional ownership, you buy a “share” of an aircraft, which affords a certain amount of flight hours depending on how much you own. With multiple owners, this reduces expenses even further, and you essentially have access to an entire fleet of planes. It outweighs full ownership in that there is smaller upfront capital and fixed costs, you can upgrade or downgrade aircraft depending on your needs, you have the ability to sell your share back at end of term, and there are fewer risks and responsibilities such as crew scheduling, maintenance, parking, or compliance. The greater your share, though, the greater priority you have on flight hours.

Selection of Players: NetJets Share, Nicholas Air, PlaneSense, FlexJet, Airshare

Jet Card/Membership

Jet cards or memberships allow you to prepay for a set amount of flight hours. Pricing is all inclusive, though you’re competing for availability with other members. Services are more likely to be limited in this option, and in order to get more, you need to spend more. If you only book 25 hours, for example, you might end up with less travel flexibility than a customer that books 75 hours.

Selection of Players: NetJets Card Program, Sentient, Jet Linx, Nicholas Air, flyExclusive, FlexJet, XO Jet

Charter

For those who fly just a few times or few hours per year, chartering can be a great alternative to flying first class. Costs are on a per-hour basis, so if you’re flying with enough family or business associates, the cost per passenger can be significantly reduced. You pay as you fly, though pricing can vary depending on dates and times. There are no fixed costs and no commitment. However, flying on demand may result in less control over availability and operations.

When a client with fractional ownership in two different aircrafts sold his home in the Caribbean, his flight needs dropped dramatically, and the expense no longer made sense. We reevaluated and determined that using a charter service would fulfill his needs going forward.

Selection of Players: Wheels Up, flyExclusive, XO Jet, Silver Air, VistaJet, local/regional providers

	Annual Flight Hours	Details	Pros	Cons
FULL OWNERSHIP 	300+	Buy an aircraft for personal or business use	<ul style="list-style-type: none"> • Control • Oversee the whole experience • Ready when it works for you 	<ul style="list-style-type: none"> • Operating and maintenance fees • Brokerage, legal, and inspection fees • Taxes • Staffing • Multiple business associates using one plane can cause scheduling issues
SHARED OWNERSHIP 	150+	Purchase an aircraft with one or two other individuals to share expenses	<ul style="list-style-type: none"> • Significant control • Considerable oversight of the whole experience • Lower cost than full ownership • Sharing burden of expenses and responsibilities 	<ul style="list-style-type: none"> • Less access due to coordinating multiple schedules • Ongoing operating and maintenance fees • Staffing
FRACTIONAL OWNERSHIP 	50+	Purchase share of aircraft; number of hours depends on size of the share	<ul style="list-style-type: none"> • Lower cost • Provides anonymity • Fewer risks and responsibilities • Flexibility to upgrade or downgrade aircraft 	<ul style="list-style-type: none"> • Potential for multi-year contracts • Higher usage means higher cost • Large upfront cost
JET CARD/ MEMBERSHIP 	25+	Pre-pay for set amount of flight hours; hours are debited as you fly	<ul style="list-style-type: none"> • Flexibility • Good for people who have travel schedules that vary from year to year • Good for one-way flights • Good for budgeting 	<ul style="list-style-type: none"> • Booking may require more advance notice than higher priced • Unused hours generally expire after a set amount of time • Blackout dates during peak times • Potential hidden?
CHARTER 	<25	Pay for the journey you make on a per-hour basis	<ul style="list-style-type: none"> • No ongoing fees • No commitment • On demand • More people = less cost per passenger • Distance defines size of aircraft/cost 	<ul style="list-style-type: none"> • Expensive if used frequently • Competing for aircraft • Standards of service, safety, quality vary • Distance defines size of aircraft/cost

AS YOU CAN SEE, THE CHOICES FOR PRIVATE AVIATION ARE PLENTIFUL.

We hope that this paper provides valuable guidance for evaluating the broad and constantly changing options that exist. No matter what you choose, we wish you safe and pleasant travels!

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