

COST ANALYSIS EXAMPLE – FALCON 900LX CAPTAIN

FULL-TIME vs. CONTRACT?

	FULL-TIME	CONTRACT
Annual Salary	\$210,000	N/A
Typical Per Diem Rate	N/A	\$1500
Benefits (35% salary)	\$73,500	Pays medical, dental, vision, sick days, vacation, 401K, etc.
Annual Full-Service Training Contract	\$30,000	Pays training
Employer Share of Payroll Taxes (10 % salary)*	\$21,000	Pays all taxes
TOTAL:	\$334,500	

*payroll taxes are 7.5% FICA, Medicare, Unemployment Insurance, etc.

Professional contract pilots are people who have committed full-time to their businesses and *pay their own training and benefits*. They are not riding their last recurrent for “pocket change” until they find the next employer to pay for it, nor are they low-balling the market just to build time. They are experienced consultants who charge industry standard rates according to the aircraft make & model.

A typical rate for a contract F900LX captain is \$1,500/day. Think that’s expensive? Think again. To start, consider the contractor’s largest costs: taxes, pilot training, and healthcare. A typical policy for a family of four costs over \$2,800/mo from most major carriers. After these, you *still* have to live, save, and eventually retire.

Do the math. ***The total cost of a full-time employee will buy you a whopping 223 days of contract service a year which is 18 days per month!*** Therefore, if your flight department is not flying more than 18 days per month, you could realize significant savings using contract pilots. If you are, then full-time is probably cheaper for you.

On-demand workers are flourishing in numerous industries like Information Technology and Healthcare to name a few. Aviation is no different. This article was inspired by my friends at WorkMarket.com.

Today’s workforce is moving to on-demand workers. What are you waiting for?

Call my mobile directly: +1 646.584.3950 for your customized quote! ---James