



Trip Charges

This is a subject that brings up a lot of discussion. Should a trimmer charge a trip charge? For years it has been the norm, in most cases, that trimmers do not charge an outright fee for travel expense and time.

Most full-time professional trimmers, in one way or another, have a trip charge incorporated into the fee that they charge. It is either built into the total price or it is a separate charge. In some cases you may even see trimmers advertising, "No Trip Charge", as a marketing tool to gain business.

Let's put our services and expenses in some perspective: You will find that all businesses in some way charge for the expense in equipment, service and supplies (gas, oil, and repair) and driver's time. For example, the ATT phone company in our area charges \$48.00 per fifteen minutes travel time to and from your location. In addition, they charge \$78.00 per half-hour labor plus parts for the service man to work on your phone. That rate is from the time they step out of the truck until they leave your driveway. The commercial delivery man charges, in most cases, \$1.50 a mile. This covers expenses and driver labor. Other appliance service companies charge a one-way trip charge of \$50.00 flat rate. In some cases, when furniture or appliances are delivered, there is a fee built into the cost of the product. A lot of businesses and veterinarians charge a rate between \$1.00 to a \$1.50 per mile. A commercial truck driver, being paid just to sit in a truck and drive, has a starting salary of between 33 and 40 cents per mile, plus benefits. An owner/operator of a rig can draw between \$1.30 and \$1.80 per mile. But, all in all someone is paying a trip charge to cover the expense of the vehicles and the person's time.

A lot of trimmers tend to use their cars or trucks for other than the trimming of horses. They then feel that it is not fair to charge a client for the use of the car or truck, However, in most businesses a business car or truck is used for business and business only. The owner of that business has another vehicle for personal use.

So the question becomes, "Is a trimmer entitled to a trip charge?" By all rights the answer should be, "Yes." In this day in age a lot of full-time professional trimmers and especially those in rural areas are spending a lot of drive time and miles.

How should a trimmer figure a trip charge? First the trimmer must know the cost of the vehicles, how long it will be used and the cost of operation. Then the trimmer must know what his time is worth per hour. This is so he can figure the value of his drive time. You must remember that time is money, whether you are in a car or truck, on the phone to a client, or under a horse.

This is how you can figure the cost and what the trip charge should be:

Cost of vehicle and interest, \$24,000.00 divided by 36 months on the road=\$666.67 per month. Divide this by 22 work days in the month=\$30.30 per day.

Gas & oil. If you figure that the driver in a rural area is going to drive 200 miles per day, the cost is going to be \$26.00 for gas, plus 20 cents for oil. Total \$26.20 per day. Oil would need to be changed three times a month along with the service at an additional \$60.00 per month or \$2.00 per day. Total now is \$28.20 per day. Other things can run this cost up, too. Such as additional equipment, towing, wash and wax, etc.

Replacement of parts and tires. The cost of a set of tires is around \$600. You will use one set a year driving 52,800 miles. Repairs, labor/parts, getting the vehicle



back and forth for the service will run around \$150 a month -- an additional \$1,800 per year. Total for the year \$2,400 divided by 12 months=\$200.00 divided by 22 days=\$9.09 per day.

Then you need the cost of commercial vehicle insurance, which should be around \$2,000. Another \$7.54 per day. Notice I said **commercial insurance**, which is a lot different in coverage and cost than a simple private policy for your personal car or truck. A commercial business person insuring a commercial vehicle as a private vehicle can find themselves without coverage in the case of an accident. The insurance company can claim a fraudulent application if you fail to tell the agent that you are insuring a commercial vehicle.

So now the total cost for the day's operation is:

Vehicle expense:	\$ 30.30
Gas& Oil:	\$ 28.20
Replacement	\$ 7.54
Insurance:	\$ 9.09
Total Vehicle Expense:	\$ 75.13 per day

Now you need to figure the Trimmer's drive time. That is the time the trimmer is in the truck. The trimmer needs to know their gross wages. The gross would be \$300.00 per 8-hour day. Now remember this is the gross wage, before taxes and deductions. Divide \$300.00 by 8 hours=\$37.50 per hour. The trimmer is traveling 200 miles at average 50 miles per hour. The drive time cost would be 4 hours at \$37.50=\$150.00 for the day in labor.

So you would now add the \$75.13 for truck expense and the \$150 for labor while driving and you have a total of \$225.13 for travel expense for the day. Divide this by the number of horses. Lets say six horses. Figuring one hour trim time=\$37.52 in trip charges per horse. If trimming more or less horses for the day, the charge would be more or less.

Things that would drive the cost down would be less drive time, doing all the horses in one stop, and doing more horses in the day. But, remember we are working an 8 hour day, including drive time from and to the barn, so you need to keep the additional horses within the 4 hours of the day in which the trimmer has left to trim.

So should a trimmer receive a trip charge that covers expenses and time. In all other businesses they do. So why not a trimmer?

In the long run it is the owner's choice to use the full-time professional, with all his/her skills, knowledge, equipment, and a vehicle that will get them to the appointment.

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