

# Financing a DXpedition

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IN THE PAST FEW YEARS I WAS IN charge of fundraising for several large DXpeditions. I became acutely aware that many in the DX community were curious about the need for donations, and even worse, totally unaware of the costs involved in bringing a major DXpedition on the air. Part of the problem is the lack of transparency by past expeditions and the usual practice of once a DXpedition ends, all financial reporting also ends. As Treasurer of the Northern California DX Foundation (NCDXF), I had access to years and years of budgets submitted for grants but not a lot of data on the actual results of those expeditions. So, I decided to contact 25 of those expeditions and received 20 replies with the detail I needed to analyze the financial numbers with respect to the operational results.

These DXpeditions covered 15 years and were evenly spread over easy fly-in operations, chartered plane or boat expeditions to the Pacific and Indian Ocean targets and the super rare locations in the South Atlantic/Antarctic. They covered almost two million QSOs at a cost of \$3 million. From this study I chose to exclude the vacation or visit-a-resident Ham one- or two-man trip.

## The fly-in DXpeditions

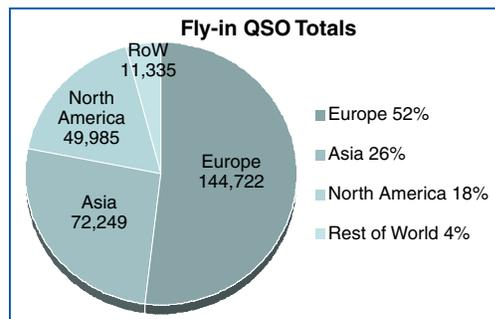
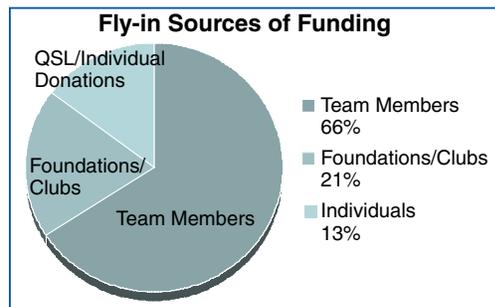
This most common DXpedition relies on commercial transportation to a location that usually has some commercial facilities for food and lodging. The DXpeditions analyzed were 4W6A, A52A, VU4PB, VU7LD and VK9DNX. These expeditions made 275,508 QSOs, with the average expedition making 55,000. The largest budget was \$90,000 and they ranged down to the smallest of \$17,000. The average cost was \$42,000, resulting in average cost per QSO of 72¢

Among the biggest concerns to putting on a fly-in expedition can be the licensing costs. In one rare country analyzed, licensing fees totaled

as much as 50% of the cost of the operation. Secondly, shipping to some of these destinations can be significant due to import duties or unreliable shipping routes. Offsetting these high costs is the fact that travel and planning times are shorter than chartered plane or ship operations. This group, on average, relied on the highest percentage of operator funding of the budget and the lowest ratio of NA stations worked.

The sources of funding for the five expeditions are depicted in the Fly-in Sources of Funding chart.

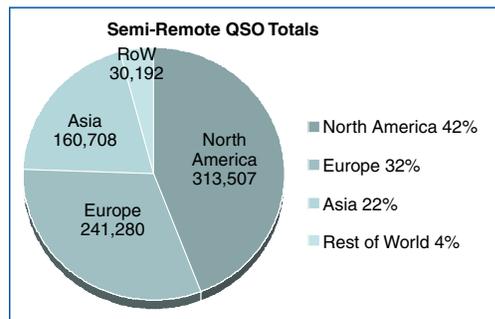
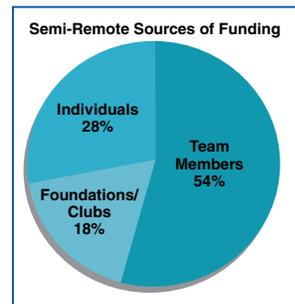
This group of DXpeditions occurred mostly in Asia so it was not surprising to see the geographic distribution of the QSOs. This would also account for the low amount of funding this group received in individual donations.



the lowest percentage of team member funding of the budget and the highest ratio of NA stations worked.

The sources of funding for the eight expeditions are depicted in the Semi-Remote Sources of Funding chart.

Geographically, this group of DXpeditions occurred mostly in the Pacific so it was not surprising to see the concentration of North American QSOs. This would also account for the high level of funding this group received in individual donations.



## The semi-remote DXpeditions

This was the largest group of DXpeditions examined. These are locations not served by scheduled commercial transportation and often required government approvals because of wildlife preservation status. That often added months to the planning process. While some had a resident population, most did not. The eight DXpeditions analyzed included BS7H, K4M, K5D, VK9DWX, VP6DX, VP6T, ZL8R and ZL8X. The average chartered transportation cost was \$78,000. These expeditions made just under 750,000 QSOs, with the average expedition making 82,800. The largest budget was \$244,000 and they ranged down to the smallest of \$54,000. The average cost was \$109,000, resulting in average cost per QSO of \$1.20.

Because of the licensing, transportation charter requirements and the need for fundraising the average planning period was about a year. The average travel time to and from the location was nine days and the average time on the air was 11 days. This group, on average, relied on

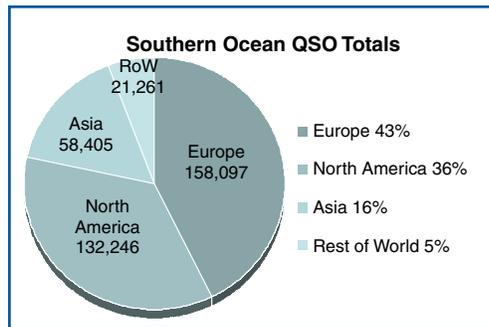
## Southern Ocean DXpeditions

These are rare for a reason. Access is restricted either for specific country wildlife preservation or by general international treaty. These are locations requiring ships with a crew with specific skills and in many cases a hull with ice breaking capabilities. Helicopters are often another requirement to drop men and equipment on the island. The destinations require shelters and generators able to withstand harsh environments and the DXpedition team must be in good physical condition to participate. In addition to the obvious large direct financial contribution of the team members, they must also plan on a month or more away from their families and jobs. It is difficult to plan one of these operations in under a year and often you find they take two or more years of advance work. The six DXpeditions analyzed included 3YØX, FT5XO, VKØIR, VP8GEO, VP8ORK and VP8THU.

The average ship charter was \$260,000 (excluding team member costs to the sailing departure points). Supplies such as generators, shelters and fuel averaged \$20,000; shipping and local port charges added on average another \$25,000. These expeditions made 370,000 QSOs, with the average expedition making 74,000. The largest budget was \$475,000 with an average of \$323,000, resulting in average cost per QSO of \$4.30.

The sources of funding for the six expeditions are depicted in the chart, Southern Ocean Sources of Funding. Interestingly, individual contributions, while higher in absolute terms, was the lowest percentage of the overall funding for any of the three types of DXpeditions examined.

Geographically, this group of DXpeditions worked more Europeans



than NA which directly affected the amount of individual contributions received. However, funding from U.S. foundations accounted for the highest level of support.

### The overall view

A recap of the various financial benchmarks reveals only one consistent financial trend. The harder the target of the DXpedition gets, the less operating time there is, the higher the costs, and the less predictable the support is of the DX community. Because clubs and foundations understand this, it is the Southern Ocean class that gets the biggest support. One data point that jumps

out is where U.S. stations are worked the most, the support from individuals is the most (i.e. semi-remote). And, in the Southern Ocean category, North American total support provided over 85% of the total funding to the endeavors despite accounting for only 36% of the contacts. (See *Comparing Averages table*)

### Cash flow considerations

Historically most individuals waited until they have a QSO before contributing to the team's efforts. Even a few clubs and foundations will not fund a trip until after the stations are on the air or meet other operational benchmarks. With web pages and PayPal, more individuals do contribute earlier, but

the bulk of the contributions still occur after the start of operations. That is the paradox of DXpedition financing. Transportation must be booked and paid for in advance; the purchase and shipping of equipment must occur months before a DXpedition arrives and the first QSO is ever made. In effect, 90% of the monies are spent before the first QSO ever takes place. Most of this funding is met by the team, the clubs and foundations. In many cases a few team members lent funds to the teams above the planned contributions until after the QSLs arrived and paid them back.

In the case of VP8ORK, the timing of individual contributions was distributed as follows: Pre-DXpedition, 43%; on the air, 20%, and within six

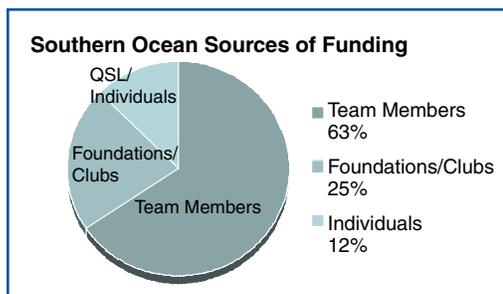
### Comparing Averages

Item	Fly-in	Semi-Remote	Southern Ocean
Total budget	\$43K	\$109K	\$323K
Cost/Q	72¢	\$1.20	\$4.30
Team %	66%	54%	63%
Foundation %	21%	18%	25%
Individual %	13%	28%	12%
Individual \$/Q	12¢	39¢	52¢
Plane/Ship	n/a	\$78K	\$260K
%EU QSO	52%	32%	43%
%NA QSO	18%	42%	36%
%AS QSO	26%	22%	16%
Operator days	16	11	12
Travel days	5	9	20

months after the end of operations, 37%. By the time LOTW was uploaded six months after the expedition, 99% of the individual contributions were made. In fact, after uploading the full logs to LOTW, except for the trickle of QSL requests, all contributions ceased.

While on the subject of individual contributions, a breakdown by the countries with the largest QSOs with VP8ORK bears some interesting analysis concerning the origination of the funding. (See *table at top of next page.*)

Clearly Hams in various countries have different views on what level of support to give DXpeditions. The numbers above include foundation and club support in the country totals.



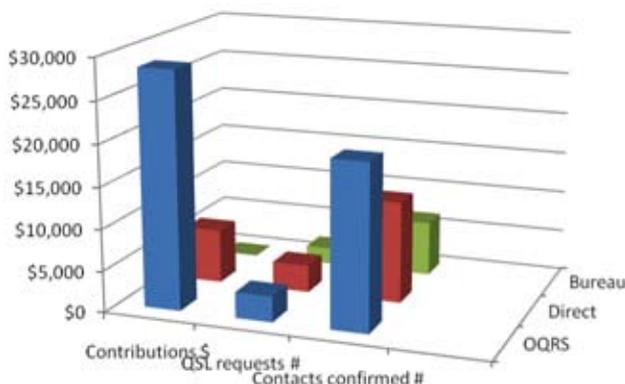
## Donations by country at VP8ORK

Country	Uniques	Total QSOs	% Total QSOs in Log	% Total Income	\$ per Q all sources
USA	5,754	21,566	34	80.8	11.137
Italy	1,243	4,902	8	.8	.486
Germany	1,295	4,646	7	1.5	.973
Russia	1,001	3,181	5	1.1	1.009
Japan	1,211	2,838	4	1.3	1.387
Spain	989	2,681	4	.4	.416
Poland	586	2,146	3	.3	.373
France	388	1,643	3	.5	.975
Canada	379	1,442	2	4.9	10.153
England	398	1,436	2	1.6	3.240
Czech Rep.	344	1,373	2	.1	.312
Brazil	296	1,277	2	.2	.504
Finland	253	977	2	.6	1.914

## The growing use of OQRS and LOTW

In the past few years many DXpeditions have adopted the online QSL request system and uploads to LOTW after around six months. OQRS has increased the amount of funding DXpeditions receive from those QSLing direct due to the minimum fee requested (see the chart below). 54% of the direct requests for VP8ORK came through the OQRS system. North Americans used it for 60% of their direct confirmations while the rest of the world is around 50%. A significant amount (over 80%) of those having LOTW matches also requested direct and bureau cards, so the desire for a card isn't necessarily replaced by LOTW. The table below shows that although a similar number of OQRS and direct routes were used to request a card, the bulk of the QSOs and the bulk of the donations came through the OQRS system.

## QSL routes and income distribution



## QSL routes at VP8ORK (after 17 months)

Location	QSOs	Direct	%	Dir. VIA OQRs	LOTW	%	Bureau	%
All	64,173	30,092	47	54	31,766	49	6,368	10
North America	23,673	11,654	49	60	13,200	56	1,008	4
Europe	31,966	14,504	44	51	14,789	47	4,351	14
Asia	3,973	2,078	52	45	1,668	42	440	11
South America	2,830	900	36	48	1,223	43	158	6
Rest of World	1,368	613	45	49	527	38	63	5

## Final thoughts

Looking over the data of DXpeditions during the last two decades a few trends stand out. Ship charters to the South Atlantic destinations have doubled in the past 10 years due to higher fuel costs, a weakened dollar, higher insurance costs and skyrocketing port fees around the world. Technology enables each DXpedition to make more and more QSOs. This technology also brings added cost for computers, networks and Internet access (sometimes costly satellite Internet). But increasingly, those contacts are for competition on online leader boards or yearly DX marathons and don't necessarily result in new ones for the community and increased income for the teams. In the 1990s, the average DXpedition made 25,000 unique Qs; in 2011 it was not much higher.

Some of the increased costs of a DXpedition have been offset by

higher revenue from the use of OQRS which increases revenue per unique call sign. The sad fact remains, that more funding from the Ham community is needed if we are to see DXers continue to activate those rare ones for our benefit. Foundations and clubs remain the most important source of funding after the team members for enabling DXpeditions to rare places. In the case of the most expensive category of DXpeditions, the Southern Ocean locations, the NCDXF accounted for 60% of the foundation and club support. Without contributions from the members, these foundations and

clubs cannot continue to bring us the new ones. Another glaring fact is that the overwhelming funding continues to be concentrated in North America. Europeans still believe in the bureau system, which costs expeditions money to provide cards and does not provide support for the expeditions.

The next time you work that new one, check out the website and look up the list of individuals and foundations/clubs supporting the team. If you are not listed, maybe it's time you contributed or joined your national DX Foundation and/or local DX Club. Help make the next one happen. 🌐

## About the author

*Don Greenbaum, N1DG, first became licensed as WN2DND at age 11 in 1962. Don has been on several major DXpeditions including VP8ORK, K4M and A52A. He has also operated as A61AD, A51DG, A73A, and /KH9, /VP9, /VS6, /BV2, /4X and /9V. In 2005 Don was honored at Dayton by CQ Magazine by being inducted into the CQ DX Hall of Fame. He is Treasurer and a Director of the Northern California DX Foundation.*