



SOUNDING AN SOS ON LOOMING PILOT SHORTAGES

News / Airlines



After coping with terrorism, bankruptcies and consolidation, the largest US airlines are facing a new problem: They may start running out of pilots in about three years.

That looming pilot deficit will soar to 15,000 by 2026, according to a study by the University of North Dakota's Aviation Department, as more captains reach the mandatory retirement age of 65 and fewer young people choose commercial aviation as a profession. And that's in an industry where captains on the biggest international jets average more than \$200,000 (Dh734,550) a year — with some pushing \$300,000.

A pilot shortage is already the bane of the often low-paying regional carriers that ferry passengers from smaller airports to hubs operated by American, Delta and other major airlines. That's worrisome for the major carriers because they typically use the smaller operators as a pipeline for hiring.

"That is one of the things in my job I get to worry about every day and when I go to bed at night," said Greg Muccio, a senior manager at Southwest Airlines Co. "The biggest problem is a general lack of interest in folks pursuing this as a career anymore. That's what puts us in the most

jeopardy.”

Airlines are responding by changing hiring requirements, boosting signing bonuses at regional carriers they own and partnering with flight schools and university aviation programmes. Muccio spends some of his time trying to interest college, high school and even elementary students in an aviation career, while he’s working to extend the biggest three-year expansion of pilot hiring in Southwest’s history.

The top three reasons would-be pilots are changing their career plans are the cost of flight training and certification, low pay at regional carriers and a 2013 regulatory change that mandated a sixfold increase in flight hours required to become a first officer, according to a study released last year by the University of North Dakota and the University of Nebraska-Omaha.

Until recently, few pilots were willing to recommend the career, even to their own children, said Louis Smith, president of FAPA.aero, a career and financial planner for professional pilots. “That mood is changing,” Smith said, as larger airlines have become profitable and picked up hiring to support expansion. “Still, the cost of learning to fly and the risk and impact of failure is a major impediment to building the pool of pilots.”

Flight-training fees for a commercial aviation major total about \$64,500 at the University of North Dakota, the largest public aviation programme in the US. That figure excludes tuition and room and board, which can add as much as \$105,400 for an out-of-state student.

Major US airlines will hire as many as 5,000 pilots this year, mainly to replace retirees but also to support expansion, Smith said. Most will come from regional carriers, military retirees and flight schools.

Bankruptcies and consolidation may be triggered among regional carriers when the larger airlines increasingly seek to fill their pilot needs, said Elizabeth Bjerke, chairwoman of the University of North Dakota Aviation Department. Republic Airways Holdings Inc., which makes commuter flights for American, United and Delta, filed for bankruptcy in February, in part because of a pilot shortage.

“The future is a little scary,” said John Hornibrook, system chief pilot for Alaska Air Group Inc. “The pool is just not as big as it used to be. That’s a concern for everybody down the road.” More than 30,000 pilots — or half the current total of 60,222 at 10 large US airlines, United Parcel Service Inc. and FedEx Corp. — will reach age 65 by 2026, according to data compiled by Kit Darby, president of KitDarby.com Aviation Consulting LLC.

To help recruiting, Southwest has dropped its earlier requirement that pilot applicants hold a certificate to fly its Boeing Co. 737s, which can cost as much as \$14,000. Southwest also has cut in half the time between an interview with a potential pilot and a job offer, Muccio said.

American Airlines Group Inc., which is adding about 650 pilots this year and 750 in 2017, gets about half its cockpit staff via “flow through” agreements that allow aviators at its three wholly owned regional carriers to move into jobs at the bigger company. Delta Air Lines Inc. has a similar deal with its Endeavor unit, while Alaska Airlines guarantees interviews to pilots from its sister company, Horizon Air.

“Every major we’ve talked to, they are concerned beyond the next three to four years,” said Jim Higgins, the principal investigator on the University of North Dakota pilot study.

At American’s Envoy unit, the promise of a seamless move to a major carrier is a big draw, said

Jon Reibach, the airline's director of pilot recruiting. Joshua Gimre, 22, who is accumulating hours as a flight instructor after graduating from LeTourneau University in Texas and joining Envoy, could become a captain at American by the time he's 45, with a 20-year flying career still ahead of him.

"Once a young pilot interviews with us, that's the last airline interview they'll ever have to do," Reibach said.

American's regional carriers — Envoy, Piedmont and PSA airlines — have increased their signing bonus to \$15,000. Delta's Endeavor pays a signing bonus of as much as \$23,000 a year. It has the highest first-year salary at \$47,000, according to a database maintained by Darby. First-year pay at commuter carriers averages \$35,227.

A first officer, or co-pilot, on the smallest aircraft at large airlines earns an average \$55,054 his first year, according to Darby. That can increase to more than \$120,000 in his fifth year, flying the largest plane. A captain at top seniority flying the biggest planes averages \$208,828.

In March, JetBlue Airways Corp. initiated Gateway Select, where recruits with no flying experience undergo a series of screenings before being placed into a "rigorous" four-year study programme to become pilots. The model, designed to recruit from a broader range of candidates and reduce training costs, is similar to those used in Europe and Asia.

At United Continental Holdings Inc., a new career path programme designed "to counter the potential shortage of qualified pilots," involves two regional carriers and a flight-training school, according to a memo from the airline. Similar to a flow-through programme, the plan provides a chance to move to the larger carrier. The airline will hire 650 pilots this year and as many as 900 in 2017.

"The competition for the best and brightest pilots is heating up," United said in May.

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