

Changing Skies Create Pilot's Market

By Judy Sarles

Across the aviation industry – from general aviation operations to regional and major airlines – an aggressive hunt is on for pilots. The demand for pilots is so sky-high regional airlines have lowered their flight-hour requirements in order to hire students immediately after they graduate from college aviation programs.

Aviation schools have always served as a pilot source for the regionals and that has not changed. What has changed is the number of flight hours it takes to get hired as a regional pilot. To learn to become a commercial pilot at a regional airline, a student has to go through flight training including instrument training. The flight time to obtain a commercial pilot's license averages about 180 to 200 hours.

Pilots also need a multiengine rating, because the airlines fly airplanes with more than one engine. With the addition of multiengine training, students have about 225 flight hours, which in most cases earns them the required FAA certificates to get hired as a regional pilot. Traditionally, they need more hours than 225 to become eligible for a pilot job at a regional airline. That is where flight instruction comes in.

Middle Tennessee State University (MTSU), which offers flight training as part of its Bachelor of Science degree program, often employs its current and former students to fill the program's flight-instructor slots. In their instructor positions, they build up flight time. Current students who work as flight instructors have the opportunity to acquire the minimum or more than the minimum hours required to possibly get scooped up by a regional airline immediately after graduation.

If a flight instructor works for a year while still a senior in college, he may accumulate an additional 300 to 400 flight hours, so now his total is closer to 600 to 700 hours. Usually, when pilots hit the 500 to 1,000-hour range, they become attractive to the regionals. However, the hour range frequently shifts. Two years ago the required number of hours averaged 1,000 to 1,500. At that time, flight instructors remained in their positions longer than they do today, accumulating hours over a greater period of time to become eligible to make the career move to a regional airline. It seems market forces are driving down the number of flight hours needed to get a job at a regional.

"It's one of those equilibrium force things," says Paul A. Craig, professor of aerospace at MTSU. "It's an economics problem."

Regional airlines do not require pilots to be flight instructors prior to being hired. Pilots can accumulate flight hours in other ways, but some airlines lean toward hiring flight instructors because their job is to teach safety, a good trait for airline pilots to have. The airlines give more credit to a person who has 400 hours of flight-instructor time as opposed to someone who has 400 hours of banner-towing time or who has 400 hours of crop-dusting experience.

A shortage of flight instructors coexists with the current demand for pilots. MTSU cannot keep its flight instructors long enough to train the next generation of students because the instructors are hired so quickly by the regional airlines. The university does not have any senior, heavily experienced flight instructors, and the same problem exists at other schools with aviation programs.

Lisa Kollar, executive director of Career Services at Embry-Riddle Aeronautical University, says regional airlines reduced their minimum flight-hour requirements over the past six to 12 months. In setting their flight-hour requirements, the regionals are in a competitive battle. Here is an example of how heated the battle has become. Last spring, several regional airline representatives who do pilot hiring were on a University Aviation Association convention panel. One panelist put up a slide showing his airline's flight minimums. Then the next panelist put up a slide showing minimums slightly lower than the first panelist's. The first panelist interrupted the presentation and said hold on, we are lowering ours now.

Traditionally, pilot recruiters came to the MTSU campus to talk to and interview students who were about to graduate with the next graduation class. Now the recruiters are talking to more underclassmen – to sophomores and juniors – to try to build up some airline brand loyalty so that when the students graduate, they will remember the airline. In some cases, the recruiters will go ahead and guarantee job start dates.

Safety Concerns

The reduction in pilot flight-hour requirements by regional airlines does not necessarily mean airplane travel is less safe than it was in the past when requirements were higher. University aviation programs stress safety and offer flight training at a very high level, and the quality of today's aircraft and the technology in the cockpit can benefit some pilots who have a lack of experience. A recent graduate could be a much better pilot than an experienced pilot who is disgruntled after being furloughed from a previous job. The unease about beginning pilots is more about their lack of experience than the lack of aircraft safety. Even experience is not a major deficit in flying a regional airplane because it is a two-pilot operation with a novice first officer sitting next to a veteran captain.

“Airlines, both regional and major, are not going to compromise their safety requirements,” says Kollar, “nor are they going to compromise any insurance policies they have in place. Regional airlines are not lowering their standards; they're lowering their hourly minimums.”

The reduction in flight-hour requirements has not impacted aviation insurance, such as making coverage more restrictive or increasing premiums, according to David Witzman, regional vice president of operations at Allianz. “But down the road it may.”

What Is Fueling the Demand for Pilots?

The buzzword in the airline industry is “shortage.” The estimated number of U.S. pilot certificates dropped from 635,472 in 1999 to 597,109 in 2006. It is not only regional airlines that are scrambling for pilots. Because travel is continuing to climb, major airlines along with the regionals are expanding their operations and bringing on more pilots. Northwest Airlines currently has about 5,000 pilots on staff and is in the process of hiring 250 to 350 more over the next several months.

To feed their hubs, meet schedules and satisfy consumer preferences, the major airlines have code-share agreements or cooperative service agreements with the regionals, which fly smaller planes than the majors. Often it makes more sense for the majors to fly a regional jet with 50 seats between two cities than an aircraft with 150 seats. Additionally, consumers like to have choices. They do not want to have just one flight that leaves at 8 a.m. but to have a selection of flights that leave at 8 a.m., 9 a.m. and 10 a.m. The result is more pilots are needed for an increased number of flights on smaller aircraft. This trend is also a major cause of crowded airports, flight delays and lost baggage.

Several major airlines Embry-Riddle works with through its cooperative education and internship program have lowered their flight-hour requirements to hire top graduating students. The airlines may set a minimum requirement of 1,500 hours, but typically, pilots hired at major airlines have between 5,000 and 6,000 hours. Because the demand for pilots is so great, the airlines have disregarded the typical number of flight hours and hired some Embry-Riddle graduates at the 1,500-hour minimum.

General aviation is also seeking to hire additional pilots due to the expansion of the industry. Since September 11, 2001, the corporate world has been fueling the growth of general aviation. Through charter flights and fractional and corporate ownership, business people are able to avoid the security hassles, delayed flights, missed connections and lost-luggage problems associated with commercial travel.

General aviation is competing with regional airlines for the same pilot candidates, so there are fewer candidates to go around.

“What affects us, and I think it also affects the regional airlines, is you have to have a minimum amount of flying time to upgrade to a captain,” says Allen Howell, CEO of Corporate Flight Management in Smyrna, Tenn.

If pilots start out at his company with 300 hours of flight time, the pilots’ minimal hours slow down the upgrade process. It may take them three years to accumulate enough experience to upgrade from first officer to captain. If Corporate Flight hires 3,000-hour pilots, they are likely to be upgraded to captain in as little as a year.

The 3,000-hour pilots are hard to come by, and some of Corporate Flight’s captains move on after a few years to work for a major airline or corporation. Hiring at the first-officer

level has not been an issue. Corporate Flight's problem is the void that is created when a captain leaves because there is no first officer who is ready for upgrade to a captain.

In recent years, Corporate Flight has had to become more aggressive in the pilot hiring process. Resumes used to pour in. Today the resume pile is becoming thinner and thinner. Six or seven years ago, 100 people might have applied for two jobs. Now Corporate Flight has to advertise for the jobs. It is still finding pilots, but the process is taking longer.

"Every time we hire, it is a little more difficult to find experienced pilots," says Howell. "We're finding quality people, just not with as much experience as we did in the past."

To attract pilots, the initial pay offered by a charter company is a little better than what the regional airlines offer. The higher salary allows the charter operator to pick from a broader group of candidates. The regional airlines have an edge over the charter environment in offering their pilots a regular schedule. General aviation pilots frequently work on an on-call basis.

Other entrants in the competition for pilots include cargo operations and foreign airlines. The pilot problem is really global, but it is more acute in the United States because our country has the greatest number of aircraft. Canada traditionally draws its pilots from the United States, but its source is running dry. More pilots are needed in the Middle East, China and India due to the expansion of their aviation operations. A drawback to getting hired at a foreign airline is the need to be rated in the type of aircraft the foreign airlines use and the high number of flight hours required. Flight time may range from 3,000 to 4,000 hours. On the upside, many foreign airlines are generous when it comes to pilot salaries. China pays pilot salaries that are at a 50 percent to 100 percent premium over what pilots can make in the United States. That is a good deal for a pilot who doesn't mind living in China.

John Ellington, a retired Delta Airlines pilot, says turnover due to salary dissatisfaction is contributing to the pilot shortage. He says many young pilots get flying out of their system within five years and then leave to seek higher-paying jobs in other industries. Airline captain salaries are about 60 percent less than what they were a few years ago.

"It hasn't been as lucrative in the last five years as it was previous to that," says Chuck Howell, CEO of Great Lakes Airlines. "Although we're starting to see that trend turn back around, and it's going to take several years for it to build back up." →

SIDEBAR

Interest in a career as a pilot remains high despite discouragement generated by airline-industry mismanagement and cuts in pilot salaries and benefits.

"Our students understand this is not their father's airline industry anymore," says Paul A. Craig, professor of aerospace at Middle Tennessee State University (MTSU).

The traditional career path for a pilot graduate is not unlike baseball's farm system. The initial step requires the pilot to spend several years as a first officer (co-pilot) and then as a captain at a regional airline. Pay at a regional usually starts out at around \$20,000, but can be as high as \$28,000. The pilot leaves the regional to take a job as a first officer at a major airline and after several more years can upgrade to a captain to earn a substantial six-figure salary.

Not all graduate pilots choose the traditional career path. Some may become charter, corporate or military pilots.

For many students, it is a struggle to pay for training to become a pilot, and they are often saddled with heavy debt once they graduate. At MTSU, the training cost ranges from \$25,000 to \$30,000 and is in addition to normal college tuition and fees. After graduate pilots find employment as pilots, it is difficult for them to pay off their training debt because their starting salary is so low.

Luckily, there are still students who love to fly airplanes. When they are told they can eventually make more than \$100,000 flying, they are very interested in becoming a pilot. It remains a hot career, especially today, because the demand for pilots is so great and students know jobs will be plentiful after they graduate. Even though the maximum airline salary may be lower today, they get hired with lower flight hours required, and they can accelerate through the ranks and make salary gains faster than they could 10 years ago.

"Students are attracted to aviation because they have a passion, because it's what they really want to do," says Lisa Kollar, executive director of Career Services at Embry-Riddle Aeronautical University. →