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U.S. Carriers Face Shrinking Pool Of Pilots

Regionals and mainline airlines face a pilot supply threat

John Croft Aviation Week & Space Technology Feb 3, 2015

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A bubble of impending pilot retirements among major carriers over the next seven years is forcing the entire pilot supply chain to unify in a search for solutions to keep the industry due to stalling from open cockpit seats.

There is still debate about the magnitude of the problem, but its incipient effects are already showing in the form of canceled flights, parked regional aircraft and a 10% cut in service to 86 communities, says Roger Cohen, president of the Regional Airline Association (RAA). Cohen says that in the past, pilot shortages were like Bigfoot sightings —everyone had heard about them but no one had seen any. “There’s almost a universal acknowledgement now that there is a shortage,” he says.

Long-time industry observer Louis Smith, a principal at the Future & Active Pilot Advisors (FAPA) service, says the true sign of a shortage will be when the airlines “begin paying people to learn how to fly.” That has not happened yet, but he does expect major airlines soon to spend money on advertisements for pilots, which they have not had to do since the pilot strikes at Continental and United in the 1980s.

While airlines were proactive in 2014 by hiring more than 3,000 pilots, according to FAPA (see chart below), and getting ahead of the retirement curve, there are indications that the pace cannot be sustained. A Delta representative speaking at a recent jobs summit at Embry-Riddle Aeronautical University (ERAU) in January said the carrier is concerned about what it calls a “limited pool of applicants,” adding that it had already hired “the cream of the crop for now, but that will be forced to change as the applicant pool decreases.”

In the “pool” are 6,000-7,000 regional airline pilots who are the most desirable, with 1,000 hr. or more of turbine pilot-in-command time. “All the majors are pulling from this pool of pilots,” says Rocky Calkins, manager of pilot hiring for Southwest Airlines. Another participant says airlines have “reached the bottom of the applicant pool.”

From a top-down view, large airlines will have to replace more than 18,000 pilots due to mandatory age 65 retirement over the next seven years, along with hiring pilots for newly delivered aircraft. The FAA is predicting a modest 1.3% total growth in the

fleet of 3,800 jets in the same timeframe. The airlines largely take pilots leaving active military service or graduating from flight schools and universities ([see related article](#)), with new civilian pilots first flying for regional airlines for several years at relatively low pay scales to build flight time.

Traditionally, about 60% of pilots came from military backgrounds, but the ratio has now shifted to roughly 60% civilian and 40% military. Fearful that its ranks are being poached, the military is contemplating its own initiatives for keeping pilots, putting more pressure on a civilian training path that has provided a growing portion of the hiring pool as defense has downsized and previously furloughed pilots have been called back to work. The lure of a vast number of lucrative piloting jobs in foreign countries, particularly the Asia-Pacific region, is also a concern, but not so much for U.S. pilots ([see related article](#)) who generally prefer to remain in the U.S. Large numbers of foreign pilots coming to U.S. schools for training could become an issue if and when a surge in domestic applications occurs, but so far that has not been a problem.

Even with an expected 0.4% decrease in the regional jet fleet of 2,200 by 2023, a figure computed by the FAA, the pool of regional pilots will in theory have to be completely replaced in seven years due to retirements. While some could see that as a promising sign, given the normal career path from regional to major, the pilot pipeline into the regionals from schools is not running at rates high enough to keep the seats filled, in part due to the average \$50,000 per year cost of a four-year education including flight training, compounded by a flagging interest in the profession.

The result is a situation that could force the industry to park aircraft or defer deliveries as the pilot ranks decrease and opportunities abound for those that remain in the business. Some regional airlines are reporting that pilot candidates are not showing up for interviews or training classes, presumably because they are able to choose the best of several options without notifying the others. And, some say the airlines’ weak position could lead unions to demand better collective bargaining conditions given that there are no other options for replacing the pilots.

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Cohen says the regionals are doing as much as they can. “Our members are doing everything within their control to manage the pilot supply issue, but many of the issues that are causing it, and the solutions, are out of our control.”

Republic Airways, an operator of more than 250 Bombardier Q400s, Embraer regional jets and E-Jets for United Express, Delta Express and American Eagle and US Airways Express, sends a team of “road warrior” pilots to universities, flight schools and industry events to “build a pipeline” into the carrier. Jody Scott, director of talent acquisition, says Republic is most interested in 15 universities offering four-year aviation degrees to find new pilots; she expects that to be 480 this year. She says hiring is “more difficult than in prior years,” and the airline is using social media and other innovative channels to reach out. “We are turning over every stone we possibly can,” she says.

Turnover among Republic’s pilots is less than elsewhere—Scott says fewer than 15% of 2,300 pilots left last year for the majors. Republic, which starts first officers at around \$20,000, according to FAPA, is offering a sign-on bonus of \$7,500 to help pay off student loans as well as the cost of acquiring the Airline Transport Pilot’s license, a requirement for first officers since last year. The company has no specific “flow-through” agreements with the majors to accelerate the transition from regional to mainline, nor is one needed. “If you have Republic on your resume, majors will snap you up in a heartbeat,” says Scott.

A promising flow-through agreement between Delta and its regional subsidiary, Endeavor Air, an operator of Bombardier CRJs for Delta Connection, fizzled out shortly after it started. Under the Endeavor to Delta (EtD) program launched in June 2014, new pilots hiring into Endeavor using a combined Delta/Endeavor interview process could automatically fly for Delta after two years as a captain, an overall length of about five years including first officer time.

However, a Delta official at the ERAU hiring summit said the program “did not work out because union was against it, and feedback showed that people weren’t committed to Delta specifically.” A pilot at Endeavor said it was also a problem for applicants accepted into the program to go back and fly the line with existing Endeavor pilots who were not given the same opportunity.

One pathway program widely held up as the gold standard within the industry is Cape Air’s “gateway” program with JetBlue Airways, now in its eighth year. To date, 17 Cape Air captains have transitioned through the program to become first officers with JetBlue, says Cape Air President Linda Markham. The program begins as an internship when the students are sophomores

at seven colleges, followed by a job at Cape Air, whose fleet type is chiefly the piston-powered Cessna 402. There, the pilots build 2,500-3,000 hr. before interviewing with JetBlue, despite having no turbine time in the logbook. Markham says most of the sophomores already have a certified flight instructor rating when entering the program, and internships along the way include office work to produce “a well-rounded student who understands the business as well.”

While JetBlue would like to take up to 50 pilots per year through the program, Markham says the current capacity is 4-6 per year, but the number should increase as there are more than 80 participants in the program. Cape Air is also reaching out to more universities to boost throughput. Markham says Cape Air has not yet had to implement bonuses to attract pilots yet, but the Part 135 carrier is currently about 25 pilots short of its desired size of 175 pilots. She says the number of pilots applying for jobs plunged from 1,050 in 2013 to 522 in 2014, a drop she attributes to the “flood gates opening” at the regionals. “Most aviators’ long-term aspiration is jet or large aircraft. We have always understood that,” says Markham. “We are a stepping stone. But we also have long-term employees who like to be home with their families.”

Southwest would like to create its own pathway programs with regionals that are not wholly owned subsidiaries, possibly including Ameriflight or SkyWest. “We’re unique in that we don’t have a feeder airline,” he says, noting that American Airlines can bring new pilots in through subsidiaries including Envoy. Calkins says it’s difficult to sell a pathway program to the “compliance people and business side” of the airline. In the interim, the carrier is trying to make inroads at universities and is “being more visible” at collegiate events including fly-ins, he says.

Southwest hired close to 400 new pilots last year, but is scaling back to approximately 250 this year as its training center will be full through March with the remainder of the transitioning AirTran Airways pilots. The hiring boom last year has training centers at most carriers overflowing, says Calkins, particularly at carriers with multiple aircraft types. “All of us are hamstrung by the number of people we can put through the training center,” he says.

Calkins says airline executives have to “make an investment” in the pilot workforce. “If you want to grow the airline, we can buy airplanes and we can make deals, and all of the sudden we can’t get anybody to operate these airplanes. That’s what we’re facing.”

“At the major level, I think we all agree that we’re OK for three, or four, or five years, but it’s going to catch up with us.”

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