

# Bloomberg

---

## U.S. Airlines Post First Job Gain Since 2008 on Travel

By Sonja Elmquist and Mary Jane Credeur - Feb 18, 2011

Employment at U.S. airlines rose 0.2 percent in December, the first time since June 2008 that passenger carriers created more jobs to keep pace with rising demand for travel.

Hiring by companies such as [Delta Air Lines Inc.](#) is starting to show up in data from the [U.S. Bureau of Transportation Statistics](#), which said today that the industry workforce climbed to 379,651 from 378,953 a year earlier.

The job-loss streak was the second-longest for U.S. airlines since the government began keeping track in 1990. Full-time employment at passenger carriers has fallen by about 143,000 since 2000, BTS data show, the equivalent of erasing the combined payrolls of Delta and [American Airlines](#).

“They’re beginning to add some heads in the customer service area, flight attendants and reservations,” said William Swelbar, a research engineer at the Massachusetts Institute of Technology’s [air transportation center](#). “Everyone is looking in the mirror and saying ‘I need to add here and there.’”

[AMR Corp.](#)’s American said today it is recalling 200 furloughed attendants, expanding on the 368 recalls announced Feb. 9, and [US Airways Group Inc.](#) took applications in December for 420 attendant jobs. Atlanta-based Delta has added more than 4,000 new employees over the past year.

November’s employment total was little changed, according to BTS, with a drop of 23 jobs. The record streak for declines in the industry workforce is the 31-month period from February 1993 to August 1995.

‘Bottoming Out’

“Things are bottoming out,” said Jerry Glass, a former labor executive at [US Airways](#) who is now president of Washington-based consulting firm F&H Solutions Group. “I would expect some moderate hiring in 2011.”

Airline payrolls shrank for most of the last decade as the 2001 terrorist attacks and two recessions sapped [travel demand](#) and dragged carriers such as Delta into job-slashing bankruptcies. The

industry learned to operate with fewer workers, with employment dropping 27 percent from the 2000 peak while traffic rose by about 15 percent.

Four of the five largest U.S. airlines posted profits last year as [air travel](#) recovered, with [Fort Worth](#), Texas-based AMR alone in reporting a full-year loss. Passenger traffic climbed 3.5 percent in 2010 through October over a year earlier.

For all of 2010, the Bloomberg U.S. Airlines Index rose 22 percent after tumbling 53 percent from the end of 2006 through 2009. The gauge of 12 carriers was little changed this year through yesterday.

‘Starts to Percolate’

“As the economy starts to percolate again there’s more demand,” said John Challenger, chief executive officer of Challenger, Gray & Christmas, a Chicago-based outplacement consulting firm. “As that gathers momentum the hiring will pick up and has started to do that.”

Carriers probably will be cautious in hiring because the shocks of 2008-09 are still fresh, Glass said. They cut about 22,000 jobs in those two years, BTS data show, and parked more than 500 planes as oil surged to a record and travel wilted.

[United Continental Holdings Inc.](#), the world’s largest carrier, is among the airlines saying it plans to limit increases in available seating to roughly match the growth in U.S. gross domestic product. The Chicago-based carrier formed in the October merger of United and Continental airlines is eliminating 500 jobs in Continental’s Houston headquarters.

“Airlines have learned from past mistakes,” Glass said. “I don’t think there’s going to be an explosion of capacity growth which would lead to a lot of hiring.”

To contact the reporters on this story: Sonja Elmquist in New York at [selmquist1@bloomberg.net](mailto:selmquist1@bloomberg.net); Mary Jane Credeur in Atlanta at [mcredeur@bloomberg.net](mailto:mcredeur@bloomberg.net)

To contact the editor responsible for this story: Ed Dufner at [edufner@bloomberg.net](mailto:edufner@bloomberg.net)