

Fixing the Pilot Shortage Without Increasing Pay

By CrankyFlier on Jun 16, 2014 | 16 Comments

The talk about pilot shortages seems to have run its course in traditional media. After all, there's not much more to say right? There's a pilot shortage coming and we're all doomed. How often can you say the same thing over and over again? (Don't answer that, CNN.) But of course, there is more to discuss here. In many reports, the only answer seems to be an increase in pilot pay to make it more attractive. I don't buy it. I think there are other ways.



Before I get into that, how about a brief recap on what is causing the shortage? First, we have a rush of pilot retirements kicking in. Then we have the dramatic increase in the minimum number of flying hours required to get hired. But did you know there's more about to happen? In August, there's a [whole new slew of training required for pilots](#), and it's going to be really expensive.

So, uh, who is going to fly all these airplanes? Many argue that increasing pay is the key here, but I am far from convinced that's needed. And I'm not alone. I realize this was

now a couple months ago, but I can't help but go back to the Phoenix Aviation Symposium where this was the hot topic on one of the panels.

The key seems to be understanding what it is that pilots really want. You've probably heard the fun-filled statistic that a manager at McDonald's makes more money than a pilot in his first year at a regional. But that misses the point. Jerry Glass, a consultant who headed labor relations at US Airways during the last couple of years before the airline was bought by America West, points out that a McDonald's manager has nowhere near the career earning potential of a commercial pilot. Starting salary doesn't tell you the whole picture.

In Jerry's mind, pilots want two things. First, they want to know how quickly they can become a captain. Then second, they want to know how quickly they can get to a major airline. Sure it's about having a better lifestyle and getting paid more, but the way to do that isn't raising starting wages. It's making sure pilots have a relatively quick path to move up.

Of course, it's easy to say that if all the pilot has to do is live in a crash pad eating nothing but ramen for a couple years. The bigger issue is that they have to pour a ton of money in at the start. And with these new rules coming in August, the amount you have to pay to even be eligible to be hired by an airline will increase by thousands.

Students pay a silly amount of money to become a doctor but that's because a) they'll get paid in the end and b) there's access to financing the help fund the education until they do get paid. Airline pilots don't have that, or at least haven't had that for years because they haven't had the opportunity to move up. Even if they can get a loan, they might not be making enough money to pay it back down the line.

One way to fix this problem is to subsidize training in one form or another. I asked Captain Tim Canoll, Executive Administrator of ALPA, just that in Phoenix. His response? "I believe it's a viable solution."

At little Silver Airways, the airline has had to get creative. The [airline pays a \\$12,000 hiring bonus](#)(that's one way to offset training costs). The airline is also signing agreements with schools to give preference to their graduates.

According to Dave Pflieger, President and CEO of Silver Airways, the little guys struggle the most. “[Low cost carriers] and big guys have no problems because [they] hire all our pilots.”

Dave takes what Jerry Glass said further, and he backs it up with the data they get from exit interviews with their departing pilots. According to Silver's pilots, the biggest issues are, in order, career progression, schedule, and then pay comes in third.

I think Dave put it well, “pay is an issue but it's not *the* issue.” But when Dave says the big guys have no problems hiring, he's half right. It's true, they have no problem filling their own airplanes. But planning departments are worried about the possibility that they won't be able to get enough feeders in the future from regional partners.

Most recently, [Delta entered into a creative agreement with Endeavor](#), its wholly-owned regional subsidiary. Delta is basically planting people at Endeavor to assist with hiring, and it's going to hire according to Delta standards. In return for that, hired pilots “will receive a commitment to be hired by Delta in the future.”

This kind of thing helps potential pilots to think about their true earning potential over time. You can work for less for awhile if you can see where your future lies, and that helps pilots to justify at least some of the training costs. But as those costs keep rising, this career path may not be enough. It might require subsidizing training. Of course, when the industry hits a bust cycle again and layoffs and furloughs start mounting, then what? There's no guarantee of exactly when these pilots will move up to mainline. So it's hard to know exactly where this ends. But it seems to me that a pay increase isn't necessarily the answer.