





PILOTS ARE GETTING PAID

Can business aviation keep up with the lucrative salaries airlines are offering?

BY MICHAEL WILDES



So, let's talk about money because, as Danny DeVito's character once said in the 2001 movie *Heist*, "Everybody needs money—that's why they call it money."

The business aviation sector is navigating significant changes, especially concerning pilot and wider flight department salaries. The National Business Aviation Association (NBAA) has reported a notable 12 percent increase in wages for senior captain, captain, and first officer positions from 2022 to 2023. For comparison, recent data from the Bureau of Labor Statistics that measure payroll, private industry compensation has grown only 4.5 percent in the past 12 months, which means pilots across the board have been equipped with the economic power to outclimb both high inflation and high interest rates that have grounded many other professionals.

PILOT SHORTAGE DRIVING HIGHER WAGES?

Much of this stems from the nose-high limits with which airline pilots' salaries climbed last year as pilot unions exercised leverage over airlines to boost pay. Though the unions would describe it differently, the bargaining power they've wielded has collectively come from a tangible pilot shortage unable to meet the public demand for commercial and even business travel. Let's be clear—

the steep increase in pilot pay and benefits is linked to an embedded pilot deficit. To that end, pilots have been experiencing a windfall like no other.

As mentioned, it's not just good news for airline pilots and workers. Business aviation is also raking it in. Christopher Broyhill, an aviation compensation expert and NBAA Business Aviation Management Committee member, has been at the forefront of analyzing these salary trends. Broyhill says there is increasing "wage pressure" for business aviation as a result of recent, more lucrative contracts from major airlines like Delta and American.

"When I advise clients on compensation levels, I map business aviation compensation versus airline compensation, and the results aren't pretty," Broyhill says. "A pilot can join Delta Air Lines, upgrade to captain in five years, and make over \$400,000 to show up and fly an aircraft. With the new American [Airlines] contract, that same pilot can make \$450,000 in about six years. More than anything else, it is the economic law of supply and demand. The pilot shortage is real, and you see it manifested when pilot compensation is rising—less supply, more demand, higher pricing. There are fewer pilots than there are cockpit seats, and that condition will worsen before it gets better."

Broyhill points out other factors that are making the pilot shortage worse. One is the fact that "the military isn't creating pilots like it used to," and second, most people



can't afford flight training. And there's a third element—instructor turnover. “In the pilot production industry, we tend to ‘eat our own,’ in that pilots who become flight instructors to build time leave those jobs to fly with the airlines or business aviation as soon as they reach the number of hours required and leave the industry with fewer instructors,” he says.

But even with an apparent disparity between commercial and private aviation wages, there couldn't be a more lucrative time to be a pilot.

A part of that is the public's discovery and increasing use of business aviation from the days of the COVID-19 pandemic. That has encouraged OEMs to roll out new and updated jet platforms that are faster, lighter, and quieter. Still, despite the topsy-turvy charter jet market that saw some operators lose their footing, it has presented an opportunity for the leaders in the space to outstretch the competition. In late September, NetJets and Textron Aviation announced they had completed a \$30 billion deal to supply NetJets with up to 1,500 Cessna Citation platforms over the next 15 years. Flushed with money, this recent announcement came after NetJets in May said it would purchase 250 Praetor 500 jets from Embraer for approximately \$500 billion.

All sides of the industry are buzzing, allowing pilots to choose wherever they want to land.

CAN BUSINESS AVIATION KEEP UP?

Broyhill also highlights a “shortage within the shortage,” where pilots qualified to fly the newest jets, such as the Gulfstream G600, G650, G700, and G800, or the Bombardier Global 7000, 7500, and 8000, are in high demand because of the expensive and challenging training required. “These aircraft are typically purchased by very high net worth individuals and large corporations who can afford to spend top dollar for compensation,” he says. “Once a pilot gets a type rating in one of these aircraft, they become a commodity and are often willing to go to the highest bidder.”

Still, Broyhill says those salaries can't match even what airlines offer. “For a company only paying in the middle of the market, the 50th percentile, that increase was only \$12,000 to a base compensation rate of \$265,000 annually. But for a company willing to pay at the top of the market (the 75th percentile), that increase was \$34,000 to \$307,000—a significant difference.”

Sheryl Barden, the CEO of Aviation Personnel International and a prominent figure in the business aviation sector, concurs with Broyhill's analysis. Barden's firm, positioned as a linchpin in consulting for business aviation, particularly for Part 91 flight departments, is at the forefront of understanding and addressing the evolving HR landscape in the industry. With a finger on the sector's pulse, Barden, often in collaboration with Broyhill, delves into tailored compensation surveys to keep abreast of the evolving landscape. Their collaborative endeavors aim at equipping Part 91 flight departments with the requisite insights to navigate the turbulent compensation waters.

“Business aviation... has seen a 59 percent rise in pilot compensation over the last eight years,” Barden says, underscoring a marked disparity when juxtaposed with the 23 percent and 33 percent increments for maintenance technicians and schedulers, respectively, over the same period.

That's all well and good, but she is quick to question whether business aviation departments might be able to sustain the steep salary increases as they reach dizzying heights in trying to stave off airline attrition. After all, the difference in economics between airlines and corporate flight departments necessitates that the latter accept trade-offs when it comes to salaries.

“It is becoming increasingly difficult for a corporation to keep up with the rising need for compensation,” Barden says. “A lot of that is being driven by the airlines. When a pilot moves, it's often triggered by someone transitioning to the airlines for future compensation prospects. Nobody goes to the airline for compensation today.”

This narrative aligns with the broader industry paradigm, where pilots are lured by the airlines' promise of substantial future earnings, albeit at the cost of creating a vacuum in the business aviation domain.

Barden notes the early warnings she delivered on the impending pilot shortage, a discourse she says was met with skepticism initially.

“I started talking about the pilot shortage in 2011,” she says. “I had an NBAA conference and said it’s coming. Thank God they didn’t have tomatoes in the audience because I got heckled.”

IT’S NOT JUST ABOUT MONEY

But something else is at play beyond compensation, according to Barden. She maintains the only way the business aviation departments can compete is not only with salary dollars but, in fact, lifestyle and culture perks.

“One of the reasons why people stay [with airlines] is culture,” she says. “Culture makes someone look forward to bringing their A game to work every day, and that starts with leadership. It’s a little bit of everything—competitive pay, adequate time off, and a gratifying work environment.”

She believes those three elements prove to be instrumental in retaining the existing talent and attracting the next generation of aviation professionals.

Barden also sees a nuanced challenge on the horizon—the growing polarization within the workforce that has been spurred by differing COVID vaccination stances and political affiliations. She fears this schism might reappear as the nation steers into another election cycle, potentially stirring the pot within flight departments. Her advice? “Stop the chatter.”

NOT ALL ARE BENEFITING

But only some workers in flight departments see the upside of this new pay bonanza. Barden notes the glaring

pay disparity among different roles within the business aviation sector. Particularly, Barden is concerned about the comparatively sluggish compensation growth for maintenance technicians, schedulers, and dispatchers—a trend that could potentially alienate these indispensable cogs in aviation’s machinery.

“That’s where I worry,” Barden says. “The people in the cabin, the flight attendants, and the pilots have gone up significantly, but for the people who make it work every day, they have not gone up [in pay] to that degree. Maintenance increased 23 percent in eight years [compared to 59 percent for pilots]. Schedulers and dispatchers went up 33 percent... and they were the two lower-paid ones.”

She argues that the disproportionate rise in compensation could instigate a feeling of being undervalued among these professionals, potentially driving them toward other lucrative industries.

Discussing the strategies to combat the talent drain, Barden mentions a Fortune 50 company’s initiative to nurture talent right from the grassroots. She says some companies are moving their maintenance technicians into higher-level jobs with different titles, allowing them to earn more by doing more. She also points out the importance of rethinking hiring strategies to replenish the aging maintenance workforce, which is heavily skewed toward the older age spectrum.

This proactive approach, according to Barden, is pivotal to ensure a steady influx of fresh talent to keep the business aviation sector humming. Furthermore, Barden





underscores the imperative need to foster an inclusive and psychologically safe environment to attract a diverse talent pool, easing some of the workforce shortages that departments face.

“There are many more opportunities in the airlines than business aviation, and the airlines do a much better job making those opportunities visible to prospective employees,” Broyhill says. “That’s not a condition that will likely change unless business aviation can develop a unified front like the airlines.”

PAY RAISES A SHORT-TERM SOLUTION?

As for alleviating the pilot shortage, Kit Darby, a veteran aviation consultant with his own firm, provides some additional context.

“We’re short 24,000 pilots in this country right now,” Darby says. “Raising the pay doesn’t make any more pilots.”

Instead, Darby points out that in the past year, to make up for the wave of senior pilots that retired in the early days of the pandemic, airlines have hired in record numbers, boosting attractiveness with lucrative contracts. “It did bring some out of the woodwork,” Darby says, noting, however, that it may not be enough.

Darby emphasizes the need to improve pilot training programs, which would involve revisiting the Airline Safety and FAA Extension Act of 2010, aka the “1,500-hour rule”—which he calls absurd to begin with—and

mentions that simulators can effectively train pilots for various maneuvers required for certificates. “I’ve got 15 years teaching in simulators after I retired from the airlines,” he says. “And there’s absolutely nothing you can do in an airplane that you can’t do in a simulator. We could raise the retirement age, which I think will probably happen, but it’s only a partial solution.”

Finally, he suggests immigration reform, specifically the National Interest Waiver, could allow carriers to hire qualified foreign pilots to fly their aircraft. Amid all of these, Darby says the pressures causing the pilot shortage, and hence driving up wages, is nowhere near over. “None of those things we mentioned, the National Interest Waiver and raising the [retirement] age and lowering the time requirements, will be enough. The shortage is not going to be cured by any of those.”

Numbers don’t lie—there probably hasn’t been a more lucrative time to be a pilot. But if the industry cannot solve its pilot woes, where will that leave us? ●

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