

Business News: American Boosts Pay for Regional Airline Pilots

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FULL TEXT

Pilots at two regional airlines owned by American Airlines Group Inc. are getting a big pay raise for at least the next two years as the carriers struggle to hold onto pilots amid an industrywide hiring spree.

Piedmont Airlines and Envoy Air will boost pilot pay by an additional 50% through the end of August 2024, on top of longer-term pay increases, as airlines look to rebuild their ranks after encouraging thousands of pilots to retire at the height of the Covid-19 pandemic. Altogether, newly hired first officers will start out making \$90 an hour through the summer of 2024. Newly hired captains will start at about \$146 an hour at both carriers in that period, or more depending on their experience level.

Before the new pay agreement, Piedmont first officer pay started at \$51 an hour and captain pay started at \$78. At Envoy, the raises amount to a 13% pay increase and a 60% increase in pay for the next two years, said Capt. Ric Wilson, the airline's vice president of flight operations.

The raises put pay at Piedmont and Envoy ahead of other regional airlines, industry officials said, and the carriers said they hope that they can compete better with budget airlines and cargo carriers that have been poaching their pilots in recent months. Both airlines said the extra 50% boost could be extended longer. "We've definitely put what we believe is an aggressive package," said Piedmont Chief Executive Eric Morgan. "We've had challenges before, but this level of demand [for pilots] is not something we've seen."

Competition for pilots has been fierce as travel demand has rebounded. Major U.S. carriers are on track to hire over 10,000 pilots this year, according to projections from FAPA.aero, a pilot advisory firm. That would make 2022 the busiest year on record for pilot hiring by a huge margin – topping the roughly 5,400 pilots hired last year.

Regional airlines have been one-upping each other with higher signing bonuses, but executives at Piedmont and Envoy said that hasn't been enough to stem the outflow. Envoy, for example, is losing 80 pilots a month, compared with more typical attrition rate of 30 a month, Mr. Wilson said.

Regional carriers are an important link in the U.S. aviation system. Big airlines outsource a significant portion of their flying to these smaller partners to save on costs, and regional airlines operate over 40% of domestic flights, according to the Regional Airline Association.

Credit: By Alison Sider

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