Is the Pilot Shortage Over?
To me it is clearly equipment driven. The demand for our commodity, the airline seat, is strong, and the airlines want to meet this demand. To do this the airlines have ordered hundreds of new aircraft and were hiring pilots at record levels to fly them until recently.

The combination of the delivery and certification problems at Boeing (150 aircraft at United and Southwest this year alone) and the engine issues with the Airbus A-320 family (643 aircraft grounded worldwide) have combined to delay the demand for pilots at most of the US Major airlines.

Precise numbers are hard to find on the number of Boeing deliveries that have been delayed but we know that the MAX 7, Max 9, B-787 deliveries are reduced and the Max 10 and B-777-9 is not certified yet. The good news is that the US Major airlines usually get all the aircraft they order, eventually, and when they do, there will be renewed demand for pilots to fly them. High pilot retirements will march on as the other half of the long-term pilot demand formula. Growth is the other half of the equation and there is no sign, yet, that the economic downturn which has been forecast since COVID is upon us.

Each of the aircraft delivery, certification, or repair problems above has its own timeline for resolution with some taking up to two years to be resolved but when they are resolved, the planes will come or return and the pilots will be needed again in large numbers.

Other options to offset the equipment shortage damage to pilot demand include: Keep the airplanes you have longer, fly the ones you have more, utilize the Regional aircraft more, acquire used aircraft, acquire some else's new aircraft, and delaying new routes.

The argument that pilot certifications of multi-engine ATPs (9,000/11, 000 in 2022/2023) are sufficient to cover the higher hiring rates of the past few years when they have remained below the hiring rate for just the Majors airlines (13,000/12,000 in 2022/2023), not including the Regionals, Corporate, Fractionals, and Charter pilot demand seems illogical. The problem with using FAA pilot licenses statistics is that the license does not ensure the pilot applicant has the right stuff to do the job, wants to be an airline pilot, or has the right to work (non-citizens). It will take more than a Class one FAA physical, an ATP, and a Master Card to get and do this job.

The traffic growth slowing referred to by some may well be due to the initial shortage of Regional First Officers and eventual shortage of Regional Captains due to the massive pilot hiring at the Majors and the developing equipment shortage. The argument that all you need to do is raise the pay and there will be enough pilots to do the job was part of a short-term solution but the pilots that were "found" in this process are all on board now and pay has become a long-term solution taking 3-5 years to grow a pilot with the training and 1,500 hours of experience required to work at the airlines.

Pilot to aircraft ratio is greatly affected by the range of the aircraft flown because of the requirement for an additional First Officer if flying over 8 hours and two First Officers if flying over 12 hours. This makes Southwest to Delta/United direct comparisons problematic. The post COVID recovery, to date, has been mostly driven by the domestic market; the international market is returning strong in the USA and around the world. This recovery has the potential to make the pilot shortage even worse than previously endured when aircraft become available again.

Pilot wages have improved due to the huge 20%+ initial increase and over 30% increases over the length of the new Major airline pilot contract and even more over the past several years at the Regional airlines.

As for rising cost, almost any stable known cost factor like pilot pay can be accommodated in a profitable business plan especially if they are similar among key competitors (and they are). The scary ones are the variable cost that are out of the airlines control like fuel.

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