



Aviation Technician Education Council

Expanding Global Fleet Combined with Lack of Qualified Technicians Creating Labor Squeeze for Airline Industry

NEW YORK—([BUSINESS WIRE](#))—Executives from the maintenance, repair, and overhaul (MRO) industry are worried about an anticipated shortfall in the number of adequately trained mechanics at a time when the global airline fleet is expanding and modernizing, according to Oliver Wyman’s 2017 MRO survey titled [When Growth Outpaces Capacity](#).

“It is a double whammy. Over the next decade a record number of maintenance technicians will retire, outpacing the total number of new mechanics entering the market,” said Brian Prentice, partner with Oliver Wyman. “At the same time, the global fleet is growing significantly. Additionally, the shortfall is expected to create expertise gaps as the industry finds itself having to service a fleet that will be almost equally divided between older and newer technology aircraft. This is one situation in the US, where the jobs are available, but the people are not.”

According to the survey, 78 percent say it is getting harder to hire mechanics and the tightening labor market is pushing them to rely on overtime and other stop-gap efforts to keep up with market demand.

The aging of the mechanic workforce and anticipated retirements could not come at a worse time for the industry, as it gears up to accommodate the larger fleet. The median age of aviation mechanics in the United States is 51 years old, nine years higher than the median age for the broader US workforce according to the Bureau of Labor Statistics. At the same time, relatively few millennials are looking to train as aviation mechanics. When asked why it was difficult to recruit, 51 percent of survey respondents identified wages and benefits as an obstacle.

Additional survey findings include:

- The world’s major airlines are slated to add 20,444 planes, of which 17,390 are new technology aircraft, and retire 10,311 older planes. By 2027, 58 percent of the global fleet will be newer generation aircraft.
- Mechanics will need the skill sets to work not only on the newest planes, but also on those that have been flying for 20 years.
- Roughly 30 percent of mechanics who train for the airline industry find careers in other industries, due to better pay, improved working hours, and other attractive job incentives.
- Technology offers some hope to ease the impact of the labor shortage through productivity enhancements and operational improvements; if IT spending is adequately prioritized.
- With a shortage of skilled technical labor, airlines will likely protect their daily operations by drawing existing skilled workers into their line maintenance programs to the detriment of third-party maintenance providers.
- In the near term, airlines will continue to focus on operational reliability, at the possible expense of turnaround times for scheduled maintenance and components.

- An increase in out-of-service time will potentially require a shift in asset management strategies. The industry may give back some of the efficiency gains made and hold more spares.

“The industry is facing a variety of challenges and some can be remedied by a combination of improved efficiencies driven by new technology solutions and increased wages to attract new talent,” added Prentice. “However, this may take up to a decade to achieve, leaving the industry at a crossroads in the meantime.”

About the MRO Survey

In its second decade, Oliver Wyman surveys a range of executives from across the aviation industry cross key trends and emerging issues in the MRO sector. Sixty-three percent of this year’s respondents to the annual survey were senior executives — either in C-suite posts or vice president or above, and 85 percent were director level or above. More than half (55%) were located in North America.

About Oliver Wyman

Oliver Wyman is a global leader in management consulting. With offices in 50+ cities across nearly 30 countries, Oliver Wyman combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization transformation. The firm has about 4,500 professionals around the world who help clients optimize their business, improve their operations and risk profile, and accelerate their organizational performance to seize the most attractive opportunities. Oliver Wyman is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE:MMC). For more information, visit www.oliverwyman.com. Follow Oliver Wyman on Twitter @OliverWyman.