2023 Compensation Survey Executive Summary

This Executive Summary provides a high-level overview of the 2023 National Business Aviation Association’s (NBAA) Compensation Survey. Within this document you will find the following information:

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About the Survey

This year marks the 37th year that NBAA has conducted the survey. With 455 NBAA member participants providing data for 3,442 flight department employees, this survey continues to be the premier source of competitive intelligence for pay and benefits for flight department pilots, managers, and employees.

NBAA began partnering with BDO USA, P.A. to conduct the survey in 2019. BDO brings decades of experience in both compensation policy development and survey administration. Our goal was to engage a third-party administrator to provide guidance for ensuring the highest quality survey and timely production of the results. For instance, one of the key updates that BDO implemented when they began to conduct the survey is the interactive Excel-based reporting tool.

The purpose of this survey is to provide participants with comprehensive pictures of Aviation Department/Function composition, key benefits and policies and compensation packages for their employees in flight departments/ functions. The 2023 NBAA Compensation Survey presents a set of baseline compensation and benefits data that is segmented by characteristics of the flight department and the company. An NBAA member can compare their own operations to a composite of similar flight departments, where departments are differentiated by:

- Company size (sales or assets)
- Flight department size (number of aircraft/employees)
- Location (FAA region)
- Industry
**SURVEY FAST FACTS**

Participants: 455

Flight department total employees reported: 3,442

Aviation-specific positions: 19

Salaries effective: March 1, 2023

Bonuses earned in 2022

Survey results published:
- Online
- Excel tool

**Survey Topics:**
- Salaries
- Overtime
- Bonuses
- Merit increases
- Long-term incentive eligibility and type
- Formally recorded duty/flight hours and weekend/RON days
- Retention practices
- Diversity, equity, and inclusion

**Survey Enhancements**

This year's enhancements focused on measuring compensation for companies who operate premium/ultra-long-range aircraft, as well as understanding the use of compensation as it relates to retention practices, specifically:

- Companies were asked whether they operate premium/ultra-long-range aircraft. The primary purpose of this question was to determine whether a sufficient number of companies operate these types of aircraft to warrant including a scope measure for analysis of compensation levels in future survey editions. The results of this question are reported on the Aviation Dept Summary tab.

- To provide more insight into how companies use compensation as a retention tool, we asked additional questions regarding deferred compensation arrangements, including:
  - Salary policy question regarding deferred compensation plans used as retention tools
  - Compensation arrangements regarding additional compensation paid for retention (prevalence, award year, plan type, target dollar value of award, frequency)
Participation Profile

Participants range in size by total corporate sales, the number of aircraft operated, employees and more. Almost 50% of participants have one aircraft and about 30% employ 3-4 people in their aviation department. The median number of pilots employed is four, but 10% of the participants employ 11 or more.

![Total Corporate Sales in 2022](chart)
- Not Applicable
- Below $100 million
- $100 to < $500 million
- $1 to < $2.5 billion
- $2.5 to < $5 billion
- $5 - $10 billion
- Above $10 billion

![Number of Aircraft Operated*](chart)
- One
- Two
- 3-4
- 5 or More

*Values do not sum to 100% due to rounding.

![Full-time Aviation Department Employees](chart)
- 1-2 People
- 3-4 People
- 5-10 People
- More than 20 People

![Number of Pilots in Department](chart)
- Total # of Pilots
- Full-time Pilots

10th %ile 25th %ile 50th %ile 75th %ile 90th %ile

11 10 6 3 3 2 2 2 1
Manufacturing and Family Transportation are amongst the top four industries represented in the survey for the fourth consecutive year.

Following is a list of the industries most represented by participants in this year’s survey.

1. Manufacturing
2. Family Transportation
3. Business Aviation
4. Financial, Insurance, Banking
5. Real Estate
6. Retail, Wholesale
7. Food & Beverage
8. Transportation
9. Engineering & Construction
10. Petroleum, Gas
11. Utilities
12. Conglomerate
High Level Findings

**HOW PILOT PAY STACKS UP**

Results show that the time and effort required to move up from Copilot to Chief Pilot pays off.

On average, the Chief Pilot and Senior Captain earn a salary that is almost twice that of the Copilot.

<table>
<thead>
<tr>
<th>Pilot Role</th>
<th>Salary as a Percent of Average Copilot Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Pilot</td>
<td>182%</td>
</tr>
<tr>
<td>Senior Captain</td>
<td>185%</td>
</tr>
<tr>
<td>Captain</td>
<td>156%</td>
</tr>
<tr>
<td>Copilot</td>
<td>100%</td>
</tr>
</tbody>
</table>

Bonuses are also an important element of pilot pay.

On average, for all pilots as a group, bonuses represent an additional 14% of pay which is a slight increase from 13% based on the 2022 and 2021 survey results. Pilots, especially Chief Pilots and Senior Captains, working at a large company can earn a significantly higher bonus as shown below.

<table>
<thead>
<tr>
<th>Average Target Bonus as a Percent of Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Sales</td>
</tr>
<tr>
<td>Overall</td>
</tr>
<tr>
<td>Below $100 million</td>
</tr>
<tr>
<td>$100 &lt; $500 million</td>
</tr>
<tr>
<td>$.5 &lt; $1 billion</td>
</tr>
<tr>
<td>$1 &lt; $2.5 billion</td>
</tr>
<tr>
<td>$2.5 &lt; $5 billion</td>
</tr>
<tr>
<td>$5 to $10 billion</td>
</tr>
<tr>
<td>Above $10 billion</td>
</tr>
</tbody>
</table>

ID: Insufficient Data

**Salary increases:**

The average salary increase budgets were higher in 2023 compared to the past two years.

- The budgeted amount increased by 17% over the prior year’s budget but was 10% lower than last year’s actual spend.
- The inverse correlation between organizational size and the salary increase budgets that was present in 2022 continued in 2023. In general, the largest budgets were reported by the smallest organizations. Possibly indicating a greater need to increase pay in response to inflation and demand for talent.
Retention

Companies have several compensation tools available to use to retain talent. These include retention bonuses, deferred compensation, and long-term incentives/equity. Companies are using these tools to a limited extent.

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Percent of Companies Providing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention Bonuses</td>
<td>35%</td>
</tr>
<tr>
<td>Deferred Compensation as a Retention Tool</td>
<td>15%</td>
</tr>
<tr>
<td>Long-Term Incentives/Equity</td>
<td>25%</td>
</tr>
</tbody>
</table>
FACTORS THAT IMPACT PAY

Multiple factors impact salary levels:

- The Entertainment industry is the overall highest paying industry for pilots – paying 32% more than the national average.
- Pilots who fly a Jet V (80,000 < 120,000 MTOW) are paid nearly 30% more than the average pilot.
- The companies in the largest size group pay over 20% more than the national average.
- Pilots located in the New England FAA region are paid 19% more than the average national pay level for pilots.

The below table highlights the factors that most impacted pilot pay in 2023 and the corresponding salary as a percent of overall average pay.

<table>
<thead>
<tr>
<th>Factor Category</th>
<th>Factor that Pays the Most</th>
<th>Salary as a % of Average Overall Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>Entertainment</td>
<td>132%</td>
</tr>
<tr>
<td>Aircraft Type</td>
<td>Jet V (80,000 &lt; 120,000 MTOW)</td>
<td>129%</td>
</tr>
<tr>
<td>Corporate Sales</td>
<td>Above $10 billion</td>
<td>121%</td>
</tr>
<tr>
<td>FAA Region</td>
<td>New England</td>
<td>119%</td>
</tr>
<tr>
<td>Asset Size</td>
<td>Above $5 billion</td>
<td>115%</td>
</tr>
<tr>
<td>Department Size</td>
<td>11-20 people</td>
<td>116%</td>
</tr>
<tr>
<td>Years in Company</td>
<td>2 to less than 5 years</td>
<td>105%</td>
</tr>
<tr>
<td>Years in Current Position</td>
<td>5 to less than 10 years</td>
<td>104%</td>
</tr>
</tbody>
</table>

Typically, larger-sized companies (based on asset size, corporate sales, and department size) tend to pay more. Additionally, pilots with longer tenure typically earn higher pay than pilots who have less tenure. However, this year's survey results show that, on average, pay for pilots is less influenced by employer size and employee tenure than anticipated, and further substantiates that the type of aircraft operated is one of the most influential factors on pilot pay.

- Pilots employed by companies with higher corporate sales and larger aviation departments may earn more in pay than those in smaller organizations, but not always.
- Pilots with more tenure tend to earn more in pay; however, a comparison of the 2022 and 2023 survey results, revealed that participants reported employing more pilots with less than two years with the company and less than two years in their current position (an increase of 31% on average). The pay for pilots with less than five years of experience seems agnostic to experience, and the upward swing in pilots with less experience might be attributed to job switching in which new hires can earn higher pay than job stayers.
**BENEFITS**

There are other elements of pay that impact an employee’s total take-home package:

- Benefits typically add an additional 22% of value to the total package.
- 91% of companies provide a 401(k), and of those companies, 95% provide a company match.
- 97% of participants provide medical insurance.
- On average, companies cover about 80% of the medical benefit premiums for employees.

While most pilots receive guaranteed vacation days, on a weekly basis they rarely get the same day off each week.

### Guaranteed Days Off

<table>
<thead>
<tr>
<th>Day Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacation day</td>
<td>96%</td>
</tr>
<tr>
<td>Company holiday</td>
<td>33%</td>
</tr>
<tr>
<td>Specific number of days/month</td>
<td>28%</td>
</tr>
<tr>
<td>Weekend</td>
<td>23%</td>
</tr>
<tr>
<td>Same days each week</td>
<td>4%</td>
</tr>
</tbody>
</table>

### How Days Are Guaranteed

<table>
<thead>
<tr>
<th>Guaranteed Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use part-time/contract personnel</td>
<td>73%</td>
</tr>
<tr>
<td>Covered by other company personnel</td>
<td>54%</td>
</tr>
<tr>
<td>Use charter</td>
<td>21%</td>
</tr>
<tr>
<td>Use fractionally owned aircraft</td>
<td>9%</td>
</tr>
</tbody>
</table>
Positions Covered in the Survey

There are 19 aviation-related positions covered in the survey.

Pay data is provided for each of the following positions when minimum matching criteria has been met.

- Chief Pilot
- Senior Captain
- Captain
- Copilot
- Aviation Department Manager I (no flying)
- Aviation Department Manager II (some flying)
- Director of Maintenance
- Manager of Maintenance
- Maintenance Foreman
- A & P Maintenance Technician
- Maintenance Technician Helper
- Avionic Technician
- Flight Technician
- Flight Coordinator/Office Manager
- Flight Coordinator/Scheduler
- Licensed Dispatcher
- Senior Flight Attendant
- Flight Attendant
- Line Service Personnel
Survey Outputs

The 2023 NBAA Compensation Survey results are available in simple-to-use formats, including a downloadable Excel file and special web tools.

Convenient Microsoft Excel File

Special Analysis Available on the NBAA Website
How to Use the Survey Information

Compensation survey data provide a valuable starting place for the compensation decision-making process. These data also help reduce the uncertainty associated with decisions to be made by providing an approximation of the marketplace. The following are guidelines for using the data present in the survey.

1. **Identify compensation goals and objectives**
   Specify what is to be accomplished through the company’s compensation system (e.g., retain high-performing employees, reward individuals who add significant value, support and encourage flight crew team performance), and then set objectives accordingly.

2. **Assess desired compensation mix**
   Determine the proportional relationship between base salary, short-term incentives and long-term incentives. The mix reflects how much “risk” the company is willing to build into the compensation package and how performance-oriented it chooses to be.

3. **Determine competitive levels for each part of the compensation package**
   Within the bounds of the company’s target marketplace, consider what competitive level (75th percentile, median, etc.) is relevant for each piece of the compensation picture. Depending on the company’s human resource requirements, financial condition and operating performance, it is possible to decide to focus on one level for base salary (e.g., median or market), another for short- and long-term incentives (e.g., 75th percentile) and yet another for benefits (e.g., average).

4. **Compare and adjust job descriptions**
   A rule of thumb is that if 80% or more of a job’s scope and activities are the same as the survey position description, it is a good match. If the job is smaller than the survey position, consider adjusting the survey data downward, generally between 5% and 15%. If the job is larger than the survey position, consider adjusting the survey data upward by 5% to 15%. If an adjustment of 20% or more seems necessary, the job is probably not a correct match for the survey position.

5. **Age data to account for market adjustment**
   The steps for aging data to a common point in time are as follows: (1) divide the number of months that have passed since the survey’s effective date (March 2023) by 12, and (2) multiply the results by the assumed market movement. For example, aging six-month-old data, assuming a 3% annual salary growth, would require increasing the published salary rates by 1.5%.
   
   **Calculation:**
   
   (1) \( \frac{6}{12} = 50\% \)
   
   (2) \( 50\% \times 3\% \) (assumed annual salary growth) = 1.5%
   
   Average Salary Rate x 1.015 = Aged Salary Rate

6. **Select target market criteria (industry group, department size, type of aircraft flown, etc.)**
   Select one or several criteria, depending on what is most important to the company in determining pay levels.

7. **Weight criteria**
   When choosing multiple criteria, weight according to the importance of each criterion. Weights may be assigned in any proportion as long as the total weights equal 100 percent.

8. **Determine pay percentile to be used**
   The level selected should be consistent with the company’s compensation philosophy and target marketplace. If you want to pay at or near middle market levels, consider choosing the median. To pay at the upper end of market levels, target the 75th percentile. A common strategy in performance-driven organizations is to target base salary at or slightly below the median but choose the 75th percentile for targeting total cash compensation (base plus bonus).
Survey Timeline and Participation

Key Survey Timing* and Participation Information

- Participation eligibility: participation is open to NBAA members
- Registration: March - April
- Distribute questionnaires to participants: March – April
- Completed questionnaires due to BDO: April 28
- Results published: August
- Cost: free to participants

*Timing reflects a typical survey year.

Missed your Flight?

No time to participate but want the survey results?

- Non-participants may purchase the survey report for $1,000.
- For more information about the survey, please email ops@nbaa.org.
ABOUT BDO GLOBAL
EMPLOYER SERVICES PRACTICE

BDO’s Global Employer Services practice consists of an experienced and dedicated team of professionals who are committed to assisting companies with developing strategies and compensation programs designed to attract, retain, and reward employees. Services include designing and benchmarking compensation programs, designing incentive plans including cash- and equity-based programs, board remuneration, nonqualified and deferred compensation plans, advising on tax and accounting issues, and other related services.

For more information, visit www.bdo.com

ABOUT NBAA

Founded in 1947 and based in Washington, DC, the National Business Aviation Association (NBAA) is the leading organization for companies that rely on general aviation aircraft to help make their businesses more efficient, productive and successful. Contact NBAA at 800-FYI-NBAA or info@nbaa.org. Not a member?

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