



2023 COMPENSATION SURVEY

EXECUTIVE SUMMARY

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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:

About the Survey	2
• Survey Fast Facts	3
• Survey Enhancements	3
Participation Profile	4
High Level Findings	6
• How Pilot Pay Stacks Up	6
• Factors that Impact Pay	8
• Benefits	9
Positions Covered in the Survey	10
Survey Outputs	11
How to Use the Survey Information	12
Survey Timeline and Participation	13

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:

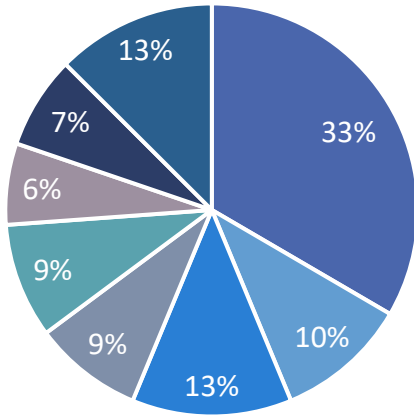
- Companies were asked whether they operate premium/ultra-long-range aircraft. The primary purpose of this question was to determine whether a sufficient number of companies operate these types of aircraft to warrant including a scope measure for analysis of compensation levels in future survey editions.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

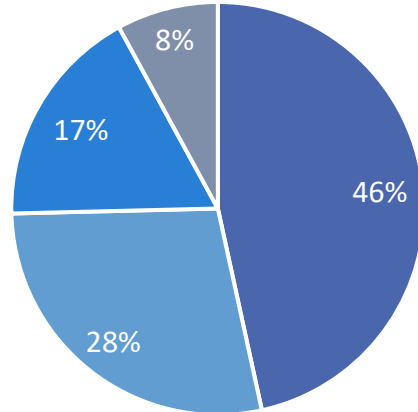
Almost 50% of participants have one aircraft and about 30% employ 3-4 people in their aviation department. The median number of pilots employed is four, but 10% of the participants employ 11 or more.

Total Corporate Sales in 2022



- Not Applicable
- \$100 to < \$500 million
- \$1 to < \$2.5 billion
- \$5 - \$10 billion
- Below \$100 million
- \$0.5 to < \$1 billion
- \$2.5 to < \$5 billion
- Above \$10 billion

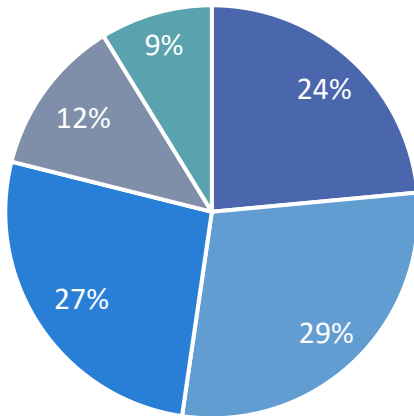
Number of Aircraft Operated*



- One
- Two
- 3-4
- 5 or More

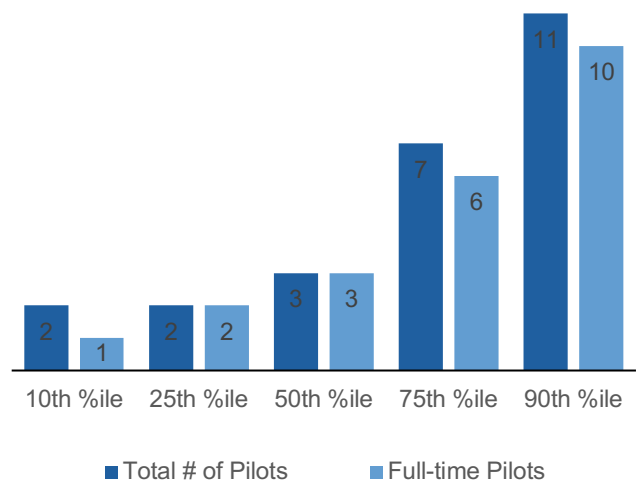
*Values do not sum to 100% due to rounding.

Full-time Aviation Department Employees



- 1-2 People
- 5-10 People
- More than 20 People
- 3-4 People
- 11-20 People

Number of Pilots in Department



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.

Pilot Role	Salary as a Percent of Average Copilot Pay
Chief Pilot	182%
Senior Captain	185%
Captain	156%
Copilot	100%

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.

Average Target Bonus as a Percent of Salary				
Corporate Sales	Chief Pilot	Senior Captain	Captain	Copilot
Overall	16%	16%	12%	11%
Below \$100 million	10%	8%	9%	ID
\$100 < \$500 million	11%	9%	12%	11%
\$.5 < \$1 billion	14%	10%	11%	10%
\$1 < \$2.5 billion	10%	12%	9%	ID
\$2.5 < \$5 billion	18%	19%	12%	14%
\$5 to \$10 billion	18%	13%	13%	10%
Above \$10 billion	23%	21%	14%	12%

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.

Plan Type	Percent of Companies Providing
Retention Bonuses	35%
Deferred Compensation as a Retention Tool	15%
Long-Term Incentives/Equity	25%

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.

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

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.

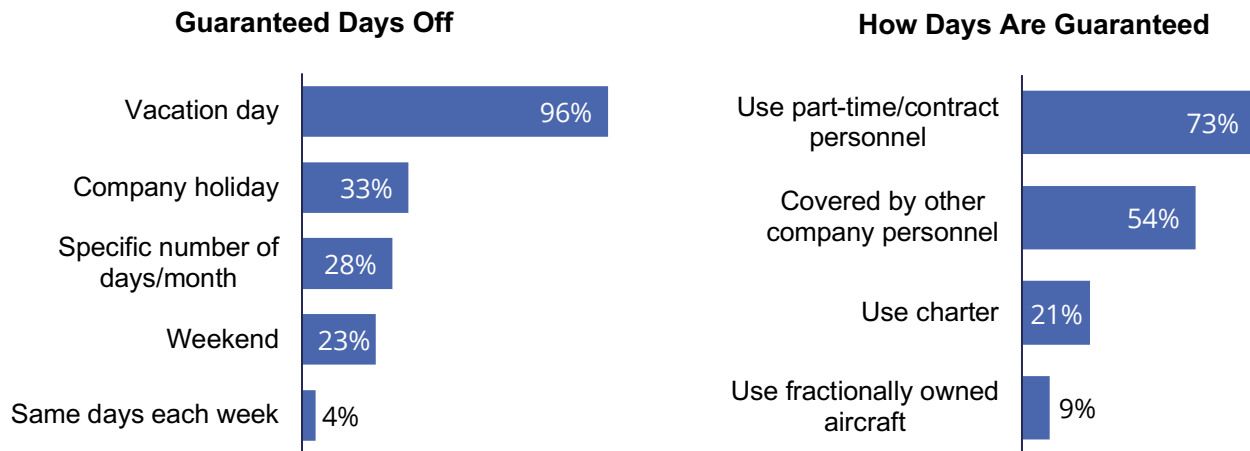
- Pilots employed by companies with higher corporate sales and larger aviation departments may earn more in pay than those in smaller organizations, but not always.
- Pilots with more tenure tend to earn more in pay; however, a comparison of the 2022 and 2023 survey results, revealed that participants 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.



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

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BDO 2023 NBAA COMPENSATION SURVEY **NBAA**

Introduction

- Reciprocal Confidentiality Agreement
- Contact Information
- Survey Effective Date
- Safe Harbor Guidelines

This marks the 37th year that National Business Aviation Association (NBAA) has conducted its' Compensation 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.

This is the fifth year that NBAA partnered with BDO USA, P.A. to conduct the Survey. BDO brings decades of experience in both compensation policy and survey administration. The goal was to engage a third-party administrator to provide guidance for ensuring the highest quality survey and timely production of the results. One of the key updates that BDO implemented when they began to conduct the survey is this 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. This includes:

- ▶ Annual cash compensation (including base salary, overtime, and annual incentives)
- ▶ Salary ranges
- ▶ Merit increases
- ▶ Long-term incentives (eligibility and type)
- ▶ Formally recorded duty/flight hours and weekend/RON days
- ▶ Diversity, equity and inclusion

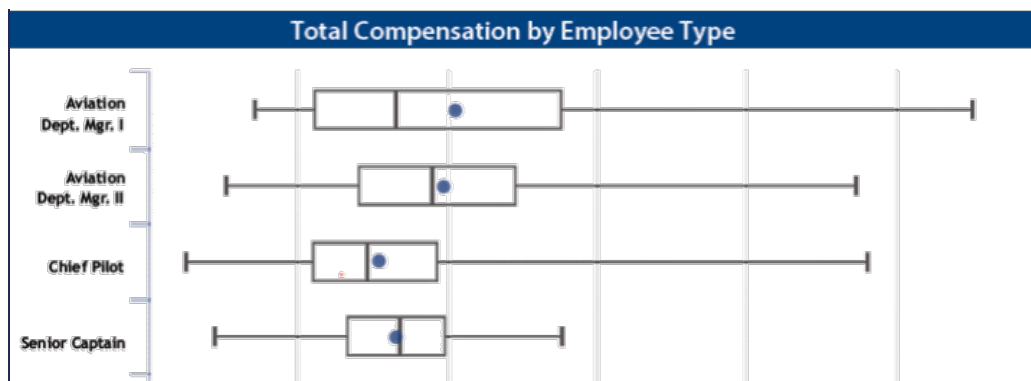
The 2023 NBAA Compensation Survey, with data from 455 flight departments, presents a set of baseline data that is segmented by characteristics of the flight department and the company. The data included in this report have not been weighted, as such it presents a picture of activity for all aviation departments. The data are grouped into composites of departments of various sizes, in different locations, and in different industries. The study presents a profile of what a typical flight department with particular characteristics looks like, as well as an estimate of what all flight departments are doing in aggregate.

An NBAA member can compare their own operations to a composite of similar flight departments, where departments are differentiated by various attributes (also referred to as scope breaks), including:

- ▶ Company size (sales or assets)
- ▶ Flight department size (number of aircraft, number of employees)
- ▶ Location (FAA region)
- ▶ Industry

This report is based on survey questionnaires submitted between March 1, 2023 and the end of April. All questionnaires were submitted confidentially to BDO USA, the survey administrator. NBAA members submitted questionnaires with base salary data as of March 1, 2023 and incentives earned in 2022.

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) $6 / 12 = 50\%$

(2) $50\% \times 3\%$ (assumed annual salary growth) = 1.5%

Average Salary Rate \times 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.



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ABOUT NBAA

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