

## **2014 ARSA Member Survey Summary Report**

### **Overview**

ARSA regularly surveys its membership in order to assess the overall status of the aviation maintenance industry, determine what key issues impact business operations and could affect future growth, and examine how the association can continue to provide the highest quality service and resources. The 2014 member survey collected 100 responses between March 4<sup>th</sup> and 20<sup>th</sup>, 2014. The purpose of this document is to provide a brief overview of survey responses.

### **Summary of Key Points**

#### Status of the Industry

- While member organizations have some diverse interest in the production or operation of aviation technologies, the vast majority (69%) derive their primary income from maintenance. The total respondent pool accounts for 206 different locations that employ an estimated 53,000 workers and generated more than \$7 billion in revenue in 2013.
- Profitability trends appear steady. More than two thirds (64%) of businesses indicate that their unit margins have either increased or held steady over the past two years.
- ARSA members are centered in North America, with almost 90% headquartered in the U.S., Mexico, or Canada. However, almost a third has facilities in other parts of the world.
- Most responses represent medium-to-small businesses. Though the overall survey average for total employment was over 500, by removing the five largest organizations—all with 4,000 or more employees—the remaining group employs just over 100 workers on average. Of all the companies represented, nearly two-thirds have a total workforce of 50 or fewer.

#### Future Industry Expectations

- Participating members foresee continued growth. Three out of five expect their revenues and markets to expand in 2014. Almost all expect to at least hold steady at current levels.
- Of the eight responses that foresee contraction, five indicated they generate revenue from maintenance operations. They represent all sizes of enterprise and site reasons including customer consolidation or fleet reduction, closing of contract

facilities, and general market conditions. All eight report experiencing contraction over the past two years.

- Physical expansion is on the horizon for a quarter of respondents; 35 intend to open a new facility in the next year. Nearly half of this group intends to grow operations outside of the U.S.
- Long-term strategic threats include regulatory inefficiency and prejudicial OEM practices.

### Workforce Issues

- Overall, respondents reported slightly more than half (56%) of their technicians are certificated by a civil aviation authority and more than a third (34%) have seen an increase in the number of such personnel.
- On average, companies pay \$18/hour to entry-level and \$24/hour overall to workers with certifications.
- Workforce growth is coming. Four out of five respondents indicate that they plan to add positions in the coming year. Only three participants indicated that their companies will be eliminating jobs over that time. Even those members who foresee revenue contraction plan to hold workforce levels steady.
- Finding qualified workers is an industry-wide issue. Nearly 9 out of 10 (85%) members indicated that they have had at least some difficulty filling technical positions with the right people. A quarter (26%) reported that it was very difficult.

### ARSA Experience

- Respondents were enthusiastic about the value of ARSA. Considering their membership on a scale from 1 to 10, the average response was 7.4; as many individuals selected “10-Extremely Satisfied” as the total number of responses that were below “5.”
- Only a quarter of respondents indicated they have utilized ARSA training in the past year. The reasons provided were varied and included lack of relevant material, timing issues, and overall lack of awareness (30% didn’t know training was available).
- The access to industry, legislative, and regulatory resources are key to members’ value assessment of ARSA. Many provided comments regarding the utility provided to them by the knowledge and communications of the association. Those providing advice for future improvement continue to seek expanded international reach as well as increased opportunity for personal engagement.

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