



# Remembering Where We Were

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Repair Stations: The Impact of Covid-19 on Staffing  
**Global ATS-V – November 2020**

Brett Levanto, Vice President of Operations, ARSA

Ryan Goertzen, Vice President of Workforce Development, AAR Corp.

## About the Aeronautical Repair Station Association

[ARSA](#) is devoted to the worldwide civil aviation maintenance industry—from its global corporations to the small, independent businesses. [ARSA](#) members are located on five continents and in nearly 20 countries.

The association's experts create tools for members to navigate the maze of government mandates while enhancing safety, efficiency and productivity.

[ARSA](#) is managed by the law firm of [Obadal, Filler, MacLeod & Klein, P.L.C.](#), which provides management, government affairs, and legal services to trade associations and transportation-centric companies.

## About the Presenter – Brett Levanto

[Brett Levanto](#) is vice president of operations of [OFM&K](#) managing firm and client communications in conjunction with regulatory and legislative policy initiatives. He provides strategic and logistical support for the [Aeronautical Repair Station Association](#).

Mr. Levanto has experience with organizational and policy issues in both aerospace and government sectors. He obtained a bachelor's degree from the George Washington University and a Master of Public Policy from the College of William and Mary.

## About AAR Corp

[AAR](#) is an independent provider of aviation services to commercial and government customers worldwide. Our aftermarket expertise and award-winning solutions help customers increase efficiency and reduce costs while maintaining high levels of quality, service and safety.

## About the Presenter – Ryan Goertzen

[Ryan Goertzen](#) is vice president of workforce development at [AAR Corp](#). Before joining the company in 2018, he held multiple administrative and leadership positions across seven years with Spartan College of Aeronautics and Technology. Goertzen previously spent three years at AAR Corp managing the training and ASAP programs in Oklahoma City. He began his career as a pilot instructor for Air Wisconsin Airlines, responsible for its first learning management system and e-learning content used in recurrent pilot training.

Goertzen was Aviation Technician Education Council president from 2014-2018. He holds a B.S. in Aviation and a Master of Public Administration from the University of Nebraska at Omaha.

## Presentation Overview

The pandemic and related aviation business crisis has caused some to question whether we need no longer worry about the industry's workforce. Furloughs, layoffs, early retirements and other reductions have allowed employers to worry less about finding new talent while instead trying to keep current employees on the payroll. While key stakeholders – including the U.S. government, thanks to mandates from Congress and FAA focus – have remained committed to long-term aviation career development, here's a challenge for anyone with doubts: Remember where we were when all this started.

## Telling You What You Already Knew

- ARSA Member Surveys—
  - [2017](#): “Skills Gap Could Cost Repair Stations \$1.95 Billion in Revenue, Survey Finds”
  - [2018](#): “ARSA Survey Shows Industry Poised for Growth, Facing Technician Shortage Headwind”
  - [2019](#): “ARSA Finds Technician Shortage Costs Industry \$100 Million Per Month”

## Telling You What You Already Knew

- ARSA [Annual Global Fleet & MRO Market Report](#)  
(Provided by [Oliver Wyman – CAVOK](#))
  - 2015: “ARSA to Congress: You Can’t Fly Without 300,000 American Aviation Workers”
  - 2018: “New Aviation Maintenance Industry Report Shows Hopeful Economic Projections, Hard Workforce Truths”
  - 2019: “Aviation Maintenance Industry Climbing into Workforce Headwind”



## Telling You What You Already Knew

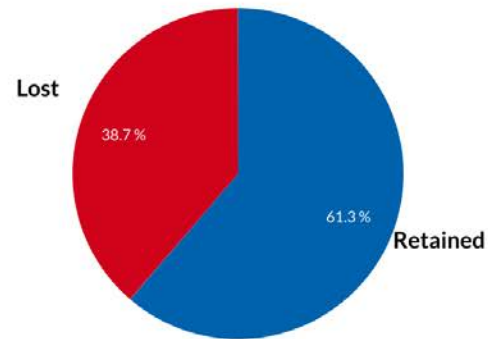
- [2018 Congressional Testimony](#): “Technician Shortage a ‘Gathering Storm’”
  - Outsized impact on small business.
  - Foregone revenue because of inability to take on new work.
  - Slowing industry growth by preventing new capabilities, facilities.
  - Expected demand and looming retirements created bleak long-term picture.

# Tempting You to Believe Things Have Changed

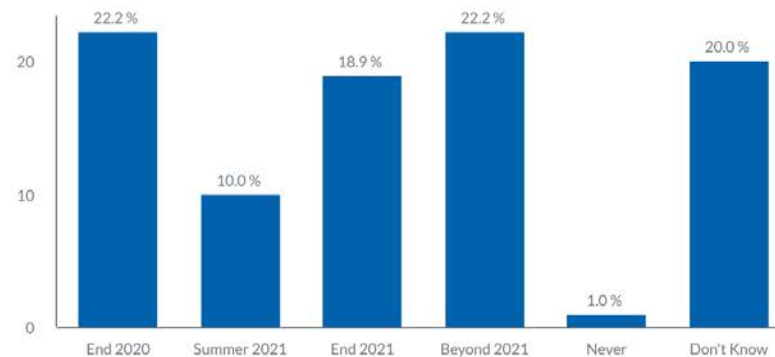
## Pandemic Impacts on Aviation Markets Revenue Losses Reported by U.S. Maintenance Companies January 1, 2020 to June 1, 2020

In June 2020, the Aeronautical Repair Station Association surveyed aviation maintenance organizations about the impacts of the global pandemic on employment, revenues and business outlook. The 99 U.S. headquartered maintenance companies that responded collectively represented 266 FAA certificated repair stations in the United States.

Revenue Lost Jan.-June 2020



Projected Return to "Normal"



The vast majority of U.S. respondents (87.8 percent) reported that company revenues had declined during the first five months of the year. Only 10.1 percent reported no change in revenues and 1.1 percent reported an increase. The average drop in revenues for all responding U.S. maintenance companies was 38.7 percent; of companies reporting declining revenues, the average decline was 45.9 percent. Year over year, 70 percent of respondents expect 2020 company revenues to be below 2019 levels, while 17.8 percent predict revenues will stay the same and 12.2 percent expect growth.

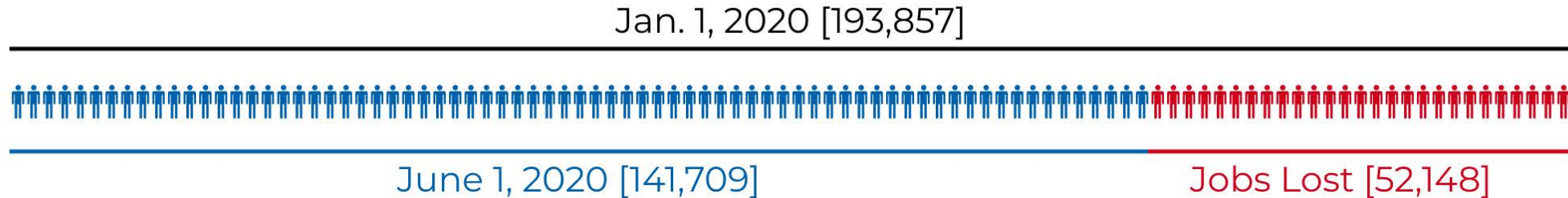
Asked when business for their companies was likely to return to pre-pandemic levels, 22.2 percent of respondents said by the end of the year, 10 percent said by next summer, 18.9 percent said by the end of next year and 22.2 percent said sometime after the beginning of 2022. A fifth of respondents (20 percent) admitted they do not know and 5.6 percent said they had experienced no change in business conditions due to the pandemic. Just one percent said they don't ever expect the businesses to fully recover.

**See more analysis at [arsa.org/pandemic-survey](https://arsa.org/pandemic-survey)**

# Tempting You to Believe Things Have Changed

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Eighty U.S. aviation maintenance companies responding to the survey provided employment data. The total reported employment as of Jan. 1, 2020 was 11,870; as of June 1, it was 8,699, reflecting a loss of 3,180 jobs (26.9 percent of respondent workforce) during the first five months of the year. According to the aviation consulting firm Oliver Wyman, at the start of the 2020 U.S. repair stations employed 193,857 workers. If the 26.9 percent employment drop of the survey respondents is reflective of the broader industry, repair stations were forced to lay off an estimated 52,148 workers since the start of the year.

**See more analysis at [arsa.org/pandemic-survey](https://arsa.org/pandemic-survey)**

## Helping You To See Past Today

“Despite this seminal shift in the short-term employment outlook, the original crisis isn’t over...it’s been amplified. Market recovery and sustainability depends on developing robust talent pipelines. Many experienced technicians have accepted early retirement options or transitioned out of full-time employment and will never return. The remaining workforce may not land back in aviation, following a long-troublesome trend for workers whose skills translate easily into other technically advanced and more “gainful” employment. The additional loss of experience only makes recruitment and development problems more dire.”

- Brett Levanto, [“MRO Workforce Actions Needed Now.”](#)  
*Aviation Week & Space Technology*, Sept. 4, 2020.



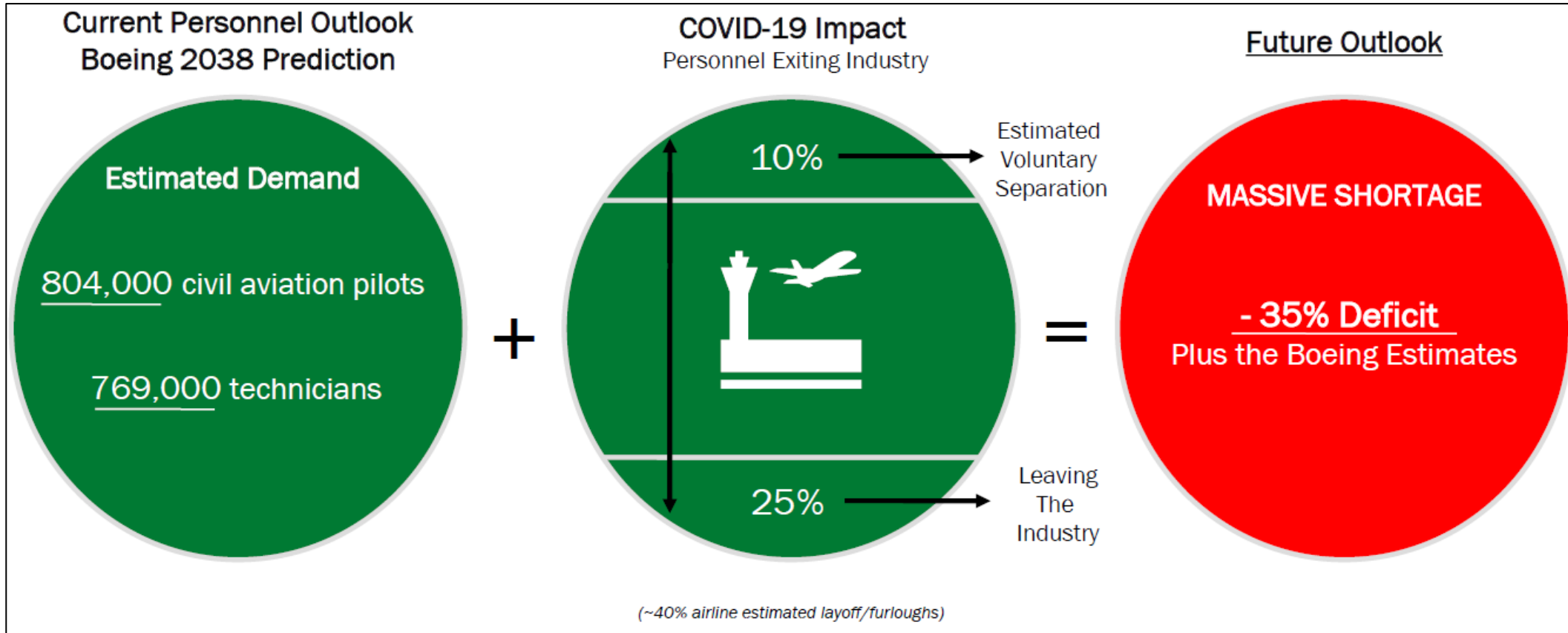
## Showing You the Way Forward

- [Engage for industry relief](#). Add pressure to both legislators and regulators to invest in aviation's future.
- [Update technician school curriculum](#). Provide flexibility in how schools impart skill and knowledge.
- [Use workforce bodies for change](#). Engage [diversity](#) and [youth](#)-focused working groups and task forces established through DOT/FAA.

## Showing You the Way Forward

- [Follow through on planned investments](#). Help FAA roll out first run of aviation workforce grant programs.
- [Embrace new technology](#). Take advantage of pandemic pressures to make progress on remote connectivity, virtual instruction, etc.

# Another Crisis is Brewing





## Brett Levanto

Vice President of Operations

T: 703.739.9543 Ext. 103

M: 703.507.9798

brett.levanto@arsa.org

[www.arsa.org](http://www.arsa.org)





**Ryan Goertzen**

VP Maintenance Workforce Development

M: 918-576-9981

Ryan.goertzen@aarcorp.com

[www.aarcorp.com](http://www.aarcorp.com)

## Contact ARSA

121 North Henry Street  
Alexandria, VA 22314-2903  
703.739.9543

[www.arsa.org/contact](http://www.arsa.org/contact)

## Contact AAR

1100 North Wood Dale Road  
Wood Dale, IL 60191-1060  
630.227.2000

[www.aarcorp.com/contact](http://www.aarcorp.com/contact)

# Questions?

