



Posted on Sun, Jul. 27, 2003

Star-Telegram

LIFE on the GROUND

As airlines face uncertain times, pilots are taking their heads out of the clouds and getting down to business

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American Airlines pilots Tony Schmidt, left, and Russ Moore, center, are now agents for Mike Kellerman, right, at his insurance agency in Grapevine. Facing furloughs and possible layoffs, many pilots are pursuing new careers as they wait on the sidelines.



PILOTS

Tony Schmidt labored for years to land his dream job -- working above the clouds as a pilot for American Airlines.

But after less than two years in the cockpit of an American Fokker 100 jet, the 9-11 attacks and the slumping economy brought him down to earth. With a steep pay cut and a possible layoff looming, Schmidt's focus today is firmly on street level as he starts a new job selling Medicare supplement insurance as an agent for Armor Insurance Services, an agency for Blue Cross and Blue Shield of Texas.

"I could sit around and do nothing and wait to be furloughed," Schmidt said Wednesday, as he sat in the firm's Grapevine offices. "But doing something like this gives you a measure of control over your income, your time and your personal destiny."

Schmidt, a reserve pilot who expects to be laid off by American under a new concessionary contract reached this year, is hardly alone. He is among thousands of professional pilots who, experts say, are increasingly turning to jobs outside of aviation to weather furloughs or supplement pay cuts.

Pilots are working at insurance companies, real estate offices, schools, retail outlets, and even tending bar as they cope with the downturn in the airline industry, said Cheryl Cage, a consultant who specializes in career development for airline pilots.

It can be a difficult transition for pilots at major airlines, who generally invest years of education, training and work, often at low-paying small carriers, in order to land a job at a big airline like American.

Nationwide, about 10,000 pilots are furloughed, according to Air Inc., an Atlanta-based career consulting firm for pilots. That's nearly 10 percent of the total number of professional pilots in the United States. At Fort Worth-based American, the world's largest airline, the Allied Pilots Association union expects that about 3,000 pilots will eventually be laid off under concessions that were finalized in April.

"We've never seen a furlough like this," said Jim West, an American captain who is on the membership committee of the Allied Pilots Association, which represents American's pilots.

Since 9-11, Cage is counseling more pilots to consider jobs outside of aviation. Though most furloughed pilots hope to return to flying, she said, some should consider permanent changes in their careers if they want job stability and security.

It's not an easy decision, Cage said.

"There's no question that thousands of these pilots are at a crossroads right now," she said. "The decisions they make now are going to affect them for years."

It can also be a psychological blow to pilots, who often take great pride in their careers.

"For most of us, piloting isn't just a paycheck; it's a lifestyle," said Kit Darby, a United Airlines pilot who is also president of Air Inc. "You might find that you're really unhappy being out of the cockpit for a few years."

Deep cuts

Furloughed pilots are in professional limbo, with no air routes, no paycheck and very few benefits. But they still retain their seniority at their airline, with the hopes that, eventually, they will be called back to work.

Analysts caution, however, that it could be years before the airline industry resumes hiring in large numbers. Faced with devastating losses and an onslaught of competition from low-fare carriers, the major airlines have been shrinking routes, parking airplanes and slashing labor costs.

Hiring at the nation's 14 largest airlines has fallen nearly 90 percent from its peak in 1999, when the carriers added 5,000 pilots to their payrolls, according to Air Inc.

"There's a real sense of permanence with these furloughs," said Mike Kellerman, an American pilot who is Armor's principal and managing partner. "People are realizing that they're going to be sitting it out for a while."

Incomes are down as well at the major airlines, as carriers negotiate steep concessions with employees. With across-the-board salary reductions and forced transfers to lower-paying assignments, American pilots have taken salary cuts as high as 40 percent, according to the union.

But as they wait on the sidelines, or try to make up for lost income, some pilots are finding that their "Plan B" careers are more fulfilling -- and more lucrative -- than they expected.

"Financially, it's been great," said Terry Higdon, an American pilot who was laid off in the days after 9-11 and now works as a mortgage broker in Jacksonville, Fla. "I'm doing better than I would have if I'd been flying."

And, he adds, "it's been really rewarding when I can help someone with their financial situation, help them with a refinancing, and make their lives a little easier. It's a good feeling."

Difficult choices

Armor Insurance has become something of a landing strip for pilots -- 13 of the agents are American pilots, and eight of those have been furloughed or expect to be laid off this year.

Kellerman, a Boeing 767 first officer, opened the agency in June after working as a Blue Cross agent since the early 1990s. He recruited fellow pilots through a job database sponsored by the pilots' union.

"With pilots, I know I have someone I can count on to get the job done," he said.

Schmidt adds: "We're mission-oriented problem solvers."

The firm's airline connections are evident throughout its offices just off Grapevine's historic Main Street. Airplane models and posters abound, and the large schedule board proclaims various agents "at 767 training," on military deployments and out flying their routes.

"We've gotten quite a few calls from pilots who hear about what we're doing and are interested," said Russ Moore, an American MD-80 pilot who works at Armor and is also the furlough coordinator for the pilots' union.

For pilots at major carriers like American, one of the greatest advantages to working outside of the aviation field is maintaining seniority, Darby said. While some jobs are available at smaller airlines or cargo carriers, many require that pilots resign their seniority -- something that pilots have often worked for years to establish.

Seniority dictates which routes and aircraft a pilot can fly, which also determines how much they will be paid. A high seniority number also lessens the possibility of a layoff in the future.

"It's a huge decision," Darby said. "It immobilizes them in many cases."

In addition, he said, most of the pilot jobs that are currently available pay far less than the major carriers and require longer work hours.

"These can be pretty tough, they're not what a major airlines pilot would consider a good job," he said.

In June, for example, only 12 pilots were hired by the 14 airlines that Air Inc. designates as major carriers. Smaller carriers, such as Mesaba Airlines, Sun Country Airlines, and Trans States Airlines hired a total of 143 pilots during the month, according to the firm. Charter companies, fractional jet owners and other small operators hired an additional 224 pilots.

Many pilots who worked for years at small carriers in order to win a coveted spot at a major airline like American or United simply don't want to go back.

"I don't want to take a second- or third-rate job in aviation," said Higdon, who flew airplanes for Federal Express and several small carriers for 11 years before being hired by American. "I've been there already, and I do have the luxury of being more selective now."

Planning for the worst

Cage, who spent five years as a flight attendant for Braniff before that airline closed, focuses on helping pilots prepare for job interviews at airlines. But increasingly, she said, she's advising them how to find jobs outside the aviation industry.

That can be a tough sell at first, she said, because many pilots can't imagine themselves doing anything else.

"Pilots have to realize that they can come out of a furlough stronger -- both financially and personally," she said. "They don't always see that upfront."

The Tucson, Ariz.-based consultant said that many pilots don't realize they have skills that are valued in other professions. And she tells young pilots that it is crucial to cultivate other talents and interests throughout their career in anticipation of a layoff.

"I tell pilots that the world is different now, and the reality is that at some time in their career, they're going to be furloughed, or their company is going to go bankrupt, or their pay will be cut," she said. "You don't want to have to live in constant fear of that."

Airline unions are also becoming increasingly involved in helping members find nonaviation jobs. The Allied Pilots Association is sponsoring a lecture and workshop by Cage on July 29 that will focus on how to survive and even thrive during a furlough.

The union also operates a database of job leads, many of which are unrelated to the airline business, said West of the union's membership committee.

"It's unfortunate that we have to get into this," he said, "but there's not a lot of flying jobs out there that feed the family."

Schmidt says that even if the industry rebounds and enjoys a period of expansion, he won't forget what he's learned during the crisis of the past two years.

"I plan to stick with this no matter what happens with American," he said. "It's all about peace of mind."

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