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Research and Innovative Technology Administration BTS Data

BTS 14-06 Tuesday, March 21, 2006 Contact: Dave Smallen Tel.: (202) 366-5568

January 2006 Passenger Airline Employment Down 6 Percent from January 2005

U.S. scheduled passenger airlines employed 6 percent fewer workers in January 2006 than in January 2005, the 13th consecutive month that full-time equivalent employee (FTE) levels for the scheduled passenger carriers declined compared to the same month of the previous year, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today (Table 1).

BTS, a part of the Research and Innovative Technology Administration (RITA), reported that the January 2005 to January 2006 decline in FTE's was the sixth consecutive month with a decline in FTE's of more than 5 percent from the same month of the previous year. In FTE calculations, a part-time employee is counted as one-half a full-time employee.

Scheduled passenger airline FTE's were lower every month in 2005 in comparison to the same month in 2004. The last month FTE's were higher than the previous year was in December 2004, the last of seven consecutive months of increases from the previous year (Table 2). Scheduled passenger airlines include network, low-cost, regional and other airlines. These airlines employed 405,000 FTE's in January 2006, the lowest total since at least the beginning of 2003 (Table 3).

The seven network carriers employed 270,000 FTE's in January, 66.5 percent of the passenger airline total (Table 4). Low-cost carriers employed 17 percent and regional carriers employed 14 percent. The network carriers are the only carrier group to reduce FTE's each January from the previous year since 2002 (Table 5).

American Airlines employs the most FTE's among the network carriers, Southwest Airlines employs the most among low-cost carriers and American Eagle Airlines employs the most among regional carriers. Seven of the top 10 employers in the industry are network carriers (Table 6).

Network Airlines

Network carrier FTE's have declined every month since 2001 from the same month the previous year. They declined 8 percent in January 2006 compared to January 2005 (Table 7). Numbers from previous years were reported in BTS' February press release <u>http://www.bts.gov/press_releases/2006/bts009_06/html/bts009_06.html</u>.

Network carrier FTE's dropped from 368,000 in January 2002 to 270,000 in January 2006, a decline of 27 percent (Table 8).

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FTE's at all seven network carriers declined in January 2006 from January 2002. The biggest percentage declines were at US Airways, down 43 percent, a reduction of 15,000 FTE's, and United Airlines, down 34 percent, a reduction of 27,000 FTE's (Table 9).

Network carriers operate a significant portion of their flights using at least one hub where connections are made for flights to down-line destinations or spoke cities.

Data for US Airways and America West Airlines, now in the process of merging operations, are separately reported – US Airways' data are included in the network carriers' category and America West's in the low-cost carriers' category.

Low-Cost Airlines

Low-cost carrier FTE's declined 5 percent in January 2006 compared to January 2005, the 10th consecutive month of decreases from the previous year (Table 10). The 68,000 FTE's employed by the seven low-cost carriers in January are the lowest total since December 2003 and make up 17 percent of the passenger airline total (Tables 11 and 4).

Low-cost carrier FTE's were 60,000 in January 2002, 72,000 in January 2005 and 68,000 in January 2006. The increase from 2002 to 2006 is 13 percent (Table 11). Of the airlines operating and reporting in both January 2006 and January 2002, all reported more FTE's in 2006 except Southwest Airlines, down 1 percent, and ATA Airlines, down 53 percent (Table 12).

Low-cost carriers are those that the industry generally recognizes as operating under a low-cost business model with fewer infrastructure costs.

Employment data for Independence Air, which changed its business model from a regional to low-cost carrier in mid-2004, have been included with low-cost carriers for 2003, 2004 and 2005 for consistency. The airline discontinued all flights on Jan. 5.

Low-cost carrier employment numbers for December 2005 were revised because Spirit Airlines reported late. The low-cost carrier numbers have been revised to 72,000 from 69,000 reported in the BTS February release. Percentage change numbers and the total industry numbers have been revised.

Regional Airlines

Regional carrier FTE's were down 2 percent this January compared to January 2005 (Table 13).

Regional carrier FTE's rose from 41,000 in January 2003 to 55,000 in January 2006, an increase of 34 percent (Table 14).

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The seven regional carriers reporting employment data in both 2002 and 2006 employed 12 percent more FTEs in January 2006 than in January 2002. Of that group, Air Wisconsin was the only carrier to report fewer FTE employees in January 2006 than January 2002 (Table 15).

Many regional carriers were not required to report employment numbers before 2003, so year-to-year comparisons involving regional carriers, or the total industry, are not available for the years before 2003.

Regional carriers provide service from small cities, using primarily regional jets to support the network carriers' hub and spoke systems.

Reporting Notes

Airlines that operate at least one aircraft with the capacity to carry combined passengers, cargo and fuel of 18,000 pounds – the payload factor – must report monthly employment statistics.

The Other Carrier category generally reflects those airlines that operate within specific niche markets, such as Aloha and Hawaiian Airlines in serving the Hawaiian Islands.

Data are compiled from monthly reports filed with BTS by commercial air carriers as of March 14.

Additional airline employment data can be found on the BTS website at <u>http://www.bts.gov/programs/airline_information/number_of_employees/</u>. BTS has scheduled release of February airline employment data for April 18.

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Table 1: Change in Passenger Airline Full-time Equivalent Employees from the Previous Year*

Percentage change compared to same month the previous year for the most recent 13 months

Month	Network Carriers (Pct. Change)	Low-Cost Carriers** (Pct. Change)	Regional Carriers (Pct. Change)	All Passenger Airlines*** (Pct. Change)
Jan. 2004-Jan. 2005	-4.3	0.4	15.8	-1.0
Feb. 2004-Feb. 2005	-4.6	0.6	13.8	-1.4
Mar. 2004-Mar. 2005	-5.0	0.0	13.3	-1.9
Apr. 2004-Apr. 2005	-6.5	-0.7	12.2	-3.1
May 2004-May 2005	-6.7	-1.0	10.9	-3.4
June 2004-June 2005	-7.0	-1.1	10.0	-3.7
July 2004-July 2005	-5.6	-1.5	4.9	-3.3
Aug. 2004-Aug. 2005	-9.0	-0.7	3.9	-5.7
Sept. 2004-Sept. 2005****	-8.9	-1.0	3.4	-5.8
Oct. 2004-Oct. 2005	-8.9	-1.0	2.4	-5.8
Nov. 2004-Nov. 2005	-9.3	-2.3	0.1	-6.5
Dec. 2004-Dec. 2005	-8.5	^R -1.4	0.0	^R -5.9
Jan. 2005-Jan. 2006	-7.8	-5.3	-1.8	-6.1
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Source: Bureau of Transportation Statistics

R=Revised. Spirit Airlines' December numbers were not included in the February press release because the airline filed late.

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

**Employment numbers in 2003, 2004 and 2005 for Independence Air, which changed its business model from a regional to low-cost carrier in mid-2004, are included with low-cost carriers. The airline discontinued flights on Jan. 5, 2006.

*** Includes network, low-cost, regional and other carriers. Other Carriers generally operate within specific niche markets. They are: Allegiant Air, Aloha Airlines, Casino Express Airlines, Continental Micronesia, Hawaiian Airlines, Midwest Airlines, Shuttle America, Sun Country Airlines, TransMeridian Airlines, USA3000 Airlines.

**** Atlantic Southeast Airlines was granted an extension for the filing of September 2005 employment numbers. For year-to-year comparison purposes, its numbers are not included in September 2004. Note: Percentage changes based on numbers prior to rounding.

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Table 2: Change in Total Passenger Airline* Full-time EquivalentEmployees from the Previous Year**Percentage change compared to same month the previous year

Month	2003	2004	2005	2006
January	-1.0	-6.0	-1.2	-6.1
February	-1.7	-5.3	-1.4	
March	-2.8	-4.1	-1.9	
April	-4.4	-2.3	-3.1	
Мау	-6.7	-0.8	-3.5	
June	-8.3	0.5	-3.8	
July	-9.6	2.5	-3.5	
August	-9.5	2.2	-5.8	
September***	-9.3	2.4	-5.8	
October	-10.4	2.5	-6.1	
November	-9.2	2.2	-6.5	
December	-8.3	0.9	^R -5.9	

Source: Bureau of Transportation Statistics

R=Revised. Spirit Airlines' December numbers were not included in the February press release because the airline filed late.

* Includes network, low-cost, regional and other carriers.

** Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

*** Atlantic Southeast Airlines was granted an extension for the filing of September 2005 employment numbers. For year-to-year comparison purposes, its numbers are not included in September 2004. Note: Percentage changes based on numbers prior to rounding.

Table 3: Total Passenger	Airline* Full-time	Equivalent Employees**
Numbers in thousands (000's)		

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Month	2003	2004	2005	2006				
January	465.4	437.3	431.9	405.4				
February	459.4	435.0	428.9					
March	454.3	435.9	427.7					
April	448.2	437.8	424.1					
Мау	443.2	439.6	424.4					
June	438.9	440.9	424.3					
July	433.2	444.1	428.5					
August	433.3	443.0	417.5					
September	429.6	440.0	414.3					
October	428.3	439.1	412.5					
November	429.9	439.4	410.5					
December	430.2	434.0	^R 408.6					

Source: Bureau of Transportation Statistics

R=Revised. Spirit Airlines' December numbers were not included in the February press release because the airline filed late.

* Includes network, low-cost, regional and other carriers.

** Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

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Table 4: Total Number of Full-time Equivalent Employees* by Carrier Group, January 2002-2006 Numbers in thousands (000's)

	Network	Low-Cost	Regional	All Passenger Airlines**
2002	368.4	62.9	29.7	470.2
2003	348.8	65.7	41.5	465.4
2004	305.1	71.2	50.1	437.3
2005	292.7	71.6	56.3	431.9
2006	269.8	67.8	55.3	405.4
Pct. Change 2002-2006 Percent of Total	-26.8%	7.8%	***33.2%	***-12.9%
Passenger Airline Employees in 2006	66.5%	16.7%	13.6%	

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

** Includes network, low-cost, regional and other carriers.

*** Percentage change comparison is for 2003 to 2006 because of the number of airlines in these categories that did not meet the standard for reporting monthly employment numbers.

Note: Percentage changes based on numbers prior to rounding.

Table 5: Change in Full-time Equivalent Employees* by Carrier Group, January 2002-2006

Percentage Change from the previous year

	Network	Low-Cost	Regional	All Passenger Airlines**
2002	-14.1	0.3	-14.1	-12.3
2003	-5.3	4.6	39.7	-1.0
2004	-12.5	8.4	21.1	-6.0
2005	-4.1	0.5	12.1	-1.2
2006	-7.8	-5.3	-1.8	-6.1

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

** Includes network, low-cost, regional and other carriers.

Note: Percentage changes based on numbers prior to rounding.

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Table 6: Top 10 Airlines, January 2006 Ranked by Number of Full-Time Equivalent Employees*

Rank	Airline	Total FTE Employees (000)	Carrier Group	Jan. 2005 Rank	Jan. 2004 Rank
1	American	74.7	Network	1	1
2	United	53.4	Network	2	2
3	Delta	48.6	Network	3	3
4	Continental	33.1	Network	5	5
5	Southwest	31.4	Low-cost	6	6
6	Northwest	31.0	Network	4	4
7	US Airways	19.9	Network	7	7
8	America West	11.4	Low-cost	8	8
9	American Eagle	9.4	Regional	9	10
10	Alaska	9.0	Network	10	9

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

Table 7: Change in Network Airline Full-time Equivalent Employees from the Previous Year*

Percentage change compared to same month the previous year								
Month	2003	2004	2005	2006				
January	-5.3	-12.5	-4.3	-7.8				
February	-10.7	-11.0	-4.7					
March	-8.2	-8.7	-5.0					
April	-10.0	-6.6	-6.5					
Мау	-12.7	-4.9	-6.6					
June	-14.4	-3.6	-7.0					
July	-15.8	-2.0	-5.6					
August	-16.4	-1.7	-9.0					
September	-16.6	-1.7	-8.9					
October	-16.6	-1.7	-8.9					
November	-15.4	-1.7	-9.3					
December	-14.1	-3.4	-8.5					

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

Note: Percentage changes based on numbers prior to rounding.

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	2002	2003	2004	2005	2006	Percentage Change 2002-2006
January	368.4	348.7	305.1	292.7	269.8	-26.8
February	383.3	342.3	304.7	290.5		
March	363.5	333.8	304.6	289.3		
April	363.5	327.2	305.6	285.8		
May	368.7	321.9	306.0	285.8		
June	371.1	317.5	306.1	284.8		
July	371.3	312.5	306.3	289.1		
August	371.7	310.6	305.3	277.8		
September	369.1	307.7	302.4	275.4		
October	369.1	307.7	302.4	275.4		
November	361.1	305.4	300.2	272.4		
December	356.4	306.2	295.7	270,.6		
Monthly Average	368.1	320.1	303.7	282.4		

Table 8: Network Carrier Full-time Equivalent Employees by Month* Numbers in thousands (000's)

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee. Note: Percentage changes based on numbers prior to rounding.

Table 9: Network Carrier Full-time Equivalent Employees, January 2002-2006*

(Ranked by January 2006 FTE Employees) Numbers in thousands (000's)

Rank		2002	2003	2004	2005	2006	Percentage Change 2002-2006
1	American	98.0	94.8	79.2	76.7	74.7	-23.8
2	United	80.7	74.9	58.6	56.9	53.4	-33.8
3	Delta	65.8	63.0	58.4	55.6	48.6	-26.1
4	Continental	35.7	35.7	34.3	31.9	33.1	-7.3
5	Northwest	43.7	42.4	38.2	38.4	31.0	-29.0
6	US Airways	34.6	27.8	26.5	24.1	19.9	-42.6
7	Alaska	9.8	10.2	9.9	9.2	9.0	-8.0
	Total	368.4	348.7	305.1	292.7	269.8	-26.8

Source: Bureau of Transportation Statistics

Note: Detail may not add to total due to rounding

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee. Note: Percentage changes based on numbers prior to rounding.

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Percentage change compared to same month the previous year								
Month	2003	2004	2005	2006				
January	9.2	8.5	0.4	-5.3				
February	8.5	6.9	0.6					
March	14.1	0.5	0.0					
April	12.4	0.6	-0.7					
Мау	11.7	0.8	-1.0					
June	10.0	1.5	-1.1					
July	9.2	2.3	-1.5					
August	9.6	1.1	-0.7					
September	9.8	0.7	-1.0					
October	9.8	0.7	-1.0					
November	9.0	0.6	-2.5					
December	1.7	0.5	^R -1.4					
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Table 10: Change in Low-Cost Airline Full-time Equivalent Employees from the Previous Year*

Source: Bureau of Transportation Statistics

R=Revised. Spirit Airlines' December numbers were not included in the February press release because the airline filed late.

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee. Note: Employment numbers in 2003, 2004 and 2005 for Independence Air, which changed its business model from a regional to low-cost carrier in mid-2004, are included with low-cost carriers. The airline discontinued flights on Jan. 5, 2006.

Note: Percentage changes based on numbers prior to rounding.

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	2002	2003**	2004**	2005**	2006	Percentage Change 2002-2006
January	60.1	65.6	71.2	71.6	67.8	12.8
February	60.8	65.9	70.5	70.9		
March	61.8	70.5	70.8	70.8		
April	62.7	70.6	71.0	70.4		
May	63.3	70.7	71.3	70.5		
June	64.2	70.6	71.7	70.9		
July	64.8	70.7	72.4	71.3		
August	64.6	70.8	71.6	71.1		
September	64.4	70.7	71.3	70.6		
October	64.4	70.7	71.3	70.4		
November	65.9	71.9	72.3	70.4		
December	66.0	67.2	71.6	^R 70.6		
Monthly Average	63.6	69.7	. 71.4	70.8		

 Table 11: Low-Cost Carrier Full-time Equivalent Employees by Month*

 Numbers in thousands (000's)

Source: Bureau of Transportation Statistics

R=Revised. Spirit Airlines' December numbers were not included in the February press release because the airline filed late.

Note: Percentage changes based on numbers prior to rounding.

Note: Detail may not add to total due to rounding

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

** Employment numbers in 2003, 2004 and 2005 for Independence Air, which changed its business model from a regional to low-cost carrier in mid-2004, are included with low-cost carriers. The airline discontinued flights on Jan. 5, 2006.

*** Spirit Airlines has not reported employment numbers for December 2005

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Table 12: Low-Cost Carrier Full-time Equivalent Employees, January 2002-2006* (Ranked by January 2006 FTE Employees)

Numbers in thousands (000's)

Rank		2002	2003	2004	2005	2006	Percentage Change 2002-2006
1	Southwest	31.6	33.4	32.5	31.0	31.4	-0.7
2	America West	11.0	11.6	11.3	11.4	11.4	4.3
3	JetBlue	2.2	3.9	5.2	6.8	8.8	291.6
4	AirTran	4.1	4.7	5.5	5.9	6.7	62.5
5	Frontier	2.3	2.7	3.5	4.1	4.2	82.7
6	ΑΤΑ	6.9	6.9	6.9	5.8	3.2	-53.4
7	Spirit	2.0	2.4	2.4	2.5	2.1	3.3
8	Independence	N/A	N/A	3.9	4.0	N/A	N/A
~ ~	Total****	60.1	65.7	71.2	71.6	67.8	12.8

Source: Bureau of Transportation Statistics

Note: Percentage changes based on numbers prior to rounding.

Note: Detail may not add to total due to rounding

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee. **Employment numbers in 2003, 2004 and 2005 for Independence Air, which changed its business model from a regional to low-cost carrier in mid-2004, are included with low-cost carriers. The carrier did not meet the standard for filing in previous years. The airline discontinued flights on Jan. 5, 2006.

Table 13: Change in Regional Airline Full-time Equivalent Employees from the Previous Year*

Percentage change compared to same month the previous year

Month	2004	ŧ.	2005		2006	•
January	1	6.9	15	5.8	-^	1.8
February	1	8.0	13	8.8		
March	2	20.0	13	3.3		
April	2	2.1	12	2.2		
May	2	3.5	10).9		
June	2	5.8	10	0.0		
July	3	31.4	2	1.9		
August	3	31.8	3	3.9		
September	3	6.9	3	3.4		
October	3	2.6	2	<u>2</u> .4		
November	3	2.3	C).1		
December	1	8.7	C	0.0		
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Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

** Three regional airlines, Mesa, Pinnacle and PSA, did not meet the reporting standard in 2003. The three airlines have reported employment numbers since 2004.

Note: Percentage changes based on numbers prior to rounding.

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2003	2004	2005	2006	Percentage Change 2003-2006
41.4	48.3	57.8	55.3	33.7
41.5	48.9	55.9		
41.5	49.8	56.4		
41.3	50.4	56.6		
41.5	51.3	56.9		
41.3	51.9	57.2		
41.3	54.3	57.1		
41.8	55.1	57.2		
36.1	49.4	51.1		
41.7	55.3	56.6		
42.1	55.6	55.6		
42.8	55.3	55.3		
41.2	52.1	56.2		
	41.4 41.5 41.5 41.3 41.3 41.3 41.3 41.3 41.8 36.1 41.7 42.1 42.8	41.448.341.548.941.549.841.350.441.551.341.351.941.354.341.855.136.149.441.755.342.155.642.855.3	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{rrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrr$

 Table 14: Regional Carrier Full-time Equivalent Employees by Month*

 Numbers in thousands (000's)

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

** Three regional airlines, Mesa, Pinnacle and PSA, did not meet the reporting standard in 2003. The three airlines reported employment numbers since 2004.

Note: Percentage changes based on numbers prior to rounding.

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Rank		2002	2003	2004	2005	2006	Percentage Change 2002-2006
1	American Eagle	8,464	7,788	7,930	9,267	9,366	10.7
2	Sky West	N/A	5,247	5,716	7,217	8,103	N/A
3	Express Jet	5,569	5,415	5,826	6,419	6,391	14.8
4	Comair	N/A	5,117	5,766	6,229	6,161	N/A
5	Atlantic Southeast	4,239	5,162	5,450	5,740	5,450	28.6
6	Horizon	3,428	3,400	3,344	3,339	3,520	2.7
7	Mesa	N/A	N/A	3,192	3,773	3,208	N/A
8	Mesaba	3,096	3,107	2,882	3,154	3,124	0.9
9	Pinnacle	N/A	N/A	1,963	2,624	2,963	N/A
10	Air Wisconsin	2,843	2,984	3,269	3,617	2,273	-20.0
11	Executive	1,142	1,968	1,887	1,761	1,765	54.6
12	PSA	N/A	N/A	1,843	1,730	1,617	N/A
13	Trans States	957	1,170	1,213	1,472	1,366	42.7
	Total**	29,738	41,358	50,281	56,342	55,307	N/A

Table 15: Regional Carrier Full-time Equivalent Employees, January 2002-2006* (Ranked by January 2006 FTE Employees)

Source: Bureau of Transportation Statistics

Note: Detail may not add to total due to rounding

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

** Many regional carriers were not required to report employment numbers before 2003, so year-to-year comparisons involving regional carriers, or the total industry, are not appropriate for the years before 2003.

N/A: Not applicable because carriers did not meet the standard for filing.

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