Workforce Trends in the Aerospace and Defense Industry

AIA AEROSPACE INDUSTRIES ASSOCIATION

A&D WORKFORCE STRATEGIES

The American aerospace and defense (A&D) industry is facing record levels of demand – and revenue. For Aerospace Industries Association (AIA) members, addressing workforce needs is a top priority to continue developing and delivering world-class aerospace and defense products to the customer. The A&D industry thrives on precise data and ongoing feedback to craft innovative strategies aimed at effectively bolstering and diversifying our workforce. Our new report examines workforce trends from both employer perspectives and the broader labor market.

Key Data Insights

1. The A&D industry's mission and values attract top talent through tailored branding strategies.

2. There's been a rise in attrition due to organizational changes, voluntary turnover among non-exempt staff, and increasing retirements, posing challenges.

3. A&D firms must enhance the employee value proposition by maximizing current benefits and addressing disparities between exempt and non-exempt workers.

4. Employee development remains a major challenge in our industry, with almost half of A&D workers feeling underserved in career growth and learning opportunities.

METHODOLOGY

Our research utilizes two data sets to uncover A&D workforce trends: a survey of AIA member firms representing over 450,000 employees, providing insights into A&D workforce challenges and investments, and a survey of 2,000 labor market participants, incorporating diverse demographics.

SUMMARY FINDINGS

1 **48% of A&D employees feel unequipped to drive progress** due to a lack of appropriate tools and resources, particularly mid-career individual contributors – *despite substantial growth in IT spending.*

2 **Nearly half of A&D workers lack career mobility, advancement, and learning opportunities.** Onboarding, development, and career pathing issues reduce engagement and increase turnover, *particularly among touch-labor roles.*

3 **A concerning 50% of hourly employees quit within their first four months**, impacting company productivity and profits — indicating a need for improved retention strategies.

4 A cultural divide persists, with **44% of non-exempt A&D employees feeling unfairly compensated and lacking strong benefits**, contributing to higher quit rates.

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REPRESENTATION

Overall Diversity Breakdown	2022	2023	YoY Change	Executive Diversity Breakdown	2022	2023	YoY Change	Engineer Diversity Breakdown	2022	2023	YoY Change
Black or African American	10.1%	7.2%	↓2.9%	Black or African American	5.69%	5.5%	↓.19%	Black or African American	5.25%	5.2%	↑.05%
Hispanic or Latino	9.0%	11%	↑2%	Hispanic or Latino	4.77%	4.8%	↑.03%	Hispanic or Latino	8.51%	9.8%	↑1.29%
Asian	9.0%	13.2%	↑4.2%	Asian	6.39%	7.3%	↑.91%	Asian	13.48%	15.2%	↑1.72%
American Indian or Alaskan	.48%	.6%	↑.12%	American Indian or Alaskan	.42%	0.6%	↑.18%	American Indian or Alaskan	.39%	.4%	↑.01%
Native Hawaiian or other Pacific Islander	.39%	.5%	↑.11%	Native Hawaiian or other Pacific Islander	0.19%	.2%	↑.01%	Native Hawaiian or other Pacific Islander	.24%	.4%	↑.16%
White	68.93%	64.5%	↓4.43%	White	81.06%	79.7%	↓1.36%	White	69.35%	66.2%	↓3.15%
Employees of 2 or more races	2.23%	2.9%	↑.67%	Employees of 2 or more races	1.48%	1.7%	↑.22%	Employees of 2 or more races	2.77%	3.0%	↑.23%
Total Gender				**Total Gender**				**Total Gender**			
Men	72.74%	75.4%	↑2.66%	Men	69.51%	69%	↓.51%	Men	83.04%	83.3%	↑.26%
Women	25.64%	24.5%	↓1.14%	Women	30.44%	31%	↑.56%	Women	16.90%	16.5%	↑.4%

In the span from 2022 to 2023, workforce diversity experienced notable shifts: a decrease in Black representation, increases in Hispanic and Asian representation, and minor changes in gender distribution.

ADDRESSING THE CHALLENGES

- Reimagined Branding begins with A&D's benefits and societal impacts. Emphasizing reliable and long-term employment opportunities is key. This entails developing a brand that encompasses stability, culture, and meaningful work while actively communicating our values, mission, and purpose.

- Generating Employee Empowerment starts with fostering engagement from onboarding onwards, aligning with company values and mission. This involves mixing training methods and dedicating time to developing new on-the-job skills. Investing in collaborative technology is vital, but successful digital transformation hinges on engaging employees and aligning leadership.

- Reimagining Employee Development by integrating company values and mission into onboarding, incorporating quick-issue tools, and utilizing a mix of synchronous and asynchronous learning for foundational skills. Providing real-time feedback to enhance engagement and fostering a culture centered on continuous improvement will promote retention and foster career growth.

- Reprioritizing Workforce Planning Across the value chain by expanding proactive, forward-looking efforts that prioritize capacity and capability-building over role replacement, while reprioritizing knowledge management to support workforce transitions.