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New Survey Says Workforce Woes to Continue for Aerospace and Defense Industry

Viable Solutions to Stem Losses Available, According to Hitachi Consulting

DALLAS – Sept. 15, 2009 – Expected increases in retirement eligibility rates of existing workers, and documented increases in voluntary attrition rates of younger workers, combined with weak demand for future contracts (work) has Aerospace and Defense companies facing the most challenging business environment in recent history, according to a new workforce survey by AVIATION WEEK and sponsored by [Hitachi Consulting](#).

Not since the historical drop-off in defense spending after the Cold War has the industry experienced this kind of workforce uncertainty, according to AVIATION WEEK Business Editor Madhu Unnikrishnan, in an article detailing responses from A&D companies employing more than half a million employees – approximately 82 percent of the industry’s workforce. According to the [2009 Workforce Study](#), and data from the [Aerospace Industries Association](#) (AIA), findings suggest that “United States A&D companies had cut about 30,000 jobs as of June 1, or just 4.5 percent of the total workforce,” according to Unnikrishnan. “The layoffs will almost certainly continue into 2010, [but] total job losses during this downturn might be limited to 10 percent of the A&D workforce -- far below the 40 percent eliminated in 1990-96 as the end of the Cold War ... The industry is being much more strategic in reducing the workforce.”

The right strategies are needed at this time to smartly adjust the industry’s workforce for the future, according to Lee Palmer, [Hitachi Consulting Aerospace and Defense Industry](#) National Leader. “There isn’t much that can be done to keep an aging workforce on the job when it’s ready to move on to retirement, but there’s plenty that companies need to be doing to transition institutional knowledge to the up-and-coming generations, who by the way have got to believe the industry will provide opportunities for them, along with stability and an engaging work environment.”

Some of the industry's workforce woes, such as a shortage of U.S.-born science, technology, engineering and math (STEM) college graduates, Palmer said, have been evolving over many years, and although efforts to bolster the ranks of students with these skills have been successful, more work is needed.

"We've seen amazing successes from STEM programs, but we need a larger commitment to math, engineering and science education, a commitment that includes more federal and state support of goals and standards to give schools and education systems something to work toward," said Palmer, who has been involved in STEM education efforts in North Texas and nationally for more than 20 years.

Hitachi Consulting, the global business and IT consulting company of Hitachi Ltd., and AVIATION WEEK, produced the 2009 Workforce Study in conjunction with the [Aerospace Industries Association](#), [American Institute of Aeronautics and Astronautics](#) (AIAA), and the [National Defense Industrial Association](#) (NDIA). The survey provides a single source of reliable data that analyzes current A&D workforce issues, trends and opportunities, and has been a mainstay for A&D planning and trend analysis since 1997. Results appeared in the August 24-31 double issue of [Aviation Week & Space Technology](#).

[Click here](#) to read a copy of the Workforce Survey Results.

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