2022 Aerospace and Defense Workforce Study

The survey respondents represent a total global headcount of about 850,000 employees, with over 250,000 US employees with security clearances and about 105,000 veterans in the US across all of the organizations that participated.

DEI

Organizations are increasingly focused on their DEI agenda, including improving their DEI metrics, investing in different initiatives and expanding their outreach.

<table>
<thead>
<tr>
<th>Employee demographics</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>25.64%</td>
<td>24.79%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>8.95%</td>
<td>8.68%</td>
</tr>
<tr>
<td>Black</td>
<td>10.03%</td>
<td>9.75%</td>
</tr>
<tr>
<td>Asian</td>
<td>9.00%</td>
<td>8.79%</td>
</tr>
<tr>
<td>2 or More Races</td>
<td>2.23%</td>
<td>1.86%</td>
</tr>
<tr>
<td>American Indian or Alaskan Native</td>
<td>0.48%</td>
<td>0.81%</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>0.39%</td>
<td>0.41%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Executive demographics</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>30.44%</td>
<td>28.12%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>4.77%</td>
<td>3.66%</td>
</tr>
<tr>
<td>Black</td>
<td>5.69%</td>
<td>5.29%</td>
</tr>
<tr>
<td>Asian</td>
<td>6.39%</td>
<td>5.62%</td>
</tr>
<tr>
<td>2 or More Races</td>
<td>1.48%</td>
<td>1.02%</td>
</tr>
<tr>
<td>American Indian or Alaskan Native</td>
<td>0.42%</td>
<td>0.54%</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>0.19%</td>
<td>0.11%</td>
</tr>
</tbody>
</table>

- 37% of the surveyed workforce holds security clearances
- 15% of the surveyed workforce are veterans
- 31% total ethnic minorities in the workforce (compared to 30% in 2021)
- 19% total ethnic minorities executives in the workforce (compared to 16% in 2021)

DEI

- 66% of respondents indicated that DEI is stated in their company’s mission, vision and/or values
- 65% of respondents conduct pay gap reporting as an element of their DEI strategy
- 84% of respondents strongly agree with the following statement: My company demonstrates a commitment to celebrating and embracing different backgrounds, ideas and beliefs.
Future of work
A&D organizations are providing greater flexibility in where, when and how employees work.

84% of respondents provide remote working options to their employees
81% of respondents provide flexible working hours to their employees

The talent shortage
Organizations are exploring ways of providing a differentiated EVP offering in an attempt to improve talent attraction and retention amidst strong competition.

91% of respondents believe that their organization needs to review the competitiveness of their compensation programs in order to address employee turnover
69% of respondents believe that their organization’s turnover has significantly increased within the last 12 months

2021 attrition .............................................. 5.8%
2022 attrition .............................................. 7.1%

Employee and talent outlook
As the A&D industry evolves, reskilling will be central to positioning the workforce to accommodate this evolution.

The top five areas of investment that companies are currently prioritizing in reskilling are:

1. Leadership ................................. 66%
2. Cybersecurity .............................................. 44%
3. Engineering skills .......................... 44%
4. Data science/analytics ................. 28%
5. Digital skill sets ............................ 22%

41% of respondents said that they believed their organization’s employee engagement worsened over the last 12 months
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