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Powering the future: transforming benefits for a sustainable workforce

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The energy and utilities industry is undergoing a major transformation—not only in its pursuit of net zero, but in its workforce, too.

The US invested \$280 billion into clean energy last year, with the Infrastructure Investment and Jobs Act earmarking millions more for workforce development.¹ But the sector is facing a recruitment crunch, with talent needed not only to fill the new roles created by the energy transition but also to replace the 400,000 workers retiring in the next decade.²

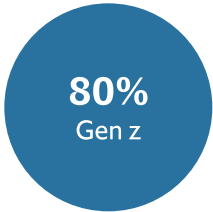
Changing demographics are another challenge. Over 60% of workers in key roles now have fewer than ten years of experience. Millennials, now the largest segment of the utilities workforce, expect more support from employers in areas such as family planning and action on issues like environmental responsibility.³ The industry's non-retirement attrition rates also paint a worrying picture: non-white workers, who are more likely to cite dissatisfaction with benefits packages, are leaving their roles at the highest rates.⁴

There is a clear opportunity for forward-thinking firms to lead not only in the energy transition but also in addressing the demands of this evolving workforce. The insights in this article are primarily based on an Economist Impact survey of 1,500 US full-time workers across medium to large companies, including 500 in the energy and utilities sector.⁵

Benefits to match tomorrow's workforce

1. Invest in education and upskilling to meet tech demands

New expertise is needed to integrate renewable technologies, and energy and utilities companies must invest in workers' education or face a skills shortage. Helping them acquire new skills and certifications in areas like smart grids and battery storage will go a long way to addressing the 5.7 million new jobs anticipated in the sector by 2030, as will ensuring proficiency in data and artificial intelligence skills for delivering a more efficient energy system.⁶ Companies that do this early will gain a competitive advantage when it comes to attracting and retaining talent for the future.



Workers in the industry who say education benefits are important when choosing a job



Our survey shows that younger workers are particularly interested in learning opportunities, with 80% of Gen Z and 52% of millennials in the sector saying education and training benefits are an important consideration when choosing a job. For instance, rotational programs, where existing workers learn new skills on the job, or student loan assistance provided through educational assistance programs could be powerful retention tools.

2. Boost retirement confidence among younger generations

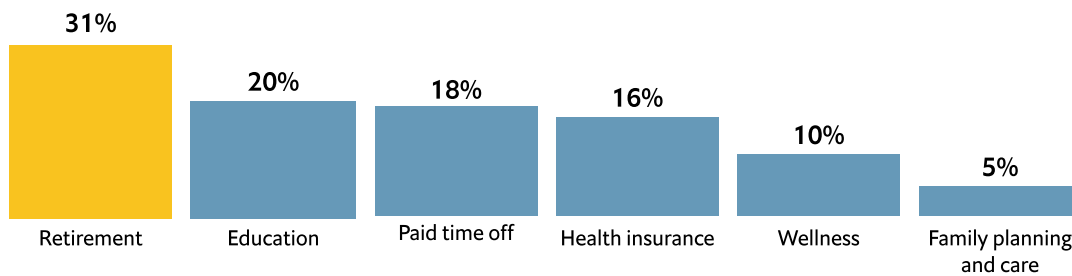
In the energy and utilities sector, a gap in retirement confidence is emerging. While 63% of Gen X and Baby Boomers feel confident they will be able to retire at the federal retirement age, only 30% of millennials and 18% of Gen Z share that optimism.

Our survey also found that younger workers in this industry are more likely to deprioritize retirement benefits compared with their peers in other sectors. This points to a sector-specific issue, where energy and utilities companies are failing to engage young workers through their retirement offerings.

Given that 31% of workers rank high-quality, reliable retirement plans as their top priority—surpassing all other benefits—it's essential for energy and utilities workplaces to provide strong, easy-to-understand offerings (see Fig 1).

Figure 1: Energy and utilities workers put a premium on retirement benefits

Percentage ranking each as their top priority



Source: Economist Impact, 2023. Benefits 2.0 survey

Employers can improve the impact of retirement plans for tomorrow's workforce in several ways:

- appointing representatives to help non-Americans navigate retirement options (this bloc already makes up 20% of the workforce in Texas, the top energy-producing state);⁷
- exploring retirement plans that feature environment, social and governance principles and impact investing opportunities; and
- boosting financial literacy among younger workers—just 9% of Millennials and 5% of Gen Z say that wellness benefits (including financial advice or credit resources) have helped them boost disposable income, compared with 22% of Gen X and Baby Boomers.

3. Balance career longevity through family and care support

Not only are workforce demographics evolving, but tenure for workers in the utilities industry has dropped by 37% in the last decade, particularly among Gen X and Millennials.⁸ Crucially, these cohorts are also the most likely to shoulder caregiving responsibilities.⁹

Against this trend, family benefits can be a critical difference-maker: a third of C-suite executives in the sector said family planning benefits give them more control over their professional and personal goals, and 30% of upper managers say caregiving benefits have prevented them or their partner from dropping out of the workforce.

Only
52%

of energy and utilities workers in our survey said they have access to extended leave

However, only 52% of energy and utility workers responding to our survey said they have access to extended leave for things like caregiving, meaning families aren't being supported holistically. Employers can set themselves apart with family-friendly retention strategies that don't make assumptions about who is giving care and how—especially by expanding benefits related to fertility treatments, childcare subsidies, caregiving leave and more.

In one example, Mai Lan Nguyen, senior vice president of human resources at Schneider Electric, recalls meeting with a worker who was struggling to start a family due to a lack of fertility benefits at the company. Determined to make a change, Ms Nguyen worked to implement fertility, surrogacy and adoption support within a year. “That employee actually wrote me back, a year later, as her first child was born. And today she has two. So every time I see her at the office, I am reminded of the impact that we can have on people.”



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Senior vice president of human resources at Schneider Electric

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⁵ 2023 Benefits 2.0 US worker survey

⁶ <https://decarbonization.visualcapitalist.com/visualized-the-evolution-of-energy-employment-2022-2030p/>

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⁹ <https://www.guardianlife.com/news/release/guardian-finds-caregivers-face-unprecedented-challenges>

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