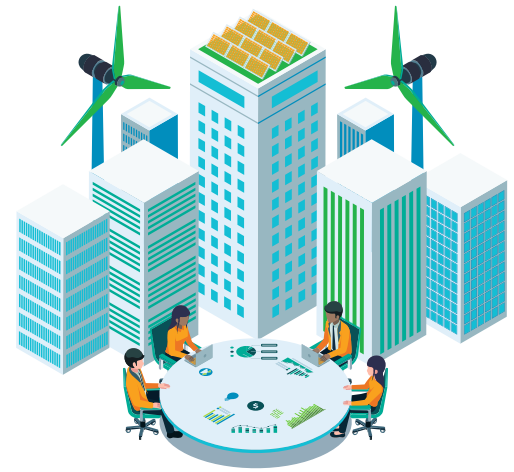


# Securing energy—and financial—futures

How energy companies can harness better benefits to gain a competitive edge in a rapidly changing industry



The greatest threat to global energy is not international conflict, supply-chain interruptions or the race against climate change. It is the lack of qualified workers to innovate and engineer the solutions that power the world.

“Talent is the next energy crisis,” the World Economic Forum declared in 2023.<sup>1</sup> The growing demand for low-carbon and new-generation technologies plus the multiplying requirements for decarbonization mean that the energy sector is changing more quickly than employers can hire and upskill.

The size of the **green talent pool** will need to double by **2050** if firms and governments are to fulfill their renewable energy commitments.



The global skills deficit, particularly in green skills—technical knowledge and other abilities that power more sustainable jobs—means that employers have a limited pool of highly qualified talent to pull from. Just one in eight workers has a green skill, and competition for that talent is fierce.<sup>2</sup> Those with green skills are hired at a rate more than 50% greater than the overall workforce. However, the size of the green talent pool will need to double by 2050 if firms and governments are to fulfill their renewable energy commitments.<sup>3</sup>

While energy companies plan new ways to power the globe in the coming years, workers are looking ahead too, increasingly concerned about their financial futures. Employers that rise to the financial needs of their workforce may very well have the competitive edge—and their pick of the best talent.

Some 79% percent of Americans believe the country is facing a retirement crisis, and 77% believe lack of access to pensions is a significant factor.<sup>4</sup>

Many US workers, even in the highest-earning sectors, plan to rely on a 401(k) drawdown and a social security check, says Brendan McCarthy, head of retirement investing at Nuveen. But for many, that will not be enough. And the amount of money Americans think they’ll need in retirement reached a record high in 2024.<sup>5</sup>



**“The number-one factor is longevity risk. We’ve seen rates move up and down rapidly. We’ve seen inflation climb and fall. Guaranteed benefits provide certainty of income\* in an elevated rate environment, and some of the rates available in annuities right now are particularly attractive.”**

**Brendan McCarthy**  
Head of retirement investing at Nuveen

One solution could be guaranteed lifetime income products\*, which insulate retirees from volatile markets and unforeseen swings. “The number-one factor is longevity risk,” Mr McCarthy says. “We’ve seen rates move up and down rapidly. We’ve seen inflation climb and fall. Guaranteed benefits provide certainty of income\* in an elevated rate environment, and some of the rates available in annuities right now are particularly attractive.”

## **The future of gender equity in the energy sector**

The energy sector has long faced a gender gap. It is one of the least gender-diverse industries today, and the problem goes all the way to the top; less than 15% of its senior managers are women. Furthermore, wages for women in the energy industry are almost 15% lower than for men at the same skill level.<sup>6</sup>

Mr McCarthy draws a parallel between the energy sector’s gender gap and what he sees in financial services, where women also remain outnumbered. “We need to make the industry more attractive to women,” he says. “Some sectors, such as energy, have fallen behind.” Ensuring the financial health of women, well into the future, can push the industry forward, and help attract gender diversity to energy jobs.



**“If you earn less, your capacity to save is less.”**

**Hannah Johnstone**  
Financial well-being consultant at benefits brokerage Gallagher

The gender pay gap contributes heavily to financial inequality in retirement. Women retire with approximately 30% less wealth in retirement than men do.<sup>7</sup> “If you earn less, your capacity to save is less,” says Hannah Johnstone, a financial well-being consultant at benefits brokerage Gallagher, adding that women are therefore at an inherent disadvantage. And when it comes to retirement planning, it’s women and those in the sandwich generation—who are caring for children and aging parents at the same time—who need the most help.

## Educating workers on financial security in retirement

Equally important to safeguarding financial well-being in retirement is proper education.

“Retirement income is very hard for people to digest,” says Ms Johnstone. “Employees have been taught to accumulate as much retirement savings as possible and their retirement will look as they expect.”

But their expectations are dangerously flawed. “The reality is, they need to develop a plan that takes everything they’ve spent their financial life accumulating, and pay themselves.” Everything that workers lean on their employers for will soon be up to them to furnish: paychecks, medical expenses and dependent care. Traditional retirement plans are increasingly insufficient.

Ms Johnstone finds that employers are consistently upping the ante for financial benefits, deploying them as competitive differentiators. The ability to hire and retain the necessary talent is on the line. A decade ago, a basic retirement plan was the benchmark for employer-sponsored financial benefits, she says. The bar for products and advice is so much higher now.



**People want to balance their own retirement spending planning with estate planning. Replacing income levels with guaranteed income can help long-term planning.\*”**

**Brendan McCarthy**  
Head of retirement investing at Nuveen

Lifetime income products could be one of several benefits solutions that help energy companies stay competitive—and empower their employees to successfully plan ahead.

“People want to balance their own retirement spending planning with estate planning,” Mr McCarthy says. “Replacing income levels with guaranteed income can help long-term planning.\*”

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**\*Any guarantees are backed by the claims-paying ability of the issuing company. Guarantees of fixed monthly payments are only associated with fixed annuities.**

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