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Could better benefits revitalize the sports, media and entertainment workforce?

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The sports, media and entertainment industry is undergoing rapid transformation, with new technologies like artificial intelligence (AI) and virtual reality creating new ways to reach audiences. At the same time, the convergence of streaming, social media and gaming is reshaping consumer expectations.

With industry-wide annual revenue expected to grow at a 4% compound annual growth rate over the next four years, opportunities are now ripe for the taking.¹ But to seize them quickly, access to the right talent will be critical.

For executives, the challenge lies in understanding how to make their companies stand out in an increasingly competitive hiring market. There are already clear gaps in the workforce. Workforce diversity remains a challenge, despite the industry's growing focus on diversity, equity and inclusion (DEI), with 75% of the arts, design, entertainment, sports and media workforce in the US being white.² This limits the industry's ability to reflect audience preferences and has a material impact on bottom lines. According to a UCLA study, movies lacking diversity underperform by around 20% on opening weekends.³

As executives weigh up the future sports, media and entertainment landscape, they must consider how to design benefits packages that attract and retain diverse talent. Insights in this article are based on an Economist Impact survey of 1,500 US full-time workers across medium to large companies, including 500 in the media, sports and entertainment sector.

Championing workplace diversity through enhanced benefits

1. Driving diversity and inclusion with tailored benefits

Only
33%

of our respondents believe their organization has an effective strategy for attracting diverse talent

The sports, media and entertainment industry outwardly champions diversity and inclusion, yet many minority workers feel unsupported internally. Only 33% of our respondents believe their organization has an effective strategy for attracting diverse talent. Wider industry data echo this, showing that just 13% of the workforce is of Hispanic origin compared with 19% of the wider US population. The numbers are even lower for Black and Asian workers, who represent just 7% and 6.5% of the workforce, respectively.⁴

The situation is similar for LGBTQ+ workers, with 81% of respondents to one survey saying that the industry underperforms on inclusion for trans and non-binary colleagues, while 14% state the same for non-heterosexual workers.⁵

This disconnect will have a greater impact on talent retention over time, as younger generations are more likely to be racially and ethnically diverse or identify as LGBTQ+.^{6,7}



Just 24% of respondents to our survey said they are satisfied with their family planning benefits.

Benefits can be broadened to reflect the experiences of LGBTQ+ workers, such as ensuring gender-affirming and mental healthcare resources are available. Just 24% of respondents to our survey said they are satisfied with their family planning benefits, suggesting there is significant room for more inclusive benefits, such as including adoption or surrogacy in family leave policies. Mentorship programs and employee resource groups can also support workplace inclusion, and should be part of a comprehensive DEI strategy.⁸

2. Supporting non-traditional career paths

The sports, media and entertainment industry requires a workforce that can stretch, contract and move around as new projects come online, with 55% of all entertainment workers classified as freelancers.⁹



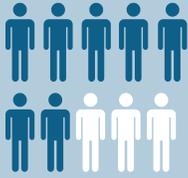
More than 25% of low-income full-time workers lack health insurance—usually citing ineligibility and cost as barriers.¹⁰

Freelancers are integral to the industry's functioning, but often miss out on benefits that full-time staff receive, such as retirement plans, career development and health insurance. Notably, even among full-time workers in the industry, a third do not enroll in basic benefits like health insurance due to affordability issues. Companies can become an employer of choice for these workers by offering benefits that fill these gaps, while continuing to support flexible work. Careers guidance, financial planning support, and access to freelance support platforms that help with tasks like invoicing, cash flow and tax management can all be explored.

The gig economy is growing, with 50% of the entire US workforce expected to be working flexibly by 2027, up from around 36% today.¹¹ Companies that get ahead of upcoming changes in the benefits landscape, such as the expansion of portable benefits that can be retained across jobs, can position themselves as champions for this growing cohort of freelance workers. Regulation is still evolving on this topic, which would allow workers to retain retirement plans and health coverage across jobs, but is expected to become reality soon.

3. Making change work for everyone

Workplaces must evolve their benefits provision to suit an increasingly diverse workforce—but they should do so with care. Hasty policy changes risk being ineffective or, worse, disrupting worker morale. One benefits expert we interviewed emphasized the importance of a slow and steady approach, pointing out that overly ambitious changes often end up getting rolled back in part, damaging worker satisfaction and engagement in the long run.



Seven in ten workers in the industry said their organizations don't do enough to promote, explain or innovate their benefits plans.

Employers may find that even small changes seem big to workers, who aren't sure of how their benefits packages work in the first place. In our survey, seven in ten workers in the industry said their organizations don't do enough to promote, explain or innovate their benefits plans.

Companies can set up feedback loops that give workers opportunities to respond to any changes. This kind of open communication will not only reassure workers that their feedback is taken into consideration, but also improves understanding and uptake of the benefits on offer.

Conclusion

73%

of full-time workers in the sector say they would be willing to switch jobs for better benefits

The sports, media and entertainment industry is in flux. Bold strategies will be needed to adapt to future growth channels, but it will be the workers who successfully execute these visions. With 73% of full-time workers in the sector saying they would be willing to switch jobs for better benefits, it is clear that this is where employers can build competitive advantages in a future-proofed entertainment industry.

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