Hispanics In Energy

BIOMASS COAL GAS HYDRO OIL NUCLEAR PETROLEUM SOLAR WIND

Testimony of
MONICA MARTINEZ
PRESIDENT, HISPANICS IN ENERGY
Before the U. S. House of Representatives
COMMITTEE ON NATURAL RESOURCES
Subcommittee on Energy and Power
Hearing on
"Title II: 21st Century Workforce"

April 23, 2015

Brief Summary:

- It is a privilege to be here to support the bi-partisan draft legislation that is aimed at creating a strong, diverse energy and manufacturing workforce.
- With median income of Hispanic households $12,000 less than median U.S. households, and with poverty rates for Hispanics higher than the national average, access to economic opportunity in the energy field can be crucial for helping boost earnings and bring about greater standards of living.
- This is a truly bi-partisan and energy technology neutral opportunity. Median wages in both traditional energy jobs and the clean energy economy are relatively high median wages.
- Five principles can be utilized to help provide future job opportunities in energy: 1) general dissemination of energy opportunities; 2) student engagement at all levels – elementary through college; 3) expanding the network of engagement by energy providers and companies to create a pipeline of prospective workers; 4) developing programs and pathways for different demographic groups and segments of the population – including wrap around services like career coaching; 5) assessing outcomes by utilizing data, analysis, and benchmarks.
- Workforce transitions (retirements) and the modernized energy landscape that is growing jobs provide an opportunity we must capture to enable many Americans – women, Hispanics, veterans, etc. to live the American dream and find the economic opportunity that comes with it.

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Good morning Chairman Whitfield, Ranking Member Rush, and Members of the Subcommittee. I want to thank you for the opportunity to testify on Title II: 21st Century Workforce. I commend each of you for taking the time to focus on ensuring that America has a strong, diverse energy and manufacturing workforce. It is a privilege to be here to support the bi-partisan draft legislation that is aimed at accomplishing this critical priority.

I am Monica Martinez, President of Hispanics in Energy. Hispanics in Energy is a non-partisan, non-profit organization whose mission is to engage Hispanic and other diverse communities in our nation's energy policy dialogue and workforce. I co-founded Hispanics in Energy after my experience as a commissioner on the Michigan Public Service Commission. During my more than six year tenure, which began in 2005, I was astonished to find that my appointment signaled the first "majority of women" on a state utility commission in the country; that across the country Latino/Latina commissioners were fewer than I can count on one hand and that remains so today; and that meetings with middle and upper management and executives on energy issues included too few, if any, women or underrepresented groups.

Last year, Hispanics in Energy focused our efforts on jobs in energy and bringing a "community conversation" on workforce preparedness to communities across the country. I hope to share with you

a few things we've learned from that endeavor. But first, let me share with you some key information on the Hispanic population in the United States. Today our population is over 54 million, making people of Hispanic origin the nation's largest ethnic or racial minority – 17 percent of the nation's total population. According to population projections for 2060, the Hispanic population will constitute 31 percent, or 128.8 million, of our nation's population. Today, Arizona, California, Colorado, Florida, Illinois, New Jersey, New York and Texas all have a population of 1 million or more Hispanic residents. And, believe it or not, in twenty-two states, Hispanics represent the largest minority group. At 11.9 million Hispanic family households, we comprise roughly 10 percent of our nation's total households.

For 2012, the median income of Hispanic households was $39,005 whereas the median income of US households was $51,017. The poverty rate among Hispanics is roughly 25.6 percent, whereas the national poverty rate is at 15 percent. I did not mention these figures to bring about a discussion of income inequality; rather, I find them useful in the debate when we discuss jobs and economic opportunity. I recognize the best way to help alleviate poverty and to grow household income is to expand the outreach and availability of good paying jobs. For Hispanics, African Americans, American Indians, women and all Americans, access to economic opportunity in the energy field can be crucial for helping boost earnings and bring about greater standards of living.

And, there are opportunities in the energy sector – which is growing due to the Shale Revolution and the Green Energy Movement. Let me share with you some findings from recent IHS reports.[1] In 2010, the US oil and gas industry and the petrochemical industry together employed a total of 1.2 million people. Roughly 8.2 percent were African American, 15.7 percent were Hispanic and women

[1]March 2014 IHS Report, *Minority and Female Employment in the Oil & Gas and Petrochemical Industries;* and June 2014 IHS Report, *Minority and Female Employment: Regional Forecasts for the Oil & Gas and Petrochemical Industries*

accounted for 19 percent. IHS projects a total of nearly 1.3 million direct job opportunities over the 2010-2030 period, considering all types of job growth. Of these opportunities, they project that 32 percent, or 408,000 jobs, will be held by African Americans and Hispanics in 2030. IHS estimates that 63 percent of all job opportunities will be blue collar jobs.

In fact, this is a truly bi-partisan and energy technology neutral opportunity. There are not only job opportunities in the traditional energy sectors, but also in new energy sectors as well. A study from the Brookings Institution notes that the clean energy economy is found to offer higher median wages than the U. S. average, and many of these jobs (roughly 45 percent) don't require an advance degree. On top of this, the clean economy jobs are growing at a rapid pace. For example, the U. S. solar industry employed 173,807 solar workers as of November 2014. This represents a 21.8% growth over the prior year. All of this signals a tremendous opportunity. However, if we do not take action to improve the opportunities for underrepresented communities in the workforce, we will only be adding to the current disparity that exists between the energy industry and the community it serves. The energy industry can be more reflective of the characteristics of our population. And by doing so, our whole economy will benefit.

As I mentioned earlier, Hispanics in Energy engaged in "community conversations"[2] on this very topic. Together with the American Association of Blacks in Energy and in partnership with the U. S. Department of Energy, we initiated a national eight city community tour[3] that brought the discussion of opportunities directly to our communities. Our intent was to increase awareness of the jobs that exist in the energy field. The local dialogues also encompassed a discussion with community leaders to assess

[2] http://aabe-hieenergize.com/
[3] The eight city tour included Chicago, IL; Canton, OH; Bakersfield, CA; Philadelphia, PA; Detroit, MI; Denver, CO; Charlotte, NC; and Las Cruces, NM.

the current structures that exist within the community and to start a brainstorming session on what more we can do to address any challenges.

Through this effort, and Hispanics in Energy's previous work, we have found that five principles can be utilized to help our nation take the best advantage of existing and future job opportunities in energy. The five principles we have found are:

1) general dissemination of energy opportunities to educators, parents, community leaders and the general public;

2) student engagement at all levels – including elementary through high school, and technical and college level students;

3) expanding the network of engagement by energy providers and companies to create a pipeline of prospective workers;

4) developing programs and pathways for different demographic groups and segments of the population; and

5) assessing outcomes by utilizing data, analysis, and benchmarks.

General dissemination of energy opportunities to the entire community and the general public is critical. Not everyone grows up thinking they are going to have a career in energy. In fact, very few do. Because of the increasing job opportunities, we need to reach out to our community leaders and educators to share the story of the opportunity so that today and tomorrow's workforce can be prepared for a job in energy. Recent research[4] indicates that the number one obstacle to women considering employment in the oil and natural gas industry is lack of awareness and understanding of

[4] January 2015 American Viewpoint & Lake Research Partners, *Attitudes and Perceptions of Women About Seeking Employment in the Oil & Natural Gas Industry*

job opportunities and career development in the industry. This is an obstacle we can and should overcome. With greater outreach, education and engagement opportunities – we can work to increase the participation of women in the energy industry.

The second principle is focused on engaging our children sooner rather than later. Believe it or not, I do mean reaching out to our elementary and middle-school aged children, as well as, high school and college/technical level students. We must continue to emphasize the need for science, technology, engineering, and mathematics as a pathway to career opportunity. Of the 70,000 undergraduate engineers, only 12% represented all under-represented groups[5]. And, the pool of under-represented engineers gets even smaller at the graduate level.

We must also emphasize that a student's pathway might differ from college and may include a technical or skilled trade pathway. Sadly, with our focus on college and college preparation, the trades are often neglected. We often disconnect ourselves from unfortunate trends in high school and middle school drop-out rates. However, imagine if we helped to ensure a pathway for all students. Perhaps some students would stay in school. Looking for any job, including blue collar jobs in energy, can still require a high school diploma. However, the start of the pathway for all energy jobs is basic education. A recent survey[6] found that only one out of five utility companies felt that students leaving high school or college were ready for an energy career. These companies reported that students didn't have the basic reading, writing and math skills needed to go to the next level of training. Let's ensure we are doing all we can to allow the door for opportunity to be open.

[5] National Science Foundation 2006
[6] Center for Energy Workforce Development annual member survey

The third principle involves the activity of energy companies and providers. These entities must continue to expand their networks and engagement to increase the pool of qualified applicants. Several energy companies have partnered with veterans workforce entities at the state level to ensure that job opportunities are made available for our very skilled and able veterans. This provides great opportunity for this segment of the population. Other efforts can be to continue partnership with organizations like Hispanics in Energy and the American Association of Blacks in Energy, along with other community partners, to help ensure that a diverse and qualified workforce is provided the opportunity of energy jobs. In business, we find we must constantly expand our reach and the same holds true for expanding the applicant pool for these energy jobs. Utilizing non-traditional networks can be the key to filling these positions.

The fourth principle is that programs and pathways need to be developed for different demographic groups and segments of the population. Partners, including the Center for Energy Workforce Development[7], can attest that while the education and skills needed are the same for everyone, the best way to prepare individuals may differ. Transitioning workers, women, low-income adults and veterans are all workers, but the outreach and engagement might need to be tailored for each segment. For example, career coaching might be a key factor to success. Other program services, such as wrap around services to defray the cost of transportation or the provision of child care, can mean the difference between success and failure for those completing energy training programs.

The final principle is assessing the outcomes by utilizing data, analysis, and benchmarks. Perhaps I am fond of this one because as a former regulator and state economic and jobs policy advisor,

[7] In 2006, electric and natural gas utilities and their trade associations – the Edison Electric Institute, American Gas Association, Nuclear Energy Institute, and Natural Rural Electric Cooperative Association – formed the nonprofit Center for Energy Workforce Development (CEWD)

I would always meet with businesses and companies that would tell their story of economic opportunity. And, my point was always the same – "show me." I referenced the IHS report because I believe it is a good showing of data and analysis. I recommend that with any legislative proposal to include provisions to assess performance. For example, an analysis of how the energy industry moves in the direction of expanding jobs and filling those positions with the diverse communities discussed. A second component can include a compilation of best practices by industry sector and demographic segment. At the very least, we can create a goal to increase the underrepresented population's involvement and monitor the trends in successfully achieving this outcome.

In closing, we know that job opportunities will be made available as the workforce transitions over the next decade with the retiring baby boomers. According to a 2014 study[8], more than half of the utility workforce may turn over within the next decade. Ten percent of the utility industry could retire today and more than one-third of the skilled utility workforce may need to be replaced within five years. In addition, as the energy landscape modernizes and expands, this also increases the jobs available. We must continue to spread the message of the opportunity available in the energy field. Doing so, will enable many Americans to live the American dream and find the economic opportunity that comes with it.

Once again, thank you for the opportunity to provide remarks on this important issue. As a nation of energy users, we must ensure that we promote and carry the message of the job opportunities in energy to everyone.

[8] 2014, State of Energy Workforce: Skilled Utility Technicians and Engineers by the Center for Energy Workforce Development