

WASHINGTON
EMPLOYERS

FOR RACIAL
EQUITY

PURSUIT OF RACIAL EQUITY
IN THE WORKPLACE:

BASELINE FOR PROGRESS



In December 2020, a coalition of committed CEOs and senior corporate leaders launched **Washington Employers for Racial Equity (WERE)**, a statewide coalition committed to supporting a racially equitable future. The coalition began with an extensive research effort that documented clear evidence of racial bias and inequity across institutions, systems, workplaces, and communities. Sharing a strong desire to support long-term change, coalition members signed an ambitious Commitment to Progress, setting specific goals to advance racial equity in their workplaces and committing to advocate for racial equity statewide.

WERE members were surveyed in 2021 and again at the end of 2022 to establish a baseline against which to measure progress. Many of the metrics we seek to track have not been measured previously and require WERE members to put systems in place to collect data. Survey results provide important insights as to where our members are making progress, and where increased engagement is needed.

GOALS FOR 2030:

- Foster an inclusive corporate culture.
- Employ a workforce that reflects our communities.
- Achieve racial pay parity.
- Increase Black representation in management and senior leadership.
- Increase internships and work-embedded learning experiences for Black students.
- Increase diversity and racial equity in supplier networks.
- Increase investment in advancing racial equity in the workplace and community.

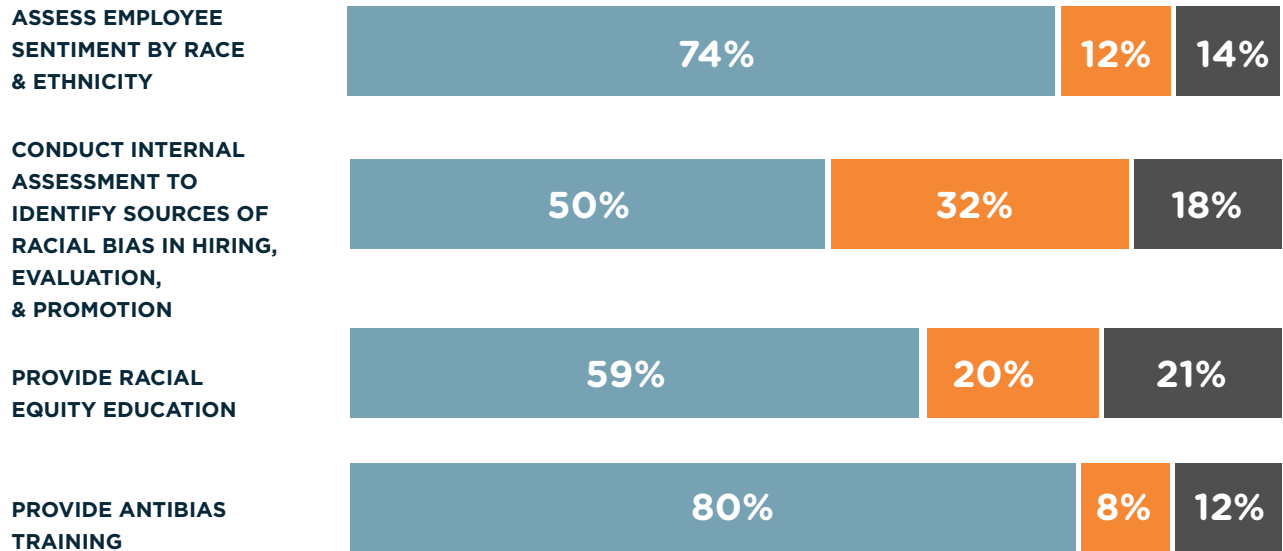
- **Employers are doing more to understand the experiences and sentiments of Black employees, address and remove bias, and make workplace culture inclusive.** Nearly three-quarters of WERE employers gather data on employee sentiment and review input disaggregated by race.
- **Representation of Black employees is improving on several levels.** There was an uptick in Black representation in management positions statewide from 2021 to 2022. WERE companies in the Central Puget Sound region—where 91% of WERE employees are located—also saw an increase in Black representation overall. Additionally, 12% of workers engaged in paid internships, apprenticeships, and other work-embedded learning experiences in 2022 were Black.
- **Employers are working to better support and retain Black employees.** The majority have an Employee Resource Group centered on elevating the interests and experiences of Black employees and employees of color. A majority also offer leadership training and mentorship/sponsorship programs.
- **More employers are focused on racial pay equity.** Nearly seven in 10 conducted a racial pay equity assessment in the last three years. All of those maintained or saw improvement toward pay equity since the assessment.
- **Work is needed to support the implementation and development of supplier diversity programs and increased investment in Black-owned businesses.** Forty-five percent of WERE members have a formal supplier diversity program in place, and 86% of those companies track their spend with diverse suppliers. However, the majority of companies without supplier diversity programs are unable to report their spending with suppliers disaggregated by race.

BASELINE DATA: WORKPLACE CULTURE

WERE members are committed to fostering a diverse, inclusive, and equitable workplace culture. Nearly three-quarters of members survey employee sentiment and assess feedback by race. Of those, 58% have set improvement goals. Eight in 10 provide anti-bias training to employees, and nearly half of those require it.

% Taking Action to Create an Inclusive Workplace Culture, 2022

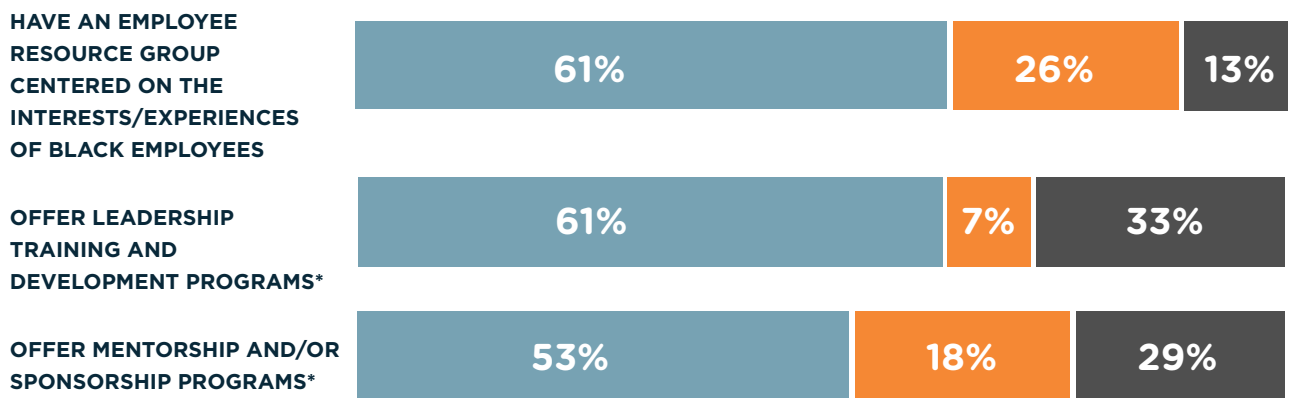
■ YES
 ■ NOT YET, BUT HAVE PLAN FOR ACTION
 ■ NO



Amplifying the voices of Black employees, increasing visibility with leadership, and providing professional development opportunities are key aspects of racial equity efforts. Among WERE companies, 61% have an Employee Resource Group centered on the interests of their Black employees and employees of color.

% Taking Actions to Amplify Voices and Support Leadership Development in Black Employees

■ YES
 ■ NOT YET, BUT HAVE PLAN FOR ACTION
 ■ NO

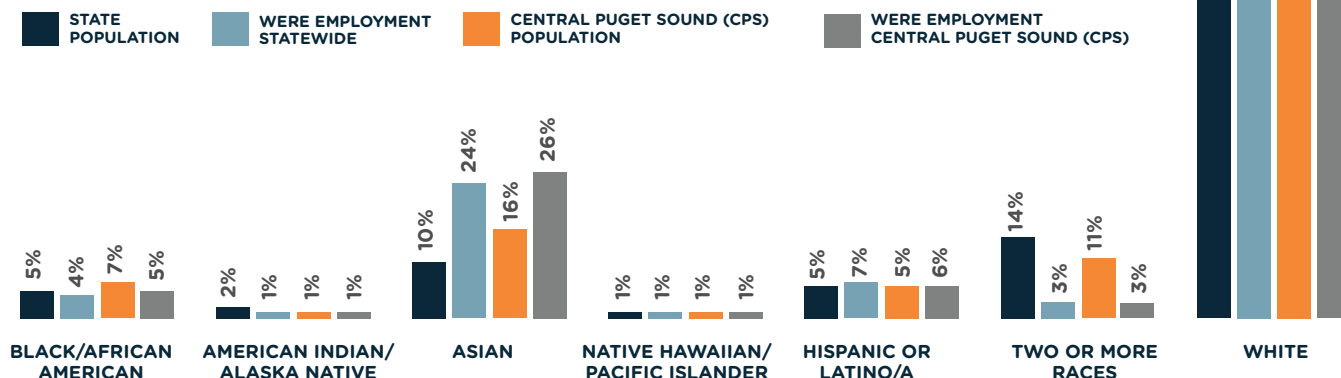


*Includes programs available to all employees and programs specific to Black and African American employees.

BASELINE DATA: WORKFORCE COMPOSITION

WERE members are committed to employing a workforce that reflects the communities in which they operate. In 2022, WERE companies report that 4% of their combined statewide workforce identifies as Black or African American, as compared to 5% of the statewide population that is Black or African American.

Population & Workforce Representation by Race, 2022



From
4%
to 5%

Increase in Black Representation at WERE Employers in Central Puget Sound

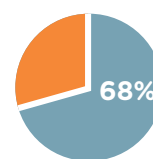
From
3%
to 4%

Increase in Black Representation in management positions at WERE employers statewide

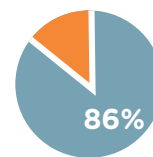
WERE companies in the Central Puget Sound (CPS) region—where 91% of WERE employees are located—have made representation gains overall and within leadership roles in the last year. However, Black and African American employees are still underrepresented as compared to representation in the general population.

WORKFORCE COMPENSATION:

WERE members are committed to achieving racial parity in average compensation for employees in similar job categories. This begins by assessing pay by job class and racial demographics. Addressing issues and periodic reassessment are critical. In 2022, nearly 7 in 10 companies had conducted an assessment of racial pay parity within the last three years. Of those, all achieved, maintained, or saw improvement toward racial pay parity. Nearly 9 in 10 plan to conduct a racial pay equity assessment in the next three years. It will be the first time doing so for 20% of those companies.



CONDUCTED RACIAL PAY PARITY ASSESSMENT IN LAST 3 YEARS



PLAN TO CONDUCT RACIAL PAY PARITY ASSESSMENT IN NEXT 3 YEARS

WORKFORCE PREPARATION:

WERE members are committed to investing in Black talent by increasing representation in internships and work-embedded learning experiences. WERE members report offering at least 5,340 paid internships, apprenticeships, or other work-embedded learning experiences at work sites in Washington state in 2022. Of those, 12% were filled by Black individuals, which is more than double the percentage of the Washington state population that is Black or African American.

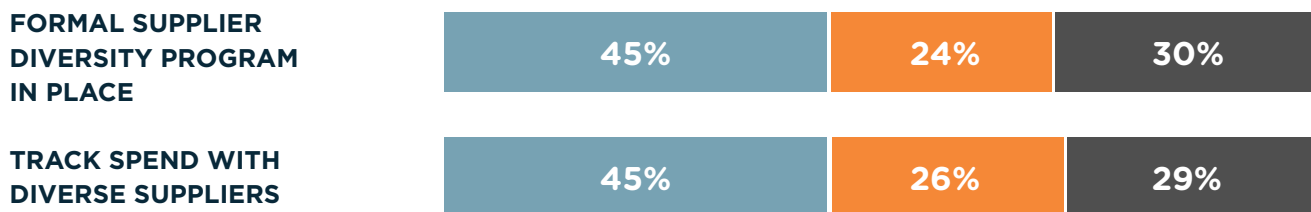
BASELINE DATA: SUPPLIER DIVERSITY & BLACK-OWNED BUSINESS INVESTMENT

WERE members are committed to increasing diversity and racial equity among contractors, vendors, and supplier networks and increasing investment in Black-owned businesses. Creation and support for robust supplier diversity programs and tracking spending based on suppliers' racial or ethnic ownership are important to operationalizing this commitment, as are efforts to remove barriers, expand capacity, and support the growth of those suppliers.

In 2022, 45% of WERE members reported having a supplier diversity program. The same amount tracked their spending with diverse suppliers, and significant data gaps existed across all company sizes.

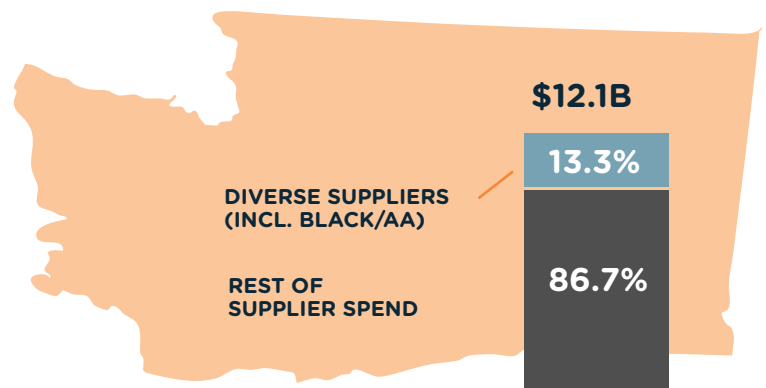
% Taking Actions to Support Supplier Diversity & Track Spend

■ YES
 ■ NOT YET, BUT HAVE PLAN FOR ACTION
 ■ NO



Supplier Spend in WA State

The companies who did track their spending reported a combined supplier investment of \$12.1 billion with suppliers in Washington state in the most recent fiscal year, 13.3% of which went to diverse suppliers. A combined \$85.9 billion was reported to have been spent with suppliers nationwide, including at least 12.6% that was tracked as having been spent with diverse suppliers.



BASELINE DATA: CORPORATE, COMMUNITY, & PHILANTHROPIC INVESTMENTS TO ADVANCE RACIAL EQUITY

WERE members are committed to making individual company or institutional investments to advance racial equity in the workplace and beyond. Six in 10 survey respondents were able to provide data on their corporate, community, and philanthropic giving to advance racial equity in the most recent fiscal year. Those members reporting investing a combined \$777 million to advance racial equity efforts nationwide in FY 21, including \$29 million (or nearly 4% of the total) spent in Washington state.

SETTING A COURSE FOR IMPROVEMENT

Our 2030 goals remain ambitious. A continued and unrelenting focus on fostering equitable workplace culture, ensuring workforce representation and inclusion, and increasing supplier diversity and Black business development will remain at the heart of what we do together. We have work to do.

Key initial steps will be to continue making progress on measuring and responding to employee sentiment, increasing equitable representation, providing anti-bias training and racial equity education, and regularly assessing racial pay equity with follow-up action to drive improvement. Further, the development of robust supplier diversity programs and systems to track investment with Black-owned suppliers and to track community and philanthropic giving to support racial equity will be essential.

The need for action remains urgent. Our coalition will continue to develop and share resources in supporting our members' effort to advance racial equity in their workplaces and communities.

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