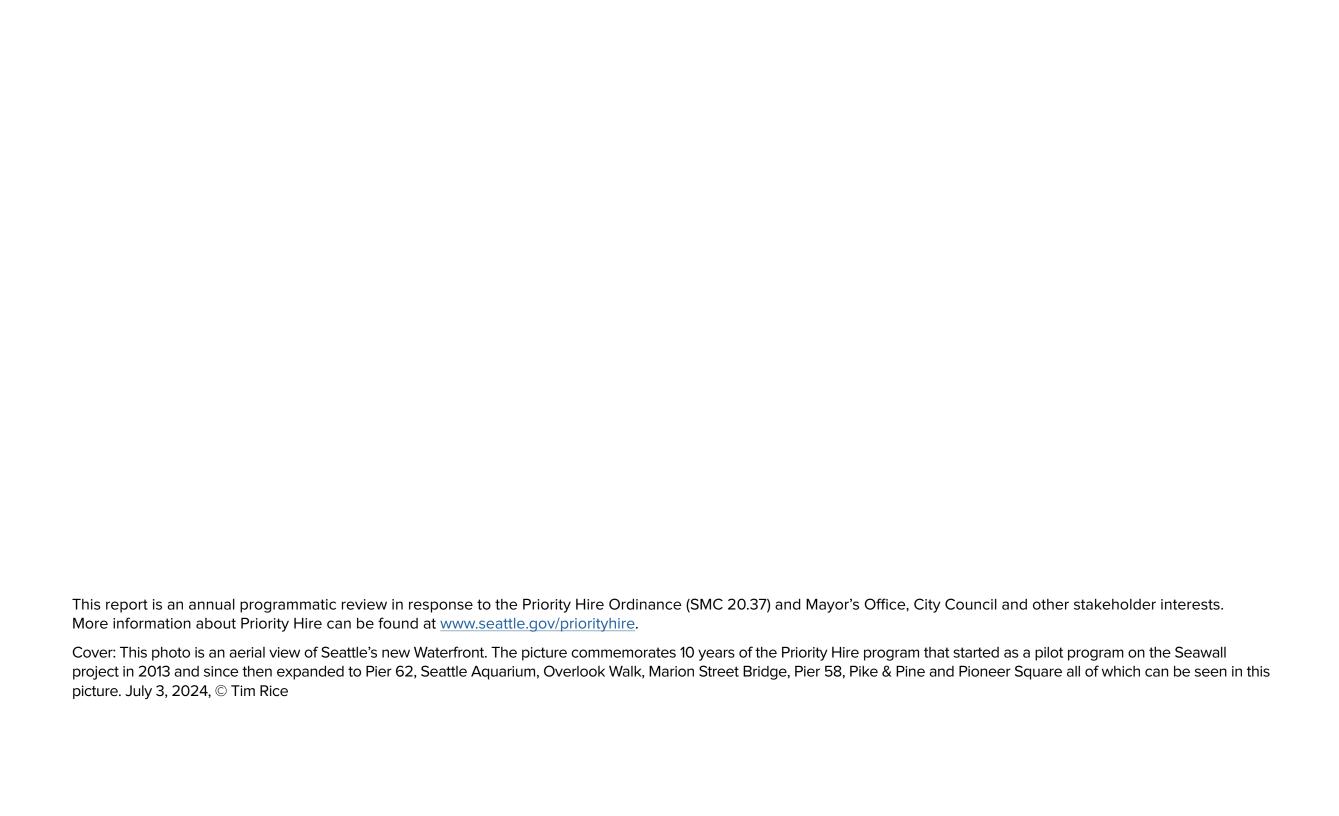




2024 Priority Hire Annual Report

PURCHASING AND CONTRACTING

June 2025



Definitions

Acceptable Work Site

Contract provisions that set standards for acceptable behavior on City construction work sites. The provisions prohibit bullying, hazing and related behaviors particularly those based upon race, immigration status, religious affiliation, gender identity or sexual orientation.

Apprentice

A worker enrolled in a Washington State Apprenticeship and Training Councilapproved training program.

Community Workforce Agreement (CWA)

A comprehensive pre-hire collective bargaining agreement between the City and labor unions that sets the basic terms and conditions of employment for public works construction projects. CWA projects include Priority Hire requirements, which increase access to construction jobs for workers living in economically distressed ZIP codes in Seattle and King County.

Dual Benefits Reimbursement

The City reimburses open-shop contractors on Priority Hire public works projects for payments into their existing benefits plans for workers on the project, as the CWA requires all workers to pay into union trusts.

Economically Distressed ZIP Codes

City-identified ZIP codes in Seattle and King County that have high densities of people living under 200% of the federal poverty line, unemployment rates and those over 25 without a college degree.

Journey Worker

A worker who is not enrolled in a Washington State Apprenticeship and Training Council-approved training program.

Open-Shop Contractor

A contractor that is not signatory to a union.

Pre-Apprentice

An individual who goes through a supportive and hands-on pre-apprenticeship training program that helps prepare people for entry and success in the building trades. These preparatory programs provide construction training and education, in addition to assisting with driver's licensing, transportation, child care, budgeting, etc.

Prime Contractor

The business contracting with the City to complete a construction project. Prime contractors may have contracts with subcontractors to perform part of the work.

Priority Hire

A program that increases the hiring of residents of economically distressed ZIP codes in Seattle and King County, women and people of color on City construction projects over \$5 million. The program intends to create equitable access to construction training and employment by focusing on the entire construction worker development process.

Priority Hire Worker

A worker who lives in an economically distressed ZIP code.

Priority Hire Advisory Committee (PHAC)

A committee that advises the City on Priority Hire implementation and effectiveness. Members are appointed by the Mayor and represent construction labor unions, training programs, contractors (including at least one women- or minority-owned contractor) and community.

Public-Private Partnership Project

Private construction projects with significant City investment that may include social and labor equity contract provisions, including Priority Hire, per Executive Order 2017-01.

Purchasing and Contracting (PC)

The division in the City of Seattle's Department of Finance and Administrative Services that oversees and implements Priority Hire.

Women- and Minority-Owned Businesses (WMBEs)

Businesses that are at least 51% owned by women and/or minorities.



Priority Hire increases the hiring of residents of economically distressed neighborhoods of Seattle and King County, women, and Black, Indigenous and People of Color (BIPOC) on City construction projects over \$5 million. The Department of Finance and Administrative Services (FAS), through Purchasing and Contracting (PC), implements, oversees, and enforces the program.

Following the positive results of a pilot program on the Elliott Bay Seawall project that started in late 2013, the City of Seattle established the Priority Hire Ordinance in 2015 (SMC 20.37). To implement the hiring goals and requirements, the program operates through a community workforce agreement (CWA), which is an agreement between the City and labor unions.

Priority Hire ensures residents receive a fair share of wealth-generating construction jobs and increases economic equity in our region.

Construction workers living in economically distressed communities have earned \$120 million dollars in wages. Most of these workers are BIPOC, women and apprentices. We estimate this is **double** than they would have earned without Priority Hire. Priority Hire ensures money stays local and helps stop displacement of communities. In 2024 alone, Priority Hire workers earned \$16 million in wages, plus benefits.

This report details Priority Hire's progress in addressing social and racial barriers that create wealth gaps in our region, highlighting both successes and challenges. Although the program increases economic opportunities for underserved communities, continued dialogue with stakeholders is needed to achieve a fair and prosperous city for all.

Priority Hire: A Community Effort

Creating economic opportunities by investing tax dollars back into the City's communities



About **\$3.3 billion** spent on construction projects through taxpayer funds and private construction investments.



Community partners, construction labor unions, contractors and training programs team up to get Priority Hire wokers jobs.



Construction workers earn living wages. In 2024, apprentices averaged **\$43 an hour** on Priority Hire projects, and journey workers **\$60 an hour**.



Since late 2013, 4,825 workers living in economically distressed communities earned \$120 million in wages on Priority Hire projects. We estimate that is double than they would have earned without Priority Hire. Those wages supported families and allowed neighborhoods to thrive.



Source: City of Seattle, 2025.



Definitions

Looking forward: moving the equity needle

- Celebrating ten years of Priority Hire. As we approach the 10-year milestone of the CWA, we have a unique opportunity to celebrate remarkable achievements and honor the partnerships with our community, labor unions, training partners and contractors all of whom helped make Priority Hire successful.
- Reaching more workers in economically distressed communities. The City rolled out an updated Priority Hire ZIP code list in 2024 to prioritize how construction workers are hired on City construction projects. These ZIP codes have high poverty, high unemployment and low educational attainment. Because contractors now have access to more Priority Hire workers, they're performing more work than we've seen before. This is helping to put us on track to meet a program goal of Priority Hire workers performing 40% of project hours in 2025.
- Diversifying our Priority Hire investments in clean energy. In 2024, FAS, the Office of Sustainability & Environment (OSE) and the Office of Economic Development (OED) awarded five job training proposals that support electrification by increasing access to construction apprenticeship and living-wage clean energy jobs to underserved workers. These jobs focus on construction, including the installation, maintenance and operation of clean energy systems. Work on this initiative will continue through 2026.
- Providing technical assistance for women and minority-owned businesses
 (WMBE) contractors. The City is looking to expand technical assistance to small
 and WMBE contractors that want to better understand and succeed on CWA
 projects. In this space, contractors would be able to speak with City staff about
 the requirements of Priority Hire and the CWA. This could include learning about
 worker dispatch or understanding how to structure their crews to meet the
 workforce goals of their project.

Priority Hire Advisory Committee: Legacy Acknowledgement

The following statement was developed and approved by the Priority Hire Advisory Committee to recognize the purpose and collective efforts that led to Priority Hire.

We uplift the original organizers and activists who initiated and led a community-driven effort leading to the establishment of Priority Hire on City of Seattle capital projects.

During the demolition and construction of the Rainier Beach Community Center in 2010, residents and experienced construction workers from Seattle's most racially diverse ZIP code 98118 uncovered the lack of contractor requirements to employ Seattle job seekers on city projects. These organizers and supporters formed a coalition of organizations, labor, and religious groups to remedy this industry-wide practice resulting in Seattle's historic Priority Hire Ordinance designed to expand economic opportunity and employment to racially diverse and economically disadvantaged Seattle area residents.



Working toward economic equity

The Priority Hire program sets contract requirements for the percentage of hours worked by residents of economically distressed ZIP codes, as well as aspirational goals for women and BIPOC workers. In addition to the City's public works projects, the City applies Priority Hire to a number of public-private partnership projects. This expansion has increased demand for contractors for a Priority Hire workforce. In 2024 we added 18 Priority Hire projects, bringing the total to 79.

Our work includes the following strategies:

- Partnering with community-based organizations and pre-apprenticeship programs to increase awareness and access to construction apprenticeship.
- Investing in ongoing worker support by addressing personal and systemic barriers to working in construction.
- Creating construction career opportunities by setting hiring requirements on construction projects.

Since Priority Hire started in 2013:



73 public works projects **6** public-private projects

79 total projects



2,166,485,538 for public works covered 1,139,678,378 for public-private projects covered

3,306,163,916 total value covered by Priority Hire

How does Priority Hire impact economically distressed **ZIP codes (EDZs)?**



WAGES TYPICALLY EARNED **BEFORE PRIORITY HIRE**

ADDITIONAL WAGES EARNED DUE TO PRIORITY HIRE

Source: City of Seattle, 2025. Data reflects public works and public-private partnership projects. Dollar amounts may not add up due to roundina.



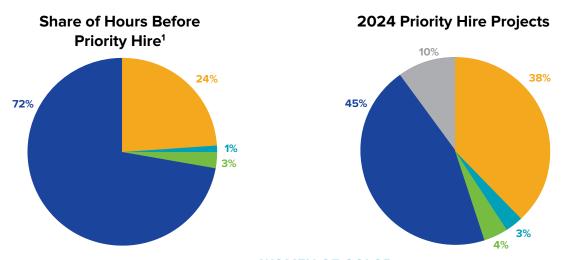
Working toward racial equity

Since Priority Hire started, BIPOC workers have increased their share of hours by 60%. In 2024, BIPOC workers accounted for 40% of all construction hours produced while making up 32% of the workforce. Before Priority Hire, an average of 25% of all construction hours were performed by BIPOC workers.

By ethnicity and race, Latinx and Black/African American workers increased their share of hours from before Priority Hire. Latinx workers increased their share of hours by 44% (16% to 23%) and Black/African American workers by 75% (4% to 7%). Asian and Native American workers saw no growth in their share of hours in 2024, and were only 4% of the workforce population combined. The City will continue to provide outreach, training, and retention services in underserved communities.

One strategy we're using to increase inclusion in construction is <u>Acceptable</u> <u>Work Site</u> training. This is a required training for prime contractors on Priority Hire projects. It aims to eliminate hazing, harassment and bullying on our projects as a way to create a more culturally competent environment for all workers.

How has the workforce changed on Priority Hire projects?



MEN OF COLOR WOMEN OF COLOR WHITE WOMEN WHITE MEN NOT SPECIFIED

Share of hours before Priority Hire is based on hours from a sample of projects from 2009-2013. There is no prior data for Not Specified. Source: City of Seattle, 2025. Data includes public works and public-private partnership projects. Percentages are based on share of hours and may not add to 100% due to rounding.

How does Priority Hire affect workers by race/ethnicity?

Race/Ethnicity	Share of Hours Before Priority Hire ¹	2024 Priority Hire Projects (872,931 hours)	2024 Workers (4,455 workers)
African American/Black	4%	7%	6%
Asian	3%	3%	3%
Latinx	16%	23%	18%
Native American	3%	2%	1%
Other	N/A	5%	4%
White	75%	49%	50%
Not Specified	N/A	10%	19%
All BIPOC ²	25%	40%	32%

Share of hours before Priority Hire is based on hours from a sample of projects from 2009-2013. There is no prior data for Other or Not Specified.

BIPOC exclude White and Not Specified.

Source: City of Seattle, 2025. Data includes public works and public-private partnership projects. Percentages are based on share of hours or share of workforce and may not add to 100% due to rounding.



Hiring women in construction

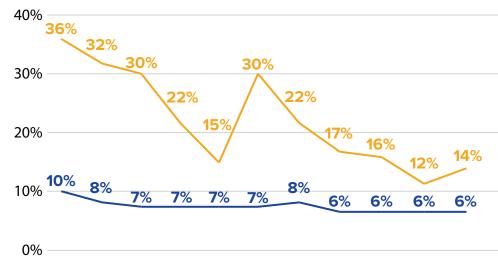
Historically, women have been underrepresented in the construction trades. According to a report produced by the Institute for Women's Policy Research, in 2023 tradeswomen made up 4.3% of the construction workforce nationally. Another Institute for Women's Policy Research study shows discrimination, lack of available childcare during work hours, and bullying, hazing and harassment play a role in pushing women and other workers out of the industry

In 2024, women on City Priority Hire projects worked 8% of all construction hours. However, the share of hours for women on City Priority Hire projects has been on a downward trajectory the last few years. When looking at performance by skill level over time the share of women hours among apprentices decreased from 30% in 2019 to 14% in 2024. Women's share of hours among journey workers has hovered between 6% and 7%.

The City will continue to invest in strategies that support women entering and staying in construction. These investments include:

- Pre-apprenticeship and training programs to train women. In 2024, those women made up 30% of the pre-apprenticeship graduates who entered apprenticeship.
- Wraparound support in the form of childcare assistance, gas, tools, and work clothes.
- · Jobsite training for leaders, and workers to identify and respond to bullying, hazing, and harassment.

How did the share of hours worked by women on Priority Hire projects look in 2024 compared to prior years?



2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

JOURNEY WOMEN APPRENTICE WOMEN

Source: City of Seattle, 2025. Data includes public works and public-private partnership projects.



From pre-apprentice to apprentice

Tetre'anna "Tee" is a proud carpenter's apprentice and is from the Madison Valley neighborhood. Tee comes from a family of trades professionals. She always knew she would be a builder and started her construction career by enrolling in the Pre-Apprenticeship Construction Training (PACT) program, that she first learned about from her older brother. While in PACT, she developed carpentry skills, built a tiny home for the homeless, and sharpened her math skills. After graduating from PACT, she was accepted into the Carpenter's apprenticeship program, where she eventually was hired by ASI Structures. Tee loves being a carpenter. She learns new skills every day. Tee attributes her success to never giving up and connecting with people. Her advice to anyone thinking of building for a living is that you've got to be a go-getter and follow through with your commitments.

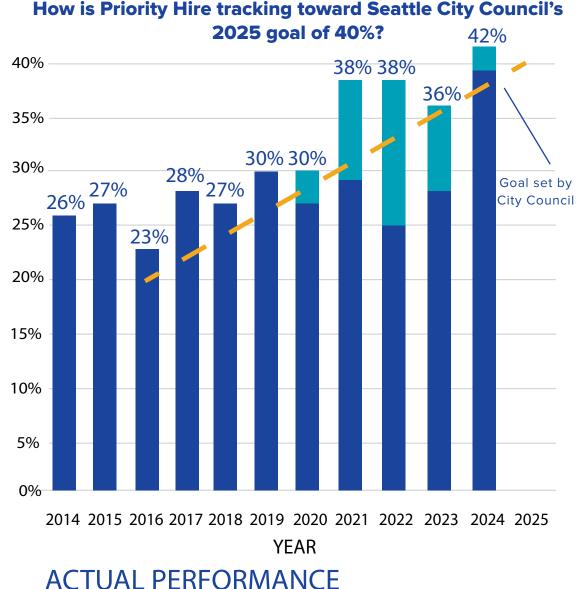
This picture is of Tee at a construction site.

Increasing Priority Hire

In 2015, the City set a stretch goal for Priority Hire workers to perform 40% of labor hours in 2025. In 2024, Priority Hire performance reached an all-time high of 39%, exceeding the 38% targeted goal for the year (Exhibit 9). With good faith efforts, performance was 42%. Good faith efforts are when a contractor asks the union halls for a worker living in an economically distressed ZIP code, and none are available. Several factors are driving this shift in performance:

- In November of 2024, the City rolled out the updated Priority Hire ZIP codes.
 These updated ZIP codes reach more workers living in economically distressed
 communities and thereby increasing the pool of Priority Hire construction
 workers available for contractors to employ.
- Contractors are making stronger efforts to employ and retain Priority Hire workers. This is evident as the share of Good Faith Effort hours has been decreasing since the beginning of 2023.

Priority Hire works. Priority Hire is a proven strategy having a positive impact on an individual's career, in terms of hours worked and wages earned. In addition, more construction workers who are women and people of color live in Priority Hire areas than not, resulting in the program having a larger benefit for underserved communities.



ACTUAL PERFORMANCE
GOAL GOOD FAITH EFFORTS

Source: City of Seattle, 2025. Data reflects public works projects only. Good faith efforts are when a contractor asked for a worker from an economically distressed ZIP code, but did not receive one. The City started tracking good faith efforts in 2020.



Supporting construction workers

Priority Hire removes barriers for people to enter and succeed in construction. We invest in and partner with community organizations to recruit workers, provide training with tools and construction math, help get drivers licenses, offer financial support services and more.

On City construction job sites, contractors receive Acceptable Work Site training to prevent bullying, hazing and harassment and create a positive, healthy and safe work site. We regularly visit workers and partner with contractors, construction labor unions, apprenticeship coordinators and community organizations to address barriers on and off the job that affect a worker's success in construction.



A pre-apprentice's journey

Jeremiah is a young adult and is interested in becoming an electrician. He started his training at PACT, where he learned the basics of construction, what to expect in the industry, and how to be prepared to succeed on large, fast-paced construction projects. After completing PACT, Jeremiah knew that he needed more training to get into the electrician's apprenticeship, which is highly competitive and requires a higher level of math than

many other trades. That interest landed him at Sphere Solar Energy, whereas a paid intern, he got the deep dive on electricity he was looking for. He also further developed his soft skills and confidence, becoming more comfortable talking about his interest, skills, and knowledge to become an electrical apprentice.

While he waits for admission into an electrical apprenticeship program, Jeremiah is working for Platt one of the largest electrical supply stores in the area. At Platt, he has the opportunity to be around electricians and learn about electrical components while saving up money to buy a car. Relationships like the one Sphere Solar Energy has fostered with Platt are great ways to keep individuals employed while helping them stay on their career plans.

This picture is of Jeremiah at his driving school after passing his test.

Since 2016, the City invested

\$9.6 million

in recruitment, training and support services

for workers living in economically distressed ZIP codes, women and people of color

People recruited and placed into construction by community organizations

974 Trained pre-apprentices and Priority Hire clients placed in construction

95% Of 183 apprentices (173) who enrolled for retention services in 2024 were still active in their apprenticeship program six months later

204 People obtained or regained their driver's licenses

Source: City of Seattle, 2025. Data includes outcomes from partnershipships with the Office of Sustainability and Environment, the Port of Seattle and Sound Transit.

Growing the future workforce

The City sets apprenticeship requirements between 15% and 20% on Priority Hire projects to help prepare the next generation of workers. The requirement is determined by the project type. In 2024, apprentices on Priority Hire projects reached an all-time high in the share of project hours worked, at 20%. In addition, apprentices on Priority Hire projects were more diverse than their journey counterparts, with higher shares of workers from economically distressed communities, women, and people of color. As a result, future journey workers should be more representative of our larger community.

Priority Hire provides upward economic mobility. In 2024, a BIPOC apprentice earned an estimated \$78,000. When compared to Seattle's minimum wage of \$19.97 per hour in 2024, or \$41,538 annually, we see the immediate economic impact a construction career can have on a young person and their family.

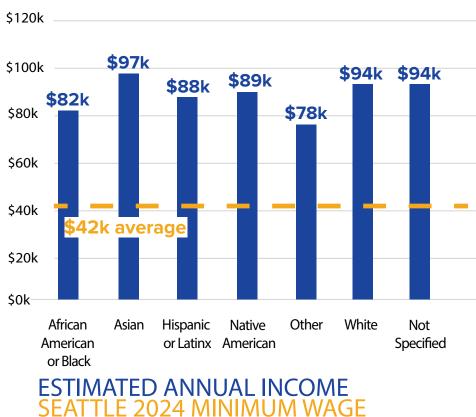
It's important that a range of opportunities exist for young adults. A career in the construction trades is a viable option and Priority Hire maximizes these opportunities.

Planning for the future workforce

In November 2024, Seattle voters approved the Seattle Transportation Levy. This \$1.55 billion will provide funding to maintain and modernize the City's transportation infrastructure for the next eight years. Priority Hire supports the workforce supply needed to meet the demands of these and other future City projects.

How has Priority Hire cultivated the next generation of construction workers?

2024 Estimated Average Apprentice Salary



Sources: City of Seattle, 2025. Apprentice yearly income on all Priority Hire projects is based on 2024 average hourly wage multiplied by 2,080 hours. 2,080 is the number of construction hours typically available in a year.



Additional project information

Prime Contractor Bids

The number of prime contractor bids were higher on Priority Hire than non-Priority Hire projects in 2024. Priority Hire projects received 4.6 bids on average and non-Priority Projects received 4.1.

How do the number of prime contractor bids compare across projects?

	Priority Hire Projects (82 bid openings)	Non-Priority Hire Projects (613 bid openings)
2015-2023	3.7	3.5
2024	4.6	4.1
2015-2024	3.9	3.6

Data begins in 2015 to align with the Priority Hire Ordinance and CWA. Prior to 2015, only the Priority Hire pilot, an alternative delivery project, was under construction. Alternative delivery contracts were excluded. Data reflects public works projects only. Source: City of Seattle, 2025.

Safety and Project Timelines

There were four reportable injuries on public works Priority Hire projects in 2024. Four projects completed construction: two finished early and the other two finished late due to circumstances unrelated to the CWA. There is insufficient data to measure the direct impact of the CWA on either safety or project timelines.

Dual Benefit Reimbursements

We offer dual benefits reimbursements to open-shop contractors on Priority Hire projects. The CWA requires that contractors pay into union trusts for usual benefits on behalf of their workers on Priority Hire projects. This can be an extra cost for open shop contractors that have existing plans for their workers. We reimburse open-shop contractors for workers on those projects.

To date, open-shop contractors have applied for and received \$607,527 in dual benefits reimbursement since the program started. This amount accounts for .04% of the total spend on Priority Hire projects.

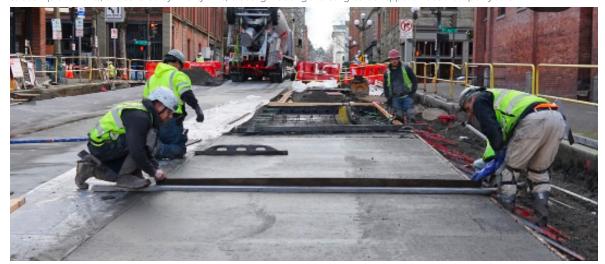
How much do dual benefit reimbursements cost?

November 2013-December 2024

Dual Benefit	Priority Hire Project	Share of Project	Number of Workers	
Reimbursement Paid	Spend	Payments	Affected	
(14 projects)	(73 projects)			
\$607,527	\$1,681,148,236	.04%	157	

Source: City of Seattle, 2025. Data reflects public works projects only.

Photo: Construction of street improvements in Pioneer Square. Many of the projects a part of the waterfront, including Pioneer Square street improvements, are covered by Priority Hire, creating wealth-generating career opportunities that span years.





Contracting with WMBEs

The City asks prime contractors bidding on public works projects over \$300,000 to develop an inclusion plan on how they'll include WMBE subcontractors and suppliers. In this plan, a contractor states an aspirational goal for the percentage of the contract amount that will go to WMBEs.

In 2024, both Priority Hire and non-Priority Hire projects exceeded their estimated aspirational WMBE goals of 9% and 15% respectively. However, utilization of WMBE subcontractors and suppliers saw a decrease in their share of work across Priority Hire projects in 2024, while non-Priority Hire projects saw an increase in the same vear.

There are many factors that affect WMBE contractor spend, including the amount and type of work available in the year. As a City, we'll continue to focus on economic and racial equity in the WMBE program through increased technical assistance and partnerships to share information and build capacity.

What share of payments did WMBEs earn in 2024?

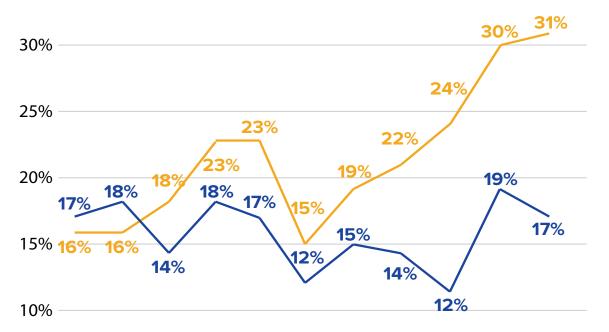
Project Type	Total Spent	Estimated Aspirational WMBE Goal for Projects with Payments in 2024 ¹	WMBE Utilization	MBE ² Utilization	WBE ² Utilization
Priority Hire Projects	\$214,424,783	9%	17%	11%	6%
Non-Priority Hire Projects	\$114,295,306	15%	31%	19%	13%
Total	\$328,720,089	10%	22%	13%	9%

'Estimated aspirational WMBE goals were calculated by multiplying each projects' unique goal to their total contract amount, adding both up, and dividing to get the percentage. For example, if Project A was \$1 million with a 10% WMBE goal, we'd anticipate WMBEs earnina \$100.000. If Proiect B was \$4 million with a 15% WMBE agal, we'd anticipate WMBEs earning \$600.000. When put together, you'd have an overall estimated aspirational WMBE goal of 14% (\$700,000/\$5,000,000=14%).

²Minority-owned contractors are MBEs and women-owned contractors are WBEs.

Source: City of Seattle, 2025. Data reflects public works projects only. Percentages may not add up due to rounding.

What is the WMBE trend over years?



5%

2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

PRIORITY HIRF PROJECTS NON-PRIORITY HIRE PROJECTS

Source: City of Seattle, 2025. Data reflects public works projects only.

