

**National Association of REALTORS®
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Diversity Panel

Moderator: Scott Bradley, 2008 Vice President, Committees
Mark Allen, EVP, Minneapolis Area Association of REALTORS®
Ginger Downs, EVP, Chicago Association of REALTORS®
Edwin P Resuello, REALTOR®, Realty World-Silicon Valley Homes, Manteca,
California
John Yen Wong, REALTOR®, Prudential California Realty, San Francisco, California

Mark

Diana, what else can we do to strengthen our REALTOR associations?

Diana

Good question, Mark. In my experience, embracing diversity is another way to make our organizations stronger and more vibrant.

Mark

Scott Bradley with Coldwell Banker Pacific Property is going to tell us how, with the help of an expert panel. Please welcome Scott and our panel to the stage.

[Applause.]

Scott Bradley

Wow. I count that I'm the 22nd speaker today, and we're going up to 26 here. Hats off to Dick Gaylord for putting together an incredible program today. How about a hand for Dick?

[Applause.]

And after our last two speakers, I just want to see a show of hands, how many Boomers are in the room today? A lot of Boomers. You guys related to Mike Tchong way too

much. That guy is an incredible speaker. He's talking, and my mind's starting to go a million miles an hour, and I want to walk like this. I want to really get it going. And he's doing this, whoa, it's really cool, man, can you see that?

[Laughter.]

So I've got to bring my pace down. But we're going to be talking about diversity, and again, hats off to Dick Gaylord. I'm looking at the 21 speakers and trying to see how his mind works and how he ties it all together. And if you look in the black book that's a handout you'll see that the fourth objective that we have is that membership and leadership will reflect the diversity in our communities. And that's a major objective for the National Association of REALTORS.

And when you listen to Mike Tchong it really comes home, because when he started talking about Generation X and the young, new, first time buyers that are coming into the marketplace, he started putting the language of text messaging up on the screen, and remember, he put "CWOT" and asked how many of us understood what that meant, and no hands went up. So are we in a position where we can relate, or we can have dialogue with our own consumers?

I have two personal stories I wanted to share with you as a lead in. First, Sharon Millet had her speech this morning and she talked about Dick's effort to bring in new leaders that had not been involved in the association very long. And I realized, as she was talking, that I was one of those people, that I didn't have a whole lot of experience in NAR when Dick asked me to be on his leadership team. And that's drilled home to me all the time, as Dick calls me "kid." And he says, "Oh, the kid's come into the room," the new guy's come into the room. And I'm thinking, I'm 45 years old and I'm the kid, this is pretty cool.

Now flip that. After Dick made his appointment I went back to my office, and we had a new receptionist there. And she was a temporary and every time I came by she said, "Hello, Mr. Bradley," or "Good morning, sir," and I said, "Please call me Scott." And she said, "I'm sorry, it's just habit." And I knew her husband was military, and my father was military, so I said, "It must be the military training, or the military association." And she said, "I can see why you would think that, but no, that's not it. I was just taught to respect my elders."

[Laughter.]

Yeah, ooh, and I said you just failed at that one. But the dichotomy here, what brings it home for me is when I'm in the National Association of REALTORS I'm the kid, and when I'm in my office, where I used to think of myself as the kid, I'm now the dinosaur. By the way, speaking of dino...I need the clicker. Speaking of control and fast communication. Does anybody have that? It's on the table. So that was example one in my personal experience on diversity on how does the National Association of REALTORS relate to our communities and reflect the diversity in our communities?

Now I want to also... When we looked at the strategic plan and when Dick asked me to do this, the way I would look at an objective is first look at metrics to see how we're doing. So we did a quick study, and it's very easy. You're looking at the diversity in the U.S. population. No surprises here. Fifty-one percent of the population women, 32% minorities.

We then looked at home buyers. We didn't have data on women as home buyers, but we did have data on minorities, and you can see that the diversity in home buyers is less than the diversity in the U.S. population. It drops to 17%. I think NAR has done an outstanding job in trying to address that and increase home ownership opportunities for everyone, but we still have a long way to go.

Now you take the picture one step further and you look at what is the diversity in our membership? So we took a look at that with the Research Department. We're doing pretty good when you talk about diversity in females in our membership, but look at the diversity and the representation of minorities in our membership: 10%. And, you know, if we're honest about it, did we need to do a big study to do that? Let's look around the room. Look around the room. Look around the room when we go to our Board of Directors meeting in May.

Now having done that, we looked at 2005-2006, same study for the U.S. population, very similar for REALTORS. But then we looked at what is the leadership team composition? Twenty percent women, zero minorities when this study was done. This was part of the 2005 Strategic Plan. Zero. Now are we reflecting the diversity in our communities with that type of representation and leadership?

Now I want to take a moment and recognize President Pat Combs. Is Pat here? Pat had to go to an appointment. Pat, Dick Gaylord, Charles McMillan have been passionate about working on this, and I'm proud to say that in the 2008 leadership team we're up to 30...I believe it's 34 or 36% women on the leadership team and 18% minorities. But it still doesn't reflect the diversity in our communities, so we're here to talk about how to make that objective a reality from our strategic plan, and I'm so pleased that we have four outstanding leaders in our association here to talk about that, and I'd like to introduce them to you now.

First we have Ginger Downs. Ginger is the CEO of the Chicago Association of REALTORS. 17,500 members in her association. But don't think Ginger only knows large associa-tions, because Ginger has been the leader of four associations, ranging in size from 280 members to the 17,500. She's received, I believe it was in 2004, the Association Leadership Award, the Bud Smith Leadership Award of AEs in 2005. She is just an incredible leader in our association, and I ask you all to welcome Ginger Downs to our stage. [*Applause.*]

Next I'd like to introduce John Yen Wong, and John is an icon in California, and has held just about every position you can imagine in association leadership. He is a 2004, I

believe, president of the National Council of Real Estate Brokers. He was named one of the 25 most influential REALTORS by *REALTOR* magazine. He was a founding director of AREAA, which is the Asian Real Estate Association of America, and he's our 2008 Chair of the NAR Cultural & Diversity Committee. Can we give a warm welcome to John Yen Wong.

[*Applause.*]

Mark Allen is the CEO of the Minneapolis Association of REALTORS. And I was really pleased to learn that Mark started his career as a REALTOR and knew the side of the business I'm familiar with as a REALTOR and relocation director. He did that, he became a broker owner of Counselor Real Estate. And then nineteen years ago he crossed to the dark side, and he moved over to association management. And Mark has gained a reputation as being one of the most sophisticated association executives in the country in applying sophisticated business management and leadership techniques to his association. They have some fantastic diversity programs to address the issues that I've been talking about. I'm very pleased to have Mark on stage, and would you give Mark a warm round of applause?

[*Applause.*]

And last, but not least, Edwin Resuello, he's the president, broker-owner of Realty World in San Jose. He's had virtually every position in the San Jose Association of REALTORS. He's a CAR director. I had the personal pleasure of working with him on the Strategic Planning Committee here at NAR, and he was brought in as one of the young, new leaders, and it was amazing how he changed the dialogue.

One person changed the dialogue and got us looking at some of the trends that Mike Tchong was talking about today. Edwin is also one of the founding directors of both the Filipino Association of REALTORS and the Hispanic Association of REALTORS. He understands diversity, and his association, the San Jose Association, is probably one of the absolute best in the country if you measure the diversity of their leadership compared to the diversity of their community.

They truly reflect the diversity in their community, and it's thanks to Edwin and a handful of leaders that had the vision a number of years ago to make that a priority, and be proactive, and work in that direction. So I'd like to give a warm welcome to Edwin.

[*Applause.*]

Now we're just going to do a chat here. And I've had an opportunity to talk to all of these leaders, and I just have so much fun every time we get together. Thank you again for being here with us. And Ginger, I'd like to start with you. I think we laid out the case that right now our diversity does not reflect the diversity in the community, but so what?

Ginger Downs

So what, big deal. So what, big deal.

Scott

Tell me why is that important to NAR, and why is that important to our local associations.

Ginger

I'm going to speak to all of you from my passion, my personal experience, as well as what I believe, and what I see in this community. And I've been part of this family for 25 years now. And I think for me, it really began in 1993 when I went to work with the Seattle Association of REALTORS in Seattle King County, and I had an experience of working with my first minority president.

An African-American gentleman, and boy, was he a pain in the you know what. He was a very difficult person to work with, and I'll tell you why. He required some special training and a little hand holding and so forth, but you know what? It must not have been too bad, because I married him three years later. [*Laughter.*] So now I really have a vested interest in understanding the problems and the issues and the realities and the need for diversity leadership here at NAR, both in the AE ranks and in our own.

And I'm going to share a quick story with you. I was earlier this week on an ASAE boat cruise with my husband, Bruce Downs, which some of you may or may not know. He teaches At Home With Diversity, very involved with NAR, he is a broker. And we're on the ship, and we're looking around, and we're having a great time, and he says, "Honey, how many people of color do you see on this cruise with your fellow executive officers?" You know how many I saw? One, my husband, Bruce Downs. One.

Now I have to tell you, folks – that is not reflective of our community any longer. And the thing that's hard about this is just this: we make it work. We make finding a diverse leadership team, diverse staff, we make it work, and it doesn't need to be. It should be as natural as anything we do. It should be a playful, joyful experience, because it really does ensure that we have successful businesses. There is a huge business imperative to diversity. A huge business imperative.

And I don't care if you live in Little Rock, Arkansas, or you live in Chicago, Illinois, or live on the West Coast, or someplace up in Maine, you have got to embrace diversity with your whole heart. Live it, find people, and get them involved because they reflect the communities you serve.

My leadership team -- I'm just going to tell you about it to understand -- and this is something we've worked at through awareness and also through being natural and just keeping our eyes out and being aware. I have, on my leadership team, well, we're a little heavy on the male side, I don't know about that. Fifty-eight [percent] of my leadership team, my Board of Directors, are men. But of that group, I have 22% that are African American. I have 21% that are Latinos. I have an Asian on my board.

I have a commercial practitioner, an affiliate member. I have somebody who's involved in education, I have thirteen brokers, I have an industry leader, Steven Baird, those who know the area. Talk about diversity. Talk about great discussions where we really hash out issues, and we hear all the perspectives that we need to hear to make good, intelligent decisions for the members we represent. Now that is a picture of America at work. It is. *[Applause.]*

But you know what the best part is? You can do it too. It's just not that hard. You really can do it. It's not that hard. My staff. I've got 55 staff people. Forty percent are African-American. Again, about 20% are Latino. Now I've got work to do. In my higher levels I have quite a few minorities within my leadership team, my staff leadership team, but not enough at the higher level. Looks too much like that boat trip I was on the other day. I have a lot left to do. This is a long-term commitment on your part, but it's a critical component, and it's imperative to the success of your business.

Scott

Great. Thank you, Ginger.

John Yen Wong

I'd like to take a crack at that, too, and where I hear that question, Scott, is why? Why diversity? And if you think back about the video, or the viral advertising that closed out the previous session, and you saw what happened, and the lesson that could be learned from that was don't speak German in an English-speaking world. That's Berlitz's message. But you could look at it to say that don't speak English when your ship is sinking in German waters.

[Laughter.]

So that if your marketplace is expanding, and it's a different demographic, and you have different agents serving that market, if your association doesn't have the knowledge and input in how to put in the rules and regulations and other operational pieces in your association, then your ship may sink, and you're not speaking the right language to reach your membership.

Scott

Great. Thank you, John.

Edwin Resuello

Scott, could I add on to that also?

Scott

Please.

Edwin

One of the other issues in relation to the diversity is just the credibility that comes from being able to have a leadership team that relates to the membership. It's one thing to have a membership that's very culturally diverse, and yet have a leadership team that's not. To be able to give credibility to that leadership team, it needs to reflect what's going on in the membership.

It's not necessarily a profitable endeavor. Many times it's a value driven endeavor. I think now, in many parts of the country, we're seeing a challenge in the markets, and to be able to relate to the market you need to have individuals in that leadership team that can tell you their own concerns, their own issues, and what's affecting them.

Scott

That's a great point, Edwin. Thank you. John, next question is to you. We've talked about the importance of diversity for the associations. Explain what role you think diversity should take within the association.

John

You know, I've thought about that question, and the reality, as it relates to this audience, because everyone in here is a president-elect of either a state or a local association, or an association executive. And when we go back home on Monday, we're going to be thinking about local issues. The role that diversity can play in your association is so that you can have good, effective brokers' tours. So that you can have good, effective brokers' tours.

And I'll give you an example from my own association, the San Francisco Association, regarding some MLS meetings we've had where we redefined the times for the different

districts in San Francisco for the brokers' tours. The leadership, the directors in the San Francisco association, had a number of people from a part of San Francisco, and they were very vocal, and so there was about an hour and a half spent defining, within five minute segments, of when we should cut off the tour for this district versus that, and where you lay out the different districts by street.

But there were other parts of San Francisco where a lot of buyers had Asian, Hispanic and African American surnames that did not have representatives on the Board of Directors, and those areas, the decisions were made rather quickly. Not a single director was doing anything in a mean spirit. They were using the knowledge that they have from their own activities as real estate agents to make decisions in what they believed was in the best interest of all of our members.

But when you don't have folks who have that experience in the room to help you understand that, oh, by the way, this section out in the southwestern part of the city, there's some traffic issues there, and maybe we should change the time for that brokers' tour in there. If you don't have that in the room, you don't have the ability, then, to create structure in your organization that is helpful for the practice of real estate through your entire membership.

Now I will share that as the San Francisco Association of REALTORS, over the years, has made its decisions, there is one minority group that the association has made decisions that had dollar impact and resource impact to always serve this community. And it's a small community, but growing somewhat. They were the Macintosh users.

[Laughter.]

Our MLS made some decisions, because Rapattoni was not Macintosh ready, to delay implementation and moving forward to a newer version because there were at least three folks in the Board of Directors who could articulate the challenges they had because they were Macintosh users. Again, nothing mean spirited, nothing inappropriate. It's just you need the information in the room to allow all the directors to evaluate to make decisions that work for the association membership as a whole.

Scott

Great. Thank you, John. Anybody want to jump in on that?

Mark Allen

I'd just add briefly, I would describe the real estate business, the REALTOR business, as a highly collaborative business, maybe more collaborative than any other industry out there. And much of the organized marketplace built under the auspices of the REALTOR organizations, through the brokerage involvement, means that you have to have all the

stakeholders there to determine how you're going to collaborate together, how is that organized real estate marketplace going to work. And that means you have to have different style brokers there, you have to have older people, younger people, communities of color. You have to have all the stakeholders at the table, otherwise you're not going to come to the best decisions possible to address the issues of your marketplace.

Scott

Great. Thank you, Mark. Okay, our next question goes to Mark, actually. For those associations who want to start a program, where do they start? What does the diversity program look like?

Mark

Well, first I want to thank you for describing me as sophisticated. The folks back home aren't going to believe this; I can't wait. Hopefully you have that on tape somewhere. I would say I'm going to have to give a lot of credit to my predecessor and a lot of other people involved in getting our association started down in that arena. But I think first and foremost, it took a commitment from leadership to agree and recognize that that was an issue, as an association, that we needed to address.

And addressing it is not just agreeing on an issue, but it's also making the decision that that issue is going to require the application of resources. And for associations a lot of that application of resources is the time commitment of your volunteer leadership combined with the application of staff resources to start addressing those issues and trying to make an impact in your community.

In the diversity arena, people are described in five different people groups. There's the naive, the perpetrators, the avoiders, the change agents, and the fighters. And our leadership determined that they wanted to be change agents. They recognized that this was an issue that our organization needed to address because we did not have that diversity in our leadership, and there was diversity growing in our community. And so we needed to address those concerns, and so the board agreed that it was time to start applying resources to that issue.

And there's a lot of different ways to solve the problem, but all of those ways typically are going to require that need and that application of resources to move forward. And so it was moving our leadership in that direction to, A, to agree on the issue, and B, to make that decision to apply resources to start to address and to drive change and to be those change agents.

Scott

And then once you applied those resources, or committed those resources, as you say, how did you hold staff accountable to make sure that you got the results you were looking for?

Mark

More recently, well, a few years ago now, we started to move under a different type of business plan, and that business plan involves setting out goals and objectives at the beginning of every year. And we've got ten different categories that we work in, with some sub components of those goals. But every year some of those address diversity issues, multicultural issues, international issues.

And the staff is rewarded based on how we do with achieving our goals and objectives that year. If they do well and achieve those goals and objectives, their bonus pay is tied into that. And so with those that are related to diversity concerns, if we achieve our goals in that arena, they're rewarded accordingly. They're measured by that and they're rewarded accordingly.

Scott

That accountability is so rare. It's really fantastic to see how you've tied measurable objectives to compensation and accountability. Thank you. Anybody else want to...?

Ginger

Yeah, if I could chime in quickly. I agree. I think it starts with the attitude on the part of your directors and that commitment. The AE, however, is central to it. If you, as an executive officer, are not keyed into this, and are not committed to this -- because it is long-term -- and you don't think about it, strategically, it's going to fail.

So I hate to put one more thing on your plate, because I know you have way too much to do, and not enough time to do it in, but you are a driver of this issue in your association at every level of this organization, so you really have to get involved. You need policies in place.

We've got a diversity policy that lays out objectives geared to how we're going to spread diversity in the community, how we're going to do it within our membership, how we're going to do it within our organization and in our leadership. You have to think about things like programs, communications, how do I communicate with this diverse group, whether it's text messaging or whether it's doing something that is going to reach that particular group, a minority group or whatever.

And another area I want to bring up is a bit sensitive, but it's a bit of a breakdown. I think that sometimes you see efforts going on in different associations, but I think it's hard to get us through and get our diverse leadership through our locals, then into the state, and into national. It's very, very difficult. And I really feel for the state AEs. I think you're in a precarious position because you're relying upon the local boards to give you our brightest and our best.

And sometimes, shame on us at the local level, we're not encouraging and finding good, qualified, diverse leaders to give to you. So it's really critical, I think, that the state association executives, and the local association executives, and the leadership really work in partnership.

Now one of the things we're doing here at NAR -- if I can speak to that quickly, Scott -- is NAR is developing an AE diversity training program. We're working on it right now. In fact, we want to drive it out through the states, and I'm hoping that some of the state AEs in the audience today will give me their business card because we'd like to beta test this program in your state. But we're trying to develop real, concrete programs that you can use and take back at all levels to help you figure out a way to engage and find these leaders, and put policies and programs in place at all levels of the organization.

Scott

Excellent. Thank you, Ginger.

John

And I'd also like to maybe put some specifics, and add one more power appliance to your tool kit, that REALTORS and others in our industry, staff or volunteer, are very, very good at creatively plagiarizing. And one of the best ways to do that is contact folks like Ginger or Mark or others in our organization who have done this.

But for those of you who are having a difficult time texting a time so that you could have this virtual conference, when you're done with this room, and you walk right outside and move a little to the left, you're going to see an area with a distinguished gentleman with a beard -- his name is Hugh Morris -- who has, in front of him, a diversity tool kit that the National Association of REALTORS has put together with examples of how some of our associations have implemented a program.

And I will also acknowledge that there are some folks in the room who are part of the first Leadership Academy that the National Association of REALTORS has put together. And this Academy, part of its charge was to look at diversity and see how it can be spread through this organization. So there are places where one can learn leadership skills that have an understanding of how to increase diversity as part of that leadership training. So lots and lots of resources within our organization.

Scott

Great. Thank you, John. Edwin.

Edwin

I like how Mark had categorized breaking down, essentially, what is the target market. Many times, diversity is a word that can be better thought of as a business development niche. Multigenerational, multiple diversities. When you look at trying to -- as our California Association President called -- exploiting the inevitable, getting that on your team and understanding that on your team helps you answer the how. Because it is about putting together a business plan, the strategic plan, and treating it so much as a demographic or a diversity sometimes raises a barrier into coming up with a creative way to go after that market.

Scott

Great. Thank you, Edwin. Mark?

Mark

I was just going to add to that, and what Ginger said earlier about the role of the association executive, and as one of my staff reminded me, of the importance of having champions. And we have people on our Board of Directors that are champions of all sorts of different issues, and some of them are champions about diversity issues. And so they're there to help carry the ball. We also have champions on our staff about diversity issues, and they're there to help carry the ball as well.

I jokingly tell people go out and hire a Donnie Brown. I've got a Donnie Brown on my staff, a person of color who's very connected into the multi cultural communities in our marketplace, and she's the champion. And she drives this issue and continues to bring it forward, and doesn't allow us to be satisfied with where we're at, because we haven't arrived yet. We're on a journey, and we're still moving down the road on that journey. And she's part of the champion of that process.

Scott

Another great example of how you've put real resources there. Edwin, you've got the next question, which will be our last question, actually. We've heard this great information about starting programs. Tell me who should be included, and you have such

a successful program, what lessons have you learned and experiences can you share with us?

Edwin

Thanks. The interesting part about going after this is initially going after setting up an equal opportunity, cultural diversity program really sounds very vague. The challenge is in finding those folks that are outspoken in their own demographics, who speak well to their own demographics already, and then seeing how they can become involved in what we'd consider organized real estate.

That's a bit of a challenge because many times these individuals, while they're outspoken within their own communities, come into a room such as this, and they're very soft spoken, simply because maybe they feel a bit unnerved. It's a huge number of people. Their word may not be taken for what it's worth. And adding that credibility becomes an issue.

Yet when we go after -- in recruiting -- when we go after those individuals that were the most outspoken in their demographics, many times they were too busy, so they would refer us up to somebody else and we would sit with them. And then when we had people with common interests, we'd set up the small groups. From there, our association went ahead and put together a tool kit, making it available for them to have sample by-laws, learning how to run meetings, and we went through additional training.

And then from there, the associations that formed -- and we formed nine of them -- the associations that formed, we got together with the leadership of those groups and got them involved in a major project, a project that they decided. What is the project you think, if there was one project you could work on locally, that would help what you're trying to do?

And they came up with some great ideas. One was a multi-language DVD on how to understand the contract software. Not how to write a contract, how to understand the software. And from that project alone we were able to give them the validity, the validation that they needed to be part of a community. Since then it's taken off in its own directions.

Scott

Fantastic. Great information. I've always been impressed how you've stressed the importance of not only recruiting, but making sure people are comfortable and successful in the diversity programs, and so thank you for that contribution.

John

Can I add one last thing in?

Scott

Please.

John

The one caution I would put for everyone in the room is do not assume that if a person has a different complexion, that their interest in organized real estate has to do with diversity and social justice. Oftentimes that individual may be of Asian, Hispanic, African-American, older, commercial, but their interest may be MLS. They may be experts at contracts and they love standard of care, so what you want is to have the folks come in, but don't assume that, oh, you should come in and join our Cultural Diversity, Equal Opportunity Committee because they may not give a hoot. You may have the very best person in the Tech Committee who just happens to be somebody who's not been part of the Association before.

Scott

Okay. That was a great answer. I believe that's our time today. I want to thank all four of you so much, and offer your input out to anybody that would like to follow up after. How about a big hand for our four panelists?

[Applause.]

Thank you very much.

Mark

What an engaging session. Diana, all this talk about diversity, do you think we were chosen to MC this because of our diverse characteristics?

Diana

Knowing Dick Gaylord, probably.

Mark

You from the West Coast, and me from the East Coast.

Diana

That's how he brought connection. And this wasn't scripted, by the way. We just noticed it.

Mark

That was engaging. I wish we had more time, though.

Diana

Well, I agree. I learned a lot, and I plan to take a lot of this back home. So thank you all...