

REALTOR® Research into Diversity Issues

Research studies to facilitate diversity.

The NATIONAL ASSOCIATION OF REALTORS® (NAR) and several state associations have conducted research studies to assist in understanding the needs of minority members and the issues they face. One of the first uses of this research was to create a comprehensive diversity program in 1997, with the following goals:

- Increasing minority member involvement with the association
- Increasing the number of minority leaders within the association
- Assisting and encouraging local and state associations in diversity efforts.

Research continues to guide changes and improvements in NAR's diversity program.

About the Studies

Eight of these studies involved focus groups with minority members or nonmember licensees in a total of 13 cities across the nation. Several studies also included interviews with members, brokers or association leaders. The focus group conversations with Asian American, African American, and Latino real estate professionals looked at issues impacting their affinity for and participation in the Association. Other studies, both focus groups and surveys, examined attitudes among association leaders and real estate brokers towards increasing minority recruitment into the profession and increasing minority participation in the Association.

These studies consistently point to several challenges facing NAR regarding minority member participation:

- Minority members have an incomplete knowledge of the value and benefits of Association membership and involvement.
- Minority members do not always feel welcomed, appreciated, and valued at the Association.
- There is limited visibility of successful minority members and leaders.

Several of these studies also examined the types of programming minority members and association leaders would find valuable. NAR, state, and local associations have used the findings—and resulting recommendations—to implement successful initiatives.

Among the recommendations that grew out of the research were:

- Provide association seminars closer to minority office locations
- Develop educational materials to improve cross-cultural business skills
- Increase networking opportunities for minority members
- Increase representation of minorities in association media and publications.

Summaries of the 11 studies follow, in chronological order. State and local associations may contact NAR to request detailed excerpts.

Research Summaries

NATIONAL ASSOCIATION OF REALTORS® Ethnic Minorities in Real Estate Study, Sharon Chamberlain & Liz King, Matousek & Associates Research Associates, 1989, Commissioned by the NATIONAL ASSOCIATION OF REALTORS®

The study conducted by Matousek & Associates was focused on African Americans, Latinos, and Asian Americans in four cities: Los Angeles, Miami, Boston, and Dallas. The objectives of the study were to discover how to:

- Encourage minorities to choose real estate as a career
- Encourage active participation and membership in the association
- Serve the professional needs of minorities in the real estate business
- Break down barriers among ethnic groups in the real estate industry.

The research data was gathered by a series of racially and culturally specific focus groups. In addition, a series of one-on-one interviews were conducted with broker-owners and managers of real estate firms who had a racially balanced staff of associates.

The study authors developed 12 recommendations based on the findings of the study. A number of recommendations continue to be relevant today, including:

- Improve the visibility and promote the professional image of minorities in the real estate profession and the association
- Increase the awareness among white members of the issues minority members face in their daily business and encourage awareness and appreciation of cultural differences
- Cooperate with minority real estate associations such as the National Association of Real Estate Brokers and emerging local associations of Latino and Asian real estate agents
- Address issues impacting real estate in minority communities.

Research Study Among California Latino REALTORS®, Erlich Transcultural Consultants, 1995, Commissioned by Vera De Vera for the California Association of REALTORS®

This qualitative research study was initiated to ascertain the opinions and attitudes of Latino real estate professionals about organized real estate. Specifically, the research was designed to assist the California Association of Realtors® to achieve the following objectives:

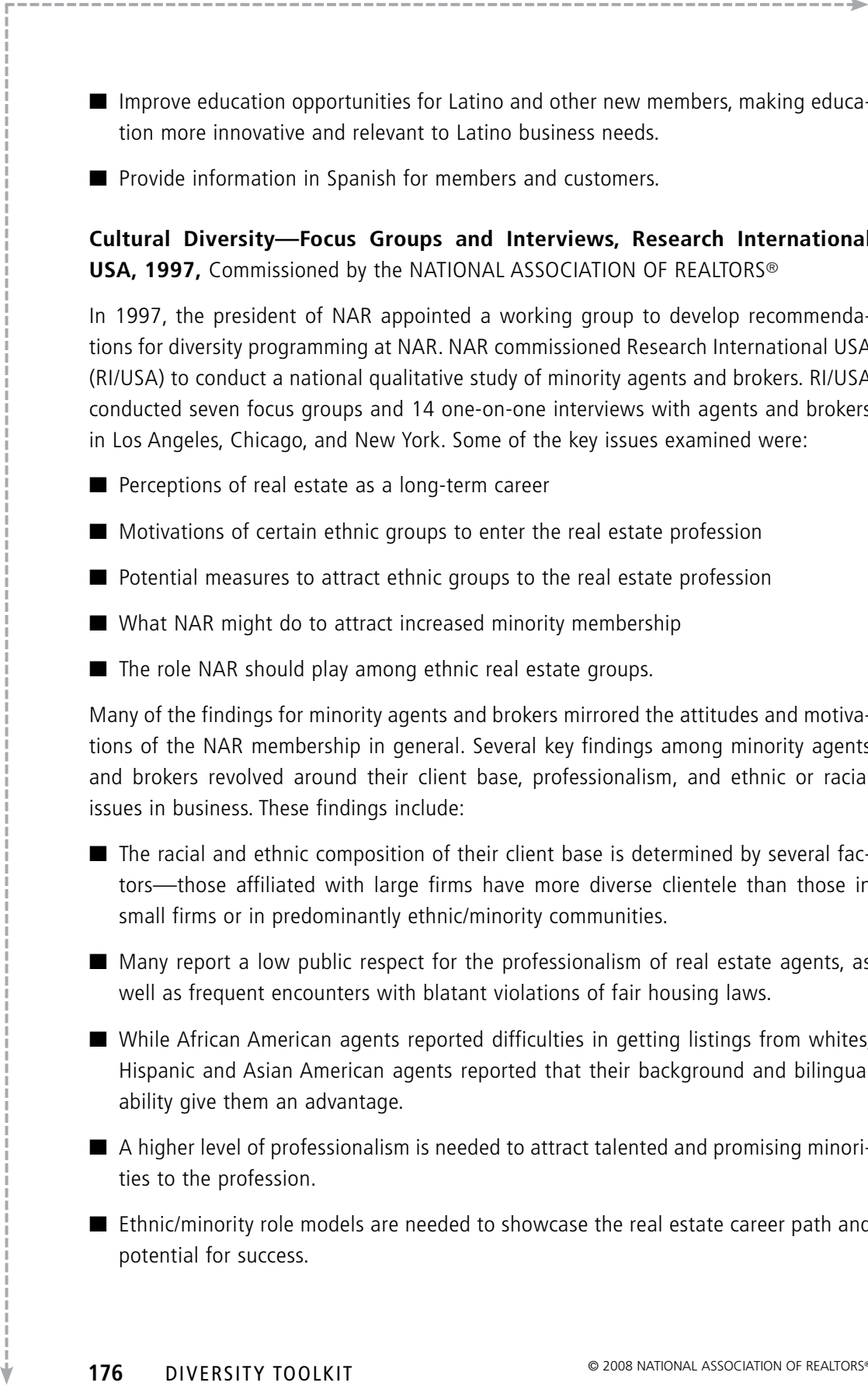
- Identify the reasons why many ethnic minority licensees choose not to join organized real estate associations.
- Identify services and products that local Boards and C.A.R. could offer ethnic minority licensees to meet their business needs.
- Identify barriers that keep ethnic minority Realtors® from participating more fully in committee/leadership positions in organized real estate.
- Recommend how C.A.R. and the local Boards can increase ethnic minority membership and retention.

The research was conducted through a series of six mini-focus groups conducted in English by a bilingual ethnic moderator in three locations: San Jose, Los Angeles, and San Diego. The following were several key conclusions:

- Latino REALTORS® would like to be personally invited to join the Board. In two locations, members felt unwelcome at the Board.
- Challenges for Latino real estate professionals include difficulty in educating the Latino customer base, qualifying buyers (because many buyers do not have traditional credit histories), developing trust among customers, and overcoming language difficulties.
- Volunteering is very time-consuming and many Latino REALTORS® perceive a “glass ceiling” limiting their ability to move to higher positions.

The authors of the study developed 11 conclusions; recommendations, many consistent with the conclusions of other studies, fell into the following categories:

- Develop diversity training and awareness for all members, including articles in magazines and diversity committees.
- Increase opportunities for Latino involvement and leadership, including a Latino subgroup such as an Hispanic Council to foster networking.

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- Improve education opportunities for Latino and other new members, making education more innovative and relevant to Latino business needs.
 - Provide information in Spanish for members and customers.

Cultural Diversity—Focus Groups and Interviews, Research International USA, 1997, Commissioned by the NATIONAL ASSOCIATION OF REALTORS®

In 1997, the president of NAR appointed a working group to develop recommendations for diversity programming at NAR. NAR commissioned Research International USA (RI/USA) to conduct a national qualitative study of minority agents and brokers. RI/USA conducted seven focus groups and 14 one-on-one interviews with agents and brokers in Los Angeles, Chicago, and New York. Some of the key issues examined were:

- Perceptions of real estate as a long-term career
- Motivations of certain ethnic groups to enter the real estate profession
- Potential measures to attract ethnic groups to the real estate profession
- What NAR might do to attract increased minority membership
- The role NAR should play among ethnic real estate groups.

Many of the findings for minority agents and brokers mirrored the attitudes and motivations of the NAR membership in general. Several key findings among minority agents and brokers revolved around their client base, professionalism, and ethnic or racial issues in business. These findings include:

- The racial and ethnic composition of their client base is determined by several factors—those affiliated with large firms have more diverse clientele than those in small firms or in predominantly ethnic/minority communities.
- Many report a low public respect for the professionalism of real estate agents, as well as frequent encounters with blatant violations of fair housing laws.
- While African American agents reported difficulties in getting listings from whites, Hispanic and Asian American agents reported that their background and bilingual ability give them an advantage.
- A higher level of professionalism is needed to attract talented and promising minorities to the profession.
- Ethnic/minority role models are needed to showcase the real estate career path and potential for success.

- There were concerns that NAR has ignored the possibility of minority participation in its higher ranks.

Hispanic Marketing Expansion Opportunity—Focus Group Report, T&O Advertising, 1999, Commissioned by the California Association of REALTORS®

In 1998, the California Association of REALTORS® approved a proposal to expand its marketing focus to build a stronger relationship with the Hispanic market. The proposal entailed the use of modified Spanish-language versions of the existing general marketing campaign on television. In 1999, two qualitative focus groups divided by gender were conducted in Spanish with an interpreter for the attendees. In addition, a deeper understanding of the Hispanic homeowner marketplace was garnered.

The conclusions from the focus groups were:

- There is a tremendous opportunity for REALTORS® to secure an equity position in the Hispanic market.
- The C.A.R. advertising evoked a strong positive reaction from Hispanic consumers, both regarding their motivation to work with a REALTOR® and regarding the professionalism of Realtors® and the sense they could trust a REALTOR®.

While the C.A.R. advertising campaign evoked a strong positive image of REALTORS®, participants reported a mistrust of real estate agents:

- The homebuying process contributes to this mistrust.
- They are more likely to trust a bigger, better established company, or someone who has worked in the field a long time.
- Many feel that agents lack accurate information and are dishonest.
- Some believe it is better to buy a home directly from the owner.

The study's authors make several recommendations, including:

- Develop advertising that strongly features Hispanic consumers and their families and involve Hispanic consumers visually to show more collaboration with the REALTOR®.
- Build an extension of the campaign to feature REALTORS® as educators to help demystify the homebuying process.

REALTOR® Diversity—Minority REALTORS® Focus Groups, Dr. Andrew Erlich, Erlich Transcultural Consultants, 1999, Commissioned by the NATIONAL ASSOCIATION OF REALTORS®

NAR sought information regarding the barriers and/or issues that minorities experience upon entering and working to succeed in the real estate industry. NAR used data from this research to develop programs to increase minority membership in NAR. Key research objectives were to:

- Understand if minority REALTORS® perceive themselves to be as successful as nonminority REALTORS®. If yes, determine what prevents minorities from attaining success.
- Ascertain if it is more difficult for minorities to enter the real estate profession; if yes, understand what difficulties minorities face that others do not.
- Determine what strategies would be most effective in assisting minority REALTORS®.

Eight focus groups were conducted in five different cities. In San Francisco, Los Angeles, and Bethesda, Md., a total of four Asian focus groups were selected. In Baltimore, two African American focus groups were selected. Two Hispanic focus groups were conducted in Houston.

Among the findings were the following:

- Across all groups, there was no clear understanding of what NAR does or why membership is beneficial.
- Minorities feel unwelcome when they attend Association meetings. Others felt that attendance was of little importance and they were too busy. Some Asian and Hispanic participants said their language skills were barriers to participation.
- Helping people achieve their homeownership dreams was a recurring theme in discussions why minorities entered the profession.
- Minority REALTORS® often feel their professionalism, competence, and special skills go unrecognized.
- Mentoring for new and experienced agents was frequently mentioned as a system for encouraging new minority agents to stay in the profession. Networking among new and experienced agents was also seen as a good idea.

Qualitative Research Conducted Among Latinos, Asians and African Americans, REALTOR (Diversity II, Erlich Transcultural Consultants, 2000, Commissioned by the NATIONAL ASSOCIATION OF REALTORS®)

THE NATIONAL ASSOCIATION OF REALTORS® used the data from 1999 focus groups to develop program ideas to increase its minority membership. Two follow-up studies were

designed to assess reactions among minority members regarding concepts for programming that NAR might offer. The first was through additional focus groups of minority members to test the following programming ideas:

- Networking activities focused on real estate issues in selected minority groups
- Leadership development training
- Mentoring, both on issues related to success in real estate and issues specific to ethnic groups
- A real estate line of credit to help with the start-up costs of becoming an agent and getting training
- New member-orientation kits
- Television and radio ads promoting REALTORS®
- REALTOR® Magazine
- Diversity training.

Three focus groups were conducted in Los Angeles, one each with Asian American REALTORS®, African American REALTORS®, and Hispanic REALTORS®. Among the findings were:

- All three groups liked the idea of networking opportunities at the local level across ethnic groups. Many respondents wanted to see issues covering practical business applications.
- While mentoring was seen as an excellent idea, there were concerns about the time and money necessary to mentor others and the possibility of training someone who would be a competitor.
- There was no clear support for a business line of credit.
- Participants liked the new member-orientation kits and the “Real Estate Is Our Life” ads.
- REALTOR® magazine was positively received, but many participants wanted greater ethnic diversity depicted in a business context.

Diversity Study, Summary, Jacobs Jenner & Kent, 2000, Commissioned by the NATIONAL ASSOCIATION OF REALTORS®

THE NATIONAL ASSOCIATION OF REALTORS® used the data from 1999 focus groups to develop program ideas to increase its minority membership. Two follow-up studies

were designed to assess reactions among minority members regarding concepts for programming that NAR might offer. The second of these studies was a survey of real estate brokers to test their support for various options regarding three program ideas:

- Networking activities
- New-agent mentoring
- Lines of credit for business start-up expenses.

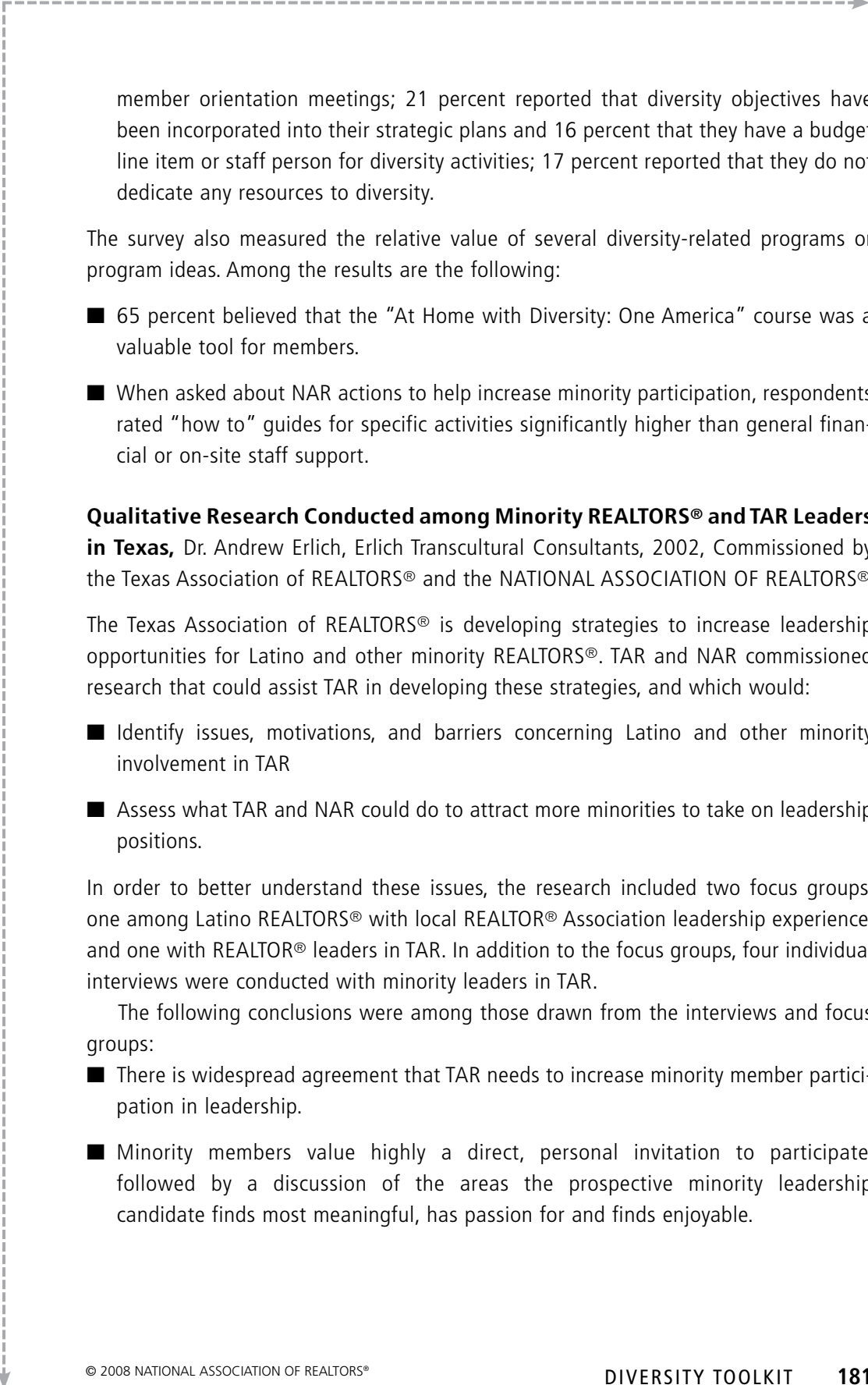
Brokers in companies with 50 or more agents were asked whether they thought the program would be helpful, whether it was currently available in the firm, and whether NAR should develop the program. The results of this survey were as follows:

- The most helpful program idea for increasing diversity in the workplace was mentoring of new agents by experienced agents on various aspects of real estate success.
- Networking and mentoring were widely reported as being currently available in their firms.
- Nearly two-thirds of the brokers surveyed felt that NAR should develop networking activities addressing real estate issues in specific minority communities. No other NAR program idea was supported by a majority of the brokers surveyed.
- Brokers were unanimous in their belief that new programs should be directed toward real estate firms looking to recruit minority agents. In addition, strong majorities felt that new programming should be introduced through NAR publications or in discussions on how real estate issues impact minority agents.

Survey of Association Executives Regarding Political Involvement and Cultural Diversity, Conducted by the NATIONAL ASSOCIATION OF REALTORS® using Zoomerang, May 2002

NAR's Executives Committee conducted a survey in May 2002 to assist the Committee in developing recommendations to enhance REALTOR® political participation at the grassroots level and among NAR's ethically and racially diverse members. Two questions focused on the Association's membership and diversity programming.

- 51 percent of the respondents reported that their associations had very few minority members; 20 percent reported that there was significant diversity in the association which reflected diversity in their communities.
- 59 percent reported that their associations had a diversity, equal opportunity or fair housing committee; 46 percent reported that diversity was discussed at new



member orientation meetings; 21 percent reported that diversity objectives have been incorporated into their strategic plans and 16 percent that they have a budget line item or staff person for diversity activities; 17 percent reported that they do not dedicate any resources to diversity.

The survey also measured the relative value of several diversity-related programs or program ideas. Among the results are the following:

- 65 percent believed that the “At Home with Diversity: One America” course was a valuable tool for members.
- When asked about NAR actions to help increase minority participation, respondents rated “how to” guides for specific activities significantly higher than general financial or on-site staff support.

Qualitative Research Conducted among Minority REALTORS® and TAR Leaders in Texas, Dr. Andrew Erlich, Erlich Transcultural Consultants, 2002, Commissioned by the Texas Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®

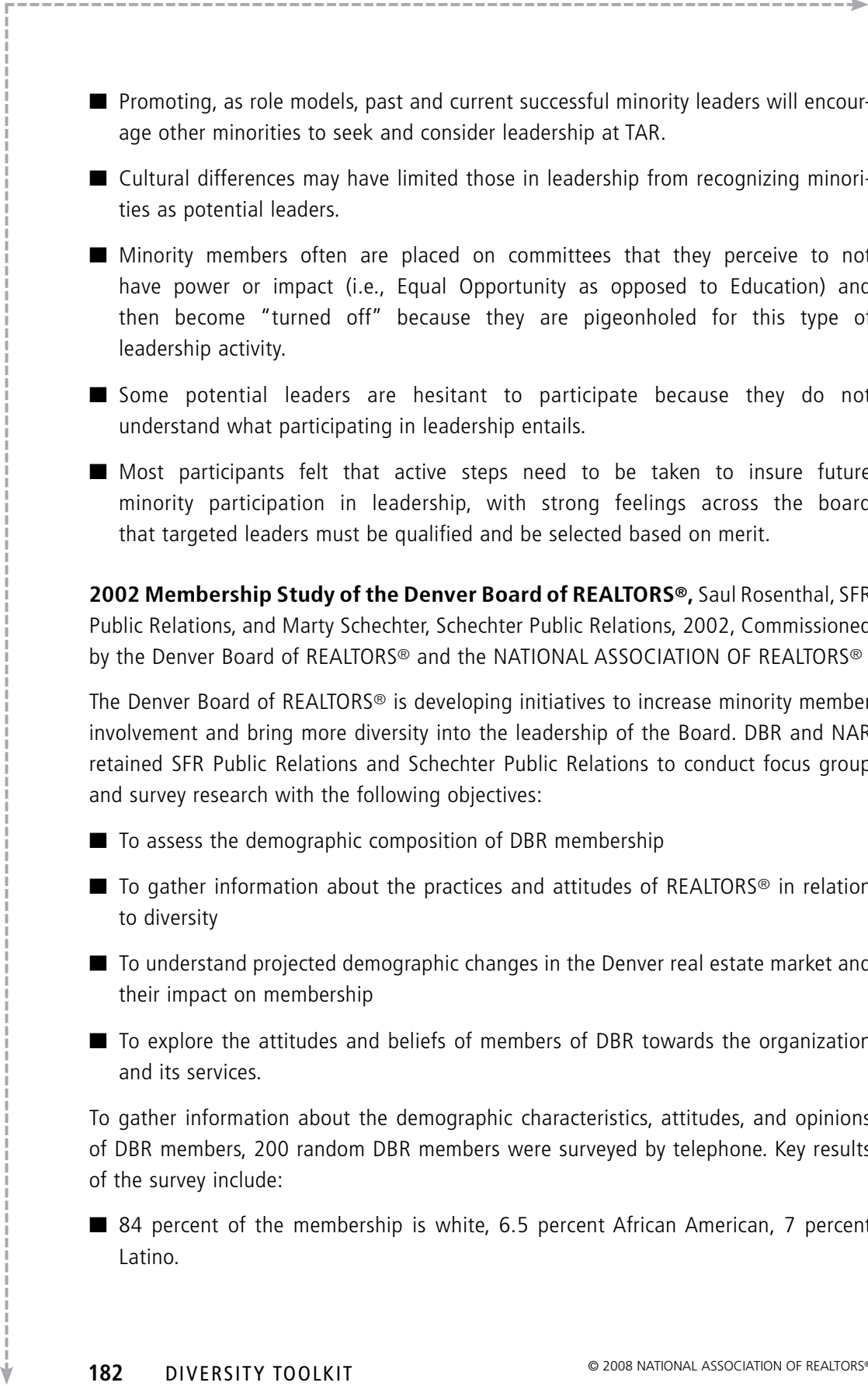
The Texas Association of REALTORS® is developing strategies to increase leadership opportunities for Latino and other minority REALTORS®. TAR and NAR commissioned research that could assist TAR in developing these strategies, and which would:

- Identify issues, motivations, and barriers concerning Latino and other minority involvement in TAR
- Assess what TAR and NAR could do to attract more minorities to take on leadership positions.

In order to better understand these issues, the research included two focus groups, one among Latino REALTORS® with local REALTOR® Association leadership experience, and one with REALTOR® leaders in TAR. In addition to the focus groups, four individual interviews were conducted with minority leaders in TAR.

The following conclusions were among those drawn from the interviews and focus groups:

- There is widespread agreement that TAR needs to increase minority member participation in leadership.
- Minority members value highly a direct, personal invitation to participate, followed by a discussion of the areas the prospective minority leadership candidate finds most meaningful, has passion for and finds enjoyable.

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- Promoting, as role models, past and current successful minority leaders will encourage other minorities to seek and consider leadership at TAR.
 - Cultural differences may have limited those in leadership from recognizing minorities as potential leaders.
 - Minority members often are placed on committees that they perceive to not have power or impact (i.e., Equal Opportunity as opposed to Education) and then become “turned off” because they are pigeonholed for this type of leadership activity.
 - Some potential leaders are hesitant to participate because they do not understand what participating in leadership entails.
 - Most participants felt that active steps need to be taken to insure future minority participation in leadership, with strong feelings across the board that targeted leaders must be qualified and be selected based on merit.

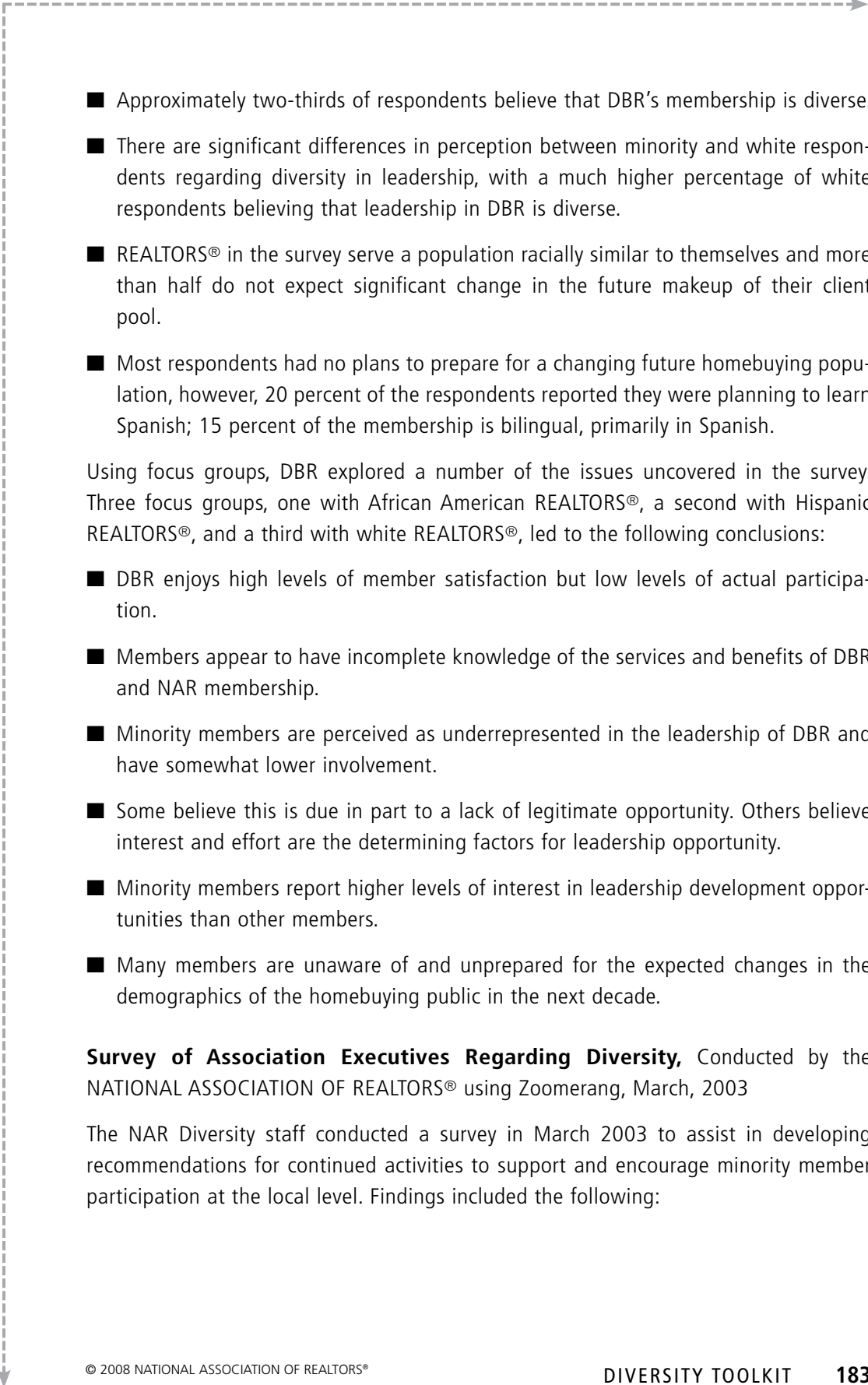
2002 Membership Study of the Denver Board of REALTORS®, Saul Rosenthal, SFR Public Relations, and Marty Schechter, Schechter Public Relations, 2002, Commissioned by the Denver Board of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®

The Denver Board of REALTORS® is developing initiatives to increase minority member involvement and bring more diversity into the leadership of the Board. DBR and NAR retained SFR Public Relations and Schechter Public Relations to conduct focus group and survey research with the following objectives:

- To assess the demographic composition of DBR membership
- To gather information about the practices and attitudes of REALTORS® in relation to diversity
- To understand projected demographic changes in the Denver real estate market and their impact on membership
- To explore the attitudes and beliefs of members of DBR towards the organization and its services.

To gather information about the demographic characteristics, attitudes, and opinions of DBR members, 200 random DBR members were surveyed by telephone. Key results of the survey include:

- 84 percent of the membership is white, 6.5 percent African American, 7 percent Latino.

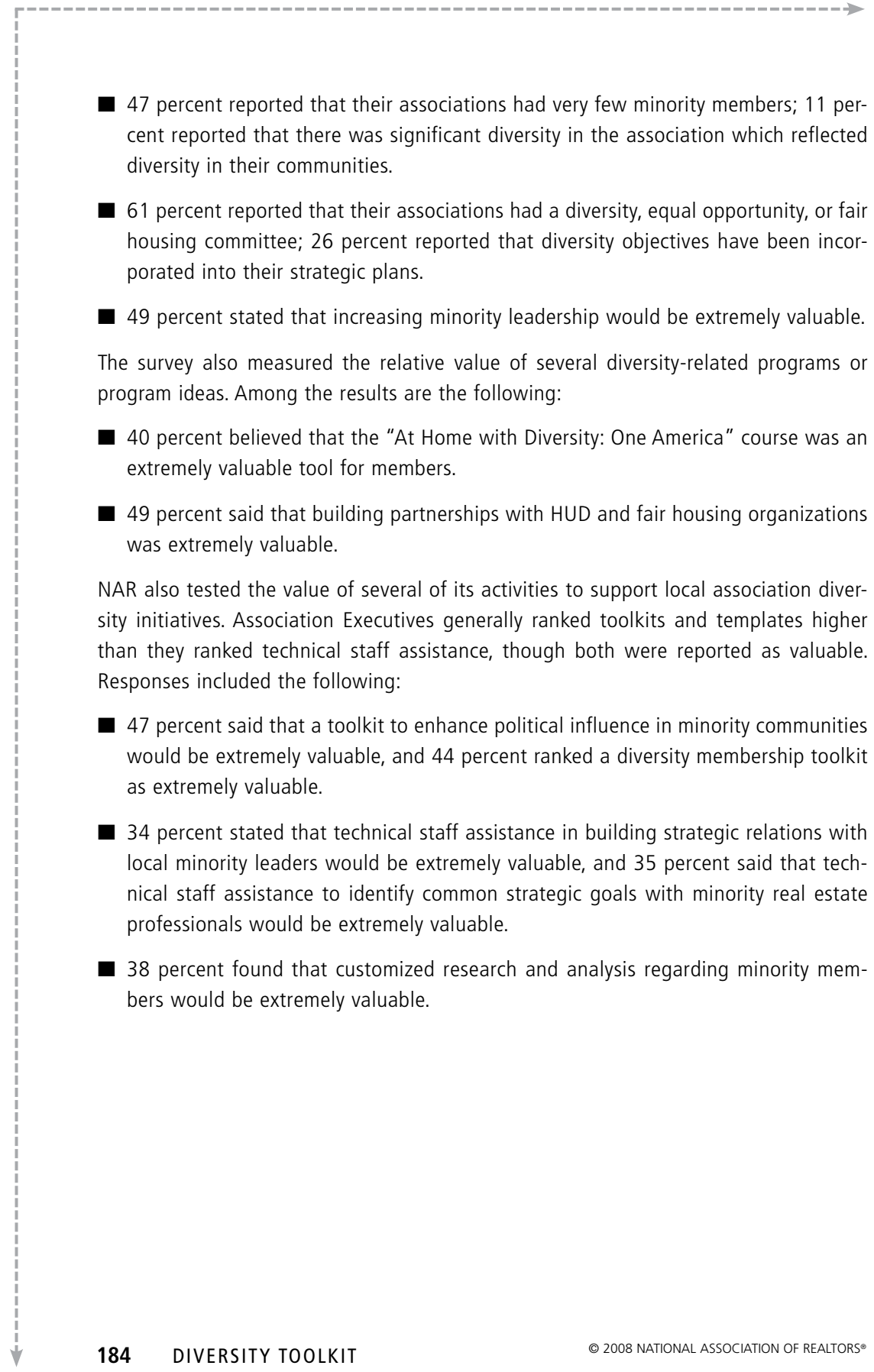
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- Approximately two-thirds of respondents believe that DBR's membership is diverse.
 - There are significant differences in perception between minority and white respondents regarding diversity in leadership, with a much higher percentage of white respondents believing that leadership in DBR is diverse.
 - REALTORS® in the survey serve a population racially similar to themselves and more than half do not expect significant change in the future makeup of their client pool.
 - Most respondents had no plans to prepare for a changing future homebuying population, however, 20 percent of the respondents reported they were planning to learn Spanish; 15 percent of the membership is bilingual, primarily in Spanish.

Using focus groups, DBR explored a number of the issues uncovered in the survey. Three focus groups, one with African American REALTORS®, a second with Hispanic REALTORS®, and a third with white REALTORS®, led to the following conclusions:

- DBR enjoys high levels of member satisfaction but low levels of actual participation.
- Members appear to have incomplete knowledge of the services and benefits of DBR and NAR membership.
- Minority members are perceived as underrepresented in the leadership of DBR and have somewhat lower involvement.
- Some believe this is due in part to a lack of legitimate opportunity. Others believe interest and effort are the determining factors for leadership opportunity.
- Minority members report higher levels of interest in leadership development opportunities than other members.
- Many members are unaware of and unprepared for the expected changes in the demographics of the homebuying public in the next decade.

Survey of Association Executives Regarding Diversity, Conducted by the NATIONAL ASSOCIATION OF REALTORS® using Zoomerang, March, 2003

The NAR Diversity staff conducted a survey in March 2003 to assist in developing recommendations for continued activities to support and encourage minority member participation at the local level. Findings included the following:



- 47 percent reported that their associations had very few minority members; 11 percent reported that there was significant diversity in the association which reflected diversity in their communities.

- 61 percent reported that their associations had a diversity, equal opportunity, or fair housing committee; 26 percent reported that diversity objectives have been incorporated into their strategic plans.

- 49 percent stated that increasing minority leadership would be extremely valuable.

The survey also measured the relative value of several diversity-related programs or program ideas. Among the results are the following:

- 40 percent believed that the “At Home with Diversity: One America” course was an extremely valuable tool for members.

- 49 percent said that building partnerships with HUD and fair housing organizations was extremely valuable.

NAR also tested the value of several of its activities to support local association diversity initiatives. Association Executives generally ranked toolkits and templates higher than they ranked technical staff assistance, though both were reported as valuable. Responses included the following:

- 47 percent said that a toolkit to enhance political influence in minority communities would be extremely valuable, and 44 percent ranked a diversity membership toolkit as extremely valuable.

- 34 percent stated that technical staff assistance in building strategic relations with local minority leaders would be extremely valuable, and 35 percent said that technical staff assistance to identify common strategic goals with minority real estate professionals would be extremely valuable.

- 38 percent found that customized research and analysis regarding minority members would be extremely valuable.