

A national survey of REALTOR® Association Executives

It's Your Future... Make it a Good One!

Executive Summary

March 2014

The survey purpose:

To gather insights from
association executives (AEs)
to co- create a better future
for organized real estate.

Alice Martin + Kevin McQueen = collaborative advisors

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Back Story:

Kevin McQueen and Alice Martin serve the real estate industry as trusted advisors and facilitators. They came together in 2013 with the common vision of doing more to help move AEs and REALTOR® associations forward, resulting in a better future and quality of life for those who intend to stay in the game. The national survey was launched in February 2014 to gather insights, not to promote any particular solutions at this point.

Alice and Kevin have no specific program in mind and nothing to sell at this point. The purpose for now is to have productive conversations with the leaders – the movers and shakers who intend on being around in five years and beyond. These brave souls are committed to the pioneering that we believe is required to continue to succeed into the future. Alice and Kevin will work together with them to co-create a better future.

Demographic: The respondents

Who completed the survey? The email campaign, *It's Your Future...Make it a Good One!*, was initially sent to approximately 1440 association and MLS executives. The open rates exceeded industry standards suggesting a high level of interest and for some, curiosity.

Respondents' experience (percentages rounded)

- 18% 20+ years, 15-20 years, and 10-14 years
- 26% 5-9 years' experience
- 13% 1-4 years
- 5% 0-11 months

Membership size breakdown – we used our own segments to get a clearer picture of AE viewpoints:

Association Size	Our Survey Respondents %	Approximate total number of associations by size
5000+	13%	6% (74)
1000-4999	24%	17% (221)
350-999	40%	20% (255)
200-349	18%	16% (204)
100-199	3%	22% (274)
1-99	3%	19% (241)

What's your biggest fear or frustration in your association right now related to the future success/health of your association?

The themes here primarily relate to members not recognizing the *value* in the association services.

- “An unwillingness to admit that the current association model no longer works. It is much easier to blame the economy or staff than it is to take a hard look at the existing structure.”
- “How to keep younger members in the organization and to show them the value. They are very much different than the civics and boomers.”
- “Members do not want to belong, feel forced to belong to a “union,” and have no interest in being involved.”
- “Continuing to provide high quality services without increasing dues. We are a small local board.”

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What do you think are the 2 or 3 reasons preventing your association in overcoming the challenges?

The themes of lack of involvement in leadership & fear of change were most frequent.

- *“Lack of funding, lack of members participating and seeing the need to evolve.”*
- *“Majority of members is retired and only chooses to do so much in real estate and treat it as a social club rather than a profession.”*
- *“Members have other “real” jobs with benefits and steady income so they do not have time to dedicate to the industry to do a good job as an agent or to participate in association leadership or activities. A lack of financial resources is preventing a lack of human resources and, honestly, it's the staff that does all of the work because membership simply does not care about anything associated with the association.”*

Questions about NAR's tools. This was asked to get a sense of the awareness, use, and satisfaction of three NAR-developed assessment tools.

- ***Association Models Questionnaire.*** This tool has been in existence longer than the others and nearly half of respondents have used it with the majority of those finding it at least moderately useful. Nearly a fifth of respondents have not heard of it.
- ***Shared Services Toolkit:*** Completely revised in mid-2013, this toolkit is still somewhat of a “secret” among AEs, Many are unaware of it and less than 1/3 have either used or plan to use it. Those who have used it, several find it at least moderately useful but nearly as many say it's of no use.
- ***Organizational Checklist.*** The newest of the three, about half of the respondents have either used it or plan to. Of those using it or planning to, the majority believes it is of some use.

Do you consider NAR's Organizational Criteria (minimum standards required by all every three years) an effective way to assess an association's competency and viability?

These criteria have been in place for nearly 20 years since NAR adopted the “board of choice” policy in order to attempt a minimum level of service to all members regardless of their association affiliation. These questions tried to get a sense of the effectiveness and enforcement of NAR's Organizational Criteria (a.k.a. minimum services) in terms of the level of service offered to members. Thirty-five percent believes the criteria are effective, with 57% saying they are not. Surprisingly, 8% remain unaware of them. Forty-four percent believe their state association closely monitors and works with local associations to help them meet the criteria, with 56% stating it's more of a “rubber stamp from their state.

Consider your own personal assessment of the future relevancy and value for your association.

- 35% say they are making good progress and don't have any concerns about their future relevancy or survival.
- About 57% believe they are doing well in some areas and not so well in others and could benefit from some professional help.
- 19% are considering collaboration with other associations or MLSs and could use some professional help.
- About 3% believe they are either very challenged and need to consider merging or regionalizing in some way but don't know where to begin, or are struggling but we have not even begun to think about what to do next.

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About 72% of REALTOR® associations have fewer than 500 members. What do you think may happen to them (or to your association if applicable) over the next 5-10 years?

Forty-seven percent of respondents believe that merger or collaboration needs to happen, with 34% stating some form of “need to dissolve or fold.”

- *“Regionalization will happen more often. Again, it's based on financial and human resources and a lack of interest from the members. The old way of existing is of no interest or value today.”*
- *“I think that many will merge with each other, or with a larger neighbor. The efficiencies are too powerful, and the benefit to the broker, agent and consumer are too strong for us to ignore it much longer.”*
- *“If NAR has their way, they will be eliminated. Bigger is not always better. Mergers and acquisitions occur in business every day, if local associations don't have the ability to survive, the members will leave.”*

What do you think needs to happen to help associations like yours succeed in the future?

Once again, “collaborate or merge” is a frequently mentioned theme, but this time it is outnumbered by the “NAR action” theme.

- *“Some sort of liaison or someone from NAR to evaluate and make suggestions of mergers, etc. to the smaller associations.” (similar to another response).*
- *“NAR and the state associations should consider the locals their members, not the individual licensees, and package their services to be marketed and delivered by the locals and share in whatever profit. Don't compete with us for the members' dollars!”*
- *“As mentioned in the question above I think that N.A.R. should raise the standards for all associations. Poor performing associations deteriorate the overall perception of REALTOR® associations and make it difficult to work cooperatively in areas where we exist in close proximity to each other.”*
- *“It seems we all have the same problems and getting together, sharing and learning new strategies and keeping up with all the changes is very helpful.”*

If you could have your way, what would you do this year to ensure your association's survival?

There was quite a variety in responses – most fairly specific, so a bit difficult to identify a real theme. The most popular theme in my view was *“change our focus.”*

- *“I would eliminate all committees- have staff managers run staff functional departments- we could probably eliminate some staff (expense) because we weren't having to spend all this time managing, controlling and coddling the committees. I would have 5-7 member advisory boards that the staff turned reports into quarterly. Their job would be to review progress to the strategic plan for the functional departments. BoD would approve any financial overages. BoD could probably meet only quarterly.”*
- *“We are about to update our strategic plan for the next 5 years. I feel like we need younger members to be a part of the plan since our future depends on their membership. We also need them to help plan as well as participate.”*

Do you believe a neutral outside professional facilitator could help you achieve your desired results?

By design, Alice and Kevin were not offering any specific solutions as part of the survey. They are gathering information to determine if there is a way they can assist AEs and their leadership at this time.

39% said YES; 30% said NO and 31% said they are not sure.

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Knowing that associations have options for the future, how important to you is the survival of your association? And, how important is the survival of your association to your Board of Directors?

Seventy-four percent said it was extremely important to them and slightly less at 68% to their boards of directors. "If our association survives I still have a job, if not then I don't."

And another: "Associations are part of the fabric of this country. They serve an incredibly valuable purpose for professions. If not for the REALTOR® association, we would be left to the state regulators to define our professional standards, which guarantees they would be designed for the lowest common denominator."

Assuming you are committed to making the necessary changes to ensure the long-term success and survival of your association, on a scale of 1-5, how committed are you?

60% (23) are extremely committed; 31% (12) are very committed.

- "I believe that my leadership enjoys the benefits of a smaller association but they are concerned that we can stay on the leading edge especially when it comes to technology. They are also concerned about the lack of knowledge to stay with or ahead of the business - to offer what is necessary for a small group to succeed."
- And one more: "If it will help brokers and agents for us to exist, then so be it. If not, we should go away."
- "This is the top priority in our strategic plan. We are focused on ensuring our own survival and acting as a partner for other local associations who need our help and collaboration to ensure they can continue to serve their community in some manner."
- "Frankly, our biggest concern is to provide MLS type services. This could be done outside the REALTOR® organization if our membership were to fall dramatically."

What do you think? How can we help you? Please share your thoughts with Alice Martin and/or Kevin McQueen. Contact us for a private consultation about your current reality.

We are holding Roundtable calls with groups of AEs to discuss their needs for the future. Contact one of us if you are interested in joining the conversation.

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