

Future of the REALTOR® Party Presidential Advisory Group

Frequently Asked Questions

January 2018

1. Why is it necessary to ramp up the REALTOR® Party Initiative at this time?

While it's true the REALTOR® Party Initiative that has been in place since 2012 has been incredibly successful, there is room for improvement, especially in customizing resources for different-sized associations; simplifying the offerings; better communicating and marketing the programs; and developing better ways to measure success.

2. Just how successful has the REALTOR® Party Initiative been over these last five years?

All in all, since 2012, more than 1,000 state and local associations—large and small—have used REALTOR® Party programs more than 16,500 times, ranging from candidate and issue campaigns to RPAC fundraising efforts and community outreach programs.

For Example:

- The 63-member Southwest Missouri Board of REALTORS® used a REALTOR® Party grant to help elect their REALTOR® Champion to the school board—by one vote.
- The 7,200-member Iowa Association of REALTORS® used REALTOR® Party resources to pass the First-time Home Buyer Savings Account measure.
- The 800-member Medina County Board of REALTORS® in Ohio used REALTOR® Party Housing Opportunity and Placemaking Grants to build gardens for low-income citizens, providing housing for disabled veterans and improving bike paths.

3. What kinds of new programs and program enhancements are being proposed?

Thirty-three new and enhanced REALTOR® Party programs would be created for state and local associations to use in their communities. Among the new programs would be a rural outreach program and an urban initiative to help tailor community outreach efforts to different settings. Other new programs would include a Federal Political Coordinator Advocacy Academy, a REALTOR® Party Social Media Advocacy Ambassador Program, and a REALTOR® Party “All Star” Speakers Bureau.

Existing REALTOR® Party programs slated for enhancement include REALTORS® Addressing Homelessness and our Broker Involvement tool, among others.

4. Are any programs proposed to be eliminated?

Yes, there are seven recommended to be eliminated: Shared GAD Program; Game Changer Grant Program; Employer-Assisted Housing Program; Expanding Housing Opportunities Class; REALTOR® Action Center Mobile App; RPAC Recognition Ribbons and REALTOR® Party Booth at NAR meetings.

5. Will REALTOR® Party programs continue to assist state and local associations achieve their Advocacy Core Standards requirements?

Yes, these programs will continue to help REALTOR® Associations achieve their Core Standards requirements, as well as help them achieve their overall advocacy goals.

6. I keep hearing that the PAG findings show that “one size does not fit all” when it comes to REALTOR® Party programs. What does that mean and how would it be addressed?

Smaller associations may require more assistance than larger ones to achieve their advocacy goals. At the same time, larger associations may have unique needs that cannot always be met with current grant offerings and processes. The PAG proposes to address this “one size does not fit all” approach by customizing resources. A key element of this effort is a proposed REALTOR® Party State Association Staff Key Coordinator Program to assist associations in navigating resources. The program would include detailed training for state coordinators.

7. How will effectiveness of the REALTOR® Party programs be measured?

The PAG is recommending an ongoing assessments process in three parts. *Key Performance Indicators* (KPIs) would be established for each REALTOR® Party program – along with two effectiveness metrics—an *Impact-Effort Matrix* and a *Return on Mission* analysis. KPIs would help determine if each program is achieving its goals. The *Impact-Effort Matrix* would prioritize programs based on the effort needed to implement each activity and the potential impact each has on the REALTOR® Party mission. The *Return on Mission* analysis would identify the impact that goes beyond the bottom line and measure how each program furthers our overall vision and goals. The PAG also recommended regular program assessment occur and the use of enhanced technology to improve data collection and goal tracking.

8. How do you plan to improve communications and marketing for the REALTOR® Party resources?

In addition to developing a targeted marketing campaign to educate associations on REALTOR® Party programs, the PAG proposes overhauling the REALTOR® Action Center and making the REALTOR® Party Resource Guide interactive. The web site and all our REALTOR® Party communications would be simpler and more user-friendly—using infographics and less text whenever possible.

9. Were there any Association Executives (AEs) on the PAG?

Yes, the PAG was comprised of REALTOR® volunteers, state and local AEs, and a Government Affairs Director who participated in three meetings and four conference calls.

10. How did the PAG members make decisions on what programs to add and change?

Surveys were distributed to past and current REALTOR® Party Chairs, state & local AEs and GADs. Three focus groups were held at AEI and phone surveys were conducted with GADs. Additionally, a consultant conducted a program-by-program analysis on each program, querying state and local association staff who had used the program, in addition to the NAR staff program manager.

11. How do you propose to pay for this?

Of course, these new and enhanced programs have budget implications. There is an estimated price tag of \$30 million per year, which works out to approximately \$25 per member. This is in addition to the \$40 per member cost of the current REALTOR® Party Initiative.

12. When will a decision be made to determine how this will be funded?

All proposals will be addressed in March 2018 at the Budget Review sessions, with the goal of putting a proposal before the Board of Directors for approval in May of 2018.

Any proposed increase in REALTOR® Party spending will be considered along with all of the other needs for enhanced products and services for our members and prioritized by the Budget Review Team participants.

13. Why does NAR have to orchestrate this? Why can't the state associations decide for themselves what they want to do?

Actually, state and local associations can decide what they want to do. NAR is creating and providing REALTOR® Party resources so associations can engage in the kinds of advocacy and community outreach activities that work for them. Just as the REALTOR® Party Initiative has done since it was launched in 2012, two-thirds of the REALTOR® Party budget goes to state and local associations in the form of programs and grants they apply for and use in their own communities. The other third is used for federal advocacy activities.

14. What do you mean that one-third of the REALTOR® Party budget is used at the federal level? What is this for?

Federal level spending represents expenditures made by NAR to support federally elected candidates and toward federal legislation and regulation advocacy efforts. This includes spending on candidate independent expenditures, as well as ads supporting or opposing federal legislation in Washington, D.C. publications or in publications within the districts of Members of Congress. Currently, NAR is involved in eight to 10 U.S. House races per election cycle. The PAG is recommending that we step this up to include some U.S. Senate races, as well.

15. When and how will this be communicated to the average member, especially the dues increase?

Most importantly, this process is about “leadership in the sunshine” ... transparency. The NAR Leadership Team wants you to know exactly what is being proposed to the Finance Committee for consideration. The Finance Committee will meet in March 2018 where they may endorse funding the entire plan, choose to fund part of the plan by taking from other programs or decide not to move forward. The Leadership Team wants to hear any and all questions and concerns from membership before they give the final recommendations to the Finance Committee.

16. Will there be a need for additional staff?

It is possible that there will be a need for more staff; however, speculation about staffing of programs now is premature. The Finance Committee will be reviewing all details regarding how funds get allocated, which will then go to the Board of Director for final consideration.

17. How will this affect the RPAC fair share goal?

The RPAC fair share goal was eliminated. Now the RPAC goals are set by each state. As for RPAC fundraising, when the REALTOR® Party was first started in 2011-12, the real estate market was much different than today, and the same concern was expressed at that time. We have seen RPAC investments increase year after year since 2012. The simple fact is that the members are better connected and understand the issues that affect them. This is a way to communicate the importance of being the voice of real estate.

18. Why was the Shared GAD Program eliminated? Will it be absorbed elsewhere?

The Shared GAD Program was created in 2001 and had great success in the early years, but it has been dormant for a number of years now. While there is no line item for this program in the budget, the good news is that the written resources will remain available online to any local association interested in pursuing a shared GAD program.

19. Are the new programs necessary?

According to the extensive research conducted for the Future of the REALTOR® Party PAG report prior to the PAG's discussion on new programs, the answer is YES. There was a tremendous amount of research, polling, surveys and group discussions that involved members, leaders, AEs, GADs and others. The result was 33 new and enhanced programs.

20. Will existing programs that are in high demand receive increased funding?

The rationale and dollars recommended are outlined in the Future of the REALTOR® Party PAG report. Five high efficiency and effective programs are recommended to receive additional resources.

21. Where does the two dollars for federal IEs go during odd years?

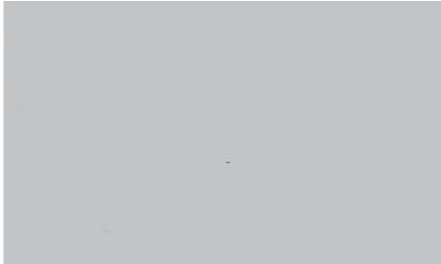

The funds are held in reserve accounts, the same as RPAC and other REALTOR® Party areas that are not utilized in the calendar year collected. For budgeting purposes, the amount allocated is \$2 per member annually, but candidate Independent Expenditures are expended on the two-year Congressional election cycle.

22. Will a dues increase have an adverse effect on the number of RPAC investors?

When the last dues increase was on the table, one of the most significant outcomes was the opportunity to share why RPAC is so important to our industry, private property rights and homeownership. It engaged members who never knew the importance of RPAC and it brought an awareness like never before. Communication and knowledge are key to this conversation!

23. Why do we need to increase dues when there are obvious ways to be fiscally responsible?

The charge of the PAG was to analyze the first five years of the REALTOR® Party; recommend improvements to the programs, including additions and deletions of offerings; and present strategic objectives for the next five years. Through extensive surveys, focus groups and feedback from AEs, GADs, volunteers and the general membership, we identified areas for improvement, particularly where one size program does not fit all. Size of community, urban, rural, association size and resources were all considerations. The overarching goal was to make the REALTOR® Party a useful tool



for everyone. Careful consideration was given to each offering within the program, ultimately defining the enhancements, additions and eliminations contained in the final report. The report was presented to the President and the Leadership Team with favorable response.

The PAG was additionally tasked to identify and recommend the necessary resources needed to continue and grow the REALTOR® Party. A cost analysis was run on each offering based on current/projected membership numbers; the cost breakdown was roughly \$25 per member per year to support the proposal as presented. The PAG is not suggesting a dues increase, only providing the requested financial resources needed to support the programming. Any additions, eliminations of programming which may or may not impact the dues would be the task of the Finance Committee.

24. Can there be more local representatives participating in the Speaker's Bureau to be more fiscally responsible?

The criteria for the Speaker's Bureau program has not been established yet; however we will take this point in consideration during development.

25. How and when will we see a detailed breakdown of how these additional funds will be allocated to REALTOR® Party programs?

A detailed breakdown of how additional funds will be allocated for every REALTOR® Party program and what that equates to in dues dollars is provided starting on page 42 of the Future of the REALTOR® Party PAG Report.

26. How will a dues increase affect state and local associations?

State and Local REALTOR® Associations must make their own decisions about their financial needs and dues amounts based on their own schedule. There remains no guarantee that there will be a dues increase. Moving forward, if there is a dues increase related to REALTOR® Party programs, the important thing to remember is that two-thirds of new money will be directed back to state and local associations through more robust and requested REALTOR® Party programs.

27. How will a potential industry downturn affect the dues increase? Is there a contingency plan if something like tax reform negatively impacts the industry?

An industry downturn would affect the number of members we have as well as so many things that would have to be addressed at that time. In today's political climate, the Future of the REALTOR® Party PAG report is the first step towards having a contingency plan. Allowing the REALTOR® Party to evolve and have ways to assess the effectiveness of our activities and programs allows us to stay strong as the voice for real estate.

There are also measures in place to make sure that we do not spend more than what is taken in. The Finance Committee will oversee all of the funding and will adjust budgets appropriately. If we do have an issue that negatively impacts the industry, this will be all the more reason to get behind the report's recommendations, as REALTORS® are the difference-makers, and we need to make sure our issues are heard on the national, state and local levels.

28. Will \$25 per member be enough?

There is a lot of uncertainty in today's political climate. Five years ago, the National Association of REALTORS® decided it must become an advocacy organization for private property rights, our members and the public. This is why the REALTOR® PARTY was created. While its success in the last five years is obvious, it comes with a price. Like your business in the last five years, the price of involvement keeps rising. It is critical now more than ever that we are engaged and our voice is amplified.