

Opening Doors for All

**Recommendations for Expanding Diversity, Equity, and Inclusion
from the Virginia REALTORS® Presidential Advisory Group**



September 2021

Executive Summary

In 2020, Virginia REALTORS® created a Diversity and Inclusion Presidential Advisory Group (PAG) to evaluate and make recommendations for enhancing diversity, equity, and inclusion (DEI) within the REALTOR® community. The establishment of this PAG—and the commitment of Virginia REALTORS® to create more diverse and inclusive spaces industry-wide—reflects the needs and perspectives of all REALTORS® and consumers.

A group of 16 Virginia REALTOR® members—with support from association leadership and staff—convened over a period of ten months to develop specific recommendations for how the association can increase DEI in its membership and leadership. The PAG also focused on how REALTORS® can be leaders in reducing disparities in the housing market and helping to ensure that all have the opportunity and access to the benefits of homeownership.

The PAG has made the following ten recommendations, organized around those that are internal to the state and local REALTOR® associations in Virginia and around those where the association will work with external partners.

Internal Recommendations

- 1.) Establish a permanent Virginia REALTORS® DEI Committee.
- 2.) Remove felony convictions as a disqualifier for all volunteer service.
- 3.) Create a Virginia REALTORS® DEI Grant.
- 4.) Review Virginia REALTORS® member resources through a DEI lens.
- 5.) Diversify volunteer recruitment.
- 6.) Create a Small Brokers Advisory Group.
- 7.) Add DEI components to the Virginia REALTORS® Strategic Plan.

External Recommendations

- 8.) Facilitate a DEI forum with partner industries in the state.
- 9.) Increase partnerships with the multicultural real estate organizations.
- 10.) Continue to help eliminate disparities in homeownership in Virginia.

We, the members of the Virginia REALTORS® Diversity and Inclusion Presidential Advisory Group, respectfully ask that you endorse and support these efforts that will move our association forward, and ultimately reach the goal of eliminating disparities in homeownership in Virginia.

Members of the Virginia REALTORS® Diversity and Inclusion PAG

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Section 1: PAG Charge and Mission, Research and Findings, and Recent Actions

PAG Charge, Vision, and Mission

Established in the fall of 2020, the Virginia REALTORS® Diversity and Inclusion Presidential Advisory Group (PAG) was charged to,

- 1.) “Engage in an evaluation of the Virginia REALTORS® organization and make recommendations to enhance and improve diversity and inclusion internally with regards to: 1. organizational governance and leadership, 2. member involvement, 3. association membership generally, and 4. established or implied policies which impact diversity and inclusion within the organization;
- 2.) Look outside of the organization and provide feedback or recommendations on actions or policies the organization can engage in to enhance diversity and inclusion externally with regards to: 1. Fair Housing initiatives, 2. affiliations with other organizations through shared interests, 3. public policy impacts on diversity in property ownership and communities, and 4. advance diversity within the real estate profession; and
- 3.) Identify areas for improvement and suggest pathways to finding solutions (research projects, committee establishment, outreach, external and internal policy recommendations, strategic plan recommendations, etc.). It is also asked to recommend both immediate actions as well as longer term actions and structures which can further explore solutions that lead to the advancement of diversity and inclusion.”

After thoroughly examining the charge, the PAG established a vision, mission, and four (4) core objectives to guide its efforts:

Vision Statement: The vision of the Diversity and Inclusion Presidential Advisory Group (PAG) is to ensure that all Virginia REALTORS® members, current and prospective homeowners in Virginia, and related industry partners have equal opportunities and the necessary support to achieve their personal and professional goals—regardless of their race, gender, sexual orientation, disability status, or any other protected class.

Mission Statement: The mission of the Diversity and Inclusion Presidential Advisory Group (PAG) is to evaluate Virginia REALTORS® policies and procedures and review broader housing market conditions to make recommendations to enhance diversity, equity, and inclusion (DEI) in the Association and in the real estate industry.

The following are the four (4) core objectives of the PAG:

- 1.) Evaluate current Virginia REALTORS® policies and practices (both formal and informal) that may be obstacles to promoting DEI in membership, volunteerism, and leadership roles.



- 2.) Develop strategies for formal and transparent processes for a) REALTORS® who are looking to become involved in and advance within their state and local associations and b) current and prospective leaders to seek out and include diverse talent in their association leadership and volunteerism.
- 3.) Make suggestions for the creation and development of a broad set of DEI initiatives and activities at the state and local association levels.
- 4.) Explore the DEI relationship in and between our association and related industries.

Research and Findings: Identifying Internal and External Strengths and Weaknesses around DEI

PAG members received and shared information to identify DEI challenges and opportunities both internally (i.e. within the state and local REALTOR® associations) and externally (i.e. in the broader housing and real estate market).

Internal Research and Findings

The PAG received briefings from staff of both Virginia REALTORS® and the National Association of REALTORS®. PAG members reviewed state and local policies and procedures for recruiting volunteer leaders and reaching out to REALTOR® members from underrepresented groups. In addition, PAG members were presented with research and analysis on demographic and other trends in Virginia’s real estate industry and housing market.

This research highlighted that Virginia REALTORS® and the state’s local REALTOR® associations face barriers to expanding diversity.

- Virginia REALTORS® members are less racially and ethnically diverse than the overall statewide population. About 79% of Virginia REALTORS® members are White, compared to 63% of the population age 18 and older. About one in 10 REALTORS® is Black/African American, compared to one in five Virginia adults. Hispanic/Latino(a)(x) REALTORS® make up five percent of the association membership, compared to nine percent of the state population. Asian/Pacific Islanders account for six percent of Virginia REALTORS® members, compared to seven percent of the state population.¹

Table 1. Race/Ethnicity of Virginia REALTORS® Members

| Race/Ethnicity | Virginia REALTORS® Members | Virginia Population (Age 18+) |
|------------------------|----------------------------|-------------------------------|
| White/Caucasian | 79% | 63% |
| Black/African American | 11% | 19% |
| Hispanic/Latino(a)(x) | 5% | 9% |
| Asian/Pacific Islander | 6% | 7% |

Source: 2021 Virginia REALTORS® Member Survey, U.S. Census Bureau 2019 American Community Survey

¹ 2021 Virginia REALTORS® Member Survey

- The processes for recruiting volunteer leaders at Virginia REALTORS® have not explicitly focused on expanding diversity of Committee or Board members. Existing policies and procedures—including both formal and informal policies and procedures—could limit the range of REALTORS® involved in leadership and volunteer positions.
- Most local associations' volunteer leaders do not represent the demographics of their overall membership or the populations they serve. Furthermore, many local associations have policies in place that are inequitable or—despite good intentions—have the potential for adverse effects (e.g. a Nominating Committee of all Past Presidents typically does not reflect diversity and, therefore, may not create a diverse slate of candidates).
- Most local associations do not have DEI efforts underway or are in the early phases of implementation. There is a strong desire for help and guidance from the state association for beginning or expanding DEI initiatives.
- There are numerous [resources available from NAR on diversity, equity, and inclusion](#). However, many REALTOR® members and local associations are not aware of those resources and/or have not taken full advantage of the resources available.

External Research and Findings

The PAG also researched additional disparities impacting homeownership, including education on the home buying and ownership process in communities of color, appraisal differences among racial groups, and trends in the rental market and property management. The PAG discussed participation in initiatives such as [Virginia's Rent and Mortgage Relief Program](#). In addition, research highlighted the way the COVID-19 pandemic is impacting housing and rental markets and how broadband limitations worsen economic disparities.

This research provided evidence of the significant racial disparities in income, wealth, and homeownership in Virginia, as well as nationally. The racial gaps in the economy and housing market have increased over time.

- Homeownership rates are lower for non-White Virginians. The current homeownership rate for Black households in the Commonwealth is lower than it was in 1968 when the Fair Housing Act was passed—47.7% and 51.6% respectively.²
- Many people of color are homeownership ready but are unaware of their eligibility and uneducated on the homebuying process in general.³
- There are higher rates of foreclosure and delinquencies among non-White homeowners.⁴

² Data on homeownership rates are published by the U.S. Census Bureau. According to the 1970 Census, the homeownership rate among Black households in Virginia was 51.6% (<https://www.census.gov/library/publications/1972/dec/housing-volume-1.html>). According to the Census Bureau's 2018 American Community Survey, the Black homeownership rate in Virginia in 2018 was 47.7% (<https://data.census.gov/cedsci/advanced>).

³ See *Building Black Homeownership Bridges: A Five-Point Framework for Reducing the Racial Homeownership Gap*. 2019. Urban Institute. Online at https://www.urban.org/sites/default/files/publication/100204/building_black_ownership_bridges_1.pdf.

⁴ Home Mortgage Disclosure Act data. Summary of data available online <https://www.virginiamercury.com/2020/07/21/the-bedrock-of-wealth-inequality-data-shows-big-racial-disparities-in-mortgage-loans-and-homeownership/>.

- Homes in minority communities and/or homes where there is evidence of Black/Brown residents are appraised significantly lower than White communities/residencies.⁵
- There is often a lack of broadband access for rural and minority communities; COVID-19 heightened this disparity and the negative impacts on these individuals and communities.⁶

Recent DEI Initiatives at Virginia REALTORS®

The PAG is making recommendations to the Virginia REALTORS® Leadership Team and staff to expand DEI. However, throughout the 10-month period during which the PAG met, there were actions association staff were able to take to address immediate issues raised by PAG members as well as other REALTORS®. The following actions are based on research findings:

- *DEI Toolkits:* The PAG and staff developed two toolkits. The first toolkit is designed to assist local associations with their DEI efforts. The second focuses on individual members looking to volunteer and grow within their local and state associations. In addition to these toolkits, Virginia REALTORS® staff created a [local DEI resources website](#) for local associations staff to find related resources for their members.
- *Demographic Data:*
 - Virginia REALTORS® currently does not have detailed demographic information, but to measure progress on DEI efforts, it is important to have baseline data. Virginia REALTORS® included a survey on all volunteer applications to begin to capture demographic data. Over two-thirds of members who applied for 2022 volunteer positions completed the survey.

Table 2. Race/Ethnicity of Virginia REALTORS® Volunteer Applicants

| Race/Ethnicity | Committee Applicants | Board of Directors Applicants |
|---|----------------------|-------------------------------|
| White/Caucasian | 75% | 71% |
| Black/African American | 14% | 29% |
| Hispanic/Latino(a)(x) | 3% | 0% |
| Asian/Pacific Islander | 5% | 12% |
| Percent Responding to Race/Ethnicity Question | 63% | 94% |

Source: Virginia REALTORS® Committee and Board of Directors applications

⁵ Perry, Andre M., Jonathan Rothwell, and David Harshbarger. 2018. *The Devaluation of Assets in Black Neighborhoods: The Case of Residential Property*. Washington DC: Brookings Institution. Available online <https://www.brookings.edu/research/devaluation-of-assets-in-black-neighborhoods/>.

⁶ See Home broadband adoption, computer ownership vary by race, ethnicity in the U.S., <https://www.pewresearch.org/fact-tank/2021/07/16/home-broadband-adoption-computer-ownership-vary-by-race-ethnicity-in-the-u-s/>, and Rural Broadband Investments Promote an Inclusive Economy, <https://www.americanprogress.org/issues/economy/news/2021/07/12/501530/rural-broadband-investments-promote-inclusive-economy/>

- Local associations can pull their membership demographics from the [National Association of REALTORS® M1 Dashboard](#). To assist locals in strategic planning and creating focus areas for membership recruitment and engagement, Virginia REALTORS® pulled corresponding census data for each local association to use in comparison.
- *Volunteer Recruitment:* Virginia REALTORS® staff and PAG members created [videos](#) and [testimonials](#) from Virginia REALTOR® members of diverse backgrounds who serve on the Board of Directors and various committees. These videos and testimonials were used in recruitment of members to serve in volunteer positions—and as a result, Committee applicants increased by 50% from 2020 to 2021.
- *Fairhaven:* The PAG endorsed President Dalton’s Fairhaven Challenge and was the first Virginia REALTORS® Advisory Group, Committee, or Council with 100% completion.
- *DEI Resources on the Virginia REALTORS® Learning Center:* With some input from the PAG, Virginia REALTORS® has included DEI webinars and resources (e.g. implicit bias and cultural competence) as part of the Association’s new Learning Center.

Section 2: Internal Association Recommendations

1.) Establish a permanent DEI Committee, and continue the PAG until formal Committee inception.

- a. A permanent Committee will keep Virginia REALTORS® focused on DEI issues and working towards culture change. Since that Committee would not begin until the 2023 Governance year, the PAG should remain in place until that time.
- b. A key reason to keep the PAG in place is because of the additional infrastructure needed to stand up a permanent Committee with which the advisory group would assist. There are also other areas the Association needs to further explore. For example, the Committee could review additional eligibility for volunteer service and evaluate how selections are made. The Committee would also focus on other elements of diversity within the Association, including LGBTQ+ status, disability status, and geographic location of members and volunteers.
- c. Stakeholders: This change requires approval by the Board of Directors, and staff would outline all criteria and needed to stand up the Committee.
- d. Additional Items for the proposed DEI Committee:
 - i. The DEI Committee would formally begin with the 2023 Governance year, but applications for the Committee will be open May 2022. The Committee would follow a structure like other Committees, with a mission, a Chair and Vice Chair, and would meet quarterly—or more often, as needed.
 - ii. Allocate three (3) seats (one per organization) for the [Asian-American Real Estate Association of America \(AREAA\)](#), the [National Association of Hispanic Real Estate Professionals \(NAHREP\)](#), and the [National Association of Real Estate Brokers \(NAREB\)](#). Each organization will select the member who sits on the DEI Committee, as long as the representative is a Virginia REALTOR® in good standing and meets all other Committee criteria (Note: Multicultural organization membership is not limited to just the selected representatives, as several Virginia REALTORS® volunteers are also members of AREAA, NAHREP, and NAREB).
 - iii. Have a member of the DEI PAG/Committee liaise with other Virginia REALTORS® Committees/Advisory Groups and regularly attend those meetings.

2.) Remove felony convictions as a disqualifier for all volunteer service.

- a. The felony convictions disqualifier could limit participation of Virginia REALTORS® members in volunteer positions.
- b. People of color—particularly Black males—are incarcerated and convicted of felonies at higher rates than Whites.⁷ Studies also show that after about seven years has passed, the recidivism rate is about the same as a non-offender. If an individual has a felony conviction but is able to get a real estate license and meets all other criteria, he/she/they should also have the opportunity to volunteer for Virginia REALTORS®.

⁷ *Black Men Have Higher Rates of Recidivism Despite Lower Risk Factors*. 2018. <https://phys.org/news/2018-10-black-men-higher-recidivism-factors.html>

- c. Stakeholders: After receiving approval from the Board of Directors, the Delegate Body would need to vote to approve this change to the Virginia REALTORS® Bylaws. Staff would be responsible for all communications and updating corresponding documents.

3.) Create a Virginia REALTORS® DEI Grant Program to assist Local Associations in enhancing their DEI efforts.

- a. The DEI space is large and complex, and with limited resources, it can be difficult for local associations to fully engage. Grants would help associations better engage partners, put on activities, and see overall diversification and engagement of members.
- b. Stakeholders: The grant criteria would be created by the DEI PAG, and staff would manage the grant program.
- c. Additional items:
 - i. Local associations should first apply for NAR's diversity grants and the state grant would serve as a supplement.
 - ii. Use of the grant would be relatively flexible. Local associations could use it for DEI initiatives with brokerages, speaker series, scholarship funds for their members to attend state and national events, or other initiatives.

4.) Review course curricula, event speakers, instructors, marketing, and other resources for members through a DEI lens.

- a. It is so important to be diverse in an outward-facing setting. Marketing materials and resources need to help answer the following questions, "Are we adequately representing our members and creating a welcoming space in everything we put out? Can our members see themselves in our association?" The better we achieve this, the more perspectives and engagement we will see from and amongst our members.
- b. Stakeholders: Virginia REALTORS® staff—across all departments—will be responsible for this review of member resources.

5.) Diversify volunteer recruitment.

- a. Representation is essential to DEI efforts. People from underrepresented groups will feel more welcome and be more engaged if they see someone volunteering who looks like or represents them. This is the same scenario when it comes to diversifying Virginia REALTORS® volunteers.
- b. Stakeholders: The Leadership Team, Board of Directors, Committee Members, and staff are all needed in this effort. Brokers will also play a key role in achieving this goal as most members begin their service because of encouragement from their brokers.
- c. Additional items:
 - i. Volunteerism criteria and standards (e.g., the number of open positions, timeline, and expectations from volunteer members) should be made clearer and more easily accessible to members.

- ii. Information about volunteering should be provided through an array of channels (e.g., New Member “drip” campaigns, Brokers outreach platforms, and more social media).
- iii. Recruitment efforts should also be focused on areas of need. Examples include targeting young and newly licensed members and educating them on the benefits of volunteering, as well as reaching out to affiliate groups such as AREAA, NAHREP, and NAREB.

6.) Create a Small Brokers Advisory Group or Initiative.

- a. Small firms often do not get as much traction as larger firms. Thus, it would be beneficial to focus on small brokerages for greater service and/or participation in association leadership activities. A “Small Brokers” advisory group or initiative can examine issues important to small firms and create a channel for volunteers from small firms.
- b. Stakeholders: Virginia REALTORS® staff would create the infrastructure for this group.

7.) Add DEI components to the Virginia REALTORS® Strategic Plan; create a method of monitoring DEI efforts, and regularly report progress to Association Leadership.

- a. DEI efforts must be thought out, and there needs to be a means of measuring progress. Putting this into the Virginia REALTORS® strategic plan will ensure that DEI initiatives receive the same level of focus and accountability as other key business areas.
- b. Stakeholders: The Virginia REALTORS® Leadership Team, staff, and various stakeholder groups will create the new portion of the strategic plan and ensure that DEI is woven throughout.
- c. Additional items:
 - i. Create a method of monitoring DEI efforts and establishing clear and measurable goals and targets.
 - ii. Progress on DEI efforts would be regularly reported to Association Leadership.

Section 3: External Industry Partnerships and Recommendations

8.) Virginia REALTORS® must continue looking at ways to eliminate disparities in homeownership in Virginia.

- a. Inequities in access to homeownership have a major impact on the economic and social well-being of people of color in Virginia. Housing and economic disparities have worsened during the COVID-19 pandemic.
- b. Virginia REALTORS® must continue to research and create solutions to help reduce these barriers. This effort will require involvement and dedication from all parties, but the Association has the ability to foster culture change and ultimately become a national leader in this effort.

9.) Virginia REALTORS® should facilitate a DEI Forum with partner industries.

- a. The real estate transaction involves several parties, including REALTORS®, lenders, home builders, and appraisers. Discrimination and other factors contributing to the wealth gap have been evidenced in all areas of the real estate industry. Coming together to increase an understanding of various industries' roles in inequities and to work to resolve the inequities is essential.
- b. Virginia REALTORS® should present itself as the industry leader in the DEI space. We believe if we can resolve many of the inequities in our industry, this will improve the economic well-being of all Virginians and will naturally spill over into other important areas (e.g., education, healthcare, and workforce).
- c. Virginia REALTORS® Leadership and staff should collaborate with counterparts in partner industries to host the forum and continuous efforts. Local associations are also encouraged to conduct discussions with partner industries in their localities.

10.) Increase partnerships with multicultural real estate organizations.

- a. Partnerships with multicultural organizations are essential for increasing representation in the REALTOR® space. Virginia REALTORS® sponsorship of the multicultural organizations began in 2021, and the Association should continue this support, as well as enhance participation in their events. These steps will help the Association have a better pulse on issues impacting various communities in the state.
- b. Virginia REALTORS® should convene, at minimum, an annual meeting with members of the Association's leadership team and the leaders of all of the multicultural organizations' chapters in Virginia [Presently, there are five chapters in Virginia—one (1) AREAA, one (1) NAHREP, and three (3) NAREB].

"We all should know that diversity makes for a rich tapestry and we must understand that all the threads of the tapestry are equal in value no matter what their color."

– Maya Angelou

