

At Home With Diversity®

Expand Your Business and Horizons

Student Manual



NATIONAL
ASSOCIATION OF
REALTORS®
OFFICIAL
CERTIFICATION



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National Association of REALTORS®

Center for Specialized REALTOR® Education

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TABLE OF CONTENTS

INTRODUCTION	1
Welcome.....	1
What You Will Learn	1
Knowledge Base for the Course	4
Apply for the AHWD Certification.....	4
AHWD Certification Benefits	5
A Note to Participants about Activities and Class Procedures	5
A Note About Terminology	5
Opening Exercise: The Story of Your Name	6
 MODULE 1:	
THE FOUNDATION OF A BETTER BUSINESS:	
EMBRACING DIVERSITY	7
A Starting Point for Success.....	7
Advice from an Expert: Embracing Diversity in Real Life with Nancy Mosca and Margo Wheeler	11
The Language of Diversity and Inclusion.....	13
Exercise: Reflecting on Stereotypes	17
Exercise: Melting Pot or Salad Bowl	29
The U.S. Real Estate Market at a Glance.....	30
Building an Inclusive Business Plan: Exploring the Immigrant Market in Your State	35
 MODULE 2:	
HOUSING POLICY IN AMERICA: PAST AND PRESENT	37
The Struggle for Fair Housing: A Brief History.....	37
Residential Segregation in America: Key Concepts and History by Alexia Smokler.....	39
The Fair Housing Act: A Closer Look.....	44
Exercise: Identifying Discrimination	48
Exercise: Is This Discrimination?	51
Advice from an Expert: Overcoming Inadvertent Discrimination with Mark Kitabayashi	52

Real Estate Practices that Pose Particular Risk of Discrimination.....	53
Exercise: Screening, Steering, and Advertising Violations	55
Building an Inclusive Business Plan: Navigating the Risk of Inadvertent Discrimination: Brainstorming Tips	58
Reporting Acts of Discrimination	59
Exercise: Reporting Discrimination: Be Brave, Be Right	61

MODULE 3:

A HOUSE IS A HOME:ONE AMERICA PRINCIPLES63

NAR: Building on the Foundation of Fair Housing	63
One America Principles	65
NAR: Inclusive Ethics and Pledge.....	67
Building an Inclusive Business Plan: Personalizing Your Inclusive Mission	69
The Equal Professional Service Model	70
Advice from an Expert: Prioritizing Inclusion in your Business with Furhad Waquad	71
Exercise: In the Field—Question and Answer.....	76
Additional Strategies for Inclusive Practices.....	77
Needs Assessment Worksheet.....	80
Building an Inclusive Business Plan: One America Principles and NAR’s Code of Ethics	84

MODULE 4:

BE A DIVERSITY WARRIOR:

COMBATING BIAS TO CREATE A THRIVING BUSINESS85

Two Levels of Bias: Cultural and Personal	86
Exercise: Ethnocentrism Self-Assessment	88
Exercise: Media Representations in Pop Culture.....	92
Exercise: Implicit Bias.....	93
Multicultural Communication Strategies.....	94
Exercise: Applying High and Low Context Criteria	96
Advice from an Expert: Ideas on Cultural Fluency with Robert Morris.....	97

Exercise: Reading Nonverbal Cues.....	101
Exercise: Active Listening Role Play: Agent and Client	105
Business Norms and Etiquette: Quick Tips.....	106
Knowing Your Strengths and Weaknesses	107
Building an Inclusive Business Plan: Your SWOT Analysis.....	109

MODULE 5:

EXPANDING YOUR BUSINESS:

INCLUSIVE MULTICULTURAL MARKETING 111

Researching Local Demographic Trends	112
Advertising and Fair Housing Laws.....	113
Advice from an Expert: Growing Your Business through Inclusion with Greg Glosson	116
Developing an Inclusive Marketing Brand and Practices	117
Exercise: Creating an Inclusive Brand.....	119
Exercise: Who Is in Your Inner and Outer Circle?	126
Social Media Inclusion Tips	127
Building an Inclusive Business Plan: Create Your Own Social Media Policy	131
Prospecting, Offering, and Negotiating	132

MODULE 6:

CREATING YOUR INCLUSIVE BUSINESS PLAN..... 133

Translating One America Principles into Business Goals	134
Generate Marketing Goals.....	136
Exercise: Setting Measurable Goals	137
Formulate a Business Plan	138
Sample Strategies for an Inclusive Business Plan	139
Advice from an Expert: Business Planning Tips with Rhonda Ivey-Lentini	143
Building an Inclusive Business Plan	144
My Inclusive Business Plan.....	145

ACKNOWLEDGEMENTS

The Center for Specialized REALTOR® Education expresses gratitude and appreciation to the following individuals for their subject matter and industry expertise, input and feedback, and commitment to providing the best education for today's real estate professionals:

- **GREG GLOSSON**
AHWD, C2EX, CIPS, CRS, e-PRO®,
GRI, MRP, PMN, PSA, RENE,
RSPS®,
SFR®, SRS
Memphis, Tennessee
- **RHONDA IVEY-LENTINI**
ABR®, AHWD, C2EX, e-PRO®,
GREEN, GRI, MRP, RENE, SFR®,
SRS, SRES®
Berlin, Connecticut
- **MARK KITABAYASHI**
ABR®, AHWD, CIPS, SRES®
Puyallup, Washington
- **ROBERT MORRIS**
ABR®, AHWD, C2EX, CRS, GRI,
RENE, SFR®, SRS
Smyrna, Tennessee
- **NANCY MOSCA**
ABR®, AHWD, CIPS, e-PRO®, GRI,
MRP, PSA, RENE, SRS, SRES®
Garden City, New York
- **MARGO WHEELER**
AHWD, CRS, MRP, SRES®
University Place, Washington
- **FURHAD WAQUAD**
ABR®, AHWD, CIPS, CRS, e-PRO®,
GRI, GREEN, MRP, PSA, SFR®
Bloomfield Hills, Michigan
- **MATT A.**
- **GAIL B. AILOR**
- **LEE K. BARRETT**
- **TAMEKA BRYANT**
- **JAMES CRISTBROOK**
- **DR. CYNTHIA M. DAVIS**
- **BOBBI DECKER**
- **DEBORAH DEBOER**
- **KEVIN DUMONT**
- **GINNI FIELD**
- **ALLAN HETKOWSKI**
- **RICHARD E. IVES**
- **BRENDA KASUVA**
- **LAURA KOVACS, CRB, SRES®**
- **ALIREZA MEMAR**
- **SHARON D. MILLER**
- **CAROL MOSON**
- **JESSE PAYNE**
- **PHIL RIEK**
- **DONNA B. SPEARS**
- **REBECCA STRALEY**

The Center for Specialized REALTOR® Education recognizes the following individuals for their commitment to the program, as well as their valued input and thoughtful feedback at the outset of the revision process:



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Introduction

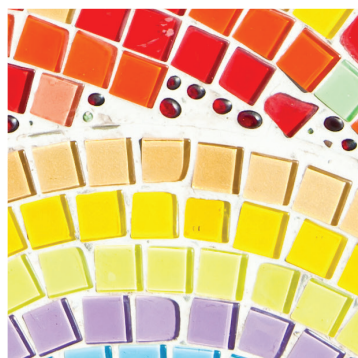
WELCOME

You are about to embark on a journey that will elevate your skills and knowledge about culture, diversity, and the real estate market. The key to most any successful business is to appeal to as many people as possible. The wider the appeal, the more opportunity that business has to expand its customer base and increase revenue. In this course, you are going to learn how to build an inclusive brand that embraces diversity, equity, and inclusion and grows your client base! Are you ready? Let's get started!

WHAT YOU WILL LEARN

Course Learning Outcomes

- Develop an increased awareness of cultural and personal biases that may inhibit you from fully embracing diversity, equity, and inclusion and creating a successful multicultural real estate business.
- Learn inclusive, multi-cultural marketing and advertising strategies to broaden your client base.
- Formulate an inclusive business plan to help you create an enduring business that is able to adapt and evolve to an ever-changing marketplace.



Module 1:

THE FOUNDATION OF A BETTER BUSINESS: EMBRACING DIVERSITY

- Discuss the importance of embracing diversity, equity, and inclusion on both a professional and personal level to grow a thriving and inclusive real estate business.
- Summarize the cultural concepts and social categories that will help you to better understand, relate to, and engage with clients in our diverse real estate market.
- Describe the immigrant community in the United States and their increasing buying power in the real estate market.

Module 2:

HOUSING POLICY IN AMERICA: PAST AND PRESENT

- Outline the major historic events leading up to the Fair Housing Act and how it informs the need for inclusive housing policies today.
- Summarize what's in the Fair Housing Act, including its protected classes, its prohibitions, and its exemptions.
- Describe the real estate practices that pose particular risk of discrimination and the process to follow in reporting acts of discrimination.

Module 3:

A HOUSE IS A HOME: ONE AMERICA PRINCIPLES

- Explain why One America Principles are a fundamental part of inclusive real estate practices.
- Articulate why embracing diversity, equity, and inclusion is important to effectively adhering to NAR's Code of Ethics and applying Fair Housing statutes.
- Describe how you can utilize the Equal Professional Model and summarize other strategies you can use to ensure your real estate practice is inclusive.



Module 4:

BE A DIVERSITY WARRIOR: COMBATting BIAS TO CREATE A THRIVING BUSINESS

- Distinguish between cultural and personal biases and how each can adversely shape our perceptions and behaviors when dealing with clients.
- Explain how understanding the differences between high- and low-context cultures can help you to create a more successful and inclusive real estate business.
- Summarize how reading nonverbal cues and active listening can help you better engage and effectively communicate with a diverse client base.

Module 5:

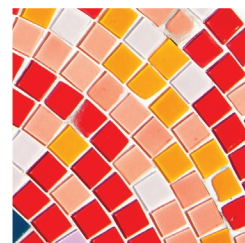
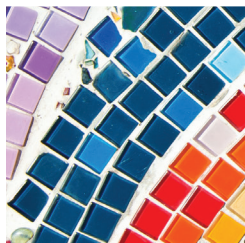
EXPANDING YOUR BUSINESS: INCLUSIVE MULTICULTURAL MARKETING

- Understand the value of analyzing the demographics of your community and creating an inclusive brand.
- Explain the importance of networking and performing meaningful multicultural outreach in your community.
- Create an advertising and social media marketing strategy that is inclusive and FHA compliant.

Module 6:

CREATING YOUR INCLUSIVE BUSINESS PLAN

- Formulate an inclusive business plan that embraces diversity and grows your business.



KNOWLEDGE BASE FOR THE COURSE

Presentation of the course assumes that participants have a foundation of knowledge of certain real estate principles and laws.

REALTOR® Code Of Ethics

From time to time, course content refers to articles and standards of practice of the REALTOR® Code of Ethics. It is assumed that students know how to apply these principles in day-to-day business conduct. During the course, we will examine some of the distinct challenges involved in working with clients and customers in their market.

Agency Representation

As the course is presented, issues involving client representation—sellers and buyers—will be discussed. As with application of the Code of Ethics, real estate professionals who work with clients and customers may encounter circumstances that appear to blur the lines of client responsibility. The course will examine how to remain true to agency representation principles, as defined by your state's real estate laws, in sensitive situations.

APPLY FOR THE AHWD CERTIFICATION

AHWD application requirements for U.S. REALTORS®:

- Take the AHWD course and pass the final exam, if required*
- Be an active NAR member in good standing
- Submit the following to NAR:
- One-time \$75 application fee
nar.realtor/ahwd

*The exam is required for the online course, and a few states require it for continuing education (CE) credit.

AHWD application requirements for International REALTORS®:

- Complete the course
- Submit the one-time fee.
- Maintain active membership in your cooperating association and NAR as an International REALTOR® Member (IRM).

AHWD CERTIFICATION BENEFITS

- At Home With Diversity® Certification certificate of achievement
- Updated education records on [nar.realtor](https://www.nar.realtor) and NRDS directory listings
- Congratulatory letter from the National Association of REALTORS®
- Exclusive access to At Home With Diversity® marketing tools and resources
- Networking and referral opportunities in the official At Home With Diversity® Certification Holders Facebook group

A NOTE TO PARTICIPANTS ABOUT ACTIVITIES AND CLASS PROCEDURES

This course incorporates a variety of activities designed to involve students, such as work group assignments, exercises, and discussions. Students are strongly encouraged to ask questions and engage in class discussions and group exercises. The range of experience levels among students offers a rich opportunity for learning from your peers. Your active involvement will enrich the learning experience for yourself and others.

However, it is not the intent that all available exercises be completed in each class, nor is it the intent that you participate in any activity that you don't feel comfortable with. This course is meant to be a safe space to think more deeply about challenging issues that affect our personal and business lives. You are welcome and encouraged to participate and share your thoughts and ideas only to the extent that you are comfortable doing.

A NOTE ABOUT TERMINOLOGY

This course makes a concerted effort to define terms that participants may not be familiar with yet. The program aims throughout to use inclusive, culturally-sensitive language. But language is always evolving as culture norms evolve, so if you feel any terms are not inclusive or being used incorrectly, please let your instructor know. We all grow through sharing what we are doing right—and also what we need to learn more about and improve upon.

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Module 1:

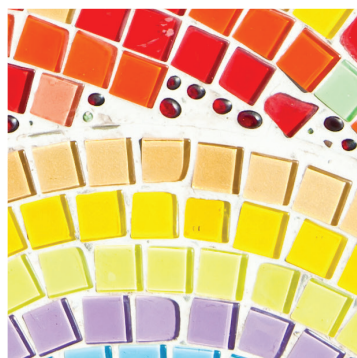
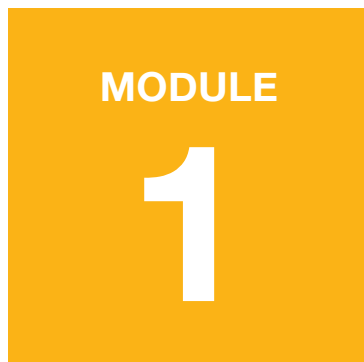
The Foundation of a Better Business: Embracing Diversity

At the end of this module, you should be able to:

- Discuss the importance of embracing diversity, equity, and inclusion on both a professional and personal level to grow a thriving and inclusive real estate business.
- Summarize the cultural concepts and social categories that will help you to better understand, relate to, and engage with clients in our diverse real estate market.
- Describe the immigrant community in the United States and their increasing buying power in the real estate market.

A STARTING POINT FOR SUCCESS

Developing a successful, enduring real estate practice isn't easy, and it doesn't happen overnight. It takes time, effort, and strategic planning. However, many real estate professionals seem to make this harder than it should be: they avoid diversity. We can all agree that from an ethical and legal standpoint this is wrong. But it's wrong from a business standpoint as well.



The key to most any successful business is to appeal to as many people as possible. The wider the appeal, the more opportunity that business has to expand its customer base and increase revenue. Not only that, but a wider customer base mitigates the long-term risk of unexpected changes in the economy. A business that relies on a narrow client base for a large portion of its business is said to have a higher customer concentration. The business is overly dependent, and therefore disproportionately more vulnerable, to any change in that segment of its clientele.

Today in the United States—among the most multicultural country in the world—businesses large and small are expanding their customer base using a host of tools focused on one thing: embracing diversity, equity, and inclusion. The biggest companies from the biggest industries are making diversity a central part of their business strategy. The world's most successful companies, such as McDonalds, Subaru, Toyota, Target, GAP, Coca-Cola, and Airbnb, to name just a few, are reaching out to all segments of the US market to achieve continued stability and growth.

When it comes to diversity and business, the question isn't whether you should embrace it. The question is, why haven't you already?

Embracing Diversity, Equity, and Inclusion Means Integrating into a Business Plan

To effectively embrace these concepts to help grow your real estate business means making it a central tenant of your business plan and operations. This is a marked contrast from diversity efforts of the past when efforts for servicing multicultural markets was often limited to one-dimensional efforts, such as the literal translations of marketing materials from English into another language.

But today, organizations are developing services designed specifically to meet the needs of the diverse communities across the nation. Real estate professionals and brokers are:

- Creating programs to reach multicultural markets
- Allocating funding for these activities
- Setting measurable goals for each program

Organizations in the real estate industry—such as AREAA (areaa.org), NAHREP (nahrep.org), and NAREB (nareb.com)—that have successfully tapped into the multicultural consumer base rely on three fundamental strategies:

- Evaluate the demographics of the local market

- Formulate a strategic multicultural business plan
- Develop appropriate products and services

All of these organizations have an open membership policy

Successful businesses understand that embracing diversity is important to their success because:

- Local demographics and trends confirm that diverse, multicultural populations exist in local markets across the United States.
- A study of buying power in local markets aids in identifying qualified clients.
- Real estate professionals who understand and embrace diverse cultures reap personal and professional benefits.
- By using metrics, real estate organizations can link multicultural business outcomes more effectively.

In short, incorporating diversity, equity, and inclusion initiatives into your business can no longer be a peripheral part of your business plan; it needs to be your business plan. A good strategic business plan is an indispensable road map for identifying not only where you want to go, but also how and when you will get there.

As you examine your business strategy, consider not only economic changes, but also the societal and consumer changes that may be driving the local economic engine. Monitor demographic changes in your local, state, and regional markets. Such factors will help you formulate the most effective marketing, branding, and networking strategies, as well as, the best ways to allocate your resources and budget.

But embracing diversity is more than just integrating it into business operations. Embracing diversity means to internalize all that it implies: tolerance, empathy, and respect for all people from all walks of life. Embracing diversity means to live it.

Embracing Diversity Means Living Diversity

As you well know, as a real estate professional you are your business. Your brand is you. And so, authenticity is the key to forming a strong business network, increasing referrals, and growing your business. If you're putting on a false front, if you're trying to be someone you're not, it won't take long for potential clients to see through the façade. So, when it comes to embracing diversity, you have to genuinely learn about diversity not just for your business, but for yourself—to become more knowledgeable and understanding about the world and the people around you.

Over time, you must acquire new communication skills and new cultural knowledge. You must learn about the history and experiences of people different from you. But you also need to take time to learn more about yourself. It's important to reflect on your history and experiences, to consider your current economic and cultural situation. Such reflection can help you better understand personal biases and prejudices we all have to some degree but may not even be aware of. Only then, after this hard work, can you really begin embracing diversity. Only then is it likely to translate into a successful platform for helping you grow your business.

Embracing Diversity Means Embracing Equity and Inclusion

Ultimately, embracing diversity on both a business and personal level leads to the embodiment of diversity: equity and inclusion. In a business context, diversity, equity and inclusion are often discussed together, almost interchangeably, but they're not. In big firms, management might attempt to hire a diverse range of people, but that doesn't mean the diverse hires are made to feel comfortable and welcome in the firm itself—that is, the company hasn't made any attempt to make the culture of the company more inclusive. In such instances, new diverse hires often leave the firm sooner than later, and the cycle begins all over again.

Companies that do this are said to be “checking diversity boxes”; they're making a superficial attempt to say they are “doing what's right.” But because these efforts aren't authentic, people never truly feel welcome, never feel part of the culture or team, and end up leaving as a result.

A business that practices equity and inclusion is one that truly tries to create a culture that makes everyone feel welcome and comfortable. Inclusive cultures are comprised of big things—sexual harassment policies, discrimination laws, etc.—and also small things—acknowledging the holidays and important days of all religions, making online marketing material accessible to all regardless of physical abilities or challenges, offering contracts translated into multiple languages, etc. Being an inclusive business is going beyond what you're mandated to do by law, to do what you feel will make your clients—all of your clients—feel valued and respected as people.

This course is intended to set you on this inclusive path. Let's start the work of living diversity by becoming more acquainted with the language of diversity. There are many terms that are important to know and understand.

ADVICE FROM AN EXPERT: EMBRACING DIVERSITY IN REAL LIFE WITH NANCY MOSCA AND MARGO WHEELER



- **Nancy Mosca**
ABR®, AHWD, CIPS, e-PRO®, GRI, MRP, PSA,
RENE, SRS, SRES®
Garden City, New York

In this course, we talk about how embracing diversity means reflecting diversity in your business plan, living diversity, and embracing inclusion. How do you do this as a real estate professional?

Nancy Mosca:

The way I embrace diversity & inclusion in my business plan is first by staying in the game on a daily basis. I consistently examine the way I respond to people in my everyday life. Recognizing and working to check differences in cultures, abilities, ideas, philosophies, backgrounds, and histories that exist among individuals. This is one of the most powerful ways in which anyone can begin to act more inclusively. I continue to find areas of weakness and strengthen those areas through education. Supporting and embracing diversity in a way that clearly shows all individuals are valued, recognized, and accepted for who they truly are. This involves demonstrating respect for the abilities, beliefs, backgrounds, and cultures of those around me and engaging those with diverse perspectives, so that others feel an unconditional sense of belonging for who they are. How I do this is by keeping updated on changes, spending time reading or watching material that helps me understand people who might be different from me. I research materials on how to be more inclusive of different communities and individuals. That makes me more culturally competent, better equipped to support the people around me and then I'm able to foster a more inclusive community.

As you interact with clients and other real estate professionals, why do you feel it is important to use culturally aware terminology?

Nancy Mosca:

It's important to use culturally aware terminology in order to be inclusive in the conversations that I have in a manner that's best understood without being unconsciously offensive. If I don't understand a term or an issue, even after researching it, I'm not afraid to reach out and ask questions. I talk to friends who might have experienced the kind of bias I'm thinking about or read someone's perspective online. If I talk to a friend, I ask them respectfully if they'll share their feelings of the words or phrases I'm using. Then I'll listen, thank them for sharing, and make sure they know I support them. Doing this strengthens my relationship with the person I asked, and it also equips me to better support people in future. All we need is a moment to pause and reflect honestly on our thoughts, words, and behaviors. Doing this helps me recognize and understand how what I say and how I say it might affect my relationships with those around me. Big or small, our actions and words shape the world around us. That's why it's so important to take everyday actions that help create a more inclusive world. Using culturally aware terminology helps connect me with people based on who we are in our hearts and at our core.



- **Margo Wheeler**
AHWD, CRS, MRP, SRES®
University Place, Washington

In your professional experience, how have you seen the importance of acknowledging social groups in the way they wish to be acknowledged grow increasingly important?

Margo Wheeler:

It has always been important, however, it's even more important today because our clients expect to be addressed and treated in ways that show we respect, understand, and care about them. For instance, taking an LGBTQ Competency course at my association helped me understand the importance of how to use pronouns with my clients that created comfort for them.

How has embracing the buying power of diverse markets benefited you in your local community?

Margo Wheeler:

It has benefited me in a variety of ways including growing my business, referrals, community involvement, and building relations that extend beyond real estate. Understanding my market and connecting with organizations that support diversity has enriched my life and increased business opportunities.

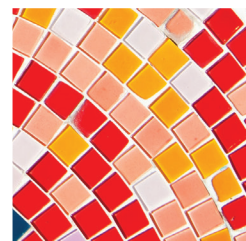
THE LANGUAGE OF DIVERSITY AND INCLUSION

To understand the cultural experience of others, it's helpful to understand the terms and concepts associated with conversations about diversity, equity and inclusion. The more familiar you are with these terms and concepts, the easier it will be for you to relate to others who may have different experiences and perspectives than you. As is always the case, knowledge is power, and expanding our knowledge in this way will empower you to engage others with more confidence and cultural sensitivity and awareness.

In this section, we will start by briefly touching upon terms and concepts that are integral to any discussion involving diversity, equity and inclusion. Then we will look at the various diverse groups we may be members of (often multiple groups), as well as stereotypical, prejudicial, or culturally insensitive perceptions and labels surrounding each group.

Important Note:

It's important to note that any stereotypes mentioned here are intended to elicit open conversation and dialogue in an effort to dispel hateful language and social perceptions. They are by no means intended to offend or cause harm.



General Concepts and Terms

Diversity

Diversity means to consider all people as unique and recognize, understand, and appreciate their individual differences. The University of North Carolina Diversity and Inclusion office defines diversity as “holding multiple perspectives without judgment.” ¹ In the U.S., this word is often associated with race and ethnicity, but we are diverse in a wide variety of ways, and dimensions of diversity also include “gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies.” ²

Diversity dimensions can be split into two tiers: primary dimensions and secondary dimensions. Primary dimensions are those aspects of self that cannot be changed, such as race, ethnicity, age, sexual orientation, gender, and individual disabilities. Secondary dimensions include those aspects of self that are more fluid and where some personal choice is involved, such as marital status, educational background, religious affiliation, and occupation. Embracing diversity means to accept without judgment all these aspects of an individual on both primary and secondary dimensions.

Inclusion

We all have a general idea of what this means, but the formal definition in relation to diversity is termed as social inclusion, and The World Bank defines it as “the process of improving the terms of participation in society, particularly for people who are disadvantaged, through enhancing opportunities, access to resources, voice and respect for rights.” ³

1 “Diversity and Inclusion,” University of North Carolina Diversity and Inclusion Office. <https://diversity.unc.edu/about/office>, accessed April 3, 2020.

2 “Definition for Diversity,” Queensborough Community College, <https://www.qcc.cuny.edu/diversity/definition.html>, accessed April 3, 2020.

3 The World Bank. “Social Inclusion.” <https://www.worldbank.org/en/topic/social-inclusion>, accessed April 3, 2020.



Equity

In the context of diversity and inclusion, equity is the fair treatment for all people regardless of personal background or membership to any social group. Equity doesn't only mean equal treatment, but also equal opportunity to succeed in all fields and equal access to resources in society. In real estate, equity means that every human being has the right to own a home without fear of harassment or discrimination.

Ethnocentrism

Ethnocentrism is the belief that your culture is better than all others. Such beliefs can lead to prejudice and discrimination.

Multiculturalism

This is the practice of acknowledging and respecting several different cultures, religions, races, ethnicities, and attitudes within a society.

Stereotype

To stereotype is to characterize a group of people repeatedly with the same few negative (or positive) traits. Most often stereotyping is used to diminish an individual's personhood by defining them by broad, often negative, characteristics of a particular group. Such harmful stereotyping often is used against individuals based on race, gender, religion, social class, etc. But we also stereotype many other facets of a person's interests, activities, and appearance.

For example, being blonde is often associated with being "dumb"; similar stereotypes are associated with athletes. Individuals with red hair are often stereotyped to be weaker and more nerdy, and individuals who may have visible tattoos are often stereotyped to be more deviant.

Unfortunately, we all have the capacity to stereotype in a multitude of ways. The important thing to keep in mind is that individual variability within any cultural context is vast. We would never consider ourselves to be defined as just one thing or in one way. The same goes for all individuals. We are all complex beings with rich cultural and individual histories that make up who we are.

Prejudice and Discrimination

The terms prejudice and discrimination are often used interchangeably, but they do not mean the same thing—and the distinction between the two is important. Prejudice is an attitude or belief about a person based solely on that person's perceived membership in a certain social category. If we break apart the actual word—pre (before) and judice (judge)—the meaning is clear. We pre-judge others before getting to know them as an individual.

It's important to acknowledge that we all harbor prejudices to some degree, based on our past experiences and cultural upbringing. We may prejudge others on an infinite number of things: someone's race, gender, or religion are examples of broad prejudices applied to large social groups; but we also might have more idiosyncratic prejudgments. For example, we might prejudge others based on the clothes they wear, their hobbies, the fact that they are or are not a vegetarian. Understanding our prejudices is important because it's the first step in overcoming them. We can choose to make a conscious effort to put our prejudices aside, keep an open mind, and make a real, earnest attempt to get to know each individual and who that person truly is.

Discrimination, on the other hand, is how we act or behave based on our prejudices. From a legal standpoint, it means to treat people unequally or unfairly because of immutable characteristics ("prohibited bases"). These actions or behaviors are typically negative and cause harm to others. In essence, we run a higher risk of discriminating against someone when we fail to overcome our prejudices, or, worse, when we believe our prejudices to be true.

Because real estate is a business based on personal relationships, it's even more important to overcome prejudice and act in a non-discriminatory manner to all individuals, regardless of race, class, gender, sexual orientation, or any other social category. The NAR Code of Ethics in fact mandates that we do, and we will discuss this more, along with the Fair Housing Act, in the next two modules.



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Culture

Culture consists of the “values, beliefs, systems of language, communication, and practices that people share in common and that can be used to define them as a collective.” ⁴ Culture impacts how we think, feel, and look at the world. There are macro cultures, for example, regional cultures in the United States that we might associate with the Northeast, South, Midwest, or West coast. But there are many microcultures within each of those regions that don’t fit our general conception of those regions at all. It’s important to remember that cultures are always changing and evolving. They’re never static. And they’re never just one thing.

Cultures have a tremendous impact on the way we think, on our values, and also on our biases and prejudices. See the table for some of the ways culture can influence our thinking.

⁴ Cole, Nicki. (August, 2019). “So What Is Culture, Exactly?” Thought Co. <https://www.thoughtco.com/culture-definition-4135409>



Figure 1.1 Cultural Influences on Thinking

Self-Expression	The degree to which we express ourselves in various situations, such as our language, demeanor, emotional responses, even our understanding of personal space.
Outlook on Life	How we perceive the world and what we value most. Culture impacts the way we view religion, family, the value of money and success, the importance of the individual in comparison to the group.
Attitudes about all Social Groups	Depending on the culture we grew up in, we might have different thoughts, feelings, and biases for or against certain groups based on race, gender, sexuality, religion, age, and social class, to name a few.
Character	What we think of a person's character is also influenced by culture. Thoughts about marriage, sexuality, social class, public demeanor, and appearance – all of our perceptions of such factors are influenced by culture.
Time Orientation	Culture affects the way in which we value and think of time. Americans, for example, tend to think of punctuality as being polite and professional. Other cultures tend to be not as adamant about punctuality.
Work Ethic	Similar to time orientation, our culture also influences our work ethic, or what we consider to be a strong or weak work ethic. Someone from a lower socioeconomic class might feel that the wealthy are spoiled and don't know what "real" work is, whereas someone from a wealthy upbringing might feel that those in less wealthy social classes are "lazy" and do unimportant jobs. Clearly both views are representing oversimplified and stereotypical views of the other, but both views are directly informed by cultural upbringing.
Talents and Skills	What people are skilled at and value in terms of knowledge and talent is also shaped by culture. This perception overlaps with work ethic as well.
Orientation to Nature	Our cultural upbringing might shape our relationship to nature and the environment. Someone raised in rural settings might have a different relationship to nature than someone raised in an urban environment. Similarly, someone raised in the suburbs might have a slightly different mindset than both rural and urban dwellers.

Minority

A minority is any group that makes up less than half of a given population. We often use it in discussions about broad social categories, such as race, ethnicity, or religion, within the United States. But it's important to remember that a "minority culture" is always contextual. If you're a Midwesterner living in the Midwest, anyone outside of the Midwest, say from the south or one of the coasts would be a member of a regional minority. If you're from the Midwest and you move to the Northeast, suddenly you're the minority. In fact, by 2045, all of America will be "minority." No one group will comprise more than 50% of the population.⁵

Because the minority culture in any context typically has less power and status than the majority, we should use the word "minority" carefully – for the very reason that it connotes less power and status. We don't want to inadvertently make someone feel uncomfortable or excluded by the use of the term.

Implicit Bias

We all know what a bias is—what we tend to have favorable or unfavorable feelings towards. An implicit bias, however, is a bias we don't even realize we have. We all have implicit biases, as we all unconsciously assign stereotypical traits to certain social groups. As Ohio State University points out, implicit biases develop over one's lifetime, beginning in childhood.⁶ Such biases are often heavily influenced and reinforced by stereotypical representations of groups we see in the media.

Intersectionality

Intersectionality refers to the ways in which forms of discrimination are not singular in nature, but instead overlap for any individual. For example, all women might face some kind of gender discrimination in their lives, but a woman of color might be discriminated against even further, for her race and her gender. Intersectionality refers to all the ways our identities are comprised of different social groups, such as race, gender, sexuality, social class, age, religion, etc.

⁵ Frey, William. (March, 2018). "The US will become 'minority white' in 2045, Census projects." Brookings Institute. Accessed from <https://www.brookings.edu/blog/the-avenue/2018/03/14/the-us-will-become-minority-white-in-2045-census-projects/>

⁶ "Defining Implicit Bias," Kirwan Institute for Race and Ethnicity, The Ohio State University. <http://kirwaninstitute.osu.edu/research/understanding-implicit-bias/>; "Implicit Bias Explained," Perception Institute, <https://perception.org/research/implicit-bias/>.

Social Groups

In this section, we provide brief snapshots of the various social groups that are considered protected classes under the Fair Housing Act and the NAR Code of Ethics and ways in which they face various types of prejudice and discrimination.

Race and Ethnicity

Broadly, race refers to physical or biological differences while ethnicity refers to shared cultural traditions like language, religion, and beliefs. Both are generally considered social constructs, which means neither race nor ethnicity have any true biological determinations but are instead determined and defined by cultural norms and beliefs. The fact that racial categories vary by culture and have changed—and continue to change—over time, supports that these categories are in fact social constructions. The U.S. Census Bureau applies the word race to demographic data and other population statistics, but some sociologists argue the organization greatly confuses the term with ethnicity.⁷

Racism is the belief that one's own race is superior to others which can lead to discrimination and hateful acts to others based solely on their membership in a different race.

Asian and Asian Americans

Asia is the largest of the continents and contains more than half the world's population. Literally, all its inhabitants are Asians. But in the U.S., this term is applied almost exclusively to the people of East, Southeast, and South Asia as opposed to those of Southwest Asia (Arabs, Turks, Iranians), whom we usually designate as being from the Middle East region of the world. According to the latest data from the U.S. Census, 5.9% of the population identify as Asian.⁸

African Americans or Black Americans

In general, this term refers to Americans with at least partial Sub-Saharan African ancestry. But with the number of Caribbean blacks immigrating to the U.S., the definition is constantly in flux.⁹ Recent scholarship further illustrates how in America, the oversimplified conception of “blackness” is rooted in the exploitation of people from Africa during the early era of slavery. The severing of cultural and ancestral ties for descendants of enslaved people has led to a simplistic and stereotypical

⁷ Lopez, Nancy. (February, 2018). “The US Census Bureau Keeps Confusing Race and Ethnicity,” The Conversation. <http://theconversation.com/the-us-census-bureau-keeps-confusing-race-and-ethnicity-89649>.

⁸ US Census. (July, 2018). Accessed from <https://www.census.gov/quickfacts/fact/table/US/PST045218>

⁹ Forson, Tracy Scott. (February 2018). “Who Is An ‘African American’? Definition Evolves as USA Does,” *USA Today*.

understanding of black identity and the black experience in the United States.¹⁰ The idea of diverse ethnicities that we understand for other races, is something to be mindful of in black communities as well. According to the latest data from the U.S. Census, 13.6% of the population identify as Black or African American.¹¹

Hispanic/Latinx

Hispanic and Latino are often used interchangeably, but they are actually defined differently. Hispanic refers to people of Spanish-speaking origins, and Latino, Latina, and Latinx (the gender-neutral term) refer to people whose origins are geographically located in Latin America. Based on these two defining criteria, the 2020 US Census now uses both terms, and an individual can identify as one or both.¹² Even with this distinction, there is still much ambiguity surrounding this aspect of identity. Consider:

1. Many Hispanic Americans consider themselves “white.”¹³
2. Americans hailing from Brazil are Latinx because of their country’s location, but they aren’t Hispanic because their country’s primary language is not Spanish; it’s Portuguese.
3. Not only are a sizeable number of Hispanic and Latinx Americans visually indistinguishable from Caucasian Americans but also African Americans (e.g., Rita Hayworth, Alexis Bledel, Tristan Wilds).¹⁴
4. To further complicate (or perhaps simplify?) things, the 2020 census designates an individual to be Hispanic based on what that individual considers themselves to be. Whoever considers themselves to be Hispanic or Latino, is. Whoever does not consider themselves to be Hispanic or Latino, is not.¹⁵

One thing is certain: there is much ambiguity surrounding this aspect of an individual’s identity, which emphasizes the importance to not use the term casually. In this course, we will use both terms together—Hispanic/Latinx—to be as inclusive as we can be at this time. According to the latest data from the U.S. Census, 18.3% of the population identify as Hispanic or Latinx.

¹⁰ Greer, Christina. (2013). *Black Ethnicities*. Oxford University Press.

¹¹ US Census. (July, 2018). Accessed from <https://www.census.gov/quickfacts/fact/table/US/PST045218>

¹² US Census. (April, 2020). Accessed from <https://www.census.gov/topics/population/hispanic-origin/about.html>

¹³ Liu, Eric. “Why Are Hispanics Identifying As White?” CNN, May 30, 2014, <https://www.cnn.com/2014/05/29/opinion/liu-study-hispanics-favor-whiteness/>

¹⁴ Lopez, Mark, Gonzalez-Barrera, Ana, and López, Gustavo. (December 2017). “Hispanic Identity Fades Across Generations As Immigrant Connections Fall Away,” Pew Research Center’s Hispanic Trends Project. <http://www.pewhispanic.org/2017/12/20/hispanic-identity-fades-across-generations-as-immigrant-connections-fall-away/>

¹⁵ Lopez, Hugo; Krogstad, Jens; Passel, Jeffrey. (November, 2019). “Who Is Hispanic?” Pew Research Center. <https://www.pewresearch.org/fact-tank/2019/11/11/who-is-hispanic/>

Native American/American Indian

The indigenous people of North America are known in the United States as American Indians or Native Americans. There are currently 6.8 million Native Americans living in the United States, comprising approximately 2% of the population. The highest percentage of Native Americans live in Alaska.¹⁶ Native Americans today are confronted often with sensationalized and false depictions of themselves that are pervasive in popular culture, such as being mascots for sports teams.

White non-Hispanic

According to the latest data from the U.S. Census, 60.4% of the population identify as White non-Hispanic.¹⁷ This social group is typically associated with having ancestry that traces back to Europe, but ancestry tracing back to the Middle East and North Africa is also prevalent. This segment of the population has been declining in percentage of the U.S. population since the 1950s. It is projected that it will comprise less than 50% of the U.S. population by 2045.

Gender/Sexuality

The LGBTQ+ stands for lesbian, gay, bisexual, transgender, and queer (or questioning). It originated in the 1990s in an effort to be more inclusive of individuals who have historically been marginalized. The term continues to evolve to be as inclusive as possible. Recently efforts are being made to expand the acronym to LGBTQIA+: I is for Intersex, A is for Asexual, and the + sign is for any person not currently included.¹⁸ In this course, we will use the LGBTQ+ acronym.

It's important to note that sexuality intersects with every other social category. There is much diversity within the LGBTQ+ population not only in terms of sexual orientation, but also in terms of race, ethnicity, age, education, political affiliation, and income.

Heterosexism is the belief that being heterosexual (that is, a person who is attracted to someone of the opposite sex) is the only natural and just sexual orientation. Heterosexist beliefs can lead to discrimination and hateful acts to members of other sexual orientations. But heterosexism is often a source of implicit bias among heterosexuals who may not harbor any explicit ill-will towards members of the LGBTQ+ community, but nevertheless act in discriminatory and hurtful ways

¹⁶ "Native American Population 2020." World Population Review. Accessed from <https://worldpopulationreview.com/states/native-american-population/>

¹⁷ US Census. (July, 2018). Accessed from <https://www.census.gov/quickfacts/fact/table/US/PST045218>

¹⁸ Gold, Michael. (June 2019). "The ABCs of L.G.B.T.Q.I.A.+" The New York Times. <https://www.nytimes.com/2018/06/21/style/lgbtq-gender-language.html>

towards those who do not identify as heterosexual. It's important that all of us reflect on our assumptions and biases about gender and sexuality to help us be more sensitive and aware of how we think and behave toward all individuals.

Sexism is the belief that one sex is superior to the other, which can lead to the stereotyping and discrimination of that sex. Historically, and still to this day, women are most often the targets of sexist beliefs and acts.

Individuals with Disabilities

Many people around the United States live with physical, emotional, or mental disabilities. According to the United States Department of Justice, a disability is legally defined as “a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment.”¹⁹ The goal of civil rights law in the area of disability is to ensure that people with disabilities have the same opportunities as everyone else to participate in the mainstream of American life.

The “appropriate” language of how to refer to individuals with disabilities has evolved over time, whereby language that used to be acceptable is now deemed offensive or insensitive. Outdated language includes terms such as handicapped, crippled, deaf, retarded, mute, and wheelchair bound.

Being inclusive means seeing people as individuals, not as a generalized group to which they might belong. “Person-first” language helps to achieve this end. Person-first language literally puts the person before the disability, so that the person is not defined by the disability.²⁰ We can apply this use of language to every social category, but it's currently used most often in this social realm. See the table for examples. Discriminating against persons with disabilities is known as ableism.

¹⁹ “Americans with Disabilities Act.” United States Department of Justice. Accessed from https://www.cdc.gov/ncbddd/disabilityandhealth/pdf/disabilityposter_visual_alt.pdf

²⁰ Communicating With and About People with Disabilities. The CDC. Accessed from https://www.cdc.gov/ncbddd/disabilityandhealth/pdf/disabilityposter_visual_alt.pdf on April 4, 2020.



Figure 1.2 Person-First Language

Non-inclusive Labeling Language	Inclusive Person-First Language
A handicapped person	Individual with a handicap
A schizophrenic	A person diagnosed with schizophrenia
An alcoholic	A person dealing with alcoholism
A Down syndrome kid	A child who has Down syndrome
A diabetic	An individual with diabetes

Age

When we speak of generations, we attempt to define the dynamics of an entire body of individuals born at and living through the same approximate times, most of whom are close in age and have similar ideas, concerns, and attitudes. Each generation normally covers a span of 15–20 years, but some are more well-defined than others in terms of birth years and shared cultural experiences.

A related term here is ageism, which the World Health Organization defines as “stereotyping, prejudice, and discrimination against people on the basis of their age.”²¹ In the U.S., older adults are often the target of ageism, as they are often overlooked for employment, stereotyped in the media, and sometimes excluded from their communities.

²¹ “Ageism,” World Health Organization, <http://www.who.int/ageing/ageism/en/>.



Figure 1.3 Generations and Their Formative Events

GENERATION	YEARS	OTHER NAMES	FORMATIVE EVENTS
Civics (combo of two generations)	1901-1924 (GI Generation) 1925-1945 (Silent Generation)	Traditionalists, Greatest Generation	World Wars, Great Depression, GI Bill, birth of TV, rise of suburbia
Baby Boomers	1946-1964	Me Generation, Hippie Generation, Love Generation	JFK assassination, Vietnam War, Cold War, Civil Rights movement, rise of counterculture
Generation X	1965-1979	Xers, Baby Busters, Slackers	Hyperinflation and economic turbulence, Fall of Berlin Wall and Soviet Union, troubles in Middle East, decline of “nuclear family”
Millennials	1980-1995	Generation Y, Generation Next, Echo Boomers	Dawn of Internet, 9/11, Hurricane Katrina, emergence of mobile technology and social media, 2007-8 financial meltdown
Generation Z	1996-present	iGen, Global Generation, Generation Wii	Election of Barack Obama, legality of same-sex marriage, proliferation of smartphone use, Covid-19 Pandemic

Religion/Faith

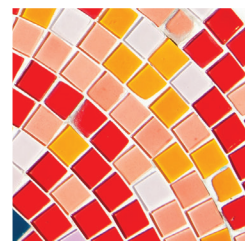
While the general definition of religion is commonly known, what may not be fully realized is the depth of religious diversity in the U.S. For instance, according to a comprehensive Pew Research study in 2015, Christianity has the largest number of adherents, with 70.6% of Americans identifying themselves as Christian. However, within that population are hundreds of separate denominations. The larger denominations consist of Evangelic Protestants (25.4%), Mainline Protestant (14.7%), and Catholic (20.8%).²²

There is also a large percentage of “Unaffiliated” in the United States. Being “unaffiliated” is a diverse group in itself. The majority in this group have religious beliefs but simply don’t identify with any one particular religion. Two other groups also comprise this unaffiliated group: Atheists, who believe there is no God, and Agnostics, who question the existence of God and is neither believer or non-believer. See the table for a full breakdown.

Figure 1.4 U.S. Religious Affiliations by Percentages

RELIGIOUS AFFILIATION	PERCENTAGE
Christianity	70.6%
Jewish	1.9%
Muslim	0.9%
Buddhist	0.7%
Hindu	0.3%
Other	1.8%
Unaffiliated	22.8%

²² “Religious Landscape Study,” Pew Research Center, 2015, <http://www.pewforum.org/religious-landscape-study/>



Religious demographics in the United States continue to evolve, however. A recent Pew poll conducted in 2019 found that the number of people identifying as Christian is decreasing, down to 65% in the poll, while the percentage of unaffiliated is increasing, up to 26% in the poll (“In U.S., Decline of Christianity Continues...”).

Social Class

Social class refers to a group of people with similar levels of wealth, income, influence, education, and occupation. This category is also often referred to as socioeconomic status, or SES. Overall, the U.S. recognizes three tiers of social class: upper, middle, and lower. But this is not always well-defined. In fact, some social scientists list as many as six or seven social classes in the U.S. What’s more, many citizens, when asked, place themselves in different classes than those in which experts might.²³

Classism is when a person or business is biased against or in favor of people belonging to a certain socioeconomic group. Because we often don’t know a person’s financial information before meeting them, we often resort to superficial cues to assess someone’s social class, such as clothing, personal style, dialect, hobbies, and interests, etc. In effect, our prejudices of smaller social cues comprise our larger social class prejudices. It’s important to be mindful of this and try to avoid prejudicial assessments when reaching out to and meeting potential clients.

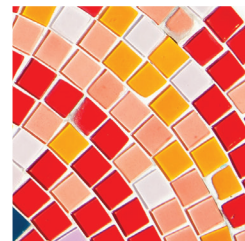
Familial Status

In relation to the Fair Housing Act, familial status is also a protected class. This essentially means that a person cannot be discriminated against for rental or home purchase based on having at least one child under the age of 18.

²³ Bird, Robert and Newport, Frank. (February, 2017). “What Determines How Americans Perceive Their Social Class?” Gallup. <https://news.gallup.com/opinion/polling-matters/204497/determines-americans-perceive-social-class.aspx>



- In your groups, determine whether you view the U.S. as a “melting pot” or a “salad bowl” and why.

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on its right side, suggesting it's resting on a surface.

THE U.S. REAL ESTATE MARKET AT A GLANCE

Before we move on to the next module of the course, let's take a quick look at the real estate market as it stands today.

National Statistics

The real estate market is changing because of increasing cultural interaction among nations, regions, communities, and neighborhoods. Evolutions in technology, communications, open-market economics, and social migrations are making our country increasingly diverse and heterogeneous.

Diverse homebuyers have historically played a crucial role in the housing market. Currently, Millennials and Generation X make up the largest share of homebuyers—61% in the United States. Notably, Millennials are the most highly educated and Gen X is “the most racially and ethnically diverse population of home buyers, with 24% identifying they are a race other than White/Caucasian.” ²⁴

This trend will become even more profound over the next several years and is expected to continue as aging Baby Boomers sell their homes and the diverse consumer comes of age. Gen Z will also start emerging as a greater proportion of home buyers and sellers.

Multicultural consumers are growing rapidly, and each segment represents billions of dollars in spending power in the United States. Increasingly, companies are competing for these markets, especially at a time when the traditional white, non-Hispanic population growth has slowed and multicultural home buyers play an increasingly important role in housing.

Figure 1.5 Population by Race/Ethnicity (in Thousands) ²⁵

YEAR	WHITE	BLACK	ASIAN	HISPANIC
2016	197,970	43,001	18,319	57,470
2060 projected	178,884	60,471	36,778	111,022
Change from 2016 to 2060	-9.6%	40.6%	100.8%	93.2%

²⁴ “2020 Home Buyers and Sellers Generational Trends Report.” (March, 2020). NAR. <https://www.nar.realtor/sites/default/files/documents/2020-generational-trends-report-03-05-2020.pdf>

²⁵ Vespa, Jonathan, Armstrong, David M., and Medina, Lauren. (March, 2018). “Demographic Turning Points for the United States: Population Projections for 2020 to 2060.” [Census.gov](https://www.census.gov).

Immigrants and International Buyers

The racial and ethnic composition of the United States continues to evolve, as does the overall age of the population. A significant age demographic change will occur in 2030 when all remaining Baby Boomers will be older than 65. Because one in five Americans will be at retirement age, the workforce and federal budget may be strained.

In his book, *Immigrants and Boomers: Forging a New Social Contract for the Future of America*, demographer Dowell Myers describes how these demographic influencers may hold the keys to resolving the problems presented by the other.

Myers argues that during the demographic transition, the new prospect of diminished skills in the future workforce and a reduced middle class could undermine the continued growth in home prices. Retirees will transition from being net taxpayers to net recipients of health and pension benefits, and they will be supported by a smaller workforce struggling to meet its own needs. Seniors are also net home sellers, and Myers believes there will be 67% more people in the selling age relative to the younger adults who are likely to be buyers.

Myers and other demographers believe immigration can help to supply some of the workers needed to support the rising number of seniors and to replace them in the labor force as they retire. Furthermore, it will help compensate for the smaller number of younger adults who are likely to buy homes from the increasing number of older Americans. New arrivals alone can offset about one-quarter of the increase in the senior ratio.

Immigration has long played an important role in the growth of the United States. It continues to play an important role in the changing face of the real estate industry. International buyers are increasingly finding the United States as a favorable place to invest in real estate.

According to NAR's Profile of International Home Buying Activity, this combination of buyers is divided into two types:

- **NON-RESIDENT FOREIGNERS (TYPE A):**
Foreign clients with permanent residence outside the U.S. These clients typically purchase real estate for investments, vacation, or visits of fewer than six months in the U.S.
- **RESIDENT FOREIGNERS (TYPE B):**
Clients who are recent immigrants (fewer than two years) or temporary visa holders residing for more than six months in the U.S. for professional, educational, or other reasons.

Clients need an identification number for taxes in order to transact real estate business in the U.S. For U.S. citizens and residents, the Social Security Number (SSN) serves this function. Those who are not eligible to receive a SSN can apply for an Individual Taxpayer Identification Number (ITIN) by completing IRS Form W-7, “IRS Application for Individual Taxpayer Identification Number.” Processing time for an ITIN can take a number of weeks. Because a real estate deal may not be able to close without this identification number, foreign buyers and sellers should apply for an ITIN well in advance of a planned transaction. Information and application forms are available at www.irs.gov.

For 2018, international clients accounted for 8% of the \$1.6 trillion existing home sales in the U.S.²⁶ Further, 60% of international buyers are recent immigrants or visa holders residing in the United States.

As a real estate professional who wants to be prepared to embrace diversity in his or her market, it is important to be knowledgeable of immigration data and market trends. The National Association of REALTORS® has a series of state-specific—and a few metropolitan—reports that can help. Visit nar.realtor/research and follow the link to International Real Estate Research Reports.

Buying Power of Diverse Markets

Multicultural market growth varies by state and local area. According to the 2019 Multicultural Economy Report produced by the Selig Center at the University of Georgia, the buying power of minorities is currently at \$3.9 trillion.²⁷ Buying power of minority groups will continue to escalate at a faster pace relative to the overall size of the economy for the foreseeable future.

²⁶ “Profile of International Transactions in U.S. Residential Real Estate.” (July 2018). NAR Research Department. <https://www.nar.realtor/newsroom/international-activity-in-us-residential-real-estate-market-declines-according-to-realtor-survey>.

²⁷ Weeks, Matt. (March, 2019). “Minority markets see economic growth.” UGA Today. <https://news.uga.edu/multicultural-economy/>



Notable numbers include:

- “The combined buying power of African Americans, Asian Americans, and Native Americans is estimated to be \$2.4 trillion, while the nation’s Hispanics command \$1.5 trillion in spending power—larger than the GDP of Australia.”
- Since 2000, African American buying power has increased 114% and is now estimated to be \$1.3 trillion. African Americans also continue to increase in education level (23% college graduate), which will also increase buying power.
- Native American buying power has increased 185% since 2000.
- Representing 6.2% of the U.S. population, Asian Americans’ buying power stands at \$1 trillion and is the fastest growing market in the United States.
- The Hispanic/Latinx population is the second-fastest growing market, with \$1.5 trillion buying power, an increase of 212% since 2000.

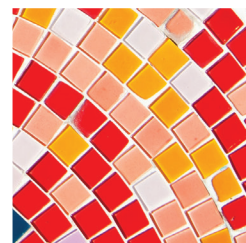
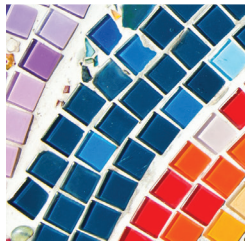
This report looks at buyers who reside within the United States. This means we have diversity in our marketplaces even without the introduction of foreign buyers. When we add in international buyers, it becomes clear that real estate professionals who embrace diversity will have a business advantage.

The median income growth of a multicultural segment provides further guidance for homebuying power in each respective market.

Figure 1.6 Median Income by Race: 2008 and 2018 ²⁸

YEAR	WHITE	BLACK	ASIAN	HISPANIC
2008	52,902	34,093	55,162	37,565
2018	70,642	41,692	87,194	51,450

²⁸ Wilson and Williams, 2019, Economic Policy Institute, <https://www.epi.org/blog/racial-and-ethnic-income-gaps-persist-amid-uneven-growth-in-household-incomes>; “Income and Poverty in the United States: 2016 Current Population Reports,” U.S. Census Bureau, September 2017.



While buying power and median income are helpful in assessing a real estate market, other social, economic, political, and environmental variables can affect a market's real estate dynamics as well and may include:

- Changes in the structure of households (which alter the characteristics of future homeowners)
- Multicultural consumers' rising use of the Internet as an influencer (e.g., seeking information on the homebuying process)
- Immigration
- Rising taxes

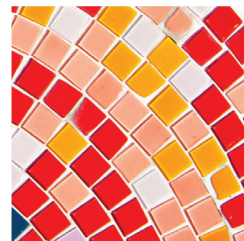
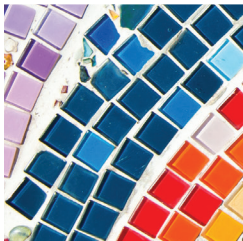


BUILDING AN INCLUSIVE BUSINESS PLAN: EXPLORING THE IMMIGRANT MARKET IN YOUR STATE

Visit nar.realtor/research-and-statistics/research-reports/state-economic-data-for-engaging-in-international-real-estate, and locate your state on the interactive map.

Once you find it, follow these steps:

1. List the top three countries of origin of immigrants in your state.
2. Click on the state link that provides market data on immigrant populations in your state.
3. Explore the highlights of the data and write down three facts that surprised you the most.
4. Share what you learned with others in your group. As a group, try to brainstorm ways in which you can use this data to inform your business plan.





Module 2:

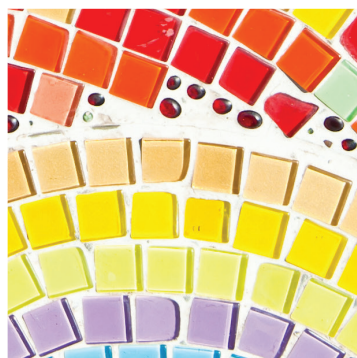
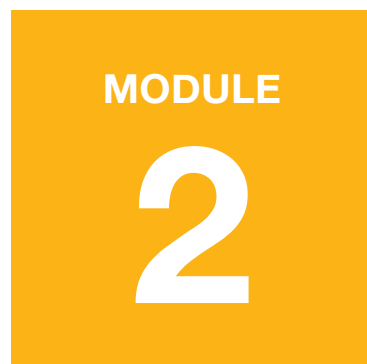
Housing Policy in America: Past and Present

At the end of this module, you should be able to:

- Outline the major historic events leading up to the Fair Housing Act and how it informs the need for inclusive housing policies today.
- Summarize what's in the Fair Housing Act, including its protected classes, its prohibitions, and its exemptions.
- Describe the real estate practices that pose particular risk of discrimination and the process to follow in reporting acts of discrimination.

THE STRUGGLE FOR FAIR HOUSING: A BRIEF HISTORY

The United States has struggled to overcome a history of prejudice and discrimination in an effort to live up to its highest ideals of equality for all. That struggle is an integral part of the fight for fair housing. Let's take a brief look at how fair housing policy has evolved in the United States.



Free—But Not from Discrimination

After the Civil War, a flurry of legislative activity granted full citizenship to black Americans and former slaves. Specifically, the 13th Amendment abolished slavery and the 14th Amendment guaranteed all persons due process and equal protection under the law.

To further help ensure equal treatment under the law, Congress passed the Civil Rights Act of 1866, which guarantees that “all citizens of the United States shall have the same right to inherit, purchase, lease, sell, hold and convey real and personal property as is enjoyed by white persons.” What was promised on paper, however, was never actually granted in practice. Despite these efforts by President Abraham Lincoln and Congress, black Americans continued to face systematic discrimination throughout many parts of the country on local, state, and regional levels.

The racist Jim Crow laws that were created in the decades directly following the abolishment of slavery are but one example of the pervasive prejudice and discrimination that continued to target black Americans. The laws established “separate but equal” status for black Americans that legalized discrimination and denied equal access and opportunity in all aspects of society, including owning a home. These laws endured for nearly 100 years, well into the 20th century. The last Jim Crow law was abolished in 1968.

Another institutionalized racist policy that emerged in the early part of the 20th century was “redlining.” It was a process by which banks and other lending institutions could either refuse mortgages based on the racial and ethnic composition of a neighborhood or offer worse rates for people in these communities. For over 200 cities across the United States, the federal government developed color-coded maps: green shaded areas designated the white neighborhoods, and on the other end of the spectrum, red areas designated black neighborhoods.²⁹

Homeownership in America is a foundational pathway to developing long-term wealth and stability, but this opportunity was denied for decades to many racial and ethnic minorities in any redlined area. To this day, many of the neighborhoods that were targeted under these policies are still suffering from poverty and a lack of resources and development.

Both Jim Crow laws and redlining were officially abolished during the Civil Rights Movement of the 1960s and the passage of the Fair Housing Act in 1968.

²⁹ Lockwood, Beatrice. (January, 2020). “The History of Redlining.” Thoughtco. <https://www.thoughtco.com/redlining-definition-4157858>

RESIDENTIAL SEGREGATION IN AMERICA: KEY CONCEPTS AND HISTORY BY ALEXIA SMOKLER

More than five decades after the passage of the Fair Housing Act, residential segregation remains severe and pervasive throughout the United States. In many parts of the country, segregation has declined only slightly since the passage of the landmark law. There remains a 30 percentage-point gap in the homeownership rate between African Americans and whites, the same disparity that existed in 1968.

Segregated neighborhoods and the black-white homeownership gap didn't happen solely as a natural consequence of people's individual housing choices. We live apart because of a systematic policy of residential racial segregation led by the federal government through the first half of the twentieth century and supported by private actors, including the real estate industry. Below is a brief overview of some of the policies and practices that shaped the segregated communities that persist today.

- **REDLINING**

In the 1930s, the federal Homeowners Loan Corporation (HOLC) was created to stabilize the nation's mortgage lending system during the Great Depression. The HOLC created "Residential Security" maps of major American cities to grade neighborhoods on their perceived level of lending risk. Any neighborhood where African Americans resided was labeled "hazardous" and colored red. Banks refused mortgages and other capital investments in these "redlined" areas.

- **RESTRICTIVE COVENANTS**

Discriminatory federal appraisal standards served as a model for covenants that private builders and developers wrote into deeds to block people of color from buying homes in white neighborhoods, a practice supported by the real estate industry. This practice was struck down by the Supreme Court in 1948, but continued to be enforced unofficially for several more years. Until 1956, the precursor organization to the National Association of REALTORS® prescribed in its Code of Ethics that its members oppose integration, supporting such racial restrictions.

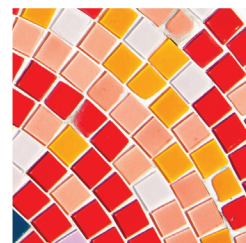
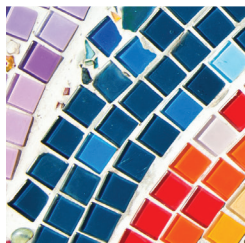
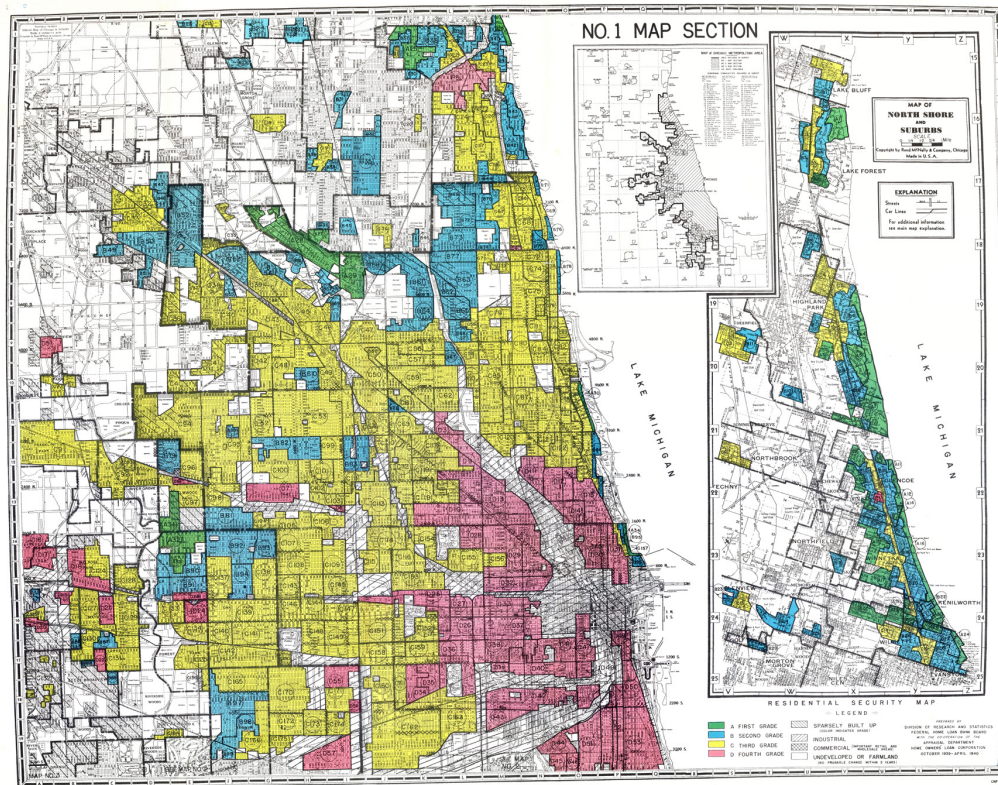


Figure 2.1

Example of an original 1939 HOLC “Residential Security” map of the north shore of Chicago and suburbs with color-coded gradation of neighborhoods by risk level.



Source: Mapping Inequality Project, University of Richmond

- **MOB VIOLENCE**

When pioneering African American families attempted to move into a white neighborhood, they were often met with violence, including cross burnings and firebomb attacks. Following World War II, when returning black GIs sought new homes for their families, such violence became commonplace, occurring in Atlanta, Birmingham, Cleveland, Detroit, Kansas City, Los Angeles, Philadelphia, Miami, and elsewhere. In Chicago alone, there were 350 incidents from 1945 to 1950. Police typically did not intervene.

- **BLOCKBUSTING**

Some real estate agencies profited from the threat of integration, actively changing neighborhoods from white to black. Targeting a particular block, they would start rumors that blacks were moving in, and hire black actors to push baby carriages down the street or drive around with radios blaring. Fliers would appear in mailboxes offering quick cash for houses. White families were encouraged to sell—at a loss—and move away. Real estate agents would then mark up the prices of the homes and sell them to black owners. Blocks changed from white to black seemingly overnight.

- **LAND CONTRACT SALES**

Aspiring black homeowners, excluded from government-backed mortgages, were offered financing in the form of predatory land contracts, which allowed the seller to hold the deed until the buyer paid off the loan in full. Land contract buyers gained no equity as they made their monthly payments. Sellers often would add surprise charges right before the final payment, so the black buyer would default, forfeit their equity, and be evicted. The owner could now sell the home again, to another black family. A 2019 study estimated that these contracts extracted between \$3.2 and \$4 billion dollars from the black community in the 1950s and 1960s in Chicago alone.

Figure 2.2

Members of the Contract Buyers League picketing a contract seller's office in Chicago



Source: *The Jesuit Bulletin*, 1968

- **WHITES-ONLY SUBURBS**

The Federal Housing Administration helped create the suburbs by insuring financing for housing developers and mortgages for homebuyers, substantially reducing the price of suburban homes. For the first time, Americans became more likely to purchase homes than to rent. Home ownership would become the foundation of intergenerational wealth in America. White families could build equity in their homes, watch their home value appreciate, and pass that wealth down to their children. With the equity from their homes, white families could finance their children's college education, and help their children buy their first homes. But black families were barred from the new suburban developments. A 2016 survey found that the median net worth for white households was almost 10 times that of black households, a difference attributable in large part to twentieth century housing policy.

- **COSTS OF SEGREGATION**

By the time the Fair Housing Act of 1968 made housing discrimination illegal, America was already divided. The value of suburban homes had appreciated, and working-class African Americans could no longer afford them. Today, formerly redlined areas remain heavily segregated and economically depressed, lacking access to good jobs, high-quality schools, doctors' offices and hospitals, banking branches, grocery stores, and other amenities. Highways have been routed through them and polluting factories and power plants are sited there. Segregation is associated with poorer health outcomes, lower educational attainment, lower incomes, higher crime, and stifled economic growth for entire metropolitan areas.

- **MODERN-DAY DISCRIMINATION**

And discriminatory practices continue. During the subprime boom, minorities who could have qualified for prime loans were targeted for subprime mortgages in a practice known as "reverse redlining." In the ensuing foreclosure crisis, black homeowners were more than seventy percent more likely to lose their homes than whites. Nearly all the gains in black homeownership since the passage of the Fair Housing Act were wiped out.

- **REALTORS® CAN HELP**

Segregation didn't happen by accident. A broad range of actors, including the federal government, banks, and real estate agencies, ensured for decades that African Americans would be kept out of new homes and flourishing neighborhoods. By building an inclusive business, expanding homeownership, and providing buyers with a broad range of housing choices, today's REALTOR® can help create an America where no one is denied the opportunity to own a home, build wealth, and prosper on account of their race, religion, sexual orientation, or other preferences.

Further Reading

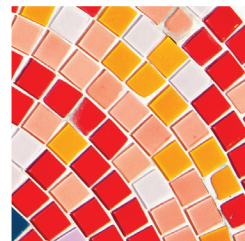
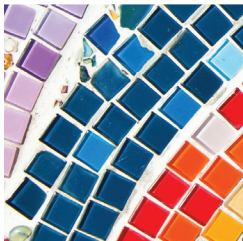
- Boyle, Kevin (2004). *Arc of Justice: A Saga of Race, Civil Rights and Murder in the Jazz Age*. Henry Holt and Company, LLC.
- Rothstein, Richard (2017). *The Color of Law: A Forgotten History of How Our Government Segregated America*. Liveright Publishing Corporation.
- Satter, Beryl (2010). *Family Properties: How the Struggle Over Race and Real Estate Transformed Chicago and Urban America*. Picador.

About the Author

Alexia Smokler is a consultant to NAR's Federal Fair Housing Policy team. She previously served at HUD's Office of Fair Housing and Equal Opportunity and on the staff of Congressman John Conyers, Jr., and has worked with organizations including the Lawyers' Committee for Civil Rights Under Law, the Equal Rights Center, and the NOW Legal Defense and Education Fund. She has a law degree from the University of California, Berkeley; a master's degree in public affairs from Princeton University's Woodrow Wilson School; and a bachelor's degree in government from Smith College.

Learn More About This

- *Seven Days*, a documentary that chronicles the days between the assassination of Dr. Martin Luther King, Jr. and the passage of the Fair Housing Act: <https://nationalfairhousing.org/seven-days-documentary>
- History of Fair Housing, an interactive timeline that tells the story of Fair Housing in America: <http://fhact50.org/history/>



Civil Rights and the Fair Housing Act of 1968

Following the assassination of Dr. Martin Luther King, Jr., Congress passed the Civil Rights Act of 1968, which included Title VIII, now commonly known as the Fair Housing Act. It prohibited discrimination in housing based on race, color, religion, or national origin. This, along with the Supreme Court's decision in *Jones v. Mayer*—which held that the Civil Rights Act of 1866 applied to acts of individual discrimination—was the beginning of a comprehensive body of fair housing laws in the United States.

An amendment to the Fair Housing Act was enacted in 1974 that prohibited discrimination based on gender. Further prohibitions against discrimination because of disability and familial status were added in 1988; the 1988 amendments also added procedures for administrative enforcement of the Fair Housing Act by HUD (Housing and Urban Development) and increased penalties for housing discrimination. Most recently in 1995, the Act made an amendment “to modify the exemption from certain familial status discrimination prohibitions granted to housing for older persons” (the short title is the “Housing for Older Persons Act of 1995”).

THE FAIR HOUSING ACT: A CLOSER LOOK

In passing the Fair Housing Act in 1968, Congress established a national policy to provide for fair housing throughout the United States. This act and other federal fair housing laws prohibit discrimination in the housing market.

Protected Classes

The Fair Housing Act (FHA)—as amended in 1974, 1988, and 1995—declares a national policy of fair housing throughout the United States.

The law makes illegal any discrimination in the sale, lease, advertising, financing or availability of housing based on the following:

- Race
- Religion
- Color
- Sex
- Disability
- Familial status
- National origin

NOTE: To date, the Fair Housing Act “does not specifically include sexual orientation and gender identity as prohibited bases. However, discrimination against an LGBTQ+ person may be covered by the Fair Housing Act if it is based on non-conformity with gender stereotypes.” Check state and local laws to determine if the LGBTQ+ community is a protected class in your market.

However, the NAR Code of Ethics Article 10 provides additional status protection for gender and sexual orientation. We will discuss this more in the next module. Some states may have additional protected classes, so make sure to check the fair housing laws and regulations in your state.

Article 10

Case Interpretations for Article 10

REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. REALTORS® shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. (Amended 1/14)

Standard of Practice 10-5

REALTORS® must not use harassing speech, hate speech, epithets, or slurs based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. (Adopted and Effective 11/2020)

Modifications/Accommodations for People with Disabilities

The FHA requires two types of changes to make existing housing more accessible to people with disabilities:

- Individuals with disabilities must be allowed, at their own expense, to make reasonable modifications for the enjoyment of the premises. (Premises applies to the interior of the unit of the individual with a disability, as well as lobbies, main entrances, and other public and common-use areas of a building.)
- “Reasonable accommodations” must be made in “rules, policies, practices, or services” necessary to afford an individual with a disability “equal opportunity to use and enjoy a dwelling.”

An individual with a disability is responsible for the cost of modifications and must obtain approval for the modifications from the landlord. Housing providers do not have an absolute right to reject proposed modifications, nor select or approve who will do the work.

However, a landlord may require a description of the work, reasonable assurances about the quality of the work, and that appropriate or required building permits will be obtained. In rental situations, the landlord may require, with some limitations, the renter to restore the premises to its prior condition. Restoration work can only be required where it is reasonable to do so. For example, making a door narrow again after it has been widened is not considered reasonable.

The use of service animals has become more widespread in recent years in assisting individuals with various disabilities. While many people have valid reasons for the use of service animals and are protected under the FHA, some people have tried to take advantage of this protection by claiming a medical need when there is none. To help address this issue, HUD released new guidance to assess the validity of the need for service animals. As of 2020, landlords and property managers “can require reliable verification of the tenant’s need for an assistance animal and can require documents other than an online certification.” ³⁰

For more on the details of this guidance, you can go to:

www.hud.gov/sites/dfiles/FHEO/documents/BBE%20Part%20109%20Fair%20Housing%20Advertising.pdf

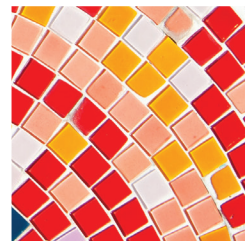
³⁰ “HUD Offers Guidance to Sniff Out Fake Assistance Animals.” Realtor® Magazine. January 29, 2020. Accessed from <https://magazine.realtor/daily-news/2020/01/29/hud-offers-guidance-to-sniff-out-fake-assistance-animal-requests>



Prohibitions of the Fair Housing Act

The FHA details Acts that are prohibited by law. Following are the prohibitions as contained in Sections 804, 805, 806, and 818 of the Act:

- Refusing to rent a dwelling, whether outright or subtly, by using techniques to confuse or harass the applicant and rescinding an offer upon learning of a person's protected status
- Using discriminatory terms, conditions, or privileges in the sale or rental of a dwelling
- Using discriminatory advertising with respect to the sale or rental of a dwelling
- Misrepresenting that a dwelling is not available for inspection, sale, or rental when it is in fact available, to any person of a protected class
- Attempting to influence, for profit, someone to sell or rent a dwelling based on fears about entry into the neighborhood by a member or members of a protected class. This practice is commonly known as "blockbusting."
- Denying the opportunity for sale or rental of a dwelling to people with disabilities
- Refusing mortgage loans and/or financial assistance based on membership in a protected class
- Discriminating in providing brokerage services
- Coercing, threatening, intimidating, or interfering with any person's exercise of his or her rights provided under Sections 803, 804, 805 and 806 of Title VIII



EXERCISE: IDENTIFYING DISCRIMINATION

In the following examples of discrimination provided by HUD, try to identify (a) if a violation of FHA has occurred, and (b) if so, which of the prohibitions listed here is being violated. ³¹

- **Case 1:** John, who is a Black man, speaks to a prospective landlord on the phone about leasing an apartment. On the phone, the landlord seems eager to rent to John, but when John meets with the landlord in person to fill out an application, the landlord's attitude is entirely different. A few days later, John receives a letter saying that his application was denied because of a negative reference from his current landlord. John is surprised because he never had problems with his landlord and his landlord swears she was never contacted for a reference. John suspects that the real reason he was denied the apartment was because he is Black, so John files a complaint with HUD. HUD investigates.
- **Case 2:** Jane is a Muslim woman who wears a hijab. Jane walks into the leasing office for a large apartment building because she saw a sign in the building's window advertising several available units. Jane introduces herself to the leasing officer, who immediately says there are no units available. Jane asks to be put on the waiting list, but she never receives a call. Jane files a complaint with HUD because she suspects that the leasing officer does not want to rent to her because she is Muslim. HUD investigates.
- **Case 3:** John has three teenage children. John's building has a patio with picnic tables and one day John's children decide to have lunch there with some of their friends. The next day, John receives a notice from the homeowners association informing him that the building rules say that the patio is for adult-use only and that he needs to make sure his children do not violate the building rules. John files a complaint with HUD.
- **Case 4:** Jane has a developmental disability that affects her capacity to manage her own finances. Jane tells her building manager that her mother will be paying her rent for this reason and asks if all notices relating to her rent can be sent to her mother. The building manager tells Jane that the management company has a policy of only sending notices to residents, no exceptions. Several months later, Jane receives an eviction notice because her mother had not known that Jane's rent had been increased. Jane files a complaint with HUD.

³¹ HUD, Examples of Housing Discrimination. (April, 2020). Accessed from: https://www.hud.gov/program_offices/fair_housing_equal_opp/examples_housing_discrimination

Exemptions Under the Fair Housing Act

There are some exemptions to the FHA, based on various types of living arrangements and affiliations with certain groups or organizations. The exemptions are outlined here:

Single-family houses, if the owner:

- Owns, sells, or rents the house
- Owns three or fewer homes at any one time
- Does not use the services of someone in the real estate business
- Does not advertise in violation of Section 804(c)

House or living quarters that are occupied or intended to be occupied by no more than four families living independently, and the owner maintains or occupies one of the living quarters. Owner-occupied duplexes are eligible for the exemption.

Religious organizations, associations, or societies can give preference to such persons if membership in the religion is not based on race, color, or national origin.

Non-profit organizations or private clubs can give preference to their members when, in addition to their primary purposes, they provide lodgings that they own or operate other than a commercial purpose.

Housing for older persons is exempt from familial prohibitions. Please see the Housing for Older Persons Act of 1995 (HOPA) for more information.

Limited protections are extended to those recovering from alcoholism and substance abuse.

The law also allows housing providers to adhere to reasonable occupancy standards for the number of people who may live in a dwelling. The Fair Housing Act does not protect people who have been convicted of manufacturing or distributing illegal drugs. Finally, it's important to note that some federal exemptions are actually protected under state laws, so make sure to check with your State Fair Housing Agency for details that pertain to the market in which you do business.

Additional Laws that Impact Real Estate Transactions

- **AMERICANS WITH DISABILITIES ACT:**

Title III of the Americans with Disabilities Act prohibits discrimination against persons with disabilities in places of public accommodations and commercial facilities.

- **EQUAL CREDIT OPPORTUNITY ACT:**

The Equal Credit Opportunity Act makes discrimination unlawful with respect to any aspect of a credit application, including mortgages, based on race, color, religion, national origin, sex, marital status, age, or income deriving from a public assistance program.

- **STATE AND LOCAL LAWS:**

State and local laws often provide broader coverage and prohibit discrimination based on additional classes not covered by federal law, such as age, source of income, marital status, occupation, sexual orientation, and unfavorable discharge from the military. All real estate professionals need to keep informed about these laws.

Before we look at specific ways in which real estate professionals can consciously or unconsciously discriminate against an individual, let's first take a quick quiz to check your knowledge on potential acts of discrimination.



EXERCISE: IS THIS DISCRIMINATION?

Answer *True* if you believe the action below is a discriminatory act and *False* if you believe it is not. Remember your answer assumes the action is taken based on the person(s) being part of a federal, state and/or local protected class.

Action	True/False
1. Refusing to sell or rent housing	
2. Refusing to negotiate for housing (unless limited by state agency law)	
3. Setting different terms, conditions, or privileges for sale or rent of a dwelling	
4. Providing different housing services or facilities	
5. Falsely denying that housing is available for inspection, sale, or rental	
6. Persuading owners to sell or rent because of changes in neighborhood composition (a.k.a., blockbusting or panic selling)	
7. Complying with buyers who specifically ask to see properties in neighborhoods where people share their racial/cultural background	
8. Refusing to make a mortgage loan to an otherwise qualified buyer	
9. Suggesting a particular kind of mortgage on the basis of race, culture, religion, etc.	
10. Imposing different terms or conditions on a loan (such as interest rates, points, or fees)	
11. Discriminating in the appraisal of a property	
12. Advertising or making a statement that indicates a limitation or preference connected with the sale or rental of housing	

For more sample scenarios of possible discrimination, go to the following HUD website: www.hud.gov/program_offices/fair_housing_equal_opportunity/examples_housing_discrimination.

ADVICE FROM AN EXPERT: OVERCOMING INADVERTENT DISCRIMINATION WITH MARK KITABAYASHI



- **Mark Kitabayashi**
ABR®, AHWD, CIPS, SRES®
Puyallup, Washington

We know that even with the best of intentions, we can sometimes inadvertently be discriminating against others. What are some ways that you overcome screening, steering, advertising and lending discrimination in your own practice?

We as REALTORS® try to do our best to serve our client, and even with best intentions we head straight towards Fair Housing violations. How can we avoid that? A few words of advice: Treat all parties equally by creating a system for your business and presentations. All of these are not only best practice to avoid pitfalls, but these are best practice for any successful business:

1. I have one way of presenting the CMA, or having buyer's interviews and education. I do not veer off from that to keep me away from potential pitfalls, and also able to perfect my presentation.
2. Do your homework and research in advance so that you have a resource guide to help clients make decisions and also to avoid possible steering questions.
3. Have your advertising (Web, MLS, Print, etc.) reviewed by colleague or non-industry entities or even potential consumers.
4. Choose and establish a team of experts, (escrow, inspector, lender, etc.) who understand the fair housing/lending and issues. If you don't have an educated team, take it on yourself to educate them.

REAL ESTATE PRACTICES THAT POSE PARTICULAR RISK OF DISCRIMINATION

Even with the best of intentions, we can sometimes inadvertently be discriminating against others. Sometimes we can discriminate with our actions, but also discriminate with a lack of action. As well, sometimes we can discriminate with the words or language we use. Let's look at four areas that especially pose a risk of discrimination in real estate transactions: screening, steering, advertising, and predatory lending.

Screening

Screening refers to the process of selecting a tenant. It is illegal to refuse tenancy based on one of the protected classes, as defined in the FHA. There may be state or local laws that put additional restrictions on screening, such as making it illegal to screen based on sexual orientation or marital status.

Landlords may legally screen applicants appropriately by using objective criteria, such as the applicant's ability to pay rent, credit history, or rental history. Also, limits on the number of people living in one unit are lawful, provided they do not discriminate unreasonably against families with children. Some states set these parameters by how many people can live safely and healthily in a certain amount of square footage. Check your state's laws and regulations for guidance on this.

Students who are not self-supporting may be asked to have parents co-sign their rental agreement. Consistency in applying these same policies to all applicants is a key factor in complying with fair housing laws.

Steering

Steering refers to the unlawful practice in which real estate brokers/agents guide prospective homebuyers toward or away from certain neighborhoods based on their inclusion in a protected class. For example, the agent may decide to show homes in certain neighborhoods where the race or ethnicity matches the buyer's race or ethnicity. Buyers might also be steered to cities or school districts with differing racial or socioeconomic composition.

Agents use different approaches to engage in unlawful steering such as:

- Recommending homes to clients for consideration
- Editorializing about areas the client should or should not consider

Sometimes agents make these types of decisions based on personal prejudices about consumers, and sometimes buyers and sellers prompt their agents to take actions based on their own positive or negative biases. Either way, under the Fair Housing Act—as amended in 1974, 1988, and 1995—this kind of steering is illegal.

Importantly, steering is unlawful even when done unintentionally or unconsciously.

Advertising

Advertising is another area where potential for discriminatory acts exists. Advertising related to real estate is subject to the Fair Housing Act. State laws may also have additional prohibitions around discrimination in advertising for real estate.

Certain exemptions exist for age—senior housing, for example—and for landlord-occupied units for rent or sale (the FHA's so-called “Mrs. Murphy” exemption), although these may vary by state.

Specifically, Section 804(c) of the Fair Housing Act makes it “unlawful to make, print, or publish, or cause to be made, printed, or published, any notice, statement, or advertisement, with respect to the sale or rental of a dwelling, that indicates any preference, limitation, or discrimination because of race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.” ³²

Typical violations of the law involve discriminatory statements related to the sale or rental of a home, the selective use of publications, human models, geographic advertisements (as in the location of billboards or distribution of brochures), and the Equal Housing Opportunity slogan and logo. NOTE: We will consider appropriate advertising in relation to social media in Module 5.

Consider using the fair housing logo as shown here in all advertisements. Although using the logo is not required by law, it suggests you are committed to fair housing.

³² “Part 109—Fair Housing Advertising,” HUD Fair Housing Regulations, <https://www.hud.gov/sites/dfiles/FHEO/documents/BBE%20Part%20109%20Fair%20Housing%20Advertising.pdf>

Figure 2.3 Equal Housing Opportunity Logo



EXERCISE: SCREENING, STEERING, AND ADVERTISING VIOLATIONS

In the following case from HUD, which of the following is the agent in violation of: screening, steering, or advertising? ³³

Case:

John, who is an Asian man, meets with a real estate broker to discuss purchasing a house for his family. When John names the neighborhood that he is interested in, the broker asks John if he is sure that his family will feel comfortable there. The broker tells John that she has a wonderful listing in another neighborhood where there are more “people like them.” When the broker takes John to see the house, John notices that the residents of the neighborhood appear to be mostly Asian. John files a complaint with HUD.

[illegible]

33 HUD, Examples of Housing Discrimination. (April, 2020). Accessed from: https://www.hud.gov/program_offices/fair_housing_equal_opp/examples_housing_discrimination

Lending Discrimination

The home mortgage process often presents a challenge for buyers. “Lending discrimination happens when a lender makes an adverse action against someone based on a protected class.”³⁴ Lending discrimination might occur, for example, if someone is turned down for a mortgage based on their gender, race, or ethnicity. Lending discrimination can also occur if offered a loan with higher, “subprime” interest rates when they might otherwise qualify for a loan with better, “prime” terms.

This latter example often falls into the category of predatory lending. Due to abuses in the past decade, federal regulators have issued rules limiting predatory-lending abuses. However, the problem remains and some protections have been rolled back in recent years (Laryea, 2019), so it’s important for all potential homebuyers to know their rights and how to look out for discriminatory or predatory practices.

NAR identifies abusive and predatory lending practices as deceptive claims that can result in:

- Home-equity stripping (e.g., equity loans and reverse mortgages)
- Diminished personal credit standing (as a result of defaulting on a mortgage loan for which terms are not fully explained or understood)
- Violations of federal consumer-protection statutes and regulations

Federal banking regulations define predatory lending as practices or loan terms that deliberately deceive borrowers, strip homeownership equity, or induce a borrower to refinance repeatedly with higher points and fees.

Here are some other examples of lending discrimination:

- Denying a mortgage or charging a higher interest rate because the property is located in a majority-minority neighborhood
- Providing a different customer service experience to mortgage applicants depending on their race, color, religion, sex, familial status, national origin, or disability
- Refusing to consider a mortgage applicant’s disability-related income, such as SSI or SSDI

³⁴ Laryea, Brittney. (July, 2019). “What Is Lending Discrimination?” Lending Tree. Accessed from <https://www.lendingtree.com/home/mortgage/what-is-lending-discrimination/>

- Steering a borrower to a loan with less-favorable terms because of his or her race, color, religion, sex, familial status, national origin, or disability
- Targeting a minority community for fraudulent home loan modification assistance
- Refusing to provide mortgages to women on maternity leave (“Fair Lending”) ³⁵

As a real estate professional, you can assist your clients by being aware of predatory lending practices and helping them understand what to look for as they acquire their loan (see the tips from HUD in the boxed feature). Let clients make the decision about their financing options, or refer them to a range of responsible lenders, and then let them decide which lending option is best for them.

Tips to Help Your Client Guard Against Predatory Lending

- A lender or investor tells your client that they are the only chance of getting a loan or owning a home.
- The house your client is buying costs a lot more than other homes in the neighborhood, but isn’t any bigger or better.
- Your client is asked to sign a sales contract or loan documents that are blank or contain information that is not true.
- Your client is told that the Federal Housing Administration insurance protects them against property defects or loan fraud — it does not.
- The costs or loan terms at closing are not what your client agreed to.
- Your client is told that refinancing can solve their credit or money problems.
- Your client is told that they can only get a good deal on a home improvement if they finance it with a particular lender.

Adapted from “Don’t Be A Victim of Loan Fraud” from the U.S. Department of Housing and Urban Development. [nar.realtor/sites/default/files/loanfraudbroc%20HUD.pdf](https://www.hud.gov/sites/default/files/loanfraudbroc%20HUD.pdf)

³⁵ “Fair Lending.” HUD. Accessed from https://www.hud.gov/program_offices/fair_housing_equal_opp/fair_lending#_Examples_of_Lending on April 22, 2020.

Then get together in small groups, share your thoughts, and brainstorm tips and strategies for ensuring inclusive policies and procedures.

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REPORTING ACTS OF DISCRIMINATION

You may encounter situations that appear to be discriminatory in violation of fair housing laws. First and foremost, when real estate professionals find themselves in a potentially discriminatory situation, they must let the Broker in Charge of their office know immediately. The Broker in Charge has vicarious responsibility for anything involving an agent in a Fair Housing situation. Additionally, to protect the prospective homebuyer's rights to equal opportunity in housing and to keep yourself from participating in discriminatory acts, you need to take the following steps:

If the party discriminating is your client or is not a client of any other real estate agent:

Talk to the party who appears to be violating the law and explain fair housing. Ask the party to act in a nondiscriminatory manner. Often, this request is enough to resolve the situation and results in the homebuyer's having access to housing as guaranteed by fair housing laws. Always follow up with a letter summarizing your discussion.

If the party discriminating is a client of another real estate agent:

Talk to the other agent and explain your concerns. Ask the other agent to speak with the client and end the discriminatory behavior. Follow up with a letter summarizing your discussion.

If the discrimination does not cease, and the discriminating party is

- **YOUR CLIENT:**

End your relationship with that client; terminate the listing. Inform the homebuyer about what occurred and state your belief that discrimination was involved. Provide the homebuyer with information about filing a complaint. Follow up with letters to the client and the homebuyer summarizing your discussions and actions taken.

- **NOT YOUR CLIENT:**

Inform the homebuyer about what occurred and state your belief that discrimination was involved. Provide the homebuyer with information about filing a complaint. Follow up with a letter to the homebuyer summarizing your discussion.

- **ANOTHER REALTOR®:**

In addition to the above, you may file an ethics complaint with the local board or association alleging violation of Article 10 of the Code of Ethics.

Agencies to Contact to Report Discrimination

- U.S. Department of Housing and Urban Development: 800/669-9777
- State and local government human rights or civil rights agencies
- Private fair housing groups

Defend Fair Housing Rights

You may have a cause of action against the discriminating party and file a complaint on your own behalf. You may report any incident of discrimination to an appropriate agency without filing a complaint.



EXERCISE: REPORTING DISCRIMINATION: BE BRAVE, BE RIGHT

We all know discrimination is wrong and we all genuinely believe we would report an act of discrimination if we witnessed it. But life is complicated. It's very possible that most acts of discrimination we might encounter are somewhat ambiguous. And every action we take in life has consequences, for us and also those around us. And oftentimes in the moment, we can't be sure if those consequences will be negative or positive. To further complicate matters, in a real estate situation, you might very well know, or even be friendly with, a person involved in discriminatory behavior. All of these factors might incline us to delay taking action, and perhaps never take action at all—even if we know in our gut that reporting would be the right thing to do.

In short, in reality it's much easier to say we would do the right thing than to actually do it. It's helpful, then, to know you're not alone in negotiating these difficult situations. It's helpful to know you have support.

Take five minutes to write down a situation you have personally been involved in or heard about in which discriminatory behavior was the central issue. Consider:

- What act was questionable?
- Who were the parties involved?
- What role did you play (if any)?
- What did you end up doing?
- Were you satisfied or unsatisfied with your response? Why?

Once you have reflected on a single situation, try to think more broadly about challenges and solutions to reporting discrimination. Consider:

- What do you think are the biggest challenges or obstacles a person faces in reporting discrimination?
- What strategies have you employed or would employ to make reporting discrimination easier to do for people in real estate?

If you feel comfortable, share your experience and your ideas with others in a small group.

Always remember: reporting discrimination, doing what's right, takes bravery. It takes overcoming your insecurities, your fears, and making sure you stand up for those who often haven't been given the same opportunities as everyone else.



Module 3:

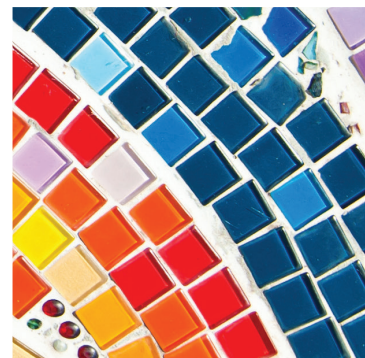
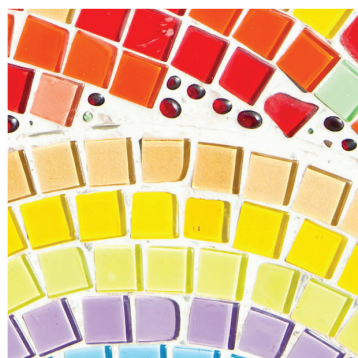
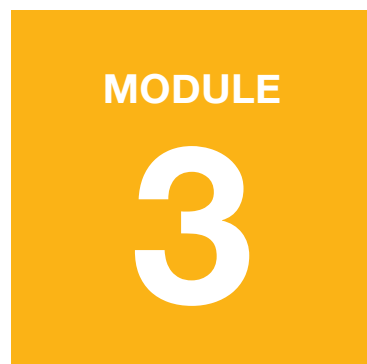
A House Is a Home: One America Principles

At the end of this module, you should be able to:

- Explain why One America Principles are a fundamental part of inclusive real estate practices.
- Articulate why embracing diversity, equity, and inclusion is important to effectively adhering to NAR's Code of Ethics and applying Fair Housing statutes.
- Describe how you can utilize the Equal Professional Model and summarize other strategies you can use to ensure your real estate practice is inclusive.

NAR: BUILDING ON THE FOUNDATION OF FAIR HOUSING

An understanding of fair housing laws and a commitment to equal housing opportunities are expected of all real estate licensees. Knowing the history of fair housing, and being well versed on what's actually in the law, is of course very important. But it's not enough. From a legal standpoint, local, state, and federal fair housing laws have established minimum standards of behavior all real estate professionals must meet. However, a diversity-oriented practice exceeds those standards.



Embracing diversity to build your business means to understand on a human level the importance of housing to every individual. As real estate professionals, we need to constantly be mindful of the fact that every house we help sell or buy is someone's home. Homes provide stability, wealth, and security. Homes change peoples' lives.

If we can use this as our guiding tenant, we will be far better prepared to apply fair housing standards to a diverse and evolving real estate marketplace. Fair housing laws are designed to help you offer customers a full range of housing options.

One America Principles

In 1997, in an effort to build on the fair housing laws and create an even more inclusive environment for every individual in the real estate market, the Clinton administration in conjunction with The Department of Housing and Urban Development (HUD) created the One America Principles. The principles—which help real estate professionals with awareness, communication, and planning for a diversity-oriented practice—encompass the spirit of diversity and inclusion for all real estate practitioners:

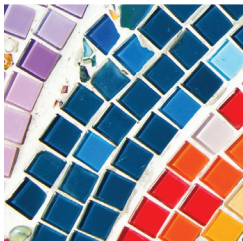
- Inclusion for all
- Opportunity for all
- Responsibility for all
- Respect for diversity while embracing shared values

See the next page for the original One America Principles.



ONE AMERICA PRINCIPLES

- I welcome you and want to do business with you.
- I will base my decision and opinions of you on who you are, not on any preconceived stereotypes or ingrained value judgments.
- I subscribe to the federal Fair Housing Act and its principles.
- I embrace and celebrate the strength that diversity brings to our communities and our nation.
- I will help you find opportunities to buy the home you choose.
- I will market home ownership to the public and reach out to people who may not know that home ownership is a realistic option.
- I will make sure you know there is a full range of housing choices available to you and encourage you to consider all communities and neighborhoods.
- I will make every effort to maintain open two-way communication. If we do not share a common language, I will work with you to find someone who can interpret.
- I have incorporated these principles in my daily operations and my overall business plan. I would be proud to share the plan with you.
- I am here to help you meet your real estate needs because you are the reason I am in business.
- Please let me know about any cultural or special needs that you have so that our business relationship will be comfortable and successful.



Philosophy of Inclusion

The Philosophy of Inclusion formed part of the foundation of the One America Principles. To thrive in the growing cultural diversity of our country, we first need to commit to accepting people from various cultures and backgrounds. This positive acceptance is more than a tolerance of other people: it is a commitment to a social philosophy that does not exclude anyone on the basis of cultural, personal, social, or professional differences.

The next step involves respecting other people enough to grant them the right to be different from you and to appreciate their differences. Positive regard, in turn, leads to relationships where individuals from all backgrounds are included in the cultural fabric without losing their uniqueness. Positive regard extends to all individuals regardless of cultural and racial background, marital status, gender, sexual orientation, religion, age, geographic origin, educational background, and physical and mental capacity.

People who embrace diversity see positive value in seeking out cross-cultural relationships, both socially and professionally. Embracing diversity, however, does not imply assimilation, conformance, or any other ethic advocating that American individuals should become more alike. Diversity awareness celebrates differences without any imperative to change.

The key to building inclusive cross-cultural relationships is to learn one's own attitudes toward these differences, recognize when personal biases may interfere with relationships, and control or eliminate harmful stereotypes. We continue working on these strategies throughout this course.

The One America Principles are no longer up on the HUD website, but the NAR continues to use them as a building block for ethical, inclusive real estate practices throughout the nation and the world.

NAR's Fair Housing Action Plan (ACT)

In 2020, NAR put forth a major new initiative called the Fair Housing Action Plan, or what's being referred to as ACT. It's an initiative to help ensure that every REALTOR® working throughout the United States is doing everything possible to ensure equal treatment, access, and opportunity to all prospective home buyers and sellers in accordance with the Fair Housing Act and NAR principles and ethics. To achieve this goal, the ACT plan emphasizes Accountability, Culture Change, and Training.³⁶

³⁶ "New Fair Housing Action Plan." (January 2020). NAR. Accessed from <https://www.nar.realtor/fair-housing/new-fair-housing-action-plan>

Through this new plan, NAR will continue to push for every REALTOR® to be accountable for their actions and the actions of colleagues and others in the real estate market. NAR will continue to promote diversity, equity, and inclusivity to all aspects of its operations and promotions. And NAR will increase diversity, equity, and inclusion training to advance these goals. For more on the ACT plan, go to: nar.realtor/fair-housing/nar-fair-housing-action-plan.

NAR: INCLUSIVE ETHICS AND PLEDGE

NAR's Code of Ethics

REALTORS® pledge to conduct their business in accordance with not only the legal policies and standards set by Fair Housing laws but also the principles and tenets of NAR's Code of Ethics.

Article 10 of the Code of Ethics outlines a commitment to equal opportunity in housing:

- “REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. REALTORS® shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.” (Amended 2014)
- “REALTORS®, in their real estate employment practices, shall not discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.” (Amended 2014)

Importantly, to keep with our ethic of inclusion for all, NAR has added two additional classes to be shielded from discrimination beyond what's included in the federal fair housing law: sexual orientation and gender identity. In adding these social categories, we hope to present equal access and opportunity to all members of the LGBTQ+ community. Every individual deserves a home.

It's important, as well, to be mindful of inclusive business within your own business. As real estate professionals, we need to practice what we preach, which means providing equal opportunity and access to colleagues and employees. Our internal business practices reflect who and what we stand for as much as our customer-facing practices do. Office diversity and inclusive office policies are critical to this goal.

Fair Housing Declaration

Since the mid-1970s, the National Association of REALTORS® has worked closely with the U.S. Department of Housing and Urban Development to promote equal opportunity in housing. In 1975, HUD and NAR created a voluntary Fair Housing Declaration for use by REALTORS®, included below:

I agree to:

- Provide equal professional service without regard to the race, color, religion, gender (sex), disability (handicap), familial status, national origin, sexual orientation, or gender identity of any prospective client, customer, or of the residents of any community.
- Keep informed about fair housing law and practices, improving my clients' and customers' opportunities and my business.
- Develop advertising that indicates that everyone is welcome and no one is excluded, expanding my client's and customer's opportunities to see, buy, or lease property.
- Inform my clients and customers about their rights and responsibilities under the fair housing laws by providing brochures and other information.
- Document my efforts to provide professional service, which will assist me in becoming a more responsive and successful REALTOR®.
- Refuse to tolerate non-compliance.
- Learn about those who are different from me, and celebrate those differences.
- Take a positive approach to fair housing practices, and aspire to follow the spirit as well as the letter of the law.
- Develop and implement fair housing practices for my firm to carry out the spirit of this declaration.



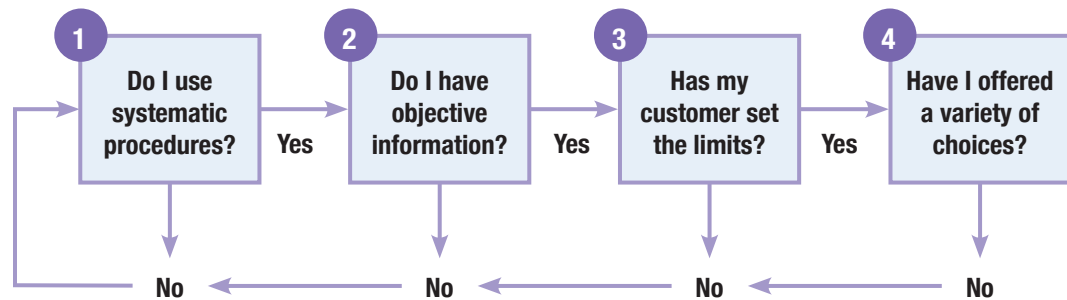
If you feel comfortable, you can share your mission and personalized pledge with a partner or in small groups.

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THE EQUAL PROFESSIONAL SERVICE MODEL

The Equal Professional Service Model, developed by NAR, gives you a solid basis on which to offer the promise of fair housing laws and the NAR Code of Ethics. The Equal Professional Service model offers a simple method for any REALTOR® to set up systematic procedures to offer services without discrimination. It illustrates that diversity and fair housing laws complement one another. The model is illustrated here.

Figure 3.1 Equal Professional Service Model ³⁷



This model is the basis for the practices recommended by NAR in the Fair Housing Handbook. The four key steps are as follows, each of which we've considered in more detail below:

- Do I use systematic procedures?
- Do I have objective information?
- Has my customer set the limits?
- Have I offered a variety of choices?

Any time a question is answered “no,” the process returns to the first step. By following the steps of the model, you are forced to apply each step in succession to build and incorporate practices and procedures that allow you to provide equal professional service to everyone.

What follows is a closer look at each step, and then in the final section we discuss tools to help you better implement your own version of the Equal Professional Service Model.

³⁷ Bruce Moncrieff, Max Ryujin, & Mike Peck. “Equal Professional Service Model.” NAR. Accessed from: <https://cmr.realtor/media/2103/fair-housing-equal-professional-service-model.pdf>

ADVICE FROM AN EXPERT: PRIORITIZING INCLUSION IN YOUR BUSINESS WITH FURHAD WAQUAD



- **Furhad Waquad**

ABR®, AWHD, CIPS, CRS, e-PRO®, GRI, GREEN,
MRP, PSA, SFR®

Bloomfield Hills, Michigan

How do you prioritize your own professional inclusive mission and declaration? Is there a way that you communicate, said or unsaid, to your clients that diversity is a priority in your business practice?

In my buyer consultation sessions, which I have with every buyer, I have a one page color graphic which sits on top of my file folder, in full view of the buyer to see and absorb. It is a large square with, 'Inclusion for all,' 'Opportunity for all,' 'Respect for Diversity while embracing shared values,' and 'Respect for all,' as the four quadrants in large print.

Most of the time it catches the buyer's attention and they initiate a conversation about it. In the event they do not talk about it, I start my presentation with it. It allows me to articulate diversity as my priority. I also provide them with two copies of 'One America Principles.' I have them initial one for my records and one for them to keep for their file. *I have found this non-verbal communication makes me feel confident that we, the buyers and I, have started our journey on developing trust.*

Tell us about a time that you used the Equal Professional Service Model and it impacted your relationship with your client. Did you receive pushback? Did your client appreciate your offer of service without discrimination? What does your experience using the model look like?

The Equal Professional Service Model is entwined in fair housing laws and the NAR Code of Ethics; they complement each other. This, again, is something I consistently use in my buyer consultation. It elicits from the buyer their needs and wants in definitive terms. It also keeps me away from the pitfalls of bias, steering, and discrimination.

In order for me to build and sustain a sales relationship, the advantages of having a consistent system eliminates elements of bias and prejudice. It allows me to grow faster towards achieving trust of the buyer, using the trifecta of knowledge, skills, and motivation.

In my use of this model, the only time I have received push back is when the buyer lacks patience. This random variation in behavior is quite understandable, due to basic differences in the way individuals prefer to use their perception and judgement. Perception makes them aware of events, people or ideas. Judgement is arriving at a conclusion based on perception.

The majority of my clients are very appreciative of the interactive transparency of this model and have definitively become closer to trusting the process, which to them had looked intimidating at the outset.

Systematic Procedures

Having a systematic procedure allows you to be consistently professional. Equal professional service means providing the same level of service to all your clients and customers. If you develop a consistent approach to greeting people, showing homes, qualifying buyers, getting listings, conducting open houses, keeping records, and following up with clients and customers, you will find that fair housing practices come naturally. Systematic procedures and equal professional service will help you meet the needs of a customer base regardless of who you perceive them to be. Always remember: what you do for one you must do for all.

Obtaining and Using Objective Information

The requirement of objectivity applies both to the information you provide your prospects and the information you obtain from them. When you offer information free of biases and ask for information in a way that does not impose assumptions, you learn much more about your client's needs and wants. Giving and asking for objective information, then, increases your likelihood of effectively marketing a client's home or finding the home a client wants.

Your clients will appreciate your professional problem-solving skills, your objective and factual responses to their questions, and your recognition that they (not you) will be making the decisions.

It is always important to document the information you receive and provide. Likewise, the information you provide and imply in your advertising and marketing should be objective. By providing objective information in advertisements, you make it possible for the customer to take the next step of setting the limits.

There are many reputable websites that provide objective information that clients can access on your own. You can create your own list of these and provide it to your clients. Here are a few to get you started:

- [Greatschools.org](https://GreatSchools.org)
- niche.com/k12
- city-data.com/crime

Letting the Customer Set the Limits

There are certain questions you can ask yourself to make sure the prospect is setting the limits of a home search. Below is a quick checklist you can use to ensure you're letting the customer set the limits of the search.

- Did the customer identify the necessary and desired features of the home?
- Did the customer indicate the spending limit?
- Did the customer know about meeting the financial qualifications to purchase?
- Did the customer express a preference for one or more communities?
- Did the customer express a lack of preference for one or more communities?
- Did the customer express a preference for any particular type of financing?
- Did you ask the customer for all information necessary to search for a home?

Prospects are satisfied when they find what most closely meets their needs and desires, not what aligns with your assumptions.

Offering a Variety of Choices

Providing a variety of choices based on a customer's objective information is good business. People who have had wide choices are the most satisfied with their selections and their real estate professionals.

The fair housing laws protect all of us from discrimination. They ensure that buyers, sellers, property owners, renters, and the real estate professionals who serve them have full access to the housing markets, with no discriminatory barriers.

This means that customers can expect you to make all housing in their price range available:

- At the most favorable terms and conditions available for that housing market
- In all communities and locations where that housing exists
- With complete access to all forms of financing and insurance for the housing
- With consistent professional service

You should promote your services and the availability of housing to all people through your marketing and advertising, indicating that everyone is welcome in all communities.

Remember, diversity does not change the effectiveness of the Equal Professional Service Model; diversity reinforces its effectiveness. Employing this model will help you learn how to work with all people. You will find that this model continues to be a useful tool, not only for complying with the law, but also for providing the high level of service that will earn your customers' respect and loyalty.

Fair Housing Scenarios: How Will You Respond?

- What is the racial composition of this neighborhood?
- I am Asian. Do you serve any areas that I would feel at home in?
- What kind of people live in this neighborhood?

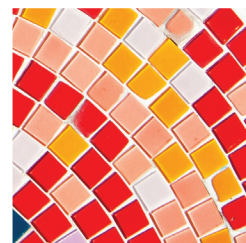
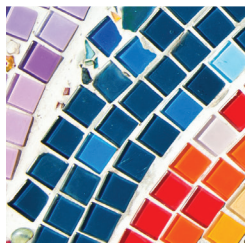
Never estimate or give an opinion on the racial, religious, or ethnic composition of the neighborhood. Focus on providing objective data from third-party sources and make sure you provide this information to all clients. It is important to note, however, that providing websites or resources to obtain demographic information regarding protected classes is not allowed. Refer home buyers to sources of information such as the websites of the local municipal offices so they can research the questions themselves. If you mention people you know or have worked with in the area, do not describe them in a way that includes a protected class. For example, you could say, "Many of the folks who live here work at the businesses downtown because it is an easy commute."

- How are the schools in this area?
- How would you rate the schools in this town?
- What is the general racial breakdown for the schools in this area?

Provide the buyer only with reliable and authoritative information, such as student-teacher ratios, expenditures per pupil, percentage of students who go on to college, the number of National Merit scholars, and so on. Refer the buyer to sources of information, such as the school or the school district's main office. Maintain the same type of information for each school and never favor one school over another. Never attempt to influence a housing choice with either complimentary or negative general comments about the school or give an estimate or opinion of the racial, religious, or ethnic composition of the student body. You could say, "Our office does not maintain statistics regarding the racial makeup of the student body of schools in our market area. To get the best answers to your questions, you should contact either the school or the school district's main office. Also, you might want to check with some of your potential new neighbors about how they feel about the schools their children attend."

- Do you think this property is in a safe area?
- How is the crime rate in this area?
- Are there a lot of robberies on this block?

You can discuss how ideas of what's "safe" varies greatly by person. What's "safe" to one person, could be relatively dangerous to another. Never mention or volunteer information related to the racial, religious, or ethnic makeup of the area. Provide resources to your client to check criminality in the area.



EXERCISE: IN THE FIELD—QUESTION AND ANSWER

As real estate professionals, we try to be ready for any situation, which means in part being able to field any question that comes our way. But as we all know, that's not always easy! Let's take a few minutes to role play exchanges between Realtors® and clients.

Write down difficult questions you've had asked of you in the past, or write down any questions that might be difficult to answer objectively. Then get into small groups. Take turns with a partner playing the role of client and Realtor®, with the "client" asking questions that the "Realtor®" then has to answer in as objective a way as possible.

If you feel comfortable, with a partner or in small groups, share tips and strategies for ways to negotiate difficult questions and situations that might apply in multiple instances.

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ADDITIONAL STRATEGIES FOR INCLUSIVE PRACTICES

Think Objectively, Ask Objectively

Before asking questions to obtain information you believe is necessary, pause to think how a person with a different cultural perspective will feel. Modify your behavior accordingly, and develop universal questions to use with any client. Remember, you should ask the same question for all clients and customers. Here are some examples to get you started:

- **PROPERTY:**
“What kind of home are you looking for?”
- **LOCATION:**
“What types of neighborhoods are you interested in?”
- **PRICE:**
“Our homes are listed by price. Do you have a price range in mind?”
- **PAYMENT:**
“I would be happy to discuss financing with you. Would this be helpful now?”
- **TIMING:**
“If you find a house, how soon do you want to move?”
- **UNDERSTANDING:**
“Perhaps you could tell me how you think the homebuying transaction takes place, or would you prefer me to show you a description?”
- **EXPECTATIONS:**
“A number of people could be involved in the purchase. Do you need any help understanding what each person should do and what your rights are?”
- **SPECIAL NEEDS:**
“Is there anything I can do or anything I need to know to make this process easier for you?”
- **NEXT STEPS:**
“How would you like to proceed from here?”

Utilize NAR's Objective Resources

Realtors Property Resource®

REALTORS® can tap into a unique decision-making tool to help buyers make informed choices and narrow the property search. Realtors Property Resource® (RPR®) is a member benefit, which means it is already included in the dues you pay to the National Association of REALTORS®. What can RPR® do for you?

Does this sound familiar? You are driving around viewing properties when the buyer spots an interesting home and says something like “What about that house? Could I see that one?” Here’s how RPR® can help in just such an instance.

- With RPR®, you can simply use your phone to search the home’s address and download the RPR® Property Report, Mini Property Report, or Neighborhood Report. Each report has a wealth of information (all public) like sales and financing history, square footage, number of rooms, lot size, and other facts.³⁸ On-the-spot access to RPR® Property Report data means you can present facts about the property immediately.
- If your client’s interested, you can contact the agent or seller immediately to learn the asking price and arrange a viewing.
- When sales data is publicly reported, RPR® aggregates recent and current sales to calculate an estimated value for the property; this automated valuation model (AVM) estimate can indicate if the home is over- or under-priced in comparison to similar properties in the neighborhood.
- You can view RPR® reports online as well as in downloadable PDF format. The full-color report, with your contact information and personal or company branding, takes only a couple of minutes to generate and can be sent to your client immediately.

³⁸ Sales history cannot be viewed in nondisclosure states.



The Realtors Valuation Model® (RVM®)

Another tool available to you is the Realtors Valuation Model® (RVM®), which is able to aggregate valuation data from MLS listings. If your MLS shares its data with RPR®, your reports will then also include values calculated by the RVM® from real-time, real-world data. If you've ever compared price estimates from some of the online valuation sites like Zillow®, you know that the estimates can vary greatly, coming in substantially over or under real-world property values. RVM® is more accurate, giving you, and your client, an edge.

Find out if your MLS shares data, register, and take the RPR® application for a test drive at www.narrpr.com. You'll also find information on continuing-education credit training classes online and in classrooms, as well as free tutorials.

Sharing Information Responsibly

The ability to gather and share data by electronic means carries both a legal and ethical obligation to share information responsibly. Therefore, it is very important that you know who you are sharing information with and why. When providing RPR® reports to clients and customers, REALTORS® should emphasize the importance of treating the information respectfully and making sure it doesn't fall into the hands of someone with bad intentions.

Conduct a Systematic Needs Assessment

Real estate professionals today encounter not only a diverse range of homebuyers from a socio-cultural standpoint but also a wide range of homebuyers in terms of preparedness. Some buyers have used online real estate property sources to conduct their own initial searches and think they know exactly what they want. Others may feel utterly lost and intimidated at the prospect of buying a home. In any case, you need to have a system in place that you can employ regardless of who your potential client might be or how informed they are about the homebuying process. Conducting a Needs Assessment can be a great tool to address the wants and needs of every potential client.

A Needs Assessment form (see sample) or Intake Form works much like the forms other professionals such as doctors and attorneys use. It helps gather information in a systematic, objective way. Every potential buyer will get the same intake needs assessment form. They provide the information, and so they are then setting the limits of the search and the buying process—not you—which is key to providing equal, professional service to every person you work with.

NEEDS ASSESSMENT WORKSHEET

Name(s): _____

Current Address: _____

Home: _____ Home: _____

Phone Numbers: Work: _____ Work: _____

Mobile: _____ Mobile: _____

Fax Numbers: _____

E-Mail: _____

Preferred Home: _____

Contact Work: _____

Methods: Mobile: _____

of Occupants: _____ Pets: _____

Currently: ☐ Own ☐ Rent ☐ Must sell to purchase?

Desired possession date: _____

Mortgage: ☐ Prequalified ☐ Pre-approved

Lender: _____

Ideal Price: _____ Ideal Monthly Payment: _____

Ideal Location(s): _____

of Bedrooms: _____ # of Bathrooms: _____

Minimum #: _____ Minimum #: _____

Lot size: _____

Garage: _____ How many vehicles? _____

Parking Space: ☐ Boat ☐ Camper ☐ Bus/truck ☐ _____

Age of home: _____ Style: _____

☐ Eat-in kitchen

☐ Finished basement

Special Requirements

☐ Separate dining room

☐ Fenced yard

☐ Day care facilities

☐ Family room

☐ Deck/patio

☐ Elder care

☐ Fireplace

☐ Pool

☐ Cultural activities

☐ Workshop

☐ Waterfront

☐ School requirements

☐ Home office

☐

☐ Sports/recreation

☐ Home business

☐

☐ Public transportation

The Ideal Home:

How long have you been looking for a home?

How have you been looking?

Did you see anything you liked?

What kept you from buying it?

Have any agents shown you homes?

What was your relationship with the agent?

What did you sign with the agent?

If we cannot find everything in the price range and location you want, what would you consider compromising on?

Are some features “deal breakers” that you won’t compromise on?

Is there anything else I should know about your requirements?

Advertise Fair Housing

Put up the Fair Housing Poster so everyone can see it wherever you are doing business. You can also take the Fair Housing Poster when you meet clients in public places outside of your office and at any open houses. By making that a part of your typical business practice, clients and the public will know that you support and abide by inclusive fair housing laws.

To further reinforce inclusive fair housing in your business practice, be sure to re-read and follow the REALTOR® Fair Housing Declaration. This will keep top of mind for you the important principles at the heart of inclusive service, such as: ³⁹

- Providing equal service
- Using inclusive advertising
- Celebrating differences
- Incorporating the systems and processes of the Equal Professional Service Model into your practice. It is a good way to protect you and your clients from discrimination.
- Using systematic procedures for qualifying buyers, getting listings, conducting open houses, keeping records, and contacting clients
- Obtaining and using objective information
- Letting the customer set the limits
- Offering a variety of choices

³⁹ “Fair Housing Month at Home.” NAR. (April, 2020). Accessed from: <https://www.nar.realtor/fair-housing/fair-housing-month-at-home>



Figure 3.2 REALTORS® Rise Up Ad

APRIL IS FAIR HOUSING MONTH

REALTORS® RISE UP

UNLOCK DOORS. SHAPE THE FUTURE.

REALTORS® are community leaders - That's Who We Are®.
You shape and help build neighborhoods that thrive.

By promoting diversity and inclusion you unlock access to opportunities that transform lives and boost business.

Thriving communities mean:

- A strong economy = more jobs, more income, more business
- Healthier people
- A cleaner environment
- Higher-achieving students
- Safer streets



  **NATIONAL ASSOCIATION OF REALTORS®** 

BUILDING AN INCLUSIVE BUSINESS PLAN: ONE AMERICA PRINCIPLES AND NAR'S CODE OF ETHICS

Now that you have a better understanding of One America Principles and NAR's Code of Ethics and resources, start thinking about how you can put these principles into action. Review this module and list three things you can implement right away to start building your inclusive business plan.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Module 4:

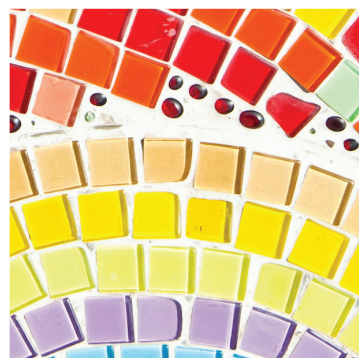
Be a Diversity Warrior: Combating Bias to Create a Thriving Business

At the end of this module, you should be able to:

- Distinguish between cultural and personal biases and how each can adversely shape our perceptions and behaviors when dealing with clients.
- Explain how understanding the differences between high- and low-context cultures can help you to create a more successful and inclusive real estate business.
- Summarize how reading nonverbal cues and active listening can help you better engage and effectively communicate with a diverse client base.

As we've been discussing in this course, real estate professionals are experiencing a transformation in the profile of homebuyers coming through the door. To capitalize on the ever-evolving demographics in the United States, you need to create an inclusive business plan that will enable you to effectively engage and communicate with new clients from a broad spectrum of backgrounds.

At the core of effective cross-cultural communication is a critical understanding of bias, at both the macro global level and micro interpersonal level. In this module, we will explore both aspects of bias, and look at various ways in which we can



begin to overcome these biases through a deeper understanding of cultures and effective cross-cultural communication to create an inclusive business that thrives in a diverse marketplace.

TWO LEVELS OF BIAS: CULTURAL AND PERSONAL

As we discussed in Module 1, the culture we are raised in shapes our perceptions, values, and beliefs in many different ways. Every person, to some degree, is a product of their culture. This is to say, a person's personal biases overlap with cultural biases. But in combatting bias in an effort to become a more accepting, open-minded person, it's helpful to look at both individually. Let's start with the broader cultural biases.

Ethnocentrism and Cultural Bias

Ethnocentrism is the belief that your culture, the culture you grew up in, is superior to all others. Because most of us have an intimate connection with where and how we grew up, most of us have a sense of pride in our culture. It's understandable, then, that we think our culture is pretty great! That's normal, and that's okay.

The problem arises when we use our social and cultural background as a standard to judge everyone else—that is, we start thinking less of anyone who's not part of our immediate culture. It's not just a problem in the United States. Citizens of all countries and all cultures are prone to ethnocentric beliefs.

An obvious example would be by how people in one nation view the culture of other nations. An American citizen, for example, might feel that their culture is better than the cultures of France, China, and Brazil. Similarly, a Chinese citizen might feel that their culture is superior to the cultures of France, Brazil, and the United States. The citizens of both countries are exhibiting ethnocentrism.

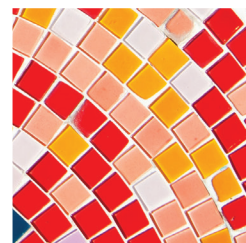
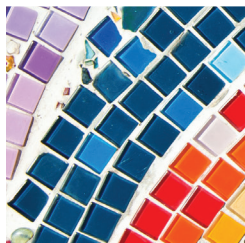


In real estate, this becomes problematic when engaging with first-generation immigrant homebuyers, for example. Ethnocentric beliefs of superiority might shape the way we treat a potential client from another country. Once that occurs, you're at much greater risk of discriminatory behavior and losing a potential client.

Ethnocentrism is most often discussed in relation to broad national differences. But ethnocentrism doesn't only occur across nationalities. It can filter into many different beliefs about social groups and microcultures. Remember, minority cultures shift and change depending on context. When dealing with a foreign-born buyer, ethnocentrism is likely to occur on the level of nationality. When dealing with someone who was born and raised in the United States, ethnocentric beliefs might manifest in relation to race, gender, religion, or sexual orientation, to name a few.

For example, different generations tend to have different cultural norms and values. Members of the Millennial generation have their own cultural norms and values, as well as, a set of distinct challenges, such as the burden of student loan debt, not shared by other generations. When members of older generations, such as Baby Boomers or Gen Xers, are faced with the differing social values of Millennials, they may react with prejudice and a sense that their generational norms and values are better. This may in turn change the way they treat clients of younger generations.

This same dynamic can apply to any social category or group. The more a person's cultural composition is different from your own, the more inclined you are to have ethnocentric beliefs towards that person. Understanding this inclination is an essential first step to preventing it.



EXERCISE: ETHNOCENTRISM SELF-ASSESSMENT

Below are items that relate to the cultures of different parts of the world. This assessment takes approximately 10 minutes to complete and score.

There are no right or wrong answers. Please indicate the degree to which you agree or disagree with each item using the following five-point scale:

Strongly Disagree = 1; Disagree = 2; Neutral = 3; Agree = 4; Strongly Agree = 5

For the most valid feedback, work quickly through each item, going with your initial gut response. Then follow the scoring directions that follow.

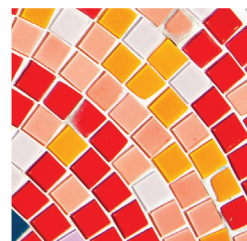
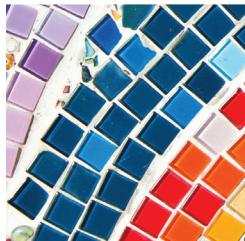
- _____ 1. Most other cultures are backward compared to my culture.
- _____ 2. My culture should be the role model for other cultures.
- _____ 3. People from other cultures act strange when they come to my culture.
- _____ 4. Lifestyles in other cultures are just as valid as those in my culture.
- _____ 5. Other cultures should try to be more like my culture.
- _____ 6. I am not interested in the values and customs of other cultures.
- _____ 7. People in my culture could learn a lot from people in other cultures.
- _____ 8. Most people from other cultures just don't know what's good for them.
- _____ 9. I respect the values and customs of other cultures.
- _____ 10. Other cultures are smart to look up to our culture.
- _____ 11. Most people would be happier if they lived like people in my culture.
- _____ 12. I have many friends from different cultures.
- _____ 13. People in my culture have just about the best lifestyles of anywhere.
- _____ 14. Lifestyles in other cultures are not as valid as those in my culture.
- _____ 15. I am very interested in the values and customs of other cultures.
- _____ 16. I apply my values when judging people who are different.
- _____ 17. I see people who are similar to me as virtuous.
- _____ 18. I do not cooperate with people who are different.
- _____ 19. Most people in my culture just don't know what is good for them.
- _____ 20. I do not trust people who are different.
- _____ 21. I dislike interacting with people from different cultures.
- _____ 22. I have little respect for the values and customs of other cultures.

Directions for scoring:

Before scoring, it's important to note that self-assessments such as this are not absolute. They do not define your beliefs or who you are as a person. They are merely a way to better gauge and understand your thought processes and can help as a tool to strengthen your open-mindedness and acceptance of individuals from all cultures and walks of life.

1. Recode questions 4, 7, & 9 with the following format. (If you put a 1 for any of these items score it a 5; if you put a 2, score it a 4, etc.)
 - 1=5
 - 2=4
 - 3=3
 - 4=2
 - 5=1
2. Do not count questions 3, 6, 12, 15, 16, 17, 19. Simply cross them out.
3. Add all of the responses to the remaining 15 items (with the recoded values for 4, 7, and 9).
4. The total is your generalized ethnocentrism score. Scores can range from 15 to 75. The midpoint is 45. The higher the score is, the higher the presence of ethnocentrism.

Source: With minimal adaptations, from Neuliep, J. W., & McCroskey, J. C. (2013) Ethnocentrism Scale. Measurement Instrument Database for the Social Science. Retrieved from [www.midss.org](https://www.midss.org/sites/default/files/ethnocentrism_scale.pdf) -- https://www.midss.org/sites/default/files/ethnocentrism_scale.pdf



Personal and Implicit Bias

Apart from the broad cultural biases we all must confront, we as individuals may develop biases based on our own personal circumstances, relationships, and experiences within a broader cultural framework. It is here that we develop, to varying degrees, personal biases about different social groups. Sometimes these biases are hidden from other people. Sometimes these biases are even hidden from ourselves.

Sources of personal bias and prejudice are many. Often bias can emerge from different types of conflict. For example, groups that tend to compete for the same economic resources might be more prone to prejudicial views about each other. A person raised in a multi-ethnic and multi-racial neighborhood in which different groups were often competing for the same jobs might grow to harbor resentments towards these other groups. Just as likely, individuals from different social classes who grew up in the same town might learn to view each other as “threats.” The longer these feelings linger, the more intense a personal bias might become.

Similarly, experiences with specific individuals might create bias in a person. If as a child you were bullied by someone of a certain social group, you might come to distrust and develop a bias against any individual from that same social group. Sometimes, we harbor resentments and biases such as this without even realizing it.

As we touched upon in Module 1, we all have implicit biases, meaning that we unconsciously assign stereotypical traits to certain social groups. Implicit biases are the source of blind spots in how we think and perhaps act towards others. Such biases can emerge from personal experiences, but they can also develop through repeated exposure to negative representations in the media.⁴⁰ We often come to “know” social groups that are unlike our own through various media. We then tend to generalize the entire group based on those limited representations.

⁴⁰ Bissell, Kim and Parrott, Scott. (November, 2013). Prejudice: The Role of the Media in the Development of Social Bias. *Journalism & Communication Monographs*. DOI: 10.1177/1522637913504401

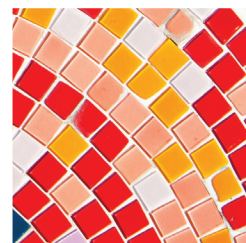
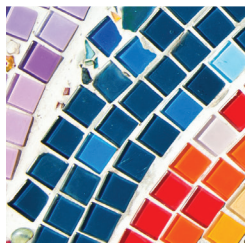


Social scientists often talk about this in terms of “in-groups” and “out-groups.” The people in your “in-group” you know as complex, fully-rounded individuals. They can be caring and awesome, but they can also be annoying and sometimes not be their best selves. But because they’re in your in-group, you never stereotype them and judge them on just one trait or event. You account for all aspects of their personhood—and generally think they are good people.

But those outside of our “in-group”—that is, those in the “out-group”—we don’t know as well. The more distant the “out-group” is from our in-group, the more we rely on generalizations and stereotypes to understand that group—often the generalized and limited portrayals that we see in media. If, for example, most of our exposure to someone of Islamic faith comes through Hollywood movies or TV shows that depict individuals of Islamic faith as violent terrorists, we’re more likely to think of all people of Islamic faith as terrorists. As of 2020, there are nearly 2 billion individuals of Islamic faith in the world, but some people might be inclined to stereotype all 2 billion people based on the few depictions of violent terrorism in movies or the terrible acts of a few we hear in the news. ⁴¹

Because our personal biases might be formed from instances that happened when we were very young, or indirectly over time through media portrayals, we might not know we formed any kind of bias at all. This is when the bias is in fact implicit. As with ethnocentric beliefs, an essential first step to combating implicit and personal bias is to acknowledge they exist. Only then can we consciously work to overcome them.

⁴¹ World Population Review. “Muslim Population By Country 2020.” Accessed <https://worldpopulationreview.com/countries/muslim-population-by-country/>



EXERCISE: MEDIA REPRESENTATIONS IN POP CULTURE

To get an idea of how much of an influence media representations have on our conceptions of certain social groups, write down the first character from movies or television that comes to mind when thinking of each of the social groups below. It could be a character from childhood or today.

It's okay if you can't list a character for each social group! This exercise is simply trying to get you to think more consciously about conceptions of social groups that might be shaping your views of others without you even realizing it.

- **Italian** _____
- **Hispanic/Latinx** _____
- **Jewish** _____
- **African American** _____
- **Working Class** _____
- **Asian** _____
- **LGBTQ+** _____
- **Caucasian** _____
- **Muslim** _____
- **Upper Class** _____
- **Elderly** _____
- **Irish** _____
- **Teenage boy** _____
- **Teenage girl** _____

Once you've completed your list, depending on time, consider one or more of the following:

1. Is the character you listed a positive reflection of the larger group or negative?
2. To what degree do you think this character shapes your view of the larger group?
3. If you feel this character has an outsized influence of your view of the larger group, what steps can you take to mitigate that influence?

Finally, in small groups, share your characters and your thoughts. Is the same character popping up for others? Different ones? Assess as a group why this may or may not be the case.

Media Representations in Pop Culture Response

EXERCISE: IMPLICIT BIAS

To get a more measurable assessment of your implicit bias towards certain groups, you can go to Project Implicit. There are number of assessments you can take to get a general reading of your implicit bias. The assessments take approximately 10-15 minutes each. To keep diversity and inclusion top of mind after this course, it might be helpful to take one assessment a week after you've completed this course.

As with all assessments, they are not able to provide an exact assessment of your beliefs or biases. Rather, they provide you with a way of beginning to gauge thoughts and biases in a more proactive way to help you become a more open-minded and tolerant person.

To take the tests go to: <https://implicit.harvard.edu/implicit/education.html>

After taking the tests, reflect on what you learned.

- Were you surprised by the results? Why or why not?
- If you found potential blindspots in your perception of others, what steps can you take to get a better understanding of those individuals and groups?

Implicit Bias Response

MULTICULTURAL COMMUNICATION STRATEGIES

Your multicultural clients' customs will influence their homebuying decisions and affect transactions. Recent immigrants are influenced more by their traditions than second- or third-generation immigrants, who are accustomed to living and doing business in the United States.

Real estate professionals should do their research before interacting with people from a different culture. Through proper research, you can avoid making costly cultural mistakes that can affect the outcome of a successful transaction. The Certified International Property Specialist (CIPS) designation offers courses in the areas of The Americas, Asia/Pacific, and Europe to provide additional training on doing business with these cultures.

To help build relationships and do business, you need to become aware of and understand important, culturally-based characteristics and practices. For example, cultures typically vary in how they view and address concepts such as time, communication, and personal space.

Let's now look at three aspects of cultural communication concepts that will help you better navigate multicultural interactions: high- and low-context cultures, nonverbal signals, and active listening.

High and Low-Context Cultures

All cultures have certain norms of interacting. These norms fall on a spectrum of what we call high- to low-context. The concept of high- and low-context cultures offers a good way to think about cultural characteristics because it allows us to generalize (without stereotyping) about a group's outlook, attitudes, relationships, mores, and ideas.

As a real estate professional, it's important that you're able to navigate, and also bridge, the various cultures you will encounter during the course of doing business. As you well know, relationships are a vital part of any successful real estate business, so having an acute awareness of cultural backgrounds, differences, and context will empower you to make and maintain those relationships more effectively.⁴²

Generally speaking, high-context cultures are more collectivistic in nature, valuing the group over the individual. These cultures often rely more on closer interpersonal relationships and rely more heavily on implied, nonverbal communication in interactions and transactions. Countries with a history of communism and socialism, such as Russia and China, would be considered higher-context cultures.

⁴² "High and Low Context Cultures—Developing Cultural Fluency," NAR <https://www.nar.realtor/global/high-and-low-context-cultures-developing-cultural-fluency>

In contrast, low-context cultures are more individualistic in nature, valuing the individual over the group. Low-context cultures rely more on explicit communication and formal contracts in interactions and transactions. The United States and the countries of Western Europe would be considered low-context cultures. See Figure 4.1 for more detail on high-context versus low-context cultures.

Figure 4.1 High-Context vs. Low-Context Culture

HIGH CONTEXT	LOW CONTEXT
<ul style="list-style-type: none">• Prevalent in Asia, Middle East, Latin America, and Eastern and Southern Europe.	<ul style="list-style-type: none">• Prevalent in United States, Canada, Western and Northern Europe, and Australia.
<ul style="list-style-type: none">• Nonverbal communication is important.	<ul style="list-style-type: none">• Precise verbal agreements are important.
<ul style="list-style-type: none">• A relationship is the basis of a contract. Exchange of favors creates reciprocal obligations.	<ul style="list-style-type: none">• A contract is binding and exists apart from a personal relationship.
<ul style="list-style-type: none">• Schedules are often flexible, with meetings starting and running late.	<ul style="list-style-type: none">• Time is treated as a commodity, and schedules are carefully observed.
<ul style="list-style-type: none">• Formality, face-saving communication, and relationships are valued. A slower pace is needed to build relationships.	<ul style="list-style-type: none">• Informality and direct communication are preferred. Results are valued and punctuality observed. Accustomed to a fast pace of doing business.
<ul style="list-style-type: none">• Hierarchy and elderly are respected.	<ul style="list-style-type: none">• Egalitarian, or equal status and rights for all. Rank is respected but subservient to facts and agreements.

Understanding these cultural distinctions can help inform how you market properties, promote your services, and interact with clients and customs as well as other real estate professionals. Cultural distinctions impact buyers' and sellers':

- Approach to the property transactions
- Expectations of working with a real estate professional
- Frequently asked questions
- Transactional process norms and etiquette
- Professional and personal relationships
- Response to marketing approaches

EXERCISE: APPLYING HIGH AND LOW CONTEXT CRITERIA

Let’s apply the cultural criteria for high and low context to a country we have some knowledge about or personal experience with. If you’d prefer, your instructor can assign you a country. You can do this exercise individually, with a partner, or in small teams. This exercise isn’t about being an expert; it’s to learn and share what you know!

Country: _____ Context (high or low?): _____

- Based on this country’s cultural context (high or low), what behaviors, attitudes, and reactions could you anticipate when working with clients?
- What might be some of their frequently asked questions?
- What might be some smart marketing do’s and don’ts?
- What might be some important relationship do’s and don’ts?
- What might be their expectations of a real estate professional?



ADVICE FROM AN EXPERT: IDEAS ON CULTURAL FLUENCY WITH ROBERT MORRIS



- **Robert Morris**
ABR®, AHWD, C2EX, CRS, GRI, RENE, SFR®, SRS
Smyrna, Tennessee

Has developing cultural fluency been important to the success of your business?

To state my response in two words: Definitely “Yes!” Over the years, making a concerted effort to build a rapport with people who are culturally different than me has enriched my business and personal life. Just the simple act of trying to speak a few words in Spanish when ordering from the menu at my favorite Mexican restaurant has produced huge smiles of admiration and laughs from my server while generating great conversations which have led to business and lasting relationships. I attempted to learn to speak Spanish for two years while in high school, only retaining just enough to be dangerous to myself. Talk about an ice breaker or a barrier remover, hearing me attempt to order lunch from the menu, simply priceless to everyone involved. When we make the effort to assimilate, integrate, and immerse ourselves, even in a small way into cultures other than our own, the divide becomes smaller, the barriers to understanding are removed just a little, and we see more of each other. The ultimate result: yielding more business. Try it: a kind gesture or an attempt at a short phrase in the language they speak. Do something small and watch big things happen.

For many course participants, this might be the first time they came across the idea of high- and low-context cultures. Share an example or scenario where that was particularly good for business.

We are a product of how we were raised: who influenced us, our beliefs, customs, values and norms that were instilled into us. In a word: culture. It can be very helpful if we understand how others think, act, and perform under certain situations to be more effective in business and personally. People from High Context cultures place value in the relationship as the basis of a contract and prefer a slower paced

negotiation style to get to know you, while Low Context cultures find a binding contract exists separate, apart from the personal relationship and are accustomed to a faster pace of doing business. If you are working with a person who is more accustomed to getting to know you and moving slower in their negotiations and you are distanced and talking fast, that might be a red flag for trust and cause the deal to be dead on arrival. If we work to learn more about others, we will discover more about ourselves and our business will grow in the process. Promise.

“When we understand more about each other; we communicate better with one another!” —RoMo.

Reading Nonverbal Cues

In effective communication, the words we use are obviously very important, but so are the nonverbal cues we use. Some communication specialists believe that nonverbal cues are even more impactful than the words we use.⁴³ These include:

- Eye movement
- Facial expressions
- Hand, leg, and body gestures
- Body orientation and posture
- Use of physical distance and touching
- Tone of voice

Some body language is universal. In all cultures, for example, people, often males, make themselves physically larger (by standing taller, putting their hands on their hips, standing with feet apart, sitting in a higher position) to establish their importance or to intimidate others. Also, all cultures use the movement of eyes, eyebrows, and mouth to convey dominance and submissiveness.

However, cultures differ in their details. Take eye contact, for example:

- In Western cultures, failure to maintain direct eye contact is regarded as suspicious, unfriendly, insecure, untrustworthy, inattentive, or impersonal.
- In Japan, direct eye contact is often regarded as disrespectful. People are taught to lower their eyes when speaking to a superior.
- In Latin America and some African cultures like Nigeria, prolonged eye contact from one of inferior status is often regarded as disrespectful.

⁴³ O'Sullivan, James. (May 2016). “80% of all Communication is Non-Verbal” Curiosity. Accessed from <https://www.leap29.com/blog/80-of-all-communication-is-no-verbal#:~:text=Human%20beings%20don't%20communicate,language%20and%20vocal%20tone%20used>

To read culturally-specific nonverbal signals, you need to interact with and study other cultures. The meaning of cultural signs can vary quite a bit.

- Some nonverbal signs mean something in one culture but nothing in another. Scratching the head may indicate embarrassment in some cultures, while others may see it simply as a sign of an itch.
- Some nonverbal signs mean something different in different cultures. The “OK” thumb and forefinger gesture signifies “all is well” in one culture, but another culture considers the gesture an obscenity, and in yet another, it signifies money.
- Some nonverbal signs mean basically the same in different cultures. Rubbing the thumb and forefinger together is a gesture that almost always means money.

Experts have identified some primary sources of cross-cultural miscommunication.⁴⁴ As we’ve discussed in depth already, cultural preconceptions, such as stereotypes and biases, are a clear source of miscommunication. As are nonverbal forms of communication. This applies to facial expressions, body postures, or nonverbal signs, as we discussed. But taken more liberally, it can also apply to clothing and other aesthetic choices that communicate different things based on cultural background, for example body scents/perfumes and religious emblems.

Other notable sources of miscommunication include:

1. ASSUMPTION OF SIMILARITY:

This gets back to how our culture shapes our biases. Because we learned to communicate in certain ways, we believe everyone has. They haven’t.

2. LANGUAGE DIFFERENCES:

Obviously if someone is speaking Portuguese and someone is speaking French, the possibility of miscommunication is high. But language differences also apply to dialects and slangs, of which the United States has many along generational, cultural, and regional lines. Similarly, you may also encounter first-generation immigrant buyers who speak English as a second language, which also increases the possibility of miscommunication.

3. ANXIETY:

In unfamiliar cross-cultural situations, we might be more nervous or anxious, which can cloud our judgement and perception of communication cues in the situation. Obviously, the more comfortable we are in these situations, the more we lower this risk.

⁴⁴ Stringer, Donna and Cassiday, Patricia. (2009). “52 Activities for Improving Cross-Cultural Communication.” Intercultural Press.

Certain customs occur across all cultures: courtship, marriage, division of labor, status differences, music, and language. Certain kinds of values occur across all cultures as well, such as the valuing of families and relationships. These universals of culture refer to the aspects of human life you may expect everyone, from any cultural background, to have.

Some of these features of culture are technical (superficial, visible, learned from a teacher). Some are formal (deeper, partly visible, learned by trial and error), and others are informal (invisible, unconscious, automatic, learned by observation).

Small Details Can Make Big Differences

Here are examples of seemingly small details that may influence the buying and selling process. These points, however, do not apply to every situation or to every client.

Numbers

- Four sounds like the word for death in Chinese and Korean.
- Three and seven are lucky numbers for Koreans.
- Eight symbolizes wealth and luck for the Chinese.

Location and Orientation

- Feng Shui influences location and orientation in several East Asian countries. For example, front doors generally do not face north.

Offers and Contracts

- High-context cultures often find detailed documents a sign of mistrust. Business dealings are much more implied than spelled out.

Recognizing how your own culture treats these cultural elements, and how they influence you, is the beginning of sensitivity to other cultures. Learning about nonverbal signs used in different cultures will help you understand others better and may save you from embarrassing yourself or offending a client. As you continue to learn about other cultures and become more comfortable in cross-cultural situations, consider a more conservative approach to nonverbal communication. Rely, for example, on cues that are understood universally as conveying respect.

Practice Active Listening

To help reduce the chances of miscommunications between you and your clients, and also to help your clients feel welcome and comfortable, cultivate active-listening skills. This is a skill that applies to all clients, but can be especially helpful with clients of different cultures and backgrounds. Here are some active-listening tips to help you engage and communicate with clients in a way that will foster trust and create an inclusive business relationship:

1. PAY ATTENTION

You should take an active interest in what your client says. Listen not just to their wants and needs, but also to their concerns and plans they may have in the future. Pay attention to their body language as well. Is their posture or expression saying something that their words are not? For some people and cultures, for example, conversation is the message. They prefer talking and interaction, even about tangential topics. This might be especially true of individuals from high-context cultures who are more relationship-oriented. Paying attention will build trust and their real estate goals will emerge over time.

2. WITHHOLD JUDGEMENT

People of different cultures and backgrounds will have different tastes, priorities, and concerns. Avoid judging their wants and needs if they might not align with your own. Remember, your job is to guide your client through the process. The Needs Assessment we discussed in the last module is a great tool to help you accomplish this in an unbiased, nonjudgmental way.



3. REFLECT

Part of active listening is not simply assuming that you understand what your client is saying but actively getting confirmation that you understand what your client is saying. You can do this by paraphrasing back to your client what they report to you.

The act of reflecting might sound something like this:

- **Client:**

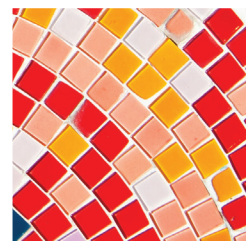
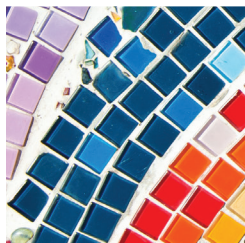
We're looking for a three-bedroom home because we are planning on having kids soon. We really would like a two-car garage and at least two bathrooms, but we might be flexible about those.

- **Agent:**

So what I hear you saying is – Three bedrooms is a definite need since you want children. The garage and two bathrooms are more of a want. It would be great if we could get the whole package, but the highest priority are the bedrooms. Am I hearing you correctly?

Using the technique of reflection serves three important functions:

- It helps to ensure that there are no miscommunications between you and your client.
- Reflecting makes your client feel listened to. It literally shows them that you are listening and that you are taking the time to get it right.
- Showing your client that you are carefully considering their wants and needs builds trust.



4. CLARIFY

Don't feel like you always have to "get it" right away with your client, especially when trying to bridge differing cultural perspectives and norms. Don't be afraid to ask questions and make sure you clarify something that might be confusing to you. Reflecting back what they say helps prevent miscommunication, and so does clarification—that is, asking additional questions yourself. Asking questions of your client will also show that you are interested and that you are making sure you get it right.

5. CHECK IN

It's always a good idea to check in with your clients after some time has passed to make sure you are still on the same page. Extended searches can lead to frustration, concerns, evolving priorities – all things you might not know if you don't take the time to actively check in about how your client is thinking and feeling. And when dealing with diverse populations, you need to be aware that certain cultures rely on interpersonal relationships and building a more personal rapport. Frequent check-ins help in this way.

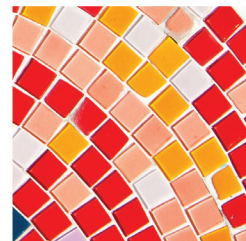
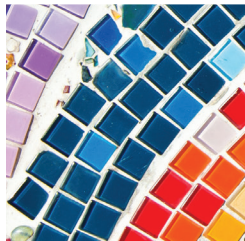


EXERCISE: ACTIVE LISTENING ROLE PLAY: AGENT AND CLIENT

Without specifying any particular cultural background, write down the homebuying preferences of three different individuals in the real estate market (for example, a first-time homebuyer, a move-up buyer, and a downsizing seller). Then choose a partner to role play an initial needs assessment interview, taking turns playing the role of agent and client.

When playing the role of agent, practice the active listening skills of reflection and clarification, paraphrasing back the preferences of your “client” and asking follow-up questions to clarify wants and needs.

When playing the client, have fun with it. Don't be afraid to meander and diverge off topic. Express concerns and confusion about the process. In short, be creative to keep your "agent" on their toes. You want to make it somewhat challenging for them to reflect back and clarify your preferences!

[illegible]

BUSINESS NORMS AND ETIQUETTE: QUICK TIPS

Beyond the proper etiquette you use during business proceedings, project positive attitudes toward diversity in addition to adjusting to the other person's need for high- or low-context communication.

Here are 10 basic principles for multicultural business norms and etiquette:

1. Talk less, listen more.
2. Be sure to use correct names and titles.
3. Show deference to the elderly.
4. Learn at least a few phrases in a client's native language.
5. Respect the concept of "face."
6. Don't try to create an instant friendship.
7. Cultivate empathy. Put yourself in others' shoes.
8. Do not make jokes. Humor often doesn't translate cross-culturally.
9. Show respect for others' customs and culture.
10. Acknowledge mistakes and apologize when appropriate.



KNOWING YOUR STRENGTHS AND WEAKNESSES

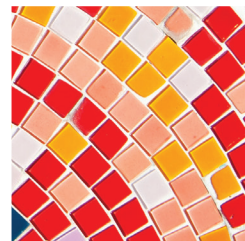
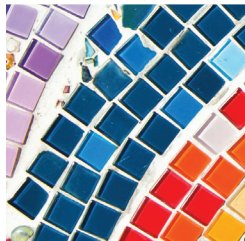
As important as it is to know yourself, it's just as important to know what you're up against. You might think you excel at community outreach, for example, but if a competing brokerage is consistently more successful at it, this is likely an aspect of your business you need to reassess. Ultimately, you need to know yourself in part by knowing your competition. A SWOT analysis is a tool to help us do this.

SWOT stands for Strength-Weakness-Opportunity-Threat, and it's a way of doing a competitive analysis of both internal and external factors that influence your business. See the figure below.

Figure 4.2 SWOT Analysis

Helpful (to achieving the objective)	Harmful (to achieving the objective)	
S Strengths	W Weaknesses	Internal Origin (attributes of the organization)
O Opportunities	T Threats	External Origin (attributes of the organization)

Strengths and weaknesses are typically internal factors that you have some degree of control over. In real estate, this could mean your personal attributes or perhaps the brokerage you work for.



When developing your inclusive business plan, ask yourself the following:

- Does your brokerage have name-recognition across communities within your market?
- Does it have resources to extend its reach to all communities within your market?
- How experienced and knowledgeable are you about the communities within your market?
- Do you have a strong list of contacts and connections to the various communities within your market?
- What is your current advertising strategy to appeal to all communities within your market?

Assign each factor you can think of into either a strength or weakness category.

Opportunities and threats typically consist of external factors, which you have less control over. When developing your inclusive business plan, ask yourself:

- Are there particular communities within your market that are heating up or cooling down?
- Are there any government laws or regulations that will make home buying easier or more difficult for certain segments of your market?
- What do mortgage rates look like?
- What are the latest home-buying apps and are there ways to leverage them?
- Are your competitors effectively appealing to all communities within your market? If so, how are they doing it?

Again, assign each factor you can think of as either an opportunity or a threat.

When you look at the analysis in total, you can begin to see ways to gain competitive advantages (ie., external opportunities + internal strengths), as well as places where you might be at a disadvantage (external threats + internal weaknesses).

BUILDING AN INCLUSIVE BUSINESS PLAN: YOUR SWOT ANALYSIS

Use the SWOT template below to conduct your own initial competitive analysis.

SWOT ANALYSIS	HELPFUL	HARMFUL
INTERNAL:	STRENGTHS: 1. _____ 2. _____ 3. _____ 4. _____ 5. _____	WEAKNESSES: 1. _____ 2. _____ 3. _____ 4. _____ 5. _____
EXTERNAL:	OPPORTUNITIES: 1. _____ 2. _____ 3. _____ 4. _____ 5. _____	THREATS: 1. _____ 2. _____ 3. _____ 4. _____ 5. _____
ACTIONABLE ITEMS: Two ways to capitalize on advantages: 1. _____ 2. _____ Two ways to mitigate disadvantages: 1. _____ 2. _____		

Module 5:

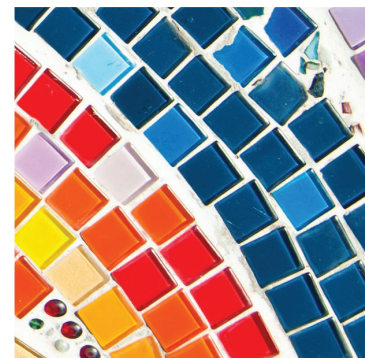
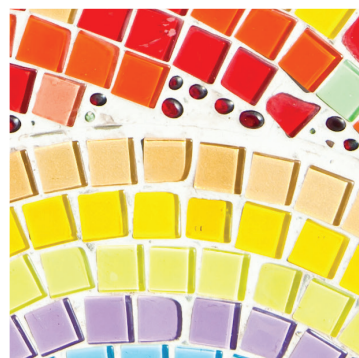
Expanding Your Business: Inclusive Multicultural Marketing

At the end of this module, you should be able to:

1. Understand the value of analyzing the demographics of your community and creating an inclusive brand.
2. Explain the importance of networking and performing meaningful multicultural outreach in your community.
3. Create an advertising and social media marketing strategy that is inclusive and FHA compliant.

Building an inclusive business means engaging and communicating with a diverse marketplace in new ways. New homebuyers today are not always receptive to existing sales techniques, nor do traditional marketing approaches always involve them in the homebuying process effectively. It's important to broaden your marketing strategies to make sure everyone feels represented and included in your branding message.

In this module, we will look at ways of analyzing your particular market, generating an inclusive brand and marketing strategy, and making sure that all your business activities are Fair Housing compliant.



RESEARCHING LOCAL DEMOGRAPHIC TRENDS

Understanding and interpreting local demographic data is critically important to avoid costly marketing and recruiting missteps. If, for example, you have a large Hispanic/Latinx or Asian population in your community, find out their specific country of origin (are they Mexican or Cuban? Chinese or Vietnamese?). Examine their age segments and median household income to develop a sound marketing plan.

The analysis of local demographic data will help you develop marketing strategies and business plans that address the specific needs of a diverse market area.

Gather data in areas such as total population and population by nationality or race, income, employment, and key housing indices.

The Bureau of Economic Analysis (BEA) prepares regional economic statistics for the United States. It provides estimates of personal income and proprietor earnings by major industry at the state and local level. It also prepares quarterly and annual estimates of personal salary by type of income and place of residence. Visit [bea.gov/regional](https://www.bea.gov/regional) for more.

Additionally, as we mentioned in Module 1, NAR Research compiles State-By-State International Business Reports each year for each U.S. state plus the District of Columbia. These reports contain current and historic immigration and naturalization data and statistics on international business activity. This information can be found at <https://www.nar.realtor/research-and-statistics/research-reports/state-economic-data-for-engaging-in-international-real-estate>.

Other good sources for local diversity data can be found at:

- **THE AMERICAN IMMIGRATION COUNCIL'S IMMIGRATION POLICY CENTER**
americanimmigrationcouncil.org/topics/state-by-state
- **THE MIGRATION POLICY INSTITUTE:**
<https://www.migrationpolicy.org/topics/immigrant-profiles-demographics>.

NOTE: Always develop marketing strategies and business plans that conform to the Fair Housing Act and One America Principles. (See Module 2). The goal for using this research should be to provide better service to all population groups. Using an understanding of local demographics to market to specific groups at the expense of inclusion is contrary to the One America Principles and the Fair Housing Act (FHA).

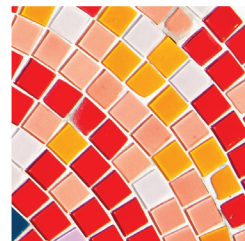
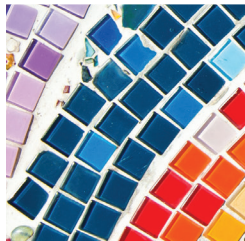
When using demographic data, please be aware of the following considerations:

- In addition to the law, fair housing training has always emphasized that there should be no difference in treatment based on race or the other six protected classes. Becoming culturally aware does not change that basic principle of fair housing.
- The analysis of demographic data helps you understand, reach out, and expand your marketing efforts. Never use such data to limit choices or steer prospects to or away from communities.
- Never volunteer or otherwise provide demographic data to your customers and clients. When buyers ask for demographic information, you may refer them to a reliable source. Do not give them any information you may have gathered or learned.
- Check state and local laws concerning the collection and use of demographic data. A good practice would be to keep demographic data and information you gather for your diversity business planning separate from your files on individual customers, clients, and their properties.

ADVERTISING AND FAIR HOUSING LAWS

Fair Housing Act provisions on advertising apply to all forms of print and electronic media used to sell or rent housing. Fair housing laws cover all newspapers, radio, television, websites, social media, business cards, billboards, flyers, signs, posters, banners, and application forms.

The laws affect what you can and cannot say about the people who are likely to want a property. You may, for example, draw attention to features and benefits of a property provided your statements are true. But you may not say or imply anything about the people or the type of people who may want to rent or buy a property.



Market to Everyone, Not to Someone

Always focus on describing the property, not the person, in your advertising. For example, you may say a property has four bedrooms, is in a quiet neighborhood, or is accessible to individuals with disabilities. However, you cannot use expressions such as, “perfect for students,” “quiet Hispanic neighborhood,” or “mature applicants preferred.”

There are some key points to remember when marketing yourself or your business. There is no restriction under the Fair Housing Act for real estate professionals to describe themselves as a certain race or ethnicity on a website or to include a photo of themselves on business cards. It is illegal, however, for the licensee to describe the race of prospective buyers they want to serve.

Additional state and local laws and regulations may apply to advertising and showing properties. Contact your state licensing and regulatory agency to learn about specifics that are applicable in your state’s license law. Most agencies provide printed materials. Read those materials, whether they apply to owners, landlords, or tenants, to remain well-informed.

Advertising Guidelines to Comply with Fair Housing

According to federal fair housing laws, advertising for the sale or rental of property may not state a preference for or against any person or an intention to exclude any person based on the person’s race, color, religion, sex, disability, familial status, or national origin. NAR code of ethics also protect the rights of individuals based on gender and sexual orientation.

Here are the basic advertising guidelines from the National Fair Housing website:

- Make sure your advertising is compliant with fair housing laws by focusing on the property and the amenities in your rental listing description—NOT on who you think an ideal renter would be.
- Do not make statements that exclude persons in protected classes or express a preference for one personal characteristic over others.
- Always include the fair housing logo and/or the “Equal Housing Opportunity” slogan in your advertising.
- Do not exclude from your marketing campaign persons in protected classes, such as families with children, people of certain racial or ethnic backgrounds, persons with disabilities, etc.

- If you feature human models in your advertisements, ensure that the images are inclusive and representative of all communities that need access to housing.
- Always give truthful information about the availability, price, amenities, and features of a housing unit.
- Advertising Goals: Gain important, critical exposure to consumers. Maximize positive outcomes. Broaden—don't restrict—your market.
- When it comes to advertising, the key to success should be inclusion, not exclusion! For more on this, you can go to: <https://nationalfairhousing.org/responsibleadvertising>

Evaluate Your Message for Inclusion

Read and reread your advertisement for words with hidden or double meanings, and have other trusted colleagues read it as well. Keep descriptions accurate and focused on the property's features and benefits.

Before considering your advertising, avoid the temptation of thinking that a property is ideal for multicultural marketing. The idea is to market your services in an inclusive manner so that all will feel welcome. When it comes to individual properties you must also make sure to market them broadly and without targeting any group.

Carefully consider and check your marketing approaches (high- and low-context), materials (colors and pictures, use of flags), and translations. For example, the General Electric jingle, "We bring good things to life," was translated to "Brings your ancestors back from the dead" in parts of East Asia.

Use the following questions to evaluate your advertisements and promotional material:

- What do potential clients think the message says?
- Does the ad inadvertently make assumptions about or exclude any potential prospects or groups?
- Does the ad provide adequate description of the services of the firm?

When placing advertisements, the basic rule is to be inclusive. Don't rely solely on either foreign-language media or mainstream platforms.

ADVICE FROM AN EXPERT: GROWING YOUR BUSINESS THROUGH INCLUSION WITH GREG GLOSSON



- **Greg Glosson**
AHWD, C2EX, CIPS, CRS, e-PRO®, GRI, MRP,
PMN, PSA, RENE, RSPS®, SFR®, SRS
Memphis, Tennessee

How have you used your inner networks to grow your business in an inclusive way?

I am extremely fortunate to have a principal broker who comes from a background in social services and has always viewed a diverse office and a diverse clientele base as something to strive for each and every day. The culture of our office is one of inclusion and she has set that tone for all of the agents who work at the firm. As an instructor and educator, I have the opportunity to go into multiple markets and meet REALTORS® who come from different backgrounds and professions. Whether they have served in the military, worked for large corporate entities or as a service professional, everyone has a unique story that's important to hear. I learn so much from my colleagues in the classroom and being an active listener is one of the most important characteristics I've been able to use to grow my business. When you meet someone and engage in a meaningful conversation, ask how you and your firm might be better able to serve them and the community. Then, ACT on those recommendations and watch your business grow! It's important to remember that inclusion isn't just about race; it's about age, gender, familial status, and sexual orientation to name a few.

Share a story of how being inclusive in your marketing was good for business.

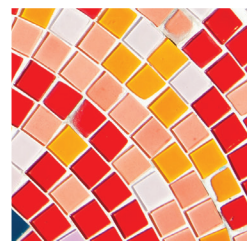
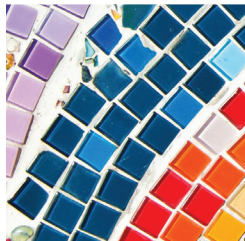
Several years ago, our office was the listing agent for a property in a lower middle class neighborhood in Southwest Memphis. There had been a good amount of activity on the property, but it had not sold. We received a phone call from a lady who was interested in the property and wanted to see it. After gathering her information and qualifying her on the phone, we showed her the property and she ultimately purchased the home paying cash. During the course of our conversations, she told me that she had called several larger real estate offices in town to see

the property, but that our office was the only one who took the time to speak with her and learn about her wants and needs. She believed that based on the way her voice sounded on the phone, people had judged her as someone who wasn't capable of being able to buy and didn't want to work with her, especially on a lower valued home. The irony of this story was that the agent who I was mentoring in the transaction was my own son. He was only 18 years of age at the time, and it was his very first closed transaction. We've been referred by that client numerous times over the years, simply because we answered the phone and did the right thing.

DEVELOPING AN INCLUSIVE MARKETING BRAND AND PRACTICES

Marketing and selling practices may need to be expanded so your business incorporates diversity and is able to serve multicultural clients. Consider the following points as you develop marketing practices for your business:

- People from different cultures and backgrounds are influenced by experiences and traditions of their heritage. They will be encouraged to buy or sell by approaches and practices that are familiar and comfortable to them.
- Practitioners who work with a diverse client base understand and apply marketing and selling practices that make their clients feel comfortable, informed, and valued.
- Practitioners who understand and are sensitive to cultural values use marketing and selling practices that create long-term relationships. These relationships frequently yield multiple transactions.



Defining Your Inclusive Brand

What makes you and your services unique and memorable? What's your unique and compelling story? How can you actually embrace diversity, equity, and inclusion in a way that they become part of your brand, part of the unique service you provide?

Knowing your unique value proposition, your strengths and weaknesses, and your competition will better enable you to distinguish yourself in a competitive marketplace. Your ability to message your business as inclusive to everyone should be integral to how you create your personal brand.

The first step toward standing out from the crowd is identifying what it is about you and the services you offer that make you unique. Do a preliminary evaluation of what makes you stand out from other agents in your market.

Unique Diversity, Equity, and Inclusion Skills and Knowledge

Be an expert on the best sources clients and customers can use to form their own opinions. Opportunities for differentiation come from highlighting advanced skills, knowledge, and experience such as professional designations, unique backgrounds, community knowledge, and property-specific experience. Hint: Have you taken an NAR course that would help you better understand diverse marketplaces and cultural backgrounds?

Personal Interests

When a personal interest meets a professional opportunity, great things are possible. Embracing diversity means showing who you are as a person. Your personal interests and background can help inform your inclusive brand.

Personal Traits

Just as personal interests can be used to help define your brand so can personal traits. After all, you are your business. Being authentic, expressing genuine empathy for others, fosters trust and helps build relationships. Why not make who you are an integral part of your inclusive brand?

- If I were buying a home, what would I need and want to know? What would concern me? What would I want from an agent? How can I translate that into a marketing opportunity?
- How long have you been in the industry? Do you hold any credentials or designations? How do you stay current in the real estate market?
- What is your community involvement?
- Why do people give you referrals? Is there a trend in terms of service or expertise? What do your past clients say about working with you? What are you known for?
- What interests or hobbies align with your business opportunity?
- What is the personal slogan for your business? Is there an opportunity to clarify what you do? For example, “Do I sell real estate or, do I make dreams of buying a home a reality!”

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Foster Meaningful Connections

One weakness of traditional marketing is the assumption that the more people you reach, the greater the number of successful transactions you will have. Yet it is not actually how many people you reach but rather the number of people you engage with and have an impact on in a meaningful way.

Multicultural marketing means getting to know and understand a diverse market base, such as ethnic minorities, people of color, people in same-sex relationships, people of all physical abilities and religions, urban or suburban populations, and so forth. Expanding your knowledge of differing cultures and backgrounds will help you make meaningful, authentic connections with everyone in your community.

To avoid communication errors and the possibility of offending someone, talk to your clients about the process. Early in your relationship, provide copies of forms and contracts, and ask if they would like additional written information that explains these documents and the homebuying process. Learn how different cultures make serious decisions.

Tips for taking a multicultural approach to marketing:

- Learn as much as possible about the traditions and beliefs of your potential clients.
- Do not assume all cultures are alike. There is considerable diversity within each ethnic segment based on country of origin, language, and social and cultural adaptation to the United States.
- Be careful when translating English into other languages. Some idiomatic expressions cannot be translated word for word and retain the same meaning. For contracts, make sure documents are reviewed by a legal expert proficient in the client's native tongue. Also, check with your state association to see if they have contracts in other languages. It's recommended that brokerages use translation services that are proficient in real estate terminology to ensure that all real estate language is correctly conveyed.
- Use the appropriate native language media, such as foreign-language newspapers and television broadcasts. Media experts know that ethnic Americans often access different media from mainstream Americans—from the Internet to magazines to radio and print. Moreover, they interpret media differently, relying on it not only for information, but also for a sense of community and values.

- Consider recruiting sales associates and staff members who speak the language of the ethnic group or groups you are trying to serve. However, make sure you understand the law's finer points. For example, it is legal to advertise that your agents speak Russian so that you attract Russian-speaking clients. It is illegal, however, to target only Russian-speaking prospects.
- Be sensitive about cultural slurs, stereotypes, clichés, and taboos. Understand the cultural nuances in communication, dress, and family values of individuals with backgrounds different from your own.
- Reach out to key institutions and groups within ethnic communities.
- Consider hiring a specialty advertising agency or marketing consultant.

Networking and Referrals

Networking is one of the most basic and effective marketing techniques available. There are many ways to initiate, build, and maintain relationships through networking, with the ultimate goal of generating referrals and attracting prospects. As with all aspects of marketing, a planned approach yields the greatest results and maximizes Return on Investment (ROI).

Of course, networking through social media is a critical part of any networking strategy, and we will discuss that later in this module. For now we want to focus on face-to-face networking which is an invaluable way to generate leads and engage a diverse marketplace.

The importance of face-to-face networking cannot be overemphasized. Real estate is primarily a “people business.” This is even more the case when trying to create an inclusive brand. At the end of the day, trust is established through genuine, authentic person-to-person contact. Pushing away from your desk and computer to interact one-on-one is a must. Although social media is an essential part of your marketing and advertising campaign, there is no substitute for face-to-face networking. The next section outlines exactly how to do it when trying to engage and foster real relationships in a multicultural marketplace.



Multicultural Community Outreach

Grassroots outreach—that is, reaching out to multicultural homebuyers where they live and work—has proven a successful way to make meaningful connections with a diverse market and expand your business.

Homebuying can be a confusing and intimidating process, and traditionally underserved communities are seeking real estate professionals they can trust. Positive word-of-mouth within and across a diverse range of cultural groups can go a long way in gaining references and building trusted relationships.

In your outreach to multicultural homebuyers, you will often find the best points of contact in the heart of the community. In fact, studies have shown that community influencers represent one of the best vehicles for outreach within various, typically underserved communities. They include:

- Immediate family
- Friends and neighbors
- Places of worship (churches, synagogues, mosques, temples, non-denominational congregations)
- Medical professionals
- Teachers (provide speaking opportunities at schools and career fairs)
- Attorneys (such as those specializing in immigration)
- Community businesses

Effective real estate professionals seek to understand and develop their community network, as well as, understand and reduce whatever prevents or inhibits their outreach penetration. Consider the example of a homeownership fair. Such fairs help educate multicultural homebuyers on the “how-to’s” of buying homes, often in the community’s relevant language and with known community leaders.

These events allow the first-time homebuyer to start gathering information and demystifying the homebuying process. Providing useful and accurate information can help you establish strong credibility and build relational equity.

Consider these outreach methods for your homeownership fair to market to multicultural consumers:

- **EMPLOYERS**

Reach out to employers and offer to educate them and their employees on homebuying and homeownership; position yourself as the subject-matter expert. Bilingual “lunch-and-learns,” for example, educate multicultural employees about the steps to homeownership and help position the employer more favorably with their workforce.

- **GOVERNMENT OFFICES AND SERVICES**

Multicultural visitors to government offices and social service organizations (e.g., Social Security Administration, health clinics, county services, department of motor vehicles) often experience waiting times. Consider collaborating with these organizations to post or distribute your information at such locations.

- **PLACES OF WORSHIP**

Collaborate with local institutions that participate in faith-based housing initiatives, which are often sponsored by cities, counties, or other municipalities. These organizations often provide a trusting environment where multicultural homebuyers feel comfortable; they rely on the institution to guide them to the right resources for additional information. The key here is looking to engage with places of worship for all religious denominations in your community—not just one.

- **OTHER HOUSING INDUSTRY REPRESENTATIVES**

Consider collaboration or co-sponsorship with local lenders, title offices, and others in the real estate industry. Solicit corporate partners as sponsors. They often have their own outreach initiatives geared toward educating the multicultural homebuyer.

- **MULTICULTURAL REAL ESTATE GROUPS**

Partner with multicultural brokers, agents, and loan officers who are members of the National Association of Hispanic Real Estate Professionals (NAHREP), the Asian Real Estate Association of America (AREAA), or the National Association of Real Estate Brokers (NAREB). These organizations aim to increase homeownership rates by empowering real estate pros who serve those communities.

- **COLLEGES AND UNIVERSITIES**

Contact admissions departments and multicultural groups at local institutions of higher learning to find out how many students are coming in from overseas, where they're coming from, and what their housing needs might be. There are often multicultural organizations and LGBTQ+ advocacy groups on campus while school is in session that you can reach out to as well.

- **LOCAL MEDIA**

Reach out to community and different language publications to promote events. Consider making an appearance on local Spanish, Asian, or African American media outlets. Even if you do not speak the language, provide homeownership information that is useful to the community and let the host or someone at the station translate the message. More important, make certain that the event is family-friendly and accommodates children.

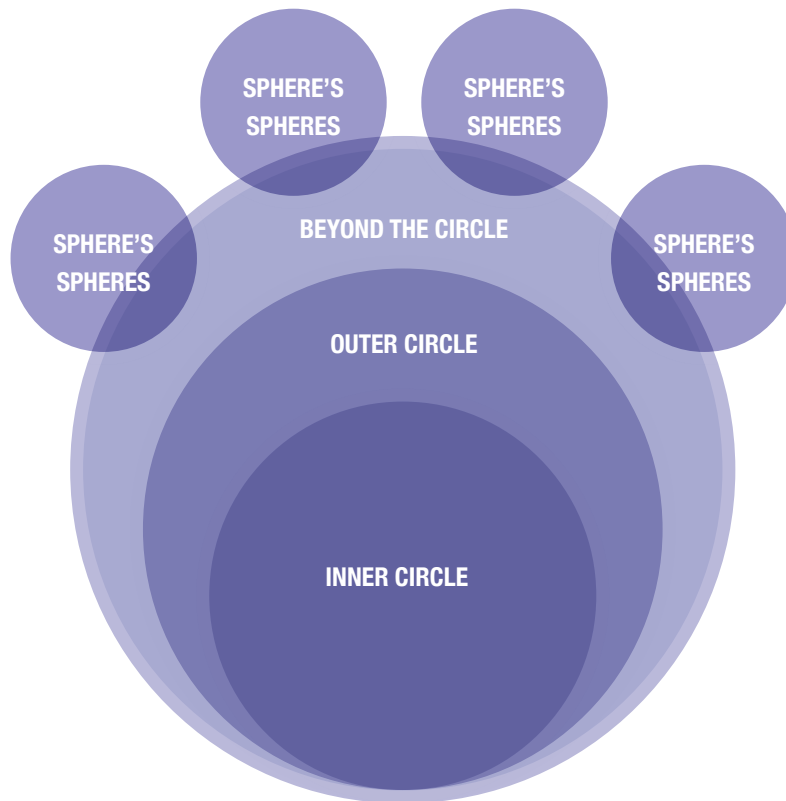
Spheres of Influence

Another aspect of the planning phase is determining your spheres of influence. Establishing and maintaining relationships is critical to building your business, whether you hope to generate business from cold leads, referrals, or repeat customers. Your spheres of influence include everyone you might come in contact with, including family, friends, acquaintances, and people you don't know.

You need to identify who comprises these separate spheres so you can market yourself accordingly. Identifying these spheres also helps you set your marketing goals. See Figure 5.1.



Figure 5.1 Spheres of Influence



Inner Circle

The inner circle consists of your closest networks. It is essentially your sales force. Marketing to this group results in the “biggest bang for your buck.” It involves building upon established relationships with friends, family, and past clients to generate more leads and increase referral business, which we discuss more in the referral section to follow. This is also a vital circle to mine for networking with diverse communities in your local area that you may not already be familiar with.

Outer Circle

The outer circle includes contacts such as former clients, professional service providers, other agents, and former classmates. There is a tremendous opportunity to build your leads by establishing and nurturing personal or professional connections within this group.

EXERCISE: WHO IS IN YOUR INNER AND OUTER CIRCLE?

Identify as best as you can who comprises your inner circle and outer circle. Generating a list of names and associations creates a foundation from which you can start generating a marketing strategy.

INNER CIRCLE

OUTER CIRCLE



Beyond the Circle

Any new and not-yet referred prospects are beyond the circle. Marketing to this group involves reaching out to the consumer market as a way to develop leads and initiate relationships. For both new and experienced real estate professionals, continual marketing beyond the circle keeps a stream of prospects in the pipeline, which is where your broader advertising and social media campaign comes in.

SOCIAL MEDIA INCLUSION TIPS

In 2019, the Department of Housing and Urban Development (HUD) sued Facebook for violating the Fair Housing Act by “encouraging, enabling and causing housing discrimination” by providing tools to advertisers to block or exclude individuals in protected classes.⁴⁶ This isn’t the first time Facebook has faced such law suits.⁴⁷

Facebook’s Marketplace features a warning for property managers: “listings that discriminate against a protected class can be reported and will be removed.” Following this statement is a link to Facebook’s summary of the Fair Housing Act. So far, so good.

But Facebook is not consistently abiding by its own guidelines—at least, that’s what Pro Publica’s research team found. Twice, Pro Publica set up fake Facebook ads targeting house hunters that purposely excluded certain groups of people (Asian American, Hispanic/Latinx, soccer moms, gay men, Christians, etc.). Facebook approved the ads within 20 minutes.⁴⁸

How is this issue with Facebook relevant to you?

As mentioned in Module 2, the Fair Housing Act prohibits discrimination in advertising. That includes traditional forms of media like newspapers, television, magazines, banners, and signs—as well as social media. This also includes targeting specific groups on a prohibited basis for advertisements (at the exclusion of others) using certain filters and algorithms.

If you are on Facebook advertising real estate be sure you are on the Business Page, not on the Personal Page. Note that all online advertising requires the name of the brokerage firm, office address, telephone, agent name, and telephone, plus all states where the licensee is licensed.

⁴⁶ Booker, Brakkton. (March 2019). “Housing Department Slaps Facebook With Discrimination Charge.” NPR. Accessed from <https://www.npr.org/2019/03/28/707614254/hud-slaps-facebook-with-housing-discrimination-charge>

⁴⁷ Schmidt, Samantha. (March 2018). “Facebook sued for allegedly allowing housing advertisers to discriminate,” Washington Post. https://www.washingtonpost.com/news/morning-mix/wp/2018/03/28/facebook-sued-for-allegedly-allowing-housing-advertisers-to-discriminate/?noredirect=on&utm_term=.aa7dabf4c9b4.

⁴⁸ Angwin, Julia; Tobin, Ariana; and Varner, Madeleine. (November, 2017). “Facebook (Still) Letting Housing Advertisers Exclude Users By Race,” ProPublica. <https://www.propublica.org/article/facebook-advertising-discrimination-housing-race-sex-national-origin>.

Here are eight tips to ensure you and your agency are advertising on social media in ways that do not discriminate and that consistently comply with fair housing laws: ^{49, 50, 51}

1. MASTER THE INS AND OUTS OF FAIR HOUSING.

Everyone with access to your agency's social media accounts should be highly familiar with the Fair Housing Act. Some experts even suggest that before employees are given permission to post on platforms like Facebook, Twitter, and Instagram on behalf of your company, they should complete a sufficient amount of fair housing training.

2. PAY ATTENTION TO YOUR IMAGERY.

Depict all types of people in your posts. Keep in mind the protected classes. For example, post pictures of people of different races and ethnicities, individuals with disabilities, families without children, and same-sex couples. This goes for all visual media your business might create and share.

3. EDUCATE YOURSELF ABOUT ACCESSIBILITY.

Not all your followers or prospective clients will be able-bodied, so be sure you're addressing those with disabilities. People who use screen readers (i.e., programs allowing the visually impaired to read onscreen text) require clear captions underneath your Facebook and Instagram photos.

Note: For web design, accessibility gets a bit more complicated (e.g., labeling graphics/images, writing alt-text, creating accessible hyperlinks). Section 508 compliancy has been evolving in recent years, with the most recent changes occurring in 2018. Note that 508 regulations are not the official requirements for private businesses, but they provide the standards for the federal government and its contractors and are very helpful in developing inclusive content accessible to all individuals. See the following links for more about compliancy laws and guidelines:

- <https://www.section508.gov>
- <https://www.section508.gov/manage/laws-and-policies>
- <https://brailleworks.com/508-compliance-needs-compliant>

⁴⁹ Hill, Grace. (June 2018). "Training Tip of The Week: Social Media Compliance with Fair Housing Laws," <https://gracehill.com/blog/social-media-compliance-fair-housing-laws>

⁵⁰ Vanessa Naranjo, "Fair Housing & Social Media: Share Responsibly," The Official Appfolio Blog, June 2016, <https://www.appfolio.com/blog/2016/06/fair-housing-social-media-share-responsibly>

⁵¹ Michael Thiel, "Your Social Media Policy," Realtor® Magazine, August 1, 2010.

4. STICK WITH THE FACTS.

Since you can't always control how your content may be shared on social media, take care to post only factual content about the neighborhoods and communities you are representing. A good rule of thumb: avoid "racial or ethnic terms, references to religion, exclusions based on disability, and limitations based on familial status."

5. REVIEW POSTS BEFORE HITTING "PUBLISH."

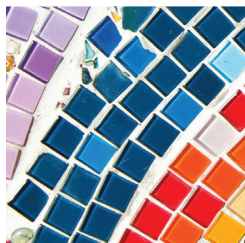
If your office has the capability, designate a person to proofread social media posts and check them against fair housing laws. Perhaps this person could also monitor comments and respond to inquiries so that your feeds consistently remain current.

Any inflammatory or inaccurate commentary in your feeds should be addressed either by removal or direct response. Some marketers suggest a brief explanation should follow comment removal, e.g., "This post was removed due to inflammatory language that may be offensive to our tenants and followers and did not reflect our company culture or values." ⁵²

6. CREATE A SOCIAL MEDIA POLICY.

Leave as little to chance as possible. Create rules and standards for what kind of ads you run, as well as the content (words, pictures, videos, etc.) of those ads. Just as importantly establish rules for responding to queries and comments on social media. If you have multiple partners or employees, consider designating a "social media" point person. Establish rules for who can respond on social media and when responses can be posted. Is there a vetting process for posting responses? Language, style, and tone restrictions with regard to content? It's a little extra upfront work, but always remember: once something's posted online, it's there forever!

⁵² Naranjo, Vanessa. (June 2016). "Fair Housing & Social Media: Share Responsibly," The Official Appfolio Blog. <https://www.appfolio.com/blog/2016/06/fair-housing-social-media-share-responsibly>



7. REGULARLY UPDATE YOUR FEEDS.

An outdated social media feed is essentially a dead social media feed. In other words, people will access it, realize it is dormant, and then leave. If you want followers and interaction—and thus business—then you should post to your accounts on a regular basis. Strive for at least once a day.

8. PUT THE EQUAL HOUSING OPPORTUNITY LOGO FRONT AND CENTER.

As suggested earlier, embed the Equal Housing Opportunity logo across all your advertising—social media included. Integrating this image suggests (and hopefully certifies) that you are mindful of and abide by fair housing laws.

For more on how to adhere to Fair Housing laws with online advertising, see the following:

- **FAIR HOUSING COACH**

https://www.mmmlaw.com/files/documents/FHC_2018_09_Final.pdf



BUILDING AN INCLUSIVE BUSINESS PLAN: CREATE YOUR OWN SOCIAL MEDIA POLICY

Today, social media is an integral part of any successful real estate business. To make the most of your social media advertising, you need to get it right. With the importance of diversity and inclusion top of mind, create your own social media policy for your company.

As a starting point, try answering the following questions:

- Who will be in charge of your social media policy?
- Will there be only one person? If not, how will the duties be broken down among all social media participants?
- What are the various aspects of your social media ad program? What apps will you use? Will you use graphics? Videos? Blogs?
- If using imagery, what kind of requirements will you use for representational purposes?
- Do you have any words or phrases that you should or should not use?
- At what times can social media responses be posted? Immediately, day or night? During normal business hours only?
- Is there a vetting process for responding to comments, complaints, or criticisms online? If so, what is it?
- If using video, will there be time parameters? Budget?
- How will you ensure your social media is inclusive—i.e., that it is not excluding any particular group?

After you've begun thinking about these items, share your thoughts and ideas in small groups.

PROSPECTING, OFFERING, AND NEGOTIATING

Prospecting must be carefully planned and include all audiences and objectives for making contact. Prospecting may be defined as either:

- **DIRECT:**

Making personal contact with buyers, sellers, or investors. For international clients, this often happens through intermediaries, introductions, or trade shows and conventions.

- **INDIRECT:**

Using homebuyer fairs, religious or culturally-based associations or communities, and social meetings or classes for information that leads to buyers, sellers, or investors. In either case, the professional must carefully plan a course of action.

When creating your plan, consider the following questions:

- Who is included in the marketing audience?
- How should a group of consumers be approached?
- Am I doing anything inconsistent with fair housing laws?

In offering and negotiating a property, pay attention to the cultural values and differences you learned in Module 1. With that in mind, guidelines for negotiating transactions include:

- Maintain the principals' confidence in the value and fairness of the transaction
- Emphasize any ideas and values you share, despite disparate backgrounds
- Exercise discretion and respect for all parties
- Follow the clients' timetable
- Know the role you are expected to play based on your client



Module 6:

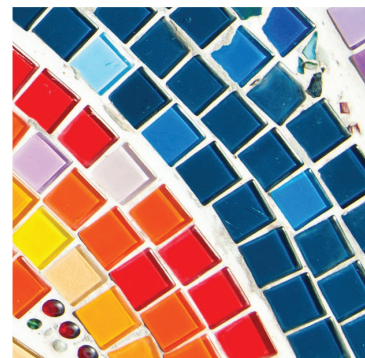
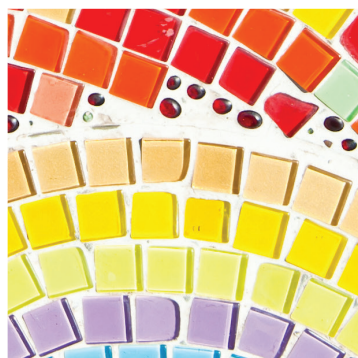
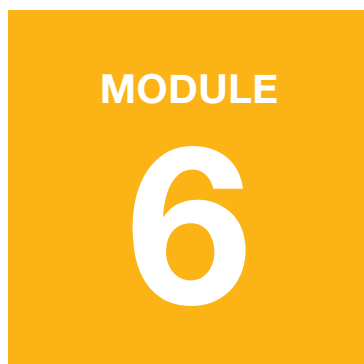
Creating Your Inclusive Business Plan

At the end of this module, you should be able to:

- Formulate an inclusive business plan that embraces diversity and grows your business.

Conventional real estate goals should be focused on sales productivity, volume, market share, and personal development. Adding diversity to the plan does not change these conventional goals; if anything, it makes them more achievable. Successful organizations are learning to leverage and demonstrate the contribution that multicultural marketing can have on an organization's bottom line.

You have learned about changing demographics in national, regional, and local markets. You have also learned various branding and marketing techniques to develop a vibrant inclusive business. This final module encourages you to create a professional plan that puts together all that you have learned.



TRANSLATING ONE AMERICA PRINCIPLES INTO BUSINESS GOALS

Earlier we discussed how the One America Principles inform NAR ethics and embrace diversity, equity, and inclusion. Here we provide a way of using these principles to help build an inclusive business strategy.

The following illustrates ways you might translate the One America Principles into practical, job-related goals. These goals relate to a real estate professional's critical tasks: rendering services, community outreach, professional development, and company involvement. Think of these goals as the foundation for the strategies and actions of your inclusive business plan.

Services, Customers, and Clients

- **PROMOTING HOMEOWNERSHIP:**

I will intensify my efforts to promote home ownership among renters in my market.

- **PROMOTING LISTINGS:**

I will make sure my listings are promoted to all cultural groups in my market, including renters, as well as, homeowners.

- **MARKETING LISTINGS AND OBTAINING BUYERS:**

I will better allocate my promotional efforts, time, and budget resources to reflect the relative sizes of my market's cultural subgroups.

- **OBTAINING LISTINGS:**

I will emphasize my inclusive marketing plans to sellers in obtaining listings.

- **FACILITATING CLOSINGS:**

I will broaden my facilitation services to ensure that all buyers get to the closing table successfully.

Reaching the Community

- **GETTING TO KNOW THE COMMUNITY:**

I will embrace and celebrate what diversity brings to our communities and our nation.

- **GETTING THE COMMUNITY TO KNOW ME:**

I will adopt ways to heighten my personal and professional profile in the community so people of my market recognize me as their real estate resource of choice.

- **GETTING INVOLVED IN THE COMMUNITY:**

I will become more involved with ethnic social organizations to get to know my constituents.

Professional Development

- **IMPROVING LANGUAGE AND COMMUNICATION:**

I will improve my skills in communicating with other cultural groups.

- **INCREASING CROSS-CULTURAL AWARENESS:**

I will familiarize myself with the social and cultural backgrounds of minority groups in my market to achieve a greater comfort level in working with them.

- **DEVELOPING CROSS-CULTURAL RELATIONSHIPS:**

I will increase my focus on one-on-one relationships with prospects and customers.

Business Processes and Support

- **RECRUITING AND HIRING:**

I will actively promote entering the real estate profession as a career among my market's cultural subgroups.

- **TRAINING:**

I will focus employee orientation and training on the tenets of an inclusive practice.

- **PROVIDING ADMINISTRATIVE SUPPORT:**

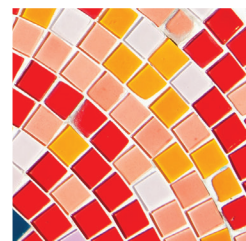
I will work to develop multilingual communication capability on the telephone, in one-on-one conversations, and in written and digital documents.

- **DEVELOPING A COMPANY IMAGE:**

I will develop ways to communicate to clients, customers, and prospects that we are a proactively inclusive organization.

- **CREATING AN INCLUSIVE ENVIRONMENT:**

I will work within my organization to adopt ways to increase the comfort level of persons coming into the office.



GENERATE MARKETING GOALS

Goals are essential to any plan. Goals give us a target to aim at. They help us measure how well we're doing. But perhaps most importantly, they determine the process we will use to achieve them. In many ways, goals determine the plan.

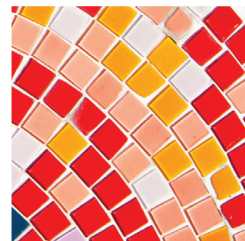
But not all goals are the same. Some goals are more helpful than others. A helpful, constructive goal is one that you can measure. The more defined the goal, the easier it is to measure. For example, let's say your goal is to "be more physically fit." That's a nice goal, but how will you know if you've achieved it. If you said, however, that you wanted to "be more physically fit by losing 10 pounds" then you have a measurable goal by which to judge success or failure.

The same goes for your business. It's not enough to say, "I want more leads" or "I want to generate more revenue." It's too difficult to define if you're achieving that goal. For example, if you made one dollar more that year, did you achieve your goal? When establishing goals for your business, be sure to set specific targets.

Your goals for an inclusive business plan can be expressed in any number of ways – dollar volume, units, events organized in various communities, clients served from various communities, percentage of revenue from different communities, to name a few—but it's important to set the target in order to know if you've hit it.



When you're finished, share your goals in small groups to collaborate on ways to achieve them.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

FORMULATE A BUSINESS PLAN

To formulate a business plan, begin with elements you're trying to organize: the people involved, available resources, your services, and the plan components. The section below outlines each of these elements for quick reference.

People

IDENTIFY THE PEOPLE INVOLVED IN YOUR PRACTICE

- You, the real estate professional
- Your company
- Buyers, sellers, and renters
- Your community

Learn the wants and needs of each client.

Resources

IDENTIFY RESOURCES THAT HELP BUILD YOUR BUSINESS

- Time
- Money
- Real estate skills
- Cultural skills and awareness
- Communication skills

Understand what resources are available to you and how best you can allocate them.

Services

IDENTIFY SERVICES THAT ADD VALUE FOR YOUR CUSTOMERS

- Listings
- Showings
- Open houses
- Needs assessments
- Negotiating
- Administrative
- Advertising

Recognize which experiences and services you can provide to bring value to your client.

Plan Components

LIST ELEMENTS THAT WILL HELP KEEP YOU ON TRACK

- Mission
- Goals
- Strategies

Create a mission and vision with measurable goals to assess progress and areas to improve.

SAMPLE STRATEGIES FOR AN INCLUSIVE BUSINESS PLAN

Sometimes it's hard to come up with concrete plans to execute your business plan, or continually come up with new ideas to generate new revenue and keep your business on track. What follows are additional tips you can consider as you build and implement your inclusive business plan. You don't need to do all of these at once. Rather, you can refer to this from time to time to help you generate new ideas and new strategies for growing your business and reaching new communities.

1. Marketing Homeownership

- Inform renters of homebuying opportunities.
- Educate renters and buyers on the homebuying process.
- Educate renters and buyer on their fair housing/fair lending rights
- Create an information exchange with renters.
- Distribute information on the financing process and financing opportunities.
- Distribute information on how you can represent the interests of buyers.
- Communicate to renters that their interests in home investing are protected.

2. Working With Buyers

- Explain the merits of buyer representation.
- Learn the buyers' needs; fulfill them by rendering the best professional service.
- Respond to cultural or special needs to make the relationship comfortable and successful.
- Educate prospective buyers on how you operate.
- Offer a range of services before, during, and after the transaction.
- Inform buyers of your inclusion practices.
- Inform buyers you are continuously striving to improve your communication skills.

3. Marketing Listings

- Identify the most cost-effective advertising channels.
- Place ads in various languages.
- Develop advertising themes and messages that resonate with local groups.
- Promote your crosscultural approach.
- Observe fair housing guidelines for advertising language and placement.
- Advertise that all buyers are welcome and that properties are available throughout the area.

4. Improving Post-Contract Assistance

- Provide information about financing contingencies.
- Provide information about government-sponsored financing programs.
- Coach buyers during the underwriting process.
- Attend meetings with buyers and lenders.
- Offer discounted professional fees when working with legal firms, title companies, and so forth.
- Recommend several inspectors, insurers, and/or repair people.

5. Prospecting and Listing Sellers

- Incorporate your inclusive philosophy into listing presentation materials.
- Attend special training and complete NAR's At Home with Diversity course.
- Promote the efforts you make to ensure all buyers fulfill contract contingencies.
- Develop bilingual listing agreements.

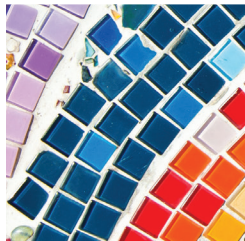


6. Reaching Your Community

- Promote your inclusive practice to local spheres of influence.
- Become involved with civic and social organizations.
- Attend government and school board meetings to learn concerns of local citizens.
- Attend cultural events.
- Identify and participate in sponsorships and funding drives.
- Read local publications to familiarize yourself with neighborhood news and events.
- Strive to develop personal relationships with individual families.
- Engage in public speaking opportunities.
- Conduct homebuying seminars and home financing seminars.

7. Developing Professional Skills

- Pursue educational opportunities to increase awareness of other cultures.
- Consider courses in international real estate leading to the Certified International Property Specialist (CIPS) designation.
- Seek opportunities to increase general and crosscultural communication.
- Work on difficult areas of crosscultural communication.
- Correct personal tendencies to stereotype or make assumptions.
- Work on areas where you have encountered social or cultural barriers.
- Develop and observe personal standards of crosscultural behavior and manners that have proven acceptable, successful, or appreciated.
- Strive to improve language skills to avoid slang and idioms.
- Develop a written code of service standards for display to buyers and sellers.



8. Fostering Inclusion Throughout the Company

- Conduct “career nights” to recruit agents who are familiar with local housing needs.
- Propose hiring someone who can interpret documents, respond to inquiries, and assist in bilingual dialogues in the office.
- Incorporate an inclusive philosophy into a written company policy; include the philosophy in policy manuals and on plaques displayed in the office lobby and conference areas.
- Conduct in-office training seminars on cross-cultural communication and inclusive practices for sales assistants and administrative support personnel.
- Initiate a mentoring and tutoring program for unlicensed sales associate candidates to facilitate their successful licensing and subsequent orientation to the business.
- Explore available resources and costs for translating critical company documents, such as contracts, listing agreements, and disclosure documents.
- Explore ways to network and interact with other inclusive-oriented companies in nearby communities.
- NAR has a declaration that brokers are encouraged to post in their offices that can be found here: <https://www.nar.realtor/fair-housing/fair-housing-program/fair-housing-declaration>.
- Consider creating Employee Resource Groups (ERGs) to foster a diverse, inclusive workplace that aligns with the organizational mission.



ADVICE FROM AN EXPERT: BUSINESS PLANNING TIPS WITH RHONDA IVEY-LENTINI



- **Rhonda Ivey-Lentini**
ABR®, AHWD, C2EX, e-PRO®, GREEN, GRI, MRP,
RENE, SFR®, SRS, SRES®
Berlin, Connecticut

When you sit down to create your own inclusive business plan, what do you keep top of mind?

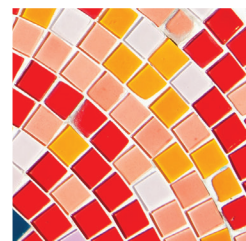
Business plans always have to have goals. Monetary, personal, family and health. To create your plan, start with your sphere of who you know. Family, friends, clubs. Organizations you belong to. Sport teams you or your children are on. Start a data base of names, addresses, emails and phone numbers. Keep this in a secure data base. Update it often. Stay in touch. Send postcards or new letters electronically or snail mail. I learned you had to be persistent.

Has upholding inclusivity in your business plan helped your business in any way?

Very much so. From day one, part of my plan always included: “What you do for one you must do for all.” Treat everyone the same way and you will be successful.

What do you wish you knew the first time you consciously crafted an inclusive business plan?

That the contact with your sphere and past clients has to be consistent, repetitive and meaningful. You can’t send out to them just once and expect referrals or business. It has to be continuous. I have always used this line when thanking a client for working with me. “A referral is the best compliment you can give me.”



BUILDING AN INCLUSIVE BUSINESS PLAN

A business plan has no value if it is not implemented. The implementation process consists of a number of planned tasks that allow you to implement your strategies to attain your goals. The action plan is a schedule of specific actions, or tasks, as well as the anticipated start and stop dates for each task.

In this, your final exercise, review the Building an Inclusive Business Plan exercises from the previous sections, and on the next page try to put together actionable items that you can do to start implementing your inclusive business plan.



MY INCLUSIVE BUSINESS PLAN

MISSION STATEMENT:			
MARKETING STRATEGIES		COMMUNITY OUTREACH	
Action	Date	Action	Date
1.		1.	
2.		2.	
3.		3.	
BRANDING		WORKING WITH BUYERS	
Action	Date	Action	Date
1.		1.	
2.		2.	
3.		3.	
FOSTERING INCLUSIVE ENVIRONMENT		PROFESSIONAL DEVELOPMENT	
Action	Date	Action	Date
1.		1.	
2.		2.	
3.		3.	
PROSPECTING/LISTING		POST-CONTRACT ASSISTANCE	
Action	Date	Action	Date
1.		1.	
2.		2.	
3.		3.	

