

2019 Governance Survey

September 2019

National Association of REALTORS® Research Group



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2019 Governance Survey

The Business Insights Team in NAR's Research Group conducted an eight-minute, 16-question survey of the following groups involved in NAR governance:

- 2019 NAR Board of Directors (BOD)
- 2019 Executive Committee
- 2019 Delegate Body
- 2019 Committee Chairs, Vice-Chairs and Committee Liaisons
- State and Local Association Executives
- 2019 State Presidents
- 2019 Local Presidents
- 2019 State Presidents-elect
- 2019 Local Presidents-elect
- 2018 State Presidents
- 2018 Local Presidents



Objective:

The survey was conducted to determine the best courses of action to address the pain points identified in the 2018 Governance PAG surveys in order to help the NAR Governance Presidential Advisory Group (PAG) decide what structural changes to propose to the NAR Board of Directors.

Executive Summary



Key Questions



How effective is the Delegate Body? How should it be adjusted or improved?



How effective is the NAR BOD? How should it be adjusted?



How effective is the Executive Committee?
How should it operate?



Results



A majority (57 percent) feel that the Delegate Body is an important “check and balance” of the governance system, and an equal proportion do not feel it should be eliminated. Just over half (52 percent) feel that if were eliminated, NAR would need to hold a Local Presidents Forum during the week leading up to BOD meetings to solicit input.



Majorities agree with every positive statement about the BOD except that it is effective at addressing long-term, strategic issues (49 percent). If it remains its current size, fifty-nine percent feel that NAR should improve the content, timing and delivery method of information prior to BOD meetings. Just over half (54 percent) say NAR should provide enhanced orientation, training and mentoring opportunities to Directors. Should the BOD be reduced in size, NAR should ensure that Directors embody a mix of competencies and experiences necessary for informed decisions (54 percent) and to oversee the mission and operations of NAR (52 percent) as well as provide more formal opportunities to seek input from key stakeholders (53 percent).



While more respondents have no opinion about this body than any other, majorities still agree with virtually all positive statements about it. Over half also agree that if it took on more authority, it would need to meet with the Leadership Team more often than twice a year (54 percent), and that Executive Committee meetings should be open for interested members to attend (54 percent).



Recommendations



Most respondents would be opposed to eliminating the Delegate Body or transferring its authority to approve amendments to the Constitution and COE to the BOD. However, comments indicate some confusion among some Local Presidents that they are, in fact, NAR Delegates. Those who do understand this sometimes feel unable to adequately get up to speed on issues a few days before a BOD meeting. This desire for information further in advance of BOD meetings is echoed in sentiments from Directors as well. So NAR should explore ways to disseminate information needed for voting at NAR meetings further in advance, and should provide more training specifically for Delegates as well as enhanced training and mentoring opportunities for Directors. Some Local Presidents cannot afford to attend NAR meetings at all. NAR should also consider the possibility of webinars for Delegates as well as remote, electronic voting from Delegates in cases where their votes are needed.



NAR should make the operations of the Executive Committee more transparent to members by opening meetings whenever possible. But otherwise, the consensus is to keep the Executive Committee as it stands. Respondents are not interested in giving the BOD greater input into this body, but they are also not interested in transferring any authority from the BOD to this committee.

Executive Summary



Key Questions



Results



Recommendations



How should the qualifications and selections processes for the BOD and Executive Committee be improved?



Three-quarters (75 percent) feel that NAR should set clear qualifications for those appointed or elected to the BOD and Executive Committees. Two-thirds (67 percent) feel that NAR should also provide more guidance and suggested practices for state and local associations in electing and appointing members for the BOD.



NAR should set clear qualifications for those appointed or elected to both these bodies. It should also provide more guidance and best practices for associations in electing and appointing NAR Directors. But a majority would oppose NAR having input or choice in selecting individuals serving on the BOD – the general feeling is that this should be the purview of state and local associations.



How can NAR governance be enhanced overall? How can accountability and standards be increased?



An overwhelming majority (89 percent) feel that NAR should set clear standards for performance of those serving on NAR governing bodies (such as attending meetings and trainings, being present when votes are taken, reading the meeting materials packet, and participation during meetings). Sixty-two percent also say that NAR should have a process in place to monitor and enforce those performance standards. Respondents were split, however (51 percent) on whether NAR should use past performance information as a factor in determining future appointments.



The only overall step to enhancing the effectiveness and responsiveness of NAR governance that a majority is in favor of is to open Executive Committee meetings to any interested member to attend. Majorities do not support every other restructuring effort proposed toward this area, including elimination of the Delegate Body, transfer of Delegate Body authority, transfer of authority from BOD to a restructured Executive Committee to approve some committee actions, and transfer of authority to approve the NAR budget from the BOD to the Executive Committee.

That said, NAR should absolutely set clear standards for performance of those serving on NAR governing bodies, and have a process in place to monitor and enforce those processes. NAR should further explore how using past performance information as a factor in determining future appointments might be possible, as just over half would support this.

Methodology Details

Audience



The survey was sent to 4,997 members and association staff with current or recent engagement in NAR governance. 648 completed the survey, yielding a response rate of 13 percent.

Demographics



The typical respondent is either an NAR Director (36 percent) or a local REALTOR® association president (35 percent).

Dates



The survey was deployed on Monday, August 26th, 2019 and closed on Tuesday, September 3rd, 2019.

3-Step Methodology

01 Sample

4,997 members and association staff (see page 2 for list)

02 Data Collection

An advance email was sent to the full sample one week prior deployment.

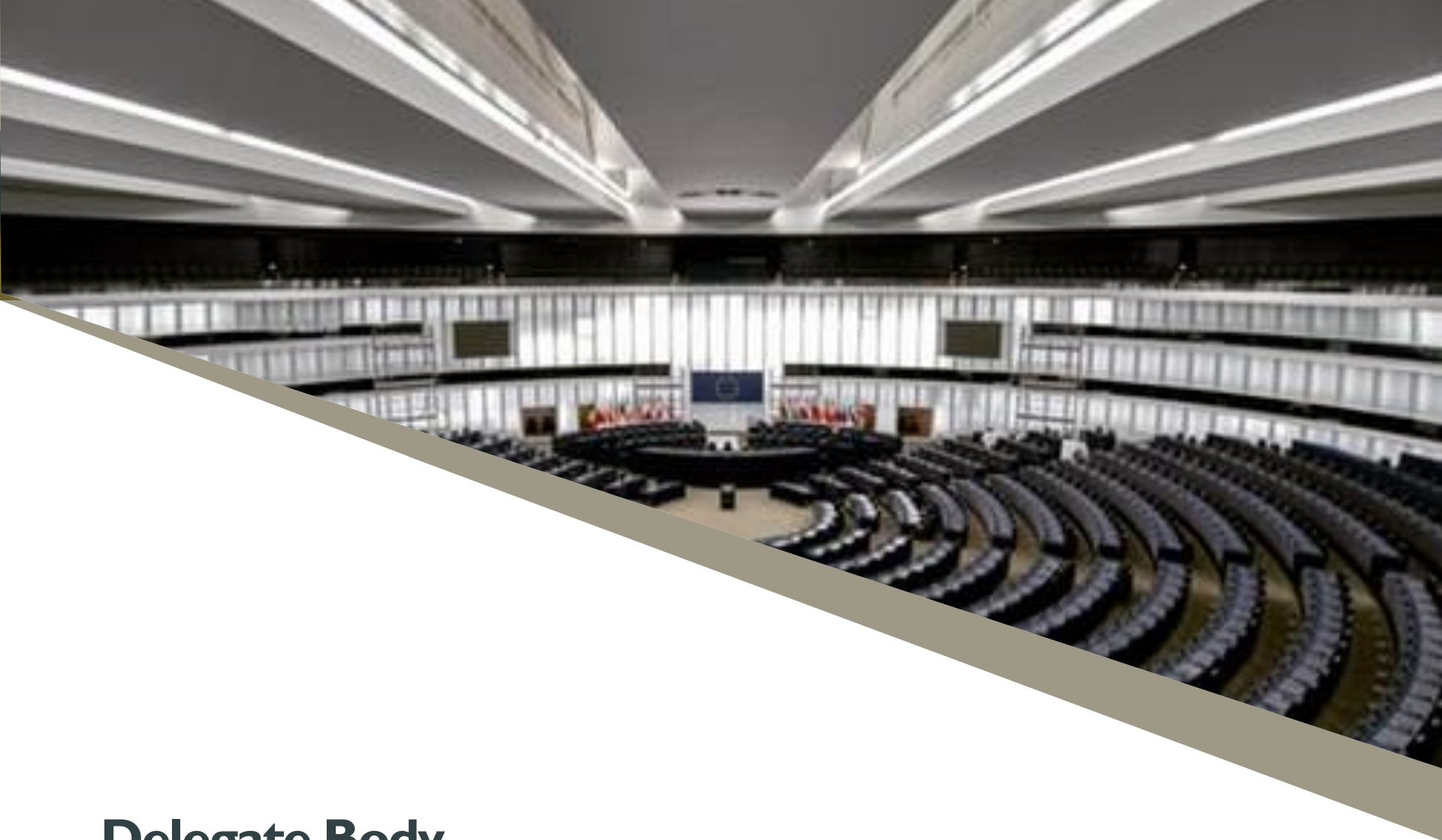
03 Reminders

Two email survey reminders were sent.

The margin of error for results overall is +/-3.59 percent. This margin of error is low enough and the response rate high enough that results can be considered quantitative and statistically reflective of all survey recipients to within this margin of error.

Significant differences between the following four groups are called out where noted:

- Directors
- Local Presidents
- AEs
- Others (NAR Committee Chairs, Vice-Chairs, Liaisons, Executive Committee Members, RVPs, and NAR Past Presidents)



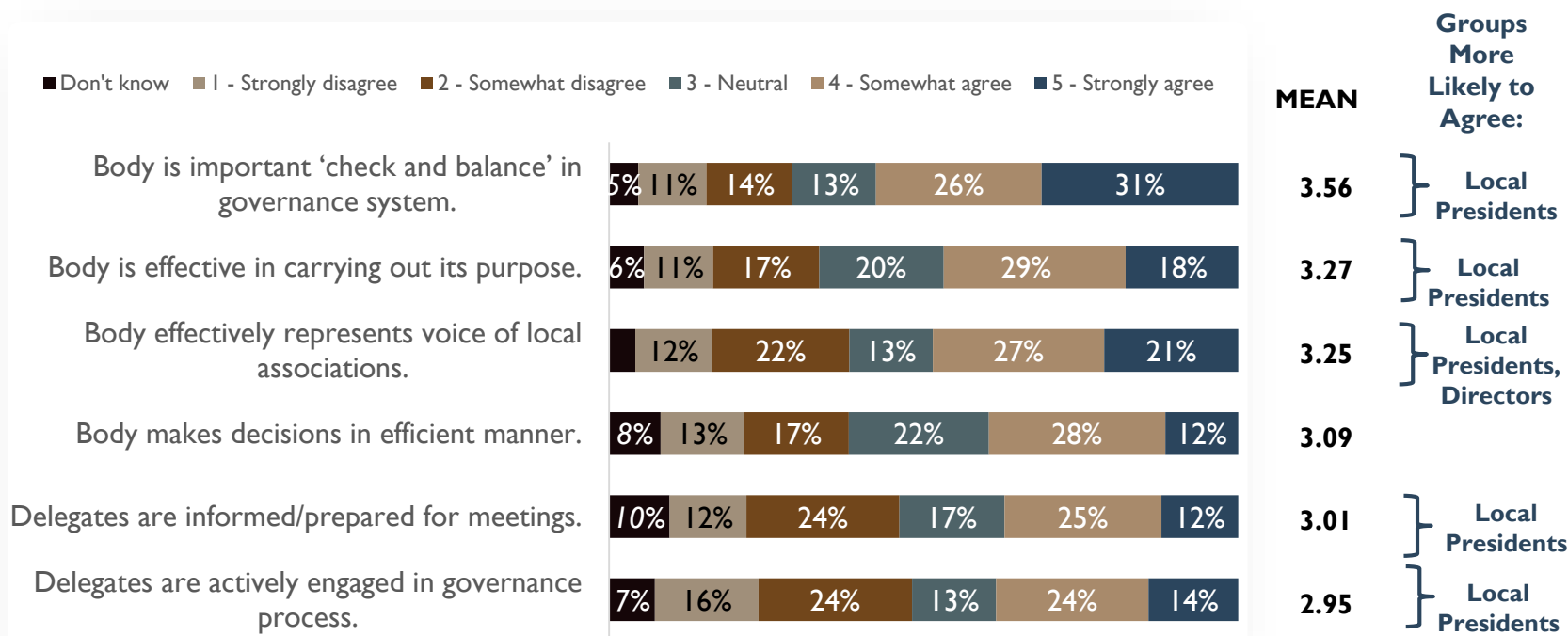
Delegate Body

Agreement Statements – Delegate Body

Those involved in governance somewhat agree (mean closest to four on a five-point scale) that the Delegate Body represents an important “check and balance” in the governance system. This is the only statement with which a majority (57 percent) agree, and they are significantly more likely to agree with this than to agree with any other statement about the Delegate Body.

Respondents are neutral about every other statement regarding the Delegate Body. Local Presidents are also more likely than other groups to agree with virtually all of these statements.

PLEASE INDICATE YOUR AGREEMENT WITH EACH OF THE FOLLOWING:



N = 648

Agreement Statements

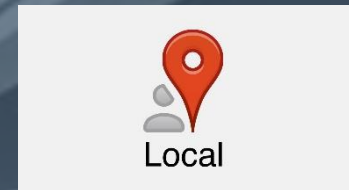
**IF YOU HAVE ANY COMMENTS ON YOUR RESPONSES ABOVE,
PLEASE SHARE THOSE HERE:**



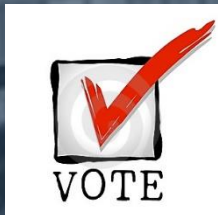
**Local Presidents Are Not
Aware They Are
Delegates/Don't Understand
Function**



**Delegates Who Are Not Also
Directors Are Not Aware of the
Issues**



**Delegates Vote In
Local Board's Best
Interest, Not In NAR's**



**Delegates Frequently
Leave Before Voting**



**Delegate Body Is Too
Large To Be Effective**



**Delegate Body Is a
“Rubber
Stamp”/Waste of
Time**

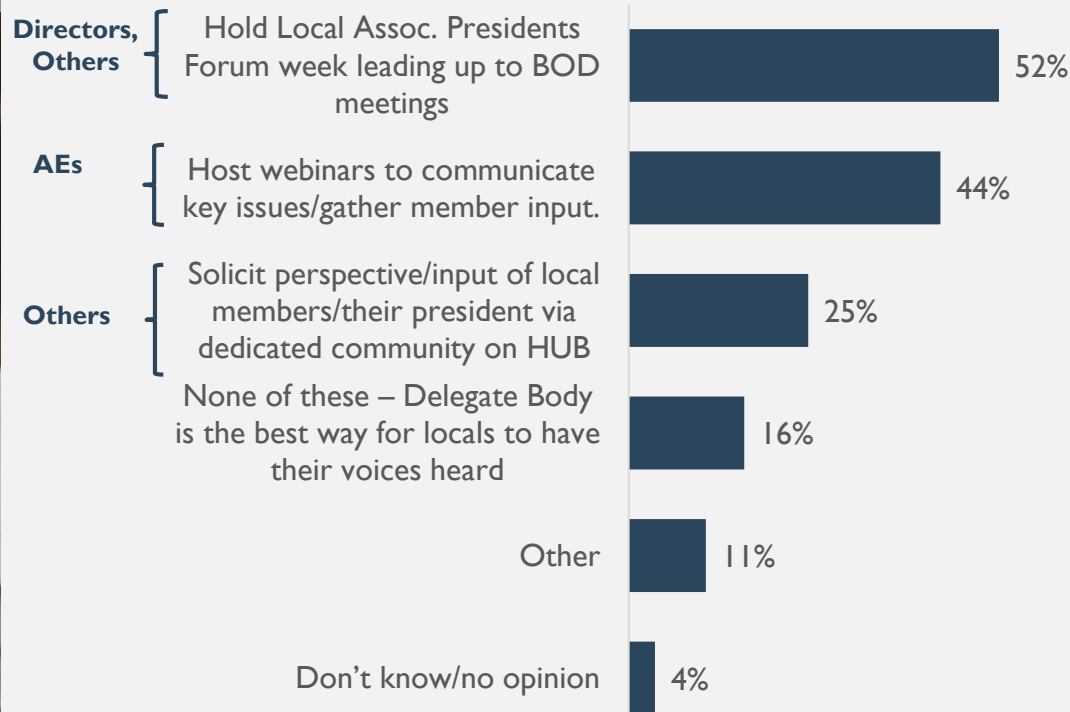


**Information Sent
Day Before Voting
Does Not Allow
Informed Voting**

Voice For Local Presidents Without Delegate Body

IF NAR DID NOT HAVE A DELEGATE BODY, WHICH IF ANY OF THE FOLLOWING WOULD BE EFFECTIVE WAYS FOR LOCAL ASSOCIATION PRESIDENTS TO HAVE THEIR VOICE HEARD IN THE NAR DECISION-MAKING PROCESS? (CHOOSE ALL THAT APPLY)

Groups
More
Likely to
Select:



In the absence of a Delegate Body, just over half (52 percent) feel NAR should hold a Local Association Presidents Forum early in the week leading up to the NAR Board of Directors meetings to solicit their input on issues to share with the committees and Board for their consideration.

Almost half feel that NAR should host webinars to communicate key issues and gather member input.

The “other” responses repeated more than once are “give each local board a vote/seat on the BOD,” “none of these would work because there are too many local associations,” “allow electronic voting,” and “poll/survey members for input.”

N = 648

No Delegate Body - Comments

**IF YOU HAVE ANY COMMENTS ON YOUR RESPONSES ABOVE,
PLEASE SHARE THOSE HERE:**



**Allow Local
Presidents to Vote
Electronically**



**Never Heard of the
Delegate Body**



**The Hub Only Allows
NAR to Hear From the
Most Vocal**



**Too Expensive For Many
Local Presidents to
Attend NAR Meetings**



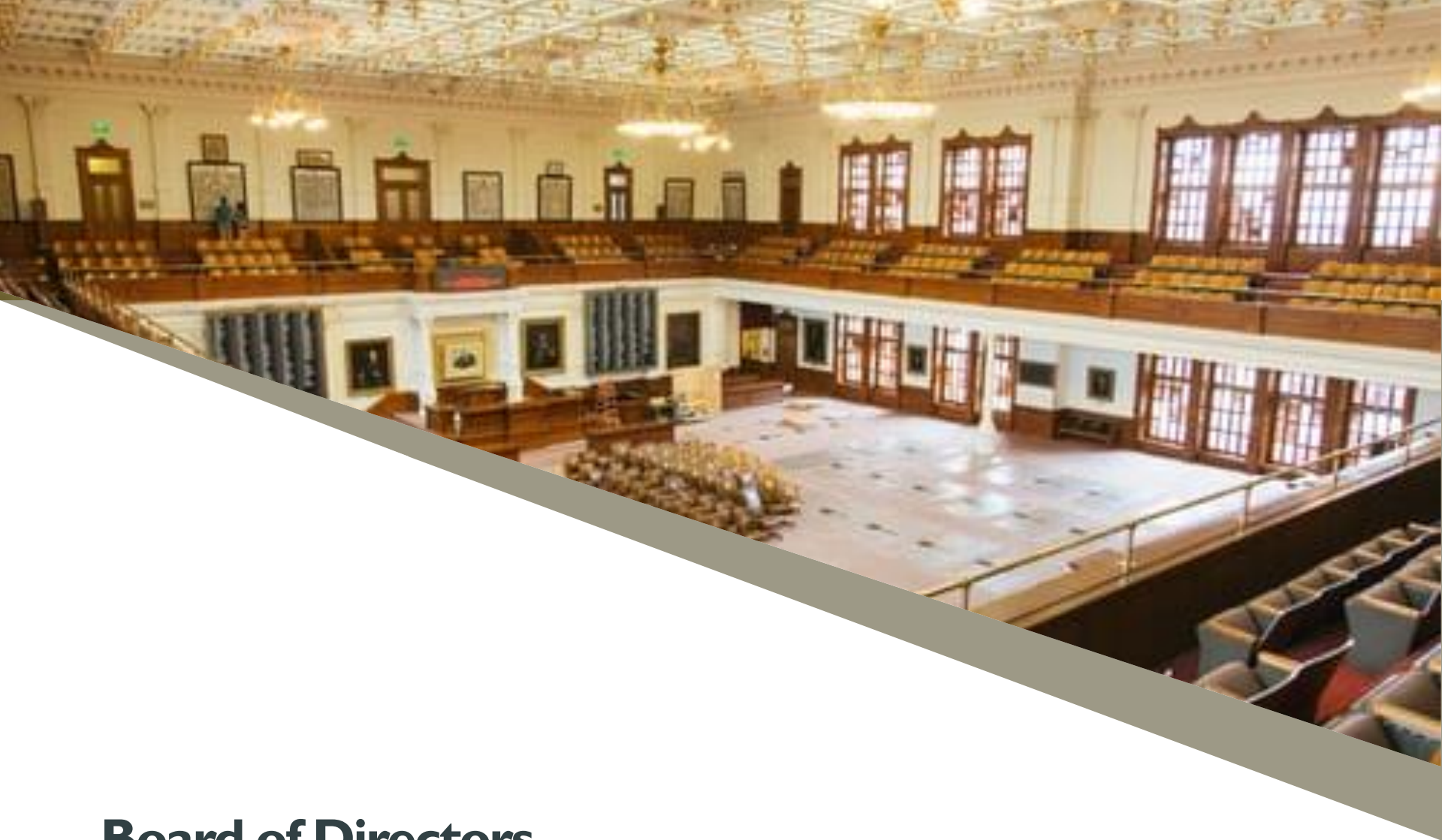
**Information on Issues Should
Be Sent Two Months In
Advance**



**Regional Caucuses Are Best
Way for Local Voices to Be
Heard**



**Delegate Body Only Votes on
Constitution/COE, So Fine As It
Is**



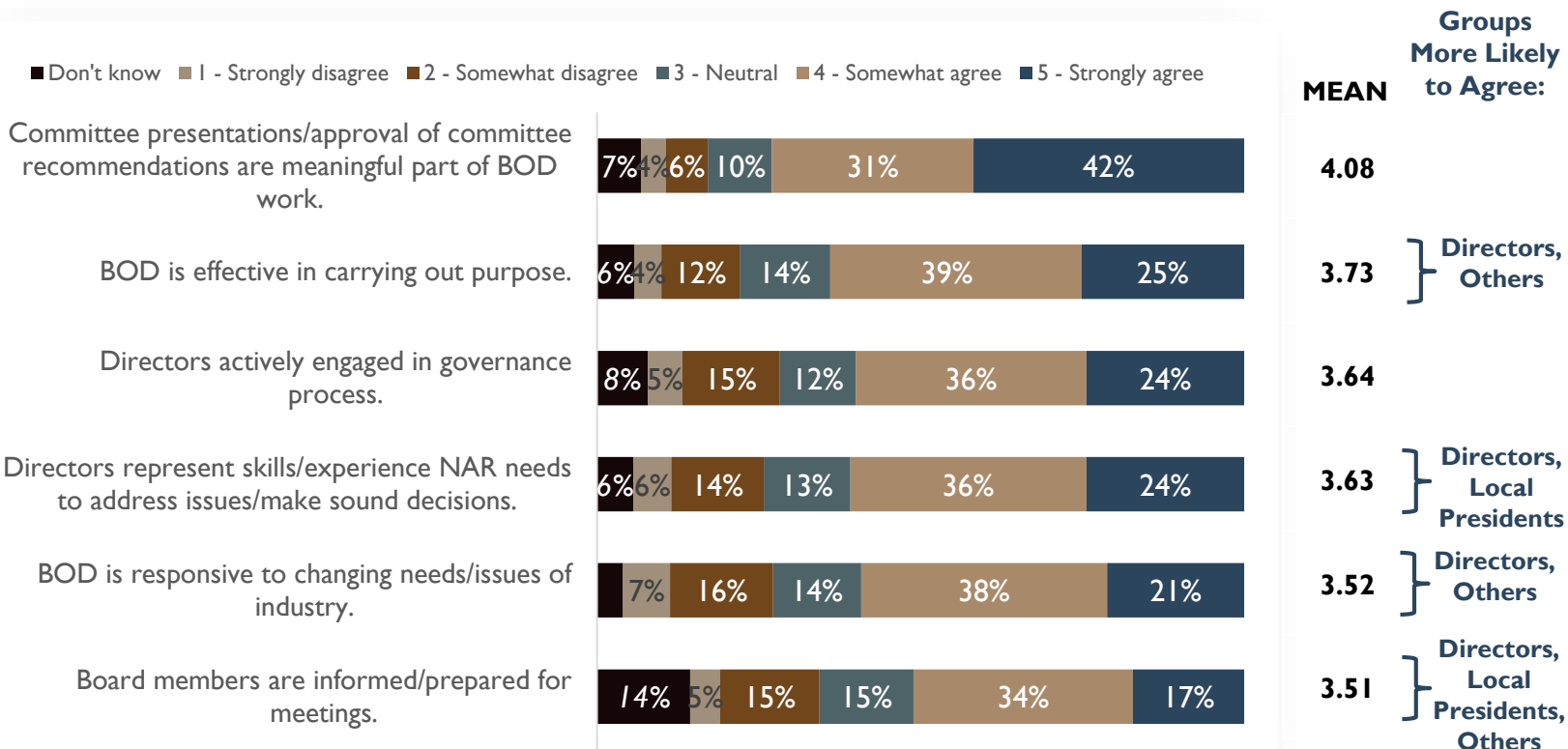
Board of Directors

Agreement Statements – Board of Directors (BOD)

Respondents are most likely to agree that committee presentations and approval of committee recommendations are a meaningful part of the BOD's work. They are also generally somewhat likely (means closest to four on a five-point scale) that BOD is effective in carrying out its purpose, that Directors are actively engaged in the governance process, and that they represent the skills and experience that NAR needs to address issues and make sound decisions. Sixty percent or more agree with all of these statements.

Respondents are less likely to agree that the BOD is responsive to the changing needs and issues of the industry and that Board members are informed and prepared for meetings. However, over half agree at some level with each of these.

Directors are more likely than other groups to agree with most of these statements.

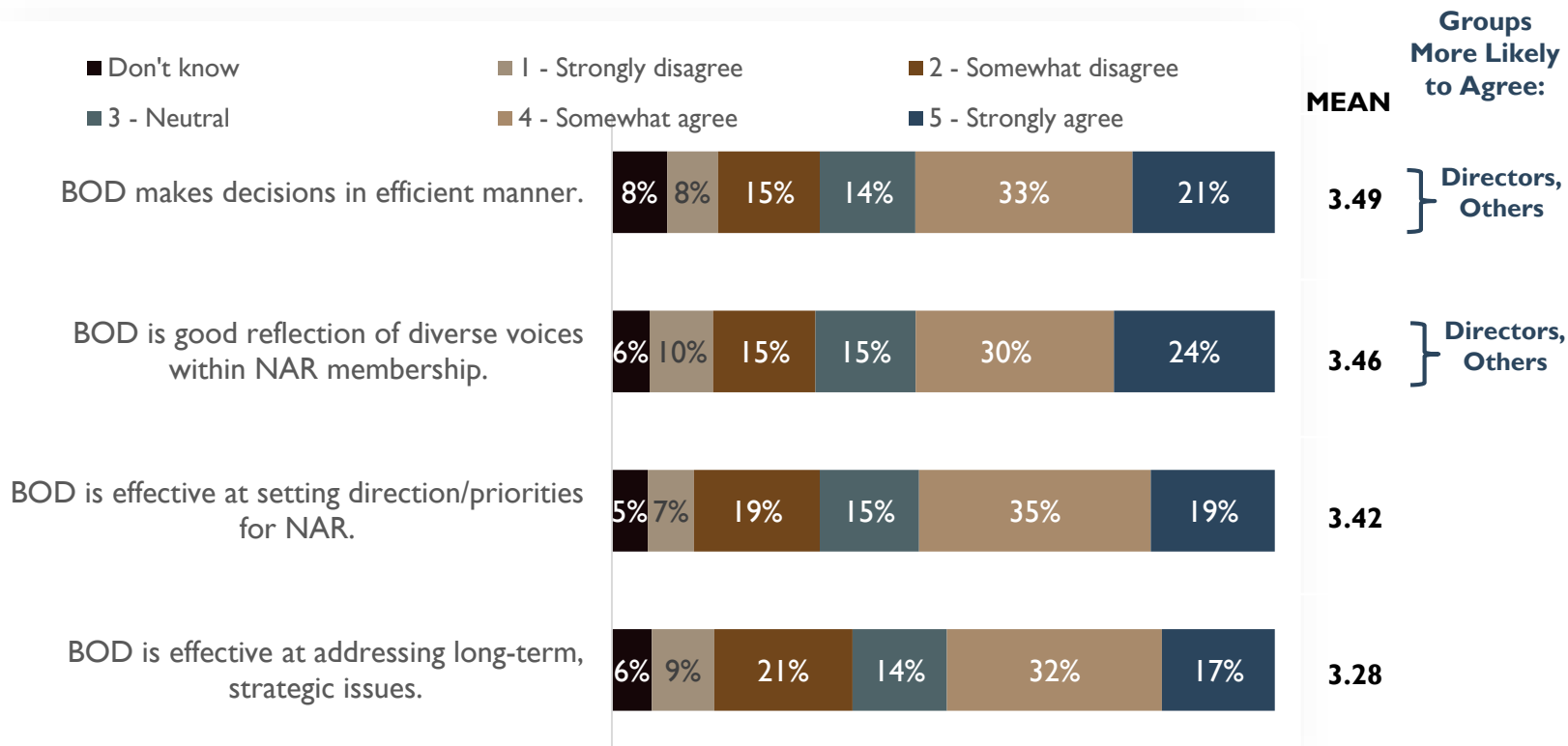


N = 648

Agreement Statements – Board of Directors (BOD)

Respondents are closer to neutral about the other statements regarding the Board of Directors. They are least likely to agree that the BOD is effective at addressing long-term, strategic issues. Just under half (49 percent) agree with this statement at any level.

PLEASE INDICATE YOUR AGREEMENT WITH EACH OF THE FOLLOWING:



N = 648

Board of Directors - Comments

**IF YOU HAVE ANY COMMENTS ON YOUR RESPONSES ABOVE,
PLEASE SHARE THOSE HERE:**



**BOD Is Too Large
to Be Effective**



**Don't Know Enough
About the BOD to
Comment**



**BOD Is a
Rubber Stamp**



**Board is More
Like a Delegate
Body Due to Its
Size**



**Directors Are
Older and
Lack Diversity**



**Directors Frequently
Do Not Prepare For
Meetings**



**Directors Only Represent the Largest
Boards and Brokerages/
Small Associations Have No Voice on the
BOD**

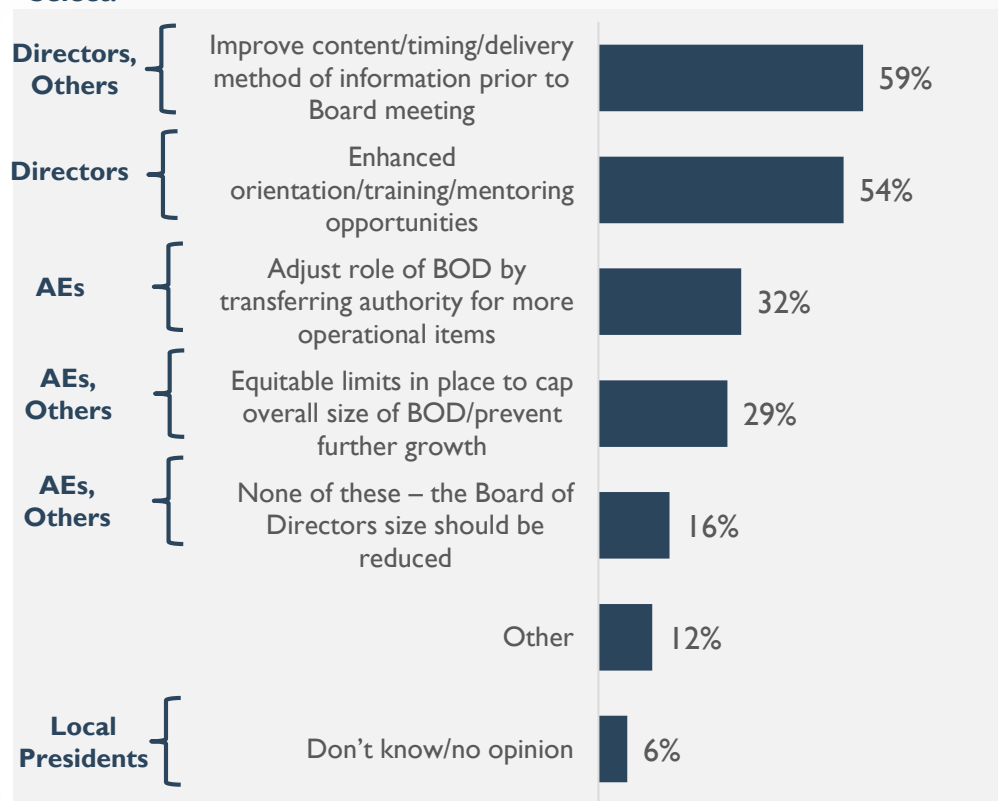


**Directors Need Information
About Issues Further In
Advance of Voting**

Changes If BOD Remains Same Size As Today

IF THE BOARD OF DIRECTORS REMAINED THE SIZE IT IS TODAY, WHICH OF THE FOLLOWING CHANGES, IF ANY, DO YOU BELIEVE WOULD ENHANCE ITS EFFECTIVENESS AS A GOVERNING BODY? PLEASE CHOOSE ALL THAT APPLY:

Groups More Likely to Select:



If the BOD remained the same size it is today, majorities feel NAR should:

- Improve the content, timing and delivery method of information sent to the Directors prior to the Board meeting to enhance their understanding of the issues and provide more time for their review (59 percent)
- Provide enhanced orientation, training and mentoring opportunities for new and returning Board members (54 percent).

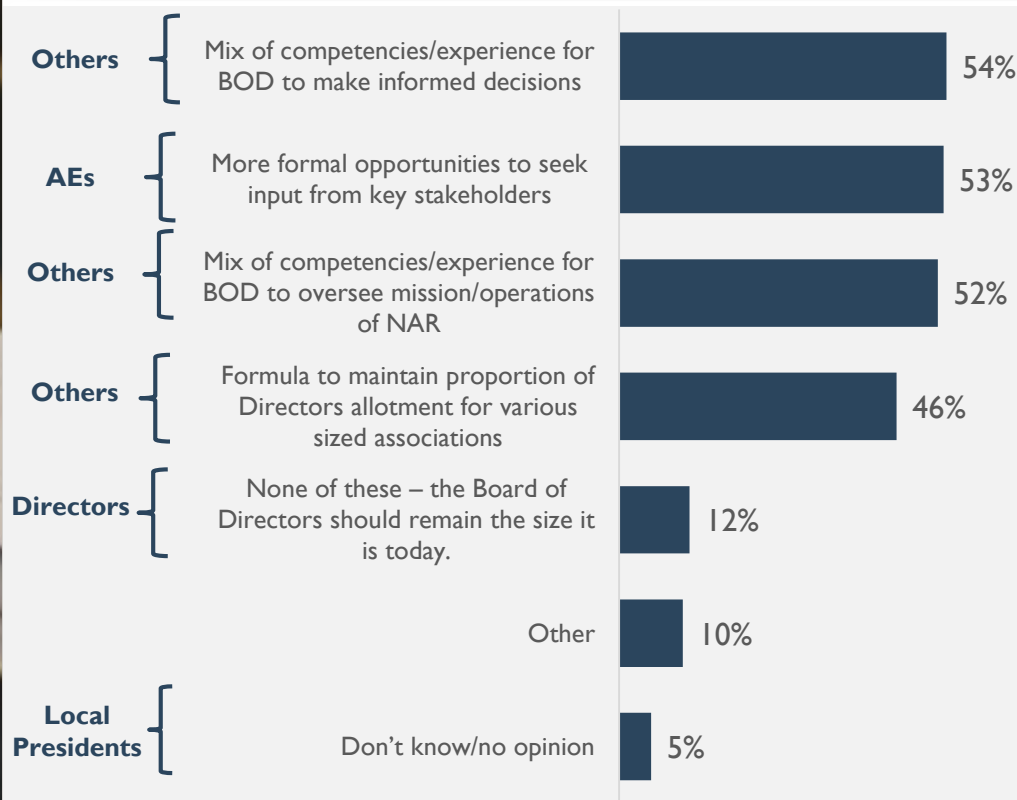
N = 648

The “other” responses repeated more than once are “all of these, AND reduce the size of the board,” “reduce the board size,” and “require three-year appointments.”

Changes If BOD Size Were Significantly Reduced

IF THE SIZE OF THE BOARD OF DIRECTORS WAS REDUCED SIGNIFICANTLY, WHICH OF THE FOLLOWING WOULD BE IMPORTANT TO YOU? PLEASE CHOOSE ALL THAT APPLY:

Groups More Likely to Select:



N = 648

If the size of the BOD was significantly reduced, majorities feel NAR should:

- Ensure that Directors embody a mix of competencies and experience necessary for the BOD to make informed decisions on all matters (54 percent)
- Provide more formal opportunities to seek input from key stakeholders (such as state/local leadership and AEs) as a means of expanding the perspective of the BOD and supporting sound decision-making (53 percent)
- Ensure that Directors embody a mix of competencies and experience necessary for the BOD to oversee the mission and operations of NAR (52 percent).

The only “other” responses repeated more than once are “ensure representation of smaller associations” and “larger associations should not be the only ones represented.”



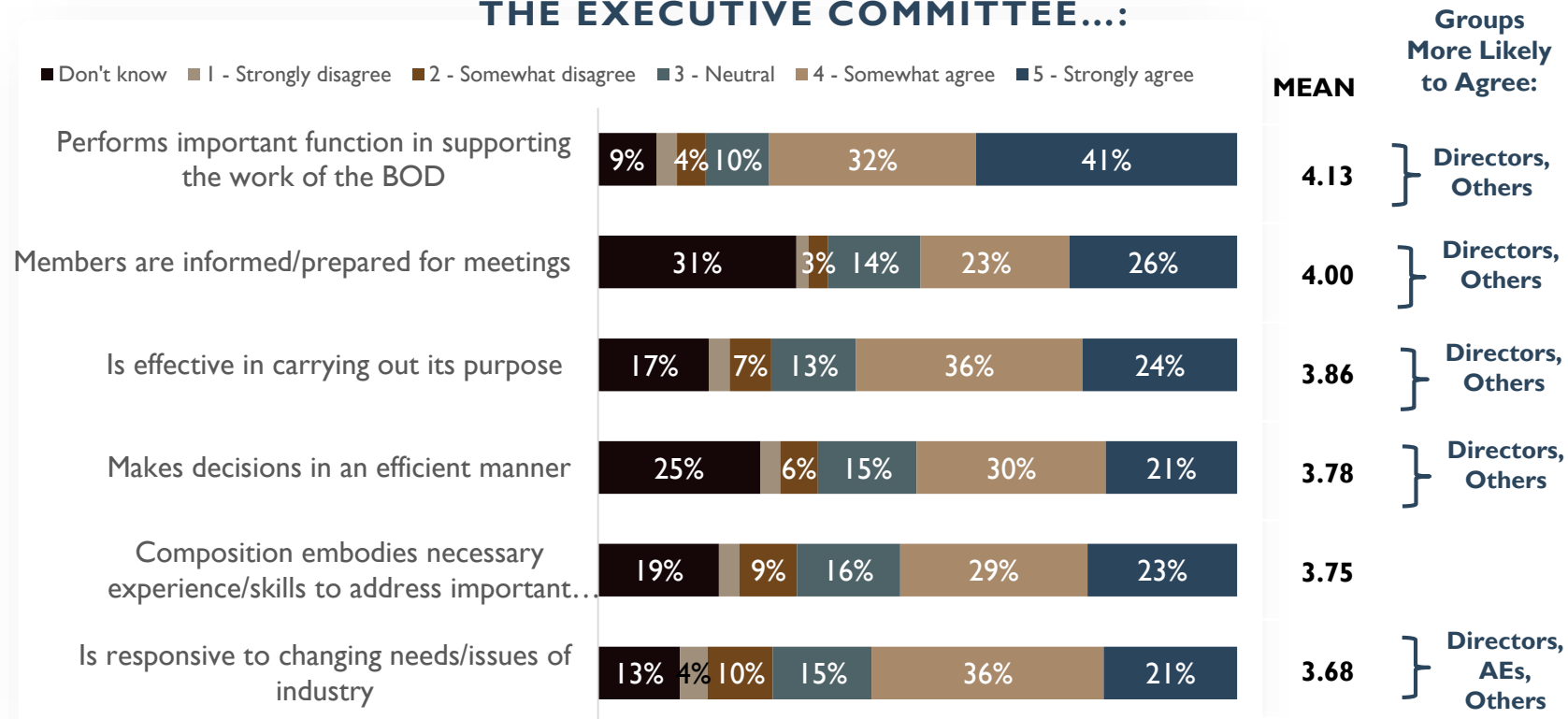
Executive Committee

Agreement Statements – Executive Committee

Respondents generally somewhat agree with all statements regarding the Executive Committee. Those with opinions are most likely to agree that the Committee performs an important function in supporting the work of the BOD (73 percent agree) and least likely to agree that the Committee is responsive to changing needs/issues of the industry (57 percent agree).

It should be noted that respondents are more likely to answer “don’t know” to these statements than to any other set of statements. Directors and those elected or appointed to NAR positions are more likely than AEs or Local Presidents to agree with most of these.

PLEASE INDICATE YOUR AGREEMENT WITH EACH OF THE FOLLOWING. THE EXECUTIVE COMMITTEE...:



N = 648

Executive Committee - Comments

**IF YOU HAVE ANY COMMENTS ON YOUR RESPONSES ABOVE,
PLEASE SHARE THOSE HERE:**



**72 People Is Too
Large to Be
Nimble**



**Rubber Stamp for the
Leadership Team**



**Haven't Participated in
It/Don't Know How It
Works/Can't Comment**



**Executive
Committee Is
Too Political**



**Wasn't Aware It
Existed**



**Executive Committee Is
Secret/Opaque/Needs
Transparency**

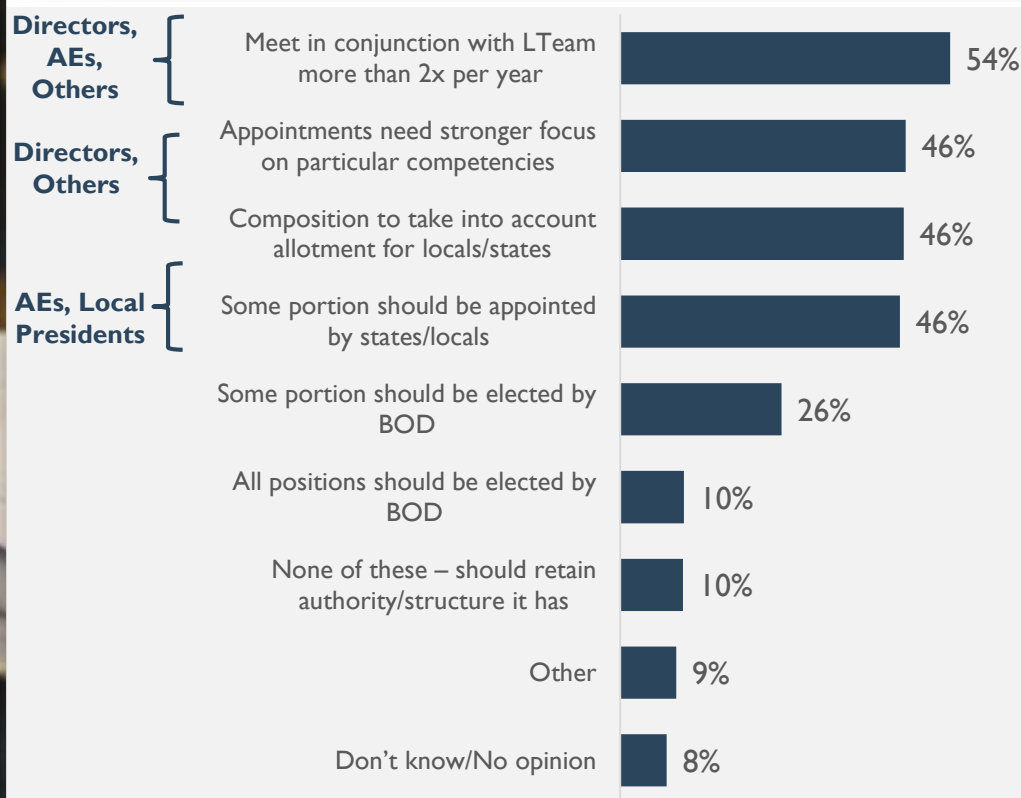


**Executive Committee Is
Size BOD Should Be**

Composition and Operations of Executive Committee

IF THE EXECUTIVE COMMITTEE TOOK ON MORE AUTHORITY TO OVERSEE THE OPERATIONS OF THE ASSOCIATION, INCLUDING THE APPROVAL OF SOME COMMITTEE RECOMMENDATIONS, WHAT ARE YOUR THOUGHTS ABOUT THE COMPOSITION AND OPERATIONS OF THIS GROUP? CHECK ALL OF THE FOLLOWING THAT YOU AGREE WITH:

Groups More Likely to Select:



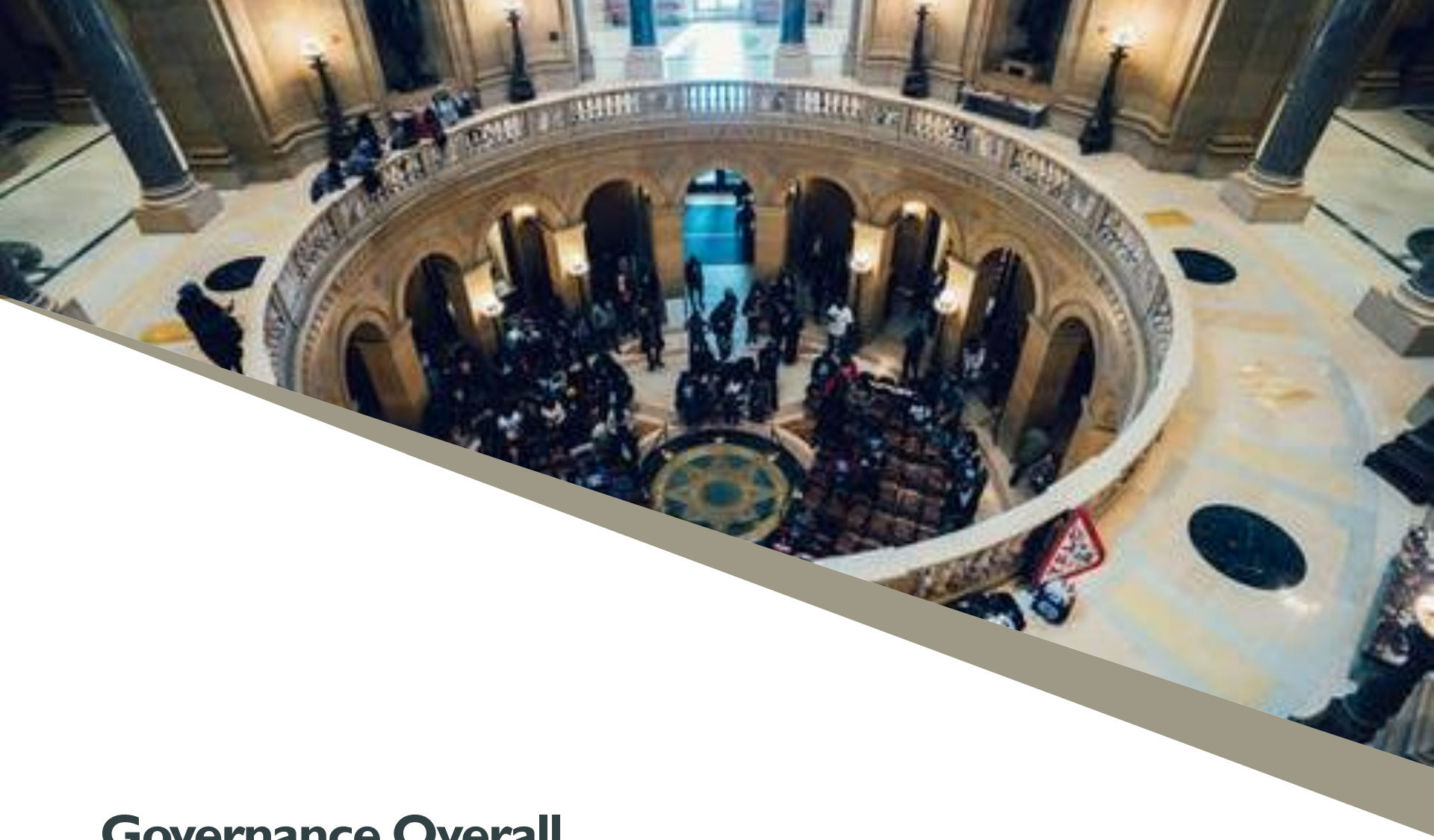
N = 648

If the Executive Committee took on more authority, over half feel that it should meet in conjunction with the Leadership Team more often than twice a year to ensure nimbleness/more effective governance (54 percent). Just under half (46 percent each) also feel that:

- Appointments would need stronger focus on the particular competencies members need to have to address critical issues
- Composition would need to take into account some form of allotment for local and state associations
- Some portion would need to be appointed by state and local REALTOR® associations.

Most did not feel that the BOD should have greater input in this area.

The “other” response repeated more than once are “don’t know enough to say,” “states and locals would just appoint their own leadership,” “meet more often, but electronically,” “allow states to appoint, but not locals,” and “need a mixture of elected and appointed members.”

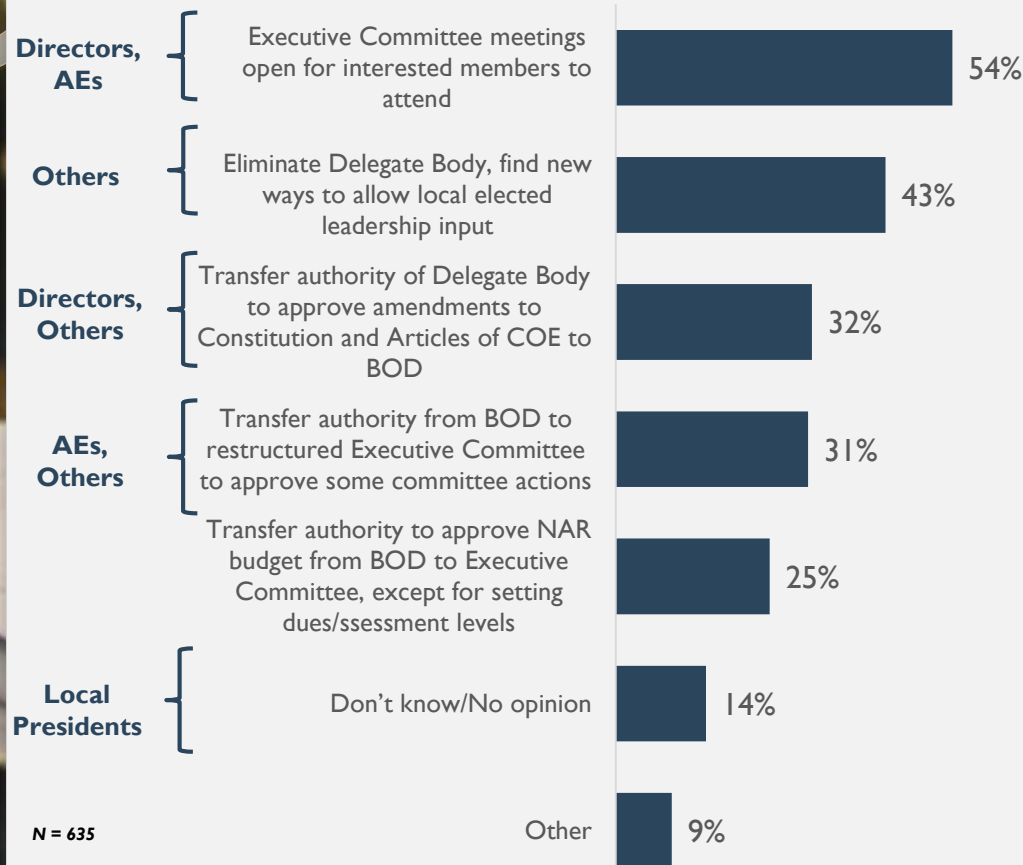


Governance Overall

Enhancing Effectiveness of NAR Governance

Groups
More
Likely
to
Select:

CHECK ANY OF THE FOLLOWING YOU AGREE SHOULD BE CONSIDERED TO ENHANCE THE EFFECTIVENESS AND RESPONSIVENESS OF NAR GOVERNANCE:



The only step a majority of respondents feel should be taken in these areas is that with the exception of instances where confidentiality is essential, Executive Committee meetings should be open for any interested member to attend (54 percent).

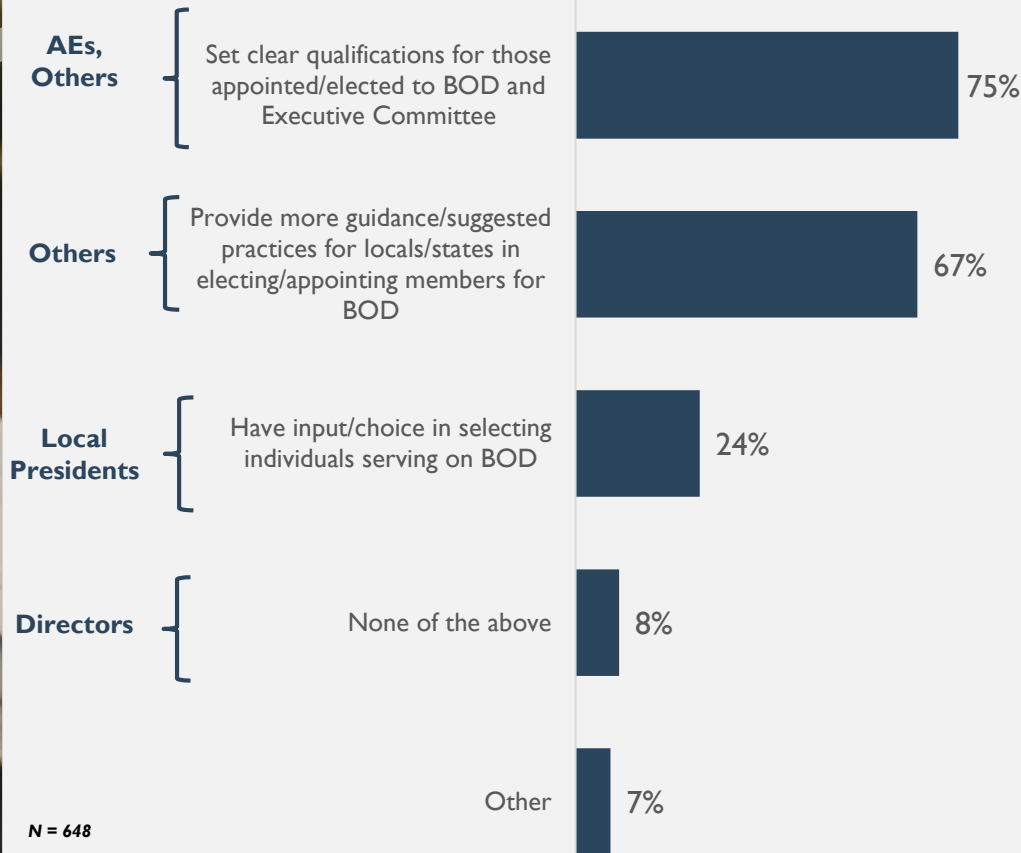
Forty-three percent feel that the Delegate Body should be eliminated, indicating that 57 percent do not support this.

The "other" response repeated more than once are "none of these/keep authority as is," "budget approval needs to remain with the BOD," "Need more specifics on each of these to make an informed decision," "get the Delegate Body more involved, not less," and "don't understand why these questions are being asked."

Qualifications and the Selection Process

Groups
More
Likely
to
Select:

CHECK ALL OF THE FOLLOWING STATEMENTS YOU AGREE WITH.
NAR SHOULD ...



Two-thirds or more agree that NAR should:

- **Set clear qualifications for those being appointed or elected to the BOD and the Executive Committee (75 percent)**
- **Provide more guidance and suggested practices for local and state associations in electing or appointing members for the NAR BOD (67 percent).**

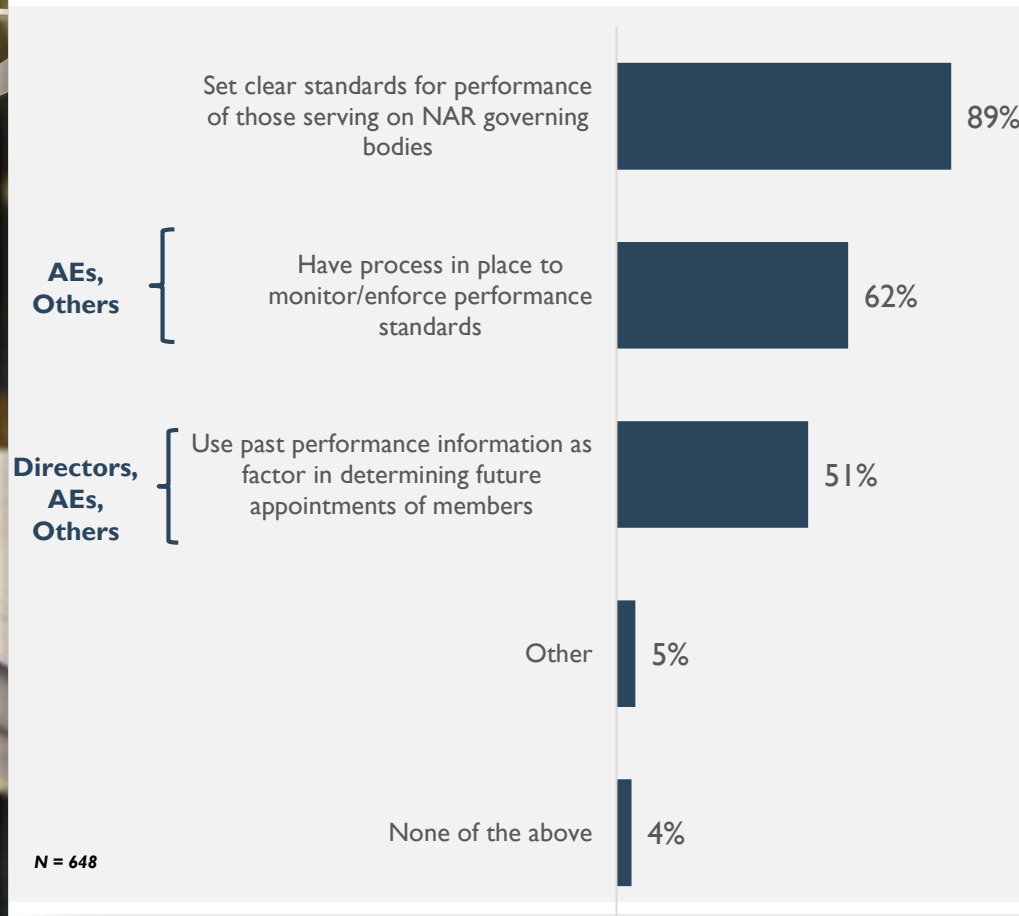
Only 24 percent feel that NAR should have some input or choice in selecting the individuals that serve on the BOD.

The “other” response repeated more than once are “states and locals need to make BOD appointments,” “NAR needs to involve people outside of NAR direction/NAR should not have the power to appoint to the BOD/NAR appointments would be too political.”

Performance and Accountability

Groups
More
Likely
to
Select:

CHECK ALL OF THE FOLLOWING STATEMENTS YOU AGREE WITH.
NAR SHOULD . . .



Majorities feel that NAR should:

- **Set clear standards for performance of those serving on NAR governing bodies (such as attending meetings and training, being present when votes are taken, reading the materials packet, participation during the meeting) (89 percent)**
- **Have a process in place to monitor and enforce performance standards (62 percent).**

Respondents were split as to whether NAR should use past performance information as one factor in determining future appointments of members (51 percent). Local Presidents were significantly less likely to select this.

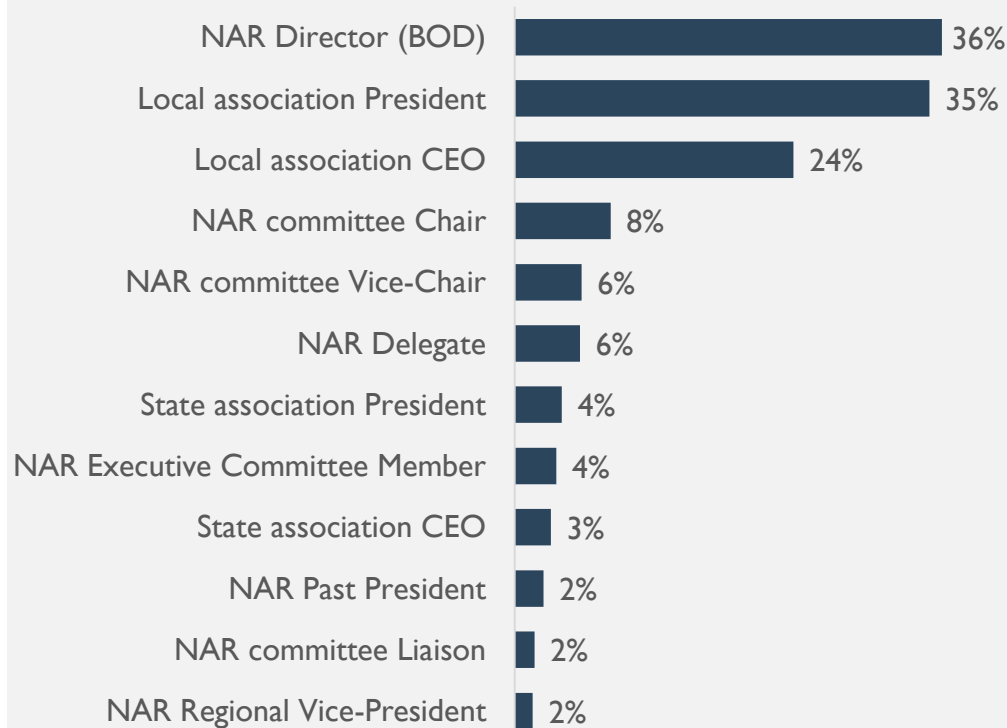
The “other” response repeated more than once are “have more diversity in those serving,” “how would you monitor participation in meetings?” and “set term limits.”



Demographics

Function in NAR Governance

DO YOU SERVE AS: (PLEASE CHOOSE ALL THAT APPLY)



Over two-thirds of respondents are either **NAR Directors (36 percent)** or **local REALTOR® association Presidents (35 percent)**.

It should be noted that only six percent describe themselves as **NAR Delegates**. Given the lists to whom the survey was sent, this should have been at least 15 percent. This indicates some confusion among **Local Presidents** that they are also **NAR Delegates**.

N = 648



The National Association of REALTORS® is America's largest trade association, representing more than 1.3 million members, including NAR's institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate.

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.

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