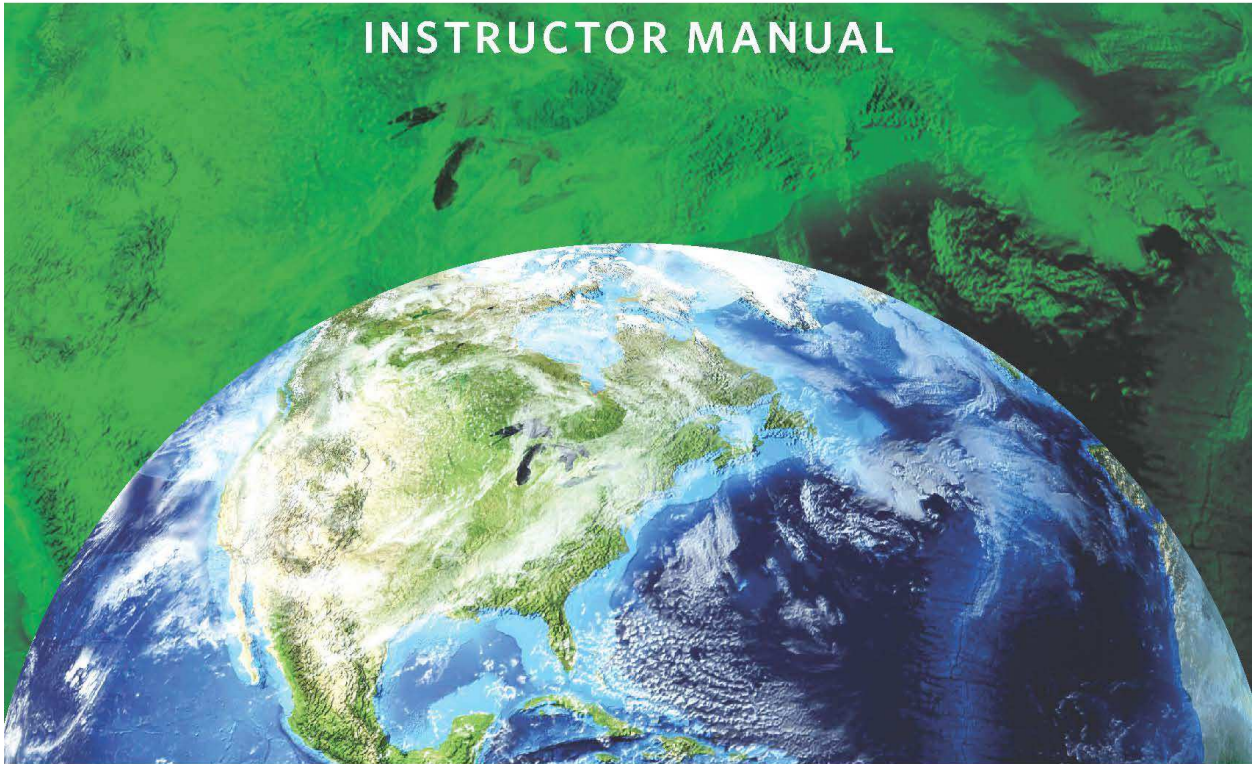


AT HOME WITH DIVERSITY

INSTRUCTOR MANUAL



NATIONAL
ASSOCIATION of
REALTORS®
Official Certification



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Instructor Guide

Thank you for facilitating the *At Home With Diversity* course. We appreciate your expertise and effort in providing this valuable educational experience to NAR members and other real estate professionals.

About the Course

At Home With Diversity is an award-winning certification course that will empower REALTORS® to reach out and serve our increasingly diverse population. It is an educational experience designed to present a picture of the changing face of the real estate industry. More important, the course teaches how real estate professionals can increase their sensitivity and adaptability to future market trends. These skills will help professionals to thrive as effective service providers and community leaders.

At Home With Diversity is a full-day course that addresses issues of diversity, Fair Housing, and cultural differences. All three subjects are closely related and have value for real estate professionals who must serve diverse local markets.

The course has two major goals:

1. Heighten awareness of and sensitivity to the social and cultural constituencies of local real estate markets. Participants will learn about the people who make up the local market, along with their values, customs, real estate needs and expectations of real estate professionals.
2. Provide practical skills and tools to increase the professional's effectiveness in servicing all social groups. Specifically, the course builds skills in cross-cultural communication and strategic business planning.

This course consists of five sections.

Section	Time Allotted
Section 1: Embracing Diversity	90 minutes
<i>Break</i>	10 minutes
Section 2: Fair Housing and Diversity	30 minutes
Section 3: Exploring Cultural Attitudes and Differences	55 minutes
<i>Break</i>	10 minutes
Section 3: Continued	45 minutes
Section 4: Inclusive Multicultural Marketing	90 minutes
<i>Break</i>	10 minutes
Section 5: Your Inclusive Business Plan	80 minutes
<i>Total Time</i>	Approximately 7.0* hours
*If offering this course for CE credit, or GRI credit an exam is generally required, Please allow an additional 30 minutes following the course in order to complete the 30-question exam.	

Course Design

This course was designed to meet adult learning needs. Information and activities are presented for each major learning objective in the course.

The format addresses the major styles of adult learning by answering the following questions:

- Why must I learn this information?
- What will I learn?
- How can I use this information in my business?

Note: As the instructor, you will review the overall course learning outcomes with the students at the beginning of the course. In addition, each section has its own specific learning outcomes, which will be reviewed before starting the section. At the conclusion of each section, the instructor will probe for questions to ensure that the students have achieved the learning outcomes for that section.

Facilitation

The course is intended to be interactive. As the instructor, it's your responsibility to create a relaxed and fun atmosphere so that learning can take place. It is important to remember:

- Adults learn from one another. Group discussions with open-ended questions are effective in drawing out knowledge and experience.
- Everyone's feelings should be treated with respect when providing corrective feedback or when commenting on their views, in public or in private.

The course manual intentionally contains a large amount of information, likely more than can be covered, so the guide can serve as a reference after the course. **You may find it necessary to skip some exercises or to review some of the material on a cursory level. If this should occur, remind the participants that they may refer to their guides for more information.**

The PowerPoint presentation that accompanies the course material provides an opportunity to present topics and activities. Because the course is highly interactive, it emphasizes learning activities and discussion.

At the conclusion of the course, distribute and collect the course evaluation forms. Give the evaluation forms to the sponsor, who will mail the forms to NAR.

Local Market Data

If all the course participants will be from the same local area, it is a good idea to enhance the course by providing local demographic statistics and data. You will need to collect the data before the course. You are free to decide what information to present.

If the participants of a course will come from various locations across the nation, it is not necessary to research, prepare, and present copious amounts of local demographic data. It would be a good idea, however, to research where some of the students are from and use some local demographics and statistical data from those few cities/localities for the relevant section of the course.

The Audience

This course is designed for real estate brokers, agents, association executives and anyone associated with the real estate industry.

Course Duration

The exact length of the course will range from 6-8 hours depending on the number of participants and the number of exercises offered. The course can easily be expanded for participants who require more than six hours of training to earn continuing education credit. *Note:* Because of the length of this course, promptly begin each section and resume class after each break. A natural break in the course falls between Sections 3 and 4, if you are planning to set aside time for lunch.

Sponsor Responsibilities

The sponsor is responsible for the following:

- Selecting a date, time and location for the course
- Registering the course with NAR
- Hiring and paying the instructor
- Paying NAR's \$30 per student royalty fee after every course
- Registering participants
- Promoting the course
- Providing the printed materials and PowerPoint presentation
- Providing course certificates to participants
- Sending the roster, answer sheets, and course evaluations to NAR

Course Materials

NAR will provide all the course materials via electronic media. The Course Provider Resource page will contain the following documents:

- AHWD logos
- Customizable course flyer
- Instructor's Manual and Student's Manual
- Course PowerPoint presentation
- Exam
- Exam answer key
- Exam answer sheet
- Instructor evaluation
- Roster template
- Certification application

In addition to printing the materials above, you will need additional materials for the course exercises, including:

- Colored sticky notes (preferably all the same shape and color).
- 6-8 flipcharts that can be taped to classroom walls or displayed around the room.

Administrative Responsibilities

You and the sponsor will decide which administrative tasks will be your responsibility. These tasks include distribution and collection of manuals, exams, answer sheets, course evaluations, and Certification Applications.

Instructor Checklist

Before the Course

- Visit NAR's Web site to check for updates to the course at: <http://www.realtor.org/ahwd> as well as the CPR link (provided to you by NAR).
- Obtain from the sponsor the following documents needed to teach the course, including the PowerPoint presentation that accompanies the course. The sponsor should print a Participant's Guide for each student.
- Obtain the examination from NAR. Exams are required for any student wishing to apply for the AHWD Certification and/or taking the course for CE credit.
- Read the materials and review the PowerPoint presentation.
- If applicable, research and prepare statistics for the local market.

Day of the Course

Ensure the meeting room is ready. Check that:

- All participants are able to see the instructional media.
- Participants are able to form groups without major rearrangement of furniture.
- Seating is arranged for maximum interaction among instructor and participants.
- The room complies with all American with Disabilities Act requirements as agreed to in the licensing agreement.
- Each student has a Participant's Guide.
- AHWD Certification Applications are printed for each student, with additional copies available for those who would like to take a copy with them.

- ❑ Course evaluations are printed and given to each student to fill out following the course.
- ❑ Course supplies are available for exercises (colored sticky notes, flip charts).
- ❑ If applicable, distribute, monitor and collect the examinations at the end of the course.
- ❑ Distribute and collect the evaluation forms from participants, and give the forms to the sponsor.
- ❑ Distribute the AHWD Certification Application.
- ❑ Make sure students understand they must fill out an application and pay a \$49 application fee after completing this course to earn the AHWD Certification. The application is available in print and online formats.

Before participants enter, put up the first slide of the PowerPoint presentation.



At Home With Diversity

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* NOTE: These page numbers are different from those in the Student Manual.

At Home With Diversity

The demographic profile of the United States has transformed over the past few decades, and will continue to do so. Projections from the U.S. Census indicate that the U.S. will no longer have a white majority by the year 2043. The National Association of REALTORS® (NAR) At Home With Diversity certification is an educational experience that will provide insights on how to increase your adaptability to future market trends that can affect your bottom-line profitability.

The course addresses issues of diversity, fair housing and cultural differences, as well as how these dynamics influence you as a real estate professional. All three subjects are closely related and have value for real estate professionals who are seeking to service the changing home buyer in their local markets.

Learning Outcomes

Upon completion of this course, you will be able to:

- Analyze U.S. demographic information to better interpret the impact of current trends on the real estate industry.
- Examine cultural stereotypes, assumptions, and biases to increase awareness of such thoughts and attitudes and to better appreciate individual differences.
- Explain how inclusion is the goal of diversity sensitivity and how it will increase business.
- Discuss effective communication styles and how to provide equal service to clients in multicultural local markets.
- Describe the goals of the One America Principles and Fair Housing laws.
- Apply an increased level of understanding of cultural attitudes, practices, and communication differences, as well as business norms and etiquette when dealing with clients.
- Summarize personal goals, objectives, and strategies to create a business plan that incorporates diversity.

Welcome participants to the class. Be sure to introduce yourself and give a little background on your experience and what qualifies you to teach this course.

SLIDE 2

Emphasize that the course is not just an exercise in diversity but of business development as well.

Note to Participants About Course Exercises

Multiple exercises are included in the course so that each class may be tailored to the participants' interests, knowledge, and needs. Throughout the course, your instructor will ask you to participate in several of these. However, it is not the intent that all available exercises be completed in each class.

Tell participants that these learning outcomes are what we presume they will take away from the course today.

SLIDE 3

SLIDE 4

OPENING EXERCISE



The opening exercise provides an opportunity for participants to meet and introduce themselves to one another. It also helps everyone to focus on the purpose of the course and enjoy the opportunity to learn.

The Story of Your Name

Participants should answer the following questions:

- Why did your parents give you your first name or middle name?
- What is the story of your last name?
- Do/did you have a nickname? What was it and how did you get it?

Participants can share as much or as little information as they like.

At the end, ask each group to select the most interesting story presented (making sure, of course, that the person whose story is being shared is willing to have his or her story repeated in front of the whole class).

About Me

People introduce themselves and finish the following two sentences:

- Occasionally when people meet me, see me, or interact with me, they think that I am ...
- If they would get to know me better, they would understand that ...

SLIDE 5

The opening exercise helps participants feel comfortable with you, their classmates, and in the classroom.



AT HOME WITH
DIVERSITY

**EMBRACING
DIVERSITY**



Section 1: Embracing Diversity

At the conclusion of this section, you should be able to:

- Discuss the importance of diversity in your business and life, and how researching demographic information can assist with a better understanding of cultural and communication dynamics among diverse consumers.
- Explain how sensitivity to diverse cultures leads to inclusion, which increases business.
- Discuss how honesty and loyalty are valued differently among different cultures.
- Describe the many stereotypes and misconceptions people can have among segments of our diverse population.

Taking the First Steps

By attending this class you are considering including a diverse market population to your business. In order to achieve this, it is wise to address diversity from the very start of building that business plan. Then, the objectives of inclusive service can become an integral part of how you do business. 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.

Of course, developing a successful multicultural real estate practice does not happen overnight. Over time, you must acquire new communication skills, new cultural knowledge, and new approaches to listing, selling, and marketing real estate. Meanwhile, you need to organize and carry out specific actions to achieve the intended results at the right time. 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.

In the past, the process for servicing multicultural markets was often limited to one-dimensional efforts, such as the literal

SLIDE 6

We suggest you begin each section by reviewing the learning objectives for that section to emphasize points you intend to cover and hope they take away from that part of the class.

Emphasize that the embracing diversity is not about being politically correct but becoming more aware of the changing demographics of the real estate consumer and how to best prepare as a business owner to serve a broader consumer base.

translations of marketing materials from English into another language.

Today, organizations are developing new services designed specifically to meet the needs of this new America. 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 that have registered the most success in tapping into the multicultural consumer base have used three fundamental strategies:

1. Evaluate the demographics of the local market.
2. Formulate a strategic multicultural business plan.
3. Develop appropriate products and services.

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

- Local demographics and trends confirm diverse, multicultural populations exist in local markets across the United States.
- A study of the buying power in the 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.

Diversity Definitions

Below are terms often used to identify segments of the diverse U.S. population.

Culture: This term refers to a traditional, common body of cultural behavior and values shared or recognized as typical of the majority of a given population. These behaviors and values characterize and distinguish people from one group from those of other another.

For example, Africans easily identify African-Americans who visit Africa as Americans. That's because Africans recognize certain styles and mannerisms as typical of mainstream American culture. The cultures of African-Americans, Asian-Americans, Native Americans, Hispanic-Americans and European-Americans have been incorporated into the culture of all Americans. The term "melting pot" refers to these elements of American culture that unite rather than distinguish people from different cultural origins.

Ethnicity: The traditional dictionary definition of ethnicity is "pertaining to a social group within a culture and social system that claims or is accorded special status on the basis of complex, often variable traits including religion, linguistic, ancestral, or physical characteristics" (*American Heritage Dictionary of the English Language*). In some areas of the country, the term "ethnic" is generally used to describe immigrant groups, especially those of recent arrival, but not to African or Caucasian Americans.

Race: The *American Heritage Dictionary of the English Language* defines race as "a local geographic or global human population distinguished as a more or less distinct group by genetically transmitted characteristics." It is primarily applied to the context of demographic data from the U.S. Census Bureau and other sources of population statistics. In everyday life, racial identification is often a matter of one's visual perception rather than an actual breakdown of a person's racial makeup (e.g., President Obama is widely considered black or African-American, even though he has a significant amount of Caucasian ancestry).

SLIDE 7

Emphasize the importance of "What is in a name?" and how the terms used to identify segments of our diverse population can sometimes derail a transaction if not used correctly.

Explain that not all terms are universal and that in some cases individual may prefer to not be categorized in any particular category.

For example, the term *Hispanic* and *Latino* is often regionally driven. For the sake of this class, we will use the term Hispanic because it is the official term used by the U.S. government.

SLIDE 8

Hispanic or Latino: “Hispanic” is a term selected by the U.S. government to identify a group impacted by prejudice in legal and social systems and track the needs of Spanish-speaking people around the country as civil rights laws were being created and enforced. “Latino” will often be used by grassroots organizations, heritage groups and other community-based initiatives.

As far as personal preferences go, most individuals who are considered to be Hispanic or Latino by members of other racial and ethnic groups don’t necessarily consider themselves as such. Instead, they tend to classify themselves according to country of origin (i.e., Mexico, Puerto Rico, Dominican Republic). Also, they run the gamut in terms of race; consequently, a sizeable number of them are visually indistinguishable from Caucasian- or African-Americans, respectively.

African-Americans or Black-Americans: A term referring to U.S. citizens or residents who have origins in any of the black racial groups of Africa. In the United States, the term is generally used for Americans with at least partial Sub-Saharan African ancestry.

Asian/Asian American: Asia is the largest of the continents and contains more than half the world's population. Literally speaking, all of its inhabitants are Asians. 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 such as Arabs, Turks and Iranians who are usually designated Middle or Near Easterners.

Minority: A term that refers to any racial or ethnic group that makes up less than half of the general population. Though commonly used, this word is displeasing to some people because it suggests an inferior social position relative to the majority of the population (typically Caucasian Americans in the U.S.).

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Instructor Note: Keep in mind that for this exercise there is no wrong answer. The purpose is to generate initial discussion on how they view diversity and in particular how the various cultures fit into the overall culture of the U.S.

GROUP DISCUSSION: “Melting Pot” vs. “Stew”



The United States has often been referred to as a “melting pot.” When items are melted they take on a new identity and lose their individual form. A counter argument can be considered that in the United States, we are more like “stew.” In a stew the various components all bring their individual flavors to create a new taste but do not lose their individuality. The carrot stays a carrot, if you will.

In your groups, determine whether you view the United States as a “melting pot” or a “stew” and why?

Generations: A term that attempts 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, problems and attitudes. Each generation normally covers a span of 15-20 years, but some are more well-defined than others in terms of their birth years and shared cultural experiences.

Generation	Years	Other Names	Key Formative Events and Experiences
Civics (combination of two generations)	1901-1924 (GI Generation), 1925-1945 (Silent Generation)	Traditionalists, Greatest Generation	The World Wars, the Great Depression, GI Bill, the birth of television, the rise of the suburbs
Baby Boomers	1946-1964	The Me Generation, The Hippie Generation, The Love Generation	JFK assassination, Vietnam War, Cold War, Civil Rights movement, rise of the 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 the Internet, 9/11, Hurricane Katrina, emergence of mobile technology and social media, 2007-8 financial meltdown
Generation Z (no agreed-upon name)	1996-present	iGen, Global Generation, Generation Wii	Election and re-election of Barack Obama, Arab Spring and turmoil in Middle East (too soon to tell?)

SLIDE 10

Instructor Note: This table is to give a high-level overview of a different way to look at diversity. There is not sufficient time in the course to allow for an in-depth discussion about generations.

LGBT: This acronym, which stands for gay, lesbian, bisexual and transgender, came into being in the 1990s to define a growing segment of the U.S. population. There is a great deal of diversity within the LGBT population in terms of race, ethnicity, age, education, political affiliation and income.

Religion/Faith: While the general definition is commonly known, what may not be fully realized is the depth of diversity in terms of religion. For instance, Christianity has the largest number of adherents in the U.S., with 73 percent of Americans identifying themselves as Christian (Pew Research, 2012). However, within that population are separate denominations that number at least in the hundreds.

Handicapped/Disabled: The language on this is somewhat fluid, and may change in the coming years. But handicapped and disabled are generally accepted terms for individuals who have a permanent physical or mental disability. Phrases like “differently abled” are now coming into vogue, though whether they become as commonly accepted or even replace handicapped or disabled remains to be seen.

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SLIDE 12

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.

Perhaps more than any other country, the United States has become a microcosm of the many cultures of the world. This trend toward increased social diversity is certain to continue.

Diverse homebuyers have historically played a crucial role in the housing market. Between 1990 and 2000, foreign-born individuals accounted for a sizeable share of net gains in the number of homeowners — 20.7 percent overall in the United States.

That trend will become even more profound over the next five years and is expected to continue as aging boomers sell their homes and the new diverse consumer comes of age.

Population by Race/Ethnicity

Year	U.S.	White	Black	Asian	Hispanic (All Races)	Other
2010 (actual)	308,745,538	223,553,265	38,929,319	14,674,252	50,477,594	12,481,334
2020 (projected)	335,805,000	260,629,000	45,365,000	17,988,000	59,756,000	11,822,000
% Change	8.90%	16.58%	16.53%	22.58%	18.38%	-5.28%

Source: U.S. Census 2010

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 growing 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.

Instructor Note: When introducing the part of the section, take time to explain that there has been significant shifts in our communities and that this shift has had an economic impact on our industry.

SLIDE 13

Explain to students that the shifting demographics make a sound business case for understanding the profile of homebuyers.

Immigrants and International Buyers

The massive influx of immigrants over the past 30 years has prompted anxiety over changes to the nation's ethnic, social and economic identity. Even more significant is the demographic change about to occur as the first wave of the baby boom generation retires, slowly draining the workforce and straining the federal budget to the breaking point.

In his book, *Immigrants and Boomers*, author and noted demographer Dowell Myers describes how each of these two powerful 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 percent more people in the selling age relative to the younger adults who are likely to be buyers.

Myers and other demographers believe that 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 and can 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.

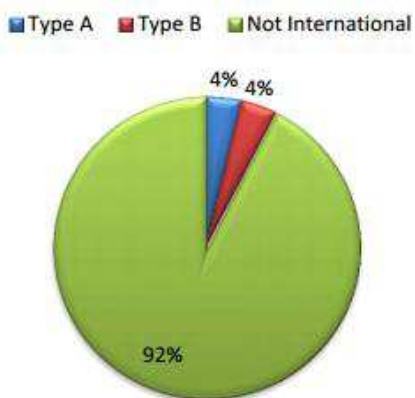
According to NAR research done for the 2012 Profile of International Home Buying Activity, this combination of buyers can be divided into two types:

Explain how demographer Dowell Myers believes that immigration will help close the housing gap between "net homeseller" baby boomers and immigrant "net homebuyers."

SLIDE 14

- Type A: Foreign clients with permanent residence outside the U.S. These clients typically purchase real estate for investments, vacation or visits of less than six months in the U.S.
- Type B: Clients who are recent immigrants (less than two years) or temporary visa holders residing for more than six months in the U.S. for professional, educational or other for the 12 months ending March 2012, international clients accounted for 4.8 percent of total U.S. sales divided evenly between Type A and Type B clients.

**Estimated Existing Home International Sales: \$92.2 Billion
4/2013 through 3/2014**



Source: NAR 2014 Profile of International Home Buying Activity

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 trends for his/her market. The National Association of REALTORS® has a series of state-specific — and a few metropolitan market — reports that can help.

To access these reports, visit www.realtor.org/global and follow the link to International Real Estate Research Reports.

EXERCISE: (internet connection required)



Using a laptop, tablet or mobile device, visit <http://www.realtor.org/reports/state-by-state-international-business-reports> and locate your state on the interactive map. Once you find it, answer the following questions.

1. List the top five countries of origin of immigrants in your state.

Top 5 Countries of Origin

2. With this information, what steps can you take to service the specific housing needs of these groups?

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Buying Power

Multicultural market growth varies by state and local area. According to the 2013 Multicultural Economy Report produced by the Selig Center at the University of Georgia, the buying power of minorities will continue to grow at faster rate though 2015 than that of white consumers.

Some notable numbers from the Selig Center's report include:

- The \$1.2 trillion Hispanic-American market in 2013 was larger than the entire economies (2012 GDP measured in U.S. dollars) of all but 15 countries in the world — smaller than the GDP of Indonesia, but larger than that of Turkey. Moreover, this market is expected to grow by about a third (to approximately \$1.6 trillion) by 2018.
- In 2013, the combined buying power of African-, Asian- and Native-Americans was about \$1.9 trillion — 105 percent higher than its 2000 level of \$915 billion — which amounts to a gain of \$964 billion. African-Americans in particular accounted for 57 percent of this combined spending, or slightly over \$1 trillion.
- The Selig Center projects Asian-American buying power will climb from \$713 billion in 2013 to \$962 billion in 2018 — increasing more than a third in just five years.
- By 2018, approximately 1 out of 5 Americans will be Hispanic.

Remember that this report takes a look at buying by race and ethnicity utilizing those who reside in the United States. This means we have diversity in our marketplaces without the introduction of foreign buyers. When we add in the fact that international buyers accounted for \$92.2 billion in U.S. residential property sales in the year ending March 2014 (source: 2014 NAR Profile of International Home Buying Activity report), it becomes clear that real estate professionals who embrace diversity will have a business advantage.

Median Income

The median income growth of a multicultural segment provides a more accurate benchmark for homebuying power in each respective market.

For example, nearly 40 percent of the Hispanic population (38 percent) is under the age of 18; a Metropolitan Study Area (MSA) that reflects a high population of Hispanics does not necessarily represent a population with the necessary median income to purchase a home.

SLIDE 16

Explain how the buying power of the multicultural consumer has increased dramatically and will continue as population keeps increasing.

While population growth and median income are the main units of measure, other social, economic, political, and environmental variables can affect a market's real estate dynamics. Other factors may include changes in the structure of households altering the characteristics of homeowners of the future, multicultural consumers' rising use of the Internet as an influencer (seeking information on the homebuying process), immigration and rising taxes.

Median Income by Race

Year	U.S.	White	Black	Asian	Hispanic
2008	51,485	52,902	34,093	55,162	37,565
2013	58,537	60,901	35,730	61,303	40,582
% Change	13.70%	15.10%	4.80%	11.13%	8.03%

Source: U.S. Census 2010

Assumptions, Stereotypes and Biases

People make generalizations as a way of coping with the confusing details of experience. Generalizations are useful and necessary, as long as they remain guidelines and do not turn into rules. We can summarize our experience of people with some safety by saying “most,” “many” or “some” of the individuals in a group have certain characteristics. This leaves us open to revise our opinions as we see how an individual confirms or contradicts a stereotype.

What is not safe is to say that “all” or “no” individuals in a group have certain characteristics. First, we cannot possibly be correct because we have not met — and never will meet — all the members of the group. Individual variability within any culture is vast. The more ignorant we are of individuality of those that make up a particular group, the more the stereotype turns into a cultural myth that describes no one and resists examination.

Second, by assuming that all individuals of a group are a certain way, we make it impossible to communicate or form a relationship with them. We are attributing meaning based on our stereotype instead of paying attention to the individuals and the cultural cues. We invite the other to apply a stereotype to us, instead of responding to us as individuals. Both parties thus make

SLIDE 17

Instructor Note: Emphasize that stereotypes, assumptions and biases are a result of our own personal window on the world and a result of experiences and influences we have had in our lives. As we go through life we sometimes discover that there was a “smudge” on our window or wrong assumption on our part about person and we begin to change the view we have.

inappropriate assumptions about one another.

You must recognize a stereotype for what it is, and concentrate on the individuality of another person, noting and enjoying what is different and unique.

Biases

Just as we generalize about others, make assumptions about them and are inclined to treat them according to our stereotypes of their groups, we form preferences about the kind of people we want to be with.

It is understandable for people to be most comfortable with others who resemble them (“similar to me” effect), and to prefer those similar people over those who are different. However, biases do not have to be negative and harmful. They only become so when we allow them to interfere with our fair treatment of others.

EXERCISE: Stereotype Brainstorm

Write one stereotype you have heard for each group on a sticky note, and place the sticky notes on the appropriate flip chart pages. The stereotype can be positive or negative.

Discuss your reactions to what you have heard:

- How did you feel about using stereotypes?
- How did you feel about those used to describe members of your group?
- Do they apply to everyone in a group? Are they fair?

Discuss how people distinguish themselves from others in their own groups.

SLIDE 18

MANDATORY EXERCISE

Materials: flip chart, markers, painters tape, 2x2 sticky notes

Goal: Engage students into a discussion about stereotypes. This discussion can sometimes generate tension.

Once the students have placed their sticky notes, take time to read the responses one sheet at a time. Remove each sheet (with the possible exception of the sheet for “real estate agents”) and discard.

Note to instructors: You may want to use professions for categorical stereotypes rather than race, ethnicity, sexual orientation, etc. Examples could include car salespeople, doctors and real estate agents.

Categories of Cultural Stereotypes

Culture impacts how we think, how we feel and, more important, how we look at the world. It is the most basic cause for a person's wants and behavior.

To begin acknowledging how we stereotype one another culturally, it is helpful to recognize some aspects of culture that commonly appear in our stereotypes.

The list on the following page is not exhaustive, but it includes features that should be familiar to everyone, even those who believe they do not hold any cultural stereotypes.

Self-Expression: Others have a lower or higher degree of self-expression than we have. They are better or worse at following rules, weighing their own needs against those of others and expressing or containing emotions.

Outlook on Life: Others are more or less organized, have different societal aims, and place differing amounts of emphasis on the value of life, individual and group.

Racial Attitudes: Others are more open or closed than we are in their attitudes about different races.

Honesty/Reliability: Others are devious and dishonest, or they are as trustworthy as our own group.

Character: Others, as representatives of their group, are weaker or stronger than our group in sticking to their principles.

Time Orientation: Others do not care about time in the same way our group does. They waste it, are too concerned about it or are ruled by it.

Social Classes: Others have a class structure, some are all of a single class, or some all think the same way about class.

SLIDE 19

SLIDE 20

Emphasize how culture is a set of learned behaviors, beliefs, attitudes, values and ideals that are shared by a particular society or population.

Take time to review some of the categories and how they might think of a stereotype of a particular culture or society.

Religion: Others are adherents of some religion that is unlike ours, leading to illogical behavior, or they are lacking in religious values.

Orientation to Nature: Others are in tune with nature, believe in letting it take its course, or believe in overwhelming and controlling nature. Others believe themselves part of nature or outside of nature.

Group Objectives: Others want to take over the world, take what we have, or impose their values on us.

Work Ethic: Others are lazy, spoiled and lacking in purpose, or are obsessed with work and unable to enjoy life.

Talents and Skills: Others, by nature of belonging to their group, have certain talents and skills given their living or working environment.

DISCUSSION: Honesty vs. Loyalty: Which is More Important?



In the following article, Dr. Horace H. Underwood describes his personal experience as a Westerner wading through the cultural differences between Korean and U.S. college students. See if you can identify "cultural differences" or "cultural similarities" among other ethnic groups.

In Korea, as in the West, honesty and loyalty are both virtues. In the West, in general, honesty is the higher virtue. In a Confucian society like Korea, loyalty is the higher virtue. Who is to choose? The difference is deeply rooted in Korean culture and has deep implications for Korean society and for those working with Koreans.

I had a terrible time in my classes when I was teaching at Yonsei because my students kept cheating on tests and plagiarizing homework. I had to watch them all the time. When I caught them, they were embarrassed, yes, and they knew they had done wrong, yes, but they said, "My friend asked me," as if that were a complete explanation. I know we have cheating in colleges in the U.S. and other countries, too, but sometimes I really got disgusted with their lack of honesty, their unwillingness to play by the rules.

It is not the case that Koreans are dishonest. It is not the case that honesty is not a value in Korea. Korean culture has a strong sense of honesty. The problem is the hierarchy of values. Honesty is a value, but there is a higher value, and it is loyalty. Of course, loyalty is a value for Americans, too. Those of us in academia are less regularly conscious of it than some Americans, perhaps, but when something comes which demands loyalty, Americans have it, whether to the nation, to a friend, or to a family member. But for us it is not usually a higher value than honesty.

But not so for Koreans. Loyalty is higher than honesty. Thus my students will engage in behavior that I call cheating in order to be virtuous. Consider yourself in such a situation. First, the Confucian drive to success through education means your parents have impressed on you from birth the absolute importance of excellent grades. An "A-" is a failing grade. (The parents are right, by the way. If you do not have absolutely top grades you will not get into a top university. Since hiring at the top companies is based on what university you attended rather than on personal achievement, an "A-" in high school could seriously damage your life prospects.) If you are an obedient child, you want to please your parents. Of course, it's best to have studied and to know all the answers on a test. But if you don't, you know it is morally unacceptable to bring home a low grade. So, being an obedient child, you ask your friend for help. If you do not ask, you reveal yourself as lacking in fundamental virtue. If you have been well socialized, there is no conflict. Similarly, if your friend asks you for help on an exam or to copy your homework, you must help your friend or show yourself to be inhumane, disloyal, not a friend, lacking in virtue.

In a small country and a small society where human relationships are extremely important, more important than structural and official relationships, where the whole world works by the old boy network, it is not so surprising that loyalty is the top value. Looking at it another way, we should ask just what is the relationship between, for instance, father and son. If you ask a Korean what one value summarizes the correct

DISCUSSION: Honesty vs. Loyalty *cont'd.*



relationship between the pairs of the Five Relationships in Confucianism, the answer will be some version of "loyalty." If you ask a Korean what one word expresses the most important ideal in Korean culture, the way "love" is often considered the ultimate ideal in Western culture, and the answer will be "loyalty."

The tough thing in cultural conflict is not the conflict of good against bad. The tough thing is when it's good against good. There's a fine book on Korean culture, which says it right in the title; it's called *Virtues in Conflict*. (The book is actually about women's roles — I'm just borrowing the title.) Which should be more important, honesty or loyalty? Why do Americans say that honesty is a higher value than loyalty? Why not the other way around? Who decides?

If there are events in your experience with Koreans in which their behavior seems to be in conflict with your values, then it's time to remember the fundamental and obvious principle that the Koreans are playing by their own quite functional set of values. They are probably wondering why your values are so screwed up. As for me, rather than blaming Korean culture or trying to change it (a fruitless task!), I usually try to set up some system which forces things to be done "right," i.e. the way I want. In class and on tests, I watch very closely and never assume the honor system will work. I always double-check abilities shown on homework assignments by giving in-class assignments as well. On the other hand, I can only do that in areas where I am in control, like the classroom (or when I was at Fulbright, selecting Fulbright grantees). Just as often, I have no control and must learn to be satisfied with understanding what's going on. Korean culture is certainly not going to change in my lifetime, or yours. But your interactions with Koreans will certainly be more pleasant when you understand why they act the way they do.

Horace H. Underwood is the fourth generation of his family to live in Korea. His great-grandfather, one of the first Protestant missionaries to arrive in Korea in 1885, later founded Yonsei University, where his family has continued to teach. Dr. Underwood first went to Korea in 1946 at the age of three. After earning a doctorate at SUNY Buffalo he served for 30 years as a professor in Yonsei's English Department. During that time he also had various other posts in international education, including Director of the Division of International Education and Dean of the Graduate School of International Studies and Executive Director of the Korean American Educational Commission (the Fulbright Commission.). After retiring in 2004, he continues as a member of the Board of Directors of Yonsei University.

EXERCISE: Honesty vs. Loyalty



The instructor has asked you to rate which virtue, honesty or loyalty is most important. Which is it and why?

SLIDE 21

Instructor Note: Paraphrase the case study on pages 24 & 25 and why Loyalty is view as more important than Honesty in some Eastern Cultures.



AT HOME WITH
DIVERSITY

**FAIR HOUSING
AND DIVERSITY**



Section 2:

Fair Housing and Diversity

At the conclusion of this section, you should be able to:

- Discuss the One America Principles and Fair Housing laws.
- Describe the Philosophy of Inclusion.
- Describe the Equal Professional Service Model.
- Analyze and answer questions about Fair Housing cases that have been adjudicated in court.

Building on the Foundation of Fair Housing

As a real estate professional, you already know and practice Fair Housing laws. In this section, we will combine our knowledge and experience about fair housing and diversity because:

- Success in today's markets requires awareness, communication and planning a diversity-oriented practice.
- Changing demographics in local markets indicate potential clients and an opportunity to grow your business.
- Learning and applying acceptable Fair Housing practices helps real estate professionals serve a diverse clientele while complying with the law.
- Real estate professionals who serve international clients will be better able to explain and protect their rights and investments.

SLIDE 22

Review Learning Objectives

Emphasize how Fair Housing compliments our discussion of diversity and inclusion.

From a professional perspective, initiating a diversity-oriented practice makes good business sense. From a legal standpoint, local, state and federal Fair Housing laws have established minimal standards of behavior all professionals must meet. This diversity course builds on the promise of those laws that provide for equal housing opportunities. An understanding of fair housing law and a commitment to equal housing opportunities is expected of all real estate licensees and is embodied in the Code of Ethics of the National Association of REALTORS®.

Fair Housing laws are designed to help you offer your customers a full range of housing options. The Equal Professional Service Model, developed by NAR, gives you a solid basis on which to offer the promise of these laws. When you begin to focus on marketing to today's diverse population, the Equal Professional Service Model continues to ring true.

If you need more information, read the *Fair Housing Handbook* published by NAR. Search for "Fair Housing Handbook on realtor.org.

Fair Housing Background

The U.S. Congress, in passing the Fair Housing Act, established a national policy to provide for fair housing throughout the United States. This act and other federal fair housing laws prohibit discrimination on the basis of race, color, religion, sex, familial status, handicap and national origin — the seven protected classes. (Note: While they do have some legal protections, LGBT individuals are not fully covered at the federal level at present; check state and local laws to determine if they're a protected class in your market.)

For a detailed history of fair housing legislation, as well as information about the protections provided by fair housing laws, please refer to the Appendix. Additional information on the law can be found on the U.S. Department of Housing and Urban Development Web site, www.hud.gov.



Ralph and Margaret Canady agreed to purchase the home of Pamela Garapich, which was located in Prescott Canyon Estates in Prescott, Ariz. The community required that at least one person of 55 years of age or older reside in each unit, and prohibited anyone younger than 35 years old from living in the community. However, the Canadys intended to have their 26-year-old son Scott, who was severely developmentally disabled, live with them in their unit.

When the community's president learned of the Canadys' purchase of the home, he contacted the seller and informed her that no one younger than 35 years old could live in the community. Garapich contacted the Canadys, and both parties agreed to terminate the purchase agreement.

The Canadys and Garapich then filed a complaint with the Arizona Attorney General's office against Prescott Canyon Estates. The attorney general found that there was reasonable cause to believe that the community had engaged in unlawful discrimination under the state's Fair Housing laws by denying the Canadys the right to purchase a home in the community based on their son's condition. A lawsuit was filed, which the Canadys and Garapich joined.

Source: NAR Legal

Discussion Question

1. Do you believe Prescott Canyon Estates committed a Fair Housing violation? Why or why not?

See the next page for the result of this case.

SLIDE 23



Case Outcome

A trial court ruled the actions of Prescott Canyon Estates did not constitute an unlawful discrimination because the community's age restriction was lawful and did not discriminate based on an individual's disability.

The Canadys and Garapich appealed, and the Court of Appeals of Arizona reversed the trial court's decision. The Act prohibits discrimination in the sale or rental of housing "because of a handicap of (A) that buyer or renter; (B) a person residing in or intending to reside in that dwelling after it is so sold, rented, or made available; or (C) any person associated with that buyer or renter." The definition of discrimination includes "a refusal to make reasonable accommodations in rules, policies...when such accommodations may be necessary to afford such person equal opportunity to use and enjoy such a dwelling."

The court found that the Act contains an affirmative duty to reasonably accommodate disabled persons. The duty to accommodate could include changing or not enforcing an otherwise valid policy in order to allow a disabled person to gain access to the housing of their choice. Here, the community did not make a reasonable attempt to accommodate the parents' plan to live with their son.

The court rejected the community's argument that to act otherwise could jeopardize its status as "housing for older persons," finding that at least one of the parents was over 55 years old.

The court also rejected the arguments that letting the parents' son live in the community would jeopardize its exempt status under the Act for not following its rules nor would it create a flood of younger people trying to move into the community. The court found that one reasonable accommodation would not undermine the entire purpose of the community because only a small group of people could qualify for such an accommodation.

Fair Housing and NAR: The One America Principles

The One America Principles serve as the basis for NAR's diversity course. The Department of Housing and Urban Development (HUD) created the principles to help real estate professionals with awareness, communication, and planning for a diversity-oriented practice.

The One America Principles encompass the following ideals:

- A diverse demographic community
- Opportunity for all
- Responsibility for all
- Respect and celebration for diversity while embracing shared values

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.

SLIDE 24

Either through lecture or group discussion, emphasize how the One America Principles are a natural fit for their real estate business.

NAR's support of the One America Principles shown on the slide is the basis for this program.

The principles were designed to recognize a diverse, democratic community, where there is opportunity and responsibility for all.

Democracy and diversity are respected and even celebrated. Shared values are embraced and create unity.

- 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 forms 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 positively 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 solely 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 yourself 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 individual 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.

SLIDE 25

Note: All the answers are TRUE

Discriminatory Acts

Fair Housing laws protect the public requiring that everyone have equal access to housing opportunities and eliminate housing discrimination.

The Fair Housing Act specifically prohibits certain practices if based on race, color, religion, sex, familial status, handicap or national origin:

EXERCISE: Discriminatory Act or Not?



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.

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

Legal Screening Criteria

Landlords may screen applicants appropriately by using objective criteria such as the applicant's:

- Ability to pay rent
- Credit history
- Rental history

Limits on the number of people living in one unit are lawful, provided they do not discriminate unreasonably against families with children. 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 makes 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. Steering is unlawful even when done unintentionally or unconsciously. The Act makes illegal any discrimination in the sale, lease, advertising, or financing of housing or making housing otherwise unavailable because of the race, color, national origin, religion, familial status, sex or handicap.

Ask participants what policies or procedures they use to avoid steering.

Say: To avoid steering, make all efforts to provide equal professional service. You can treat clients "differently" based on their cultural background and what's necessary to communicate effectively with them, but you must ALWAYS provide equal, professional service.

Advertising

Advertising is another area with the potential for discriminatory acts. 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) though these may vary by state.

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.



Consider using the Fair Housing logo in all advertisements. (See example at right.) Although using the logo is not required by law, it creates the presumption that you're committed to Fair Housing.

Predatory Lending

The home mortgage process often presents a challenge for buyers. Due to abuses in the past decade, federal regulators have issued rules limiting predatory-lending abuses. However, the problem remains.

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

- 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 home ownership equity or induce a borrower to refinance repeatedly with higher points and fees.

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.

Let clients make the decision about their financing options or refer them to a range of responsible lenders, then let them decide which lending option is best for them.

NAR's Code of Ethics

REALTORS® have a long history of supporting the letter and spirit of our nation's Fair Housing laws. Through the Code of Ethics, REALTORS® pledge to conduct their business in accordance with its tenets and to observe its spirit in all of their activities. 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. *(Last amended 1/14)*”
- “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. *(Last amended 1/14)*”

SLIDE 28

Emphasize that NAR recently added sexual orientation and gender identification to Article 10. For the first in history, Article 10 is not simply a reiteration of the federally protected classes.

Fair Housing Declaration

Since the mid-1980s, 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 1966, HUD and NAR created a voluntary Fair Housing Declaration for use by REALTORS®, which is included below:

I agree to:

- *Provide equal professional service without regard to the race, color, religion, sex, handicap, familial status, or national origin 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.*

The Equal Professional Service Model

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.

This model is the basis for the fair housing practices recommended by NAR in the *Fair Housing Handbook*. Here are the key steps:

1. Do I use systematic procedures?
2. Do I have objective information?
3. Has my customer set the limits?
4. 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.

1. Systematic Procedures

Having a systematic procedure allows you to be consistently professional. Equal professional service means consistently 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 to you. Systematic procedures and equal professional service will help you meet the needs of a customer base regardless of who you perceive them to be.

2. 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 provide information free of assumptions and biases — and ask for information in a way that does not impose assumptions and biases — you learn much more about your prospect’s needs and wants. Giving and asking for objective information thereby increases your likelihood of effectively marketing a prospect’s home or finding the home a prospect wants.

SLIDE 29

Review the flowchart on the slide with the students, providing examples in meeting the criteria of the service model.

Another option is to ask the students if they use the model or have examples of systems or tools they use in their business to comply with the service model.

Your prospects will appreciate your professional problem-solving skills; your objective, factual responses to their questions; and your recognition that the prospect, 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.

3. Letting the Customer Set the Limits

There are certain questions you can ask yourself to make sure that the prospect is setting the limits of a home 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.

4. Offering a Variety of Choices

Providing a variety of choices based on a customer's objective information is good business. People who have had a wide choice are the most satisfied with their selections and with 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.
- 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 in today's society does not change the effectiveness of the Equal Professional Service Model. By learning how to work with people who are different, 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.

EXERCISE: Professional Development

Scenario

The firm's agents are not getting as much training as they should. Overall, your agents seem to be lacking in professional development, especially since the company is trying to build an inclusive practice

Assignment

Your assignment is to develop some strategies that will help everyone become more aware of new trends, technologies, and methods for self-improvement. You have 20 minutes to complete the assignment.

Strategies for Professional Development

Identify two strategies you will adopt for professional development.

Strategy 1:

Strategy 2:

SLIDE 30

Personal Application

Before asking questions to obtain information that you believe is necessary, pause to think how a person with a different cultural perspective will feel. Modify your behavior accordingly.

Think about and develop some universal questions that you may use with any client. Here are some possible universal questions.

- **Property:** “What can you tell me about the kind of home you are 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, if you wish. Would this be helpful now?”
- **Timing:** “If you can find a house you like, 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:** “Please tell me how you would like to proceed from here.”

If time permits, you may ask the class to develop universal questions and share the questions with the class. (The Building Block exercise that follows.)

If time is limited, refer participants to this section and ask them to read the sample questions on this page.

Tips for Affirmative Practices

- Put up the Fair Housing poster so that everyone can see it. This is a good way to let clients and the public know that you support and abide by Fair Housing laws.
- Read and follow the REALTOR® Fair Housing Declaration. It reminds you to incorporate Fair Housing in your daily practice by:
 - Providing equal service.
 - Using inclusive advertising.
 - Celebrating differences.
- Incorporate 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.
- Use systematic procedures for qualifying buyers, getting listings, conducting open houses, keeping records and contacting clients.
 - Obtain and use objective information.
 - Let the customer set the limits.
 - Offer a variety of choices.

Business Building Block

In an effort to provide equal service to all, it becomes necessary that we think about the questions we ask potential clients. In this Business Building Block, you are asked to develop universal questions that you may use with any client. There are categories or areas of service you have to work through with every client. The exercise is divided into these categories to spark your thought process.

Category	Question
Property	
Location	
Price	
Payment	
Timing	
Understanding	
Expectations	
Special Needs	
Next Steps	





AT HOME WITH
DIVERSITY

**EXPLORING CULTURAL
ATTITUDES AND
DIFFERENCES**



Section 3: Exploring Cultural Attitudes and Differences

SLIDE 32

At the conclusion of this section, you should be able to:

- Discuss the significance of understanding variations in cultural attitudes and practices.
- Explain the influence of culture on the homebuying process.
- Describe verbal and nonverbal communication from both functional and affective perspectives and within high- and low-context cultures.
- Demonstrate examples of cultures through role-playing in these categories: self and space, time and time consciousness, relationships, and communication and language.
- Demonstrate appropriate business etiquette and cultural business do's and don'ts.

Many real estate professionals are experiencing a transformation in the profile of homebuyers coming through the door. These new homebuyers are not always receptive to existing sales techniques, nor do traditional marketing approaches seem to effectively involve them in the homebuying process.

Given the right social processes, however — such as trust, time and cultural immersion — you can successfully service the multicultural homebuyer and expand your customer base.

Specifically, real estate professionals interested in broadening their understanding of diversity and expanding their market share need to:

- Build and expand their understanding of cultural differences to serve clients better and fairly.
- Learn how to offer appropriate services.
- Understand and enjoy other cultures to build relationships, a prerequisite for working with most international or immigrant clients.
- Understand and appreciate other cultures through open lines of communication.

Cultural Variations

When you work with multicultural clients, their cultural practices and customs are likely to influence homebuying decisions and affect the overall transaction. You may notice that recent immigrants are influenced more by their traditions and customs 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. For example, the religious practices of another culture or country will often dictate certain days that are permissible to do business. Through proper research, you can avoid making costly cultural mistakes that can affect the outcome of a successful transaction. (Note: 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 various cultures.)

As you've already learned, making assumptions, thinking in terms of stereotypical behavior and having biases can block communication, offend others and lose opportunities to work with potential clients.

To help build relationships and do business, you need to become aware of and understand several 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. We need to be sensitive to such variations and adjust to them accordingly.

High- and Low-Context Cultures

Each culture is accustomed to certain ways of interacting. All of them fall somewhere on a spectrum of high- to low-context on the basis of the nature of those interactions. In general, the more formality and hierarchy in professional and personal relationships and communications, the higher the context. When working with clients, be aware of their comfort zones and use approaches that meet their needs and provide assurance.

Here are some examples of high- and low-context interactions.

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High Context	Low Context
Prevalent in: Asia Middle East Latin America Southern Europe	Prevalent in: United States Canada Northern Europe
Nonverbal communication is important.	Precise verbal agreements are important.
A relationship is the basis of a contract.	A contract is binding and exists apart from a personal relationship.
Schedules are often flexible, with meetings starting and running late.	Time is treated as a commodity, and schedules are carefully observed.
Formality, face-saving communication and relationships are valued. A slower pace is needed to build relationships.	There is a preference for informality and direct communication. Results are valued and punctuality observed. Accustomed to a fast pace of doing business.

Reading Nonverbal Signals

According to most communication specialists, between 80-90 percent of a culture is reflected in nonverbal messages. These include:

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

Although there are some universal translations of body language, they tend to be quite subtle. In all cultures, for example, people 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 the mouth to convey dominance and submissiveness. As in other areas, however, cultures differ in their details. Examples include:

- In Western cultures, failure to maintain direct eye contact is regarded as suspicious, unfriendly, insecure, insincere, untrustworthy, inattentive and 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 (for example, Nigeria), prolonged eye contact from one of inferior status is often regarded as disrespectful.
- In the United States, a widening of the eyes is interpreted as an expression of astonishment. In China, this is a danger signal expressing suppressed anger.

To be able to read the many culturally specific nonverbal signals that others emit, you need to interact with and study other cultures over time. Until you have learned all about another culture, reduce misunderstandings by limiting your use of gestures; use only those most likely to be understood universally as conveying respect.

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Note: Demonstrate an example body language (i.e. crossed arms, rolling the eyes, hands on hips, etc.) to set the tone for the discussion.

Give an example: In Los Angeles, there are sometimes problems between Korean business owners and African-American customers.

Koreans do not use eye contact as a sign of respect.

African-Americans believe eye contact is a sign of respect.

How might a difference like this create problems in a working/business relationship?

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

Certain customs occur across all cultures, such as 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 cultures 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).

Recognizing how your own culture treats these cultural elements, and how they influence you, is the beginning of sensitivity to other cultures. In particular, 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.

EXERCISE: Comparing Cultures



Refer to the following tables on cultural comparisons and to the cultural summaries in this chapter and in the Appendix. Discuss the situation outlined below and answer the following questions:

Imagine that you are working with a buyer who is from a culture very different from your own.

- Would differences in your culture (in the category you were assigned) affect your normal way of doing business?
- If your answer is yes, what cultural attitudes or customs would you need to be aware of, or be prepared to change?

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Present the four cultural variations of:

- Self and space
- Time and time consciousness
- Relationships
- Communication and language

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Ask participants to break out into four groups.

Assign one or two categories from the charts on the following pages to each pair or group

Ask the students to role-play each of the four cultural variations for presentation to the entire class.

It is common in some cultures to...		People from other cultures may...
Self & space	<p>Shake hands; pat shoulders; touch elbows or arms</p> <p>Maintain two feet of personal space</p> <p>Touch another's hair as a sign of affection</p> <p>Value physical privacy highly</p> <p>Be uncomfortable with touching during conversation</p> <p>Shake hands with persons of the opposite sex</p> <p>Consider a slap on the back a sign of friendliness or congratulation</p> <p>Consider touching, kissing, and handholding between males and females in public to be <u>acceptable</u></p>	<p>Shun physical contact</p> <p>Maintain 14 feet of personal space</p> <p>Be offended if another touches his/her hair</p> <p>Value physical privacy only moderately</p> <p>Touch one another during conversation</p> <p>Not shake hands with a person of the opposite sex (some do not shake hands with either sex)</p> <p>Be insulted by a slap on the back</p> <p>Consider touching, kissing, and handholding between males and females in public to be <u>unacceptable</u></p>

It is common in some cultures to...		People from other cultures may...
Time & time consciousness	<p>Believe in using time effectively; they view time as money or as a limited resource and place importance on getting down to business</p> <p>Be in a hurry; value getting to the point quickly and directly</p> <p>Be punctual; expect others to be the same</p> <p>Be impatient</p>	<p>Believe time and schedules are not always the most important priority; believe quality of life is more important than efficiency</p> <p>Devote a lot of time to greeting, pleasantries, and chatting before "getting down to business"; extend leave-taking</p> <p>Easily allow social concerns to disrupt schedules</p> <p>Spend a long time on preliminaries</p>

	It is common in some cultures to...	People from other cultures may...
Relationships	<p>Establish “friendly” relationships quickly</p> <p>Begin using personal names immediately</p> <p>Consider it friendly to ask a new acquaintance about jobs, family, etc.</p> <p>Prefer to be alone or in pairs</p> <p>Consider business relationships distinct from personal ones</p> <p>Tend to reflect personal qualities in relationships</p> <p>Be interested in short-term benefits</p> <p>Live in nuclear and mobile families and not necessarily have strong or extensive social ties</p>	<p>Take a long time to establish a relationship</p> <p>Maintain formality until a relationship is established</p> <p>Consider it rude to ask a new acquaintance personal questions</p> <p>Prefer to be in groups</p> <p>Emphasize social and personal aspects of relationships, including business relationships</p> <p>Tend to reflect social hierarchy in relationships</p> <p>Be interested in long-range benefits</p> <p>Live in strong, cohesive families that often include distant relatives and even national leaders</p>

	It is common in some cultures to...	People from other cultures may...
Communication & language	<p>Make direct eye contact</p> <p>Point with the index finger</p> <p>Beckon with index finger or all fingers, palm up</p> <p>Nod head to show agreement, shake head to show disagreement</p> <p>Smile to show agreement, acceptance, pleasure, goodwill, amusement</p> <p>Say "yes" to mean "I agree" or "I accept," "no" to mean refusal</p> <p>Have spoken words carry the message</p> <p>Use direct eye contact while listening and indirect eye contact while speaking to show attentiveness and respect</p> <p>View heated argument as a precursor to violence</p> <p>Consider it acceptable to insert a comment into someone else's conversation</p> <p>Resent conversational interruptions; believe in taking turns</p> <p>Use direct eye contact to show honesty, attentiveness, and respect</p> <p>Consider hissing at someone an insult</p>	<p>Avoid eye contact</p> <p>Consider pointing to be rude</p> <p>beckon with all fingers, palm down</p> <p>Raise head to show refusal, move head sideways to show acceptance</p> <p>Smile to hide embarrassment or avoid giving offense</p> <p>Say "yes" to mean "I hear you," consider "no" to be rude</p> <p>Have nonverbal cues often override a spoken message</p> <p>Use indirect eye contact while listening and direct eye contact while speaking to show attentiveness and respect (some males do not make eye contact to avoid causing fear or prejudice in others)</p> <p>Distinguish between arguing and fighting</p> <p>Regard conversations as private; see eavesdropping and interrupting as offensive</p> <p>Tolerate conversational interruptions; believe in giving the floor to the most assertive person</p> <p>Shun direct eye contact as a challenge to authority</p> <p>Use hissing as an acceptable way to get someone's attention</p>

Different Perspectives

Some multicultural homebuyers bring different perspectives and points of reference to the homebuying and selling processes. These ideas or preconceptions may be based on the traditions and practices of the homebuyers' native countries and cultures.

Following are some interesting 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

- The number four sounds like the word for “death” in Chinese and Korean.
- The numbers three and seven are lucky numbers for Koreans.
- The number eight symbolizes wealth and luck for the Chinese.

Location and Orientation

Fung 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.

Marketing and Advertising

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.

To avoid communication errors and the possibility of offending someone, talk to your client 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.

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Explain that homebuying attitudes among multicultural buyers may differ from those of mainstream homebuyers.

The homebuying process is often foreign and much more emotional given the different cultural motivators.

Ask students if they have experienced cultural differences in a transaction and how they moved to resolve it.

Before discussing “Numbers” talk about the fact that in the US, many believe the number “7” to be lucky and the number “13” to be unlucky, so much that most hotels do not have a floor labeled as the 13th floor or a room with the number 13 in it. Many airlines do not have a row labeled as row 13.

As you present some of the various attitudes of other cultures, remind the students that we have our own “quirks” and we must maintain a level of sensitivity to the attitude of others during this part of the homebuying process.

Ask the students if they have had any unique experiences.

Building Communication Skills

To best serve your clients, as well as avoid offensive or socially unacceptable behavior, employ active listening. This interactive skill enables you to learn and adjust while building the other person's confidence and comfort level with your communication process.

Specifically, the five steps involved in cross-cultural listening are:

1. Pay attention to the person as well as the message. For some people and for some cultures, conversation is the message. They need a lot of talk and interaction, perhaps about every topic except the one you think they should be talking about. Such people are not data-oriented; they are relationship-oriented, and their business aims and decisions only emerge at length. Therefore, you must listen to the whole person and to the person's culture to hear the message.

2. Do not assume you know what the other person wants. You do not know. Why make a mistake that can shut off communication right from the start? Let the other person inform you. For example, you may not know that a customer wants a good school district or cares about the ethnic makeup of a neighborhood. Making assumptions because of the customer's race or national origin can result in failing to provide the service the customer wants. Schools may be less important than resale value or living near a family business. Listen and find out.

3. Emphasize and create rapport. Adjust to the other person by reading and emulating cues. Aim for increased comfort by presenting statements in the other's tone, level of formality, and style of reasoning. For example, if the customer's reasoning is based on emotion or factors that seem irrational to you, such as needing a house that faces east, learn to evaluate properties for this person from his or her point of view.

4. Share meaning. Paraphrase what the other person says, and encourage the other person to paraphrase you. Sometimes this means responding to the hidden message in the other's words. For instance, your customer may say, "How much longer is this interview going to last?" In response, you might observe, "You're in a hurry."

At other times, paraphrasing is simply the art of putting what the other person has said into your own words and asking if the other still recognizes the idea. Be careful, however, to avoid making unwarranted assumptions in your paraphrase. You are just checking for understanding and may need to ask a question for clarification before paraphrasing. For example, a customer might say, "We want to live in a place where our children will be safe." You might reply, "I understand that you are

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concerned about your children’s well-being. What specific qualities are you looking for in the community?”

5. Request information in a way that does not bias or inhibit the other person’s response. Ask open-ended questions, and don’t assume you already know the answer. Open-ended questions ask for information rather than for agreement or disagreement. They typically begin with one of the question words (who, what, where, when, why, or how) or an invitation to talk (“Tell me about...”). Compare these examples:

- “Did you have some ideas or plans about how you will purchase the house?” (Almost an open-ended question, but it assumes the customer knows how the process works and already plans to finance the purchase.)
- “Tell me about how you plan to buy the home.” (This is an open-ended invitation for customers to explain their understanding of the process and whether financing is needed.)

Business Norms and Etiquette

Beyond the proper etiquette that you always use in the course of business, project positive attitudes toward diversity in addition to adjusting to the other person’s need for high- or low-context communication.

The following are 10 basic characteristics:

10 Basics 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. Use common sense
8. Do not make jokes
9. Show appreciation for the other’s customs and culture
10. Acknowledge mistakes and apologize when appropriate

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Present the list of norms as neutral, safe manners to use until one learns more. These have all been reported by various people as being generally used and accepted internationally.

Emphasize that one should not become overly concerned about being correct. Just be aware of these norms and try to make them second nature.

Comfort Skills

During this course, you learned thinking in terms of stereotypes, making assumptions, and having biases can negatively affect communication with the people who represent your future business.

Once armed with a heightened awareness of others' differences, you need to develop these basic personal skills:

- Careful, mindful observations of others before saying or doing something.
- Adjusting actions to meet other people's need for high- or low-context communication.
- Applying basic manners and etiquette to keep communications open while learning more about how to behave with another.

The idea behind creating comfort is simple: Act as if you have certain attitudes, and people will respond to you as if you do have those attitudes. As a way of raising the general comfort level, begin by acting as if:

- You embrace the other's differences, whether you do or not.
- You are sensitive to the other's needs and feelings.
- You have a positive regard for other people.

Ask participants if they have been in situations where another person's behavior made them uncomfortable.

Acknowledging personal feelings helps one to become more sensitive to diversity.

Business Building Block

In this section we learned about the importance of and ways to gain a greater understanding of other cultures. As a business owner we have to make an effort to expose ourselves and our business to greater diversity. For this Business Building Block exercise, you are asked to identify at least two ways you will work to learn and experience more about other cultures and diverse groups. You are also required to describe the actions steps and deadlines for achieving these three goals.

Example:

GOAL: I will review overseas listings on realtor.com/international to learn more about real estate practices abroad.

PLAN: 2 weeks from end of class: I will identify three countries I'm interested in.
1st of each month: I will look up at least five listings in one of those countries on realtor.com/international to determine the nature of pricing and promotion there.

GOAL 1:

PLAN:

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GOAL 2:

PLAN:



AT HOME WITH
DIVERSITY

4

**INCLUSIVE
MULTICULTURAL
MARKETING**



Section 4: Inclusive Multicultural Marketing

At the conclusion of this section, you should be able to:

- Summarize the importance of understanding the local market.
- Find sources of local demographic information and analyze the data
- Describe the dynamics of multicultural marketing

Earlier in the course you had an opportunity to learn about national and local demographic trends. As the profile of the market changes, missing out on the new, emerging homebuying population can be costly from a market share and profitability standpoint.

In this section, you will concentrate on:

- Knowing the demographics of your local market enables you to identify opportunities to find clients and expand your practice.
- Understanding the cultural dynamics in your local market will help you to identify and develop needed services for underserved populations.
- Analyzing data so that you can evaluate your local market.
- Providing equal service for all clients.

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Begin this section by explaining that it is not a simple task to develop a successful multicultural real estate practice. Over time, you must acquire new communication skills, new cultural knowledge, and new approaches to listening, selling and marketing.

Meanwhile, you must organize and carry out specific actions in a way that achieves the intended results at the right time. A good strategic plan is an indispensable road map for identifying where you want to go, how and when you will get there.

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 or Asian population in your community, find out if they are 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, 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 www.bea.gov/regional for more info.

Additionally, 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 www.realtor.org/reports/state-by-state-international-business-reports.

Another source for local diversity data is the American Immigration Council's Immigration Policy Center, which maintains information on the economic and political impact of immigrants, Latino- and Asian-Americans at www.immigrationpolicy.org/just-facts/economic-and-political-impact-immigrants-latinos-and-asians-all-50-states.

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

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Introduce the section and explain that knowing how to analyze and apply data is a basic marketing tool that practitioners need to use to maintain or expand their business.

Ask students to share one of their favorite or best resources for demographic data.

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

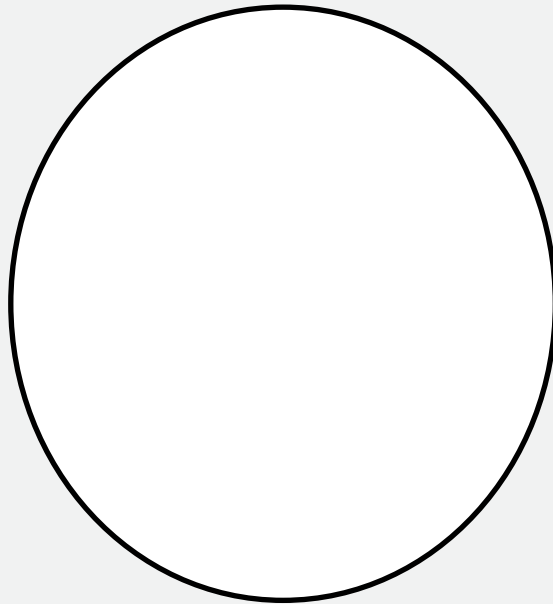
- Fair housing training has always emphasized that there should be no difference of treatment on the basis of race or the other six protected classes. Becoming culturally aware does not change that basic principle of fair housing.
- The analysis of demographic data helps you understand, reach out, and 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, however, 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.

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EXERCISE: Your Local Market



In the blank pie chart provided below, divide the chart according to what you think is the percentage by race (White, African-American, Hispanic, Asian, Other) of the population in your local market. Check your estimates by obtaining demographic data from one of the sources cited on page 70.



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Remind the students that for this exercise they are making an educated guess. Ask them what trends they've noticed in their market and how demographics could change how real estate agents serve consumers. Also, ask how these trends influenced their real estate practices in terms of offering services, marketing more effectively or anything else.

EXERCISE: Market Case Study



A Japanese automaker is bringing a production plant to your market place. This will produce thousands of jobs both with the automaker as well as distributors and suppliers to the company. They plan to bring about 200-300 workers from various plants across the globe as well as from the headquarters in Tokyo. Some of these workers will be long-term while others will come in for temporary positions during construction start-up of the factory.

The automaker is using this as an opportunity to develop a new type of factory and production that they intend to use as a model for new factories, retrofitting others and training management from around the world. This will mean an ongoing need for housing for employees of the company for various amounts of time from other Asian countries, English speaking countries and from Mexico.

The company will begin construction in 90 days or less and has goal of beginning production in 18 months or less.

Your Assignment: As a real estate professional, identify how should you best prepare for this increase in real estate need and the diverse client base it may bring.

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Developing Marketing Practices

Marketing and selling practices may need to be expanded so that 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.

Marketers can no longer assume that multicultural marketing is done only in ethnic language media or using only conventional media.

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 how many people you reach but rather the number you engage or have an impact on.

The Fair Housing Act covers the way you market your firm and a property. Any marketing plan — including the selection of media and publications for advertisements — that indicates a preference, limitation, or discrimination based on race, color, religion, sex, handicap, family status, or national origin violates the Fair Housing Act.

Multicultural marketing recognizes a diverse market base, such as ethnic minorities, people of color, people in same-sex relationships, urban or suburban populations and so forth.

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Explain how multicultural marketing does not require a total makeover of your organization or collateral marketing materials.

Discuss how slight changes that are inviting and nonthreatening win over the multicultural homebuyer.

Remind students that Fair Housing laws and One America Principles still apply and are always a good benchmark to use if they have questions.

Remind students that getting to know your clients is still the best way to approach the relationship.

Here are some general 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 that all minorities 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 foreign 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.
- 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 America — from the Internet to magazines to radio and print. Moreover, they interpret media differently, relying on media not just 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 unlawful, 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.
- Be prepared to educate your audience.
- Reach out to key institutions and groups within ethnic communities.
- Consider hiring a specialty advertising agency or marketing consultant.

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Ask students to share any experiences they might have with multicultural marketing. What has worked and what has not?

Multicultural Community Outreach

Grassroots outreach — reaching out to multicultural homebuyers where they live and work — has been used by organizations that have successfully reached this segment of the homebuying market. Home-buying for multicultural consumers can be confusing, and word-of-mouth information among multicultural groups can play a significant role in the purchasing process.

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 the multicultural community. These points of contact can provide word-of-mouth intelligence to help gather information and identify potential barriers. 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 demystify the homebuying process. Providing useful and accurate information can help you establish strong credibility and build relational equity.

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Discuss with students that multicultural community outreach can be the most effective marketing tool in the various ethnic communities.

Explain that in high-context communities (Asian, Hispanic, African-American), the well-being of the community takes precedence over that of the individual, whereas low-context cultures (such as the United States and Canada) emphasize the primacy of the individual.

Explain how demonstrating a commitment to the community can sometimes yield much greater return than any radio, television, Internet or print ad.

Ask students if they are involved in any multicultural or ethnic real estate groups such as AREAA, NAHREB, NAHREP, etc. Invite them to share their experiences. If they are not involved, ask why not?

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 such as the Social Security Administration, health clinics, county services, and department of motor vehicles experience waiting times. Consider collaborating with these organizations so you could 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.

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 – Realtists). These organizations have a mission 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.

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

Prospecting and Making Contact

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 particular group of consumers be approached?
- Am I doing anything that is inconsistent with Fair Housing laws?

Explain how prospecting is an important component of a multicultural business plan.

Prospecting requires focus and planning to achieve concrete results.

Offering and Negotiating

In offering and negotiating a property, pay particular attention to the cultural values and differences you learned in Session 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.

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, 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.

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 handicap accessible. However, you cannot use expressions such as, "perfect for students," "quiet Hispanic neighborhood," or "mature applicants preferred."

Read and reread your advertisement for words with hidden or double meanings. Keep descriptions accurate and focused on the property's features and benefits.

Review and discuss the guidelines for offering and negotiating a property to a multicultural homebuyer.

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Discuss how to word an advertisement under Fair Housing laws.

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

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

- What do potential customers think the message says?
- Does the ad exclude any potential prospects or groups?
- Does the ad describe 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.

There are some key points to remember when marketing yourself or your business. There is no restriction under the Fair Housing Act for a real estate professional to describe himself as African-American on a website or to include a photo of himself on his business card. It is illegal, however, for the licensee to describe the race of prospective buyers he or she wants 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 all of those materials, whether they apply to owners, landlords, or tenants, to remain well-informed.

Please refer to the Appendix for an advertising guidelines checklist that spells out what the Fair Housing laws allow and prohibit.

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These slides will cover the two exercises that follow.

EXERCISE: Marketing Homeownership

Scenario

While studying the demographics in diversity class you realize that your city has a growing Hispanic population. The manufacturing plant that moved into the area a year ago has attracted many new workers, and a high percentage of them are Hispanic. Your research revealed that the majority of these workers live on the east side of town in the new Lowery Apartments — the huge housing complexes close to the new plant. Probably 50% to 60% of the renters are Hispanic. Most of the apartment renters will be first-time home buyers and are very family-oriented.

Assignment

Your assignment is to create plans to market to this group and other potential first-time homebuyers who you are not currently serving. Be specific about your strategies. You have 20 minutes to complete your assignment.

Strategies for Marketing Homeownership

Strategies in this section are directed at individuals and families in your market, primarily renters, who may not be aware that homeownership is a real option. Identify two strategies for your business plan that you will adopt for marketing homeownership.

Strategy 1:

Strategy 2:

Business Building Block

In this section, we learned about the importance of understanding local market trends and developing a strategic, targeted and inclusive marketing plan that meets legal and ethical standards. This Business Building Block Exercise will challenge you to create an action plan to apply many of the areas presented in this section.

Local Market Data (using the sample at the end of section 3)

Other fields I am going to add include:

I will have it completed by: _____

Multicultural Community Outreach

I will reach out to which community sources and when:

I will have it completed by: _____

Multicultural Marketing Plan

I will modify my listings/personal marketing to be more inclusive and multicultural by including:

I will have it completed by: _____



AT HOME WITH
DIVERSITY

**YOUR INCLUSIVE
BUSINESS PLAN**



Section 5: Your Inclusive Business Plan

During this course, you have learned about the changing demographics in national, regional, and local markets. You have also learned that embracing diversity is a positive approach for enriching your life and expanding your professional opportunities.

You have had an opportunity to learn a little more about different cultures and some communication and business skills you can develop to attract new clients and build new relationships.

This final section gives you the opportunity to review and/or create a professional plan for yourself that incorporates what you have learned in the course. An inclusive practice is one that incorporates a multicultural service philosophy into daily operations.

At the conclusion of this section, you should be able to:

- List business goals that reflect the One America principles.
- Summarize the variables within an inclusive business plan.
- Develop strategies for both you and your firm that reflect a commitment to inclusiveness.
- Produce an action plan.

Diversity Goals

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. In many cases, the results of multicultural or diversity programs are difficult to gauge. But successful organizations are learning to leverage and demonstrate the contribution that multicultural marketing can have on an organization's bottom line.

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SAY: During the course, we have looked at how shifting demographics have affected local markets, regions and the nation as a whole. We have also learned that embracing diversity is a way to not only enrich our lives, but also expand our business opportunities.

In this final section of the course, we will cover the key elements for an inclusive business plan.

The inclusive real estate professional takes responsibility for getting to know all cultural and social groups in the community. He or she proactively reaches out to all people for the purpose of helping them achieve the goal of homeownership.

Translating One America Principles Into Business Goals

The following lists illustrate 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. These translated goals become the foundation for the strategies and actions of a 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 that 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.
I will select my advertising channels more effectively to include other cultural groups in my market.
- *Obtaining listings:*
I will emphasize my inclusive marketing plans to sellers in obtaining listings.
- *Facilitating closing:*
I will broaden my facilitation services to ensure that all buyers get to the closing table successfully.

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Reaching the Community

- *Getting to know the community:*

I embrace and celebrate the strength that diversity brings to our communities and our nation.

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

- *Getting the community to know me:*

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

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Professional Development

- *Improving language and communication:*

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

- *Increasing cross-cultural awareness:*

I will familiarize myself with the particular 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.

The Company

- *Recruiting and hiring:*

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

I will promote to the organization the benefits of an inclusive and diverse workforce in our company.

- *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 documents in my business.

- *Developing a company image:*

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

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

EXERCISE: Reaching a New Community

Scenario

You believe that the firm and individual agents, who are especially interested in building a more inclusive practice, should gain greater visibility within a particular community that has a different ethnic background from your own.

Assignment

Your assignment is to develop strategies for increasing visibility and involvement in the community. You have 20 minutes to complete the assignment.

Strategies for Reaching the Community

Identify two strategies you will adopt for reaching this community.

Strategy 1:

Strategy 2:

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Formulate a Business Plan

To formulate a business plan, begin with all the elements you're trying to organize. These include the people involved, the resources you have, your services and the plan components.

People

Identify all the people involved in your practice. They will include:

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

Your goal is to be as successful as possible in real estate. To do this, you must learn the desires and needs of each customer, and identify how you can provide the services to meet these needs.

Resources

What resources do you have that will help you provide customer service to all clients? Consider the following items and think of any additional ones you may have.

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

Services

What services do you offer that will help you provide customer service to all clients? Consider the following items and add any additional services you may offer.

- Listing properties for sale or rent
- Communication skills
- Marketing skills
- Servicing skills
- Community outreach activities

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Plan Components

List the structural elements of the plan that you will need to develop. These include:

- Your mission and goals: what you are doing to meet a particular need in the community
- Strategies to attain goals: the steps you will take to fulfill your mission
- Action plans to implement strategies: the specific tasks, timetables and people responsible for making each strategy come to fruition

Previously, we examined how the One America Principles provided an excellent starting point for an inclusive business plan. There are four main principles you could use to develop strategies:

- Rendering services
- Community outreach
- Professional development
- Diversity in the company or practice

Under the principle of rendering services, for example, you might develop a strategy to promote homeownership. The strategy could consist of:

- Intensifying efforts to promote homeownership among renters.
- Selecting particular advertising channels to reach African-, Hispanic- and Asian-Americans, but not to the exclusion of the general population.

As another example, under the principle of community outreach, your strategy might be to become more socially and/or civically active in the community.

Strategies for increasing diversity in a company or practice might include diversity training for employees, practices that welcome minorities and increase their comfort level, or learning to speak another language.

Remember that systematic procedures help you provide equal service to all clients and customers. Consistent practices make it easy to adhere to Fair Housing principles and laws.

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Sample Strategies for an Inclusive Business Plan

1. Marketing Homeownership

- Inform renters of homebuying opportunities.
- Educate renters on the homebuying process.
- 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 that you are continuously striving to improve your communication skills.

3. Marketing Listings

- Identify the most cost-effective advertising channel.
- Place ads in various languages.
- Develop advertising themes and messages that resonate with local groups.
- Promote your cross-cultural 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 that 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 periodicals to know about 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.
- Exploit opportunities to increase general and cross-cultural communication.
- Work on difficult areas of cross-cultural communication.
- Correct personal tendencies to stereotype, maintain biases, or make assumptions.
- Work on areas where you have encountered social or cultural barriers.
- Develop and observe personal standards of cross-cultural 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.

EXERCISE: Developing Inclusive Strategies for the Company

Scenario

After the diversity class, you realize your company needs to adopt an inclusive philosophy and tangibly demonstrate its commitment to diversity.

Assignment

Your assignment is to develop some strategies that will help you practice inclusion. You have 20 minutes to complete the assignment.

Strategies for Making Your Company More Inclusive

Identify two strategies for your business plan that will make your company inclusive.

Strategy 1:

Strategy 2:

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Launching Your 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 tasks. It should include the name of the person or group responsible for completing a specific task, as well as the anticipated start and stop dates for each task.

Business Building Block

In this, your final Business Building Block exercise, you will be asked to REVIEW the Business Building Blocks from the previous sections, ESTABLISH specific and measurable diversity goals and DEVELOP a diversity strategy.

My overall diversity strategy for my business is:

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EXERCISE: Formulate Actions and Tasks in the Chart Below



Action/Task	Completion Date	Person Responsible



AT HOME WITH
DIVERSITY
RESOURCES



A Brief History of Civil Rights and Fair Housing Legislation

13th and 14th Amendments

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

Civil Rights Act of 1866

Among civil rights laws enacted by the Reconstruction Congress is the Civil Rights Act of 1866, which specifically 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.”

Civil Rights 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 specifically prohibited discrimination in housing because of 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.

Fair Housing Act Amendments

Amendments to the Fair Housing Act in 1974 prohibited discrimination based on gender. Further prohibitions against discrimination because of handicap and familial status were added in 1988. The 1988 amendments also added procedures for administrative enforcement of the Fair Housing Act by the U.S. Department of Housing and Urban Development and increased penalties for housing discrimination.

An Overview of Fair Housing Legislation

Fair Housing Act

The Fair Housing Act — 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:

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

Modifications and Accommodations for People With Handicaps

In 1988, Title VII was added to the Fair Housing Act. Title VII prohibits discrimination against people with handicaps. It requires two types of changes to make existing housing more accessible to people with handicaps:

- Handicapped persons must be allowed, at their own expense, to make reasonable modifications for the enjoyment of the premises.
- “Reasonable accommodations” must be made in “rules, policies, practices, or services” necessary to afford handicapped persons “equal opportunity to use and enjoy a dwelling.”

Under this law, housing providers must allow renters with handicaps to make reasonable modifications to the premises. The term “premises” applies to the interior of the handicapped person’s unit and the lobbies, main entrances, and other public and common-use areas of a building.

The handicapped person 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.

Prohibitions of the Fair Housing Act

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 handicaps.
- 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 VII.

Exemptions under the Fair Housing Act

- 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 on account of 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, which they own or operate for 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.

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.

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 on the basis of race, color, religion, national origin, sex, marital status, age or because all or part of the applicant's income derives from any 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.

Reporting Acts of Discrimination

You may encounter situations that appear to be discriminatory in violation of Fair Housing laws. 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 non-discriminatory manner. Often, this request is enough to resolve the situation and results in the homebuyer 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 is not ended or corrected and the party discriminating 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.

If the discrimination is not ended and the party is 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.

If the discrimination is not ended and the party is another REALTOR®:

In addition to the above, you may file an ethics complaint with the NAR's Board of Directors 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.

Advertising Guidelines

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 because of the person's race, color, religion, sex, handicap, familial status or national origin.

To comply with the law, avoid:

- Using words or phrases that describe the occupant of a dwelling. Examples are: white private home, colored home, Jewish home, Hispanic residence, adult building or other words indicative of race, color, religion, sex, handicap, familial status or national origin.
- Conveying preference to one group over another or exclusion due to race, color, religion, sex, handicap, familial status (children under 18) or national origin.
- Using catchwords, such as restricted, exclusive, private, integrated, traditional, board approval and membership approval.
- Using symbols or logos that imply discrimination because of race, color, religion, sex, handicap, familial status (children under 18) and national origin.
- Writing directions to the property that refer to well-known racial, ethnic or religious landmarks, or to any other major landmark that could signal a preference for a specific type of person.
- Targeting advertisements to one particular segment of the community to the exclusion of the general population.
- Using only adult or white models over a significant period of time.
- Using prohibited words or phrases with respect to handicapped persons or families with children, including:
 - Crippled
 - Deaf
 - Retarded
 - Adult building
 - Restricted community
 - Blind
 - Mentally ill
 - Singles

- Mature persons
- Exclusive
- Advertising in:
 - A strategically limited geographic area
 - Particular editions of newspapers to reach a particular segment of the community
 - Only small papers that cater to particular ethnic or religious groups rather than general circulation papers
 - Only selected sales offices

Fair Housing permits:

- Indicating that rental property is:
 - Accessible to handicapped individuals.
 - Intended for and operated as housing for older persons, if you have actually seen the statement of the community attesting that it is qualified housing for older persons.
- Indicating age restriction for occupancy where the housing qualifies for the House for Older Persons Exemption.
- Using the Equal Housing Opportunity logotype, statement or slogan in all advertising. Use of the logo is not required.
- Using human models who:
 - Represent all races and age segments of the population in the area, including families with children and people with disabilities.
 - Vary periodically so that diverse groups in your community are featured, such as majority and minority in the metropolitan area, both sexes, and families with children (when appropriate).
 - Portray persons in an equal social setting.
 - Indicate to the general public that housing is available to all persons, regardless of status.

Resources

Internet

Demographic Information

- U.S. Census Bureau: www.census.gov
- U.S. Census Bureau, State and County QuickFacts: <http://quickfacts.census.gov/qfd>
- U.S. Department of Housing and Urban Development: www.hud.gov

Discrimination

- Urban Institute: www.urban.org. Enter topics in search box.
- Freddie Mac: www.freddiemac.com/homebuyers/bank/pred_lending.html

Fair Housing

- NAR's Fair Housing site on Realtor.org: www.realtor.org/fairhousing
- Office of Fair Housing and Equal Opportunity (FHEO): www.hud.gov/offices/fheo/index.cfm
- National Fair Housing Advocate Online: www.fairhousing.com
- Fair Housing Institute: www.fairhouse.net

Real Estate Resources

- Association of Foreign Investors in Real Estate (AFIRE): www.afire.org
- National Association of REALTORS®
 - realtor.org/global
 - realtor.org/diversity
 - realtor.com/international
- Asian American Real Estate Association (AAREA): <http://areaa.org>
- National Association of Hispanic Real Estate Professionals (NAHREP): www.nahrep.org
- National Association of Real Estate Brokers (NAREB): www.nareb.com

Translation Services

- Google Translate: translate.google.com

Books

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Managing Diversity, Pocket Mentor Series. Harvard Business Publishing, 2009.

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Sabath, Ann M. *International Business Etiquette: Asia & the Pacific Rim*. Authors Choice Press, 2002

Stockdale, Margaret, and Faye J. Crosby. *The Psychology and Management of Workplace Diversity*. Blackwell Publishing Ltd., 2004.

Thiederman, Sondra. *Making Diversity Work: Seven Steps for Defeating Bias in the Workplace*. Dearborn Trade Publishing, 2003.

Periodicals

Diversity Executive magazine, diversity-executive.com

DiversityInc magazine, DiversityInc.com

Fair Housing FOCUS, NAR, realtor.org

Audiovisual

“Legal Podcast: Fair Housing and IDX,” NAR:
<http://www.realtor.org/audio/legal-podcast-fair-housing-act-and-idx>

“Accommodations for Service Animals in Housing” video, NAR:
<http://www.realtor.org/articles/accommodations-for-service-animals-in-housing>