



# REIMAGINED

Making Diversity in Real Estate a Reality



Culverhouse  
College of Business

Alabama Center for Real Estate

THE UNIVERSITY OF ALABAMA®



The heart of the Alabama Center for Real Estate is advancing relationships. In that same vein, we affirm the Culverhouse College of Business' mission statement specifying that we support an inclusive community while developing future leaders who go on to solve global challenges. As a statewide real estate center housed within the College, we strive every day to create a positive impact on the real estate industry through servant leadership to all licensees, affiliates and consumers.

Over the last year, a bright light has shone on the need for more diversity and inclusion in the real estate industry. There have been a lot of conversations and articles written on the topic, but there are no initiatives to address how the industry can bring more people from underrepresented groups into entry-level positions within the industry at scale. At ACRE, we have chosen to answer the call.

While diversity has been part of our outreach program through industry panels at Alabama HBCUs for a number of years, we have set a bold goal to empower over 100,000 young adults in the field of real estate by 2030. We have launched our REimagined diversity initiative and this fall will offer our first cohort for the CORE: Career Opportunities in Real Estate program.

I invite everyone with a passion for the real estate industry and diversity and inclusion to join us as we work to change the face of real estate one person at a time.

Advancing Relationships,

Executive Director  
Alabama Center for Real Estate

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# BACKGROUND

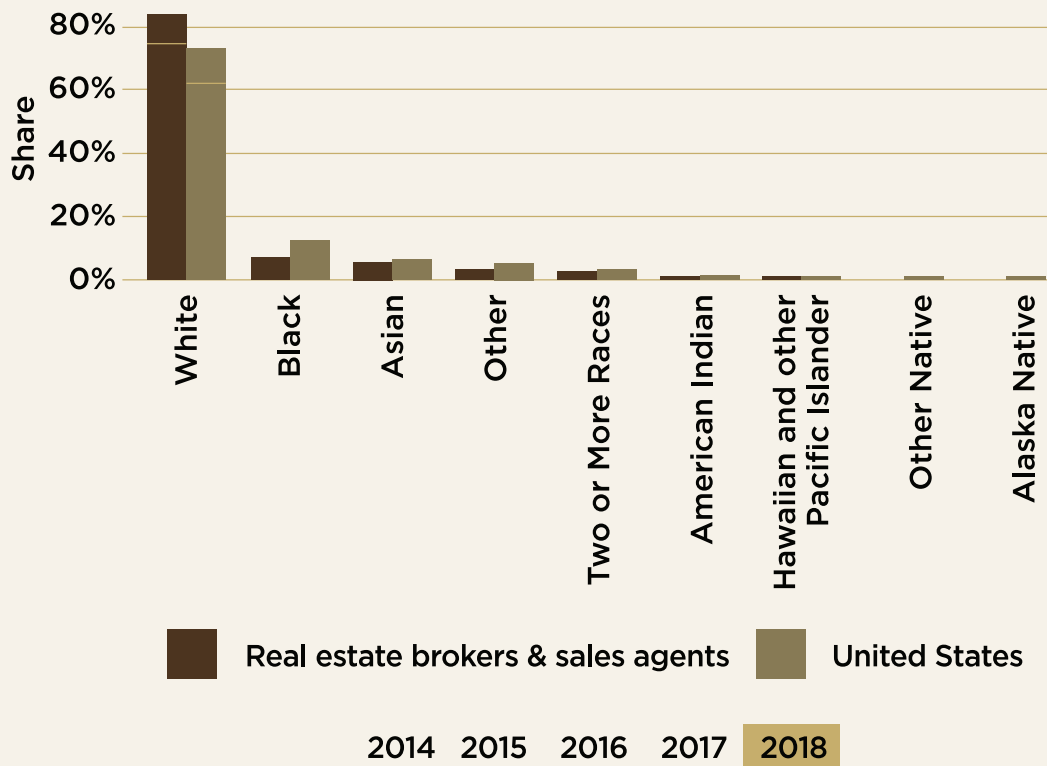
During the summer of 2020, a national conversation on racial equality emerged resulting in potentially the largest social movement in U.S. history. While the fight for equality is not new, this time the protests and calls for action are global and involve a range of different demographic groups. With the U.S. Census Bureau's prediction that the majority population of the U.S. will be nonwhite as early as 2045, it is crucial to narrow the wide diversity and equality gaps in our nation as quickly as possible.

As the U.S. population becomes more diverse, companies are finding consumers are expecting and asking for an employee base that reflects their client base. Besides consumer preference, there has been a generational changing perception of the definition of diversity creating new workforce expectations. While baby boomers and Gen Xers perceive workplace diversity as an integration of people in underrepresented demographics, millennials and Gen Zers subscribe to the concept of "cognitive diversity" where an emphasis is placed on collaboration among differing identities and experiences. With the millennial generation at 44% minority and Gen Z at 48%, it is no surprise that these younger generations are placing a premium on diversity in the workplace. A study by Deloitte and the Billie Jean King Leadership Initiative found that millennials are more satisfied with their jobs in an inclusive work culture. Likewise, a Monster.com survey of Gen Z candidates found that 83% of those candidates said that diversity and inclusion were important when considering employers.

This shifting view also benefits the bottom line. McKinsey and Company noted a correlation between diversity and profitability in the 2018 "Delivering Through Diversity" report. Companies with the most ethnically diverse executive teams (in both absolute representation and variety) were found to be 33% more likely to financially perform above the national industry median. This can partly be attributed to diversity's effect on "groupthink" and confirmation bias (when information that conflicts with existing beliefs is dismissed). A homogenized staff will generally not think independently of each other resulting in the suppression of alternative solutions and creative ideas. Bringing in people with different experiences and perspectives will foster diversity of thought leading to innovation and growth. It should be noted that narrowing the gender gap has positive effects as well. Reduced poverty rates, a boost in GDP and better governance occur when there is greater economic equality between men and women, according to the Forbes 2012 Global Diversity Rankings.

Recognition of the need for and benefits of workforce diversity has also led to an emphasis on the social (S) in ESG data when making investment decisions. Investors, business partners and consumers are more attuned to diversity and inclusion and are making economic decisions based on their perception of an organization's efforts in those areas. S&P Global Ratings foresees a widening competitive gap between companies that effectively adopt diversity strategies and those that do not. Additionally, S&P believes that a company's ESG rating will decline if the company fails its diversity and inclusion commitments. S&P, along with other investment companies such as Blackrock, Moody's and GRES will be closely assessing how a company is developing and sustaining a diverse and inclusive workforce. Therefore, it is important for organizations to align their values with a diversity initiative and be transparent in reporting their progress and accountability.

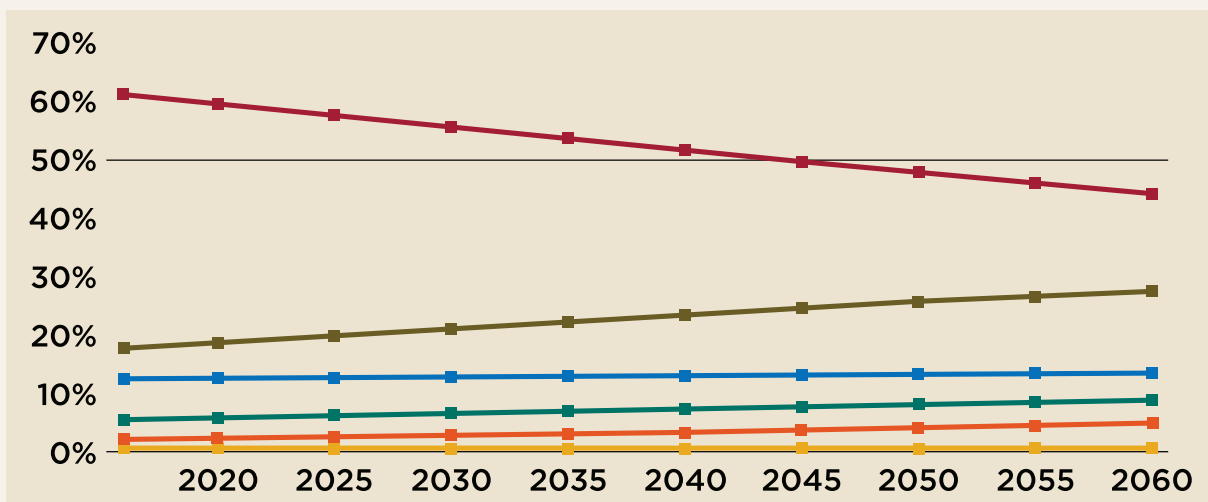
# INDUSTRY DEMOGRAPHICS



## Projected race/ethnicity breakdown

After 2045, non-Hispanic whites will likely make up less than half of all Americans.

— White — Black or African American — American Indian and Alaska Native — Asian  
 — Native Hawaiian and other Pacific Islander — Two or more races — Hispanic or Latino



All groups not Hispanic or Latino unless specified otherwise.

Chart: The Conversation, CC-BY-ND • Source: U.S. Census Bureau

# INDUSTRY DEMOGRAPHICS

The real estate industry is aging with 33% of NAR members over the age of 60 and just 4% under 30 (NAR 2019 Member Profile). As the majority of members are rapidly approaching retirement, an infusion of young talent is necessary to sustain the industry. Further, the industry has demographic challenges and needs to attract more diverse talent by creating an inclusive environment so that underrepresented groups can succeed.

While industries like healthcare and education have been quick to adapt and embrace a diverse population and workforce, the real estate industry is lagging. The National Association of REALTORS® (NAR) has been a leader in diversity and inclusion in the real estate market, such as adopting more protected classes in the NAR Code of Ethics than contained in the U.S. Fair Housing Act, yet the demographic make-up of NAR members is still largely white. According to NAR Member Profiles, a “typical” residential REALTOR® is described as a 55-year-old white female who attended college and is a homeowner while a “typical” commercial member is a 60-year-old male.

Multiple sources validate the NAR profiles, with the Equal Employment Opportunity Commission data showing 77.6% of commercial real estate executives as white males and Census Bureau data finding 74.6% of real estate brokers and sales agents to be white (non-Hispanic) with the second most common race or ethnicity as white (Hispanic) at 8.79%. Therefore, it should not be surprising that only 16% of respondents in the 2020 CREW Network Benchmark Study: Gender and Diversity in Commercial Real Estate responded that 25% or more professionals in their workplace are BIPOC.

Beyond the already apparent racial disparity within the industry, the U.S. itself is on the cusp of a significant demographic transition. The white population has been on a downward trend since 1950, and on the first day of 2020 whites under the age of 18 were already in the minority of all young people. The real estate industry needs to quickly develop talent acquisition strategies so that the demographic make-up of the industry matches the communities it serves.

While there has been much discourse on the diversity problem in real estate, there has been little quantification of the number of underrepresented individuals required to close the gap. Dr. Amanda Ross, associate professor of economics at the Culverhouse College of Business at The University of Alabama reviewed industry and federal demographic and economic data to determine that minority representation in the real estate industry should constitute 44.89% of all practitioners under the age of 39, 44.25% in the age range of 40-49, 42.9% in the age range of 50-59 and 40.98% in the age range of 60-70.

Using a 70% retention rate in Year 1, and a 95% rate thereafter, Dr. Ross estimates that it will require an annual influx of 15,000 people from underrepresented groups into residential real estate and another 7,000 from those groups into commercial real estate to achieve parity between the real estate industry and national demographics by 2030.

# CREATING A DIVERSE WORKFORCE in Real Estate by 2030

## Residential

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	New 20-39	Age Out	White 20-39	Minority 20-39	Percent
2020	-	-	-	-	-	-	-	-	-	-	-	-	165620	56420	25.41
2021	15000	-	-	-	-	-	-	-	-	-	15000	-	165620	71420	30.12
2022	10500	15000	-	-	-	-	-	-	-	-	25500	1005	165620	80915	32.82
2023	9975	10500	15000	-	-	-	-	-	-	-	35475	2010	165620	89885	35.18
2024	9476	9975	10500	15000	-	-	-	-	-	-	44951	3015	165620	98356	37.26
2025	9002	9476	9975	10500	15000	-	-	-	-	-	53953	4020	165620	106353	39.10
2026	8552	9002	9476	9975	10500	15000	-	-	-	-	62505	5025	165620	113900	40.75
2027	8124	8552	9002	9476	9975	10500	15000	-	-	-	70629	6030	165620	121019	42.22
2028	7718	8124	8552	9002	9476	9975	10500	15000	-	-	78347	7035	165620	127732	43.54
2029	7332	7718	8124	8552	9002	9476	9975	10500	15000	-	85679	8040	165620	134059	44.73
2030	6965	7332	7718	8124	8552	9002	9476	9975	10500	15000	92644	9045	165620	140019	45.81

## Commercial

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	New 20-39	Age Out	White 20-39	Minority 20-39	Percent
2020	-	-	-	-	-	-	-	-	-	-	-	-	69965	18229	20.67
2021	7000	-	-	-	-	-	-	-	-	-	7000	-	69965	25229	26.50
2022	4900	7000	-	-	-	-	-	-	-	-	11900	469	69965	29965	29.77
2023	4655	4900	7000	-	-	-	-	-	-	-	16555	938	69965	33846	32.60
2024	4422	4655	4900	7000	-	-	-	-	-	-	20977	1407	69965	37799	35.08
2025	4201	4422	4655	4900	7000	-	-	-	-	-	25178	1876	69965	41531	37.25
2026	3991	4201	4422	4655	4900	7000	-	-	-	-	29169	2345	69965	45053	39.17
2027	3791	3991	4201	4422	4655	4900	7000	-	-	-	32960	2814	69965	48375	40.88
2028	3601	3791	3991	4201	4422	4655	4900	7000	-	-	36561	3283	69965	51507	42.40
2029	3421	3601	3791	3991	4201	4422	4655	4900	7000	-	39982	3752	69965	54459	43.77
2030	3250	3421	3601	3791	3991	4201	4422	4655	4900	7000	43232	4221	69965	57240	45.00

## INDUSTRY CHALLENGES

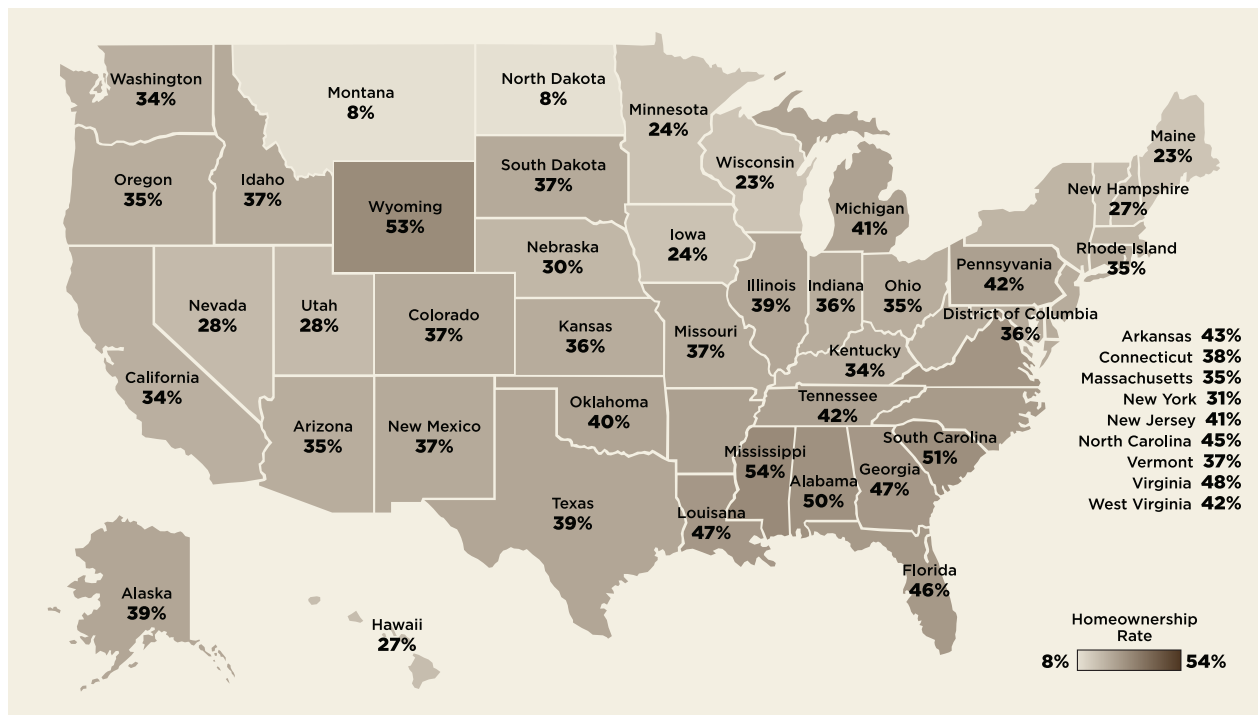
In order to determine the best path to a more diverse and inclusive workforce, it is important to understand the roadblocks to progress. Some of the lack of diversity is self-perpetuating through affinity bias or “like attracts like.” This unconscious bias is a tendency to prefer people similar to ourselves whether in looks, background, experience or interest. It can manifest as a company continuing to hire the same “type” of person, or a prospective hire passing on a company because they don’t see anyone at the company who “looks like them” and assumes there is no opportunity there. Consciously hiring underrepresented groups and thereby diversifying a company will make it increasingly easier for that company to attract and retain diverse talent.

Coupled with affinity bias is the closed networking status of the industry, particularly with regard to commercial real estate. Many firms are family-owned which makes it almost impossible for anyone outside of the inner circle of family and friends to enter. Additionally, minorities frequently do not have access to places personal connections are made such as country clubs or higher education institutions. In an industry that is all about relationships, minorities are at a disadvantage without access to industry influencers.

Another part of the problem is historical stemming from marginalization and redlining. Originally intended to delineate areas that were considered high risk of default for lenders, redlining has had a long-term effect on property values, willingness of investors to enter the area and lack of affordable loans. As recently as 2018, black homeownership averages only at 41% nationally as compared to non-Hispanic white Americans at over 71% (NAR Snapshot of Race & Home Buying in America).



# Homeownership Rate for African American alone by state



Source: U.S. Census Bureau, American Community Survey (2018)



Growing up in communities with low homeownership and little commercial investment, many potential real estate professionals are not even aware of the industry or opportunities. Further, when they try to enter the industry they are frequently stigmatized and viewed as less experienced. This is evidenced in a study by the Bella Research Group that found of \$69 trillion of assets in the global investment market, only 1.3% was invested in woman or minority-run businesses.



## SOLUTION

### INDUSTRY ORGANIZATIONS:

Industry organizations are stepping up to the challenge with programs that encourage diversity and inclusion. The CCIM Institute, The CREW (Commercial Real Estate Women) Network, ICSC and the Real Estate Associate Program (REAP) all offer education, organizational strategies and training to increase minority representation at management levels in the real estate industry.

While these programs are impactful to people already employed in real estate, there are few programs focused on bringing new people from underrepresented groups into the industry through workforce development for entry-level positions in the real estate industry.





## THE ALABAMA CENTER FOR REAL ESTATE

In 2007, ACRE adopted its guiding principles including the **dissemination and interpretation of new knowledge** by being a leader in providing education to the real estate industry and student support through training the next generation of real estate talent and making connections for placement. Through its mission statement, ACRE specifies its desire to provide servant leadership with a passionate adaptable and humble spirit. ACRE's staff believes impact matters and is prepared to deliver resources in the tireless pursuit of results that will enhance the industry.

To that end, ACRE has been focused on diversity for several years, engaging with Alabama HBCUs including placing the first real estate course - *"Introduction to Real Estate Management"* - at Stillman College in Tuscaloosa, AL, during spring semester 2020 and more recently the course *"Principles of Real Estate"*. Stillman students are now eligible to take the Alabama salesperson exam with the successful completion of these two classes.



ACRE intends to expand on this success and become a force for change on a national scale creating equity in educational and economic opportunities regardless of race or gender through its initiative REimagined: Making Diversity in Real Estate a Reality. Through REimagined, ACRE aims to empower over 100,000 young adults in the field of real estate by 2030, by partnering with the industry to deliver programs that enable diverse populations to transition into a life and career they love.



# REIMAGINED

Making Diversity in Real Estate a Reality





The first REimagined program under development is CORE: Careers in Real Estate. CORE is an online credentialing program that will provide remote life and skill-based coaching to underrepresented groups, preparing participants for entry level jobs in the real estate industry under the tenets of awareness, readiness, and connection.

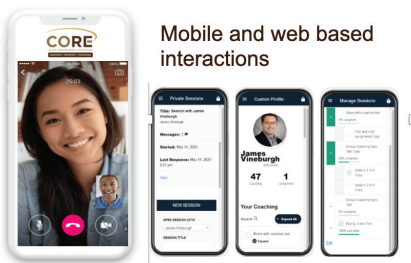


ACRE has partnered with internationally recognized real estate professional Debbie Phillips, Ph.D. to bring her expertise in real estate career exploration to the program curriculum. ACRE has also partnered with the educational technology company Liferamp led by founder and CEO Michael Huckaby to provide live and self-guided content around real estate coupled with the interpersonal skills required to succeed. The first CORE cohort will launch in Fall 2021 and scholarships will be awarded so that there is no barrier to entry for the program.

### Life and Career Coaching

Performance based 1-on-1 and Group

Utilize LifeRamp app plus video, chat, email and push notifications for a seamless experience



Mobile and web based interactions



### Skill-Based Coaching

Developmental & Experiential based

Meet leading career mentors and trendsetters focused on Igniting NACE competencies such as multi-cultural fluency, leadership, telling your story



Experiential events with inspirational leaders focused on employable skills

### Synchronous Coaching

1-on-1 Coaching

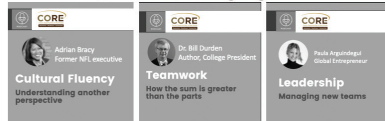


Group Coaching

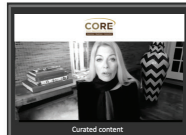


### Asynchronous Platform to Deliver Real Estate Content

Podcasts, Videos, Nudging



Curated Content



Insights & Analytics



Coaching via Chat



## THE TEAM



Grayson Glaze  
ACRE



Cherie Moman  
ACRE

ADMIN



Patrick Talley  
o2 Ideas



Christy Johnson  
o2 Ideas

CREATIVE



Michael Huckaby  
LifeRamp



Dr. Debbie Phillips  
The Quadrillion

PROGRAMMING



Dr. James King  
UA



Isaac McCoy  
Stillman College

DEI ADVISORS



Dr. Amanda Ross  
UA



Dr. Parth Venkat  
UA

FACULTY ADVISORS



# SUPPORT OPPORTUNITIES

*Impact Statement:  
Reaching 100,000 students by 2030.*

## BRONZE \$10,000

- Logo on all collateral and course material, including website
- Annual Report highlighting milestones

## SILVER \$50,000 *(over two years)*

- Logo on all collateral and course material, including website
- Resumes of students will be shared with you
- Opportunity to network with students
- Annual Report highlighting milestones

## GOLD \$100,000 *(over three years)*

- Prominent Representation on REimagined Board of Trusted Advisors (1 seat)
- Video profile of company on REimagined's platform
- Logo on all collateral and course material, including website
- Priority interviews with program graduates
- Annual Report highlighting milestones

## PLATINUM \$250,000 *(over three years)*

- Prominent Representation on REimagined Board of Trusted Advisors (2 seats)
- Video profile of company on REimagined's platform
- Special event for students exclusive for Platinum sponsors
- Opportunities to participate in classes, including VIP Spotlights in weekly virtual classes for all cohorts.
- Priority interviews with program graduates
- Early access to student resumes
- Logo on all collateral and course material, including website
- Annual Report highlighting milestones

## REFERENCES

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*Unleashing the Power of Inclusion*, Deloitte, 2017.

*Snapshot of Race and Home Buying in America*, National Association of REALTORS®, 2021.

*Regional Economic Accounts - GDP & Personal Income*, Bureau of Economic Analysis, 2019

## MORE ABOUT CULVERHOUSE COLLEGE AND ACRE:

The University of Alabama's Culverhouse College of Business has been educating students and transforming business for more than 100 years with the overarching goal of developing highly respected business leaders to solve challenges of the global society. Culverhouse is a rapidly rising Top 50 U.S. business school with a Top 20 online MBA program. The Alabama Center for Real Estate (ACRE) is housed within the Culverhouse College of Business and provides national thought leadership and relevant resources in the areas of research, education and networking to enhance Alabama's real estate industry. The heart of ACRE is advancing relationships by providing servant leadership with a passionate, adaptable and humble spirit. For additional information, visit [www.acre.culverhouse.ua.edu](http://www.acre.culverhouse.ua.edu)

## MORE ABOUT LIFERAMP

LifeRamp is a next-generation college and career support company delivering on-demand life coaching, mentoring, and market intelligence to help students and young professionals "Be Their Best" on their paths toward fulfilling and successful futures. LifeRamp's coaches, career experts, and experiential events help students build personal competencies identified by the National Association of Colleges and Employers (NACE) as key to career and organizational success, such as leadership, communication, and global and multicultural fluency. For additional information visit, [www.liferamp360.com](http://www.liferamp360.com)

## MORE ABOUT DEBBIE PHILLIPS

Debbie Phillips is an entrepreneur and real estate professional with over 30 years of industry experience. Debbie has a multi-faceted career managing diverse real estate assets including developing world-class leadership development programs and talent management strategies. She was recognized in 2019 as a Woman of Influence in Real Estate by Globe Street and was awarded the first Real Estate Award of Excellence as a Certified Property Manager (CPM) in 2015 by the Institute of Real Estate Management (IREM). Debbie believes in the philosophy, "you can dream, build and create the most beautiful place in the world, but it takes PEOPLE to make the dream a reality." Debbie's mission is developing top tier talent that adds value to an organization through increased employee engagement.

## MORE ABOUT o2 IDEAS

o2 Ideas was founded in 1967 by Shelley Stewart, regarded as one of the country's leading African-American pioneers of advertising and philanthropy. o2 provides inclusion branding, marketing, PR and digital solutions to global and national brands, including BBVA, Honda and the University of Alabama at Birmingham. As a minority owned business, o2 helps companies with more than \$100 million in annual revenue realize financial returns above their national medians, enhance their brand image and foster a more positive working environment through internal and external marketing programs that champion the importance of diversity and inclusion.





## REIMAGINED

Making Diversity in Real Estate a Reality

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