

## Q&A: NAR Dues Increase

NAR is engaged in an important and necessary expansion of existing advocacy efforts, and to fund this expansion, the Board of Directors passed a dues increase at the 2011 Midyear Legislative Meetings & Trade Expo. To understand why we're stepping up our REALTOR® Party Initiative in such a dramatic fashion, please refer to the following questions and answers.

### 1. Why did my dues bill go up?

In May 2011, NAR Directors from around the country approved a bold new initiative to increase the advocacy power of our organization on the national, state, and local level.

The real estate industry is facing monumental issues—in Congress, in the regulatory agencies that govern mortgage financing, in the statehouses dealing with critical budget crises and declining property tax revenues, and in municipalities and counties. Each of these issues impact REALTORS®' ability to do business and serve clients.

In partnership, NAR and your state and local associations will help REALTORS® be influential at all levels of government, sharing our collective expertise about the industry and advocating for the rights of the nation's home owners.

### 2. Specifically, how will the funds be used?

The funds will allow REALTORS® to strengthen and leverage their collective voice in support of sound public policy on property rights and home owner issues in their communities, and create and sustain an environment in which their businesses can grow.

NAR will provide direct funding and grants to help state and local associations:

- Mobilize REALTORS® and property owners on key local, state, and national issues
- Implement RPAC fundraising initiatives.
- Tap into advocacy campaign support services and tools, such as a national voter registration database to help target messages, and consulting services to help associations maximize their political impact.
- Make independent expenditures on behalf of candidates, at all levels of government, who support the REALTOR® Party agenda. Fellow members will decide how those funds are spent.

## Advancing the REALTOR® Party Initiative

For a full list of available tools, funding opportunities, and support services currently available for state and local associations to enhance your advocacy activities, visit the [REALTOR® Action Center's Resource page](#).

In August 2011, more detailed information will be available at the REALTOR® Action Center on how and when state and local associations can apply for the enhanced advocacy tools that are part of this enhanced initiative.

### 3. Will we give NAR dues money directly to candidates?

Candidates are the ones who vote on issues, and issues drive our industry. Decisions on which candidates we support are made not at the national level but at the state and local level. Also, none of your NAR dues money will be used for a direct contribution to a candidate, but the money may be used to independently support a candidate's campaign. This is commonly referred to as an Independent Expenditure campaign. ***Again, members at the state and local level will determine which candidates receive Independent Expenditure funding.***

### 4. Why are we doing this now?

Home ownership and private property rights are under attack. Policies being proposed today threaten to transform, for generations, Americans' ability to buy property.

Imagine a world without the mortgage interest deduction. Imagine a world where the flow of mortgage capital is unsteady. Imagine a world where buyers have to come up with a minimum 20% down payment or can no longer get a 30-year loan.

And this isn't just about home ownership. Around the country, governments are seeking ways to close revenue shortfalls. We need the resources to fight proposals that would impose new taxes on our businesses and our customers and make it even harder for us to earn a living in real estate.

With the economy trying to bounce back from the hard knocks of the last few years, it's more important than ever that REALTORS® speak up and ensure that public policies, and our elected and appointed officials, support the recovery of the housing market and the economy as a whole.

### 5. What will this program do for me?

It will protect your profitability and your future. Every day, this organization is advocating for you on issues that impact your business, such as tax treatment of your income. We're also fighting for policies that benefit your clients, such as preservation of the mortgage interest deduction.

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You need to be able to run your business without excessive government intervention. Home ownership has to be a viable option for our children and their children. For investors, real estate has to be viewed as an advantageous place to put their money. Without those things, REALTORS® won't be in business.

### **6. But I'm struggling to make ends meet now.**

I understand and empathize. REALTORS® have been belt-tightening for five years and are justifiably tired. Unfortunately, these issues are confronting us now, at a time when the rules of the game have changed.

A 2010 Supreme Court decision that gave companies the green light to spend corporate dollars on political advocacy has made it more expensive than ever to communicate. In our case, corporate dollars are dues dollars.

Unfortunately, we can't predict when federal, state, and local governments and regulatory agencies initiate issues that can deeply harm our industry. We also can't change the fact that the Supreme Court changed the rules.

REALTORS® have a great track record in the public policy arena. We're used to winning—but the corporate flow of money into advocacy has already begun to diminish our effectiveness. Every dollar of the increase will go toward advocacy, and with this additional resource, we can go on the offensive. There's no one else, frankly, who will stand up for our industry and our customers, as REALTORS® have been doing for the past 100 years.

### **7. How is this different from RPAC? Why am I still being asked to donate to RPAC?**

RPAC is a voluntary program, and it's still vitally important. RPAC provides the personal, "hard" dollars we use to make direct contributions to national, state, and local candidates. It will work in tandem with the new initiative, which includes more resources for state and local RPAC fundraising initiatives. Remember: the Federal Election Commission still requires that only "hard" dollars — that is, personal contributions — can be used for direct contributions to congressional candidates or federal parties, so your RPAC checks remain critical. We need our voice to remain strong.

### **8. Doesn't NAR already advocate on behalf of REALTORS® and home owners?**

Yes, it does. However, much of NAR's political advocacy work has been focused primarily on the national level. The funding, programs, and services that are part of this expanded effort will strengthen REALTORS®' impact on the state and local levels. In recent years, requests to NAR's Issues Mobilization

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Program for support for state and local issue campaigns have doubled, indicating a clear need for increased advocacy support at these levels.

### 9. Even if I support the concepts you're talking about, why couldn't NAR make cuts to avoid a dues increase?

NAR has made significant budget and staff cuts. Every operating area of the organization has instituted austerity measures designed to trim almost 23 percent off the Association's expenditures. This is resulting in an overall savings of \$15 million a year for the next three years.

It's true that our members expressed opposition to the dues increase, and NAR heard you. But as we became more knowledgeable about the proposal and the circumstances around its introduction, three things became apparent:

- Concerns that the bad economy made this a bad time for a dues increase were compelling. But those concerns could not outweigh the fact that the political landscape has changed and the REALTOR® organization is confronting serious challenges now. Unfortunately, we couldn't wait for a better economy to step up our game.
- Talk that we're making some fundamental shift as an organization is misleading. Yes, NAR will be putting a considerably greater percentage of its resources toward advocacy. But NAR has been engaged in these activities — state and local mobilization efforts and independent expenditure campaigns—for many years. In recent years, as demand for these services has picked up, NAR has been funding some of this effort from reserves, and that couldn't go on indefinitely — particularly given the need to amplify our voice today.
- RPAC alone isn't enough. As successful as we've been at meeting NAR's RPAC goals over the years, given the level of money we collect from voluntary contributions — and federal and state rules that limit how we can use those direct contributions — RPAC alone can't put us on a level playing field with opponents who can tap corporate money for their political advocacy efforts.

Collectively, we've made every effort to be respectful of how to spend every dollar we ask from you. But we're at a critical tipping point and need to act now. Just as we're sure your business has had to change to adapt to market forces, we need to change to adapt to the new public policy arena. Think of the issues your agents are dealing with today. If we don't adapt, we can't play. And we need to win these issues.

### 10. Is this candidate Independent Expenditure program legal?

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Yes, the Supreme Court ruling on corporate advocacy supersedes what was the law prior to that ruling. Under the ruling, it's clear that dues funds may be used as corporate contributions in Independent Expenditure campaigns on behalf of candidates. Decisions for these expenditures are made by fellow members. Direct contributions to federal candidates will continue to come from RPAC.

### **11. Why is the association involved in politics?**

As long as we're regulated and taxed, we're in politics. There's no way around it.

### **12. Where can I learn more about the national, state and, local advocacy programs, specifically?**

There is extensive information about NAR's advocacy programs at [RealtorActionCenter.com](http://RealtorActionCenter.com).

### **13. Where can I learn more about the Supreme Court ruling?**

In a nutshell, the 2010 Supreme Court case enabled "soft" dollars—in our case, dues dollars—to be used to support candidates who champion REALTOR® issues. This change has dramatically increased the amount of money corporations and non-profit organizations can devote to advocacy and has driven up the cost of running effective advocacy campaigns. For more on the case, *Citizens United v. The Federal Election Commission*, and on "hard" money vs. "soft" money, see ["You May Not Like It, But Politics as Usual Have Changed"](#) on REALTOR® Magazine's Speaking of Real Estate blog.

### **14. Who made the decision to fund an expanded advocacy program through a dues increase?**

Many groups of volunteer REALTORS® worked throughout 2010 on a plan to help the organization adapt to the new political realities. They recognized that significant resources would be needed to implement their recommendations. After extensive communication and debate, the NAR Board of Directors voted that a dedicated dues increase was the approach to take. These funds will remain exclusively for advocacy efforts and cannot be redirected to general operational funds.

### **15. What if I don't want to pay for this advocacy program?**

We don't want to lose you as a member, but the program is part of your dues and needs to be paid. If you choose not to pay, you lose out on the benefits of being a REALTOR®.

**16. What benefits? The only reason I belong is to get MLS access.**

Nationally, the association is focusing a majority of its resources in two critical areas: advocacy and technology to keep REALTORS® central to the transaction. But the collective power of NAR provides many other benefits as well, including educational programs and publications to help you stay up to date and increase your business success; discounts on business products and services; and direct communication with consumers about the value of working with a REALTOR.

If you aren't aware of all the ways this organization serves you and your industry, we encourage you to spend time at your state's or local association's web site and REALTOR.org.