

On the Political Power of the ® in REALTORS®:

The Lobbying Resources of Full
Service Real Estate Brokers

Virginia Gray, Ph. D.

Robert Watson Winston Distinguished Professor of Political
Science

University of North Carolina at Chapel Hill

HOW DO INDIVIDUAL AGENTS COALESCE?

- MOBILIZATION OF REAL ESTATE AGENTS INTO REALTORS®
- MAINTENANCE OF NAR
- REAL ESTATE LOBBY'S RESOURCES & STRATEGIES

NEWS IN MPLS

- **"REAL ESTATE MAN SWINDLES A POOR WIDOW", MPLS, 1911**

"READ ALL ABOUT IT!"



MOBILIZATION INCENTIVES

- 1911: INVENTION OF WORD "REALTOR"
- 1916-20: NAREB ADOPTED IT & ENFORCED ITS USAGE IN COURT
- SOCIAL BENEFITS OF LOCAL BOARD, MIDDLE-CLASS STATUS
- MLS IN 200 CITIES BY 1925

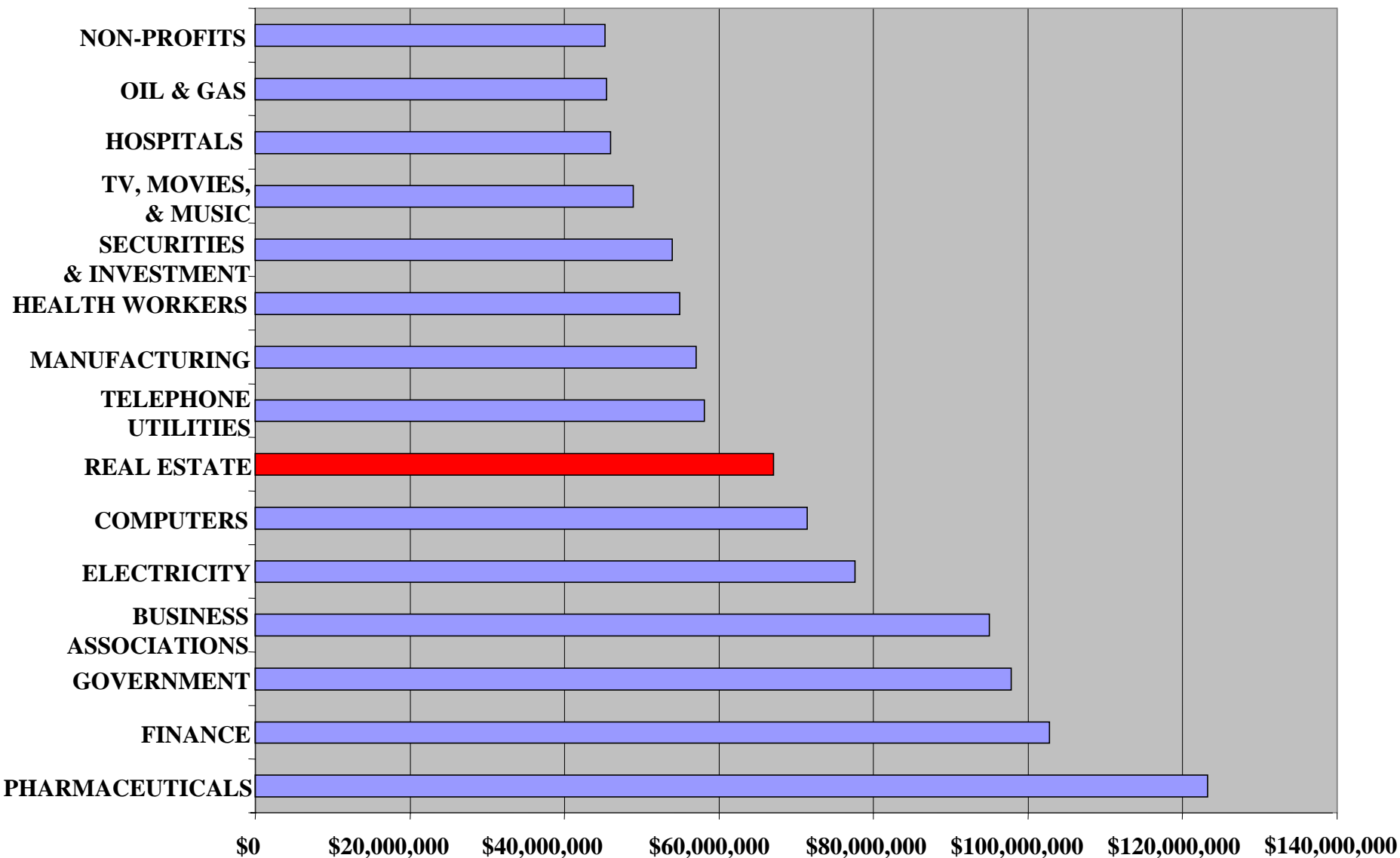
NICHE MAINTENANCE

- NAR HAS 1.25 M MEMBERS
- NO VIABLE COMPETITORS
- FOCUS ON CORE MISSION
- LOBBY ON NARROW PORTFOLIO OF ISSUES

LOBBYING RESOURCES

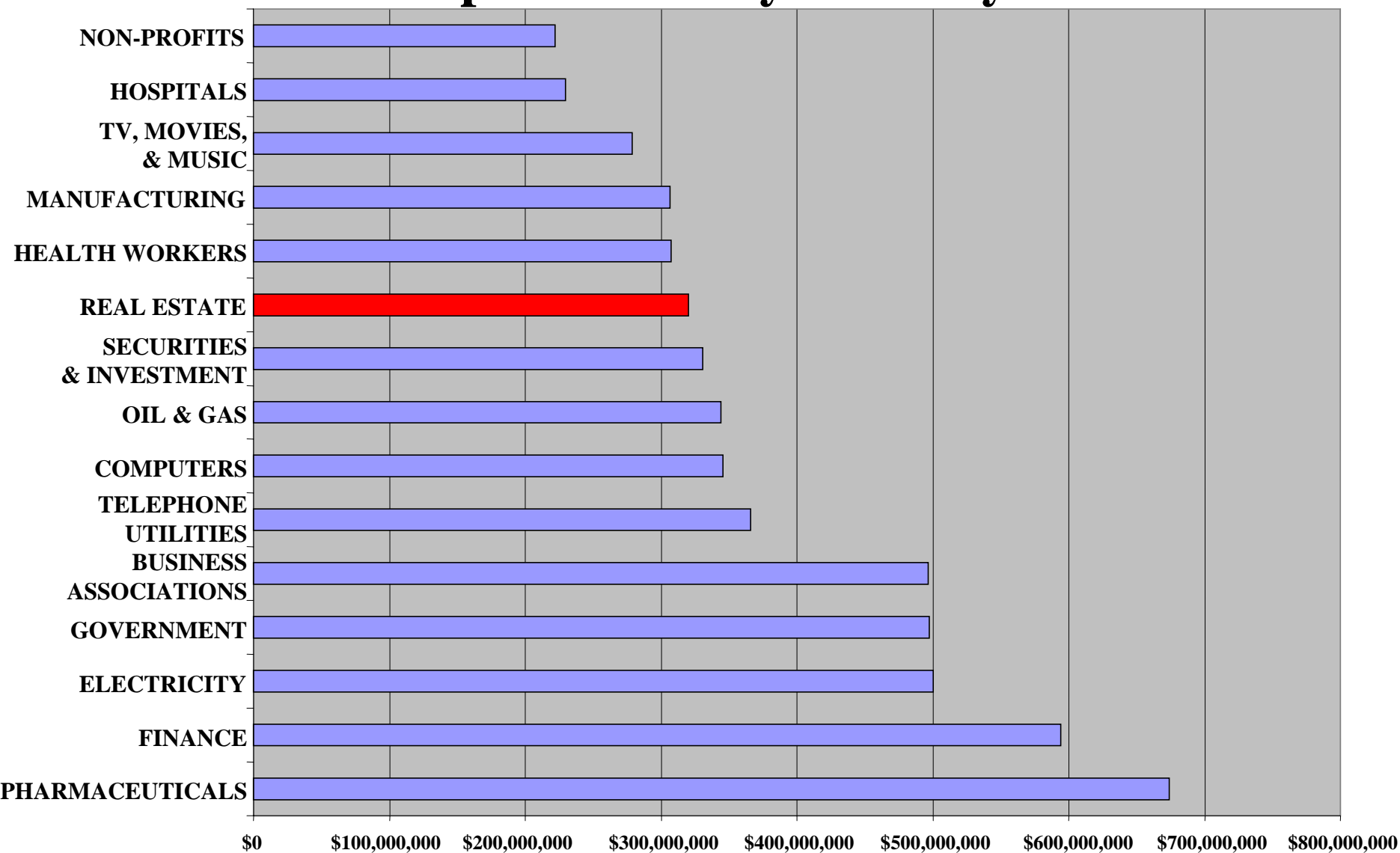
- INFORMATION: SUPPLIED BY LOBBYISTS
- VOTES: SUPPLIED BY MEMBERS
- MONEY: SUPPLIED BY PACS

Figure 1: 2004 Congressional Lobbying Expenditures by Industry



Source: Calculated by author from data in The Center for Public Integrity, "LobbyWatch", <<http://www.publicintegrity.org/lobby/>>.

Figure 2: 1998-2004 Total Congressional Lobbying Expenditures by Industry



Source: Calculated by author from data in The Center for Public Integrity, "LobbyWatch", <<http://www.publicintegrity.org/lobby/>>.

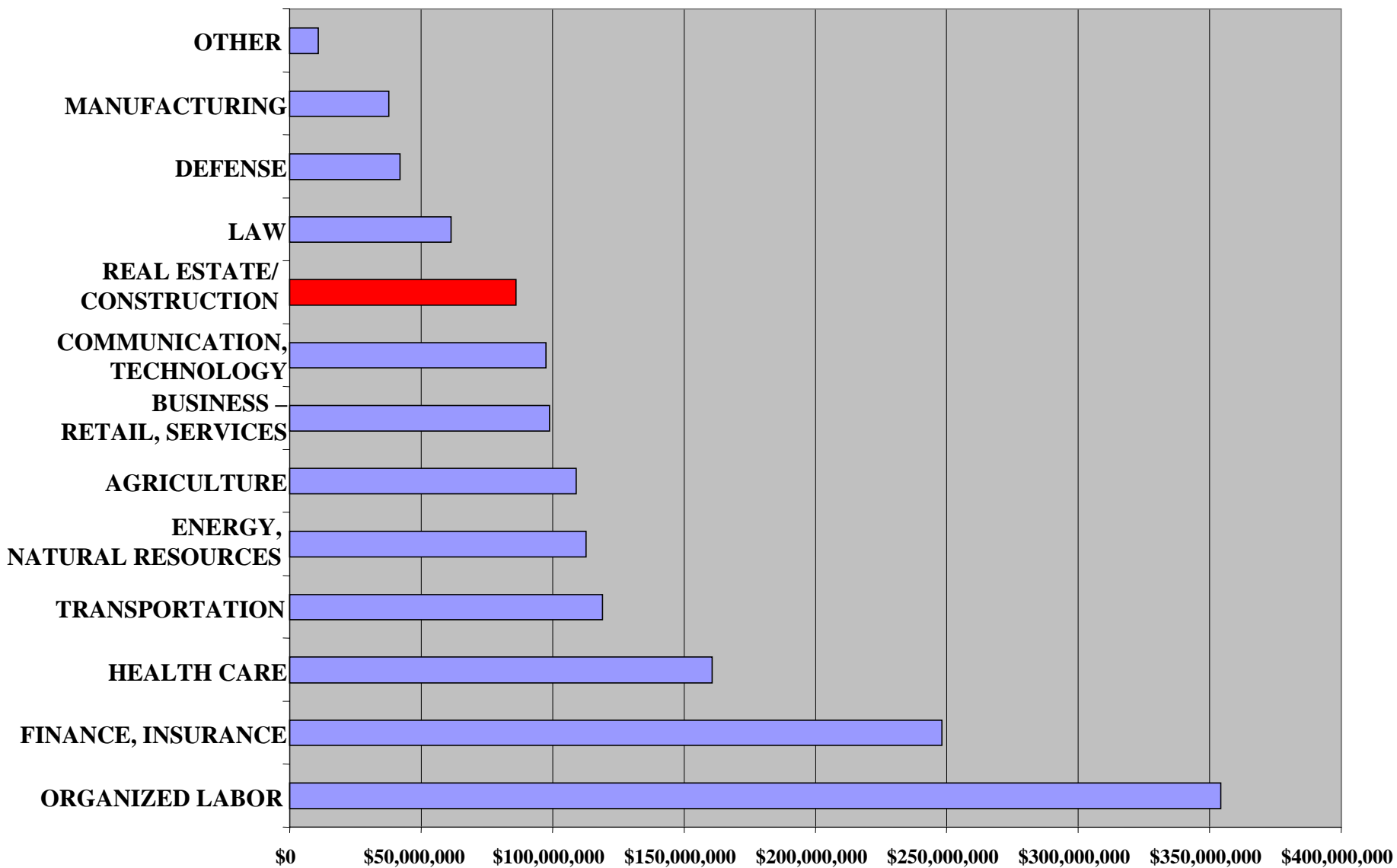
NAR LOBBY \$

- 1998-2004, NAR SPENT \$68.8 M LOBBYING CONGRESS
- IT RANKED 11TH AMONG TOP 100 COMPANIES

NAR VOTES

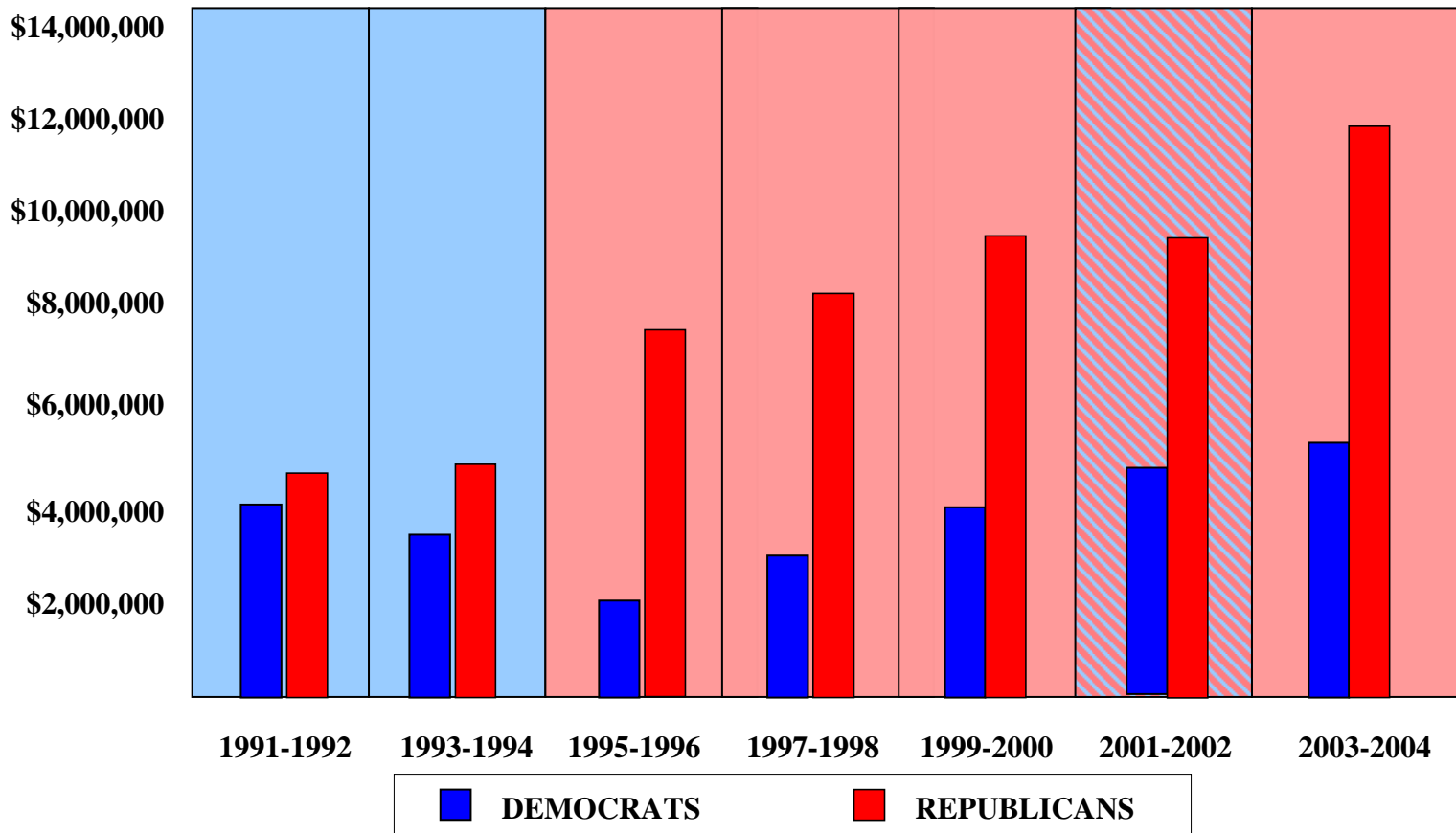
- 1.25 M MEMBERS, LARGEST TRADE ORGANIZATION
- MEMBERS IN EVERY LEGISLATIVE DISTRICT

Figure 3: 1991-2005 Total PAC Contributions to US Congress by Industry



Source: Calculated by author from data in PoliticalMoneyLine, "Money in Politics Databases," <<http://www.fecinfo.com/>>.

Figure 4: Real Estate / Construction Partisan PAC Contributions to US Congress by Election Cycle, 1991-2004



BACKGROUND: PARTISAN CONTROL

DEMOCRATIC CONGRESS
 REPUBLICAN CONGRESS
 SPLIT CONTROL

Source: Calculated by author from data in PoliticalMoneyLine, "Money in Politics Databases," <<http://www.fecinfo.com/>>.

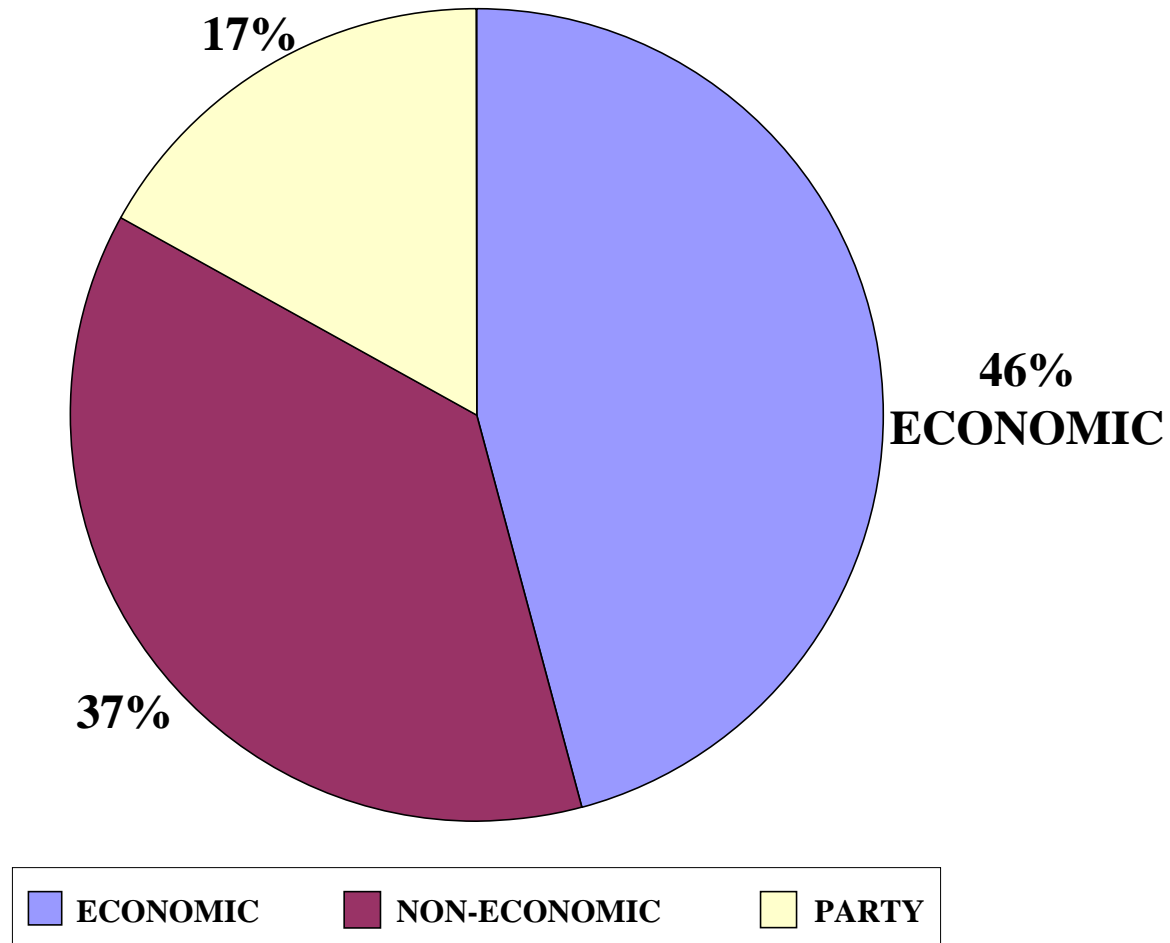
NAR PAC

- RAISED \$3.9 M BY 9-30-05
- RANKED 6TH AMONG ALL PACS

Figure 5: Financial Ties to Economic Sectors Among State Legislators, 2001

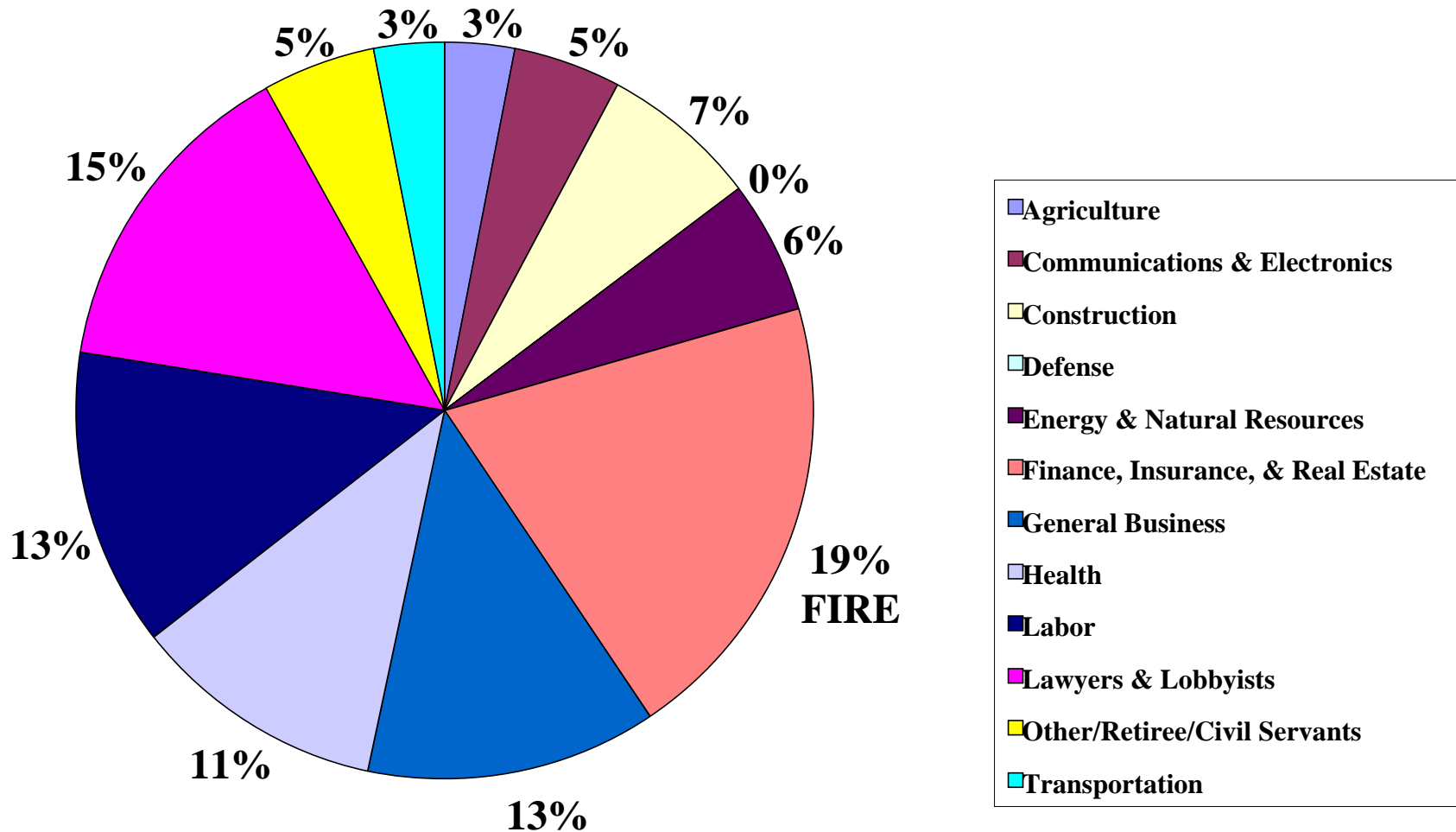
Sector	Legislator Ties
Finance, Insurance, & Real Estate	37.2%
Miscellaneous Business	29.7%
Other	20.3%
Communications/Electronics	15.2%
Agribusiness	14.1%
Lawyers & Lobbyists	14.1%
Health	13.1%
Education	10.1%
Energy & Natural Resources	9.5%
Government	7.1%
Transportation	6.2%
Construction	5.9%
Defense	1.7%
Labor	0.8%

Figure 6: 2004 Total Campaign Contributions to All State-Level Offices



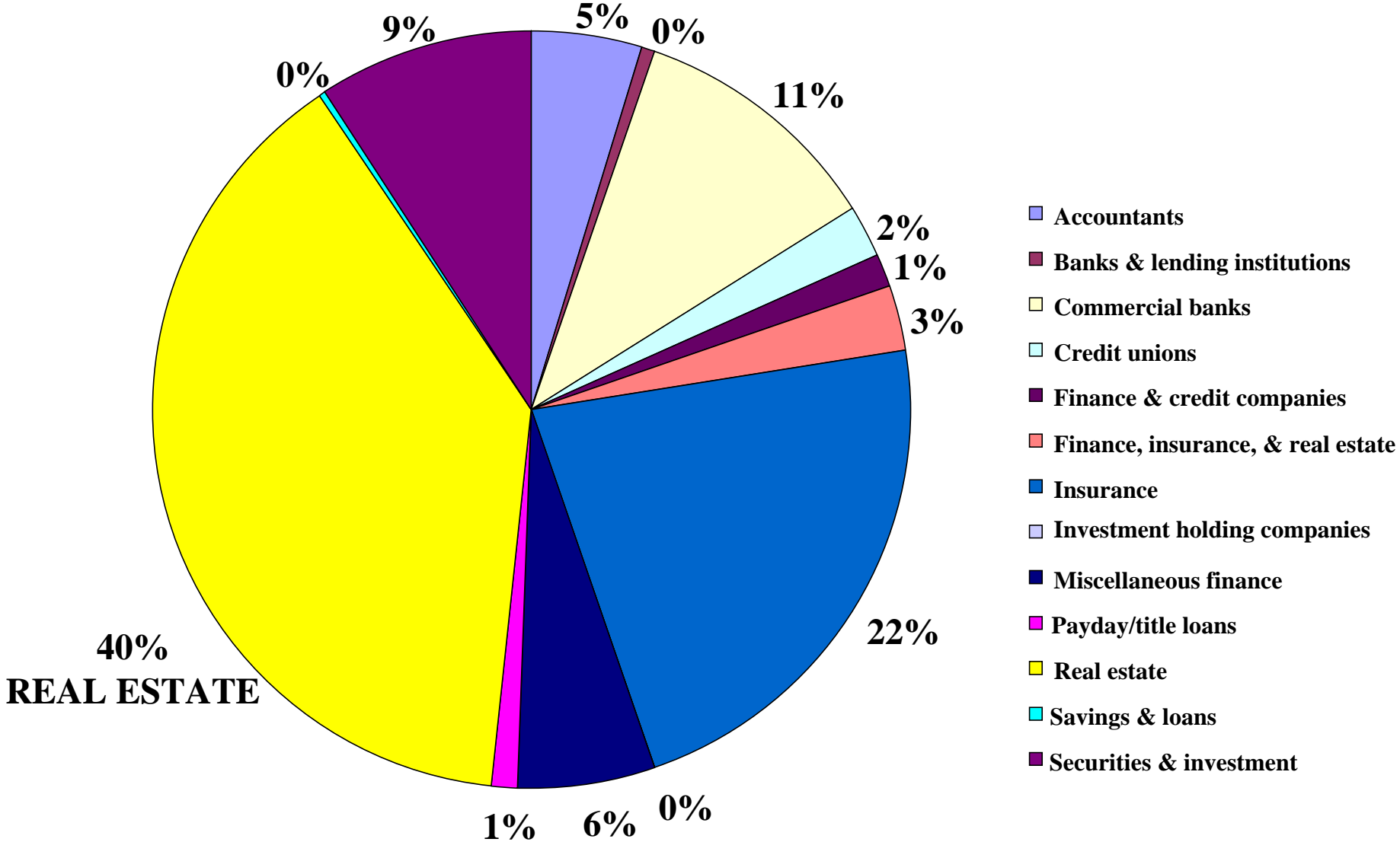
Source: Calculated by author from data in The Institute on Money in State Politics, "Follow the Money," <<http://www.followthemoney.org/Research/index.phtml>>.

Figure 7: 2004 Campaign Contributions to All State-Level Offices Among Economic Interests



Source: Calculated by author from data in The Institute on Money in State Politics, "Follow the Money," <<http://www.followthemoney.org/Research/index.phtml>>.

Figure 8: 2004 Campaign Contributions to All State-Level Offices Among Finance, Insurance, & Real Estate



Source: Calculated by author from data in The Institute on Money in State Politics, "Follow the Money," <<http://www.followthemoney.org/Research/index.phtml>>.

CONCLUSIONS

- SELECTIVE MATERIAL BENEFITS
 - REALTOR®
 - MLS
- SELECTIVE NONMATERIAL BENEFITS
 - CODE OF ETHICS
 - SOCIAL BENEFITS
 - FEDERATED STRUCTURE

NICHE STRATEGIES FOR SURVIVAL

- HIGH MEMBERSHIP PENETRATION
- NO VIABLE COMPETITORS
- FOCUSED MISSION
- NARROW ISSUE PORTFOLIO

LOBBY RESOURCES

- REAL ESTATE INDUSTRY RANKED 10TH IN \$ LOBBYING CONGRESS, 1998-2004
- NAR RANKED 11TH
- 40% OF STATE LEGISLATORS HAVE FINANCIAL TIES TO FIRE SECTOR
- NAR 1.25 M MEMBERS LIVE IN EVERY LEGISLATIVE DISTRICT

PAC \$

- FEDERAL: LESS \$ EMPHASIS THAN LOBBYING
- GIVE MORE \$ TO REPUBLICANS
- STATE: RELATIVE EMPHASIS ON PACS
 - REAL ESTATE IS 40% OF FIRE SECTOR
 - FIRE SECTOR IS 20% OF ECONOMIC SECTOR
 - BUT \$ ARE SMALL