

2014 Profile of Local Associations Chief Staff Executive Compensation and Benefits

Summary of Survey Findings May 2015



Introduction

The National Association of REALTORS® (NAR) Association Leadership Development Department surveyed local REALTOR® associations in October 2014 to collect data on local association Chief Staff Executive compensation, staffing and budgeting. This report summarizes the findings for association boards and executives to use in assessing pay policies and programs for their Chief Staff Executives. It also is a resource for help in staffing and budgeting.

A work group comprised of REALTOR® association executives developed the survey questions and retained Groh & Associates to conduct an online survey, collect and analyze results and prepare this summary report. Use of an outside consultant to collect and secure data ensures the confidentiality of respondents.

Acknowledgement

NAR thanks the 518 local REALTOR® association executives who participated in the survey.

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Methodology

The survey was conducted in October 2014. It asked respondents for 2014 compensation and financial information. In total, 518 local associations returned surveys, representing 41% of the 1,259 surveyed associations.

Cross-tabulations of Findings

Some of the responses are cross-tabulated, which separates data into smaller groups, such as by the number of REALTOR® members in the local associations. As the number of respondents decreases in the cross-tabulated groups so does the statistical reliability of the data. In some cases, the number of responses in the cross-tabulations (generally fewer than 30) is insufficient for acceptable statistical reliability. This means these results should be viewed as guidelines for information, not a benchmark for statistical accuracy.

Interpreting Results: Ranges, Percentiles, Medians and Averages

This report references statistical ranges, percentiles, medians and averages, defined as follows:

- A range ranks the salaries collected in the survey from the lowest to the higher.
- Some tables show the 25th and 75th percentile within the range. The 25th percentile is the top salary in the first 25% of the ranged salaries, meaning 25% of the respondents earned less than that amount. The 75th percentile is the top salary in the first 75% of the ranged salaries, meaning 25% of the respondents earned more than that amount. This helps you compare how your salaries compare to the survey respondents. Generally, salaries that fall in the 25th percentile are paid to entry level or less experienced employees, whereas employees paid within the 75th percentile are more experienced. Other attributes may also apply, such as technical knowledge/designations, education and years on the job.
- The median is the middle of the distribution of the numbers in the range, half of the ranged numbers are above the median number and half are below the median number (also can be referred to as the 50th percentile).
- The average is the total of the ranged numbers divided by the number of respondents that replied to the question.

Which is more accurate, the median or the average?

An average results from totaling up all the statistical responses to a question and dividing the total by the number of respondents to the question. Because the survey database has many local associations with a small number of members and a few mega associations with very many members, averages may be skewed by the responses from these two groups. To provide more meaningful results for members, we have separated many findings by the number of REALTOR® members in the local associations. In addition, because the median is less sensitive to the extremes of the range, it may be considered more statistically reliable.

Profile of Chief Staff Executives

This section summarizes key findings to create an at-a-glance profile of the local associations' Chief Staff Executives and to provide insight into their total compensation. More detailed findings are available in Section 2. For additional compensation findings, see Section 3.

Survey Respondents	
Survey Results	2014 Data
Total respondents	518
Percent of total number of local associations surveyed	41%

Full-time Chief Staff Executive Profile		
Profile Component	Survey Results	2014 Data
Most common title	Association Executive	37%
Work status	Full-time	82%
Average years in current position		8.2 years
Average years working for a local association		18.0 years
Most common level of education	Associates Degree or some college	41%
Executives with professional designations		45%

Full-time Chief Staff Executive Profile Median Compensation Budgeted for FY2014		
	Median Annual Base Salary	Median Bonus or Incentive
All respondents	\$56,170	\$2,000
By Number of REALTOR® Members in the Association		
Small (fewer than 500)	\$40,850	\$1,000
Medium (500-2,500)	\$82,672	\$3,000
Large (2,501 – 5,000)	\$127,000	\$5,375
Mega (more than 5,000)	\$158,308	\$10,000

By Years in Current Position		
Years in Current Position	Median Annual Base Salary	Median Bonus or Incentive
Fewer than 2	\$45,000	\$1,000
2-5	\$46,000	\$1,000
6-10	\$51,550	\$2,000
11-15	\$62,900	\$2,200
More than 15	\$62,200	\$2,500

Full-time Chief Staff Executive Profile Median Compensation Budgeted for FY2014		
By Association Net Worth		
	Median Annual Base Salary	Median Bonus or Incentive
Less than \$400,000	\$33,000	\$850
\$400,000 - \$999,999	\$64,437	\$1,500
\$1million or more	\$105,000	\$5,000

Full-time Chief Staff Executive Profile Associations that Pay Medical and Retirement Benefits Percent of Respondents			
	Associations that Pay for Medical Coverage		Associations that Contribute to Retirement Accounts*
	Executive Only	Executive + Dependents	
All respondents	56%	17%	73%
By Number of REALTOR® Members in the Association			
Small (fewer than 500)	33%	8%	53%
Medium (500-2,500)	77%	23%	83%
Large (2,501 – 5,000)	100%	47%	96%
Mega (more than 5,000)	100%	76%	100%

*Of local associations that contribute to Chief Executive Officers' IRA, 401(k), SEP or other retirement account.

Section 1

Background



Section 1: Background

Number of REALTOR® Members

Local associations are grouped into four categories by the number of REALTOR® members in the association (see Exhibit 1.1).

Exhibit 1.1 Respondents Identified by the Number of REALTOR® Members in the Association		
Category	Number of REALTOR® Members	Percent of Respondents
Small	Fewer than 500	59%
Medium	500–2,500	31%
Large	2,501–5,000	5%
Mega	5,001 or More	5%
Total Respondents		494

Local Association Net Worth

Exhibit 1.2 lists the net worth of the responding local associations by the number of REALTOR® members in the local associations.

Exhibit 1.2 Local Association Net Worth by the Number of REALTOR® Members in the Association					
Net Worth	All	Number of REALTOR® Members			
		Small Fewer than 500	Medium 500-2,500	Large 2,501-5,000	Mega Over 5,000
Range	\$770– \$8,018,212	\$770 – \$1,372,402	\$29,665 – \$3,838,907	\$1,104,239 – \$6,900,000	\$1,479,480 – \$8,018,212
Median	\$519,741	\$182,726	\$1,032,748	\$2,532,063	\$4,301,515
Average	\$1,002,419	\$292,556	\$1,209,154	\$3,459,489	\$4,126,341
Total Respondents	232	131	78	13	12

Median Single-family Home Prices

Exhibit 1.3 shows median single-family home prices as of July 1, 2014. The median home price for all survey respondents is \$147,000.

Exhibit 1.3					
Median Single-family Home Prices as of July 1, 2014					
by the Number of REALTOR® Members in the Association					
	All	Number of REALTOR® Members			
		Small Fewer than 500	Medium 500-2,500	Large 2,501-5,000	Mega Over 5,000
Median	\$176,000	\$162,000	\$191,000	\$246,000	\$276,000
Total Respondents	467	275	149	21	22

Section 2:

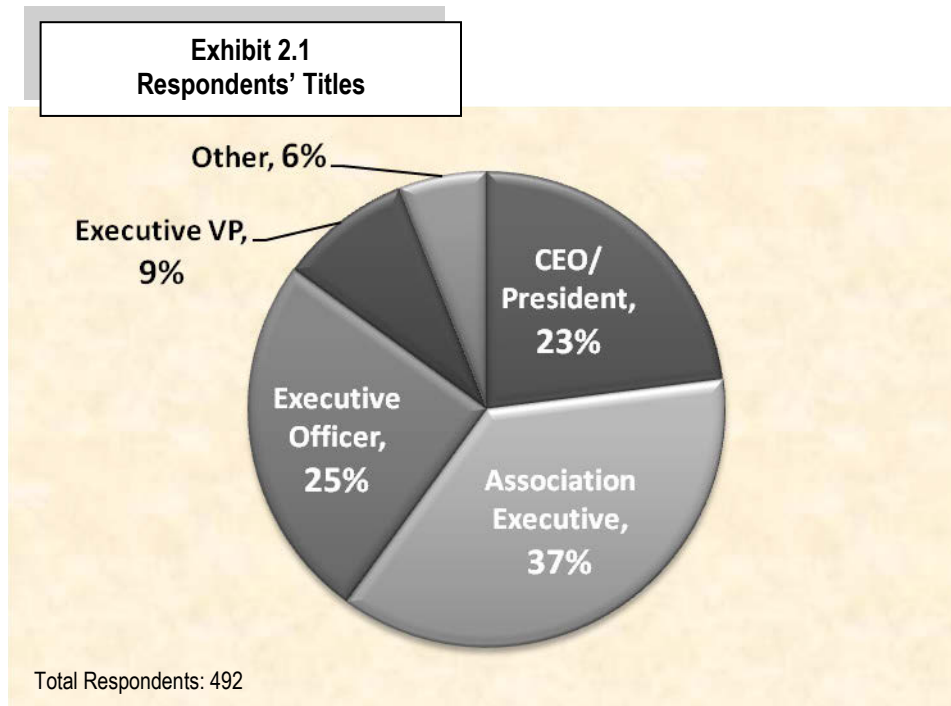
Chief Staff Executives



Section 2: Chief Staff Executives

Titles of Respondents

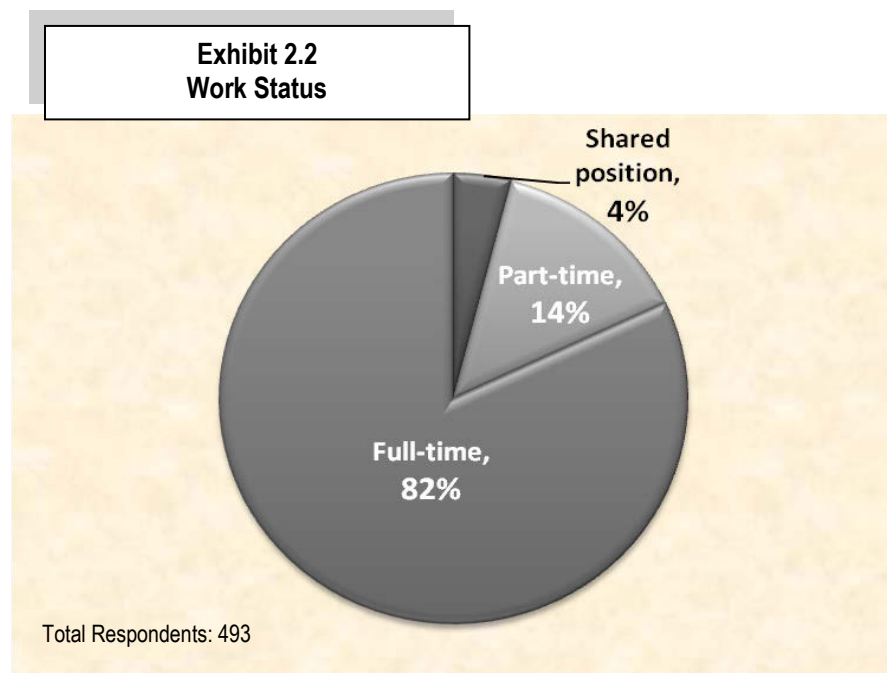
All respondents (100%) are Chief Staff Executives. Exhibit 2.1 shows the titles of the Chief Staff Executives. The most common titles are Association Executive (37%), Executive Officer (25%) and CEO or President (23%). Of the remaining titles, 9% are Executive Vice Presidents and in the *Other* category (6%), the titles include Executive Director, Board President, Director Board and Member Services, Associate Officer and Secretary Treasurer.



Work Status

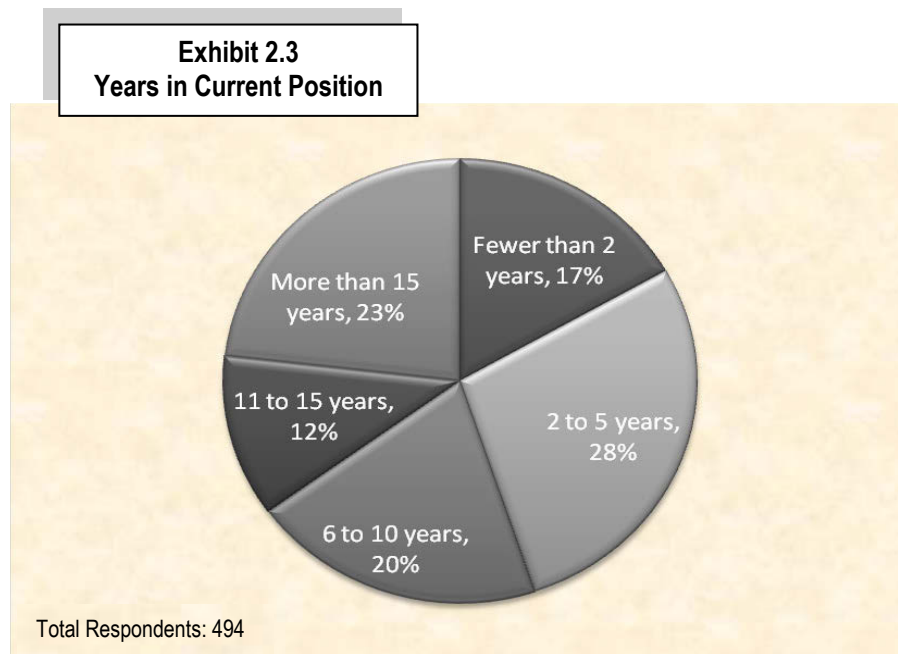
Most Chief Staff Executives, 82%, work full time, while 14% hold the position part time. See Exhibit 2.2.

Only 4% share the position with another employee.



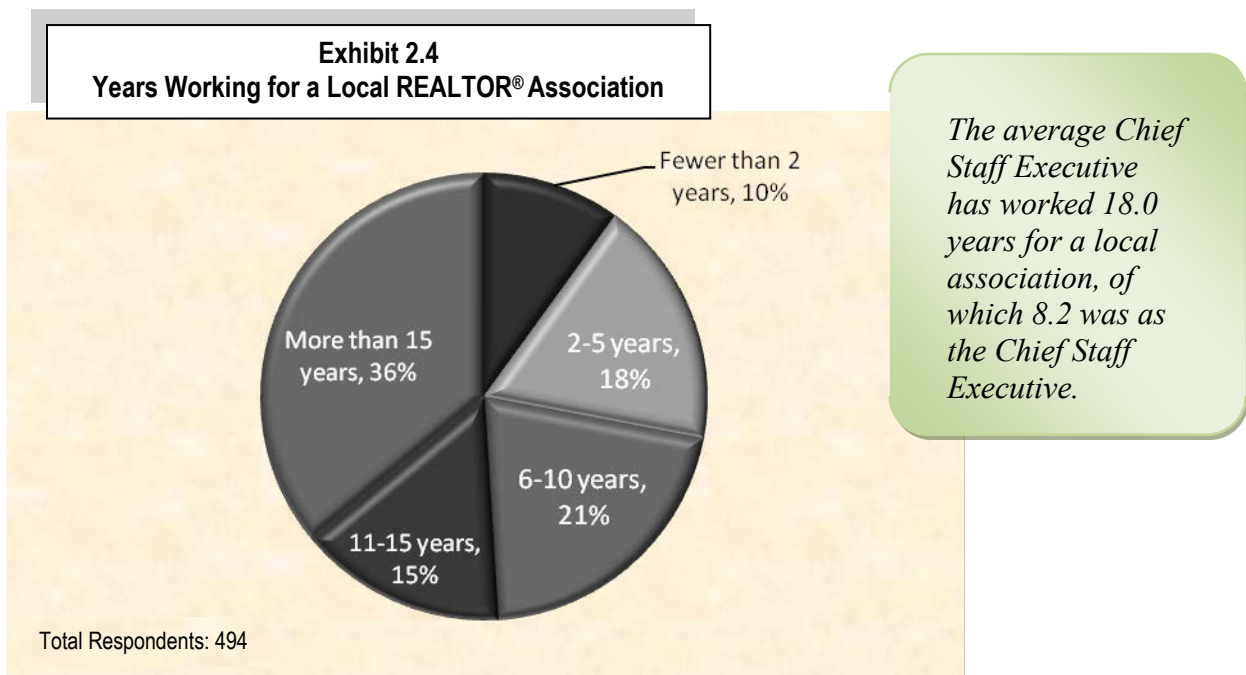
Years in Current Position

Respondents provided the length of time that they have held their current position (Exhibit 2.3). Almost one-quarter, 23%, have been in their current Chief Executive Officer position for more than 15 years.



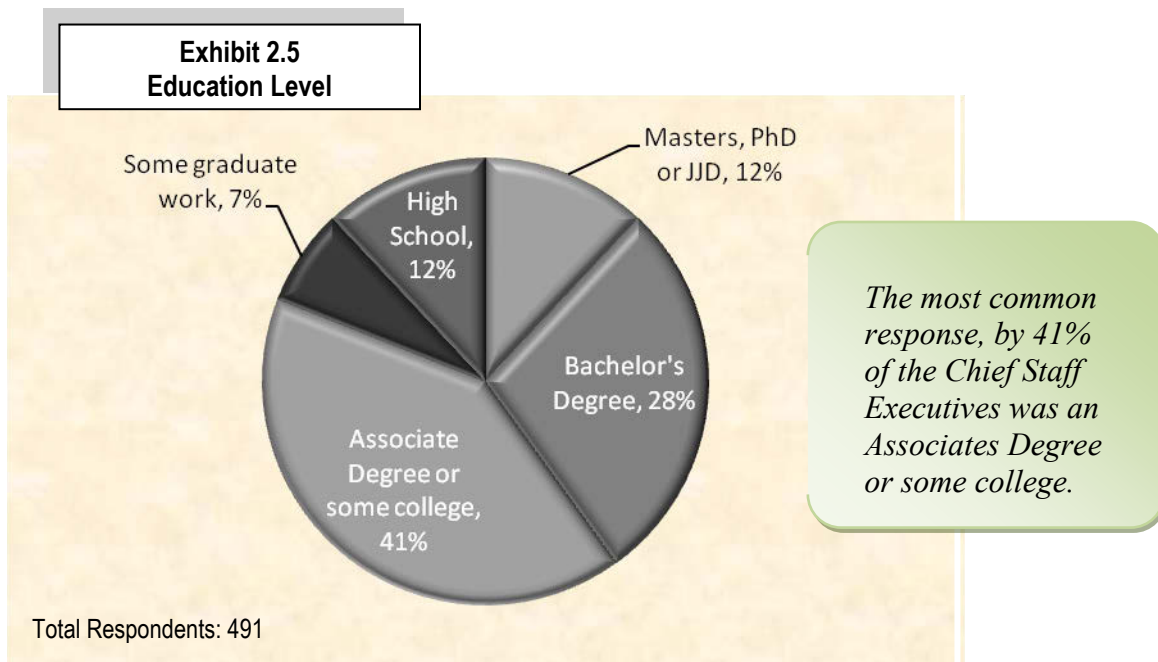
Years Working for a Local REALTOR® Association

As shown in Exhibit 2.4, 36% of the respondents have more than 15 years working for a local association.



Education Level

As noted in Exhibit 2.5, 47% of the Chief Staff Executives have a Bachelor's Degree or a more advanced degree.



Professional Designations

Exhibit 2.6 shows that 45% of the Chief Staff Executives have a professional designation.

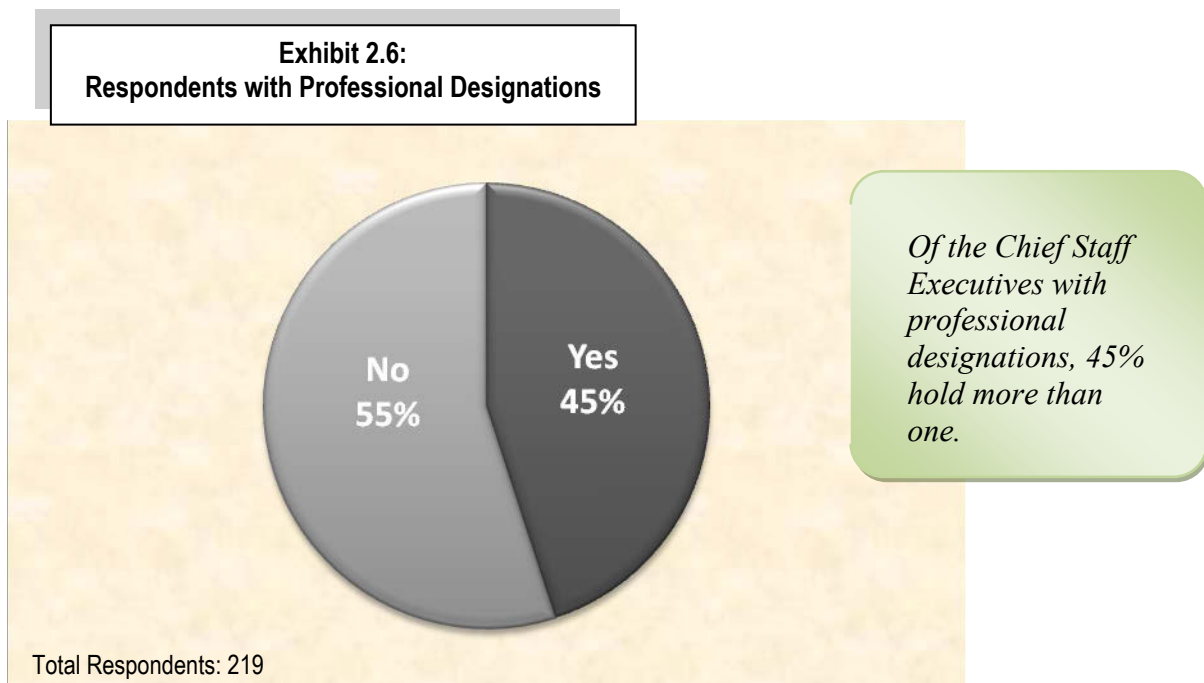
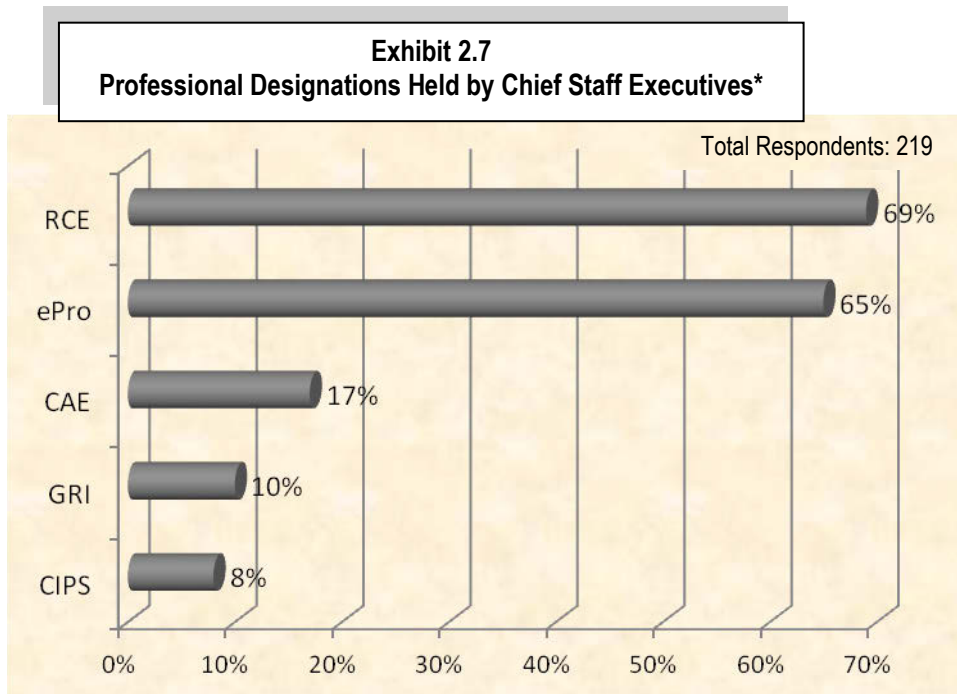


Exhibit 2.7 lists the most common designations held by the Chief Staff Executives. More than two thirds, 69%, have earned an RCE designation and 65% hold an ePro designation.



*Total exceeds 100% because of multiple responses.

Some respondents, 18% in total, indicated holding other designations, including: AHWD, ABRM, SRES, GREEN, CRS, CRB, SFR.

Section 3:

Executive Compensation



Section 3: Executive Compensation

This section examines how local associations have structured the compensation and benefits provided their Chief Staff Executives.

Annual Base Compensation

Respondents were asked to specify the amount budgeted in fiscal year 2014 (FY2014) for their Chief Staff Executive's annual base salary, excluding bonuses and incentives. Exhibit 3.1 shows the range, median, 25th and 75th percentiles, and average amounts for their FY2014 annual salary budgets. See page 2 for definitions of the range, percentiles, medians and averages used in the compensation tables.

Exhibit 3.1 Chief Staff Executive FY2014 Budgeted Annual Base Salary (Excludes Bonus and Incentive)	
Range	\$7,200–\$330,000
25th Percentile	\$37,500
Median	\$56,170
75th Percentile	\$85,000
Average	\$67,268
Total Respondents	463

Of the 404 Chief Staff Executives who indicated they are full-time employees in Exhibit 2.2, 379 also provided their budgeted annual base salaries for FY2014 as displayed in Exhibit 3.2. Exhibit 3.2 also provides salary data for the 66 respondents who hold the position on a part-time basis.

Exhibit 3.2 Chief Staff Executive FY2014 Budgeted Annual Salary by Work Status (Excludes Bonus and Incentive)		
Annual Base Salary	Full-Time	Part-Time
Range	\$14,400–\$330,000	\$7,200–\$44,000
25th Percentile	\$43,000	\$15,000
Median	\$65,000	\$18,000
75th Percentile	\$95,000	\$24,400
Average	\$74,930	\$20,081
Total Respondents	379	66

Exhibit 3.3 separates the FY2014 budgeted annual base salaries by the number of REALTOR® members in the local association. A total of 494 respondents were grouped into four categories by the number of REALTOR® members in the local association (see Exhibit 1.1). Of those respondents, 471 also provided budgeted annual base salaries for their Chief Staff Executives. Of these, seven responses were removed because of insufficient data, resulting in a total number of 464 respondents for Exhibit 3.3. As expected, salaries increase progressively as the number of members in the association increases.

Exhibit 3.3				
Chief Staff Executive FY2014 Budgeted Annual Base Salary				
by the Number of REALTOR® Members in the Association				
(Excludes Bonus and Incentive)				
Annual Base Salary	Number of REALTOR® Members in the Association			
	Small Fewer than 500	Medium 500-2,500	Large 2,501-5,000	Mega Over 5,000
Range	\$7,200–\$330,000	\$35,000–\$195,000	\$96,500–\$210,980	\$123,275–\$325,000
25th Percentile	\$25,740	\$70,000	\$115,000	\$150,000
Median	\$40,850	\$82,672	\$127,000	\$158,308
75th Percentile	\$53,836	\$104,000	\$157,000	\$200,000
Average	\$42,747	\$88,481	\$135,108	\$184,302
Total Respondents	277	145	22	20

Exhibit 3.4 shows Chief Staff Executive FY2014 annual base salaries by years in their current positions.

Exhibit 3.4					
Chief Staff Executive FY2014 Budgeted Annual Base Salary					
by Years in Current Position					
(Excludes Bonus and Incentive)					
Annual Base Salary	Years in Current Position				
	Fewer than 2	2–5	6–10	11–15	More than 15
Range	\$7,800– \$330,000	\$10,000– \$200,000	\$12,000– \$175,000	\$7,800– \$240,000	\$12,000 – \$325,000
25th Percentile	\$29,972	\$35,000	\$38,000	\$40,000	\$43,551
Median	\$45,000	\$46,000	\$51,550	\$62,900	\$66,200
75th Percentile	\$78,000	\$77,000	\$80,000	\$80,000	\$107,355
Average	\$59,960	\$58,882	\$61,383	\$67,877	\$81,751
Total Respondents	76	130	95	67	107

Exhibit 3.5 cross tabulates the number of REALTOR[®] members with years in current position and annual base salaries for a deeper comparison of median base annual salaries.

Exhibit 3.5					
Chief Staff Executive FY2014 Budgeted Annual Base Salary Median Amount					
by Years in Current Position and the Number of REALTOR[®] Members in the Association					
(Excludes Bonus and Incentive)					
Number of REALTOR[®] Members	Median FY2014 Budgeted Annual Base Salary by Years in Current Position				
	Fewer than 2	2–5	6–10	11–15	More than 15
Small Fewer than 500	\$33,000	\$42,000	\$38,000	\$39,800	\$44,000
Medium 500-2,500	\$74,200	\$78,500	\$84,000	\$79,890	\$99,816
Large 2,501-5,000	\$115,000	\$117,000	\$142,500	\$149,000	\$144,095
Mega Over 5,000	\$167,500	\$163,308	\$149,000	\$240,000	\$210,053

Exhibit 3.6 shows Chief Staff Executive annual base salaries by the net worth of local associations.

Exhibit 3.6			
Chief Staff Executive FY2014 Budgeted Annual Base Salary			
by Local Association Net Worth			
(Excludes Bonus and Incentive)			
Annual Base Salary	Local Association Net Worth		
	Less than \$400,000	\$400,000–\$999,999	\$1 Million or More
Range	\$7,200–\$132,000	\$35,000–\$175,000	\$45,320–\$240,000
25th Percentile	\$22,288	\$47,250	\$80,000
Median	\$33,000	\$64,437	\$105,000
75th Percentile	\$50,123	\$80,972	\$136,500
Average	\$39,535	\$67,402	\$114,350
Total Respondents	104	51	72

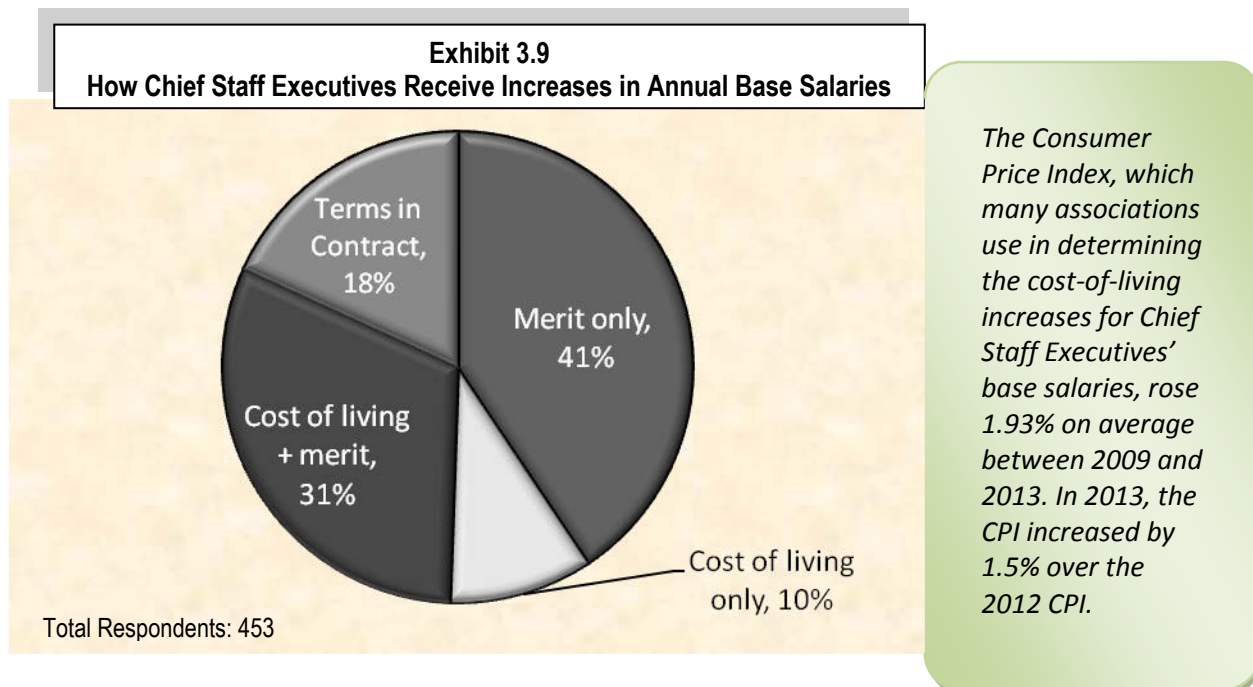
Exhibit 3.7 reveals FY2014 annual base salaries for Chief Staff Executives with professional designations. The impact of formal education on Chief Staff Executive annual base salaries is shown in Exhibit 3.8.

Exhibit 3.7			
Chief Staff Executive FY2014 Budgeted Annual Base Salary			
By Professional Designations			
(Excludes Bonus and Incentive)			
	Professional Designations		
	RCE	ePro	CAE
Percent with Designation	69%	65%	17%
Annual Base Salary	RCE	ePro	CAE
Range	\$22,288–\$290,000	\$13,200–\$223,566	\$64,000–\$200,000
Median	\$78,250	\$64,000	\$114,547
Average	\$88,606	\$73,854	\$116,682
Total Respondents	143	128	31

Exhibit 3.8					
Chief Staff Executive FY2014 Budgeted Annual Base Salary					
by Education Level					
(Excludes Bonus and Incentive)					
	Education Level				
Annual Base Salary	High School	Some College	Associate Degree	Bachelor's Degree	Advanced Degree
Percent with Education Level	12%	29%	12%	34%*	12%
Annual Base Salary	High School	Some College	Associate Degree	Bachelor's Degree	Advanced Degree
Range	\$15,606–\$185,606	\$10,000–\$330,000	\$7,200–\$240,000	\$7,800–\$325,000	\$17,000–\$160,000
Median	\$47,500	\$45,000	\$43,000	\$69,500	\$78,500
Average	\$55,662	\$55,919	\$51,963	\$78,293	\$80,046
Total Respondents	55	136	58	121	60

*Includes respondents who indicated “some graduate work” in their responses (see Exhibit 2.5).

Exhibit 3.9 compares how Chief Staff Executives receive increases in annual salaries. Note that about three quarters (72%) of the executives' salary increases are based on an annual merit increase, including the 31% who also factor in a cost-of-living adjustment.



Employment Contracts

Exhibits 3.10 and 3.11 examine employment contracts. Of the Chief Staff Executives, 47% have employment contracts (Exhibit 3.10). About half of the contracts have an evergreen clause, which makes the contract automatically renewable each year. Over two-thirds of the contracts have one year (35%) or three years (36%) terms (Exhibit 3.11).

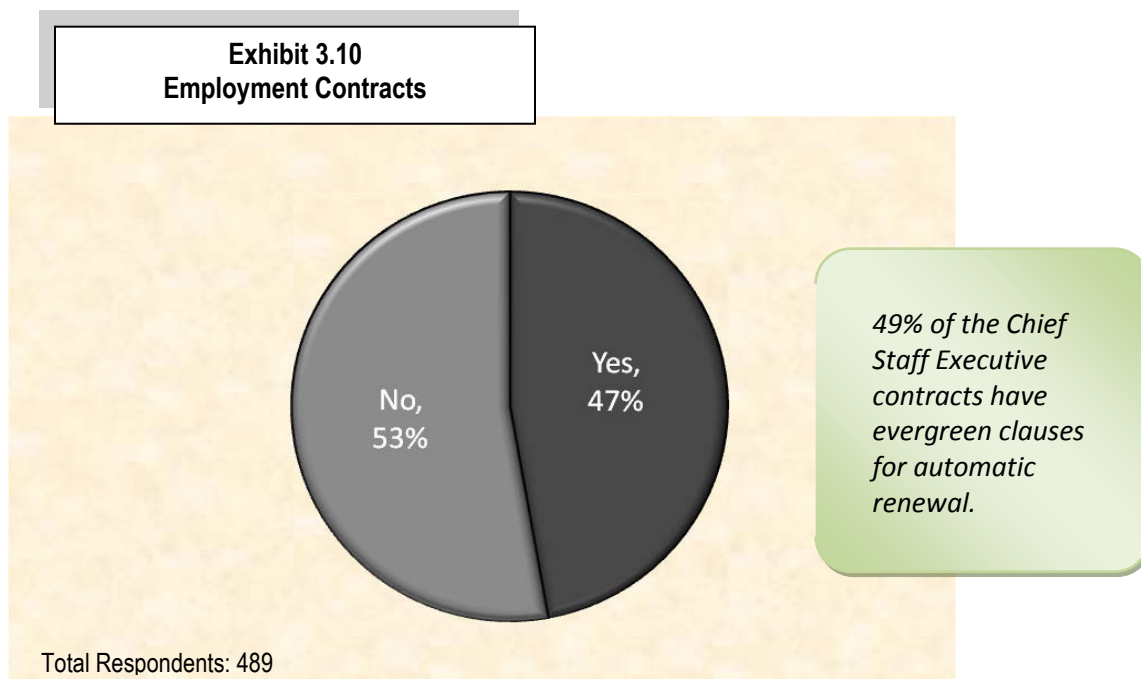
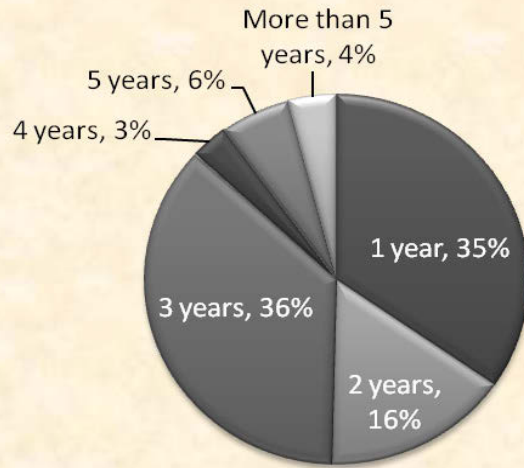


Exhibit 3.11
Length of Employment Contracts

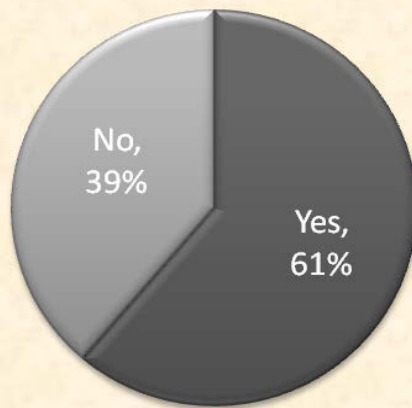


Total Respondents: 222

Bonus or Incentive Payments

In Exhibit 3.12, 61% of the Chief Staff Executives received bonus or incentive compensation.

Exhibit 3.12
Chief Staff Executives with Bonuses or Incentives



Total Respondents: 480

The median FY2014 bonus payout was \$2,000 for all respondents. By annual base salary:

- \$950 for those earning \$50,000 or less;
- \$2,500 for those earning between \$50,001 and \$100,000;
- \$7,500 for those earning more than \$100,000.

See Exhibit 3.16.

Exhibit 3.13 shows that the median bonus or incentive payment for Chief Staff Executives in 2014 was \$2,000 overall. Exhibits 3.14-3.17 identify the ranges, medians and averages by number of REALTOR® members in the local association, by Chief Staff Executives' years in their current position, by their budgeted annual base salaries and by their associations' net worth.

Exhibit 3.13	
Chief Staff Executives' Bonus or Incentive Payouts	
Range	\$100–\$40,000
25th Percentile	\$1,000
Median	\$2,000
75th Percentile	\$5,000
Average	\$3,869
Total Respondents	272

Exhibit 3.14				
Chief Staff Executives' Bonus or Incentive Payouts				
by the Number of REALTOR® Members in the Association				
Bonus or Incentive Payout	Number of REALTOR® Members in the Association			
	Small Fewer than 500	Medium 500-2,500	Large 2,501-5,000	Mega Over 5,000
Range	\$100–\$10,000	\$500–\$25,000	\$1,500–\$25,000	\$600–\$40,000
25th Percentile	\$500	\$1,500	\$5,000	\$10,000
Median	\$1,000	\$3,000	\$5,375	\$10,000
75th Percentile	\$2,000	\$5,585	\$12,800	\$20,000
Average	\$1,707	\$4,605	\$9,256	\$14,675
Total Respondents	145	96	17	14

**Exhibit 3.15
Chief Staff Executives' Bonus or Incentive Payouts
by Years in Current Position**

Bonus or Incentive Payout	Years in Current Position				
	Fewer than 2	2-5	6-10	11-15	More than 15
Range	\$250-\$40,000	\$100-\$25,000	\$500-\$25,000	\$350-\$13,650	\$350-\$31,853
25th Percentile	\$500	\$600	\$750	\$900	\$1,200
Median	\$1,000	\$1,000	\$2,000	\$2,200	\$2,500
75th Percentile	\$5,000	\$3,000	\$5,000	\$3,000	\$5,585
Average	\$4,625	\$3,024	\$3,704	\$3,705	\$4,728
Total Respondents	24	81	59	32	76

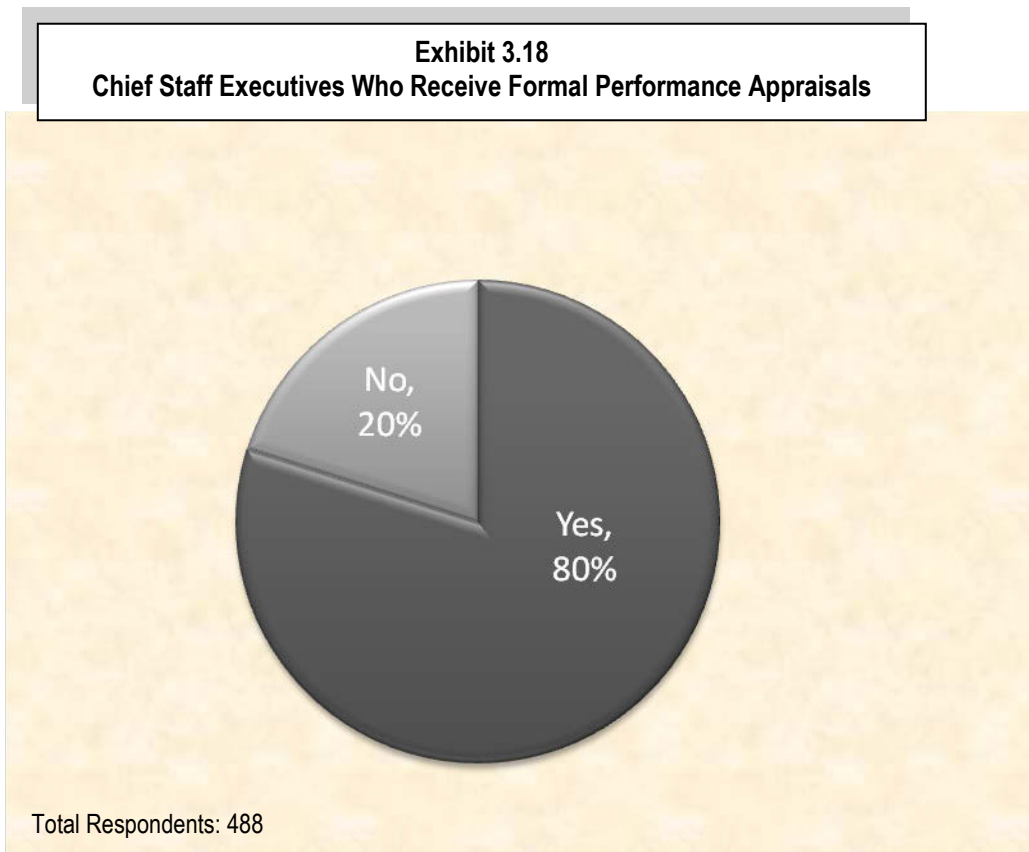
**Exhibit 3.16
Chief Staff Executives' Bonus or Incentive Payouts
by FY2014 Budgeted Annual Base Salaries**

Bonus or Incentive Payout	2014 Budgeted Annual Base Salaries		
	\$50,000 or Less	\$50,001-\$100,000	More than \$100,000
Range	\$100-\$5,000	\$500-\$10,000	\$600-\$40,000
25th Percentile	\$500	\$1,200	\$5,000
Median	\$950	\$2,500	\$7,500
75th Percentile	\$1,500	\$5,000	\$12,800
Average	\$1,088	\$3,084	\$9,908
Total Respondents	101	103	60

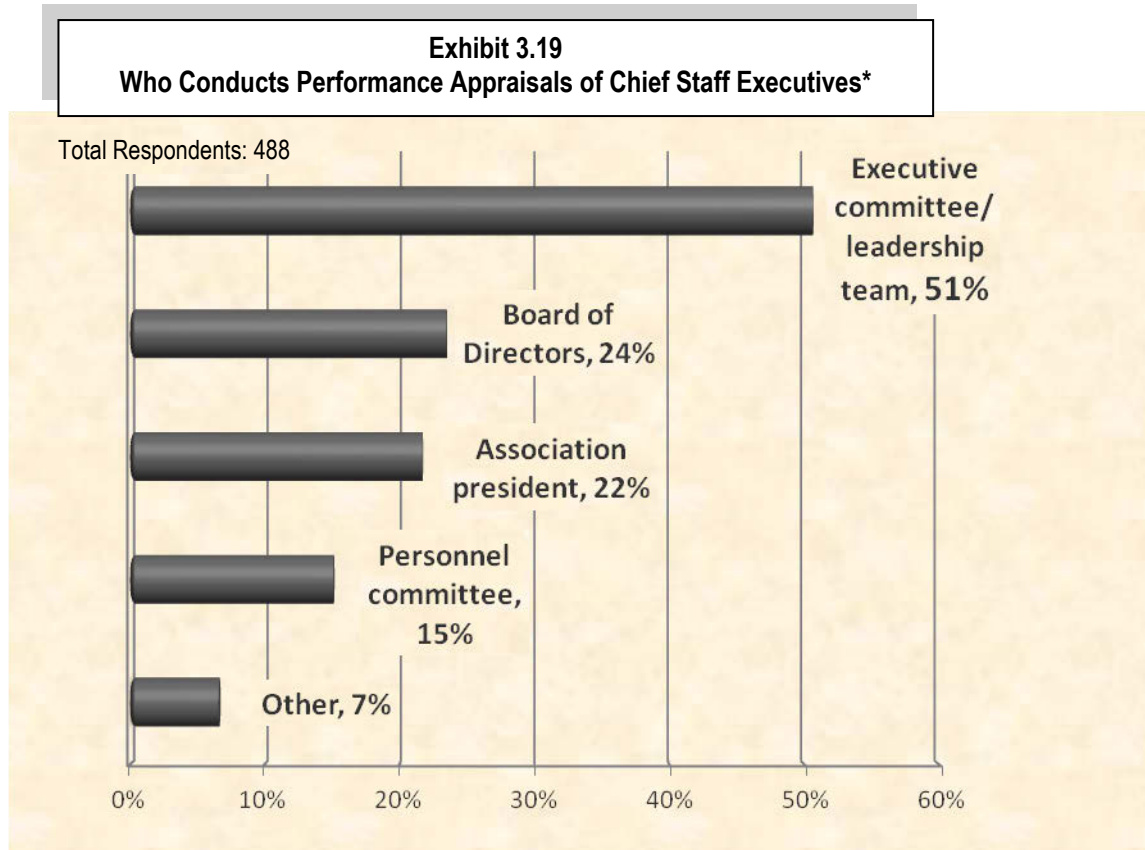
Exhibit 3.17 Chief Staff Executives' Bonus or Incentive Payouts by Association Net Worth			
Bonus or Incentive Payout	Association Net Worth		
	Less than \$400,000	\$400,000–\$999,999	\$1 million or more
Range	\$100–\$10,000	\$500–\$8,000	\$1,000–\$31,853
25 th Percentile	\$500	\$1,000	\$3,000
Median	\$850	\$1,500	\$5,000
75 th Percentile	\$1,500	\$2,500	\$10,000
Average	\$1,604	\$2,109	\$7,569
Total Respondents	60	32	48

Formal Performance Evaluations

Eight of 10 responding Chief Staff Executives, 80%, receive formal performance appraisals (Exhibit 3.18).

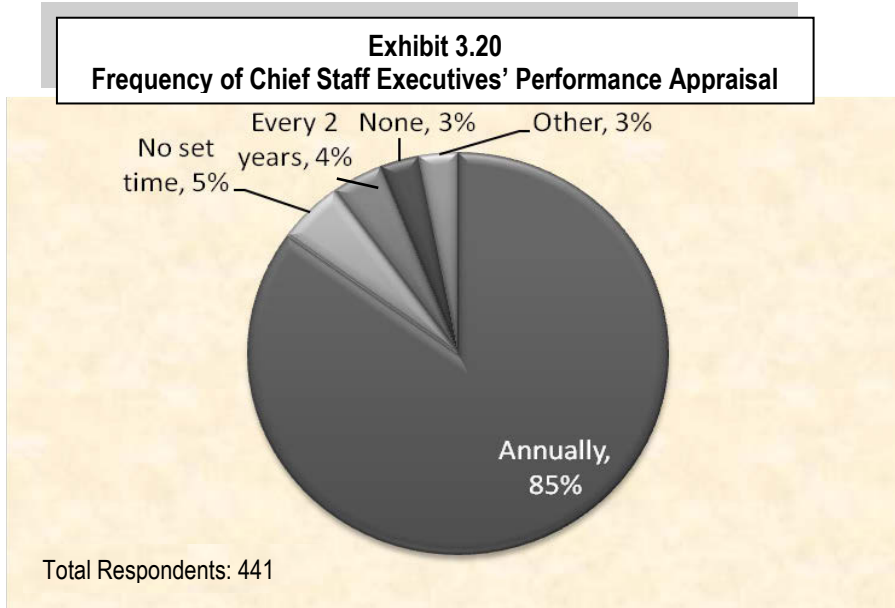


As shown in Exhibit 3.19, an executive committee conducts the performance appraisal for 51% of the Chief Staff Executives, a board of directors for 24%, the association president for 22% and a personnel committee for 15%. The 7% *others* responsible for Chief Staff Executive performance appraisals include a CEO compensation committee, the officers of the association, an independent contractor, the MLS board and the president elect.



*Total exceeds 100% because of multiple responses.

Exhibit 3.20 shows that 85% of the Chief Staff Executives receive a performance appraisal annually. Among the 3% *Other* responses for performance appraisal frequency are quarterly, semi-annually or every three years.

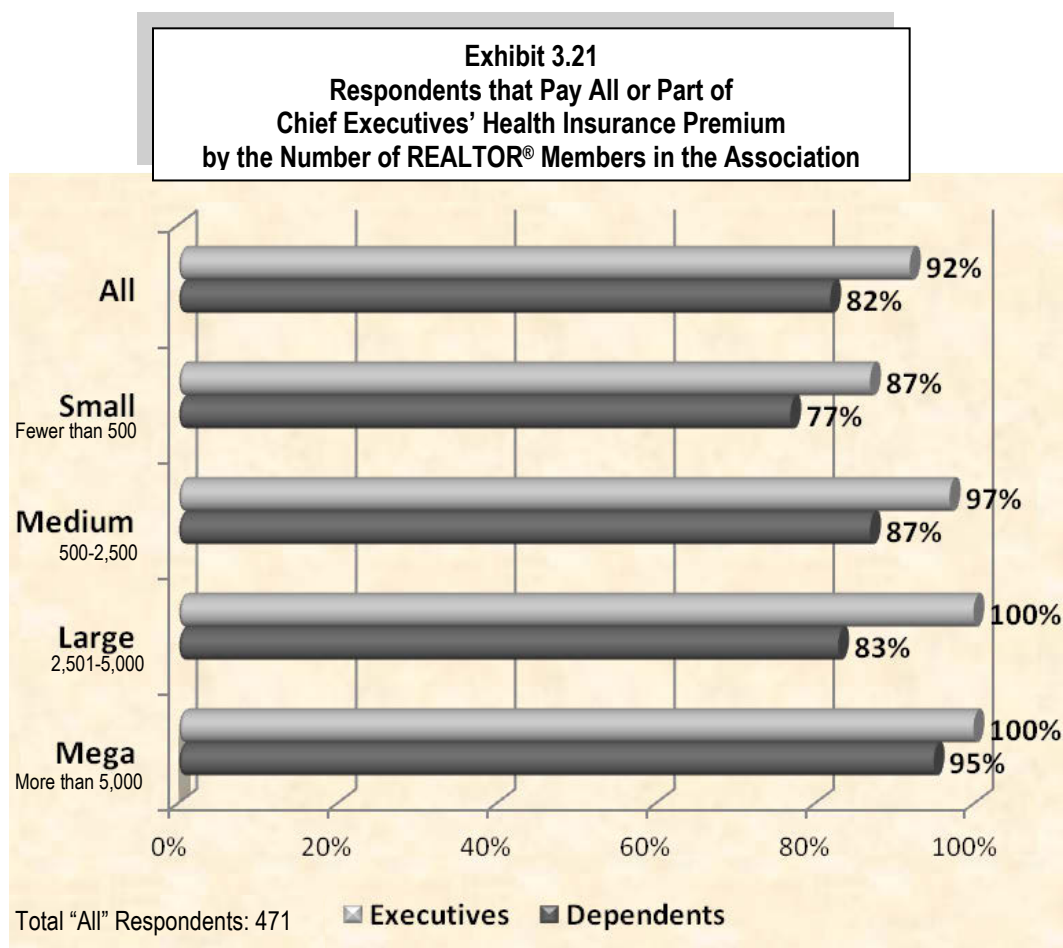


Benefits

Health Insurance Benefits

As shown in Exhibit 3.21, of the 471 responding associations that answered the question, 431(92%) pay all or part of their Chief Staff Executives' health insurance premium and 82% also pay all or part of the premium for covering their executives' dependents.

Exhibit 3.21 also separates the findings by the number of REALTOR® members in the local association. For example, among the associations with 500 to 2,500 members (the "Medium" category), 97% pay all or part of the health insurance premium for their Chief Staff Executives (3% do not) and 87% also pay all or some of the premium for covering their executives' dependents (13% do not).

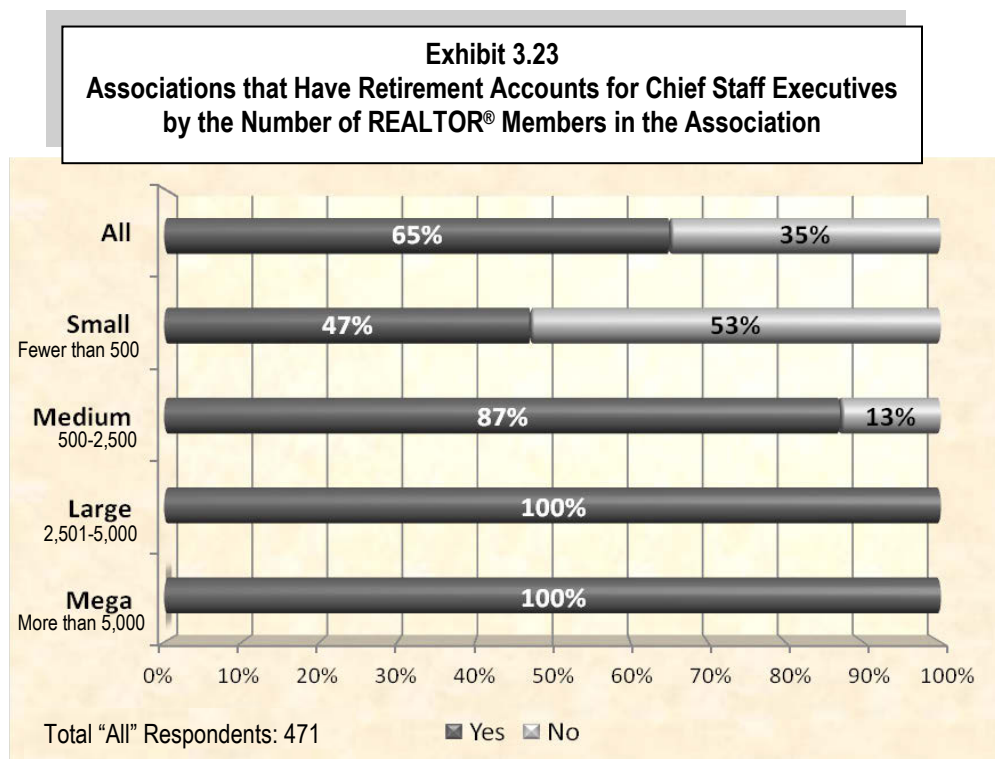


Of the 471 respondents that pay all or part of their Chief Staff Executives' health insurance premiums, 303 provided the percentage of the premiums that they pay. Exhibit 3.22 lists the range, median and average percentages of the health insurance premiums that the associations pay for their Chief Staff Executives and their dependents.

Exhibit 3.22 Percent of Chief Staff Executives' Health Insurance Premiums Paid by Local Associations		
Percentage that Associations Pay of Health Insurance Premium	Chief Staff Executives' Premium	Dependents' Premium
Range	10%–100%	10%–100%
Median	100%	100%
Average	93%	93%
Total Respondents	238	65

Retirement Benefits

Exhibit 3.23 shows that, overall, 65% of the 471 associations responding to this question have set up retirement accounts for their Chief Staff Executives. Typically, these are IRA, 401(k) plans or SEPs that both the association and the Chief Staff Executive can contribute to on a tax-deferred basis. Exhibit 3.23 also separates this finding by the number of REALTOR® members in the association, revealing that 100% of the associations categorized by the size of their membership as Mega and Large have retirement accounts for their Chief Staff Executives.



Associations were asked if they contribute to their Chief Staff Executives' retirement accounts and 222 answered. Of these, 162 (73%) said they contribute to the accounts and 60 (27%) do not, as shown in Exhibit 3.24. Exhibit 3.24 also separates this finding by the number of REALTOR® members in the association. For example, 100% of responding associations with more than 5,000 members contribute to the accounts, compared to 53% of the associations with fewer than 500 members.

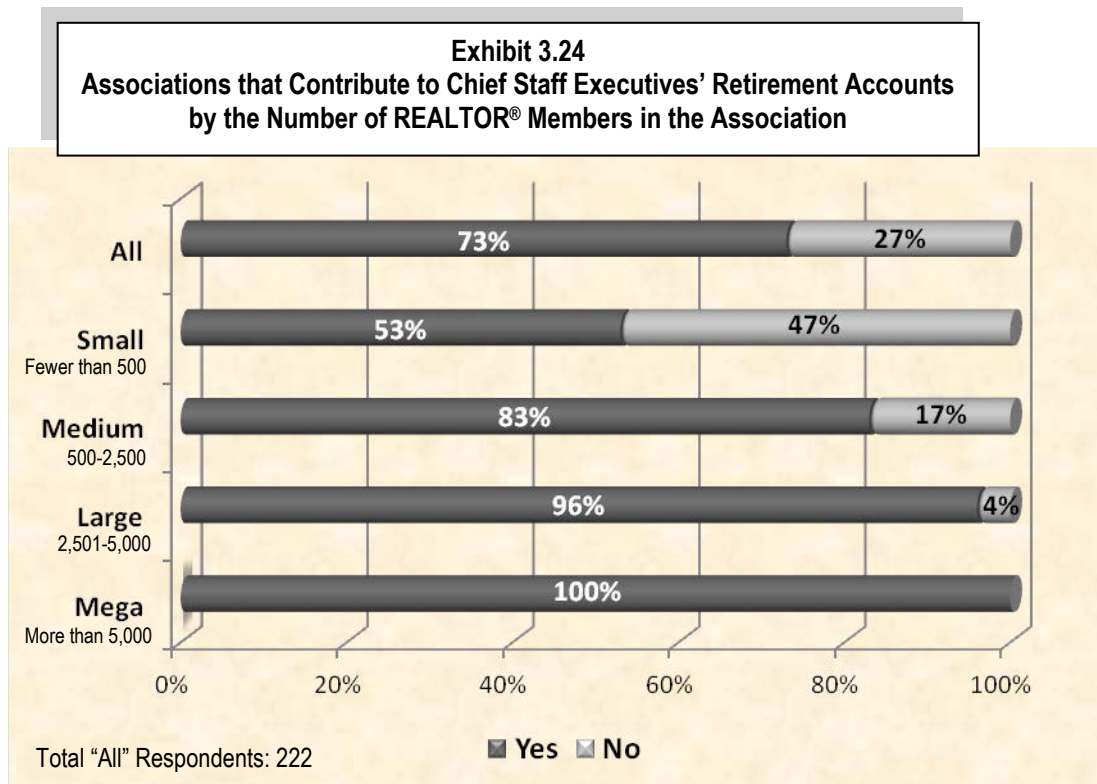


Exhibit 3.25 (next page) shows what type of contributions associations make to their Chief Staff Executives' retirement accounts and the contribution amount (survey median). The exhibit identifies two options for retirement account contributions:

1. A fixed contribution, which may be a percentage of a Chief Staff Executive's annual base salary or a fixed dollar amount, or
2. A matched percentage based on how much the Chief Staff Executive contributes to his or her retirement account. For example, in a 401(k) plan, an association can add a matching contribution as a percentage of the Chief Staff Executive's annual base salary (i.e., 3% or 4%) up to a maximum amount that the executive contributes.

Exhibit 3.25			
How Local Associations Contribute to Retirement Accounts by Executives' FY2014 Budgeted Annual Base Salaries*			
Type of Contribution	FY2014 Budgeted Annual Base Salaries		
	\$50,000 or Less	\$50,001 - \$100,000	More than \$100,000
No contribution	63%	21%	5%
Fixed contribution	21% Median contribution: 3.0%	51% Median contribution: 5.0%	60% Median contribution: 5.0%
Matched contribution	16% Median contribution: 3.0%	28% Median contribution: 3.0%	35% Median contribution: 4.0%
Total Respondents	80	163	83

*Of those with retirement plans (IRA, 401k, SEP, or other retirement accounts)

Exhibit 3.26 identifies the percentage of local associations (with retirement accounts for their Chief Staff Executives) that contribute to the accounts by the number of REALTOR® members in their association and whether the contributions are fixed or matched.

Exhibit 3.26					
How Local Associations Contribute to Retirement Accounts by the Number of REALTOR® Members in the Association*					
Type of Contribution	All Respondents	Number of REALTOR® Members in the Association			
		Small Fewer than 500	Medium 500-2,500	Large 2,501-5,000	Mega Over 5,000
No contribution	27%	47%	17%	4%	0%
Fixed contribution	46%	37%	55%	35%	57%
Matched contribution	27%	16%	28%	61%	43%
Total Respondents	306	128	134	23	21

*Of those with retirement plans (IRA, 401k, SEP, or other retirement accounts)

Other Benefits Included in Chief Staff Executives' Total Compensation

Exhibit 3.27 lists benefits that 355 responding associations include in their Chief Staff Executives' total compensation. In addition to providing health and retirement benefits as indicated earlier (see Exhibits 3.21 and 3.23), more than half of the executives receive professional development or continuing education support and technology allowances. However, executives earning over \$100,000 in base salary per year tend to have more benefits in their total compensation than those earning less.

Exhibit 3.27 Other Benefits Included in Chief Staff Executives' Total Compensation Packages*				
Executive Benefits	Overall	By FY2014 Annual Base Salary		
		Under \$50,000	\$50,001– \$100,000	Over \$100,000
Professional development / continuing education	59%	46%	56%	78%
Technology allowance	52%	31%	56%	76%
Professional organization membership	41%	12%	40%	75%
Dental insurance	39%	7%	37%	82%
Life insurance	34%	5%	32%	75%
Car allowance	25%	8%	18%	59%
Long-term disability insurance	18%	4%	13%	45%
Short-term disability insurance	20%	3%	16%	49%
Spousal travel	9%	1%	3%	29%
Club membership	8%	0%	8%	21%
Deferred compensation	5%	4%	14%	11%
Other**	10%	13%	3%	5%

*Total exceeds 100% because of multiple responses. Total Respondents: 355

**The *Other* executive benefits include 7% of the total respondents with some type of insurance allowance. The remaining benefits in the “Other” category include long-term care insurance, vision care insurance, charitable contributions, paid vacation/sick time, payment for unused vacation, holidays, paid car, reimbursement for parking and mileage reimbursement.

Section 4

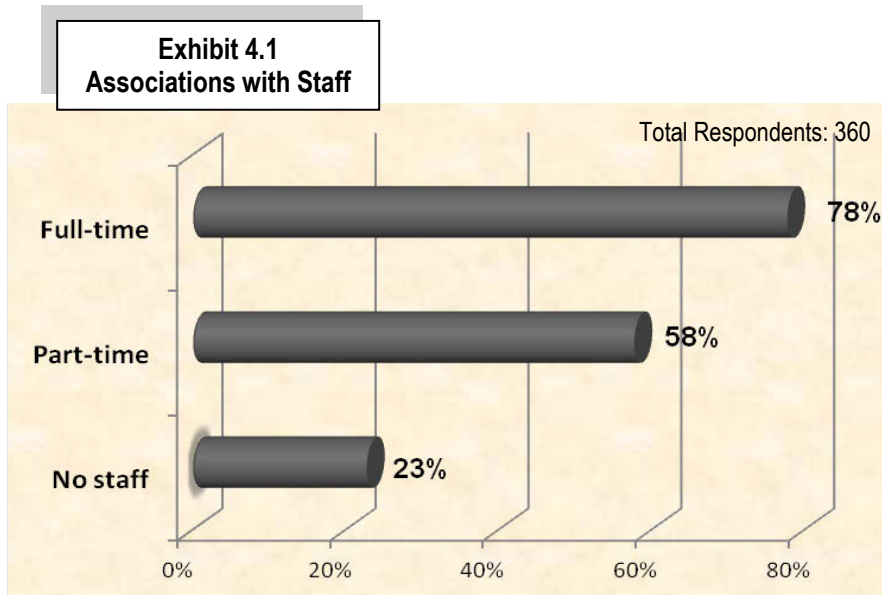
Staffing



Section 4: Staffing

Full-time and Part-time Staff Positions

Exhibit 4.1 shows that 78% of responding local associations employ full-time staff members and 58% retain part-time employees. Respondents were asked not to include the Chief Staff Executive in their responses.



The next exhibits (next page) show the number of full-time staff (Exhibit 4.2) and part-time employees (Exhibit 4.3) by the number of REALTOR[®] members in the association.

Exhibit 4.2
Number of Full-time Staff Members
by the Number of REALTOR® Members in the Association

Number of Full-time Staff	All	Number of REALTOR® Members in the Association			
		Small Fewer than 500	Medium 500–2,500	Large 2,501–5,000	Mega Over 5,000
0	25%	22%	6%	0%	0%
1	23%	51%	11%	0%	0%
2	17%	22%	20%	0%	0%
3	6%	4%	12%	5%	0%
4	6%	1%	17%	0%	0%
5	7%	0%	16%	10%	0%
6	3%	0%	8%	0%	0%
7-8	4%	0%	6%	15%	13%
9-10	2%	0%	0%	25%	0%
11-12	2%	0%	4%	10%	19%
13-15	3%	0%	0%	10%	31%
16 or more	2%	0%	0%	25%	37%
Median	2	1	3	10	14
Average	3.2	1.1	3.9	12.1	17.4
Total Respondents*	319	158	127	20	16

*Of respondents with staff.

Exhibit 4.3
Number of Part-time Staff Members
by the Number of REALTOR® Members in the Association

Number of Part-time Employees	All	Number of REALTOR® Members in the Association			
		Small Fewer than 500	Medium 500-2,500	Large 2,501-5,000	Mega Over 5,000
0	45%	31%	37%	38%	42%
1	44%	64%	37%	38%	42%
2	8%	5%	19%	6%	8%
3	2%	0%	6%	12%	8%
4	1%	0%	1%	6%	0%
Median	1	1	1	1	1
Average	1.3	1.1	1.5	1.8	0.7
Total Respondents*	277	144	105	16	12

*Of respondents with staff.

Exhibits 4.4.1 through 4.4.4 provide insight into the types of jobs that the local associations staff with full-time and part-time employees. The tables separate survey results by the number of REALTOR® members in the association. For example, of the local associations classified as “small,” with fewer than 500 REALTOR® members, 45% have retained one MLS operations full-time employee and 41% have one part-time MLS operations employee on staff.

Exhibit 4.4.1							
Full-time and Part-time Staff Positions of Respondents with Employees by the Number of REALTOR® Members in the Association							
Small, Fewer than 500							
Staff Positions	Number of Employees in Position				Percent of Respondents with Employees in Position		
	Full-time Employees				Part-time Employees		
	0	1	2	3	0	1	2
MLS operations	47%	45%	7%	1%	57%	41%	2%
Administration	53%	45%	2%	0%	60%	40%	0%
Membership / member services	55%	36%	6%	3%	65%	33%	2%
Customer care / service	63%	26%	8%	3%	71%	27%	2%
Store / lockbox administration	69%	19%	10%	2%	72%	28%	0%
Education / training	73%	20%	5%	2%	74%	26%	0%
Meetings / events	73%	19%	5%	3%	78%	20%	2%
Accounting / bookkeeping / finance	75%	23%	2%	0%	79%	19%	2%
Information technology	78%	17%	3%	2%	83%	15%	2%
Marketing	81%	15%	2%	2%	84%	14%	2%
Communications / public relations	84%	16%	0%	0%	88%	12%	0%
Professional standards	84%	16%	0%	0%	88%	10%	2%
Research	86%	8%	6%	0%	89%	11%	0%
Government affairs / political and community development	88%	8%	4%	0%	91%	7%	2%
Legal affairs	92%	8%	0%	0%	91%	7%	2%
Commercial	93%	4%	3%	0%	95%	5%	0%

Total Respondents: 162

Exhibit 4.4.2
Full-time and Part-time Staff Positions of Respondents with Employees
by the Number of REALTOR® Members in the Association
Medium, 500-2,500

Staff Positions	Number of Employees in Position Percent of Respondents with Employees in Position									
	Full-time Employees					Part-time Employees				
	0	1	2	3	4	0	1	2	3	
Membership / member services	5%	84%	6%	5%	0%	30%	50%	10%	10%	
MLS operations	11%	66%	19%	3%	1%	32%	63%	5%	0%	
Administration	20%	68%	11%	1%	0%	32%	62%	3%	3%	
Accounting / bookkeeping / finance	21%	70%	9%	0%	0%	41%	53%	6%	0%	
Education / training	22%	76%	2%	0%	0%	42%	53%	5%	0%	
Communications / public relations	34%	61%	5%	0%	0%	47%	53%	0%	0%	
Store / lockbox administration	36%	58%	3%	0%	3%	50%	50%	0%	0%	
Customer care / service	37%	47%	13%	3%	0%	50%	42%	8%	0%	
Government affairs / political and community development	38%	62%	0%	0%	0%	55%	45%	0%	0%	
Information technology	38%	53%	9%	0%	0%	55%	45%	0%	0%	
Meetings / events	44%	53%	0%	3%	0%	64%	36%	0%	0%	
Professional standards	61%	39%	0%	0%	0%	67%	25%	8%	0%	
Marketing	69%	22%	9%	0%	0%	89%	11%	0%	0%	
Research	94%	0%	0%	6%	0%	89%	11%	0%	0%	
Legal affairs	95%	5%	0%	0%	0%	90%	10%	0%	0%	
Commercial	95%	0%	0%	5%	0%	90%	10%	0%	0%	

Total Respondents: 127

Exhibit 4.4.3
Full-time and Part-time Staff Positions of Respondents with Employees
by the Number of REALTOR® Members in the Association
Large, 2,501-5,000

Staff Positions	Number of Employees in Position Percent of Respondents with Employees in Position										
	Full-time Employees							Part-time Employees			
	0	1	2	3	4	5	6-10	0	1	2	3
MLS operations	0%	43%	17%	8%	8%	8%	16%	0%	67%	0%	33%
Accounting / bookkeeping / finance	0%	39%	50%	6%	0%	5%	0%	0%	100%	0%	0%
Membership / member services	0%	53%	24%	12%	6%	0%	5%	0%	100%	0%	0%
Customer care / service	0%	14%	57%	29%	0%	0%	0%	0%	100%	0%	0%
Education / training	0%	90%	5%	5%	0%	0%	0%	0%	0%	100%	0%
Professional standards	0%	100%	0%	0%	0%	0%	0%	0%	67%	33%	0%
Information technology	0%	67%	33%	0%	0%	0%	0%	0%	0%	100%	0%
Communications / public relations	6%	82%	12%	0%	0%	0%	0%	0%	100%	0%	0%
Government affairs / political and community development	7%	64%	29%	0%	0%	0%	0%	0%	100%	0%	0%
Administration	12%	65%	23%	0%	0%	0%	0%	0%	100%	0%	0%
Store / lockbox administration	14%	72%	14%	0%	0%	0%	0%	0%	0%	0%	0%
Marketing	40%	20%	20%	20%	0%	0%	0%	0%	0%	0%	0%
Meetings / events	43%	57%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Commercial	67%	33%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Research	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Legal affairs	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Total Respondents: 20

Exhibit 4.4.4
Full-time and Part-time Staff Positions of Respondents with Employees
by the Number of REALTOR® Members in the Association
Mega, 5,001 or More

Staff Positions	Number of Employees in Position Percent of Respondents with Employees in Position								
	Full-time Employees							Part-time Employees	
	0	1	2	3	4	5	6-10	0	1
Accounting / bookkeeping / finance	0%	37%	44%	0%	13%	0%	6%	0%	100%
Administration	0%	46%	30%	8%	0%	8%	8%	0%	100%
Membership / member services	0%	13%	54%	7%	13%	13%	0%	0%	100%
Education / training	0%	50%	17%	8%	17%	8%	0%	0%	100%
Communications / public relations	0%	67%	13%	7%	13%	0%	0%	0%	100%
Store / lockbox administration	0%	64%	27%	9%	0%	0%	0%	100%	0%
Information technology	0%	43%	43%	0%	0%	14%	0%	100%	0%
Meetings / events	0%	100%	0%	0%	0%	0%	0%	100%	0%
Marketing	0%	100%	0%	0%	0%	0%	0%	100%	0%
Government affairs / political and community development	8%	46%	31%	15%	0%	0%	0%	100%	0%
Customer care / service	8%	50%	17%	8%	17%	0%	0%	100%	0%
Professional standards	10%	60%	20%	0%	10%	0%	0%	100%	0%
MLS operations	11%	45%	0%	0%	11%	0%	11%	100%	0%
Legal affairs	33%	67%	0%	0%	0%	0%	0%	100%	0%
Commercial	50%	25%	25%	0%	0%	0%	0%	100%	0%
Research	50%	50%	0%	0%	0%	0%	0%	100%	0%

Total Respondents: 16

Exhibit 4.5 lists the annual base salaries for selected staff positions and includes salary ranges, medians, 25th and 75th percentiles and averages. Exhibits 4.5.1 through 4.5.4 provide the annual base salaries for selected staff positions by the number of REALTOR[®] members in the association. These tables show the range, median and average salaries for the positions where sufficient data was received for the calculations.

Exhibit 4.5 Annual Base Salaries for Selected Staff Positions						
Selected Staff Positions	Annual Base Salaries					
	Range	25th Percentile	Median	75th Percentile	Average	Total Respondents
Administrative director/office manager	\$11,520–\$152,000	\$32,032	\$38,337	\$49,000	\$44,665	117
Association legal counsel	\$2,500–\$153,375	Insf*	\$11,000	Insf*	\$41,714	8
Communications director	\$18,200–\$111,380	\$36,000	\$44,750	\$59,300	\$48,913	49
Education director	\$17,000 - \$116,000	\$36,400	\$47,641	\$58,000	\$46,354	72
Events / meetings director	\$20,000–\$61,400	\$32,194	\$36,750	\$45,438	\$40,622	23
Finance / accounting director	\$5,000–\$129,476	\$40,000	\$58,825	\$70,000	\$58,717	77
Government affairs director	\$3,600–\$119,900	\$45,000	\$60,000	\$75,000	\$60,299	49
Information technology director	\$30,000–\$225,500	\$42,000	\$55,000	\$67,000	\$61,619	32
Membership director	\$5,000–\$88,872	\$32,500	\$36,645	\$45,000	\$40,073	109
MLS director / administrator	\$15,000–\$150,150	\$32,000	\$41,705	\$51,000	\$46,400	107
Professionals standards administrator	\$2,500–\$106,370	Insf*	\$44,750	Insf*	\$50,464	18

*Insufficient data for a calculation.

Exhibit 4.5.1
Annual Base Salaries for Selected Staff Positions
by the Number of REALTOR® Members in the Association
Small, Fewer than 500

Selected Staff Positions	Annual Base Salaries			
	Range	Median	Average	Total Respondents
Administrative director / office manager	\$3,900–\$67,000	\$33,000	\$31,500	42
Membership director	\$20,000–\$40,000	\$30,000	\$30,455	16
MLS director / administrator	\$15,000–\$49,840	\$29,590	\$30,190	29

Exhibit 4.5.2
Annual Base Salaries for Selected Staff Positions
by the Number of REALTOR® Members in the Association
Medium, 500-2,500

Selected Staff Positions	Annual Base Salaries			
	Range	Median	Average	Total Respondents
Administrative director / office manager	\$24,960–\$116,500	\$39,942	\$45,505	54
Communications director	\$18,200–\$69,000	\$35,000	\$38,911	21
Education director	\$17,000–\$75,000	\$39,000	\$42,534	41
Events / meetings director	\$20,000–\$45,438	\$32,500	\$33,914	14
Finance / accounting director	\$27,000–\$82,000	\$47,160	\$49,815	43
Government affairs director	\$18,200–\$76,298	\$45,450	\$46,749	22
Information technology director	\$30,000–\$72,000	\$45,410	\$46,951	16
Membership director	\$18,000–\$70,000	\$38,000	\$38,710	66
MLS director / administrator	\$15,000–\$82,400	\$45,370	\$46,915	63

Exhibit 4.5.3
Annual Base Salaries for Selected Staff Positions
by the Number of REALTOR® Members in the Association
Large, 2,501-5,000

Selected Staff Positions	Annual Base Salaries			
	Range	Median	Average	Total Respondents
Administrative director / office manager	\$31,000–\$97,000	\$45,000	\$53,879	10
Communications director	\$36,000–\$70,850	\$47,500	\$49,669	13
Education director	\$34,000–\$70,000	\$47,500	\$47,760	15
Events / meetings director	\$40,000–\$50,000	\$44,000	\$44,500	4
Finance / accounting director	\$41,500–\$129,476	\$65,000	\$74,089	15
Government affairs director	\$45,000–\$95,000	\$73,183	\$69,294	11
Information technology director	\$60,000–\$84,000	\$67,000	\$70,000	7
Membership director	\$27,000–\$88,872	\$50,000	\$51,155	14
MLS director / administrator	\$40,000–\$97,000	\$56,000	\$66,116	9
Professionals standards administrator	\$38,000–\$57,500	\$41,000	\$45,500	5

Exhibit 4.5.4
Annual Base Salaries for Selected Staff Positions
By the Number of REALTOR® Members in the Association
Mega, 5,001 or More

Selected Staff Positions	Annual Base Salaries			
	Range	Median	Average	Total Respondents
Administrative director / office manager	\$44,242–\$152,000	\$74,000	\$75,658	11
Communications director	\$38,000–\$111,380	\$59,300	\$58,370	15
Education director	\$45,000–\$116,000	\$61,553	\$65,179	14
Events / meetings director	\$40,500–\$61,400	\$52,000	\$51,380	5
Finance / accounting director	\$59,650–\$116,325	\$86,000	\$81,729	15
Government affairs director	\$55,000–\$119,900	\$78,902	\$75,983	14
Information technology director	\$42,000–\$ 118,976	\$56,000	\$65,014	7
Membership director	\$33,074–\$77,000	\$46,382	\$46,510	13
MLS director / administrator	\$37,050–\$150,150	\$77,547	\$76,945	6
Professionals standards administrator	\$38,500–\$83,816	\$49,000	\$50,007	9

Exhibit 4.6 reveals which association services are outsourced by the number of REALTOR® members that belong to the association.

Exhibit 4.6					
Outsourced Services					
By the Number of REALTOR® Members in the Association					
Association Services	All	By Number of REALTOR® Members in the Association			
		Small Fewer than 500	Medium 500-2,500	Large 2,501-5,000	Mega Over 5,000
Legal affairs	64%	63%	61%	93%	62%
Accounting / bookkeeping / finance	49%	59%	39%	57%	8%
Human Resources / payroll	29%	15%	43%	36%	62%
Information technology	21%	12%	34%	29%	15%
Education	17%	25%	8%	21%	0%
MLS operations	14%	14%	14%	14%	15%
Leadership training	14%	14%	14%	7%	15%
Legislative / lobbying	13%	6%	21%	7%	31%
Communications / public relations	6%	1%	9%	14%	23%
Marketing	4%	3%	4%	7%	0%
Store / lockbox administration	4%	5%	3%	0%	0%
Meetings / events	2%	4%	0%	0%	0%
Diversity outreach and training	1%	3%	0%	0%	0%
International activities	1%	2%	0%	0%	0%
Administration	1%	2%	0%	0%	0%
Membership / member services	1%	1%	0%	7%	0%

Total Respondents: 221

Healthcare Plans and Eligibility

Overall, half of the local associations (50%) offer healthcare benefits to staff (Exhibit 4.7). Staff that work for larger associations are more likely to be eligible for health benefits.

Of those offering health plans, about half of the medium, large and mega associations allow new staff members to enroll in the health plan after a 90-day waiting period (Exhibit 4.8). Others have 30-day and 60-day waiting periods.

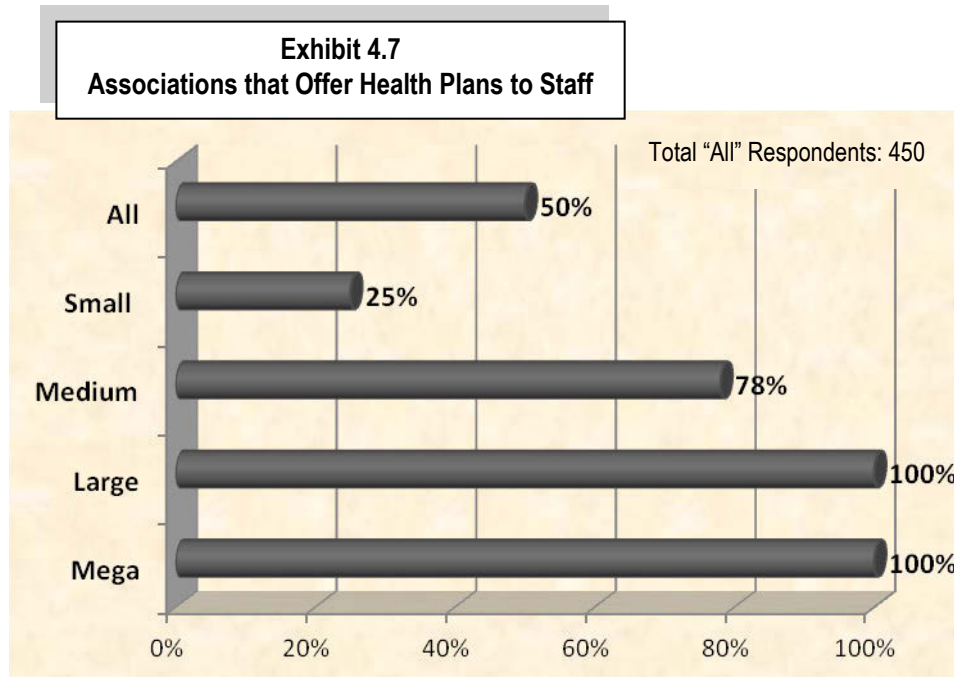


Exhibit 4.8
**When Newly Hired Staff Become Eligible for Health Plan
of Respondents Offering Health Plans
by the Number of REALTOR® Members in the Association**

When Eligible for Health Plan	All Respondents	Number of REALTOR® Members in the Association			
		Small Fewer than 500	Medium 500-2,500	Large 2,501-5,000	Mega Over 5,000
Immediate	17%	28%	13%	13%	4%
After 30 days	24%	20%	23%	26%	38%
After 60 days	9%	14%	8%	9%	10%
After 90 days	50%	38%	56%	52%	48%
Total Respondents	224	65	115	23	21

The types of plans that associations offer staff members are identified in Exhibit 4.9. Smaller associations tend to provide a lump-sum amount for staff to use toward the purchase of their health insurance. Larger associations have their own group health insurance coverage. Only 3% of the respondents are providing health insurance through marketplace insurance exchanges (the Affordable Care Act).

Exhibit 4.9 How Health Insurance Is Offered of Respondents Offering Health Plans by the Number of REALTOR® Members in the Association					
Type of Health Insurance	All Respondents	Number of REALTOR® Members in the Association			
		Small Fewer than 500	Medium 500-2,500	Large 2,501-5,000	Mega Over 5,000
Via association group plan	66%	34%	78%	100%	95%
Via health insurance exchange	3%	3%	3%	0%	5%
Dollar amount provided for self-purchase	31%	63%	19%	0%	0%
Total Respondents	255	87	124	23	21

Section 5

Income and Expenses



Section 5: Income and Expenses

Income

Income budgets for fiscal year 2014 (FY2014) are shown in Exhibit 5.1. Exhibits 5.1.1 through 5.1.4 display income budgets by the number of REALTOR[®] members in the association.

Exhibit 5.1 FY2014 Income Budgets			
Budgeted Income Source	Dues	Non-Dues	Total Income Budget*
Range	\$542-\$4,758,500	\$20-\$2,800,000	\$200-\$7,591,750
Median	\$96,000	\$51,100	\$126,179
Average	\$236,587	\$144,948	\$368,701
Total Respondents	346	326	332

* The total income budget column represents the amounts respondents entered as “total income budget” in the survey question and not the total of the dues and non-dues columns.

Exhibit 5.1.1 FY2014 Income Budgets By the Number of REALTOR[®] Members in the Association Small, Fewer than 500			
Budgeted Income Source	Income Sources		
	Dues	Non-Dues	Total Income Budget*
Range	\$542-\$450,000	\$20-\$299,880	\$200-\$604,370
Median	\$46,000	\$20,000	\$60,000
Average	\$62,057	\$38,030	\$103,724
Total Respondents	202	184	190

* The total income budget column represents the amounts respondents entered as “total income budget” in the survey question and not the total of the dues and non-dues columns.

**Exhibit 5.1.2
FY2014 Income Budgets
by the Number of REALTOR® Members in the Association
Medium, 500-2,500**

Budgeted Income Source	Income Sources		
	Dues	Non-Dues	Total Income Budget*
Range	\$21,685–\$1,832,745	\$9,450–\$817,193	\$9,990–\$2,017,031
Median	\$200,000	\$116,740	\$286,010
Average	\$259,396	\$162,479	\$414,061
Total Respondents	111	108	110

* The total income budget column represents the amounts respondents entered as “total income budget” in the survey question and not the total of the dues and non-dues columns.

**Exhibit 5.1.3
FY2014 Income Budgets
by the Number of REALTOR® Members in the Association
Large, 2,501-5,000**

Budgeted Income Source	Income Sources		
	Dues	Non-Dues	Total Income Budget*
Range	\$345,000–\$2,048,483	\$100,000–\$1,350,000	\$167,398–\$4,910,663
Median	\$681,148	\$368,779	\$1,243,500
Average	\$840,152	\$536,402	\$1,426,619
Total Respondents	16	16	16

* The total income budget column represents the amounts respondents entered as “total income budget” in the survey question and not the total of the dues and non-dues columns.

**Exhibit 5.1.4
FY2014 Income Budgets
by the Number of REALTOR® Members in the Association
Mega, 5,001 or More**

Budgeted Income Source	Income Sources		
	Dues	Non-Dues	Total Income Budget*
Range	\$886,900–\$4,758,500	\$130,853–\$2,800,000	\$555,010–\$3,356,285
Median	\$1,342,917	\$690,700	\$1,805,973
Average	\$1,718,011	\$922,221	\$1,870,503
Total Respondents	15	15	14

* The total income budget column represents the amounts respondents entered as “total income budget” in the survey question and not the total of the dues and non-dues columns.

Thirty six respondents added other income sources that they considered part of their annual budgets (Exhibit 5.2).

Exhibit 5.2 FY2014 Income Budgets Other Income Sources*		
Income from Other Sources		Most Common "Other Sources" of Income
Range	\$500-\$463,000	<ul style="list-style-type: none"> • Education • Keys/lockboxes • Meeting room rentals • REALTOR® Store • Investment/dividends/interest • Suspensions/fines/late charges • Sponsors • Building rentals • Fees (processing, applications, service charges) • Flyers • Homes magazine
Median	\$30,000	
Average	\$64,643	
Total Respondents	36	
*Not included in responses to other FY2104 revenue questions.		

Respondents ranked their top five gross income sources using a five-point scale in which 1 is the highest gross income source and 5 the lowest. Exhibit 5.3 shows the rankings and percentages of respondents that ranked the gross income source as number 1, 2, 3, etc. For example, 63% of 328 respondents ranked dues as their number one gross income source, 34% ranked it as number two, etc. Using this ranking methodology, dues are ranked as the number one income source overall, followed by MLS (excluding dividend earnings), education, lockbox and rent.

Exhibit 5.3 Top Five Gross Income Sources Budgeted for FY2014							
Budgeted Income Source	Respondents' Ranking of Top 5 Gross Income Sources						Total Respondents Ranking Income Source
	Ranking*	#1	#2	#3	#4	#5	
Dues	4.51	63%	34%	3%	0%	0%	328
MLS (excluding dividends)	2.56	32%	21%	3%	2%	1%	189
Education	1.74	1%	15%	25%	23%	17%	215
Lockbox	0.91	2%	6%	14%	7%	3%	104
Rent	0.87	2%	9%	12%	5%	6%	95

*On a scale of 1-5 where 5 is the largest source of income budgeted for FY2014. Total all respondents: 328

A few respondents wrote in other income sources that they consider among their top five, including:

- 15 respondents indicated fees, including installment, application, initiation, administration, reinstatement fees and penalties
- Magazine and printing income
- Trade shows, events and programs

Exhibit 5.4 shows the top five and other income sources budgeted for FY2014 as a percentage of associations' total income budgets. For example, 260 respondents indicated that their dues income represents between 5% and 100% of their total income budgets. This translates into a median of 45% and an average of 50% of their total income budgets.

Exhibit 5.4 Top 5 Gross Income Sources as Percent of Total Income Budgeted for FY2014					
Top 5 Gross Income Sources	Percent of Total Income Budgeted for FY2014				
	Ranking*	Range	Median	Average	Total Respondents Ranking Income Source
Dues	4.51	5%–100%	45%	50%	260
MLS (excluding dividends)	2.56	1%–85%	49%	45%	153
Education	1.74	1%–61%	5%	7%	169
Lockbox	0.91	1%–45%	10%	12%	88
Rent	0.87	1%–56%	8%	11%	79
Other Gross Income Sources					
Sponsorship	0.74	1%–25%	5%	6%	82
Sales of products and services	0.58	1%–24%	4%	5%	68
Interest and investments	0.40	1%–35%	2%	5%	60
Social / networking events	0.45	1%–16%	4%	5%	59
Advertising	0.35	1%–71%	5%	12%	39
Affinity/strategic relationships	0.21	1%–16%	5%	6%	23
Subsidiary associations and operations	0.16	1% – 53%	5%	15%	16
Conventions and trade shows	0.09	2%–10%	6%	9%	15

*On a scale of 1-5 where 5 is the largest source of income budgeted for FY2014. Total all respondents: 328

Exhibits 5.41 through 5.4.4 display the top five income sources as a percent of total income budgeted for FY2014 grouped by the number of REALTOR® members in the association.

Exhibit 5.4.1					
Top 5 Gross Income Sources as Percent of Total Income Budgeted for FY2014					
by the Number of REALTOR® Members in the Association					
Small, Fewer than 500					
Top 5 Gross Income Source	Ranking*	Percent of Total Income Budgeted for FY2014			
		Range	Median	Average	Total Respondents Ranking Income Source
Dues	4.38	5%–100%	40%	47%	145
MLS (excluding dividends)	2.83	1%–85%	53%	50%	91
Education	1.73	1%–34%	5%	6%	91
Lockbox	0.87	1%–40%	9%	11%	49
Rent	0.74	1%–56%	8%	14%	36

*On a scale of 1-5 where 5 is the largest source of income budgeted for FY2014. Total all respondents: 187

Exhibit 5.4.2					
Top 5 Gross Income Sources as Percent of Total Income Budgeted for FY2014					
by the Number of REALTOR® Members in the Association					
Medium, 500–2,500					
Top 5 Gross Income Source	Ranking*	Percent of Total Income Budgeted for FY2014			
		Range	Median	Average	Total Respondents Ranking Income Source
Dues	4.70	11%–92%	53%	51%	87
MLS (excluding dividends)	2.21	3%–77%	42%	38%	49
Education	1.69	1%–24%	5%	7%	58
Rent	1.10	1%–22%	7%	9%	30
Sponsorship	0.92	1%–25%	5%	6%	37

*On a scale of 1-5 where 5 is the largest source of income budgeted for FY2014. Total all respondents: 109

Exhibit 5.4.3
Top 5 Gross Income Sources as Percent of Total Income Budgeted for FY2014
by the Number of REALTOR® Members in the Association
Large, 2,501–5,000

Top 5 Gross Income Source	Ranking*	Percent of Total Income Budgeted for FY2014			
		Range	Median	Average	Total Respondents Ranking Income Source
Dues	4.53	15%-75%	34%	44%	13
MLS (excluding dividends)	2.53	7%-75%	49%	45%	7
Education	1.93	2%-18%	8%	8%	8
Lockbox	1.47	5%-16%	5%	7%	5
Sale of Products and Services	1.00	2%-6%	2%	3%	5
Sponsorship	1.00	2%-5%	3%	2%	3

*On a scale of 1-5 where 5 is the largest source of income budgeted for FY2014. Total all respondents: 15

Exhibit 5.4.4
Top 5 Gross Income Sources as Percent of Total Income Budgeted for FY2014
by the Number of REALTOR® Members in the Association
Mega, 5,001 or More

Top 5 Gross Income Source	Ranking*	Percent of Total Income Budgeted for FY2014			
		Range	Median	Average	Total Respondents Ranking Income Source
Dues	4.25	24%–85%	62%	58%	13
Education	2.19	2%–61%	5%	12%	11
MLS (excluding dividends)	1.63	4%-61%	27%	30%	5
Sale of Products and Services	1.56	1%–6%	5%	4%	6
Rent	1.19	2%–11%	5%	5%	7

*On a scale of 1-5 where 5 is the largest source of income budgeted for FY2014. Total all respondents: 16

MLS Income

Respondents indicated how they structure their MLS arrangements for earning and sharing income. Creating a committee for managing MLS services is used by 44% of the respondents. Others, 22%, have a shareholder arrangement in a regional MLS and 34% have a wholly owned, but separate corporation for MLS services (Exhibit 5.5).

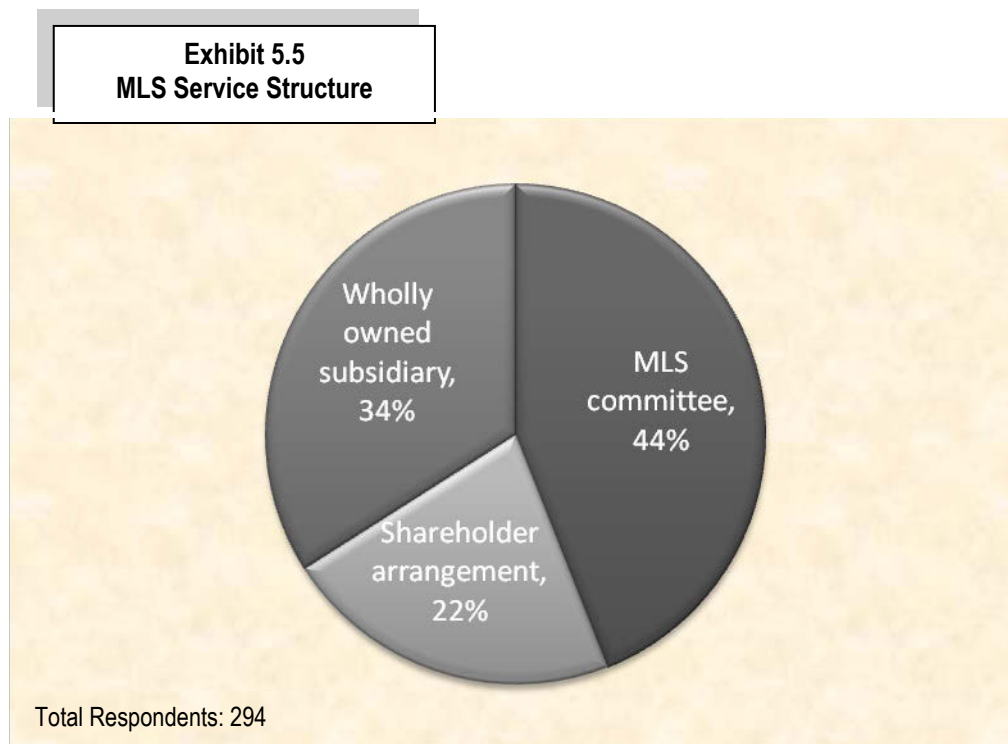


Exhibit 5.6 shows the type of MLS service structure by the number of REALTOR® members in the association.

Exhibit 5.6 MLS Service Structure by the Number of REALTOR® Members in the Association				
Type of MLS Service Structure	Number of REALTOR® Members in the Association			
	Small Fewer than 500	Medium 500-2,500	Large 2,501-5,000	Mega Over 5,000
By MLS Committee	62%	37%	50%	18%
By wholly owned, but separate subsidiary	25%	34%	50%	27%
By Shareholder arrangement in regional MLS	13%	29%	0%	55%
Total Respondents	153	73	8	11

Total all respondents: 245

Respondents share their FY2014 budgets for MLS income by the three types of MLS service structures in Exhibit 5.7.

Exhibit 5.7 FY2014 MLS Income Budgets				
MLS Structure	FY2014 MLS Income Budget			
	Range	Median	Average	Total Respondents
MLS committee	\$1,467– \$2,347,487	\$136,000	\$253,104	128
Shareholder arrangement	\$1,700– \$4,300,000	\$50,300	\$248,035	75
Wholly owned subsidiary	\$16,740– \$3,450,797	\$272,000	\$435,447	47

Total all respondents: 250

Expenses

Expense budgets for fiscal year 2014 (FY2014) are shown in Exhibit 5.8. Note that the survey asked respondents to provide three separate budget amounts:

1. Expenses excluding staff salaries and overhead
2. Expenses for staff salaries and overhead
3. Total expense budget

Some respondents provided all three, others entered one or two and a few included just their total expense budgets for FY2014. Thus, the two middle columns do not add up to the total expense budget column.

Exhibit 5.8 FY2014 Expense Budgets			
	Expenses Excluding Staff Salaries and Overhead	Expenses for Staff Salaries and Overhead	Total Expense Budget*
Range	\$2,000–\$5,000,000	\$750–\$4,400,000	\$10,750–\$8,92,226
Median	\$107,301	\$148,500	\$264,000
Average	\$270,351	\$327,881	\$611,806
Total Respondents	256	255	252

* The total expense budget column represents the amounts respondents entered as “total expense budget” in the survey question and not the total of the two middle columns.

Exhibits 5.8.1 through 5.8.4 separate respondents' expense budgets by the number of REALTOR® members in the association.

Exhibit 5.8.1 FY2014 Expense Budgets by the Number of REALTOR® Members in the Association Small, Fewer than 500			
	Expenses Excluding Staff Salaries and Overhead	Expenses for Staff Salaries and Overhead	Total Expense Budget*
Range	\$2,000–\$213,727	\$750–\$602,281	\$10,750–\$600,800
Median	\$49,513	\$71,542	\$132,312
Average	\$63,318	\$106,745	\$169,119
Total Respondents	143	143	142

* The total expense budget column represents the amounts respondents entered as “total expense budget” in the survey question and not the total of the two middle columns.

Exhibit 5.8.2 FY2014 Expense Budgets by the Number of REALTOR® Members in the Association Medium, 500-2,500			
	Expenses Excluding Staff Salaries and Overhead	Expenses for Staff Salaries and Overhead	Total Expense Budget*
Range	\$21,216–\$952,031	\$5,000–\$1,510,266	\$67,089–\$8,927,226
Median	\$225,000	\$302,272	\$619,500
Average	\$267,909	\$377,018	\$793,464
Total Respondents	84	85	83

* The total expense budget column represents the amounts respondents entered as “total expense budget” in the survey question and not the total of the two middle columns.

Exhibit 5.8.3
FY2014 Expense Budgets
by the Number of REALTOR® Members in the Association
Large, 2,501-5,000

	Expenses Excluding Staff Salaries and Overhead	Expenses for Staff Salaries and Overhead	Total Expense Budget*
Range	\$208,000–\$964,000	\$393,000–\$2,441,194	\$673,000–\$5,161,010
Median	\$725,000	\$1,151,000	\$1,920,000
Average	\$706,427	\$1,187,248	\$2,142,322
Total Respondents	12	13	12

* The total expense budget column represents the amounts respondents entered as “total expense budget” in the survey question and not the total of the two middle columns.

Exhibit 5.8.4
FY2014 Expense Budgets
by the Number of REALTOR® Members in the Association
Mega, 5,001 or More

	Expenses Excluding Staff Salaries and Overhead	Expenses for Staff Salaries and Overhead	Total Expense Budget*
Range	\$831,813–\$2,418,000	\$554,335–\$4,400,000	\$990,390–\$6,800,000
Median	\$1,017,596	\$1,057,686	\$2,172,413
Average	\$1,249,696	\$1,689,636	\$2,875,153
Total Respondents	13	12	13

* The total expense budget column represents the amounts respondents entered as “total expense budget” in the survey question and not the total of the two middle columns.

Ten respondents added other expenses that they considered part of their annual budgets but did not include in their expense budget responses (Exhibit 5.9).

Exhibit 5.9
Other Expenses Not Included in FY2014 Expense Budgets

Other Expenses		Most Common Other Expenses
Range	\$2,500–\$155,944	<ul style="list-style-type: none"> • Foundation contributions • NAR and CAR dues • Board of directors travel • Additional travel • Office expenses • Capital expenditures
Median	\$24,021	
Average	\$39,856	
Total Respondents	10	

Respondents ranked their top five FY2014 expenses using a five-point scale in which 1 is the highest expense and 5 the lowest. Exhibit 5.10 shows the rankings and percentages of respondents that ranked the expenses as number 1, 2, 3, etc. For example, 41% of 131 respondents ranked MLS as their number one expense, 7% ranked it as number two, etc. Using this ranking methodology, MLS, rent/mortgage/ related expenses, travel (staff and leadership), member services and education are listed as the top five expenses budgeted for FY2014.

Exhibit 5.10 Top Five Gross Expenses Budgeted for FY2014							
Budgeted Expense	Respondents' Ranking of Top 5 Gross Expenses						Total Respondents Ranking Expense
	Ranking*	#1	#2	#3	#4	#5	
MLS	2.32	41%	7%	5%	1%	1%	131
Rent / mortgage / related expenses	2.23	22%	13%	18%	10%	5%	160
Travel (staff and leadership)	2.03	7%	20%	19%	20%	12%	176
Member Services	1.54	12%	14%	10%	9%	7%	118
Education	1.32	3%	12%	13%	16%	16%	132

*On a scale of 1-5 where 5 is the largest expense budgeted for FY2014. Total respondents: 258

A few respondents wrote in other gross expenses that they consider among their top five, including:

- 22 respondents indicated fees staff expenses, payroll and benefits
- 6 respondents wrote in accounting and/or auditing expenses
- 3 said their Executive Staff Officers' salary and benefits
- 3 others added events
- Others included taxes, credit card charges, insurance, administration, printing, a proprietary record system, bank charges and depreciation expenses

Exhibit 5.11 shows the top five gross expenses budgeted for FY2014 as a percentage of associations' total expense budgets. For example, 95 respondents indicated that their MLS expenses represent between 4% and 75% of their total expense budgets. This translates into a median of 31% and an average of 29% of their total expense budgets.

Exhibit 5.11 Top Five Gross Expenses as Percent of Total Expense Budgeted for FY2014					
Top 5 Gross Expense	Ranking*	Percent of Total Income Budgeted for FY2014			
		Range	Median	Average	Total Respondents Ranking Expense
MLS	2.33	4%–75%	31%	29%	95
Rent, mortgage and related expenses	2.22	1%–98%	10%	14%	123
Travel (staff and leadership)	2.03	1% - 35%	7%	9%	131
Member services	1.54	2%–97%	20%	19%	85
Education	1.32	1%–40%	8%	5%	104
Other Gross Expenses					
Lockbox	1.02	1%–35%	14%	14%	49
Conventions and meetings	0.88	1%–33%	10%	11%	54
Capital expenditures (computers, furniture, office)	0.49	1%–80%	5%	10%	38
Public relations, printing and communications	0.48	2%–68%	5%	12%	43
Government affairs, contract lobbyists	0.33	2%–40%	6%	11%	25
Consultants	0.28	1%–27%	6%	7%	30
Website technology	0.24	1%–20%	5%	7%	29
Telecommunications	0.21	1%–50%	4%	7%	23

*On a scale of 1-5 where 5 is the largest expense budgeted for FY2014.

Exhibits 5.11.1 through 5.11.4 display the top five gross expenses sources as a percent of total expenses budgeted for FY2014 grouped by the number of REALTOR® members in the association.

Exhibit 5.11.1					
Top 5 Gross Expenses as Percent of Total Expense Budgeted for FY2014					
by the Number of REALTOR® Members in the Association					
Small, Fewer than 500					
Top 5 Gross Expense	Ranking*	Percent of Total FY2014 Expense Budgets			
		Range	Median	Average	Total Respondents Ranking Expense
MLS (excluding dividends)	2.78	6%–75%	25%	30%	58
Rent, mortgage and related expenses	2.32	2%–98%	10%	13%	73
Travel (staff and leadership)	2.07	1%–35%	9%	14%	69
Member services	1.29	4%–97%	12%	20%	42
Education	1.16	1%–40%	5%	8%	54

*On a scale of 1-5 where 5 is the largest expense budgeted for FY2014.

Exhibit 5.11.2					
Top 5 Gross Expenses as Percent of Total Expense Budgeted for FY2014					
by the Number of REALTOR® Members in the Association					
Medium, 500-2,500					
Top 5 Gross Expense	Ranking*	Percent of Total FY2014 Expense Budgets			
		Range	Median	Average	Total Respondents Ranking Expense
Travel (staff and leadership)	2.07	2%–20%	6%	8%	48
Rent, mortgage and related expenses	1.98	1%–80%	12%	15%	35
Member services	1.91	2%-75%	11%	16%	34
Education	1.75	1%–25%	5%	8%	42
MLS (excluding dividends)	1.72	4%–75%	23%	31%	27

*On a scale of 1-5 where 5 is the largest expense budgeted for FY2014.

Exhibit 5.11.3
Top 5 Gross Expenses as Percent of Total Expense Budgeted for FY2014
by the Number of REALTOR® Members in the Association
Large, 2,501-5,000

Top 5 Gross Expense	Ranking*	Percent of Total FY2014 Expense Budgets			
		Range	Median	Average	Total Respondents Ranking Expense
Travel (staff and leadership)	2.10	2%–11%	4%	5%	11
Rent, mortgage and related expenses	1.92	5%–30%	10%	12%	7
MLS (excluding dividends)	1.84	12%–26%	14%	18%	5
Member services	1.54	4%–75%	7%	23%	5
Lockbox	1.38	1%–30%	10%	13%	5

*On a scale of 1-5 where 5 is the largest expense budgeted for FY2014.

Exhibit 5.11.4
Top 5 Gross Expenses as Percent of Total Expense Budgeted for FY2014
by the Number of REALTOR® Members in the Association
Mega, 5,001 or More

Top 5 Gross Expense	Ranking*	Percent of Total FY2014 Expense Budgets			
		Range	Median	Average	Total Respondents Ranking Expense
Rent, mortgage and related expenses	3.00	5–60%	10%	16%	8
Member services	1.85	7%–20%	11%	12%	4
Travel (staff and leadership)	1.38	3%–4%	4%	4%	5
MLS (excluding dividends)	1.31	15%–60%	32%	35%	4
Government affairs/contract lobbyist	1.23	4%–40%	8%	15%	4

*On a scale of 1-5 where 5 is the largest expense budgeted for FY2014.

Respondents were asked to specify the percentage of their FY2014 budget for outsourcing certain jobs or functions. The median for overall responses was 5% as shown in Exhibit 5.12.

Exhibit 5.12	
Percent of FY2014 Budget Allocated for Outsourcing	
Range	1%–50%
Median	5%
Average	8%
Total Respondents	166

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