

THE BALTIMORE PLAN FOR AFFIRMATIVE MARKETING IN REAL ESTATE

FINAL REPORT

U.S. Department of Housing and Urban Development

Office of Policy Development and Research

Contract H-2348

August 1983

This report is based on documents developed by the Baltimore Plan, a cooperative venture in affirmative marketing of real estate. This Plan was supported in part by the Office of Policy Development and Research, U.S. Department of Housing and Urban Development under Contract No. H-2348. The contact for these materials is:

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The cost of these items, including postage, are:

Baltimore Plan	\$2.50
Outline of BP given to sale associates	\$0.75
"How to do it" manual	\$2.50
House Hunters Handbook	\$1.60
Manual for Steering Seminars	\$2.50

The views and conclusions contained in this report do not necessarily reflect the opinions or policies of HUD or the U.S. Government.

FOREWORD

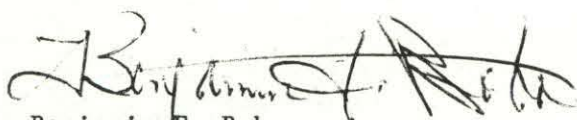
This administration has a strong commitment to voluntary affirmative marketing efforts in fair housing. The following report documents a broad ranging approach to voluntarism in the city of Baltimore.

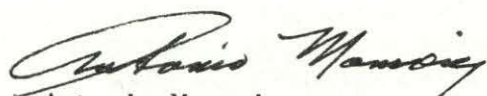
Beginning in 1976, with HUD support, the Greater Baltimore Board of Realtors, the Real Estate Brokers of Baltimore, Inc., and Baltimore Neighborhoods, Inc. (BNI), joined hands in an experiment with innovative approaches in which every step depended on the voluntary cooperation between real estate firms and local private fair housing organizations.

Not all of the strategies and projects attempted in the Baltimore Plan will be appropriate for all jurisdictions or under all conditions. The report does, however, offer other interested groups practical insights and advice in the areas of fair housing, education, outreach, advertising, monitoring, research and cooperation on projects of joint concern.

The principal lesson from this report is that the cooperation leveraged in 1976 continued to exist until January 1983, long after Federal funding had ended. The Baltimore Plan survived for years because all of the parties involved recognized the importance of working together on behalf of equal opportunity in housing.

This report is addressed to fair housing groups and Community Housing Resource Boards across the country as they search for new approaches which they can apply and support in their own communities. Each of the activities described contains the germ of an idea that may bear fruit when undertaken with the same commitment to voluntarism shown in Baltimore. We are pleased to present the report for your use.


Benjamin F. Bobo
Acting Assistant Secretary for
Policy Development and Research


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INTRODUCTION

The Secretary of Housing and Urban Development, Samuel Pierce, addressing a conference of housing and real estate industry representatives in 1982 said:

"I applaud the initiative and commitment of organizations (here) who are taking the lead in voluntary efforts to further equal housing opportunity. With you, we are working to build upon the foundation laid by enforcement to further voluntary cooperative efforts for fair housing."

The National Association of Realtors, National Association of Real Estate Brokers, and the National Association of Home Builders are principal signatories to Voluntary Affirmative Marketing Agreements with HUD. These Agreements, enacted pursuant to Section 809 of Title VIII of the Civil Rights Act of 1968, as amended, obligate the national housing industry to provide information and implement programs that will enable minority and women buyers to make a free choice of housing location without regard to race, color, religion, sex, or national origin. They also provide for the establishment of Community Housing Resource Boards to cooperate with local real estate boards to implement the agreement and the working together of real estate brokers and community leaders on specific projects.

The Baltimore Plan for Affirmative Marketing in Real Estate is an example of cooperation by a fair housing agency and the real estate industry to reduce racial discrimination in the housing market. The Baltimore Plan came into being in the fall of 1975 when Baltimore Neighborhoods, Inc. (BNI) signed a 2-year research and demonstration contract with HUD. BNI had already entered into a voluntary partnership with the area's two principal real estate groups, the Greater Baltimore Board of Realtors (GBBR) and the Real Estate Brokers of Baltimore, Inc. (Realtists) to spur affirmative marketing. Because of the preplanning and Office of Management and Budget approval required, the implementation and demonstration phase of the Plan did not start until March 1977. BNI provided the staff support for the Baltimore Plan.

The Baltimore Plan was operated in conjunction with the Voluntary Affirmative Marketing Agreement (VAMA) of the National Association of Realtors, which obligates the national housing industry to provide information and to implement programs that will enable minority and women buyers to make a free choice of housing location without regard to race, color, religion, sex, or national origin. The Baltimore Plan and VAMA operated as a single plan and in this report will be referred to simply as the Baltimore Plan.

The first step was to gain the commitment of real estate firms. Of the estimated 295 firms based in Baltimore City and Baltimore County who were members of the Central Maryland Multiple Listing Service (CMMLS), 60 did an estimated 80 percent of the CMMLS 1978 business. The decision was made to urge all firms to endorse the Baltimore Plan but to concentrate efforts on the larger firms. A considerable amount of time (6 months) was required to sign up a significant number of companies. The effort included letters, telephone calls, and personal visits.

Nearly 60 percent of CMMLS member firms endorsed the Baltimore Plan, 22 percent refused to do so, 11 percent considered endorsement, and 9 percent were not approached. In August 1979, it was estimated that firms in the Baltimore Plan accounted for slightly more than 85 percent of the dollar volume of CMMLS residential sales. Firm-by-firm volume figures are no longer available, but there is no reason to believe that Baltimore Plan endorsers did a smaller share of the dollar volume of business at its conclusion than in previous years. Most non-endorsers were quite small.

While the principal thrust of the Baltimore Plan was directed toward affirmative marketing, it also contained significant field work and research components. The Plan sought to obtain the commitment of the individual real estate brokers and sales associates in order to educate them about affirmative marketing and fair housing and to involve them in efforts to enhance integrated housing opportunities and increase black employment in the real estate industry.

The Baltimore Plan had a complicated and difficult set of tasks. With the voluntary cooperation of the real estate firms, it demonstrated a number of strategies and techniques for use by similar groups in other communities. Each step, including initial endorsement of the Plan and participation in its orientation seminars, required repeated invitations and contacts. The activities included provision of information on housing, housing finance, and real estate industry employment opportunities to minorities; use of the HUD Equal Housing Opportunity logo and slogan in newspaper real estate ads; and collection of records on housing integration.

The field work component of the Plan involved racially changing areas where allegations of steering and other real estate practices were investigated. There was also an attempt to discover whether racial change was taking place in predominantly white areas and to assess the community reaction to such change. The principal research effort was a set of six before-and-after studies on various aspects of housing discrimination and integration in the Baltimore area.

The report that follows is in two parts. Part I sets forth in detail the goals of affirmative marketing and the steps taken in Baltimore to carry them out. Both productive and unproductive experiences are described, so that fair housing groups can make informed decisions in drawing up their own plans. Fuller descriptions of the activities summarized in Part I, as well as supplementary materials and reports on research activities, are included in a volume of appendices available from Baltimore Neighborhoods, Inc.

In Part II, the lessons learned from the Baltimore Plan are generalized into recommended guidelines for other fair housing groups wishing to implement a "Baltimore Plan" of their own. A much fuller guide, Procedures for Implementing a Cooperative Program for Affirmative Marketing Between a Real Estate Board and a Private Open Housing Agency, is available from Baltimore Neighborhoods, Inc. Part II also contains an overall assessment of the Baltimore Plan based on the perceptions of participants and some special research surveys.

PART I. IMPLEMENTATION OF THE BALTIMORE PLAN

The implementation activities of the Baltimore Plan are presented here in somewhat generalized form for use in other communities. This should be considered as a guide with the realization that as any plan is put into operation, modifications will be needed along with constant review to ensure that the plan does not become unbalanced; that is, the more difficult elements of implementation must not be neglected. The Baltimore Plan implementation experiences were divided into three major categories: Activities With the Real Estate Industry, Field Work, and Research and Evaluation Activities.

ACTIVITIES WITH THE REAL ESTATE INDUSTRY

The most successful involvement of real estate brokers can be expected to occur when brokers are asked to assume specific responsibility for particular tasks. To this end, committees should be set up to carry out the plan activities. It was found that real estate people respond best to contacts initiated by other real estate people. Maximum use should be made of this fact in initiating committee activities. More committees may be created at the beginning of an implementation than will be needed in the long run, and as committees outlive their usefulness, they should be eliminated with the remainder of their incomplete activities assumed by other existing committees. Each committee should include members from all participating organizations, and it is recommended that all endorsers of the plan be asked to serve on one of the standing or special event committees. Obviously, 100-percent acceptance by brokers is not realistic, but if one-half of all brokers accept committee positions, a manageable membership for each committee can be achieved in a community having from 200 to 300 real estate firms. Committees could be established to handle the activities listed below.

CREATION OF A DATA AND RECORDKEEPING SYSTEM

The Goal

An affirmative marketing data system should be designed to provide on-going information on the real estate industry, the process of plan endorsement and, most important, on voluntary affirmative marketing goals. The objective is to focus attention on companies on the basis of volume of business, since a major portion of real estate business may be done by relatively few companies. Therefore, the most promising approach will be to concentrate major efforts on involving these companies in the full implementation of the plan.

The data or recordkeeping system should, therefore, as much as possible, contain basic information about the local real estate industry -- the number of firms (black-owned and white-owned) and sales associates, dollar volume, territory served, etc. Data on size of firms might be received from a multiple listing system or directly from the companies. However, many real estate people may consider information about dollar volume and territory to be confidential. It may still be necessary to create a rough, rule-of-thumb ranking of firms.

The Baltimore Experience

The Baltimore Plan called for a recordkeeping system to monitor the performance of sales associates in carrying out affirmative marketing objectives. Interviews with brokers during the design phase indicated that this was a most sensitive area. Most brokers have only a vague idea of how many minority prospects their companies handle per month.

Early in 1978, discussions began between representatives of the Plan and representatives of The Greater Baltimore Board of Realtors' (GBBR) Equal Opportunity Committee (responsible for the VAMA) as to the implementation of a recordkeeping system. Some time was spent modifying the VAMA's recommended "Equal Service Report Form" to make it more practical. Then discussions turned to the application of the form. Considerable skepticism was expressed by the real estate leaders as to whether a significant number of sales associates would actually use the form, whether a significant number of brokers would analyze the forms on a regular basis, and how reliable such data would be. There was also concern over the amount of work involved in getting this information from so large a number of companies.

A real estate representative suggested that the "Final Sales Report Form" filled out at the closing of a sale should be used instead of the "Equal Service Report Form." The buyer's race could be indicated on this form. While this method would not report handling of prospects, it would report the most critical factor -- making a sale to a minority household. It would avoid the introduction of a new form, relieve brokers from having to process data, and accurately measure voluntary compliance with the affirmative marketing objectives.

The idea of recording race of buyer on the "Final Sales Report Form," which was then filed with the Central Maryland Multiple Listing Service (CMMLS), was discussed and approved at a meeting with representatives of the Baltimore Plan and the Equal Opportunity Committee early in the initial implementation of the Plan. Such data could be run through the CMMLS computer and give an ongoing progress report of sales to minorities in different areas of Baltimore City and County. Its implementation was assigned to the Equal Opportunity Committee (the only aspect of the Plan to be handled in this way). After a year and a half of negotiations the plan was approved, but was implemented with little emphasis and essentially no compliance.

KEEPING THE BROKERS INFORMED

The Goal

Send an initial letter, signed by the president of the real estate group, to all endorsing firms indicating what will be asked of them in the near future. Include the orientation of sales associates, an employment survey, use of HUD's Affirmative Advertising Guidelines, and advise that follow-up calls on brokers will be made by staff. Additional letters can be sent periodically, but not too often, keeping the firms advised of progress and what additional requests will be made of them.

The Baltimore Experience

The Baltimore Plan primarily used letters keyed to specific activities and projects. Real estate brokers and sales associates regard themselves as deluged with paper and generally dislike paperwork, so getting their attention was difficult. Getting articles in the real estate board's magazine required a long lead time and a general newsletter was not felt to be a good idea. Operating in smaller communities might well permit different communication patterns to be effective.

EDUCATION AND ORIENTATION

The Goal

Central to the success of a plan is its acceptance by individual brokers and sales associates. Therefore, a series of orientation seminars should be held at the offices of the larger firms with area meetings held for smaller firms. Attendance should be recorded and those who missed should be asked to attend later seminars. There is also a need to increase the awareness of the general public about equal opportunity issues in the real estate industry.

The Baltimore Experience

The Baltimore Plan sponsored a series of education and orientation programs for brokers and sales associates of the firms that endorsed the BP/VAMA. These programs included a briefing on the Baltimore Plan, a review of fair housing laws, and instructions on how to use HUD's Voluntary Advertising Guidelines. The programs stressed the fact that the real estate industry was as much a partner in the design and implementation of the Plan as was BNI, and that this was not a program imposed on the industry but something that its leadership wanted and felt would be beneficial. (The endorsing firms accounted for 76 percent of the real estate professionals in the entire area.)

Although a series of pamphlets on open housing laws and the Plan were to be produced for brokers and sales associates to give to clients, buyers, and sellers, it was concluded that alternative means of distribution would require fewer copies and less cumbersome means of dissemination. Therefore, 13,000 copies of a pamphlet entitled Buying, Renting, Selling were printed and distributed to the black community through churches, the NAACP, the Urban League, and public libraries.

GBBR held periodic house-buying seminars that were free to the public and very well attended. The seminars covered such items as financing, the buying process, closing costs, and the responsibilities of homeownership. A related effort was the development of the House Hunters Handbook.

The Baltimore Plan Executive Committee recommended further education of sales associates -- especially newcomers -- and that GBBR should continue to conduct orientation seminars for new sales associates that include a brief session on affirmative marketing, the fair housing laws, and the Plan.

Testing in the Harbel area (an integrating area still basically white in Northeast Baltimore City) indicated a need for an extensive and sophisticated seminar which would not only cover in a very practical way the fair housing laws but, even more important, would cover the problem of steering. A 3-hour seminar program was developed and a 44-page manual for the seminar published. The manual contained the text of:

1. The 1968 Federal Fair Housing Law
2. The U.S. Department of Justice document on Fair Housing, Steering, and Racial Discrimination
3. The Civil Rights Act of 1866
4. The Maryland Fair Housing Law
5. The Maryland Real Estate Law on Fair Housing
6. HUD's Fair Housing Advertising Guidelines
7. The Realtor Guide to the Practice of Equal Opportunity in Housing
8. Civil Rights and the Real Estate Salesman.

The Real Estate Commission of Maryland granted the seminar an accreditation of 3 credits toward the 12 credits of continuing education needed every 2 years in order to maintain a real estate license. The Baltimore Plan staff conducted the seminar under the auspices of the Plan and the GBBR. The courses were open to all sales associates. Special efforts were made to gain 100-percent attendance of the sales associates of all firms participating in local homeowner/real estate councils that were established.

Initial sessions with about 100 sales associates from 2 real estate firms involved lively discussions and revealed that there was a considerable difference of opinion between Baltimore Plan staff and at least a fair number of sales associates as to what constituted steering and other forms of discriminatory treatment.

AFFIRMATIVE ADVERTISING

The Goal

Advertising plays a significant role in the process of selling houses and can also sell the idea of fair housing. It can indicate to all members of the industry, to the general public, and especially to the black community, that as far as the industry is concerned, fair housing is a reality. Therefore, one goal of the plan should be to obtain at least a 90-percent compliance (100

percent is unrealistic but 90 percent is obtainable) by real estate brokers with HUD's Equal Housing Opportunity Guidelines for Affirmative Advertising In Real Estate. All endorsing companies should be given written and illustrated instructions for implementing the guidelines. The guidelines should be discussed at the orientation meetings for brokers and sales associates to gain understanding and support from as many real estate professionals as possible.

The plan should conduct a series of monitoring studies at various times throughout the implementation process. Each study should be given to all participating companies with the encouragement to continue excellent compliance or to improve compliance, with each firm's compliance recorded individually. In between studies, a number of newspaper advertisements should be spot checked and those ads not in compliance brought to the attention of the firms involved.

The Affirmative Advertising Committee should also examine the placement of ads in minority and majority media to see whether there may be any evidence of racial steering. For example, do certain firms advertise their listings in integrated communities in minority papers but not in majority papers, or are these properties described differently? Do certain firms advertise their listings in predominantly white areas only in majority papers and not in minority papers? Results should be shared with the brokers involved to bring about corrections as needed.

The Baltimore Experience

The Baltimore Plan Affirmative Advertising Committee conducted six major studies to determine the amount of compliance with HUD's advertising guidelines. The first study conducted in 1977 showed nearly 80 percent of ads placed by CMMLS firms in Baltimore City and County made no mention of Equal Housing Opportunity. The results of the November 1978 study were mailed out in 1979 with a strong letter from the Advertising Committee expressing great disappointment over the signers' 52-percent usage rate during the 18-month demonstration period -- the committee's goal was 90 percent.

Following the fourth study, based on ads in July 1979, letters urging greater compliance with HUD's Advertising Guidelines were sent to 178 endorsers followed by telephone calls. Of the 157 reached, 50 percent responded positively in the sense of expressing commitment to comply, 34 percent responded negatively, and 16 percent were noncommittal. The additional cost of the advertising was the reason most often given for lack of compliance.

A comparison of the fifth and sixth studies indicated a decline in some usage (from 54 percent to 48 percent) and an increase in correct usage (from 59 percent to 68 percent). Both categories were below the high point of March 1978 (second study) when the Baltimore Plan was getting underway. Table 1 provides general usage statistics and Table 2 indicates correct as compared with incorrect usage information for the six studies.

To help assure the black community that all real estate professionals seek to serve them, the Baltimore Plan Advertising Committee designed a method to assist signers to advertise their firm names and telephone numbers in the Baltimore

Afro American. At that time (September 1980) the signers (209 CMMLS and 53 non-CMMLS) were asked to contribute from \$10 to \$100, depending on the company's business volume, to cover the \$180 cost of each ad containing the names of 18 companies and their telephone numbers. Ten dollars allowed the company to be in one ad -- \$100 got them in 10 ads. In response to letters and staff telephone calls, 16 (32 percent) of the top CMMLS firms sent ad money as did 44 (28 percent) of the 159 smaller CMMLS firms and 2 of the 53 non-CMMLS firms. In response to the total money received (\$1,820), the ads were revised to contain 9 firms and their telephone numbers instead of 18, thus allowing more ads to be published over a longer period of time. Three ads with 18 companies each were published in 1980 and 14 ads with 9 companies each were published in 1981.

Early in the demonstration period the Advertising Committee met with the Sunpapers and the News American and got the papers to use the "Publishers' Notice" as is called for in the HUD guidelines.

The advertising studies showed the value of an ongoing educational and monitoring campaign to encourage use of HUD's Advertising Guidelines (a study per year sent to the companies and some spot-check monitoring). However it appeared that a strenuous effort was needed to reach the goal of 90 percent correct usage, and members of the industry complained about the additional cost involved, especially at a time of economic difficulty.

TABLE I

Summary of Results as to Some Usage of HUD Advertising Guidelines versus No Usage by Firms Endorsing the BP/VAMA

HUD Advertising Guidelines Used	Study 1 April 77		Study 2 March 78		Study 3 Nov. 78		Study 4 July 79		Study 5 Aug. 80		Study 6 Aug. 81	
Some Usage	212	22%	107	46%	285	52%	287	43%	295	54%	124	48%
No Usage	760	78%	124	54%	266	48%	379	57%	255	46%	137	52%
<u>Total Ads</u>	972	100%	231	100%	551	100%	666	100%	550	100%	261	100%

TABLE II

Summary of Correct Usage as a Percentage of Total Usage by Firms Endorsing the BP/VAMA

HUD Advertising Guidelines Used	Study 1 April 77		Study 2 March 78		Study 3 Nov. 78		Study 4 July 79		Study 5 Aug. 80		Study 6 Aug. 81	
Correct Usage	55	26%	80	75%	201	71%	176	61%	174	59%	85	68%
Incorrect Usage	157	74%	27	25%	84	29%	111	39%	121	41%	39	32%
<u>Total Ads</u>	212	100%	107	100%	285	100%	287	100%	295	100%	124	100%

Legend -- Correct: Properly used HUD's EHO Logo and/or Slogan
 Incorrect: Some use of HUD's EHO Logo and/or Slogan but not in accordance with Guidelines
 No Usage: No mention of "Equal Housing Opportunity" in ads

REVIEWING THE MULTIPLE LISTING SERVICE

The Goal

A well-functioning multiple listing service could be a major tool in assuring open housing. The details of its operation should be examined to see if any improvements to support open housing can be made and to find ways to increase knowledge of the system in the black community. Black real estate companies should be encouraged to become members of the system and this fact promoted in the black community. For monitoring racial change in home-buying patterns, the multiple listing service should be asked to require that sales associates note the race of the buyer on the Final Sales Report Form. A study of the extent to which the multiple listing service covers the entire housing market should also be done. The potential for discrimination can be greater for houses not made widely available through this vehicle.

The Baltimore Experience

Leaders in the Baltimore real estate industry claimed that CMMLS was one of the most comprehensive multiple listing services in the country. (CMMLS is a wholly owned subsidiary corporation of the Greater Baltimore Board of Realtors. It has its own board of directors and its own separate staff.) At the beginning of the Baltimore Plan, these leaders estimated that 95 percent of the residential sales in Baltimore City and County were handled by CMMLS. There had been no complaints that black brokers had been kept out of CMMLS. Most were members.

A first project concerning CMMLS was to confirm its significance. When an assessment of the extent to which CMMLS covered total residential sales was made, it was found that only 30.1 percent of all residential transactions recorded by Lusk Reports (a private service that records property transfers) in Baltimore City and 48.3 percent in Baltimore County were found in CMMLS sales reports. It was concluded that while CMMLS was the single most significant method of selling homes, there were a significant number of real estate transactions going on outside the sphere of operations.

The Multiple Listing Service Committee of the Baltimore Plan submitted seven suggestions to CMMLS through the Plan's Executive Committee in February 1978. They were designed to increase affirmative marketing in real estate. CMMLS responded by accepting three suggestions, which were advisory and modest in their consequences, deferring one, and rejecting three which involved information on fees, representation of Realtists on the CMMLS, and the relative roles of listing and selling agents. Since then the Executive Committee has attempted unsuccessfully to persuade CMMLS to reverse its negative decisions.

MORTGAGE FINANCING

The Goal

Nondiscriminatory mortgage financing is an important element in the creation of an open housing market. It is important to ensure that there are no conscious or subconscious processes that discriminate against blacks or other minorities.

Moreover, ways should be found to improve the use of various kinds of Federal and State mortgage programs since minorities are likely to be less fortunate financially. Since lack of knowledge in processing government loan applications constitutes an impediment to their use, workshops should be held offering instructions on how to process these loan applications.

The Baltimore Experience

A goal of the Baltimore Plan was to make sure that sales associates and the public were made aware of the various governmental programs for financing the purchase of a home. It was assumed that wider use of these programs would increase homeownership opportunities for minorities. Two brochures were prepared that described FHA, VA, and Maryland State housing programs. The first brochure was considered too complex for the general public and insufficiently detailed for sales associates. Therefore a second, simpler brochure directed to the public was drafted and printed in July 1978, then updated in June 1979. The contents were included in the House Hunters Handbook and were distributed among minority organizations. Rather than expanding the original brochure for sales associates, the Executive Committee suggested getting a 1981 update of a booklet on government financing programs being published under the title "Guide to Residential Financing" by Claude Mascari, published by the Rouse Co. Brokers were surveyed regarding their experiences with various kinds of Government-sponsored mortgage lending programs, especially FHA. In consultation with others who have worked on this problem in an effort to remove obstacles, the Plan developed recommendations for making these programs more widely used by minority buyers and presented these recommendations to HUD and to appropriate Congressional sources for implementation.

The Homeownership Finance Committee directed most of its efforts toward getting Congressional action on the recommendations of its study of Government-sponsored mortgage lending programs. Several meetings were held with the staff of HUD's Office of Single Family Housing and of Maryland Senator Mathias' office. After these consultations, the committee revised its recommendations and strategy to propose national pilot programs for the most important of its recommendations. In 1981, HUD issued proposed regulations setting up a national negotiated interest rate pilot program. Since this pilot contained the committee's most important recommendation -- a dual interest rate for FHA -- the committee hoped that the pilot would be implemented. It submitted a comment offering suggestions it believed would make the program more effective.

In an effort to make minority buyers (and all buyers) aware of the best possible financing terms, the Homeownership Finance Committee devised a scheme that culminated in a weekly information sheet. This sheet contained the currently most favorable interest rates, down payments, points, etc. It was prepared by calling 40 to 50 lenders each week. Only the most favorable terms were included on the sheet, which was distributed by CMMLS to all its members. This service began September 5, 1978, and continued through May 11, 1979. Many favorable comments had been received. A phone survey of nine black agents and brokers revealed universal approval, with varying degrees of enthusiasm. After 6 months, the committee did a cost estimate and discovered it was costing over \$3,100 a year. The committee decided to offer the service on a paid subscription basis to cover the cost. Three efforts were made through CMMLS and one mailing to brokers, but insufficient subscription orders were received. The service was then discontinued.

EMPLOYMENT

The Goal

An affirmative, equal opportunity recruitment and employment program for the real estate industry and for individual companies needs to be encouraged. A survey should be made of realty and brokerage firms to determine the extent of "other-race" employment of salaried personnel and the use of other-race sales associates. The survey should also seek to obtain the views of real estate firms as to what is involved in obtaining sales associates of other races. The survey is likely to reveal that very little integration exists in the industry, that most companies are making very little effort to recruit other-race personnel, that the companies are dubious as to how to undertake such recruitment, and they are uncertain as to how successful other-race personnel would be in their firms.

A series of seminars for brokers should be set up to discuss the results of the survey, to stress the need for increased integration, and to develop techniques to achieve integration. The seminars should emphasize that the ultimate responsibility for integration of a firm lies with the managers who, given the will, can find a way to make reasonable progress.

"Career Opportunities Seminars" can be held to interest minority group members in embarking on a career in real estate. One approach is to set up a minority employment in real estate program. This requires a high level of commitment from the industry and a well-thought-out, concentrated program of recruitment, selection, and sponsorship.

An advisory committee composed of prominent black and white brokers and fair housing people should be established. A program should be designed that will include the following:

- o A goal of recruiting minority persons into the real estate industry.
- o Widespread publicity.
- o Orientation sessions on what it means to be a real estate sales associate.
- o Screening by panels of real estate and open housing people to select the best candidates.
- o Loan funds to cover the cost of instruction, license fees, and trade association fees. Such loan programs could exist in a format similar to that of the student loan, whereby the loan is paid back but no interest is charged.
- o A support and follow-through process providing extra discussion sessions (in addition to the real estate course) on the more difficult aspects of the real estate examination. The process continues until the candidates are established as sales associates.
- o The signing up of firms that support the program, that are willing to interview candidates, and that will make every effort to contract with the candidates. Firm profiles should be provided to enable the candidates to select companies with which they would like to interview.

The Baltimore Experience

From eight seminars conducted for brokers, it seemed clear to the Employment Committee of the Baltimore Plan that most brokers felt that integration in employment, especially of sales associates, would be most difficult to achieve. In summary, the position of many brokers was that:

1. Most whites were reluctant to deal with blacks either in looking for a house or in giving them a listing. (Some companies sent a white along with the black to get the listing when the black made the initial contact.)

2. Floor time did not produce enough contacts for anyone to make a living. Sales associates must make their own contacts primarily in the area they live in. Many firms were based in predominantly white areas. They claimed they get their sales associates from these areas.

3. If a firm took on black sales associates, it cannot favor them over white sales associates. If the blacks were not successful, they may feel it was due to discrimination.

4. Integration of the industry threatened the survival of black real estate companies since black sales associates working for white firms depended primarily upon black clientele. At the same time, it was doubtful that white customers would patronize black firms.

Few brokers had any new ideas, and there was little response to some of the general ideas offered by the committee as discussion starters. The Employment Committee therefore decided to sponsor a workshop entitled "Integration in the Real Estate Industry." The committee chose three brokers from successfully integrated firms to serve as resource people. Two hundred invitations were sent out at random. The workshop was attended by representatives of 20 firms, 5 of which had not attended the previous employment seminars. The integration seminar was interesting but produced little in the way of tangible ideas or facts. The integrated firms stated that they had achieved integration without significant problems and that their black sales associates were doing "all right." The only way they knew to integrate was to simply do it. They felt that some firms, either because of size or location, would be in a better position to integrate their employees than others.

The seminar might have benefited from a trial run to ensure that the panelists were prepared to be candid about the issues involved. Also, using sales associates rather than brokers might have brought other perspectives to bear.

The Employment Committee had the strong feeling that the basic responsibility for integration was that of each individual firm and that the responsibility for achieving integration in the industry should not be placed upon the committee. So at the end of the seminar program, all real estate firms were sent a letter outlining the results of the employment survey. It stated:

We feel that the lack of significant integration in real estate firms could lead the public and the Federal Government to believe that there is widespread discrimination in employment in the real

estate industry in this area.... The Employment Committee can and will try to help where possible, but we feel strongly that the solution lies in the individual initiative of each broker and real estate firm.

At that moment the committee was not sure what to do next. It was sure of one thing, however -- employment and contracting are the basic responsibility of each real estate firm and "where there is a will, there is a way." The committee saw its role as that of pressuring and sensitizing the industry to do better. It wanted to make it very plain that the committee in no way would let the industry off the hook -- that integration was still the industry's responsibility.

The Baltimore Plan sponsored a seminar, "Career Opportunities in Real Estate," at Morgan State University in February 1978. Representatives of the real estate industry were panelists (white from white firm, black from white firm, black from black firm, and white from black firm) and keynote speakers. Five thousand flyers and 250 posters were distributed in the black community beforehand, and the seminar was advertised on radio and television and in the Baltimore newspapers. Despite a great deal of effort made to get a good attendance at the careers seminar, only 64 people attended, a fair number of whom had only a passing interest in real estate (based on conversations during the conference with attendees). This poor turnout reinforced the Employment Committee's stand on the responsibility of real estate firms to seek out other-race associates.

In view of the modest results achieved by the preceding programs, a need for a concentrated program to promote integration in real estate became clear. The staff investigated a program to stimulate minority real estate employment funded by the Ford Foundation in Washington, D.C. The BP and the Regional Planning Council (RPC) proposed a similar program in the Baltimore area. A partnership between RPC and the Baltimore Plan was formed in July 1979 that established the Minority Employment in Real Estate Program. The program goal was to recruit and assist 40 to 50 minority people to become sales associates (preferably with non-integrated white firms). In August 1979, program staff conducted a mass media advertising campaign throughout the region (Baltimore City, Baltimore County, Anne Arundel, Howard, Harford, and Carroll counties) to recruit program applicants. A total of 308 preliminary applications were received, mostly from Baltimore City. In October, a series of information seminars was conducted to give the initial applicants basic knowledge of the real estate industry and aid them in deciding if real estate interested them as a career. These were attended by 158 persons, and 128 final applications were submitted. In November, the final selection of 45 program participants began. Ninety-five persons were interviewed by panels consisting of three real estate brokers and one BNI or RPC person each.

Those selected were enrolled in a basic real estate course at Morgan State University. The 45 class hours required by State law were completed in mid-February by 38 students. Participating real estate firms agreed to interview one or more of the graduates for possible employment. Later the firms were asked to complete company profile forms. These were compiled into a manual, "Real Estate Profile Information," given to the graduates to assist them in selecting a firm with which to affiliate. Of the 38 students who remained in the first round of the program, 32 failed the State real estate examination as many as 6 times (despite tutoring sessions) and thus were terminated from the

program. The main problem that participants seemed to have was that most had been out of school for some years, were rusty in math, and had problems with the alleged ambiguity of the examination questions. Many real estate people believed the real estate exam was an obstacle course to keep the number of licensees at a low level rather than a practical test of what made a successful real estate associate. Concern about the current professional involvement of the instructor was corrected in the subsequent two rounds by locating the seminars at the University of Maryland. The six students who passed the real estate exam were affiliated with white real estate firms in the Baltimore metropolitan area.

An additional 2 rounds were carried out in October 1980 and June 1981 with 91 persons selected using the same process as in the first round. Each person then attended a 45-hour basic real estate course taught by the University of Maryland. A greater emphasis was placed on the quality of instruction, and very rigid attendance was required. To ensure a higher degree of quality, project staff attended each class session, provided more supervision, and offered many more opportunities for tutoring sessions taught by real estate practitioners. The greater emphasis on quality produced a near record-perfect class attendance. The university provided a special all-day session to help the students pass the State licensing examination.

Of the 91 persons selected from rounds 2 and 3, 6 withdrew during the real estate course, 14 failed the course, and 24 failed the State examination as many as 3 times and were terminated from the program. Of the remaining 47, 18 were affiliated with real estate firms, 13 passed the State examination and were in process of becoming affiliated, and 16 were attempting to pass the State exam. So far, 24 minority persons were affiliated -- 16 with 11 white firms and 8 with 3 black firms.

Early in the program's implementation, a questionnaire was designed for completion by students already enrolled in real estate courses at area colleges and universities. The questionnaire gave the Baltimore Plan a better understanding of the career plans of these students. From April to June 1981, 94 completed questionnaires were received from 3 area colleges that teach the 45-hour basic real estate course. The study showed that most respondents were between the ages of 18 and 35, enrollment was nearly equal between men and women, blacks constituted 56 percent of total enrollment, and 80 percent of the students intended to become licensed within 1 year. While most wanted to become licensed, 80 percent of the students had very little knowledge of the real estate industry nor had they spoken to anyone about it.

A draft of a recommended Equal Opportunity Hiring policy for GBBR and CMMLS was proposed by the Baltimore Plan in October 1978 and adopted by both groups in February-March 1979. The Baltimore Plan Employment Committee reviewed the progress made after the equal opportunity policies were adopted.

PUBLIC RELATIONS

The Goal

A number of activities are important to promote public awareness of equal housing opportunities. These may include:

- o Seeking as much free time on television and radio as possible to make goals of the plan known to the public -- especially the black community.
- o Designing television and radio spots to support open housing and to make the multiple listing service, House Hunters Handbook, and home-buying seminars well known to the black community.
- o Using as much newspaper publicity as possible.

It is important in all these activities to keep the real estate industry well informed as to what is planned.

The Baltimore Experience

Even though the major thrust of the Baltimore Plan was directed toward the real estate industry, preliminary efforts were undertaken to increase the black community's awareness of housing opportunities and to encourage blacks to seek housing in the entire market, not just in "safe" and receptive integrated or black neighborhoods.

Two television spots were produced and shown as public service messages from September 1978 through January 1979. The station used pictures, scripts, and personnel provided by the Baltimore Plan. Months of effort were spent preparing these messages, yet the actual use of the spots was relatively limited. It was concluded, therefore, that seeking further pro bono spots was worth only a limited effort in the future. The Baltimore Plan's primary effort was to influence change in the industry, not in the public. An emphasis on implementing HUD's Voluntary Advertising Guidelines was felt to be more effective over the long run, for both the real estate industry and the public.

While the Baltimore Plan Education Committee was asked to consider ways of increasing communication with the black community that were within the current resources of the Plan, the effort needed to have an effective communication program to the black community should not be underestimated. The Baltimore Plan contacted over 130 significant black groups in the hope of having the members of the groups informed about the activities of the Plan. Almost all the groups indicated that it was not their policy to invite outside speakers. A few indicated that they would accept a speaker but had difficulty in actually scheduling the speaker. BNI distributed 6,000 flyers door to door in black middle-class neighborhoods asking people if they or their friends had faced housing discrimination and if they would be interested in helping test for discrimination. If the second answer was "yes," they were to contact BNI. A random telephone survey to 60 people was made 2 weeks later using a criss-cross telephone directory. Of those contacted, 75 percent indicated they remembered the flyer. The response to the flyers was negligible, yet BNI testing indicated that a substantial amount of racial discrimination still existed both in apartment house rentals and in real estate sales.

In addition, in the first year of the demonstration, Baltimore Plan field staff prepared 20 profiles of nonminority areas to be distributed in a handbook. The profiles were expanded to cover all sections of Baltimore City/County with the idea of making the House Hunters Handbook available to all. Special emphasis was given to its distribution in the black community. The House Hunters Handbook was reviewed by 15 readers in the real estate industry, approved by the Baltimore Plan Executive Committee, and published in March 1979. Publicity efforts began. Letters were sent to black organizations to introduce the handbook and to request the opportunity to speak to the groups on open housing. The handbook was sent out and follow-up calls were made. In July and August 1979, six groups were addressed having a total estimated audience of 2,100. Survey forms were distributed to get black perceptions of many neighborhoods as appealing places in which to buy homes. WBFF-TV broadcast public service radio spots.

INCREASING THE OUTREACH OF BLACK REAL ESTATE FIRMS

The Goal

This effort seeks to increase the extent to which black real estate firms list and show houses in nonminority areas. Since real estate sales associates are sometimes reluctant to show houses in unfamiliar areas, a cooperative working relationship involving fair housing sympathizers in these neighborhoods and volunteer sales associates could be established to familiarize black firms with these communities. Interviews with as many black brokers as possible should be conducted to measure the extent to which these firms operate in predominantly white neighborhoods and where they are located. A follow-up procedure should be included to find out the results and to deal with any problems. While not done in the Baltimore Plan, that experience suggests the value of this approach. Working cooperatively with black brokers, a program can be set up to carry out this activity.

The Baltimore Experience

The BP staff studied the potential of the black-owned real estate firms, i.e., their share of the market, where they operated, and number of sales associates. Thirty black real estate brokers were interviewed; the principal findings were that black firms operated in one or two integrating areas at most, had roughly 4% of the total business, and were small or very small firms with one exception. One item of discussion in the BP Executive Committee was the possibility of broadening the territories of black firms by providing their sales associates greater familiarity with other areas. One major white broker offered informally to provide such assistance, but the proposal was not enthusiastically received or followed up on, so the project was dropped from further consideration.

FIELD WORK AND RESEARCH

The Goal

The field work and research had two goals. The first was to discover what was happening in integrating areas versus nonintegrating areas and why. The

second was to find out if certain negative real estate practices (by commission or omission) were occurring and then to make basic changes to correct them in cooperation with real estate firms.

Field staff may then be involved in two somewhat different kinds of activities:

- o working in racially changing areas to research or investigate allegations of steering and other real estate practices
- o working in predominantly white areas to discover whether any racial change is taking place and assessing community reactions to such change should it occur.

In an integrating area, community leaders are usually disturbed by what they perceive the real estate industry to be doing (e.g., soliciting the area with a thought to selling to blacks only, steering whites away from the area and blacks to it). Real estate people in turn feel that they are being hindered in carrying out their legitimate activities and that they are the victims of white reluctance to buy in an integrated area and of the fear and prejudice of the whites already there. Therefore, both community people and real estate people have reason to communicate and work together.

The Baltimore Experience

In the first year of the demonstration period, Baltimore City/County was divided into six areas. Field work staff became familiar with their areas by developing material for area profiles, later compiled in a House Hunters Handbook, and by talking to key brokers and community leaders to find out what was happening in regard to racial integration. Some 56 brokers and 62 clergy and community leaders were interviewed. For the most part, it appeared that racial integration was occurring mainly in two areas, (the Liberty Road corridor with some along the Bel Air corridor). One difficulty in achieving widespread integration is that the great bulk of the black population is in west Baltimore adjacent to the Liberty Road corridor. Liberty Road is a large area of newer, detached, and attractive housing in a good price range, located in pleasant communities; it is most convenient to the amenities of the black community of Baltimore City and was the first area opened to blacks in Baltimore County. Thus the Liberty Road area has great attraction for black families as opposed to the white areas of the city and county.

WORKING IN INTEGRATING AREAS

The Goal

In racially changing areas, coalitions of brokers and community leaders can be set up to deal with real estate problems having racial implications and to work to enhance the positive image of the areas.

- o Codes of agreed-upon acceptable and unacceptable real estate practices could be established and complaints heard and resolved by voluntary, cooperative conciliation.

- o A survey of the extent of real estate solicitation/prospecting practices may be done for all zip code or census tract areas to determine the extent and kind of such practices in areas with substantial integration and in those that are predominantly white. The purpose of the survey is to determine whether integrating areas are being excessively solicited or prospected.

It is generally agreed that communities that successfully maintain stable integration are ones in which a strong community organization has worked, not only to curb disturbing real estate practices, but also to develop public and industry awareness as to the positive features of the area. To this end, community leaders and real estate professionals should undertake a number of activities. Some of these are to develop:

- o workshops to educate sales associates about how to stress the positive features of the area
- o a brochure about the area made widely available to real estate firms
- o meetings between residents and real estate persons to discuss mutual concerns and plan projects
- o an office center containing information about the community to which real estate agents can bring their buyer clients
- o special events of cultural or social interest
- o articles in the general media and in local newspapers
- o a traveling slide show and tape presentation
- o art contests for school children and the general public for graphic material about the community.

The Baltimore Experience

The most prominent integrating area in Baltimore County is the Liberty Road corridor which extends from Baltimore City to Howard County. Efforts to improve relations between residents and real estate people began in November 1977. Three kinds of problems had to be faced in accomplishing this goal:

1. Long-standing resident distrust of the real estate industry, which is seen by many active community leaders as guilty of steering and other discriminatory practices. Real estate persons, for their part, feel that many residents are racist and "paranoid." They appear to blame the industry for all racial housing problems and they are unwilling to do anything but complain.

2. Rivalries between the two umbrella community organizations which, together with the large area and population and rapid commercial and residential expansion, have impeded concerted efforts to deal with the problem of maintaining a stable, integrated area.

3. The belief of some members of the Executive Committee that a coalition of white homeowners and well-established white real estate firms would hinder the operations of black real estate firms in the area and keep out blacks.

Improving relations between the community and the real estate industry in the Liberty Road area involved extensive field work. It began with getting the leadership of the area's community associations together with realtors to form the Greater Liberty Road Homeownership/Real Estate Council. The Council consisted of five brokers and five community leaders who sought to further community-realtor relationships, handle complaints, and communicate positive information about Liberty Road. Its first major activity was development and acceptance of a Code of Acceptable and Unacceptable Real Estate Solicitation/Prospecting Practice. Despite a later conflict with some community association leadership, the Council was reorganized to include alternative community associations and continued its work.

The Baltimore Plan systematically studied portions of Baltimore City and Baltimore County. The areas were selected based on zip codes (CMMLS maintains sales data by zip code), territories of community organizations, and by natural boundaries. Research consisted chiefly of (1) identification of sales during a 6-month period, checking the race of about 95 percent of the buyers, and (2) real estate testing. The Baltimore Plan then worked with the most active area realtors to promote affirmative marketing.

The BP staff studied Harbel and Liberty Road, two large integrating areas in the city and county, respectively. The intent was to go to other areas of the city and county - even all white areas - checking real estate transactions.

WORKING IN NONINTEGRATING AREAS

The Goal

Open housing can be achieved only if black and white families are willing to move to nonminority areas (not necessarily to create open housing or integration but because they find the housing and the areas themselves attractive). Families will move to those areas as they become aware of them, possibly through a house hunters handbook and a public relations programs associated with it. They also should receive assurances from the real estate community of equality of treatment and assurance in various ways that these communities will not be hostile to integration. For example, friendship committees could be established in white areas composed of people knowledgeable about their area and willing to "tour" black families. A homeowners real estate council could also be developed for each area.

A house hunters handbook should be developed that will be of benefit to all homeseekers but especially to minority homeseekers. The handbook should contain general information on various residential areas, charts on recent sale prices of homes in the area, information on what to look for when purchasing a home, information on home financing, etc. The housing prices in the handbook should be updated twice a year.

An outreach program, using the handbook, should be directed to the minority community. The handbook should get as much general publicity as possible, and pro bono time should be sought on radio and television stations oriented to the black community. Opportunities should be sought to have plan people speak briefly in black and white churches and before civic groups urging people to consider the full housing market when considering the purchase of a home. It should be emphasized that the handbook and multiple listing service are excellent tools in homeseeking, given that the real estate industry indicates it will give equal treatment to all clients.

The Baltimore Experience

Large areas of Baltimore City/County are all or nearly all white, and others are all or nearly all black. What to do about this situation was the most difficult challenge the Baltimore Plan faced.

Staff studied black owned real estate business and found that 29 black-owned firms did an estimated 5 percent of the 1978 CMMLS business of Baltimore City/County. Hardly any of their business was done in all-white areas. On the whole, the black firms did not report any significant problems in dealing with white firms. The past president of the Realtists has stated that the Realtists get about one-third of the black business. It was proposed that white-owned firms working in predominantly all-white areas be encouraged to advertise listings in the local black paper. In addition, blacks were encouraged to make full use of the housing market when seeking housing via the distribution of the House Hunters Handbook and the program accompanying it.

RESEARCH AND EVALUATION ACTIVITIES

The Goal

Three research efforts appear to be important:

1. before-and-after research,
2. descriptive studies of the real estate market, and
3. interviews in predominantly white areas.

1. Before-and-after Research

The effectiveness of an affirmative marketing plan should be assessed by investigating certain conditions a plan could be expected to change -- before and after. Ideally, the same measurements should be made in a community not having an affirmative marketing plan. This control community should be the same as the plan community in all important respects. Such an experimental design will no doubt be extremely difficult to achieve. The question arises, Is it possible really to evaluate the effectiveness of the Plan without a "control" community, and if not, is there any value to before-and-after research? The answer to the first part of the question, logically, is "no." The answer to the second part, however, is a qualified "yes." It will be useful to know what changes have occurred during the plan period and whether they are in a direction consistent with the established goals.

Since contracting with research professionals is expensive, efforts should be made to engage university or college students who could receive academic credit and work under professional supervision. It is also a good idea to use trained volunteers to collect some data. Before-and-after information helps evaluate oft-heard allegations about how "the real estate industry" or "the black community" or other identifiable segments of the community are changing or not changing. Research can provide valuable clues about the development of plan programs, such as:

- o Changes in attitudes of real estate sales associates toward aspects of open housing (their perceptions of blacks' willingness to buy in nonminority neighborhoods and whites' receptiveness to black buyers, whether stable integrated neighborhoods are increasing, whether they think whites understand open housing laws, their contact with other-race clients, etc.)
- o The black homebuying community could be surveyed on their before-and-after perceptions of nontraditional areas as being acceptable places in which to buy, their beliefs about the extent of steering, their reasons for choosing a home and what kind of neighborhood they would like, their opinion of the extent of conformity to open housing laws, and the understanding of these by the public.
- o Recent black and white buyers in racially mixed areas could be interviewed about their reasons for buying their present home and for the kinds of real estate contacts they had had.

2. Descriptive Studies Of The Real Estate Market

These studies should be directed toward a more complete understanding of the housing situation in a particular area and should be dictated by local needs and the amount of available information. Some examples are:

- o the extent to which the multiple listing system covers house sales;
- o the appreciation in value of houses in integrating areas compared to that in predominantly white areas; and
- o the extent that soliciting/prospecting practices by real estate firms are concentrated in integrating areas.

3. Interviews In Predominantly White Areas

To assist in outreach to potential black buyers, it will be useful to have information about the experiences of blacks who have bought or are renting in predominantly white areas. Using various sources (such as the local Board of Education and open housing organizations), these persons should be identified and interviewed. Their experiences, positive and negative, should be summarized and communicated to the black community.

The Baltimore Experience

In addition to before and after research done by an outside professional research firm, two special studies were directed to the issues mentioned above by the Baltimore Plan and its staff. One focused on interviewing community leaders and realtors and the other tried to locate blacks already living in nonminority areas. For the first study, field staff interviewed some community leaders, clergy, and real estate people to gain their perspectives on open housing in their areas and to solicit their ideas for overcoming any perceived obstacles. The interviews were later extended to leaders and realtors in the all-white areas to see if any significant integration was known to be going on in the areas and to measure receptivity to integration, at least in the minds of community leaders and realtors. The consensus was that more blacks were renting than buying in nonminority areas, and few realtors saw any obstacles to blacks buying in these areas except for the blacks' own fear of rejection or dislike of being "the first." While residents and clergy also minimized white hostility (most of them said it would be covert), a few residents were very clear that they anticipated considerable hostility by at least some whites should blacks move into their neighborhoods.

The second study attempted to find out if there was a significant number of black "pioneers," unknown to either the white or black communities, who bought homes in nearly all-white areas. If this were so and their experience in living there was a good one, this might be publicized as an encouragement to further integration. Early in 1978, the Baltimore Plan received names of black children attending schools in Baltimore County where minority enrollment was less than 4 percent. An initial list representing 227 households was obtained. Of these households it was determined that 106 resided in apartment units, 69 lived in black "pocket ghettos," 38 were not verified, and 6 lived in institutions or in Baltimore City, leaving a known number of 8 homeowner households to interview. Their experiences in the community were generally favorable, but the number seemed to be too small to have much impact. An attempt was made later to interview some of the apartment dwellers to see if their experiences in the nonminority areas were satisfactory and to see if they would be interested in homeownership in the area.

PART II. LESSONS LEARNED

As the experiences described in Part I show, success did not come surely or easily in Baltimore's effort to stimulate voluntary compliance with affirmative marketing principles. The following is an attempt to draw out of the Baltimore Plan's experiences and research some general conclusions and guidelines that may be helpful to fair housing groups and real estate boards in other communities that wish to initiate similar efforts.

Some of the things tried in Baltimore worked; some did not. Whatever the case, the lessons learned can be passed on to other groups in other places which may be able to apply them successfully to their own situations. The lessons learned have been put in the form of specific recommendations to other groups just starting out. They are suggestions only. Each fair housing group in each community should assess its own situation, select those guidelines that apply, and modify those that do not.

GENERAL PRINCIPLES

1. Gain an understanding of the motivations and styles of operation of the groups to be involved in the plan. Three different kinds of groups may be involved -- the real estate industry, fair housing groups, and the general community. Each has its set of needs and its own set of problems. Understanding and facing these differences from the outset will bring about a more fruitful cooperative venture.
2. Choose people to serve on the key committees who are deeply committed to the Plan. Often the people most likely to serve are those who are already heavily committed to their professions or involved in realtor organizations or other community activities. These activities in themselves make the people obvious candidates to help implement the plan, but they should understand and be willing to devote the time necessary for success.
3. Involve as many brokers and sales associates from the jurisdiction as possible in the various activities of the program. Not only will the real estate community have more input, but it will also have a greater commitment to the program.
4. Establish a mechanism to facilitate communication and participation from all parties. This mechanism should make it possible to implement activities as well as clear the most critical issues with the presidents and boards of the sponsoring organizations.
5. Be creative in finding ways to communicate with individuals and groups. Do not rely on the mail as the sole means of communication to brokers. Follow up on the telephone. You may wish to issue brief progress reports for each group's journal or newsletter.
6. Keep accurate and comprehensive records. A significant affirmative marketing plan will require a number of forms, letters, and documents. Record who got what so you can accurately measure compliance, progress, and accomplishments.

7. Learn about the size of the industry and the area or areas to be served before you begin. It will have an impact on the design and implementation of your program.
8. Before seeking funds, consider the size of territory to be covered and the number and volume of firms involved; the amount of time to accomplish goals -- usually a minimum of 3 years; possible use of existing staff of a fair housing group or real estate trade association to implement the program; and the cost of acquiring additional staff.
9. Develop a staff adequate to the job you want to do. Implementation of an affirmative marketing plan requires a great deal of time, energy, and lengthy follow-through. In relatively small geographic areas you may be able to depend upon a pool of existing or volunteer staff from sponsoring organizations. If not, you should make a realistic assessment of what you can accomplish with limited resources. In larger areas a considerable staff commitment will be needed. Decide whether existing staff can be used exclusively and hire additional staff if necessary. Be aware that training may occupy a significant amount of the period for which you are recruiting new staff.
10. Allow enough time to implement the plan successfully. A realistic time period is 3 to 5 years or until the sponsoring groups are convinced there is no need for any further affirmative marketing activities. It takes time to build an effective relationship between real estate people and fair housing advocates.

DESIGN OF THE PLAN

1. Interview a cross-section of real estate people from small and large companies, white-owned and black-owned firms, and key fair housing and community people to determine what an affirmative marketing program might contain. Among the useful resources available to assist in the design of a plan are the Baltimore Plan itself and the Voluntary Affirmative Marketing Agreement approved by the National Association of Realtors and HUD. If litigation or administrative actions on housing discrimination have taken place locally, you may be able to get the consent decrees or conciliation agreements. Copies of consent decrees may be obtained from the U.S. Department of Justice or from a local U.S. Court, if such a decree has been filed locally. Conciliation agreements between real estate firms and HUD or State Human Relations Commissions are usually confidential, but a real estate firm may be willing to give a copy to a responsible group. Such documents may well contain useful material for the design of a plan.
2. Get the official endorsement of each sponsoring group to the general idea of the plan and to the final draft of the plan. Submit the draft to an executive committee or a design committee appointed by the sponsoring groups that includes a number of responsible representatives of the sponsoring groups. These representatives should seek the approval of the final draft from the sponsoring groups.

INITIATION OF THE PLAN

1. Do a careful selling job to assure that the plan is not only endorsed by each prospective sponsor but that the endorsement is unanimous or nearly so. The fair housing agency should respond with dispatch and indicate to the industry groups the strong hope that the industry do likewise. It may be helpful to seek the advocacy of some key people on each board before the plan is officially presented.
2. Analyze individual real estate companies, ranking them according to sales volume. Seek out the more sympathetic brokers of the larger firms and ask them to endorse the plan the moment the endorsement campaign gets underway. If the larger companies lead the way, it will be easier for the many small companies to follow.
3. Send a letter out on behalf of the sponsoring real estate organizations to the key brokers of each company inviting them to an orientation program. At the orientation, distribute copies of the plan, explain the need for the plan, and answer any general questions. The orientation meeting should provide a positive setting to the plan. Ask the brokers to give careful consideration to the plan and designate people to be available to answer their questions. Urge brokers to endorse the plan as soon as possible. Encourage sympathetic brokers to speak up for the plan. Send copies of the plan to all brokers not in attendance at the meeting. Send an article to trade publications explaining the plan and encouraging its support.
4. Get the endorsement of key brokers and companies that do a significant amount of business. When a good start has been achieved (ideally within 2 weeks) ask the president of the real estate group to send a letter indicating that certain companies doing a total of so much percent of the business have endorsed the plan and encouraging all companies to sign up as soon as possible.
5. Have staff follow up the letters with a telephone call asking if there are any questions and urging the endorsement as soon as possible. The real estate organizations' equal opportunity committees (or a special endorsement committee) can do the initial calls in place of the staff or follow them up a couple of weeks after the staff makes the initial telephone calls.

DIRECTION OF THE PLAN

1. Establish an Executive Committee consisting of representatives from the sponsoring organizations. Take care that the real estate members are prominent representatives of the industry from large, medium, and small firms. Representatives of fair housing groups should be well experienced in fair housing activities and be strong representatives of the goals of their agency and members. Carefully brief all representatives as to the realistic extent of commitments required.
2. Select the chairperson from the Board of Realtors since this is the largest group affected by the activities of the Plan. The vice-chairperson could be a representative from the realists or a fair housing group.

3. Empower the Executive Committee to guide the progress of the plan, approve all committee activities and reports before they are implemented, represent the plan to the public, and handle relationships between the plan and its sponsoring organizations. One of the first tasks of the committee is to establish rules of procedure.
4. Give the staff the responsibility for the day-to-day implementation of the plan. They are chosen by and are responsible to the Executive Committee. The Executive Director of the open housing agency should be the Executive Director of the Plan. Staff will have to be able to plan, administer, organize, conduct interviews in the field, staff committees, carry out special events, assemble statistical information, do research, and write reports. A great deal of clerical work and recordkeeping is needed. Therefore, keep these skills in mind when selecting staff.
5. If possible, depending upon the local situation, recruit volunteer staff who would be willing to make a part-time commitment to the plan.

In conclusion, hard work and a spirit of cooperation is essential if a voluntary affirmative marketing plan, like the Baltimore Plan, is to succeed. Trial and error, persistence, plus good faith efforts on the part of all members are essential.

OVERALL ASSESSMENT

The Baltimore Plan Executive Committee, consisting of representatives of real estate firms and Baltimore neighborhoods, met in a special meeting in 1980 without staff present in order to evaluate progress at the close of the first 2 years of the demonstration. The committee came to the conclusion that none of the specific results or achievements would have occurred without the Baltimore Plan. These include:

- o the stress on affirmative advertising;
- o the extensive orientation and education of real estate associates;
- o the challenge to the industry on integrated employment;
- o the bringing of brokers and homeowners together in a large changing area (where hostility between the two groups had been intense for more than a decade) to work affirmatively for the benefit of the community; and
- o increasing cooperation between Realtors and Realtists.

The committee also concluded that if the Baltimore Plan should not continue, there was a high probability that these and similar activities would also not continue. There was a unanimous feeling at that time that some form of the plan should continue beyond the period initially planned for the demonstration; and, in fact, the plan was continued until December 1982, at that time, a decision was made to end the formal relationship established by the Plan, but the members of the plan resolved to continue to cooperate in efforts of mutual concern and benefit.

The staff met separately from the Executive Committee and came to these conclusions:

- ° The Baltimore Plan was a good plan.
- ° The overall impact of the plan was of benefit to the real estate industry, the community at large, and the fair housing movement. Probably its main accomplishment has been to keep the issue and responsibility of open housing before the real estate industry and to have pressed the industry for increased affirmative marketing efforts.
- ° The programs would not have been undertaken by individual members if something like the Baltimore Plan had not been devised. Funding for implementation was important, but more important was the spirit of cooperation and the access to real estate firms because of the Baltimore Plan's existence.
- ° A strong plus was the assistance of a number of dedicated Realtists and Realtors who provided leadership.
- ° The concept of a working partnership between real estate interests and open housing interests is as valid an approach to the achievement of open housing as is confrontation or conflict between the two interests.
- ° A negative factor was the widespread resistance of many in the industry to the implementation of many parts of the program.

The specific research performed by contractors and by Baltimore Plan staff provided additional information on Plan impact, however, the absence of appropriate control groups limits this research to indicative rather than conclusive results.

The changes and improvements noted by researchers were quite mixed. The most positive was a marked decline in perceived discrimination against black homebuyers in surveys of recent buyers. This finding was, however, offset by a significant increase in the number of sales associates who believed steering went on (possibly a consequence of greater sensitivity to the issue). Field work in the Harbel community suggested new evidence of substantial discrimination and steering. This also raised questions about the accuracy on the belief of 95 percent of blacks that they felt no restriction in selection of housing because of racial discrimination. Employment surveys conducted by the Baltimore Plan revealed that real estate employment of minorities was very low in white-owned firms and that this area needed considerable improvement.

Finally, it has been noted that strenuous efforts were needed to sign up 195 firms (65 percent) doing 85 percent of the residential sales made through the Central Maryland Multiple Listing Service in Baltimore County/City. Moreover, involving the industry in the implementation of the Baltimore Plan required additional strenuous effort, including meetings, introductory and follow-up

letters, and follow-up telephone calls. Additionally only 45 percent of those endorsing the Plan returned 1979 employment questionnaires, and, after 2 years of effort, compliance with HUD's voluntary affirmative advertising guidelines resulted in only 52-percent usage of the Equal Housing Opportunity slogan logo.

The Baltimore Plan was not systematic but rather involved a trial and error process, learning what works and what does not in a specific community. Not all the strategies and projects attempted in the Baltimore Plan will be appropriate for all jurisdictions or under all conditions. This report does, however, offer other interested groups practical insight and advice in the areas of education, outreach, advertising, monitoring, research, and cooperation of projects of joint concern. The accomplishments were substantial and even the areas of limited success or failure can be instructive to those concerned with achieving fair housing goals by voluntary means.

☆U.S. GOVERNMENT PRINTING OFFICE: 1983-417-786