


REPRESENTATION MATTERS

With Fewer Blacks in Real Estate, Attention Turns to Recruitment

Finances, Prejudice Among Clients Create Barriers

By [Heather Beasley Doyle](#) | Special to Banker & Tradesman | Aug 16, 2020 | [Reprints](#) | [Unlock Link](#) | [Print](#) 



Big brokerages are putting a focus on the underrepresentation of minority groups in their ranks, but the problem has many components, local real estate professionals say.

Celdra Allen's colleagues often confuse her with the only other Black woman in their office.

"We look nothing alike," Allen, a Realtor with Unlimited Sotheby's International Realty in Jamaica Plain, said.

The two have different skin tones and hair styles – and both have worked there for about a decade. But before the pandemic forced Allen and her coworkers to work remotely, "at least once a week someone would mistake us for each other," she said. "So, we talk about it a little and we say, you know, 'what the heck?'"

Just under 8 percent of real estate brokers and sales agents in the United States were Black or African American in 2019, compared with 13.4 percent of the general population, according to the Census Bureau

and the Bureau of Labor Statistics. White real estate brokers and agents make up 85 percent of the industry, but 77 percent of the U.S. population and 71 percent of the Massachusetts population.

While African American residential real estate professionals in Massachusetts have talked publicly about racism, their stories haven't consistently generated headlines. In recent years, though, national real estate companies have stepped up diversity and inclusion efforts, aiming for personnel that more accurately reflect current American demographics.

Then, after George Floyd's killing, Compass called for its agents nationwide to direct 15 percent of their spending to African American companies and vendors. Meanwhile, the Massachusetts Association of Realtors and the Greater Boston Association of Realtors have added new initiatives – all of which prioritized Black Realtors in a new way.

Finances a Barrier

Prejudices and microaggressions like what Allen experienced feel unremarkable to other agents interviewed for this article.

"Dealing with these things is pretty much second nature," said Charles George, a senior vice president in Compass's Boston offices. "I'm not approaching [my work] with the mindset, 'I'm Black, let me do it this way versus this way. My clientele is as diverse as the world.'"

What's Your Idea?

Do you have suggestions to create more opportunity in your industry? Send your letters to the editor to editorial@thewarrengroup.com. Letters are limited to 300 words and must be signed.

He and business partner Shawn Burgess applauded the company's 15 percent initiative; they regularly surpass the target by an estimated 35 percent.

Just as important to explaining why African Americans are underrepresented in residential real estate are financial barriers all face to thriving in the industry.

"It takes a lot of money to do it, to be in this business, and you've got to be able to ride the wave when... you have nothing coming in," said Elaine Evans, a Realtor with Leading Edge Real Estate in Melrose.

The commission-only model sidelines anyone needing a steady income or lacking deep financial reserves. In a region where, notoriously, non-immigrant African Americans' median net worth is \$8, real estate's ranks are unlikely to reflect the local population.

Moreover, up to 50 percent of agents leave within their first three years in the field, according to Kurt Thompson, team leader at Keller Williams Realty North Central in Leominster and MAR's 2020 president.

"Many times, the primary support [new agents have] is working for a strong broker," he said.

Build Up Brokers

Accordingly, Coldwell Banker announced an expansion of its national diversity and inclusion efforts in February. The company now offers specific incentives for women, people of color, LGBTQ+ people and "military" people wanting their own brokerage, including waiving the initial franchise fee.

Pauline Bennett, president of Coldwell Banker Realty in New England praised the initiative for encouraging ownership and putting "firm action behind our words."

Bennet's goal locally is to "diversify my existing leadership team, to diversify the real estate agent ranks."

MAR and GBAR have also accelerated initiatives to highlight and counteract prejudice in the industry and the general public.

"And not just by color, but by class, or by the different type of housing program," Tanisha Salmon, a GBAR director and a Realtor at Keller Williams Realty South Easton, said of GBAR's classes. "We're conditioned to react to certain people in a certain way, and that should have no place in our industry."

According to a 2017 National Association of Realtors' survey, the median Black or African American agent focused on residential properties earned \$23,000 per year. That's less than Hispanic or Latino residential Realtors (\$41,700), and those who are white (\$54,200) or Asian/Pacific Islander (\$56,800).

"I do not believe that it is a level playing field," Salmon said, enumerating professional networks, agents' access to capital and racism as contributing factors. "We don't have the access to certain types of clients. Not that we don't, but they might not choose to do business with us, because they might not feel that they can relate to us."

What Might Help?

With efforts underway to grow the number of African Americans in the field, it's unclear how to recruit a larger Black cohort. Making sure more potential agents get exposed to the industry could help.

"Quite often, real estate is a second career," Bennett noted.

She recommends keeping real estate on career counselors' and community colleges' radars.

"And really making sure that we go to places that are diverse," she added.

It's also unclear if better recruitment could increase Black and brown homeownership. There are 3.7 percent more African American brokers and agents in the United States than in 2013, but Black homeownership has declined.

Allen told of a Latino couple who hired her after their agent, who was white, seemed uninterested in helping them. Immediately, "things turned around, and now they have a house under agreement in Dedham," she said.

"I definitely think having more Black and brown Realtors would help the public," Allen said.

Salmon disagrees, adding she knows many agents of color.

"It's the community as a whole, it's business practices as a whole, it's access to funding as a whole. This is not the deciding factor of whether someone gets a home or not," she said.

The perception of a lack of Black Realtors and brokers in Boston feels inaccurate to Burgess; he wants the conversation to shift to shining a light on local African Americans in real estate.

"Even if it's just [creating] awareness," Burgess said. "It might help people feel not so afraid to hire someone who doesn't look like them."

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