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# Diversity, Equity and Inclusion within the Missouri REALTORS®<sup>1</sup>

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In 2021, the Missouri REALTORS® organization took intentional steps toward improving and enhancing diversity and inclusion. These steps included forming a dedicated committee and holding a Diversity Summit. As a member of the organization who was also concerned with issues of diversity, equity, and inclusion, I was surprised to learn of ongoing issues of discrimination and unequal treatment within the larger housing industry. I wanted to know how individual members within the organization perceived the issues as well as the actions taken by the organization. What I found was a diversity of perspective, experience, and proposed solutions. In the midst of those differences, I regularly witnessed an ethical commitment to fairness and service to everyone in the community. If that commitment continues to undergird the organization collectively, as well as the individuals serving within it, then I am optimistic. Given the fundamental human need of a *place* to exist, I am hopeful commitment will characterize the journey.

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Winston Churchill said, “We shape our buildings; thereafter they shape us” (Churchill 1943).

The places where we live our lives and spend our time shape us, our families, our communities, and our cultures. Where people live and how they came to live there has been influenced significantly by the industry built on the ownership and transfer of land and improvements such as houses and buildings, referenced collectively as real estate. The foundational nature of the human need for a *place* to live and work makes the essence of real estate a staple throughout history. Naturally, the industry itself has a long history too. My research examined how licensed real estate agents within the Missouri REALTORS® organization perceive issues of diversity, equity and inclusion as well as corrective efforts around those issues within the industry. It is particularly concerned with this moment in time, following the organizational actions of Missouri REALTORS® in 2021, which included the first Diversity Summit and the adoption of Policy 401 establishing a Diversity and Inclusion committee.

This article begins by providing the organizational context for Missouri REALTORS®, including a brief historical overview of discrimination in the housing

industry and ending with a summary of a recent undercover investigation into discrimination by real estate agents. Before presenting the findings of my research, I will explain my methodology and describe my relationship to the industry in general as well as my interest in the topic.

## Organizational Context

Throughout the history of the United States, who is allowed to live where has been a recurring issue, from the displacement and relocation of indigenous tribes to the laws, policies, and regulations dictating who could or could not live in a given location. These regulations, policies, and common practices built the setting within which the rest of life and history in the United States has taken place. That setting is part of what is commonly referred to as systemic racism. It continues to be systemic now, in part because even after discrimination was prohibited by law, segregated neighborhoods had already been established and real estate purchases had been denied, meaning neither homes and properties nor any gained equity could be passed down to future generations.

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<sup>1</sup> This research focused on individual members within the Missouri REALTORS® organization and does not represent the views of the organization, affiliates, or subsidiaries. The research was IRB approved.

Missouri REALTORS® is a part of the larger organization of the National Association of REALTORS® (NAR), the largest trade association in the United States. A trade association is an organization of businesses working together to advocate for and improve their industry and/or facilitate greater cooperation in business transactions and interactions. Although real estate agents compete to secure buyer and seller clients, some level of cooperation between agents is imperative to best serve those clients and customers. When working with buyers, agents need to have knowledge of and access to properties available for sale, and agents working with sellers need to be able to communicate effectively and efficiently with buyers.

Before NAR was formed in 1908, local cooperation was already taking shape in the form of real estate boards. NAR was founded by 120 individuals, 19 real estate boards, and one state association with the following stated objective: “to unite the real estate men of America for the purpose of effectively exerting a combined influence upon matters affecting real estate interests.”<sup>2</sup> Membership in NAR typically begins at the local level and provides access to the multiple listing service (MLS) containing property information about homes currently available for sale or rent as well as the lockboxes which grant access to the homes themselves. The Missouri Real Estate Association, now Missouri REALTORS®, was founded on February 13, 1936.

### **This Moment in Time**

Dr. Martin Luther King, Jr., said, “There comes a time when silence is betrayal” (King 1967, 2:32). Following the murder of George Floyd in May of 2020, frustrations over racial inequities in the United States reached a fever pitch. Pressure intensified for individuals and organizations to both take and articulate a position in an official statement. This resulted in a flood of statements from corporations, government agencies, and non-profit organizations. In addition to these statements, The Washington Post reported America’s 50 biggest public companies and their foundations pledged more than \$50 billion to addressing racial inequality, a list including Berkshire

Hathaway, a real estate brokerage franchise and holding company chaired by Warren Buffet (Tracey et al. 2021). Gary Keller, as CEO of Keller Williams, sent a letter to all agents saying, “Racism is wrong, and Keller Williams stands with the Black community and wholeheartedly supports equality” (Keller 2020). Actual activities arising from each statement and the respective organization varied. Keller Williams, for example, formed a task force to make recommendations for best practices and necessary actions for eliminating racial disparities within Keller Williams and the greater real estate industry.

Government agencies and nonprofits also responded. In the summer of 2021, Marcia Fudge, secretary of the Department of Housing and Urban Development, pledged there would be three million new Black homeowners in the United States, an accomplishment that would raise the current Black homeownership rate from 42% to 57.5%—compared to the White homeownership rate of approximately 73% (Kamin 2021). This homeownership gap has been unchanged for more than 50 years. In November 2020, NAR President Charlie Oppler issued a public apology for the association’s contribution to segregation and racial inequality through their policies as well as organizational opposition to corrective measures such as the Fair Housing Act of 1968. “What REALTORS® did was an outrage to our morals and our ideals” said Oppler, “It was a betrayal of our commitment to fairness and equality.”<sup>3</sup>

### **Historical Background**

So, what did REALTORS® do? The country’s history of racial injustice and disparity is fairly easy to see and to track. Within the Association of REALTORS®, there are three primary areas in which discrimination occurred. First, as a matter of organizational policy, some state and local REALTORS® Associations excluded licensed agents based on race, ethnicity, and sex. Second, discriminatory practices in real estate brokerage practices effectively reduced the value of properties based on the ethnic or racial makeup of a neighborhood, resulting in stolen equity and

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<sup>2</sup> National Association of Realtors®. About NAR: History. <https://www.nar.realtor/about-nar/history>. Accessed 1/27/24.

<sup>3</sup> National Association of Realtors®. Nov. 19, 2020. NAR President Charlie Oppler Apologizes for Past Policies that Contributed to Racial Inequality. <https://www.nar.realtor/magazine/real-estate-news/commentary/an-apology-from-the-national-association-of-realtors>. Accessed 1/12/22.

generational wealth. These practices included steering buyers to the neighborhoods of similar racial, ethnic, or religious makeup as well as inciting sellers to sell because people of a particular race, ethnicity, or religion had moved into the neighborhood, warning that property values would decrease. This practice is known as blockbusting. Finally, the organization opposed the passage of Fair Housing Laws in the name of protecting individual rights regarding property ownership. Private property rights remain at the heart of REALTOR® advocacy work. However, that advocacy is now informed by the belief that excluding entire ethnic groups from the benefits of homeownership creates a domino effect of injustice. Not only are individuals barred from living in the home and community of their choosing at the moment of the offense, but also, they, along with their children and grandchildren, are robbed of the benefits of gained equity and generational wealth.

Joining the NAR begins by joining the local board, which typically covers a geographic area, such as a city, county, or larger region. In the early days, NAR, or the National Association of Real Estate Boards as it was known then, was only open to brokers and not salespersons (often commonly referred to as real estate agents). Many of those local or state associations prevented anyone but White men from membership. In its own voice, NAR admits, “Often their bylaws explicitly state that Blacks, women, Jews, and other groups were not allowed to join.”<sup>4</sup> Black real estate brokers formed their own organization in 1937, calling it the National Association of Real Estate Brokers (NAREB), and female agents formed the Women’s Council of REALTORS® (WCR) in 1938. NAR officially prohibited membership exclusion for Black brokers in 1961, and most local boards stopped banning women in the 1950’s. In 1973, NAR expanded membership from just brokers to include salespersons, and the membership demographics began to shift dramatically. At the end of 1973, NAR had 118,000 members, 17% of which were female, and by the end of 1975, the rate of female membership was almost a third.<sup>5</sup>

When a real estate salesperson first obtains their license to sell real estate, most managers, brokers, and training programs encourage them to tell the people in their sphere of influence, their friends, families, and neighbors, that they are now in real estate. What happens when entire population demographics (racial, ethnic, religious, or otherwise) do not have people like them selling real estate? If access to the multiple list service, where currently available properties are listed, depends on membership in the local Association of REALTORS®, how might those communities and groups be excluded from the purchase of real estate as well as the subsequent gains in equity and generational wealth?

Those groups were further harmed by the practice of discriminatory brokerage practices. When agents actively guided buyers to neighborhoods already comprised of people “like them,” real estate agents effectively segregated or perpetuated segregation in housing. In addition to steering, real estate agents and brokers also engaged in blockbusting. If a family of a different race, ethnicity, nationality, or religion moved into the neighborhood, agents warned other homeowners that property values would go down and current owners should sell. In some cases, the agents would purchase properties at below-market prices to assist in a quick sale and then resell them at higher prices to other families, often of the race, ethnicity, nationality, or religion that initially incited the warning. This self-fulfilling prophecy, driving values down, was only enhanced by lending and appraisal policies that valued homes and rated neighborhoods according to the racial, ethnic, and religious make-up.

One of the most notorious examples of housing discrimination is Levittown, New York, located on Long Island. A post-World War II housing shortage resulted in efforts to meet the demand, especially for service members returning home. One example of those efforts was the creation of a planned community, often cited as the first mass-produced suburb, Levittown. GIs and other home buyers flocked to purchase the shiny new homes, outfitted with state-of-the-art kitchens, which included a GE range, refrigerator, and washing machine. African American

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<sup>4</sup> National Association of Realtors.® March 9, 2018. From One Voice to Many: Despite Setbacks and Opposition, How a Growing Chorus Paved the Way to Fair Housing. P. 1. <https://www.nar.realtor/sites/default/files/documents/March-2018-Fair-Housing-3-9-2018.pdf>. Accessed 1/27/24.

<sup>5</sup> National Association of Realtors®. Women in Real Estate. <https://www.nar.realtor/women-in-real-estate>. Accessed 1/24/27.

veteran Eugene Burnett and his wife Bernice visited a model home and loved what they saw. When they approached the sales representative inquiring about the process to purchase a home, he responded, “Listen, it’s not me, but the owners of the development have not, as yet, decided to sell these homes to Negroes [sic]” (Smith 2003).

Not only were non-White home buyers prohibited from purchasing in the initial offering, but their moving into these neighborhoods was actively opposed in the name of protecting property values. The Underwriting Manual produced by the Federal Housing Administration (FHA) explicitly warned that the presence of even one or two non-white families could undermine real estate values, an issue of concern for builders and new homeowners alike. Government officials instituted a national appraisal system that factored race, ethnicity, and religion almost as heavily as property condition, particularly by encouraging inhabitants of a neighborhood to stay the same as was originally intended. For real estate agents, this often resulted in practices such as steering, which kept demographic makeups of neighborhood “stable,” as well as blockbusting, which incited property owners to sell quickly because undesirable populations were moving into the neighborhood. Real estate agents typically earn money when properties are bought and sold, so encouraging people to buy and sell for any reason increases revenue. Doing so on the basis of race, ethnicity, and/or religion perpetuated housing segregation and negatively impacted property values, particularly for people who were out of the majority demographics of White and Christian.

Lyndon B. Johnson signed the Fair Housing Act into law in 1968, which prohibited discrimination concerning the sale, rental, and financing of housing based on race, color, religion, or national origin. It was later amended to include sex, handicap, and familial status.

NAR openly opposed fair housing laws, something they have since apologized for.<sup>6</sup> However, we might ask, just because the laws were passed, does it stand to reason that the problem was addressed back then and therefore solved?

Newsday conducted a three-year undercover investigation in Long Island, New York, effectively returning to Levittown, to test and evaluate whether real estate agents were treating potential buyers

equitably (Choi 2019). The findings shocked many, both in and out of the industry. The study utilized 25 trained undercover testers who tested 93 agents and netted 240 hours of secretly recorded meetings (legal in the state of New York). The recorded meetings took place from April 2016 through August 2017, and the findings were published in November of 2019. With the guidance of the Fair Housing Justice Center in Long Island, Newsday utilized a paired-testing approach where testers with similar financial profiles (employment, credit score, etc.) requested identical housing parameters. Two nationally recognized fair housing experts were tasked with evaluating the results: Fred Freiberg and Robert Schwemm. Freiberg had coordinated more than 12,000 fair housing tests, and Schwemm, a law professor, had written the book *Housing Discrimination: Law and Litigation*, often heralded as the definitive treatise on the matter (Schwemm 1990). Newsday compensated Freiberg for assistance in training and organizing the testing. Otherwise, both experts were unpaid for their test evaluations. They were given transcripts of the interactions and analysis of the listings, including maps of the neighborhoods and the respective average percentage of the White population according to census data. “An agent’s actions were deemed worthy of citing only after both consultants independently saw evidence of fair housing violations in response to the information provided . . . While their opinions do not represent legal findings, their matching . . . judgments provided a measure of apparent disparate treatment by agents” (Choi 2019). The Newsday investigation revealed “widespread evidence of unequal treatment by real estate agents on Long Island” (ibid).

In test number 30, Black tester Johnie Mae Alston and White tester Cindy Parry gave the same housing parameters and financial profile to agent Anne Marie Queally Bechand. Queally Bechand asked each tester if they were prequalified with a lender, and both testers told her they had preliminary conversations but did not have a prequalification. This was her response to the Black tester:

*Agent:* I won’t take out anyone unless you have a prequalification letter, so I need to know you’re prequalified for a mortgage.

*Tester:* Oh, so that means I can’t go out to see anything.

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<sup>6</sup> See footnote 3.

*Agent:* I won't do it. You can try another person, but I don't have the time to do that, because I need to know that you're serious, and that—I really need a prequalification letter.

The requirements for the White tester were starkly different. "What is your availability?," and, "When can you start looking at houses?"

The White tester toured homes that afternoon, while the Black tester was not shown any. In fact, the Black tester received no listings on any homes for sale while the White tester received 79 (Choi 2019). A policy not to show homes to buyers who are not prequalified is not the issue. At issue is the disparate treatment received by buyers shopping for the same type of house and providing the same financial information. Before hearing of the experiences of their White counterparts, many of the Newsday testers of color believed they had been treated well and served equally, describing the agents as friendly and polite. It was seeing the treatment side by side that revealed the service differential.

The results were not all bad, and the experts agreed that agents complied with fair housing in 52 cases. Still, Newsday's experts identified 34 cases suggesting fair housing violations which included steering and denial of equal service. They found unequal treatment against Asians 19% of the time, against Hispanics 39% of the time, and against Blacks 49% of the time (Choi 2019). Some may protest saying, Newsday's investigation took place in one specific area, and it does not represent all real estate agents. While that is certainly true, the magnitude of disparate treatment cannot be ignored. The history of discrimination in housing is clear, and the perpetuation of segregation in housing is statistically clear as well. The non-existence of problems in real estate brokerage would be the anomaly and not the other way around.

## **Methodology and My Moment in Time**

I first obtained my real estate license in 2003, when I lived in Maryland, in the suburbs of Washington, D.C. In my pre-licensing classes and new agent training, the importance of fair dealing and adhering to the Fair Housing laws were routinely and repeatedly emphasized. "You will be tested," one trainer said. Fair Housing compliance was a matter of risk management as much as anything else. As a new agent with a personal interest in fairness and justice, I took it very seriously.

As a mother of four young children, the scheduling flexibility of real estate appealed to me. From 2003 to 2007, the East Coast's booming real estate market made it one of the better-paying part-time jobs. The mortgage crisis of 2008 changed the time requirements significantly, and I left the industry. Motherhood remained my primary focus, and I worked part-time in church ministry and in education, ranging from early childhood to higher education. In 2016, life circumstances dictated that I find full-time work quickly. During the years away from real estate, my interest in diversity, equity, and inclusion had grown. I had worked on multiple projects and initiatives in both professional and volunteer capacities. Despite an amazing opportunity to join the number one real estate team in the Joplin area, it still felt like a step backward from my primary passion. I was living in Missouri now, and the 2014 death of Michael Brown in the St. Louis area had reignited conversations around a persistent racial divide. In these polarizing times, I wanted to work toward unifying people across the lines that divided us, particularly the lines of race, ethnicity, and gender. I was ignorant of any need for that work in the real estate industry. Still, bills needed to be paid, so I returned to the industry that had been so good to me years ago.

While making my decision, a friend said, "Just think about the difference you could make in addressing discrimination, inequities, and injustices in housing!" I said nothing in response, partly because I was confused. If I had spoken it would have been something like, "What are you talking about?! They have already passed Fair Housing laws. It's done!" In retrospect, I wish I had said that to my friend, a person of color with more than a few stories of personal discrimination and injustices when it came to housing. I was a white Midwestern woman, and despite noble desires, I was woefully ignorant of how discriminatory practices had morphed more than they had ended. I received a basic introduction to the inequities still plaguing the industry nearly five years later when I attended the Missouri REALTORS® Diversity Summit.

At this point, I had a combined total of 11+ years in the industry. In addition to my ignorance of the inequities, I had also never participated in any meaningful way in the Association of REALTORS® at a local, state, or national level. When I heard about the Missouri REALTORS® Diversity Summit, I planned to attend because of my personal interests, which I

considered separate and distinct from my career field in real estate.

On the first day, a Missouri REALTOR® taught the required course for NAR's "At Home with Diversity" designation. The second day was a mixture of presenters, including a panel including the NAR Diversity Committee Chair, a Missouri REALTOR®, and representatives from the National Association of Real Estate Brokers (NAREB) who shared information about homeownership gaps and the difference in experience for people of color around housing and real estate.

Learning about the inequities and observing the intentional steps taken by Missouri REALTORS® organizationally made me wonder how other individual REALTORS® throughout Missouri perceived the issues and the actions. I had not realized the disparity was as significant as it was, and I did not know what the solution or the remedy might be. Yet this was a topic I ostensibly cared about. At this time, I was an Eastern University student in the Master of Arts in Theological and Cultural Anthropology program selecting my topic for the ethnography thesis. The subject seemed to find me. I wondered if other agents were as unaware as I was, and I wanted to begin my research by asking incredulously, "Did *you* know about this?" Instead, I took a different approach.

I attended the 2021 Fall Business Conference of Missouri REALTORS® in September, and then the 2022 Winter Business Conference in January 2022. At the fall conference, I attended meetings of output groups, committees, and the board of directors. I watched who the speakers, leaders, and influencers were. I listened in what meetings and in what contexts topics such as fair housing and homeownership gaps were discussed. I took notice of who was doing the talking. I also noted who tended to get quiet when topics such as diversity, equity, and inclusion came up. Based on the dynamics and interactions I observed within meetings and larger groups, I approached people individually, introducing myself and asking for a few minutes of their time. As part of that introduction, I told them about my research and asked if they would be willing to speak to me. I assured them conversations were confidential and their identity anonymous. With my words and my overall posture, I attempted to communicate curiosity and openness to various positions and perspectives. Using the conferences as a springboard, I scheduled one-on-one meetings where we could talk in their offices or over

lunch or coffee. I also attended local meetings and social gatherings of REALTORS®.

## Findings

### *Rural vs Urban Areas*

One quickly emerging theme was an overall difference in perspective between rural boards and those located in more populated areas, which one story seemed to illustrate. At each conference, there is often an auction to benefit RPAC, the REALTOR® Political Action Committee. A member donated a gun engraved with Missouri REALTORS® in "REALTOR® blue" to be auctioned off. The gun was a popular item and brought a significant price. At the board of directors meeting later that week, a member from a more populated area spoke up, suggesting items associated with violence should not be included in the auction. After the individual finished speaking, a voice from the back, identified as someone from a more rural community, said, "Second amendment, bitch." Now, it would be as unfair and unreasonable to say every rural member would be in favor of a gun in the auction as it would be to suggest that every urban member would oppose it. Still, it was perceived internally as a split between city and country.

At a different business conference in an output group meeting, an individual from a rural association said their members did not understand why diversity was being "shoved down their throats." They did not believe they had "those issues" in their communities. Another attendee from a more urban area pointed out the population demographics of that person's community as evidence that there was likely a big problem, suggesting if there were few people of color living there, it was probably a choice resulting from a lack of sensitivity to the issues at hand. The topic was frequently reframed depending on who was talking. A rural member might say, "We don't have these issues because we don't have diversity" where an urban member would say, "You don't have diversity because you have not addressed these issues."

The claim of "not having any diversity" surfaced repeatedly. For example, in Joplin, Missouri, where I lived, the 2020 Census results showed the Black/African American percentage of the population to be 3.2% and two or more races to be 4.3%, while Indigenous groups represent 2.2%. Conversely, the White population is 86.5%. While there may be a statistically low percentage of nonWhite groups, saying

there is “no diversity” effectively erases those who live there. Joplin has multiple historically Black churches as well as Ewert Park, which was donated by attorney Paul Ewert and his wife for use by the Black community who were barred from other parks. Esteemed American scientist George Washington Carver was born in Newton County, Missouri, which includes part of Joplin, and the National Monument dedicated to him is located there. African American poet Langston Hughes was born in Joplin too. Not only is there visible diversity, but there is a rich history as well.

Still, when I heard comments such as, “We have no diversity here,” I understood what they were describing: visible diversity was not as prevalent as it might have been in other areas. And a reasonable response would be exploring the reasons why. Missouri native and University of Arkansas graduate Kimberly Harper provides some insight in her book *White Man’s Heaven: the Lynching and Expulsion of Blacks in the Southern Ozarks, 1894-1909* (2010). The Southern Ozarks encompass only part of Missouri, and the history of how people came to live in an area—or not live there, as it were—is relevant to the conversation. In my interviews with REALTORS® in Southwest Missouri, especially if the “no diversity here” line of thinking came up, I asked if they were familiar with the book or subject matter. No one I spoke to had heard of the book, the author, or the information contained therein.

Harper opens her book with a story of a midnight train arriving in Pittsburg, Kansas, from Joplin, Missouri. One couple, recounting their story to a reporter, told of being expelled from their home in Pierce City in 1901 after three black men were lynched. They had escaped to Joplin and now, less than two years later, were fleeing once again. An angry mob had lynched Thomas Gilyard, an African American man accused of shooting and killing a Joplin police officer (Harper 2010, xv-xvi). After lynching Gilyard, the mob targeted Black-owned businesses and residents. Joplin officials reported calls from neighboring Webb City and Galena, describing “a flood of Black refugees” (Harper 2010, 83). In a 1952 issue of *Ozarks Mountaineer*, Springfield Judge Tom Moore suggested there was not a more significant Black population because “they never had any,” arguing that settlers before the Civil War did not bring slaves with them and because “. . . negroes [sic] do not like the hills any more than the hills apparently like them” (Harper 2010, 252). Harper theorizes an African

American Springfield resident would likely offer a different explanation.

In speaking with REALTORS® in Southwest Missouri, I often thought of Harper’s work, especially if I heard, “We don’t have diversity here” or “Not many [insert protected class] want to live here.” Proactively addressing historical inequities and present-day discriminations in home and property ownership requires knowing the history of a neighborhood, a town, and a state. One agent I spoke with said of historical inequities, “That was in the past. No one alive today had anything to do with that.” He then asked, “And even if you wanted to do something, how far back are you going to go? Should we give all the lands back to the tribes that used to live here?” The implied although unarticulated answer was, “No, of course not.”

### *Long Ago and Far Away*

The idea that conversations around injustices and inequities are about a far-away time and place was common, expressed in a general sentiment of “those things don’t happen anymore.” When accounts were given of when they had happened, they were often characterized as isolated events, and when or if those isolated events happen, the unchallenged thinking still seemed to be that it was happening in far-away places. One agent expressed his belief that the South was still “very racist” while also telling me that there was no significant racism in the community where he lived. However, an agent of color who practiced real estate in the same community as he had a different perspective. This agent recounted the story of meeting a couple before he was licensed to sell real estate about five years ago. This couple was considering a move to this community, and during their conversation with the would-be agent, Mrs. buyer asked if she could share a bit about their experience so far. The as-yet unlicensed individual said yes, and they all took a seat. The woman described the encounter with the real estate agent who had been showing them property. As the agent drove them from one house to another, they passed through a predominantly minority neighborhood. Tears began to stream down the woman’s face as she shared that the other agent had said: “She told us, ‘You don’t want to live in this part of town. This is n\*\*\*\*r town.’”

Now a licensed agent, this individual told me, “This is still happening. It’s not all in the past. The Klan traded their hooded sheets for business suits.”

### ***Population Correlations***

I was frequently questioned about whether a lack of visible diversity in a local board's membership was correlated with the overall population demographic breakdowns. Again, my answer would involve the need to explore *why* a community or area is largely homogenous. Was there a systematic expulsion? Were there deed restrictions, explicitly excluding non-white owners and residents? Or did a town have "Sundown laws," prohibiting African American individuals to be in the town when the sun went down. James Lowen explores this practice in his book *Sundown Towns: A Hidden Dimension of American Racism* (2018), where he considers not only the history and sociological causes of sundown laws, but also the present and future of these towns. It is also possible to find reasons for current demographics in other historical data collections. For instance, the Equal Justice Initiative had a multi-year investigation to document lynchings throughout the United States. Exploring their findings, including the map they created, can help explain how current demographics came to be.<sup>7</sup>

Exploring the histories as well as the underlying attitudes and causes of the make-up of a neighborhood, town, region, or state is important work. Census projections predict the United States will have no majority race or ethnicity by the year 2045 (Frey 2018). If there are stark differences in certain communities or regions, we must be careful not to satisfy ourselves with explanations such as, "Members of the [insert protected class here] don't like [this area]." Seeking out the history and experiences of people who lie outside of the majority is an important first step.

Regarding the correlation of the population and visible diversity in their local real estate board, there are other factors to consider. Going back to the example of Joplin, if 86.5% of a population is White, then it follows that most agents would also be White. At times there seemed to be an air of defensiveness. Some agents seemed to hear an implication of wrongdoing if their local board or association of REALTORS® lacked visible diversity. To be clear, current population demographics and percentages are what they are. Wanting to see them change or wishing they were different does not effectively change anything. It was never my intention to shame or accuse any REALTOR®, individually or collectively. In fact,

frequently, I found myself wanting to offer reassurance, easing any discomfort and/or anxiety. The negative reactions of others often caused a similar discomfort in me. But I hoped there would be value in allowing discomfort to remain, in service to the larger questions. An unwillingness to tolerate uncomfortable emotions or topics short-circuits the process of learning and growing, at times fostering a fragility that results in an inability to hear hard things, including data, stories, and experiences. As James Baldwin once said, "Not everything that is faced can be changed, but nothing can be changed until it is faced" (Baldwin 1962).

### ***Serving Everyone in the Community***

Another issue to explore is whether current REALTORS® are serving and speaking to everyone in the community, across any lines that might divide them, such as language, neighborhoods, or something else. Though some questioned measurement or evaluation methods, there was a consensus that the matter needed to be explored and the industry as a whole needed to always be improving. Part of continuous improvement is evaluating how—and whether—brokers and real estate brokerages are recruiting agents from all population demographics. Ensuring recruiting efforts are inclusive to everyone in the community could go a long way to not only diversifying the Association of REALTORS® at all levels but also enhancing the overall service to the entire community and its people. One broker in a more rural area said she believed her company and her agents would be better if there was greater visible diversity as well as a diversity of experience and thought. She also admitted she was not sure how to accomplish that. It seemed offensive to target a specific population group.

The manager of another brokerage office shared a story of a specific challenge they had experienced. "We had someone come into the office with a picture of a house they were interested in seeing. They didn't speak English, and we didn't speak anything but [English]. The receptionist thought they were speaking Spanish, and there was an agent in the office who spoke Spanish fluently." The manager gave an embarrassed chuckle as she described the bilingual agent coming to the front, hearing the visitor speak a

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<sup>7</sup> For more information, visit <https://lynchinginamerica.eji.org/>. Accessed 1/27/24.



few words, and then informing the office staff that the language being spoken was not Spanish.

“We didn’t even know what language this individual was speaking. And they were coming into our office, looking for help in securing real estate. We realized we needed to do a better job preparing for anyone in our community who might need our services.” This office took two clear steps in that direction, purchasing a dedicated tablet and software to aid in translation as well as a one-page document listing different languages so that an individual could point to theirs.

“We want to serve all of our community, and having experienced the frustration of not being able to do so for a person who was standing in front of us asking for assistance motivated us to do better.”

### ***Formal vs Informal Efforts***

Calls for improvement in any industry, especially around issues of diversity and inclusion, frequently include more education or additional regulations. In conversations with some agents as well as within meetings at business conferences, I heard the same. Advocates for change wanted more classes and education as well as additional policies and regulations to enforce greater fairness and equity. Still, among these agents there was also a concern that diversity, equity, and inclusion might become merely a class to take or a box to check. One agent described serving on a planning committee meeting when someone pointed to a workshop topic and a speaker belonging to a protected class and said, “We have diversity covered.” “I couldn’t believe it. I knew ‘checklist mentality’ existed. I was just stunned to hear it spoken so . . . blatantly.”

One African American agent described the tension between evaluating diversity in terms of classes, policies, and numbers versus effecting meaningful change with a deep embrace of diversity and inclusion. She also described attending her first Missouri REALTORS® Business Conference, saying, “I counted the Black people in the room. And it didn’t take long.”

Instead of classes, education or additional policies and regulations, some agents advocated for relationship building, believing that to be the best way

to address and remedy inequities. Multiple REALTORS® described getting to know agents from different backgrounds with different opinions. One agent recounted having her perception of the world broadened and her opinions challenged through relationships with people who lived, thought, and believed differently than she did. With incredulity, she described debating and discussing differences of opinions over drinks at a Missouri REALTORS® event and still being able to be friends and be friendly to each other. In polarizing times, the ability to sit together, have a drink, and maybe even share a laugh can seem radical.

The current climate in the United States following the deaths of Trayvon Martin, Tamir Rice, George Floyd, Michael Brown, Philando Castile, Freddie Gray, Sandra Blain, Breonna Taylor, Ahmaud Arbery, and so many others center much of the conversations about inequity around race, ethnicity, and color. But there are other matters to address. Diversity, equity, and inclusion conversations within the real estate industry naturally gravitate toward the protected classes as laid out in the federal Fair Housing laws, the NAR Code of Ethics,<sup>8</sup> and Missouri law. Those protected classes prohibit discrimination based on race, color, ethnicity, national origin, sex (including gender identity and sexual orientation), religion, disability, familial status, or ancestry.

Some agents expressed concern over being asked to endorse behavior they believed to be inconsistent with their religious beliefs. This came up in more veiled statements. In one conversation, an agent said, “As an industry we need to do better in serving all the community.” He added a caveat in the form of a question: “But what are they asking me to do?” There was not a concern explicitly stated, so I asked for clarification. He spoke of his belief regarding “what God has clearly spoken on.” Not wanting to assume, I asked, “Are you speaking of matters related to LGBTQ+ concerns?” “Yes,” was the definitive answer to my explicit question. He went on to say that professionalism was not the issue for him, and he reiterated that everyone deserved professional real estate service and illustrated his point with an example: “I don’t think it’s right when people live together before they are married, but I would still help them

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<sup>8</sup> National Association of Realtors®. January 1, 2022. Code of Ethics and Standards of Practice of the National Association of Realtors®. <https://cdn.nar.realtor/sites/default/files/documents/2022-COE-Standards-of-Practice-2021-12-15.pdf>. Accessed 1/12/22.

secure housing when asked.” Rather, his concern was being asked to personally affirm and approve of something against his conscience and religious convictions.

Another agent separately corroborated this concern from a slightly different vantage point. Part of her business included property management and assisting property owners in renting out investment properties, managing the collection of rents and payment of expenses. She said some of her religious clients expressed concerns about renting to individuals from the LGBTQ+ community. She implied this was something she personally wrestled with earlier on in her career because of how she had grown up. Her involvement at the state level with Missouri REALTORS® challenged her thinking.

“I see it differently now. It just doesn’t make business sense. Why would we want to limit our customer . . . our client pool? If an owner says, ‘We don’t really want to rent to . . . *them*.’ That doesn’t make sense. If they have a good job and great credit, why wouldn’t you want *them*?” For this agent, what changed her mind was a question from a fellow Missouri REALTOR®: “Does it really matter if a same-sex couple lives two doors down?” “What if someone has an answer to that?,” I asked? “What if it does matter to them?” “Well, I won’t keep them as a client. First of all, that’s not a directive I can legally or ethically obey. Secondly, even if I could obey it, I wouldn’t.”

Obey may seem like an out-of-place word for those outside of the real estate industry. Laws of agency provide the context here. Agents operate with a fiduciary responsibility to their buyer or seller clients. Fiduciary refers to trust and involves a commitment to act in the best interest of those being served. Fiduciary duties include confidentiality, accounting, loyalty, disclosure, and obedience. At the same time, real estate agents are bound to laws, regulations, and policies as set out by the federal, state, and local governing authorities as well as the ethical obligations of membership in the Association of REALTORS®. While an agent owes obedience to a client, they may not obey a directive if it violates a higher law or regulation. Determining how to respond when they are instructed explicitly or by implication to violate a Fair Housing law is a situation for which agents must prepare. Handling situations where an agent is being directed to do something they are not legally permitted to do creates a practical situation agents have to navigate, and cultural values and norms play a part.

### *Being Nice*

Multiple times, a cultural value of “being nice” came up alongside a fear of speaking up and potentially “rocking the boat.” In one gathering of about 12 real estate agents discussing inequity in the industry, agents were hesitant to speak and express themselves. At times, there seemed to be more disclaimers and preemptive apologies for possibly offending than there were substantive statements. Many agents fear saying the wrong thing or being misunderstood. To be fair, these are complex issues. Navigating any sort of middle ground between extremes is to risk being misunderstood. Agents described a reluctance to say what they think or bring up questions they did not know how to answer. Topics of diversity and inclusion often center around aspects of one’s core sense of identity, which are understandably emotionally charged. So how can we talk about questions and ideas in order to get them out in the open?

As a Midwesterner who was raised to be nice, I understood the dynamic being described. Personally, I choose to believe that people are doing the best they can with what they have. I think it can be fairly argued that people learn best when their defenses are down, and, conversely, accusations often trigger shame which may shut down an openness to hear hard things. So, the question becomes, is it better to tip-toe through a minefield in order to effect meaningful change? Or shall we walk with purpose and risk setting off bombs in service of greater clarity? One agent of color told me, “Sometimes I feel like I’m riding on a runaway train, and I’m leaning out the window, holding a sheet, as if that might slow it down.”

Another agent described it as trying to put out a raging forest fire as part of a bucket brigade. But instead of buckets, they are passing Dixie® cups. Sometimes it seems like the bigger issue is not injustices and inequities that happened or even continue to happen as much as it is accusations of intentions or motivations. Rather than discuss events and the potential harm they could inflict, the focus becomes, “What are you saying? Are you calling me racist?” It can seem like being *called* a racist is a worse offense than being, saying, or doing something that is racist.

### *Seething Silence*

I expected more open hostility than I encountered, especially considering how contentious and adversarial social media and online comment sections can get. Because agents spoke on the condition of anonymity and confidentiality, I expected to encounter more of those stronger sentiments. They were rare. I was grateful for the few such interactions I had. They seemed to get at the heart of issues simmering under the surface but not coming out in real life exchanges. In a small gathering of agents, one agent spoke openly of her opinion that special interest groups, such as the National Association of Real Estate Brokers (founded for Black real estate professionals), the Asian Real Estate Association of America, the National Association of Hispanic Real Estate Professionals, were racist. “You couldn’t have a National Association of White REALTORS®. So why is it ok to have these other ones?”

There was a palpable tension in the room. Making that kind of statement out loud seemed to violate the rules. It is certainly not politically correct. After she finished speaking, another participant spoke up on another subject, changing the course of the discussion. Not wanting to miss the opportunity to explore a line of thinking I suspected was more widespread than a lone voice might suggest, I turned the conversation back to the individual expressing the opinion about those special interest groups and asked her to say more about that. “It’s like Black Entertainment Television. You can’t have a Network for White Entertainment. You mentioned the Women’s Council of REALTORS®. Can men belong to that?”

Even though the tension remained palpable, and participants seemed uncomfortable, there were several who later acknowledged they understood where she was coming from. Whether or not they shared the sentiment and were, perhaps, unwilling to voice it, they still did not know the answer. Why is it ok to have these groups? Are they perpetuating the divisions that had caused historical inequities and potentially creating new inequities?

There is an old saying, “As the twig is bent so grows the tree.” Inequities and injustices in history, even if they are now prohibited, often continue to bear fruit. This is like the butterfly effect, which theorizes that small things have far-reaching ramifications. And to be clear, these historical inequities are hardly small.

These organizations exist to proactively correct and advocate for groups that have experienced discrimination historically with lasting effects. According to NAREB’s website, their vision is “to foster the expansion of inter-generational wealth creation by Black households through promotion and retention of elevating levels of real property ownership investment sustained by NAREB’s enduring commitment to preservation and fulfillment of the Realist credo, ‘Democracy in Housing’.”<sup>9</sup> Given the extreme injustices that existed in the past as well as the current inequities that persist today, promoting Black property ownership and inter-generational wealth—something denied the African American community historically—seems a proactive, corrective measure.

### *Waking Up*

“I didn’t realize how bad things were.”

A common theme I heard, particularly from White agents, was a sense of waking up. One agent who had lived in St. Louis their whole life described the time and events surrounding the 2014 death of Michael Brown in Ferguson, Missouri. This agent listed significant relationships with people of color in their own life and said, “I should have known. But I didn’t.”

This resonated with me, although I would have preferred not to talk about it. The death of any young person is a tragedy. That I understood. I did not understand the racial undertones of the shooting. For the sake of context, 20 years earlier while I was in college, OJ Simpson had been charged with the murder of Nicole Brown and Ron Goldman, and a little over a year later, in 1995, he was acquitted. On the news, I saw looks of relief and moments of celebration from some in the Black community and I did not understand it. At that time, my world and close relationships were largely homogenous, so I saw nameless faces on the news, without any complexity or nuance. After the death of Michael Brown, I saw outrage and grief but not from nameless faces.

From 2003 to 2012, I lived in the suburbs of Washington, D.C. Upon first moving to Maryland, I lived in Prince George’s county, a county with a less than 15% White population. One of my first nights in Maryland, my family and I went to the grocery store. As far as I could tell, we were the only White people in the store. I was startled by my own feelings of fear and discomfort. Before that experience, if you had

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<sup>9</sup> National Association of Realtors®. About NAR. <https://www.nareb.com/mission-statement/>. Accessed 1/27/24.

asked me to imagine how I might feel if I was the only White person in the room, I would have told you without the slightest hesitation that it would not bother me at all. Yet here I was, and the reality of my experience did not match my imagination or my aspiration. It was like someone held up a mirror to my insides and shined a light on places in me I did not know existed, revealing things I wished did not exist. Although my upbringing was almost entirely White, Midwestern, by this time in 2014, I had regularly experienced and lived in visibly diverse settings. I had many friendships and relationships with people who did not look like me, did not think like me, and did not grow up like I did or where I did.

Additionally, over the last twenty years, social media had joined the landscape of traditional news media. During the aftermath of Michael Brown's death, I watched as my social media feed seemed to divide largely along racial lines. Once upon a time I would have been satisfied with an explanation along the lines of, "That's horrible, but you have to obey an officer's instructions." The thing is my friends across the racial line were not suggesting that an officer's instructions should not be heeded. They were saying—and seeing—something I did not—perhaps could not—see or understand. I only knew I was missing something. I found myself wrestling with two questions leading to my own waking up moment: 1) what am I missing and 2) what if I'm wrong? When faced with a feeling of hopelessness in others, and when it surfaced in me, I wanted a way to unsee what I had seen to whatever degree I could grasp it and then claim ignorance.

### *Measuring Success*

In each setting and conversation, I asked how to measure results. How would we know if progress was being made toward the end of greater inclusion in the real estate industry and homeownership? Unfortunately, no clear answer emerged. For some, it was to watch the numbers. An increase in homeownership among historically marginalized people and communities would indicate meaningful change as would an increase in the wealth and net worth of people of color. I mentioned initiatives such as the 3by30 initiative sponsored by The Black Homeownership Collaborative which lays out a "7-point plan to create 3 million net new Black homeowners by 2030" (3by30.org). Many agents I spoke to were unaware of the initiative.

One agent who has actively advocated for greater diversity, equity, and inclusion at the local, state, and national levels seemed to struggle to answer this question of how to measure results. "I don't know . . . The numbers would have to get better or tell the story of things getting better. But I really think seeing an increase in the willingness to have these conversations and listening to other people's stories would indicate success, but I'm not sure how you measure that."

Another agent acknowledged that the situation feels overwhelming, but emphasized the need to keep trying, to keep talking, and to keep listening. She said, "Opting out is not something I can do. You're talking about my kids and their lives . . . and the world they're going to live in. I'll never shut up."

An agent of color had this to say:

I think meaningful change will show itself in areas like education and the criminal justice system. Economic realities such as homeownership or net worth don't exist in isolation. Lower income levels, lower net worth, not benefitting from increased equity over the years impact education and the ability to go to college. And an inability to go to college can significantly impact the ability to get the kind of work that generates the income that makes homeownership possible. I haven't even talked about mass incarceration.

This isn't one issue with one cause that has one solution. These are complex and inter-connected. I'm glad people are trying do something, but it feels . . . well, it feels pretty insignificant in the grand scheme of things. You're talking about increasing Black homeownership . . . are we addressing more foundational issues though?

As she talked, I sensed my own perspective being challenged. I thought of the story of Marie Antoinette, the Queen of France during the French Revolution who famously said in response to hearing French peasants had no bread to eat, "Then let them eat cake."

### **Conclusion**

The issues are complex, as must be our response. Perhaps the most complete response to the diversity issue is a diversity of the responses themselves. I believe we need those who will walk with purpose into the minefield and speak plainly about the injustices and inequities. We need policies and regulations, and

we need the classes and trainings. We need those who will host the dinner parties and gatherings where relationships are built and conversations can be had, where differences in opinions and perspectives can be expressed and explored in the context of relationships. We need those who will study the issues, present the findings, teach the classes, and lead the initiatives.

I am a proud member and benefactor of the Missouri REALTORS® and the National Association of REALTORS®. My research was born out of a desire to see a fairer, more inclusive world marked by justice and opportunities for all. My intention is to work toward that end in my community as part of the Association of REALTORS® at the local, state, and national levels. The National Association of REALTORS® is governed primarily by the Code of Ethics, first adopted in 1913. Over the years, the essence has stayed the same: to deal with clients, customers, fellow agents, and the public with competence, fairness, and high integrity, based on the Golden Rule. Regardless of any disagreements on the nature of the problem or possible solutions, Missouri REALTORS® frequently spoke of fairness for all and a commitment to serve the community and everyone in it. It is that ethical commitment undergirding Missouri REALTORS® that gives me hope for the future.

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