

## Talking Points: Why have members seen an increase in their dues?

### Ohio Association of REALTORS \$20 Dues Increase

- ✦ At the Ohio Association of REALTORS Annual Convention in September, the Board of Directors overwhelmingly approved the organization's 2012 Operating Budget that included a \$20 increase in member dues.
- ✦ OAR's Operating Budget and overall financial situation underwent an exhaustive review by a number of entities – specifically the Finance Committee and Executive Committee – throughout 2011.
- ✦ Membership has declined from a peak of more than 35,000 REALTORS in 2006 to slightly more than 27,000 REALTORS today.
- ✦ As a result of prudent financial planning in previous years, OAR was able to balance its annual budgets the past few years by tapping into its reserve funds. However, OAR policy mandates that the organization maintain a minimum reserve of at least 50% of its operating budget – making continued deficit spending irresponsible.
- ✦ In addition to the dues increase, the Director-approved 2012 budget also includes more than \$300,000 in cuts to programs and services, in addition to staff reductions. Staff salaries were frozen in 2011 and will again in 2012.
- ✦ It is also important to note that the 2012 budget includes funding for critical improvements to the OAR headquarters building in Downtown Columbus. The building and property is the Association's most valuable asset and a Building Advisory Task Force was created to review the current structure and assess repairs/update necessary to preserve its value and functionality. The Task Force's report identified short-, intermediate and long-term projects for the building that was constructed in the mid-1960s. Immediate issues identified include roof repairs and the replacement of the buildings original HVAC system, totaling more than \$180,000 in 2012 expenses. The Task Force recommends additional maintenance and improvements to pursue over a span of 5 years.

---

### National Association of REALTORS \$40 "REALTOR Party Initiative"

- ✦ At the NAR Midyear Meetings, approval of establishing a "REALTOR Party Initiative" program – funded by a \$40 member assessment – was approved. It is expected to raise more than \$195 million over five years.
- ✦ The funds raised through the program will be used to advance the REALTOR organization's political policies and initiatives at the federal, state and local levels. It is expected that 70% of the funds raised will be available for expenditures at the state and local levels.
- ✦ OAR and its Local Boards/Associations are expected to receive \$130,000 annually from the program.
- ✦ The program is designed to supplement the highly successful REALTORS Political Action Committee campaign, allowing for the REALTOR message to be enhanced on issues and campaigns – such as the preservation of the Mortgage Interest Deduction – of concern to the real estate profession.
- ✦ RPAC is a voluntary program, established in the late 1960s, that allows REALTORS to donate directly to candidates seeking elected office.
- ✦ The REALTOR Party Initiative was created, in part, in response to the U.S. Supreme Court's ruling in the Citizen's United case. That ruling changed the dynamics of political advocacy forever, as big Wall Street and money interests are pouring dollars into politics at an unprecedented pace.
- ✦ The REALTOR Party Initiative will allow the industry to spend independent expenditure money to advance issues and programs important to the profession and the nation's property owners. RPAC will continue to be necessary for direct contributions to candidates.
- ✦ NAR has announced thus far that state and local boards/associations can utilize the fund to:
  - ✓ Mobilize REALTORS® and property owners on key local, state, and national issues
  - ✓ Implement RPAC fundraising initiatives.
  - ✓ Tap into advocacy campaign support services and tools, such as a national voter registration database to help target messages and consulting services to help associations maximize their political impact.
  - ✓ Make independent expenditures on behalf of candidates, at all levels of government, who support the REALTOR® Party agenda.
  - ✓ Fellow members will decide how those funds are spent.