

# **2017 Profile of Local Associations Chief Staff Executive Compensation and Benefits**

## **Summary of Survey Findings December 2017**



# Introduction

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The National Association of REALTORS® (NAR) Association Leadership Development Department surveyed local REALTOR® associations in October and November 2017 to collect data on local association Chief Staff Executive compensation, staffing and budgeting. This report summarizes the findings for association boards and executives to use in assessing pay policies and programs for their Chief Staff Executives. It also is a resource for help in staffing and budgeting.

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

## Acknowledgement

NAR thanks the 241 local REALTOR® association executives who participated in the survey.

| <b>Contents</b> |   |
|-----------------|---|
| <b>Page</b>     |   |
| 2               | <a href="#">Methodology</a>                           |
| 3               | <a href="#">Executive Summary</a>                     |
| 4               | <a href="#">Profile of the Chief Staff Executives</a> |
| 6               | <a href="#">Section 1: Background</a>                 |
| 9               | <a href="#">Section 2: Chief Staff Executives</a>     |
| 14              | <a href="#">Section 3: Executive Compensation</a>     |
| 29              | <a href="#">Section 4: Staffing</a>                   |
| 41              | <a href="#">Section 5: Income and Expenses</a>        |
| 58              | <a href="#">Index of Exhibits</a>                     |

## Methodology

The survey was conducted in October and November 2017. It asked respondents for 2017 compensation and financial information. In total, 241 local associations returned surveys, representing 25% of the 972 surveyed associations.

### ***Cross-tabulations of Findings***

Some of the responses are cross-tabulated, which separates data into smaller groups, such as by the number of REALTOR® members in the local associations. Due to the small number of responses from larger associations, results are broken into Small (fewer than 500), Medium (500-1,999) and Larger (2,000 or more) associations. As the number of respondents decreases in the cross-tabulated groups, so does the statistical reliability of the data. In some cases, the number of responses in the cross-tabulations (generally fewer than 30) is insufficient for acceptable statistical reliability. This means these results should be viewed as guidelines for information, not a benchmark for statistical accuracy.

### **Interpreting Results: Ranges, Percentiles, Medians and Averages**

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

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

### ***Which is more accurate, the median or the average?***

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

## Executive Summary

This section highlights 10 key findings from the 2017 Profile of Local Associations Chief Staff Executive Compensation and Benefits study. For additional compensation and benefits findings, see Section 3. For additional income and expense findings, see Section 5.

- 1. 34% of AE's have worked for an Association for 15+ years (pg. 11)**
- 2. 54% of AE's have a designation (pg. 12)**
- 3. 67% of AE's have an RCE (pg. 13)**
- 4. The 2017 median Budgeted Annual Salary for full-time AE's is \$73,136. (pg. 15)**
- 5. 55% of AE's have an employment contract (pg. 19)**
- 6. 68% of AE's received a bonus or incentive compensation (Pg. 20)**
- 7. 48% offer healthcare benefits to staff and most associations allow new staff to enroll in the health plan after a 90-day waiting period (pg. 39)**
- 8. MLS is ranked the #1 gross income source, followed by dues, subsidiary associations or operations, lockbox and affinity/strategic relationships (pg. 44)**
- 9. 75% operate or derive revenue from a MLS (pg. 48)**
- 10. The average percent Associations budget for Administrative/Staffing/Salaries is 42% (pg. 57)**

# Profile of Chief Staff Executives

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

| Survey Respondents                                     |           |
|--|-----------|
| Survey Results   | 2017 Data |
| Total respondents                                      | 241       |
| Percent of total number of local associations surveyed | 25%       |

| Full-time Chief Staff Executive Profile   |                                   |           |
|---|-----------------------------------|-----------|
| Profile Component                         | Survey Results                    | 2017 Data |
| Most common title                         | CEO/President                     | 42%       |
| Work status                               | Full-time                         | 84%       |
| Years in current position                 | 2 to 5 years                      | 31%       |
| Years working for a local association     | More than 15 years                | 34%       |
| Most common level of education            | Associates Degree or some college | 35%       |
| Executives with professional designations |                                   | 54%       |

| Full-time Chief Staff Executive Profile<br>Median Compensation Budgeted for FY2017 |                           |                           |
|--|---------------------------|---------------------------|
|  | Median Annual Base Salary | Median Bonus or Incentive |
| All respondents  | \$69,000                  | \$3,500                   |
| By Number of REALTOR <sup>®</sup> Members in the Association                       |                           |                           |
| Small (fewer than 500)   | \$42,200                  | \$1,500                   |
| Medium (500-1,999)   | \$81,625                  | \$3,500                   |
| Larger (2,000 or more)   | \$150,000                 | \$10,000                  |

| <b>By Years in Current Position</b> |                                  |                                  |
|-------------------------------------|----------------------------------|----------------------------------|
| <b>Years in Current Position</b>    | <b>Median Annual Base Salary</b> | <b>Median Bonus or Incentive</b> |
| Fewer than 2                        | \$61,625                         | \$3,625                          |
| 2-5                                 | \$62,500                         | \$2,250                          |
| 6-10                                | \$70,150                         | \$3,875                          |
| 11-15                               | \$92,000                         | \$4,600                          |
| More than 15                        | \$61,614                         | \$3,500                          |

| <b>Full-time Chief Staff Executive Profile<br/>Median Compensation Budgeted for FY2017</b> |                                  |                                  |
|--|----------------------------------|----------------------------------|
| <b>By Association Net Worth</b>  |                                  |                                  |
|  | <b>Median Annual Base Salary</b> | <b>Median Bonus or Incentive</b> |
| Less than \$400,000  | \$42,000                         | \$1,500                          |
| \$400,000 - \$999,999  | \$83,000                         | \$4,100                          |
| \$1million or more   | \$138,838                        | \$12,000                         |

| <b>Full-time Chief Staff Executive Profile<br/>Associations that Pay Medical and Retirement Benefits<br/>Percent of Respondents</b> |   |                               |  |
|---|---|-------------------------------|--|
|   | <b>Associations that Pay for Medical Coverage</b> |                               | <b>Associations that Contribute to Retirement Accounts</b> |
|   | <b>Executive Only</b>                             | <b>Executive + Dependents</b> |  |
| <b>All respondents</b>  | 37%   | 15%                           | 47%  |
| <b>By Number of REALTOR® Members in the Association</b>   |   |                               |  |
| <b>Small</b> (fewer than 500)   | 18%   | 5%                            | 18%  |
| <b>Medium</b> (500-1,999)   | 55%   | 13%                           | 66%  |
| <b>Larger</b> (2,000 or more)   | 53%   | 40%                           | 84%  |

**Section 1**

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**Background**



## Section 1: Background

### Number of REALTOR® Members

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

| Exhibit 1.1<br>Respondents Identified<br>by the Number of REALTOR® Members in the Association |                            |                        |
|---|----------------------------|------------------------|
| Category  | Number of REALTOR® Members | Percent of Respondents |
| Small   | Fewer than 500             | 47%                    |
| Medium  | 500–1,999                  | 35%                    |
| Larger  | 2,000 or more              | 19%                    |
| <b>Total Respondents</b>  | <b>241</b>                 |                        |

### Local Association Net Worth

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

| Exhibit 1.2<br>Local Association Net Worth<br>by the Number of REALTOR® Members in the Association |                     |                            |                      |                         |
|--|---------------------|----------------------------|----------------------|-------------------------|
| Net Worth  | All                 | Number of REALTOR® Members |                      |                         |
|  |                     | Small<br>Fewer than 500    | Medium<br>500-1,999  | Larger<br>2,000 or more |
| <b>Range</b>   | \$180-<br>9,294,687 | \$180-\$999,999            | \$33,862-\$1,800,000 | \$120,000-\$9,294,867   |
| <b>Average</b>   | \$757,496           | \$283,990                  | \$705,620            | \$2,034,681             |
| <b>MEDIAN</b>  | <b>\$500,000</b>    | <b>\$223,897</b>           | <b>\$723,025</b>     | <b>\$999,999</b>        |
| <b>Total Respondents</b>   | 232                 | 107                        | 82                   | 43                      |



## Average Single-family Home Prices

Exhibit 1.3 shows average single-family home prices as of July 1, 2017.

| Exhibit 1.3<br>Average Single-family Home Prices as of July 1, 2017<br>by the Number of REALTOR® Members in the Association |     |                            |                     |                         |
|---|-----|----------------------------|---------------------|-------------------------|
|   | All | Number of REALTOR® Members |                     |                         |
|   |     | Small<br>Fewer than 500    | Medium<br>500-1,999 | Larger<br>2,000 or more |
| <b>\$99,999 or less</b>   | 3%  | 5%                         | 0%                  | 0%                      |
| <b>\$100,000-\$200,000</b>  | 42% | 56%                        | 39%                 | 13%                     |
| <b>\$200,001-\$300,000</b>  | 33% | 25%                        | 43%                 | 36%                     |
| <b>\$300,001-\$400,000</b>  | 9%  | 6%                         | 7%                  | 20%                     |
| <b>\$400,001-\$500,000</b>  | 3%  | 1%                         | 2%                  | 11%                     |
| <b>\$500,001-\$750,000</b>  | 6%  | 5%                         | 6%                  | 11%                     |
| <b>\$750,001-\$1,000,000</b>  | 2%  | 1%                         | 0%                  | 7%                      |
| <b>More than \$1,000,000</b>  | 2%  | 1%                         | 2%                  | 2%                      |
| <b>Total Respondents</b>  | 241 | 112                        | 84                  | 45                      |

## Region

Exhibit 1.4 shows region of the responding local associations by the number of REALTOR® members in the local associations.

| Exhibit 1.4<br>Region<br>by the Number of REALTOR® Members in the Association |     |                            |                     |                         |
|---|-----|----------------------------|---------------------|-------------------------|
|   | All | Number of REALTOR® Members |                     |                         |
|   |     | Small<br>Fewer than 500    | Medium<br>500-1,999 | Larger<br>2,000 or more |
| <b>Region I</b> (CT, ME, MA, NH, RI, VT)                                      | 5%  | 4%                         | 6%                  | 4%                      |
| <b>Region II</b> (NJ, NY, PA)   | 8%  | 6%                         | 5%                  | 18%                     |
| <b>Region III</b> (DE, DC, MD, VA, WV)  | 4%  | 4%                         | 4%                  | 4%                      |
| <b>Region IV</b> (KY, NC, SC, TN)   | 11% | 9%                         | 12%                 | 13%                     |
| <b>Region V</b> (AL, FL, GA, MS, U.S. Virgin Islands, Puerto Rico)            | 10% | 9%                         | 15%                 | 4%                      |
| <b>Region VI</b> (MI, OH)   | 7%  | 8%                         | 10%                 | 0%                      |
| <b>Region VII</b> (IL, IN, WI)  | 10% | 12%                        | 7%                  | 9%                      |
| <b>Region VIII</b> (IA, MN, NE, ND, SD)                                       | 7%  | 10%                        | 5%                  | 7%                      |
| <b>Region IX</b> (AR, KS, MO, OK)   | 6%  | 10%                        | 4%                  | 0%                      |
| <b>Region X</b> (LA, TX)  | 5%  | 4%                         | 10%                 | 0%                      |
| <b>Region XI</b> (AZ, CO, NV, NM, UT, WY)                                     | 10% | 10%                        | 7%                  | 13%                     |
| <b>Region XII</b> (AK, ID, MT, OR, WA)  | 9%  | 8%                         | 10%                 | 9%                      |
| <b>Region XIII</b> (CA, Guam, HI)   | 10% | 8%                         | 7%                  | 18%                     |

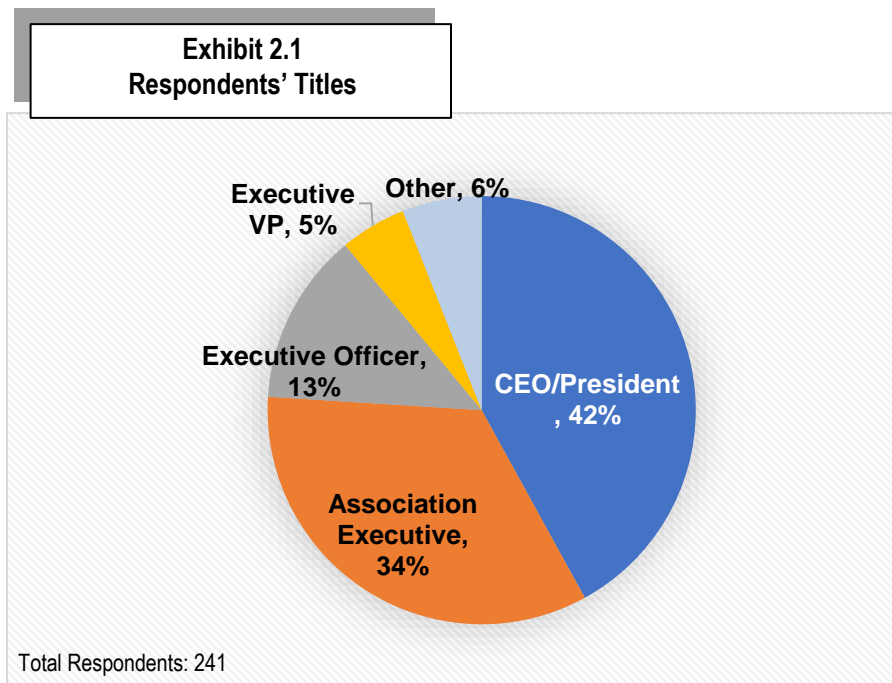
## Section 2: **Chief Staff Executives**



## Section 2: Chief Staff Executives

### Titles of Respondents

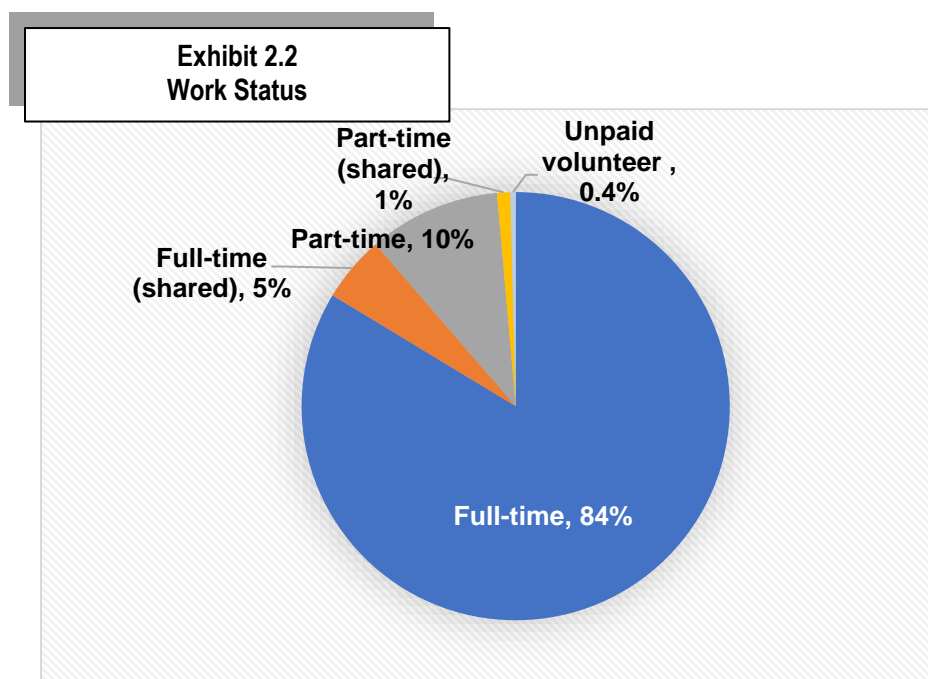
Nearly all respondents (98%) are Chief Staff Executives. Exhibit 2.1 shows the titles of the Chief Staff Executives. The most common titles are CEO or President (42%), Association Executive (34%), Executive Officer (13%). Of the remaining titles, 5% are Executive Vice Presidents and in the *Other* category (6%), the titles include Administration Executive, Chief Financial Officer, and Chief Staff Officer to name a few.



### Work Status

Most Chief Staff Executives, 84%, work Full-time, while 10% hold the position part time. See Exhibit 2.2.

Only 6% share the position with another employee.

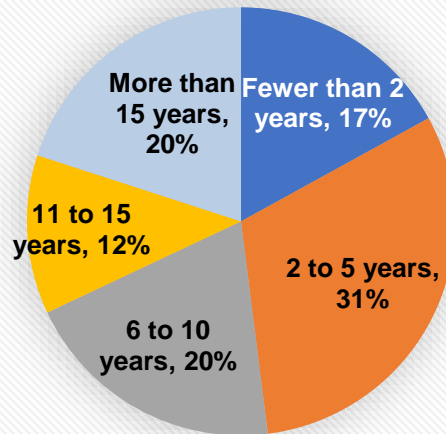


## Years in Current Position

Respondents provided the length of time that they have held their current position (Exhibit 2.3). One-fifth, 20%, have been in their current Chief Executive Officer position for more than 15 years.

**Exhibit 2.3**  
**Years in Current Position**

*The typical respondent has been at their current position for 6 years.*

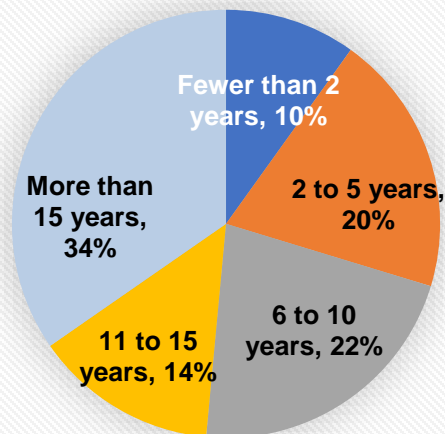


Total Respondents: 241

## Years Working for a Local REALTOR® Association

As shown in Exhibit 2.4, 34% of the respondents have more than 15 years working for a local association.

**Exhibit 2.4**  
**Years Working for a Local REALTOR® Association**

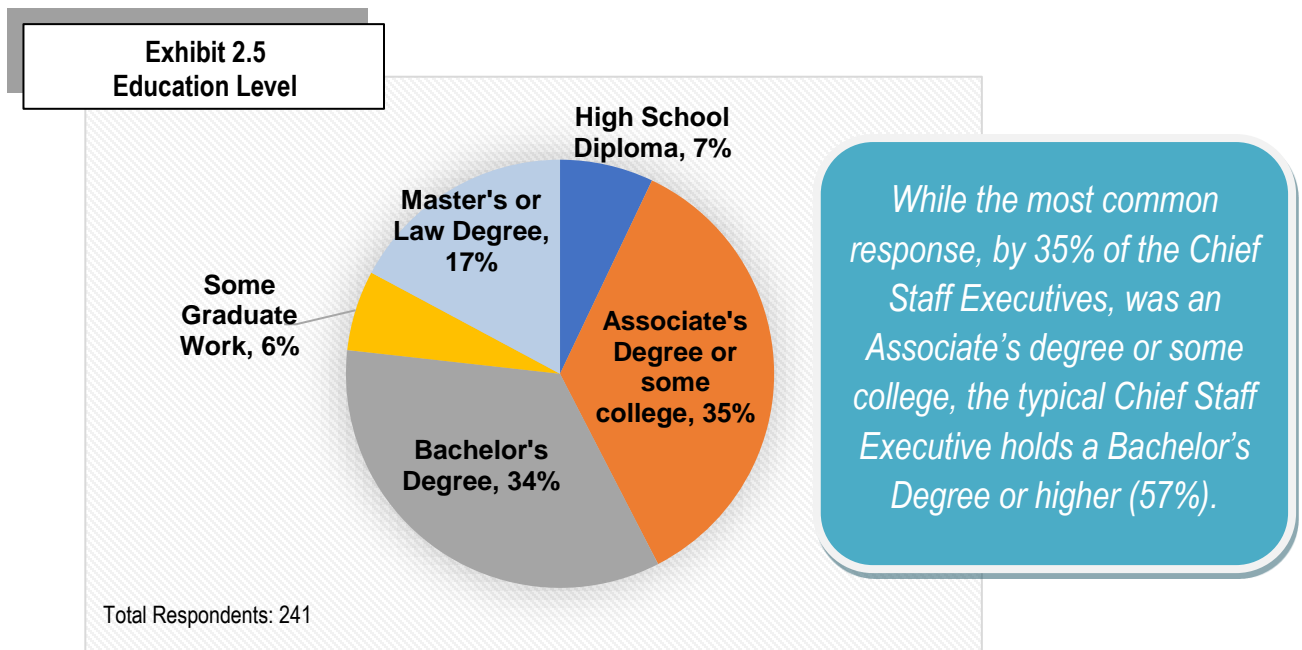


*The typical respondent has worked for a local association for 10 years.*

Total Respondents: 241

## Education Level

As noted in Exhibit 2.5, 57% of the Chief Staff Executives have a Bachelor's Degree or a more advanced degree.



## Professional Designations

Exhibit 2.6 shows that 54% of the Chief Staff Executives have a professional designation.

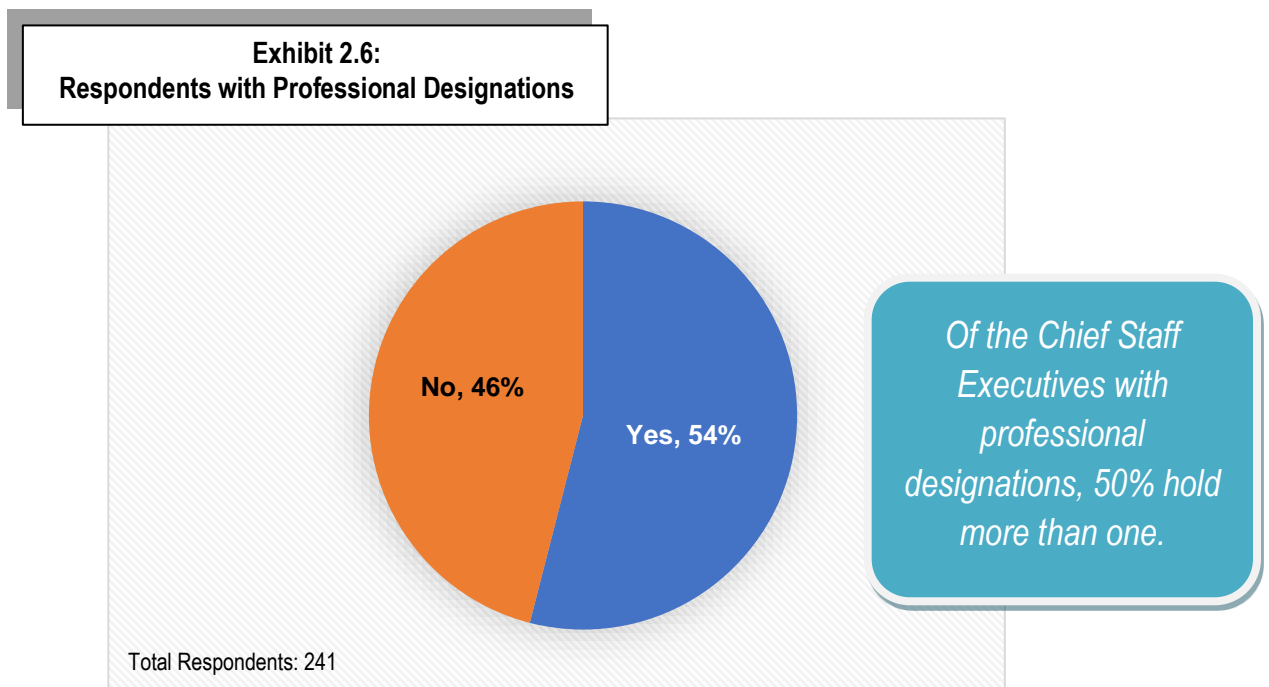
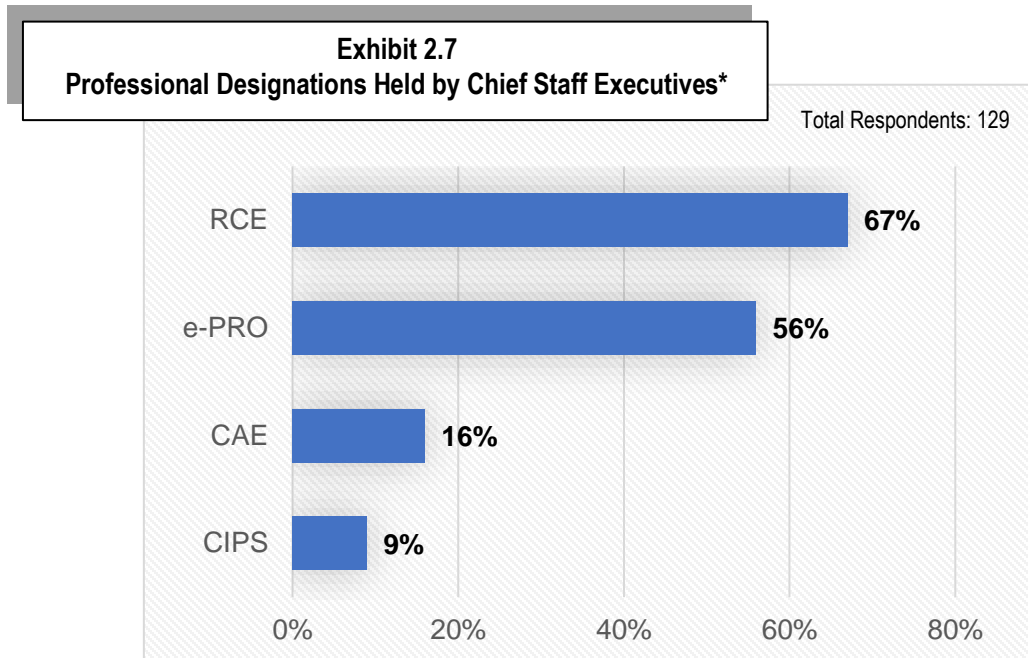


Exhibit 2.7 lists the most common designations held by the Chief Staff Executives. More than two-thirds, 67%, have earned an RCE designation and 56% hold an ePro designation.



\*Total exceeds 100% because of multiple responses.

Some respondents, 16% in total, indicated holding other designations, including: AHWD, ABR, SRES, GREEN, GRI, CRS, CRB, SFR, PSAT, and CMLX to name a few.

## Section 3:

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# Executive Compensation



## Section 3: Executive Compensation

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

### Annual Base Compensation

Respondents were asked to specify the amount budgeted in fiscal year 2017 (FY2017) for their Chief Staff Executive's annual base salary, excluding bonuses and incentives. Exhibit 3.1 shows the range, 25<sup>th</sup> percentile, median, and 75<sup>th</sup> percentile, and average amounts for their FY2017 annual salary budgets. The range of compensation is wide due to the inclusion of both full- and part-time staff in the overall results in Exhibit 3.1. *See page 2 for definitions of the range, percentiles, medians and averages used in the compensation tables.*

| <b>Exhibit 3.1</b><br><b>Chief Staff Executive</b><br><b>FY2017 Budgeted Annual Base Salary</b><br>(Excludes Bonus and Incentive) |                 |
|---|-----------------|
| <b>Range</b>  | \$500–\$317,000 |
| <b>25<sup>th</sup> Percentile</b>   | \$43,000        |
| <b>75<sup>th</sup> Percentile</b>   | \$99,140        |
| <b>Average</b>  | \$77,502        |
| <b>MEDIAN</b>   | <b>\$69,000</b> |
| <b>Total Respondents</b>  | 241             |

Exhibit 3.2 provides salary data for the 214 respondents who hold the position on a full-time basis and the 27 respondents who hold the position on a part-time or unpaid volunteer basis.

| <b>Exhibit 3.2</b><br><b>Chief Staff Executive FY2017 Budgeted Annual Salary by Work Status</b><br>(Excludes Bonus and Incentive) |                    |                  |
|---|--------------------|------------------|
| <b>Annual Base Salary</b>   | <b>Full-Time</b>   | <b>Part-Time</b> |
| <b>Range</b>  | \$18,605–\$317,000 | \$500–\$68,250   |
| <b>25<sup>th</sup> Percentile</b>   | \$49,800           | \$12,400         |
| <b>75<sup>th</sup> Percentile</b>   | \$106,781          | \$28,572         |
| <b>Average</b>  | \$84,510           | \$21,959         |
| <b>MEDIAN</b>   | <b>\$73,136</b>    | <b>\$21,000</b>  |
| <b>Total Respondents</b>  | 214                | 27               |



Exhibit 3.3 separates the FY2017 budgeted annual base salaries by the number of REALTOR<sup>®</sup> members in the local association. A total of 241 respondents were grouped into four categories by the number of REALTOR<sup>®</sup> members in the local association (see Exhibit 1.1). As expected, salaries increase progressively as the number of members in the association increases.

| <b>Exhibit 3.3</b>   |   |                            |                                |
|--|---|----------------------------|--------------------------------|
| <b>Chief Staff Executive FY2017 Budgeted Annual Base Salary</b>    |   |                            |                                |
| <b>by Number of REALTOR<sup>®</sup> Members in the Association</b> |   |                            |                                |
| <b>(Excludes Bonus and Incentive)</b>                              |   |                            |                                |
| <b>Annual Base Salary</b>  | <b>Number of REALTOR<sup>®</sup> Members in the Association</b> |                            |                                |
|  | <b>Small</b><br>Fewer than 500                                  | <b>Medium</b><br>500-1,999 | <b>Larger</b><br>2,000 or more |
| <b>Range</b>   | \$500-\$135,000   | \$39,000-\$137,354         | \$60,000-\$317,000             |
| <b>25th Percentile</b>   | \$29,030  | \$68,625                   | \$116,500                      |
| <b>75th Percentile</b>   | \$58,621  | \$94,678                   | \$175,000                      |
| <b>Average</b>   | \$44,353  | \$82,472                   | \$150,728                      |
| <b>MEDIAN</b>  | <b>\$42,200</b>   | <b>\$81,625</b>            | <b>\$150,000</b>               |
| <b>Total Respondents</b>   | 112   | 84                         | 45                             |

Exhibit 3.4 shows Chief Staff Executive FY2017 annual base salaries by years in their current positions. As in Exhibit 3.3, salaries include responses from both full-time and part-time staff. Average salary does not differ significantly by years in current position.

| <b>Exhibit 3.4</b>  |                                  |                   |                 |                    |                     |
|---|----------------------------------|-------------------|-----------------|--------------------|---------------------|
| <b>Chief Staff Executive FY2017 Budgeted Annual Base Salary</b> |                                  |                   |                 |                    |                     |
| <b>by Years in Current Position</b>                             |                                  |                   |                 |                    |                     |
| <b>(Excludes Bonus and Incentive)</b>                           |                                  |                   |                 |                    |                     |
| <b>Annual Base Salary</b>                                       | <b>Years in Current Position</b> |                   |                 |                    |                     |
|   | <b>Fewer than 2</b>              | <b>2-5</b>        | <b>6-10</b>     | <b>11-15</b>       | <b>More than 15</b> |
| <b>Range</b>  | \$6,000-\$180,000                | \$5,670-\$317,000 | \$500-220,000   | \$18,239-\$307,400 | \$12,000-\$204,000  |
| <b>25th Percentile</b>  | \$35,000                         | \$40,000          | \$52,510        | \$54,667           | \$47,657            |
| <b>75th Percentile</b>  | \$90,000                         | \$90,000          | \$104,500       | \$114,000          | \$90,000            |
| <b>Average</b>  | \$67,552                         | \$74,562          | \$81,394        | \$96,895           | \$75,144            |
| <b>MEDIAN</b>   | <b>\$61,625</b>                  | <b>\$62,500</b>   | <b>\$70,150</b> | <b>\$92,000</b>    | <b>\$61,614</b>     |
| <b>Total Respondents</b>  | 42                               | 75                | 48              | 29                 | 47                  |

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

| <b>Exhibit 3.5</b>   |   |            |             |              |                     |
|--|---|------------|-------------|--------------|---------------------|
| <b>Chief Staff Executive FY2017 Budgeted Annual Base Salary Median Amount</b>                        |   |            |             |              |                     |
| <b>by Years in Current Position and the Number of REALTOR<sup>®</sup> Members in the Association</b> |   |            |             |              |                     |
| <b>(Excludes Bonus and Incentive)</b>  |   |            |             |              |                     |
| <b>Number of REALTOR<sup>®</sup> Members</b>   | <b>Median FY2017 Budgeted Annual Base Salary by Years in Current Position</b> |            |             |              |                     |
|  | <b>Fewer than 2</b>   | <b>2-5</b> | <b>6-10</b> | <b>11-15</b> | <b>More than 15</b> |
| <b>Small</b><br>Fewer than 500   | \$35,000  | \$41,000   | \$52,020    | \$36,630     | \$47,829            |
| <b>Medium</b><br>500-1,999   | \$82,500  | \$75,078   | \$76,500    | \$103,000    | \$78,784            |
| <b>Larger</b><br>2,000 or more   | \$147,500   | \$140,000  | \$131,665   | \$180,000    | \$173,500           |

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

| <b>Exhibit 3.6</b>  |                                    |                            |                            |
|---|------------------------------------|----------------------------|----------------------------|
| <b>Chief Staff Executive FY2017 Budgeted Annual Base Salary</b> |                                    |                            |                            |
| <b>by Local Association Net Worth</b>                           |                                    |                            |                            |
| <b>(Excludes Bonus and Incentive)</b>                           |                                    |                            |                            |
| <b>Annual Base Salary</b>                                       | <b>Local Association Net Worth</b> |                            |                            |
|   | <b>Less than \$400,000</b>         | <b>\$400,000-\$999,999</b> | <b>\$1 Million or More</b> |
| <b>Range</b>  | \$500-\$175,000                    | \$40,000-317,000           | \$60,000-\$307,400         |
| <b>25<sup>th</sup> Percentile</b>                               | \$29,120                           | \$69,213                   | \$122,400                  |
| <b>75<sup>th</sup> Percentile</b>                               | \$55,000                           | \$109,000                  | \$170,000                  |
| <b>Average</b>  | \$46,509                           | \$93,153                   | \$146,677                  |
| <b>MEDIAN</b>   | <b>\$42,000</b>                    | <b>\$83,000</b>            | <b>\$138,838</b>           |
| <b>Total Respondents</b>  | 103                                | 107                        | 22                         |

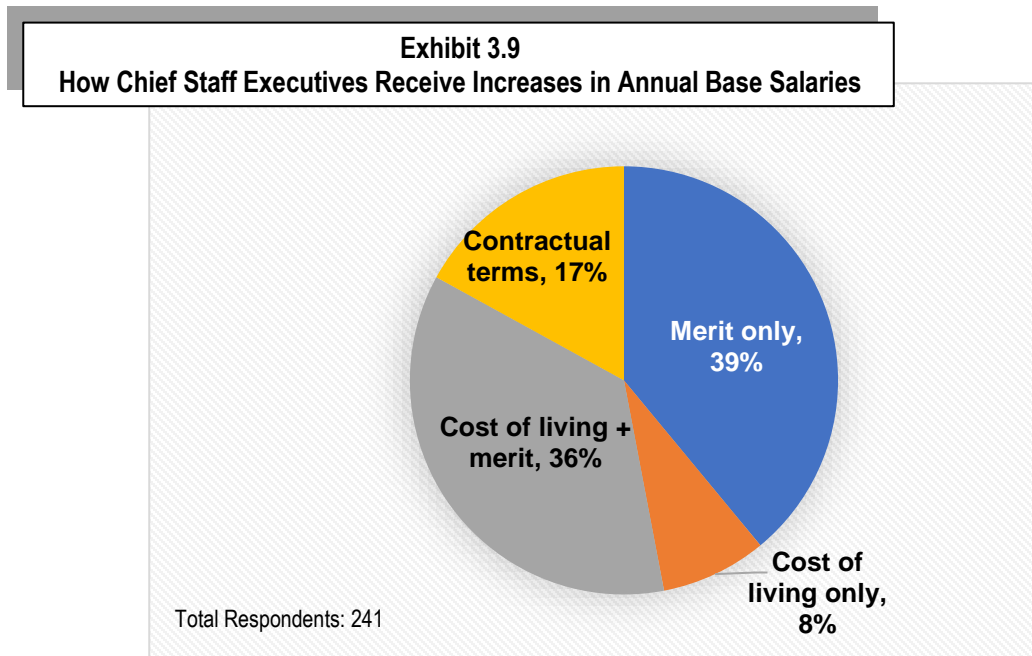
Exhibit 3.7 reveals FY2017 annual base salaries for Chief Staff Executives with professional designations. The impact of formal education on Chief Staff Executive annual base salaries is shown in Exhibit 3.8.

| <b>Exhibit 3.7</b>  |                                  |                    |                    |
|---|----------------------------------|--------------------|--------------------|
| <b>Chief Staff Executive FY2017 Budgeted Annual Base Salary</b> |                                  |                    |                    |
| <b>By Professional Designations</b>                             |                                  |                    |                    |
| <b>(Excludes Bonus and Incentive)</b>                           |                                  |                    |                    |
|   | <b>Professional Designations</b> |                    |                    |
|   | <b>RCE</b>                       | <b>ePro</b>        | <b>CAE</b>         |
| <b>Percent with Designation</b>                                 | 67%                              | 56%                | 16%                |
| <b>Annual Base Salary</b>                                       | <b>RCE</b>                       | <b>ePro</b>        | <b>CAE</b>         |
| <b>Range</b>  | \$29,000–\$317,000               | \$29,120–\$317,000 | \$69,000–\$317,000 |
| <b>Average</b>  | \$98,628                         | \$90,840           | \$133,611          |
| <b>MEDIAN</b>   | <b>\$87,000</b>                  | <b>\$80,000</b>    | <b>\$123,000</b>   |
| <b>Total Respondents</b>  | 87                               | 72                 | 21                 |

| <b>Exhibit 3.8</b>  |                        |                     |                         |                          |                         |
|---|------------------------|---------------------|-------------------------|--------------------------|-------------------------|
| <b>Chief Staff Executive FY2017 Budgeted Annual Base Salary</b> |                        |                     |                         |                          |                         |
| <b>by Education Level</b>                                       |                        |                     |                         |                          |                         |
| <b>(Excludes Bonus and Incentive)</b>                           |                        |                     |                         |                          |                         |
|   | <b>Education Level</b> |                     |                         |                          |                         |
| <b>Annual Base Salary</b>                                       | <b>High School</b>     | <b>Some College</b> | <b>Associate Degree</b> | <b>Bachelor's Degree</b> | <b>Advanced Degree</b>  |
| <b>Percent with Education Level</b>                             | 7%                     | 25%                 | 10%                     | 41%*                     | 17%                     |
| <b>Annual Base Salary</b>                                       | <b>High School</b>     | <b>Some College</b> | <b>Associate Degree</b> | <b>Bachelor's Degree</b> | <b>Advanced Degree*</b> |
| <b>Range</b>  | \$500-\$204,000        | \$11,100-\$165,000  | \$12,400-\$137,675      | \$5,670-\$220,000        | \$12,000-\$317,000      |
| <b>Average</b>  | \$62,025               | \$57,438            | \$58,630                | \$84,885                 | \$107,140               |
| <b>MEDIAN</b>   | <b>\$52,000</b>        | <b>\$52,271</b>     | <b>\$50,000</b>         | <b>\$78,000</b>          | <b>\$92,500</b>         |
| <b>Total Respondents</b>  | 17                     | 60                  | 25                      | 98                       | 41                      |

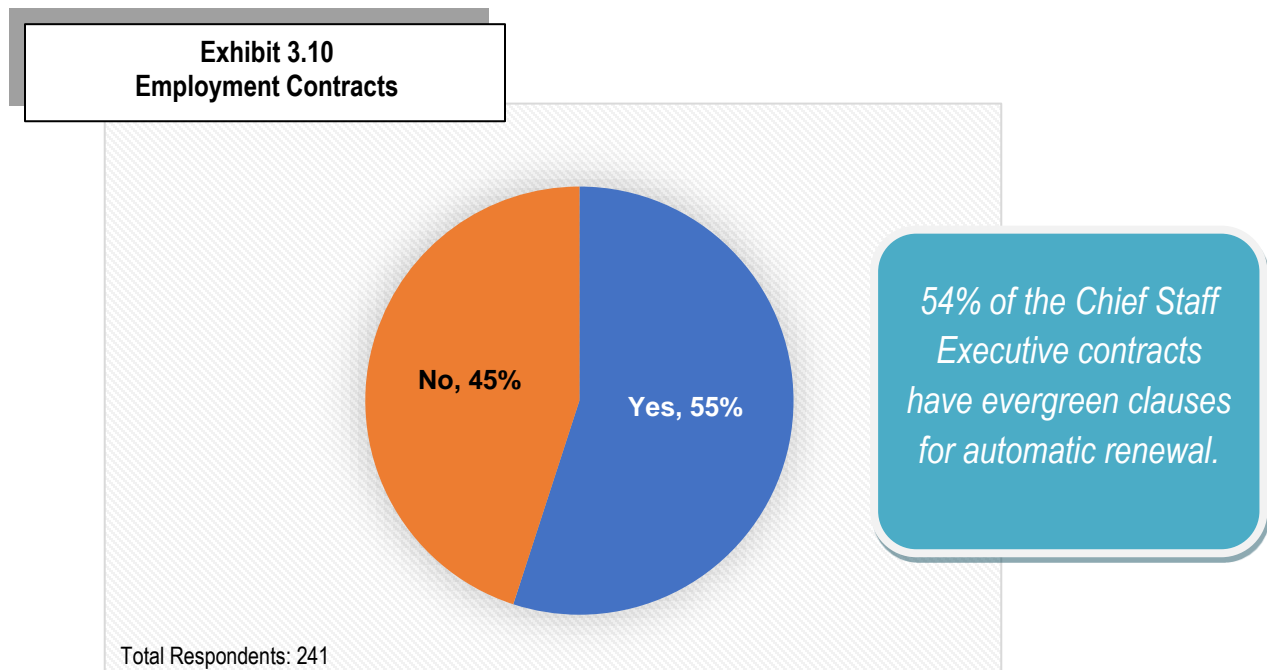
\*Includes respondents who indicated “some graduate work” in their responses (see Exhibit 2.5).

Exhibit 3.9 compares how Chief Staff Executives receive increases in annual salaries. Note that three quarters (75%) of the executives' salary increases are based on an annual merit increase, including the 36% who also factor in a cost-of-living adjustment.

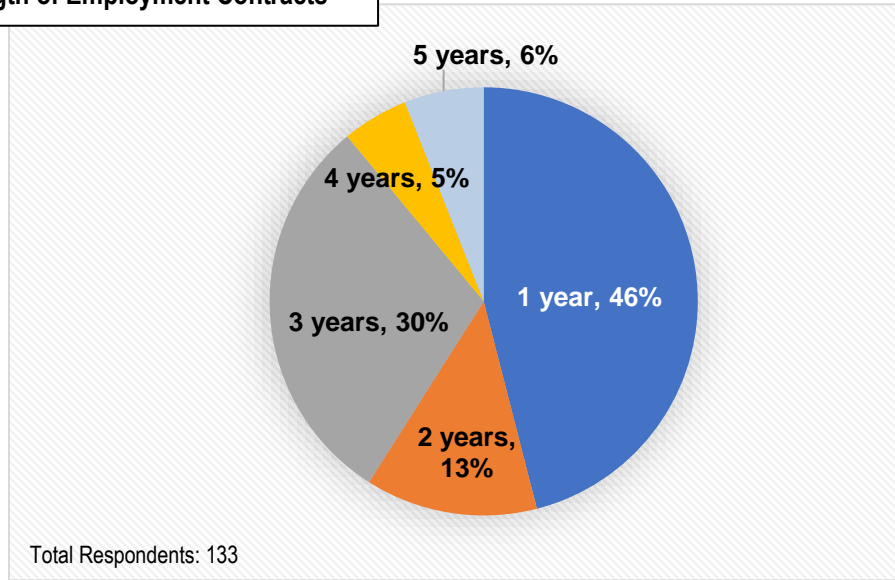


## Employment Contracts

Exhibits 3.10 and 3.11 examine employment contracts. Of the Chief Staff Executives, 55% have employment contracts (Exhibit 3.10). About half of the contracts have an evergreen clause, which makes the contract automatically renewable each year. Almost one half of the contracts have a one year (46%) term (Exhibit 3.11).



**Exhibit 3.11**  
**Length of Employment Contracts**



## Bonus or Incentive Payments

In Exhibit 3.12, 68%, of the Chief Staff Executives received bonus or incentive compensation.

**Exhibit 3.12**  
**Chief Staff Executives with Bonuses or Incentives**

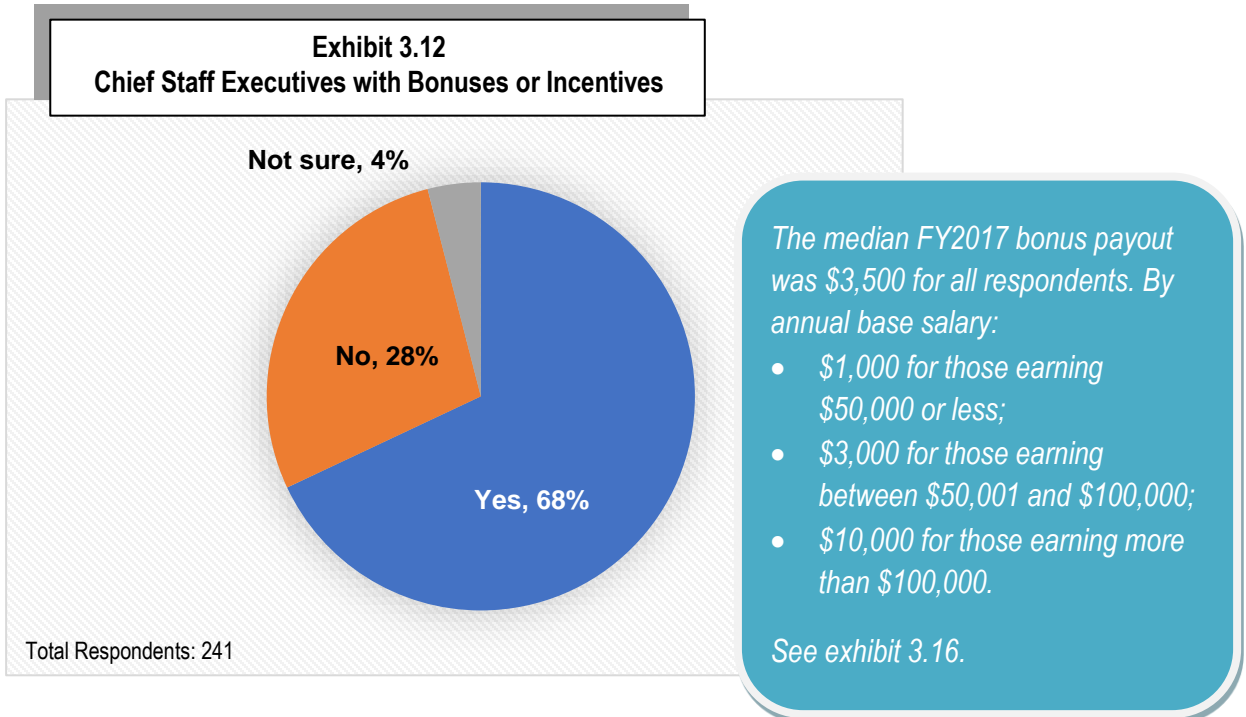


Exhibit 3.13 shows that the median bonus or incentive payment for Chief Staff Executives in 2017 was \$3,500 overall. Exhibits 3.14-3.17 identifies the ranges, medians and averages by number of REALTOR® members in the local association, by Chief Staff Executives’ years in their current position, by their budgeted annual base salaries, and by their associations’ net worth.

| <b>Exhibit 3.13</b>                                       |                |
|---|----------------|
| <b>Chief Staff Executives’ Bonus or Incentive Payouts</b> |                |
| <b>Range</b>  | \$100–\$88,000 |
| <b>25<sup>th</sup> Percentile</b>                         | \$1,500        |
| <b>75<sup>th</sup> Percentile</b>                         | \$6,500        |
| <b>Average</b>  | \$5,965        |
| <b>MEDIAN</b>   | <b>\$3,500</b> |
| <b>Total Respondents</b>                                  | 163            |

| <b>Exhibit 3.14</b>   |  |                            |                                |
|---|--|----------------------------|--------------------------------|
| <b>Chief Staff Executives’ Bonus or Incentive Payouts</b>   |  |                            |                                |
| <b>by the Number of REALTOR® Members in the Association</b> |  |                            |                                |
| <b>Bonus or Incentive Payout</b>                            | <b>Number of REALTOR® Members in the Association</b> |                            |                                |
|   | <b>Small</b><br>Fewer than 500                       | <b>Medium</b><br>500-1,999 | <b>Larger</b><br>2,000 or more |
| <b>Range</b>  | \$100–\$13,500                                       | \$350–\$15,000             | \$500–\$88,000                 |
| <b>25<sup>th</sup> Percentile</b>                           | \$613  | \$2,000                    | \$5,000                        |
| <b>75<sup>th</sup> Percentile</b>                           | \$2,125  | \$6,000                    | \$17,750                       |
| <b>Average</b>  | \$1,905  | \$4,356                    | \$14,467                       |
| <b>MEDIAN</b>   | <b>\$1,500</b>                                       | <b>\$3,500</b>             | <b>\$10,000</b>                |
| <b>Total Respondents</b>                                    | 58   | 65                         | 40                             |

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

| Bonus or Incentive Payout         | Years in Current Position |                |                |                |                |
|-----------------------------------|---------------------------|----------------|----------------|----------------|----------------|
|                                   | Fewer than 2              | 2-5            | 6-10           | 11-15          | More than 15   |
| <b>Range</b>                      | \$350-\$16,000            | \$100-\$28,000 | \$500-\$88,000 | \$750-\$50,000 | \$400-\$43,000 |
| <b>25<sup>th</sup> Percentile</b> | \$1,750                   | \$1,050        | \$1,250        | \$2,000        | \$1,500        |
| <b>75<sup>th</sup> Percentile</b> | \$7,801                   | \$6,350        | \$6,301        | \$7,500        | \$5,000        |
| <b>Average</b>                    | \$5,013                   | \$4,639        | \$7,535        | \$7,555        | \$5,730        |
| <b>MEDIAN</b>                     | <b>\$3,625</b>            | <b>\$2,250</b> | <b>\$3,875</b> | <b>\$4,600</b> | <b>\$3,500</b> |
| <b>Total Respondents</b>          | 20                        | 48             | 36             | 22             | 37             |

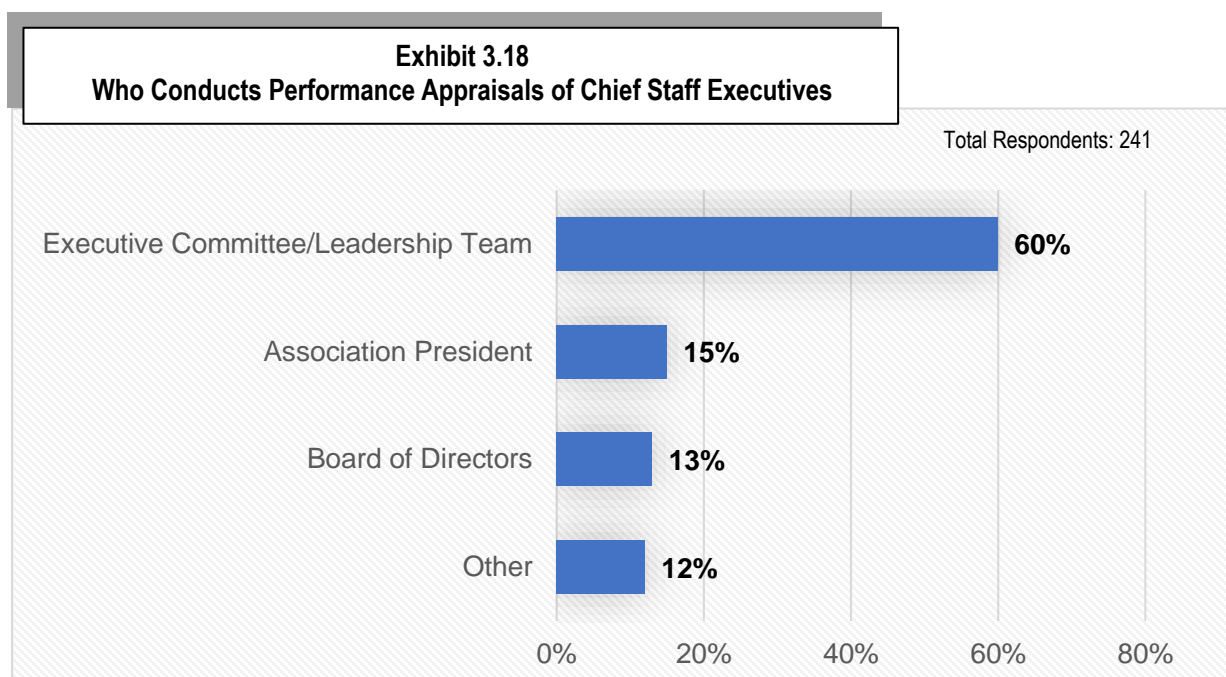
**Exhibit 3.16  
Chief Staff Executives' Bonus or Incentive Payouts  
by FY2017 Budgeted Annual Base Salaries**

| Bonus or Incentive Payout         | 2017 Budgeted Annual Base Salaries |                    |                     |
|-----------------------------------|------------------------------------|--------------------|---------------------|
|                                   | \$50,000 or Less                   | \$50,001-\$100,000 | More than \$100,000 |
| <b>Range</b>                      | \$100-\$4,000                      | \$400-\$88,000     | \$500-\$50,000      |
| <b>25<sup>th</sup> Percentile</b> | \$500                              | \$1,750            | \$5,000             |
| <b>75<sup>th</sup> Percentile</b> | \$1,750                            | \$5,000            | \$15,000            |
| <b>Average</b>                    | \$1,245                            | \$4,568            | \$11,640            |
| <b>MEDIAN</b>                     | <b>\$1,000</b>                     | <b>\$3,000</b>     | <b>\$10,000</b>     |
| <b>Total Respondents</b>          | 40                                 | 72                 | 51                  |

| Exhibit 3.17<br>Chief Staff Executives' Bonus or Incentive Payouts<br>by Association Net Worth |                       |                     |                     |
|--|-----------------------|---------------------|---------------------|
| Bonus or<br>Incentive Payout   | Association Net Worth |                     |                     |
|  | Less than \$400,000   | \$400,000–\$999,999 | \$1 million or more |
| Range  | \$300–\$12,300        | \$350–\$88,000      | \$3,500–\$50,000    |
| 25 <sup>th</sup> Percentile  | \$500                 | \$2,000             | \$6,500             |
| 75 <sup>th</sup> Percentile  | \$3,000               | \$7,000             | \$18,000            |
| Average  | \$2,221               | \$6,389             | \$15,453            |
| <b>MEDIAN</b>  | <b>\$1,500</b>        | <b>\$4,100</b>      | <b>\$12,000</b>     |
| Total Respondents  | 55                    | 86                  | 17                  |

## Formal Performance Evaluations

As shown in Exhibit 3.18 an executive committee or leadership team conducts the performance appraisal for 60% of the Chief Staff Executives, the association president for 15%, and a board of directors for 13%. The 12% *others* responsible for Chief Staff Executive performance appraisals include a Personnel Committee, the president and president elect, MLS president and board of directors, and the CEO to name a few.





## Benefits

### Health Insurance Benefits

As shown in Exhibit 3.19, of the 241 responding associations that answered the question, 125 (52%) pay all or part of their Chief Staff Executives' health insurance premium and 15% also pay all or part of the premium for covering their executives' dependents.

Exhibit 3.19 also separates the findings by the number of REALTOR® members in the local association. For example, among the associations with 500 to 1,999 members (the "Medium" category), 68% pay all or part of the health insurance premium for their Chief Staff Executives (32% do not) and 13% also pay all or some of the premium for covering their executives' dependents (87% do not).

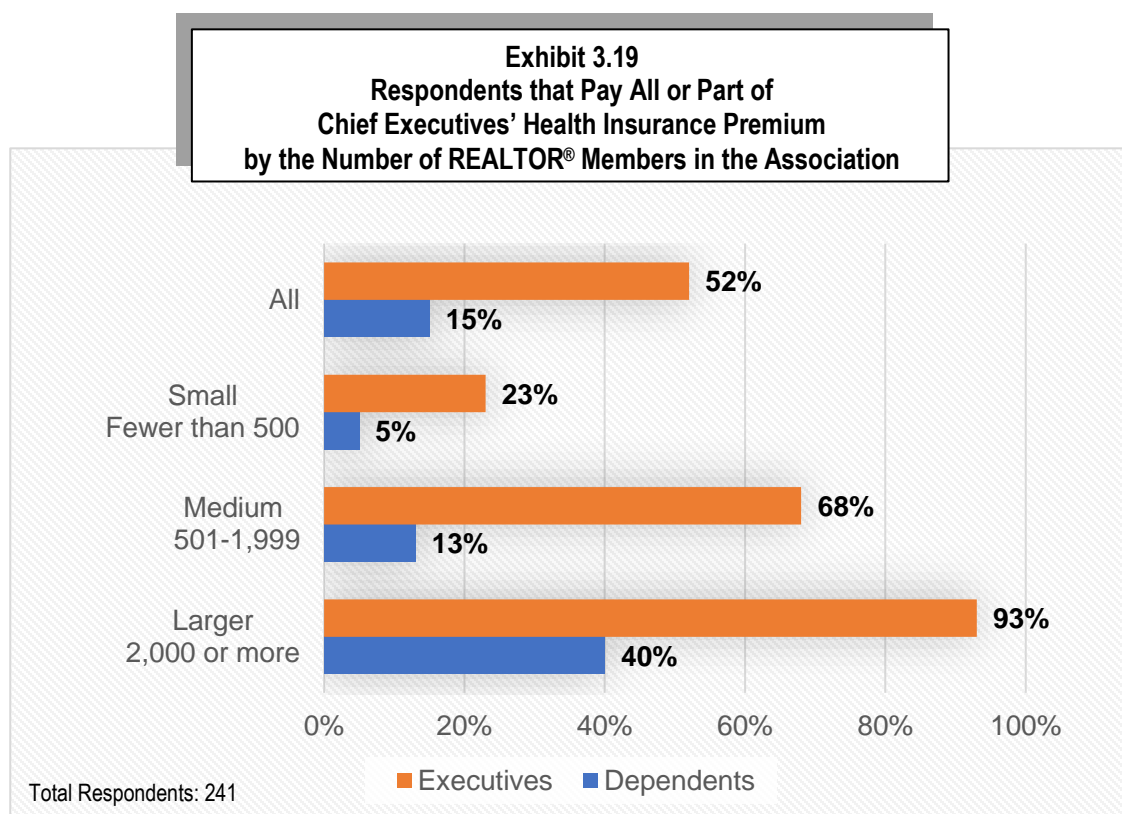
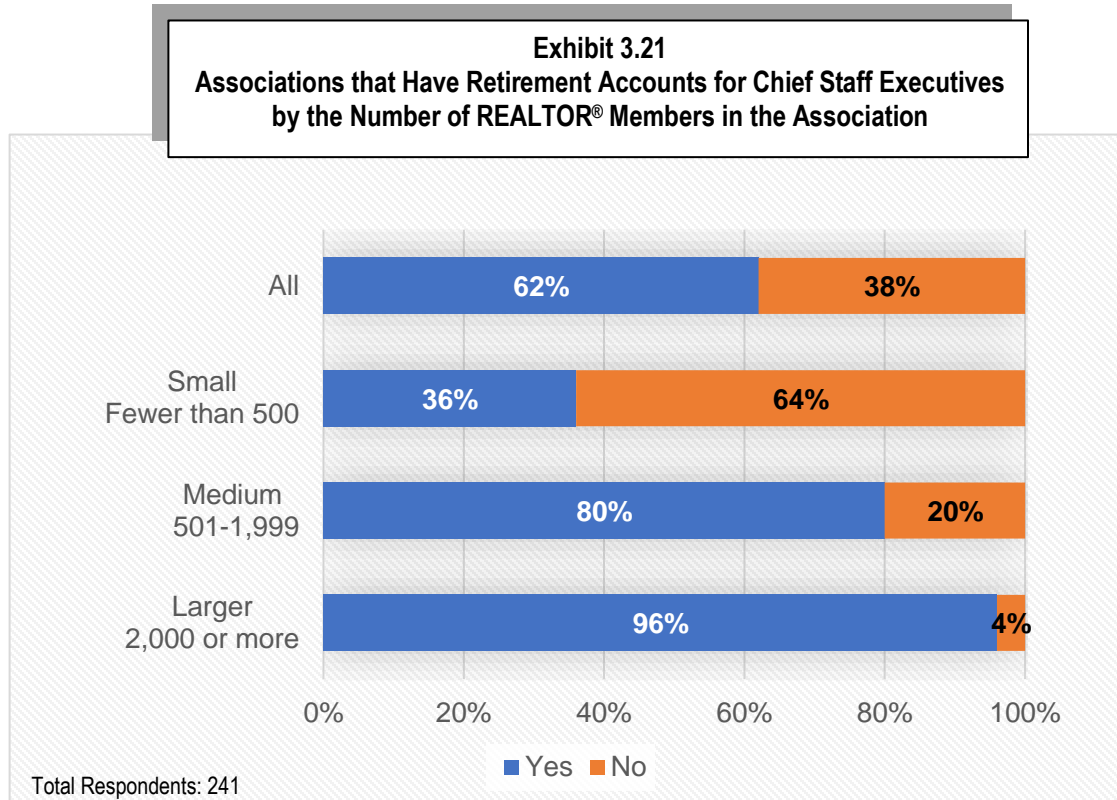


Exhibit 3.20 lists the range, median, and average percentages of the health insurance premiums that the associations pay for their Chief Staff Executives and their dependents.

| Exhibit 3.20<br>Percent of Chief Staff Executives' Health Insurance Premiums<br>Paid by Local Associations |                                 |                     |
|--|---------------------------------|---------------------|
| Percentage that Associations Pay of Health Insurance Premium   | Chief Staff Executives' Premium | Dependents' Premium |
| Range  | 1%–100%                         | 1%–100%             |
| Average  | 91%                             | 88%                 |
| <b>MEDIAN</b>  | <b>100%</b>                     | <b>100%</b>         |
| Total Respondents  | 125                             | 35                  |

### Retirement Benefits

Exhibit 3.21 shows that, overall, 62% of the 241 associations responding to this question have set up retirement accounts for their Chief Staff Executives. These are IRA, 401(k) plans or SEPs that the Chief Staff Executive and/or the association can contribute to on a tax-deferred basis. Exhibit 3.21 also separates this finding by the number of REALTOR® members in the association. The larger the association, the more likely they are to offer retirement accounts, and the more likely they are to contribute to them.



Of the 150 associations that offer retirement plans to their Chief Staff Executives', 113 (75%) said they contribute to the accounts and 37 (25%) do not, as shown in Exhibit 3.24. Exhibit 3.22 also separates this finding by the number of REALTOR® members in the association. For example, 88% of responding associations with 2,000 or more members contribute to the accounts, compared to 50% of the associations with fewer than 500 members.

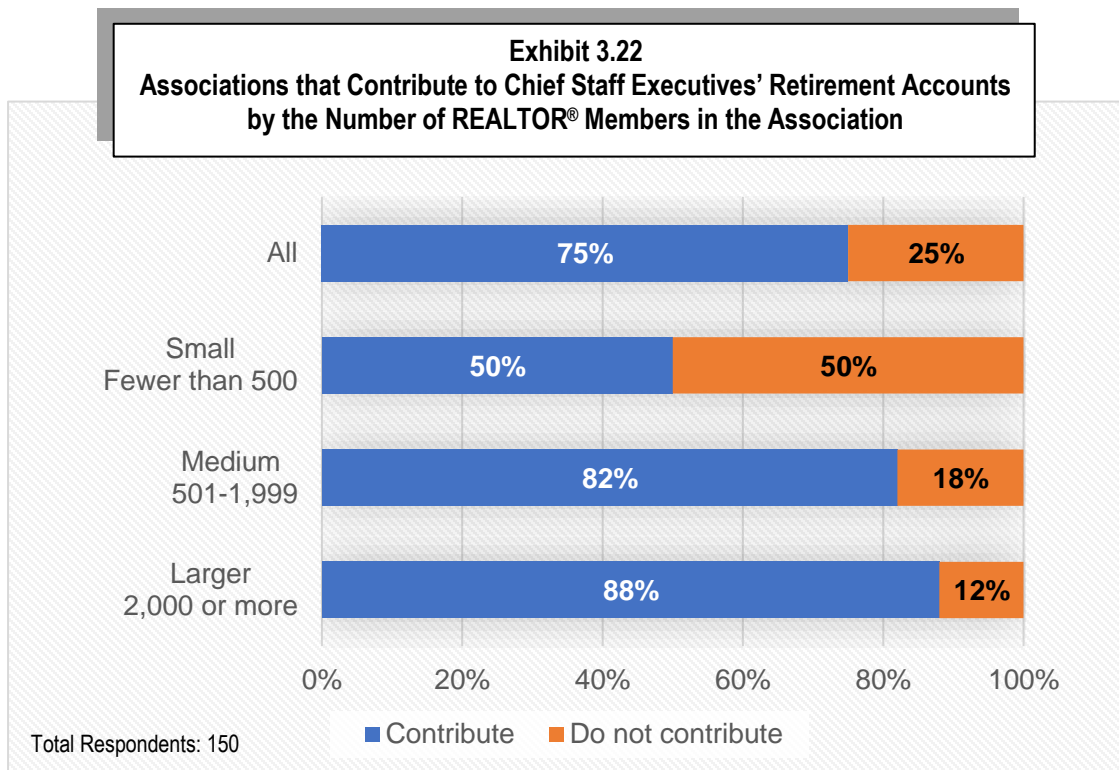


Exhibit 3.23 (next page) shows what type of contributions associations make to their Chief Staff Executives' retirement accounts and the contribution amount (survey median). The exhibit identifies two options for retirement account contributions:

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

| <b>Exhibit 3.23</b>   |   |                                  |                                  |
|---|---|----------------------------------|----------------------------------|
| <b>How Local Association Contribute to Retirement Accounts by Executives' FY2017 Budgeted Annual Base Salaries*</b> |   |                                  |                                  |
| <b>Type of Contribution</b>   | <b>FY2017 Budgeted Annual Base Salaries</b> |                                  |                                  |
|   | <b>\$50,000 or Less</b>                     | <b>\$50,001 - \$100,000</b>      | <b>More than \$100,000</b>       |
| <b>No contribution</b>  | 68%   | 30%                              | 3%                               |
| <b>Fixed Contribution</b>   | 16%<br>Median contribution: 5.0%            | 18%<br>Median contribution: 5.0% | 33%<br>Median contribution: 5.0% |
| <b>Matched Contribution</b>   | 16%<br>Median contribution: 5.0%            | 47%<br>Median contribution: 3.0% | 53%<br>Median contribution: 3.0% |
| <b>Total Respondents</b>  | 19  | 73                               | 58                               |

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

Exhibit 3.24 identifies the percentage of local associations (with retirement accounts for their Chief Staff Executives) that contribute to the accounts by the number of REALTOR® members in their association and whether the contributions are fixed or matched.

| <b>Exhibit 3.24</b>   |                        |  |                            |                                |
|---|------------------------|--|----------------------------|--------------------------------|
| <b>How Local Associations Contribute to Retirement Accounts by the Number of REALTOR® Members in the Association*</b> |                        |  |                            |                                |
| <b>Type of Contribution</b>   | <b>All Respondents</b> | <b>Number of REALTOR® Members in the Association</b> |                            |                                |
|   |                        | <b>Small</b><br>Fewer than 500                       | <b>Medium</b><br>500-1,999 | <b>Larger</b><br>2,000 or more |
| <b>No contribution</b>  | 25%                    | 50%  | 18%                        | 12%                            |
| <b>Fixed contribution</b>   | 23%                    | 10%  | 30%                        | 26%                            |
| <b>Matched contribution</b>   | 45%                    | 38%  | 46%                        | 51%                            |
| <b>Total Respondents</b>  | 150                    | 40   | 67                         | 43                             |

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

### **Other Benefits Included in Chief Staff Executives' Total Compensation**

Exhibit 3.25 lists benefits that 241 responding associations include in their Chief Staff Executives' total compensation. In addition to providing health and retirement benefits as indicated earlier (see Exhibits 3.19 and 3.21), more than half of the executives receive professional development or continuing education support. However, executives earning over \$100,000 in base salary per year tend to have more benefits in their total compensation than those earning less.

| <b>Exhibit 3.25<br/>Other Benefits Included in Chief Staff Executives'<br/>Total Compensation Packages*</b> |                |                                     |                                |                           |
|---|----------------|-------------------------------------|--------------------------------|---------------------------|
| <b>Executive Benefits</b>   | <b>Overall</b> | <b>By FY2017 Annual Base Salary</b> |                                |                           |
|   |                | <b>Under<br/>\$50,000</b>           | <b>\$50,001–<br/>\$100,000</b> | <b>Over<br/>\$100,000</b> |
| Professional development / continuing education   | 58%            | 43%                                 | 61%                            | 75%                       |
| Health Insurance  | 49%            | 13%                                 | 55%                            | 92%                       |
| IRA/401K/SEP  | 44%            | 7%                                  | 46%                            | 92%                       |
| Professional organization membership  | 36%            | 10%                                 | 42%                            | 62%                       |
| Dental insurance  | 33%            | 6%                                  | 26%                            | 82%                       |
| Life insurance  | 32%            | 2%                                  | 29%                            | 77%                       |
| Car allowance   | 20%            | 5%                                  | 10%                            | 57%                       |
| Technology Allowance  | 20%            | 10%                                 | 19%                            | 37%                       |
| Short-term disability insurance   | 18%            | 0%                                  | 9%                             | 57%                       |
| Long-term disability insurance  | 17%            | 1%                                  | 9%                             | 53%                       |
| Spousal travel  | 7%             | 0%                                  | 3%                             | 23%                       |
| Club membership   | 7%             | 4%                                  | 6%                             | 12%                       |
| Deferred compensation   | 3%             | 0%                                  | 0%                             | 12%                       |
| Other**   | 30%            | 48%                                 | 27%                            | 12%                       |

\*Total exceeds 100% because of multiple responses. Total Respondents: 241

\*\*The *Other* executive benefits include 6% of the total respondents with some type of insurance allowance. The remaining benefits in the “Other” category include cell phone allowance, vision care insurance, paid vacation/sick time, and mileage reimbursement.

Section 4

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# Staffing

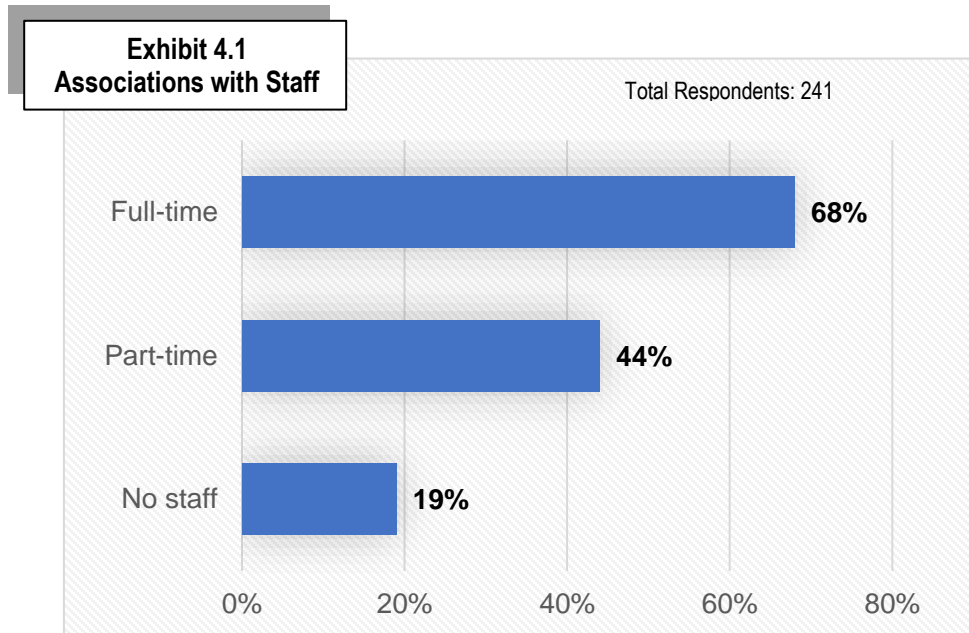


## Section 4: Staffing

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### Full-time and Part-time Staff Positions

Exhibit 4.1 shows that 68% of responding local associations employ full-time staff members and 44% retain part-time employees. Respondents were asked not to include the Chief Staff Executive in their responses.



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

| <b>Exhibit 4.2</b>  |            |  |                            |                                |
|---|------------|--|----------------------------|--------------------------------|
| <b>Number of Full-time Staff Members</b>                    |            |  |                            |                                |
| <b>by the Number of REALTOR® Members in the Association</b> |            |  |                            |                                |
| <b>Number of Full-time Employees</b>                        | <b>All</b> | <b>Number of REALTOR® Members in the Association</b> |                            |                                |
|   |            | <b>Small</b><br>Fewer than 500                       | <b>Medium</b><br>500-1,999 | <b>Larger</b><br>2,000 or more |
| <b>0</b>  | 32%        | 59%  | 13%                        | 0%                             |
| <b>1</b>  | 16%        | 22%  | 16%                        | 0%                             |
| <b>2</b>  | 14%        | 13%  | 19%                        | 4%                             |
| <b>3</b>  | 9%         | 4%   | 16%                        | 9%                             |
| <b>4</b>  | 6%         | 1%   | 12%                        | 7%                             |
| <b>5</b>  | 5%         | 0%   | 12%                        | 2%                             |
| <b>6</b>  | 4%         | 0%   | 6%                         | 11%                            |
| <b>7-8</b>  | 4%         | 0%   | 5%                         | 13%                            |
| <b>9-10</b>   | 3%         | 0%   | 2%                         | 13%                            |
| <b>11-15</b>  | 3%         | 0%   | 0%                         | 16%                            |
| <b>16 or more</b>   | 5%         | 1%   | 0%                         | 24%                            |
| <b>Average</b>  | 4          | 1  | 3                          | 12                             |
| <b>MEDIAN</b>   | <b>2</b>   | <b>0</b>   | <b>3</b>                   | <b>9</b>                       |
| <b>Total Respondents</b>                                    | 241        | 112  | 84                         | 45                             |

| <b>Exhibit 4.3</b>  |            |  |                            |                                |
|---|------------|--|----------------------------|--------------------------------|
| <b>Number of Part-time Staff Members</b>                    |            |  |                            |                                |
| <b>by the Number of REALTOR® Members in the Association</b> |            |  |                            |                                |
| <b>Number of Part-time Employees</b>                        | <b>All</b> | <b>Number of REALTOR® Members in the Association</b> |                            |                                |
|   |            | <b>Small</b><br>Fewer than 500                       | <b>Medium</b><br>500-1,999 | <b>Larger</b><br>2,000 or more |
| <b>0</b>  | 13%        | 25%  | 2%                         | 5%                             |
| <b>1</b>  | 64%        | 67%  | 66%                        | 52%                            |
| <b>2</b>  | 9%         | 7%   | 11%                        | 10%                            |
| <b>3</b>  | 6%         | 0%   | 9%                         | 14%                            |
| <b>4</b>  | 3%         | 0%   | 9%                         | 0%                             |
| <b>5 or more</b>  | 5%         | 2%   | 2%                         | 19%                            |
| <b>Average</b>  | 1          | 1  | 1                          | 1                              |
| <b>MEDIAN</b>   | <b>0</b>   | <b>0</b>   | <b>1</b>                   | <b>0</b>                       |
| <b>Total Respondents</b>                                    | 241        | 112  | 84                         | 45                             |



Exhibits 4.4.1 through 4.4.3 provide insight into the types of jobs that the local associations staff with full-time and part-time employees. The tables separate survey results by the number of REALTOR® members in the association. For example, of the local associations classified as “small,” with fewer than 500 REALTOR® members, 15% have retained one MLS operations full-time employee, and 9% have one part-time MLS operations employee on staff.

| <b>Exhibit 4.4.1</b>  |  |          |           |                            |          |          |          |
|---|--|----------|-----------|----------------------------|----------|----------|----------|
| <b>Full-time and Part-time Staff Positions</b>                  |  |          |           |                            |          |          |          |
| <b>by the Number of REALTOR® Members in the Association</b>     |  |          |           |                            |          |          |          |
| <b>Small, Fewer than 500</b>                                    |  |          |           |                            |          |          |          |
| <b>Staff Positions</b>  | <b>Number of Employees in Position</b>                   |          |           |                            |          |          |          |
|   | <b>Percent of Respondents with Employees in Position</b> |          |           |                            |          |          |          |
|   | <b>Full-time Employees</b>                               |          |           | <b>Part-time Employees</b> |          |          |          |
|   | <b>0</b>   | <b>1</b> | <b>2+</b> |                            | <b>0</b> | <b>1</b> | <b>2</b> |
| <b>Accounting / bookkeeping / finance</b>                       | 91%  | 9%       | 0%        |                            | 91%      | 9%       | 0%       |
| <b>Administration</b>   | 80%  | 20%      | 0%        |                            | 89%      | 11%      | 0%       |
| <b>Commercial</b>   | 100%   | 0%       | 0%        |                            | 100%     | 0%       | 0%       |
| <b>Communications / public relations</b>                        | 98%  | 2%       | 0%        |                            | 98%      | 2%       | 0%       |
| <b>Customer care / service</b>                                  | 97%  | 3%       | 0%        |                            | 96%      | 4%       | 0%       |
| <b>Education / training</b>                                     | 98%  | 2%       | 0%        |                            | 99%      | 1%       | 0%       |
| <b>Government affairs / political and community development</b> | 98%  | 2%       | 0%        |                            | 99%      | 1%       | 0%       |
| <b>Information technology</b>                                   | 99%  | 1%       | 0%        |                            | 99%      | 1%       | 0%       |
| <b>International activities</b>                                 | 100%   | 0%       | 0%        |                            | 100%     | 0%       | 0%       |
| <b>Legal affairs</b>  | 99%  | 1%       | 0%        |                            | 100%     | 0%       | 0%       |
| <b>Marketing</b>  | 97%  | 3%       | 0%        |                            | 99%      | 1%       | 0%       |
| <b>Meetings / events</b>  | 97%  | 3%       | 0%        |                            | 99%      | 1%       | 0%       |
| <b>Membership / member services</b>                             | 87%  | 13%      | 0%        |                            | 95%      | 4%       | 1%       |
| <b>MLS operations</b>   | 85%  | 15%      | 0%        |                            | 91%      | 9%       | 0%       |
| <b>Professional standards</b>                                   | 99%  | 1%       | 0%        |                            | 100%     | 0%       | 0%       |
| <b>Store / lockbox administration</b>                           | 98%  | 2%       | 0%        |                            | 100%     | 0%       | 0%       |
| <b>Other</b>  | 98%  | 1%       | 1%        |                            | 98%      | 2%       | 0%       |

**Exhibit 4.4.2**  
**Full-time and Part-time Staff Positions**  
**by the Number of REALTOR® Members in the Association**  
**Medium, 500-1,999**

| Staff Positions  | Number of Employees in Position<br>Percent of Respondents with Employees in Position |     |     |    |                     |     |    |
|--|--|-----|-----|----|---------------------|-----|----|
|  | Full-time Employees  |     |     |    | Part-time Employees |     |    |
|  | 0  | 1   | 2   | 3  | 0                   | 1   | 2  |
| Accounting / bookkeeping / finance                       | 60%  | 40% | 0%  | 0% | 80%                 | 20% | 0% |
| Administration   | 62%  | 33% | 5%  | 0% | 87%                 | 13% | 0% |
| Commercial   | 99%  | 1%  | 0%  | 0% | 100%                | 0%  | 0% |
| Communications / public relations                        | 75%  | 25% | 0%  | 0% | 98%                 | 2%  | 0% |
| Customer care / service                                  | 82%  | 17% | 1%  | 0% | 94%                 | 5%  | 1% |
| Education / training                                     | 74%  | 26% | 0%  | 0% | 95%                 | 5%  | 0% |
| Government affairs / political and community development | 85%  | 15% | 0%  | 0% | 92%                 | 8%  | 0% |
| Information technology                                   | 93%  | 6%  | 1%  | 0% | 98%                 | 2%  | 0% |
| International activities                                 | 100%   | 0%  | 0%  | 0% | 100%                | 0%  | 0% |
| Legal affairs  | 100%   | 0%  | 0%  | 0% | 100%                | 0%  | 0% |
| Marketing  | 100%   | 0%  | 0%  | 0% | 98%                 | 2%  | 0% |
| Meetings / events  | 94%  | 6%  | 0%  | 0% | 98%                 | 2%  | 0% |
| Membership / member services                             | 54%  | 44% | 2%  | 0% | 85%                 | 15% | 0% |
| MLS operations   | 56%  | 30% | 13% | 1% | 98%                 | 2%  | 0% |
| Professional standards                                   | 100%   | 0%  | 0%  | 0% | 99%                 | 1%  | 0% |
| Store / lockbox administration                           | 94%  | 6%  | 0%  | 0% | 100%                | 0%  | 0% |
| Other  | 98%  | 2%  | 0%  | 0% | 98%                 | 2%  | 0% |

**Exhibit 4.4.3**  
**Full-time and Part-time Staff Positions**  
**by the Number of REALTOR<sup>®</sup> Members in the Association**  
**Larger, 2,000 or more**

| Staff Positions  | Number of Employees in Position<br>Percent of Respondents with Employees in Position |     |     |    |    |    |      |                     |     |    |
|--|--|-----|-----|----|----|----|------|---------------------|-----|----|
|  | Full-time Employees  |     |     |    |    |    |      | Part-time Employees |     |    |
|  | 0  | 1   | 2   | 3  | 4  | 5  | 6-10 | 0                   | 1   | 2  |
| Accounting / bookkeeping / finance                       | 22%  | 42% | 22% | 7% | 7% | 0% | 0%   | 91%                 | 9%  | 0% |
| Administration   | 24%  | 49% | 16% | 7% | 2% | 0% | 2%   | 89%                 | 9%  | 2% |
| Commercial   | 96%  | 4%  | 0%  | 0% | 0% | 0% | 0%   | 93%                 | 7%  | 0% |
| Communications / public relations                        | 31%  | 49% | 11% | 2% | 2% | 2% | 2%   | 98%                 | 2%  | 0% |
| Customer care / service                                  | 62%  | 24% | 2%  | 9% | 0% | 0% | 2%   | 98%                 | 0%  | 2% |
| Education / training                                     | 22%  | 56% | 13% | 4% | 4% | 0% | 0%   | 91%                 | 9%  | 0% |
| Government affairs / political and community development | 36%  | 49% | 16% | 0% | 0% | 0% | 0%   | 91%                 | 9%  | 0% |
| Information technology                                   | 93%  | 6%  | 1%  | 0% | 0% | 0% | 0%   | 98%                 | 2%  | 0% |
| International activities                                 | 93%  | 7%  | 0%  | 0% | 0% | 0% | 0%   | 98%                 | 2%  | 0% |
| Legal affairs  | 96%  | 0%  | 4%  | 0% | 0% | 0% | 0%   | 100%                | 0%  | 0% |
| Marketing  | 84%  | 16% | 0%  | 0% | 0% | 0% | 0%   | 100%                | 0%  | 0% |
| Meetings / events  | 69%  | 31% | 0%  | 0% | 0% | 0% | 0%   | 96%                 | 0%  | 4% |
| Membership / member services                             | 13%  | 53% | 9%  | 9% | 7% | 2% | 7%   | 93%                 | 4%  | 2% |
| MLS operations   | 62%  | 7%  | 13% | 2% | 9% | 2% | 4%   | 93%                 | 4%  | 2% |
| Professional standards                                   | 69%  | 31% | 0%  | 0% | 0% | 0% | 0%   | 87%                 | 11% | 2% |
| Store / lockbox administration                           | 69%  | 29% | 2%  | 0% | 0% | 0% | 0%   | 93%                 | 7%  | 0% |
| Other  | 82%  | 13% | 4%  | 0% | 0% | 0% | 0%   | 98%                 | 2%  | 0% |

Exhibit 4.5 lists the annual base salaries for selected staff positions and includes salary ranges, medians, 25<sup>th</sup> and 75<sup>th</sup> percentiles, and averages. Exhibits 4.5.1 through 4.5.3 provide the annual base salaries for selected staff positions by the number of REALTOR<sup>®</sup> members in the association. These tables show the range, median, and average salaries for the positions where sufficient data was received for the calculations.

| <b>Exhibit 4.5</b>                                       |                             |                        |                        |                |                 |                          |
|--|-----------------------------|------------------------|------------------------|----------------|-----------------|--------------------------|
| <b>Annual Base Salaries for Selected Staff Positions</b> |                             |                        |                        |                |                 |                          |
|  | <b>Annual Base Salaries</b> |                        |                        |                |                 |                          |
| <b>Selected Staff Positions</b>                          | <b>Range</b>                | <b>25th Percentile</b> | <b>75th Percentile</b> | <b>Average</b> | <b>MEDIAN</b>   | <b>Total Respondents</b> |
| <b>Association legal counsel</b>                         | \$460-\$93,268              | \$1,230                | \$56,134               | \$23,846       | <b>\$4,500</b>  | 5                        |
| <b>Communications director</b>                           | \$15,000-\$120,000          | \$35,000               | \$62,398               | \$52,258       | <b>\$50,000</b> | 52                       |
| <b>Education director</b>                                | \$20,000-\$110,000          | \$40,000               | \$60,615               | \$51,421       | <b>\$50,000</b> | 59                       |
| <b>Events / meetings director</b>                        | \$12,480-\$65,000           | \$35,075               | \$50,000               | \$41,718       | <b>\$41,600</b> | 28                       |
| <b>Finance / accounting director</b>                     | \$5,500-\$332,800           | \$46,116               | \$80,784               | \$67,661       | <b>\$60,000</b> | 69                       |
| <b>Government affairs director</b>                       | \$10,000-\$174,000          | \$45,875               | \$80,961               | \$67,146       | <b>\$68,000</b> | 46                       |
| <b>Information technology director</b>                   | \$43,775-\$117,000          | \$52,310               | \$92,231               | \$71,357       | <b>\$60,000</b> | 17                       |
| <b>Membership director</b>                               | \$15,000-\$118,000          | \$33,800               | \$52,140               | \$45,324       | <b>\$41,563</b> | 94                       |
| <b>MLS director / administrator</b>                      | \$22,000-\$128,734          | \$37,217               | \$65,000               | \$54,009       | <b>\$49,327</b> | 72                       |
| <b>Professionals standards administrator</b>             | \$26,000-\$110,000          | \$45,000               | \$68,000               | \$58,293       | <b>\$54,974</b> | 19                       |

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

| Selected Staff Positions      | Annual Base Salaries |          |                 |                   |
|-------------------------------|----------------------|----------|-----------------|-------------------|
|                               | Range                | Average  | MEDIAN          | Total Respondents |
| MLS director / administrator  | \$22,000-\$47,700    | \$33,762 | <b>\$33,280</b> | 19                |
| Membership director           | \$25,000-\$52,000    | \$35,278 | <b>\$33,200</b> | 13                |
| Finance / accounting director | \$5,500-\$332,800    | \$83,363 | <b>\$45,440</b> | 6                 |

**Exhibit 4.5.2**  
**Annual Base Salaries for Selected Staff Positions**  
**by the Number of REALTOR® Members in the Association**  
**Medium, 500-1,999**

| Selected Staff Positions        | Annual Base Salaries |          |                 |                   |
|---------------------------------|----------------------|----------|-----------------|-------------------|
|                                 | Range                | Average  | MEDIAN          | Total Respondents |
| Membership director             | \$15,000-\$65,000    | \$38,246 | <b>\$39,500</b> | 45                |
| MLS director/administrator      | \$27,000-\$72,000    | \$50,321 | <b>\$50,000</b> | 35                |
| Finance/accounting director     | \$30,600-\$79,568    | \$51,624 | <b>\$50,000</b> | 29                |
| Education director              | \$20,000-\$67,000    | \$42,204 | <b>\$40,250</b> | 24                |
| Communications director         | \$15,000-\$71,000    | \$39,541 | <b>\$35,000</b> | 21                |
| Government affairs director     | \$10,000-\$84,183    | \$45,892 | <b>\$47,000</b> | 17                |
| Events/meetings director        | \$12,480-\$54,000    | \$36,998 | <b>\$39,750</b> | 10                |
| Information technology director | \$45,000-\$70,000    | \$56,971 | <b>\$55,000</b> | 6                 |

**Exhibit 4.5.3  
Annual Base Salaries for Selected Staff Positions  
by the Number of REALTOR® Members in the Association  
Larger, 2,000 or more**

| Selected Staff Positions             | Annual Base Salaries |          |                 |                   |
|--------------------------------------|----------------------|----------|-----------------|-------------------|
|                                      | Range                | Average  | MEDIAN          | Total Respondents |
| Communications director              | \$28,600-\$120,000   | \$63,429 | <b>\$60,000</b> | 28                |
| Education director                   | \$34,000-\$110,000   | \$58,453 | <b>\$57,067</b> | 33                |
| Events/meetings director             | \$35,779-\$65,000    | \$47,494 | <b>\$45,000</b> | 15                |
| Finance/accounting director          | \$42,000-\$140,000   | \$78,569 | <b>\$78,875</b> | 34                |
| Government affairs director          | \$36,000-\$174,000   | \$80,002 | <b>\$77,708</b> | 28                |
| Information technology director      | \$43,775-\$117,000   | \$79,203 | <b>\$82,000</b> | 11                |
| Membership director                  | \$34,000-\$118,000   | \$57,798 | <b>\$52,281</b> | 36                |
| MLS director/administrator           | \$45,756-\$128,734   | \$82,550 | <b>\$85,058</b> | 18                |
| Professional standards administrator | \$26,000-\$110,000   | \$59,031 | <b>\$55,567</b> | 18                |

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

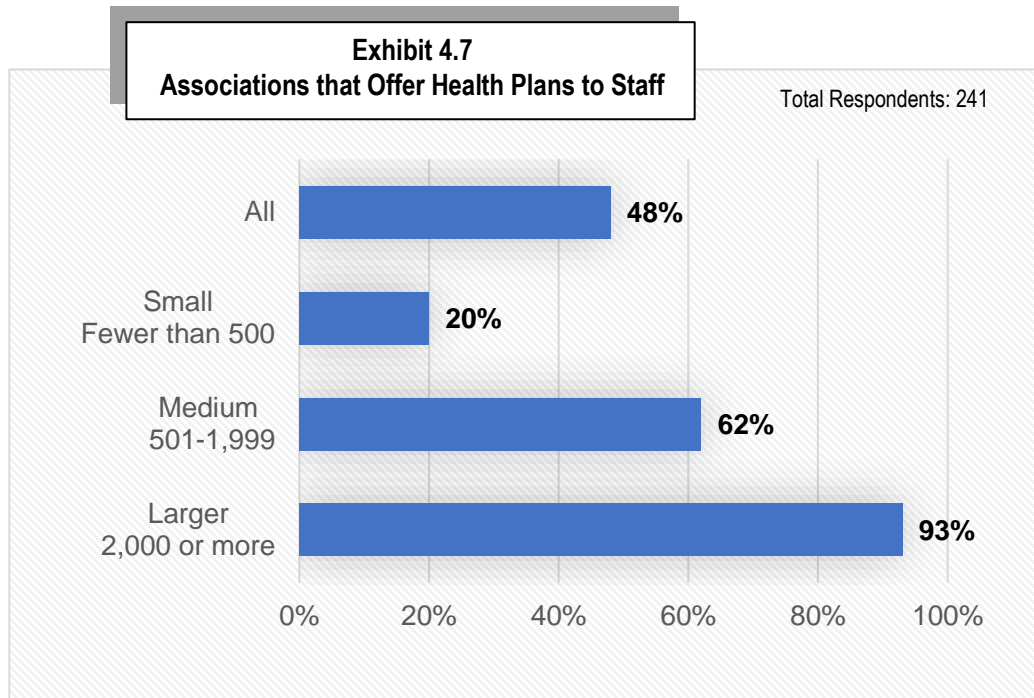
| <b>Exhibit 4.6<br/>Outsourced Services<br/>By the Number of REALTOR® Members in the Association</b> |            |   |                             |                                 |
|---|------------|---|-----------------------------|---------------------------------|
| <b>Association Services</b>   | <b>All</b> | <b>By Number of REALTOR® Members in the Association</b> |                             |                                 |
|   |            | <b>Small<br/>Fewer than 500</b>                         | <b>Medium<br/>500-1,999</b> | <b>Larger<br/>2,000 or more</b> |
| <b>Accounting/bookkeeping/finance</b>   | 49%        | 55%   | 52%                         | 27%                             |
| <b>Administration</b>   | 1%         | 1%  | 0%                          | 4%                              |
| <b>Commercial</b>   | 0.4%       | 1%  | 0%                          | 0%                              |
| <b>Communications / public relations</b>  | 6%         | 2%  | 7%                          | 16%                             |
| <b>Diversity outreach and training</b>  | 2%         | 3%  | 1%                          | 0%                              |
| <b>Education</b>  | 23%        | 35%   | 17%                         | 4%                              |
| <b>Information technology</b>   | 34%        | 23%   | 38%                         | 51%                             |
| <b>International activities</b>   | 0.4%       | 1%  | 0%                          | 0%                              |
| <b>Leadership training</b>  | 24%        | 26%   | 21%                         | 22%                             |
| <b>Legal affairs</b>  | 56%        | 55%   | 60%                         | 53%                             |
| <b>Legislative/lobbying</b>   | 14%        | 11%   | 14%                         | 22%                             |
| <b>Marketing</b>  | 4%         | 5%  | 5%                          | 0%                              |
| <b>Member outreach / field representative</b>   | 0.4%       | 1%  | 0%                          | 0%                              |
| <b>Meetings / events</b>  | 3%         | 4%  | 0%                          | 4%                              |
| <b>Membership / membership services</b>   | 1%         | 0%  | 2%                          | 0%                              |
| <b>MLS operations</b>   | 14%        | 16%   | 12%                         | 13%                             |
| <b>Store / lockbox administration</b>   | 3%         | 5%  | 0%                          | 2%                              |
| <b>Other</b>  | 10%        | 11%   | 11%                         | 9%                              |

Total Respondents: 241

## Healthcare Plans and Eligibility

Overall, half of the local associations (48%) offer healthcare benefits to staff (Exhibit 4.7). Staff that work for larger associations are more likely to be eligible for health benefits.

Of those offering health plans, associations most often allow new staff to enroll in the health plan after a 90-day waiting period (Exhibit 4.8).



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

| When Eligible for Health Plan | All Respondents | Number of REALTOR® Members in the Association |                     |                         |
|-------------------------------|-----------------|---|---------------------|-------------------------|
|                               |                 | Small<br>Fewer than 500                       | Medium<br>500-1,999 | Larger<br>2,000 or more |
| Immediate                     | 20%             | 27%   | 17%                 | 19%                     |
| After 30 days                 | 23%             | 9%  | 27%                 | 26%                     |
| After 60 days                 | 12%             | 9%  | 10%                 | 17%                     |
| After 90 days                 | 41%             | 46%   | 44%                 | 33%                     |
| Other                         | 4%              | 9%  | 2%                  | 5%                      |
| <b>Total Respondents</b>      | 116             | 22  | 52                  | 42                      |



The types of plans that associations offer staff members are identified in Exhibit 4.9. Smaller associations tend to provide health insurance through marketplace insurance exchanges (the Affordable Care Act). Larger associations have their own group health insurance coverage.

| <b>Exhibit 4.9</b>  |                        |  |                            |                                |
|---|------------------------|--|----------------------------|--------------------------------|
| <b>How Health Insurance Is Offered</b>                      |                        |  |                            |                                |
| <b>of Respondents Offering Health Plans</b>                 |                        |  |                            |                                |
| <b>by the Number of REALTOR® Members in the Association</b> |                        |  |                            |                                |
| <b>Type of Health Insurance</b>                             | <b>All Respondents</b> | <b>Number of REALTOR® Members in the Association</b> |                            |                                |
|   |                        | <b>Small</b><br>Fewer than 500                       | <b>Medium</b><br>500-1,999 | <b>Larger</b><br>2,000 or more |
| <b>Via association group plan</b>                           | 76%                    | 33%  | 81%                        | 93%                            |
| <b>Via health insurance exchange</b>                        | 24%                    | 67%  | 19%                        | 7%                             |
| <b>Total Respondents</b>                                    | 119                    | 24   | 53                         | 42                             |

## Section 5

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# Income and Expenses



## Section 5: Income and Expenses

### Income

Income budgets for fiscal year 2017 (FY2017) are shown in Exhibit 5.1. Exhibits 5.1.1 through 5.1.3 display income budgets by the number of REALTOR<sup>®</sup> members in the association.

| Exhibit 5.1<br>FY2017 Income Budgets |                         |                 |                     |                     |                          |
|--------------------------------------|-------------------------|-----------------|---------------------|---------------------|--------------------------|
| Budgeted<br>Income Source            | Income Sources          |                 |                     |                     |                          |
|                                      | Dues                    | Non-Dues        | MLS FEE             | Other MLS<br>Income | Total Income<br>Budget*  |
| Range                                | \$3,250-<br>\$9,745,479 | \$0-\$3,000,000 | \$0-<br>\$4,251,628 | \$0-<br>\$6,678,000 | \$3,250-<br>\$14,178,000 |
| Average                              | \$381,255               | \$188,804       | \$254,164           | \$80,283            | \$862,957                |
| MEDIAN                               | <b>\$145,000</b>        | <b>\$59,600</b> | <b>\$61,000</b>     | <b>\$0</b>          | <b>\$361,142</b>         |
| Total Respondents                    | 241                     | 241             | 241                 | 241                 | 241                      |

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

| Exhibit 5.1.1<br>FY2017 Income Budgets<br>By the Number of REALTOR <sup>®</sup> Members in the Association<br>Small, Fewer than 500 |                         |                 |                 |                     |                          |
|---|-------------------------|-----------------|-----------------|---------------------|--------------------------|
| Budgeted<br>Income Source   | Income Sources          |                 |                 |                     |                          |
|   | Dues                    | Non-Dues        | MLS FEE         | Other MLS<br>Income | Total Income<br>Budget*  |
| Range   | \$3,250-<br>\$6,300,000 | \$0-\$426,000   | \$0-\$456,000   | \$0-\$6,678,000     | \$3,250-<br>\$14,178,000 |
| Average   | \$170,927               | \$36,613        | \$102,001       | \$72,452            | \$344,548                |
| MEDIAN  | <b>\$53,775</b>         | <b>\$19,140</b> | <b>\$80,469</b> | <b>\$0</b>          | <b>\$173,060</b>         |
| Total Respondents   | 112                     | 112             | 112             | 112                 | 112                      |

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

**Exhibit 5.1.2**  
**FY2017 Income Budgets**  
**By the Number of REALTOR® Members in the Association**  
**Medium, 500-1,999**

| Budgeted<br>Income Source | Income Sources         |                  |                 |                     |                          |
|---------------------------|------------------------|------------------|-----------------|---------------------|--------------------------|
|                           | Dues                   | Non-Dues         | MLS FEE         | Other MLS<br>Income | Total Income<br>Budget*  |
| <b>Range</b>              | \$66,500-<br>\$865,975 | \$0-\$602,000    | \$0-\$1,438,135 | \$0-\$1,144,996     | \$58,360-<br>\$2,040,065 |
| <b>Average</b>            | \$239,065              | \$141,580        | \$225,431       | \$63,473            | \$656,042                |
| <b>MEDIAN</b>             | <b>\$207,700</b>       | <b>\$108,630</b> | <b>\$22,500</b> | <b>\$0</b>          | <b>\$478,347</b>         |
| <b>Total Respondents</b>  | 84                     | 84               | 84              | 84                  | 84                       |

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

**Exhibit 5.1.3**  
**FY2017 Income Budgets**  
**By the Number of REALTOR® Members in the Association**  
**Larger, 2,000 or more**

| Budgeted<br>Income Source | Income Sources           |                          |                 |                     |                            |
|---------------------------|--------------------------|--------------------------|-----------------|---------------------|----------------------------|
|                           | Dues                     | Non-Dues                 | MLS FEE         | Other MLS<br>Income | Total Income<br>Budget*    |
| <b>Range</b>              | \$315,000-<br>\$9,745,79 | \$25,000-<br>\$3,000,000 | \$0-\$4,251,628 | \$0-\$1,500,000     | \$340,000-<br>\$11,759,512 |
| <b>Average</b>            | \$1,170,159              | \$655,742                | \$686,513       | \$131,149           | \$2,539,461                |
| <b>MEDIAN</b>             | <b>\$837,000</b>         | <b>\$455,000</b>         | <b>\$0</b>      | <b>\$0</b>          | <b>\$2,000,000</b>         |
| <b>Total Respondents</b>  | 45                       | 45                       | 45              | 45                  | 45                         |

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

Twenty-four respondents added other income sources that they considered part of their annual budgets (Exhibit 5.2).

| <b>Exhibit 5.2<br/>FY2017 Income Budgets<br/>Other Income Sources*</b> |                 |   |
|--|-----------------|---|
| <b>Income from Other Sources</b>                                       |                 | <b>Most Common “Other Sources” of Income</b>  |
| <b>Range</b>   | \$34–\$869,221  | <ul style="list-style-type: none"> <li>• Education</li> <li>• Fees (document licensing, late fees, returned check fee)</li> <li>• Investment/interest</li> <li>• Merchandise</li> <li>• Building rentals</li> <li>• Donations and fundraising</li> <li>• Lockbox/SentriLock</li> <li>• Room rental</li> <li>• Sponsorships</li> </ul> |
| <b>Average</b>   | \$95,395        |   |
| <b>MEDIAN</b>  | <b>\$44,883</b> |   |
| <b>Total Respondents</b>   | 24              |   |
| *Not included in responses to other FY2017 revenue questions.          |                 |   |

Respondents ranked their top five gross income sources using a five-point scale in which 1 is the highest gross income source and 5 the lowest. Exhibit 5.3 shows the rankings and percentages of respondents that ranked the gross income source as number 1, 2, 3, etc. For example, 67% ranked MLS as their number one gross income source, 27% ranked it as number two, etc. Using this ranking methodology, MLS (not including dividends) are ranked as the number one income source overall, followed by dues, subsidiary associations or operations, lockbox, and affinity/strategic relationships.

| <b>Exhibit 5.3<br/>Top Five Gross Income Sources Budgeted for FY2017</b> |   |           |           |           |           |           |  |
|--|---|-----------|-----------|-----------|-----------|-----------|--|
| <b>Budgeted Income Source</b>  | <b>Respondents’ Ranking of<br/>Top 5 Gross Income Sources</b> |           |           |           |           |           | <b>Total Respondents Ranking<br/>Income Source</b> |
|  | <b>Ranking*</b>   | <b>#1</b> | <b>#2</b> | <b>#3</b> | <b>#4</b> | <b>#5</b> |  |
| <b>MLS (not including dividends)</b>                                     | 1.50  | 67%       | 27%       | 1%        | 1%        | 4%        | 147  |
| <b>Dues</b>  | 1.53  | 55%       | 40%       | 3%        | 3%        | 0%        | 239  |
| <b>Subsidiary associations or operations</b>                             | 2.94  | 17%       | 17%       | 39%       | 11%       | 17%       | 18   |
| <b>Lockbox</b>   | 3.07  | 2%        | 21%       | 51%       | 17%       | 8%        | 84   |
| <b>Affinity/strategic relationships</b>                                  | 3.22  | 4%        | 26%       | 26%       | 33%       | 11%       | 27   |

\*On a scale of 1-5 where 1 is the largest source of income budgeted for FY2017.

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

- Fees, including new member fees, late fees, etc.
- Media, magazines
- Meetings and events
- MLS dividends, operational expenses

Exhibit 5.4 shows the top five income sources budgeted for FY2017 as a percentage of associations' total income budgets. For example, 149 respondents indicated that their MLS income represents between 1% and 90% of their total income budgets. This translates into a median of 50% and an average of 48% of their total income budgets.

| <b>Exhibit 5.4<br/>Top 5 Gross Income Sources<br/>as Percent of Total Income Budgeted for FY2017</b> |                 |  |                |               |  |
|--|-----------------|--|----------------|---------------|--|
| <b>Top 5 Gross<br/>Income Source</b>   | <b>Ranking*</b> | <b>Percent of Total Income Budgeted for FY2017</b> |                |               |  |
|  |                 | <b>Range</b>                                       | <b>Average</b> | <b>MEDIAN</b> | <b>Total Respondents<br/>Ranking Income Source</b> |
| <b>MLS (not including dividends)</b>   | 1.50            | 1%-90%   | 48%            | <b>50%</b>    | 149  |
| <b>Dues</b>  | 1.53            | 5%-100%  | 47%            | <b>42%</b>    | 239  |
| <b>Subsidiary associations or operations</b>   | 2.94            | 1%-41%   | 14%            | <b>9%</b>     | 21   |
| <b>Lockbox</b>   | 3.07            | 1%-43%   | 12%            | <b>11%</b>    | 85   |
| <b>Affinity/strategic relationships</b>  | 3.22            | 1%-60%   | 9%             | <b>5%</b>     | 31   |
| <b>Other Gross Income Sources</b>  |                 |  |                |               |  |
| <b>Education</b>   | 3.48            | 1%-32%   | 6%             | <b>5%</b>     | 151  |
| <b>Rent</b>  | 3.58            | 1%-40%   | 8%             | <b>6%</b>     | 76   |
| <b>Social/networking events</b>  | 3.65            | 1%-25%   | 6%             | <b>4%</b>     | 68   |
| <b>Advertising income</b>  | 3.67            | 1%-35%   | 6%             | <b>4%</b>     | 28   |
| <b>Conventions/trade shows</b>   | 3.67            | 1%-32%   | 7%             | <b>4%</b>     | 15   |
| <b>Sale of services</b>  | 3.67            | 1%-18%   | 5%             | <b>4%</b>     | 21   |
| <b>Sponsorship income</b>  | 3.83            | 1%-27%   | 6%             | <b>5%</b>     | 104  |
| <b>Sale of products and services (REALTOR® Store)</b>  | 3.85            | 1%-15%   | 4%             | <b>3%</b>     | 64   |
| <b>Interest and investment</b>   | 4.06            | 1%-15%   | 3%             | <b>2%</b>     | 65   |
| <b>Professional standards fees and fines</b>   | 4.36            | 1%-10%   | 2%             | <b>1%</b>     | 13   |

\*On a scale of 1-5 where 1 is the largest source of income budgeted for FY2017. Income sources with at least 5 rankings shown.

Exhibits 5.4.1 through 5.4.3 display the top five income sources as a percent of total income budgeted for FY2017 grouped by the number of REALTOR<sup>®</sup> members in the association.

| <b>Exhibit 5.4.1</b>   |                 |  |                |               |  |
|--|-----------------|--|----------------|---------------|--|
| <b>Top 5 Gross Income Sources as Percent of Total Income Budgeted for FY2017</b> |                 |  |                |               |  |
| <b>by the Number of REALTOR<sup>®</sup> Members in the Association</b>           |                 |  |                |               |  |
| <b>Small, Fewer than 500</b>   |                 |  |                |               |  |
| <b>Top 5 Gross Income Source</b>   | <b>Ranking*</b> | <b>Percent of Total Income Budgeted for FY2017</b> |                |               |  |
|  |                 | <b>Range</b>                                       | <b>Average</b> | <b>MEDIAN</b> | <b>Total Respondents Ranking Income Source</b> |
| <b>MLS (not including dividends)</b>   | 1.46            | 1%-90%   | 51%            | <b>55%</b>    | 84   |
| <b>Dues</b>  | 1.68            | 5%-100%  | 43%            | <b>35%</b>    | 112  |
| <b>Subsidiary associations or operations</b>                                     | 3.00            | 3%-40%   | 19%            | <b>10%</b>    | 5  |
| <b>Lockbox</b>   | 3.21            | 1%-20%   | 9%             | <b>10%</b>    | 42   |
| <b>Affinity/strategic relationships</b>  | 3.21            | 1%-25%   | 8%             | <b>5%</b>     | 14   |

\*On a scale of 1-5 where 1 is the largest source of income budgeted for FY2017. Income sources with at least 5 rankings shown.

| <b>Exhibit 5.4.2</b>   |                 |  |                |               |  |
|--|-----------------|--|----------------|---------------|--|
| <b>Top 5 Gross Income Sources as Percent of Total Income Budgeted for FY2017</b> |                 |  |                |               |  |
| <b>by the Number of REALTOR<sup>®</sup> Members in the Association</b>           |                 |  |                |               |  |
| <b>Medium, 500-1,999</b>   |                 |  |                |               |  |
| <b>Top 5 Gross Income Source</b>   | <b>Ranking*</b> | <b>Percent of Total Income Budgeted for FY2017</b> |                |               |  |
|  |                 | <b>Range</b>                                       | <b>Average</b> | <b>MEDIAN</b> | <b>Total Respondents Ranking Income Source</b> |
| <b>Dues</b>  | 1.48            | 11%-100%   | 49%            | <b>50%</b>    | 82   |
| <b>MLS (not including dividends)</b>   | 1.56            | 4%-83%   | 46%            | <b>50%</b>    | 46   |
| <b>Affinity/strategic relationships</b>  | 2.75            | 1%-60%   | 12%            | <b>5%</b>     | 11   |
| <b>Subsidiary associations or operations</b>                                     | 2.86            | 2%-40%   | 12%            | <b>9%</b>     | 9  |
| <b>Lockbox</b>   | 2.93            | 1%-43%   | 15%            | <b>14%</b>    | 30   |

\*On a scale of 1-5 where 1 is the largest source of income budgeted for FY2017. Income sources with at least 5 rankings shown.

**Exhibit 5.4.3**  
**Top 5 Gross Income Sources as Percent of Total Income Budgeted for FY2017**  
**by the Number of REALTOR® Members in the Association**  
**Larger, 2,000 or more**

| Top 5 Gross Income Source                    | Ranking* | Percent of Total Income Budgeted for FY2017 |         |            |   |
|--|----------|---|---------|------------|---|
|  |          | Range                                       | Average | MEDIAN     | Total Respondents Ranking Income Source |
| <b>Dues</b>                                  | 1.27     | 18%-96%                                     | 55%     | <b>57%</b> | 45                                      |
| <b>MLS (excluding dividends)</b>             | 1.50     | 2%-66%                                      | 38%     | <b>46%</b> | 19                                      |
| <b>Lockbox</b>                               | 2.92     | 1%-34%                                      | 12%     | <b>11%</b> | 14                                      |
| <b>Subsidiary associations or operations</b> | 3.00     | 1%-41%                                      | 12%     | <b>9%</b>  | 7                                       |
| <b>Education</b>                             | 3.29     | 1%-32%                                      | 7%      | <b>5%</b>  | 36                                      |

\*On a scale of 1-5 where 1 is the largest source of income budgeted for FY2017. Income sources with at least 5 rankings shown.



### MLS Income

Three-quarters of respondents (75%) operate or derive revenue from an MLS. These respondents indicated how they structure their MLS arrangements for earning and sharing income. Creating a committee for managing MLS services is used by 40% of the respondents. Others, 16%, have a shareholder arrangement in a regional MLS and 34% have a wholly owned, but separate corporation for MLS services (Exhibit 5.5).

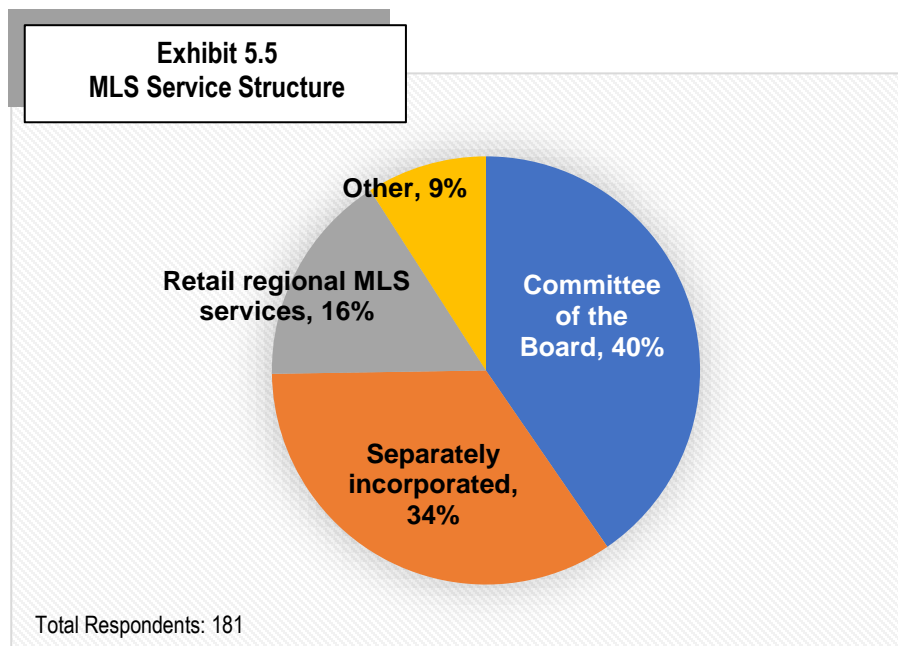


Exhibit 5.6 shows the type of MLS service structure by the number of REALTOR® members in the association.

**Exhibit 5.6  
MLS Service Structure  
by the Number of REALTOR® Members in the Association**

| Type of<br>MLS Service Structure           | Number of REALTOR® Members in the Association |                     |                         |
|--|---|---------------------|-------------------------|
|  | Small<br>Fewer than 500                       | Medium<br>500-1,999 | Larger<br>2,000 or more |
| By MLS Committee                           | 58%   | 28%                 | 10%                     |
| By wholly owned, but separate subsidiary   | 22%   | 44%                 | 52%                     |
| By Shareholder arrangement in regional MLS | 15%   | 18%                 | 14%                     |
| <b>Total Respondents</b>                   | 91  | 61                  | 29                      |

Total all respondents: 181

Respondents share their FY2017 budgets for MLS income by the three types of MLS service structures in Exhibit 5.7.

| <b>Exhibit 5.7<br/>FY2017 MLS Income Budgets</b> |                                 |                |                  |                          |
|--|---------------------------------|----------------|------------------|--------------------------|
| <b>MLS Structure</b>                             | <b>FY2017 MLS Income Budget</b> |                |                  |                          |
|  | <b>Range</b>                    | <b>Average</b> | <b>MEDIAN</b>    | <b>Total Respondents</b> |
| <b>MLS committee</b>                             | \$0-<br>\$1,800,000             | \$313,597      | <b>\$201,324</b> | 73                       |
| <b>Shareholder arrangement</b>                   | \$223-<br>\$1,584,000           | \$281,489      | <b>\$148,820</b> | 29                       |
| <b>Wholly owned subsidiary</b>                   | \$0-<br>\$6,678,000             | \$623,307      | <b>\$123,219</b> | 62                       |

Total all respondents: 164

Respondents share their number of MLS subscribers by the number of REALTOR<sup>®</sup> members in the association in Exhibit 5.8.

| <b>Exhibit 5.8<br/>MLS Subscribers<br/>by the Number of REALTOR<sup>®</sup> Members in the Association</b> |   |                             |                                 |
|--|---|-----------------------------|---------------------------------|
| <b>MLS Subscribers</b>   | <b>Number of REALTOR<sup>®</sup> Members in the Association</b> |                             |                                 |
|  | <b>Small<br/>Fewer than 500</b>                                 | <b>Medium<br/>500-1,999</b> | <b>Larger<br/>2,000 or more</b> |
| <b>Less than 500</b>   | 90%   | 5%                          | 3%                              |
| <b>501-1,999</b>   | 10%   | 80%                         | 0%                              |
| <b>2,000-6,999</b>   | 0%  | 7%                          | 66%                             |
| <b>7,000 or more</b>   | 0%  | 8%                          | 31%                             |
| <b>Range</b>   | 0-800   | 0-44,000                    | 0-80,000                        |
| <b>Average</b>   | 278   | 2,673                       | 8,404                           |
| <b>MEDIAN</b>  | <b>274</b>  | <b>1,000</b>                | <b>4,571</b>                    |
| <b>Total Respondents</b>   | 91  | 81                          | 29                              |

## Expenses

Expense budgets for fiscal year 2017 (FY2017) are shown in Exhibit 5.9. Note that the survey asked respondents to provide three separate budget amounts:

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

Some respondents provided all three, others entered one or two and a few included just their total expense budgets for FY2017. Thus, the two middle columns do not add up to the total expense budget column.

| <b>Exhibit 5.9<br/>FY2017 Expense Budgets</b> |   |   |                                  |
|---|---|---|----------------------------------|
|   | <b>Expenses Excluding<br/>Staff Salaries and<br/>Overhead</b> | <b>Expenses for<br/>Staff Salaries and<br/>Overhead</b> | <b>Total Expense<br/>Budget*</b> |
| <b>Range</b>                                  | \$0–\$7,930,105   | \$0–\$4,400,000   | \$1,950–\$11,857,000             |
| <b>Average</b>                                | \$482,343   | \$322,987   | \$816,395                        |
| <b>MEDIAN</b>                                 | <b>\$207,630</b>  | <b>\$141,665</b>  | <b>\$353,130</b>                 |
| <b>Total Respondents</b>                      | 241   | 241   | 241                              |

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

Exhibits 5.9.1 through 5.9.3 separate respondents' expense budgets by the number of REALTOR® members in the association.

| <b>Exhibit 5.9.1</b><br><b>FY2017 Expense Budgets</b><br><b>by the Number of REALTOR® Members in the Association</b><br><b>Small, Fewer than 500</b> |   |   |                              |
|--|---|---|------------------------------|
|  | <b>Expenses Excluding Staff Salaries and Overhead</b> | <b>Expenses for Staff Salaries and Overhead</b> | <b>Total Expense Budget*</b> |
| <b>Range</b>   | \$0-\$462,350   | \$0-\$505,070                                   | \$1,950-\$925,104            |
| <b>Average</b>   | \$138,917   | \$78,511  | \$219,337                    |
| <b>MEDIAN</b>  | <b>\$111,191</b>                                      | <b>\$59,195</b>                                 | <b>\$182,080</b>             |
| <b>Total Respondents</b>   | 112   | 112   | 112                          |

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

| <b>Exhibit 5.9.2</b><br><b>FY2017 Expense Budgets</b><br><b>by the Number of REALTOR® Members in the Association</b><br><b>Medium, 500-1,999</b> |   |   |                              |
|--|---|---|------------------------------|
|  | <b>Expenses Excluding Staff Salaries and Overhead</b> | <b>Expenses for Staff Salaries and Overhead</b> | <b>Total Expense Budget*</b> |
| <b>Range</b>   | \$28,616-\$1,360,000                                  | \$42,000-\$733,085                              | \$78,729-\$1,977,093         |
| <b>Average</b>   | \$373,542   | \$241,319                                       | \$606,812                    |
| <b>MEDIAN</b>  | <b>\$267,747</b>                                      | <b>\$200,325</b>                                | <b>\$448,500</b>             |
| <b>Total Respondents</b>   | 84  | 84  | 84                           |

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

**Exhibit 5.9.3**  
**FY2017 Expense Budgets**  
**by the Number of REALTOR<sup>®</sup> Members in the Association**  
**Larger, 2,000 or more**

|                          | <b>Expenses Excluding Staff Salaries and Overhead</b> | <b>Expenses for Staff Salaries and Overhead</b> | <b>Total Expense Budget*</b> |
|--------------------------|---|---|------------------------------|
| <b>Range</b>             | \$23,000-\$7,930,105                                  | \$166,000-\$4,400,000                           | \$180,000-\$11,857,000       |
| <b>Average</b>           | \$1,540,188   | \$1,083,908                                     | \$2,693,629                  |
| <b>MEDIAN</b>            | <b>\$942,925</b>                                      | <b>\$850,000</b>                                | <b>\$1,731,073</b>           |
| <b>Total Respondents</b> | 45  | 45  | 45                           |

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

Seven respondents added other expenses that they considered part of their annual budgets but did not include in their expense budget responses (Exhibit 5.10).

| <b>Exhibit 5.10</b>      |                    |   |
|--------------------------|--------------------|---|
| <b>Other Expenses</b>    |                    | <b>Most Common Other Expenses</b>   |
| <b>Range</b>             | \$10,500-\$605,000 | <ul style="list-style-type: none"> <li>• Office expenses</li> <li>• NAR and OAR dues</li> <li>• Education</li> <li>• Additional travel</li> <li>• Meetings</li> <li>• Member support</li> </ul> |
| <b>Average</b>           | \$169,862          |   |
| <b>MEDIAN</b>            | <b>\$124,468</b>   |   |
| <b>Total Respondents</b> | 7                  |   |

Respondents ranked their top five FY2017 expenses using a five-point scale in which 1 is the highest expense and 5 the lowest. Exhibit 5.11 shows the rankings and percentages of respondents that ranked the expenses as number 1, 2, 3, etc. For example, 52% of 120 respondents ranked MLS as their number one expense, 34% ranked it as number two, etc. Using this ranking methodology, MLS, lockbox, member services, rent/mortgage/ related expenses, and conventions/meetings are listed as the top five expenses budgeted for FY2017.

| <b>Exhibit 5.11<br/>Top Five Gross Expenses Budgeted for FY2017</b> |   |           |           |           |           |           |  |
|---|---|-----------|-----------|-----------|-----------|-----------|--|
| <b>Budgeted Expense</b>   | <b>Respondent's Ranking of<br/>Top 5 Gross Expenses</b> |           |           |           |           |           | <b>Total<br/>Respondents<br/>Ranking Expense</b> |
|   | <b>Ranking*</b>   | <b>#1</b> | <b>#2</b> | <b>#3</b> | <b>#4</b> | <b>#5</b> |  |
| <b>MLS</b>  | 1.71  | 52%       | 34%       | 8%        | 3%        | 3%        | 120  |
| <b>Lockbox</b>  | 2.57  | 15%       | 39%       | 28%       | 13%       | 6%        | 69   |
| <b>Member services</b>  | 2.73  | 25%       | 24%       | 19%       | 19%       | 14%       | 126  |
| <b>Rent / mortgage / related<br/>property expenses</b>              | 2.91  | 21%       | 15%       | 29%       | 21%       | 14%       | 140  |
| <b>Conventions / meetings</b>                                       | 3.15  | 13%       | 20%       | 24%       | 28%       | 16%       | 87   |

\*On a scale of 1-5 where 1 is the largest expense budgeted for FY2017. Expenses with at least 5 rankings shown.

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

- 63 respondents indicated staff expenses, payroll, and benefits
- 16 respondents wrote in office expenses, utilities, and technology
- 14 said administrative expenses, overhead, and operations
- 13 others added dues, fees, and taxes
- Others included meetings and events, miscellaneous, magazine and website expenses, education and training, outreach/advocacy and core standards, and merchandise/store

Exhibit 5.12 shows the top five gross expenses budgeted for FY2017 as a percentage of associations' total expense budgets. For example, 123 respondents indicated that their MLS expenses represent between 1% and 85% of their total expense budgets. This translates into a median of 30% and an average of 32% of their total expense budgets.

| <b>Exhibit 5.12<br/>Top Five Gross Expenses<br/>As Percent of Total Budgeted for FY2017</b> |                 |   |                |               |  |
|---|-----------------|---|----------------|---------------|--|
| <b>Top 5 Gross Expense</b>  | <b>Ranking*</b> | <b>Percent of Total Expense Budgeted for FY2017</b> |                |               |  |
|   |                 | <b>Range</b>  | <b>Average</b> | <b>MEDIAN</b> | <b>Total Respondents<br/>Ranking Expense</b> |
| <b>MLS</b>  | 1.71            | 1%-85%  | 32%            | <b>30%</b>    | 123  |
| <b>Lockbox</b>  | 2.57            | 1%-60%  | 14%            | <b>12%</b>    | 88   |
| <b>Member services</b>  | 2.73            | 1%-97%  | 21%            | <b>15%</b>    | 153  |
| <b>Rent / mortgage / related<br/>property expenses</b>                                      | 2.91            | 1%-93%  | 16%            | <b>10%</b>    | 161  |
| <b>Conventions / meetings</b>   | 3.15            | 1%-60%  | 12%            | <b>9%</b>     | 114  |
| <b>Other Gross Expenses</b>   |                 |   |                |               |  |
| <b>Travel (staff and leadership)</b>  | 3.30            | 1%-60%  | 12%            | <b>10%</b>    | 199  |
| <b>Education</b>  | 3.31            | 1%-50%  | 11%            | <b>9%</b>     | 155  |
| <b>Government affairs/contract<br/>lobbyist</b>   | 3.41            | 1%-52%  | 8%             | <b>5%</b>     | 44   |
| <b>Capital expenditures<br/>(computers, furniture, office<br/>equipment)</b>                | 3.53            | 1%-60%  | 8%             | <b>3%</b>     | 93   |
| <b>Legal affairs</b>  | 3.81            | 1%-30%  | 5%             | <b>2%</b>     | 62   |
| <b>Public<br/>relations/communications<br/>and printing</b>                                 | 3.86            | 1%-41%  | 7%             | <b>5%</b>     | 97   |
| <b>Consultants</b>  | 3.91            | 1%-60%  | 8%             | <b>5%</b>     | 60   |
| <b>Website technology</b>   | 4.08            | 1%-20%  | 4%             | <b>2%</b>     | 82   |
| <b>Telecommunications</b>   | 4.31            | 1%-20%  | 4%             | <b>2%</b>     | 73   |
| <b>Ethics enforcement</b>   | 4.40            | 1%-25%  | 3%             | <b>1%</b>     | 29   |

\*On a scale of 1-5 where 1 is the largest expense budgeted for FY2017. Expenses with at least 5 rankings shown.

Exhibits 5.12.1 through 5.12.3 display the top five gross expenses sources as a percent of total expenses budgeted for FY2017 grouped by the number of REALTOR<sup>®</sup> members in the association.

| <b>Exhibit 5.12.1</b>   |                 |  |                |               |  |
|---|-----------------|--|----------------|---------------|--|
| <b>Top 5 Gross Expenses as Percent of Total Expense Budgeted for FY2017</b> |                 |  |                |               |  |
| <b>by the Number of REALTOR<sup>®</sup> Members in the Association</b>      |                 |  |                |               |  |
| <b>Small, Fewer than 500</b>  |                 |  |                |               |  |
| <b>Top 5 Gross Expense</b>  | <b>Ranking*</b> | <b>Percent of Total FY2017 Expense Budgets</b> |                |               |  |
|   |                 | <b>Range</b>                                   | <b>Average</b> | <b>MEDIAN</b> | <b>Total Respondents Ranking Expense</b> |
| <b>MLS</b>  | 1.65            | 13%-85%  | 32%            | <b>28%</b>    | 74                                       |
| <b>Member services</b>  | 2.62            | 1%-97%   | 22%            | <b>15%</b>    | 64                                       |
| <b>Lockbox</b>  | 2.74            | 1%-60%   | 15%            | <b>12%</b>    | 48                                       |
| <b>Conventions/meetings</b>   | 3.19            | 1%-60%   | 13%            | <b>10%</b>    | 53                                       |
| <b>Rent/mortgage/related property expenses</b>                              | 3.21            | 1%-93%   | 15%            | <b>10%</b>    | 74                                       |

\*On a scale of 1-5 where 1 is the largest expense budgeted for FY2017. Expenses with at least 5 rankings shown.

| <b>Exhibit 5.12.2</b>   |                 |  |                |               |  |
|---|-----------------|--|----------------|---------------|--|
| <b>Top 5 Gross Expenses as Percent of Total Expense Budgeted for FY2017</b> |                 |  |                |               |  |
| <b>by the Number of REALTOR<sup>®</sup> Members in the Association</b>      |                 |  |                |               |  |
| <b>Medium, 500-1,999</b>  |                 |  |                |               |  |
| <b>Top 5 Gross Expense</b>  | <b>Ranking*</b> | <b>Percent of Total FY2017 Expense Budgets</b> |                |               |  |
|   |                 | <b>Range</b>                                   | <b>Average</b> | <b>MEDIAN</b> | <b>Total Respondents Ranking Expense</b> |
| <b>MLS</b>  | 1.90            | 1%-75%   | 31%            | <b>31%</b>    | 34                                       |
| <b>Lockbox</b>  | 2.32            | 1%-40%   | 14%            | <b>15%</b>    | 28                                       |
| <b>Rent/mortgage/related property expenses</b>                              | 2.81            | 1%-63%   | 16%            | <b>11%</b>    | 61                                       |
| <b>Member services</b>  | 2.86            | 1%-70%   | 19%            | <b>15%</b>    | 56                                       |
| <b>Conventions/meetings</b>   | 2.93            | 1%-55%   | 13%            | <b>10%</b>    | 40                                       |

\*On a scale of 1-5 where 1 is the largest expense budgeted for FY2017. Expenses with at least 5 rankings shown.



**Exhibit 5.12.3**  
**Top 5 Gross Expenses as Percent of Total Expense Budgeted for FY2017**  
**by the Number of REALTOR® Members in the Association**  
**Larger, 2,000 or more**

| Top 5 Gross Expense                     | Ranking* | Percent of Total FY2017 Expense Budgets |         |            |                                   |
|---|----------|---|---------|------------|-----------------------------------|
|   |          | Range                                   | Average | MEDIAN     | Total Respondents Ranking Expense |
| MLS (excluding dividends)               | 1.60     | 9%-60%                                  | 36%     | <b>44%</b> | 15                                |
| Rent/mortgage/related property expenses | 2.20     | 2%-70%                                  | 18%     | <b>10%</b> | 26                                |
| Lockbox                                 | 2.44     | 1%-23%                                  | 11%     | <b>12%</b> | 12                                |
| Member services                         | 2.74     | 1%-81%                                  | 21%     | <b>15%</b> | 33                                |
| Education                               | 2.96     | 1%-32%                                  | 11%     | <b>9%</b>  | 32                                |

\*On a scale of 1-5 where 1 is the largest expense budgeted for FY2017. Expenses with at least 5 rankings shown.

Respondents were asked to specify the percentage of their FY2017 budget for outsourcing certain jobs or functions. The median for overall responses was 5% as shown in Exhibit 5.13.

| <b>Exhibit 5.13</b>                                       |           |
|---|-----------|
| <b>Percent of FY2017 Budget Allocated for Outsourcing</b> |           |
| <b>Range</b>  | 0%–100%   |
| <b>Average</b>  | 10%       |
| <b>MEDIAN</b>   | <b>5%</b> |
| <b>Total Respondents</b>                                  | 241       |

Respondents were asked to specify the percentage of their FY2017 budget for administration/staffing/salaries. The median for overall responses was 40% as shown in Exhibit 5.14.

| <b>Exhibit 5.14</b>  |            |
|--|------------|
| <b>Percent of FY2017 Budget Allocated for Administration/staffing/salaries</b> |            |
| <b>Range</b>   | 0%–100%    |
| <b>Average</b>   | 42%        |
| <b>MEDIAN</b>  | <b>40%</b> |
| <b>Total Respondents</b>   | 241        |

# Index of Exhibits



| Exhibit                                  | Title   | Page |
|--|---|------|
| <b>Section 1: Background</b>             |   |      |
| 1.1                                      | Respondents Identified by the Number of REALTOR® Members in the Association   | 7    |
| 1.2                                      | Local Association Net Worth by the Number of REALTOR® Members in the Association  | 7    |
| 1.3                                      | Average Single-family Home Prices as of July 1, 2017 by the Number of REALTOR® Members in the Association   | 8    |
| 1.4                                      | Region by the Number of REALTOR® Members in the Association   | 8    |
| <b>Section 2: Chief Staff Executives</b> |   |      |
| 2.1                                      | Respondents' Titles   | 10   |
| 2.2                                      | Work Status   | 10   |
| 2.3                                      | Years in Current Position   | 11   |
| 2.4                                      | Years Working for a Local REALTOR® Association  | 11   |
| 2.5                                      | Education Level   | 12   |
| 2.6                                      | Respondents with Professional Designations  | 12   |
| 2.7                                      | Professional Designations Held by Chief Staff Executives  | 13   |
| <b>Section 3: Executive Compensation</b> |   |      |
| 3.1                                      | Chief Staff Executive FY2017 Budgeted Annual Base Salary  | 15   |
| 3.2                                      | Chief Staff Executive FY2017 Budgeted Annual Base Salary by Work Status   | 15   |
| 3.3                                      | Chief Staff Executive FY2017 Budgeted Annual Base Salary by the Number of REALTOR® Members in the Association   | 16   |
| 3.4                                      | Chief Staff Executive FY2017 Budgeted Annual Base Salary by Years in Current Position   | 16   |
| 3.5                                      | Chief Staff Executive FY2017 Budgeted Annual Base Salary Median Amount by Years in Current Position and the Number of REALTOR® Members in the Association | 17   |
| 3.6                                      | Chief Staff Executive FY2017 Budgeted Annual Base Salary by Local Association Net Worth   | 17   |
| 3.7                                      | Chief Staff Executive FY2017 Budgeted Annual Base Salary by Professional Designations   | 18   |
| 3.8                                      | Chief Staff Executive FY2017 Budgeted Annual Base Salary by Education Level   | 18   |
| 3.9                                      | How Chief Staff Executives Receive Increases in Annual Base Salaries  | 19   |
| 3.10                                     | Employment Contracts  | 19   |
| 3.11                                     | Length of Employment Contracts  | 20   |
| 3.12                                     | Chief Staff Executives with Bonuses or Incentives   | 20   |
| 3.13                                     | Chief Staff Executives' Bonus or Incentive Payouts  | 21   |
| 3.14                                     | Chief Staff Executives' Bonus or Incentive Payouts by the Number of REALTOR® Members in the Association   | 21   |
| 3.15                                     | Chief Staff Executives' Bonus or Incentive Payouts by Years in Current Position   | 22   |
| 3.16                                     | Chief Staff Executives' Bonus or Incentive Payouts for by FY2017 Budgeted Annual Base Salaries  | 22   |
| 3.17                                     | Chief Staff Executives' Bonus or Incentive Payments by Association Net Worth  | 23   |

| <b>Exhibit</b>             | <b>Title</b>   | <b>Page</b> |
|----------------------------|--|-------------|
| <b>3.18</b>                | Who Conducts Performance Appraisals of Chief Staff Executives  | <b>23</b>   |
| <b>3.19</b>                | Respondents that Pay All or Part of Chief Executives' Health Insurance Premium by the Number of REALTOR® Members in the Association                | <b>24</b>   |
| <b>3.20</b>                | Percent of Chief Staff Executives' Health Insurance Premiums Paid by Local Associations  | <b>25</b>   |
| <b>3.21</b>                | Associations that Have Retirement Accounts for Chief Staff Executives by the Number of REALTOR® Members in the Association                         | <b>25</b>   |
| <b>3.22</b>                | Associations that Contribute to Chief Staff Executives' Retirement Accounts by the Number of REALTOR® Members in the Association                   | <b>26</b>   |
| <b>3.23</b>                | How Local Associations Contribute to Retirement Accounts by Executives' FY2017 Budgeted Annual Base Salaries                                       | <b>27</b>   |
| <b>3.24</b>                | How Local Associations Contribute to Retirement Accounts by the Number of REALTOR® Members in the Association                                      | <b>27</b>   |
| <b>3.25</b>                | Other Benefits Included in Chief Staff Executives' Total Compensation Packages   | <b>28</b>   |
| <b>Section 4: Staffing</b> |  |             |
| <b>4.1</b>                 | Associations with Staff  | <b>30</b>   |
| <b>4.2</b>                 | Number of Full-time Staff Members by the Number of REALTOR® Members in the Association   | <b>31</b>   |
| <b>4.3</b>                 | Number of Part-time Staff Members by the Number of REALTOR® Members in the Association   | <b>31</b>   |
| <b>4.4.1</b>               | Full-time and Part-time Staff Positions of Respondents with Employees by the Number of REALTOR® Members in the Association (Small, Fewer than 500) | <b>32</b>   |
| <b>4.4.2</b>               | Full-time and Part-time Staff Positions of Respondents with Employees by the Number of REALTOR® Members in the Association (Medium, 500-1,999)     | <b>33</b>   |
| <b>4.4.3</b>               | Full-time and Part-time Staff Positions of Respondents with Employees by the Number of REALTOR® Members in the Association (Larger, 2,000 or more) | <b>34</b>   |
| <b>4.5</b>                 | Annual Base Salaries for Selected Staff Positions  | <b>35</b>   |
| <b>4.5.1</b>               | Annual Base Salaries for Selected Staff Positions by the Number of REALTOR® Members in the Association (Small, Fewer than 500)                     | <b>36</b>   |
| <b>4.5.2</b>               | Annual Base Salaries for Selected Staff Positions by the Number of REALTOR® Members in the Association (Medium, 500-1,999)                         | <b>36</b>   |
| <b>4.5.3</b>               | Annual Base Salaries for Selected Staff Positions by the Number of REALTOR® Members in the Association (Larger, 2,000 or more)                     | <b>37</b>   |
| <b>4.6</b>                 | Outsourced Services  | <b>38</b>   |
| <b>4.7</b>                 | Associations that Offer Health Plans to Staff  | <b>39</b>   |
| <b>4.8</b>                 | When Newly Hired Staff Become Eligible for Health Plan of Respondents Offering Health Plans by the Number of REALTOR® Members in the Association   | <b>39</b>   |
| <b>4.9</b>                 | How Health Insurance Is Offered of Respondents Offering Health Plans by the Number of REALTOR® Members in the Association                          | <b>40</b>   |

| <b>Exhibit</b>                        | <b>Title</b>  | <b>Page</b> |
|---------------------------------------|---|-------------|
| <b>Section 5: Income and Expenses</b> |   |             |
| <b>5.1</b>                            | FY2017 Income Budgets   | <b>42</b>   |
| <b>5.1.1</b>                          | FY2017 Income Budgets by the Number of REALTOR® Members in the Association (Small, Fewer than 500)  | <b>42</b>   |
| <b>5.1.2</b>                          | FY2017 Income Budgets by the Number of REALTOR® Members in the Association (Medium, 500-1,999)  | <b>43</b>   |
| <b>5.1.3</b>                          | FY2017 Income Budgets by the Number of REALTOR® Members in the Association (Larger, 2,000 or more)  | <b>43</b>   |
| <b>5.2</b>                            | FY2017 Income Budgets Other Income Sources  | <b>44</b>   |
| <b>5.3</b>                            | Top Five Gross Income Sources Budgeted for FY2017   | <b>44</b>   |
| <b>5.4</b>                            | Top Five Gross Income Sources as Percent of Total Income Budgeted for FY2017  | <b>45</b>   |
| <b>5.4.1</b>                          | Top Five Gross Income Sources as Percent of Total Income Budgeted for FY2017 by the Number of REALTOR® Members in the Association (Small, Fewer than 500) | <b>46</b>   |
| <b>5.4.2</b>                          | Top Five Gross Income Sources as Percent of Total Income Budgeted for FY2017 by the Number of REALTOR® Members in the Association (Medium, 500-1,999)     | <b>46</b>   |
| <b>5.4.3</b>                          | Top Five Gross Income Sources as Percent of Total Income Budgeted for FY2017 by the Number of REALTOR® Members in the Association (Large, 2,000 or more)  | <b>47</b>   |
| <b>5.5</b>                            | MLS Service Structure   | <b>48</b>   |
| <b>5.6</b>                            | MLS Service Structure by the Number of REALTOR® Members in the Association  | <b>48</b>   |
| <b>5.7</b>                            | FY2017 MLS Income Budgets   | <b>49</b>   |
| <b>5.8</b>                            | Number of MLS Subscribers by the Number of REALTOR® Members in the Association  | <b>49</b>   |
| <b>5.9</b>                            | FY2017 Expense Budgets  | <b>50</b>   |
| <b>5.9.1</b>                          | FY2017 Expense Budgets by the Number of REALTOR® Members in the Association (Small, Fewer than 500)   | <b>51</b>   |
| <b>5.9.2</b>                          | FY2017 Expense Budgets by the Number of REALTOR® Members in the Association (Medium, 500-1,999)   | <b>51</b>   |
| <b>5.9.3</b>                          | FY2017 Expense Budgets by the Number of REALTOR® Members in the Association (Larger, 2,000 or more)   | <b>52</b>   |
| <b>5.10</b>                           | Other Expenses Not Included in FY2017 Expense Budgets   | <b>52</b>   |
| <b>5.11</b>                           | Top Five Gross Expenses Budgeted for FY2017   | <b>53</b>   |
| <b>5.12</b>                           | Top Five Gross Expenses as Percent of Total Expenses Budgeted for FY2017  | <b>54</b>   |
| <b>5.12.1</b>                         | Top Five Gross Expenses as Percent of Total Expenses Budgeted for FY2017 by the Number of REALTOR® Members in the Association (Small, Fewer than 500)     | <b>55</b>   |
| <b>5.12.2</b>                         | Top Five Gross Expenses as Percent of Total Expenses Budgeted for FY2017 by the Number of REALTOR® Members in the Association (Medium, 500-1,999)         | <b>55</b>   |
| <b>5.12.3</b>                         | Top Five Gross Expenses as Percent of Total Expenses Budgeted for FY2017 by the Number of REALTOR® Members in the Association (Larger, 2,000 or more)     | <b>56</b>   |
| <b>5.13</b>                           | Percent of FY2017 Budget Allocated for Outsourcing  | <b>57</b>   |
| <b>5.14</b>                           | Percent of FY2017 Budget Allocated for Administration/staffing/salaries   | <b>57</b>   |