ASSESSMENT OF REALTOR INCOME

IN THE CHIPPEWA VALLEY

By

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ABSTRACT

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Assessment of Realtor Income in the Chippewa Valley

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This paper explores factors that influence income of Realtors working in the Chippewa Valley and the effect training has on income in the real estate industry. Data from a survey of members of the Wisconsin Realtor Association (WRA) conducted in the spring of 2004 are the basis of this analysis. Participants in the study were selected at random from the WRA website; the population included all members of the WRA in Dunn, Eau Claire and Chippewa counties. The data from the survey was then analyzed and correlations between income and competencies influencing income were determined.

A number of factors were seen to positively affect Realtor income. These competencies include (a) technical school degree, (b) some undergraduate work, (c) some graduate work, (d)

years of experience, (e) age up to 50 years, (f) having a brokers license, and (g) working up to 60 hours per week. Competencies negatively affecting Realtor income in the Chippewa Valley include (a) high school degree, (b) undergraduate degree, (c) graduate degree, (d) on the job training, (e) having a mentor, (f) age after 50 years, and (g) working beyond 60 hours per week. No significance was noted in (a) sex of agent and (b) inclusion of commercial sales.

The results training and mentoring have on Realtor earnings were unexpected in this study. However, years in the industry, or experience, can be construed as training and experience was seen to have a positive effect on income in the Chippewa Valley. It is possible that the training currently in place in the Chippewa Valley is viewed as ineffective by sales agents.

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Introduction

In order to become engaged in the selling of residential real estate in the State of Wisconsin, a salesperson or broker must comply with licensing and continuing education guidelines provided by the state statutes. Specifically, 72 hours of in-class instruction or 10 academic credits in real estate or real estate law to be approved by the Wisconsin Department of Regulation and Licensing, are required before an individual can attempt to gain a salesperson license by taking a state administered test (http://www.drl.state.wi.us/Regulation/applicant_information/dod132.html). Wisconsin state statutes also require continuing education. "These requirements were put in place in order to protect the publics who are generally 'uninformed' in real estate dealings" (Dasso and Ring, 1995).

In real estate, a large number of literatures exist on the relationship between educational requirements and earnings. Follain, Lutes and Meier (1987), Glower and Hendershott (1988), Crellin, Frew and Jud (1988) and Jud and Winkler (1999) examine how licensing, schooling, experience and professional training impact REALTOR earnings. Generally, these studies determined a positive relationship between educational variables and earnings. Other studies (Gunterman & Smith, 1988; Johnson & Loucks, 1986; Shilling & Sirmans, 1988) examine the impact of education and licensing requirements on service quality.

In spite of the educational requirements, real estate sales has been characterized as an industry with high turnover, low per capita income and increasing competition (Johnson, Dotson & Dunlap, 1988). With the increasingly competitive environment and quickly changing market, other competencies, aside from the required education, are needed to effectively generate sales

and listings. Moreover, real estate firms devote few resources to on the job training in the real estate industry (Pettijohn, Pettijohn & Parker, 1997).

Identifying the competencies needed to become successful in the real estate industry will provide training opportunities in the Chippewa Valley.

This chapter will present the problem statement, objectives and the significance of this study.

Problem Statement

The problem of this study is to determine the competencies necessary to become an effective real estate agent in residential sales in the Chippewa Valley. The Chippewa Valley includes Dunn, Eau Claire and Chippewa counties in the State of Wisconsin. Training recommendations will be made for current and potential REALTORS. While much research has been done in recent history regarding real estate, there is little to be found on training and real estate in current literature. Prior to Sirmans and Swicegood's 1997 study, which examined factors influencing income of real estate salespersons and brokers in Florida, most research had been completed in the mid to late 1980's (Crellin et al., 1988; Follain et al., 1987; Glower & Hendershott, 1988) and did not concentrate on training in the real estate industry. This research will provide a survey for future studies, as well as quantitative data on the subject. Additionally, determinations will be made for training implementations of the identified competencies for current and potential REALTORS.

The scope of the study is limited to the real estate industry. Moreover, the scope includes the real estate industry in the Chippewa Valley. Although certain inferences and generalizations could be applied to all geographical areas, the data will be most relevant to the states of Wisconsin and Minnesota.

Research Objectives

The objectives to this study are to:

1. Identify successful REALTORS and their level of effectiveness.
2. Identify competencies lacking in ineffective REALTORS.
3. Identify competencies present in effective REALTORS.
4. Make training recommendations to current and potential REALTORS to increase effectiveness.

Significance of the Study

The study will identify the competencies needed to be effective in the real estate industry in the Chippewa Valley. Once these competencies are identified, potential and current REALTORS can use the data gathered and training recommendations to increase effectiveness in the real estate industry.

Limitations

The limitations of this study are:

1. The results of this study are limited to the real estate industry.
2. The results of this study are limited to the mid-west region, more specifically Minnesota and Wisconsin.
3. Additionally, as previous studies have identified, an undesirably low response rate is often present "based on the nature of the sample (professional people who are busy, non-homogeneous and not predisposed to complete a questionnaire)" (Webb, 2000). However, Webb noted that the non-response bias is unlikely to be substantial and concluded that the results were unbiased.

Assumptions

The assumptions of this study are:

1. It is assumed all REALTORS identified by the Wisconsin REALTOR Association are currently practicing in the real estate industry.
2. It is assumed that all information received from the surveys, including income, is honest and factual.

Definitions

1. *REALTOR:* A REALTOR is a real estate agent who becomes a member of the Wisconsin REALTOR Association. REALTOR membership is available to licensed real estate brokers and salespersons. (http://www.wra.org/Become_Realtor/index.htm)
2. *Real estate agent:* For the purpose of this study, real estate agent will be used to describe salespersons and brokers as a group. Real estate agents are licensed by their state to buy and sell property. (http://www.legal-definitions.com/real-estate/real-estate-agent.htm)
3. *Salesperson:* Person who holds a salesperson license and is authorized to buy and sell real estate under a broker. (http://www.wra.org/Become_Realtor/Licensing/license.htm)
4. *Broker:* Person who holds a brokers license and is authorized to buy and sell real estate and have salespersons working for them. (http://www.wra.org/Become_Realtor/Licensing/license.htm)
5. *Competencies:* Characteristics and behaviors of an employee that promote effective and/or superior job performance and provides a framework for achieving success, a motive, a trait, skill, aspects on one's self-image, social role, pursuit of strategic objectives, or a body of knowledge. (http://www.hrm.state.pa.us/oahrm/lib/oahrm/HR_Competencies.doc)

Chapter II

Review of Literature

The problem of this study is to determine the competencies necessary to be effective as a residential real estate agent in the Chippewa Valley. The Chippewa Valley includes Dunn, Eau Claire and Chippewa counties in the State of Wisconsin. REALTORS and their level of effectiveness will be identified. Competencies, both present and lacking, will be identified for their respective levels of effectiveness. Additionally, training recommendations for potential and current real estate agents lacking the recognized competencies will be identified.

Impact of Education in the Real Estate Industry

Literature suggests that the impact of education on the real estate industry is two-fold; pre-licensing and continuous education are put in place to "protect the public" (Dasso and Ring, 1995), while formal education may relate to increased effectiveness of the REALTOR (Anderson & Webb, 2000; Crellin et al., 1988; Follain et al., 1987; Glower & Hendershott, 1988). A large number of literatures exist on the relationship between educational requirements and earnings. Follain et al. and Glower and Hendershott examine how licensing and schooling impact REALTOR earnings. Generally, these studies determined a positive relationship between educational variables and earnings. Other studies (Johnson & Loucks, 1986; Gunterman & Smith, 1988; and Shilling & Sirmans, 1988) examine the impact of education and licensing requirements on service quality. Shilling and Sirmans find that licensing increases the quality of service, but produces anti-competitive side effects. Gunterman and Smith similarly conclude that minimal levels of education reduce complaints against real estate professionals. However, Sirmans and Swicegood suggest that "level of education does not create differences... that may significantly affect income."

Prior to the selling of residential real estate in the State of Wisconsin, a salesperson or broker must comply with licensing guidelines issued by the state. Guidelines require 72 hours of in-class instruction or 10 academic credits in real estate or real estate law to be approved by the Wisconsin Department of Regulation and Licensing before an individual can attempt to gain a salesperson license by taking a state administered test (http://www.drl.state.wi.us/Regulation/applicant_information/dod132.html). Additional in-class instruction is required before obtaining a brokers license. "These requirements were put in place in order to protect the publics who are generally 'uninformed' in real estate dealings" (Dasso and Ring, 1995).

Wisconsin state statutes also require continuing education in the amount of 12 hours every two years (http://www.drl.state.wi.us/Regulation/applicant_information/dod132.html). Educating salespeople does more than just protect the public, "according to the human capital theory, a salesperson should be able to realize greater earnings through occupational licensing and continuing education requirements" (Ehrenburg and Smith, 1982).

Numerous studies have concluded that some formal education, including college and/or junior college have a positive effect on REALTOR income (Crellin et al., 1988; Follain et al., 1987; Glower & Hendershott, 1988). Follain et al. applied the positive effect only to those that have degrees from college or junior college, noting that income for degree holders increased 15% and 13%, respectively. Glower and Hendershott found that college degree holders earn 12% more than those who have not attended college, while those who have attended some college earn 15% more. It is noted that 43.3% of full time males are college graduates, while only 23% of females hold degrees (http://www.census.gov/hhes/income/earnings/call2wiboth.html). However, there is a

discrepancy regarding the effects of attaining a graduate degree and/or attending graduate school. Glower and Hendershott found that there was no relationship between attending graduate school and earnings, while Follain et al. state that those who obtain a graduate degree earn 24% more than those who have less than a junior college education. Moreover, Jud and Winkler (1999) note that persons who attend graduate school are less likely to choose a career in real estate sales than those who have no formal education or those who attend college.

Training

Training in the real estate industry is often intermingled with continuous education and education (Crellin et al., 1988; Follain et al., 1987; Glower & Hendershott, 1988) or completely overlooked (Sirmans & Swicegood, 1997). Both Follain et al. and Anderson and Webb (2000) suggest future works should focus on training and the effects training has on profitability and value. Furthermore, Glower and Hendershott state a common proxy for informal training is experience. While it may be true that experience leads to increased knowledge, little research has been done regarding on the job training prior to starting at a real estate firm.

In 1997, Pettijohn et al. surveyed 960 members of the Board of Realtors for the purpose of exploring sales training received by real estate sales personnel based on commission income, sales volume and closing rations. They concluded that sales training increased closing ratios but not sales volume or commission income. Additionally, real estate firms devote few resources to training. They also suggest that greater emphasis be put on post-sale service and consumer-need identification, as most emphasis is currently on: contracts, prospecting, presentation, self-motivation and closing.

The Decreasing Value of Experience

In studies relating to income factors (Crellin et al., 1988; Follain et al., 1987; Glower & Hendershott, 1988; Sirmans & Swicegood, 1997), each study reviewed concluded that experience was positively related to income. Follain et al's. study found that income for real estate salespeople increased with experience, over 20% per year for the first five years, however, the increases even out after ten years. Glower and Hendershott and Sirmans and Swicegood similarly indicate that experience increased income, but additional experience was of lesser value. Only Crellin et al. did not discover the decreasing value of experience.

While looking at education and service quality, Anderson and Webb (2000) note that without high quality continuing education, knowledge decay occurs which leads to salespeople falling behind in the industry. Since, service quality is essential in acquiring and retaining customers (Seiler, Webb & Whipple, 2000) and more customers mean more income, Anderson and Webb are suggesting that knowledge is lost with time and that experience does not relate to the effectiveness of the salesperson, therefore, only education can increase knowledge.

Personal Characteristics

The research on whether personal characteristics are influential on income in the real estate industry is diverse. Personal characteristics include age, gender and race. The role of age was found to be not significant (Crellin et al., 1988; Glower & Hendershott, 1988; Sirmans & Swicegood, 1997), although Follain et al. (1987) found that income increases until age 36 and then declines with age, ceteris paribus.

Racial differences were not addressed by either Follain et al. (1987) or Glower and Hendershott (1988). In 1988, Crellin et al. found substantial differences between white and black brokers, with black brokers earning significantly less than their white counterparts.

However, this difference was not found among the non-brokers. It is interesting to note that only 4% of respondents were black, while other minorities were not addressed. Most recently, in 1997, Sirmans and Swicegood concluded that being a minority was not a significant variable on income. Just 8% of their respondents reported being a minority.

There is little agreement among researchers on the role sex plays in determining income. In 1987, Follain et al. determined that sex had little to do with income. Crellin et al. (1988) found that female brokers earned significantly less than male brokers, although no difference was found among non-brokers, similar to their findings regarding blacks in the real estate industry. Glower and Hendershott (1988) concluded that female owners earned materially less than male owners, moreover, females, as a collective group, also seem to earn less than males. They also found that males are more prevalent as brokers, managers and owners; 74%, 64% and 71%, respectively. The most recent study regarding earning differences summarized that female income was significantly lower than male income (Sirmans & Swicegood, 1997).

In addition to previous literature, the US Census Bureau also recognized a difference between male and female income of full time real estate brokers and sales agents in the State of Wisconsin in 1999. The median earning for males was $46,805, while female earnings were $32,444. There were slightly more males working full time as real estate brokers and sales agents than females (http://www.census.gov/hhes/income/earnings/call2wiboth.html).

Professional Characteristics

All real estate agents in Wisconsin are classified as either a salesperson or a broker (http://www.drl.state.wi.us/Regulation/applicant_information/dod132.html). Past studies have not concluded whether being a broker has a significant affect on increasing income. Both Follain et al. (1987) and Glower and Hendershott (1988) agree that having a brokers license has a

positive affect on income, while Crellin et al. (1988) and Sirmans and Swicegood (1997) both summarized that brokers have no significant differences in income.

Work effort, hours worked per week, will also be considered under professional characteristics. Both Follain et al. (1987) and Sirmans and Swicegood (1997) agree that hours worked per week have a substantial positive effect on income, although Sirmans and Swicegood noted that working additional hours on weekends was found to be statistically insignificant on earnings. However, Crellin et al. (1988) and Glower and Hendershott (1988) both indicate decreasing returns to hours worked per week. Crellin et at. suggest that productivity falls as the number of hours worked per week increases; therefore, there are marginal rewards for expanded efforts.

Summary

The review of the literature emphasized a volume of different factors determining REALTOR income, including; education, training, experience, as well as, personal and professional characteristics. It is noted that a great deal of the research is from the late 1980's and much economic change has taken place since that period of time, strengthening the need for this study.

Chapter III

Research Methods

The problem of this study is to determine the competencies necessary to be effective as a residential REALTOR in the Chippewa Valley. The Chippewa Valley includes Dunn, Eau Claire and Chippewa counties in the State of Wisconsin. Training recommendations will be made for current and potential real estate agents. While much research has been done in recent history regarding real estate, there is little to be found on training in the real estate industry (Pettijohn et al., 1997). In fact, on the job training is often overlooked (Crellin et al., 1988; Follain et al., 1987; Glower & Hendershott, 1988; Sirmans & Swicegood, 1997). The study will discover successful competencies of the effective and ineffective REALTORS in the Chippewa Valley.

This chapter will present the population of the study and its sample, instrumentation, as well as research design.

Research Objectives

The objectives to this study are to:

1. Identify successful REALTORS and their level of effectiveness.
2. Identify competencies lacking in ineffective REALTORS.
3. Identify competencies present in effective REALTORS.
4. Make training recommendations to current and potential REALTORS to increase effectiveness.

Subject Selection and Description

The population of the study is all REALTORS working in the real estate industry in Dunn, Eau Claire and Chippewa counties. REALTORS were asked to participate in the survey based

on their knowledge of the real estate profession. Participation was voluntary and completely confidential; the REALTOR received no direct benefit for completing the survey. To gather the names, addresses and emails of the individuals working as REALTORS in these counties, a search was conducted on the Wisconsin Realtor Association website (www.wra.org). The search yielded 442 names of REALTORS working in the identified counties. Subjects were 217 randomly selected individuals using a random number table (Minium, 1978).

Instrumentation

The researcher prepared a quantitative survey (Appendix A), cover letter (Appendix B) and follow-up email (Appendix C) developed from knowledge gained from the literature review. Data collected included demographics of the subjects, including, age, race, gender and level of attained schooling. Additional questions refer to the REALTORS job and included, years in the real estate industry, income, sales volume, hours worked per week, among others. A likert scale was developed consisting of 16 items that encompassed the REALTORS working environment and their views on their own training experiences, as well as, their views on the ideal training experience. An open ended question regarding on the job training was also included. The research advisor reviewed the instrument and minor changes and additions were made.

Data Collection Procedures

The instrument was approved by the University of Wisconsin-Stout's Institutional Review Board prior to distribution (Appendix D). The 28 question survey was mailed via first class mail to the 217 randomly selected subjects on March 5, 2004 with a cover letter (Appendix B). For purposes of anonymity, a return postcard with the subjects name and firm was also included for the subject to return separate from the survey. The survey itself could either be returned in a postage paid envelop or taken online using a replica of the survey created by the researcher. The

website address was provided in the cover letter. The researcher applied for and received grant monies from University of Wisconsin-Stout to conduct the mailing. In an effort to attain a higher response rate, a follow-up email (Appendix C) was sent out approximately two weeks after the initial mailing on March 23, 2004. Only subjects who had not returned the postcard from the mailing received the follow-up email.

Data Analysis

Data from the respondents was analyzed beginning April 1, 2004 using Microsoft Excel, version XP (Excel). Pivot tables were used for cross tabulation; standard deviation and mean were obtained using the Function tool in Excel. The cross tabulation was used to determine the factors effecting yearly income. Standard deviation and mean were used to analyze likert scale questions from the survey responses.

Limitations

The limitations of the methodology are:

1. There is no guarantee that the survey will be returned by the subjects, therefore, the rate of return is unknown.
2. The researcher developed the instrument.
3. Email addresses were not available for all non-respondents.
4. It was assumed that members of the Wisconsin Realtors Association had knowledge of and were working in the real estate profession.

Chapter IV

Results

In order to become engaged in the selling of residential real estate in the State of Wisconsin, a salesperson or broker must comply with licensing and continuing education guidelines provided by the state statutes. In spite of the educational requirements, real estate sales has been characterized as an industry with high turnover, low per capita income and increasing competition (Johnson, Dotson & Dunlap, 1988). With the increasingly competitive environment and quickly changing market, other competencies, aside from the required education, are needed to effectively generate sales and listings. Moreover, real estate firms devote few resources to on the job training in the real estate industry (Pettijohn et al., 1997).

Identifying the competencies needed to become successful in the real estate industry will provide training opportunities in the Chippewa Valley.

This chapter will present the results of the survey instrument. The response information is listed below. The majority of the total responses, 97% (n=87), were received from the first mailing.

Subject Selection and Description

The participants of the study were 217 randomly selected REALTORS, who indicated working in the Chippewa Valley. REALTORS were asked to participate in the survey based on their knowledge of the real estate profession. Participation was voluntary and completely confidential; the REALTOR received no direct benefit for completing the survey. Since subjects may have indicated working in more than one county, no determinations were made regarding the respondents primary working area.

Instrumentation

The survey (Appendix A) was initially mailed out with cover letter (Appendix B) to the sample via first class mail on March 5, 2004 with a follow-up email (Appendix C) to non-respondents on the 23rd of March. The survey contained 28 closed ended questions using the following question types: multiple choice, dichotomous and likert scale. In addition, an open ended question regarding on the job training was provided, the comments that were expressed can be found in Appendix B. There were a total of 217 surveys sent out in the initial mailing, and 87 were returned. There were a total of two bad addresses and four subjects indicated that the survey did not apply to them. Follow-up surveys were sent to 111 non-respondents via email and six were completed online, 3% of the total response. There were a total of 15 non-deliverable emails. Removing the bad addresses and non-deliverable messages from the total surveys sent yield a response rate of 47%.

Item Analysis

Initial survey questions attempted to identify subjects' demographics, work and financial background.

Question 1:

Table 1: Question 1 Age of Respondent

Age Group	Count of Respondents	% of Total Respondents
Less than 25	2	2.2
26-35	16	17.2
36-45	24	25.6
46-55	31	33.3
56-65	15	16.1
Greater than 65	5	5.4
Total	93	100

Table 1 indicates that the greatest number (n=31) of respondents were between 46 and 55; while only 2.2% (n=2) of respondents were under the age of 25.

Question 2:

Item two asked subjects their gender. Out of the 93 participants, 54 were male (58.1%) and 39 were female (41.9%)

Question 3:

Item three asked subjects to respond to their race. Ninety five point six percent (n=89) of subjects were Caucasian, 2.2% (n=2) were Hmong and 2.2% (n=2) of the subjects chose not to identify their race.

Question 4:

Item four asked participants to indicate the highest level of education attained. Eighteen respondents (19.4%) indicated high school, technical school, undergraduate degree or graduate degree. Of the 93 participants 17 (18.3%) indicated, some undergraduate work, while the remaining four (4.3%) respondents indicated some graduate work. Level of education attained is evenly dispersed throughout the sample with the exception of some graduate work.

Question 5:

Item five asked subjects to identify the license that they currently hold. Of the 93 respondents, 71% (n=66) indicated they were Salespersons, while the remaining 29% (n=27) of respondents indicated that they were Brokers.

Question 6:

Table 2: Question 6 Years in Real Estate Industry

Years in the Real Estate Industry	Count of Respondents	% of Total Respondents
Less than 1	19	20.4
1-3	20	21.5
4-6	16	17.2
7-10	10	10.8
11-15	11	11.8
Greater than 15	17	18.3
Total	93	100

Table 2 indicates that 59.1% (n=55) of respondents have been in the real estate industry six years or less.

Question 7:

Table 3: Question 7 Yearly Income from the Sale of Real Estate

Yearly Income Real Estate Sales	Count of Respondents	% of Total Respondents
Less than $20,000	26	28.0
$20,001-30,000	7	7.5
$30,001-40,000	8	8.6
$40,001-50,000	13	14.0
$50,001-70,000	6	6.5
$70,001-90,000	5	5.4
$90,001-110,000	7	7.5
$110,001-130,000	5	5.4
$130,001-150,000	2	2.2
Greater than $150,000	11	11.8
Non-Response	2	3.2
Total	93	100

Table 3 indicates 28% (n=26) of the 93 respondents are earning less than $20,000 per year from the sale of real estate. Only 19.4% (n=18) of respondents indicated making over $110,000 from the sale of real estate, of those, 11 (11.8%) are earning over $150,000.

Question 9:

Table 4: Question 9 Hours Worked per Week

Hours Worked per Week	Count of Respondents	% of Total Respondents
Less than 10	9	9.7
11-20	3	3.2
21-30	7	7.5
31-40	15	16.1
41-50	23	24.7
51-60	17	18.3
Greater than 60	17	18.3
Non-Respondents	2	2.2
Total	93	100

Table 4 indicates that the greatest number of respondents, 24.7% (n=23) are working between 41 and 50 hours per week.

Question 10:

Item ten asked subjects to identify the primary market working in, including residential sales, commercial sales or both. Seventy nine point six percent (n=74) indicated working primarily in residential sales, 17.2% (n=16) indicated working both in residential and commercial sales and none (0%) of the respondents indicated working primarily in commercial sales. Three (3.2%) individuals chose not to respond.

Question 11:

Item eleven asked subjects if they would have benefited from on the job training. Of the 93 respondents, 64 (68.8%) indicated that yes, they would have benefited from on the job training while 16 (17.2%) indicated no. Twelve (14%) chose not to respond to question eleven. For subjects answering yes to item eleven, an open ended question asked how so. These responses can be seen in Appendix E.

Question 12:

Item twelve asks subjects if they thought that lack of resources, i.e., time, money, etc. was the reason training was not provided for them. Twenty four point seven percent (n=23) indicated that they felt lack of resources was the reason training was not provided, while 48.4% (n=45) disagreed. Of the 93 respondents, 25 (26.9%) chose not to respond to question twelve.

Questions 13-20:

Table 5 indicates responses of likert scale based questions regarding the subjects' work environment. The scale was one through five, with one being strongly agree and five being strongly disagree. A lead-in statement stated "In my job I..."

Table 5: Working Environment

Working environment	M	SD
Enjoy my work	1.33	.62
Enjoy working with the public	1.36	.62
Work in a friendly work-environment	1.47	.74
Work in a team based environment	1.92	**1.15**
Am motivated	1.4	.7
Feel the pressure put on me at work is reasonable	1.94	.9
Am satisfied with my pay	2.2	**1.3**
Have reasonable hours at work	2.47	**1.21**

Table 5 shows the average responses regarding how participants feel about their working environments. There is cohesion throughout most of the respondent's responses, with the exception of question numbers 16 and 20, In my job, I work in a team based environment, and, In my job, I have reasonable hours at work, respectively. It is apparent that some respondents are working in a team based environment, while others are not. However, the mean of 1.92 still suggests that the average respondent agrees that he/she is working in a team based environment. Having reasonable hours at work is another question that there is disagreement (SD=1.21). With the mean at 2.47, respondents suggest having little conformity regarding reasonable hours at

work, however, most respondents either agree or feel neutral about having reasonable hours at work.

Questions 21-28:

Table 6 indicates responses of likert scale based questions regarding the subjects' feelings about training and mentoring in their workplace. The scale was one through five, with one being strongly agree and five being strongly disagree. A lead-in statement stated "In my job I..."

Table 6: Training/Mentoring

Training/Mentoring	M	SD
Received adequate training when I first started	2.7	**1.3**
Had a mentor when I first started at my firm	2.73	**1.7**
Received no training by my firm when I first started	3.73	**1.27**
Wish I would have had more training when I started	2.65	**1.35**
Training would have increased my effectiveness	2.26	**1.14**
Training did increase my effectiveness	2.2	**1.14**
Was expected to do my job when I started	2.04	.96
Training should be an on going process in this industry	1.36	.61

Table 6 indicates responses of likert scale based questions regarding the participants' feelings about training and mentoring in their workplace. Training and mentoring items yielded standard deviations above 1.1, with the exception of questions 27 and 28, In my job, I was expected to do my job when I started, and, Training should be an on going process in this industry, respectively. The most striking disparity was found in question 22, In my job, I had a mentor when I first

started at my firm, which yielded a standard deviation of 1.7. There is little agreement among respondents about training or mentoring in the Chippewa Valley.

Cross tabulations

Table 7: Yearly Income and Age

Yearly Income	<25	26-35	36-45	46-55	56-65	>65
<$20,000	1	3	5	9	5	3
$20,001-30,000	1	2	2	2		
$30,001-40,000		2	4		2	
$40,001-50,000		1	5	4	1	1
$50,001-70,000			3	1	1	1
$70,001-90,000			2	2		
$90,001-110,000				5	1	
$110,001-130,000			1	2	2	
$130,001-150,000			1			
>$150,000		1	1	4	2	
Non-Response				2	1	

Table 7 indicates a clear tendency for income to increase with age until the age of 55, income slightly declines until age 56-65, until a sharp decline occurs in respondents over the age of 65. Both respondents under the age of 25 earn less than $30,000. Of respondents age 26-35, 88.8% (n=8) earn less than $50,000 each year, furthermore, 66.6% (n=16) of respondents age 36-45 earn less than $50,000. Of the respondents age 46-55, 51.7% (n=15) earn less than $50,000. The trend starts to incline in the 56-65 age group with 57.1% (n=8) and 80% (n=3) of

respondents greater than age 65 are earning less than $50,000. Additionally, seventy five percent (n=6) of respondents earning greater than $150,000 were over the age of 46.

Table 8: Yearly Income and Gender

Yearly Income Real Estate Sales	Female	Male
Less than $20,000	8	18
$20,001-30,000	5	2
$30,001-40,000	6	2
$40,001-50,000	6	7
$50,001-70,000	3	3
$70,001-90,000	2	3
$90,001-110,000	2	5
$110,001-130,000	1	1
$130,001-150,000	1	1
Greater than $150,000	4	7
Non-Response	1	2

Table 8 distinguishes gender and earnings. Males make up 69.2% (n=18) of those respondents earning less than $20,000 per year. They also make up 63.6% (n=7) of those individuals earning greater than $150,000. However, it is important to note, that males make up 58.1% of the total respondents.

Table 9: Yearly Income and Education

Yearly Income Real Estate Sales	H_S	Tech_S	S_UG	UG_D	S_GR	GR_D
Less than $20,000	8	3	3	4	1	7
$20,001-30,000	1	2		4		
$30,001-40,000	3	1		1	1	2
$40,001-50,000	1	4	3	2		3
$50,001-70,000		3	1	2		
$70,001-90,000		1	2		1	1
$90,001-110,000	1		2	2		2
$110,001-130,000		2	1	1		1
$130,001-150,000		1	1			
Greater than $150,000	4	1	3	1	1	1
Non-Response			1	1		1

Note. H_S = High School; Tech_S = Technical School; S_UG = Some Undergraduate Work; UG_D = Undergraduate Degree; S_GR = Some Graduate Work; GR_D = Graduate Degree

Table 9 indicates the relationship between highest educational level attained and yearly income. Income increases with increased educational level until some undergraduate work is completed, at which point the trend reverses through obtaining a graduate degree. Seventy two point two percent (n=13) of respondents obtaining a high school degree earn less than $50,000 per year from the sale of real estate, 55.6% (n=10) of respondents having a background in technical school earn less than $50,000 per year and 37.5% (n=6) earning less than $50,000 per year have some undergraduate work completed. The reverse begins with those who have an undergraduate degree. Eleven (64.7%) respondents who have an undergraduate degree earn less

than $50,000, half (n=2) of those with some graduate work earn less than $50,000 and 70.6% (n=12) of graduate degree holders earn less than $50,000 per year from the sale of real estate. It is interesting to note that 72.3% (n=8) of those respondents earning over $150,000 have less than an undergraduate degree.

Table 10: Yearly Income and License Held

Yearly Income Real Estate Sales	Broker	Salesperson
Less than $20,000	5	21
$20,001-30,000	1	6
$30,001-40,000	2	6
$40,001-50,000	4	9
$50,001-70,000	1	5
$70,001-90,000	2	3
$90,001-110,000	5	2
$110,001-130,000	2	3
$130,001-150,000	1	1
Greater than $150,000	3	8
Non-Response	1	2

Table 10 indicates the relationship between yearly income and license held. Salespersons comprise 71% (n=66) of the total respondents and 72.3% (n=8) of respondents earning greater than $150,000. However, salespersons comprise 81% (n=21) of respondents earning less than $20,000.

Table 11: Yearly Income and Years in the Industry

Yearly Income Real Estate Sales	<1	1-3	4-6	7-10	11-15	>15
Less than $20,000	11	10		1		4
$20,001-30,000	4	2			1	
$30,001-40,000		2	3		2	1
$40,001-50,000	4		8		1	
$50,001-70,000		3	2	1		
$70,001-90,000		1			3	1
$90,001-110,000			1	1	2	3
$110,001-130,000				2		3
$130,001-150,000			1	1		
Greater than $150,000		1	1	4	2	3
Non-Response		1				2

Table 11 shows the relationship between yearly income and years in the real estate industry. There is a clear tendency for income to increase with years in the industry, increasing faster the first ten years in the industry and then slowly increasing after that. One hundred percent (n=19) of respondents working less than one year earn less than $50,000 per year. Of those respondents who have been in the industry from one to three years, 73.7% (n=14) earn less than $50,000 per year, 68.8% (n=11) of those in the industry four to six years earn less than $50,000 per year and only 10% of respondents who have been in the industry seven to ten years earn less than $50,000. Thirty six point four percent (n=4) of respondents earn less than $50,000, similarly 33.3% (n=5) of those in the industry over 15 years earn less than $50,000.

Table 12: Yearly Income and Hours Worked/Week

Yearly Income RE Sales	<10	11-20	21-30	31-40	41-50	51-60	>60	Non-Response
Less than $20,000	8	1	2	4	7	2	2	
$20,001-30,000			3	3		1		
$30,001-40,000		1			4	2		1
$40,001-50,000	1	1	1	2	4	2	2	
$50,001-70,000				4	1		1	
$70,001-90,000			1	1	2	1		
$90,001-110,000				1	3	2	1	
$110,001-130,000					1	1	3	
$130,001-150,000						1	1	
Greater than $150,000					1	4	5	1
Non-Response						1	2	

Table 12 shows a clear tendency for income to increase with hours worked per week. With the exception of 41-50 hours/week, more hours worked per week is directly correlated with income. One hundred percent of respondents working less than 10 hours/week (n=9) and from 11-20 hours/week (n=3) earn less than $50,000 per year. Six of the seven (85.7%) respondents working 21-30 hours/week earn less than $50,000, nine of the fifteen (60%) working 31-40 hours/week also earn less than $50,000. Of those respondents working 41-50 hours/week, a slight decrease occurs with 65.2% (n=15) of respondents earning less than $50,000 per year. However, income increases again for the respondents in the 51-60 hours/week category and greater than 60 hours/week with 43.8% (n=7) and 26.7% (n=4) of respondents earning less than

$50,000 per year, respectively. Additionally, 100% (n=17) of those earning over $110,000 per year are working more than 40 hours per week.

Table 13: Yearly Income and Primary Market

Yearly Income Real Estate Sales	Residential	Both	Non-Response
Less than $20,000	19	5	2
$20,001-30,000	7		
$30,001-40,000	6	1	1
$40,001-50,000	11	2	
$50,001-70,000	6		
$70,001-90,000	4	1	
$90,001-110,000	4	3	
$110,001-130,000	4	1	
$130,001-150,000	2		
Greater than $150,000	9	2	
Non-Response	2	1	

Table 13 indicates 59.7% (n=43) of those working primarily in residential sales and 53.3% (n=8) of those working both in commercial and residential sales are earning less than $50,000 per year. Data suggests that income is not affected by including commercial sales with residential sales.

Table 14: Yearly Income and Benefited from on the job training

Yearly Income Real Estate Sales	Yes	No	Non-Response
Less than $20,000	17	6	3
$20,001-30,000	5		2
$30,001-40,000	4	1	3
$40,001-50,000	10	3	
$50,001-70,000	3	2	1
$70,001-90,000	3	1	1
$90,001-110,000	6		1
$110,001-130,000	5		
$130,001-150,000	2		
Greater than $150,000	8	1	2
Non-Response	1	2	

Table 14 indicates the responses regarding the respondents feeling about the benefits of on the job training and respective income. Of those respondents responding Yes, 27% (n=17) earn less than $20,000 and 12.5% (n=8) earn greater than $150,000. Of respondents returning a No response, 37.5% (n=6) earn less than $20,000 and 6.3% (n=1) earn greater than $150,000 yearly.

Table 15: Yearly Income and Received Adequate on the job training

Yearly Income Real Estate Sales	St_A	Ag	N	D_Ag	St_D	Non_Res
Less than $20,000	1	13	1	6	3	2
$20,001-30,000	1	3		2		1
$30,001-40,000	3	2	1	2		
$40,001-50,000	3	4	2	3	1	
$50,001-70,000	2	3			1	
$70,001-90,000	1	1	2			1
$90,001-110,000	3	3	1			
$110,001-130,000	1			4		
$130,001-150,000		1		1		
Greater than $150,000	1	3	2	2	2	1
Non-Response		1		1	1	

Note. St_A = Strongly Agree; Ag = Agree; N = Not important; D_Ag = Disagree; St_D = Strongly Disagree; Non_Res = Non-Response

Table 15 indicates the responses from individuals about receiving adequate on the job training. Fifty three point eight percent (n=14) of those respondents earning less than $20,000 per year either strongly agree or agree that they received adequate training on the job, however, only 36.4% (n=4) of respondents earning greater than $150,000 per year either agreed or strongly agreed. Furthermore, 34.6% (n=9) of respondents earning less than $20,000 disagree or strongly disagree about receiving adequate on the job training, and 45.5% (n=4) of respondents earning greater than $150,000 per year disagreed or strongly disagreed. Ten percent (n=9) of respondents felt neutral about receiving adequate on the job training.

Table 16: Yearly Income and Had a Mentor

Yearly Income Real Estate Sales	St_A	Ag	N	D_Ag	St_D	Non_Res
Less than $20,000	6	9	2	5	2	2
$20,001-30,000		3		2	1	1
$30,001-40,000	2	1	1	4		
$40,001-50,000	4	4		3	2	
$50,001-70,000	2	2		1	1	
$70,001-90,000	1	2	1	1		
$90,001-110,000	5	1			1	
$110,001-130,000		1	1	2	1	
$130,001-150,000		1	1			
Greater than $150,000	1	3		5	2	
Non-Response		1		1	1	

Note. St_A = Strongly Agree; Ag = Agree; N = Not important; D_Ag = Disagree; St_D = Strongly Disagree; Non_Res = Non-Response

Table 16 indicates responses from individuals about whether they had a mentor when first starting out in their firm. Fifty seven point seven percent (n=15) of respondents earning less than $20,000 either agreed or strongly agreed with the statement, however, 36.4% (n=4) of respondents earning greater than $150,000 per year agreed or strongly agreed with having a mentor when first starting at their firm. Furthermore, 26.9% (n=7) of respondents earning less than $20,000 per year either disagreed or strongly disagreed with having a mentor, and 63.6% (n=7) of respondents earning greater than $150,000 disagreed or strongly disagreed with having

a mentor. Moreover, 6.5% (n=6) of total respondents felt neutrally about having a mentor when first starting at their firm.

Table 17: Years in the industry and Received adequate on the job training

Years in the real estate industry	St_A	Ag	N	D_Ag	St_D	Non_Res
Less than 1	3	7	1	6	2	
1-3	4	9		3	1	3
4-6	2	6	2	5	1	
7-10	2	4		2	1	1
11-15	2	3	4	1	1	
Greater than 15	3	5	2	4	2	1

Note. St_A = Strongly Agree; Ag = Agree; N = Not important; D_Ag = Disagree; St_D = Strongly Disagree; Non_Res = Non-Response

Table 17 indicates the relationship between years worked in the real estate industry and the respondent's opinion of whether they received adequate on the job training. Fifty two point six percent (n=10) of respondents in the real estate industry for less than one year either agree of strongly agree with receiving adequate on the job training, while 47.1% (n=8) of respondent in the real estate industry greater than 15 years either agreed or strongly agreed with having received adequate on the job training. Furthermore, 42.1% (n=8) of respondents in the real estate industry less than one year strongly disagree or disagree with receiving adequate on the job training, while 35.3% of respondents in the real estate industry greater than 15 years disagreed or strongly disagreed with receiving adequate on the job training.

Chapter V

Discussion

In order to become engaged in the selling of residential real estate in the State of Wisconsin, a salesperson or broker must comply with licensing and continuing education guidelines provided by the state statutes. In spite of the educational requirements, real estate sales has been characterized as an industry with high turnover, low per capita income and increasing competition (Johnson et al., 1988). With the increasingly competitive environment and quickly changing market, other competencies, aside from the required education, are needed to effectively generate sales and listings. Moreover, real estate firms devote few resources to on the job training in the real estate industry (Pettijohn et al., 1997).

Identifying the competencies needed to become successful in the real estate industry will provide training opportunities in the Chippewa Valley.

This chapter will present limitations, conclusions and recommendations of this study.

Research Objectives

The objectives to this study are to:

1. Identify successful REALTORS and their level of effectiveness.
2. Identify competencies lacking in ineffective REALTORS.
3. Identify competencies present in effective REALTORS.
4. Make training recommendations to current and potential REALTORS to increase effectiveness.

Limitations

The limitations of the study are:

1. A response rate of 47% (n=93) with an error margin of 5% +/-.
2. There were too few respondents with a race other than Caucasian to make conclusions regarding race in the real estate industry in the Chippewa Valley.
3. Question 8 regarding sales volume resulted in few answers being returned.
4. Question 10 resulted in no respondents responding working primarily in commercial sales.

Impact of Education in the Real Estate Industry

Education among respondents was evenly dispersed, with similar numbers of respondents having education levels of high school, technical school, some undergraduate work, undergraduate degrees, and graduate degrees. Sirmans and Swicegood (1997) suggested that "level of education does not create differences... that may significantly affect income." However, numerous studies have noted that higher education is directly correlated with increasing income (Crellin et al., 1988; Follain et al., 1987; Glower & Hendershott, 1988). Furthermore, past studies have indicated positive effects on earnings up to an undergraduate degree (Follain et al., 1987 and Glower & Hendershott, 1988). However, the finding of this research concluded that the average income for holders of undergraduate degrees is $38,000, which is similar to the average income of respondents who have only a high school degree or graduate degree, $39,000 and $37,000, respectively, and less than respondents who have educational levels in technical school, some undergraduate work and some graduate work, $62,000, $86,000 and $50,000, respectively, see Table 9.

Discrepancies arise in the literature on the value of a graduate degree on income. Follain et al. (1987) state that those who obtain a graduate degree earn 24% more than those who have less than a junior college education; while Glower and Hendershott (1988) found no relationship between attaining graduate school and earnings. This study determined that those holding a graduate degree earn slightly less than those holding undergraduate degrees, and high school degrees, with decreases of 2.6% and 5.4%, respectively, see Table 9.

Training

Although training has been largely ignored in real estate literature, it does not appear to be unused in the Chippewa Valley. Fifty five point nine percent of all respondents stated that they believe they received adequate on the job training, with an additional 15.1% not responding or feeling neutral about receiving adequate on the job training, leaving only 29% disagreeing, see Table 15 and 17. Even though the majority of respondents have received adequate on the job training, an unanticipated result occurred; training does not appear to have a positive effect on income. The average respondent of those agreeing to have received adequate training is earning $39,000, whereas, the average income for respondents disagreeing with receiving adequate training earns $46,000 per year, an increase of 15.2% over those receiving adequate training, see Table 15.

Mentoring in the real estate industry appears to be similar to training, with 51.6% of all respondents having a mentor, 35.5% not having a mentor and 12.9% of the total respondents either feeling neutral or not responding to the question. Mentoring also appears to have a negative impact on REALTOR income. The average income of respondents agreeing or strongly agreeing to having a mentor is $41,000, whereas, respondents disagreeing or strongly

disagreeing earn an average $54,000 per year, an increase of 24.1% over those who have had a mentor, see Table 16.

Even though training and mentoring appear to have a negative effect on income, many respondents provided input to the contrary, indicating that they did benefit from training (Appendix E). No respondents made comments that suggested otherwise.

Experience

In general, past studies have concluded that experience was positively related to income (Crellin et al., 1988; Follain et al., 1987; Glower & Hendershott, 1988; Sirmans & Swicegood, 1997). Follain et al's. study found that income for real estate salespeople increased with experience, over 20% per year for the first five years and then the increases even out after ten years. Glower and Hendershott and Sirmans and Swicegood similarly concluded that experience increased income, but additional experience was of lesser value. Only Crellin et al. did not discover the decreasing value of experience.

This study correlates with the decreasing value of experience identified by Follain et al. (1987), Glower and Hendershott (1988) and Sirmans and Swicegood (1997). Income increased dramatically for the first 10 years and then decreases for respondents in the with over 11 years in the industry; however, removing two respondents identifying themselves as 'semi-retired' dissolves the decrease in income for those in the industry greater than 15 years. Earnings for the respondents with the following years of experience, less than 1 year experience, 1-3 years of experience, 4-6 years of experience and 7-10 years experience, increased at rates of 37.9%, 39.6% and 38.5%. The average income of respondents in the industry for less than one year is $18,000 increasing to an average of $29,000 in the 1-3 years experience category, and $66,000 for those respondents having 4-6 years experience, and finally respondents in the industry from

7-10 years earn an average income of $126,000. However, average income for respondents with 11-15 years experience falls 34.5% to $86,000 and then slightly increases 1.7% for those who have greater than 15 years experience in the real estate industry. Two respondents with experience greater than 15 years identified themselves as being 'semi-retired.' When computing average income without those two responses, average income jumps to $102,000 or an increase of 15.7% over those having 11-15 years experience. See Table 11.

Personal Characteristics

Research on personal characteristics influencing income in the real estate industry is diverse. Personal characteristics identified in this study were age, gender and race. With only 2.2% of total respondents identifying a race other than Caucasian, conclusions for race cannot be made in this study.

The role of age was found to be insignificant on earnings by Crellin et al. (1988), Glower and Hendershott (1988) and Sirmans and Swicegood (1997). However, Follain et al. (1987) found that income increased with age until age 36 and then declined with age. Similar to the Follain et al. study, this study finds that income increases until age 50 and then decreases thereafter. However, there are two respondents earning greater than $150,000 in the 61-65 years of age group, which caused an increase of income for that age group, income in all other age groups beyond 50 years of age continue to decline with age. See Table 7.

Previous literature suggests little agreement on the role sex plays in determining income. In 1987, Follain et al. determined that sex had little to do with income. Crellin et al. (1988) found no difference in income among non-brokers. Glower and Hendershott (1988) concluded that females, as a collective group, seem to earn less than males. The most recent study regarding earning differences summarized that female income was significantly lower than male income

(Sirmans & Swicegood, 1997). In addition to previous literature, the US Census Bureau also recognized a difference between male and female income of full time real estate brokers and sales agents in the State of Wisconsin in 1999. The median earning for males was $46,805, while female earnings were $32,444 (http://www.census.gov/hhes/income/earnings/call2wiboth.html).

The average income of females in the Chippewa Valley is $54,000, while males earn an average of $60,000 per year from the sale of real estate, an increase of 10% for males. Considering the error margin of 5% in this study, females do not earn significantly less in the Chippewa Valley as previous studies, including the US Census Bureau, have noted. See Table 8.

Professional Characteristics

Past studies have not concluded whether being a broker has a significant affect on increasing income. Both Follain et al. (1987) and Glower and Hendershott (1988) agree that having a brokers license has a positive affect on income, while Crellin et al. (1988) and Sirmans and Swicegood (1997) both summarized that brokers have no significant differences in income.

Brokers in the Chippewa Valley earn 32.4% more, average yearly income of $74,000, than salespersons, who earn an average of $50,000 per year, see Table 10. This study correlates with Follain et al. (1987) and Glower and Hendershott's (1988) determinations of the positive effect on income a brokers license has.

Research on hours worked per week determine that income is positively related to income (Follain et al., 1987 and Sirmans & Swicegood, 1997), however other studies indicate that there are declining returns for additional hours citing a loss in productivity as the cause (Crellin et al., 1988 and Glower & Hendershott, 1988). REALTORS in the Chippewa Valley have increasing

returns up to 60 hours worked per week, however, working over 60 hours produces a decreasing return on earnings, see Table 12.

Recommendations

This study explored reasons that some REALTOR's earn more than others and the effect training has on earnings. Data from a survey sent to members of the WRA conducted in the Spring of 2004 are the basis of this analysis.

A number of factors were seen to positively affect REALTOR income. These competencies include (a) technical school degree, (b) some undergraduate work, (c) some graduate work, (d) years of experience, (e) age up to 50 years, (f) having a brokers license, and (g) working up to 60 hours per week. Competencies negatively affecting REALTOR income in the Chippewa Valley include (a) high school degree, (b) undergraduate degree, (c) graduate degree, (d) on the job training, (e) having a mentor, (f) age after 50 years, and (g) working beyond 60 hours per week. No significance was noted in (a) sex of agent and (b) inclusion of commercial sales.

The result training and mentoring have on REALTOR earnings was unexpected in this study. However, years in the industry, or experience, can be construed as training, and experience was seen to have a positive effect on income in the Chippewa Valley. It is possible that the training currently in place in the Chippewa Valley is viewed as effective by sales agents, but in reality it is insufficient. Suggestions for other studies include examining current training practices and productivity in the real estate industry, as well as, firm affiliation and its effects of Realtor income.

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Appendix A: Survey

Assessment of Realtor Income in the Chippewa Valley

Directions: Please provide feedback to the below questions about yourself and your job.

1. Your Age
   - ___ Less than 25
   - ___ 26-30
   - ___ 31-35
   - ___ 36-40
   - ___ 41-45
   - ___ 46-50
   - ___ 51-55
   - ___ 56-60
   - ___ 61-65
   - ___ greater than 65

2. Your Gender
   - ___ Male
   - ___ Female

3. Your Race
   - ___ Caucasian
   - ___ Black
   - ___ Hispanic
   - ___ Hmong
   - ___ Other

4. Highest level of schooling attained
   - ___ High School
   - ___ Technical School
   - ___ Some undergraduate work
   - ___ Undergraduate Degree
   - ___ Some graduate work
   - ___ Graduate Degree

5. Currently, you are a_____
   - ___ Salesperson
   - ___ Broker

6. Years in real estate industry
   - ___ less than 1
   - ___ 1-3
   - ___ 4-6
   - ___ 7-10
   - ___ 11-15
   - ___ more than 15

7. Yearly income from the sale of real estate
   - ___ less than 20,000
   - ___ 20,001-30,000
   - ___ 30,001-40,000
   - ___ 40,001-50,000
   - ___ 50,001-70,000
   - ___ 70,001-90,000
   - ___ 90,001-110,000
   - ___ 110,001-130,000
   - ___ 130,001-150,000
   - ___ greater than 150,000

8. Sales Volume, average number of houses sold
   per month _____ per year_____

9. Hours worked per week (on average)
   - ___ less than 10
   - ___ 11-20
   - ___ 21-30
   - ___ 31-40
   - ___ 41-50
   - ___ 51-60
   - ___ over 60

10. Are you primarily working in _____?

___ Residential Sales ___ Commercial Sales ___ Both

11. Do you think you would have benefited from on-the-job training?

___ No

___ Yes, how so_____

12. Do you think lack of resources, ie, time, money, etc was the reason it was not provided

___ Yes ___ No

Over

Assessment of Realtor Income in the Chippewa Valley

Directions: Listed below are a variety of statements regarding how you feel about your job and the training that you may or may not have received in you job when you first began at your firm. Read each statement and decide the degree of importance you would assign to each statement. Circle the appropriate numbers. Please use the following rating scale:

Importance of the Statement

1 = SA = Strongly Agree
2 = A = Agree
3 = NI = Not important
4 = D = Disagree
5 = SD = Strongly Disagree

	Importance				
	SA	A	NI	D	SD
Complete this statement: IN MY JOB, I...	1	2	3	4	5
Working Environment	(Circle One)				
13 Enjoy my work	1	2	3	4	5
14 Enjoy working with the public	1	2	3	4	5
15 Work in a friendly work-environment	1	2	3	4	5
16 Work in a team based environment	1	2	3	4	5
17 Am motivated	1	2	3	4	5
18 Feel the pressure put on me at work is reasonable	1	2	3	4	5
19 Am satisfied with my pay	1	2	3	4	5
20 Have reasonable hours at work	1	2	3	4	5
Training/Mentoring					
21 Received adequate formal on-the-job training by my firm when I first started	1	2	3	4	5
22 Had a mentor when I first started at my firm	1	2	3	4	5
23 Received no training by my firm when I first started	1	2	3	4	5
24 Wish I would have had more training when I first started	1	2	3	4	5

25	Training would have increased my effectiveness	1	2	3	4	5
26	Training did increase my effectiveness	1	2	3	4	5
27	Was expected to do my job when I started	1	2	3	4	5
28	Training should be an on-going process in this industry	1	2	3	4	5

Appendix B: Initial Contact Letter

Heather Dulin
281TW
Menomonie, WI 54751

March 5, 2004

«First» «Last»
«Company_Name»
«Address»
«City» «St» «Zip»

Dear «First»:

I am currently conducting a survey about REALTOR income in the Chippewa Valley, including Dunn, Eau Claire and Chippewa Valley. I would appreciate you taking the time to fill out the attached short survey and returning it to me at your earliest convenience. When finished with the survey, please return it in the enclosed pre-paid envelop and also send the separate pre-paid postcard with your name, so that I do not re-contact you. This ensures that your name will be kept anonymous. I will also be contacting you by email in about two weeks as a gentle reminder to fill out the survey if I have not received your postcard. The survey may also be filled out online at: http://www.uwstout.edu/survey/dulinh.html.

If you would like more information, have any questions or would like a copy of the findings of this survey, which may be valuable as a benchmarking tool in your firm, please contact me at: (715)232-5263 or dulinh@uwstout.edu or Joe Benkowski at: benkowskij@uwstout.edu or Sue Foxwell at: foxwells@uwstout.edu

Thank you for your time and participating in this survey

Heather Dulin

Appendix C: Follow-up Email

Hello –
About two weeks ago I sent you a survey concerning "Assessment of Realtor Income in the Chippewa Valley." If you have already filled out the survey, thank you! If not, please take a moment to fill out the short survey at your earliest convenience at: http://www.uwstout.edu/survey/dulinh.html Filling out the survey in completely anonymous.

If you would like more information, have any questions or would like a copy of the findings of this survey, which may be valuable as a benchmarking tool in your firm, please contact me at: (715)232-5263 or dulinh@uwstout.edu or Joe Benkowski at: benkowskij@uwstout.edu or Sue Foxwell at: foxwells@uwstout.edu

Thank you for your time and participating in this survey!

Heather Dulin

Appendix D: IRB Memo Approving Project

Date: March 1, 2004

To: Heather Dulin

Cc: Joe Benkowski

From: Sue Foxwell, Research Administrator and Human Protections Administrator, UW-Stout Institutional Review Board for the Protection of Human Subjects in Research (IRB)

Subject: **Protection of Human Subjects--Expedited Review**

Your project, "Assessment of Realtor Income in the Chippewa Valley," has been approved by the IRB through the expedited review process. The measures you have taken to protect human subjects are adequate to protect everyone involved, including subjects and researchers.

This project is approved through February 28, 2005. Research not completed by this date must be submitted again outlining changes, expansions, etc. Annual review and approval by the IRB is required.

Thank you for your cooperation with the IRB and best wishes with your project.

***NOTE: This is the only notice you will receive – no paper copy will be sent.**

SF:dd

Appendix E: Question 11 Responses

Starting my own business, 1956

Hard to get questions answered when most agents are quite busy

I am working as an assistant and it helps immensely

I did benefit from on the job training, but I understand you are assuming that most do not get the training they need

I did benefit seeing how closings happened, how to show homes properly

Tech. skills imp.

Did receive

Too lengthy to explain!

I started with a firm that had excellent in house training and encourage everyone to attend any assoc. training that was available

Less trial by fire

It would have made me successful quicker

I was given it

It is how I was trained

By networking people and closing the deal

Tricks of the trade – bring in listings

Always, can't imagine not having it

Learn more from those who know

Avoiding a steep learning curve

Mentor

I am office manager so I encounter many different things

The more transactions you do the easier the results!

Did receive

Benefit from experience of others

We do have a training program

Fastest way to improve is with hands on training

Other, I did have on the job training

I had a mentor for 6 mos.

I did benefit

Training improves knowledge, skills and self-confidence

Mine was very adequate

Would have made life easier to know what I was doing

Make less errors!

I did benefit from training at Sales meetings

Additional information

I did have on the job training

1 month – ECR has training weekly

Efficiency, knowledge of pitfalls

Personal and business marketing training – other training was provided

You need to know contracts, laws, ethics and how to show properties

Would have save lots of time lost

Hands on experience

Sink or swim

Did receive a mentor and everyone help me with all my questions and marketing

I did

Everyday is a new challenge not knowing what my come along

Help with the paper chase

I had on the job training and I did benefit

I did have 2 weeks of classroom training. Then jumped in with both feet. "On-the-job" training is the best training in this industry

It was provided

Faster start-up period

Getting familiar with process

I used to think I had to be shown how to do something before I could do it. I am now starting to understand why I was not walked through the learning process .My firm believes in developing the lifetime skill of salesmanship. In other words I have to learn to crawl before I can walk. If they spoon fed me I would have missed out on much of the learning experience. I feel very lucky to be in a sink or swim environment, I am forced to think and learn on my own. We have saying that "The sale will make you a living; however the skill will make you a fortune!" I know that once I learn the skill myself I can take it anywhere, never having to worry about job security. I will truly be an Independent Contractor.

I spent time learning computer system, basic realestate forms & establsihing business plan & marketing plan. Agency was yhere to help as needed. Additional formal training would always be welcome

It would give you a better feel for what to do in different situations.