

IBS Report - January 17-22, 2010

Kim Hefner—Associate National Director



IBS 2010 provided a plethora of information for me as I journeyed from meeting to meeting all week. I started on Sunday with subcommittee meetings for the Associate's Committee. Highlights of each subcommittee I attended are as follows:

Research and Development - as I'm the 2010 Vice Chair for this subcommittee, I was quite surprised when hearing that this subcommittee will now be merged with Strategic Planning for the Associates Committee. This will be a fantastic group, as it's made up of the Associate Leaders in our Federation, plus the idea people from the Associates Committee and Advisory Council. We will be strategizing on how to network even more intelligently with our builder members, plus we'll be researching ideas as to how to better serve our Associates and keep their companies in business. The 3 key items we'll focus on are Legislative (Build-PAC), Communication and Education. We also want to provide additional areas of opportunity to our associates which they can take back to their locals. Disseminating information is KEY to our success. I will continue to pass information I receive from national on to Dwight to share with the membership.

Associates Build-PAC - The 2009 Associate's BUILD-PAC drive ended quite successfully (under the circumstances) with a grand total of \$178,326 raised. We strive to get our numbers back up in 2010, but the one area we're really focusing on is NEW contributors. We've heard story after story about how NAHB has come out in opposition to several legislative items that ultimately ended in thousands of dollars of savings for our builders. It's imperative that we get the word out that being a dues paying member of NAHB will help us all, from Associates to Builders. Build-PAC furthers that effort. Get involved!

In 2010, we're also going to have somewhat of a "pyramid" of leadership in Associate's Build-PAC, as we're going to reach out to even more members to become Congressional Contacts. If we can get Associates more involved in contacting their legislators, they'll begin to see how their efforts can be win-win for everyone. Once that happens, we'll ask for their dollars for Build-PAC, and then hopefully we'll get even more folks to our Legislative Conference in D.C. We have to start small, but keep telling our story...please contact me for more information on the Associate's 2010 Build-PAC fund drive.

Designation & Training - Designations were once again the hot topic in this subcommittee. There are many individuals in South Dakota that hold CGB, CGA, CGB, etc. etc. designations. We believe that once these folks have their designations, they should not have to pay a fee to keep that designation updated. We also have had many discussions as to whether CGA (Certified Graduate Associate) is the RIGHT name. We are researching whether we need to add in some type of reference to the building trades in our designation. The debate goes on...

Monday morning came early as I attended both the Associate's Committee meeting and the Membership Meeting.

Associate's Committee - Outgoing chair Jerry Neese began by thanking everyone for their strong leadership in the Federation, even in these troubling time. It was nice to see a full room, as the last few meetings have been a little sparse. All subcommittees gave their reports and I'll highlight a few additional items.

Associate's Advisory Council - we will be focusing once again on share ideas that have worked in our respective locals with the Council. We will continue to send e-mails with information disseminated to us from our Associate National Chairman, Mike Kurpiel. As I mentioned in an earlier report, PLEASE contact me if you'd

like to communicate through LinkedIn. We have an Associate's Group that talks about many topics throughout the year. This group could be very beneficial for EO's as well as members.

Leadership and Recognition - we had 20 entries for the National Associate of the Year. On a side note, I would like to challenge our SDHBA to nominate someone in 2010, as we have one or two candidates that would qualify for this prestigious national award.

Our Associate National Chair Mike Kurpiel took the floor next and got the group really fired up. As you all know, Associates make up about 2/3 of our federation. Mike is doing a great job meeting with all the Area Vice Chairs, but is not being invited to meet with the Exec Committee. Mike has discussed this with the 15 AVC's and is trying to get involved in MORE Exec Meetings. The Builders who hold the AVC positions believe that the Assoc National VC should be there as well. Mike is not asking for a "vote", just a seat at the table. He'll continue his efforts and hopefully can get some sort of resolution passed in the Spring.

I also attended the **Membership Committee** meeting. Some interesting stats...

May 2007 - membership peaked at 256,000 members
December 31, 2009 - membership stands at 180,000 members
Net loss in 2008 - 36,000 members
Net loss in 2009 - 36,000 members

Although we're still declining in membership nationwide, our RATE OF DECLINE has started to decrease, so that's just a bit of good news. In August 2009 our retention stabilized as well and now stands at 66.2% nationally.

We are looking into a new insurance program at NAHB - this program will give discounts to members on Auto and Homeowners Insurance - we're looking into the company now to see if there are members in our states who sell through this company, as the question has come up about protecting our members who already sell insurance on the local level. The good news is that if this program comes to fruition, NAHB will be paid royalties of 4%. Great non-dues revenue.

Lastly, perpetual and/or partial payments were discussed in the membership committee. We discussed the ability to make monthly payments and NAHB is opposed to this. I brought up the system that the HBASE uses, which works quite well. I shared information as to how we pay national and state dues upfront when we sign up the member. Several other individuals from around the country shared their ideas for partial billings also. It sounds like many, many locals are using this as a membership tool and it's successful. NAHB is still looking into By-law changes and the impact of finances should we go to monthly or quarterly payments. This was quite a heated issue and one that will take time to sort through.

Area 10 Caucus - We all attended the caucus, which consisted mainly of reports from various committees.

I'm happy to say that I actually had time to attend the "Show" this year and spent an afternoon walking the show floor. Although the show was significantly smaller than what we're used to, the vendors were on top of their game and were very helpful.

NAHB Board Meeting - Job Robson touched on many topics (as did the Vice Chairs), but one topic of interest was the Partnership Pavilion. This was an arena for land developers to meet with lenders to discuss AD & C lending. Although it wasn't a complete success, a great deal of information was shared and at least one developer found financing for his stalled project.

NAHB has sent a letter to HUD Secretary Donovan and is anxious to discuss new restrictions and/or proposals by FHA. There have been so many changes in the area of finance in the past year, NAHB wants to take an active lead in the next round.

EO Jerry Howard was pleased to report that NAHB was helping to defeat the Merkley Amendment (health care bill amendment) which was singling out the construction industry.

Just a few projections from NAHB staff -

*By 2014, housing starts should be back up near 2million

*Membership for 2010 - projected to be at 156,000

*5 year forecast - if NAHB maintains current operations, we're expecting to have a net EXPENSE of \$10.9m (2010), \$15.8m (2011), \$16.4m (2012), \$13.4 (2013), \$7.6m (2014). NAHB's budget committee will be working strenuously to work out budgetary items for a more balanced budget. NAHB's staff has been pared down by 103 employees since 2008, so staffing is a huge concern.

Thank you all for allowing me to serve as your Associate National Director. Each time I go to a National Meeting, I find a bring back so much information that I can't type it all. I'd enjoy the opportunity to visit with your locals about the issues we all care about. Call or e-mail me if I can help your local in any way!

Kim Hefner

1-30-10