

Diversity in Franchising: Focus on Keller Williams



As part of Lathrop GPM's [Increasing Diversity in Franchising initiative](#), we have explored various facets of increasing diversity in franchising, including access to capital, educational initiatives that focus on business in general and franchising specifically, franchise issues for prospective franchisees, outreach through diverse professional organizations, and franchisor DEI goals and programs. We want to drill down and focus on individual franchisors and their brand-specific DEI initiatives. Let's turn to real estate brokerage franchise **Keller Williams**.

Keller Williams' Diversity and Inclusion Initiatives

One of the [key take-aways](#) from our webinar on February 8, 2022, was that to be successful, a franchisor should be very intentional about its DEI initiatives: it needs to show commitment, take specific actions, and be accountable. But the paths to increased diversity in a franchise system will likely vary by brand.

Keller Williams (or KW) is one of the largest residential real estate brokerage systems in the country, with over 162,000 real estate agents and brokers, operating from more than 800 US-based franchised businesses. In late 2020, as part of national reckoning of racial inequity following the murder of George Floyd, Gary Keller, co-founder of the Keller Williams Realty and Chairman of the Board, created a Social Equity Task Force to come forward with recommendations for action to eliminate racial disparity within the company and the real estate industry, and to lead the way in the communities where real estate agents live and work. To lead these efforts, Gary Keller appointed Julia Lashay Israel as head of inclusion and belonging to advise, train and coach leaders, team members, and agents to recognize and address diversity, equity and inclusion opportunities and challenges across the organization. As co-founder and owner of Refocus Training and Consulting, and a licensed real estate broker in Minnesota and Texas, Julia is able to combine her experience and background to implement and support the [KW DEI initiatives](#). She shared with us several Keller Williams initiatives.

Disparities in Real Estate Sales and Brokerages

As a franchisor in the real estate brokerage industry, as compared to franchisors in other industries that employ franchising as a growth model, Keller Williams (and other real estate brokerages) has certain special challenges and opportunities. In franchising, the franchisees are the figurative "face" of the franchise system. Real estate franchisees, however, are both the figurative and literal face of the franchise. While many customers of other franchise brands may not know the owner of the local franchised business, the franchisee owner of a real estate brokerage is front and center, and many times his or her picture is on the sign in front of houses. This poses unique challenges for Black agents and franchise owners.

According to a New York Times article [Selling Houses While Black](#), because of discriminatory treatment of Black real estate agents, Black agents say that to make it in the industry they are taking precautions and making concessions, including changing their names or omitting their photos from promotional materials to hide their racial identities. From a financial perspective, according to the same New York Times article, [about 6 percent](#) of real estate agents and brokers in the United States are Black, though 14 percent of Americans are Black. Additionally, according to the National Association of REALTORS, White real estate agents make almost [three times](#) as much as their Black peers.

Since Black agents make only one third of the income as their white counterparts and often experience pushback from other real estate agents in their franchises, there are fewer minority and diverse franchisees in the top 10% or 25% of a real estate franchise system, as compared to other franchise systems. It is against this backdrop that KW sought to increase its number of Black and other racially diverse franchisees.

Barriers to Entry

These societal forces of discrimination and economic inequity create headwinds for recruiting real estate agents, and therefore franchisees, from underrepresented groups, particularly in the Black community.

Keller Williams recognized that the path for a person to become a real estate agent, and then a real estate broker, whether as an independent broker, or affiliated with a brand as a franchisee, is not an easy one and some people face financial barriers to entry into the real estate industry. To address this, Keller Williams, in partnership with Kaplan Real Estate Education, developed and provides an online pre-licensing education program called “[Keller Successful Career Opportunities in Real Estate](#),” or “KSCORE”. KSCORE operates as a “roadmap to opportunity” for aspiring real estate agents and is paid for by participating franchisees, allowing students to access state required pre-licensing education at no cost to the student. By pairing Keller Williams’ training and tools with a completely digitized curriculum offered by Kaplan Real Estate Education’s real estate licensing and continuing education, the path to becoming a successful real estate agent becomes more comprehensive and accessible.

Julia advised us that KSCORE is developing a nice pipeline of prospective franchisee candidates, and a significant number are minority candidates. While the intention is to create a pipeline of Keller Williams agents, the students are not required to join Keller Williams. KW realizes that some students will pursue careers in real estate with other brands. The company accepts this, knowing that a potential positive outcome is more important for real estate agents throughout the industry.

Creating Inclusive Franchises

In an effort to attract and retain a diverse population of associates, Keller Williams is striving to be (in Julia’s words) the most inclusive real estate company in the world. An initiative to assist with this was the creation, development, and support of affinity groups. As part of the KW [Diversity, Equity and Inclusion community](#), these affinity groups link historically marginalized people with similar backgrounds, experiences and interests and provide a place to experience business and social inclusion and belonging. As stated by KW, this creates spaces to uplift, empower and support one another. Affinity groups also provide community specific resources, training and conversations that may not be as common amongst other demographics. The KW affinity groups are agent led and function independently of Keller Williams Realty International. These groups have their own leadership, processes, and procedures. These groups have developed internal communications and networks, as well as monthly and annual events. Currently there are over 12 Keller Williams affinity groups, ranging from KW Black Real Estate Network, KW Rainbow Network, KW Simcha, KW Emprendedores Latinos and more. Every year, at Keller Williams largest conventions, Mega Agent Camp and [Family Reunion](#), many of these groups host mastermind panels and networking gatherings.

Training and Education

Keller Williams believes that real change happens through learning. In order to educate KW associates to create inclusive spaces and to better serve consumers, Keller Williams has established a Diversity Certification, called [Agent of Distinction](#). This certification is awarded to agents following successful completion of diversity and inclusion training and education programs designed to meet the needs and expectations of today’s real estate client, and to create a diverse client base and a sustainable business. As part of the Diversity Certification, KW includes a marketing package that promotes awareness of the Diversity Certification to consumers.

In addition to online classes and the Diversity Certification, Keller Williams created a podcast called “[The Color of Money](#)” to help people in the Black community earn more, learn more and build wealth. Alongside Julia, this podcast is hosted by two very successful Black Keller Williams franchise owners, Daniel Dixon and Emerick Peace. Some episodes address real estate-centric topics, such as “Build a Community-Focused Real Estate Team,” or “My First Year as a Real Estate Agent,” while others are more general or broad based, such as “Navigating Five Areas of Wealth,” or “Creating Passive Income.”

Increasing Black and Hispanic Franchise Ownership

As a baseline, in 2021, of the 794 franchised “Market Centers” (which is synonymous in the Keller Williams system for “franchised business”), KW had 8 franchisees that identified as predominately Black owned. In 2022, that number increased by 30%, to 11. Julia noted that while a 30% increase is a strong number, the total represents a small fraction of the potential. In 2023, Keller Williams celebrated the opening of KW Bilingual, a Spanish speaking business center, and Keller Williams Atlanta West, Atlanta’s first predominately Black owned Keller Williams franchise. In 2024, Julia and her team will seek to increase Black and Hispanic ownership and investment by an additional 20%. To aid in this, they are creating a mentorship program and a training class to guide others towards the path of market center ownership investment.

There is no one-size-fits-all program to increase diversity in franchising. Keller Williams’ approach is to start planting the seeds of real estate ownership in the Black and minority communities by educating potential franchisees regarding the real estate industry and how to build a real estate team. These are transferable skills and knowledge that can be utilized in other fields; even in real estate brands that are KW competitors. Keller Williams then provides programs to support diverse agents and brokers. Julia said that as these seeds start to germinate, Keller Williams will likely implement additional programs or initiatives that are more brand-specific.

As noted at the outset, being intentional, and committing to a program, regardless of the scope or components, are critical to the success of franchise diversity initiatives. KW has done this.

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If you or your brand have employed some of these initiatives or incentives, or if you have implemented other programs, please share them with us. The more that all of us in the franchise ecosystem share ideas and practices, the better.

