



MKE United – Milwaukee Appraiser Diversity Initiative Concept

December 2021

MKE United convenes a housing work group focusing on implementing an inclusive vision for residential real estate in Milwaukee’s Downtown and surrounding neighborhoods. This cross-sector group includes representation from the private sector, non-profits, leaders from the City of Milwaukee, advocates, and other partners. Over the past year, we have examined devaluation of properties in communities of color and the barriers it creates for homeowners. Through our findings, bias in appraisals negatively impacts our community through depressed home equity, lowered neighborhood reinvestment potential, and limited financing availability. To address these issues, it is important to ensure appraisals in our city are equitable. As one way to address this, we believe the workforce attributing value to Milwaukee’s neighborhoods should be more representative of Milwaukee’s population.

Nationally, the appraisal industry is over 85% white. Local data from Emsi (Q3 2021) shows an even starker contrast. In Milwaukee County, within the property appraisers and assessors job classification, 92% are white while only 64% of the population of the county is white. State of Wisconsin licensure records show Milwaukee Co. is geographically underrepresented in our region with only 4 appraisers per 100,000 in population. For comparison, Ozaukee Co. has 38, Washington Co. has 26, and Waukesha Co. has 9. From our assessment, licensure requirements make the field difficult to enter, particularly for those without a connection to an existing firm to certify post-licensure experience hours. National and local trends also show the workforce is aging out. As well, according to a recent diversity survey from the Appraisal Foundation, 60% of Black or African American appraisers who responded expressed a high priority should be placed on the issue of diversity in the appraisal profession. This can also be a promising and lucrative career with the local median salary being \$93,552 (Esmi, 2021).

Our collective proposes a program to develop a diverse talent pipeline into appraisal careers in Milwaukee. This model is innovative across the country, featuring paid training focused on underrepresented populations entering the industry. It also anticipates networking, coaching, and extended support. We acknowledge that representation alone will not address larger systems issues at play. Our pilot concept incorporates training on the impact of bias and devaluation. As well, through MKE United’s focus on a broader, inclusive vision for Milwaukee’s Greater Downtown, we intend to utilize this pilot to address larger systems of bias and devaluation.

Goals

- **Goal #1:** Annually train and certify 10 or more Licensed Appraisers who are 1) residents of Milwaukee County with knowledge of Milwaukee neighborhoods and 2) are members of underrepresented race and ethnic groups within the appraisal industry through April 2025 (totaling 30 over 3 years).
- **Goal #2:** Annually secure full-time employment for 8 or more of the above individuals within the appraisal industry locally (totaling 24 over 3 years).
- **Goal #3:** Increase understanding of devaluation and bias within appraisal and lending industries locally, working to create sustainable change to address underlying systems.



Partnerships

We have identified the roles required to make this effort a success. They include participant recruitment and selection, program management, education, employment, and financial support. We recognize there are broad skills required to make this effort a success and look forward to engaging with partners and community to ensure the model is both high quality and culturally competent. At present, MATC is exploring expanded real estate curriculum offerings, so participants can receive college level course credit as well as required industry certification. Employ Milwaukee has expressed openness to supporting through available paid training resources. We have also engaged with banks, appraisers of color, and heard experiences of bias in appraisals from homeowners.

Financial Model

With our best estimations, we anticipate this program can be launched efficiently for around \$750,000 for the first year. The budget can be reduced by approximately \$75,000 annually each year within a three-year time frame (Year 1: \$758,000, Year 2: \$688,000, Year 3: \$600,000), recognizing the largest piece of funding is committing to paid compensation for trainees.

Pilot Year Calendar (tentative, pending financial commitments)

- April – July 2022: Program recruitment, marketing, selection
- August – September 2022: 150 hours of pre-licensure education
- September 2022: State administered exam
- October 2022 – March 2023: 1,000 hours of experience over 6 months, cohort building and career exposure programming
- March – June 2023: Career direction, coaching, offramps (as needed)

Additional Considerations

- There is speculation that live residential appraisals will be short lived with the onset of real estate technology and valuation software. Our working group believes this does not eliminate the value of a program like this due to 1) embedded bias in technology and 2) transferable skills that can be relayed to adjacent careers, if residential appraisals do become further automated. We will lead with these cautions with interested program participants, ensuring they are aware of the potential technological disruption in the industry.

For anyone interested in discussing further, please reach out to Tony Panciera, Director of MKE United, to schedule a conversation: tpanciera@gmconline.org or 414-905-0101.