

Jerry Howard: Welcome to Housing Developments, I'm Jerry Howard.

Jim Tobin: And I'm Jim Tobin. Good morning, boss. How you doing?

Jerry Howard: I'm doing great, Jim, how are you doing?

Jim Tobin: I'm doing just fine. Just fine.

Jerry Howard: Well, let's begin by thanking our sponsors, Wells Fargo, home mortgage.

Jim Tobin: A great sponsor for the housing developments podcast. And as you always say, encourage all of our members to do business with them.

Jerry Howard: Yes, Jim, we will encourage all of them, our members to do business with them. And I'm wondering what's in that cup you're drinking. Anyway, Jim, it's good to talk to you. There's not much has changed in Washington since we last spoke other than the hearings for the confirmation of the new Supreme Court justice. What's your perspective on that?

Jim Tobin: Yeah, we're the third day into the nomination hearings for Ketanji Brown Jackson and so far they've gone as everybody suspected, Republicans are trying to be respectful. I watched a good chunk of the hearings yesterday. It seems like the Republicans were litigating a lot of the treatment that Democrats levied against Brett Kavanaugh or Amy Coney Barrett, and about some of the lines of questioning there. There were some legitimate questions raised by the Republicans on the record of judge Jackson about some rulings she had in child child pornography cases or some of her defense of Guantanamo inmates. And I think generally it's probably a proceeding, as I said, as expected that she'll get a floor vote in the next few weeks. But, so far, no real fireworks despite what the press I think is trying to make this into, I think it's been a pretty normal and respectful process so far.

Jerry Howard: Yeah, we'll see what happens. I expect that she is ultimately going to be good confirmed.

Jim Tobin: Yep.

Jerry Howard: And that may be the final action taken this year by the Senate. As far as legislating goes, I don't see much coming down the pike, do you?

Jim Tobin: Yeah, I think there's one more big thing that we are watching very closely and that's, they've called it the China competitiveness bill. The house has passed a version, the Senate is on the verge of passing it. So we're watching more about semiconductors, but obviously that's a big issue for our industry, whether it's trucks and cars and appliances and ovens and things that run on semiconductors. So any kind of anything that can, that can increase domestic production, but all also it could carry ocean shipping reform. And Jerry, you and

I have talked about this, we don't have a whole lot of policy on ocean shipping reform, but there is a straight line that we can draw between container ships and the job site. And if we can move goods through our ports, through the trucking infrastructure, to warehouses, to our job sites in a more efficient and therefore more economically advantageous manner, we're all for it. So we are watching this bill, it'll go to conference ultimately, and you and I have watched a lot of bills die in conference over the years, but there's a little bit of optimism that maybe there's something there for the broader economy.

Jerry Howard: Well, we'll see, in the meantime, our focus today, isn't going to be on politics. It's going to be on the health of the NHB Federation and who better to help us discuss that than the chairman of the board of NHB, Jerry Conner.

Well, Jim let's bring in the chairman himself and since Frank Sinatra isn't around, I guess we must be talking about Jerry Conner. Jerry, welcome to the [crosstalk].

Jim Tobin: The newest member of the rat pack, I guess.

Jerry Howard: Right. That's right. Thanks for being with us. We are fortunate to have you it's the first time we've ever had one of the officers on housing developments, which Jim and I have been doing now for a couple years. So thanks for taking the time.

Jerry Conner: My pleasure.

Jerry Howard: Jerry, you have made it very clear to not only everyone in the Federation, but the entire staff, that your goal, your number one goal overarching is to create a culture of membership within the NHB Federation. Describe for our listeners what you mean by the culture of membership.

Jerry Conner: Well, Jerry, it's a very complex issue. It sounds simple, but it's not because it's made up of lots of parts. I think that we've lost a little bit of the whole reason why people tend to join an association, gather together and try and improve their success in their enterprise. They have a commonality of issues and they want to work better together to hopefully solve those problems. But today, it's been overwhelmed by the cost of membership, by some level of loss of fun in participating in their association, or just simply not really understanding the benefit benefits that an association can offer to them. And I don't care whether it's the home builders, the realtors, the trial lawyers, it's all, everybody has experienced to some extent this loss of what really being a member and engaged in active member means. And I think it's incumbent on the national association to help our locals bring back that understanding and that culture and part of that is by them being able to operate to their maximum capacity.

And I believe that NHB can very well help in that regard. It's hard to run a membership drive really not about so much how many members we get, but the quality of the member, the engagement of the member. So I think that

literally it may be the most important issue that our, that our association on a national level faces, because as you well know, the more members we have, the better message we can carry, the better weight we have to do the things that will help our members. And that's what I want to transfer to the rest of the greater membership.

Jerry Howard: You know, that's really interesting. Coincidentally, last week I was in Terre Haute, Indiana. That's a local association that during the course of COVID has actually grown in size, both in terms of its builder members, but also in terms of its associate members. And yet the EO, a part-time EO, Lauren, is very concerned, because although the members are paying their dues and they're signing up, they're not participating in the meetings. And she's concerned that will lead to an erosion of the perceived value, very astute on her part and it plays right into what you're talking about.

Jerry Conner: Yeah. I'm really kind of happy to hear that because as you said, she's a part-time EO, she's kind of new to the game and that's exactly what NHB needs to do. We need to help her, and get her members engaged. She's not there to lead, or do their job for them. She's there to, in my opinion, she's there to hopefully be the cheerleader that gets them engaged, and once they are engaged, they'll enjoy it. I mean, we're a competitive bunch of guys and girls, ladies. At least in my local association, we're colleagues, and we're competitors, but we are very competitive in succeeding also in association work also. So once you get that type of member involved, the rest becomes easy because they're reaching out to their other members and their friends and colleagues and they're saying, Hey, you need to be here.

You need to show up at this council meeting, you need to show up at this committee meeting, we need your help. And they work as a team then.

Jim Tobin: Jerry, you know going off of what Jerry Howard just said about, about the Terre Haute HBA, how do you think NHB needs to evolve in order to meet its members' needs? If the association's getting younger, obviously this is as busy a time as we can all remember in the industry, what do you think we need to do? Not from just, not even NHB, but, home builder associations need to do to make the association more accessible to those members and how do we evolve so to speak?

Jerry Conner: That's a great, question, and we're still trying to figure that out, Jim. But I will tell you during the pandemic, what we've discovered is, although there is a preconception that in-person meetings are a dead issue, I don't believe that to the contrary, I believe that in-person meetings has become very important. The business that's done at an in-person meeting is not at the meeting. It's the meeting after the meeting. And this generation is beginning to figure that out. Although they love the fact that they can work from home, maybe in their pajamas, they still need that social interaction that helps them find out better what their peers need and want. So I think we have to continue to research and

add a virtual component to everything that we do, but at the same time, this generation is much different as we think they are. They are just at a different stage of engagement in timing, et cetera. We have to recognize that. And in the meantime, we have to reengage some of our more senior members that have become a little bit disenchanting, et cetera.

They're a wonderful resource. And that goes to the mentoring part of the culture of membership. I can tell you that one of the biggest reasons I've been a member at all levels, an active member at local, state, national is the mentoring that I got along the way from somebody that had already done it and knew enough to tell me. And I couldn't do that without that personal relationship. I couldn't have got that mentoring without an in-person meeting, where I met those people. And, on a sidebar after the meeting, we started talking about what we did and all of a sudden I discovered that they knew something more than I did.

We try to accomplish that to some extent with our membership, through our builder 20 clubs, and it's very effective, but they're not [inaudible]. It doesn't translate out of that group, unfortunately on a bigger level to where that national can utilize that for our common member that's down in the grassroots that has never been to a national meeting, never been to a builder 20 meeting. How do we get to him? Well, we've got to build it on the local level first. And if we build it on the local level, we've got to give those local associations what they need to be successful so they can concentrate on membership. Everything that they do should, in my opinion, again, everything that a local association does should be geared to the success of their members.

Jerry Howard: You know, Jerry, one of the things that really stuck with me was a conversation you and I had a couple weeks back where you said that every single meeting at the local, state, and national level has to provide something for our members to make their business better.

Jerry Conner: You got it.

Jerry Howard: And that it can't be, I think you used the phrase, a tax, the social events can't be a tax on the members. Can you expand on that?

Jerry Conner: Sure. I'll use a typical non-dues revenue event that many of our associations do, okay? So a golf tournament, it does benefit building that networking capability between associate members and builder members. Because if they're together in a golf cart for four hours, they got undivided attention, but they're also building a different type of relationship with that builder member, that associate member. But, you can't expect the builders to pay for the golf tournament. You can't expect the associates to pay for the golf tournament. You want to make sure that you give them avenues for that networking, that if there's a fee for it, there's value to that fee. So in our golf tournaments, as an example, associates set up tents on every tee box and they get to see every

member that comes through on that golf tournament. They're happy to pay \$200 to have that opportunity to sit on that tee box and they're giving out drinks, or snacks, or whatever it is.

Everybody stops. They're waiting on the tee box for the next group to go through anyway. And those associates get 20 minutes to talk with that foursome, whoever. That foursome may be a mixture of associates and builder members, but more likely it's builder members, or majority builder members. So that's an opportunity for the builders not to be taxed, but the associates to get a value. Just putting a sign on a whole as a whole sponsor is not, not very valuable. They do that. And I do that, but that's not where the majority of the revenue needs to come from. It needs to come from some of some way that associate can say, I got 20 minutes to talk to this guy or 10 minutes or five minutes to talk to this guy where I can't get in his door normally. I'll pay for that and I'll participate and I'll be on the committee cause that's value for me.

Jim Tobin: You know, Jerry, a lot of, a lot of EOs and members listen to our podcast. So this is, and so I think this is a great message. And if you work through your year to increase and rebrand the culture of membership NHB, the Savannah HBA has a great culture of membership. I think that's, try to import that to NHB and nationwide. Tell us what NHB's going to be doing to see your vision come through. And you're talking to the EOs through the podcast here, what can they look for from NHB to help drive this effort?

Jerry Conner: That's a great question, Jim. So this is not a one year deal. There's no way you can turn this boat quickly. So I am hoping that we begin to set the outline of what needs to happen this year, but the majority of implementation where you are going to begin to see something happen is going to be it towards the end of my year. And hopefully if the rest of the senior officers, which I hope will embrace this concept, that this is not a one and done deal, it's a multiyear re-engagement of membership, and that's going to take a joint effort of the entire senior officer team. And maybe even the next senior officer team, we've got to make membership the focus of our organization.

Everything else comes from membership and an active membership. So, but what the EOs can look for in the short term is our membership staff is very active in working on some deliverables that we can send out to give them a plethora of selections of things to do that are not just non-dues revenue, to make sure that they can meet their budget, but things that will strengthen their association, strengthen it both financially, as well as strengthen it in member or engagement. So those deliverables should begin to come out in the next 30 days. I would say this is by no means an indictment on anything that's been done by NHB. It's just a recognition that we need to bring back something that we've lost for whatever reason. And I believe that our membership staff is laser beam focused on this now. And we, it will bring free.

Jerry Howard: Oh, boss, it's not just the membership staff. It's the entire staff from me all across the board. We all know what the goal is. We'll all be pulling in the same direction and we'll certainly have something to show for it. Hopefully it'll begin to bear fruit by the end of your year, but certainly as we move forward and with that, Jerry, thanks for joining us.

Jerry Conner: Well, thank you both for having me. And this may be my first and last podcast, I don't know, but I'm happy to be here today.

Jerry Howard: So Jim, we have our marching orders. The chairman is certainly extremely aggressive in his pursuit of this goal.

Jim Tobin: Yeah. And as Jerry said, at the top of our discussion with them. NHB, ultimately is a business organization, if we can help our members be better business men and women, along with making housing better in America, we win. And I think that it, the culture of membership tells you so many different things. It will help drive people to IBS, a big revenue source for us, but also the largest gathering of the year of home builders from across the country. What better way to celebrate membership than in Las Vegas next year. More membership means more voices into Capitol Hill or into the administration, or in the media. It helps drive pack receipts so that we can still be an effective lobbying arm here in Washington DC. So, Jerry's goals are association wide and have long reaching benefits as we help him increase the culture of membership.

Jerry Howard: I completely agree. And for our listeners, as I mentioned a few moments ago, we will be having Melissa Voorize, our head of membership at the staff level here to discuss the programs that she's putting together and that you can use at your local associations to help accomplish this goal, which is a goal, not just for national, but for the local and states as well. And in fact, it's probably more important for the locals and the states than it is for national, if that's even possible, but we will soon be moving toward that. And just so you don't think, listeners, that we may be abandoning the world of politics. You know, Jim and I are entering into the election season here. And most of our drunk, I mean, most of our serious conversations are now starting to talk about various candidates, the election itself, who's going to take what races.

And so what we're going to do is gear our podcast more and more in the coming months toward the election cycle. And to do that, we'll be bringing on various friends of ours from here in the Washington community, who watch the election process and who will offer their predictions. And that will be culminated at the end of the election season, around the middle of October. Jim and I will lay out, well, I'll lay out my forecast, and Jim will lay out his reverse barometer, whatever he says you should bet against, but he's betting on it. I'll be betting on mine and we'll make a great competition out of it.

Jim Tobin: All right. Fair enough.

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Jerry Howard: So listeners, we've got some good times coming down the road here. Please not only listen to housing developments, but like it, rate us. And anyway with that once again, thanks to Wells Fargo, home mortgage, I'm Jerry Howard.

Jim Tobin: And, I'm Jim Tobin.

Jerry Howard: Buh-bye.