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Report: Execs engage in lavish spending

Nonprofit is the largest trade group in the U.S., has dominated housing market for over century

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When he became chief executive of the National Association of Realtors seven years ago, Bob Goldberg negotiated a package of gold-plated perks.

NAR, the largest trade organization in the country, agreed to cover Goldberg's membership dues for private clubs in both Chicago and Washington and a country club of his choice, including an initiation fee of up to $75,000. He would use all three clubs "primarily for business purposes," according to the contract he negotiated with the organization.

The group would also pay for first-class airline tickets when he traveled for business and, once a month, for a round-trip first-class ticket for his wife. He was given a $1,500 monthly car allowance and $2,250 a month to cover utilities and insurance at his pied-à-terre in Chicago, where NAR has its headquarters. NAR even agreed to pay for a pet sitter to watch his dogs when Goldberg was away from his home outside Washington on business.

The extras came on top of his $1.2 million salary that would, according to NAR's tax returns, grow to $2.6 million in five years.

The generous compensation, a New York Times investigation found, is in line with a free-spending culture at NAR, which for a century has dominated the American housing industry, policing access to home listings and setting rules about commissions. It even owns the trademark to the word "Realtor."

Interviews with current and former employees, members and elected leaders, as well as tax records and Goldberg's 2017 employment contract, paint a portrait of a nonprofit organization where leaders have come to expect lavish spending and benefits the day they step into the job.

The group's president, president-elect and first vice president are elected by members and receive annual six-figure payments, tax records show. NAR refers to officers as "volunteers." They have been given corporate credit cards, and on work trips, they have racked up charges from expensive dinners, golf outings, spa treatments and sports tickets, the Times found.

When the smash hit "Hamilton" opened on Broadway in 2015, many NAR leaders used those cards to buy tickets for themselves and relatives while they were in New York City for a conference, according to two former staffers familiar with the organization's budget. At the time, tickets could run in the low four figures. Like the other former staffers and elected leaders interviewed for this story, they requested anonymity because they continue to work in the industry and fear retaliation.

Mantill Williams, a spokesperson for NAR, said that the group's elected leaders "raise their hands to serve the industry," a job that "requires a substantial time commitment, personal sacrifice and significant travel." He did not address specific questions about perks or spending on items such as massages and tickets, or how the spending aligns with its goals as a nonprofit trade organization.

Goldberg, who resigned as CEO late last year, did not respond to multiple requests for comment.

Seven lawyers who specialize in nonprofit law said the group's spending not only appears excessive but also may run afoul of tax law. Several said NAR's spending is known among watchers of nonprofits.

"It is highly unusual — I would even say virtually unheard-of — for volunteer leaders and officers to receive compensation at those levels," said Jeff Tenenbaum, a nonprofit lawyer in Washington, D.C. "Many of us who practice association antitrust law have always wondered, How can they get away with this?"

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Through its subsidiaries in local markets, NAR oversees a network of databases that list homes for sale, and most real estate agents cannot effectively do their jobs without access to these databases. The organization has 1.5 million members, whose dues generate 87% of its revenue, tax records show. To be a member, every Realtor in the United States must pay a bundle of dues of about $800 a year.

NAR is not a charitable group but a nonprofit trade organization, and such groups can fly under the radar of regulators, said Carrie Pollak, a lawyer based in Ithaca, New York, who specializes in nonprofit law.

"The rules are very strict, but almost never enforced," Pollak said.

Trade groups and charities are governed by a similar set of laws that prohibit people who work for a nonprofit from using its funds for their personal benefit. The violation is called private inurement, which can occur even when the spending is in connection with a business trip or event.

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Audrey Chisholm, a lawyer who founded the nonprofit-focused Chisholm Law Firm in Orlando, Florida, said leaders in nonprofit, tax-exempt organizations need to tread carefully when it comes to spending company money.

"If an organization is engaging in private inurement, and individuals are benefiting themselves beyond what's considered reasonable, that would be grounds to lose their tax exemption," she said.

"All-expenses-paid free vacation"

Realtors can spend decades climbing NAR's political structure, from local leadership boards up to the national board, which has one-year terms.

The most recent tax records available show that the president was given more than $400,000 in 2022. The president-elect received more than $265,000.

Chisholm said that such high compensation for officers that NAR calls volunteers raises red flags.

"In our industry, when we use the term 'volunteer,' that means an unpaid person," she said. "Sure, they can be reimbursed for travel or some reasonable expense, but those are significant amounts that would look to most people like a salary."

The payments and perks have become an incentive for Realtors to run for NAR leadership, said Rob Hahn, a real estate strategist who writes a newsletter for the industry, Notorious ROB. "For a lot of people, as you rise in leadership, travel allowances become an all-expenses-paid free vacation," he said.

At NAR conventions, former elected leaders said, they were encouraged to relax. At the St. Regis Hotel in Dana Point, Calif., in 2013, elected officials golfed on NAR's dime. When they stayed at the Montage Laguna Beach in 2021, they enjoyed massages at the hotel spa. In Chicago, they got tickets to see the Cubs and the Blackhawks. And at convention after convention, in San Diego, Boston, New Orleans and more, there were lavish dinners, sometimes with $300 bottles of wine.

Business trips included a car and driver for at least the president and vice president. During the organization's two major annual gatherings, luxury hotel suites came with fully stocked bars.

Asked about the compensation given to the volunteer elected officials, Williams, the NAR spokesperson, explained that the money was for travel expense reimbursements and "administrative stipends" — which he later explained were payments meant to offset the work they missed as Realtors when performing their roles as elected officials. "They hold their NAR role in addition to their jobs as real estate professionals," he wrote.

Three former elected officials told the Times that they never or very rarely filed travel expenses for reimbursement while in office. That's because they used their NAR credit cards, and bills went directly to the organization.

There was at least one occasion when the organization curbed spending. So many NAR leaders bought "Hamilton" tickets that bookkeepers began tracking the cash outflow a bit more carefully afterward, two former employees said, asking for the proper filing of receipts and cracking down on purchases for family members of leaders.

'Consultants' and 'Former Officers'

In 2022, NAR's senior vice president of government affairs earned more than $1 million, and the chief legal officer earned more than $967,000, tax records show.

In addition, the organization has kept former employees on the payroll as consultants for years after they resign. NAR's tax documents for 2023, the year Goldberg resigned, are not yet publicly available. But on his LinkedIn profile, Goldberg now identifies himself as an "executive consultant" for the association.

His predecessor has earned $250,000 a year as a "former officer/consultant" since 2019, according to tax records. A former chief advocacy officer also earned more than $300,000 in 2022 as a "former officer," according to tax records.

It was not clear what the former executives now do for NAR. Asked about executive salaries, Williams said NAR used an outside consultant to help set its compensation. Asked if Goldberg remains on NAR's payroll, he declined to comment and said NAR also would not disclose the salary of his successor as chief executive, Nykia Wright.

"What Am I Paying For?"

Last year, the Times revealed sexual harassment allegations against top NAR leadership. And a successful lawsuit brought by home sellers in Missouri over inflated commissions has battered the organization's reputation and deflated its influence.

NAR agreed to a $418 million settlement with the home sellers in March. As part of that deal, it changed the way commissions are paid, a move that has, according to some early surveys, forced commissions downward across the board and has substantially slashed the income of many NAR members.

The organization also raised dues in 2024, and continued to charge an additional $45 fee to pay for a television advertising campaign meant to promote a positive image of Realtors.

Members have mobilized to legally challenge the bundle of fees. Three agents in Michigan filed a class-action lawsuit in August against NAR, claiming that the requirement that all Realtors in Michigan join their local, state and national associations represented an antitrust violation. In the last month, two more brokers — one in Pennsylvania and one in California — have also sued, saying that the requirement that agents join NAR and its subsidiaries to get access to listing databases constituted "forced membership."

Williams, the NAR spokesperson, defended the practice of requiring membership at three levels, saying the system offers members "access to localized resources like trainings and detailed market research while also benefiting from a national voice, a unified advocacy platform and, most importantly, a single code of ethics." He declined to address the lawsuits from agents.

Many Realtors say they are feeling squeezed and have received little in return.

"For a long time, Realtors were told: You have to pay these dues and it's mandatory, but NAR is looking out for you and protecting your interests," said Hahn, the newsletter writer. "So when NAR gets its ass kicked in every lawsuit and then throws brokers under the bus, it's like, what am I paying for?"

Jen McDonald, 55, a broker in Reno, Nevada, agreed. She has been a member for 24 years. "I don't think they defended us," she said. "I think they defended themselves."