

EXECUTIVE SUMMARY

PAVING THE WAY

*Assessing the Success of the ACRE Program
in Cultivating Diversity in Real Estate*



WISCONSIN

POLICY FORUM

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Recognizing a lack of participation by people of color in the commercial real estate industry and seeking to provide a new pathway to change that, Dr. Mark Eppli and Marquette University created the Associates in Commercial Real Estate (ACRE) program in 2004. ACRE is a 26-week [program](#) designed to train people of color for careers in real estate development and related fields through classroom instruction, project-based learning, and networking with peers and industry professionals.

Twenty years later, ACRE is now administered by LISC Milwaukee (the local office of the national nonprofit Local Initiatives Support Corporation) and – in addition to Marquette – includes the Milwaukee School of Engineering (MSOE) and the University of Wisconsin–Milwaukee (UWM) as academic partners. Over 300 individuals have completed ACRE to date, including several elected officials and prominent development and civic leaders. These milestones present an opportunity to reflect on the contributions the program has made, assess its strengths and weaknesses, and consider opportunities to improve it for future cohorts.

In this report, we aim to shed light on what ACRE graduates are doing now and the extent to which the program has contributed to their careers; how and to what degree the program has benefited the local real estate industry, economy, and community; and where there may be opportunities for program enhancement. To help answer these questions, we conducted a web-based survey of ACRE alumni, which generated 56 responses, and completed 25 interviews with program graduates, instructors, supporters, and other leaders in metro Milwaukee’s real estate industry. We also explored four similar programs in other U.S. cities.

Overall, our analysis shows that ACRE has succeeded in meeting some of its goals while offering insights into how it could be enhanced to better serve participants and alumni and deepen its impact in the coming years. Major takeaways include the following:



ACRE students Anthony Kazee and Zuvena Cotton present their final project to judges from the local development industry in April 2019. (Photo: Marquette University)

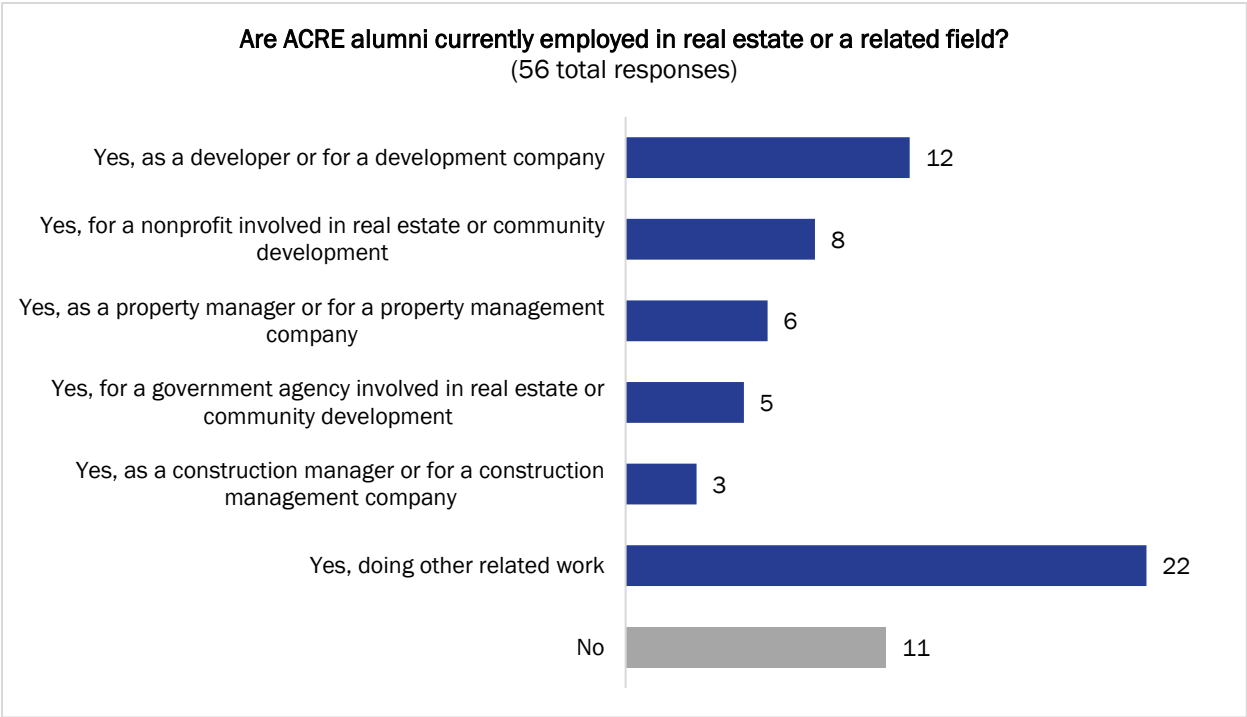


Most ACRE graduates are currently working in real estate-related occupations, including more who now work directly in development than prior to entering the program.

Among the alumni we surveyed, roughly two-thirds remain in the Milwaukee area while about 80% are currently employed in real estate or related fields (see chart below). Their work varies, but 21% (12 respondents) said they currently work as developers or for development companies, compared with only 5% (three respondents) who said they were doing so when they started the program.

Large shares of alumni say they have managed (55%), invested in (41%), or played a major role in developing (35%) at least one real estate project since completing ACRE. According to data provided by Marquette, properties ACRE alumni have developed in Wisconsin are currently assessed at a combined value of \$135 million or more and include at least 1,700 housing units.

ACRE graduates also have filled prominent government or community roles that are impacting the built environment through public policy or municipal or civic leadership. That includes several current and former members of the City of Milwaukee’s Common Council, Milwaukee’s current Commissioner of City Development, and the former executive director of WHEDA, who now serves as administrator of the USDA’s Rural Housing Service. These and other ACRE alumni have influenced how and where public resources have been deployed and which projects have been developed.



Source: Wisconsin Policy Forum survey of ACRE alumni; Note: respondents were allowed to select more than one answer.

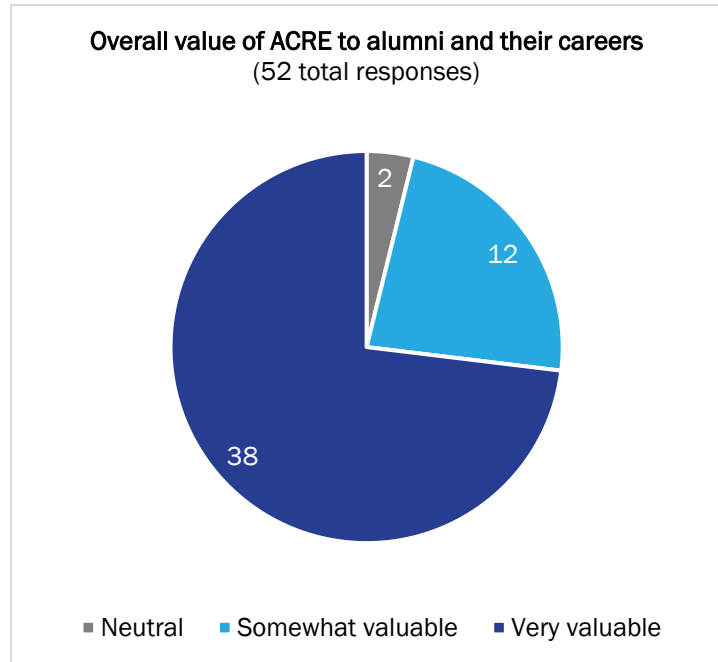
Alumni who completed our survey are satisfied with the program overall and feel it has contributed to their professional development. They especially value the program’s financial education and modeling components and the networking opportunities it provides.

Almost all of our survey respondents said the ACRE program was valuable to them and their careers, including nearly three-quarters (73%) who said it was “very valuable” (see chart). Those we

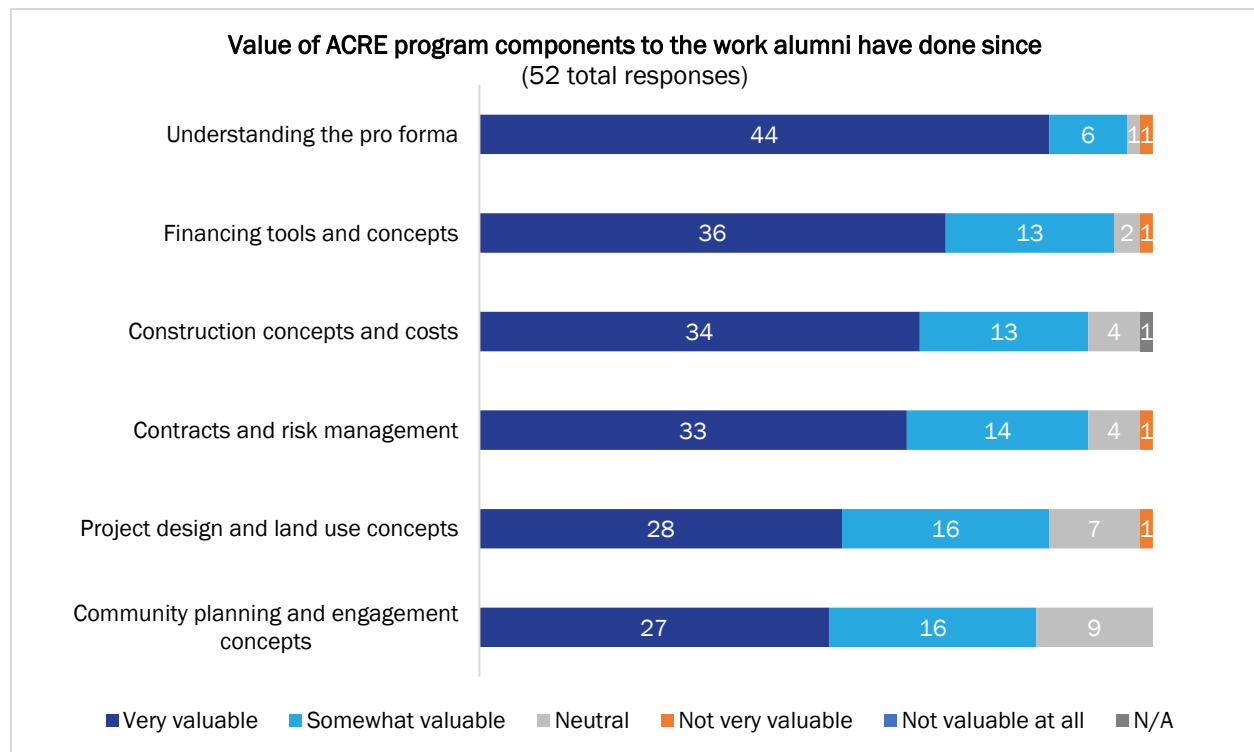


interviewed reinforced these survey results by consistently expressing support for the program’s overall value and appreciation for the benefits it provided. Many shared stories about how program content, experiences, and connections helped them to advance professionally.

Strong majorities of our survey respondents and most alumni we interviewed found value in virtually every component of ACRE’s curriculum. As shown in the chart below, they were nearly unanimous in valuing the content focused on financial tools and concepts, including how to understand and develop a pro forma (a tool for assessing a development project’s financial viability). Many think the program should go deeper on development finance to give students more confidence in conducting financial modeling on their own and to learn how to put together multiple sources of funds to support development projects. Some suggested adding more classes within the program’s 26-week timeframe to go further on those or other topics.



Source: Wisconsin Policy Forum survey of ACRE alumni



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Many alumni said the opportunities ACRE gave them to meet and network with both industry leaders and classmates were among the most valuable – if not *the* most valuable – aspects of the program.

Mentorship from experienced ACRE graduates and other industry professionals could be expanded to provide current participants and recent alumni with additional support.

Although ACRE engages industry professionals to serve as mentors for the program’s final group projects, many alumni said they could have benefitted from more individualized mentorship. Support could be provided during the program or after it has ended, when graduates are pursuing projects and other professional opportunities. The [Jumpstart](#) program in Philadelphia – one of four national case studies explored in the report – offers one model for ACRE leaders to consider, pairing all interested alumni with an experienced mentor for at least one year after they graduate from Jumpstart’s training program. Successful ACRE graduates could be tapped to serve as mentors for new cohort participants or alumni.

Alumni would like ACRE to include more post-graduation opportunities, which could involve internships, apprenticeships, project partnerships, or additional opportunities to access capital.

A major theme of alumni comments was that they could have benefited from more support after finishing the program. In its early years, ACRE offered internships with development companies to a handful of graduates who finished at the top of each class. Those positions were viewed as outstanding professional development opportunities, but they have not been offered since 2010. Reviving internships or apprenticeships would be one possibility, as would introducing opportunities for new graduates to partner with experienced professionals on development projects.

Many stakeholders we interviewed said access to capital remains a major hurdle for new ACRE graduates wishing to pursue development projects of their own. While LISC Milwaukee offers some opportunities for them to access pre-development loans, programs we examined in Philadelphia and the Twin Cities provide examples of how that support could be expanded. Jumpstart Philly has made almost 500 loans to its graduates and others pursuing redevelopment projects in city neighborhoods since 2015, while the [Developers of Color Initiative](#) in the Twin Cities provides \$50,000 pre-development grants to most program graduates pursuing their first development projects. Beyond financing provided directly by LISC, one way to expand access to capital for ACRE alumni may be for program leaders to determine which other organizations provide financing for emerging developers and then encourage greater collaboration and coordination among them.

Program graduates also would like ACRE to offer more continuing education and networking opportunities for alumni.

Another consistent theme was that ACRE graduates would like to be better connected with one another and to build on their base of knowledge post-graduation. Alumni offered several suggestions for how this could be done, from introducing a “lunch and learn” event series that could focus on specific development-related topics, to adding a second more advanced course for some alumni (possibly those pursuing development projects), to creating an alumni association.

While LISC Milwaukee recently partnered with Freddie Mac to offer a one-week “Develop the Developer” training for ACRE graduates interested in housing development, programs in other U.S.



cities provide examples of additional approaches that could be considered. Project REAP's partnership with the University of Colorado allows its graduates to expand their knowledge and earn a graduate certificate in real estate online at a deeply discounted rate. Jumpstart's [JUMPinar series](#) in Philadelphia offers short training sessions on various topics to all program alumni twice each month, while its [Developers Network](#) brings together alumni six times per year to discuss relevant issues and network with one another. California's [Housing Development Training Institute](#) currently is developing an online platform its leaders describe as "a localized LinkedIn" designed to facilitate connections between alumni.

With regard to networking, ACRE alumni could be encouraged to participate in the Emerging Developers Roundtable, which offers networking and professional development events with industry leaders and is coordinated by [The Corridor](#), a local nonprofit. If an ACRE alumni network were established, it could similarly engage industry leaders and resource partners (e.g. bankers and nonprofit lenders) so that alumni can interact not only with one another but also with others in the industry who could be helpful for their business or career development.

As ACRE's leaders celebrate 20 years of community impact, now may be the time to strengthen the program's infrastructure and secure the resources needed to fulfill its potential.

LISC Milwaukee and ACRE's three academic partner institutions have built a strong program with an esteemed profile and recognized brand that students are drawn to and industry leaders respect. This is evidenced, for example, in 82% of our survey respondents saying they were drawn to the program in part by the cachet it carries, and in WHEDA giving preference to projects involving ACRE graduates in its awarding of low-income housing tax credits. It is also clear that ACRE is meeting its objective of helping to diversify Milwaukee's real estate industry and that many alumni are making an impact in the city and beyond.

Some alumni we interviewed, however, suggested that ACRE has been less successful in achieving certain desired program outcomes – including preparing people of color to work directly as developers or for development companies and increasing development in disinvested neighborhoods – than it has been in achieving its primary goal of helping to diversify the local real estate industry overall. While some ACRE graduates have become developers and have completed projects in city neighborhoods, several stakeholders we interviewed said the program could strengthen its efforts toward this objective, perhaps focusing more attention on particular neighborhoods. Here again, the Jumpstart program in Philadelphia provides an example of how a program like ACRE can be tailored to support revitalization of blighted properties in targeted neighborhoods.

ACRE has matured beyond the point of being an all-volunteer initiative. Given the input of alumni and other stakeholders on how they would like to see the program improve, LISC's recent dedication of a full-time position could not have come at a better time. Depending on the extent to which program leaders wish to pursue expanded programming, additional resources may be needed. With dedicated staff and resources in place, ACRE's partners are well-positioned to revisit the program's strategic focus, strengthen aspects of its curriculum, better engage alumni, and track and share information about their individual and collective impact.

