

PROFILE OF TODAY'S New Originator

— by CASEY CUNNINGHAM —

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Highlights from a national survey of newly hired originators show many are attracted to the business not just for the money, but out of a desire to help people. Eighty percent have college degrees, but only a small fraction are bilingual.

ho are the next generation of mortgage sales professionals and from where will we recruit them? ¶ How do they think, what's in their hearts and why should we care? ¶ Over the next decade, conservative estimates are that our industry will need to replace a minimum of 200,000 loan officers. In order to accomplish this Herculean task, history has shown we will, collectively, need to identify many, many millions of “ideal” candidates and conduct multiple millions of rounds of interviews and background investigations—all prior to hiring, licensing and training a minimum of 800,000 new originators. ¶ Why so many new hires? Our industry has an underwhelming track record for the selection, onboarding and retention of new mortgage sales professionals. ¶ Various reporting has indicated 10 percent to 25 percent of new mortgage sales professionals who entered our industry over the last two decades successfully remained in origination longer than two years. If our industry's hiring, training and retention practices don't substantially improve over the next decade, we may well need to hire several times more than 800,000 new originators in order to net 200,000 replacement loan officers.

A profile view

Having trained thousands of new mortgage industry professionals in all 50 states, XINNIX's team conducted a nationwide survey of XINNIX ORIGINATOR graduates—individuals who completed our new loan officer program and entered our industry (see www.xinnix.com/offerings/new-mortgage-professionals/originator.html).

Our survey results correlate strongly with our instructor observations, data analysis and hiring manager feedback, and could be reflective of an industry trend.

Who they are

Results based on a survey of 600 new mortgage industry professionals conducted in September and October 2015 found the following:

75 percent of these new mortgage professionals entering our industry were between the ages of 18 and 39. Only a small percentage of new hires were younger than 21.

75 percent of our recent new hire trainees were male. Given the estimated makeup of today's national mortgage sales force, this gender hiring mix roughly aligns with the status quo.

80 percent of our XINNIX graduates indicated they had earned at least a college degree. There was no specific field of study that dominated the survey results or offered any predictive hiring insights.

20 percent of survey respondents indicated they spoke a language other than English—surprising, given the rapid demographic changes in America. We see an obvious opportunity to hire and train talented, bilingual sales professionals to capture the rapidly expanding, new homebuyer market. Recently we have been hearing that executives around the country are seriously looking at the diversity needs of the future homebuyer, but it has not yet shown up in our student population.

61 percent had some level of prior sales experience. Our observations have shown that candidates with previous sales experience tend to be less intimidated by the thought of transitioning into a completely commissions-based profession.

6 years was the average amount of workforce experience prior to entry into the mortgage industry for our graduates. Of note, 30 percent of respondents had more than 11 years of workforce experience prior to joining our industry. Far too often, we encounter executives and hiring managers who conflate the terms “rookie” with “inexperienced,” and this misconception couldn't be further from reality.

3 or more was the average number of different employers each new hire entering the mortgage industry had worked for. The experience of a working professional learning what they like and dislike in the workforce can be helpful. This tenure in the workforce is reflective of many lenders seeking experienced professionals and not necessarily trending to new college graduates.

What brought them to this industry

The top five industries new mortgage professionals emigrated from are, in order, 1) financial services—to include banking, real estate, accounting, insurance and consulting; 2) information technology (IT)—primarily from positions within client services, sales and customer relationship management; 3) health care—to include nursing, home assistance and massage therapy; 4) hospitality—to include hotel/motel, restaurant and customer service; and 5) sales—which includes a wide array of industries.

55 percent of new mortgage professionals were recruited by a friend or family member.

42 percent of new mortgage professionals were recruited by a mortgage originator active in the industry.

Understanding the basic motivators and psychological drivers of Generation X (those born between 1965–1982) and Generation Y, also known as millennials (those born between 1983–1999), is vital to recruiting and hiring manager success.

The four most important motivators our respondents cited for joining our industry are as follows:

- To serve and/or help others;
- Primarily because of the income opportunity;
- To seek more professional growth and development; and
- A desire to work independently and/or autonomously.

Recruiting advice

Lastly, we surveyed our students for any specific advice they would give to those seeking greater recruiting success. Their responses were very much in alignment with the guidance generated by many respected, pre-hire assessment tools.

Industry selling points—Managers and recruiters were advised to focus primarily on selling the benefits of working independently, with ample freedom and flexibility, and the ability to work with the purpose of helping other people.

The ideal candidate—In their minds, students believed the ideal person most likely to find success in our industry was someone quite sociable, with tremendous self-confidence and an “internal drive.”

A word of caution—Our students suggested managers avoid focusing primarily on compensation or the 100 percent commission aspects of compensation too early in the recruiting process. The highest levels of dissatisfaction came from unrealistic income expectations and a general lack of understanding of compensation plans.

Implementing a strategic plan to develop your next-generation sales force is becoming next to essential. By the year 2022, the entire baby boom generation will be 59 years old or more. Successfully planning, executing and optimizing the sourcing, training, assimilation and retention components required to renew a company and retain its culture is a task one should not underestimate. At XINNIX, we partner with lenders and provide a proven process for success as we are passionate about replenishing the industry with highly qualified and trained talent. **MB**

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