

Don DeRosa's

Real Estate Investing for The Real World



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Invest in Others this Holiday Season

Goodness is the only investment that never fails. Henry David Thoreau

'Tis the season for spending money – and for giving some of it back, too. As we enjoy the holiday with our families and friends, we are only too aware that some people are having a tough time right now. In fact, we may see it even more clearly than others. After all, we buy from people in crisis, and we sell and rent our properties to people who may not have the best of credit. With the mortgage foreclosure crisis in full swing, businesses and individuals are feeling the pinch.

While I don't think charitable activities should be limited to December, I think an annual reminder of the need to "give something back" is a great idea. Let's face it: we investors have an image problem. I often hear would-be students say that they're not interested because they would have to take advantage of people. I've never seen a poll, but I'll bet we rank somewhere between lawyers and members of Congress in the court of public opinion.

Some of us just thicken our hides and brush off this criticism as an unfortunate but meaningless misunderstanding. But here's the thing: if people don't trust us, they won't call us, and they won't do business with us. You may be the most honest person in the world, but if the world at large thinks investors are sleazy, and they know you're an investor, they're going to think twice before they buy a house from you.

So what to do? Well, no one person can change public perception about an entire occupation. And charity shouldn't just be about public relations anyway. But when each of us does our part, public opinions do change over time. So I thought this month I'd explore some ways we can give back to our communities. Here's what I found:

My first suggestion is the same one I give almost every month: act ethically and compassionately in all your dealings. Follow the Golden Rule. Follow the law. Do what you say you'll do, and treat everyone with decency and respect. I'm not saying you should rent to people who have credit ratings of 390 just to be nice. But it doesn't cost you a cent to be courteous. It costs you nothing to show some compassion as you take the difficult steps you will sometimes have to take. I know one investor who sees tenants as adversaries, and he actually seems to enjoy evicting bad tenants – he waits for them to mess up and then he pounces. I've evicted people too, but it's no cause for celebration. On the contrary, it's a personal tragedy.

If you want to make a more formal contribution, here are some holiday suggestions:

Help Habitat for Humanity while you help yourself. You probably already know you can volunteer to help build houses for this organization. But did you know that Habitat has a store with lots of discount stuff? Take a look and see what they have to offer next time you're looking for building supplies. The prices are good, and the proceeds go to support a really great cause. One caution: since the inventory is made up of donations, it changes frequently. This is not the place to go if you'll need a steady supply of a particular item. But for one-time purchases, it's a great resource. Better yet, donate usable leftovers from your own construction projects. <http://www.habitat.org/>.

Old houses need help, too. Rebuilding Together is an organization that helps elderly and low-income homeowners make needed repairs and renovations. How about volunteering some expertise and time? After all, who knows better than we do how to upgrade a kitchen at minimal cost? <http://www.rebuildingtogether-atlanta.org/>

Dinner is served. If you have a staff, gather them up and volunteer to help serve Christmas dinner in a homeless shelter. Put your crew in company sweatshirts. Nothing makes turkey and dressing taste better than a stark reminder of how lucky you are to have the necessities.

Here are some other possibilities: Donate building supplies, carpet remnants, or clean used furniture to a local battered women's shelter. Or go down to Louisiana or Mississippi for a week and help with a rebuilding project, or see what you can do from here. Pick up trash at a park.

Don't see anything you like here? There are as many ways to give back as there are giver-backers. Go to Volunteer Opportunities, <http://www.volunteermatch.org/bymsa/m520/c3/opp1.html>, and see who's asking for help.

The fact is, most of us are very fortunate, whether by sheer luck or by sheer hard work (probably both!) No matter how hard we've worked, we didn't receive our many gifts in a vacuum. What better month to remember that we didn't get here alone? If we wind up improving the profession's image, so much the better.

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Synopsis: Sometimes real estate investors are seen as cold-hearted opportunists who prey on desperate people. For most of us, that's simply untrue. Doing service and volunteer work can help counter this negative perception while provided much needed assistance.