PR Today:
48,000 Professionals; £6.5 Billion Turnover

THE ECONOMIC SIGNIFICANCE OF PUBLIC RELATIONS

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London, November 2005
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This year, the CIPR has unveiled the three pillars on which the future success of the PR profession will be built.

The first pillar was the Charter. Being awarded Chartered status is an official sign of respect; an acceptance that PR has ‘come of age’. It brings benefits and imposes challenges which the CIPR welcomes. The second pillar is our imminent move to a new, more suitable headquarters, giving us the physical status we deserve, and allowing us to offer far more to our members.

And the third pillar is this report.

This report is the next stage in the evolution of our profession. For the first time, it provides us with the hard data we need to prove the importance and contribution of PR.

The picture it paints is of a maturing, confident, growing profession that has become a vital part of so many organisations. PR is now firmly entrenched in business, government and the charitable sector, represented increasingly at Board-level.

Just as importantly, it shows that PR has developed well beyond traditional media work. PR is now at the heart of strategic reputation management – and organisations are all the better for this development. Self evidently, we provide a useful service – people are acknowledging this with the increased resources they provide for their communications.

I look to the future with an eager sense of expectation. This report boosts my deep-seated conviction that the profession will continue to thrive. Relationship building and management of reputation have never been more essential than today, and PR is increasingly recognised as their sine qua non. All the drivers are present for an ever-greater role for our profession in organisations of every size and nature.

This report also turns a spotlight on those areas where our profession faces challenges. We need to close the gap between the private and public sectors in certain key areas, not least salary levels; communications budgets; and the acceptance of public relations professionals at Board level.
A Proud And Confident Profession (cont.)

by Chris Genasi FCIPR, CIPR President, Chief Executive, Eloqui Public Relations

It highlights too a challenge for the CIPR. Our membership is large and growing. The recent PR Week ‘Hall of Fame’ shows that well over half of PR’s most influential people are members. The challenge for us is to attract a greater proportion of entry and mid-level professionals. It is a challenge we welcome.

Reviewing this report, I have absolutely no doubt that the UK PR profession will continue to lead the world. Already the largest in Europe, and second only to the US globally, our profession is ever growing larger and more sophisticated.

In today’s complex, global economy there are new expectations placed on organisations, new challenges, new relationships to be built and a greater emphasis on creating trust between increasingly interdependent stakeholder groups – PR professionals are important drivers and facilitators of this new way of working.

My key message to the profession is this – this report should make us proud of where we stand today, and confident of our future. The profession’s prospects have never been rosier.
The following short articles are views on the future of the profession from communicators working in the public, in-house private and consultancy sectors.
The 48,000 job communications business

Knowledge, Numeracy and Nerve

by Adrian Wheeler FCIPR, GCI UK

When George joined our firm as a young refugee from Lloyd’s he set about learning all there was to know about public relations. We were impressed by his diligence and thought he would go far (he did - he now has his own consultancy).

Three months after starting at GCI George went home to visit his parents in Suffolk. His mother asked him what his new job entailed. George had memorised the CIPR definition, so he began to tell her.

He soon realised that he had lost her attention but he pressed on: ‘...so, you see, Mother, I’m on the first rung of a career which is not only vitally important to business organisations but also has fantastic growth prospects.’ She woke up.

‘But George - do you wear a suit?’

Do We Wear Suits?

George’s mum was asking, in her own way, if public relations consultancy was a serious career. Ten years later opinion is still divided. For every Brunswick, Cubitt and Blue Rubicon there are twenty firms in the mould of Bernays rather than Burson. Although the probable revenue of all public relations consultancies in the UK is £1.2bn (CEBR estimate), which makes it a substantial component of the business services sector, only 10 per cent of Britain’s 2,400 consultancies take the profession seriously enough to belong to the CIPR or the PRCA.

But I am optimistic about the next five years - and beyond. The collapse of the distorted market of the late 90s triggered an industry-wide health-check in 2001 which is still working its way through the structure of UK public relations consultancy. Its most widely-debated manifestation is the massive amount of work done on evaluation, analysis and ROI. My personal view is that the granting of Chartered Status to the CIPR is a watershed. The disorderly market of the past will fade away as clients, consultancies and procurement executives reach a consensus about what consultancies should do and how much it should cost.
Knowledge, Numeracy and Nerve (cont)
by Adrian Wheeler FCIPR, GCI UK

Reasons To Be Cheerful

The perception that public relations consultancy is growing up is not just a perception. It's real. People are joining the industry in growing numbers who have valuable knowledge to offer, and who can therefore consult. Their clients are people who know what they want and where to get it. The importance of protecting reputation is recognised by every CEO, most of whom have watched with horror as damaged corporate profiles take years to re-build. In marketing, the agility and sometimes astonishing power of public relations is attracting more attention and more budget as the effectiveness of traditional TV advertising tails off.

The general picture is good. But there are three reasons in particular why I think the public relations consulting industry will grow in standing, size and profitability over the next five years:

- There is a close relationship between qualification and quality. There are now 30 degree and post-graduate courses in public relations available in this country. There is some truth in the saying that 'You can't teach public relations, you can only learn it', but the existence of authentic qualifications will have a signal effect on the way in which public relations consultancy is seen by both practitioners and clients. As Richard Torrenziano said, a consultant must bring knowledge which the client doesn't possess in order to earn a place at the table.

- Today, every consultancy worth its salt employs a set of methodologies to put rigour round the clever ideas that make public relations work. These will get better and more advanced, just as management consultancies transcended operations research in the post-War years to emerge as high-octane business analysts and advisors. If more public relations practitioners were comfortable with numbers as well as words, working at board-level would become the rule rather than the exception.

- As a general rule, it is hard for an in-house practitioner to say the unsayable. The detachment of a consultant confers a high degree of latitude: in some ways, the greatest value of an external consultant is that they have permission to say what they think without fear or favour. Do public relations consultants live up to this licence? Not as often as they should, but bravery would come top of my list if I were choosing someone to help me make a difficult case to my board. I think there will be more people with this kind of nerve leading our top-echelon firms in the coming years, because I meet them all the time.
Knowledge, Numeracy and Nerve (cont)  
by Adrian Wheeler FCIPR, GCI UK

Good News for Paul Smith

By 2010 UK public relations consultancy will be recognised as a suit-wearing profession, although probably not literally. All the signs are that the industry has learnt good lessons from the last decade and is putting them into practice. If we can enhance our knowledge, improve our numeracy and keep our nerve, nothing can stop us.
Breaking into the Boardroom

by Mark Douglas MCIPR, Executive Director Corporate Affairs & Communications, General Dynamics UK Limited

There has never been a better time to be an in-house corporate communications professional. My personal experience convinces me of that fact, and this report proves it. But just as importantly, it proves that the future has even more to offer my sector of the profession – and it indicates the key challenge ahead.

Today’s in-house corporate communications sector bears little resemblance to that of ten years ago. In retrospect, things were pretty amateur even that recently. We still dealt overwhelmingly with what I would term the tactical elements of corporate communications – the writing of press releases based on the strategic decisions others had made. Pay was pretty poor. And when the economic bad times came knocking, we were all too often the accountant’s sacrifice.

Put simply, the corporate communications function just wasn’t respected.

Today, we can confidently assert all that has changed. As this report shows, the number of in-house corporate communications advisers has grown rapidly in recent times; total budgets have increased at far more than inflation; the people employed are increasingly well-paid. It is now recognised that money invested in corporate communications advice brings tangible results.

This report says a good deal about the future size of the in-house function. It predicts continued – one might say almost recession proof - growth, both in terms of how many people are employed, and in terms of how much companies spend on their in-house corporate communications. In-house corporate communications teams will continue to expand. They will continue to be at least as well qualified and diverse as they are today.

But it isn’t just the hard measures, headcount numbers, wages, total budgets, that have changed for the better. The most startling change has come around roles and expectations.
Breaking into the Boardroom (cont)

by Mark Douglas MCIPR, Executive Director Corporate Affairs & Communications, General Dynamics UK Limited

We still fulfil the necessary tactical role we did ten years ago – we always will. But increasingly, we are called upon to offer strategic advice too. In-house corporate communications professionals are breaking into the Boardroom, and their companies are all the better for the new face at the Boardroom table. As companies have come to realise that reputation is their greatest asset, so too they have realised that their strategic reputation managers – their corporate communications advisers - have a central rather than a peripheral role. Increasingly, CEOs accept that being able to call upon Board-level communications advice isn’t just useful, it is essential.

These trends are all set to accelerate. And this acceleration will create a virtuous circle of increasing professionalism. As the role of corporate communications professionals changes, and the respect they are accorded increases, added pressure will be placed on us constantly to prove our professionalism. This will be a major challenge, and in truth, not all our colleagues will meet it. But my strong conviction is that the challenge of professionalism will be good for our profession. It will provide proof to back up our bold assertions.

So the challenge for the next ten years is to move up a gear and prove that we deserve those places in the Boardroom. I for one am confident we will.
What the future holds for public sector PR

by Alan Bishop, Chief Executive, COI

We live in a society where the Government has a duty to explain its policies, decisions and actions and to inform the public about their rights and responsibilities. This is imbedded in the civil service code and applies to every administration of whatever political hue.

It is this commitment to communication that stands public sector PR in good stead for the future.

Government policies and programmes affect the lives of millions of people, so it is vital that we are able to reach a unique variety of audiences – ranging from the entire population to very specific groups such as teenage mums or the very elderly.

In order to communicate effectively with such a wide range of audiences, we need to use the right mix of disciplines and PR has a major role to play as part of this mix.

This was endorsed by the independent Phillis Review of government communications, which recommended more direct unmediated communications to the public and use of a portfolio of skills, which will include PR and paid for advertising.

Integration is critical. It is only through truly integrated efforts - having PR and media relations work seamlessly with advertising, direct marketing, digital media and other professions - that we can achieve the objective of effective communication.

For the integrated model to work, we must also help policy makers understand the need for this. Taking this a step further, it is also important for policy and communications colleagues across government to integrate their efforts and work together to deliver the right messages to the right audiences at the right time.
The 48,000 job communications business

What the future holds for public sector PR (cont)

by Alan Bishop, Chief Executive, COI

This is already widely acknowledged at COI and the PR team has many examples of agencies working together to achieve a collective goal. COI is designed to help this happen quickly, easily and efficiently. COI PR managers work closely with colleagues in other parts of the organisation, as part of virtual teams bringing together top talent to create a productive mix that gets the job done.

Of course, this must be done within the boundaries of procurement and propriety guidance. The public sector is governed by EU legislation that sets out the tendering process, while propriety is laid out in the civil service code and guidance from the Government Communication Network.

COI’s rigorous and transparent roster and pitch processes will help to ensure this continues in the future. The PR team, with industry expertise and public sector knowledge, are able to advise both agencies and clients on the best use of PR within a public sector context.

COI’s PR team is also working with industry bodies to create greater awareness of best practice in public sector PR and has contributed to the Chartered Institute of Public Relations’ guide on PR procurement.

All of this builds to create a positive outlook for public sector PR, although we must never be complacent. It is the responsibility of COI, public sector communications professionals and the industry to secure that future together for the benefit of good government communication to the citizen.
Summary of key findings:

- A conservatively estimated 47,800 people work in the public relations profession. This comprises managers, principals and officers who work in-house and out-of-house (consultancies, agencies and freelance). Of the 47,800 professionals, most (82 per cent) are in-house specialists employed directly by companies, government or not-for-profits.

- Using our estimates of the number of public relations professions, a survey of Chartered Institute of Public Relations’ members and official statistics we have demonstrated the value of the public relations profession in terms of its financial contribution to the United Kingdom.

- The imputed turnover of the profession as a whole is £6.5 billion.

- Our analysis shows that the profession contributes £3.4 billion to United Kingdom economic activity as well as generating £1.1 billion in corporate profits if the contribution of in-house public relations workers is valued at the same rate as public relations consultants’.

- In the future, growth in out-of-house public relations companies is expected to come predominately from consultancy/agency public relations.

- Consultancies and agencies are expected to grow to an average of around 54 employees per company in the next five years.

- Increased spend on public relations activity is expected to come mainly from corporate areas of public relations.

- In-house public relations functions are expected to continue growing as they have in the previous five years.

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**48,000 professionals; £6.5 billion turnover**

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<th>In-house</th>
<th>Out-of-house</th>
<th>Total</th>
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<tr>
<td>Managers and principals</td>
<td>8,400</td>
<td>1,800</td>
<td>10,200</td>
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<tr>
<td>Officers</td>
<td>30,800</td>
<td>6,800</td>
<td>37,500</td>
</tr>
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<td><strong>Public Relations professionals</strong></td>
<td>39,200</td>
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Sources: cebr estimates; cebr/CIPR survey, August 2005; Office for National Statistics (Figures may not sum due to rounding)
Summary of key findings continued:

- At present – broken down by business type – public relations consultancies whose clients lie primarily in sectors within the public, health and charities sector account for over a third (36 per cent) of turnover of all public relations consultancies.

- In addition, over half (51 per cent) of all public relations employees that work in-house are currently employed by organisations in the public, health and charities sector.

- In-house professionals in public relations are slightly younger on average than those who work in public relations consultancies. A significant proportion of the employees in the profession work in the South East with a quarter working in London alone.

- 6.5 per cent of the profession comes from an ethnic minority, and two per cent describe themselves as disabled.

- The majority of employees in the profession are of a graduate background, and the range of qualifications held is wide. Over half of the workers in the profession can speak a foreign language with numerous languages spoken.

- There are a great number of roles and functions of employees in the profession which reflects the breadth of public relations activities.

- The average annual basic salary of a public relations professional is £46,200 but almost half of all employees receive a bonus (on average eight per cent of basic salary) in addition.
The profession

- We estimate that 48,000 people currently work in the public relations profession.
- Current combined annual turnover of public relations consultancies, agencies and freelancers is estimated to be £1.2 billion.
- Valuing the contribution of ‘in-house’ public relations workers at the same rate, the ‘imputed’ turnover of the profession as a whole is almost £6.5 billion.
- The profession as a whole is estimated to contribute almost £3.4 billion to the country’s economic prosperity and £1.1 billion to corporate profits.
The majority of the 47,800 professionals in the public relations profession are in-house — conducting public relations functions within a wider organisation, such as a plc, government department or a charity.

Almost a fifth (18 per cent) of the overall profession are out-of-house — employed by specialist public relations consultancies and agencies or are self-employed freelancers.

Our estimates are based on data from the 2001 census and our own survey of CIPR members conducted in July and August 2005.

Using the results of their latest census, the Office for National Statistics estimate that there were 31,162 people employed as ‘public relations officers’ in the United Kingdom in April 2001. But this estimate does not cover all of the people in public relations — nor is it up-to-date.

In addition to the ‘officers’, there are managers and principals. In the census, these are mostly included in the ‘Advertising and public relations managers’ category. Out of the 37,399 recorded in 2001, we estimate that just under a quarter were public relations — rather than advertising — professionals.

From our survey of CIPR members, we are able to up-rate the census data to take account of growth in the profession between 2001 and 2005.

We suspect that some people conducting public relations duties may be mis-categorised into some of the ONS’s more general categories of occupation of the census. So, our estimate is probably on the conservative side.

### Number of workers in the public relations profession, 2005

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47,800 people work in the public relations profession.

Putting that into context ………..

- The advertising industry employs around 80,000 people (2003)
  - 45,000 people work in market research and public opinion polling (2003)

- 172,600 people work in the whole of British farming, agriculture and fishing (2003)
  - The steel industry in the United Kingdom employees around 50,000 people (2003)

- 55,000 people currently work for Cadbury Schweppes plc
  - 54,000 people work in Slough (2004)

Sources: Office for National Statistics, Cadbury Schweppes plc
The profession makes a significant financial contribution to the United Kingdom economy.

We estimate that the current combined annual turnover of public relations consultancies, agencies and freelancers could be as large as £1.2 billion.

This is calculated from:

- average revenues of businesses being £137,000 per employee, based on our survey results

- employment estimate of 8,600 which is based on data from the 2001 census and our own survey of CIPR members.

Our calculations exclude revenues produced by employees in United Kingdom companies based abroad but includes revenues of United Kingdom based employees of foreign companies.

If we value the contribution of ‘in-house’ public relations workers at the same rate, the ‘imputed’ turnover of the profession as a whole would be £6.5 billion.

In its latest input-output analysis, the Office for National Statistics reports that, in 2003, the gross value added of businesses in the ‘business and management consulting’ industry — of which public relations is a part — was equal to 51 per cent of its turnover, while gross operating surpluses (or profits) were seventeen per cent. If we apply these ratios to our figures for turnover in the public relations profession, we find that the profession as a whole contributes £3.4 billion to the country’s economic prosperity and £1.1 billion to corporate profits.

### Financial contribution of the United Kingdom public relations profession, 2005

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The profession

Turnover, value added and profit based on an alternative assumption

Our estimates for turnover are based on the results of our survey of CIPR members which reports the average turnover per employee to be £137,000.

The survey finding of £137,000 for turnover per employee is, coincidently, the same as that reported in a recent survey by PR Week, ‘Public Relations leagues top 100’.

Using data from the Government’s Annual Business Inquiry, in 2005 the average turnover per employee in ‘business and management consultancy’ – of which public relations is a part – was £80,000. However, the range of turnover per employee in similar categories varies from £231,000 in ‘advertising’ to £48,000 in ‘market research and public opinion polling’. A fuller list of similar categories and their average turnover per employee is provided in the appendix – section one.

The survey estimate of £137,000 does fit within the range of the Annual Business Inquiry data for similar sectors, although it is towards the upper end. If one were to take an alternative, more conservative estimate of average revenue per employee then the overall size of the profession’s financial contribution to the United Kingdom would be smaller. For example, if one used the £78,000 (that is the turnover per employee within the broader category of ‘business and management consultancy’) and applied the same methodology, we would find that the profession turnover is £3.7 billion. We would also find that the profession as a whole contributes £1.9 billion to the country’s economic prosperity and £0.6 billion to corporate profits.

### Financial contribution of the United Kingdom public relations profession, 2005

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Sources: cebr estimates; cebr/CIPR survey, August 2005; Office for National Statistics
(Figures may not sum due to rounding)
Putting that into context ..........

**The public relations profession generates £1.1 billion of profits each year**

- Tesco plc generated £1.96 billion of profit on ordinary activities before tax in 2005
  - ICI Group generated £397 million of profit before tax in 2004
  - Combined, the bread, biscuits and confectionary industries generated £1.3 billion of profit before tax in 2003

**The public relations profession turns over £6.5 billion each year**

- Total retail sales in the United Kingdom in an average week during July 2005 were £4.7 billion
  - ICI Group’s turnover was £5.6 billion in 2004
  - Turnover for the entire dairy products industry was £6.2 billion in 2003

**The public relations profession adds £3.4 billion of value to UK plc**

- Southampton’s workers generated gross value added of £3.4 billion in 2001
  - The GVA of Dundee City and surrounding Angus was £3.1 billion in 2001
  - Belfast’s GVA was £5.7 billion in 2001
The future

- The expected increase in the growth rate of out-of-house public relations companies is expected to come predominately from consultancy/agency public relations.

- The average size of consultancies and agencies is expected to grow to around 54 employees per company.

- The growth of spend on public relations activity is expected to come mainly from corporate areas of public relations. Within the public sector and not-for-profit organisations, it is expected to grow by less than ten per cent over the next five years.

- Growth in the average size of in-house public relations functions over the next five years is expected to continue at a similar rate of growth to the previous five years.

- The average total number of employees in companies that have in-house public relations staff is also expected to grow in the next five years, albeit at a slower rate per annum than the last five years.
Trends for out-of-house businesses

The average annual turnover of out-of-house public relations companies – such as consultancies, agencies and freelancers – is an estimated £5.2 million. This is mainly derived from the consultancy/agency area of the profession where on average firms have a turnover of £5.8 million.

In the last five years, turnover across out-of-house public relations has grown by a third, and out-of-house public relations professionals expect this growth rate to more than double in the coming five years. The expected increase in the growth rate of out-of-house public relations is expected to come predominately from consultancy/agency public relations, with freelance public relations forecast to grow by just a third.

On a yearly basis, this equates to an average rate of growth in turnover between 2000 and 2005 of 5.9 per cent per annum, while between 2005 and 2010 is expected to be 11.6 per cent per annum.

In the past five years, consultancies and agencies whose primary client sectors were in the retail and wholesale sector saw the fastest rate of growth in turnover: an average of eighteen per cent per annum. Public relations consultants expect growth in retail and wholesale to decline slightly over the next five years (to thirteen per cent) whilst growth within public relations consultancies in the utilities sector, which has been zero over the last five years, is expected to see a growth rate of 34 per cent per annum.
Growth in turnover in consultancy / agency by primary client sector, compound annual growth rate

- **Public, health and charities**
- **Finance**
- **Food, beverages and tobacco**
- **Manufacturing**
- **Technology**
- **Utilities**
- **Retail and wholesale**
- **Consumer services, media and marketing**
- **Business services**
- **Property**
- **Other**
- **Total**

Sources: cebr/CIPR survey, August 2005

* No change in turnover over the last five years for public relations consultancies whose primary clients are in the utilities sector.
Growth in the average number of employees in public relations consultancies and agencies has been about fourteen per cent in the last five years, increasing the average to 41 employees per consultancy or agency.

Respondents from consultancies expect employment to grow twice as fast in the next five years as the previous five years – at a rate of 32 per cent. With growth rates at this level, the average size of consultancies and agencies is expected to grow to around 54 employees per company by 2010.

Sources: cebr/CIPR survey, August 2005
The future

Trends in spending on public relations

Annual spend on public relations activities currently stands at £1.2 million per organisation.

In the last five years, spend on public relations activities has risen by a third – in-line with the increase in turnover across out-of-house public relations.

Corporates spend the most, but public relations expenditure by the public sector and not-for-profits has risen the fastest over the last five years – growing at a phenomenal rate.

In-house public relations professionals responding to our survey forecast growth to be much less in the next five years: less than fifteen per cent. Growth is expected to come mainly from corporate areas of public relations whilst growth in the public sector and not-for profit organisations is expected to be less than ten per cent over the five years.

On a yearly basis, this equates to an average annual growth in spend on public relations between 2000 and 2005 of 6.2 per cent, falling to 2.6 per cent per annum over the next five years.

Annual spending on public relations, £ million

<table>
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<th></th>
<th>5 years ago</th>
<th>Current</th>
<th>In 5 years</th>
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<tbody>
<tr>
<td>Corporates</td>
<td>1.4</td>
<td>1.7</td>
<td>2.0</td>
</tr>
<tr>
<td>Public sector and not-for-profit</td>
<td>0.1</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Total</td>
<td>1.2</td>
<td>1.4</td>
<td>2.0</td>
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Sources: cebr/CIPR survey, August 2005
Trends for in-house public relations functions

In the last five years, the average number of employees in public relations teams within organisations that employ in-house public relations professionals has been rising in absolute terms.

Although the average number of employees involved in public relations within the public and not-for-profits sectors currently stands at only five per organisation, this has grown from an average of three people five years ago.

Growth in the average size of in-house public relations functions over the next five years is expected to continue at similar rates of growth to the previous five years where growth levels were almost twenty per cent. Growth in the average number of employees in public relations functions in the public and not-for-profits sectors over the next five years is expected to slow slightly but still be almost 40 per cent between 2005 and 2010.

Size of in-house public relations functions, average number of employees in public relations

Sources: cebr/CIPR survey, August 2005
Across companies that have in-house public relations employees, the average number of total employees has grown in the last five years. Public sector and not-for-profit organisations have seen a slightly larger growth in the average number employed in the last five years (twelve per cent) than the corporates (eleven per cent).

The average number of employees for companies that have in-house public relations is expected to grow in the next five years, albeit at a much slower rate than over the last five years where growth was an average of just over two per cent per annum.

As a result, public relations employees as a proportion of total employees is expected to rise from 2.1 per cent in 2000 to 2.5 per cent in 2010 in the corporate sector.

In the public and not-for-profits sectors, the proportion is expected to rise from 0.8 to 1.8 per cent over the same period.
The businesses

- Four-in-five consultancies and agencies employ fewer than 25 people, and over three-fifths have annual revenues below £1 million.

- Over a third of consultancies and agencies, weighted by turnover, report that their clients are primarily in the public, health and not-for-profit sectors

- Over two-fifths of public relations professionals working for a corporate are employed by a company with turnover of over £100 million, but a further two-fifths of in-house professionals work in companies with revenues of less than £10 million.
Consultancies, agencies and freelancers

Public relations consultancies, agencies and freelancers employ an estimated 8,600 people, turnover around £1.2 billion annually, add over half a billion pounds to the United Kingdom’s national income and generate over £200 million of gross profits.

Clearly, the vast majority of freelancers are sole traders — with no or very few staff. But the consultancies and agencies are typically fairly small businesses too.

According to our survey, four-in-five consultancies and agencies employ fewer than 25 people, and over three-fifths have annual revenues below £1 million.

Over a third of consultancies and agencies, weighted by turnover, report that their primary clients are in the public, health and not-for-profit sectors. Over a quarter (27 per cent) report primary clients in the finance and business services sectors.
The 48,000 job communications business

Size of out-of-house enterprises, average number of employees

- Freelance: 97%
- Consultancy / agency: 79%

Annual turnover of public relations consultancy / agency, last financial year

- Below £1 million: 63%
- £1 to £10 million: 29%
- £10 to £50 million: 6%
- Above £50 million: 2%

Sources: cebr/CIPR survey, August 2005
Turnover in consultancy / agency by primary client sector, last financial year

- Public, health and charities: 36%
- Business services: 16%
- Consumer services, media and marketing: 9%
- Retail and wholesale: 3%
- Utilities: 1%
- Technology: 8%
- Manufacturing: 8%
- Finance: 11%
- Food, beverages and tobacco: 2%
- Other: 4%

Sources: cebr/CIPR survey, August 2005
Organisations with in-house public relations

A wide range of organisations have in-house specialist public relations staff.

It is common for the largest of companies to have an in-house team; over two-fifths (42 per cent) of public relations professionals working for a corporate are employed by a company with a turnover in excess of £100 million. Indeed, the average turnover of a company with in-house public relations resources is £60.5 million. The average number of staff they have is 444.

However, much smaller companies also have their own specialist resource. A further 42 per cent of in-house professionals work in companies with revenues of less than £10 million; a quarter (25 per cent) work in companies with fewer than 100 employees.

The public sector and not-for-profit organisations are also large employers of in-house public relations staff — with an estimated 14,100 public relations professionals working for them directly (in the 51 per cent of public, health and charities of all in-house).

On average, the companies in our survey had annual communications budgets of just over £2 million and spent £1.7 million on public relations. The public sector and not-for-profit organisations had communications budgets of just under £1 million and spent £400,000 a year on public relations.

Sources: cebr/CIPR survey, August 2005; Office for National Statistics
The businesses

Size of organisations with in-house public relations, average number of employees

[Bar chart showing distribution by size categories: Corporate and Public sector and not-for-profit]

Size of in-house public relations function, average number of employees

[Bar chart showing distribution by size categories: Corporate and Public sector and not-for-profit]

Sources: cebr/CIPR survey, August 2005
Share of in-house public relations employees by sector of employer organisation

Public, health and charities: 51%

Other: 6%

Business services: 4%

Consumer services, media and marketing: 4%

Retail and wholesale: 3%

Utilities: 5%

Technology: 9%

Manufacturing: 6%

Food, beverages and tobacco: 2%

Finance: 7%

Property: 3%

Sources: cebr/CIPR survey, August 2005
Annual communications budget, last financial year

- Corporates
- Public sector and not-for-profit

Sources: cebr/CIPR survey, August 2005

Annual spending on public relations, last financial year

- Corporates
- Public sector and not-for-profit

Sources: cebr/CIPR survey, August 2005
The people

- The average age of public relations workers is 40 years old
- Whereas fourteen per cent of the national workforce is under 25 years of age, only five per cent of public relations workers are this young, reflecting the high proportion of graduates in the profession
- A quarter of all public relations workers live in London, compared to an average of only one-in-eight across the whole economy
- Public relations is a female dominated profession, with almost two thirds of workers being women
- 6.5 per cent of the profession's workers come from ethnic minorities, 2 per cent are registered disabled and 3.5 per cent report being either homosexual or bisexual
- Over half (51 per cent) of workers in the public relations profession report they can speak a foreign language
Demographics

We have conducted a detailed survey of members of the CIPR, from which we can assess the characteristics of typical public relations professionals.

The average age of public relations workers is 40 years, with in-house professionals being slightly younger, averaging 38 years, and out-of-house a touch older, 42 years.

Overall the average age in the profession is the same as for the workforce at large — but the structure is very different. Whereas fourteen per cent of the national workforce is under 25 years of age, only five per cent of public relations workers are this young. This largely reflects the high proportion of graduates in the profession. Meanwhile, only four per cent of public relations workers are in the over 60 age group, compared to eight per cent nationally.

The profession has a clear bias towards the South East — with a quarter of all public relations workers living in London, compared to an average of only one-in-eight across the whole economy. In excess of a further quarter (27 per cent) live either in the rest of South East or East England — in commuting range of the capital.

Scotland also has a relatively high concentration of public relations professionals; nine per cent of the profession’s workers live there, whereas it accounts for eight per cent of the national workforce.
The home region of public relations workers is visualized in the following bar chart, segmented into different regions:

- **All public relations**: The chart shows the distribution of public relations workers across various regions.
- **In-house**: Similar representation as for all public relations, highlighting the distribution within the in-house sector.
- **Whole economy**: The bar chart for the whole economy, including all sectors.

Regional breakdowns include:
- London
- South East
- East
- East Midlands
- West Midlands
- South West
- North East
- North West
- Yorkshire and Humber
- Scotland
- Wales
- Northern Ireland

Sources: CEPR/CIPR survey, August 2005; Office for National Statistics
Diversity

Public relations is a female-dominated profession with almost two thirds of workers being women compared to only 46 per cent for the workforce at large.

Our survey suggests that 6½ per cent of the profession’s workers are from ethnic minorities — not far short of the eight per cent national average. Ethnic minorities are significantly represented in the in-house profession, with almost eleven per cent of our sample describing themselves as something other than white. One-in-ten public relations workers are foreign nationals.

Two per cent of the profession’s workers are registered disabled.

Of the respondents answering the question, 3½ per cent reported being either homosexual or bisexual. As a comparison, the Office for National Statistics conducted an omnibus survey of the male population in 1997; it suggested two per cent were homosexual and one per cent were bisexual.
The 48,000 job communications business

Ethnic origin of public relations workers

- **All public relations**: 89.1% White, 93.5% European Union
- **In-house**: 90% White, 6% Not European Union
- **Out-of-house**: 95.6% White, 4% Not European Union
- **Population**: 92.1% White, 4% Not European Union

Nationality of public relations workers

- **All public relations**: 85% British, 14% European Union
- **In-house**: 90% British, 6% European Union
- **Out-of-house**: 92% British, 5% European Union

Sources: cebr/CIPR survey, August 2005; Office for National Statistics
The 48,000 job communications business

Sexual orientation of public relations workers

Sources: cebr/CIPR survey, August 2005; Office for National Statistics
Skills

Public relations is a largely graduate profession – with three quarters of respondents to our survey having a first degree or higher.

Few have communications or public relations degrees, but many have a social science, arts — especially English, history and politics — or management studies background.

The range of qualifications held is wide, from agriculture and anthropology through chemistry and civil engineering to pharmacy, philosophy, psychology and zoology.

Public relations workers with a degree

Sources: cebr/CIPR survey, August 2005
The communications skill of the profession is reflected in its linguistic dexterity.

Over half (51 per cent) of workers in the public relations profession report they can speak a foreign language.

Across our entire survey sample, a total of 36 languages were spoken in addition to English. These were: Afrikaans, Arabic, Armenian, British Sign Language, Bulgarian, Cantonese, Catalan, Chinese, Croatian, Danish, Dutch, Finnish, French, Gaelic, German, Greek, Gujarati, Hausa, Hebrew, Hindi, Italian, Japanese, Latin, Lithuanian, Malay, Norwegian, Portuguese, Romanian, Russian, Serbo Croat, Shona, Sinhala, Spanish, Swedish, Turkish and Welsh.
The job

- Public relations professionals cover a great variety of issues and responsibilities – highlighted by the number of roles and functions of employees in the profession
- The highest earnings were found among those employed by consultancies and agencies
- The majority of employees in the profession receive extra benefits as part of their remuneration packages and almost half receive a bonus in addition to their basic salary
- The profession has a bias of workplaces in London and South East
- On average, 25 per cent of public relations workers work over 48 hours per week
- Many public relations professionals find that travel within the United Kingdom is an important part of their jobs
Roles and functions

Public relations professionals cover a great variety of issues and responsibilities. This is highlighted by the number of roles and functions of employees in the profession.

In terms of roles, the biggest response from in-house employees was ‘media relations’ whilst the biggest response from consultancy respondents was ‘communications strategy development’.

Comparing the actual functions that employees in the public relations profession undertake – across both in-house and consultancy public relations – there are similar proportions of employees in each. There are however some functions which seem more prominent with in-house employees, for example, information provision and internal communications, where there are ten per cent more in-house employees than consultancy employees. On the other hand, there are also functions which seem much more prominent with consultancy employees, for example, corporate public relations and strategic planning, where there are ten per cent more consultancy employees than in-house employees.

Within the in-house public relations teams, there is also a higher proportion of functions which involve public affairs and lobbying and on-line communications. Across all other roles there are a higher proportion of consultancy workers suggesting that there is a greater range of specialisms amongst out-sourced public relations.

More than half of employees in the profession that work in-house work in roles that include: information provision, internal communications, communications strategy development, corporate public relations, branding and marketing, issue management, crisis management, event planning, media relations, strategy planning.

More than half of public relations employees that work for consultancies work in roles that include: communications strategy development, corporate public relations, reputation management, branding and marketing, issue management, crisis management, event planning, media relations, strategy planning.
The job communications business

Roles of public relations workers

- Sales promotion
- Graphic design / animation
- Media analysis
- Public affairs consultancy (lobbying)
- Consumer or public campaigning
- Corporate social responsibility
- Research and evaluation
- Information provision
- Publishing / editing
- Event organisation
- Internal communications
- PR programme planning
- Communications strategy development
- Writing articles, newsletters etc
- Media relations
- Account manager
- Account executive
- PR officer
- Head of PR

Sources: cebr/CIPR survey, August 2005
Functions of public relations workers

- Investor relations or financial PR
- Consumer or public campaigning
- Corporate social responsibility
- Public affairs and lobbying
- On-line PR
- Branding and marketing
- Information provision
- Corporate PR
- Crisis management
- Issue management
- Internal communications
- Reputation management
- Event planning
- Strategic planning
- Communications strategy development
- Media relations
- PR officer
- Head of PR

Sources: cebr/CIPR survey, August 2005
The job communications business

Salary

On average, respondents to our survey earned a basic gross annual salary of £46,200.

Over a third had a basic gross salary between £25,000 and £40,000 per annum; while just under a quarter earner less. One-in-eight reported earning over £80,000.

The highest earnings were found among those employed by consultancies and agencies. On average, our respondents in these organisations earn almost £51,400.

In-house professionals in corporates are paid around the average for the profession at £46,100, while those working in not-for-profit and public sector organisations are paid the least — averaging £31,900 and £32,500 respectively.

Accounting for fewer than two-fifths of workers in the profession, men hold more higher salaried posts than women, with their average gross salaries at just over £57,000 — almost £18,000 more than the average for women.

In addition to salaries, the majority of employees in the profession receive extra benefits as part of their remuneration packages. Over 60 per cent are part of a pension scheme, although the proportion falls to under a half for consultancy and agency staff. Two-in-five receive some form of medical cover.

Gross annual basic salary of public relations workers

Sources: cebr/CIPR survey, August 2005
The job

Gross annual basic salary of public relations workers

- All public relations: £46,157
- Public sector in-house: £32,544
- Not-for-profit in-house: £31,867
- Corporate in-house: £46,133
- Consultancy / agency: £51,392
- Freelance: £41,831

Sources: cebr/CIPR survey, August 2005

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Employment benefits received in addition to salary by workers in the public relations profession

- Pension scheme
- Medical insurance
- Dental insurance
- Vision care insurance
- Life insurance
- Gym
- Other
- No extra benefits

Sources: cebr/CIPR survey, August 2005
There are some sharp differences in pay between roles and between regions.

Workers in Central London are paid the most on average at over £62,000, while those in Wales are paid the least. However, care should be taken in interpreting the results from some of the regions, as the sample may be small.

We have also analysed the data from the survey to reveal the career ladder. In the out-of-house part of the profession — the consultancies, agencies and freelancers — average gross annual salaries start at £19,400 for administrators and assistants, rise to £29,200 for executives, consultants and principals, through £53,800 for directors and associate directors, to £70,400 for the senior executives.

Despite average salaries being highest among those employed by consultancies and agencies, in-house salaries are higher for most employee grades except for the most senior of grades.

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**Gross annual basic salary of public relations workers**

<table>
<thead>
<tr>
<th>Region</th>
<th>£0</th>
<th>£40,000</th>
<th>£80,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central London</td>
<td></td>
<td></td>
<td>£62,443</td>
</tr>
<tr>
<td>Outer London</td>
<td></td>
<td></td>
<td>£49,175</td>
</tr>
<tr>
<td>South East</td>
<td></td>
<td></td>
<td>£43,462</td>
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<tr>
<td>East</td>
<td></td>
<td></td>
<td>£35,758</td>
</tr>
<tr>
<td>East Mids</td>
<td></td>
<td></td>
<td>£35,500</td>
</tr>
<tr>
<td>West Mids</td>
<td></td>
<td></td>
<td>£39,030</td>
</tr>
<tr>
<td>South West</td>
<td></td>
<td></td>
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<tr>
<td>North East</td>
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<td>North West</td>
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<td>£42,477</td>
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<tr>
<td>Yorks &amp; Humber</td>
<td></td>
<td></td>
<td>£39,655</td>
</tr>
<tr>
<td>Scotland</td>
<td></td>
<td></td>
<td>£36,017</td>
</tr>
<tr>
<td>Wales</td>
<td></td>
<td></td>
<td>£29,200</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td></td>
<td></td>
<td>£40,833</td>
</tr>
<tr>
<td>Outside the UK</td>
<td></td>
<td></td>
<td>£55,086</td>
</tr>
</tbody>
</table>

Sources: cebr/CIPR survey, August 2005
Gross annual basic salary of in-house public relations workers

- Administrator / assistant:
  - All: £25,000
  - Female: £21,917
  - Male: £22,154
- Executive / consultant / principal:
  - All: £44,490
  - Female: £34,273
  - Male: £37,509
- Director / associate director:
  - All: £60,526
  - Female: £62,640
  - Male: £61,727
- Chairman / chief executive / managing director:
  - All: £63,500
  - Female: £46,545
  - Male: £57,069

Gross annual basic salary of out-of-house public relations workers

- Administrator / assistant:
  - All: £20,000
  - Female: £19,000
  - Male: £19,417
- Executive / consultant / principal:
  - All: £31,300
  - Female: £28,671
  - Male: £29,237
- Director / associate director:
  - All: £46,934
  - Female: £53,726
  - Male: £53,776
- Chairman / chief executive / managing director:
  - All: £71,460
  - Female: £68,729
  - Male: £70,356

Sources: cebr/CIPR survey, August 2005
**Bonus payments**

Almost half (48 per cent) of all employees in the public relations profession receive a bonus in addition to their basic salary.

Well over half (59 per cent) of employees that work within public relations consultancies or agencies receive a bonus. Almost 70 per cent of public relations employees that work in-house for a company or corporate receive a bonus.

In terms of the amount received in bonuses as a proportion of salary, in-house employees receive the most – obtaining an average of 23 per cent of their basic salary. Consultants receive fifteen per cent of their basic salary as a bonus. The employees that receive the least in a bonus as a percentage of their basic salary are those who work in-house for a not-for-profit organisation.

**Bonus paid as a share of basic salary of employees that received a bonus in the last financial year**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultancy / agency</td>
<td>15%</td>
</tr>
<tr>
<td>Freelance</td>
<td>6%</td>
</tr>
<tr>
<td>In-house for a corporate / company</td>
<td>23%</td>
</tr>
<tr>
<td>In-house for a not-for-profit organisation</td>
<td>5%</td>
</tr>
<tr>
<td>In house for public sector or an NGO</td>
<td>7%</td>
</tr>
</tbody>
</table>

Sources: cebr/CIPR survey, August 2005
Location of workplace

The profession has a bias of workplaces in London and South East.

Almost half of respondents reported that their workplace is based in London or the South East. The South West region and Scotland each account for almost one in ten of people that work in public relations.
**Hours worked**

On average, a quarter of public relations professionals work over 48 hours per week.

Those who work for a consultancy or agency work the highest average number of hours per week (over 43 hours) whilst those who work in public relations for the public sector work the fewest hours per week (40 hours).

Employees out-of-house work longer hours, with 29 per cent working over the 48 hours a week limit set out in the Working Time Directive and 39 per cent working up to 48 hours. Our survey suggests that this is because employees in consultancies or agencies work longer hours rather than freelancers who, on average, work the fewest hours in a week.

Overall, men seem to work slightly longer hours than women; within freelance and in-house not-for-profit organisations, women work longer.

On average, the number of hours actually spent on public relations work a week is around 85 per cent of the total number of hours worked. This is, however, slightly higher for workers in in-house not-for-profit and consultancy public relations.
The job communications business

Hours worked per week by all public relations professionals

- All public relations: 41.5
- Public sector in-house: 40.1
- Not-for-profit in-house: 36.5
- Corporate in-house: 41.8
- Consultancy / agency: 43.6
- Freelance: 34.5

Sources: cebr/CIPR survey, August 2005

Hours worked per week by female public relations professionals

- All public relations: 40.6
- Public sector in-house: 39.5
- Not-for-profit in-house: 37.2
- Corporate in-house: 41.7
- Consultancy / agency: 42.1
- Freelance: 34.9

Sources: cebr/CIPR survey, August 2005
The hours spent on public relations work per week by public relations professionals are as follows:

- All public relations: 35.5 hours
- Public sector in-house: 34.1 hours
- Not-for-profit in-house: 31.5 hours
- Corporate in-house: 35.5 hours
- Consultancy / agency: 37.6 hours
- Freelance: 28.7 hours

Sources: cebr/CIPR survey, August 2005
**Business travel**

Travel within the United Kingdom is an important part of public relations professionals’ jobs.

The overwhelming majority (92 per cent) of out-of-house workers travel within the United Kingdom for work related issues, compared to 74 per cent of in-house employees.

Overall, fourteen per cent of employees in the public relations profession do not travel within the United Kingdom for work related issues.

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Sources: cebr/CIPR survey, August 2005
In terms of international travel, 42 per cent of out-of-house employees have traveled internationally for work related issues, compared to a third of in-house employees.

Overall, 61 per cent of employees in the public relations profession do not travel internationally for work related issues.

Sources: cebr/CIPR survey, August 2005
Research notes – section one

Average turnover per employee, selected industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Turnover per employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting, book-keeping and auditing activities; tax consultancy</td>
<td>£67,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>£231,000</td>
</tr>
<tr>
<td>Business and management consultancy activities</td>
<td>£80,000</td>
</tr>
<tr>
<td>Legal activities</td>
<td>£70,000</td>
</tr>
<tr>
<td>Market research and public opinion polling</td>
<td>£48,000</td>
</tr>
<tr>
<td>Architectural and engineering activities and related technical consultancy</td>
<td>£91,000</td>
</tr>
<tr>
<td>Human resources</td>
<td>£34,000</td>
</tr>
</tbody>
</table>

The data on turnover per employee, for each of the industries listed in the previous table, is obtained from the Annual Business Inquiry. However, the most recent data available for this is 2003. We have therefore updated the data to reflect 2005 figures by applying the growth in gross value added in the ‘Business services and insurance’ industry to each of the values.

Sources: Annual Business Inquiry 2003 and cebr analysis, 2005
Research notes – section two

The membership survey was conducted between 21 July 2005 and 10 August 2005.

Total sample size was 692 respondents. This sample comprises:

- In-house respondents: 224
- Consultancy or agency (includes 83 freelancers): 468

The sample sizes by position in company are:

- Administrators / assistants: 38
- Chairman / chief executive / managing director: 175
- Director or associate: 151
- Executive / consultant / principal: 254
- Other: 74

Sample size by type of region:

- Central London: 140
- Outer London (excluding central London): 57
- South East (excluding London, including Oxfordshire, Buckinghamshire, Berkshire, Hampshire, Isle of Wight): 93
- South West: 48
- East England (including Essex, Hertfordshire, Bedfordshire): 33
- East Midlands: 26
- North East: 18
- North West: 44
- West Midlands: 33
- Yorkshire and Humber: 29
- Wales: 25
- Scotland: 59
- Northern Ireland: 18
- Outside the UK: 70