

EIGHTEENTH ANNUAL SURVEY OF THE PROFESSION, PART II

RECESSION TAKES ITS TOLL: MEDIAN SALARIES DROP OR INCREASE ONLY SLIGHTLY,
BUT ONLY A FIFTH REPORT DECREASES IN STAFF & BUDGET; ACTIVITY INCREASES
IN EMPLOYEE COMMUNICATIONS, ADVOCACY ADVERTISING & GOVERNMENT RELATIONS

TABLE 1: COMPARISON OF 1982 AND 1981 MEDIAN SALARIES OF
TOP LEVEL PUBLIC RELATIONS/PUBLIC AFFAIRS PRACTITIONERS
IN US AND CANADA, AND BY TYPE OF ORGANIZATION

Type of Organization	Median Salary		1982 Salary Range	Median Change*
	1982	1981		
All US Organizations	\$38,500	\$38,000	\$14,200 - 175,000	+3,800
All Canadian Organizations	36,000	38,600	16,300 - 70,000	+4,000
PR Firms	48,800	50,000	14,500 - 137,500	+3,000
Advertising Agencies	--	38,000	-- --	--
PR Section in Advertising Agencies	35,500	--	15,000 - 61,000	+3,000
Other Consulting	50,000	--	30,000 - 100,000	+6,000
Banks	35,000	35,000	19,000 - 90,000	+4,000
Insurance Companies	--	35,000	24,000 - 90,000	+4,200
Other Financial Svc Organizations	37,500	--	27,000 - 150,000	+4,300
Consumer Product Companies	44,000	44,700	14,500 - 117,000	+5,000
Industrials	45,600	45,200	19,200 - 175,000	+5,000
Conglomerates	44,000	43,200	18,000 - 95,000	+5,000
Transportation	37,000	--	30,000 - 85,000	+6,000
Utilities	42,300	41,000	22,500 - 100,000	+4,900
Hospitals	29,300	30,000	14,200 - 90,000	+3,500
Educational	32,000	32,800	17,200 - 75,000	+2,500
Trade/Professional Associations	40,000	38,700	18,000 - 80,000	+4,000
Other Nonprofits	32,000	33,000	16,300 - 83,000	+2,000
Government	37,500	31,000	19,500 - 56,000	+3,500

* Calculated on the difference between 1982 and 1981 salaries as reported
by each respondent.

Notes: 1) Total number of respondents is 625. Where figures are not shown,
the sub-sample is too small to state a reliable amount.

2) "Median Change" reflects the point on the scale above which -- and
correspondingly below which -- 50% of the responses lie.



Recession's impact on public relations salaries has been severe. With the 1982 median salary for all US organizations at \$38,500, the increase over last year is a meager \$500. Canadian organizations dropped \$2,600 to a median salary of \$36,000. Industry figures show slight increases for some groups, ranging from \$700 for consumer product companies to \$1,300 for trade/professional associations. Largest increase was for gov't, \$6,500. Groups with large decreases are pr firms showing a \$2,200 drop, and utilities, \$1,800 drop. Banks stayed even.

A careful distinction must be made between the comparison of '82 and '81 median salaries and the changes in the salaries reported by each respondent (see last column of Table 1). The median salaries by industry group show decreases or only slight increases, median changes in individual salaries show increases. This means that many organizations have adjusted to the ailing economy by taking one or more of these steps: 1) pruning staffs of high salaried practitioners; 2) replacing high salaried persons with lower salaried ones; 3) hiring mainly low salaried persons.

General pattern from previous years holds, with consulting firms recording the highest median salaries, nonfinancial business firms the next highest, financial institutions and government the third highest, and hospitals & nonprofits the lowest.

CHANGES IN PR EMPLOYMENT, BUDGETS;
INCREASING USE OF WORD PROCESSING

than a quarter (29%) report increases and about a half (52.5%) are keeping employment at the same level as last year. Our data do not indicate, however, whether overall employment dropped or increased. In any case, secretarial & clerical workers are less affected than professionals.

Most budgets increased (48.6%) or stayed the same (30.3%); only about a fifth dropped. Two items cut most severely are use of outside consultants (26.9% drop) and attendance at professional seminars/conferences (25.6% drop). An analysis of pr firm responses shows the impact on them is no greater or less than the average: only 17% report reduced professional staffs, and almost 40% report increases. The cities where staff reductions occurred are Milwaukee, Chicago, Hartford, Edmonton (Alta.), Vancouver (B.C.), Philadelphia, NYC, Los Angeles and Anchorage.

The biggest change is in the use of word processing equipment -- over 3/4ths report a rise.

Almost a fifth of all organizations have indeed cut back on the number of professionals employed (see Table 2). On the other hand, more

TABLE 2: CHANGES IN EMPLOYMENT
AND BUDGET ITEMS SINCE LAST YEAR

<u>Item</u>	About		
	<u>More</u>	<u>Less</u>	<u>Same</u>
	(Percentages)		
No. of Prof'ls	29.0	18.5	52.5
No. of Secretarial/ Clerical Workers	17.2	14.7	68.1
Total PR Budget	48.6	21.1	30.3
Use of Outside Consultants	34.0	26.9	39.1
Use of Word Processing Equip.	76.1	1.1	22.8
Attendance at Prof'l Seminars & Confs.	18.1	25.6	56.3

CHANGING LEVELS OF PR ACTIVITIES
REFLECT PUBLIC ISSUES OF CONCERN

Employee communications is the leading public relations activity for the greatest percentage of organizations -- exactly half. It is also the activity that most handle -- only 6.7% say they don't (see Table 3). Popularity of employee communications relates to the high concern over union problems, attempts to raise productivity, increasing public confidence in business and the economy, and continuing gov't regulation. Employees are recognized as a key constituency.

Responding to public issues of the economy and government's role in the economy & society has heightened activity in issue/advocacy advertising and gov't relations, especially on the state/local level. About half of all organizations are doing more public affairs-related advertising.

Although most corporate advertising is for identification purposes, not advocacy, companies continue to speak up on national defense needs, capital formation, economic revitalization, political freedom and social issues such as sex discrimination.

Government relations on the state/local level is handled by 78% of respondents -- a little higher than 71% who are active on the federal level. Few are reducing their level of activity on either level. 46% are increasing state/local activity; 37% federal activity. Funding/budget cutback problems added to those of gov't regulation/deregulation keep activity levels high.

Rise is lowest in the activities of community relations/urban affairs, consumer affairs, and corporate contributions to nonprofits. These are also functions not handled by many pr dep'ts, e.g., 35.4% are not involved with corporate contributions.

TABLE 3: CHANGES IN LEVEL OF PUBLIC RELATIONS ACTIVITIES

	<u>More</u>	<u>Less</u>	<u>About Same</u>	<u>Not Handled</u>	<u>Industry Groups With Highest % Doing "More"</u>
Employee Communications	49.6	5.6	38.1	6.7	Transportation (66.7%) Utilities (65.1%)
Issue/Advocacy Advertising	46.7	4.8	39.6	8.9	Hospitals (71.4%) Utilities (58.1%)
Gov't Relations on State/Local Level	45.9	2.1	30.0	22.0	Hospitals (65.3%) Educational (62.7%)
Gov't Relations on Federal Level	37.1	3.2	30.4	29.3	Transportation (66.7%) Other Financial (62.5%)
Corporate Contributions to Nonprofits	24.4	11.8	28.4	35.4	Banks (52.4%) Consumer Prod. (37.0%)
Consumer Affairs	23.8	5.0	36.0	35.2	Utilities (61.9%) Hospitals (50.0%)
Community Relations/Urban Affairs	21.3	7.3	26.4	45.0	Hospitals (40.4%) Utilities (34.9%)

Hospitals and utilities report doing more in the greatest number of activity areas (see Table 3, last column). Hospitals increased activity the most in issue/advocacy advertising, gov't relations on state/local level, and community relations/urban affairs. Utilities did so mainly in consumer affairs, but also in employee comms, issue/advocacy advertising, and community relations/urban affairs. One explanation for heightened activity in these industries is the need to explain high rate increases and, more generally, the need for public support.

PROFILES OF HIGHEST
AND LOWEST EARNERS

With a current salary of \$175,000, a 52-yr old vp of corporate relations who reports to a sr vp of planning & external aftrs in an industrial company is the highest earner in our sample. Holding a bachelor's degree in journalism, he has been working in public relations for 20 years after starting as a journalist. Ten professionals and 5 others work in his department, which has a budget of \$1.25 million. He lists governmental policy, economic health, and international events which will affect long-term objectives, as the three most important public issues facing his organization/industry. He is sticking with the public relations designation of the field and says "it seems silly to create new terms that will only further confuse the public."

Earning \$117,000, a 61-yr old dir of international pr at a consumer product company reports to a vp-pa with a staff of 250. He holds a bachelor's degree in journalism and after working for a wire service amassed 30 years of pr experience.

Among utilities, a 54-yr old male vp who describes himself as a "line manager with pr/pa reporting" and has 18 years of pr experience earns \$100,000. His department has a staff of 15 and he reports to the CEO.

Survey's highest paid woman works for a financial service organization doing national & international business and states she earns "6 figures plus \$150,000." This 40-yr old woman with 10 years of pr experience and previous work in marketing holds the title of vp corporate communications and reports to the CEO. PR budget is \$1 million and staff size is 3.

In the hospital group, where median salaries tend to be low, a 36-yr old male director of a public affairs office with 28 employees and a budget of \$2 million, earns \$90,000. He has a master's degree in communication theory and 12 years experience.

On the other end of the scale, survey's lowest earner receiving a salary of \$14,200, is a 24-yr old woman with "some college" education. She heads a 7-person pr dep't in a NY state institution. Another low earner is a 23-yr old male in a long-term healthcare organization. He holds the top pr position at the Tennessee corporate headquarters which he classifies as a consumer product company. He earns \$14,500.

IT PAYS TO HAVE AN M.S.,
BUT NOT A PH.D. -- ESPECIALLY
IF YOU'RE 35 OR UNDER

A practitioner 35-yr old or younger with an M.S. earns a median salary of \$31,000 -- \$3,500 more than a holder of a bachelor's degree. But if he or she has a Ph.D., median salary is \$25,000, which is less than the \$27,000 a practitioner with some college earns. A high school grad earns only \$18,000.

For those over 35, the same pattern holds: high school grad, \$37,000; some college, \$37,040; bachelor's degree, \$42,000; master's degree, \$45,000; Ph.D., \$34,500.

TABLE 4: SALARY CLUSTERS

	<u>Salary</u>	<u>Number of Practitioners</u>
A printout of all salaries in ascending order shows they appear to be bunched together at certain amounts. Largest cluster is at \$40,000 with 29 practitioners earning that amount. Second largest is at \$50,000 with 26 practitioners. Greatest number of clusters appear between \$30,000 and \$40,000.	\$20,000	(4)
	25,000	(13)
	30,000	(19)
	33,000	(10)
	35,000	(16)
	36,000	(12)
	37,000	(19)
	40,000	(29)
	45,000	(16)
	50,000	(26)
	55,000	(11)
	60,000	(12)
	70,000	(5)
80,000	(7)	
90,000	(6)	
100,000	(7)	

OVER THREE-FOURTHS OF PR BUDGETS ARE BELOW ONE MILLION DOLLARS; MOST PR DEP'TS & FIRMS ARE SMALL

Most pr practitioners work in departments with small budgets and staffs, not the big departments often reported in the media. 76.3% of respondents report their budgets are below one million dollars.

The bottom 20% have budgets \$100,000 or less; the bottom 40% have budgets \$220,000 or less; and the bottom 60%, \$475,000 or less. On the high end, 9.4% of responding organizations have budgets of \$2 million and over; 1.5%, \$10 million and over.

ARE YOUNGER PRACTITIONERS REPLACING OLDER ONES?

Practitioners below the age of 40 account for 40.9% of respondents -- up 8.5 percentage points from last year's 32.4%. Those between the ages of 40 to 64 dropped by 3 percentage points -- from 57.9% in '81 to 54.9% in '82. More practitioners, however, are working at age 65 and over -- up from 1.3% in '81 to 2.3% in '82.

TABLE 5: AGE DISTRIBUTION OF RESPONDENTS

<u>Age</u>	<u>%</u>
20-29	9.2
30-34	14.2
35-39	17.3
40-49	23.8
50-59	24.8
60-64	6.1
65+	2.3
Unspecified	2.3
Total	100.0

SURVEY SURFACES GUT ISSUE FOR EDUCATION & NONPROFITS:
CONVINCING THE PUBLIC OF THEIR VALUE & WHY DESERVE FUNDING

Practitioners in both public & private colleges & schools see a

continuing erosion in "public appreciation of education as an investment in the future" -- e.g., "the role of higher education in rebuilding the economy." Most respondents refer to the need for improved confidence in the value of the educational product:

- ¶ Increase "visibility of education"
- ¶ Reinforce "efforts to recruit and retain quality students"
- ¶ "Better relations with those who have no relatives in public schools"
- ¶ "Legislator education"
- ¶ "Need to attain continuing legislative understanding and support"
- ¶ Take a "closer look at district board membership"
- ¶ "Threatened reduction in charitable giving (IRS rules, reduced business profits from which grants originate)"

Other nonprofits share most of the same concerns. Even more than educational institutions, they speak of "developing community awareness to help with varied problems." But NPOs make more mention of social issues that might be neglected during hard economic times:

- ¶ nuclear weapons production
- ¶ corporations doing business in South Africa
- ¶ clean air act revisions
- ¶ children involved in drugs, alienation & isolation
- ¶ changes in family life (more single parent families, more women working, less volunteering)
- ¶ getting public to accept handicapped persons into the community

Public education speaks of funding problems -- which account for a fourth of all comments -- while private institutions refer to a falling demand for education in the face of rising tuition. Cuts in federal student financial aid assistance, cuts in state aid, and the effect of the recession on local support of education are cited by public schools & colleges.

Private institutions use more marketplace terms: "adjustment to changing size & type of market" and "prospects for reduced enrollment in private colleges because of fewer prospects coupled with rising tuition costs." A few choose economic terms, referring to declining "expendable income" or "discretionary income." In one case, "severely increasing private college competition with public universities" is seen as a result of "steeply rising costs of necessities (utilities, health insurance, etc.)."

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