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ANNUAL BUDGETEER ISSUE: POSTAGE, TRAVEL, DUES, SUBSCRIPTIONS UP
WHILE BOOKS, SOFTWARE, LONG DISTANCE DOWN; PRINTING HOLDS FOR 3RD YR.

FINAL BUDGETEER DATA: BILLABLE SERVICES FROM PR FIRMS (NATIONAL AVERAGES)

Level	'81	'84	% Change
Clerk Typists	\$19/hr	\$17/hr	-10.5%
Word Processor Operators	24	25	+ 4.2
Bookkeepers	30	24	-20.0%
Production Supervisors	38	47	+23.7%
Interns/Staff Assistants	23	30	+30.4
Officers' Fees	\$78/hr	\$92/hr	+17.9%
Junior Professionals	35	44	+25.7

-- PRSA Counselors Academy surveys (see prr 1/14)

LEADING RESEARCHER SAYS COMMUNICATION CANNOT BE NUMBER-CRUNCHED, RESEARCH METHODS MUST IMPROVE

"Communication represents a process, an experience which is not reducible to diagrammatic or schematic form and which cannot be expressed in numbers, because it involves symbolism, imagery and connotations, the stuff of fantasy and dreams."

Leo Bogart of Newspaper Advertising Bureau (NYC), the senior communication scholar in America, keynoted the Advertising Research Foundation's annual research quality workshop with that cautionary advice. Its direct application to public relations comes clear in his criticism of communication research based on "the fallacious though convenient assumption that communication can be reduced to measurable, countable units."

He challenged researchers to improve quality by questioning the demand for information for its own sake -- for measurement instead of meaning -- even when the information has little or no relation to actual communication.

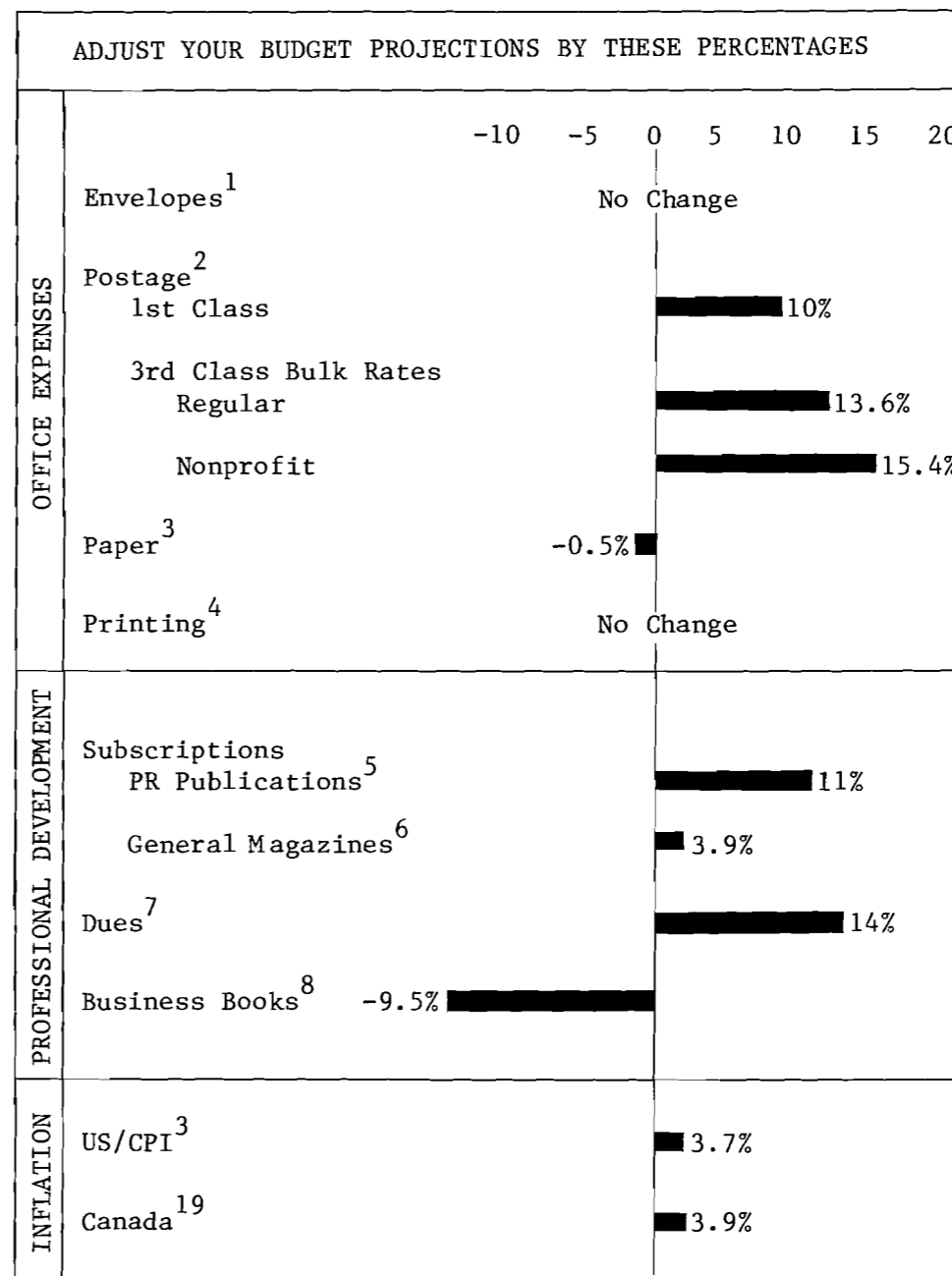
"Since advertising is the business of commercial communication, communication is given a dollar value and subjected to the same cost accounting procedures that apply to all other kinds of business operations. This false way of looking at communication leads to what I consider inane and barbarous preoccupations: the measurement of audiences, of exposures, of cost-per-thousands, and quixotic attempts to equate media that communicate through entirely different sensory channels and represent different modalities of experience."

Research will make progress, he feels, "when we learn to think about communication as a process rather than as a commodity. Improving the quality of our measurements is a meaningless exercise if the measurements themselves lack meaning."

HERE'S A HUMOROUS ILLUSTRATION

...that shows how advertising, promotion, publicity & public relations differ. "If the circus

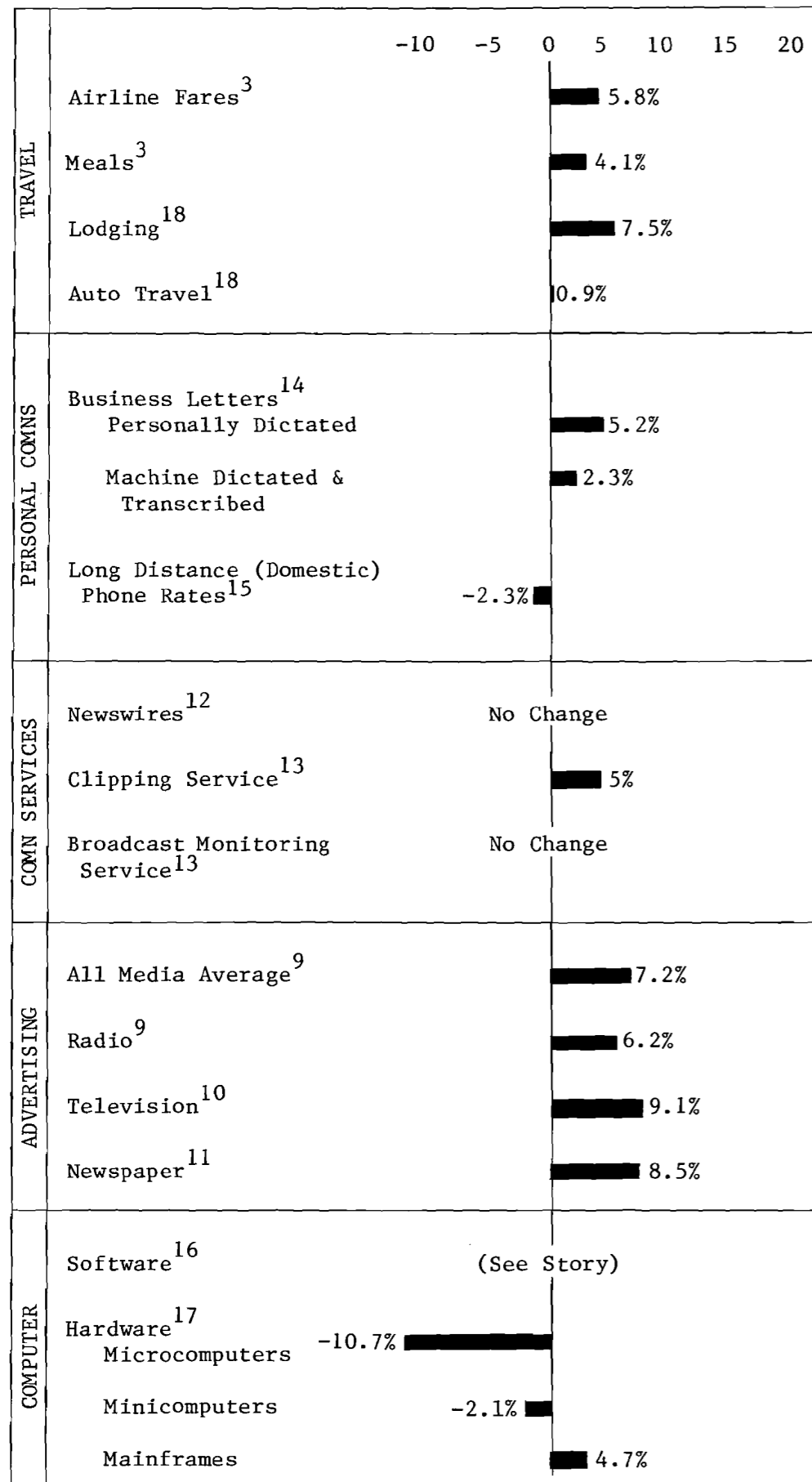
is coming to town and you paint a sign saying 'Circus coming to the fairground Saturday,' that's advertising. If you put the sign on the back of an elephant and walk him into town, that's promotion. And if the elephant walks through the mayor's flower bed, that's publicity. But, if you can get the mayor to laugh about it, that's public relations." From the Wonder Company's (DC) "Bright Ideas" newsletter.



Postal rate increase is the glaring statistic in this year's prr budget research. First-class rates, of course, up 10%, but bulk rates even more: 13.6% for regular 3rd class mail, 15.4% for nonprofit. Other bad news for budgeteers includes subscriptions to professional pub'ns up 11%, and association dues up 14%.

Many costs seem to rise biennially. Of the 6 public relations pub'ns surveyed, 4 raised prices in '83, only 1 in '84, but then 3 in '85. Dues are much the same: only 1 of 3 associations went up in '84, but all raised their costs in '85.

Envelope prices & public relations wire services reacted similarly, up significantly in '84, holding steady in '85. Advertising costs for all media



continue to sky-rocket (a pain for budgeting, but a boon to the use of public relations).

There's Much Good News

Printing costs remained stable for the 3rd year in a row. Ditto broadcast monitoring services -- an increasingly important adjunct of practice (but still hard to find in many areas). Paper prices, which rose 10% in '84, dropped slightly in '85 -- perhaps due to increased use of electronic media. These lower costs, added to a more competitive market, produced a 20% swing in business book costs: up 11.1% in '84 (\$27.98 average price), down 9.5% in '85 (\$25.32).

Advances in technology rub off in other categories as well -- most notably in computers. Microcomputers (less than \$20,000) continue to drop at double-figure rates. Minicomputers (\$20,000-\$250,000) are still dropping but beginning to level off, with only mainframes (over \$250,000) going up.

Machine-dictated letters went up slightly in '85 (from \$6.08 to \$6.22), but not nearly as much as personally-dictated

ABOUT OUR BUDGETEER DATA

This year's statistics were compiled to most accurately reflect changing prices, using a background data base covering the period 1983 to 1985, without regard to last year's numbers. These figures attempt to communicate in numerical form an undistorted reflection of cost trends which can be used practically in figuring FY'86 budgets.

The data, obtained primarily from gov't agencies or industry ass'ns, are mainly actual figures from the most recent reporting period -- usually June '85. Projections based on experts' knowledge of the field were used for 3 categories: computer hardware, auto travel & lodging. Figures for magazines & business books are official year-end '84 statistics.

For more info & entree to sources, call prr.

If there are other categories or types of data that would be helpful in computing your budget, let us know.

Footnotes To Chart: (1) Mass. Envelope (Boston); (2) US Postal Service; (3) Bureau of Labor Statistics; (4) prr purchasing statistics; (5) average price changes in 6 professional pub'ns for practitioners; (6) Magazine Publishers Ass'n; (7) average of CPRS, PRSA, IABC; (8) Publishers Weekly; (9) Radio Advertising Bureau; (10) TV Bureau of Advertising; (11) Newspaper Advertising Bureau; (12) PR Newswire; (13) Burrelle's Press Clipping Bureau; (14) Dartnell; (15) Survey of domestic calls in selected geographic areas; (16) Future Computing; (17) Computer & Big Equipment Manufacturers Ass'n; (18) Automobile Ass'n of America; (19) Statistics Canada.

letters (from \$8.10 to \$8.52), which are now 37% more expensive than those dictated & transcribed by machine.

And the increased competition from the AT&T breakup is still bringing long-distance phone rates down -- not as much as last year, but 2.3% lower in '85. But LATA rates -- those calls within your area code -- are going up.

While the cost of telephoning is fairly stable, it is becoming more expensive to see someone in person. Airline fares, meals & lodging are all up considerably.

Auto travel, which has dropped slightly over the last few years, rose 0.9% in '85, to 23.2 cents per mile. While gas & oil are less, the overall figure is higher because of maintenance (up 22.4%), comprehensive insurance (up 13.6%) and financing (up 8.1%).

Software Going Down

Everybody's using computers -- and software is a continual cost as programs change or improve. We called Microcomputer Software Ass'n to get cost trends. No data is available, they say -- but referred us to John Hemphill of the research firm Future Computing (Dallas), who told prr, "Prices have been consistently dropping due to increased competition as a natural consequence of the maturing of the marketplace." Now if you can just find the precise program you need....

Salaries are, of course, the major cost in a labor-intensive field like public relations. Our Annual Survey of the Profession will report complete salary data by industry category next month. Last year's survey showed slight upward trend overall -- 4.8% in US, 2.4% in Canada.