

income families to pay energy bills"; "fuel assistance funds for low income individuals."

¶Consumerism: "Consumer (& gov't) involvement in our business."

"CHANGING FINANCIAL SERVICES PICTURE" Banking without banks is possible as insurance companies and others offer limited checking privileges along with sales of securities. A Spokane bank vp & regional mgr reports "competition resulting from deregulation of banking industry." And a Chicago vp-pr blames "gov't restrictions on banking industry preventing free competition with nonfinancial firms."

Worrying about inflation somewhat more than their counterparts at banks, insurance company vp's & dpr's worry about the "credibility of our industry" and "sustaining the reputation for a viable product." They refer to "soft market conditions for industry," "affordability of the product," and "consumer reaction to increasing prices." The high cost of healthcare is a special concern.

Other financial services companies talk about "overall business slowdown," (Orange, Calif.) and "competition from previously unrelated industries (Seattle). They also refer to a wide range of other problems: computerization, housing availability, transborder data flow, deregulation of AT&T, loss of individual investors, and changing business that reflects the "internationalization of capital markets."

For hospitals, the related issues of cost containment (29%), gov't regulation/deregulation (14%), and funding/budget cutbacks (10%) account for over half of all responses. Aware of public resistance to rising healthcare costs, almost 10% of hospital dpr's refer to new structural elements in their industry: an "increasingly competitive marketplace," questions about "investor-owned vs. not-for-profit hospitals,"

and the "development of a hospital system." Marketing themes abound with such references as:

¶interpreting "community needs," e.g., an aging population;

¶"community education -- spending taxpayers' dollars to meet the needs of the disabled";

¶"community wellness & the role of a hospital";

¶"quality of patient care."

They also see the need for better communications and greater disclosure: "explaining hospital costs," "information gap: increasing technology vs. public understanding of it," and "public disclosure of prices."

Most of the gov't actions that bother hospitals relate to funding:

¶"shrinking gov't reimbursement for medicare & medicaid, resulting in even greater cost-shifting to private sector";

¶"decreasing federal support for research";

¶"right to healthcare vs. privilege of having healthcare."

Although public relations & community relations titles predominate, directors of public affairs responded from Cleveland, Detroit, San Diego & Danville, Pa.

AWARENESS OF THEIR VALUES SOUGHT BY EDUCATION, NPOs Both public & private educational institutions see a continuing erosion in "public appreciation of higher education as an investment in the future," e.g. "the role of higher education in rebuilding the economy." Other nonprofits share most of the same concerns as educational institutions but make more mention of a broad range of social issues that might be neglected during hard economic times.

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EIGHTEENTH ANNUAL SURVEY OF THE PROFESSION -- PART I

AILING ECONOMY, BUDGET CUTBACKS & NEW SOURCES OF COMPETITION CAUSE STRAIN AND RAISE EFFORTS TO IMPROVE CONFIDENCE IN INSTITUTIONS

"Economy, economy, economy," is what many respondents to this year's survey listed as the 1st, 2nd and 3rd most important public issues facing their organization or industry. Added to last year's references to inflation, high interest rates and competition are the recession and unemployment. More than 3 of 10 listed the economy as the major problem -- down slightly from last year -- but other issues such as Funding/Budget Cutbacks and Cost Containment increasingly overlap with economics.

Most noticeable this year is that the strain of economic pressures -- compounded by technological forces & social change -- is beginning to cause structural changes and new forms of competition in several industries. Banks, insurance companies and other financial institutions are competing against each other within what is increasingly becoming a combined financial services industry. Insurance companies, hospitals and educational institutions are examining the affordability of their services and better ways of marketing them. Industrials and consumer product companies are talking about the depressed demand for their products, high interest rates and international competition.

Government, like last year, remains the second biggest public issue area -- but with a lower 16.2% of comments compared with last year's 24.6%. Part of the drop may simply be accounted for by a switch in emphasis to the issue of Funding/Budget Cutbacks, which rose to 10.6% of all comments from 5.4% last year. Educational institutions and government units are particularly concerned about financial cuts, but so are hospitals and other nonprofits. Business organiza-

tions still focus mainly on regulation/deregulation problems with government.

Last year's third most important area, Social Issues (15% of all comments), has given way to concern about Public Confidence in Institutions (12%). It includes comments like the need for "public understanding of how the industry works," our "public image," and "apathy of the Canadian public to the free enterprise system." Trade & professional ass'ns and educational institutions are particularly concerned about public perceptions of themselves.

Employee Relations is a new category this year with 4.8% of all mentions. Although some respondents tie this in with the issue of unemployment (treated as an economic issue), the main references are to union problems, the need for better employee communications (including economic education), and training & professional development programs to improve employee -- and managerial -- competence.

Energy, consumerism and environmental issues remain at the bottom of the list of concerns. Utilities, however, are bothered by all three of these even though others see them waning.

1982's MOST IMPORTANT PUBLIC ISSUES AS SEEN BY INDUSTRY GROUPS

Issues	No. of Comments	% of Comments	Industry Group with Top & Next to Top % of Mentions for Issue	% of Mentions in Industry Group
ECONOMY: Inflation, Recession, Unemployment, Interest Rates, Competition, Shortage of Capital, Productivity	319	31.5	Banks & Other Fin'l Svcs PR, Adv'g & Consulting Firms	44 37
GOVERNMENT: Regulation, Deregulation, Taxation	164	16.2	Banks & Other Fin'l Svcs Insurance	37 23
PUBLIC CONFIDENCE IN INSTITUTIONS	121	12.0	Trade & Prof'l Ass'ns Educational	24 20
FUNDING/BUDGET CUTBACKS	107	10.6	Educational Government	39 31
COST CONTAINMENT	102	10.1	Hospitals Insurance	37 29
SOCIAL ISSUES: Indigent Care, Social Responsibility, Values	52	5.1	Other Nonprofits Trade & Prof'l Ass'ns	24 10
EMPLOYEE RELATIONS: Labor Relations, Unionization, Job Discrimination	49	4.8	PR, Adv'g & Consulting Firms Industrials & Conglomerates	15 8
ENVIRONMENT	45	4.5	Government Utilities	17 13
CONSUMERISM	33	3.3	Utilities Consumer Product Cos.	9 7
ENERGY	19	1.9	Utilities Industrials & Conglomerates	5 3
TOTAL	1011	100.0%		

Note: Results based on 625 responses to mail survey conducted in May 1982 from a sample of pr reporter subscribers and accredited or active PRSA & CPRS members.

CONSULTING FIRMS CONCERNED ABOUT THE MARKET FOR THEIR SERVICES

Demand for their services, coupled with doubts about "management understanding of pr benefits and range of services" worry some pr firms. For example, a Houston president worries about "acceptance of counseling as a major professional service and inability of profession to attain professional status...." Taking the offensive, a Hawaiian pr firm chrm seeks recognition of public relations as a management function "which encompasses all human resources of an organization" and "getting public relations consultants to recognize that we should be the catalyst between social scientists and management." Blaming "eastern pr oversell," a Tulsa pr firm chrm reports "southwestern caution (by mgmt) about pr."

Heads of pr firms criticize the media for inducing either public hostility or passivity. In Oklahoma City a former tv exec looks askance at "news as entertainment." Even worse, a Phila. sr vp describes the "continuing drift of American individual interests toward passive titillation & entertainment and away from culture, intellectual development and participatory citizenship." Looking beyond the media, an Anchorage account exec reports on the "slow death of consumerism and public advocacy."

GOV'T PROBLEMS WORST IN CANADA AMONG INDUSTRIALS & CONGLOMERATES

Next to the economy, government regulation/deregulation, taxation problems, and other policies are cited by industrials & conglomerates as the worst public issues facing them. "We can run our business but we have to have a stable economy and gov't to work with," says a Texas practitioner. Comments by Canadians are strongest, however. "Overregulation and bad policies have virtually wrecked the energy industry in Canada," says a Calgary, Alberta corp rels mgr. Farther west in Vancouver,

B.C., a corp comms mgr points to several conflicts: "Canadianization goals of federal gov't vs. poor investment climate" and "rising cost of social obligations vs. economic survival."

International trade policies are targeted as both an economic & government issue. But views are divided. Respondents in Canton, Ohio, Pittsburgh and Houston complain about increasing foreign competition -- some of which occurs with gov't support. A Boston dpr objects to "foreign trade restrictions," and a vp of external rels in Hartford, Ct. sees problems with "East/West trade relations and nationalism and protectionism."

UTILITIES: SEPARATE PROBLEMS FOR ENERGY PROVIDERS AND COMMUNICATIONS COMPANIES

"Rising utility rates," "rising price of natural gas," and "obtaining adequate rate of return" are the perennial problems of utilities. But for the telephone/communications companies, the big question is "how we will serve all the changing needs of 'The Information Age'?" Another question is what effect this "rapid technological change" will have on the "restructuring of our business." Practitioners refer to "telecommunication legislation/deregulation" and "the effect on research & development of legislation, court action and regulatory action concerning competition."

For the energy-providing utilities, many secondary issues revolve around the subject of rates:

¶Capital formation: "High interest rates make borrowing too difficult for such a capital-intensive industry."

¶Government: "A regulatory environment which does not allow sufficient revenues to meet customer demand for energy."

¶Social: "Social responsibility for those on fixed income"; "means for low