



**SWP 51/89 PUBLIC RELATIONS EMPLOYMENT AND
EXPENDITURE IN THE UNITED KINGDOM**

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Acknowledgements

We would like to acknowledge the help given to this research project by the individuals and organisations mentioned in the appendices to this report. We would also express special thanks to Nesta Hollis and to the Hollis Press and Public Relations Annual for assistance with information and for providing the mailing list for the survey of The Times 1000 major companies which forms part of the basis of this report.

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September, 1988

Executive Summary

This report summarises the results of a research project commissioned by the Institute of Public Relations and carried out by the Cranfield School of Management to establish how many people are employed in public relations in the United Kingdom and how much is spent on public relations activities in the country.

The research project brings together available estimates of numbers employed and expenditures. It also draws conclusions from a survey of staff and expenditures in The Times 1000 companies. Estimates and survey results are used to make extrapolations and to arrive at estimates, based on clearly stated assumptions, regarding numbers employed and total expenditures on public relations activities.

Extrapolations from The Times 1000 survey results suggest that there are as many as 19,425 practitioners and 15,296 support staff employed in public relations in the United Kingdom, giving total employment in the field of 34,721.

Simpler extrapolations, based on other known estimates, suggest that the practitioner group in the United Kingdom is just over 14,000 in number, supported by nearly 12,000 support staff.

The Institute of Public Relations could have a potential membership as high as 11,450.

Annual expenditures on public relations activities are at least £550 million and could, based on extrapolations set out in this report, be as high as £881 million.

The report concludes with recommendations that a centralised data collection point be established, possibly by the Institute of Public Relations and the Public Relations Consultants Association, to gather consistent information about the practice and expenditures. An approach should also be made to the Department of Employment to derive figures on public relations employment from employment censuses. The report suggests that the data gathered in the report can be used as a basis for the collection of further information and can be used to predict areas of practice in which growth can be expected in the near future.

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Public Relations Employment and Expenditure in the United Kingdom

Introduction

"As there are at least as many practitioners in-house as there are in consultancies, it is a reasonable assumption that the industry as a whole is worth at least £500 million and employs more than 20,000 people".

PR World, June 1987 - taken from a review of practice in the United Kingdom

The practice of public relations in the United Kingdom has grown rapidly in recent years. Surveys of the practice, reported in publications such as PR Week, have talked of growth rates of 30% - 45% each year for the past five years and have speculated on the numbers of people employed in the practice.

Public relations is relatively new, as a separate and recognised practice. In the United States and the United Kingdom, two of the countries in which the practice is most established, national associations which bring together the countries' practitioners have existed since the late 1940s. The Public Relations Society of America (PRSA) and the United Kingdom's Institute of Public Relations (IPR) account for some but not all of their respective countries' public relations practitioners.

Because the practice is relatively new, it is still difficult to establish how many people are employed in public relations. Corresponding difficulties exist when attempts are made to assess expenditures on public relations activities. In the absence of properly gathered data, writers on public relations and the professional associations themselves rely on best estimates of numbers of people involved in the practice and expenditures.

In the United States, estimates can be informed by official statistics. In the United States, the Census Bureau gathers information on people employed as "public relations officers and public relations writers" and estimates that by the end of the 1980s 180,000 will be employed in public relations in the country. In the United Kingdom, no data relating specifically to public relations practitioners are gathered. Public relations is dealt with under a broad category of business services in the gathering of information by the Department of Employment's 1987 Census of Employment.

Estimates of numbers of people employed in public relations in the United Kingdom have been offered by publications such as PRWeek, or by directories to the practice such as the Hollis Press and Public Relations Annual. Associations such as the Public Relations Consultants Association also gather information from their members to arrive at assessments of numbers and expenditures.

This study sets out to gather information on numbers of people involved in public relations practice in the United Kingdom. It was commissioned early in 1988 by the Institute of Public Relations. It examines available estimates, but also bases its conclusions on a survey of numbers of people employed in public relations in companies making up The Times' list of the United Kingdom's 1000 principal companies. It also makes use of extrapolations from this survey and from other recent research work carried out by the Institute of Public Relations and others to arrive at more accurate estimates of numbers of people employed in, and expenditures on public relations in the United Kingdom.

Methods

The research on which this report is based was commissioned by the Institute of Public Relations in early 1988 and carried out from February to July 1988, by staff from the Cranfield School of Management. The research involved three stages. First, a number of organisations and individuals, listed in Appendix 1, were contacted to find out where sources of information about employment and expenditures could be found. Sources of information were checked and available estimates of numbers and expenditures were collated from individuals, directories and publications, such as Hansard.

In the second stage, a survey, by questionnaire, was conducted of organisations making up The Times 1000 list of major companies in the United Kingdom. This survey made use of the questionnaire set out in Appendix 2, which was sent to individuals identified by the Hollis Press and Public Relations Annual in a list of contacts in each of the major companies. The survey questionnaire was sent to the companies in March, 1988, accompanied by a letter from the Cranfield research assistant which is set out in Appendix 3.

In the third, and final stage, figures derived from collections of data from desk research and from the survey were compared with the results of recent surveys of the membership of the Institute of Public Relations and of practitioners carried out by PR Week. These comparisons were used as the basis for extrapolations which were intended to provide more accurate estimates of numbers of people and expenditures involved in public relations practice in the United Kingdom.

The next part of the report sets out the results of the research activities.

Results

This part of the report is divided into three sections:

- 1) The first section provides a summary of available estimates of numbers of practitioners and expenditures in the United Kingdom
- 2) The second section summarises the results of the survey of The Times 1000 companies
- 3) The third section of this part of the report makes extrapolations from the available data and survey results to arrive at estimates of numbers of people employed in public relations. The basis for each extrapolation is explained so that the assumptions underlying the extrapolations are clear.

1. Available estimates

Available estimates are provided by publications such as The Financial Times, PRWeek, PRWorld and PRWeek's Marketing and Public Relations Handbook. They are also available from surveys such as those which go to make up PRWeek's annual league table of major consultancies, and from examining circulation lists or contact lists for publications such as PRWeek or the Hollis Press and Public Relations Annual. Professional associations such as the Public Relations Consultants Association also gather data from their members to arrive at estimates of numbers employed and expenditures.

Other estimates are available from other sources, such as previously completed surveys or from answers given to parliamentary questions regarding expenditures on government information services and advertising. Figures can also be derived from published directories, giving information contacts in central government departments or summarising local government expenditures on public relations.

This section sets out figures obtained from these sources:

- i) Estimates in publications such as The Financial Times, PR World and PR Week

The Financial Times, in an article published on July 14, 1988 suggested the combined operating revenue of UK consultancies was £170 million and that the industry had grown by 45% over the previous year. An earlier article in The Financial Times of May 29, 1985, suggested a combined in-house and consultancy expenditure on public relations activities of £500 million.

PRWorld, in the article from June 1987 quoted at the beginning of this report, estimates that, in 1987, consultancies in PRWeek's league table (the top 100) had operating revenues of £117.5 million and employed almost 4,000 people. PR Week circulates to 1,400 consultancies and the article assumes the industry as a whole to be at least twice that size. It goes on to suggest that there are at least as many practitioners in-house as in consultancies and makes the "reasonable assumption that the industry as a whole is worth at least £500 million and employs more than 20,000 people."

ii) Surveys and circulation lists

PRWeek's annual survey of public relations consultancies produced figures of £170 million total operating revenue in 1988 for the top 100 consultancies (total operating revenue being equal to total public relations fee income plus revenue from mark-up on supplies rebilled to clients). By 1988, 4,525 were employed in the consultancies in the top 100 league table (PR Week, 21 - 27 April, 1988).

PRWeek's most recent circulation list, from September 1987, shows a total circulation of 13,694, broken down as follows:

Consultancy directors and executives	5,541
In-company public relations directors/managers	3,964
Communications directors/managers	
Public affairs directors/managers	
Press/publicity directors/managers	
Non-commercial organisation PR directors/managers	1,672
Central and local government officials	
Charity and institutional officials	
Marketing directors, advertising agency directors/managers	1,706
Service companies, editors/journalists voucher copies	811
	<hr/>
	13,694

The Hollis Press and Public Relations Annual has a total list of all the directory's contacts, made up of public relations and some media personnel, of 16,396. Hollis estimate that, of the total mailing list, around 15,000 are employed in public relations positions.

iii) Professional association estimates

Colin Thompson, the secretary-general of the Public Relations Consultants Association, estimates that the association's 128 member companies have fee billing in excess of £92 million and employ 3,262 people (The Public Relations Yearbook, 1988).

iv) Other surveys

The IPRhas surveyed its own membership in 1982, 1985 and 1987. Results of these surveys will be referred to in the extrapolations below, but they do not give indications of total numbers employed in public relations practice.

A number of surveys have been carried out to examine aspects of UKpractice, such as one completed in 1985 by Katie Arber, a researcher from Durham Business School, for Traverse-Healy and Register Ltd. (now Charles Barker Traverse-Healy)and the extensive Shandwick Report of 1987, but these surveys do not directly address the questions of numbers employed and expenditures.

Dr. Bob Franklin, of the University of Leeds Centre for Television Research, has recently completed a survey of local government public relations activities and expenditures and has produced the following figures:

Total expenditure by local government on public relations activities:

£14,987,429

Total number of employees in public relations positions:

632 full-time

119 part-time

v) Answer to parliamentary questions

Examination of answers to parliamentary questions published in Hansard about central government expenditures and staffing for public relations activities produces the following estimates for 1987 - 1988 for eighteen major departments:

Total expenditures, press and public relations	£109,204,495
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Other promotional expenditures including TV, radio and newspaper advertising	£114,431,130
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Total public relations staff in these departments	393
Other staff (support and administrative staff, such as library staff, publications officers and graphic designers)	1312

These figures are derived from parliamentary answers which appeared in Hansard on July 17, 20, 24, November 9, 12, 16, December 17, 18, 1987 and January 14, 15 and 21, February 12, 1988.

vi) Directories

A 1987 booklet from the Central Office of Information giving a list of information, press and public relations officers in government departments and public corporations identifies a total of 637 public relations and information staff and 51 other staff.

A directory published by the Society of County and Regional Public Relations Officers (A Review of Staff and Operations, March 1988) gives the following figures for public relations staff working in local government:

Total professional staff:	114
Total support staff:	122
Expenditure on salaries:	£2,507,390*
Expenditure on public relations activities:	£6,612,150

*Includes estimated salaries where salaries not shown.

2. The Times 1000 survey results

982 survey questionnaires (Appendix 2) were sent at the end of March, 1988 to The Times 1000 companies with the covering letter set out in Appendix 3. Less than 1000 questionnaires were sent out because of amalgamations and takeovers which had changed the precise composition of the list of companies provided by the Hollis Press and Public Relations Annual.

Replies were received from 309 companies, giving a statistically representative response of 31%.

In the companies surveyed, there are 3,340 public relations managers and executives and 2,630 support staff. Of the managers and executives, 430 are members of the Institute of Public Relations. Of those who are not members of the IPR, 1,540 have at least five years' experience in public relations, and 74 hold the CAMDiploma in Public Relations.

Average expenditure in 1987 on public relations -- the function and in-house activities for each company having an in-house public relations department (228 out of 309 respondents, or 74%) -- was £442,647. Total expenditure on in-house activities among The Times 1000 companies was £326,613,280, an average of £326,613 for each company.

Of the 309 respondents, 226 or 73% made use of external public relations consultancy services in 1987, spending on average £71,052 on consultancy services. Total expenditure on consultancy services by all members of The Times 1000 is £51,967,000, an average of £51,967 for each company.

According to the results of this survey, total expenditure by The Times 1000 companies on in-house public relations activities and consultancy services, in 1987 was £378,580,280.

3. Extrapolations

The results of The Times 1000 survey were used to make extrapolations. In the survey results, it was found that there is one IPR member to between three and four potential members. In The Times 1000 companies there are 430 IPR members to 1,540 potential members, a ratio of 1 to 3.58. If this ratio applied across all sectors, then for the IPR's present 2,500 members there would be a group of potential members of 8,950 practitioners, giving the IPR a potential total membership of 11,450.

In the companies surveyed, there is one IPR member to almost seven other practitioners (430 IPR members to 2910 other public relations managers and executives, a ratio of 1 to 6.77). If this ratio applied across other sectors, then for the IPR's present 2,500 members there would be a group of 16,925 other practitioners, giving a group of practitioners in the United Kingdom of 19,425.

In the companies surveyed, there were 3,340 practitioners assisted by a support group made up of 2,630 people, a ratio of one practitioner to 0.79 support staff. If this ratio applied across all sectors, the practitioner group of 19,425 identified by extrapolation would be supported by a support staff group of 15,296 people, giving a figure for total employment in public relations in the United Kingdom of 34,721 professional and support staff.

The assumptions underlying these extrapolations were checked by looking to other areas of practice and other data. The IPR's survey of its own membership in 1987 found that 46% of its members were employed in public relations consultancies. Applying this percentage to the IPR's total membership of 2,500 gives a figure of 1,150 IPR members working in

consultancies. PR Week's most recent circulation figures from 1987 give a figure for public relations consultancy directors and executives of 5,541. Assuming that IPR members make up 1,150 of this group the ratio of members to non-members is one to 3.81 in this group, a ratio comparable to the one to 3.58 found in the corporate sector.

The 1987 membership survey found that 3% or 75 IPR members work in local government. Dr. Franklin's figures for local government indicate that there are 632 full-time and 119 part-time employees working in public relations positions. In the corporate sector, it was found that about half of all practitioners would be eligible for membership in the IPR. Of the 632 full-time practitioners in local government, half or 316 might be eligible for membership. Of this group, 75 are possibly already members, leaving 241 potential members. The ratio of members to potential members is one to 3.21. If half the part-time group is included in the pool of potential members, the ratio becomes one member to four potential members.

Applying the number of members to the number of known full-time practitioners produces a ratio of 75 members to 632 practitioners, a ratio of one member to 7.43 other practitioners. This ratio compares with the ratio of one to 6.77 found in the corporate sector.

Extrapolation was also used in another way, to try to assess numbers of practitioners in areas of practice in which, within the practical limits of this research project, it was not possible to find or gather firm information. These areas of practice included charity and welfare organisations, health and education.

The IPR membership survey found that 3% of IPR members identified themselves as working for charity or welfare organisations. Extrapolating using ratios of one IPR member to three to four potential members produces a group of potential IPR members in this area of practice of 225 to 300 people, with a total group of practitioners in charity and welfare organisations of 600 (based on an extrapolation using the ratio of one IPR member to seven other practitioners).

At present, 1% of IPR members identify themselves as working for health organisations. Using the same ratio, potential members in health organisations could number 75 to 100, with total numbers in this area of practice amounting to 200.

2% of IPR members or 50 people work in organisations described as education organisations. Potential members in these organisations (in university or polytechnic information offices, for example) could number 150 to 200,

with a total number of practitioners in this area of practice amounting to 400.

Examination of information from the Society of County and Regional Information Officers produced a ratio of 114 practitioners to 122 support staff, a ratio of one practitioner to 1.07 support staff.