



## **PRSA-LA Study Finds Public Relations Consultancies Contribute Nearly Half-Billion Dollars to Los Angeles County's Economy**

- *Each new public relations job creates a total of 1.7 new jobs in Los Angeles County*
- *10,000-plus public relations professionals earned an average of \$78,000 in 2009*
- *Average wage is double the average wage of all workers in Los Angeles County*

**LOS ANGELES, Oct. 25, 2010** – The Los Angeles chapter of the Public Relations Society of America (PRSA-LA) today released an independent economic impact report that found public relations agencies contribute more than \$445 million to Los Angeles County's economy annually, while each new public relations job creates nearly two new jobs.

PRSA-LA commissioned the industry analysis from the Los Angeles County Economic Development Corp. (LAEDC), whose reports are relied upon by key business decision-makers, media and government. The report, the first of its kind by PRSA-LA, separately examined the:

- Economic impact of the 445 public relations agencies located in Los Angeles county and the estimated 3,030 people, including professionals and administrative staff, employed by consultancies and 731 independent practitioners; and
- Employment and wages of more than 10,000 public relations professionals who work in other industries, including aerospace, financial, government, automobile manufacturing and pharmaceuticals.

"The economic impact analysis shows that the public relations profession contributes significantly to Los Angeles County's economy and creates and supports jobs in associated industries," said Eric Moses, PRSA-LA President and Director, Communications and Public Affairs, at Occidental Petroleum Corporation. "The PRSA-LA board sees the LAEDC report as an important tool for the profession's advocacy efforts. The findings clearly show public relations is one of the drivers of the business community that often goes unseen and unnoticed but clearly plays a vital role."

"The statistics from the PRSA-LA study are indicative of growth trends we have seen over the past year throughout the public relations profession, domestically and globally," said Gary McCormick, APR, Fellow PRSA, chair and CEO of PRSA. "From other studies and anecdotal information, we have found that the strategic value of public relations continues to outpace that of other professional service industries, and that within the Los Angeles area, the public relations profession is offering an economic boost, clearly benefiting the local economy."

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## **Total Impact: \$445 million for Los Angeles County's economy**

The total economic impact of the public relations agencies was more than the number of workers and their wages. The combined direct, indirect and induced effects of public relations agencies in Los Angeles County helped sustain 6,430 jobs across all industries, with a total labor income of \$445 million and state and local tax payments of \$45 million, according to the LAEDC report.

Firms in the industry spend money on goods and services such as office supplies, rent and insurance, and the wages paid to their employees support households spending on goods and services, such as groceries, clothing and medical care.

"This spending creates a ripple effect that helps support additional industries in the region, making the total economic impact of the public relations industry larger than just its direct activity," according to the report.

PRSA-LA believes the economic impact of the public relations industry in the county is considerably higher. The report does not account for communications departments at corporate offices or government entities in Los Angeles because public relations budgets are not broken out by those businesses or agencies.

According to the report, "it is clear that the reach of public relations goes far beyond the single industry and is felt throughout the economy."

## **Value of a Job: One new public relations job creates nearly two jobs**

Hiring at Los Angeles' public relations firms benefits support industries. Each new public relations job creates a total of 1.7 new jobs, with combined annual wages and benefits of \$118,447, the report found. Additionally, each new job creates more than \$12,000 in state and local taxes for Los Angeles County.

## **Industry analysis: Public relations is a growth profession**

Public relations is a growth industry in Los Angeles that outpaces the growth of its peers in the advertising services industry. The number of public relations firms grew 15 percent between 1990 and 2008 to 445 firms, according to the analysis. Over that same period, the number of advertising services firms rose four percent to 1,763 establishments.

Employment growth in the public relations consultancies has outpaced advertising services in Los Angeles since 1990. Over the 18-year period ending in 2008, employment at public relations agencies rose 23 percent – from 2,466 to 3,030 – while overall employment in Los Angeles County dropped 5 percent.

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Moreover, there were an estimated 731 self-employed public relations professionals in Los Angeles County in 2008. The average wage of public relations agency employees was \$78,129 – more than 50 percent higher than the average wage in Los Angeles County.

### **Professional analysis: Average Los Angeles County salary exceeds national average**

The analysis of public relations professionals examined salaries of those employed in other industries in Los Angeles County, including aerospace, financial, government, automobile manufacturing and pharmaceuticals. In 2009, according to the LAEDC report, there were 10,370 public relations professionals – approximately 1,900 managers and 8,450 employees identified as specialists.

The average annual wage for public relations managers across all industries in Los Angeles County in 2009 was \$113,070, and for specialists \$66,820. This is higher than the averages at the national level, \$101,850 and \$59,370 respectively.

The employment data in the professional analysis do not include the professionals employed by public relations consultancies or who are independent practitioners.

PRSA-LA's industry analysis can be found on the PRSA-LA website, [www.prsala.org](http://www.prsala.org).

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### **About PRSA-LA**

The Los Angeles Area Chapter of the Public Relations Society of America is comprised of more than 500 public relations professionals, representing many of Southern California's corporations, public relations agencies, independent practitioners, academic institutions and health organizations.

The chapter's diverse membership benefits from educational and networking opportunities as well as services provided including job listings, referral programs, internship opportunities, chapter meetings, and other resources.

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