



Communications and Public Relations General Accepted Practices **2010**

Report 1: Budgets and Staffing

Strategic Communication & Public Relations Center



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**SIXTH COMMUNICATION AND PUBLIC RELATIONS
GENERALLY ACCEPTED PRACTICES (GAP) STUDY
(Q4 2009 DATA)**

GAP VI

REPORT I: BUDGETS AND STAFFING

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GAP VI

REPORT I: BUDGETS AND STAFFING

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Introduction

The purposes of the Communication and Public Relations Generally Accepted Practices (GAP) Studies, of which this is the sixth, are to provide practitioners with data they can use today to better manage the communication functions in their organizations; point out trends they must be aware of as they plan for tomorrow, and identify Best Practices against which they can benchmark their own organizations.

Such practical data, trends, and Best Practices are particularly important in the current environment, as we emerge from the global economic turmoil that has dominated discussion in the world's boardrooms, newsrooms, and living rooms for the last 1½ years. The impact of that turmoil has been far reaching, affecting organizations of all types, from global Fortune 50 companies to small non-governmental organizations. For the lucky and more able, the damage was limited to diminished income, staffs, and budgets. For the less lucky and less able, the damage was calamitous.

All this has played out at a time when public trust in organizations hit an all time low. The 2009 Trust Barometer, published by the public relations firm, Edelman, indicated that in 2009 trust in business was at 10-year low in the U.S. While the 2010 Trust Barometer indicated that trust levels have bounced back a bit, they remain far from optimal. And the story in other parts of the world was not very different.

This combined crisis of economics and trust left PR/Communication professionals in the unenviable position of seeking to counter a deficit in trust and confidence at precisely the time when the financial and human resources at their disposal were also at a deficit compared to past years.

What did they do? How did they do it? Did they succeed? And most importantly, what can we learn from that experience that will guide the practice as it transitions into a healthier environment?

Those are some of the questions addressed in this sixth Communication and Public Relations Generally Accepted Practices (GAP) Study, conducted in the third and fourth quarters of 2009 by The Strategic Communication and Public Relations Center (SCPRC) at the USC Annenberg School for Communication.

As compared with past GAP Studies, in GAP VI greater emphasis was placed on mid-sized and large organizations, because (1) the vast number and diversity of smaller organizations makes it almost impossible to draw broadly applicable conclusions based on their responses, and (2) larger organizations, with their greater resources, are more likely to be earlier developers and adopters of new techniques. The result of this more focused approach was a smaller number of respondents to GAP VI than GAP V (382 vs. 521) but stronger data from the targeted mid-sized and larger categories.

Introduction (cont'd)

Unlike the reports published on the results of past GAP studies, which contained all of the data resulting from each study and were more than 100 pages in length, the results of GAP VI will be published incrementally, in five separate sections, each of which will focus on data pertaining to specific areas of interest. It is hoped that this will make the data more accessible to the reader . Those topic-specific sections are:

Section 1: Budgets and Staffing

Section 2: Organization and Reporting

Section 3: Responsibilities, Use of and Responsibility for Digital/Social Media, Evaluation

Section 4: Use of Outside Agencies, Senior Management's Perceptions of the PR/Com Function

Section 5: Best Practices and Executive Summary

Budgets

As would be expected, the economic downturn which appears to be easing at this writing (February/March, 2010) caused organizations of all types to cut costs in all parts of their operations. Remaining budgets continue to be under intense scrutiny, with all organizational functions being asked to defend their existing budgets, or support their projected budgets, through demonstrable results, benchmarks, etc. In this kind of heated environment relevant, hard data on budget trends is crucial. .

In 2009 the average, all inclusive PR/Communication budget among GAP VI respondents was \$4.7 million, as compared with an average of \$4.4 million among those who responded to GAP V in 2007. While this may seem like a contradiction in the current economic scenario, the difference can be attributed to the previously stated fact that in GAP VI much greater emphasis was placed on mid-sized and large organizations than was the case in GAP V. Obviously this alone would cause the average budget among respondents to increase.

This is made clear by the fact that the average gross revenues for public and private companies participating in GAP V was \$8.3 billion, while the average gross revenues for public and private companies participating in GAP VI climbed to \$12.02 billion. Similarly, the average gross operating budgets of government and non-profit organizations participating in GAP V were \$0.24 billion, as compared with \$0.59 billion in GAP VI.

Figure 1: Changes in Gross Revenues, Operating Budgets and PR/Communication Budgets: GAP V (2007) vs. GAP VI (2009)

	Avg. Gross Revenue of Participating Public & Private Companies	Avg. Gross Operating Budget of Participating Government & Non-Profit Agencies	Avg. Communications & PR Budgets
GAP VI (2009)	\$12.0 billion	\$0.6 billion	\$4.7 billion
GAP V (2007)	\$8.3 billion	\$0.2 billion	\$4.4 billion

As shown in Figure 2 (below), the communication budgets of public company respondents functioning at, and having responsibility for, the corporate level averaged \$7.3 million, while those with divisional or operating unit responsibility supervised budgets of \$4.6 million on average. Corporate-level budgets among private companies averaged \$3.0 million, as compared with \$3.3 million at the divisional level.

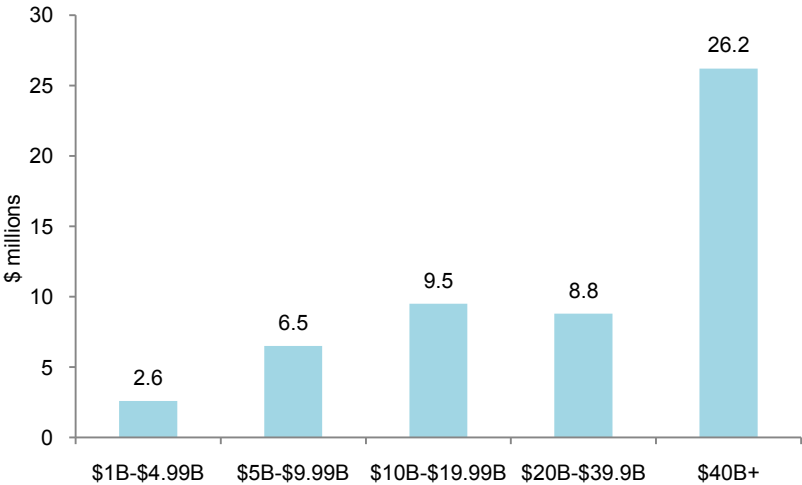
It is interesting to note the substantial difference between corporate-level budgets in public companies and those in private companies, which is probably explained by the generally larger size of, and greater complexity of the communication environment in, publicly-owned companies.

Figure 2: GAP VI Respondents: PR/Communication Budgets at the Corporate and Division/Unit Levels

	Avg. Communications & PR Budgets
Public Company (Corporate)	\$7.3 million
Public Company (Division)	\$4.6 million
Private Company (Corporate)	\$3.3 million
Private Company (Division)	\$3.0 million

As illustrated in Figure 3 (below), generally speaking there is a highly logical progression, tied to gross revenue, in the PR/communication budgets of public company respondents to GAP VI. The exception in the \$10B - \$19.99 Billion category is probably an anomaly caused by the presence within that revenue category of a number of relatively larger outliers. It is probably safe to assume that budgets of approximately \$7.5 - \$8.0 Million are typical in enterprises of that size.

Figure 3: GAP VI Public Company Respondents: Average PR/Communication Budgets by Revenue Category



It is interesting to note the substantial leap in average budgets found among the largest public companies. This may be due to the inclusion in that category of some of the largest, most global, and most complex organizations in the world.

As shown in Figures 4 and 5 (below), the numbers of private companies, governmental agencies, and non-profit organizations that participated in GAP VI were not large enough to allow the degree of budget-related granularity attained among public companies. This is a direct result of the greater emphasis placed on larger enterprises in GAP VI.

Figure 4: GAP VI Private Company Respondents: Average PR/Communication Budgets

	Avg. PR/Communication Budgets
Private <\$2.5B	\$0.9 million
Private >\$2.5B	\$8.2 million

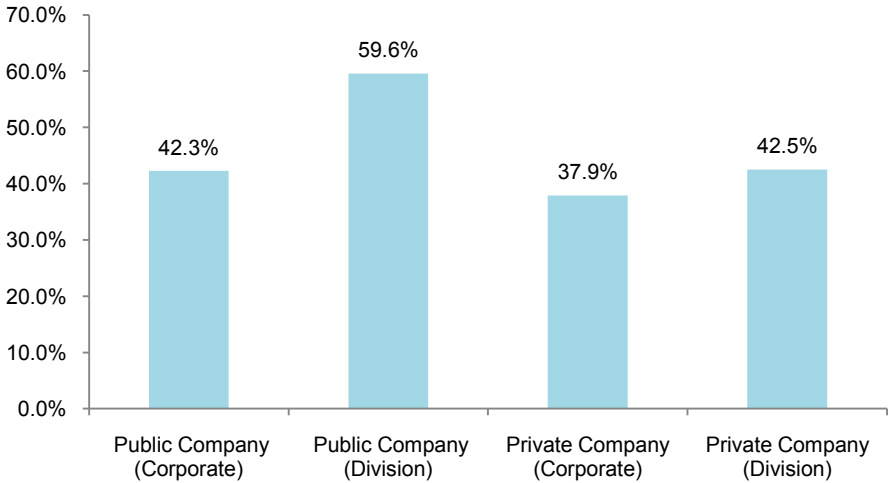
Figure 5: GAP VI Government and Non-Profit Agency Respondents: Average PR/Communication Budgets

	Avg. PR/Communication Budgets
Government Agencies	\$0.9 million
Non-Profit Organizations	\$1.1 million

How Budgets are Allocated

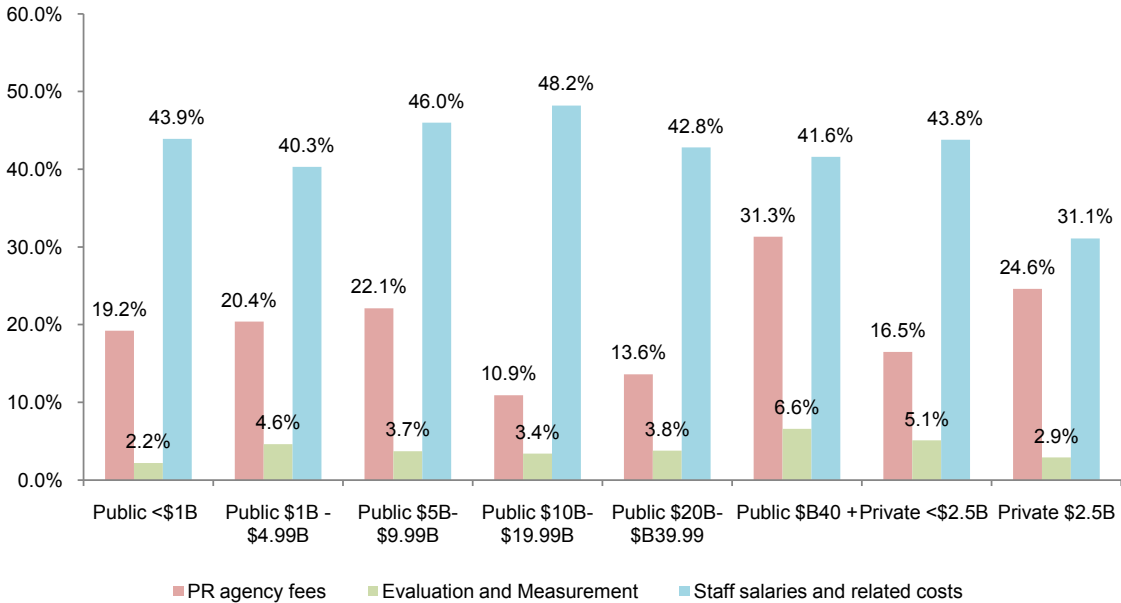
Among all GAP VI respondents, an average of 46% of the total PR/communication budget was allocated to staff salaries and benefits. However, that percentile allocation varies greatly among various types of organizations, as shown in Figure 6.

Figure 6: GAP VI Corporate Respondents: Salaries and Related Costs as a Percentage of Total PR/Communication Budget



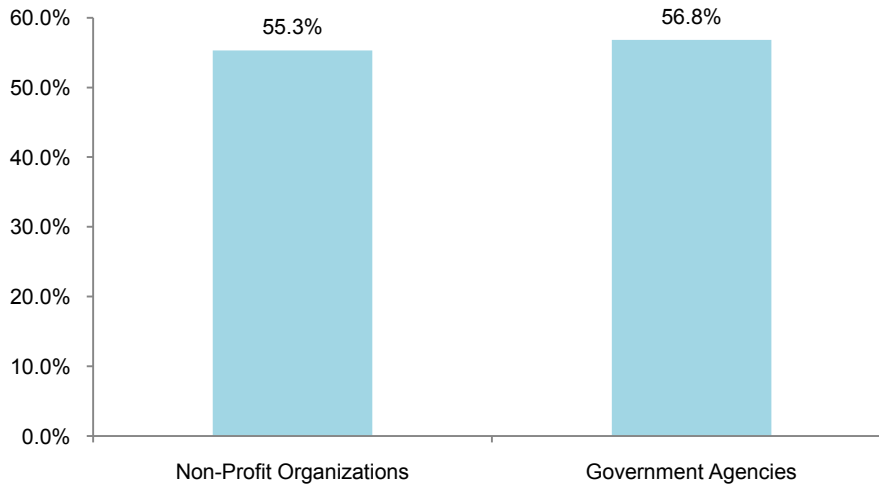
It is interesting to note the substantially lower percentage of budget allocated to internal staffing among private companies. This may be because they have less complex communication environments than do public companies, and/or make greater use of external agencies, and/or spend more on program execution.

Figure 7: GAP VI Corporate Respondents: Budget Allocations



In Figure 7 (above), it is interesting to note that there appears to be no clear pattern with regard to the percentages of budget spent on PR agency fees, other than that in no case is it larger than 31.3%. The percentages allocated to internal staff salaries and related costs fall within a narrow range of 40.3% to 48.2%. Unfortunately, and perhaps ominously in an environment that is putting ever greater emphasis on accountability, the percentages dedicated to measurement and evaluation are low across the board.

Figure 8: GAP VI Non-Profit and Government Agency Respondents: Percentage of Total PR/Communication Budget Allocated to Salaries and Related Costs



The percentages of budget allocated to internal staffing among government agencies and not-for-profit organizations are remarkably similar, and somewhat higher than those of both public and private companies. This may be a reflection of their lesser reliance on outside agencies, greater emphasis on labor intensive programs, lesser emphasis on “big ticket” programs entailing substantial out-of-pocket expenses, etc.

PR:GR Ratios

PR:GR Ratio is a concept created by the USC Strategic Communication and Public Relations Center to help answer the often asked question, “Given the total size of our organization, what should we spend on public relations/communication?” PR:GR Ratio seeks to enumerate the number of dollars spent on communication for every \$1 Million in gross revenue or operating budget, and the amount spent on communication as a percentage of gross revenue or operating budget.

Over the six GAP Studies, PR:GR ratio has emerged as a consistent and reliable model for mid-sized to large public and private companies. Data for other types of organization are less reliable due to the tremendous variances among them.

Among all GAP VI public and private company respondents combined, the total public relations budget as a percentage of gross revenue was 1.3%. This means that for every \$1 million in gross revenue, those companies spent \$12,806 on PR.

Figure 9: Total PR/Communication Budget as a Percentage of Gross Revenue (PR:GR Ratio) in Public and Private Companies

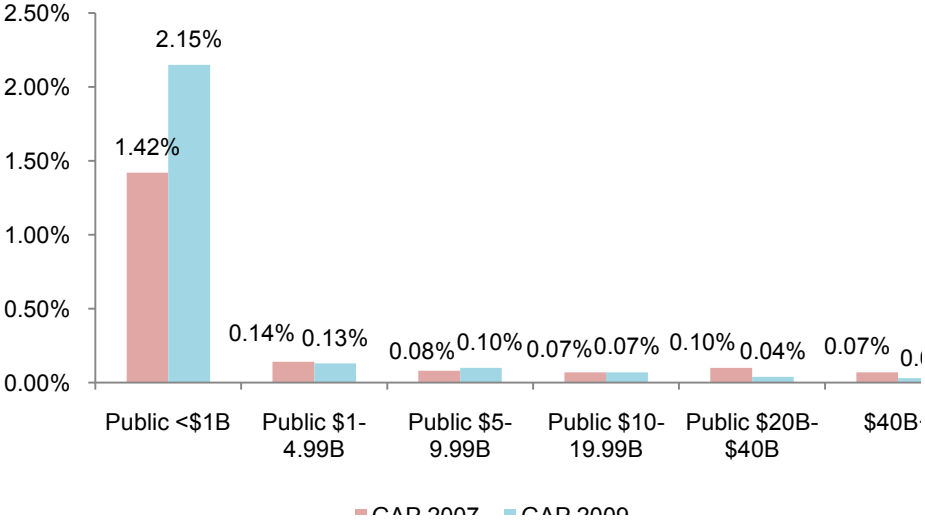
Figure 9 illustrates the extent to which the larger average size of GAP VI respondents, relative to that of GAP V respondents, affected PR:GR Ratio, and the need to look at PR:GR ratio on a revenue category-specific basis, as shown in Figure 10.

	PR:GR Ratio, Public and Private Companies	
	% of Gross Revenue Spent on PR/Communication	\$ Per Million in Gross Revenue Spent on PR/Communication
GAP VI (2009)	1.3%	\$12,806
GAP V (2007)	1.8%	\$17,524

Figure 10 (below) makes clear the consistency that has emerged in PR:GR ratios, indicating that it is indeed a reliable tool for budget planning in all but the smallest enterprises. (The decrease in PR:GR Ratio in the \$40 Billion plus category is largely due to the inclusion in that category of a larger number of mega enterprises than was the case in GAP V.)

It is interesting to note that while PR/communication budgets were often cut in 2009 (as shown in the following sections of this report), the general consistency in PR:GR Ratios between GAPs V and VI suggests that budgets were cut in direct proportion to decreases in the size of organizations as a whole, rather than disproportionately (as may have happened in the past, when the communication function wasn't seen as being as essential as it is today).

Figure 10: PR:GR Ratio of Public Companies



Among non-profit organizations, total PR/Communication expenditures as a percentage of gross operating budgets averaged 3.6% in 2009. Among responding government organizations the average was 1.9%. Naturally these figures will vary tremendously depending on the relative sizes of the organizations in the sample.

Figure 11: PR:GR Ratio for Non-Profit and Government Organizations

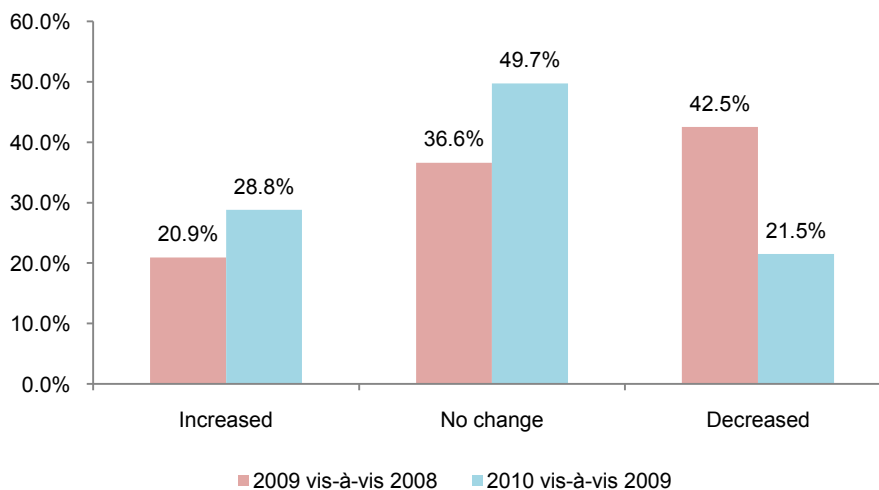


Changes in PR/Communication Budgets: 2008 - 2009 - 2010

When seen collectively, data relating to budgets suggest that:

- In 2009, as compared with 2008, despite the gloom and doom atmosphere that tended to permeate the industry, 57.8% of GAP VI respondents experienced either budget increases or flat budgets, while 42.5% saw decreases.
- Also in 2009, among those that experienced decreases the cuts were, on average, fairly moderate rather than debilitating. (This is consistent with previously discussed data suggesting that the cuts were in proportion with reductions in organizational size.)
- The percentage anticipating a budget cut in 2010 (21.5%) is far lower than the 42.5% that experienced a cut in 2009.
- For 2010, as compared with 2009, 79% anticipated either increased or flat budgets, with the overall increase averaging a near-flat 1.56%.
- While respondents are generally in synch with the view that we are emerging from the recessionary times, the mood is hardly one of unbridled optimism. Indeed, spending remains very cautious.

Figure 12: All Respondents: 2009 Budgetary Experience Relative to 2008 and 2010 Budgetary Experience Relative to 2009



When asked to compare their 2009 PR/communication budgets to those of 2008:

- 42.5% indicated that their budgets decreased in 2009;
- 20.9% indicated that their budgets increased;
- 36.6% reported no change in their budgets.

When asked about anticipated budget changes in FY 2010 as compared with 2009:

- 49.7% indicated that they expected no change;
- 28.8% expected an increase;
- 21.5% expected a decrease.

As shown in Figure 13, among all respondents:

- The average decrease experienced in 2009 was 5.3%.
- The average increase expected in 2010 is 1.6%.

Figure 13: All Respondents: Budget Changes, 2009, 2010

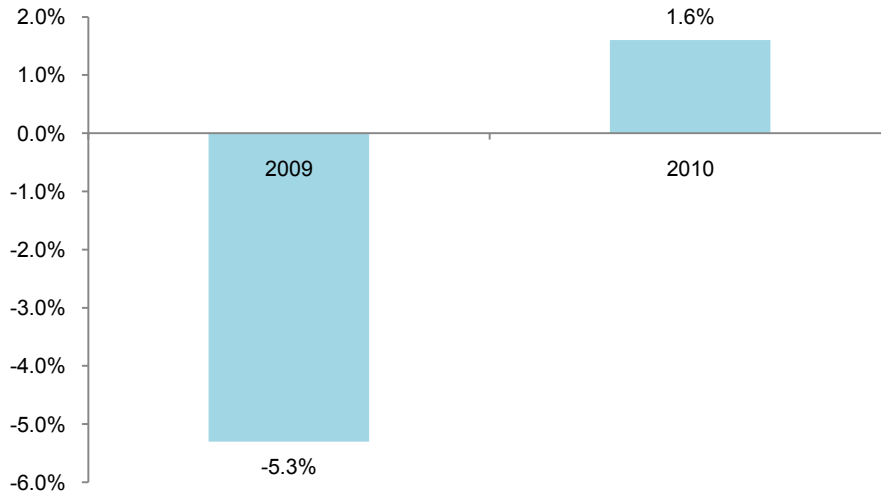


Figure 14: Public and Private Companies, By Size: 2009 Budgetary Experience Relative to 2008

Figure 14 illustrates the extent to which budget cuts were experienced by all companies, of all sizes, in 2009. *Nonetheless, the percentages experiencing flat budgets or growth, across revenue categories is somewhat surprising.*

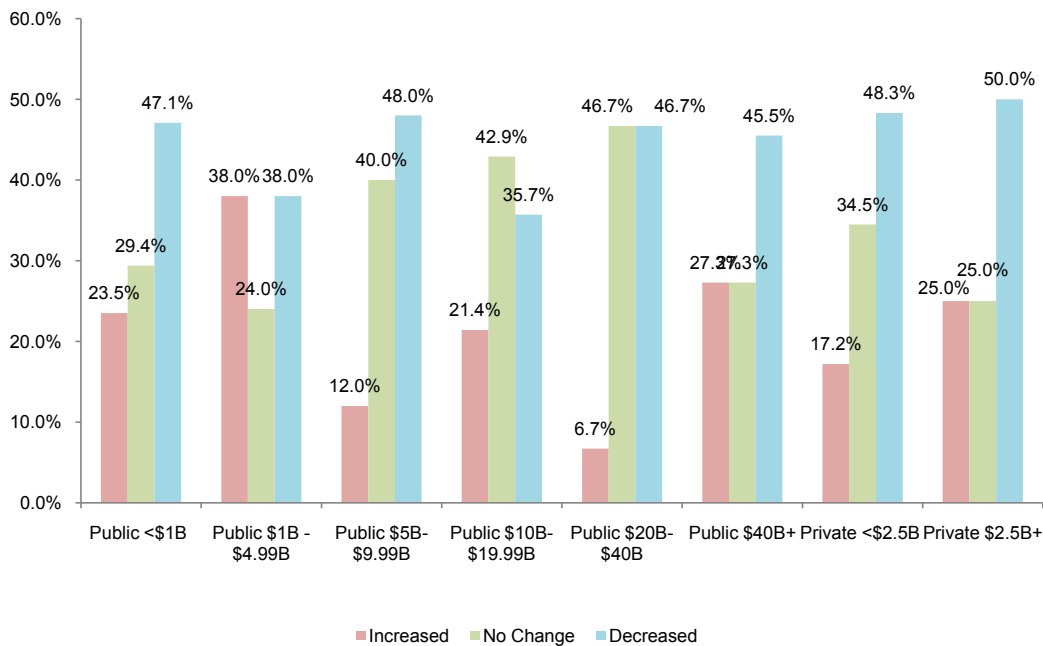
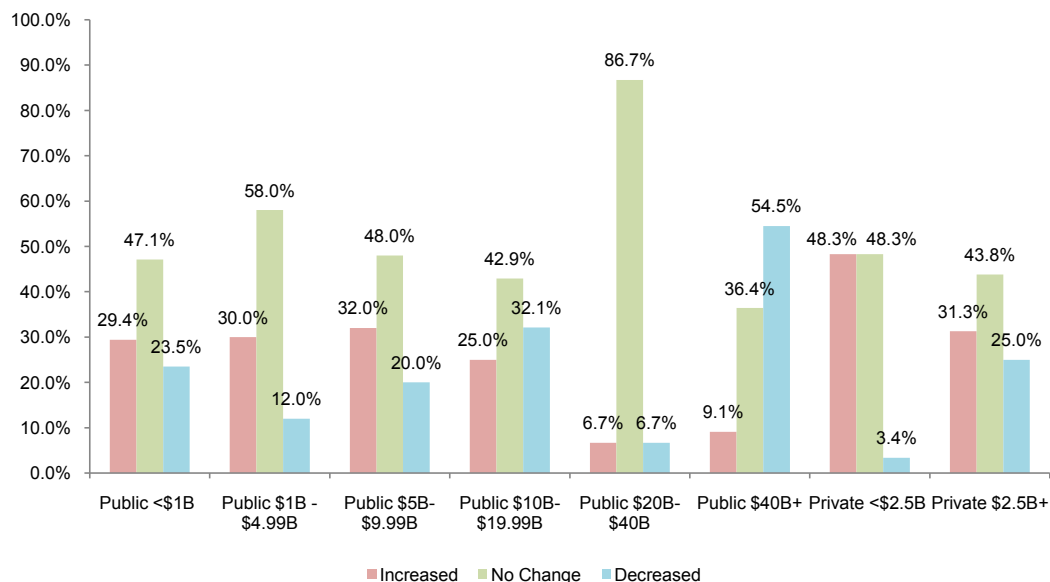


Figure 15: Public and Private Companies: Anticipated 2010 Budgetary Experience Relative to 2009

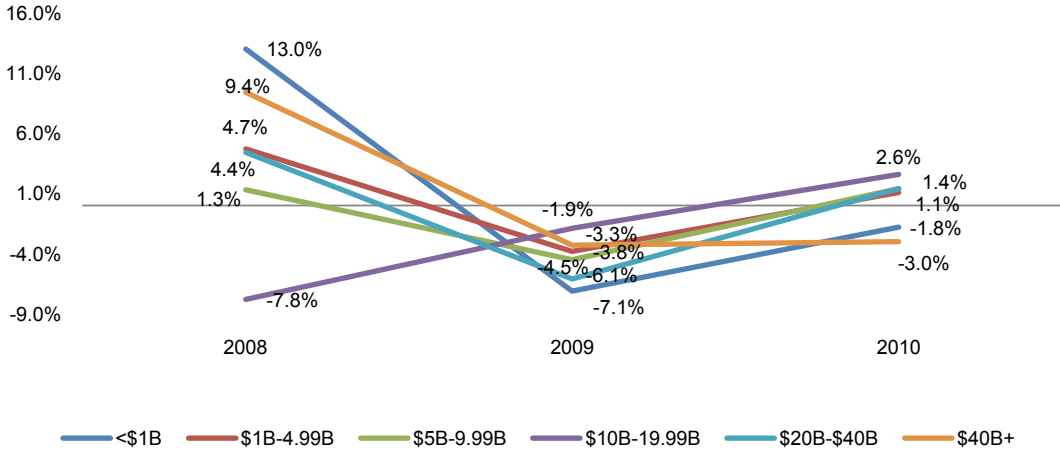
Figure 15 illustrates the overall, anticipated 2010 budgetary experience of public and private companies of various sizes, as compared with 2009. Note that the frequency of budget cuts has declined substantially across all revenue categories.



Figures 16 compares the percentile budget changes experienced by public companies of various sizes in 2008 and 2009, and the changes they anticipated in 2010.

Figure 16: Public Companies, By Size; Budget Changes, 2008 – 2009 – 2010

	<\$1B	\$1B-4.99B	\$5B-9.99B	\$10B-19.99B	\$20B-40B	\$40B+
2008	13.0%	4.7%	1.3%	-7.8%	4.4%	9.4%
2009	-7.1%	-3.8%	-4.5%	-1.9%	-6.1%	-3.3%
2010	-1.8%	1.1%	1.4%	2.6%	1.4%	-3.0%



Given the difficulty of drawing broad conclusions for the smallest category of companies, the data seem to be consistent in demonstrating that budgets increased in 2008 (sometimes substantially), decreased to a moderate degree in 2009, and will remain largely flat or enjoy very modest increases in 2010.

As shown in Figure 17 (below), private companies with gross revenues of less than \$2.5B indicated that their budgets decreased by a much greater extent in 2009 (10%) than did those with \$2.5B+ in gross revenues, whose budgets decreased by 4.3%. The smaller companies expect to make up that entire loss in 2010, while the larger companies will regain most of their losses.

Figure 17: Private Companies, By Size, Budget Changes, 2008 – 2009 - 2010

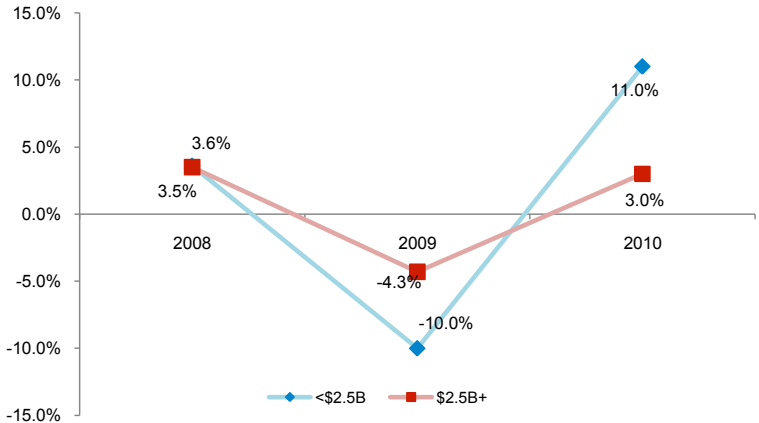
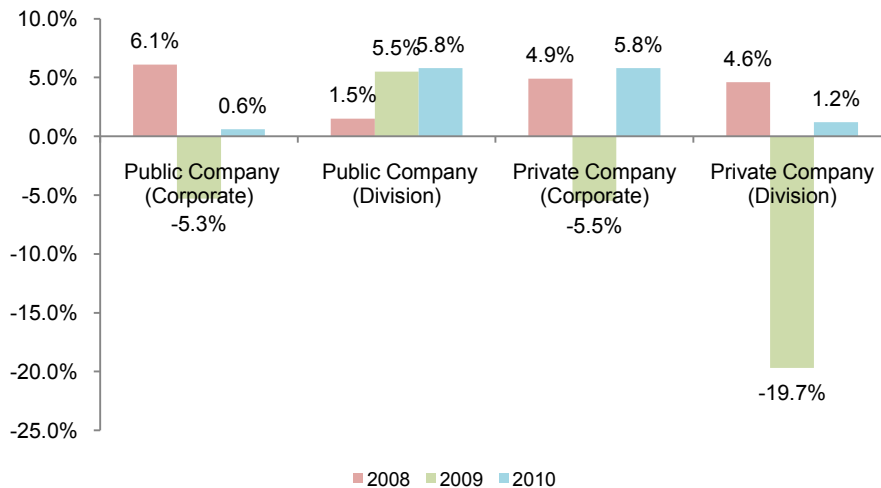


Figure 18 illustrates the percentile budget changes, 2008 – 2010, reported by all corporate respondents housed at the corporate level, vs. those housed at the divisional or operating unit level.

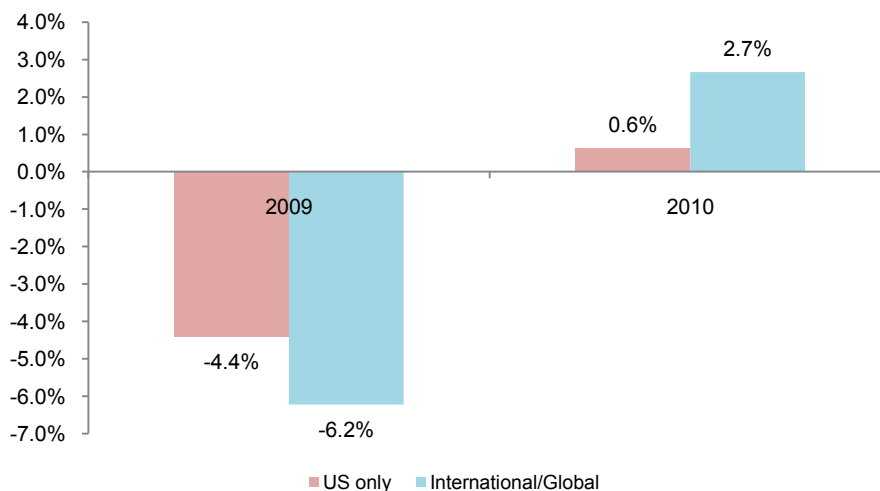
Figure 18 All Companies: Budget Changes, 2008 – 2009 - 2010, Corporate-Level Function vs. Divisional/Operating Unit Function



It is interesting to note that for both 2009 and 2010, the operating units of public companies report more positive experiences than the corporate functions of public companies.

Figure 19 (below) compares budget trend data for respondents having US-only responsibilities with those having international/global responsibilities.

Figure 19: US Only Companies vs. International/Global Companies, Budget Changes, 2009 – 2010



It is interesting to note that international/global companies, after experiencing deeper cuts than domestic-only organizations in 2009, anticipate somewhat more robust spending in 2010.

Figure 20 (below) illustrates the overall budgetary experience of government agencies and non-profit organizations in 2009 as compared with 2008.

Figure 20: Government Agencies and Non-Profit Organizations, Budgetary Experience, 2008 - 2009

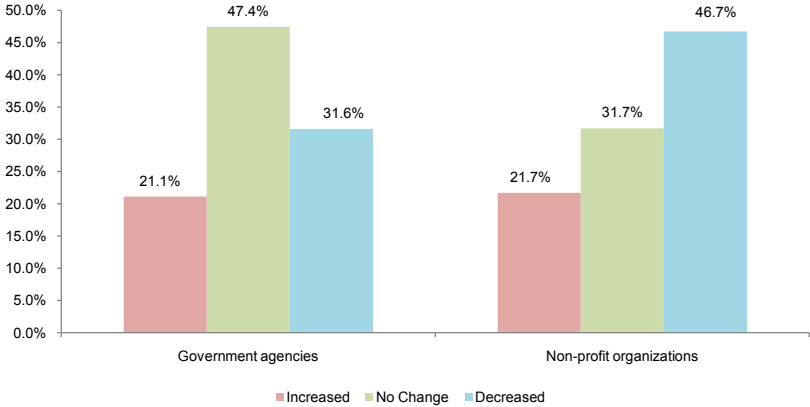


Figure 21 (below) illustrates the anticipated budgetary experience of government agencies and non-profit organizations in 2010 as compared with 2009.

Figure 21: Government Agencies and Non-Profit Organizations: Anticipated Budgetary Experience, 2009 - 2010

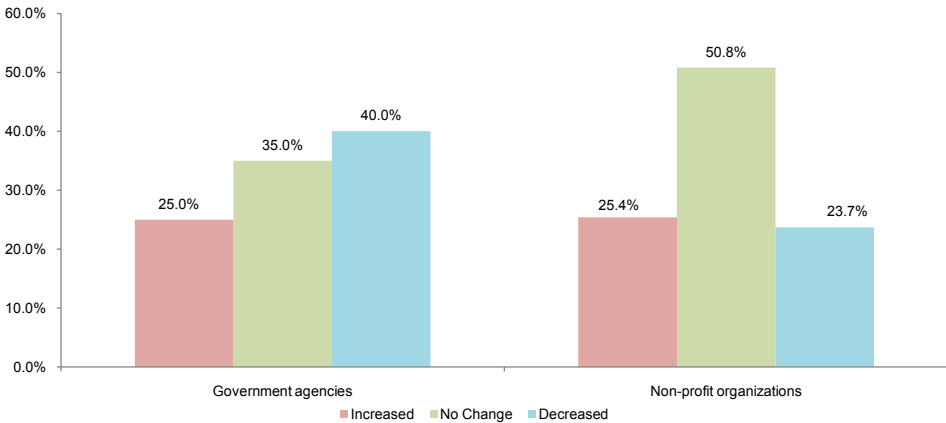
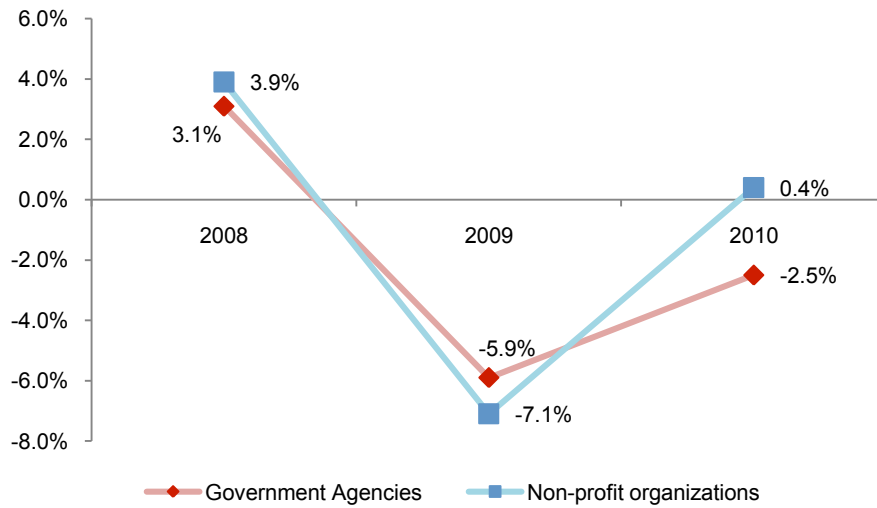


Figure 22 illustrates the actual budgetary experience in 2008 and 2009, and the anticipated experience in 2010, of government agencies and non-profit organizations.

Figure 22: Government Agencies and Non-profit Organizations: Budget Changes, 2008 – 2009 - 2010



It is interesting to note that government agencies anticipate the slowest recovery – including budget decreases in 2010 – among all types of GAP VI respondents.

Staffing

As stated in the Introduction to this section, in the last 18 months communicators found themselves facing a combined crisis of economics and trust that left them in the unenviable position of seeking to counter a deficit in trust and confidence at precisely the time when the financial and human resources at their disposal were also at a deficit compared to past years.

The data in this section make clear how they addressed this challenge from a staffing standpoint, by indicating that:

Only 23.2% of responding organizations reduced the size of their internal staffs in 2009 (meaning that 77% either made no change or grew), with those staffing reductions generally falling in the modest .8% to 5.5% range.

Overall, respondents to GAP VI spent an average of 15.4% of their total budgets on compensation for outside agencies, as compared with the significantly larger 26.6% allocated to the same expense by GAP V participants in 2007. (This is totally consistent with additional data gathered by the SCPRC in February of 2009.)

Also very relevant are GAP VI data showing that the most common reason for working with outside agencies is “extra arms and legs,” which has been true in all six GAP studies.

All of this explains why internal budgets cuts were generally modest (i.e. 5.3% on average), while substantial anecdotal evidence suggests that outside agencies experienced significantly greater reductions in revenue (often greater than 10%).

Bottom line: the greater scalability of external agency relationships, as compared with the lesser scalability of, and greater commitment to, internal staff, was a major factor in the recession response strategies of clients. Instead of making wholesale internal cuts they:

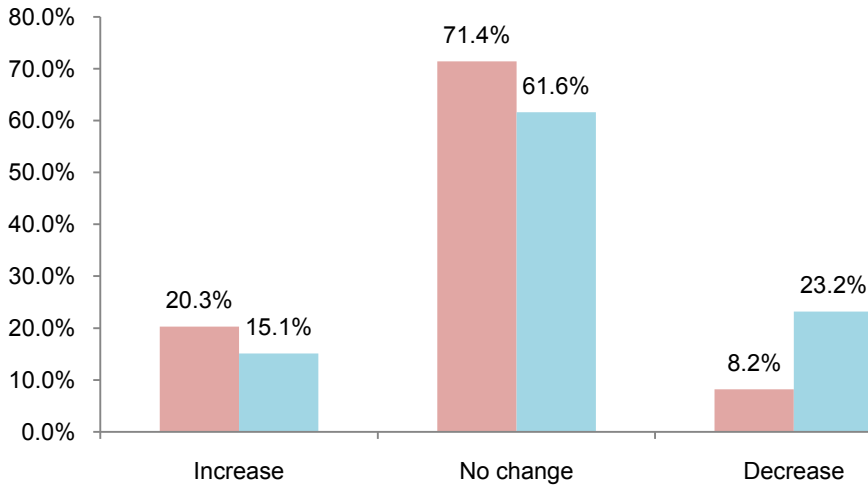
- ✓ *Froze or reduced what they paid to their own staffs, and/or*
- ✓ *Reduced the amounts they allocated to their outside agencies, and/or*
- ✓ *Reduced programming and executional expenses.*

GAP VI data on staffing also suggests that:

The profession suffered a dramatic change in its employment environment in a relatively short period of time.

While GAP VI does not include anticipated hiring data for 2010, the previously described modest increases in budget that are anticipated suggest an employment environment that is far more stable for current employees but only marginally robust for those seeking work.

Figure 23: All Respondents, Staffing Experience, 2007 –2009



As shown in Figure 23, when respondents to GAP V were asked how they expected their staffing levels to change in the year 2008 as compared with 2007, 20.3% reported an increase, 71.4% reported no change, and only 8.2% reported a decrease.

This contrasts sharply with data provided in 2009 by respondents to GAP VI, of whom 15.1% reported an increase over 2008, 61.6% reported no change over 2008, and 23.2% reported a decrease from 2008 levels.

Figure 24: Public Companies, By Size, Staffing Changes, 2007 - 2009

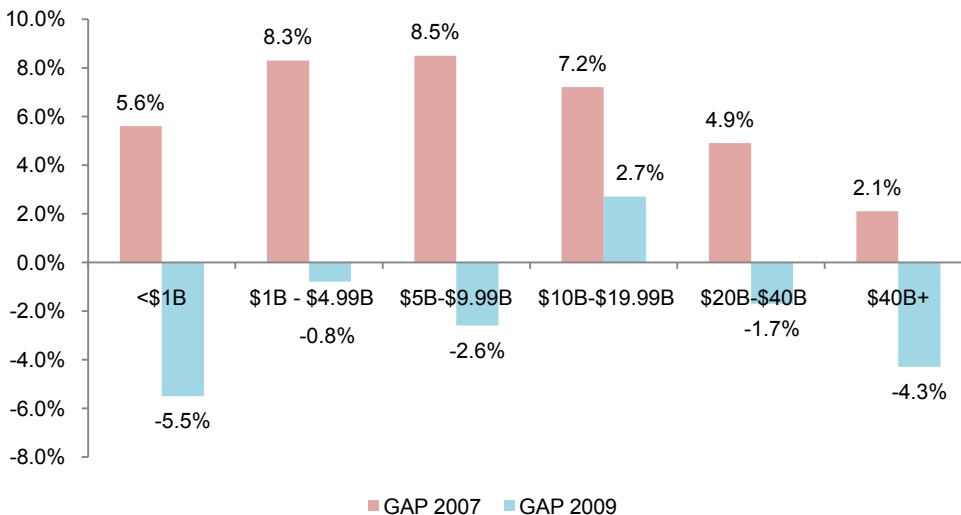
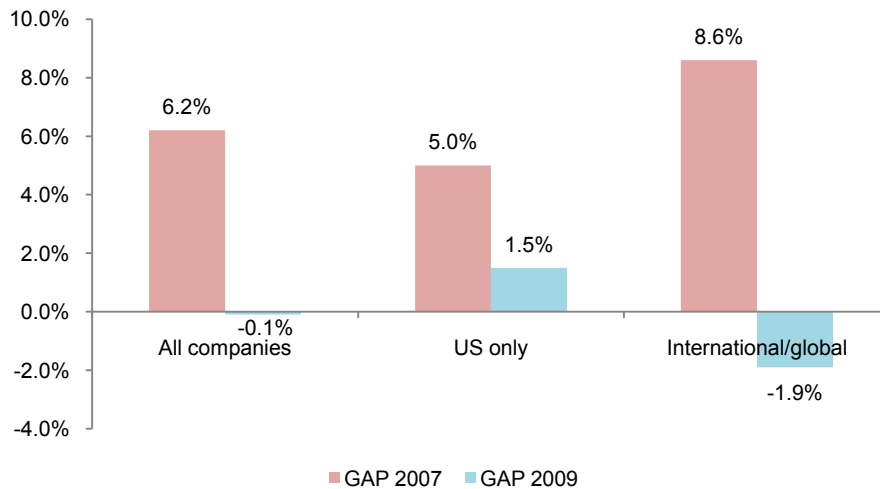


Figure 24 (above) demonstrates that public companies of all sizes suffered staff reductions in 2009, ranging from 1% to 5.5%

Surprisingly, Figure 25 (below) indicates that US-only companies had more positive staffing experience in 2009 than did international/global companies. This is consistent with data on budgets (see Figure 19) suggesting that US-only companies had more positive budgetary experience in 2009 than did international/global companies. However, budget data also suggests that the staffing situation will reverse in 2010, with international/global companies in a marginally more positive hiring mode than US-only companies.

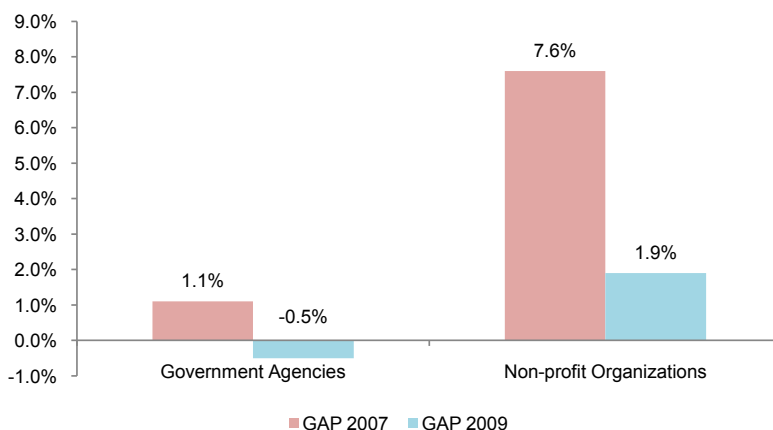
Figure 25: US Only and International/Global Companies, Staffing Changes, 2007 – 2009



As shown in Figure 26 (below), government agencies reported that their staffs decreased by an average of 0.5% in 2009, while non-profit organizations reported a marginal increase of 1.9%.

The data suggest that staffing at non-profits has remained somewhat stable relative to other types of organizations. This may be because in those organizations, staffing of the PR/communication function is consistently lean, and/or it is seen as being even more central to the organization’s mission than is the case in other types of organizations.

Figure 26: Government Agencies and Non-Profit Organizations, Staffing Changes, 2007 - 2009



Lessons from a Bad Economy

Ironically, while it was painful to experience, the “great recession” offered an excellent learning opportunity, because it provided SCPRC researchers with a rare chance to assess how organizations performed under difficult circumstances. What were the characteristics of organizations that, by one standard or another, seemed to distinguish themselves in positive ways?

With that opportunity in mind, when analyzing GAP VI data relating to budgets and staffing, SCPRC researchers took a special look at PR/communication departments that suffered the least damage to their budgets during this period of economic stress. This entailed taking a closer look at companies that reported increases, or no changes, in their PR/Communication budgets.

Once those companies were identified through data analysis, the SCPRC team drilled down on *all* of the other data provided by those companies, in an attempt to identify, through statistically reliable correlations, the characteristics that distinguished them from companies that took budgetary “hits” in 2009.

The SCPRC fully acknowledges the somewhat subjective nature of this methodology, and the fact that causality cannot be scientifically proven (i.e. “If you do these three things you will definitely get a bigger budget during a recession”).

It should also be emphasized that budgetary success is not necessarily a reflection of organizational success or effectiveness. *Indeed, budgetary success does not correlate with either “Good external reputation” or “Successful” as terms used by GAP participants to describe their organizations.*

Nonetheless, the observations offered here, which are further substantiated by extensive professional experience in the field, are compelling and worthy of further discussion,

Correlation 1: Respondents who reported both an increase in budget in 2009 and a reporting line to the C-Suite also indicated that:

- ✓ They expect their budgets to grow by a healthy 5.9% in 2010, whereas those reporting to marketing expect their budgets to grow by just 2.5%.
- ✓ Their staffs grew by 8% in 2009

This suggests that:

- Consistent with all prior GAP studies, GAP VI demonstrates that the benefits of reporting to the top of the organization are plentiful, tangible, and measurable.
- Communication organizations whose mission is broader than providing support for marketing fared better during the recession than those with a purely marketing-driven mission.

Correlation 2: Respondents who reported an increase or no change in 2009 budgets were more likely to describe their organizations as being:

- ✓ Long-term strategic
- ✓ Proactive
- ✓ Flexible
- ✓ Innovative
- ✓ Democratic
- ✓ People-first

This suggests that:

- Support for the PR/Communication function during challenging times goes hand-in-hand with other substantive, powerful and beneficial organizational attributes.

Nonetheless, it's worth repeating that those reporting budgetary health were no more likely to describe their organizations as being "Successful" or having a "Good external reputation."

Correlation 3: Companies that reported an increase or no change in their PR/Communication budgets in 2009 also reported lower average budgets.

Figure 27: Average PR/Communication Budgets of Companies that Reported Changes

	Average PR/Communication Budget
Companies that reported an increase in PR/Communication budgets	\$3,080,016
Companies that reported no change in PR/Communication budgets	\$3,440,553
Companies that reported a decrease in PR/Communication budgets	\$6,554,880

This suggests that:

- Smaller budgets may have been seen as already tight and at the minimum level needed to get the job done.

Correlation 4: The size of PR:GR Ratio correlates with 2009 budget experience.

- ✓ PR:GR Ratio of those reporting budget increases: 0.7%
- ✓ PR:GR Ratio of those reporting no change in budget: 1.3%
- ✓ PR:GR Ratio of those reporting budget decreases: 1.6%

This suggests that:

- PR:GR Ratios that exceed the norms are red flags.

Correlation 5: Companies that reported increases in 2009 also indicated that they were expecting their budgets to grow by a healthy average of 6.4% in 2010.

This suggests that:

- A record of growth in difficult times can be a strong indicator of continued growth in healthier times.
- Certain industries/categories are probably outperforming others (a topic worthy of further study)

Correlation 6: As shown in Figure 28, companies that reported no change in 2009 also indicated that:

- ✓ **They expect budgets to go up by a mere 0.2% in 2010 (i.e. remain flat).**
- ✓ **They experienced large increases in 2008.**

This suggests that:

- In companies where caution was the watchword in 2009, it will probably remain so in 2010.
- Certain industries/categories are probably outperforming others (a topic worthy of further study)

Correlation 7: As shown in Figure 28, the relationship between 2009 budget experience and staffing experience is clear:

- ✓ **Those that reported budget growth increased staff by a substantial 8%.**
- ✓ **Those that reported no change in budget increased staff by a marginal 1.8%.**
- ✓ **Those that reported budget reductions cut staff by a substantial 6%.**

Figure 28: Correlations, 2009 Staffing Changes and 2009 Budget Changes

	Staffing Change in 2009
Companies that reported an increase in PR/Communication budgets	8.0%
Companies that reported no change in PR/Communication budgets	1.8%
Companies that reported a decrease in PR/Communication budgets	-6.0%

Correlation 8: When seen cumulatively, Correlations 1 – 7 suggest that:

- ✓ **Budget increases go hand in hand with staff growth.**
- ✓ **Budget increases in 2009 were more typical in PR/Com functions reporting to the C-Suite rather than to marketing.**
- ✓ **Budget increases in 2009 were indicators of healthy increases in 2010, and**
- ✓ **Budget increases in 2009 were indicators of such positive self descriptions as proactive, long-term/strategic, innovative, etc.**

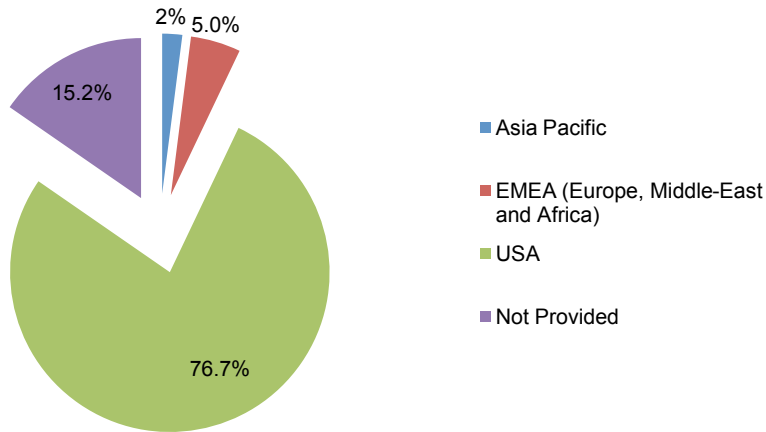
This suggests that:

- Forward thinking, imaginative organizations in which PR/Communication plays a central role (as indicated by its C-Suite reporting line) saw the benefits of increasing PR/Communication resources during a challenging 2009, and will continue to do so as the economy improves in 2010, to a greater extent than will reactive, short-sighted, non strategic, and non-innovative organizations.
- This bifurcation will provide the former category of organizations with a substantial competitive edge over the latter.

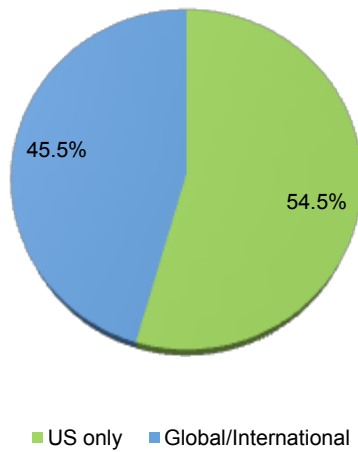
GAP VI Participant Profile

A total of 382 companies participated in GAP VI, which are fewer than participated in GAP V. However, this drop was planned as the SCPRC intentionally targeted larger organizations in this latest survey.

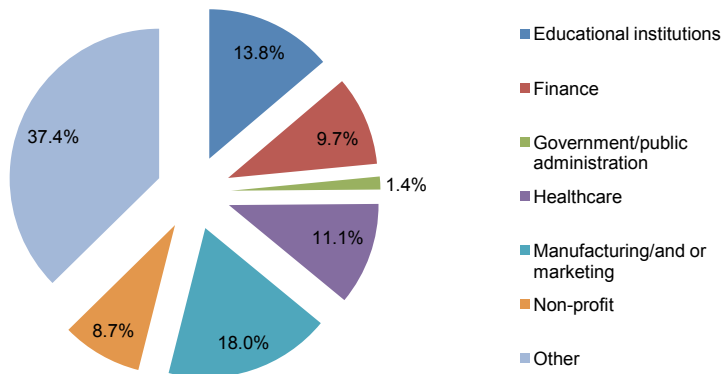
1: Company Headquarters:



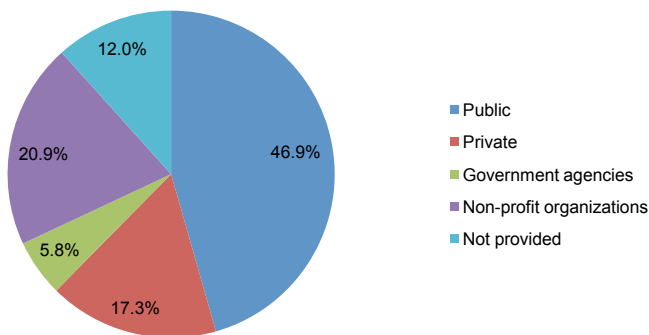
2: Area of Responsibility of Respondents



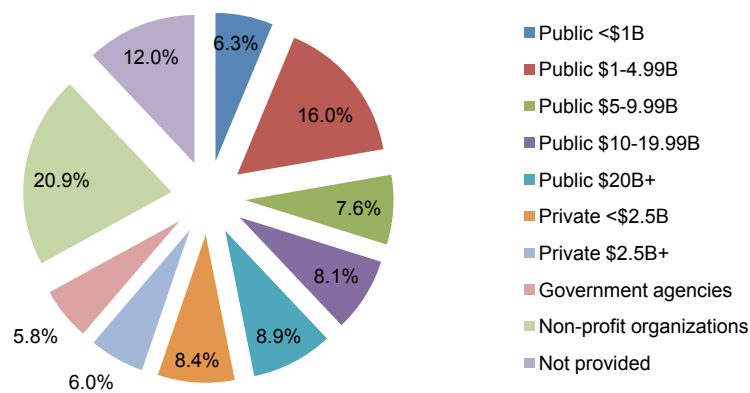
3: Organizations by Industry Category



4: Organizations by Category



5: Organizations by Revenue Category



About the USC Annenberg Strategic Communication and Public Relations Center (SCPRC)

The USC Annenberg Strategic Communication and Public Relations Center (SCPRC) plays a leading role in the continuing evolution and expansion of the public relations/communication profession. Created by the Annenberg School's Public Relations Studies Program, the Center is one of the most ambitious efforts to date by a major American university to bridge the substantial gap between the public relations profession and the academic community that studies it.

Mission

To advance the study, practice and value of the Public Relations profession by conducting practical, applied research in partnership with other visionary organizations.

Goals

1. Serve as a laboratory for the public relations profession, foster innovation, and establish "best practices" and benchmarks in a wide variety of critical areas.
2. Further define the expanded, dynamic role to be played by public relations in an environment of increasing transparency, technology-enabled communication, changing societal norms, stakeholder fragmentation, increasing global communication, and proliferating special interests.
3. Demonstrate, to its key stakeholders, the contributions made by public relations to the "value chains" of organizations of all types.
4. Elevate the professional skills of public relations practitioners.
5. Advance the dialogue within the profession regarding the relative effectiveness and adoption of various methodologies for program evaluation.
6. Bridge the gap between the academic study of public relations and communications theory on the one hand, and the public relations function as it is actually practiced in the "real world," on the other.
7. Support the dismantling of the organizational barriers that tend to isolate the public relations function from other disciplines, to the detriment of the entire organization.
8. Develop an approach to, and curriculum for, the study of public relations that reflects the profession's evolving needs.

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We are enormously grateful to these outstanding organizations and their communication teams, as should be all PR practitioners who benefit from the findings contained in this report.

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