

US ad agency employment marks an all- time high

Article

The news: June saw a significant boost in employment across advertising, public relations, and related services, rising by 2,200 jobs, per new Bureau of Labor Statistics data cited in Ad Age. With this uptick, employment in these sectors has reached its highest since 2001.

- While the increase of 300 advertising agency jobs in May (BLS reports these figures on a one-month delay) might seem modest, it was enough to propel agency staffing to a record.
- The broader US economy added 209,000 jobs in June, marking the 30th straight month of job growth (good) but the smallest rise since January 2021 (not so good).
- The unemployment rate dropped slightly to 3.6% in June from 3.7% in May.

The data: US employment in advertising, public relations, and related services (per BLS classification) stood at 497,500 jobs in June based on seasonally adjusted data. The 2,200 jobs added in June are on par with the increase seen in May.

- Not all parts of the industry have grown: Many tech and media companies with a strong emphasis on advertising have cut back. The broad category of media streaming distribution services and social networks dipped to 233,400 jobs in May, a level **not seen since January 2022**.
- Web search portals and all other information services saw a decrease to 160,200 jobs in May, a stark contrast to the record 171,900 jobs measured last January.

Ad agencies' milestone: In May, US ad agency employment rose to 229,900 jobs, an all-time high, following an addition of 300 positions, which succeeded a gain of 2,400 jobs in April. Although data for June is not yet available, the upward trend in employment within advertising, public relations, and related services suggests that staffing at ad agencies likely increased last month.

The big picture: While there are long-term concerns—by 2030, automation could potentially replace around 33,000 advertising agency jobs (7.5% of the agency workforce), with AI accounting for one-third of these losses—the recent gains in ad employment show the industry has rediscovered momentum after last fall's weakness.

This resurgence has occurred despite contractions in tech and media, demonstrating the overall health of the advertising, public relations, and related services sectors in 2023.