

# US advertising sector hits record job high—but some major holding companies drop their 2023 outlooks

Article

**The news:** In the US advertising and public relations sector, total **employment rose by 1,000 jobs in July, reaching 497,200—the highest level since 2001**, as reported by the Bureau of Labor Statistics (BLS).

- US ad agency employment recorded an **all-time high** of 231,700 jobs in June, an increase of 1,900 from May.
- Media employment—which includes streaming services, social networks, and other media content providers—fell to 232,500 jobs in June, a decrease of 800 jobs from May. (Reporting for subcategories is delayed one month after top-level BLS data).

**Yes, but:** While July marked the 31st consecutive month of overall job growth in the US, the job increases in July (187,000) and June (185,000) were the lowest since January 2021.

- Advertising and public relations growth slowed from previous months, with 1,300 jobs added in June and 1,800 jobs added in May.

**Furthermore:** Just because agency hiring remains robust doesn't mean all agencies are doing well.

- Advertising giant **WPP's** shares fell up to 8% on Friday—their steepest drop in a year. The UK-based firm cited dwindling US revenues from its tech clientele, which led to the company slashing its annual revenue growth outlook down to 1.5% to 3% from 3% to 5%.
- WPP competitor **Omnicom Group** missed analysts' revenue forecast in its July earnings report, saying tech and telecom firms hit the brakes on their ad spend. **Interpublic Group** also cut its outlook.
- **Publicis Groupe**, by contrast, seems to have bucked the trend, surpassing estimates and upping its 2023 outlook. The company's strategy has been to prioritize investments in higher-margin data services over creative tools, mainly catering to European clients.

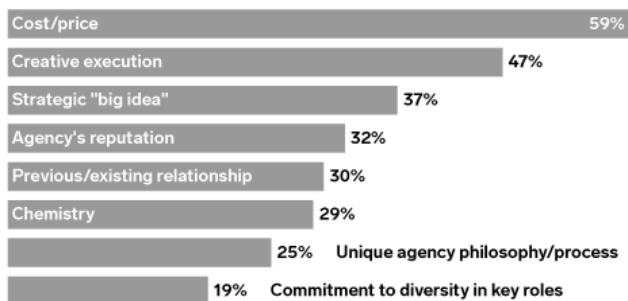
**Our take:** Despite a broader economic slowdown, the advertising and PR sector is demonstrating resilience with continued growth, albeit at a slower pace.

- While the data is inconclusive, the fact that some major holding companies are suffering at a time when agency jobs are at an all-time high could mean that smaller, independent agencies are faring better than large incumbents.

- The peak in ad agency employment suggests robust demand within this segment, contributing significantly to the broader sector's performance.
- The overall picture is complex, and it remains to be seen whether the advertising and PR sector can sustain its growth in the coming months.

**Factors When Selecting an Agency According to US Brand-Side Marketers, March 2023**

% of respondents



Note: n=209

Source: Association of National Advertisers (ANA), 4A's and Advertiser Perceptions, "The Cost of the Pitch," July 18, 2023

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