

US advertising industry loses 2,100 Jobs in March, marking biggest decline since January 2021

Article

The news: Employment in advertising, PR, and related services fell by 2,100 jobs in March, according to the US Bureau of Labor Statistics (BLS). That's a significant drop from February,

when that sector remained steady, and marks the biggest decline since January 2021.

- The BLS revised February's job loss from a preliminary estimate of 1,000 jobs to be flat instead.
- The advertising, public relations, and related services category had 492,000 jobs in March, according to seasonally adjusted figures.

This comes as the US added 236,000 jobs in March, the weakest gain since the end of 2020, per BLS data. However, total employment reached 155.6 million, exceeding the prepandemic peak of 152.4 million in February 2020 and recovering all pandemic losses.

The broader industry: Advertising employment has been volatile, falling in September, November, [December](#), and March, rising in October and January, and remaining flat in February. After strong gains in 2021 through summer 2022, ad employment plateaued, with staffing in February essentially unchanged from last August.

- US ad industry employment [declined by 3,500 jobs](#) last December, contributing to a year of ups and downs, with a record drop in advertising employment in November,

Agency outlook: Ad agencies have an outsized impact on the health of the broader advertising, public relations, and related services sector, representing 46% of all jobs in the industry.

- In February, non-seasonally adjusted ad agency employment increased to 226,900 jobs, the first monthly gain since October when those jobs reached a record high of 228,700.
- US ad agency employment rose by 800 in February 2023 from January and increased by 10,600 jobs from February 2022.
- The BLS reports ad agency employment on a one-month lag, so March figures are not yet available—but the decline in sector employment in March suggests that ad agency staffing likely fell last month.

Uncertainty everywhere: If you're hiring, you want certainty—or at least, the illusion thereof. For advertisers, **that hasn't been the case for the better part of a year now.**

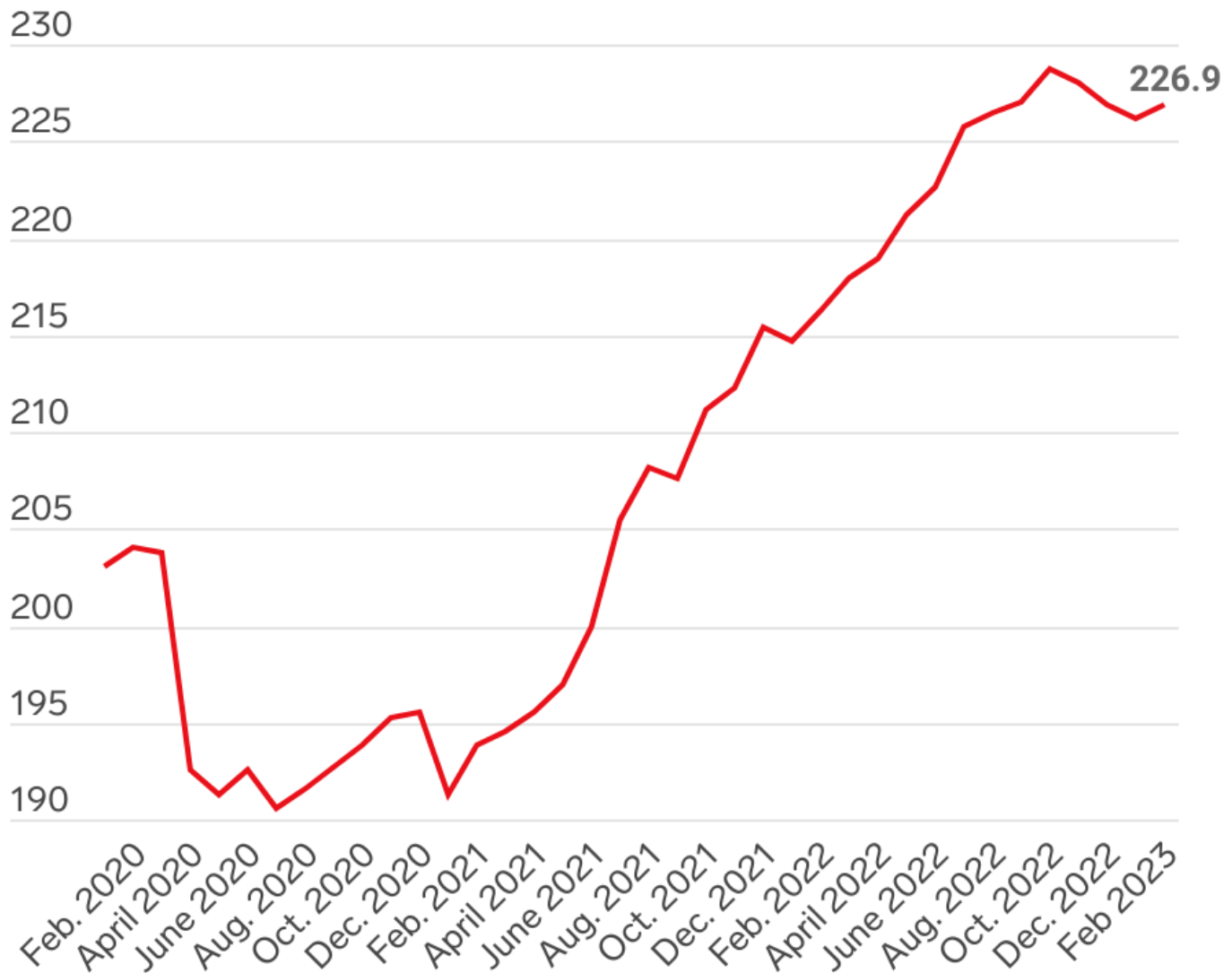
- Besides a potential recession, the industry is facing other issues, including [tougher regulations](#) and [measurement challenges](#).

- Insurance companies, including big ad spenders like **Geico**, are cutting their ad spend across various channels.
- Generative AI's rapid advancements are causing concern in the advertising industry, potentially leading to decreased hiring for nonessential roles as agencies struggle to identify which positions can be replaced.
- There's little doubt that AI will bring changes. **Meta**'s new AI-powered ad technology called Advantage+, which can automatically generate up to 150 ads based on specific goals and choose the most effective ones, has the potential to disrupt its agency network and damage its relationship with marketers.
- High-profile employers cutting roles understandably make agencies nervous. **Twitter**, **Disney**, **Amazon**, **Electronic Arts**, and **Meta** all announced layoffs of late.
- There are some positive signs, too: Google is increasingly directing major advertisers marketers to authorized resellers, which is a boon to search agencies.

Our take: It's unclear whether this is a sign of a future trend or simply a blip in the data—but the next month or two should give insight into which direction advertising employment is going.

US Ad Agency Employment, 2020-2023

thousands



Source: Bureau of Labor Statistics, April 10, 2023

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