

NEWS FROM STEVENSGOULDINCUS

FOR IMMEDIATE RELEASE

**Contact:
Rick Gould
Direct: 212-896-1909
StevensGouldPincus, LLC
One Penn Plaza
Suite 5335
New York, NY 10119**

SGP AGENCY BILLING AND UTILIZATION REPORT

**PR AGENCIES HOURLY RATES INCREASE BUT PRODUCTIVITY
STILL SHORT OF THE GOAL**

NEW YORK, July 19, 2011 -- The nation's PR agency field increased their hourly rates in every category in 2010 according to a survey released today by Stevens Gould Pincus, the merger and management consulting firm specializing in the PR field.

Average Rates & Utilization- 2010 vs. 2009

Average hourly rates for just about every staff level were within a few dollars of a year ago. Average utilization was slightly up for account staff.

	Average Billing Rates 2010	Average Billing Rates 2009	Average Utilization 2010	Average Utilization 2009	Firms in Excess \$25 Million 2010	Firms in Excess \$25 Million 2009
President/CEO	\$ 360	\$ 338	39.0%	43%	29.7%	37%
EVP/SVP	\$ 309	\$ 283	63.1%	64%	56.7%	61%
VP	\$ 261	\$ 241	75.1%	73%	75.3%	81%
Account Manager	\$ 208	\$ 199	84.5%	85%	90.0%	91%
Senior Account Executives	\$ 178	\$ 168	89.9%	88%	89.4%	96%
Account Executives	\$ 153	\$ 142	91.7%	92%	89.6%	93%
Account Coordinators	\$ 113	\$ 110	85.9%	88%	91.0%	97%
Blended Rate	\$ 182	\$ 171	---	---	---	---

Based on responses from 104 PR agencies coast to coast, billing rates are now averaging \$513 per hour for CEO's of agencies with \$25 million or more in revenues, and \$291 among smaller agencies, said Rick Gould, a managing partner and director of the survey. Agency VP's average \$261, with the highest among Washington DC agencies averaging \$306 and SVP's \$356. Rates appear to be highest among agencies specializing in sports/entertainment, Investor Relations and public affairs—among the 13 categories identified, he said.

“I believe this uniform spike in billing rates is indicative of a marginally improved economy and is consistent with growth of the industry in both net revenues and operating profit.”

Productivity –measured by billable time utilization—has been far below optimal levels, he said. Senior VP's are billing out only 63% of their theoretical yearly capacity of 1700 hours, respondents are reporting, he said. And while some

rank and file account managers are averaging as high as 99%, some are averaging as low as 70%. “The goal for account executives should be at least 90%, a goal reached by almost all firms achieving 20% profitability.”

Productivity has been generally highest among agencies specializing in sports & entertainment, economic development, financial and investor relations and crisis management, according to the report.

<u>Billing Rates Tops In Each Category: 2010 Year-End Billing Rates</u>						
	<u>Top Size</u>	<u>Two Top Regions</u>		<u>Two Top Specialties</u>		
	> \$25 Mill	NY/NJ	D.C.& Suburbs	Public Affairs	Sports/ Entertainment	
President/CEO	\$ 513	\$ 424	\$ 418	\$ 397	\$ 391	
EVP/SVP	\$ 387	\$ 353	\$ 356	\$ 318	\$ 319	
VP	\$ 298	\$ 287	\$ 306	\$ 272	\$ 256	
Account Manager	\$ 256	\$ 214	\$ 219	\$ 228	\$ 218	
Senior Account Executives	\$ 188	\$ 182	\$ 179	\$ 190	\$ 168	
Account Executives	\$ 168	\$ 154	\$ 156	\$ 162	\$ 151	
Account Coordinator	\$ 133	\$ 110	\$ 123	\$ 114	\$ 108	
Blended Rate	N/A	\$ 192	\$ 163	\$ 192	\$ 195	

The survey is the third annual poll focused on billing rates and agency staff utilization by StevensGouldPincus, which has been conducting other industry wide surveys for 23 years including the recently released Best Practices Benchmarking Report.