

# Agency Census 2011

A report on employment within IPA member agencies



IPA

# Background and objectives of the survey

Since the 1960s the IPA has undertaken an annual survey of member agencies in order to establish a profile of the number and type of employees working in them. The objectives of the survey are as follows:

- To provide an estimate of the numbers employed in IPA member agencies.
- To identify trends in the size of the employed base.
- To provide a profile of the employed base in respect of age and gender.
- To provide an analysis of the ethnic diversity of the employed base.
- To provide a profile of the employed base in respect of departmental function.

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# Methodology and sample structure

The 2011 IPA Agency Census was undertaken using a postal questionnaire among 250 member agencies between September and November 2011 with 1st September 2011 defined as the census date.

Full census returns were provided by 129 member agencies, a response rate of 51.6%. A further 39 agencies (15.6%) provided staff number figures as at 1st September 2011 but did not submit a full census return.

In order to derive a figure for the total size of the employed base, estimates using alternative data sources have been used for those member agencies that did not submit a return.

Profiles in this report are based on those agencies responding to each section of the survey questionnaire. Estimates have been used to extrapolate the profile of the employed base as regards age, gender and departmental functions etc.

Specific assumptions include:

- Only agencies in membership as at 1st September 2011 have been included in the analysis.
- Agencies affiliated to IPA member agencies are excluded.
- Group head office and worldwide employees are excluded.
- Non-media agencies include creative, full service, direct marketing, digital and healthcare agencies.
- Media agencies include media independents, out-of-home and digital media specialists.

# Management summary

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- Employed base**
- The estimated size of the employed base has increased from 18,843 to 19,372, a year-on-year increase of 2.8%, despite a decrease in the number of agencies in IPA membership.
  - The average number of employees per agency has increased year-on-year in both creative and other non-media agencies (by 4.1 employees) and media agencies (by 11.4 employees), with an overall average increase of 6.1 employees.
  - The estimated number of first-year trainees in member agencies has increased from 723 to 862, a year-on-year increase of 19.2%.
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- Working practices**
- Flexible working has been introduced or used at 16.3% of agencies, often for the benefit of Generation Y employees, and 10% of agencies indicated that they were harnessing new technology in order to do this.
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- Staff turnover**
- Total staff turnover during the year, excluding redundancies, was 26.1%.
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- Gender**
- Males account for 51.3% of the employed base and females for 48.7%.
  - Females account for 13.5% of those at the highest levels of seniority (Chairman/CEO/MD).
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- Age**
- The average age of employees in all member agencies remains constant at 33.8.
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- Ethnicity**
- In terms of ethnicity 90.6% of the employed base is from a white background and 9.4% is from a non-white background.
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- Departmental function**
- An estimated 21.5% of the employed base was employed in a media role, while a further 20.1% was to be found in an account management role. Creative departments, including digital and design, accounted for 14.5% of the employed base; creative services and studio accounted for a further 5.0%; and those in finance, benefits and payroll, 5.4%.

# Main findings

## Employed base

The size of the employed base has increased for the second year in a row, with an estimated 19,372 individuals employed in 250 member agencies on 1st September 2011, a year-on-year increase of 2.8% (Table 1).

Average agency size also increased for the second year in a row, from 71.4 to 77.5.

	2005	2006	2007	2008	2009	2010	2011
Total IPA member agencies	240	258	261	272	263	264	250
Total employees	15,751	17,367	19,077	20,131	18,635	18,843	19,372
<b>Average per agency</b>	<b>65.6</b>	<b>67.3</b>	<b>73.1</b>	<b>74.0</b>	<b>70.9</b>	<b>71.4</b>	<b>77.5</b>

In addition to payroll employees it is estimated there are 1,588 temps and freelancers working in IPA member agencies on a regular basis compared with 1,702 in 2010, a decline of 6.7%. Creative departments account for 44.7% of the temps and freelancers used and other departments the remaining 55.3%. On average agencies used 6.4 temps and freelancers each on a regular basis to supplement their permanent workforce.

An estimated 979 individuals, 5.1% of the employed base, work for their agencies on a part-time basis, up from 4.8% in 2010.

The estimated number of first-year trainees in member agencies has increased from 723 to 862, a year-on-year increase of 19.2%. This accounts for 4.4% of the total employed base, with 34.8% of these trainees being found in creative, full service and other non-media agencies, and 65.2% in media agencies.

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**Working practices** An estimated 236 individuals, 1.2% of the employed base, work for their agencies from home on a regular basis, down from 321 in 2010.

Employees are frequently called upon to work at weekends at 11.7% of agencies, while a further 78.3% indicated that this was a rare occurrence. Only 10% of agencies indicated that this never occurred.

Working practices have been changed in order to help staff achieve a better work/life balance at 15.3% of agencies. A further 64.0% of agencies indicated that they had changed working practices to some extent and 13.5% marginally. Only 7.2% indicated that they had not changed their working practices at all.

Flexible working has been introduced or used at 16.3% of agencies, often for the benefit of Generation Y employees, and 10% of agencies indicated that they are harnessing new technology in order to do this. Focused training, the use of open-plan work environments and the open use of social networks are each used by 3.9% of agencies.

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## Staff turnover

Total staff turnover among member agencies, excluding redundancies, was an estimated 26.1%. This figure was slightly higher in media agencies, at 26.7%, than in creative and other non-media agencies, where it was 25.8%.

TUPE accounted for just 1.9% of the departures from agencies during the 12 months to September 2011, with this mainly being an issue for larger agencies.

While many agencies indicated that they do not face any particular problems in relation to staff retention, where it was mentioned the central issues were junior-level churn and movement caused by a desire to gain a higher salary and broader levels of experience.

**Employed base – long-term trends**

The 2009 Agency Census saw a significant decline in the size of the employed base for the first time since the recession of the early 1990s, dropping back to below 19,000. This decline was reversed in 2010 with small increases in the size of the employed base (Figure 1) and average agency size (Figure 2), and these increases have continued into 2011.

Figure 1 **Total number of employees in IPA member agencies 1989-2011**

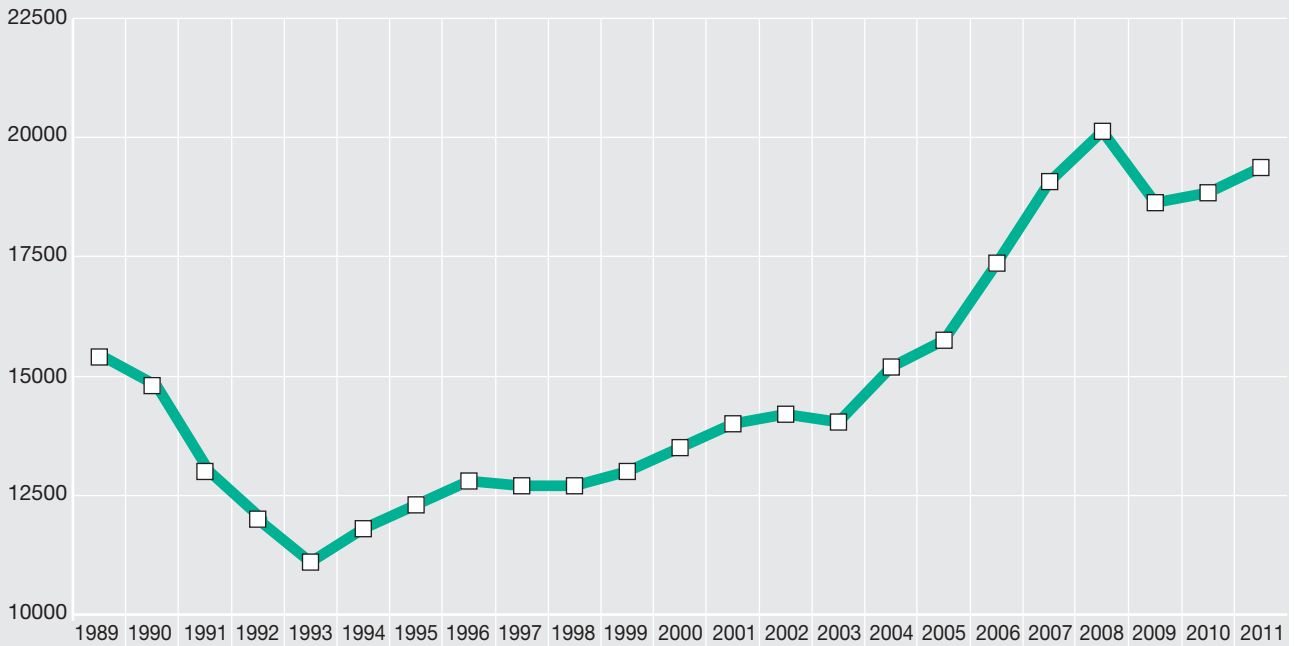
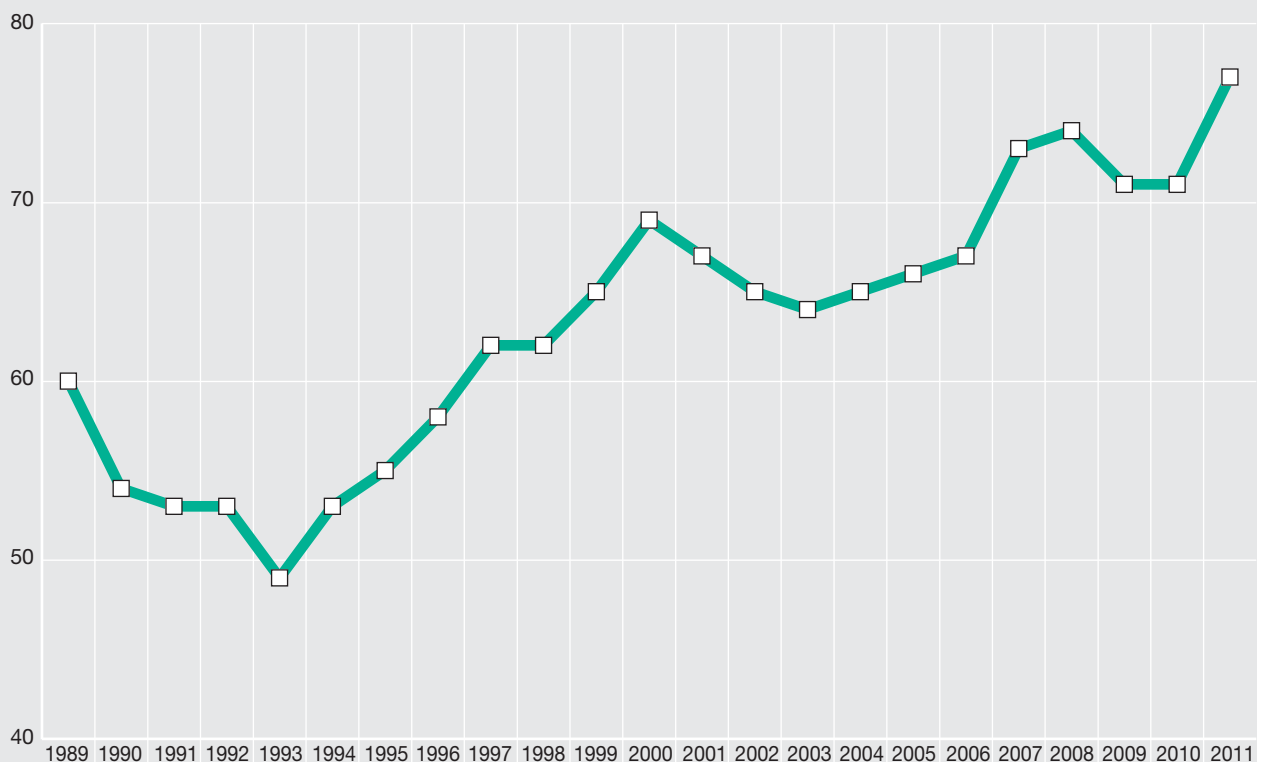


Figure 2 **Average number of employees per IPA member agency 1989-2011**





## Profile of the employed base by agency type

By agency type, 67.8% (13,134 employees) of the employed base is to be found in 186 creative and other non-media agencies at an average of 70.6 employees per agency, while 32.2% (6,238 employees) are to be found in 64 media agencies at an average of 97.5 employees per agency (Table 2).

While the size of the employed base has fallen marginally in creative and other non-media agencies, due to a decline in the number of these agencies in IPA membership from 198 to 186, the size of the base in media agencies has increased by 9.7%, from 5,684 to 6,238.

The average number of employees per agency has increased year-on-year in both creative and other non-media agencies (by 4.1 employees) and media agencies (by 11.4 employees), with an average increase of 6.1 employees.

Table 2 **Breakdown of IPA member agencies by agency type**  
as at 1 September 2011 *2010*

Creative/Full service /Other non media	Agencies		Total employees		Average per agency
	Number	%	Number	%	Number
Creative/Full service	142	56.8	9,432	48.7	66.4
Digital	18	7.2	999	5.1	55.6
Direct marketing	17	6.8	2,245	11.6	132.1
Healthcare	9	3.6	458	2.4	50.9
Other					
	<b>186</b>	<b>74.4</b>	<b>13,134</b>	<b>67.8</b>	<b>70.6</b>
	<i>198</i>	<i>75.0</i>	<i>13,159</i>	<i>69.8</i>	<i>66.5</i>
Media	Agencies		Total employees		Average per agency
	Number	%	Number	%	Number
Media planning and buying	54	21.6	5,681	29.3	105.2
Digital/Search	7	2.8	420	2.1	60.0
Communications planning	3	1.2	137	0.7	45.7
	<b>64</b>	<b>25.6</b>	<b>6,238</b>	<b>32.1</b>	<b>97.5</b>
	<i>66</i>	<i>25.0</i>	<i>5,684</i>	<i>30.2</i>	<i>86.1</i>
<b>Total 2011</b>	<b>250</b>		<b>19,372</b>		<b>77.5</b>
<i>Total 2010</i>	<i>264</i>		<i>18,843</i>		<i>71.4</i>

## Profile of the employed base by gender

There is an almost equal split between males and females within the employed base, with 51.3% male and 48.7% female (Table 3).

Table 3 **Profile of the IPA employed base by gender and type of agency**

	Creative/Full service/ Other non-media		Media		Total	
	Number	%	Number	%	Number	%
Male	6,792	51.7	3,142	50.4	9,934	51.3
Female	6,342	48.3	3,096	49.6	9,438	48.7
<b>Total</b>	<b>13,134</b>	<b>100.0</b>	<b>6,238</b>	<b>100.0</b>	<b>19,372</b>	<b>100.0</b>

## Profile of the employed base by age

The average age of employees within the industry is 33.8 with 45.1% of the employed base aged 30 or under, 36.0% aged 31-40, 13.2% aged 41-50, and 5.7% over 50 (Table 4).

The bias towards younger employees in agencies is particularly pronounced within media agencies. Here the proportion of employees aged 30 or under is 56.6% compared to 39.6% in creative and other non-media agencies. The average employee age in a media agency is 31.6, compared with an average of 34.8 in creative, full service and other non-media agencies.

While in media agencies only 12.2% of employees are over 40, this rises to 22.1% in creative and other non-media agencies.

Reflecting the growth in the number of first-year trainees working in member agencies year-on-year, there has been a 9.8% increase in the number of employees aged 25 or under in member agencies, from 2,968 in 2010 to 3,259.

Table 4 **Profile of the IPA employed base by age and type of agency**

	Creative/Full service		Media		Total	
	Number	%	Number	%	Number	%
Under 25	1,764	13.4	1,495	23.9	3,259	16.8
26-30	3,444	26.2	2,040	32.7	5,484	28.3
31-40	5,036	38.3	1,944	31.2	6,980	36.0
41-50	2,004	15.3	550	8.8	2,554	13.2
50+	886	6.8	209	3.4	1,095	5.7
<b>Total</b>	<b>13,134</b>	<b>100</b>	<b>6,238</b>	<b>100</b>	<b>19,372</b>	<b>100</b>
<b>Mean</b>	<b>34.8</b>		<b>31.6</b>		<b>33.8</b>	

## Profile of the employed base by ethnicity

Among the agencies providing ethnicity information 90.6% of employees were identified as being from a white background and 9.4% from a non-white background (Table 5).

Table 5 **Profile of the IPA employed base by ethnicity**

White	Asian	Black	Mixed	Other
90.6%	3.2%	2.2%	1.4%	2.6%

## Profile of the employed base by country of origin

Among the agencies providing country of origin information, 86.6% of employees were from the UK; 6.6% from Europe; 3.1% from Asia/Pacific; 1.3% from USA/Canada; 1.0% from Africa; 0.6% from South Asia; 0.4% from the Middle East; and 0.4% from Latin America.

## Profile of the employed base by departmental function

An estimated 14.5% of employees in member agencies are employed in a creative role, while a further 12.1% are employed in a role supporting the creative function: creative services, project management, studio, digital and TV production, and production administration (Figure 3).

The account handling function accounts for 20.1% of employees, while 21.5% are employed in the media function. Of these, 15.8% are employed in a media planning or buying role, 3.7% in search/SEO and 2.0% in another media role (Table 6).

Account planning and research account for 7.4% of the employed base; finance, benefits and payroll account for 5.4%.

As in previous years, the Census indicates that, in terms of achieving agency management positions, there is a significant gender bias, with males accounting for 86.5% of those at the highest levels of seniority (Chair/CEO/MD) and 72.7% of other executive management positions (Figure 4).

Both 'traditional' (77.5%/22.5%) and digital creative departments (79.3%/20.7%) have significant levels of male bias, as does design (75.4%/24.6%), digital programming and web design (85.9%/14.1%). See Table 7.

The jobs with a significant female bias include human resources (12.9%/87.1%); account management (35.2%/64.8%); new business, marketing and PR (31.8%/68.2%); TV production (38.5%/61.5%); and finance, payroll and benefits (38.2%/61.8%).

Only 0.3% of employees in an executive management position (Chairman/CEO/MD and other executive agency management) are aged under 30; 29.6% are 31-40; 46.3% are 41-50; 20.1% are 51-60; and 3.7% are over 60.

In terms of recruitment of new personnel, agencies indicated that they generally face few difficulties at junior levels, with a plentiful supply of graduates available, although there are difficulties sourcing suitably qualified digital personnel.

Agencies reported a lack of candidates with the right levels of experience and expertise at mid-weight levels. They indicated this is caused by a reluctance of people to move agencies in a difficult economic climate, and a skills gap caused by recruitment freezes of the past few years.

Figure 3 **Departmental profile – percentage comparisons**

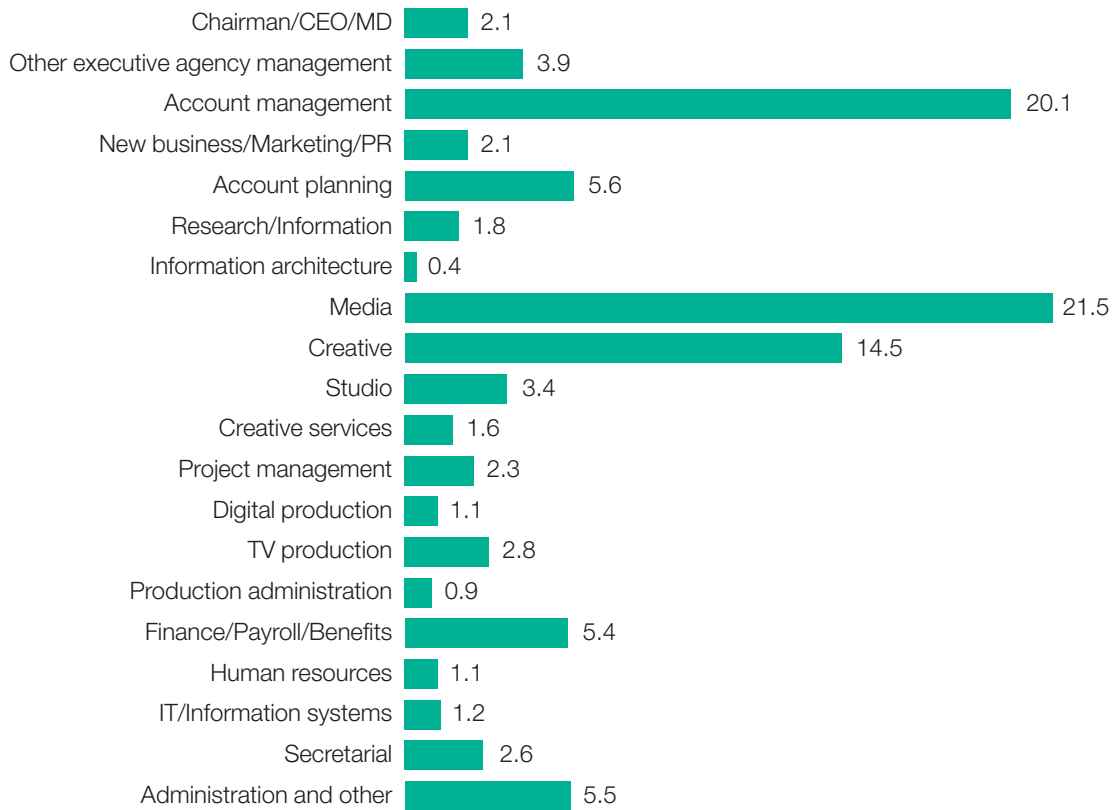


Figure 4 **Departmental profile by gender – percentage comparisons**

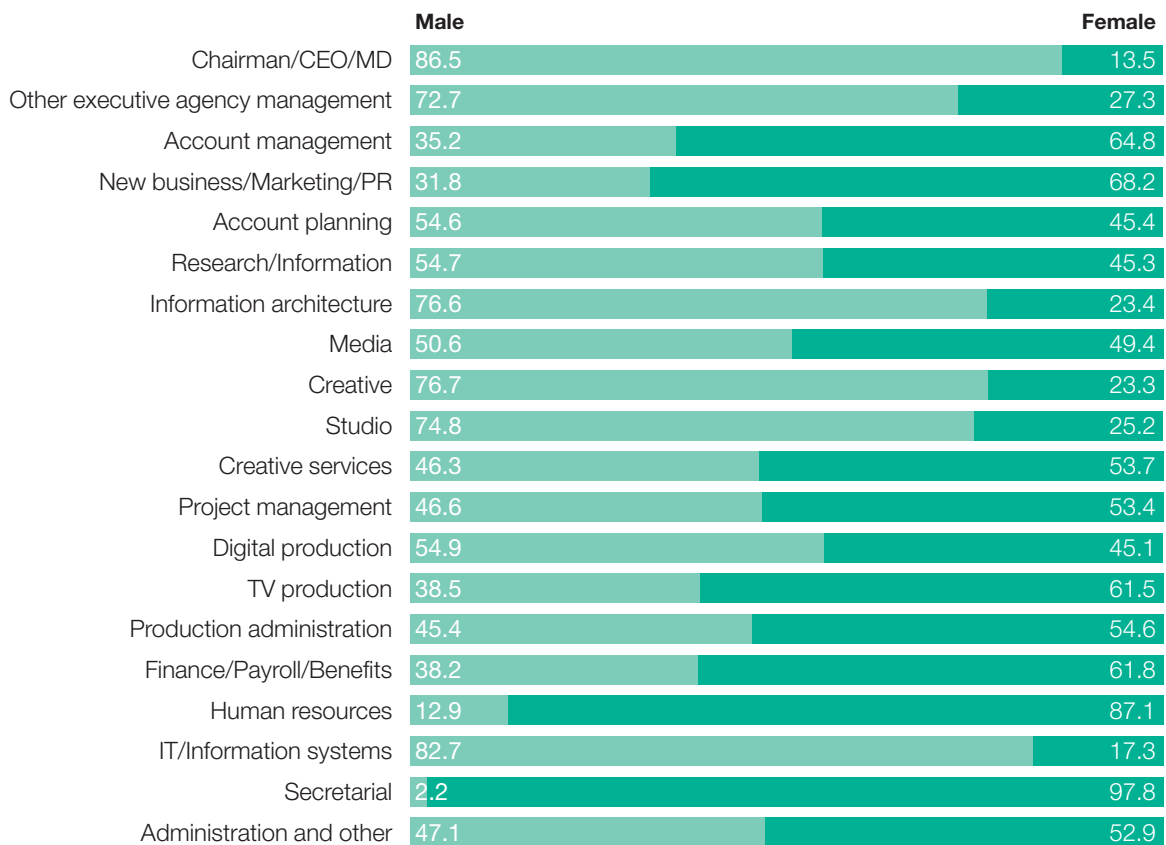


Table 6 **Staff categories by department**

	2010		2011	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Chairman/CEO/MD	447	2.4	414	2.1
Other executive agency management	797	4.2	763	3.9
Account management	3,995	21.2	3,890	20.1
New business/Marketing/PR	367	1.9	412	2.1
Account planning	892	4.7	1,084	5.6
Research/Information	333	1.8	342	1.8
Information architecture	71	0.4	84	0.4
<b>Media</b>	<b>3,922</b>	<b>20.8</b>	<b>4,196</b>	<b>21.5</b>
<i>Media planning and buying</i>	<i>3,230</i>	<i>17.1</i>	<i>3,079</i>	<i>15.8</i>
<i>Search/SEO</i>	<i>512</i>	<i>2.7</i>	<i>720</i>	<i>3.7</i>
<i>Media research</i>	<i>33</i>	<i>0.2</i>	<i>83</i>	<i>0.4</i>
<i>Other media</i>	<i>147</i>	<i>0.8</i>	<i>314</i>	<i>1.6</i>
<b>Creative</b>	<b>2,840</b>	<b>15.1</b>	<b>2,791</b>	<b>14.5</b>
<i>Copywriters/Art directors</i>	<i>1,550</i>	<i>8.2</i>	<i>1,561</i>	<i>8.1</i>
<i>Design</i>	<i>618</i>	<i>3.3</i>	<i>616</i>	<i>3.2</i>
<i>Digital</i>	<i>336</i>	<i>1.8</i>	<i>326</i>	<i>1.7</i>
<i>Digital programmers/Web designers</i>	<i>337</i>	<i>1.8</i>	<i>288</i>	<i>1.5</i>
Studio	632	3.4	654	3.4
Creative services	307	1.6	301	1.6
Project management	444	2.4	446	2.3
Digital production	330	1.8	215	1.1
TV production	367	1.9	533	2.8
Production administration	112	0.6	167	0.9
Finance/Payroll/Benefits	1,138	6.0	1,054	5.4
Human resources	214	1.2	219	1.1
IT/Information systems	222	1.1	241	1.2
Secretarial	517	2.7	509	2.6
Administration and other	895	4.8	1,057	5.5
<b>Total employees</b>		<b>18,843</b>	<b>100.0</b>	<b>19,372</b>

Table 7 **Staff categories by gender**

	<b>Male</b> %	<b>Female</b> %	<b>Total</b> %
Chairman/CEO/MD	86.5	13.5	100.0
Other executive agency management	72.7	27.3	100.0
Account management	35.2	64.8	100.0
New business/Marketing/PR	31.8	68.2	100.0
Account planning	54.6	45.4	100.0
Research/Information	54.7	45.3	100.0
Information architecture	76.6	23.4	100.0
<b>Media</b>	<b>50.6</b>	<b>48.4</b>	<b>100.0</b>
<i>Media planning and buying</i>	47.6	52.4	100.0
<i>Search/SEO</i>	59.8	40.2	100.0
<i>Media research</i>	51.7	48.3	100.0
<i>Other media</i>	58.3	41.7	100.0
<b>Creative</b>	<b>76.7</b>	<b>23.3</b>	<b>100.0</b>
<i>Copywriters/Art directors</i>	77.5	22.5	100.0
<i>Design</i>	75.4	24.6	100.0
<i>Digital</i>	79.3	20.7	100.0
<i>Digital programmers/Web designers</i>	85.9	14.1	100.0
Studio	74.8	25.2	100.0
Creative services	46.3	53.7	100.0
Project management	46.6	53.4	100.0
Digital production	54.9	45.1	100.0
TV production	38.5	61.5	100.0
Production administration	45.4	54.6	100.0
Finance/Payroll/Benefits	38.2	61.8	100.0
Human resources	12.9	87.1	100.0
IT/Information systems	82.7	17.3	100.0
Secretarial	2.2	97.8	100.0
Administration and other	47.1	52.9	100.0
<b>Total employees</b>	<b>51.3</b>	<b>48.7</b>	<b>100.0</b>



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