



- Ending racial discrimination in America's advertising industry -

## **Executive Summary**

### **Research Perspectives on Race and Employment in the Advertising Industry**

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African Americans have worked in advertising since the modern American advertising industry emerged more than 100 years ago. Yet as employment discrimination has sharply diminished across the American labor market over recent decades, systemic barriers to equal opportunity in this \$31 billion a year industry have remained largely intact. This report presents multiple measures of how Black professionals and managers are treated compared to Whites with similar qualifications. Across these measures, the Black-White gap averages 38% larger in advertising than in the overall U.S. labor market. The divergence between racial equality in this industry and the rest of the labor market is more than twice as large today as 30 years ago.

- Earnings provide one important measure of the industry's unequal treatment of African Americans. Black college graduates working in advertising earn \$.80 for every dollar earned by their equally-qualified White counterparts. Blacks would need to be paid 25% more to earn what Whites earn with the same qualifications. This racial pay gap is more than twice as large in advertising as in the overall labor market.
- Data from the U.S. Census Bureau and U.S. Equal Employment Opportunity Commission estimate the expected representation of African Americans at 9.6% of advertising managers and professionals. The current 5.3% representation reaches only 55% of that benchmark, and eliminating this shortfall would require hiring or promoting 7,200 additional Black advertising professionals and managers.

- Eliminating discrimination would also require that African Americans be employed throughout the industry rather than segregated into less powerful, lower paid positions. Currently, stereotype-based perceptions by industry managers that African Americans have only race-related expertise continue to limit their work assignments largely to those targeting Black consumers. African Americans are often excluded from “general market” agencies and find work only in agencies specializing in “ethnic markets.” About 16% of large establishments in the industry employ no Black managers or professionals, a rate 60% higher than in the overall labor market.
- Blacks are only 62% as likely as their White counterparts to work in advertising agencies’ powerful “creative” and “client contact” functions and only 10% as likely to hold a position paying \$100,000 or more per year. Such occupational segregation currently affects 3,500 (40%) Black professionals and managers employed in the industry.

Many of the changes needed to eliminate such racial differences would have to occur in the agencies owned by the giant globe-spanning holding companies -- such as Omnicom, WPP, Interpublic, and Publicis -- which dominate the advertising industry.

Since the 1960s, these and other leading advertising firms have faced sporadic public pressure to address these disparities. The industry’s primary response has been extremely modest expansions in training and entry-level hiring -- for example, a handful of minority internships in firms with tens of thousands of employees. These token efforts contrast sharply with the scale of under-utilization just described. Eliminating the industry’s current Black-White employment gap would require tripling its Black managers and professionals -- which, at the present rate, would not occur for another 71 years.

However, the fundamental deficiency of advertising agencies’ current equal opportunity efforts is not their size but their implicit assumption that the cause of Black under-representation is insufficient “qualified” African Americans job seekers. Initiatives to “expand the pipeline” of African Americans seeking positions in advertising through scholarships, internships, and entry-level hiring simply increase the already-substantial number of well-prepared Black job aspirants the industry currently ignores. These “pipeline” initiatives have been allowed to substitute for action against the industry’s fundamental problem: persistent unwillingness by mainstream advertising agencies to hire, assign, advance, and retain already-available Black talent. That unwillingness, in turn, reflects an industry culture where pervasive bias, both conscious and unconscious, creates systemic barriers to inclusion for African Americans. In 1978, the New York City Human Rights Commission found that limited minority employment “was not simply the result of neutral forces, but emanated directly from discriminatory practices.” Those practices continue today.

Substantial, permanent change in industry racial patterns will require fundamentally transforming the workplace culture of general market advertising agencies. Agencies must:

- root out “demographics is destiny” stereotyping whereby individuals’ race, rather than their abilities, determines their employment potential;
- reform human resources practices in which personal relationships and social comfort often outweigh job performance; and
- eliminate obsolete market segmentation assumptions that racial minorities lack skills applicable to non-ethnic markets.

Such fundamental changes in the advertising industry’s workplace culture will require sustained commitment by advertising agencies, especially their top management. Most employers make this commitment only when forced by substantial, sustained external pressure. Sporadic, poorly-designed government oversight over multiple decades has failed to provide that pressure, creating the need for fresh approaches. One promising new strategy is to incite advertising agencies’ powerful clients to insist on compliance with the clients’ commitment to equal opportunity. Another promising approach is large-scale anti-discrimination litigation.