Workforce Economics Dashboard Study 2026 Observations

Based on Data as of June 30, 2026

Agenda

1. Background
2. Key Observations & Insights
3. Recap & Takeaways

Background

Study Objectives

What the Workforce Economics study sets out to do

1

Benchmark the economics of agency labor and where AI may impact it in the future

Salary, bonus and total comp; bill rates; billable capacity and hours worked; utilization; staffing mix and leverage. By seniority tier, level, department and title.

2

Give every participant a confidential peer comparison

Each of the 76 agencies received its own report against its revenue band and the study. No individual agency is identified.

3

Surface where to look, not what to do

The findings point to the levers most worth testing inside your own agency.

How this differs from AAC. The two studies are companions. AAC looks at the whole agency: what it earns, what it spends and what it keeps. Workforce Economics looks inside payroll, the largest cost line, at how people are paid, priced and utilized. Over 70% of participating firms submitted data for both surveys.

2026 Approach

What changed and why

1

One study replaces two and change

The former Bill Rate and Salary reports are combined on one online survey, with data as of June 2026 – with utilization included.

2

A shorter, shared structure

14 departments and 92 titles matched to the PRC job-description codes, with Senior / Mid / Junior tiers and a ten-rung level ladder.

3

New deliverables

Individual agency reports (delivered), this presentation, and a master crosstab with one row per tier, level, department and title by revenue band, market tier and largest practice area.

Surowicz Consulting

Conducted with the help of Surowicz Consulting, an independent research and strategy consultancy. Custom quantitative and qualitative research for associations, agencies and healthcare companies. **surowiczconsulting.com**

How to Read This Report

Things to know before reading the numbers

Every benchmark is a median

Each agency's own average is calculated first, then the midpoint across agencies is taken. Every agency counts once: a firm with 800 employees does not outweigh a firm with 12.

Two bases on every row

Salary, bonus and total comp rest on all headcount in the group. Bill rate, hours and utilization rest on billable titles with a reported rate.

Small cuts are marked

All percentages are rounded to the nearest whole number. An asterisk (*) marks data cuts based on fewer than 10 agencies. No individual agency's data is identified.

Findings match the crosstab (which now has IQ ranges)

Every figure here is on the master crosstab, line for line, where the same view is available by revenue band, market tier and largest practice area.

Realized Margin Multiplier (RMM). Total Billings = bill rate × actual billable hours × the segment's share of billable headcount. RMM = Total Billings ÷ Total Comp: how many dollars of billings cover each dollar of comp. Both are computed from the row rather than taken as medians, so the arithmetic holds on the page.

The Sample

Who completed the 2026 Workforce Economics study

76

Agencies

6,745 employees
Fielded July 2026

Primary Agency Focus	%	N= 76
Consumer	29%	22
Corporate / B2B	25%	19
Technology	17%	13
Healthcare	12%	9*
Public Affairs	12%	9*
Crisis / Financial / Advisory	5%	4*

Revenue Band	%	N= 76
$5M or less	36%	27
> $5M to $9M	14%	11
> $9M to $20M	18%	14
> $20M to $60M	20%	15
> $60M	12%	9*

Number of FTEs	%	N= 76
Small < 20	36%	27
Midsize (21-99)	42%	32
Large (100+)	22%	17

Corporation type	%	N= 76
Group C or S Corp	46%	35
LLC	45%	34
Subsidiary of a Holding Co.	7%	5*
Unincorporated business	3%	2*

Market Tier	%	N= 76
Tier 1: SF, NY, San Jose, Silicon Valley	64%	49
Tier 2: Boston, LA, DC, San Diego, Philadelphia	50%	38
Tier 3: Chicago, Seattle, Austin, Atlanta, Dallas, Minneapolis	42%	32
Tier 4: Denver, Charlotte, Phoenix, Nashville, St. Louis, all other mkts	34%	26

Tiers overlap: an agency with offices in more than one tier is counted in each of them, so the tiers add to more than 76.

- There is >70% overlap between this sample and the Analysis of Agency Cost study. While we don't recommend correlating the two studies for data integrity reasons, this does provide a level of security that the data inputs and outputs are consistent, and for the most part, shouldn't contradict each other.
- Cursory checks between the previous Bill Rate and Salary reports showed consistency, reinforcing confidence that department/title consolidation and a new survey mechanism did not materially change the data. Among agencies that took part in both years, pay for the same role rose about 2.4%. That's a modest increase, just under typical annual salary budgets of about 3%, which suggests the two years' data line up well, even with different methodologies.
- Additionally, the firmographics of this year's study are generally similar to last year's agencies who completed, with callouts noted where samples are small.

** indicates small sample sizes <10 agencies*

Sample Sizes & Statistical Significance

How to interpret the results

At this sample size, careful consideration should be applied to what is meaningfully different in the data. Results are directional and should be interpreted as potential signals only.

As mentioned, data cuts based on extremely small samples under 10 agencies are called out with asterisks throughout the report.

A helpful rule of thumb is that anything 20% above or below the benchmark, or 20% apart from each other, is directionally different and therefore potentially interesting, but not necessarily statistically significant.

However, samples range from 4 to 49 agencies across the cuts in this report, and a 20% gap means very different things depending on size.

Key Observations and Insights

Big Picture Take-Away

Agency economics are determined less by size than by how work is distributed, priced and converted into billable activity. The right staffing creates the underlying leverage, but department design, specific market dynamics, and commercial constraints determine how much of that leverage an agency actually captures.

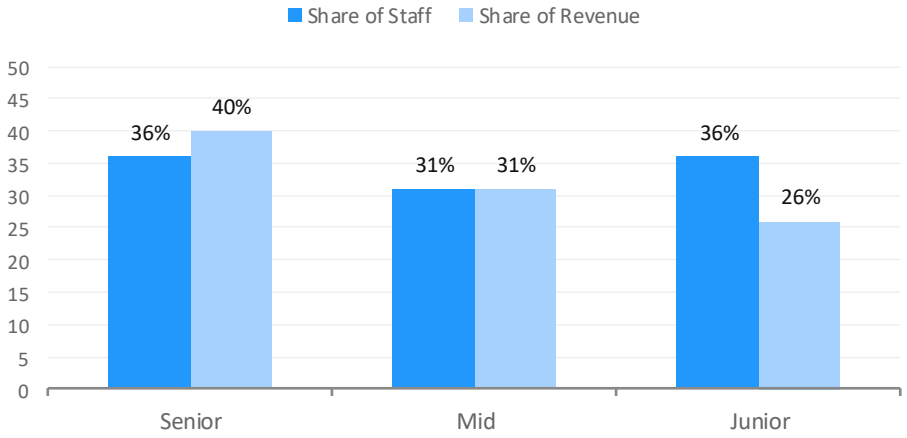
A note on why this report still centers on billable hours: As the industry transforms, we've been encouraging our members to explore revenue models beyond time-and-materials and retainers. That guidance hasn't changed. But the underlying data – hours tracked and bill rates – doesn't stop mattering when the model changes. Even if sharing hours and rates with clients eventually goes away, firms will still need that data to analyze whether a new pricing model is more profitable than what it replaces, not just different.

1 **The traditional staffing pyramid that was top-light and junior-heavy has all but disappeared. Today's typical agency is staffed relatively evenly across Senior, Mid, and Junior tiers. While that split may earn more revenue, it doesn't earn more margin.**

- **An agency's current staff and revenue splits roughly into thirds across Senior, Mid and Junior staff.** The work is much more evenly distributed than previously. The same goes for revenue generated. But revenue is not the same as margin, which we'll dig into next. If agencies were optimizing purely for margin, Senior headcount share would be smaller – or more billable -- than it is.

- **AI will likely shake up the future mix; mid-level staff could become the new engine.** Talent with some experience may be able to use AI to produce work that previously required several junior people. If one Mid-level Specialist can deliver the output of several Junior staff, we anticipate that their share of revenue will go up -- and both headcount and share of revenue for Junior staff will go down. This in turn means Mid-level bill rates may need to increase while their utilization stays steady to account for the larger workload.

The Traditional Junior-Heavy Pyramid Is Gone: Staff and Revenue Are Both Spread Evenly Across Seniority



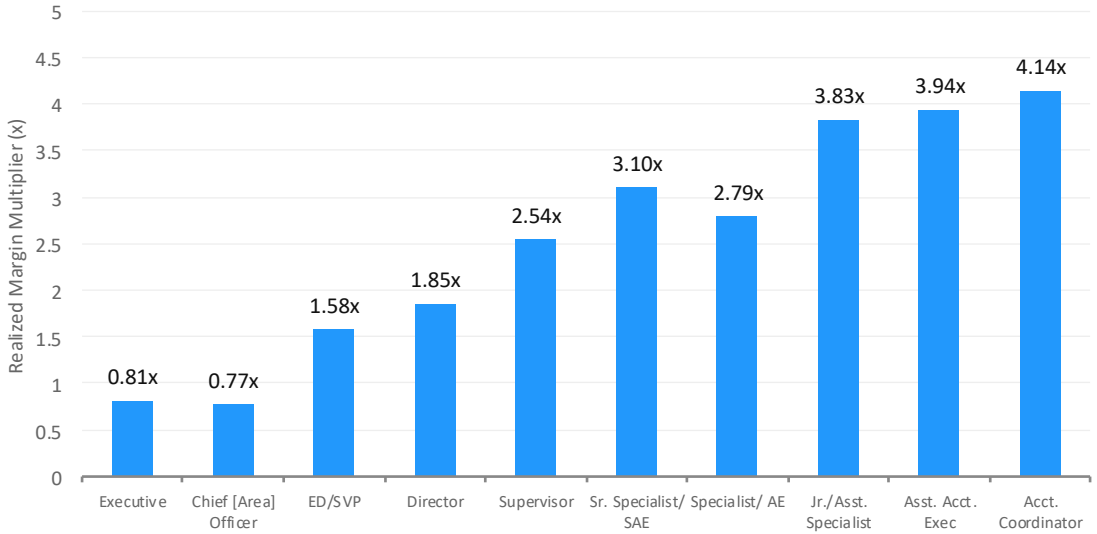
Median share across the 76 agencies. Revenue share is based on the 64 agencies reporting bill rates and hours on every tier.

- *Senior (39 titles): titles beginning with Director, Executive Director, Chief, President, or General Manager/EVP.*
- *Mid (28 titles): titles beginning with Senior Specialist or Supervisor; in PR/AM, also includes Associate Director, Client Management.*
- *Junior (25 titles): titles beginning with Junior/Assistant Specialist, Specialist, or Coordinator; in PR/AM, also includes Account Executive and Senior Account Executive.*

2 **Revenue share isn't the same as margin: dollar for dollar, the lower and middle tiers still deliver the best return relative to what they cost. While work shifting from Senior to Junior typically gains margin, it also puts judgment, client relationship, and strategic counsel at risk. Every agency will contend with this trade-off.**

Unsurprisingly, the Bottom Portion of the Staffing Pyramid Generates the Most Margin

Realized Margin Multiplier; 1.0x means billings cover comp



Choose the balance deliberately.
Decide how much senior oversight your model requires and what level of labor efficiency you are willing to trade for it. Often, agencies naturally gravitate towards this balance rather than actively choose it.

2 One level to check: The Chiefs

Give billable Chiefs' utilization a second look. Executives are less billable by design billable by design but Chiefs' low RMM (0.77x) stands out. Among Chief-level roles that level roles that are billable, utilization varies - Chief Client Officer runs at 86%, while Chief while Chief Creative Officer, Chief Digital Officer, Chief AI/Innovation Officer, and Chief and Chief Strategy Officer average 56%. Either plan intentionally lower billable targets for targets for this group and recover the difference elsewhere or tie their incentives to incentives to billability.

Check appropriateness of non-billable Chief leveling. Turns out 35% of Chief of Chief headcount is in non-billable roles – the highest of any level (most are 0-14%). 0-14%). Many Chief-level leaders run functions that genuinely require a senior internal internal leader to manage the business. A question is what AI-enabled staffing that that internal leader needs to ensure the function runs smoothly.

All Agency Staffing Ladder Breakout

All 76 agencies, department-blended, leveled to 10-tier title structure from Job Descriptions

Level	Salary	Bonus	Total Comp	Bill Rate	Target	Actual Hours	Utilization	Total Billings	RMM
Executive (Gen. Exec)	$309,910	10%	$350,000	$387	916	729	86%	$282,123	0.81x
Chief [Area] Officer	$263,762	9%	$283,570	$392	1,117	858	71%	$218,074	0.77x
Executive Director / SVP	$210,471	7%	$226,550	$358	1,239	1,000	86%	$357,500	1.58x
Director	$150,000	5%	$160,475	$289	1,370	1,199	91%	$296,744	1.85x
Supervisor	$109,500	4%	$115,283	$260	1,496	1,299	92%	$292,923	2.54x
Senior Specialist/SAE	$95,000	3%	$98,691	$226	1,560	1,415	91%	$306,386	3.10x
Specialist/AE	$77,030	3%	$79,325	$201	1,565	1,278	87%	$221,392	2.79x
Junior/Assistant Specialist	$65,677	1%	$67,051	$178	1,640	1,458	90%	$256,540	3.83x
Assistant Account Executive	$54,750	1%	$54,750	$150	1,665	1,439	90%	$215,850	3.94x
Account Coordinator	$50,500	0%	$51,500	$155	1,600	1,376	89%	$213,280	4.14x

Salary/Bonus/Total Comp reflect all headcount at each level. Bill Rate/Target/Actual Hours/Utilization reflect only headcount with reported bill rate data. Total Billings is diluted by each level's share of billable headcount, so RMM = Total Billings ÷ Total Comp reflects estimated billings-to-total-compensation coverage.

3 Unsurprisingly, Account Management & PR remains the industry's most common departmental delivery engine.

96% of member agencies staff Account Management & PR, and it generates a solid billings-to-comp multiplier. In other departments, returns and staffing sometimes pull in opposite directions.

All Agency Sample, Billable Departments Only *(RMM = Total Billings ÷ Total Comp)*

Department	RMM	% Staffed
PR & Account Management – the Swiss army knives	2.8x	96%
Earned Media Specialists	3.1x	26%
Social Media & Influencer	2.7x	30%
Paid Media	2.6x	25%
Creative & Content	2.3x	66%
Research, Strategy & Analytics	1.8x	37%
Digital	2.3x	34%
Project Management	2.4x	29%

Protect. Keep the staffing mix, workload, and pricing that's already working here.

Scale selectively. Create or expand a standalone specialty like Earned Media, Social/Influencer, or Paid Media when there's enough client demand to support dedicated capacity. The chart does not show that separating the department causes stronger return; it may reflect agencies that already have sufficient scale and demand.

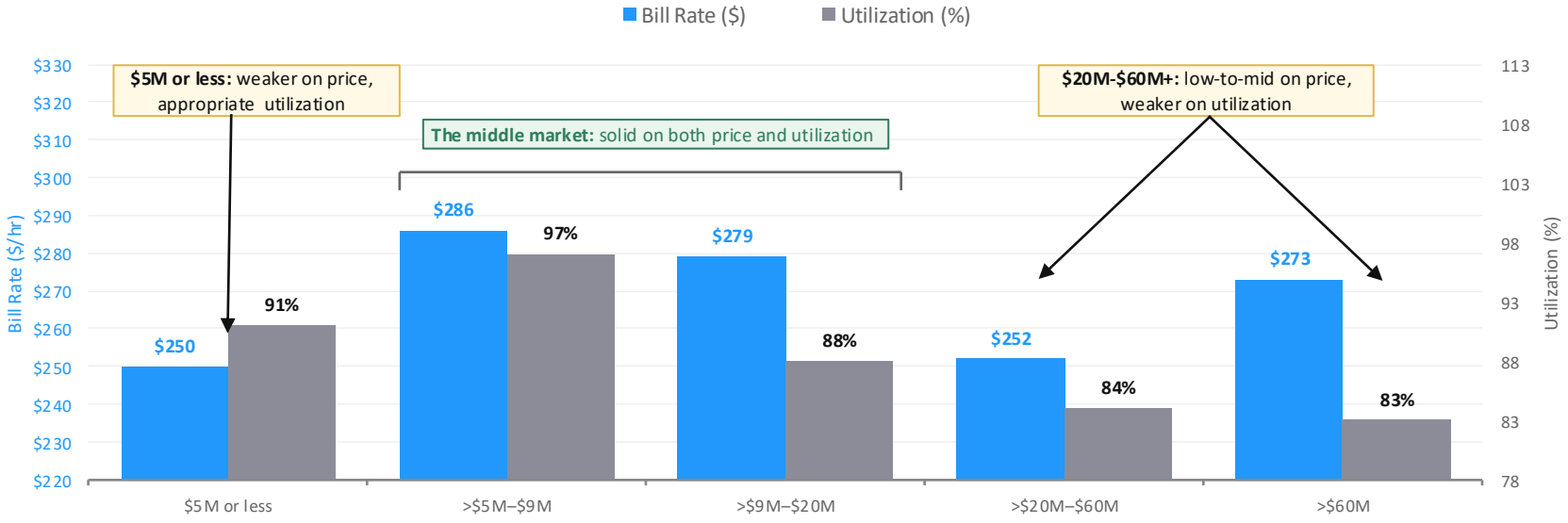
Consider a new model. Determine whether Creative & Content should operate as a dedicated department, an embedded capability, a shared service, a more flexible mix of internal and external talent OR at higher bill rates. Most agencies staff it, but the function generates a lower return on labor compared to most other departments.

Diagnose before expanding. Examine whether talent is doing work that cannot be billed or whether deliverables are being under-scoped.

Test. Before adding capacity, test whether demand supports building and/or growing.

4 Scale doesn't make an agency's staffing economics better or worse on its own.

Each Revenue Band Trades Off Price and Utilization Differently



Note: both axes are zoomed (do not start at zero) to make differences legible — values shown are actual dollar and percentage-point figures, not multiples.

4 Each revenue band has their own struggles to contend with.

Small agencies *($5M or less)*

Work on pricing
Utilization is solid (91%) and in line with the market, so effort is not the primary constraint. The $250 median bill rate sits near the bottom of the five bands, while total median compensation ($142,606) is not correspondingly low. The first lever to test is price, not more effort from staff already delivering at an appropriate rate.

The middle market *($5M-$20M)*

>$5M-$9M: keep steady on utilization. This band already shows the best utilization (97%) and the best RMM (2.27x) in the study. Bonuses are also highest here (6%), worth watching so comp doesn't creep and erode what's currently working.

>$9M-$20M: keep steady on price. This band has the second-highest bill rate of any ($279), alongside mid-pack utilization (88%) and total comp ($151,602). The resulting RMM (1.97x) is earned through pricing power rather than restraint, making it worth naming as a deliberate strength in next year's planning rather than assuming it's automatic.

Larger agencies *(>$20M)*

>$20M-$60M: keep steady on volume. This band runs the highest target hours and actual hours (1,504 and 1,312) and produces a solid RMM (1.95x) despite a bill rate near the bottom of the range ($252) and weaker utilization (84%). The risk is that there is little price cushion if volume slips.

>$60M: push for higher utilization. Compensation ($170,113) is the highest of any band while bill rate ($273) sits mid-pack, so comp is not being fully priced through. But actual hours are the lowest (1,126), weakening the return on capacity. Before hires are made, uncover under-utilizations or billing suppression. AI tools that help staff produce more billable output per hour are a lever that could help address this gap.

Key Workforce Economics Metrics, by Revenue Band
All 76 agencies

Revenue Band	Salary	Bonus	Total Comp	Bill Rate	Target Hrs	Actual Hrs	Utilization	Total Billings	RMM
$5M or less	$121,722	6%	$142,606	$250	1,354	1,123	91%	$261,046	1.83x
>$5M–$9M	$129,388	6%	$141,413	$286	1,352	1,250	97%	$320,450	2.27x
>$9M–$20M	$142,765	5%	$151,602	$279	1,450	1,220	88%	$298,039	1.97x
>$20M–$60M	$144,048	5%	$152,600	$252	1,504	1,312	84%	$297,254	1.95x
>$60M	$152,159	5%	$170,113	$273	1,427	1,126	83%	$281,396	1.65x

Salary/Bonus/Total Comp reflect all headcount at each level. Bill Rate/Target/Actual Hours/Utilization reflect only headcount with reported bill rate data. Total Billings is diluted by each level's share of billable headcount, so RMM = Total Billings ÷ Total Comp reflects estimated billings-to-total-compensation coverage.

5 Salary is higher for Market Tiers 1 and 2, bill rate is roughly the same, utilization drops in a downward trend from Tier 1 to 3.

Salary and Bill Rate by Market Tier
Account Management & PR Only

	Median Salary (excl. bonus)	Median Bill Rate	Utilization
Market Tier 1 San Francisco, New York City, San Jose / Silicon Valley	$120,467	$261	92%
Market Tier 2 Boston, Los Angeles, Washington, D.C., San Diego, Philadelphia	$120,467	$250	87%
Market Tier 3 Chicago, Seattle, Austin, Atlanta, Dallas, Minneapolis	$106,595	$246	85%
Market Tier 4 Denver, Charlotte, Phoenix, Nashville, St. Louis, Indianapolis, and all other markets	$109,075	$250	86%

Account Management / PR department is used as the sample since it provides a consistent example that almost every agency staffs.

Tiers overlap: an agency with offices in more than one tier counts in each. For Tiers 2-4, roughly three quarters of each tier is the same 36 multi-tier agencies, so read differences as small by construction.

Why we are looking at Market Tiers this way

We moved from broad geographic regions to market tiers that better reflect how compensation studies typically account for labor-market differences. We've established a four-tier market framework that is based on cost-of-labor and competitive pay patterns and previous data from PRC 's salary studies.

Multi-market agencies split roughly into thirds by footprint — about a third operate in two tiers, a third in three, and a third across all four. And because single-market agencies compete for talent against every agency in their market (not just other single-market firms), we show tiers with overlap included.

So what? For roles that don't need a Tier 1 or 2 address, Tier 3-4 markets deliver similar bill rates at lower comp.

5 Pay and price don't vary much across practice offerings, but Consumer and Corporate/B2B have the most room to adapt

In general, the majority (94%) of agencies did not report significant pay-and-price variances across service areas when they had multiple offerings

Salary and Bill Rate Variance by Largest Practice Area (Mutually Exclusive)

Account Management & PR Only

	Median Salary (excl. bonus)	Median Bill Rate	Recommendations / Considerations
Crisis / Financial / Advisory	$108,309	$262	**Keep steady.** Second-highest bill rate ($262) paired with restrained pay gives you the best markup, though note this is a tiny sample (n=4).
Healthcare	$115,167	$263	**Keep steady.** Highest bill rate ($263) on mid-pack pay ($115,167) makes this the best-aligned of the larger service offerings.
Corporate / B2B	$103,935	$248	**Bill rate-to-pay ratio is strong because pay is lower; room to grow on bill rate.** Lowest salary is doing most of the efficiency work; bill rate ($248) is second-lowest. Consider testing a higher bill rate before raising pay.
Consumer	$114,617	$239	**Consider upping rate to be more in line with pay.** Mid-pack salary ($114,617) paired with the lowest bill rate ($239) shows a clear gap.
Technology	$122,793	$261	**No urgent lever to pull.** Highest salary ($122,793) covered by a strong bill rate ($261) shows little room for pay to move without rate moving with it.
Public Affairs	$121,500	$254	**Watch comp.** Near-top pay ($121,500) on a mid-pack rate ($254). Don't let comp creep further ahead of bill rate.

Account Management / PR department is used as the sample since it provides a consistent example that almost every agency staffs. Each agency counted once, under its single largest 2025 revenue line. Utilization is similar across all six (87–94%).

6 Procurement is often the actual ceiling on what an agency can do to fix its own economics. Here's what the data shows about where that limit sits, and where agencies still have room to move

Value-Based Pricing

- **Few agencies have converted clients to value-based pricing.** Only 20% of agencies (n=15) report any revenue on a value-based model.
- **>$60M agencies have tried and stalled.** 88% (8 of 9) say they have attempted to move clients to value-based pricing; but only one reports value-based revenue today.
- **Consumer-focused agencies haven't started the conversation.** 50% say they "haven't tried" value-based pricing at all, the highest of any service offering.

Recommendation: Bundle value where the rate card isn't relevant (outcome-based bonuses layered on top of an existing rate card, building it into the renewal conversation, not the current contract).

Over-Service

- **>$20M-$60M agencies over-service the least of any band and produce a solid RMM (1.95x) because of it.** Frequency of over-servicing among this revenue band is only 12%, versus roughly 21% study-wide.
- **Technology over-services more than any other service line, compounding its pricing problem.** Frequency of over-servicing is 30%, vs. 18% for all other service lines; separately, Technology also has the highest rate of citing "hard to prove value of counsel" as a barrier (54% vs. 32%).

Recommendation: Formalize scope tracking to cut over-servicing, and use that same documentation (hours saved, deliverables beyond scope) as the proof in the value-based pricing conversation.

Pricing Mix

- **>$20M-$60M relies on hourly billing more than any other revenue band, and its direct labor economics remain strong.** Hourly work represents 39% of its mix versus 24% overall, challenging the assumption that retainers are better.

Recommendation: Test new revenue models specifically on scope-creep-prone accounts, where over-servicing risk is highest, rather than assuming retainers protect margin.

Recap & Takeaways

Recap

In short, the key headlines to remember

1. The traditional staffing pyramid -- top-light and junior-heavy -- has all but disappeared. Today's typical agency is staffed relatively evenly across Senior, Mid, and Junior tiers. While that split may earn more revenue, it doesn't earn more margin.

2. Revenue share isn't the same as margin: dollar for dollar, the lower and middle tiers middle tiers still deliver the best return relative to what they cost. While work work shifting from Senior to Junior typically gains margin, it's also judgment, client judgment, client relationships, and strategic counsel put at risk. Every sized agency sized agency contends with this trade-off.

3. Unsurprisingly, Account Management & PR remains the industry's most common departmental delivery engine. There's strength in other departments (notably Earned Media, though few staff it as a separate department) and gaps with others (e.g., Creative & Content and Research, Strategy & Analytics).

4. Scale doesn't make an agency's staffing economics better or worse on its own. Small agencies utilize their people reasonably well but lack pricing power. Mid-sized agencies produce strong economics through different combinations of utilization, cost discipline and volume. With the largest agencies, expected benefit of scale begins to reverse: compensation is highest and bill rates are in the middle, but delivered hours are lowest.

5. Beyond the staffing pyramid, there's room to move on market tier and practice area: consider staffing outside Tier 1/2 markets where the role allows, since comp falls further than bill rate does, and raise bill rates in Consumer and Corporate/B2B work, where pay has moved ahead of price.

6. Procurement is often the actual ceiling on what an agency can do to fix its own economics. Agencies have room to bundle value in non-rate-card areas, formalize scope tracking to cut over-servicing, and test new revenue models on scope-creep-prone accounts.

Takeaways

Considerations for 2027–2028 planning

1

Benchmark your staffing mix against the industry, then decide deliberately where your agency should sit between maximizing labor efficiency and preserving senior oversight.

You've always had YOY comps of your own data, but now you have access to how the industry runs at large, a helpful tool to see where you stand and how differently you may want to operate in the future.

2

Thoughtfully review staff costs, bill rates and utilization goals while redesigning for AI.

Determine which junior tasks will disappear, what higher-value work replaces them and how productivity gains will be priced.

3

Anticipate potential speed bumps now for future growth.

Pre-empt potential pitfalls as it relates to department growth (like intentionally structuring Creative & Content for profit), understand what you'll be up against if moving to a new revenue tier (e.g., utilization challenges), get ahead of practice area expansion with industry-informed pricing, and weigh bill rate against pay by market tier when hiring, remote workers included.

4

Get creative with value-based pricing conversations.

Test more adaptive revenue models. Scopes that keep creeping need to move from retainer to product, value, or even hourly.

Get the deck and the crosstab

https://prcouncil.net/new-studies/

Thank you!