



441 G St. N.W.
Washington, DC 20548

September 30, 2016

The Honorable Mike Enzi
Chairman
Committee on the Budget
United States Senate

Public Relations Spending: Reported Data on Related Federal Activities

Dear Mr. Chairman:

With the increased popularity and accessibility of expanded media platforms, the federal government's ability to publicize information has changed rapidly, but the total scope of federal public relations activities is largely unknown. A number of factors makes it difficult to quantify the resources the federal government devotes to public relations. These factors include the expanded use of web-based platforms, such as Facebook and Twitter, and the wide variety of activities that could be considered public relations, from publicizing health and safety bulletins to providing information on federal entitlements and benefits.

Given the changing media landscape, you requested that we determine how much the federal government spends on public relations activities, including contracts and internal agency support, and identify the highest-spending agencies. This report examines: (1) the reported federal spending on contracts for advertising and public relations activities from fiscal year 2006 through 2015, including the agencies that have spent the most; and (2) the reported number of federal public relations employees and their combined annual salaries from fiscal years 2006 through 2014, and the agencies reported to have the highest total salaries for public relations employees.¹

To address our first objective, we analyzed data from the Federal Procurement Data System – Next Generation (FPDS-NG) database for fiscal years 2006 through 2015. The FPDS-NG database captures information on the federal government's contract awards and obligations. It includes data for most federal contracts that have an estimated value of \$3,000 or more.² We reviewed obligations data for contracts coded under the "support - management: public relations" and "support - management: advertising" product service codes.³ We assessed the reliability of these data by considering known strengths and weaknesses of FPDS-NG data, based on our past work, and looking for obvious errors and inconsistencies in the data. We

¹At the time of our review, the most recent data we were able to access on federal employees were from fiscal year 2014.

²FPDS-NG does not include data from intelligence agencies, the U.S. Postal Service, judicial branch, and most of the legislative branch.

³An obligation is a definite commitment that creates a legal liability for the payment of goods and services ordered or received. An agency incurs an obligation, for example, when it places an order, signs a contract, or takes other actions that require the government to make payments.

concluded that they were sufficiently reliable for our purposes, though there are limitations to using them, which we discuss in more detail below.

To address our second objective, we analyzed employee data for fiscal years 2006 through 2014 from the Office of Personnel Management's (OPM) Enterprise Human Resources Integration (EHRI) Statistical Data Mart system. EHRI contains salary data and other information for most federal civilian employees in more than 100 federal agencies.⁴ The data we present on the number of employees engaged in public relations activities and their salaries are derived from EHRI data on full-time, permanent, career federal employees classified under the Public Affairs occupational series.⁵ We assessed the reliability of EHRI data by considering known strengths and weaknesses of the data, based on our past work and that of OPM, and by looking for obvious errors and inconsistencies in the data. We determined they were sufficiently reliable to present the numbers and total salaries of public relations employees from fiscal years 2006 through 2014. However, there are limitations to using them, as discussed below. We have work underway to further explore these and other issues related to public relations spending and activities.

We conducted this performance audit from February 2016 to September 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Results in Brief

Federal obligations for advertising and public relations contracts have, on average, been close to \$1 billion annually over the past decade, ranging from a low of about \$800 million in fiscal year 2012 to a high of about \$1.3 billion in fiscal year 2009, according to FPDS-NG data. Obligations for these contracts are concentrated among a few agencies, with 10 agencies responsible for 95 percent of these obligations over the past ten years. The Department of Defense (DOD), which is responsible for over 60 percent of total obligations for these contracts, has driven changes in overall spending. Although advertising and public relations contracts data provide an indication of the magnitude of federal spending on public relations activities, they do not capture the full scope of these activities. This is due to several factors. For example, the data we present is based on contracts coded under categories that closely align to public relations, such as "support – management: advertising." There are other categories that could encompass public relations activities, such as "Signs, Advertising Displays, and Identification Plates," but we did not use them because public relations activities could not be disaggregated from other activities.

⁴EHRI is the primary government-wide source for information on federal employees. The EHRI data we analyzed cover executive branch civilian employees, with some exclusions, and limited legislative branch employees.

⁵The employment numbers we present in this report reflect the number of individual employees as of the end of each fiscal year. We did not include part-time or seasonal employees or employees in nonpay status in our analysis. Salary data represent each employee's annual salary as of the end of each fiscal year, which can differ from the amount actually paid to an employee. For example, if an employee started in a position halfway through the fiscal year, the employing agency would have only paid half of his or her salary in that year. Salary data do not include the cost of employee benefits such as health insurance and pensions.

The combined salary amounts for federal public relations employees averaged approximately \$430 million from fiscal year 2006 through 2014, reaching nearly \$500 million in fiscal year 2014, according to EHRI data. Over this time period the number of federal public relations employees ranged from a low of 4,422 in fiscal year 2006 to a high of 5,238 in fiscal year 2011. These employees were concentrated among a relatively small number of agencies, but to a lesser extent than contract obligations for advertising and public relations. DOD is the largest employer of public relations staff; accordingly, DOD public relations employees have the highest combined salaries. Although federal employment data provide an indication of federal employee resources devoted to public relations, they do not reflect the full scope of these resources. Reasons for this include the likelihood that employees beyond just those classified under the Public Affairs occupational series, which we used in the analysis, are involved in public relations activities.

Background

Agencies may have legitimate interests in communicating with the public regarding their functions, policies, and activities. Table 1 describes some of the purposes of agency communication with the public, along with related examples.

Table 1: Examples of Federal Advertising and Public Relations Activities

Activity	Description	Examples
Public education and awareness	Providing educational resources and information on public health and safety issues, informing the public of its rights and entitlements, discouraging harmful or dangerous behavior	<ul style="list-style-type: none"> The Department of State provides resources to educators on topics such as diplomacy. The Centers for Disease Control and Prevention publicizes information on the Zika virus. The Internal Revenue Service publicizes information on eligibility for the Earned Income Tax Credit. The Department of Transportation campaigns against distracted driving.
Customer service	Providing information to users of agency services	<ul style="list-style-type: none"> The Department of Education provides information to people applying for the Free Application for Federal Student Aid.
General information and recruitment	Keeping the public informed of agency activities; advertising to support recruitment	<ul style="list-style-type: none"> The Smithsonian's National Zoo has webcams that allow website visitors to view selected animals. The military service components advertise in support of their recruitment missions.
Compliance with laws and policies	Making information available to comply with statutes, executive orders, policies, and procedures	<ul style="list-style-type: none"> Agencies publish information on regulations, in part to meet requirements that the public be informed and given an opportunity to provide input. The Environmental Protection Agency publishes information on draft environmental impact statements to make the public aware and allow comment. Agencies publicize information on available contracts and grants.

Source: GAO analysis of agency information | GAO-16-877R

Although there is no single, commonly-accepted definition of what constitutes advertising or public relations, we and others, including the Office of Management and Budget (OMB) and the Congressional Research Service (CRS), have identified definitions.

- OMB guidance on determining costs for grants and other federal awards described “advertising costs” as “the costs of advertising media and corollary administrative costs,” and stated that advertising media includes magazines, newspapers, radio and television, direct mail, exhibits, and electronic or computer transmittals. It stated that “public relations” includes “community relations and those activities dedicated to maintaining the image of the governmental unit or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.”⁶
- In our recent examination of DOD advertising, we described advertising as “the placement of messages intended to inform or persuade an audience through various types of media, such as television, radio, digital media, direct mail, and others.”⁷ Also in our past work, we have described public relations, or public affairs, as “an effort to develop and disseminate information to explain the activities of and the issues facing [an] organization” and explained that such efforts include issuing press releases and producing material for radio and television broadcasts, among other activities.⁸
- CRS has used the term “public communications” and described it as “agency communications that are directed to the public.”⁹ In its 2014 report on federal advertising, CRS acknowledges a lack of a government-wide definition of advertising. To provide an estimate of federal advertising expenditures, CRS used data on contracts coded as “advertising services” in the FPDS-NG database.¹⁰

In addition to more traditional public relations media such as television and radio, agencies are expanding the use of various media technologies to facilitate communication with the public. These media technologies include e-mail, websites, blogs, text messaging, and social media such as Facebook. The President and OMB have encouraged this use. For example, an OMB memorandum provided agencies guidance on using social media and other web-based technology to make government more transparent, participatory, and collaborative.¹¹

⁶See OMB, *OMB Circular A-87 Revised* (Washington, D.C.: May 10, 2004).

⁷GAO, *DOD Advertising: Better Coordination, Performance Measurement, and Oversight Needed to Help Meet Recruitment Goals*, [GAO-16-396](#) (Washington, D.C.: May 12, 2016).

⁸GAO, *Public Affairs: Personnel Engaged in Public and Congressional Affairs in Federal Agencies*, [GAO/IGD-93-71FS](#) (Washington, D.C.: Mar. 8, 1993).

⁹CRS, *Congressional Oversight of Agency Public Communications: Implications of Agency New Media Use*, CRS (Washington, D.C.: Mar. 14, 2012).

¹⁰CRS, *Advertising by the Federal Government: An Overview*, CRS (Washington, D.C.: June 23, 2014).

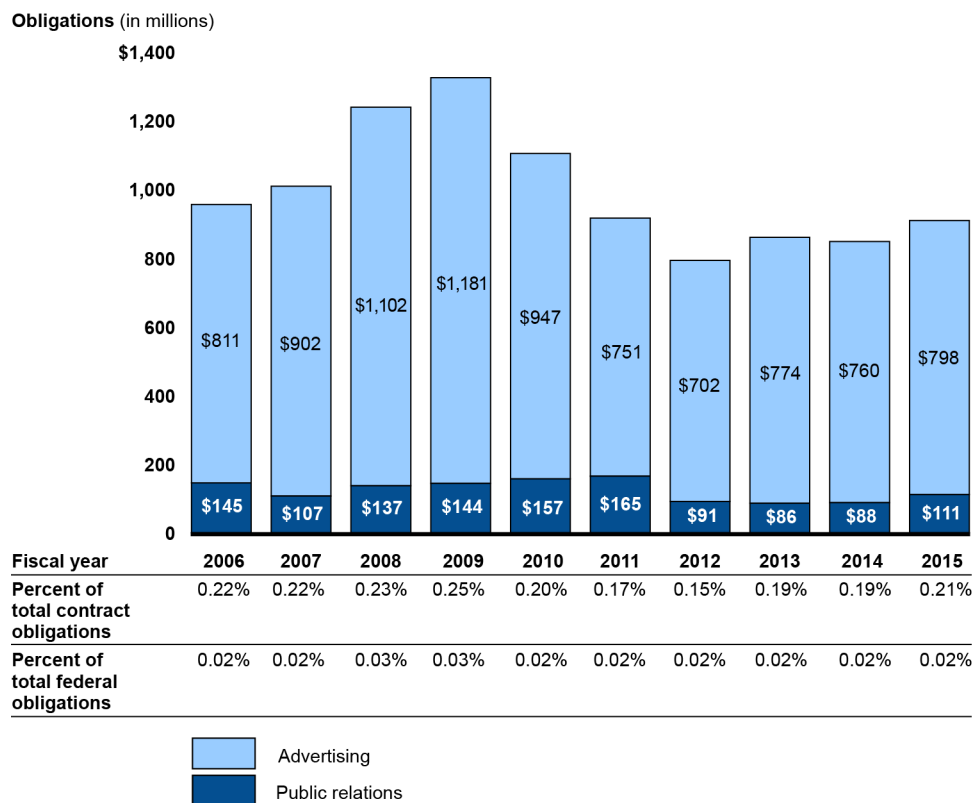
¹¹OMB Memorandum *Social Media, Web-Based Interactive Technologies, and the Paperwork Reduction Act* (Washington, D.C.: Apr. 7, 2010).

Contracting Data Show Federal Obligations for Advertising and Public Relations Average Close to \$1 Billion Annually, although the Full Amount is Not Known

The Federal Government Has Obligated, on Average, Close to \$1 Billion Annually for Advertising and Public Relations Contracts

From fiscal years 2006 through 2015, the federal government obligated on average about \$1 billion annually on advertising and public relations contracts, with total obligations ranging from a low of about \$800 million in fiscal year 2012 to a high of about \$1.3 billion in fiscal year 2009.¹² As shown in figure 1, agencies obligated more for advertising contracts than public relations contracts, and obligations for both of these contract types have totaled less than one-tenth of 1 percent of total government-wide obligations in each year.

Figure 1: Federal Obligations on Contracts for Advertising and Public Relations, Fiscal Years 2006 – 2015



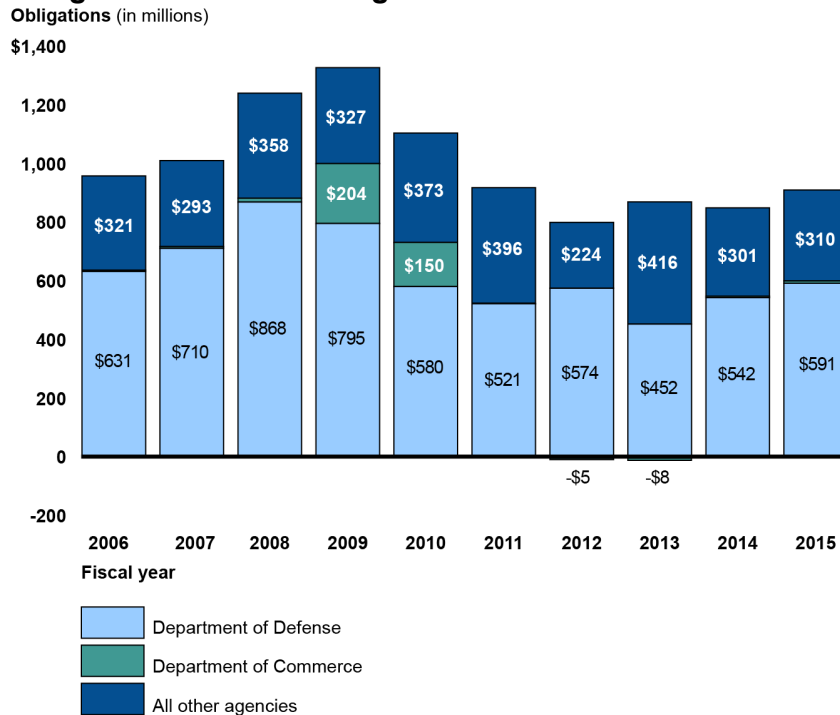
Source: GAO analysis of Federal Procurement Data System – Next Generation data. | GAO-16-877R

Note: Dollars amounts are nominal. Adjusting for inflation does not substantially change the trend shown. FPDS-NG and the obligations data we used to calculate obligations for advertising and public relations contracts as a percent of total federal obligations include some differences in agencies they include. We determined that these differences are minor enough that they do not substantially affect our calculation of the percentage of government obligations going to contracts for advertising and public relations.

¹²Data on contract spending are from the Federal Procurement Data System-Next Generation (FPDS-NG). They reflect all contracts coded under the “support - management: public relations” and “support - management: advertising” product service codes. FPDS-NG does not include data from intelligence agencies, the U.S. Postal Service, judicial branch, and most of the legislative branch.

Obligations for public relations and advertising contracts are concentrated among a few agencies, some of which have driven the amount of these obligations over the past 10 fiscal years. Ten agencies were responsible for 95 percent of the funds obligated towards these contracts over the past 10 years, with DOD responsible for more than half of all obligations. Both the increase in obligations leading up to fiscal year 2009 and the subsequent decline through fiscal year 2012 were primarily driven by DOD and the Department of Commerce's (Commerce) Census Bureau.¹³ Between fiscal year 2006 and 2012, DOD and Commerce were responsible for over two-thirds (68 percent) of total obligations for advertising and public relations contracts. Thus, changes in these agencies' obligations also affected overall obligations. Figure 2 shows these two agencies' and all other agencies' obligations for these contracts. Other agencies that contributed to the decline in contract obligations over this period include the Executive Office of the President's Office of National Drug Control and Policy and the Department of Health and Human Services' Substance Abuse and Mental Health Services Administration and its Centers for Medicare and Medicaid Services. Enclosures I through III have more detailed information on agency spending on advertising and public relations contracts and changes over time.

Figure 2: Departments of Defense and Commerce as a Portion of All Agencies' Obligations for Advertising and Public Relations Contracts Fiscal Years 2006 – 2015



Source: GAO analysis of Federal Procurement Data System – Next Generation data. | GAO-16-877R

Note: Negative numbers reflect deobligations, which could be due to the return of unused amounts when a contract closes or the cancellation of all or part of a contract.

¹³DOD's military services use advertising as a tool to help influence individuals to consider military service and to attain annual goals for military service recruitment. The Census Bureau implemented a communications campaign that included paid media to target advertisements and engage government and community organizations in support of the 2010 census.

Advertising and Public Relations Contracts Data Provide an Indication of the Magnitude of Federal Spending on Public Relations Activities, but Do Not Capture the Full Scope

Although we have determined that federal contracting data are sufficiently reliable for providing an indication of the magnitude of spending on public relations, using them involves some limitations and, as a result, they do not capture the full scope of obligations for advertising and public relations contracts. For example, the data we present reflect contracts coded under categories that closely align to public relations—“support - management: public relations” and “support - management: advertising.”¹⁴ Other codes exist that could encompass public relations activities, but we did not include them in our scope because they also include activities that are not related to public relations. For example, the code “Signs, Advertising Displays, and Identification Plates” could include contracts for signs related to advertising to the public, but also could include signs for internal agency use.

Another limitation is that agencies may categorize contracts that include advertising and public relations activities under other product service codes in cases where the contracts are also for other types of services. When a contract is for multiple types of services, agencies are to categorize it according to the code that applies to the service with the highest cost. Therefore, contracts coded under the advertising or public relations codes may also include other types of services, and contracts coded under other codes may include advertising and public relations services. The data do not allow us to disaggregate obligations for advertising and public relations services from other services in these contracts. To get a sense of the extent to which public relations and advertising services might be part of broader contracts, we searched approximately 18 million fiscal year 2015 contract actions in FPDS-NG for contracts that had the terms “public relations” and “advertising” in them, but were not coded under the “support - management: public relations” or “support - management: advertising” codes. We found 55 contract actions with the term “public relations” and 161 contract actions with the term “advertising” that had not been coded under the codes we included in our scope.

Total Salaries of Federal Public Relations Employees Averaged about \$430 Million from Fiscal Years 2006 through 2014, but Total Employee Resources Are Not Known

Federal Public Relations Employment Averaged About 4,900 Employees in Recent Years, with Combined Salaries Approaching \$500 Million in Fiscal Year 2014

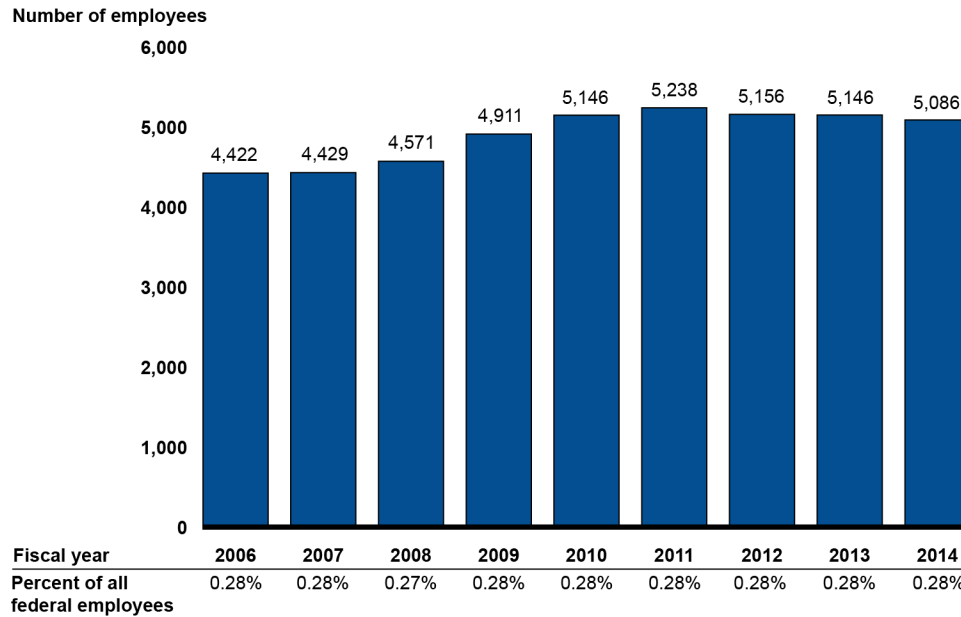
From fiscal years 2006 through 2014 there were on average approximately 4,900 federal public relations employees, and they consistently made up about 0.3 percent of the total federal civilian workforce in each year, according to OPM data.¹⁵ The number of these employees

¹⁴According to a General Services Administration manual on FPDS-NG product service codes, the public relations code includes “writing services, event planning and management, media relations, radio and television analysis, and press services.” The manual does not provide more detail on the advertising code. See: U.S. General Services Administration, *Federal Procurement Data System Product and Service Codes Manual*, August 2015 Edition (effective October 1, 2015).

¹⁵Data on federal employees in this report are from OPM’s Enterprise Human Resources Integration (EHRI) Statistical Data Mart’s status data and cover most executive branch agencies. Executive branch agencies not included in EHRI are: the Central Intelligence Agency, Defense Intelligence Agency, Federal Reserve System – Board of Governors, National Geospatial-Intelligence Agency, National Security Agency, Office of the Director of National Intelligence, Office of the Vice President, Postal Rate Commission, Tennessee Valley Authority, U.S. Postal Service, and the White House Office. Legislative Branch coverage is limited to the Government Publishing Office,

ranged from a low of 4,422 in fiscal year 2006 to a high of 5,238 in fiscal year 2011. OPM guidance states that employees classified under the Public Affairs occupational series are responsible for administering, supervising, or performing work involved in establishing and maintaining communication between federal agencies and the public. Among other things, their work includes identifying communication needs and developing informational materials on agency policies, programs, services, and activities. Figure 3 shows the number of federal public relations employees in fiscal years 2006 through 2014.

Figure 3: Number and Percent of Federal Public Relations Employees, Fiscal Years 2006 – 2014



Source: GAO analysis of data from the Office of Personnel Management’s Enterprise Human Resources Integration Statistical Data Mart. | GAO-16-877R

As with contracting for advertising and public relations services, employment of public relations staff is concentrated among a few agencies and changes at these agencies can drive overall public relations employment levels. DOD is the largest employer of these staff, with on average just over 40 percent of all federal public relations employees between fiscal years 2006 and 2014. The agency was the primary driver of both the increase in employment from fiscal year 2006 through 2011 and the decrease that followed through fiscal year 2014. For example, between fiscal year 2006 and 2011, overall employment increased by 816 employees (about 18 percent), from 4,422 to 5,238. DOD hired over half (435) of these 816 new employees. Additional details on public relations employment and changes over time are provided in enclosures IV through VI.

The combined salaries for federal public relations employees averaged about \$430 million between fiscal years 2006 and 2014, reaching nearly \$500 million in fiscal year 2014.¹⁶ As a

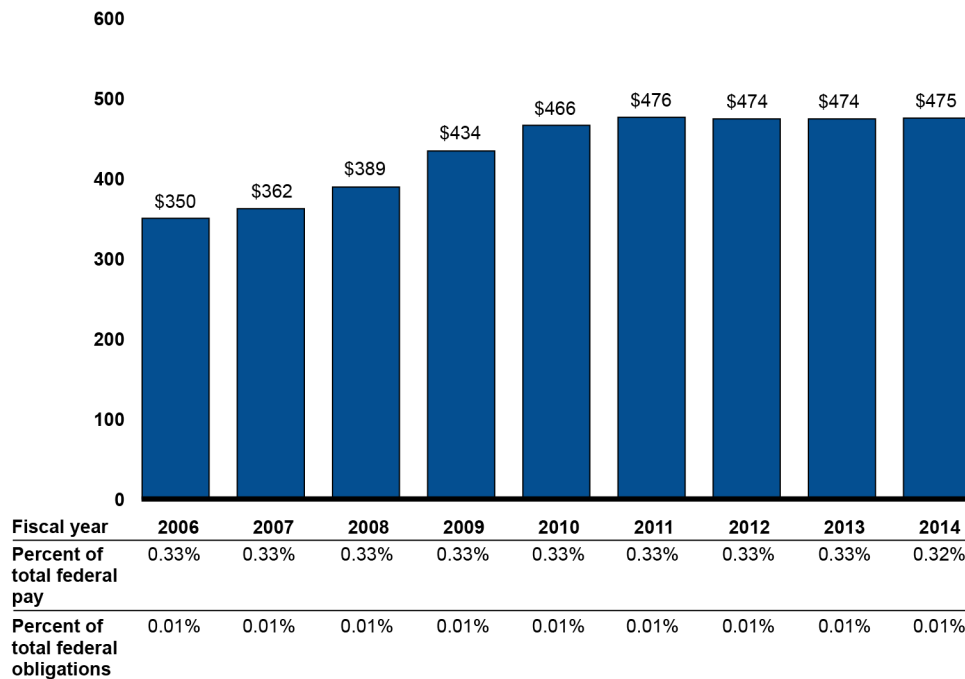
U.S. Tax Court, and several small commissions. Military servicemembers also serve public relations roles but are not included in EHRI. We include only full-time, permanent, career civilian on-board employees in our analysis.

¹⁶The salary data do not reflect actual costs to agencies; they represent employees’ combined annual salaries. In some cases these figures may be different. For example, if an employee uses unpaid leave or is only in a position for part of the fiscal year, the agency pays the employee less than his or her annual salary.

percentage of total federal pay, public relations salaries have been consistent at about 0.3 percent between fiscal years 2006 and 2014. In nominal dollars, combined salaries increased by 36 percent from fiscal year 2006. However, when we adjust salary figures for inflation, the increase is 18 percent and the trend aligns with the number of employees. The median public relations salary in fiscal year 2014 was about \$90,000, up 17 percent from the approximately \$77,000 median salary in fiscal year 2006.¹⁷ If these amounts are adjusted for inflation, the increase over that time period is 2 percent.¹⁸ Figure 4 shows the combined salaries of federal public relations employees and their share of total federal employment from fiscal years 2006 through 2014.

Figure 4: Public Relations Employees Combined Salaries Fiscal Years 2006 – 2014

Dollars (in millions)



Source: GAO analysis of data from the Office of Personnel Management's Enterprise Human Resources Integration Statistical Data Mart. | GAO-16-877R

Notes: Dollars amounts are nominal. Adjusting for inflation does not substantially change the trend shown.

Salary amounts represent the combined annual salaries for full-time, permanent, career civilian public relations employees included in the EHRI database at the close of each fiscal year. The cost of employee benefits is not included.

Percentage of total pay provides a sense of magnitude of public relations employee salaries relative to the government as a whole. It should not be used to compare the relative salaries among occupations or individuals, as it does not control for other factors which might explain apparent differences.

¹⁷These data reflect the salaries of public relations employees at all stages of their careers and with varying years of experience, levels of education, and federal service.

¹⁸These salary figures do not include the cost of employee benefits, such as those related to health insurance and retirement. There are different methodologies for calculating the cost of these benefits. A 2008 memorandum from the Office of Management and Budget (OMB) directed agencies to calculate benefits for civilian full and part time employees at 36.25 percent of their basic pay rate. See OMB *Update to Civilian Position Full Fringe Benefit Cost Factor, Federal Pay Raise Assumptions, and Inflation Factors used in OMB Circular No. A-76, "Performance of Commercial Activities,"* M-08-13 (Washington, D.C.: Mar. 11, 2008).

Federal Employment Data Provide an Indication of Federal Employee Resources Devoted to Public Relations, but Do Not Capture the Full Scope

Although the EHRI database is sufficiently reliable for providing an indication of federal employee resources devoted to public relations, it does not fully represent such resources. We used data on employees in the Public Affairs occupational series to describe public relations employment and salaries. It is likely that employees classified under other occupational series also perform public relations activities. For example, employees who are subject-matter experts may contribute to an agency's blog post or website update on that subject. On the other hand, it is possible that employees classified under the Public Affairs occupational series perform tasks that are unrelated to public relations. In both cases, available data do not capture the percentage of an employee's time devoted to public relations or other activities, so we were unable to be more precise in our estimates.

Agency Comments

We are not making any recommendations in this report. We provided a draft of this report to the Office of Management and Budget and Office of Personnel Management for comment. Neither agency had comments on the draft.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until five days from the report date. At that time, we will send copies to the appropriate congressional committees and the Director of the Office of Management and Budget and the Acting Director of the Office of Personnel Management. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff has any questions about this report, please contact me at (202) 512-6806 or krauseh@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.

Other GAO staff who made key contributions to this report include Carol Henn (Assistant Director), Shari Brewster, Jenny Chanley, Julia Kennon, Joshua Miller, Meredith Moles, Kathleen Padulchick, and Elise Vaughan Winfrey.

Sincerely yours,



Heather Krause
Acting Director, Strategic Issues

Enclosures – 6

Enclosure I: Federal Agencies' Reported Obligations for Advertising and Public Relations Contracts

Table 2 shows descriptive statistics for the 20 agencies with the highest obligations for advertising and public relations contracts in fiscal year 2015. These statistics include each agency's minimum and maximum annual obligations for these contracts over fiscal years 2006 through 2015, the agencies' average annual obligations for these contracts over this time period, and the percentage of total agency obligations going to these contracts in fiscal year 2015 and on average from fiscal years 2006 through 2015. Variations in the percentage of agency obligations devoted to advertising and public relations contracts can be due to several factors. For example, the Department of Health and Human Services administers more grant dollars than all other agencies combined. Due in part to this factor, the agency's total obligations are relatively high and thus the percentage of total agency obligations going to advertising and public relations contracts is relatively low.

Table 2: Federal Agencies' Reported Obligations for Advertising and Public Relations Contracts (Dollars in Thousands)

Agency	Fiscal Years 2006 – 2015				Fiscal Year 2015	
	Average Annual Obligations	Minimum Annual Obligations	Maximum Annual Obligations	Average Percentage of Agency Total Obligations	Obligations	Percentage of Agency Total Obligations
Department of Defense	\$626,221	\$451,527	\$867,673	0.07%	\$590,800	0.07%
Department of Health and Human Services	\$116,678	\$52,572	\$235,572	0.01%	\$114,367	0.01%
Department of Homeland Security	\$37,599	\$17,138	\$54,925	0.06%	\$46,093	0.07%
Department of Commerce	\$37,680	\$(8,282)	\$203,664	0.22%	\$7,701	0.04%
Department of Transportation	\$35,951	\$3,747	\$68,952	0.04%	\$45,545	0.05%
Department of Veterans Affairs	\$23,641	\$314	\$63,399	0.02%	\$22,181	0.01%
Department of Agriculture	\$8,804	\$4,018	\$17,539	0.01%	\$4,018	0.00%
Department of Justice	\$5,927	\$2,291	\$10,435	0.02%	\$2,291	0.01%
Department of Labor	\$5,585	\$1,608	\$11,850	0.01%	\$5,365	0.01%
Department of State	\$5,840	\$3,617	\$12,144	0.02%	\$12,144	0.03%
Department of Housing and Urban Development	\$4,515	\$1,463	\$6,803	0.01%	\$3,691	0.01%
Social Security Administration	\$4,407	\$1,762	\$7,932	0.00%	\$5,068	0.00%
Consumer Financial Protection Bureau ¹	\$4,251	\$1,122	\$8,112	0.83%	\$8,112	1.45%
U.S. Agency for International Development	\$3,897	\$172	\$17,791	0.06%	\$9,825	0.11%
National Aeronautics and Space Administration	\$3,415	\$282	\$10,393	0.02%	\$4,052	0.02%
National Science Foundation	\$2,776	\$212	\$6,038	0.04%	\$4,419	0.06%
Peace Corps	\$1,305	\$(95)	\$10,268	0.31%	\$10,268	2.38%

Agency	Fiscal Years 2006 – 2015				Fiscal Year 2015	
	Average Annual Obligations	Minimum Annual Obligations	Maximum Annual Obligations	Average Percentage of Agency Total Obligations	Obligations	Percentage of Agency Total Obligations
Office of Personnel Management	\$940	\$3	\$3,973	0.00%	\$3,973	0.00%
Small Business Administration	\$246	\$0	\$1,381	0.01%	\$1,381	0.09%
Securities and Exchange Commission	\$223	\$4	\$1,323	0.02%	\$1,323	0.09%
Other Agencies	\$68,458	\$5,637	\$145,062	0.01%	\$5,637	0.00%
Total	\$995,808	\$793,509	\$1,325,103	0.01%	\$908,255	0.02%

Source: GAO analysis of Federal Procurement Data System-Next Generation and Office of Management and Budget data | GAO-16-877R

Notes: The ranking is based on the average annual obligations from fiscal years 2006 through 2015. Dollars amounts are not adjusted for inflation.

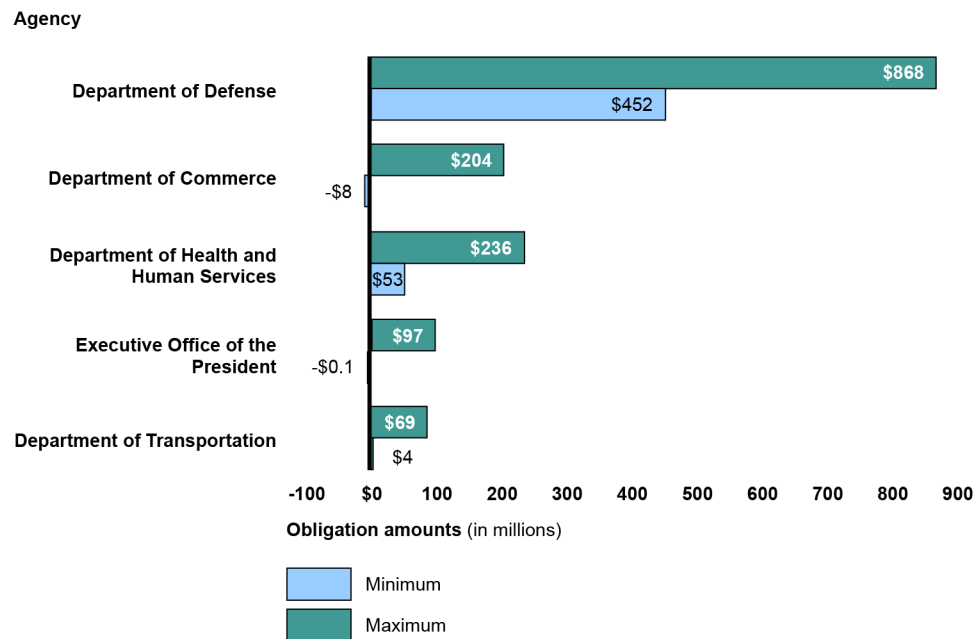
Negative numbers reflect deobligations, which could be due to the return of unused amounts when a contract closes or the cancellation of all or part of a contract.

¹The Consumer Financial Protection Bureau began operations in July 2011 and fiscal year 2012 was the first year in which it obligated funds to advertising and public relations contracts. All descriptive data provided for the agency therefore reflect fiscal years 2012 through 2015.

Enclosure II: Changes in Reported Obligations for Advertising and Public Relations Contracts

Agency obligations for advertising and public relations contracts can vary considerably from year to year. For example, between fiscal years 2008 and 2009, the Department of Commerce's obligations for these contracts went from about \$13 million to about \$204 million. Figure 5 shows how obligations ranged over fiscal years 2006 through 2015 for the five agencies with the largest variations in obligations for public relations and advertising contracts over this time period.

Figure 5: Agencies with the Largest Differences between Minimum and Maximum Annual Obligations for Public Relations and Advertising Contracts over Fiscal Years 2006 – 2015



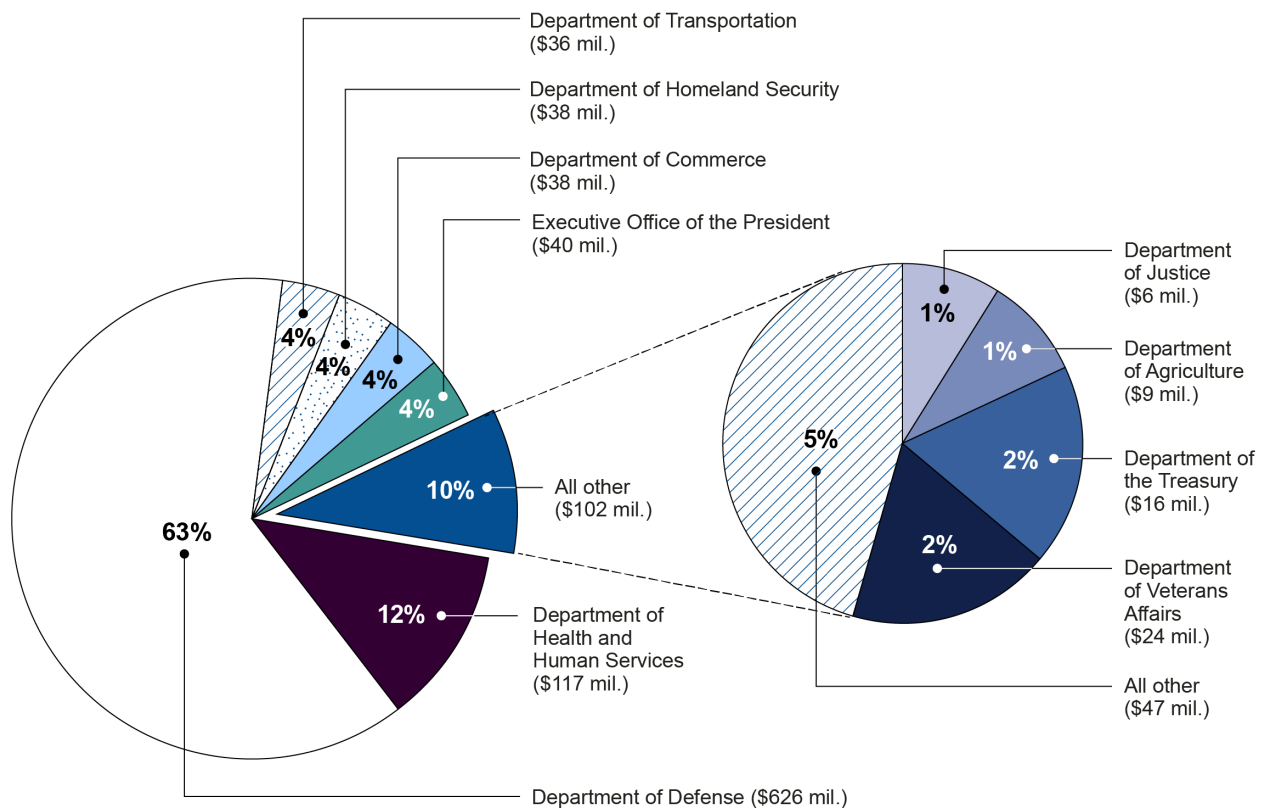
Source: GAO analysis of Federal Procurement System – Next Generation data. | GAO-16-877R

Note: Negative numbers reflect deobligations, which could be due to the return of unused amounts when a contract closes or the cancellation of all or part of a contract.

Enclosure III: Breakdown of Agency Reported Obligations for Advertising and Public Relations Spending

Ten federal agencies made up about 95 percent of the federal government’s obligations for advertising and public relations contracts from fiscal years 2006 through 2015, but agency obligations varied from year to year. For example, the Department of Commerce (Commerce) and Executive Office of the President (EOP) both have a relatively high annual average over the past 10 years, but both of these agencies’ obligation levels changed significantly over time.¹⁹ Of the approximately \$377 million Commerce has obligated for advertising and public relations contracts over the past 10 years, it obligated \$228 million, or 61 percent, in fiscal years 2006 through 2009. Of the \$400 million EOP obligated for these contracts over the past 10 years, it obligated \$322 million, or 80 percent, in fiscal years 2006 through 2009. Figure 6 shows the breakdown by agency of average annual obligations for these contracts.

Figure 6: Breakdown by Agency of Average Annual Obligations for Advertising and Public Relations Contracts: Fiscal Years 2006 – 2015



Source: GAO analysis of Federal Procurement Data System – Next Generation data. | GAO-16-877R

Notes: The percentages in the “all other” pie chart do not add to the “all other” total and percentages in the main pie do not add to 100 percent due to rounding.

We did not adjust dollar amounts for inflation. Doing so does not substantially change the breakdown shown.

¹⁹Within the Executive Office of the President, the Office of National Drug Control Policy obligated most (83 percent) of the funds going to advertising and public relations contracts. Within the Department of Commerce, the Census Bureau obligated most (95 percent) of the funds going to these contracts.

Enclosure IV: Federal Agencies' Public Relations Employees

Table 3 shows descriptive statistics on federal agencies with 12 or more public relations employees in fiscal year 2014. The table shows each agency's minimum and maximum numbers of these employees over fiscal years 2006 through 2014 and the number in fiscal year 2014. It also shows each agency's public relations employees as a percentage of total agency employees and their combined salaries in fiscal year 2014. Employment and salaries at most agencies were relatively stable over time. As shown, at most agencies public relations employees make up less than 1 percent of total employees.

Table 3: Agency Public Relations Employees and Their Salaries (\$ Thousands)

Agency	Minimum Number of Public Relations Employees Fiscal Years 2006-2014	Maximum Number of Public Relations Employees Fiscal Years 2006-2014	Fiscal Year 2014 Public Relations Employees	Fiscal Year 2014 Public Relations Employees Percentage of Total Employees	Fiscal Year 2014 Public Relations Employees' Combined Salaries
Department of Defense	1,825	2,260	2,123	0.3%	\$176,644
Department of Agriculture	499	538	499	0.7%	\$43,169
Department of the Interior	233	295	295	0.6%	\$27,998
Department of Veterans Affairs	144	286	286	0.1%	\$24,909
Department of Health and Human Services	211	265	259	0.4%	\$28,204
Department of the Treasury	200	240	214	0.2%	\$23,715
Department of Homeland Security	109	185	176	0.1%	\$19,638
Environmental Protection Agency	142	187	165	1.1%	\$17,768
Department of Justice	115	160	148	0.1%	\$15,052
Social Security Administration	140	193	140	0.2%	\$13,965
Department of State	93	127	122	1.2%	\$12,395
National Aeronautics and Space Administration	100	114	110	0.6%	\$11,446
Department of Commerce	82	91	91	0.3%	\$10,141
Department of Energy	75	89	84	0.6%	\$8,774
Department of Transportation	55	63	55	0.1%	\$6,629
Small Business Administration	23	44	41	1.8%	\$3,989
Smithsonian Institution	27	33	29	0.6%	\$2,624
Department of Housing and Urban Development	16	22	19	0.2%	\$2,340
Department of Labor	19	26	19	0.1%	\$2,167
Department of Education	<12	19	18	0.5%	\$2,035
Federal Election Commission	16	20	18	5.8%	\$1,721
General Services Administration	14	19	16	0.1%	\$1,718
Nuclear Regulatory Commission	<12	14	14	0.4%	\$1,783
National Science Foundation	<12	17	12	1.0%	\$1,405
Total	4,422	5,238	5,086	0.3%	\$475,177

Source: GAO analysis of data from the Office of Personnel Management's Enterprise Human Resources Integration Statistical Data Mart | GAO-16-877R.

Notes: Data represent the number of full-time, permanent, career, civilian public relations employees as of September 30, 2014. Salary figures represent the annual salaries of these employees.

Agencies with fewer than 12 employees in the public affairs occupational series as of September 30, 2014 are not listed in this table, but are included in the totals. Because of this, the counts and dollar amounts in this table do not sum to the totals.

Enclosure V: Changes in Federal Public Relations Employment

While overall public relations employment has been relatively stable in recent years, some agencies have significantly increased the number of these employees. Table 4 shows the agencies with the highest percentage increases from fiscal year 2006 through 2014, along with their average annual increases over this time period.

Table 4: Agencies with the Largest Percentage Increases in Public Relations Employees Fiscal Years 2006 – 2014

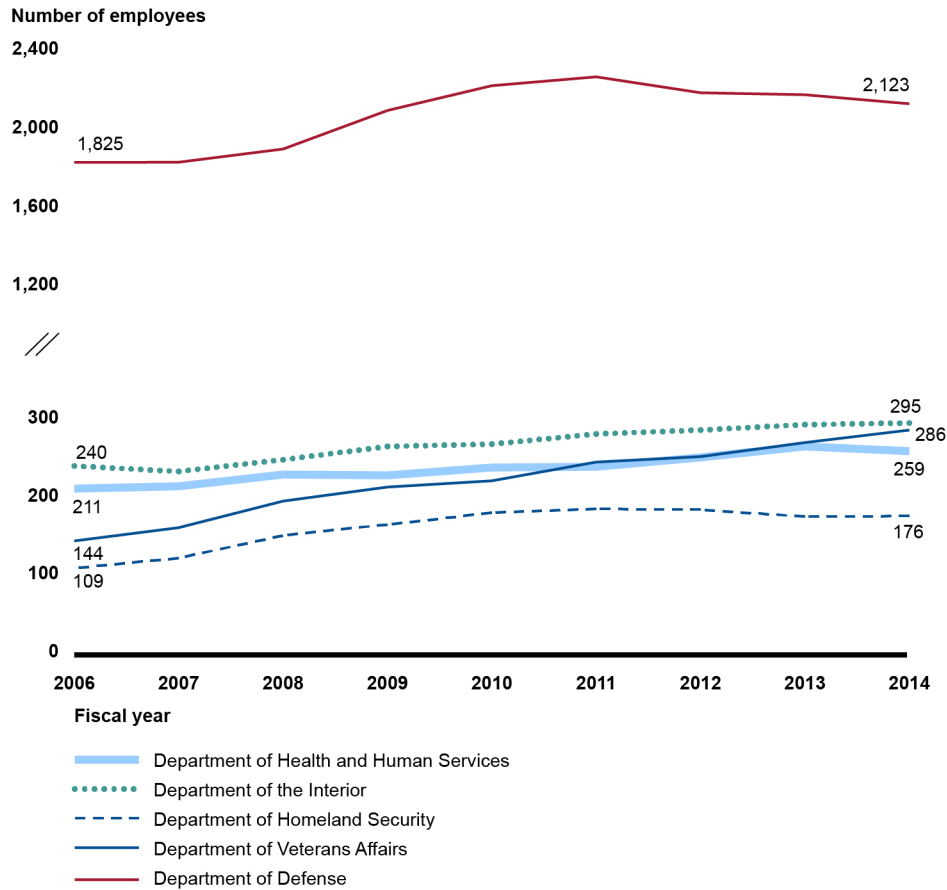
Agency	Number of Employees		Change from FY 2006 to 2014	Average Annual Change FY 2006-2014
	Fiscal Year 2006	Fiscal Year 2014		
Department of Veterans Affairs	144	286	99%	9.1%
Small Business Administration	25	41	64%	7.2%
Department of Homeland Security	109	176	61%	6.5%
Department of Justice	117	148	26%	3.2%
Department of the Interior	240	295	23%	2.7%
Department of Health and Human Services	211	259	23%	2.6%
Department of Defense	1,825	2,123	16%	2.0%
Environmental Protection Agency	142	165	16%	2.1%
General Services Administration	14	16	14%	2.1%
Department of State	109	122	12%	1.7%

Source: GAO analysis of data from the Office of Personnel Management's Enterprise Human Resources Integration Statistical Data Mart | GAO-16-877R.

Note: Agencies with fewer than 12 employees in fiscal year 2006 or 2014 were not included in this analysis.

Figure 7 shows the number of public relations employees at the Department of Defense and the four other agencies that had the largest changes in public relations employment between fiscal years 2006 and 2014.

Figure 7: Changes in Public Relations Employment at Selected Agencies

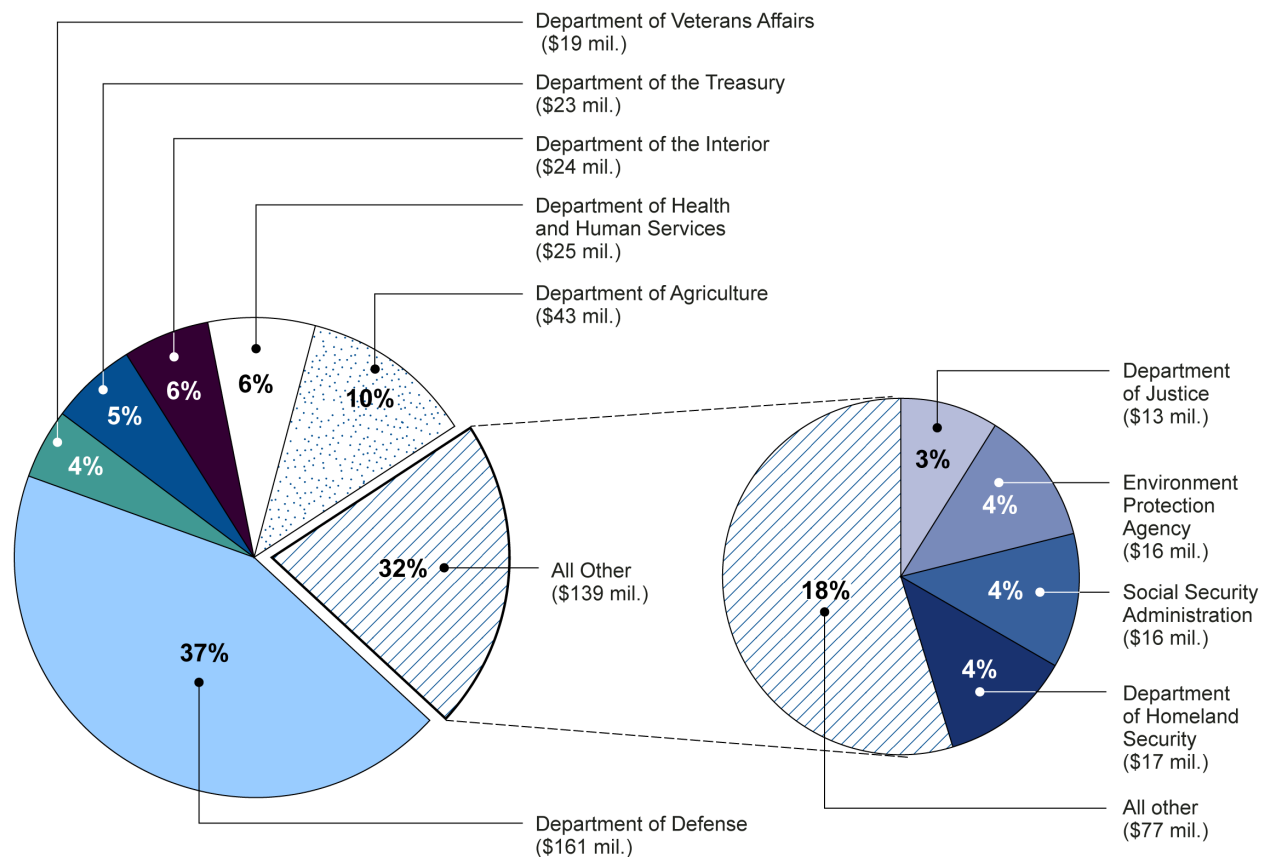


Source: GAO analysis of data from the Office of Personnel Management's Human Resources Integration Statistical Data Mart. | GAO-16-877R

Enclosure VI: Breakdown of Agency Public Relations Salaries

As the largest employer of public relations employees, the Department of Defense has the highest combined salaries for these employees, averaging about \$160 million annually between fiscal years 2006 and 2014. As expected, the other agencies with the most public relations employees – such as the Departments of Agriculture and Health and Human Services – also have the highest combined salaries for these employees. Figure 8 shows a breakdown of agencies by their combined average annual salaries for public relations employees. As shown, salaries are concentrated among a few agencies, but to a lesser extent than with advertising and public relations contracts shown in enclosure III. For example, 10 agencies were responsible for about 95 percent of obligations on these contracts over fiscal years 2006 through 2015. In contrast, 10 agencies were responsible for about 82 percent of total public relations employee salaries over fiscal years 2006 through 2014.

Figure 8: Breakdown by Agency of Average Annual Public Relations Salaries: Fiscal Years 2006-2014



Source: GAO analysis of data from the Office of Personnel Management's Enterprise Human Resources Integration Statistical Data Mart. | GAO-16-877R

Notes: The percentages in the "all other" pie chart do not add to the "all other" total and the percentages in the main pie do not add to 100 percent due to rounding.

Salary amounts represent the annual salaries for full-time, permanent, career, civilian public relations employees included in the EHRI database. The cost of employee benefits is not included.

We did not adjust dollars amounts for inflation. Doing so does not substantially change the breakdown shown.

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