

# ADVERTISING

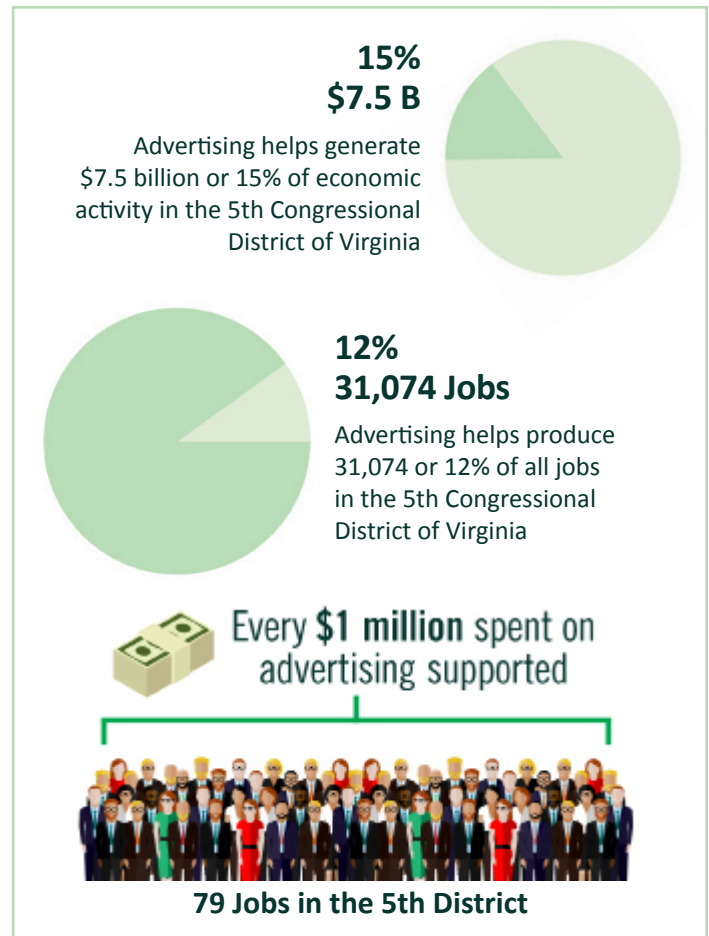
Generates Sales & Jobs in  
the 5th District of Virginia

**Advertising is a powerful engine that helps drive the economy of the 5th Congressional District of Virginia. Advertising expenditures account for \$7.5 billion of economic output or sales in the 5th District—that is 15% of the total economic output in the district. Sales of products and services that are driven by advertising help support 31,074 jobs, representing 12% of the jobs in the district.**

Every million dollars spent on advertising in the 5th Congressional District of Virginia supports 79 jobs across industries throughout the district. Every direct advertising job also supported 34 other jobs across all industries. Each form of advertising, from print media and radio and television to the Internet, helps businesses efficiently communicate the benefits of their products and services to target audiences.

This profile illustrates the importance of advertising to the economy of the 5th District. It is drawn from the latest research in a landmark series of studies prepared for The Advertising Coalition by IHS Economics and Country Risk. IHS uses methodologies developed by Dr. Lawrence R. Klein, recipient of the 1980 Nobel Prize for Economics, as the foundation for this research.

The IHS research measures the impact of advertising spending by quantifying how much the spending stimulates sales, employment, value-added (contribution



to GDP), taxes, and labor income. For example, while the agriculture and mining industries may have few direct advertising jobs, that combined economic sector supports many industries that do advertise heavily. Virginia's economy and the U.S. economy are heavily affected by the health of the consumer sector. The consumer sector represents 68% of the U.S. economy and it continues to expand. For example, while the agriculture industry does little advertising, the food manufacturing and retail industry advertise heavily across the country. That creates consumer demand for a chain of products and services from sales of farm machinery to the shipment of agricultural products.

U.S. advertisers in 2014 spent \$297 billion on advertising to stimulate consumer demand, and that spending launched a "multiplier effect" throughout the economy. Total advertising expenditures drove \$5.8 trillion in total sales. This represents 16% of the \$36.7 trillion in total U.S. sales attributable to advertising and means that every dollar of ad spending stimulates almost \$19 in sales activity. Just as significant, the total impact of advertising on the U.S. economy represents 19% of U.S. GDP. Every million dollars that is spent on advertising supports 67 American jobs across a range of industries, and every advertising job supports 34 jobs across other industries. Labor income supported by advertising represents 17% of all personal and proprietor income in the U.S.