

From Mandates to Margins: The Real Conversations Shaping PR and Media Today

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In an industry defined by speed, creativity, and constant change, PR, media, and advertising firms are facing a perfect storm of pressures in 2025. From economic uncertainty and rising tariffs to real estate shifts and evolving workforce expectations, firm leaders are being pushed to rethink how they operate, hire, and plan for growth.

At our recent ***Industry Blend PR Roundtable***, industry executives came together to openly discuss how they're navigating these headwinds — and where opportunity still exists. What followed was a refreshingly candid conversation filled with practical ideas, fresh perspectives, and hard-earned lessons.

Below are the key takeaways shaping how firms are adapting in today's high-stakes environment.

Key Takeaways: PR Roundtable on Talent, Strategy & Financial Resilience

1. Navigating Economic Uncertainty & Tariffs

- Firms entered 2025 with optimism, but new tariffs and delayed client decisions are clouding outlooks.
- Concerns rising around Q1 2026; cautious client budgets and hiring slowdowns reported.
- Leaders emphasized scenario planning and agile financial models.
- Cash flow forecasting and spending flexibility are now essential.

2. Return-to-Office Mandates: Mixed Results

- 4-day mandates face enforcement issues and cultural pushback.
- Office space constraints post-pandemic limit feasibility of full return.
- Innovative models gaining traction:
 - Every-other-Friday office requirements
 - “Fresh Thinking Fridays” for collaboration
 - Flex-day and summer hours programs
 - Employee-controlled PTO hours (e.g., 8 hours to use at will)
- Unlimited vacation often backfires — employees feel guilty using it.

3. Talent Cost & Profitability Challenges

- Clients demand senior talent but push back on rates.
- Value-based billing often misunderstood by procurement.
- Wage inflation has reversed the traditional staffing pyramid — more top-heavy.
- Payroll costs rising (target: 50-55%; actual: up to 65%), squeezing profit margins.
- Solutions being tested:
 - AI to automate lower-level tasks

- Profit-sharing bonus structures
- Commission models (e.g., 10% for 1 year)
- Tiered comp tied to performance and firm profitability

4. Real Estate: A Market in Transition

- Office downsizing continues; firms rethinking long-term space needs.
- Class A buildings (amenity-rich, premium) are in demand.
- Class B spaces (near transit, 20% cheaper) offer strategic value.
- Landlord concessions increasing:
 - Flexible lease terms (1-5-10 year options)
 - First right to renew clauses
 - Buildout credits, noise insulation, phone booths
- Alternative models:
 - Satellite offices
 - On-demand space rentals for offsites/happy hours
- Key tactic: renegotiate existing leases early (2-3 years left = ideal window).

5. Cyber & Fraud Insurance: Rising Costs

- Sharp increases in premiums for cyber and fraud protection.
- Underwriting more rigorous — firms must show proactive security measures.
- Employee training and vendor diligence now critical.

6. Anticipating Tax Changes

- Trump-era tax laws set to sunset in 2026 — possible rate increases ahead.
- Firms should model various tax scenarios now.
- Watch for bills in Congress and coordinate with tax advisors on planning.

7. Overall Themes

- Flexibility is no longer optional — it's a competitive advantage.
- Firms must optimize talent, space, and pricing models to maintain profitability.
- Client relationships and internal culture are more important than ever.
- Now is the time to act, not wait for clarity.

For more information, please contact [Michael Belfer](#), Partner and Leader of the PR, Media and Advertising Group, or your Anchin Relationship Partner.