

WASHINGTON INSIDERS SURVEY

CONDUCTED BY THE PRIME GROUP
NOVEMBER 2016

Washington Spending on Public Affairs to Outpace Government Relations

Traditional Advocacy Vital but Value of Non-Traditional Tools Surge

November 3, 2016 (WASHINGTON) – For the second year in a row, Washington Insiders’ say that they anticipate more rapid growth in spending on “public affairs” – digital, grassroots/grass tops and public/media relations – than on “government relations” – direct lobbying, advocacy advertising, and political contributions, according to the second annual Washington Insider survey released today by Rasky Baerlein Strategic Communications (RBSC). The survey of 202 Washington Insiders was conducted by the Prime Group from Oct. 5 – Oct 15, 2016 and designed to gauge the trends in current and anticipated Washington public affairs spending.

“There is an increased demand for integrated public affairs programs that incorporate traditional government relations along with public relations, grassroots and digital components,” said Larry Rasky, chairman and CEO of Rasky Baerlein. “These findings are an important barometer as Washington readies itself for post-election activity and 2017.”

Among the key findings:

- Washington Insiders anticipate greater growth in spending on digital tools and public/media relations than traditional government relations in 2017. In fact, over 40 percent of Washington insiders will divert their public affairs spending away from traditional non digital activities to fund digital advocacy areas.
- Increased use of social media, digital/technology capabilities, and grassroots efforts are the three most often mentioned trends anticipated over the next five years.
- Traditional government relations continues to be seen as the most cost-effective way to impact public policymaking at the federal level, though down by 11 percentage points (85 percent to 74 percent) while advocacy advertising is expected to increase in importance by 8 percentage points over last year.
- Forty percent (40%) of Washington Insiders believe that 2017 will likely see Congressional action on infrastructure legislation, 22 percent on Merrick Garland’s nomination and only 8 percent expect action on tax reform.

“Washington Insiders are adapting to a new public affairs environment,” said Greg Schneiders, Founder and CEO, Prime Group. “It should not be a surprise that they are reallocating resources to achieve their public policy objectives.”

Congress is slated to return to Washington the week after next week’s election in order to tackle remaining to do items during the end of year “lame duck” session and gear up for the incoming new administration. The survey found that a majority of respondents believe that Congress will pass spending legislation but accomplish little else.

For purposes of the survey advocacy areas were defined as: congressional and executive branch lobbying; public and media relations; PAC spending and other political contributions; grassroots and grass tops; and advocacy advertising. Washington Insiders are lawyers, lobbyists, association executives, academics and think tank experts involved in politics and public policy who serve as proxies for current policy makers. The first survey was conducted in October 2015.

ABOUT RASKY BAERLEIN STRATEGIC COMMUNICATIONS

Successful Washington advocacy in today’s rapidly changing world requires well-connected, seasoned strategists and operatives who possess superb judgment and intuitively understand how to resolve difficult challenges, leverage opportunities and offer strategic counsel during critical moments. Rasky Baerlein is a nationally recognized public relations and bipartisan government relations firm with more than two decades of experience providing exceptional client service to organizations that operate at the intersection of business, politics and media. With offices in Boston and Washington, the firm develops and executes integrated communications and public affairs programs that are agile enough to navigate an unpredictable political landscape and deliver results.

For more information, please visit rasky.com.

Methodology

Second in a series of online surveys conducted among Washington DC Insiders, n=202.

The first survey in the series was conducted in October 2015.

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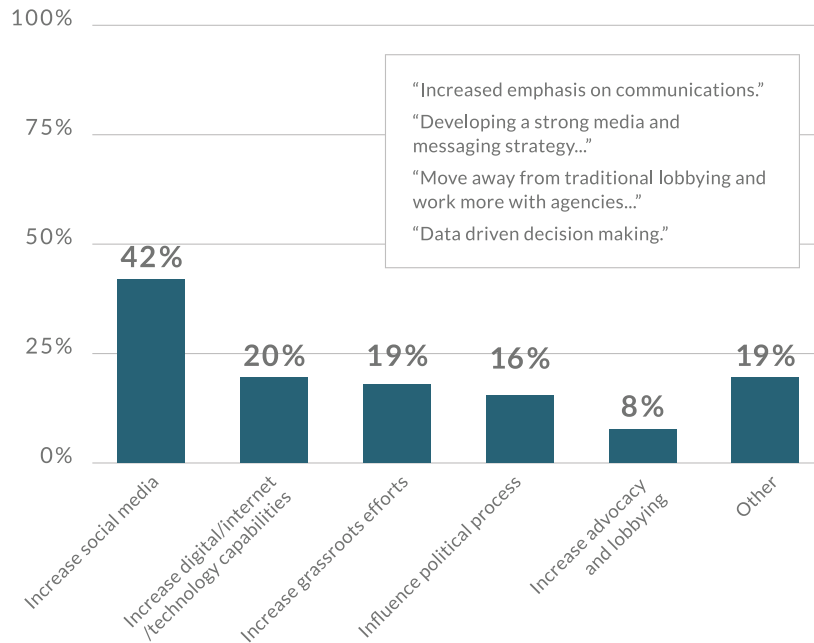
Survey fielded from October 5-18, 2016

Main Findings

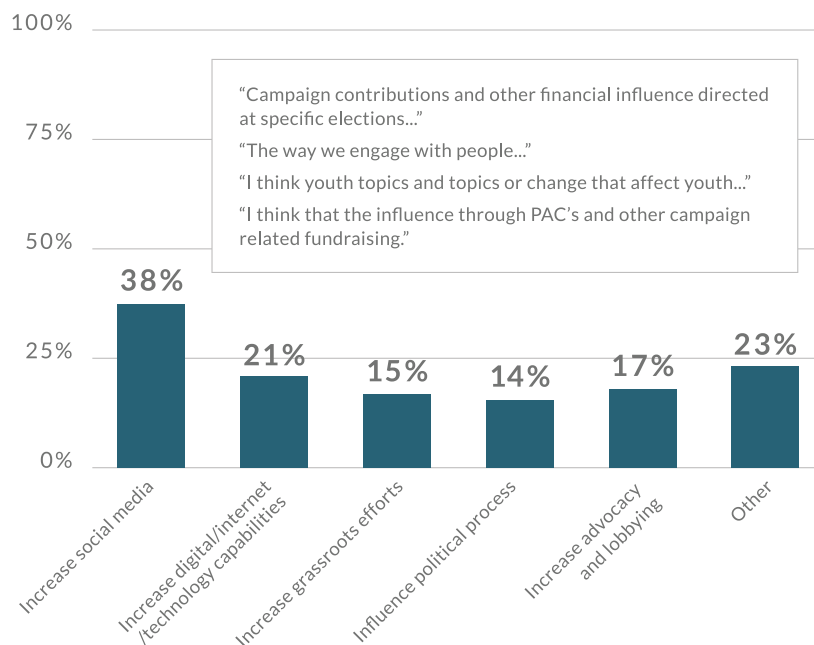
Advocacy Trends

Thinking about the next five years, what do you expect to be the most important changes and trends in the way organizations will attempt to influence public policy decisions in Washington? (Open-end)

2015 DC Insider Survey



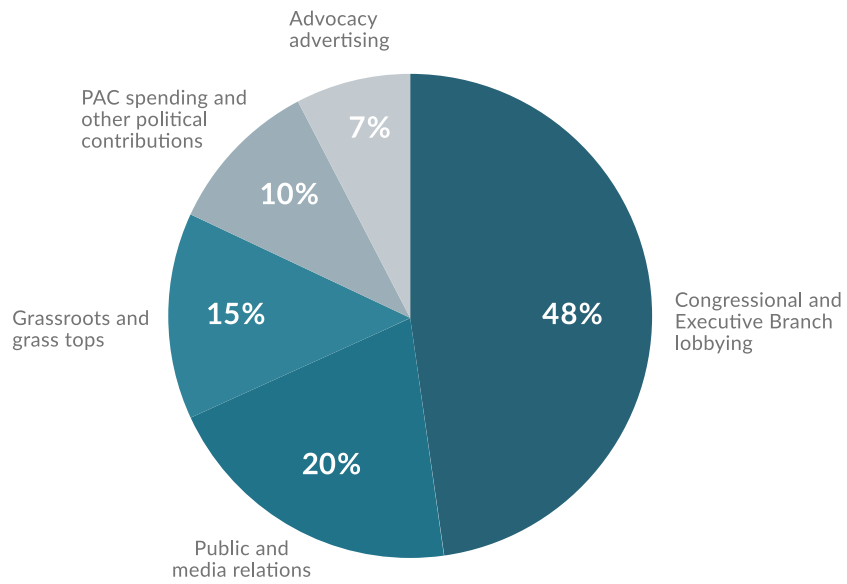
2016 DC Insider Survey



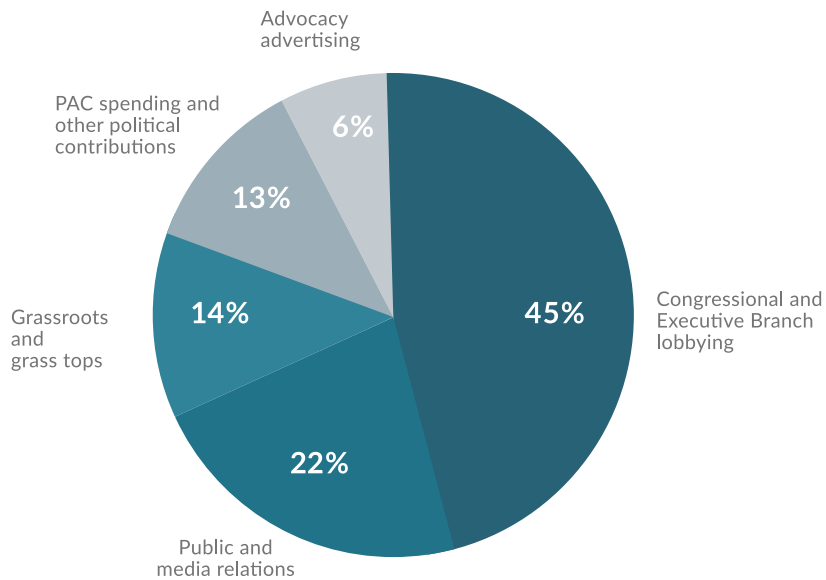
Advocacy Spending

Thinking about the amount of money your organization will spend THIS YEAR to affect public policymaking at the federal level, how would you say that money is allocated? Please use the following grid to assign an approximate percentage of the total spending to each listed category. The total of the allocations must add to 100%. (Average % for each category)

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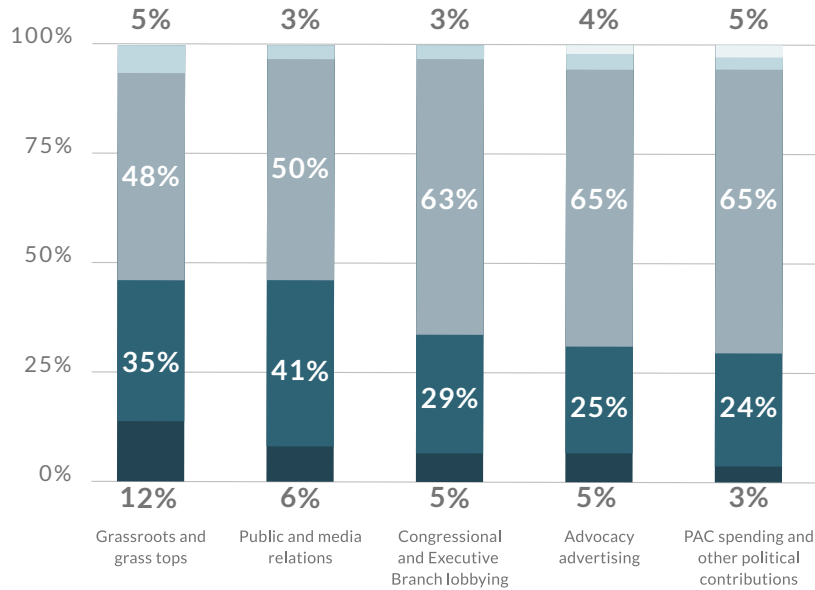
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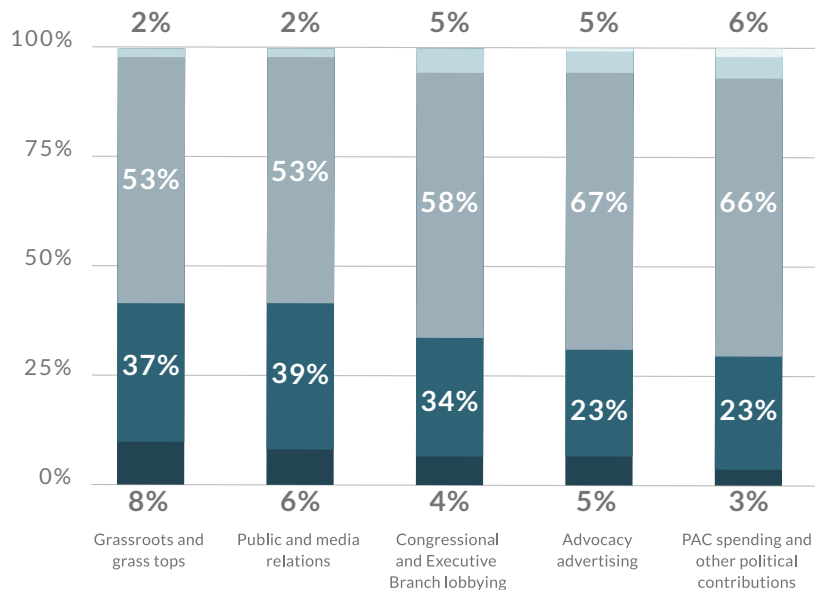
Spending Trends

Thinking about your organization's spending in 2017 please indicate whether, as a percentage of the total budget, you expect that category to grow rapidly, grow slowly, stay about the same, shrink slowly, or shrink rapidly.

2015 DC Insider Survey



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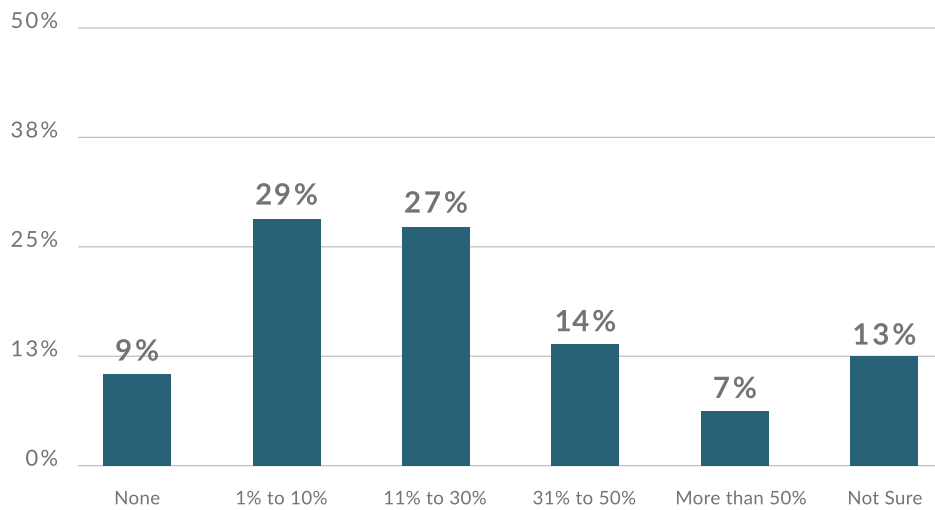


Grow rapidly
 Grow slowly
 Stay about the same
 Shrink slowly
 Shrink rapidly

Public Affairs Budget

Approximately what percentage of your organization's public affairs budget is allocated to digital activities such as online advertising and social media communications?

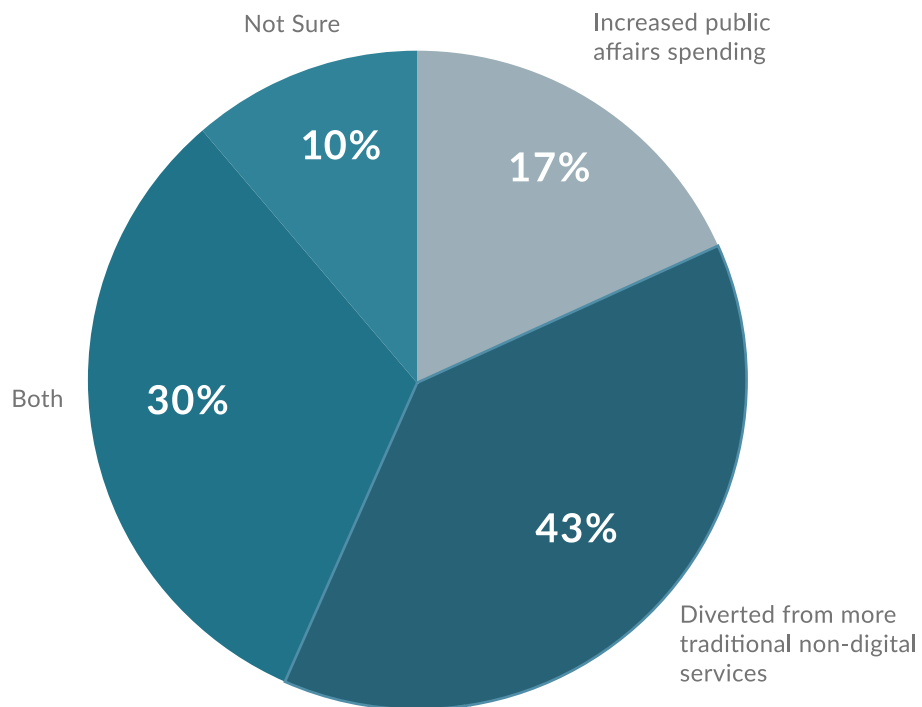
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Digital Activities

Is the money allocated for digital activities like online advertising and social media communications the result of increased public affairs spending or is it being diverted from more traditional non-digital activities?

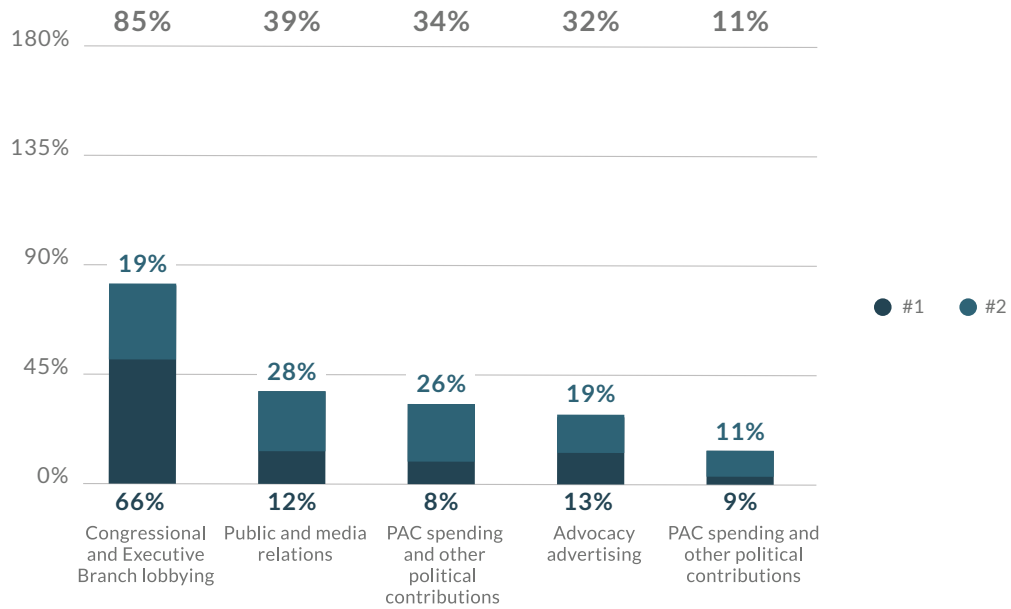
2016 DC Insider Survey



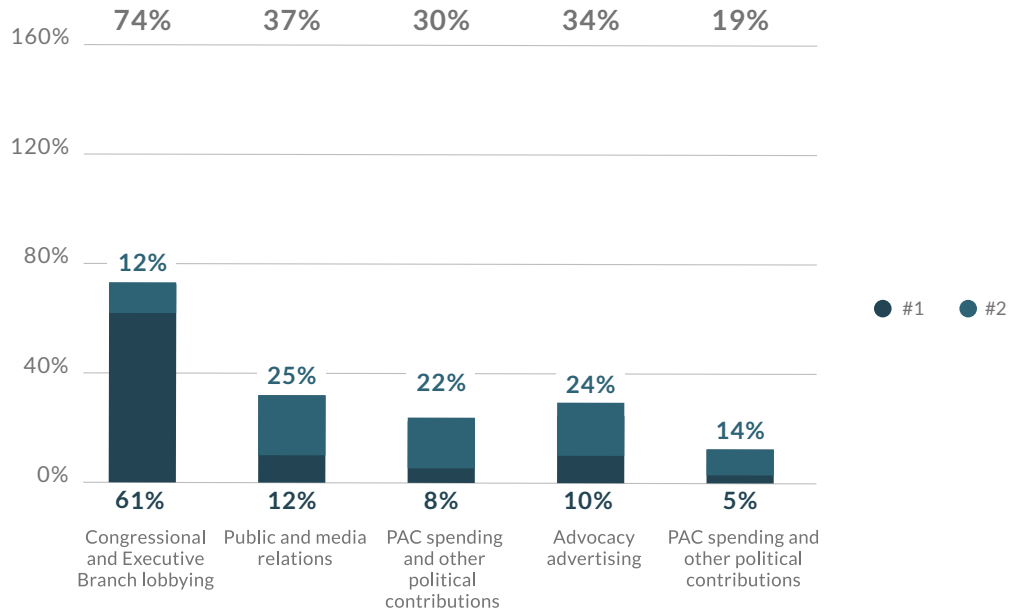
Ranking Advocacy Areas

Thinking about your organization’s efforts to affect public policymaking at the federal level, please rank the following in terms of their cost benefit (“bang for the buck”) by placing a “1” next to the best, a “2” next to the second best and so on. (% ranking #1 or #2)

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Ranking Advocacy Areas: Party ID

Thinking about your organization’s efforts to affect public policymaking at the federal level, please rank the following in terms of their cost benefit (“bang for the buck”) by placing a “1” next to the best, a “2” next to the second best and so on. (% ranking #1)

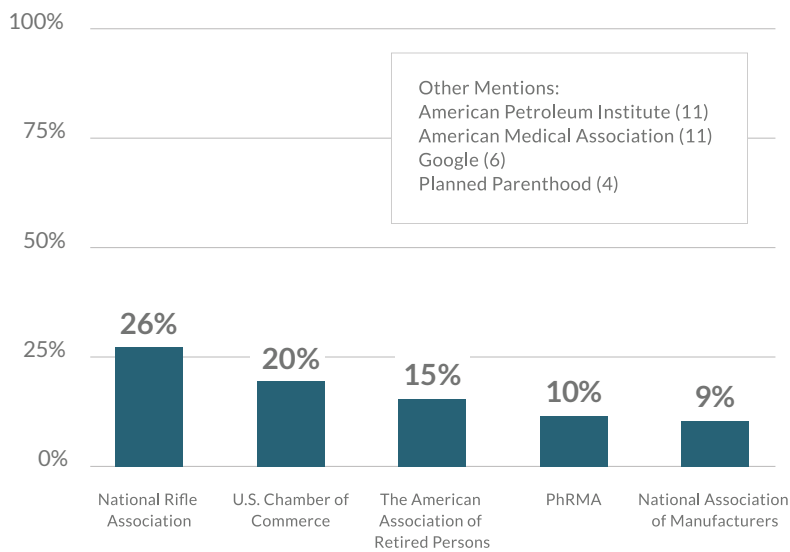
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% Ranking #1	Total	Democrat	Republican	Independent
Congressional and Executive Branch lobbying	61%	66%	67%	50%
Public and media relations	12%	10%	12%	17%
Grassroots and grass tops	10%	8%	2%	18%
PAC spending and other political contributions	8%	9%	12%	5%
Advocacy advertising	5%	4%	5%	7%

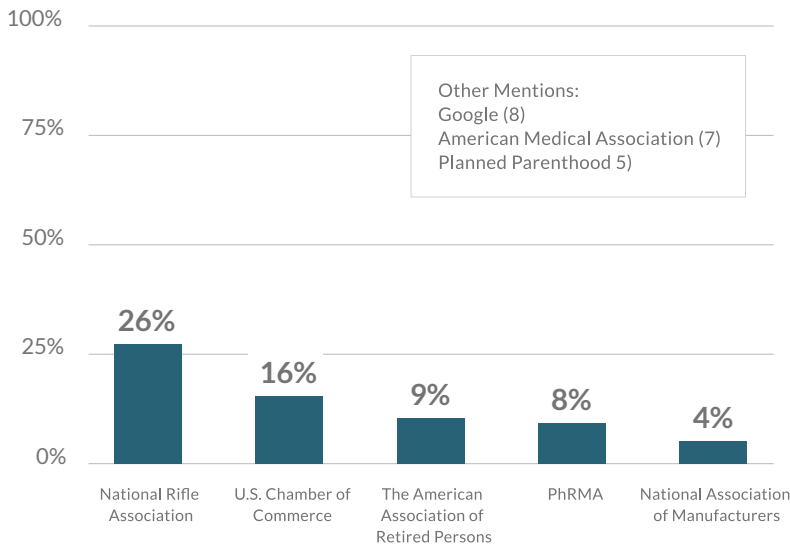
Most Influential Organizations

Please name the two organizations (companies, trade associations, coalitions, nonprofits, NGOs, etc. -- other than your own) that you think are among the MOST EFFECTIVE at affecting public policy at the federal and state level regardless of the size of their budget. (Open-end)

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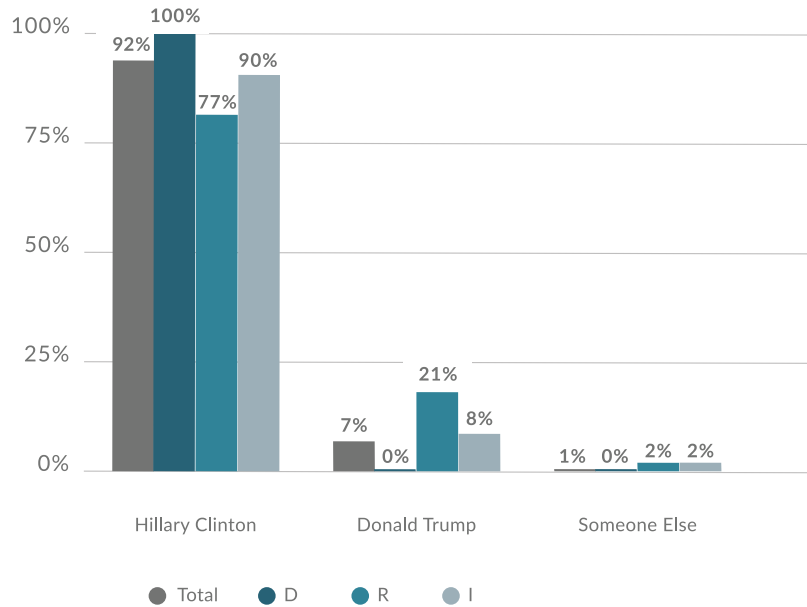
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Presidential Victor and the Margin of Victory

Whom do you think will be elected President in November?

2016 DC Insider Survey



Who do you think will be elected President in November?

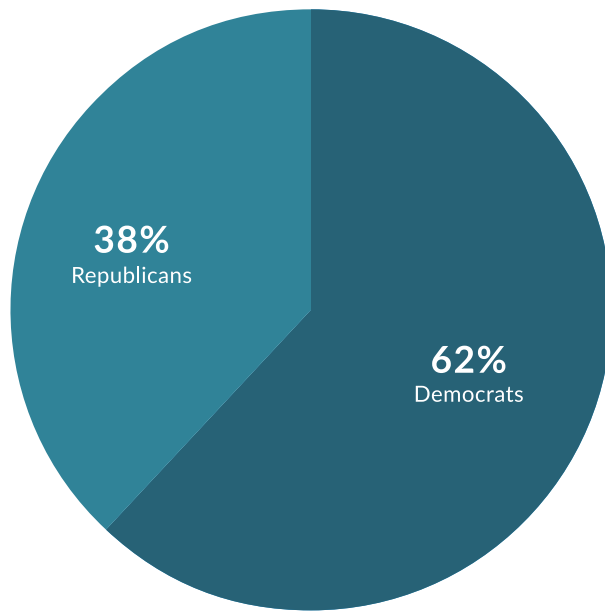
What do you think will be the margin of victory in the popular vote for the winner?	Total	Hillary Clinton	Donald Trump	Someone Else
1% to 2%	6%	3%	57%	0%
3% to 4%	17%	16%	36%	0%
5% to 6%	35%	38%	7%	0%
7% to 8%	17%	19%	0%	0%
9% to 10%	13%	15%	0%	0%
More than 10%	10%	11%	0%	0%
Not Sure	1%	0%	0%	100%

*Survey was taken after the first 2016 Presidential Debate and before the third 2016 Presidential Debate

Who Will Control the Senate

Which party do you think will control the Senate in January?

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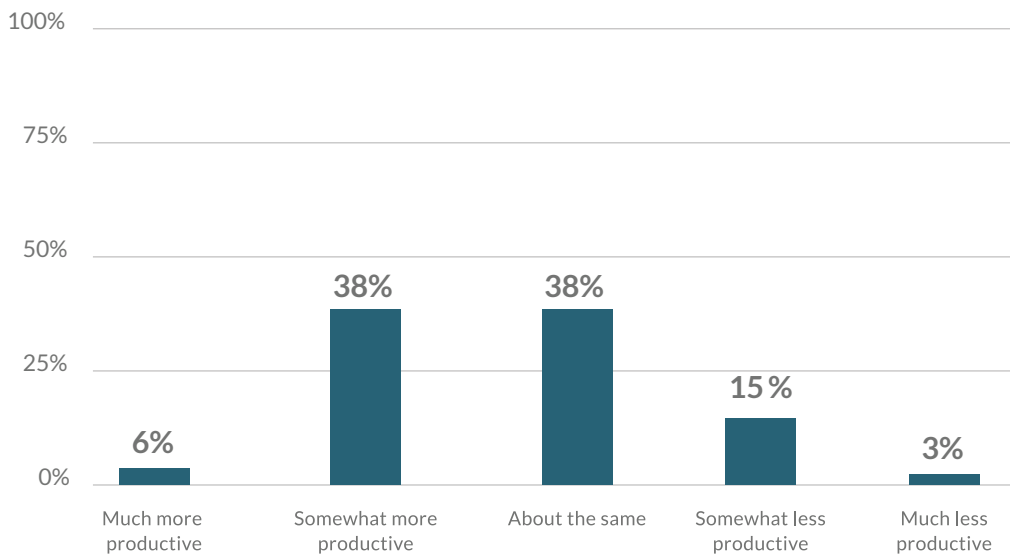


	Total	Democrat	Republican	Independent
Democrat	62%	74%	49%	52%
Republicans	38%	26%	49%	48%
Not Sure	0%	0%	2%	0%

How Productive Will Next Congress Be?

Compared with the eight years of the Obama presidency, do you think the relationship between the next President and the next Congress will be much more productive, somewhat more productive, about the same, somewhat less productive, or much less productive?

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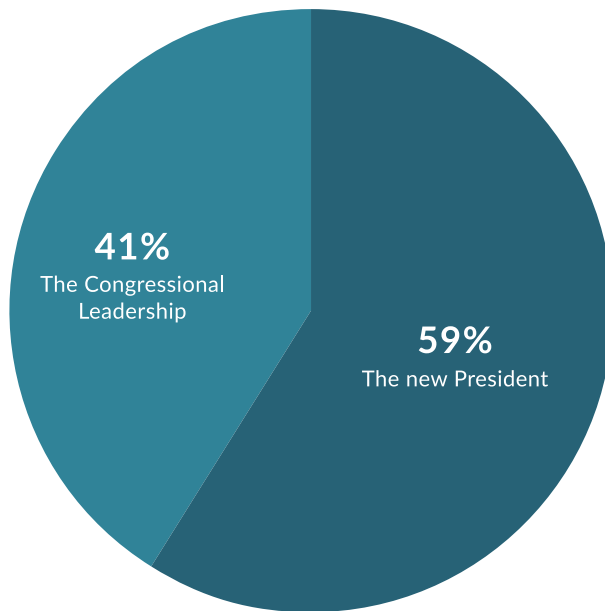


	Total	Democrat	Republican	Independent
Much more productive	6%	4%	9%	8%
Somewhat more productive	38%	41%	37%	32%
About the same	38%	35%	28%	50%
Somewhat less productive	15%	19%	14%	8%
Much less productive	3%	0%	12%	2%

Who Will Drive the Legislative Agenda?

Whom do you think will be more effective in driving the legislative agenda in 2017?

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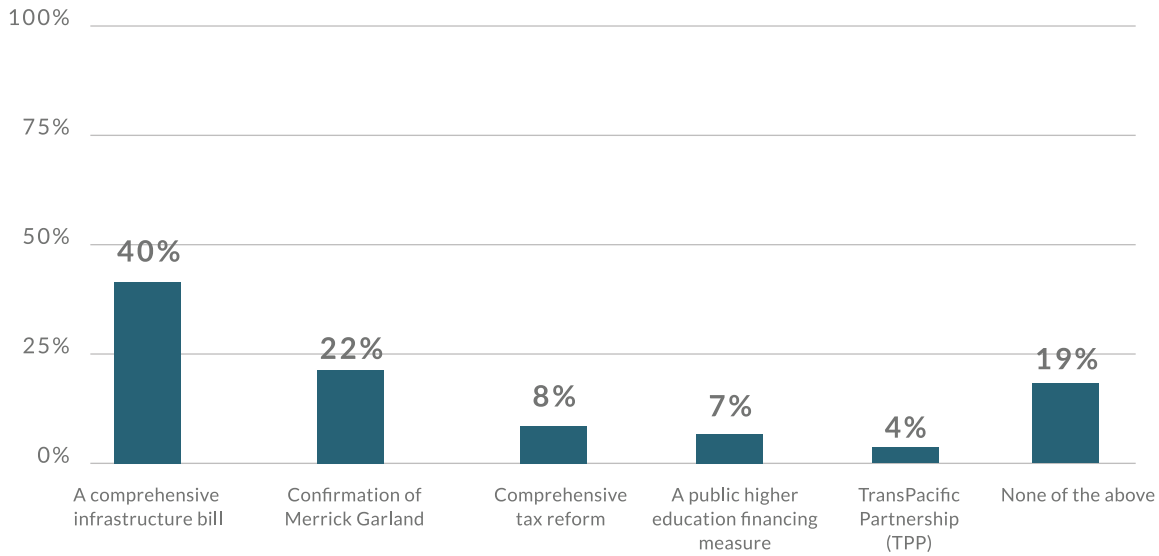


	Total	Democrat	Republican	Independent
The new President	59%	71%	51%	45%
The Congressional Leadership	41%	29%	49%	53%

Likely Actions in Next Congress

Which of the following measures do you think has the greatest chance of passage in the next Congress?

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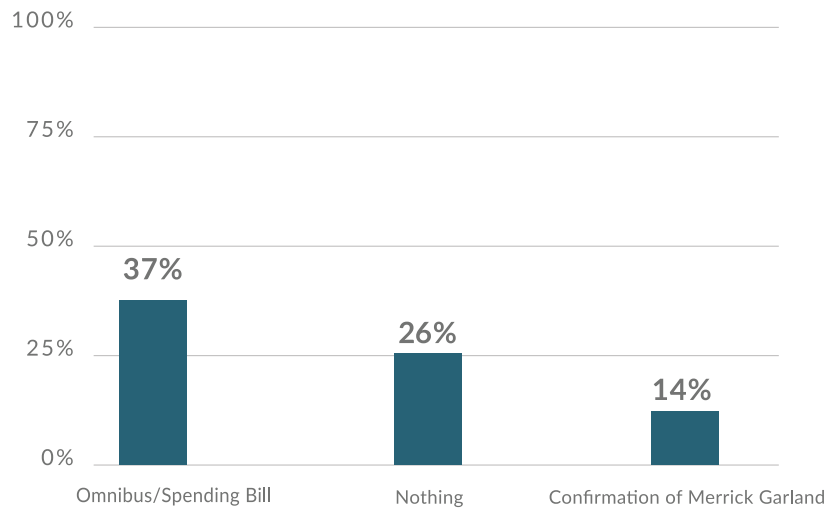


	Total	Democrat	Republican	Independent
A comprehensive infrastructure bill	40%	4%	9%	8%
Confirmation of Merrick Garland	22%	41%	37%	32%
Comprehensive tax reform	8%	8%	14%	3%
A public higher education financing measure	7%	7%	5%	8%
TransPacific Partnership (TPP)	4%	6%	2%	3%
None of the above	19%	17%	16%	23%

What Will Happen in The Lame Duck?

What, if any, major actions do you think will be taken in the lame duck session of Congress? (Open-end)

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**Other mentions: Energy bill x10, 21st Century Cures Act x10, and Water Resources Development Act of 2016 (WRDA) x10*

Survey Demographics

Respondent's Organization

Which of the following best describes the organization you work for?

2016 DC Insider Survey	Total
A trade association	26%
A professional membership organization	15%
A lobbying firm	15%
A law firm	12%
A non-governmental organization or NGO	10%
Another form of nonprofit organization such as a charity	5%
A privately held company	4%
An academic institution	3%
A think tank	3%
A publicly held company	2%
Other (please specify)	1%
A labor union	1%
A public relations agency	1%

Respondent's Job and Function

Are you currently employed as:

2016 DC Insider Survey	Total
Association or non-profit employee	45%
Lobbyist	24%
Lawyer	9%
Public affairs/public relations professional	7%
Consultant	5%
Think tank professional	3%
Academic	2%
Other (Please specify)	1%
Non-federal government employee	1%
For-profit corporate employee	0%

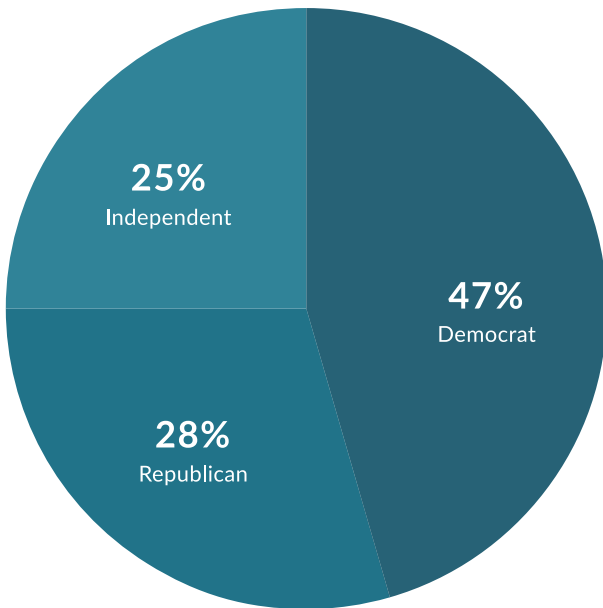
With which of the following functions within your organization are you directly involved?
(Check all that apply)

2016 DC Insider Survey	Total
Issue monitoring	67%
Lobbying Congress	61%
Lobbying executive departments and agencies	60%
Public relations	37%
Media relations	36%
Traditional grassroots activity	36%
Digital grassroots and social media activity	29%
Lobbying state and local governments	25%
Advocacy advertising	17%
Other	17%

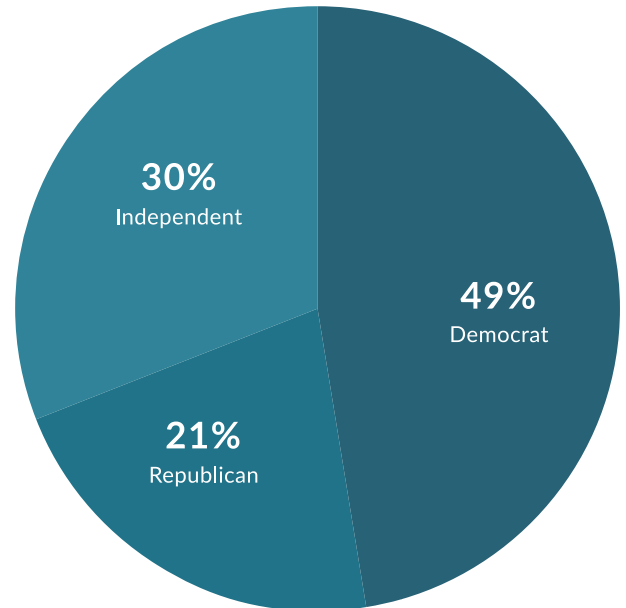
Party ID

Do you consider yourself a:

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About Rasky Baerlein Strategic Communications

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About Prime Group

Prime Group is a branding and marketing consultancy that helps companies and non-profits understand how to prosper in a competitive environment. This insight is used to create and re-position brands, enter new markets and defend existing ones. With each client, we follow our proven PRIME process — pre-search, research, insight, messaging, and evaluation — a discipline we developed to insure that every project is thorough, efficient, cost-effective, and delivers the promised results. Prime Group was founded in 2002 by Greg Schneiders, who has extensive experience in research, marketing, communications, politics, and public affairs. We believe that delivering great and well-executed strategies requires a thorough understanding of our client, their market environment, where they are today, where they want to go, and how to get there.

For more information about Rasky Baerlein Strategic Communications, contact Larry Rasky at lrasky@rasky.com.

To learn more about the Prime Group, contact Greg Schneiders at greg@primegroupllc.com.

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