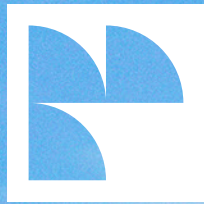


BASE PAY POLICY

July 2023



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BASE PAY POLICY / July 2023 Report

The creative power of the Turkish economy, advertising agencies, and their sole asset, advertisement employees are going through the toughest times of their history.

While the financial share of advertising budgets in the Turkish economy has been increasing for the last 10 years; (In 2022, advertising investments in Turkey reached a record high of **TRY 63.89 billion = USD 2.45 billion**), and the prices of media, production, etc. have increased exponentially. **(It is calculated based on the current dollar exchange rate of the Central Bank on 14.07.2023 / 1 USD = 26,18 TRY)**

On the other hand, the increase in **the prices of advertising agencies and salaries of advertising employees** are far behind the aforementioned rates of increase.

Consequently, the revenues of the agencies have been falling rapidly, and their employees have been crushed day by day by high inflation.

It is evident that advertising employees, who are defined as a qualified workforce and whose number does not even reach **5,000** do not even receive the Minimum Level of compensation for their labor.

Here is the reflection of this fact in numbers:

CURRENT STATUS:

Based on the June 2023 data obtained from Türk-İş:

Starvation line: **TRY 10.373**

Poverty line: **TRY 33.788**

*Source: <https://www.turkis.org.tr/turk-is-haziran-2023-acilik-ve-yoksulluk-siniri/>

Increase in food costs table

2021 Food Exemption Amount TRY 25,00 (VAT Included: TRY 27)

2022 Food Exemption Amount TRY 51,01 (VAT Included: TRY 55,08) **(104.04% increase from the previous amount)**

2023 Food Exemption Amount TRY 110,00 (VAT Included: TRY 118,80) **(115.64% increase from the previous amount)**

*Source: <https://www.resmigazete.gov.tr/eskiler/2022/12/20221230M2-12.htm>

Minimum wage increase tablet

2021 Minimum wage TRY 2.825

2022 1st half minimum wage TRY 4.253,40 **(50.56% increase from the previous amount)**

2022 2nd half minimum wage TRY 5.500,35 **(29.31% increase from the previous amount)**

2023 1st half minimum wage TRY 8.506,80 **(54.65% increase from the previous amount)**

2023 Minimum wage TRY 11.402,32 **(34.03% increase from the previous amount)**

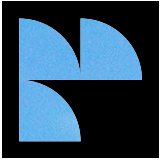
*Source: <https://www.csgb.gov.tr/haberler/2023-yili-ikinci-alti-ay-icin-yeni-asgari-ucret-11-bin-402-tl-olarak-belirlendi/>

Lowest civil servant salary increase tablet

2021 TRY 4.881

2022 1st half TRY 6.429 **(31.71% increase from the previous amount)**

2022 2nd half TRY 9.105 **(41.62% increase from the previous amount)**



2023 1st half TRY 11.848 **(30.12% increase from the previous amount)**
2023 2nd half TRY 22.000 **(85.68% increase from the previous amount)**

News source: <https://www.ntv.com.tr/ntvpara/son-dakika-haberi-memurlarin-zamorani-belli-oldu,AZQcchc7406QUhXgJct5Dg>

Inflation data

2021 inflation increase rate **36,08%**
2022 inflation increase rate **64,27%**
Inflation increase rate as of June 2023 **38,21%**

Source: <https://www.tcmb.gov.tr/wps/wcm/connect/TR/TCMB+TR/Main+Menu/Istatistikler/Enflasyon+Verileri/Tuketici+Fiyatlari>

Istanbul Chamber of Commerce Data

Based on the June 2020 - June 2021 ITO (Istanbul Chamber of Commerce) cost of living index data, the cost of living index for wage workers increased by **16.12%**.

Based on the June 2021 - June 2022 ITO cost of living index data, the cost of living index for wage workers increased by **94.19%**.

Based on the June 2022 - June 2023 ITO cost of living index data, the cost of living index for wage workers increased by **55.19%**.

Source: <https://bilgibankasi.ito.org.tr/tr/istatistik-verileri/genel>

Rates of Rent in Istanbul

The average rent in Istanbul in 2021 was 2.000 liras

The average rent in Istanbul in 2022 was 6.500 liras **(a 225% increase compared to the previous year)**

The average rent in Istanbul in 2023 was 13.000 liras **(a 100% increase compared to the previous year)**

Source: <https://www.endeksa.com/tr/analiz/istanbul/endeks/kiralik/daire>

2-year increase rate of food costs	340%
2-year increase rate of minimum wage	303.62%
2-year increase rate of the lowest civil servant salary	350,72%
January 2021 - June 2023 inflation increase rate	163%
2-year increase in Istanbul cost of living index	248%
2-year increase in rents in Istanbul	550%

**When all rates are taken into account,
the 2-year average rate of increase is 325%.**

2021-2023 SALARY CHANGE RATES FOR ADVERTISING AGENCY EMPLOYEES:

While the industry average minimum salary for agency employees was **TRY 2.825** in 2021, this amount is **TRY 8.506** in 2023 Q2.

The 2-year increase rate is 201.09%

To give an example based on departments;

A Brand Executive with 1-3 years of experience worked for an average of **TRY 5.000** in 2021, while in Q2 2023, they work for an average of **TRY 13.500**.

The 2-year increase rate is 170%



A Brand Director with 9-12 years of experience worked for an average of **TRY 12.500** in 2021, while in Q2 2023, they work for an average of **TRY 27,500**.

The 2-year increase rate is 120%

A Social Media Manager with 1-3 years of experience worked for an average of **TRY 4.500** in 2021, while in Q2 2023, they work for an average of **TRY 12.500**.

The 2-year increase rate is 177%

A Social Media Grup Head with 9-12 years of experience worked for an average of **TRY 10.000** in 2021, while in Q2 2023, they work for an average of **TRY 22.500**.

The 2-year increase rate is 125%

A JR. Art Director with 1-3 years of experience worked for an average of **TRY 5.000** in 2021, while in Q2 2023, they work for an average of **TRY 14.000**.

The 2-year increase rate is 180%

An Art Group Head with 9-12 years of experience worked for an average of **TRY 11.000** in 2021, while in Q2 2023, they work for an average of **TRY 29.000**.

The 2-year increase rate is 164%

A JR. Copywriter with 1-3 years of experience worked for an average of **TRY 4.500** in 2021, while in Q2 2023, they work for an average of **TRY 13.000**.

The 2-year increase rate is 189%

A Copywriter Group Head with 1-3 years of experience worked for an average of **TRY 10.000** in 2021, while in Q2 2023, they work for an average of **TRY 27.000**.

The 2-year increase rate is 170%

The figures clearly show that food costs, minimum wages, civil servant salaries, inflation, living costs, and rents in Istanbul increased by **325% on average** over a 2-year period, The pays of advertising agency employees were increased by 120%-200% over the same 2-year period.

As an example, average salaries for agency workers in entry-level positions increased by **182%** on average from **TRY 4.350** in 2021 to **TRY 12.300** in Q2 2023.

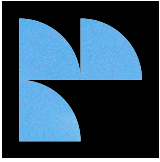
If these amounts had increased at the 2-year increase level (**325%**) at all the rates mentioned above, the average salaries of agency employees at entry-level positions would have been **TRY 18.487,50** in the first quarter of 2023.

As another example, average salaries for agency workers with 9-12 years of experience increased by **143%** on average from **TRY 10.875** in 2021 to **TRY 26.500** in Q2 2023.

If these amounts had increased at the 2-year increase level (**325%**) at all the rates mentioned above, the average salaries of agency employees with 9-12 years of experience would have been **TRY 46.218,75** in the first quarter of 2023.

CONCLUSION:

All calculations show that the average salaries of advertising agency employees, almost all of whom are based in Istanbul, are **currently 62.35% behind**, considering the rates of increase in all general compensation and pricing.



For us, the advertising agency employees, who are irreplaceable "qualified workers" working for the development of the sector with all their efforts and experience, first of all, the equality of opportunity that we have lost due to being **62.35%** behind should be restored, and then the rate of increase should be determined.

Within this context, we demand an improvement in wages, taking into account all the unfavorable economic conditions, especially the decrease in purchasing power.

Our colleagues have determined a base pay through consultation and consensus. While determining this base pay, the middle ground, which is closer to the poverty line than the average of the starvation line and the poverty line, was taken as a basis.

We would like to emphasize that the base pay rates below **indicate the minimum limit, not the ideal.**

BASE PAY LINE DETERMINED BASED ON SENIORITY:

The arithmetic average of the starvation and poverty lines: TRY 22.080,50

Average close to the poverty line in these tiers: TRY 27.934,25

*The mean of the poverty line and the tier average

A newly graduated advertising employee who has recently started working in the profession starting pay should be **at least TRY 22.080,50** which is the arithmetic average of the starvation and poverty lines.

For a level 1 employee, the starting pay should be **at least TRY 27.934,25**
(Jr. Copywriter, Jr. Art Director, Brand Executive, Jr. Producer, Jr. Strategist, etc.)

The starting pay for a level 2 employee should be **25%** higher than the starting pay for a level 1 employee; i.e. **at least TRY 34.917,8125**
(Copywriter, Art Director, Brand Supervisor, Producer, Strategist, etc.)

The starting pay for a level 3 employee should be **20%** higher than the starting pay for a level 2 employee; i.e. **at least TRY 41.901,375**
(Creative Group Head, Social Media Director, Brand Director, Sr. Producer, Strategy Director, etc.)

The starting pay for a level 4 employee should be **40%** higher than the starting pay for a level 3 employee; i.e. **at least TRY 58.661,925**
(Creative Director, Head of Production, Client Services Director, Group Strategy Director, Chief Digital Officer, Design Director, etc.)

Freelance Crews: Freelancers who work with agencies on a seasonal or long-term basis should agree on a monthly base salary **at least** equal to their seniority. In order to harmonize the payment terms, they should receive **50%** of the agreed amount in advance and the remaining amount with a 15-day maturity. They should also remind the agency that they have the right to be insured for as long as they are employed by them.

- The base salary lines of employees in professional groups such as Graphics, Traffic, Proofreading, Finance, HR, Service, etc. working in advertising agencies should be determined by taking into account their current seniority and experience.



- *In determining the base salary of employees in managerial positions (CEO, GM, CFO, CCO, ECD, etc.), the average salary level and wage policy of each agency should be taken as a basis.*

- *This report is based on net salaries. All taxes are excluded.*

THE COMING PERIOD:

This report has expressed in numerical terms how advertising employees have fallen behind the minimum conditions in the last 2 years. While the figures are based on official data, it is evident that the rates determined by independent organizations such as ENAG are significantly higher.

It is crucial for the coming period that agencies base their **pricing and employee salaries** on the minimum amounts recommended in this report.

It is a fact that the wages of creative advertising agencies and their employees, which are far behind other advertising components such as medium, media, markon, and production, can only be brought to a **minimum level** with such an improvement.

The Advertisers Platform will resolutely continue its efforts to ensure that advertising workers, who are the qualified human resources of the Turkish economy that create high added value, are provided with the conditions they deserve.

Within this scope, we announce to the entire sector that we have already started the follow-up studies of this report in the coming period with the Cinema & Broadcasting Union of Turkey we are affiliated with.

#FikirBirliđi (Consensus) #BirlikteDahaGüçlüyüz (StrongerTogether)