

Here's why junk mail can be a good thing

By David Lazarus

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Marcy Clarke makes no apologies for being one of Southern California's leading junk mailers.

"I'm like most people," she told me. "The mail comes, and I sit in front of the trash can and dump most of it. But every so often there's a gem in there that I'm interested in. That's the value of direct mail."

Clarke, 51, is co-owner of a Los Angeles company called Service Mailers and Fulfillment. These days, she sends out about 12 million pieces of mail every month -- brochures, fliers, sales pitches, catalogs. Volume is down about 40 percent from a year ago.

I made Clarke's acquaintance after posting a video column online talking about how the recession had caused the amount of junk mail sent out last year to fall for the first time in nearly six decades. An even steeper decline is projected this year. I characterized this in the video as the silver lining to all the dark clouds on the economic horizon.

"Hello, Mr. Uninformed," Clarke responded by e-mail. "You think having less 'junk mail' is good? How about the lost jobs in the direct-mail industry due to this economy? You think lost jobs are good? How about businesses closing due to less 'junk mail'? Is that good too?"

I asked Clarke if we could get together, and she was more than happy to oblige. We met the other day at her company's cavernous processing center.

Clarke turned out to be a very nice person, and we had something in common: The plight of her advertising-reliant business during one of the ugliest downturns in memory was almost identical to what most newspapers are going through.

"We employed about 80 people last year," she said as we walked past idle envelope-stuffing machines. "Now it's about 45."

Clarke's company pays most of its workers minimum wage. But she said it's one of the few junk mailers in the area to offer health benefits.

"Last week we had twice as much work," Clarke said. "This week we have people taking time off with no pay. We're doing what we have to to stay alive."

According to the Direct Marketing Association, an industry group, junk mailers, telemarketers and their pitch-making ilk employ 1.6 million people nationwide and support 9.3 million other jobs, such as truck drivers and shippers.

Companies spent nearly \$177 billion on direct marketing in the United States last year, accounting for more than half of all ad expenditures. Direct marketing generates more than \$2 trillion in sales annually, the association estimates.

But a recent report from Winterberry Group, a market researcher, found that spending on junk mail fell about 3 percent last year as businesses, particularly banks, cut back on marketing. A further decline of as much as 9 percent is possible this year.

"Direct mail will still be around," Clarke said. "But it will get smaller, and it will have to get smarter."

And she's confident she'll ride out the recession and keep the junk mail flowing for many years to come.

I'm glad for all the jobs that will save -- really.

But there must be a better way to make a living.

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