



2021 2022 PROJECTIONS



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We expect to see
\$9B in the **2022**
political cycle

BROADCAST. CABLE. RADIO. DIGITAL. CTV

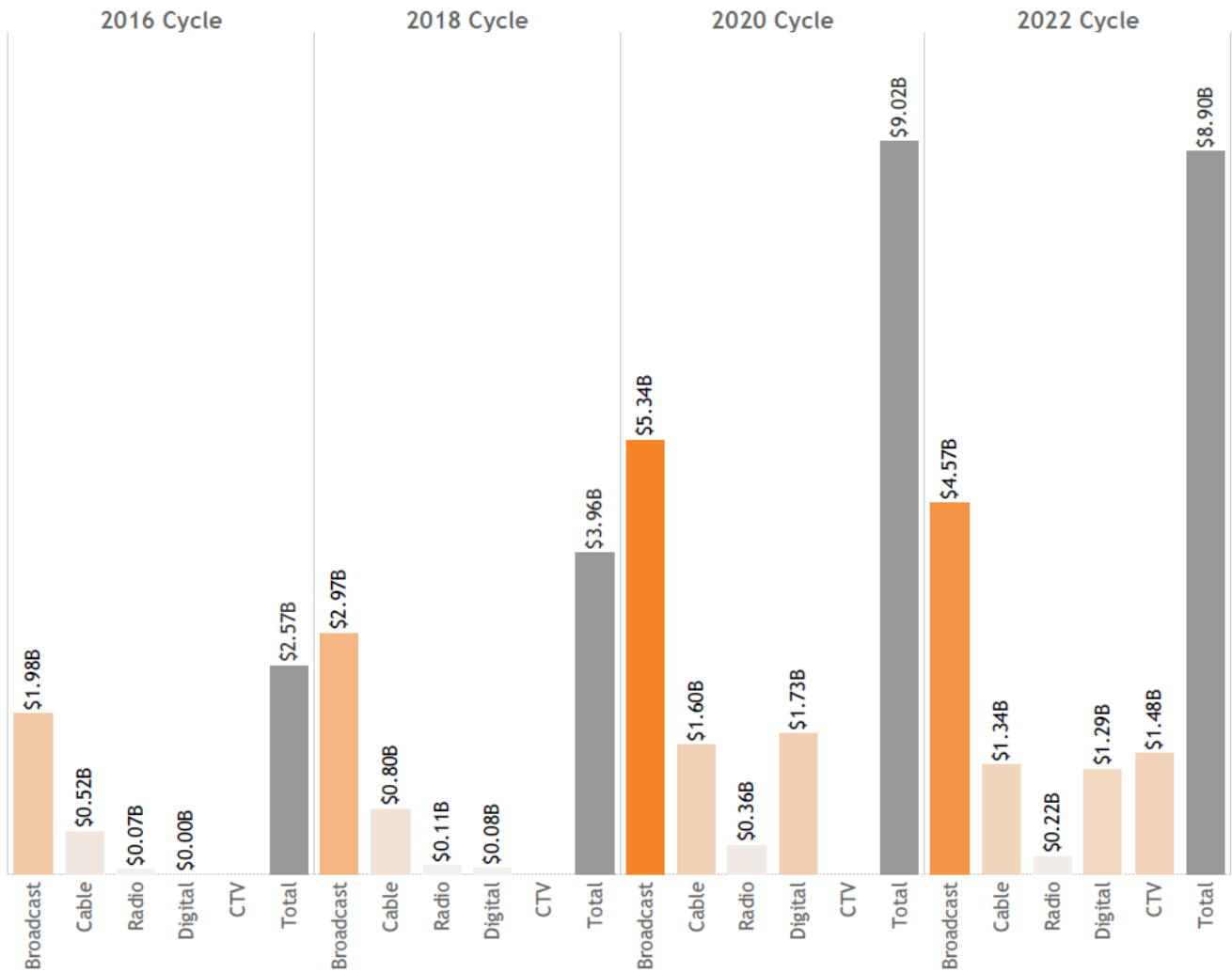
Years of massive increases in political expenditures show no sign of abating in 2021-2022. The 2020 cycle saw 244% growth from 2016, becoming the first to hit \$9B in spending. We expect the 2021-2022 cycle to reach these same heights and total \$9B again, even without the presidential race at the top of the ticket.

What is driving this explosive growth? The widespread use of Facebook as a fundraising tool has allowed campaigns to quickly and easily reach a highly polarized electorate. This, combined with the rise of easy online donation tools such as ActBlue and WinRed, has allowed candidates and issue groups to fundraise with greater ease than ever before.

An audience with diversifying screen consumption habits has created huge growth in the CTV space, an area that is of increasing importance. Consequently, we, in collaboration with Cross Screen Media, are excited to project CTV expenditures for the first time. We expect them to reach \$1.5B, out of a total of \$9B anticipated in the political sphere.

TOPLINE PROJECTIONS:

- We expect \$9B in political media spending in the 2021-2022 election cycle.
- This figure represents a projected 128% increase in spending over the 2018 cycle.
- We project \$6.1B in spending on TV and radio.
- We forecast \$1.5B in spending on Connected TV.
- We anticipated \$1.3B in spending on Facebook and Google.

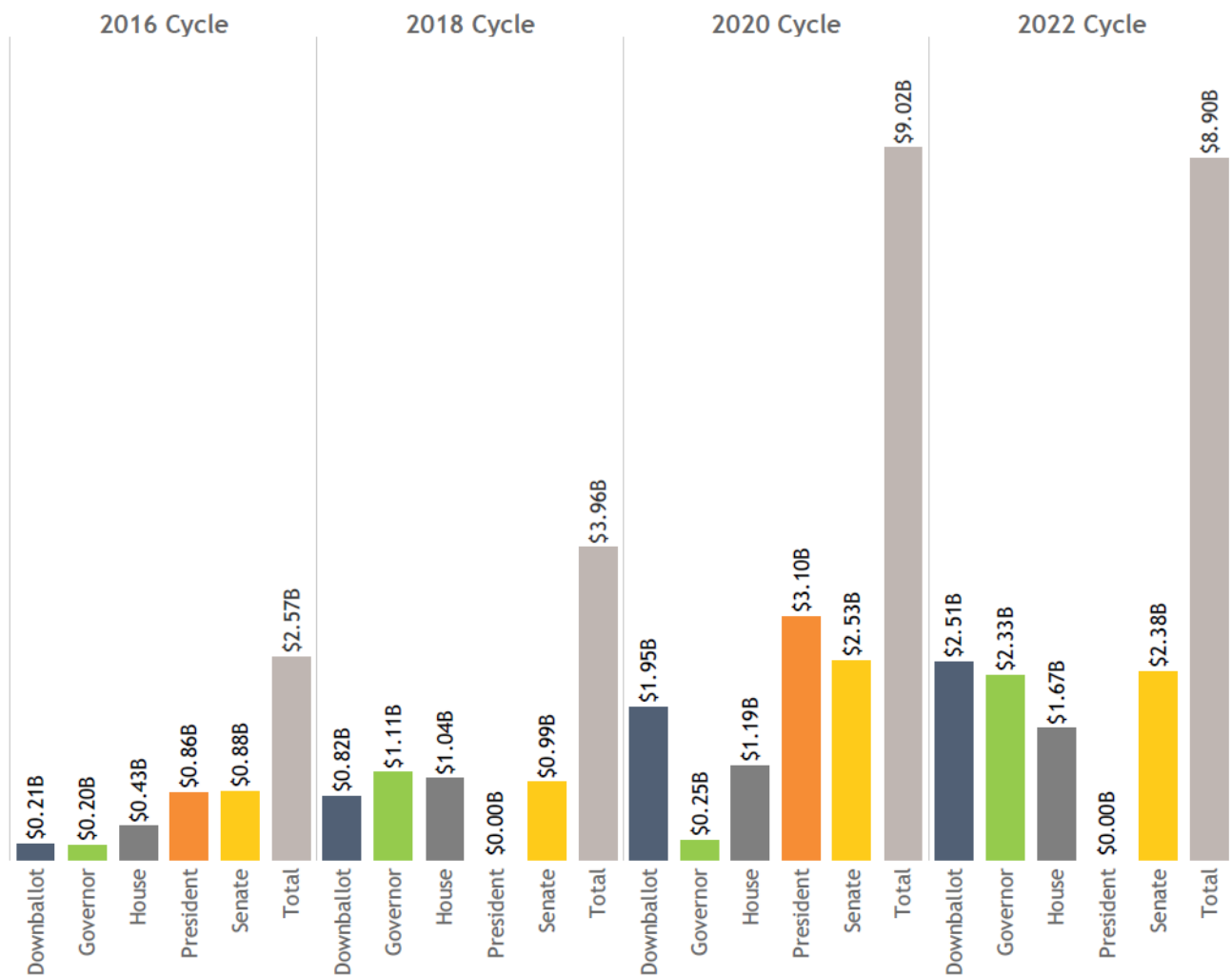


CROSS SCREEN MEDIA

CTV data courtesy of Cross Screen Media

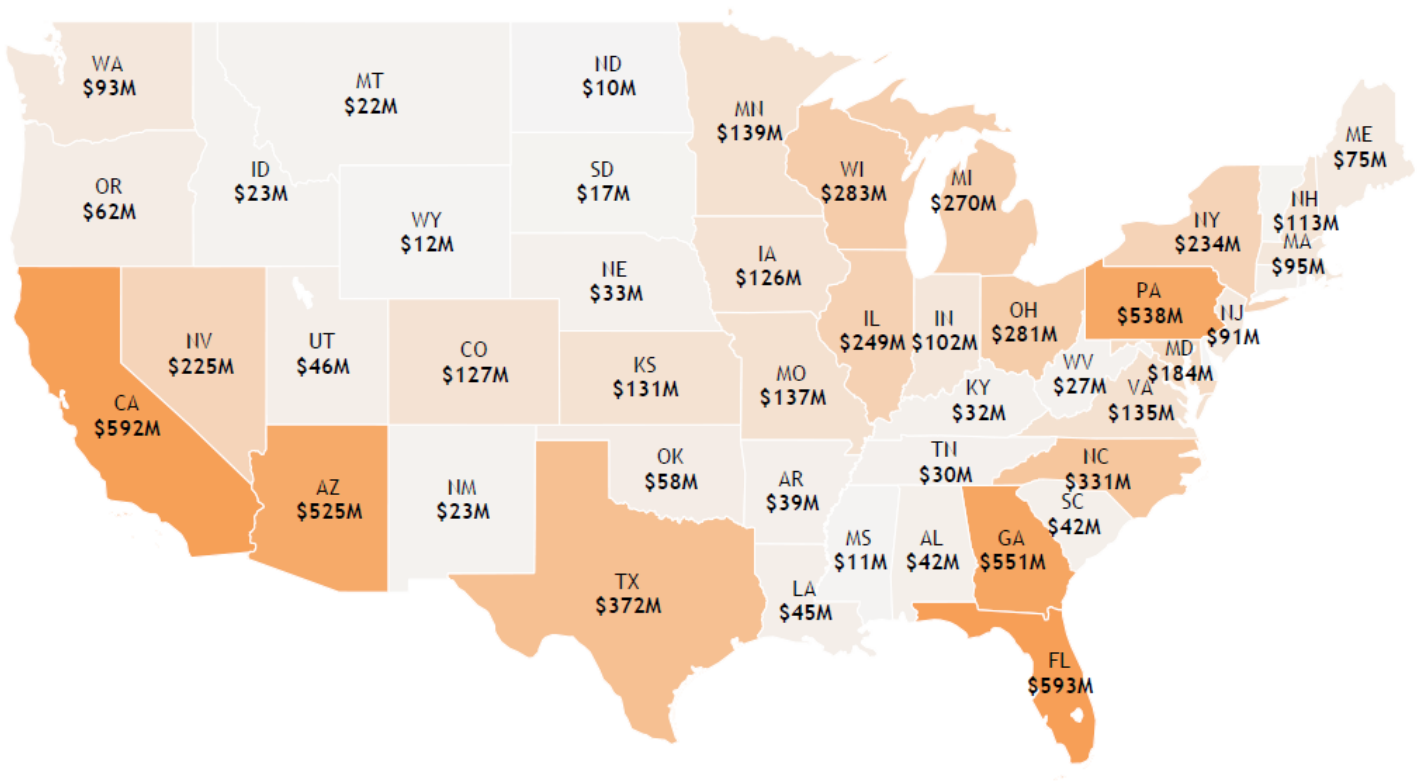
RACE TYPE PROJECTIONS:

- Gubernatorial growth is expected to nearly match the 150% growth we saw in the Senate from 2018 to 2020.
- Historically this category sees as much spending as the Senate in years when most governor seats are up for election.
- The Senate will likely stay relatively steady after \$1.5B growth from 2018 to 2020.
- The House has wide bands of uncertainty due to redistricting. We could see far more spending than projected since Democrats have such a small majority in the chamber.
- Down-ballot spending has grown rapidly with expansion into the digital space.




SPENDING BY GEOGRAPHY:

- Five states: Pennsylvania, Florida, Georgia, Arizona, and California will see a combined 1/3rd of total political spending.
- The largest states generally have both competitive Senate and gubernatorial races, meaning they will see a great deal of spending.
- We expect similarities between the states with the highest presidential spending in 2020 and the states with the highest overall spending in 2022.
- Top five Presidential spending states in 2020: Florida, Pennsylvania, North Carolina, Michigan, and Arizona.





DIGITAL SPENDING:



We expect political spending on Facebook and Google to hit \$1.3B in 2022. 2020 spurred considerable innovation in the digital sphere, as campaigns needed new ways to reach voters across an increasing assortment of screens. 2020 was the first full cycle in which Facebook and Google gave transparency into the political marketplace on their platforms. We found that they collectively received approximately \$1.7B in political spending for 2019-2020. Of this, a majority of dollars went to direct response (fundraising) advertising rather than persuasion, though Facebook's dollars were much more heavily weighted to DR than Google's were.

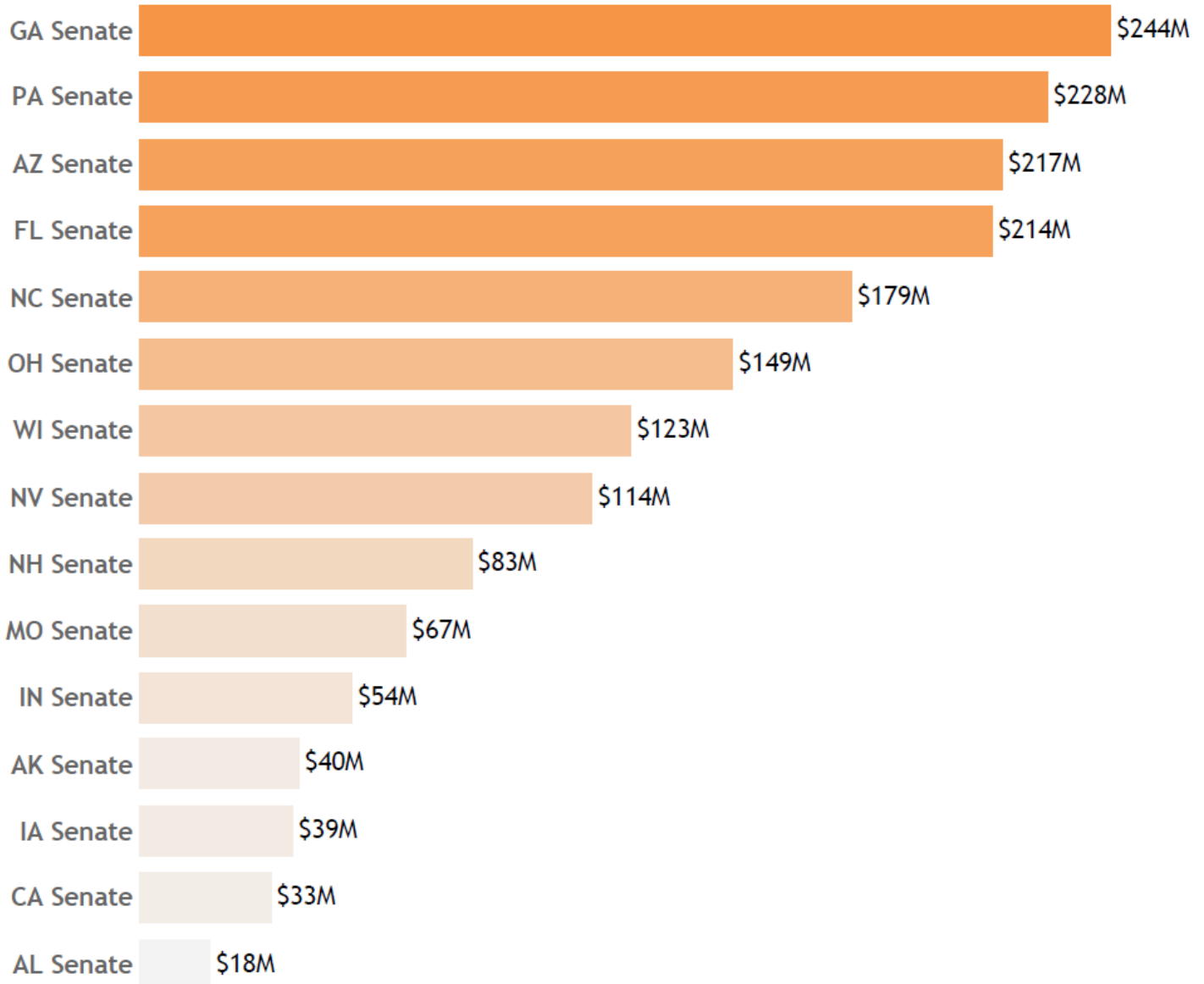
We expect Connected TV (CTV) to hit \$1.4B for 2022. As more and more people "cut the cord" and move away from traditional media, it's imperative to reach voters wherever they are consuming content. This has spurred a rapid adoption of CTV advertising in the political sphere. CTV is expected to grow 93% between 2020 and 2022 in the overall US video ad market.

CTV data courtesy of Cross Screen Media

SENATE SPENDING:

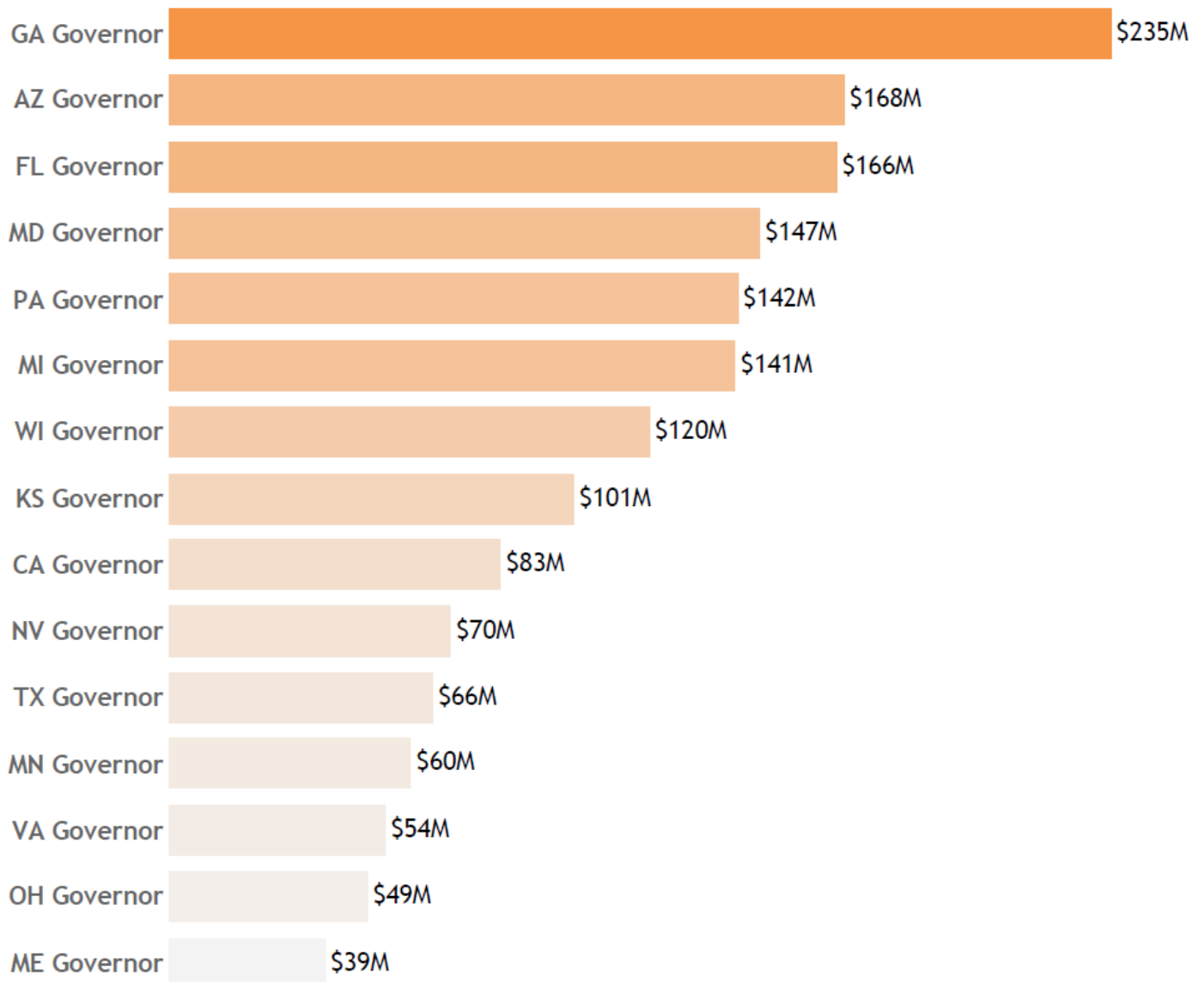
We project that Senate spending will decrease 6% from 2020 but increase 140% from 2018. This category will hit \$2.38B in spending, 15% of which will occur on CTV and 13% on Facebook and Google.

This category contains numerous large and highly contested states such as Georgia, Pennsylvania, Florida, Arizona, and North Carolina. After the 2020 cycle rewrote what we thought was possible to be spent in a single state, these largest states might potentially set new spending records (non-Georgia runoff edition). A 50-50 Senate means that all eyes will be on this category, and both parties will be vying to take the majority.



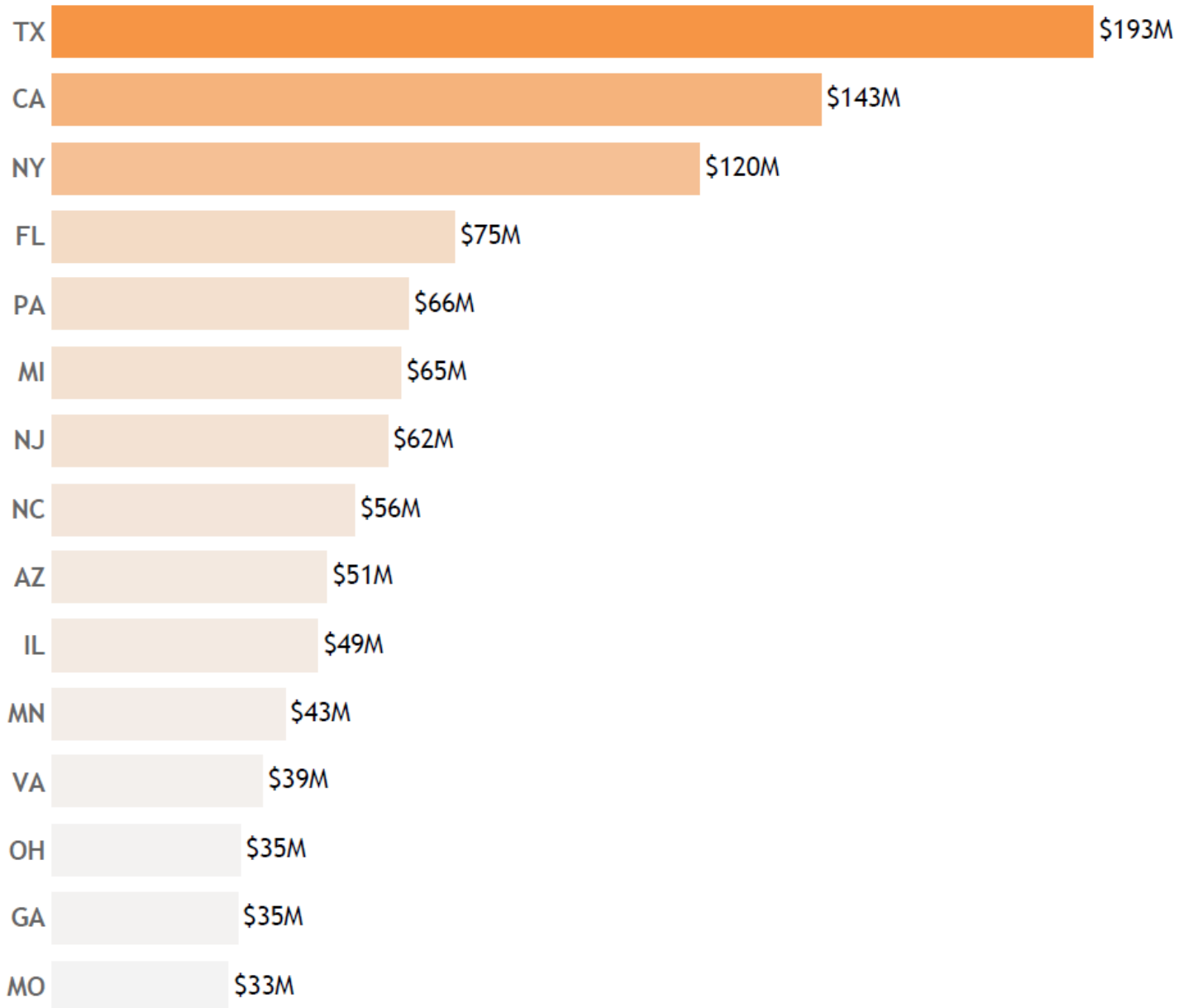
GUBERNATORIAL SPENDING:

We project gubernatorial spending will increase 110% from 2018, the last comparable year. This category will hit \$2.33B in 2021-2022, 16% of which will be spent on CTV and 12% on Facebook and Google. While this represents a large jump for this category, it matches the growth that Senate spending saw between 2018 and 2020. In fact, gubernatorial races saw more spending in 2018 than Senate races did. The largest projected races in this category, unsurprisingly, contain considerable overlap with the Senate seats. The seat with the most variability looks to be the recall of Gavin Newsom in California. If that takes off, the size of the state and price of the markets could drive the CA gubernatorial contest to be one of the most expensive races of the cycle.



HOUSE SPENDING:

We expect House spending to increase 40% from 2020. This category will hit \$1.67B in 2021-2022, 17% of which will happen on CTV and 12% on Facebook and Google. This category contains the most uncertainty. Control of the House hangs in the balance after Republicans picked up a surprising number of seats in 2020, but a delayed redistricting process could freeze election fields and hurt the fundraising of challengers. Consequently, rather than focusing on individual districts that will see the most spending, we have chosen to highlight states that will see the most House spending until the impacts of redistricting become clear.



METHODOLOGY:

We set out to build our projections from the ground up. Rather than dividing the topline numbers from previous years, we built a model to project spending at the individual race level and then rolled these numbers up to reach our topline conclusions. Spending levels in a race correlate strongly with the competitiveness of a seat, so we based our 2022 estimates on each seat's previous spending levels and Cook Political Report's race ratings (Lean D, Toss Up, Lean R etc.).

Historic spending levels come from our comprehensive database of political media expenditures. This baseline number is then adjusted by factors such as the price of a media market and candidate cash-on-hand reports. On average, a race in a historically expensive, cost per spot (CPS) market like Los Angeles, CA will see far more spending than a race in a lower CPS market, such as Norfolk, VA, since it costs significantly more to reach the same relative audience levels.

These projections will also likely change as the landscape changes. Unexpected retirements, strong fundraising, redistricting, and changes in the political winds can, and will, cause the landscape to shift. We will periodically update these projections, but they can be considered a baseline projection for how things look at this moment in time.

ABOUT ADIMPACT:

AdImpact (formerly Advertising Analytics) provides media companies, agencies, and platforms with ad intelligence insights that facilitate enhanced attribution, research, and other media and marketing outcomes.

AdImpact collects, analyzes, and reports on more than one million TV ad occurrences daily, in real-time, involving more than 41,000 brands and advertisers. Coverage includes all national broadcast TV networks, 1,100 local broadcasters, and more than 80 cable TV networks across all 210 U.S. DMAs. In addition to linear television, AdImpact tracks digital media advertising, including more than 36,500 digital advertisers and publishers. By Q3 2021, AdImpact looks to introduce CTV/OTT/addressable TV ad occurrence coverage, creating a 360-degree view of the hyperdynamic TV ad intelligence universe.

In the political sphere, AdImpact collects electoral ad spending and occurrences from the federal to the local level, leveraging the data to create user-friendly analytics for clients. AdImpact also collects rate-level data to provide deep insights and build rate forecasts to help buyers and media companies alike. AdImpact's political data is trusted by a full spectrum of political experts, from presidential campaigns to top-tier news outlets.



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