

New PQ Media Report: Actual U.S. Political Media Spending Hit Record \$4.55 Billion in 2010, Up 8% from 2008 & 45% versus 2006, Despite Lack of Presidential Election; Campaign Media Spending Forecast to Exceed \$5.6 Billion in 2012

Key Growth Drivers in All 14 Advertising & Marketing Media Included Economic Fears, Divisive Healthcare Reform, More Self-funded Candidates & Supreme Court Campaign Finance Ruling; House & Senate Spending Each Topped \$1 Billion for First Time in 2010

Broadcast TV Remained Go-to Medium, As Spending Reached All-time High of \$2.29 Billion; Internet & Mobile Were Fastest Growing & Cable TV Continued to Gain Share

STAMFORD, CT – December 15, 2010 – Despite the absence of a presidential election, actual U.S. political media spending reached a record \$4.55 billion for the 2010 campaign cycle, up 8% compared to 2008, which included a presidential election, and jumping 44.9% versus 2006, according to a new report released today by [PQ Media](#), the leading provider of global media econometrics. Actual advertising media spending reached \$3.16 billion in 2010, accounting for 69.5% of all campaign media expenditures, growing 10.5% from the 2008 level and vaulting 45% compared to 2006, according to the fourth edition of the [PQ Media Political Campaign Media Spending 2010](#). Marketing media expenditures hit \$1.39 billion in 2010, up only 2.3% from 2008, but leaping 44.6% compared to the 2006 election cycle.

The *PQ Media Political Campaign Media Spending* series (previously titled *Political Media Buying*) is the most comprehensive and in-depth source providing actual and forecast spending, growth and trends data for all 14 advertising and marketing media segments; all six federal, state and local campaign categories; and each of the 50 states and 210 designated market areas (DMA's). Advertising media tracked include broadcast and cable TV, radio, newspapers, out-of-home, internet, mobile and magazines. Marketing media include direct mail, telemarketing, public relations, event marketing, promotions and marketing research.

In addition, PQ Media for the first time is providing access to a [value-added report extension that includes 20 exclusive data tables](#), featuring in-depth spending, growth and share analysis for every election cycle from 2000-2010. These tables cross-tabulate all six election cycles with each of the 14 advertising and marketing media and six federal, state and local campaign categories, offering the most comprehensive data series of political media spending available anywhere.

The 2010 campaign continued the spending and growth patterns of the previous five election years since 2000. Among the key trends, record fundraising drove an increase in overall political media spending for the sixth consecutive election cycle, regardless of whether or not there was a presidential race. Broadcast TV remained the primary medium used by political campaigns to reach voters in 2010, generating \$2.29 billion in advertising, or just over half of all campaign media spending, and commanding nearly three-quarters of total ad spending, according to the [PQ Media Political Campaign Media Spending 2010](#). While broadcast TV's share of overall political media spending declined each election year from 2000 (55.8%) to 2010 (50.2%), the amount spent on this medium increased 237% during the period. While radio's share of ad spending also declined every campaign cycle of the decade, newspapers was the only medium in which spending declined in any year from 2000 to 2010. Newspaper ad spending decreased for the second consecutive election cycle in 2010, as its share of total campaign media spending (2%) and advertising (3.1%) continued to slide for the third straight election.

Meanwhile, advertising media that consistently grew and gained share of ad spending throughout the 2000-2010 period included cable TV (7.9% share in 2010), internet (4.3%) and mobile, which tripled in spending from 2006 to 2010, but still accounted for well under 1% of total political advertising in 2010. In the marketing sector, direct mail spending, which accounted for almost three-quarters of all marketing expenditures in 2010, increased 2.9% to \$1.03 billion compared with 2008 and grew 46.2% versus 2006, according to [PQ Media](#). Among the other five marketing media, which combined generated only \$356 million in 2010, public relations was the fastest growing segment, climbing 13% to \$52 million compared to 2008.

“Just two years after the Democrats took control of the executive and legislative branches, the worst recession in 72 years, divisive reform issues and the Supreme Court’s ruling galvanized discordant Republicans to increase fundraising and wrest control of the House in 2010,” said Patrick Quinn, President & CEO of PQ Media. “Voter swiftness to oust incumbents based on critical issues like the economy and jobs isn’t new. But over the last century, voter unrest was only this intense in 1932 and 1992, two seminal periods of economic struggle and change in America. Given the magnitude of the Great Recession and the slow economic recovery we expect through 2012, the stage is set for some fierce battles on Capitol Hill, as both parties jockey for voter approval and donor support in the next election, which is likely to feature a hotly-contested presidential race.”

In addition to the economy, voter confidence and controversial healthcare and financial reform initiatives, another key driver of increased fundraising in 2010 was the Supreme Court’s decision to strike down most components of the Campaign Finance Reform Act, which limited corporate spending on political media campaigns. The Court’s ruling allowed corporations to finance media campaigns on industry-specific issues. But following negative publicity, many corporations changed strategy and shifted contributions directly to candidates or PAC’s, enabling them to buy more media inventory. Moreover, a slew of wealthy candidates ran self-funded campaigns in 2010, including Meg Whitman’s record-breaking \$150 million bid to garner the California governor’s seat and Linda McMahon’s \$50 million campaign to win the vacant Senate seat in Connecticut. Both Republicans, however, lost their respective elections.

Fueled by 37 races for governor, many of them hotly-contested, gubernatorial candidates accounted for the largest share of media expenditures by campaign category in 2010 at \$1.46 billion, or 32.1%, of all political media spending, followed by House candidates at \$1.27 billion (27.8%) and Senate races at \$1.2 billion (26.3%). Spending on local/regional elections rose 14.6% to \$323 million versus 2008, as Republicans sought to seize control of various state legislatures considered Democratic strongholds for decades, according to the [PQ Media Political Campaign Media Spending 2010](#).

Driven by a number of contentious races and self-funded candidates, political media spending hit record levels in many DMA’s in 2010, as eight markets generated more than \$100 million. Los Angeles topped the list at \$337.8 million, due in part to Whitman’s campaign media splurge, followed by New York City – the nation’s largest DMA – at \$238.6 million and Philadelphia at \$144 million, driven by a number of contentious races. Fueled in large part by McMahon’s expensive bid for the Senate in Connecticut, the state’s only DMA – Hartford/New Haven, which is only the 30th largest DMA – was the seventh most lucrative political media market in 2010 with \$111.9 million in spending.

[PQ Media](#) anticipates both parties to maneuver astutely for strong positions going into the 2012 campaign cycle, which has the potential to be the most contentious, lucrative and game-changing election in generations for multiple political stakeholders. “Two years is a

long time in political terms, but current trending indicates campaign media spending in 2012 will continue the robust growth pattern of the past decade," Quinn said. "While several key variables, including catastrophic global events, could change our outlook, PQ Media's preliminary forecast is for total political media spending to set another record in 2012 by surpassing \$5.6 billion, growing at double-digit rates over the 2010 level and the last presidential election year in 2008."

About PQ Media

[PQ Media](#) is the leading provider of media econometrics and pioneer of emerging media research, including digital out-of-home advertising, branded entertainment and word-of-mouth marketing, among others. PQ Media's proprietary research methodology and modeling system delivers the most comprehensive and actionable strategic intelligence available to the global media, entertainment and communications industries. The firm provides top executives at leading media companies, financial institutions, management consultants and media agencies with data and insights to develop more effective strategic growth plans, investment parameters and tactical approaches. PQ Media partners with private equity firm Veronis Suhler Stevenson on the renowned *VSS Communications Industry Forecast*, the industry's benchmark for spending, usage, growth and trends data.

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