

Political advertising is propping up a slow ad market

Article

The news: Political advertising has become big enough that it's propping up the overall ad market.

- In the first half of 2022, Basis Technologies, which handles programmatic ads for political campaigns, saw a **more than four-fold rise in political ad spending** compared with 1H 2020, with all clients' average spending going up.

- The second half of election years always sees a significant bump in political spending (Basis saw 84% of 2020's political ad spend in the latter half). With more primary elections taking place later than usual this year, that could skew expenditures even further in the second half.

Who benefits: States projected to spend the most this year, according to AdImpact, include California (\$755 million), Pennsylvania (\$609 million), Illinois (\$606 million), Arizona (\$600 million), and Georgia (\$575 million).

- Many different forms of advertising are benefiting from political spend, particularly CTV and programmatic.

How we got here: The 2020 election cycle was the most expensive ever, according to OpenSecrets.

- According to Tech for Campaigns, advertisers spent \$2.3 billion on Facebook and Google ads and \$1.5 billion on other digital ads. For perspective, that's around 10.5% of all advertising and 39% of all political digital advertising expenditures.

US Political Ad Spending Over the First 19 Months of the Cycle, by Election Category, 2018, 2020 & 2022 cycles

billions

	2018	2020	2022
House	\$0.20	\$0.21	\$0.43
Senate	\$0.21	\$0.41	\$0.81
Governor	\$0.50	\$0.12	\$0.77
Downballot	\$0.30	\$0.77	\$1.70
Presidential	-	\$1.45	-
Total	\$1.22	\$2.96	\$3.72

Note: numbers may not add up to total due to rounding

Source: AdImpact, "2022 Midterm Projections Spending Report," Aug 19, 2022

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The big takeaway: Political advertising is getting bigger and bigger at a time when inflationary concerns are causing some advertisers to pull back on spending. Given that, it's imperative for marketers evaluating the relative health of the industry to look at exactly how much political spending is hiding weakness in the economy at large.