

2024 US ad market to hit \$369 billion, buoyed by politics, says Magna

Article

The news: IPG Mediabrands' **Magna** unit is expecting robust growth in the US advertising market, projecting a 9.2% spending increase to **\$369 billion** in 2024, bolstered significantly by political campaigns. That's a rise of nearly a percentage point from the media investment firm's previous 8.4% growth prediction.

This optimistic outlook is partly due to political advertising, which Magna forecasts will jump 13% from the last presidential cycle. While impressive, that's actually down from a prior 18% estimate.

Zoom out: The influence of the **Citizens United** Supreme Court decision on political advertising continues to reverberate. The ruling, which allowed for unlimited spending by corporations, unions, and other groups, has led to consistent growth in ad spending and a more intense and fiercely competitive advertising landscape within political campaigns.

Why it matters:

- This growth comes against the backdrop of an improving economy and a strong digital media presence, which further fuels the ad market's expansion.
- Our own forecast has US political ad spending projected to exceed \$12 billion this year, **setting a record and nearly tripling the amount spent in 2016**, with digital platforms, particularly CTV, becoming increasingly popular for campaign investments.

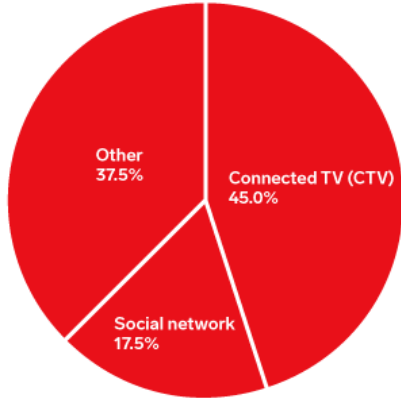
Slow to digitize: While digital ad spending will constitute over three-quarters of the total US media ad spending in 2024 according to Magna, political ad spending in digital media will account for less than 30%. Digital political ad spending expected to grow by 156.3% from 2020 to 2024, significantly outpacing the 28.7% growth in total political ad spending.

- Despite a surge in digital advertising, traditional media, especially linear television, continues to dominate political ad spending, reflecting a continued preference for TV as an effective medium for engaging voters.
- The political advertising landscape on social media is fraught with challenges, including concerns over AI-driven misinformation, varying policies on political ads across platforms, and instability in social networks like X (formerly Twitter), leading to cautious campaign strategies in this domain.

Our take: Political advertising continues to be a powerful driver in the US ad market, reflecting not just the economic dynamics but also the deep political engagement and competition in the country.

- While this surge in spending underscores the vitality of the advertising sector, it also highlights the ongoing influence of political processes on media and advertising trends.

US Digital Political Ad Spending, by Category, 2024
% of digital political ad spending



Note: includes advertising related to federal, state, or local politics, including elections and lobbying activities; includes advertising directly related to legislative and regulatory issues
Source: Insider Intelligence | eMarketer Forecast, Jan 2024

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