2023 2024 PROJECTIONS

AdImpact

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Executive Summary

- AdImpact projects the 2023-2024 election cycle will total $10.2B in political ad spending

- This will be the most expensive political cycle of all time, 13% higher than the 2019-2020 cycle's record of $9.02B

- We project $2.7B on the Presidential election, $2.1B on the Senate, $1.7B on the House, $361M on Gubernatorial, and $3.3B on the Downballot category

- We project $5.1B spent on Broadcast, $1.9B on Cable, $1.3B on CTV, $1.2B on Digital, $361M on Radio, $210M on Network Cable, and $100M on Satellite
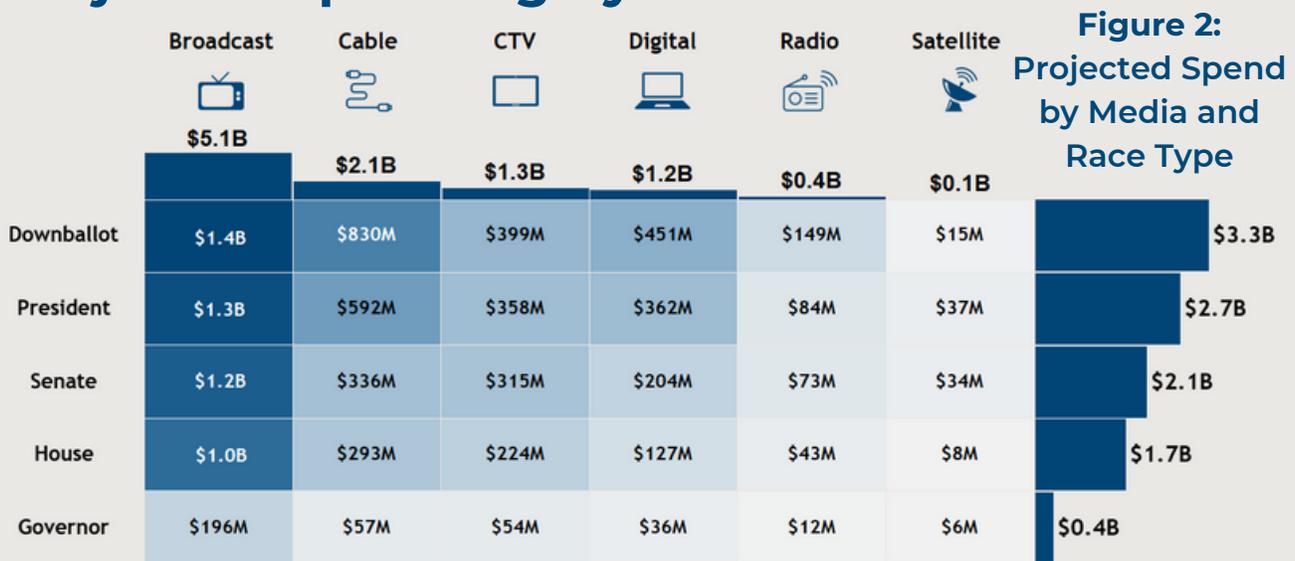
Introduction

Figure 1: Past Spend by Cycle
and 2024 Projected Spend
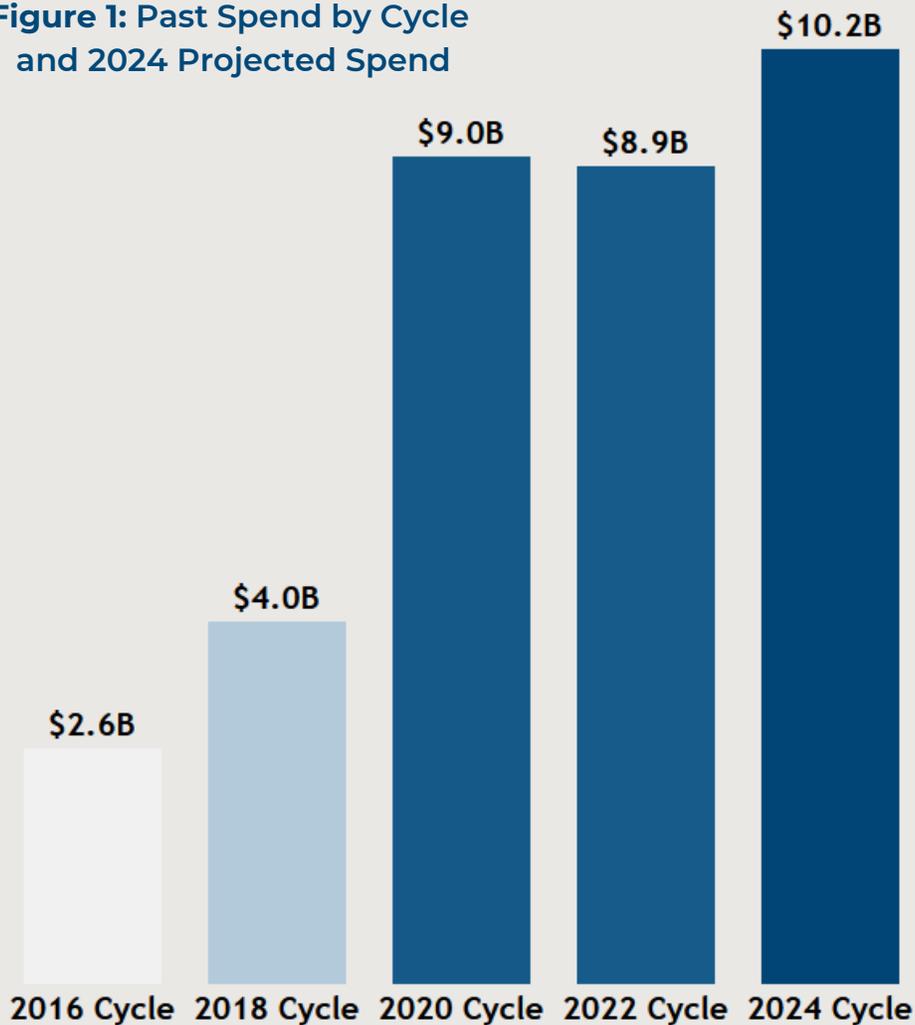
AdImpact projects the 2023-2024 election cycle will be the most expensive of all time, totaling $10.2B in political expenditures across television, radio, digital, and Connected Television (CTV) platforms. This would represent a record for political ad spending, surpassing the previous record cycle, 2020, by 13%. The political category has proven to be one of the few advertising verticals to grow year over year – from $4B in the 2018 cycle to $10.2B in the 2024 cycle. 2022 represented a minor anomaly, declining less than 1% from 2020, but still experienced over $4B in growth from the previous midterm cycle. We expect to see record spending this cycle due to a highly contested Presidential election, razor-thin margins in Congress, and tremendous growth in the Downballot category, which consists of all political spending that is not Presidential, House, Senate, or Gubernatorial.
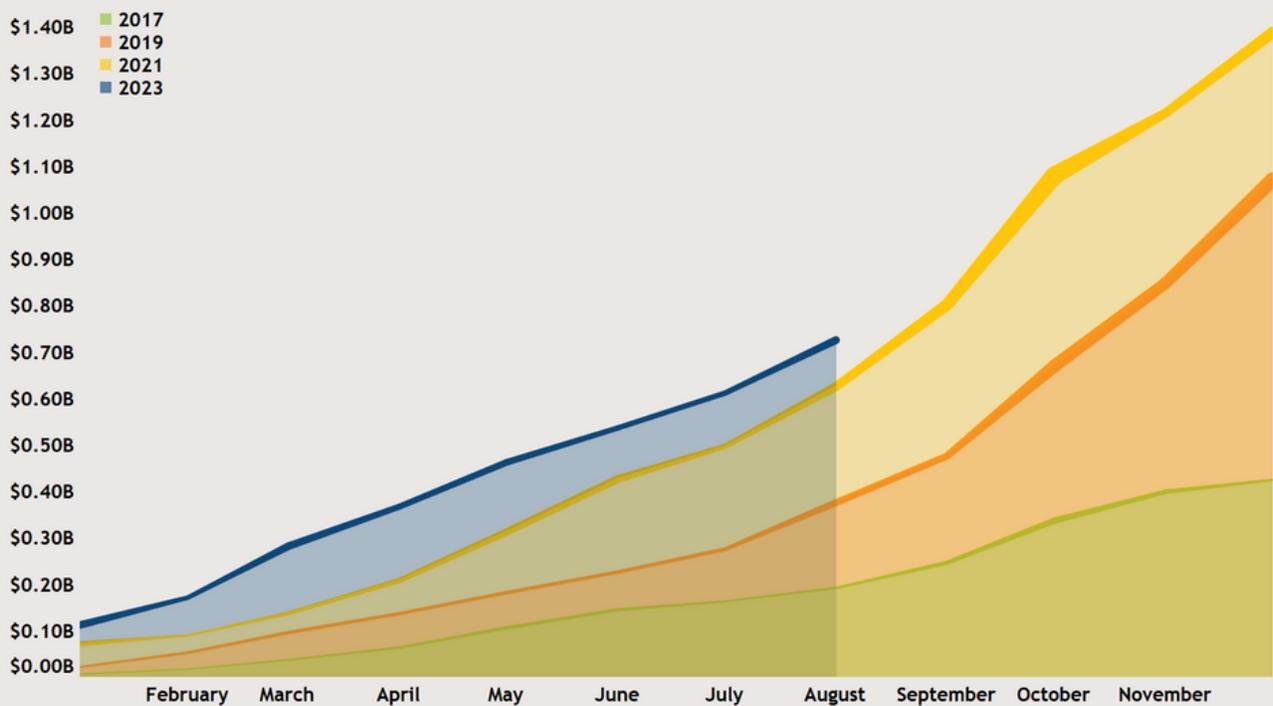
Projected Spending by Media

Figure 2: Projected Spend by Media and Race Type

	Broadcast 📺 $5.1B	Cable $2.1B	CTV $1.3B	Digital $1.2B	Radio $0.4B	Satellite $0.1B	
Downballot	$1.4B	$830M	$399M	$451M	$149M	$15M	$3.3B
President	$1.3B	$592M	$358M	$362M	$84M	$37M	$2.7B
Senate	$1.2B	$336M	$315M	$204M	$73M	$34M	$2.1B
House	$1.0B	$293M	$224M	$127M	$43M	$8M	$1.7B
Governor	$196M	$57M	$54M	$36M	$12M	$6M	$0.4B

Broadcast television is projected to see $5.1B in spending in 2023-2024 and make up 50% of the advertising landscape. This represents a 3% decrease in share compared to the previous cycle, but an increase of approximately $350M in revenue. Spanish language broadcast is expected to increase 9% cycle-over-cycle to $121M in 2024, largely due to the number of competitive races in states with high Spanish-speaking populations such as Arizona, Nevada, Texas, and Florida. Cable is expected to see a slight decrease in share from 19% to 18% of overall spending but will also see a nearly $200M increase in revenue. It is important to consider that different race types see different media mixes. For example, smaller Downballot advertisers are more likely to spend on cable, radio, and digital platforms, while larger statewide advertisers frequently dedicate more spending to platforms such as broadcast TV.

CTV share is expected to increase from 12% to just over 13% and will continue to grow in future cycles. Digital (Facebook and Google) declined from 2020 to 2022. While we do not anticipate a full return to 2020 levels, we expect to see an increase of approximately $100M over 2022 due to Presidential activity. Radio and Satellite are expected to maintain year-over-year shares of 3.5% and 1% respectively. We are also breaking out Network cable spend for the first time to better reflect the levels of spending we are seeing early in the Presidential primary. We expect to see approximately $210M on Network cable. This represents a $70M decline from 2020 when primary candidates Michael Bloomberg and Tom Steyer combined to spend $106M by themselves.

Pacing Compared to Previous Political Cycles

While we are more than a quarter of the way into the 2023-2024 cycle, we do not place too much emphasis on current spending levels to predict overall cycle totals. Off-year spending generally makes up 10-14% of the cycle's total spending. Week-to-week changes in political ad spending this early in a cycle are more easily influenced by trends, such as the entry of a new candidate into a race. These trends are considerably less impactful than the fundamentals of the cycle that will ultimately drive overall totals. So far, we have seen $652M spent through August 2023. This is pacing 75% ahead of 2019's $371M and 16% ahead of 2021's $562M.


Figure 3: 2023 Pacing Compared to Previous Off-Years

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Spending Across the Map

DC		$269M
NH		$267M
MA		$147M
NJ		$95M
CT		$57M
DE		$35M
RI		$35M
VT		$23M
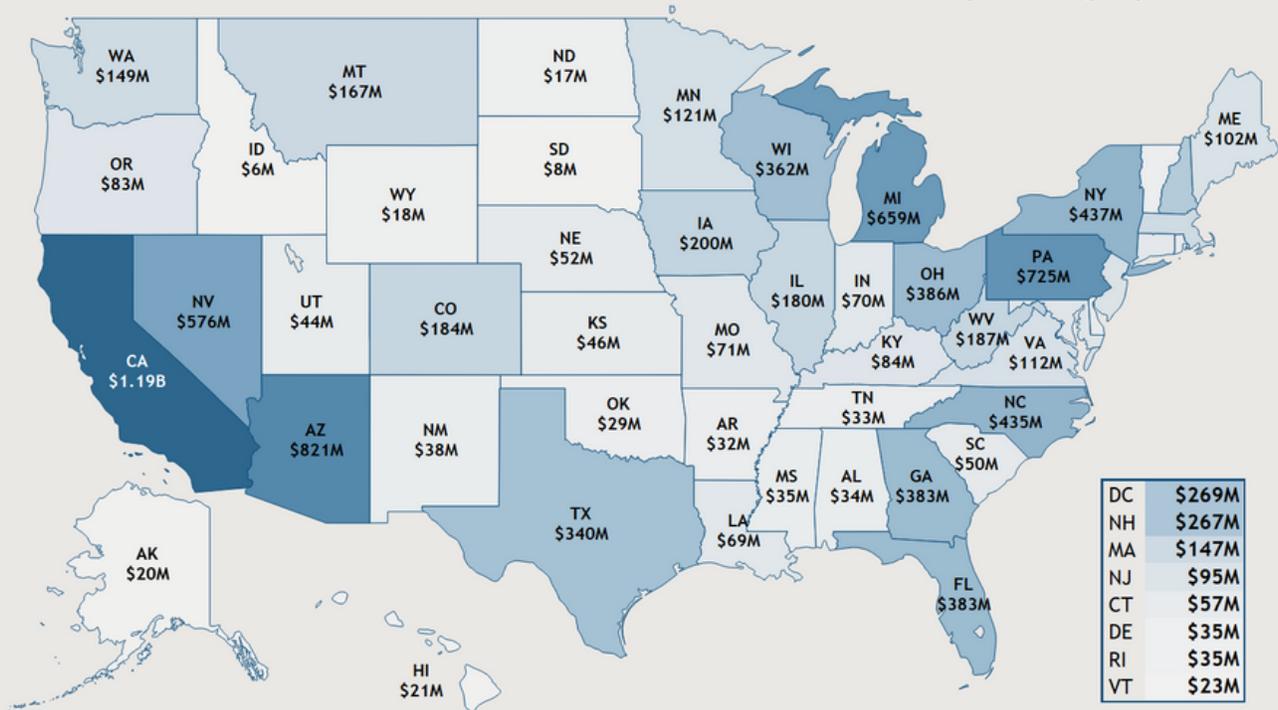
States hosting competitive Presidential elections coupled with important statewide races are projected to experience the highest levels of spending this cycle. Arizona, Pennsylvania, Michigan, and Nevada all fall into this category. However, the state expected to see the most spending is California. Ballot propositions in the state have traditionally received hundreds of millions in political ad spending and we expect that trend to continue in 2024. Spending will also be driven by House and Senate races in the state. California is set to hold the highest number of competitive House races in the country and will host an expensive Democratic Senate primary that has already seen three well-funded candidates announce. New York is another highly populated state with considerable Downballot money and is set to hold the second-highest number of competitive House races in the country. Ohio, Florida, and Texas are three states that could exceed our projections depending on the competitiveness of their Senate and Presidential elections. Unexpected retirements, billionaire self-funders, strong fundraising, redistricting, and changes to the political environment can cause the spending landscape to shift.
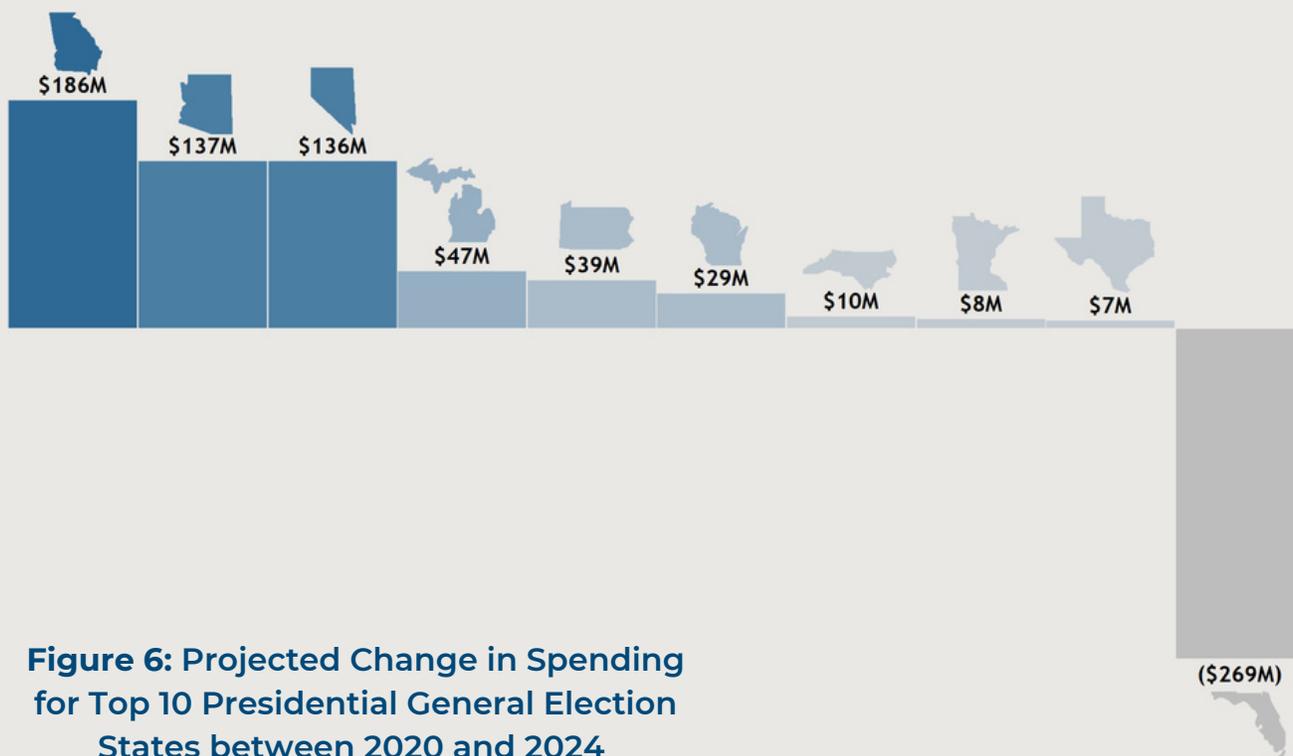
Presidential Spending
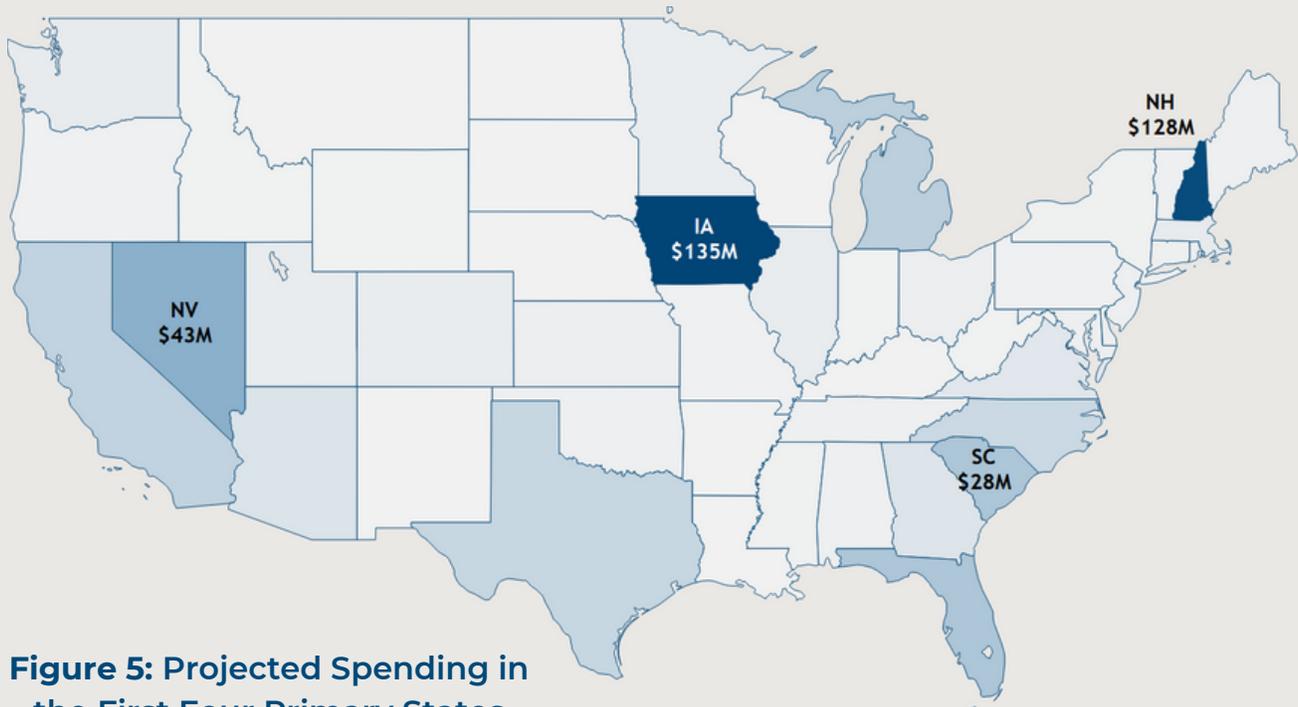
Figure 5: Projected Spending in the First Four Primary States

The Primary

Presidential primary spending is expected to total $630M in 2023-2024. This is about half of what was seen in the 2019-2020 Presidential primary. Between his November 2019 announcement and eventual March 2020 departure, Michael Bloomberg's campaign spent $586M, accounting for 6.5% of the overall cycle spend. Tom Steyer's campaign spent $210M, amounting to 2.3% of the overall total. We expect to see 27% growth from 2020 primary spending to 2024 projected primary spending if Bloomberg and Steyer's totals were removed from 2020. The Presidential primary provides the most variables in attempting a prediction. If one candidate were to secure dominant wins in Iowa and New Hampshire, we would expect a lower total, while spending could increase if polls were to suddenly tighten. Ultimately, this projection offers a snapshot of the primary's current landscape and could change rapidly as candidates enter or exit the race. We do expect Iowa and New Hampshire to take the largest share of this primary's political dollars as candidates focus heavily on the first two states, before turning their attention elsewhere depending on the results.
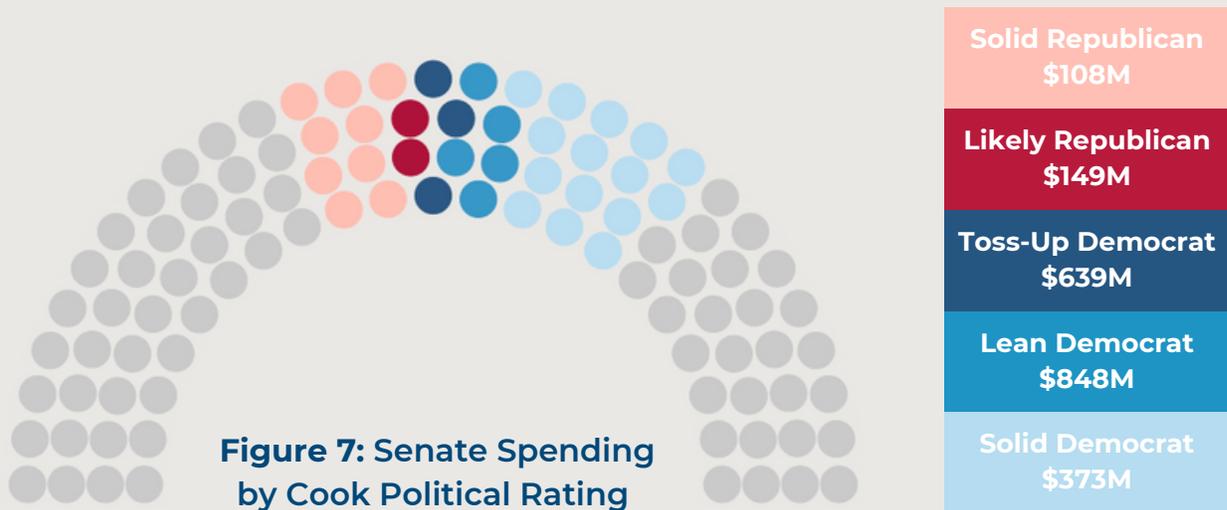
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Presidential Spending

Figure 6: Projected Change in Spending for Top 10 Presidential General Election States between 2020 and 2024

Spending values shown: $186M, $137M, $136M, $47M, $39M, $29M, $10M, $8M, $7M, ($269M)

The General

Presidential general election spending is projected to grow 17%, to $2.1B. We expect spending in the Presidential general election to be concentrated on seven key states: Pennsylvania, Arizona, Georgia, Michigan, North Carolina, Nevada, and Wisconsin. These states are projected to make up 76% of Presidential general spending. Six were won by President Biden in 2020, with North Carolina representing a potential pickup opportunity. Florida, which saw the most money of any Presidential state as recently as 2020, is projected to fall to 8th place this cycle. In 2024, Florida is projected to see $81M in Presidential general spending, significantly dropping from its $350M total in 2020. This decrease is largely due to the state's political shift to the right over the past several years. While the Presidential election is the largest single race in the country, the geographic impact of the spending is expected to be limited to key swing states as campaigns weigh how best to utilize their resources.
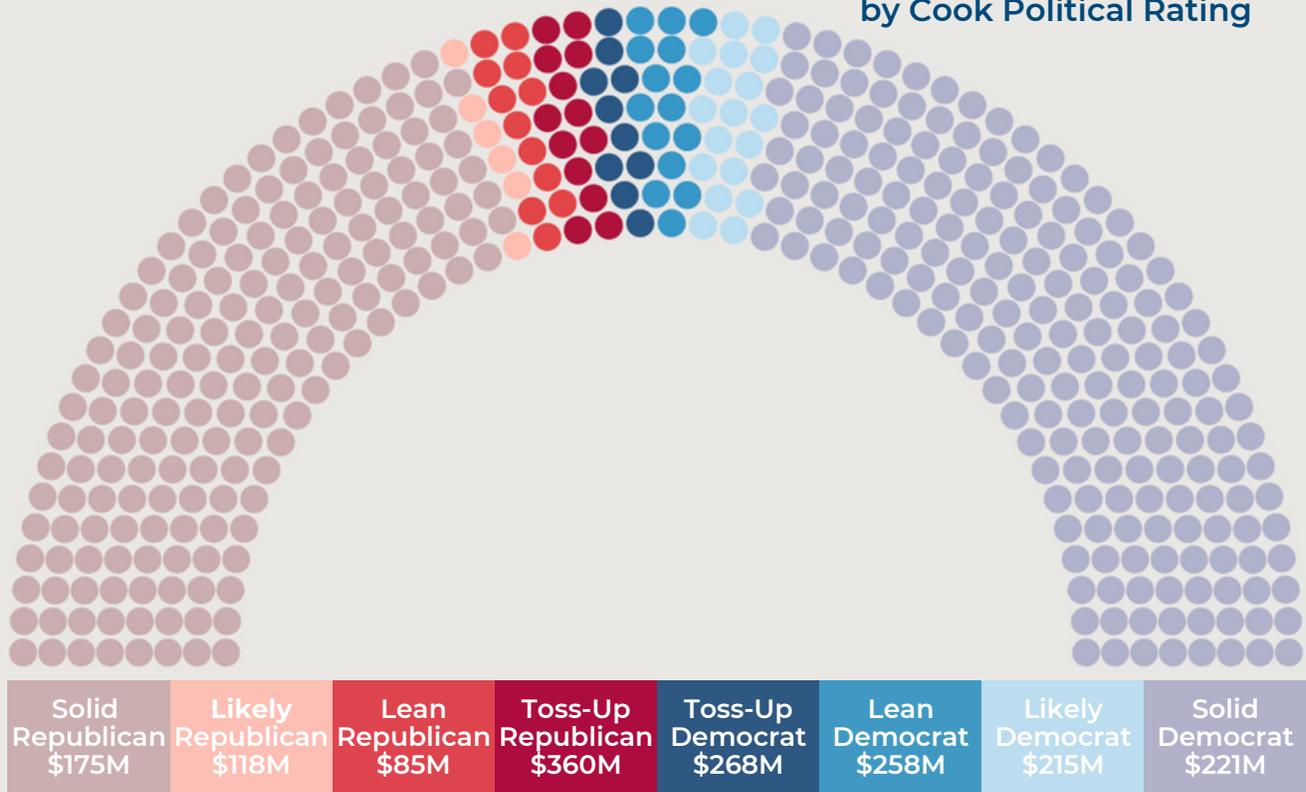
Congressional Spending

Figure 7: Senate Spending by Cook Political Rating

Solid Republican	$108M
Likely Republican	$149M
Toss-Up Democrat	$639M
Lean Democrat	$848M
Solid Democrat	$373M

The Senate

Senate spending is expected to decline approximately 9% in 2024, to a projected $2.1B. 2024 sees Democrats on the defensive in several key battleground states: Arizona, Ohio, Pennsylvania, Nevada, Michigan, Montana, Wisconsin, and West Virginia. Arizona looks likely to be the most expensive Senate race of the cycle. In recent years, it has hinged on razor-thin margins, contains one of the most expensive markets in the country, and is expected to have competitive primaries on both sides of the aisle. Montana and West Virginia jump out as races to track closely. While Senators Jon Tester and Joe Manchin have done well historically, a Presidential race at the top of the ticket makes these seats top Republican pickup opportunities. West Virginia in particular rests on whether Manchin runs again. If he does not, it could quickly become uncompetitive and lower the ceiling on political ad spending. Florida and Texas look to be the states most likely to exceed their projected spending amounts. Both are highly populated, expensive states currently listed as Likely R as rated by Cook Political Report, but a strong candidate or a shift in the national environment could drive an increase in political ad spending. The Presidential race at the top of the ticket could have major implications for spending in these races. With the decline of split-ticket voting, deep red states such as Montana and West Virginia could lead to difficult decisions on resource allocation.

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Congressional Spending

| Solid Republican $175M | Likely Republican $118M | Lean Republican $85M | Toss-Up Republican $360M | Toss-Up Democrat $268M | Lean Democrat $258M | Likely Democrat $215M | Solid Democrat $221M |

The House

House spending is projected to rise 8% compared to 2022, to $1.7B in 2024. While the number of competitive races is going down, the amount spent on each competitive race is going up. In 2018, eight House races saw over $20M in spending. In 2020 it was 10 and in 2022 it was 20. We project 24 House races will see over $20M in 2024. The battle for control of the House will be concentrated in two of the most expensive states in the country to advertise: California and New York. Both are home to large numbers of competitive seats in expensive markets and we expect to see 28% of total House spending in these two states alone. Court-ordered redistricting could throw previously safe seats into unexpectedly competitive races providing the potential for these districts to be far more expensive than they have been historically.

Statewide and Downballot Spending

Gubernatorial Spending

Gubernatorial spending will drop significantly from 2022 to 2024 as the number of seats up for election fell from 36 to 14. We expect to see $361M in Gubernatorial spending, down from $1.9B in 2022, but up from $255M in 2020. There are two key races to keep an eye on North Carolina and New Hampshire. North Carolina is a traditionally competitive state with its chief executive up for grabs in 2024 because Democrat Roy Cooper is term-limited. Governor Chris Sununu's retirement in New Hampshire could make that a highly competitive race, with notable candidates from both parties having already declared.

Downballot Spending

The Downballot category, which consists of all political spending that is not Presidential, House, Senate, or Gubernatorial, will account for nearly one-third of all cycle spending. We have seen rapid growth in this category over the last two cycles, increasing nearly 50% from 2020 to 2022. This growth is driven by ballot initiatives and increased spending in state legislative races. More than 100 State House and State Senate races saw over $1M in spending in 2022. California is projected to receive the largest portion of this money in 2024 due to its ballot propositions. In 2022 it saw 6 ballot measures with over $10M in spending, with the largest seeing over $200M. Along with California, places to pay close attention to are states with closely contested state legislatures. Twelve states had over $10M in state legislative spending in 2022 with 4 seeing more than $30M. Abortion-related ballot initiatives appear to be a major driver of political spending this cycle. Ohio's abortion-related ballot measures have already seen over $30M in 2023 and numerous other states are attempting to get the issue on the ballot in 2024. Election results and spending totals in Kansas during the 2022 cycle demonstrated that abortion can drive political advertising spending even in states considered safely red.

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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 2024 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. Our database includes almost a decade of historical trends, $25B of spending, more than 15,000 elections, and 20 million ad airings. 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 very expensive market like Los Angeles, CA will see far more spending than a race in a cheaper market, such as Norfolk, VA, since it costs significantly more to reach the same relative audience levels. These projections will likely change as the landscape Shifts. We will periodically update these projections as we see the political spending environment unfold.

About Us

AdImpact is a leading advertising intelligence (SaaS) company. We specialize in tracking and analyzing advertising data across various media channels, including traditional, digital, and emerging platforms. Our real-time monitoring captures over one billion TV ad occurrences daily. We maintain the industry's largest ad catalog consisting of over 1.2m unique creatives. Our coverage extends across all 210 designated market areas (DMAs), over 41,000 zip codes, and across more than 20 million IP addresses. Currently, we capture data and analytics for over 88,000 brands and advertisers. Our reliable real-time data and analytics empower users to monitor competitor ad occurrences, spending, messaging, and creatives, facilitating quick and informed decision-making. To learn more about AdImpact's capabilities, please visit www.adimpact.com or request a demo.