

# *2022 Political Outlook*

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03.09.2022

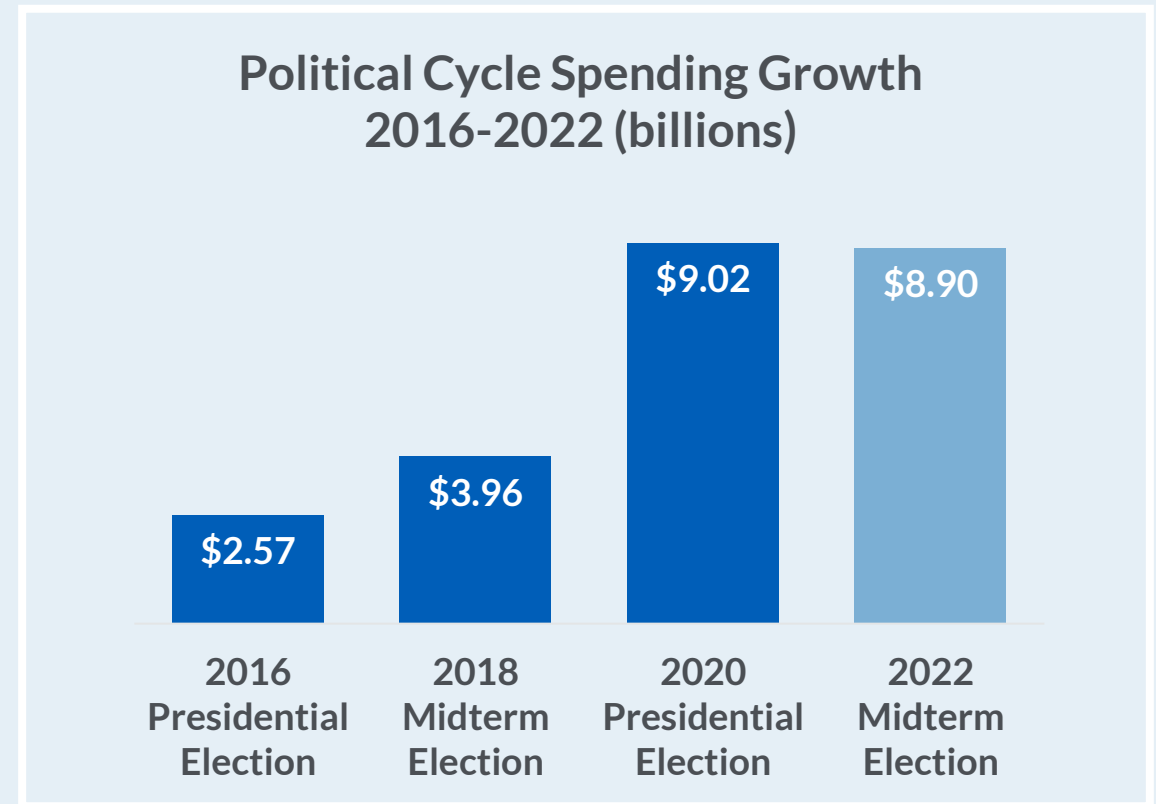
MIDTERM ELECTIONS



# *2022 midterm election spending will hit an all time high this year, with projections of a 125% increase in spend versus the midterms of 2018*

Projections suggest the 2022 cycle to near totals of \$9B, even without a presidential election at the top of the ticket. Political spending will vary by market, with the top 5 markets expected to be:

- New York
- Los Angeles
- Atlanta
- Phoenix
- Philadelphia

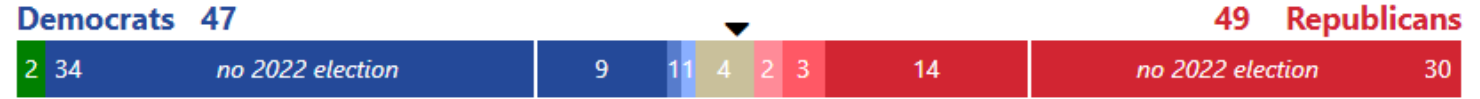


01 OVERVIEW

**02 RACE MAPS & POLITICAL WINDOWS**

03 PROJECTED SPEND BY CHANNEL

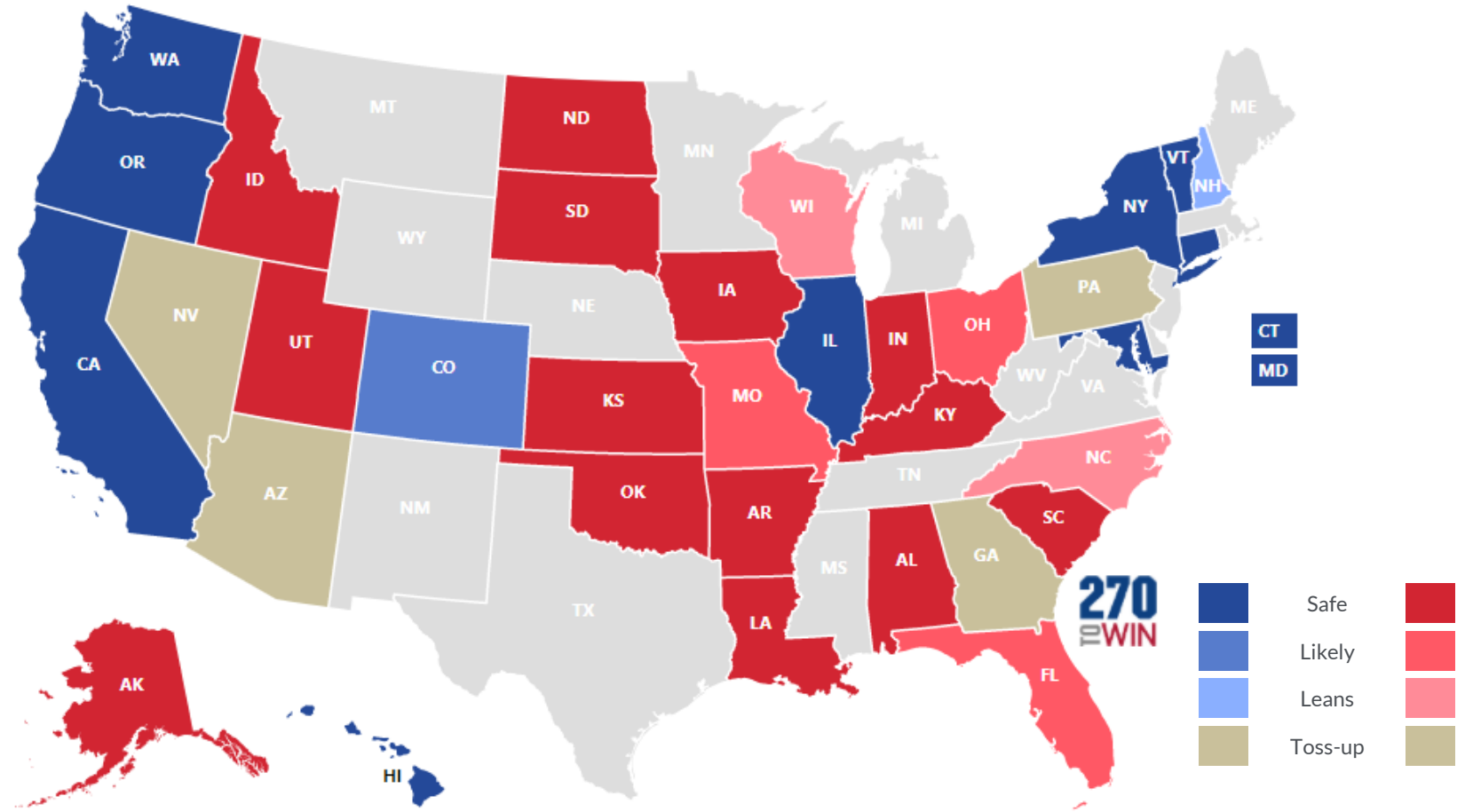
04 CONCLUSION

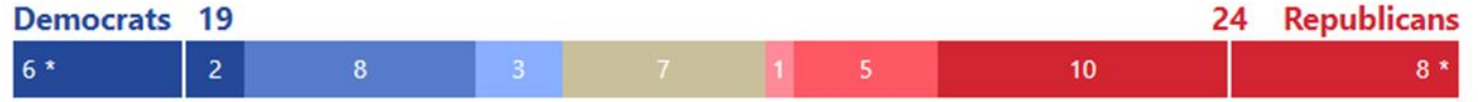


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## 34 Senate Races

Most contested in  
AZ, GA, PA & NV



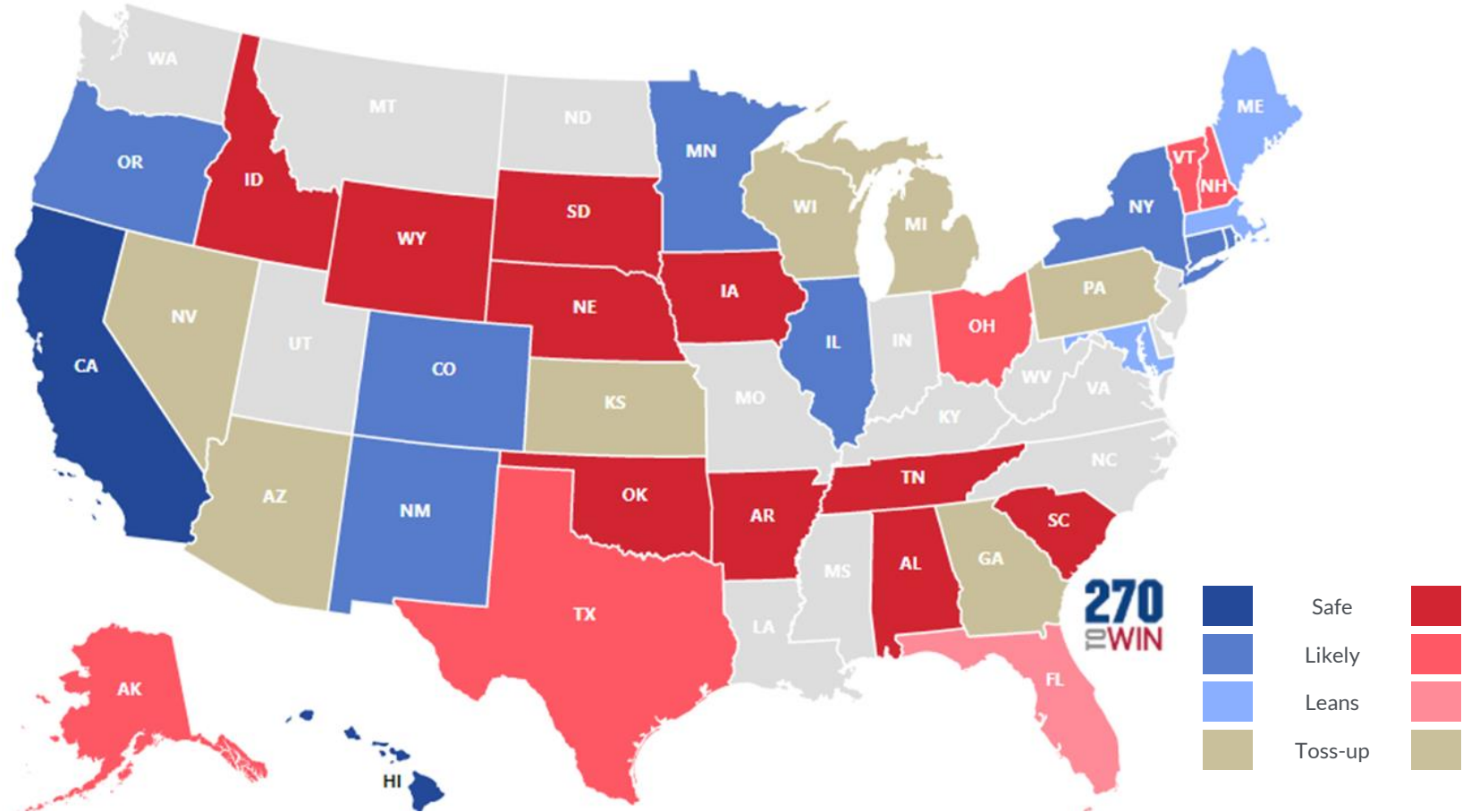


\*no 2022 election

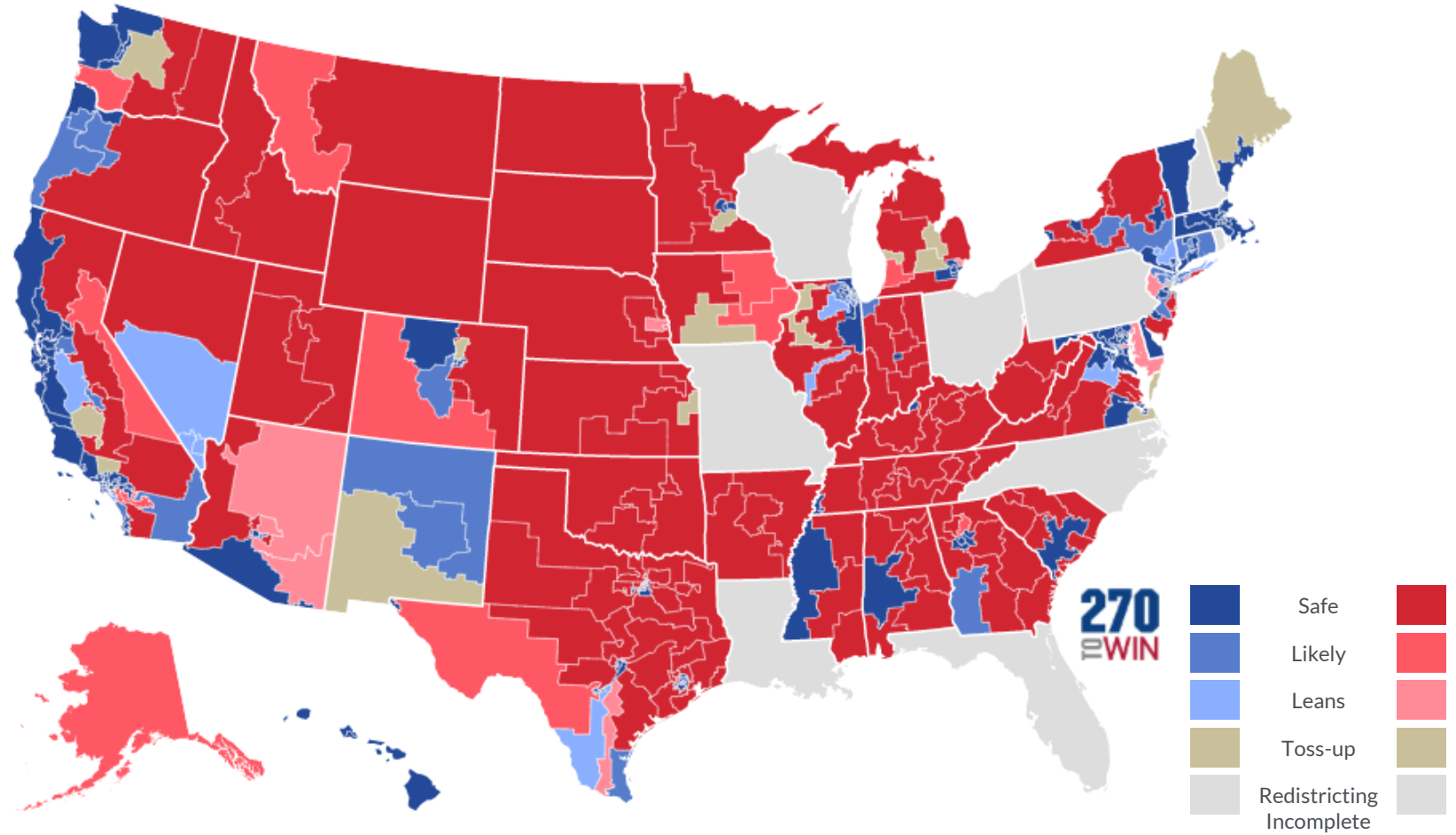
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## 36 Gubernatorial Races

Most contested in PA, AZ, GA, KS, MI, NV & WI



*435 House Races occur every Two Years*



# 2022 Primary Races

State	January	February	March	April	May	June	July	August	September	October	November
Texas	1/16 - 3/01 runoff 5/24										
Indiana			3/20 - 5/03								
Ohio			3/20 - 5/03								
Nebraska			3/27 - 5/10								
West Virginia			3/27 - 5/10								
Kentucky			4/03 - 5/17								
Oregon			4/03 - 5/17								
North Carolina			4/03 - 5/17								
Pennsylvania			4/03 - 5/17								
Idaho			4/03 - 5/17								
Alabama			4/10 - 5/24 runoff 6/21								
Georgia			4/10 - 5/24 runoff 6/21								
Arkansas			4/10 - 5/24 runoff 6/21								
California			4/24 - 6/07								
Iowa			4/24 - 6/07								
Mississippi			4/24 - 6/07 runoff 6/28								
Montana			4/24 - 6/07								
New Jersey			4/24 - 6/07								
New Mexico			4/24 - 6/07								
South Dakota			4/24 - 6/07 runoff 8/16								
Maine			5/01 - 6/14								
Nevada			5/01 - 6/14								
North Dakota			5/01 - 6/14								
South Carolina			5/01 - 6/14 runoff 5/28								
Virginia			5/08 - 6/21								
Colorado			5/15 - 6/28								
Maryland			5/15 - 6/28								
New York			5/15 - 6/28								
Illinois			5/15 - 6/28								
Oklahoma			5/15 - 6/28 runoff 8/23								
Utah			5/15 - 6/28								
Arizona						6/19 - 8/02					
Kansas						6/19 - 8/02					
Michigan						6/19 - 8/02					
Missouri						6/19 - 8/02					
Washington						6/19 - 8/02					
Tennessee						6/21 - 8/04					
Connecticut						6/26 - 8/09					
Minnesota						6/26 - 8/09					
Vermont						6/26 - 8/09					
Wisconsin						6/26 - 8/09					
Hawaii						6/30 - 8/13					
Alaska						7/03 - 8/16					
Wyoming						7/03 - 8/16					
Florida						7/10 - 8/23					
Delaware						7/31 - 9/13					
New Hampshire						7/31 - 9/13					
Rhode Island						7/31 - 9/13					
Massachusetts						8/07 - 9/20					
Louisiana									9/25 - 11/08 runoff 12/10		

General Election  
9/10 - 11/08

2022  
Midterm  
Political  
Windows

Primary  
and  
General  
Elections



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## *82% of political spend projected in linear and OTT video, causing pressure on inventory and increased CPMs*

Channel	National 2022 Projected Spend	National 2020 Actual Spend	Difference vs. Presidential Year
Broadcast TV	\$4.6 billion	\$5.3 billion	-13%
Cable & Satellite	\$1.3 billion	\$1.6 billion	-19%
OTT	\$1.5 billion	N/A	N/A
Digital (Facebook/Google)	\$1.4 billion	\$1.7 billion	-18%
Radio	\$220 million	\$360 million	-39%
<b>TOTAL SPEND</b>	<b>\$8.9 billion</b>	<b>\$9.0 billion</b>	<b>-1%</b>

## *For the 2022 midterms, broadcast TV is still predicted to be the largest recipient of political advertising*

During the political windows for primaries (45 days) and the general election (60 days), federal candidates are guaranteed the lowest unit rate (LUR) on air. The stations cannot refuse a candidate's ads and may not charge political candidates any more than the lowest rates they charge other (commercial) advertisers for the same class of time.

PACs and issue groups are not held to any political windows or rate protections.



## *How are non-political TV advertisers affected?*

**Rate increases** throughout the cycle: Political conditions typically lead to rate increases for non-political advertisers within the political windows, as well as outside of political windows when competing with PACs for inventory.

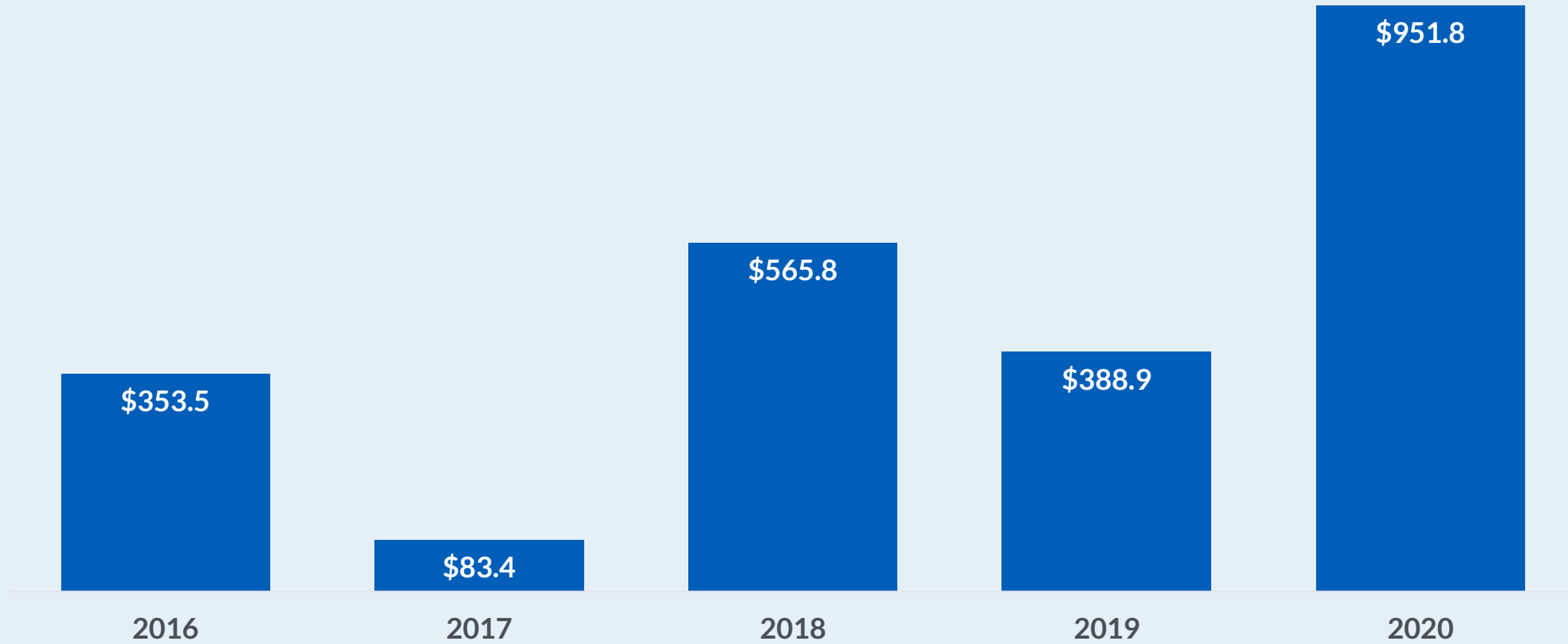
**Pre-emptions** are often caused by PACs and issues groups, as these advertisers are willing to pay significantly higher rates to guarantee placement.

# *OTT inventory is expected to enter political in a big way, with \$1.5 billion in projected spend*

Most OTT vendors will accept candidate and issue advertising.



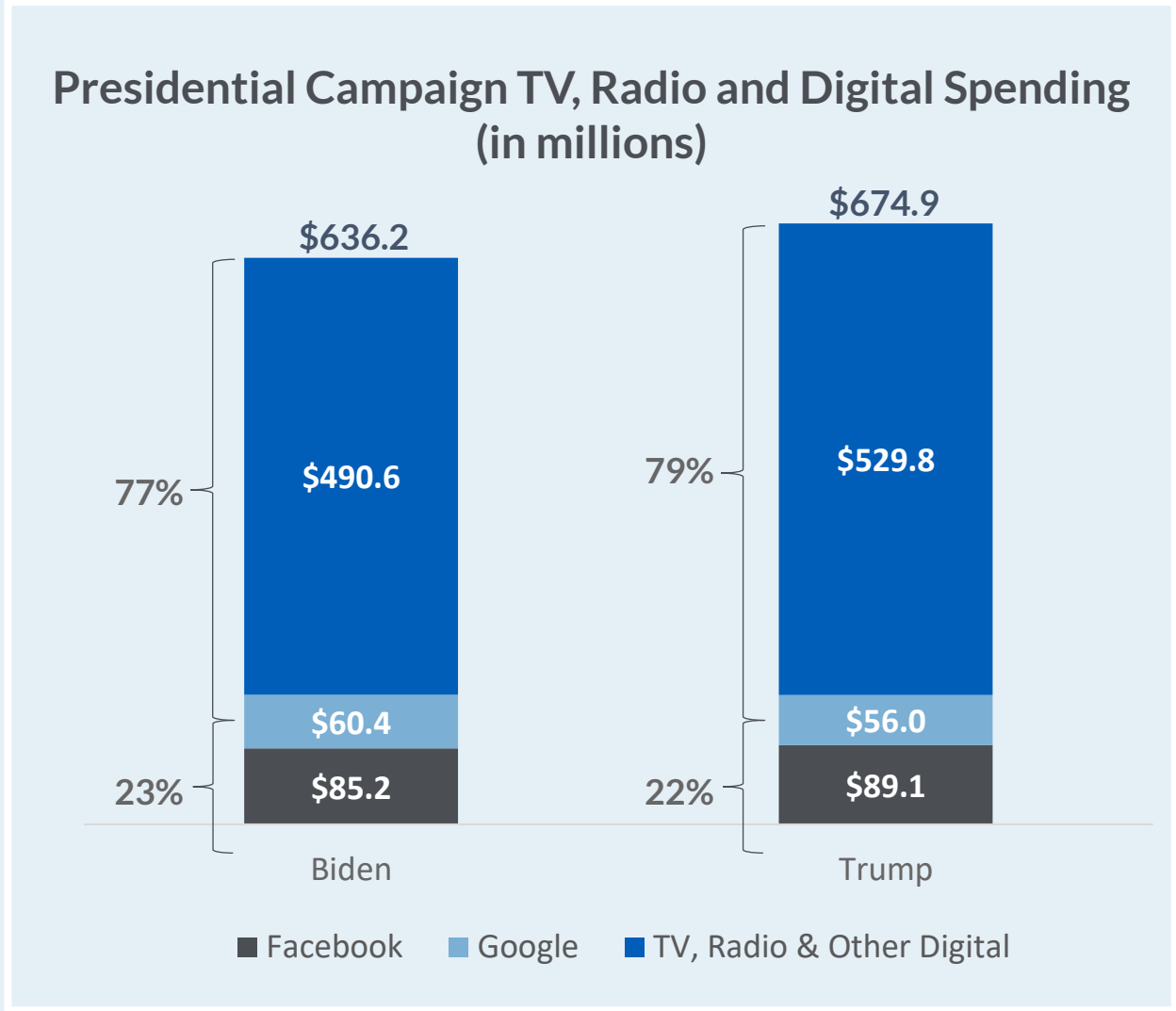
# Digital ad spending continues to increase (\$ in millions)



Source: eMarketer, Feb 2020. Includes advertising related to federal, state or local politics.



# Facebook comprised 13% of the 2020 presidential election spend


Increased usage of Facebook for political advertising will increase rates during the run-up to the elections.





Source: Ad Age. Spending from Kantar/CMAG. Includes spending after April 8, 2020 through Oct. 26, 2020. Facebook properties include Instagram. Google properties include YouTube.


# Social media political ad policies

 Facebook/Instagram allows political advertising and will be the most used platform for political 

 Snapchat allows political ads if they have a “paid for by” disclaimer

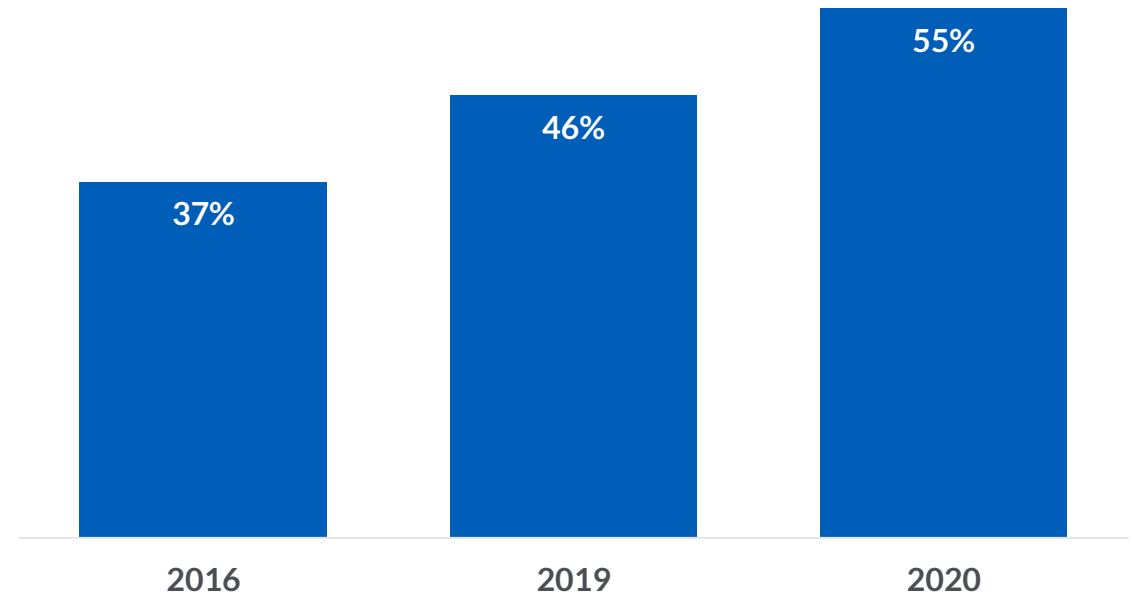
 Political ads are banned

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 Political ads are banned

## % of US Social Media Users Worn Out by Political

Source: Pew Research Center, August 2020



\*Restrictions on social have accelerated the shift in campaign dollars towards OTT/CTV, where users are more trusting than on social media.

\*Source: Magnite, The Power of CTV: Reaching Persuadable Voters in 2020 – “70% of respondents in our recent survey agree with the statement, *I trust news that I see on TV more than what I see on social media.*”

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## *Mitigating the crowded ad space*



For local advertising campaigns, be aware of the elections occurring in your geographic markets.



Be mindful of election dates and political windows and, if possible, avoid the last two weeks leading up to the election on local broadcast TV, cable and Facebook.



Expect rate increases in CPMs specifically with TV, OTT and Facebook.



Secure video inventory early and plan for increased CPMs across linear TV, CTV, and OTT. Local TV/cable are the most impacted by political spending. As this is not a presidential year, cable news network ratings have declined. However, political candidates will still spend a bulk of their dollars on these cable networks. Be prepared to increase CPPs/CPMs to keep your orders intact. Plan for preemptions and allow for spot movement outside of originally intended on-air weeks.

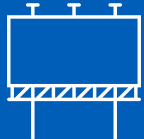
## Mitigating the crowded ad space (continued)



Sports and news sponsorships are guaranteed to run since they are packages not affected by LUR.



OTT offers the significant advantage that schedules will not be pre-empted once booked. Advertisers who book early can be assured of their schedules running.



Consider a channel shift; avoid the clutter by using channels that are less affected by political spending (radio, OOH, print) or where political advertising is banned (Twitter, TikTok, Pinterest).



Audio, including terrestrial and streaming, are good options for shifting budgets. Political radio spend will significantly decrease from 2020. Formats that will have the greatest impact on their inventory are News and Urban.

# About us



Harmelin Media specializes in strategic media solutions and has more than 39 years of experience helping clients navigate a rapidly changing media landscape across digital, traditional and lifestyle forms. The firm has grown with a diverse client roster including many Fortune 500 companies across an array of industries and is now one of the largest independent media service firms in the United States.

Harmelin's expertise is in managing the massive data sets that our clients and campaigns generate to develop strategic, channel-agnostic recommendations that generate business results and positive return on investment. We accomplish this while maintaining a long-term business focus, providing superior customer service and operating with 100% transparency in our operations. Our approach has resulted in unprecedented retention rates with both employees and clients.

Harmelin's current media billings exceed \$800 million across all digital and traditional channels on a local, national and international basis. We are a Google Premier Partner, Meta Business Partner and proud member of the ANA.

For more information, please contact [info@harmelin.com](mailto:info@harmelin.com) or visit [www.harmelin.com](http://www.harmelin.com).