



Supreme Court Ruling to Boost Political Spending Upwards of \$500MM

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A decision by the U.S. Supreme Court on election financing which loosens restrictions on corporate and nonprofit campaign spending could boost political spending by as much as an additional \$250 million to \$500 million dollars, on top of the \$3.5 billion expected to be spent on political advertising this year, according to Wells Fargo media analyst Marci Ryvicker.

The decision lifts a ban that disallowed corporations and unions from running ads that directly supported candidates. Corporations will be free to spend money on attack ads, in ways which were previously banned, The New York Times reports.

The reversal of the ban means that corporate and union election spending could increase at the state and local level, as the decision paves the way for similar decisions on similar state laws and local ordinances.

Advertising on behalf of political candidates by corporations would not be eligible for the reduced ad rates which must be offered to candidates, which means they will be required to pay full rates (via Media Life).

“This takes an already bulked-up, well-funded election and puts it on steroids,” said Evan Tracey, the chief operating officer of the Campaign Media Analysis Group, a division of TNS Media Intelligence. Tracey said that the move will mean a lot of people will be fighting for the same inventory, which will drive up ad rates, particularly in battleground states. Should ad inventory become scarce on local TV, spending on local radio and local cable could rise, as well.

Detroit’s ABC affiliate, WXYZ-TV Ch. 7, has already begun to get inquiries from candidate organizations about advertising, according to the station’s vp and general manager Bob Sliva, Crain’s Detroit Business writes.

The lack of political ad dollars in 2009 contributed to the 30% ad revenue decline local TV stations experienced, per the Television Bureau of advertising.