

POLITICAL CASH COWS

US Television Stations Remain
Relevant and Lucrative Because of
Political Campaigns

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Cash Cow: A business unit, product line, or investment that has a return on assets greater than the market growth rate.

The idiom refers to the idea that it produces “milk” (profit) long after the cost of the investment has been recouped.

Source: investinganswers.com

POLITICAL CASH COWS

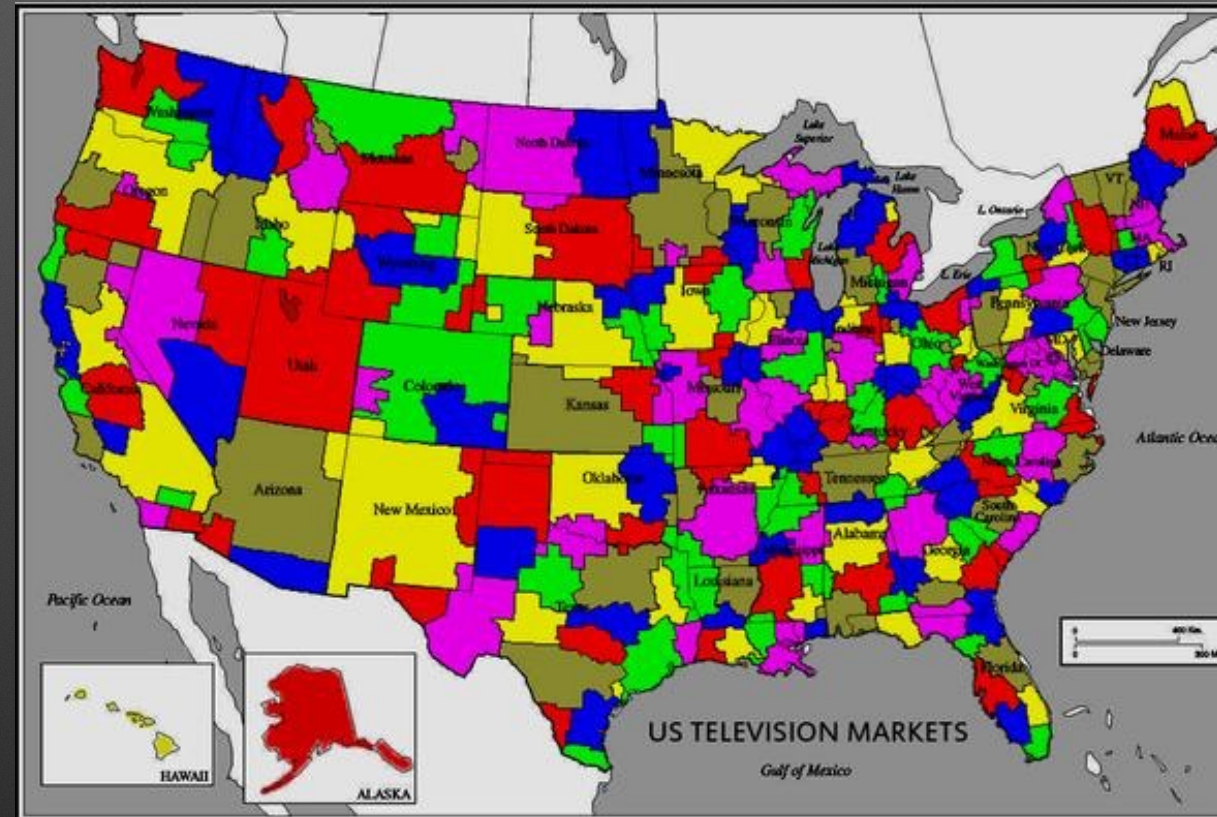
US Television Stations Remain Relevant and Lucrative Because of Political Campaigns

Election Spending in 2018 Midterm Election

\$5.7 Billion dollars was spent on Congressional races.
Most expensive midterm ever.

US DESIGNATED MARKET AREAS

I-210



US AFFILIATES – TIED TO NETWORK PROGRAMMING



Networks

The Programming - The Franchise

US AFFILIATES – OWNED BY CORPORATIONS



US AFFILIATES – OWNED BY CORPORATIONS

TRIBUNE
BROADCASTING

RAYCOM
— MEDIA —

TEGNA

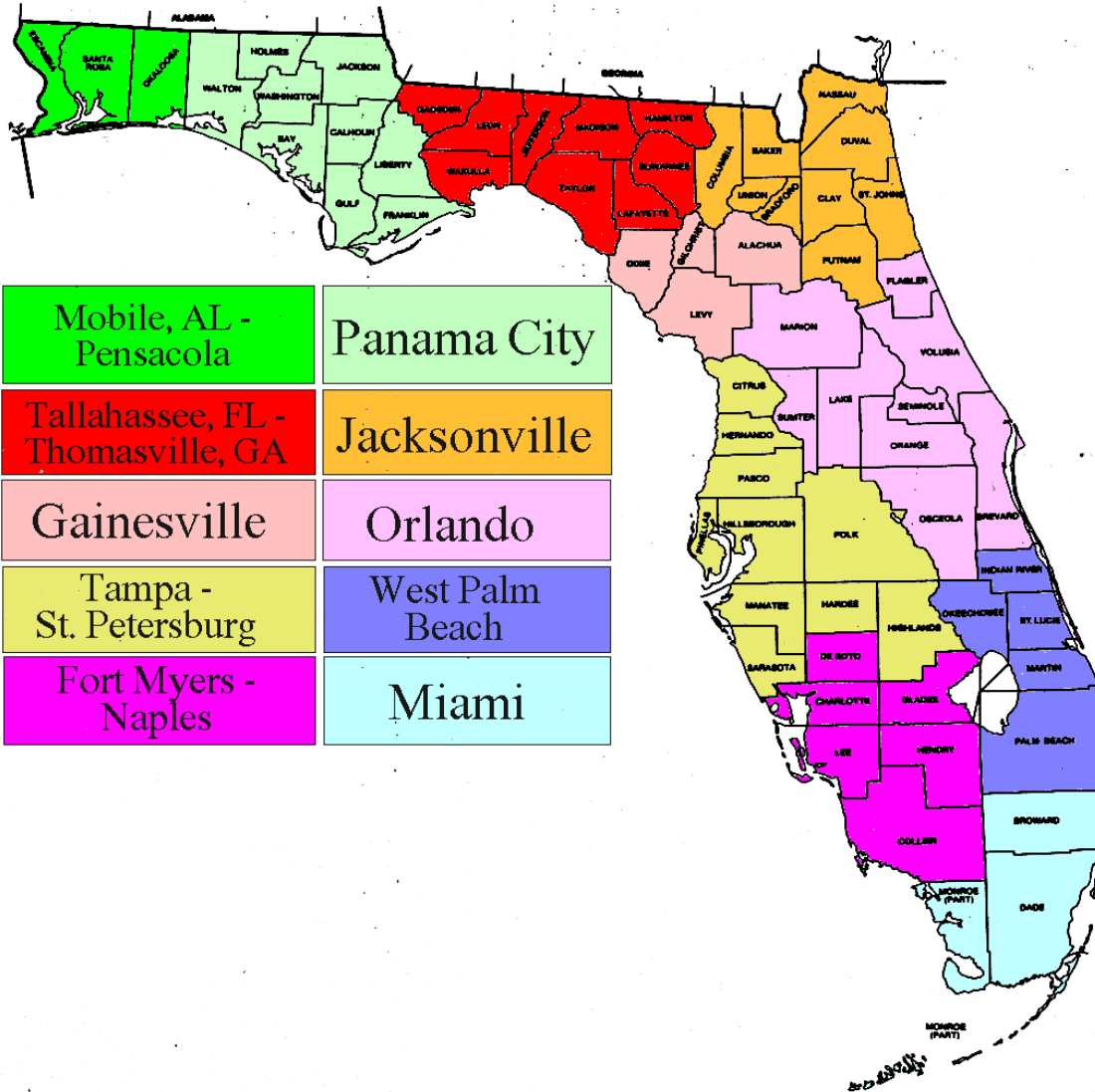
Give light  and the people will find their own way
SCRIPPS

SINCLAIR
BROADCAST GROUP

 **Nexstar**
MEDIA GROUP, INC.

 **gray**
Television • Digital • Mobile

FLORIDA DMAs

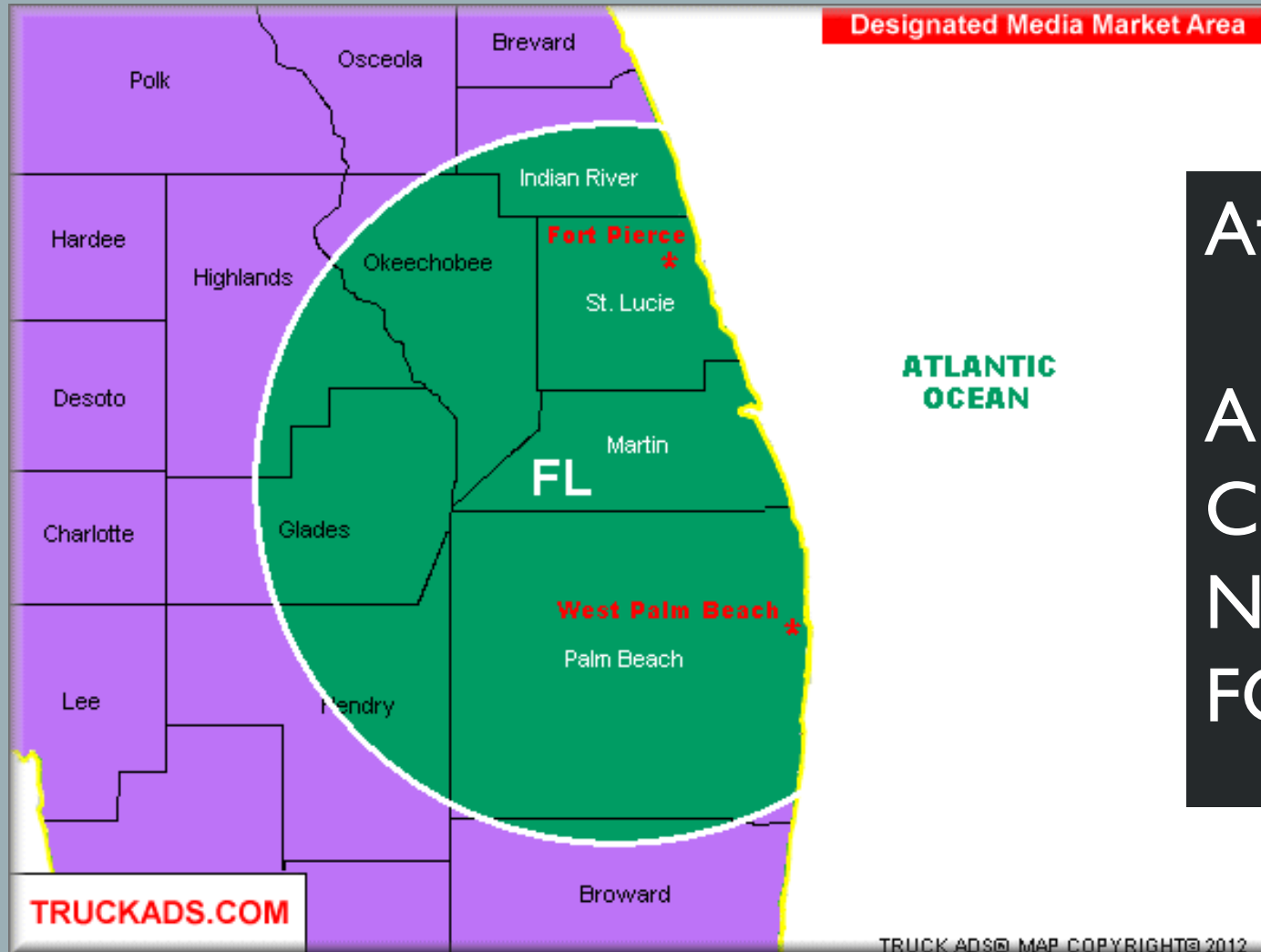


11. Tampa
 16. Miami
 18. Orlando
 37. West Palm Beach
 42. Jacksonville
 58. Mobile, Al-Pensacola
 112. Tallahassee, Fl. – Thomasville, GA
 150. Panama City

WEST PALM BEACH - DMA 37

Population: 829,880

% of the US: 0.753



Affiliates:

ABC – WPBF

CBS – WPEC

NBC – WPTV

FOX - WFLX

POLITICAL CASH COWS

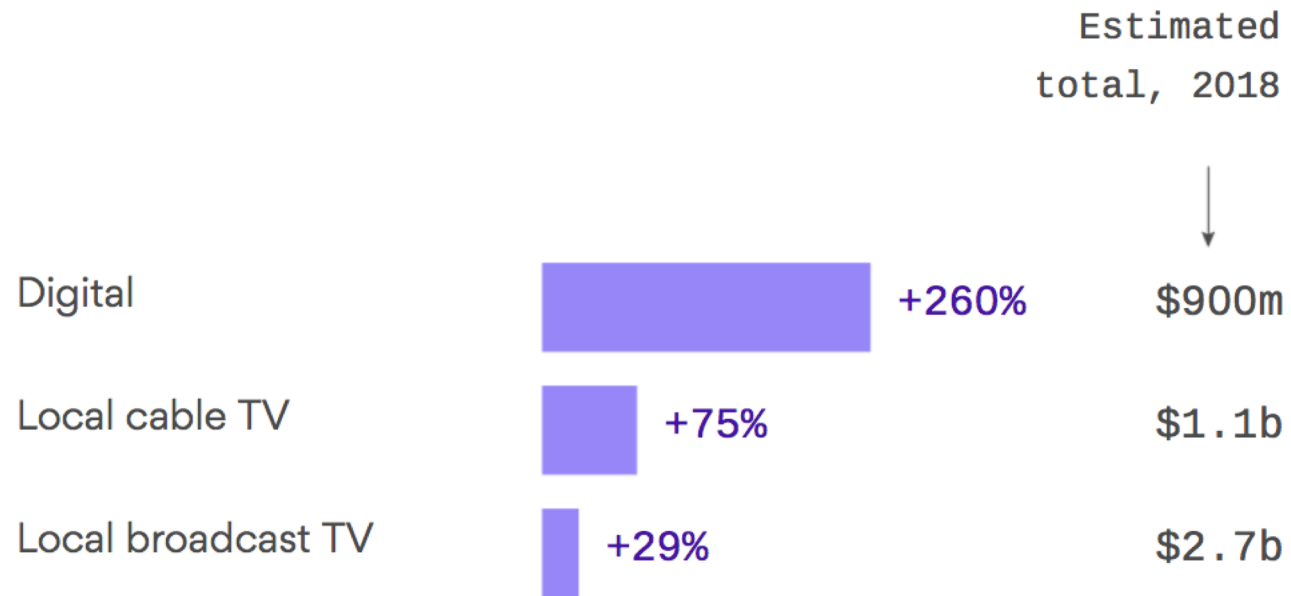
Florida Senate Race:
\$213,437,309

Most expensive race in the United States.

Source: [opensecrets.org](https://www.opensecrets.org)

POLITICAL CASH COWS

Change in TV midterm ad spending
by medium, 2014-18



Data: [Kantar Media](#); Chart: Axios Visuals

POLITICAL CASH COWS

R1: Did the candidates outspend each other at one or more of the local TV affiliates?

R2: Was the PAC/Issue spending greater than the candidate spending at any of the TV affiliates?

R3: Did one candidate buy more commercials than the other?

R4: Did one station earn more money in political sales than the others?

ETHNOGRAPHIC STUDY



Dave Griscavage – Sales Manager

QUANTITATIVE STUDY



publicfiles.fcc.gov

Public inspection files of
invoices of political
advertising transactions.

FCC ELECTION RULES AND ADVERTISING



Campaign Finance Reform

2010: Citizens United v. Federal Election Commission

The United States Supreme Court ruled that the First Amendment protected the right of corporations, associations, and labor unions to pay for advertisements supporting or opposing political candidates.

FCC ELECTION RULES AND ADVERTISING

Lowest Unit Rate

45 Days from a Primary Election
60 Days from a General Election

FCC ELECTION RULES AND ADVERTISING

There are 8 minutes of commercials per ½ hour: 16 spots
The rate for a spot varies by day part/programming popularity.

FCC ELECTION RULES AND ADVERTISING

Lowest Unit Rate

Daypart	Time Period	Program			
Early News			FX/P1	P2	P3
M-F	7-7:30pm	News at 7pm	\$800	\$650	\$550

FCC ELECTION RULES AND ADVERTISING

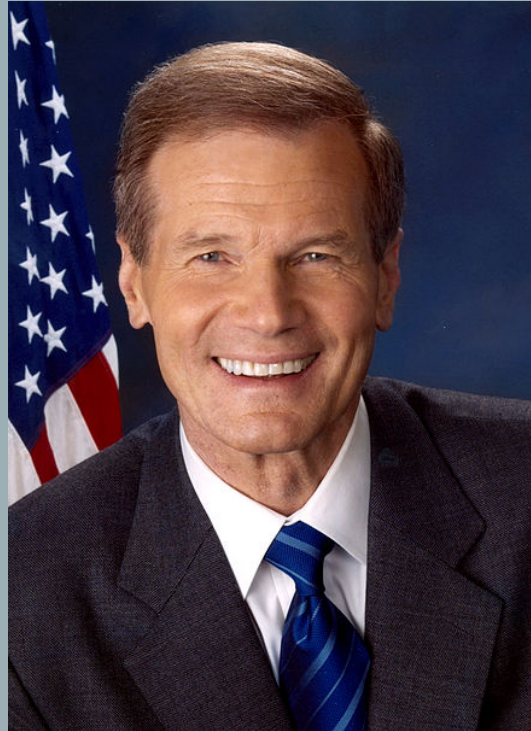
**Candidate money spent at the local affiliates
must be reported and filed with the FCC.**

FCC ELECTION RULES AND ADVERTISING

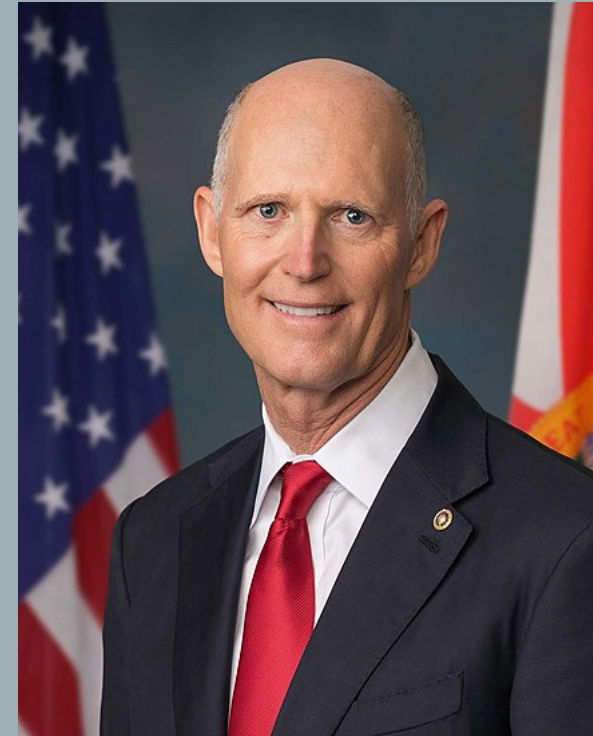
Political Action Committee/Issue Ads invoices of transactions do not have to be reported to the FCC.

FLORIDA SENATE ELECTION

Democrat Bill Nelson
Incumbent



Republican Rick Scott
Former Florida Governor



FLORIDA SENATE ELECTION WEST PALM BEACH TV ADVERTISING

Candidate Money spent on TV Advertising

	WPTV-TV (NBC)	WFLX-TV (FOX)	WPBF-TV ABC	WPEC-TV (CBS)	TOTALS
Candidates:	E.W. Scripps	Gray TV	Hearst TV	Sinclair Broadcast Group	
Nelson (D)	\$523,900	\$493,615	\$1,912,010	\$1,084,905	\$4,014,430
Scott (R)	\$1,582,975	\$854,805	\$3,934,156	\$1,878,718	\$8,250,654
TOTALS	\$2,106,875	\$1,348,420	\$5,846,166	\$2,963,623	\$12,265,084

FLORIDA SENATE ELECTION WEST PALM BEACH TV ADVERTISING

Political Party Contributions to the Candidates

Party Money	WPTV-TV (NBC) E.W. Scripps	WFLX-TV (FOX) Gray TV	WPBF-TV ABC Hearst TV	WPEC-TV (CBS) Sinclair Broadcast Group	TOTALS
DSCC (D)	\$87,815	\$147,225	\$352,360	\$185,610	\$773,010
NRSC (R)	\$110,125	\$126,750	\$197,061	\$145,330	\$579,266
TOTALS	\$197,940	\$273,975	\$549,421	\$330,940	\$1,352,276

FLORIDA SENATE ELECTION WEST PALM BEACH TV ADVERTISING

of Campaign Spots purchased by Candidate and Party

Commercial spots:	WPTV-TV (NBC) E.W. Scripps	WFLX-TV (FOX) Gray TV	WPBF-TV ABC Hearst TV	WPEC-TV (CBS) Sinclair Broadcast Group	TOTALS
Nelson	871	1515	3329	1287	7,002
DSCC	151	NA	553	227	931
TOTALS	1,022	1,515*	3,882	1,514	7,993

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Scott	1157	1961	5036	2287	10,441
NRSC	103	NA	124	121	348
TOTALS	1,260	1,961*	5,160	2,408	10,789

FLORIDA SENATE ELECTION WEST PALM BEACH TV ADVERTISING

Candidate Money vs. Political Action Committee/Issue Ads

PACs/Issues Supporting Nelson	WPTV-TV (NBC) E.W. Scripps	WFLX-TV (FOX) Gray TV	WPBF-TV ABC Hearst TV	WPEC-TV (CBS) Sinclair Broadcast Group		TOTALS
Vote Vets	NA	\$58,025	\$233,100	\$76,050		\$361,175
Senate Majority	NA	\$320,875	\$2,387,005	\$418,895		\$3,126,775
Majority Forward	NA	\$121,200	\$1,606,880	\$284,305		\$2,012,385
DCCC	NA	\$147,225	\$464,300	NA		\$611,525
AFSC&M	NA			\$27,725		\$27,725
<u>Giffords</u>	NA		\$8,600	\$5,000		\$13,600
EDF Action	NA	\$80,000	\$532,000			\$612,000
TOTALS	NA	\$727,325	\$5,231,885	\$811,975		\$6,404,010

FLORIDA SENATE ELECTION WEST PALM BEACH TV ADVERTISING

PACs/Issue Spots to support Nelson

Commercial spots: Nelson issue Ads	WPTV-TV (NBC) E.W. Scripps	WFLX-TV (FOX) Gray TV	WPBF-TV ABC Hearst TV	WPEC-TV (CBS) Sinclair Broadcast Group	TOTALS
Vote Vets	NA	147	203	80	430
Senate Majority	NA	765	2345	536	3646
Majority Forward	NA	407	1724	307	2438
DCCC	NA	286	534	NA	820
AFSC&M	NA	0	0	47	47
<u>Giffords</u>	NA	4	12	5	21
EDF Action	NA	98	345	0	443
TOTALS	NA	1707	5163	975	7845

FLORIDA SENATE ELECTION WEST PALM BEACH TV ADVERTISING

Candidate Money vs. Political Action Committee/Issue Ads

PACs/Issues Supporting Scott	WPTV-TV (NBC) E.W. Scripps	WFLX-TV (FOX) Gray TV	WPBF-TV ABC Hearst TV	WPEC-TV (CBS) Sinclair Broadcast Group	TOTALS
America Next	NA	\$69,050	\$208,750	\$62,875	\$340,675
New Republican	NA	\$457,525	\$2,598,845	\$476,505	\$3,532,875
TOTALS	NA	\$526,575	\$2,807,595	\$539,380	\$3,873,550

FLORIDA SENATE ELECTION WEST PALM BEACH TV ADVERTISING

PACs/Issue Spots to support Scott

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America Next	NA	207	322	98	627
New Republican	NA	1131	2941	435	4507
TOTALS	NA	1,338	3,263	533	5,134

FLORIDA SENATE ELECTION WEST PALM BEACH TV ADVERTISING

Total Campaign Spots Purchased

Total Commercials	Candidate & Party	PAC & Issue	TOTALS
Nelson Support	7933	7845	15778
Scott Support	10789	5134	15923
TOTALS	18,722	12,979	31,701

FLORIDA SENATE ELECTION WEST PALM BEACH TV ADVERTISING

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Nelson PACs	NA	\$727,325	\$5,231,885	\$811,975	\$6,404,010
Scott PACs	NA	\$526,575	\$2,807,595	\$539,389	\$3,873,550
Totals	\$2,304,815	\$2,876,295	\$14,435,067	\$4,645,918	\$23,899,920

HYPOTHESES

H1: The candidate that outspends the other will win the race.

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Bill Nelson won the DMA, especially the largest county Palm Beach County by 58.4% to 41.6%.

Candidates:	Candidate Campaign Ads	Political Party/Candidate Ads	PAC/Issue Ads		TOTALS
Nelson (D)	\$4,014,430	\$773,010	\$6,404,010		\$11,191,450
Scott (R)	\$8,250,654	\$579,266	\$3,878,550		\$12,708,470
TOTALS	\$12,265,084	\$1,352,276	\$10,282,560		\$23,899,920

HYPOTHESES

H1: The candidate that outspends the other will win the race.

The race was closely contested race statewide.
The final statewide tally recorded 1033 more votes for Rick Scott over Bill Nelson.

HYPOTHESES

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Future Spending



RELEVANCY OF TV SALES

“The whole process of political advertising is mind boggling. TV won’t die as long as there are political ads.”



Dave Griscavage – Sales Manager

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Further Research

R1: Will the 2020 Presidential Election result in more advertising dollars and commercial sales?

R2: Will Sinclair (a politically motivated corporation) attract more Trump money than others?

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Thank you!



Dr. Dean Cummings – Georgia Southern University, USA