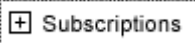




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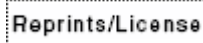
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Report: O&Os Big Beneficiaries of '10 Political Cash

Who looks to gain the most from Supreme Court ruling?

By Michael Malone -- Broadcasting & Cable, 1/26/2010 12:19:58 PM

With an abundance of stations in what look to be hotly-contested political markets, station groups such as Meredith, McGraw-Hill and the network-owned groups look best poised to grab political advertising this year, according to investment bank M.C. Alcamo & Co. Inc.

It's been estimated that as much as \$3 billion in political advertising will be spent this year, aided by the Supreme Court's landmark "Citizens United" ruling last week that lifts limits on spending from corporations and unions.

M.C. Alcamo & Co., Inc. reviewed House, Senate and gubernatorial elections for close contests, and mapped them against the DMA landscape. It reports that 75% of McGraw-Hill's four stations are in markets featuring "toss-up" races, followed by 64% at Meredith, 62% at CBS and 60% at both the ABC and NBC owned station groups. Gannett's "toss-up" rate is 58%, and the Fox-owned group comes in at 52%.

"While all broadcasters will benefit in the 2010 political cycle, certain groups in key markets will do exceptionally well," said M.C. Alcamo President **Michael Alcamo**. "After *Citizens United*, this will be a highly-caffeinated political season."

At the other end of the spectrum are Nexstar (14%), Sinclair (19%) and Cox (27%), Alcamo deducing that those groups' stations are in markets where the elections will not be as hotly contested.

The windfall comes at a good time for broadcasters. "In 2010, political advertising will yield a significant bump in revenue and profitability in key markets," said Alcamo. "Now that operating costs have been tightly controlled through the aggressive cost reductions achieved in 2009, incremental high-margin revenue will bring an important boost to the industry, allowing broadcasters to pay down debt, increase dividends, or make acquisitions."

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