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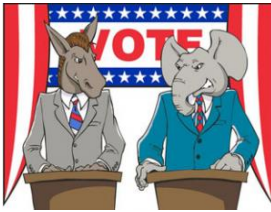
Picking the 2010 election winners in television

2010-01-31 09:36:00

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Pretty much every TV company stands to benefit from a political advertising windfall in 2010, enlarged not only by the unusual number of hotly contested races, but also the recent Supreme Court ruling in the [“Citizens United” case](#) that struck down some restrictions on corporate and union political advertising. The people at **M.C. Alcamo & Co.**, a media investment bank, have been assessing which TV groups stand to gain the most this year.

“While all broadcasters will benefit in the 2010 political cycle, certain groups in key markets will do exceptionally well,” said **Michael Alcamo**, the firm’s President. The 2010 season is expected to be one of the busiest off-year elections in US history; the Television Bureau of Advertising (TVB) had already estimated that political spending would approach \$3 billion. “After Citizens United, that estimate could be 15% higher,” said Alcamo.



Having looked market-by-market at which House, Senate and Gubernatorial races are seen as “toss-ups” this year, the investment bankers ranked each TV group by the percentage of its stations are in those markets likely to have hotly contested races – and lots of political ad spending.

As you would expect, the network O&O groups, which are concentrated in the largest markets, are among those with the highest percentage of their stations in hotly contested markets. However, the station groups also tend to account for a smaller portion of total revenues than with pure play station owners. M .C. Alcamo & Co. found that CBS has 62% of its O&Os in markets with contested races, ABC and NBC 60% each and Fox 52%.

McGraw-Hill has 75% of its stations in hot political markets, but that’s three out of four and the TV group is only a small unit of the parent company. Meredith was scored at 64%; Gannett 58%; Scripps, Journal and Post-Newsweek each at 50% and Tribune at 42%.

“In 2010, political advertising will yield a significant bump in revenue and profitability in key markets. 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,” said Alcamo. So, he thinks that could lead to an increase in M&A activity, which has been rather lacking in recent years in the television industry.

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