collective wisdom®

SZABO ASSOCIATES

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MORE is better than less.

Dear Friends:

Szabo Associates, as part of Altus Receivables Management, is closely tracking primary election activity across multiple states as we head into the midterm cycle. Prognosticators are predicting that these elections will generate the highest midterm media spend in history. In this edition, we highlight those projections, including the continued shift of political dollars toward CTV and other digital platforms, and explore how local media companies can best position themselves when spending accelerates at a rapid pace.

We have remained actively engaged this spring, including attending the 2026 MFM & FEI Financial Leaders Forum in San Antonio, where we had the opportunity to reconnect with longtime colleagues and meet new industry peers. Looking ahead, the Nebraska Broadcasters Association will host its annual conference on August 11–12, followed by the Georgia Association of Broadcasters' GABCON 2026 on September 25-26. We are again sponsoring and participating in the Lekotek of GA Run on August 29.

Before the pace of fall fully sets in, we wish everyone a productive —and credit-worthy— summer.



Randy Neff's, President
Szabo Associates

Record Political Spending

Higher Stakes for AR, Credit, and Finance Operations

Accounts receivable, credit, and finance teams across the media industry should prepare for a surge in activity in the second half of 2026. The upcoming midterm elections are shaping up to be one of the most lucrative—and operationally demanding—political cycles in history for local media companies. With control of both the House and Senate in play, alongside dozens of gubernatorial races and a wide array of statewide and local ballot initiatives, political advertising is expected to flood the market across virtually every media channel.

This anticipated influx of political dollars will do more than boost topline revenue. It will accelerate sales cycles, increase the volume and velocity of billing, compress payment windows, and elevate credit exposure as media companies transact with a high volume of short-term, campaign-driven buyers. Many of these advertisers—political action committees, advocacy groups, and first-time candidates—will require careful credit oversight and disciplined collections management.

Advertising analytics firm AdImpact predicts total political advertising spending across all platforms—traditional television, connected television (CTV), streaming, digital, cable, radio, satellite, print, direct mail, and out-of-home—to reach $10.8 billion in 2026, making it the most expensive midterm election cycle on record. That figure represents a more than 20% increase over the $8.9 billion spent during the 2022 midterms. Even more conservative estimates, such as BIA Advisory Services' $8.4 billion projection, still signal substantial revenue opportunities across local media.

What is particularly notable is not just the magnitude of spending, but the speed at which dollars are entering the marketplace. By August 2025, political advertisers had already committed approximately $900 million to media buys—well ahead of prior midterm pacing. For comparison, spending reached $657 million by August 2023 and $572 million by August 2021. This accelerated timeline suggests that campaigns are starting earlier, planning more aggressively, and spreading their spend over longer periods.

For media companies, this means preparing for extended periods of sustained activity rather than the traditional late-cycle surge. Operationally, that translates to longer periods of heightened billing volume, increased invoice processing demands, and a need for consistent, proactive collections efforts rather than relying on a short, concentrated push toward election day.

CTV on the Rise with Precision, Measurement, and Growth. Connected TV (CTV)—which includes platforms such as YouTube, Hulu, Roku, Tubi, Pluto TV, and Amazon Fire TV—continues to reshape the political advertising landscape. CTV is expected to capture nearly $2.5 billion in spending this cycle, representing roughly 24% of total political advertising spend and marking one of the fastest growth trajectories

—continued on page 2

Record Spending—

—continued from page 1

of any advertising avenue in recent history.

"In 2018, CTV was a rounding error in political media. In 2026, it is a multi-billion-dollar channel," noted Kinetiq Political Intelligence, underscoring the speed of adoption.

This growth reflects a fundamental shift in how campaigns think about voter outreach. While traditional broadcast television remains unmatched for delivering reach and scale, CTV provides something campaigns increasingly prioritize: precision targeting combined with measurable outcomes.

Because CTV is delivered digitally, advertisers can target audiences with a level of granularity that broadcast simply cannot match. Campaigns can segment audiences by geography, demographics, lifestyle characteristics, and even behavioral indicators. Messaging can be tailored to specific voter groups and adjusted in real time based on performance metrics.

Equally important, CTV provides campaigns with the ability to measure impressions, track engagement, and optimize frequency. This data-driven approach allows political advertisers to maximize their return on investment, ensuring that every dollar spent is reaching the intended audience with minimal waste.

From a media company perspective, the rise of CTV introduces both opportunity and complexity. Revenue potential is significant, particularly for companies that have invested in their own streaming platforms or digital inventory. However, the underlying business processes are often more fragmented. Sales may occur through multiple intermediaries, billing is typically tied to impression delivery rather than fixed schedules, and payment cycles may differ from traditional broadcast norms.

As a result, finance and AR teams must adapt to a more nuanced revenue environment—one in which campaigns run simultaneously across linear and digital channels, each with distinct contractual terms, pricing models, and payment expectations.

Traditional Broadcast Remains Essential—But the Mix Is Shifting. Despite the rapid growth of CTV and digital platforms, traditional broadcast television continues to anchor political advertising strategies. Broadcast is expected to capture approximately 49% of political advertising spending in 2026, representing about $5.3 billion.

This enduring strength is rooted in broadcast's unique ability to deliver mass reach quickly and efficiently, particularly in local markets. For campaigns seeking to build name recognition or influence broad voter segments, broadcast remains indispensable.

However, while broadcast retains its dominant share, there are subtle but meaningful shifts underway. Total broadcast revenue is projected to decline slightly—by approximately $97 million—compared to prior cycles. This modest decline does not indicate weakening demand, but rather reflects a redistribution of dollars toward CTV and digital extensions.

In practical terms, campaigns are no longer choosing between broadcast and digital—they are using both. Broadcast provides the foundation for awareness, while CTV and digital platforms are layered on to refine targeting and reinforce messaging.

For media companies, this evolving mix introduces additional complexity into revenue management. Instead of large, centralized buys through a single channel, campaigns are deploying budgets across multiple platforms, often with different pricing structures and billing methodologies. This fragmentation can create challenges in revenue recognition, reconciliation, and collections if systems and processes are not aligned.

Many major broadcast groups are mitigating this risk by investing heavily in their own digital ecosystems. Platforms such as Tubi (Fox) and Pluto TV (Paramount) allow these companies to capture both traditional and digital political dollars within their portfolios, providing greater control over both revenue streams and customer relationships.

S&P Global estimates that local TV political revenue will reach approximately $4.02 billion in 2026, representing a 15% increase over the 2022 midterms. Political advertising is also expected to account for a record 16.3% of total broadcast revenue in a non-presidential year—highlighting just how critical election cycles remain to the financial performance of local broadcasters.

A More Competitive Landscape. While broadcast and CTV dominate the conversation, other media channels are experiencing varied trends.

Local cable continues to lose share, declining from $1.7 billion (12.5%) to approximately $1.3 billion (10.5%) of total political spend. Like broadcast, cable is increasingly impacted by the shift toward more targeted, measurable advertising options.

Digital platforms—including Google, Facebook, Snapchat, and X—are expected to capture around 13% of spending in this midterm cycle, slightly lower than their share during presidential elections. This pattern aligns with historical trends, as digital platforms tend to play a larger role in fundraising heavy presidential campaigns.

Radio and satellite television are expected to maintain relatively stable shares, continuing to serve as important channels for localized messaging, particularly in smaller markets and down-ballot races. Meanwhile, digital out-of-home (DOOH) is emerging as a growth area, driven by advancements in programmatic buying and the ability to deploy dynamic, real-time messaging.

What ties all of these channels together is a broader shift toward integrated, multi-platform campaign strategies. Political advertisers are increasingly adopting a "full-funnel" approach—combining broad-reach channels with highly targeted digital placements to drive both awareness and action.

Operational and Credit Implications for Media Companies. While the surge in political advertising represents a significant revenue opportunity, it also introduces heightened financial risk if not managed carefully. Unlike traditional commercial advertising, political campaigns are often short-lived entities with limited financial continuity beyond election day. As a result, most media companies treat political advertising differently from a credit perspective.

In many cases, political advertising—particularly from candidate committees—is handled on a cash-in-advance basis, requiring payment prior to the placement of media. This approach minimizes post-election collection challenges, as campaigns frequently wind down operations quickly after the election and may no longer have the infrastructure or funding to satisfy outstanding balances.

For accounts receivable and credit teams, the focus during political cycles is less about extending credit and more about enforcing disciplined prepayment policies and minimizing financial exposure. Key priorities include confirming funding sources, ensuring payments are received and applied before spots run, and maintaining close coordination with sales teams to avoid unauthorized credit extensions.

That said, exceptions may exist for well-established agencies or longstanding political buyers with proven payment histories. In those cases, limited credit may be extended under controlled conditions, typically with shortened payment terms and clearly defined credit limits.

Operationally, the increased volume and velocity of transactions during peak political periods still place significant demands on billing and cash application teams. Accurate invoicing, timely posting of payments, and proper reconciliation remain critical to maintaining financial control during these high-activity periods.

Ultimately, the most successful media organizations during political cycles are those that combine revenue capture with strict adherence to credit discipline, ensuring that strong top-line performance translates into realized cash flow.

Broadcasters Already Seeing Early Gains. Early financial results from major broadcasters suggest that the political spending surge is already underway.

Gray Media reported approximately $30 million in political advertising revenue in the first quarter of 2026, exceeding internal expectations. The company anticipates that this figure will more than double in the second quarter and continue to build through the third quarter as election activity intensifies.

Nexstar reported $46 million in political advertising revenue in Q1, increasing to $78 million when combined with TEGNA related results. This represents substantial growth compared to prior cycles, driven by strong activity in key battleground states such as Texas, Michigan, and Georgia.

Industry executives are already signaling confidence in the months ahead. As Sinclair Broadcast Group's leadership noted in a recent earnings call, political spending is ramping up quickly, particularly in markets with highly competitive races.

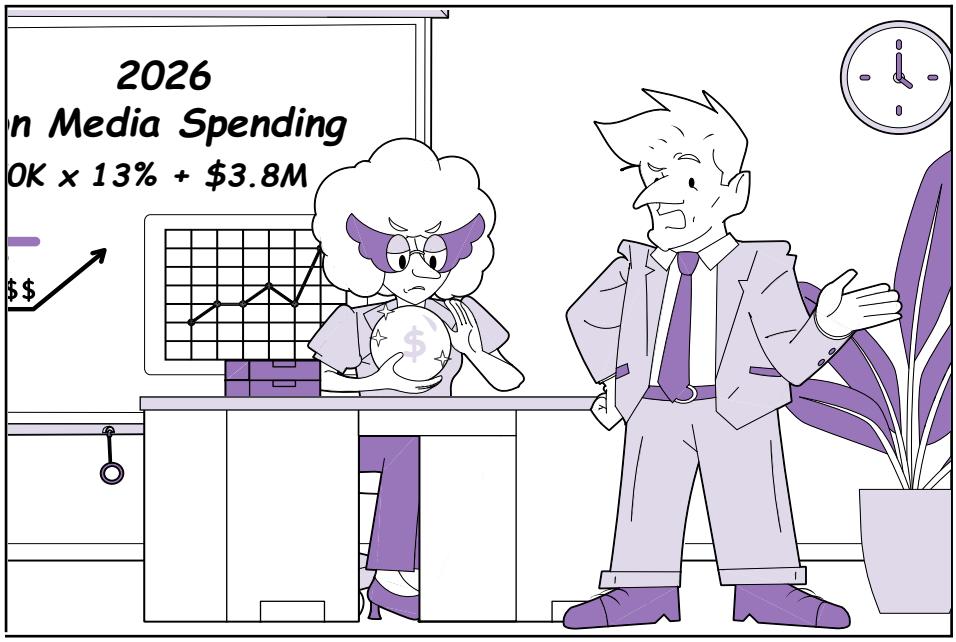
These early indicators reinforce a broader trend: political advertising is no longer confined to the final weeks before an election—it is building earlier and sustaining longer, placing extended demands on both operational and financial systems.

Where the Dollars Are Going. Geographically, political spending is expected to concentrate heavily in key battleground states and major media markets.

States such as Michigan, Georgia, North Carolina, Texas, and California are projected to see the highest levels of spending, driven by competitive Senate, gubernatorial, and congressional races. In some cases, individual races could approach or exceed $500 million in total advertising spend.

At the local market level, cities such as Atlanta, Detroit, Phoenix, and Las Vegas are expected to experience significant advertising saturation. Meanwhile, major markets like New York, Los Angeles, Chicago, and Washington, D.C., continue to command premium pricing due to their size and strategic importance.

This concentration of spending underscores the importance of market position. Media companies with strong local news presence, high ratings, and established advertiser relationships are particularly well-positioned to capture political dollars.



Sales Guy: "Flo, what are you doing?"
Flo: "Trying to predict future political advertising spending."

—continued on page 4

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Record Spending—

—continued from page 3

Local Media Still Delivers—But Execution Is Everything. Despite ongoing disruption across the media landscape, one conclusion remains clear: local media continues to play a critical role in political advertising. Its ability to deliver reach, credibility, and geographic specificity makes it an essential component of any campaign strategy.

At the same time, the composition of that role is evolving. The integration of broadcast, CTV, digital, and out-of-home channels is creating a more complex—but also more resilient—advertising ecosystem.

For media companies, success in this environment will depend not only on capturing revenue, but on managing it effectively. Organizations that invest in modern advertising infrastructure, embrace multi-platform strategies, and maintain disciplined credit and collections practices will be best positioned to capitalize on record-setting political spending cycles. ♦