

DOCUMENT RESUME

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[Purchase and Preparation of Television Commercials by the Government]. B-144618; LCD-77-415. March 18, 1977. Released July 18, 1977. 4 pp.

Report to Sen. Barry Goldwater; by Elmer B. Staats, Comptroller General.

Contact: Logistics and Communications Div.

Budget Function: General Government: Other General Government (806).

Congressional Relevance: Sen. Barry Goldwater.

In response to a question concerning the amount the Government spends to broadcast television commercials, the total cost of advertising for 31 Federal agencies for 1975 was obtained by GAO. The figures included the cost of television productions. Purchasing costs for advertising from private agencies were broken down by type of media, but in-house costs were not. Therefore, the total costs for television commercials alone has not been determined. Findings/Conclusions: The agencies spent \$141.6 million in fiscal year 1974 and estimated that \$145.5 million would be spent in 1975 for advertising from private agencies. In addition, they spent \$47,497,600 for in-house advertising in 1974 and estimated \$53,287,700 for fiscal year 1975. The purchased television production costs, including both the purchase of television time and of professional services and materials associated with such production, were \$4,929,300 for fiscal year 1974 and \$9,596,000 for 1975. There was a large increase in television time costs between the 2 years because of the Postal Service's national stamp collecting campaign. (QM)



RELEASED

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

MAR 18 1977

B-144618

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The Honorable Barry Goldwater
United States Senate

Dear Senator Goldwater:

In your letter of January 3, 1977, you asked us to tell you how much the Government spends each year to broadcast television commercials, the cost to prepare these commercials, and whether the commercials are prepared by a Federal agency or by private agencies.

The information you requested is not readily available and would require eliciting the data from each agency and bureau in the Government. Fortunately, we do have information on hand and we believe will meet your needs. To answer a similar congressional inquiry in 1975, we obtained from 31 agencies (see enc. I) the total cost of advertising including the cost of television productions. The costs of purchasing advertising from private agencies were broken out by the type of media, but the in-house costs which some agencies incur were not similarly broken out. Consequently, we are not able to tell you the total cost to the Government to prepare television commercials. However, we believe the information we have will be of interest to you.

The 31 agencies questioned in 1975 spent \$141.6 million in fiscal year 1974 and estimated that \$145.5 million would be spent in fiscal year 1975 for advertising from private agencies. In addition, the 31 agencies spent \$47,497,600 for in-house advertising during fiscal year 1974 and estimated \$53,287,700 for in-house advertising for fiscal year 1975. The total cost for advertising for the 31 agencies--both purchased from private agencies and prepared in-house--amounts to \$189 million for fiscal year 1974 and an estimated \$199 million for fiscal year 1975.

The expenditures and the various types of media purchased from private agencies are as follows:

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	<u>1974</u>	<u>1975</u>
	(actual)	(estimated)
Television	\$ 4,929,300	\$ 9,596,000
Radio	2,006,400	2,428,700
Newspapers & magazines	30,168,400	30,487,800
Posters, bill- boards, & displays	15,592,100	13,004,000
Brochures & catalogs	25,673,000	31,676,000
Films	5,464,400	6,277,900
Other	<u>57,757,700</u>	<u>52,029,000</u>
Total	<u>\$141,591,300</u>	<u>\$145,499,400</u>

The television costs include both the purchase of television time and the purchase of professional services and materials associated with producing television commercials and public service messages. Television time for public service messages is generally provided at no charge by the local stations. The purchased television production costs for the 31 agencies are as follows:

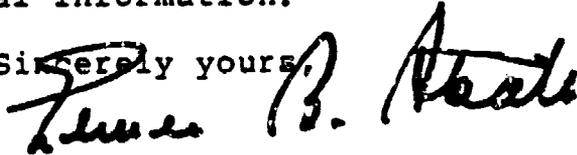
	<u>FY 1974</u>	<u>FY 1975</u>
	(actual)	(estimated)
Purchased television time	\$ 576,200	\$3,739,300
Purchased professional services or materials	<u>4,353,100</u>	<u>5,856,700</u>
Total	<u>\$4,929,300</u>	<u>\$9,596,000</u>

The increase in costs between fiscal years 1974 and 1975 to purchase television time is attributable to the Postal Service's national stamp collecting campaign. The Postal Service increased its purchase of television time from \$160,000 in fiscal year 1974 to \$3,475,700 in fiscal year 1975.

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We are enclosing a copy of our report on Government advertising expenditures (LCD-76-415, dated October 6, 1975) for your information. Please feel free to contact us if you require any additional information.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Steele". The signature is written in a cursive style with a large initial "J" and "S".

Comptroller General
of the United States

Enclosure

AGENCIES QUESTIONED IN 1975ABOUT ADVERTISING COSTS

1. Department of Agriculture
2. Department of Commerce
3. Department of Defense
4. Department of Health, Education, and Welfare
5. Department of Housing and Urban Development
6. Department of the Interior
7. Department of Justice
8. Department of Labor
9. Department of State
10. Department of Transportation
11. Department of the Treasury
12. ACTION
13. American Revolution Bicentennial Administration
14. Commission on Civil Rights
15. Consumer Product Safety Commission
16. Council on Environmental Quality
17. Energy Research and Development Administration
18. Environmental Protection Agency
19. Equal Employment Opportunity Commission
20. Federal Communications Commission
21. Federal Energy Administration
22. Interstate Commerce Commission
23. National Aeronautics and Space Administration
24. Nuclear Regulatory Commission
25. Selective Service Commission
26. Small Business Administration
27. Smithsonian Institution
28. United States Civil Service Commission
29. United States Information Agency
30. United States Postal Service
31. Veterans Administration