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**THE LOCAL ECONOMIC IMPACT OF THE OUTDOOR ADVERTISING INDUSTRY  
MEASURED NATIONALLY AND BY LOCAL POLITICAL JURISDICTIONS**

## **CONCLUSIONS**

iMapData Inc. has spent more than a decade doing independent research on the salient aspects of the outdoor advertising business. Throughout numerous analyses of local markets (rural and urban), large urban markets, statewide markets and the entire national market, the focus always has been to ascertain what kinds of companies tend disproportionately to advertise—where are they from and what is their size. Our aim always has been to capture outdoor’s business model and thereby have a standard to separate it from other competing media. iMapData’s credentials to undertake this study, as well as the credentials of the principal author, William Lilley III, are attached as Appendix I to this study.

In analyzing over several million points of data, especially the identity of advertisers on outdoor, iMapData has seen that in all markets across the country, approximately 75% of the advertisers tend to be local, small businesses. In larger markets, like Tampa for example, a typical advertiser using outdoor tends to employ, on average, 43 workers, and in small to mid-size markets, about 30 workers or less.

The recent analysis, conducted from 2006-2008, looked at businesses using outdoor nationwide—all boards and all advertisers—and then broke those advertisers into the 7,092 political jurisdictions encompassing all Federal Congressional districts, all state senate districts and all state house districts. Readers of this analysis will see summaries of the national study, broken down by political jurisdictions of all sizes, and see that three-quarters of the businesses advertising are local and small. Outdoor’s business model has not changed for 10 years.

# **THE LOCAL ECONOMIC IMPACT OF THE OUTDOOR ADVERTISING INDUSTRY**

## **INTRODUCTION**

This study of the outdoor advertising industry marks the second time over the past ten years that iMapData Inc. has analyzed the local economic impact of the industry.

During the 90's, iMapData analyzed micro-areas of certain urban and rural markets, and then in 2000-2001 conducted its first comprehensive study on the impact of the outdoor advertising industry. In testimony before the Federal Highway Administration in October 2006, iMapData summarized the findings of its analyses of five very large markets. The 2009 analysis correlates with the findings of the 2006 analysis, but goes way beyond it in scope, methodological innovation and implications. Not only is the 2009 analysis based on a massive national survey, but its findings are distilled down to every federal Congressional district, every state senate district and every state house district.

## **ROLE OF THE OUTDOOR ADVERTISING ASSOCIATION OF AMERICA**

While OAAA retained iMapData for this work, the scope spanning ten years, OAAA's role was restricted to helping iMapData collect the data from the outdoor advertising companies that participated in the different analyses. iMapData did considerable work geo-coding billboard structure locations and, more important, inventorying the companies advertising on them. At no time did OAAA review any drafts, suggest any methodologies or object to any conclusions. The many conclusions reached by iMapData—and all the methodologies employed—were the independent work of iMapData.

## **METHODOLOGY**

The methodology employed by iMapData was both innovative and systematic and had two distinguishing characteristics: comprehensiveness and bottoms-up. This methodology enabled iMapData to reach conclusions about the industry—at the local, metro, state and national levels—that differed from the conventional view of the industry and showed dispositively the positive role that the industry played in supporting local jobs in local small businesses.

## **PHASE ONE ANALYSIS**

Phase one culminated in the work presented to the Federal Highway Administration. That study showed how iMapData had analyzed more than 90 percent of all billboards and all advertisers on those boards in five major U.S. markets—the cities of Buffalo, San Antonio, San Francisco and Tampa, plus the entire state of Delaware. The findings were both important and uniform for all five markets. While they are summarized in the table below, the major findings showed that local outdoor advertisers represent around 75% of all outdoor advertisers and that those businesses are not only small businesses but numerous businesses employing many local workers. These across-the-board uniform findings enabled iMapData to conclude that the outdoor advertising business is strongly rooted in local economies supporting local jobs. In sum, outdoor advertising is a local business catering almost entirely to other local businesses.

## **PHASE ONE SUMMARY**

The table that follows is a summary of the more extensive table presented to the Federal Highway Administration. Entitled “The Business Client Structure of Outdoor Advertising,” the table shows, for the five large markets, the percent of advertisers that are local, the number of local businesses advertising, the number

of jobs those businesses employ and the average number of workers per business. Also shown is the date that the data was collected for each market.

It should be noted that the percentage of local advertisers averages 75%, even with the inclusion of a major market like San Francisco. More national or regional companies would be based in San Francisco and be more likely to advertise there, but the percentage of local companies advertising outdoors in San Francisco was still 70%. Without San Francisco in the mix, the percentage of local companies advertising outdoors would have been 76.5%.

### The Business Client Structure of Outdoor Advertising

GEORAPHIC AREA	LOCAL % OF ALL ADVERTISERS	# LOCAL BUSINESSES ADVERTISING	TOTAL # WORKERS EMPLOYED IN ADVERTISING BUSINESSES	AVERAGE SIZE OF ADVERTISING BUSINESS (# OF WORKERS)	DATA DATE
San Francisco CA	70%	334	16,926	51	11/2000
San Antonio TX	74%	1,064	44,956	42	10/2000
Tampa FL	74%	911	39,092	43	2/2001
Buffalo NY	79%	377	16,080	43	11/2000 12/2000
Delaware	79%	595	22,120	37	5/2001
<b>AVERAGE</b>	<b>75%</b>			<b>43</b>	

GEOGRAPHIC AREAS WITHOUT SAN FRANCISCO	LOCAL % OF ALL ADVERTISERS	AVERAGE SIZE OF ADVERTISING BUSINESS (# OF WORKERS)
San Antonio TX	74%	42
Tampa FL	74%	43
Buffalo NY	79%	43
Delaware	79%	37
<b>AVERAGE</b>	<b>76.5%</b>	<b>41</b>

## THE LOCAL ECONOMIC IMPACT OF THE OUTDOOR ADVERTISING INDUSTRY -- PHASE TWO ANALYSIS

The second phase of the analysis of the local impact of outdoor advertising occurred over the last two years. This phase was not targeted at markets per se but this time looked at all billboards and all advertisers across the U.S. The objective was to ascertain the local impact of the role of billboard advertising on a national basis. The findings from this huge data trove of more than one million advertisements per year were remarkably congruent with the findings in Phase One; though deriving the findings involved more methodological problems than the earlier analysis.

In the first phase, which focused on mature advertising markets like San Antonio and Tampa, iMapData did not face significant problems in matching the name of the advertising business with its incorporated name in the ***Dun & Bradstreet Business Online Database***. (Only through matching the name of the business to D&B can iMapData derive the local address of the advertising business and establish how many workers it employs.) Going national in Phase Two, and hence to many smaller commercial markets, made the matching more difficult as many of the advertising business names (e.g., "Harry's Diner") are not synonymous with the incorporated name of the advertising company, the one shown in the D&B database. Hence iMapData had to develop new "matching" software technologies to "tease" from D&B the matching advertiser company. Once that "matching" software was developed, iMapData was able to take almost 70% of the advertising companies and match them to the D&B database, and thereby determine where they are locally and how many workers they employed.

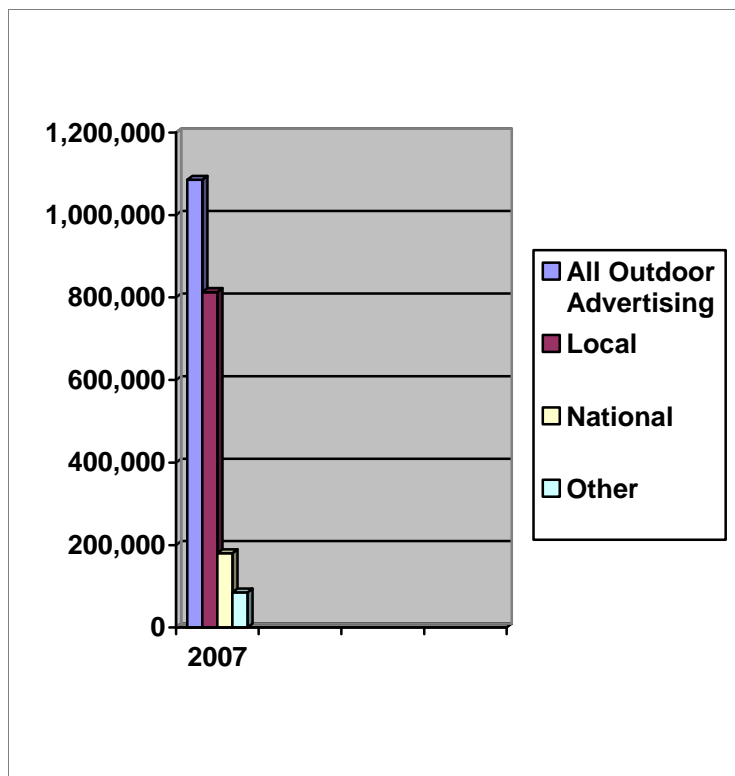
The table on page seven shows the percentage of outdoor advertisers that were local businesses for 2006 and 2007. For the first year, the average was 73 percent, for the second it was 75 percent. These numbers correlate with the 75 percent numbers found in the Phase One study. As illustrated in the following graph, the "Breakdown of 2007 Outdoor Advertising," the number of national advertisers during 2006 and 2007 hovered around 17-18%; the remaining advertisers were public service/charity advertisers or those lacking sufficient data for classification.

The conclusion is inescapable. Having tracked the business for a number of years and having seen no deviation at all, no matter what market chosen, and always using comprehensive samples, it is clear that, across the U.S., three-quarters of the businesses using outdoor advertising are local businesses. This is an industry aimed at local businesses.

### Percent of Outdoor Advertising from Local Businesses

	2006	2007
<b>Number of Billboard Ads</b>	<b>1,053,972</b>	<b>1,085,537</b>
<b>Number of Local Ads</b>	<b>770,582</b>	<b>813,008</b>
<b>Local % of All Advertisers</b>	<b>73%</b>	<b>75%</b>
<b>National % of All Advertisers</b>	<b>18%</b>	<b>16.6%</b>

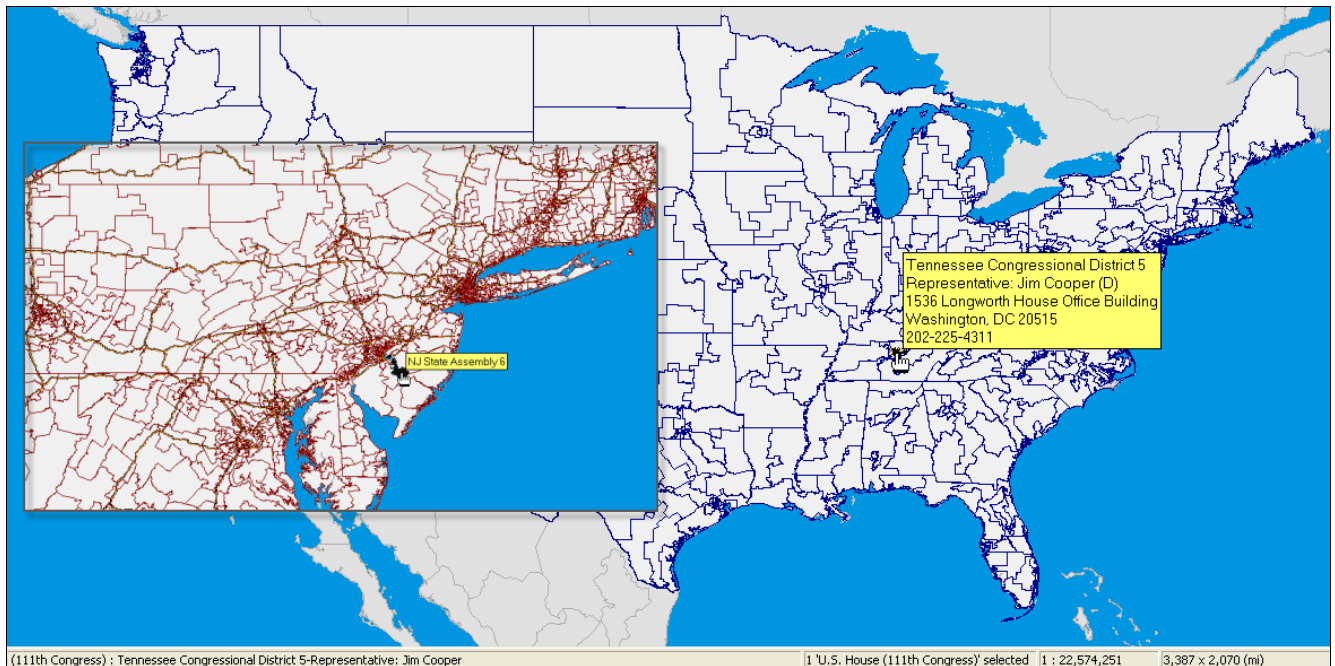
### Breakdown of 2007 Outdoor Advertising



## THE POLITICS OF OUTDOOR ADVERTISING

In Phase Two of the study iMapData developed innovative software enabling local outdoor advertisers to be correlated with any federal Congressional district, any state legislative senatorial district and any state legislative house district. This was a significant undertaking as there are 6,657 state legislative districts and 435 U.S. Congressional districts. By covering all U.S. legislative districts, OAAA now could tell any elected official how many local businesses advertised on outdoor in that district and how many workers these businesses employed, thus demonstrating the size of the advertising business. iMapData also developed software technology enabling OAAA to print out a map of any or all of these 7,092 districts and see where the advertising businesses were located in the district.

*Geographic boundaries of US Congressional districts and state house districts--*





Economic Impact of Billboard Advertising in Tennessee Congressional District 5 --

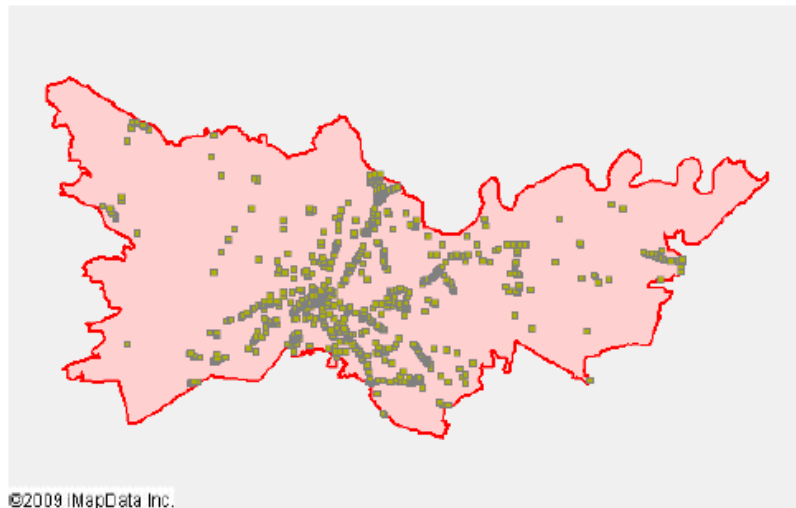


**Economic Impact of Billboard Advertising  
In Tennessee Congressional District 5  
U.S. Representative Jim Cooper (D)**



This Economic Impact of Billboard Advertising report provides a research based approach to understanding the scope and economic importance of billboards in Tennessee Congressional District 5. Billboards are an important means of communication, especially for local businesses.

Billboard advertising in Tennessee Congressional District 5 benefits 1,276 local businesses that employ 32,712 people. These local businesses are a cornerstone of the economy for Tennessee Congressional District 5.




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■ Local Businesses Benefiting


	District
Local businesses benefiting from billboard advertising:	1,276
Employees benefiting from billboard advertising:	32,712
Average employees per local business:	26

NOTE: This information should be regarded as a conservative count of businesses using billboard advertising in this jurisdiction in 2007. This report does not include all billboard ads or all billboard companies. It specifically does not include product ads, or ads for charities, political candidates, public education, government, or expositions.







Economic Impact of Billboard Advertising in Texas State Senate District 12, with sample maptip



OUTDOOR ADVERTISING ASSOCIATION OF AMERICA, INC.  
Providing leadership, services, and standards that promote, protect and advance the outdoor advertising industry.

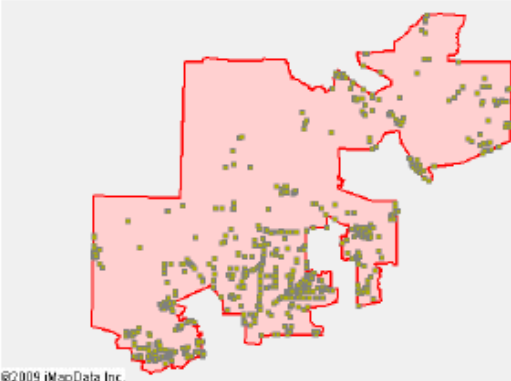


**Economic Impact of Billboard Advertising In TX State Senate District 12**  
Jane Nelson (R)

This Economic Impact of Billboard Advertising report provides a research based approach to understanding the scope and economic importance of billboards in TX State Senate District 12. Billboards are an important means of communication, especially for local businesses.

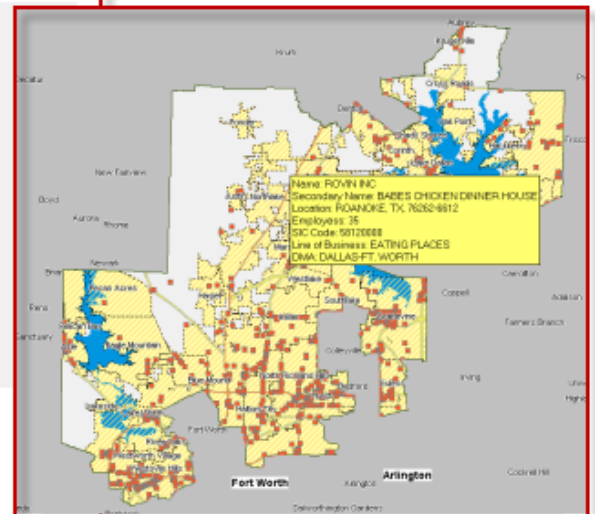
Billboard advertising in TX State Senate District 12 benefits 1,077 local businesses that employ 32,389 people. These local businesses are a cornerstone of the economy for TX State Senate District 12.



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■ Local Businesses Benefiting	<b>District</b>
Local businesses benefiting from billboard advertising:	1,077
Employees benefiting from billboard advertising:	32,389
Average employees per local business:	30

NOTE: This information should be regarded as a conservative count of businesses using billboard advertising in this jurisdiction in 2007. This report does not include all billboard ads or all billboard companies. It specifically does not include product ads, or ads for charities, political candidates, public education, government, or expositions.



**PHASE TWO FOCUS**

iMapData selected ten Congressional districts, ten state senate districts and ten state house districts to show how many local businesses advertise on outdoor, how many workers they employ and the average size of the advertising businesses. The 30 districts were selected to provide a representative sampling of districts across the entire country.

The three tables that follow provide 2007 data for the 30 political districts — shown is the district identifier number, its location, how many local businesses advertise, how many total workers they employ and the average size of the advertising businesses. In almost every case the advertising business employs roughly 30 workers. This follows logically from the Phase One results. In Phase One we looked at larger, mature markets with more major company presence and still found the average number of workers per business was a relatively small 43. As we expanded our focus nationally we also expanded our universe to include many smaller markets, thus the average number of workers per business fell to about 30. Both studies confirm our assertion that outdoor advertising is a local business with local advertisers. Phase Two further confirms that, in a cross-section of cities and towns across America, outdoor advertisers are, by and large, local small businesses.

### **Local Advertising Impact on a Nationwide Basis**

<b>CONGRESSIONAL DISTRICT</b>	<b>GENERAL GEOGRAPHIC AREA</b>	<b># LOCAL BUSINESSES ADVERTISING</b>	<b>TOTAL # WORKERS EMPLOYED IN ADVERTISING BUSINESSES</b>	<b>AVERAGE SIZE OF ADVERTISING BUSINESS</b>
<b>TN-CD-05</b>	<b>Nashville TN</b>	<b>1,276</b>	<b>32,712</b>	<b>26</b>
<b>FL-CD-07</b>	<b>St Augustine FL</b>	<b>1,131</b>	<b>28,370</b>	<b>25</b>
<b>AL-CD-01</b>	<b>Mobile, Monroeville AL</b>	<b>1,044</b>	<b>21,325</b>	<b>20</b>
<b>IN-CD-05</b>	<b>Marion, Carmel, Huntington, Nobelsville IN</b>	<b>1,042</b>	<b>30,075</b>	<b>29</b>
<b>WI-CD-03</b>	<b>Western Wisconsin</b>	<b>1,014</b>	<b>39,771</b>	<b>39</b>
<b>IN-CD-01</b>	<b>Gary, Merrillville, East Chicago, Hammond IN</b>	<b>1,013</b>	<b>27,719</b>	<b>27</b>
<b>MS-CD-01</b>	<b>Tupelo, Columbus MS</b>	<b>992</b>	<b>13,899</b>	<b>14</b>
<b>NC-CD-11</b>	<b>Asheville NC</b>	<b>963</b>	<b>19,467</b>	<b>20</b>
<b>MO-CD-02</b>	<b>St Peters, Chesterfield MO</b>	<b>949</b>	<b>30,794</b>	<b>32</b>
<b>IL-CD-13</b>	<b>Aurora, Naperville, Oakbrook Terrace IL</b>	<b>875</b>	<b>27,025</b>	<b>31</b>

STATE SENATE DISTRICT	GENERAL GEOGRAPHIC AREA	# LOCAL BUSINESSES ADVERTISING	TOTAL # WORKERS EMPLOYED IN ADVERTISING BUSINESSES	AVERAGE SIZE OF ADVERTISING BUSINESS
TX-SEN-008	Plano TX	1,349	59,311	44
TX-SEN-012	North Fort Worth TX	1,077	32,389	30
TX-SEN-007	Northwest Houston TX	984	22,334	23
CA-SEN-035	Irvine, Huntington Beach CA	871	28,995	33
CA-SEN-014	Chowchilla, Waterford, Yosemite Lakes CA	845	18,736	22
FL-SEN-008	Jacksonville Beach FL	700	19,353	28
OH-SEN-016	West Columbus OH	488	15,124	31
OH-SEN-002	Bowling Green OH	470	14,935	32
NY-SEN-026	Eastside Manhattan NY	467	12,248	26
TN-SEN-007	Knoxville TN	410	14,167	35

STATE HOUSE DISTRICT	GENERAL GEOGRAPHIC AREA	# LOCAL BUSINESSES ADVERTISING	TOTAL # WORKERS EMPLOYED IN ADVERTISING BUSINESSES	AVERAGE SIZE OF ADVERTISING BUSINESS
CA-HSE-070	Irvine CA	462	14,111	31
CA-HSE-029	East Fresno, Squaw Valley CA	441	9,295	21
CA-HSE-053	El Segundo, Marina Del Rey, Torrance CA	438	10,046	23
FL-HSE-036	Orlando FL	359	12,726	35
FL-HSE-040	South Orlando, Edgewood, Conway FL	333	16,236	49
NJ-HSE-012	Freehold, Shrewsbury NJ	331	8,755	26
NY-HSE-075	Westside, Midtown Manhattan NY	325	8,583	26
NJ-HSE-006	Chesilhurst, Springdale NJ	260	6,084	23
NJ-HSE-038	Paramus, Ridgefield, Fair Lawn NJ	251	5,167	21
AZ-HSE-008	Eastern Scottsdale AZ	249	5,356	22

## APPENDIX I

### CREDENTIALS

#### iMapData Inc.

iMapData Inc. is a high profile provider of sophisticated economic and political impact information. iMapData specializes in geo-economic analysis – both hard copy and web-based interactive format – that takes either economic data (such as the number of jobs in specific types of local businesses or the rates of different taxes in different jurisdictions) and/or demographic data (such as income, occupation, age, race or crime data) and juxtaposes those data with local geographic areas defined by an almost infinite variety of geographic “envelopes” – e.g. by a political jurisdiction (such as a congressional district, a parliamentary district, a state assembly district or a city council district), or by an economic service jurisdiction (such as a local cable system, a daily newspaper service area, a local gas utility service area or a Yellow Pages market area) or by a particular local/regional market area impacted by a major entertainment/sports event, sports facility or a major economic force/magnet (e.g. a regional airport, an interstate highway, a natural disaster).

iMapData’s work is distinguished by extensive and creative uses of digital computer software for multicolor mapping and charting coupled with over 25 years of business experience. iMapData’s geo-economic analyses rely on the age-old adage that “a picture is worth a thousand words.” Using a revolutionary web-based platform that simplifies the delivery of high-quality GIS information, users need only a standard browser to quickly produce crisp, revealing maps and reports that customize and combine business, economic, demographic, geographic and political information. iMapData eliminates the need for complex GIS applications, expensive hardware, database acquisition and years of training. The iMapData platform has been deployed as a specialized enterprise solution, enabling clients to distribute their data throughout the organization and make it available to senior executives.

Clients using iMapData include Federal and local law enforcement agencies and Federal government agencies, Anheuser-Busch, Americans for the Arts, Aegis, UPS, the Government of Canada, CBS News, the Wall Street Journal, Stanford University, Wal-Mart and the American Association of Retired Persons (AARP), among others.

### William Lilley III

William Lilley III, Chairman and co-founder of iMapData, is a former economic historian who was a senior corporate official of CBS Inc., the media company in New York. He has served as Director of the U.S. Council on Wage and Price Stability and as Staff Director of the Budget Committee for the U.S. House of Representatives. He received his Ph.D. from Yale University, taught at Yale, and has written widely on how government policies affect local economic activity, on the economics of the professional sports business and on the socio-economic makeup of U.S. state and local political constituencies.