

Mailers' Technical Advisory Committee Meeting

January 28, 2020

DISCUSSION POINTS

1

Campaign
Spending

2

Voter
Turnout

3

Capturing the
Opportunity

4

Tools and
Working Together

5

Looking
Ahead



CAMPAIGN SPENDING



INDUSTRY MISPERCEPTIONS

2018 U.S. Political Ad Spending Forecast compared to Our Previous Forecast

In \$ Millions

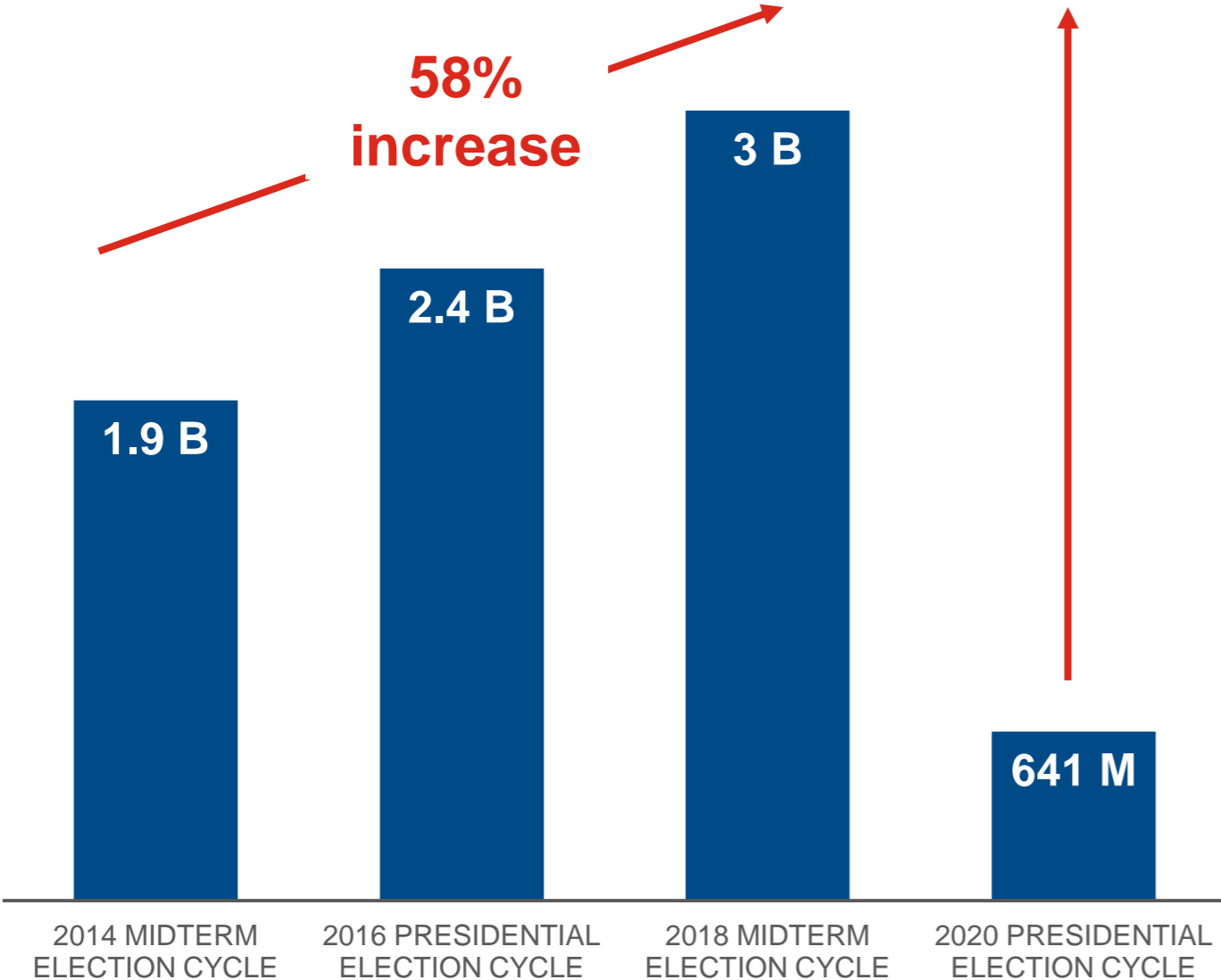


Media Choice	2014 Estimate	2014 Share	2018 Initial Forecast	'18 (1) Forecast Share	2018 New Forecast	'18 (2) Forecast Share	% of Change from Initial Forecast	'14-'18 % Change
Newspapers	\$659.8	8.0%	\$553.8	6.5%	\$619.0	7.0%	11.8	(6.2)
Other Print	\$127.2	1.5%	\$102.9	1.2%	\$97.4	1.1%	(5.4)	(23.4)
Broadcast TV	\$4,796.2	57.8%	\$3,420.9	38.8%	\$3,420.9	38.8%	1.8	(28.7)
Cable	\$585.3	7.1%	\$1,107.9	12.6%	\$1,107.9	12.6%	11.4	89.3
Radio	\$619.3	7.5%	\$683.4	7.7%	\$683.4	7.7%	21.1	10.4
Out of Home	\$635.3	7.7%	\$400.9	4.5%	\$400.9	4.5%	26.4	(36.9)
Direct Mail	\$284.1	3.4%	\$223.5	2.5%	\$223.5	2.5%	(10.2)	(21.3)
Online/Digital	\$71.2	0.9%	\$1,773.1	20.1%	\$1,773.1	20.1%	(5.6)	2391.6
Telemarketing	\$520.3	6.3%	\$498.1	5.6%	\$498.1	5.6%	3.5	(4.3)
U.S. Totals	\$8,298.7	100%	\$8,502.7	100%	\$8,824.2	100%	3.8	6.3

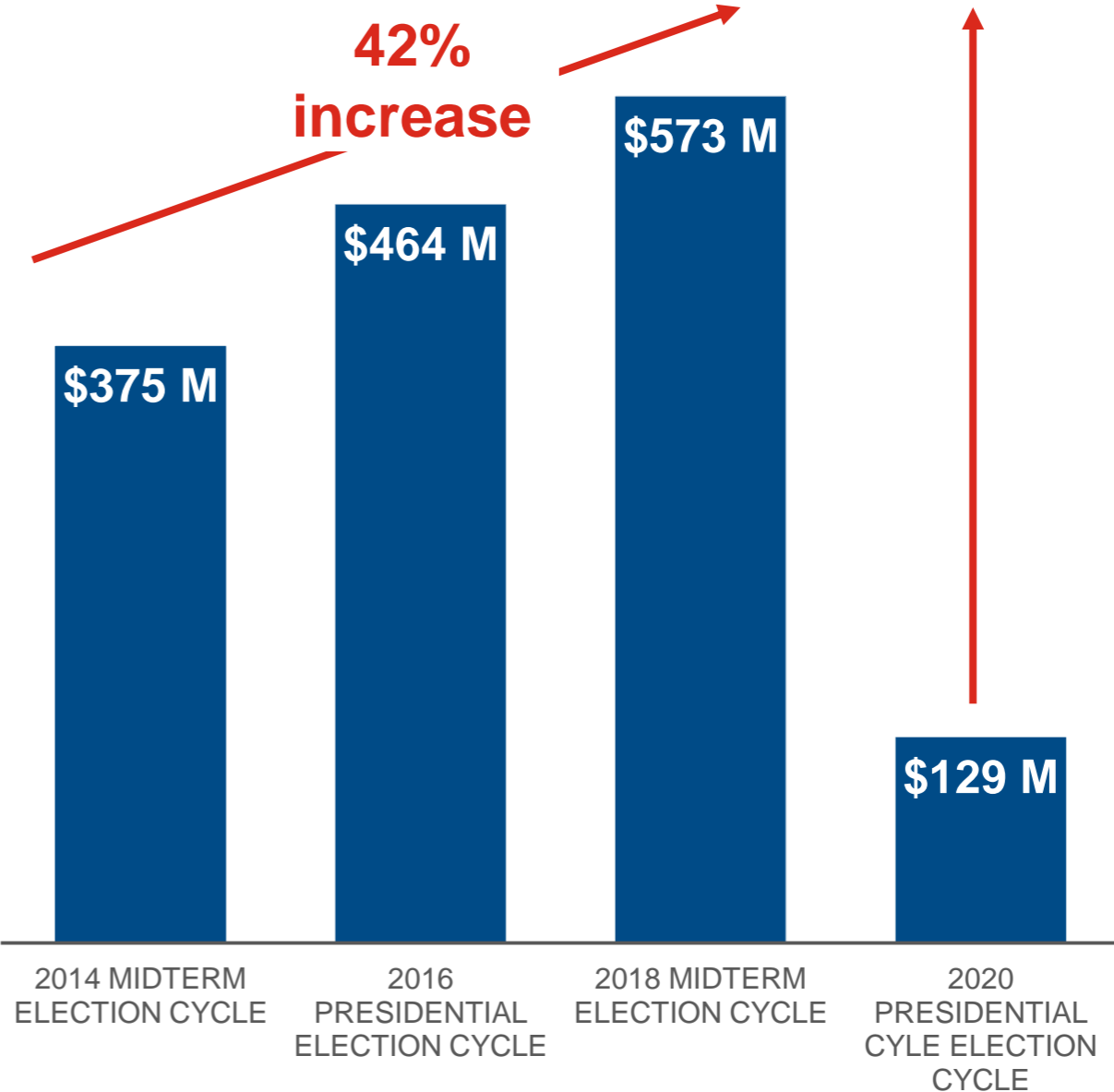


GROWTH OF POLITICAL MAIL

Full Cycle Volume Political & Election Mail

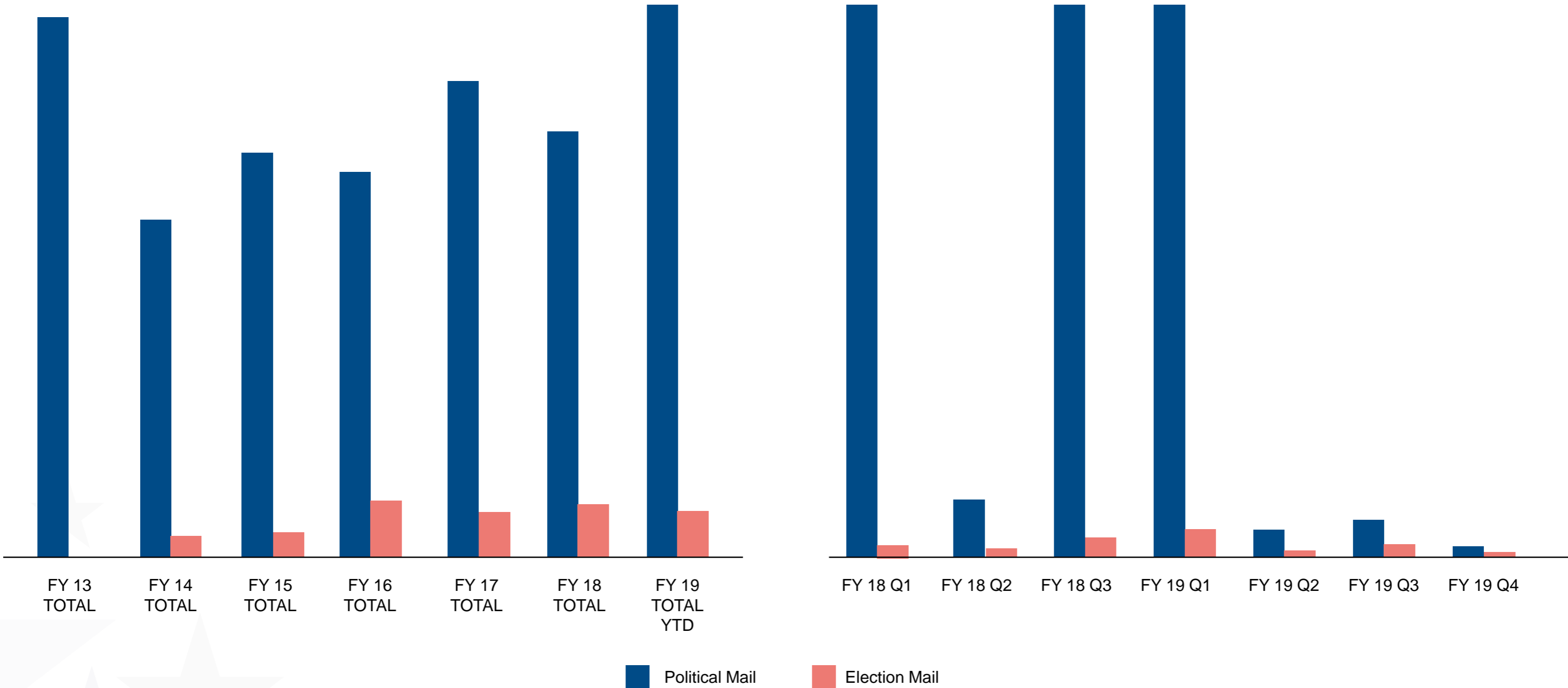


Full Cycle Revenue Performance



BREAKDOWN OF POLITICAL MAIL REVENUE

Political and Election Mail Revenue



POLITICAL MAIL IS A MAJOR PLAYER

\$573M+

Spent on political mail
during the 2018
midterm election
(USPS Fiscal Years)

\$372M

FY 2019: Highest
revenue ever for
USPS Fiscal Year

Source: "Survey Offers Key Insights on Political Mail in Florida, Ohio Midterm Elections," The United States Postal Service, February 2019.



2018: RECORD BREAKING CYCLE FOR POLITICAL AD SPENDING

\$5.25B

What political advertisers spent on the 2018 midterm elections.

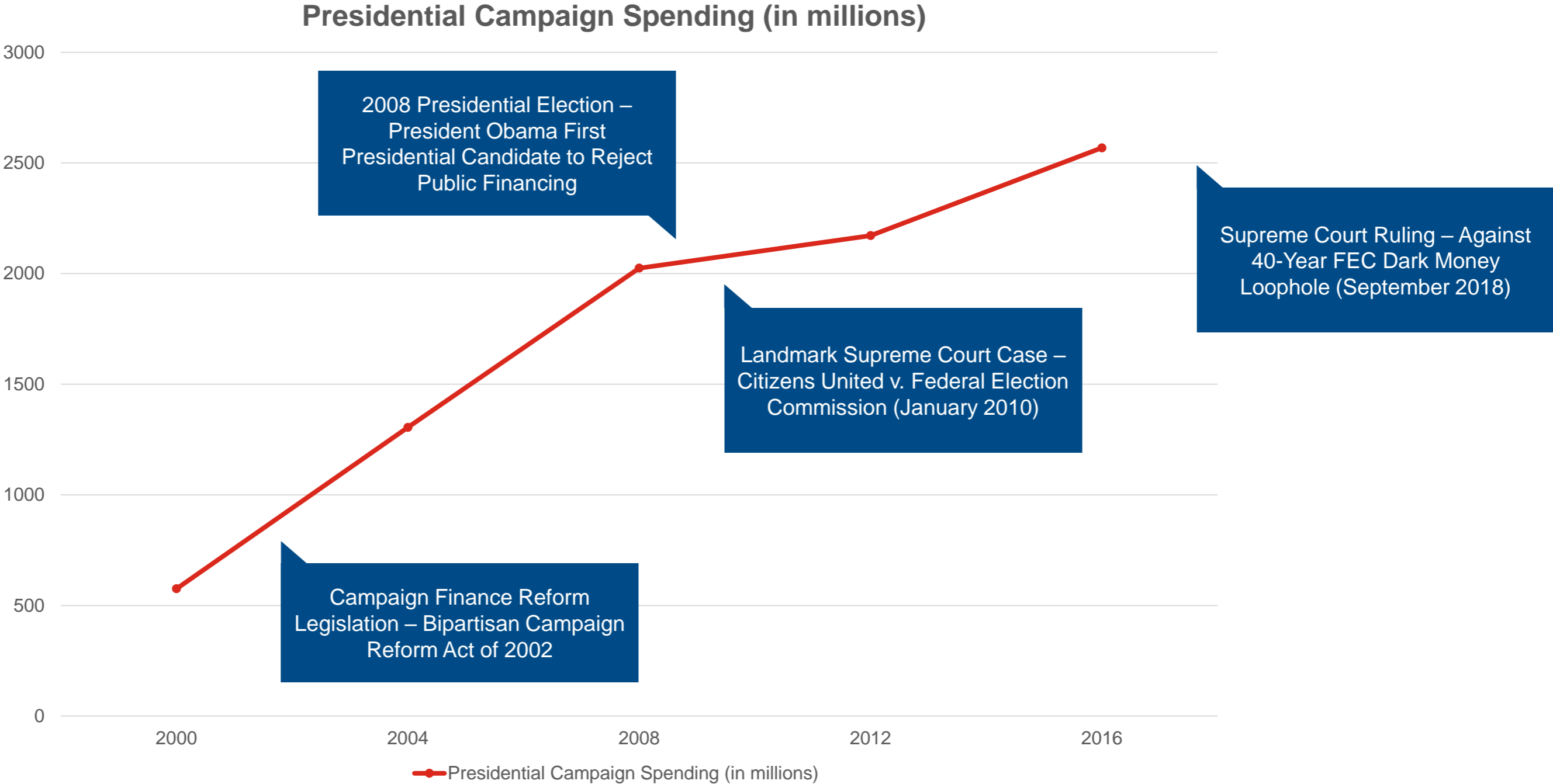


This number could skyrocket as we head into the 2020 election cycle.

Source: "Advertisers Spent \$5.25 Billion on the Midterm Election, 17% More Than in 2016," Kantar Media, Nov. 15, 2018.



HISTORICAL CAMPAIGN SPENDING



Source: The Campaign Finance Institute presidential election spending data.



OUTSIDE SPENDING GROUPS



SUPER PACS

Super PACs can spend an unlimited amount to support candidates but cannot coordinate with campaigns. They must disclose donors and spending on campaign finance reports.



CANNOT coordinate with campaigns



CANNOT give directly to candidates or campaigns



NO LIMIT on independent spending in support of candidates



MUST disclose contributions and expenditures



DARK MONEY

Usually 504(c)(4) “social welfare” organizations whose political giving cannot exceed 50.1% of expenditures. They are not required to reveal their donors.



CANNOT coordinate with campaigns



CANNOT give directly to candidates or campaigns



NO LIMIT on independent spending in support of candidates



MUST disclose spending to IRS
DO NOT have to disclose donors



VOTER TURNOUT



OVERALL VOTER TURNOUT

Gender

Gender	2018	Percent Increase from 2014
Men	51.8	10.9+
Women	55	12+

Broad Ethnic Groupings

Broad Ethnic Groupings	2018	Percent Increase from 2014
African American	51.4	10.8+
White	57.5	11.7+
Hispanic	40.4	13.4+
Asian	40.2	13.3+

Age-Range Based on Birth Year

Age	2018	Percent Increase from 2014
18-29	35.6	15.7+
30-44	48.8	13.2+
45-64	59.5	9.9+
65+	66.1	6.7+



OVERALL VOTER TURNOUT

Education Level

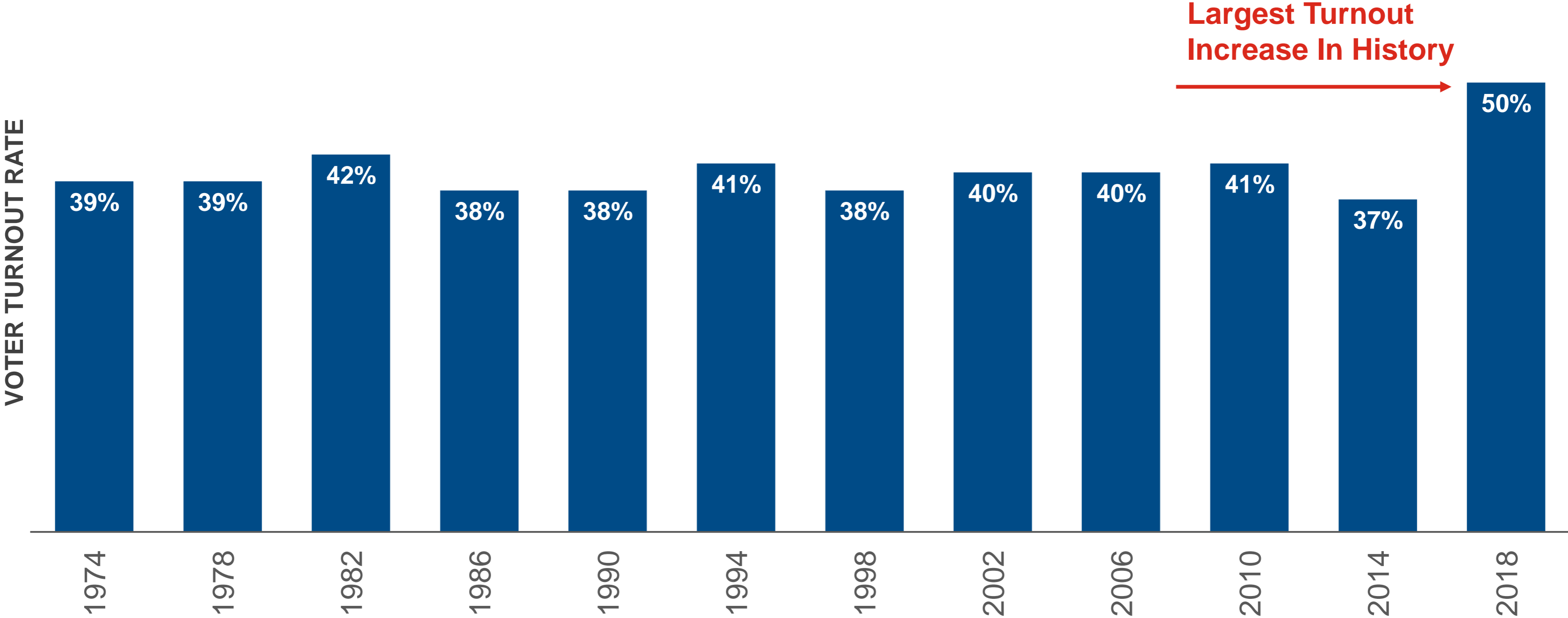
Education Level	2018	Percent Increase from 2014
College Degree	65.7	12.5+
Advanced Degree	74.0	12+
No High School	27.2	5+
High School or GED	42.1	8.2+
Some College	65.7	12.5+

Other

Other	2018	Percent Increase from 2014
Alternative Voting	39.8	8.7+
Metropolitan	53.7	12.2+
Non-Metropolitan	52.1	7.7+



MIDTERM ELECTION VOTER TURNOUT



2020: THE OPPORTUNITY



2020 PRESIDENTIAL ELECTION

- 2020 Highlights
- Growing Team
- Expanded Capabilities
- Strategy



2020 PRESIDENTIAL HIGHLIGHTS

- **General Election:** November 3, 2020
- **Political Advertising Spending:** Estimated at \$10B
- **Number of Candidates and “Toss-Up” Races:** Increase in number of Democratic presidential candidates and higher percentage of “toss-up” races
- **Number of Voters:** Expected growth in number of voters
- **Early Voting and Vote-By-Mail:** Increase in alternate voting methods, such as early voting and vote-by-mail, in states creates unique opportunities to increase the use of direct mail



MEET THE POLITICAL STRATEGY TEAM



Brandon Oliver



John Langenfeld

Western

Brenda Manos

Pacific



Daniel Doyle

Strategy Team Manager
(Political/Mail)



Vivian Ramsey

Team Lead Expert
(Political/Mail)



Nickie Bevington

Analyst/Special Projects
(Political/Mail)



Jose Rodriguez



Mark Stephens

Southern



Sylvia Allen-Hoover

Great Lakes



Donald Nichols

National Lead
(Political/Mail)



Corey Turer



John Walsh

Northeast



Paul DeSignore

Eastern



Dave Powell

Capital Metro



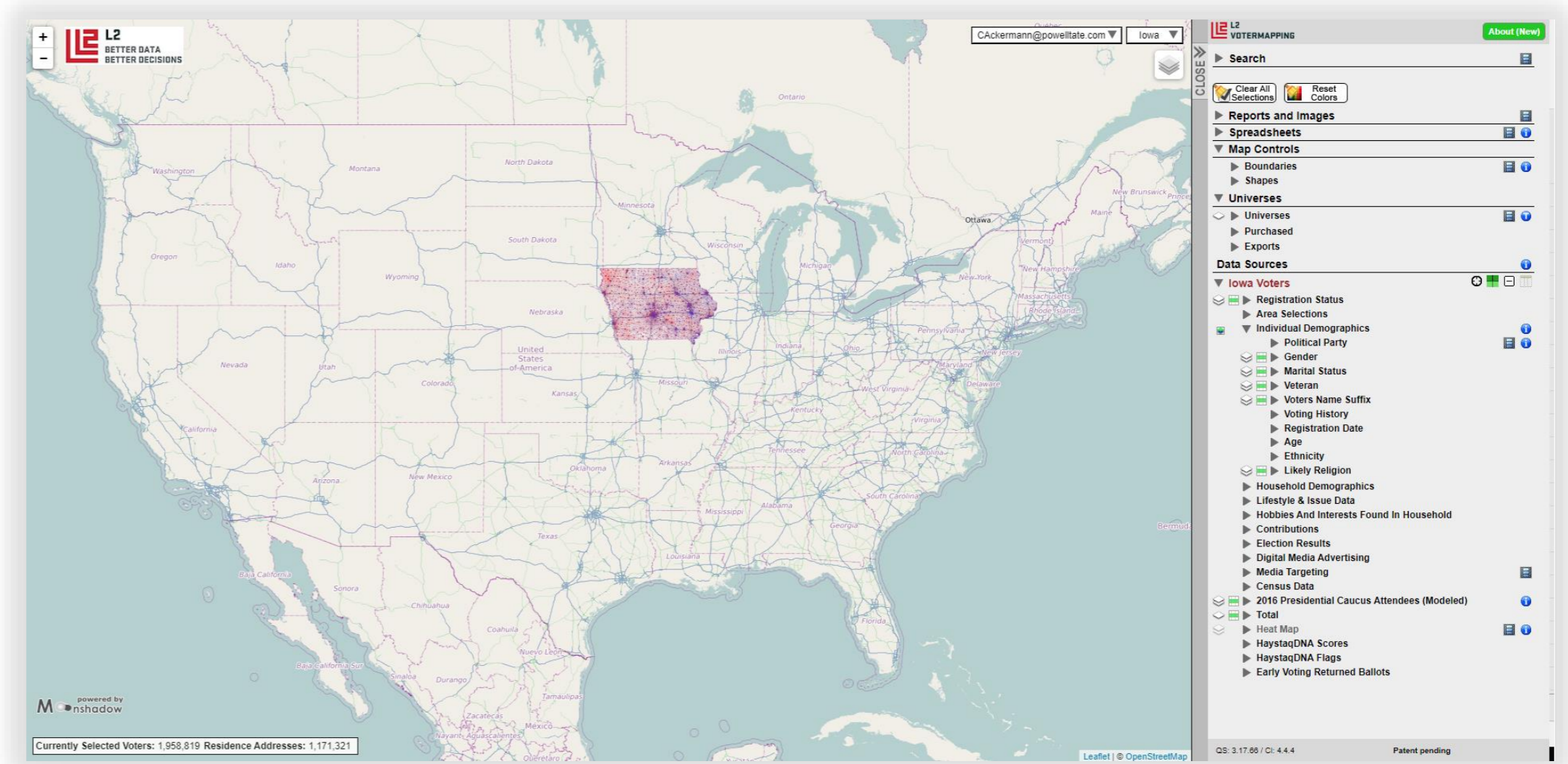
Tiffany Todd

Party Committees
(Political/Mail)

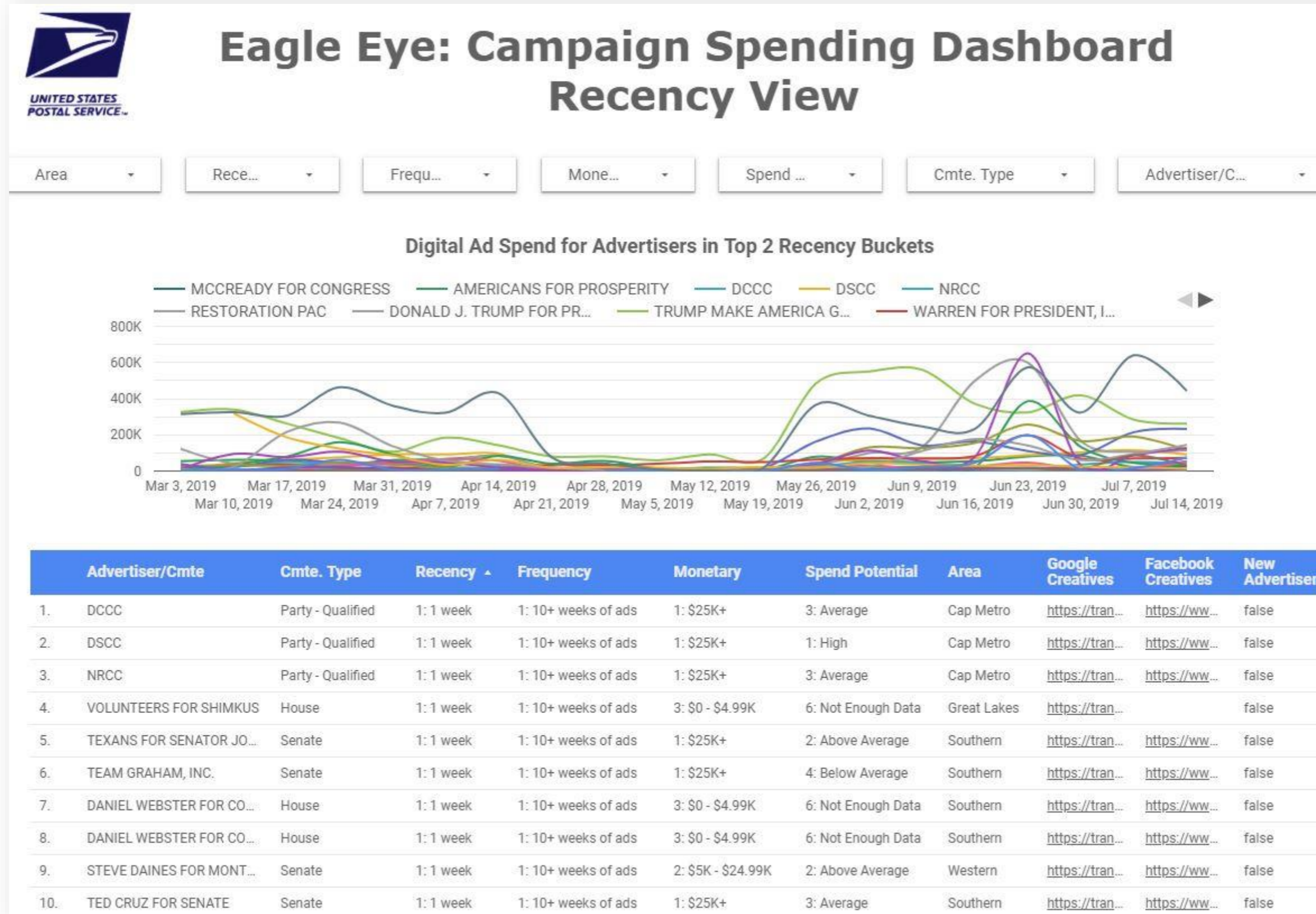


EXPANDED USE OF L2 DATA FILES

- Expanded to 50 licenses
- 600 behavior fields
- 400 demographic fields
- 91 predicative data fields



CAMPAIGN SPENDING DASHBOARD



REGIONAL LISTENING SESSION WORKSHOPS



UNITED STATES
POSTAL SERVICE®

Free Political Mail Workshop

Tuesday, August 13, 2019 at 11:00 AM

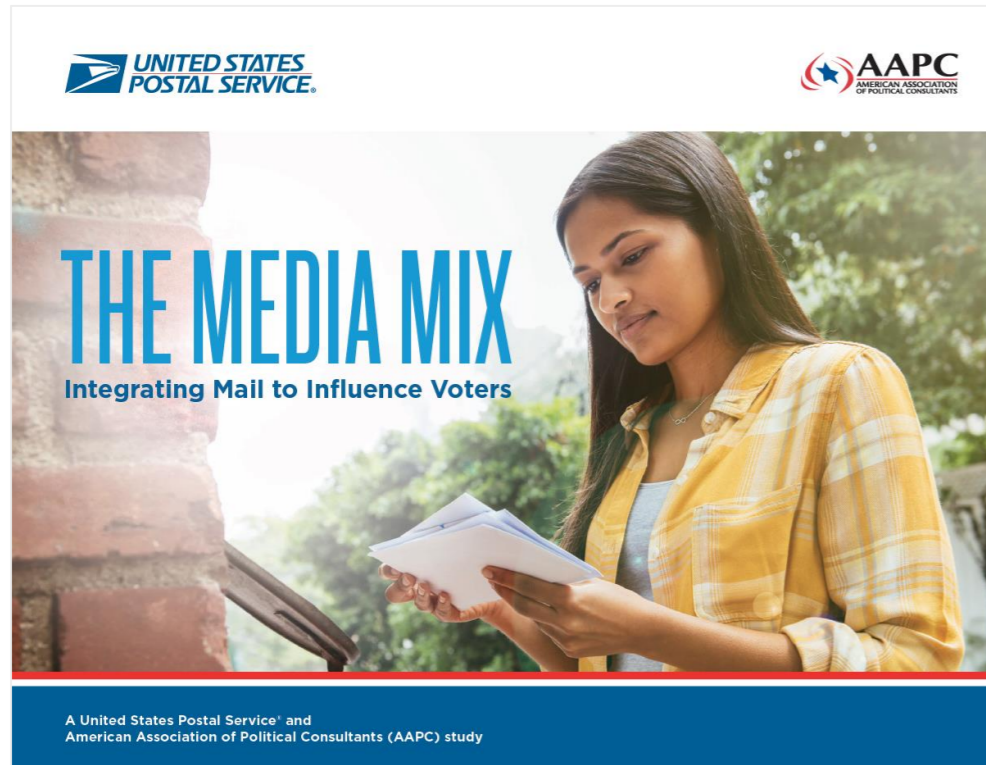
USPS Louisiana District Office
701 Loyola Ave, New Orleans, LA
3rd Floor Conference Room

RSVP to Tiffany.S.Todd@usps.gov



PARTNERSHIPS WITH POLITICAL CONSULTANT GROUPS

- Conduct research to drive thought leadership
- Participate in AAPC and C&E events through speaking opportunities and exhibit booths
- Promote thought leadership through sponsored articles, email blasts, Facebook Live interviews, webinars and other avenues



MAIL CONTINUES TO DELIVER CREDIBILITY IN AN AGE OF UNPRECEDENTED SKEPTICISM

Please rank the top three political advertising techniques that you find the most credible.

Percentage top 3 choice:



DELIVER THE WIN™



RED TAGGING

Benefits of Tag 57:

1

Mailings are more easily identifiable throughout the process

3

Accepted mailings are segregated from other mail in the Business Mail Entry Unit

2

Provides added visibility to mailings as they enter processing centers

4

If a problem is detected, it is escalated to a higher level



LOOKING AHEAD



NATIONAL POLITICAL SUMMARY

- **Strategy (Field Sales)**
 - Reach and present an omni-channel sales solution to every potential candidate during the 2020 cycle.
- **Support (Network Operations)**
 - Verify that all political and election mail is identified by ensuring the political or election mail box is checked on the mailing statement (soft or hard copy).
 - Investigate, correct and respond to political service concerns.
- **Execution (Delivery Operations)**
 - Deliver all political and election mail knowing its importance to campaigns. Report on customer mailing inquiries.
- **Tools (Marketing/Political Strategy Team)**
 - Mintel, L2, political mail dashboard, www.deliverthewin.com, LinkedIn, thought leadership, webinars (Internal & External), FB Live Interviews.



QUESTIONS

