

# GAO Highlights

Highlights of [GAO-18-554](#), a report to congressional requesters.

## Why GAO Did This Study

The federal government spends close to \$1 billion annually for advertising activities that, among other things, inform the public about programs and services. The government seeks to provide procurement opportunities for these services to businesses such as SDBs and those owned by minorities and women. SDBs are those primarily owned by one or more socially and economically disadvantaged individuals.

GAO was asked to analyze federal advertising obligations to these types of businesses. This report discusses (1) the amount federal agencies have obligated towards advertising contracts over the most recent 5 fiscal years (2013 through 2017) and the amount going to SDBs and businesses owned by minorities and women; and (2) the agencies that have directed the most advertising contract obligations to these businesses and how this has changed over time.

GAO analyzed data on advertising contracts from the Federal Procurement Data System – Next Generation database for fiscal years 2013 through 2017. GAO also interviewed Small Business Administration officials.

The Small Business Administration provided technical comments on this report, which GAO incorporated as appropriate.

View [GAO-18-554](#). For more information, contact Tranchau (Kris) T. Nguyen, 202-512-6806, [NguyenTT@gao.gov](mailto:NguyenTT@gao.gov)

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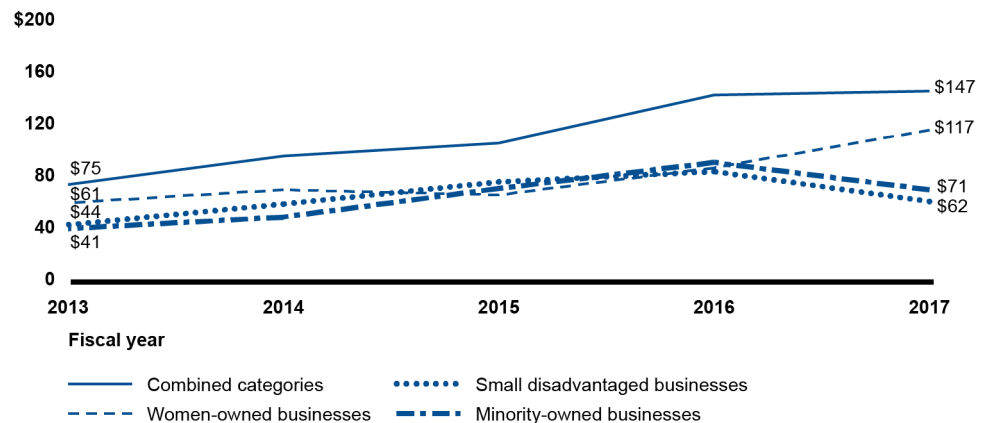
## FEDERAL ADVERTISING

### Contracting with Small Disadvantaged Businesses and Those Owned by Minorities and Women Has Increased in Recent Years

#### What GAO Found

Federal advertising contract obligations to small disadvantaged businesses (SDB) and businesses of all sizes owned by minorities and women (specified businesses) generally increased from fiscal years 2013 through 2017, and constituted 13 percent of all advertising obligations over this period. This figure is consistent with the percentage of all federal contract obligations to these businesses over this period. Overall, advertising contract obligations to all three categories of businesses increased between fiscal years 2013 and 2017, as shown in the figure below. Within the minority-owned business category, which includes businesses owned by Asian-Pacific-, Subcontinent-Asian-, Black-, Hispanic-, and Native-Americans, over half of the obligations went to those owned by Hispanic-Americans.

**Federal Advertising Contract Obligations to Small Disadvantaged Businesses and Those Owned by Minorities and Women, Fiscal Years 2013 – 2017**  
Contract obligations (nominal dollars in millions)



Source: GAO analysis of Federal Procurement Data System-Next Generation data as of January 17, 2018. | GAO-18-554

Notes: Businesses may be counted under more than one category. For example, a small disadvantaged business may also be women-owned. When calculating the amount going to all three categories combined, GAO only counted each business' obligations once. Therefore, the amounts in the line showing all three categories combined are less than the sums of the individual categories.

Data reflect obligations made on contracts classified under the "support: management – advertising" or "support: management – public relations" product service codes in the Federal Procurement Data System-Next Generation database. Changes from year to year may be associated with a small number of contracts.

Three agencies—the departments of Defense (DOD), Health and Human Services, and Homeland Security—were responsible for nearly three-quarters of advertising contract obligations to the three categories of businesses from fiscal years 2013 through 2017. These agencies were associated with much of the increase in these obligations to specified businesses over the 5-year period. Although some agencies obligated higher shares of their advertising contract obligations to these businesses, they generally obligated fewer dollars than DOD and the two other agencies. For example, the National Aeronautics and Space Administration directed 98 percent of its obligations to these businesses, but the agency's total advertising contract obligations were \$21 million over the 5-year period. DOD obligated \$2.6 billion for these contracts over the same period.