

GAO Highlights

Highlights of [GAO-24-107021](#), a report to congressional requesters

Why GAO Did This Study

The federal government obligated \$14.9 billion for advertising contracts over the last 10 fiscal years to inform the public about programs and services, among other things. The government is required to provide procurement opportunities for these contracts to SDBs and businesses owned by minorities and women. SDBs are businesses primarily owned by one or more socially and economically disadvantaged individuals.

GAO was asked to analyze federal advertising contract obligations to these types of businesses and the effect the COVID-19 pandemic had on advertising contract obligations to these businesses. This report discusses the (1) amount the federal government obligated toward advertising contracts over the last 10 fiscal years, and how much went to specified businesses; (2) federal agencies that obligated the most to specified businesses and how this has changed over the last 10 fiscal years; and (3) the amount obligated to COVID-19-related advertising contracts and how much went to specified businesses.

GAO analyzed data on advertising contracts from the Federal Procurement Data System for FYs 2014 through 2023. GAO also interviewed Small Business Administration officials.

View [GAO-24-107021](#). For more information, contact Jessica Lucas-Judy at (202) 512-6806 or lucasjudyj@gao.gov.

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FEDERAL ADVERTISING

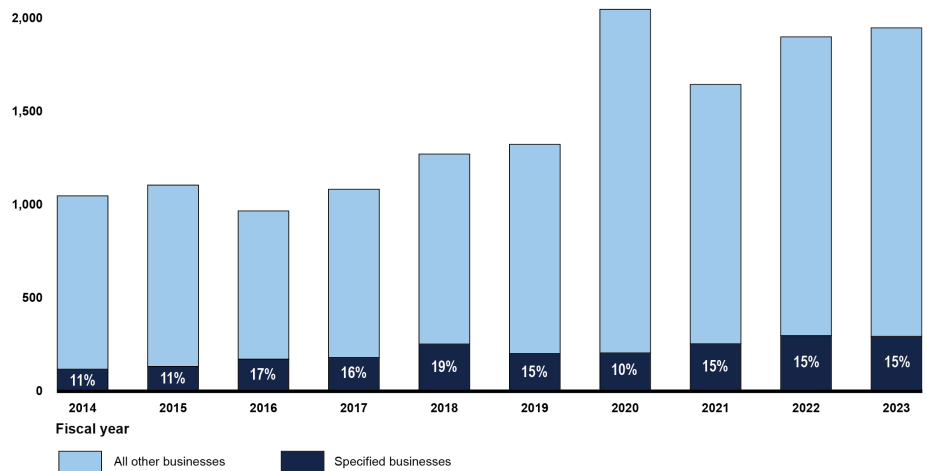
Fourteen Percent of Contract Obligations in the Past Decade Went to Small Disadvantaged Businesses and Those Owned by Women and Minorities

What GAO Found

Federal advertising contract obligations to small disadvantaged businesses (SDB) and those of all sizes owned by minorities and women (collectively, “specified businesses”) represented about 14 percent, or \$2.1 billion, of the \$14.9 billion in total advertising contract obligations from fiscal years (FY) 2014 through 2023. As shown in the figure below, while overall advertising obligations nearly doubled during this period, the share of obligations to specified businesses generally remained steady.

Total Federal Advertising Contract Obligations to Specified and All Other Businesses, Fiscal Years 2014-2023 (inflation-adjusted dollars)

Dollars obligated (in millions)
\$2,500



Source: GAO analysis of Federal Procurement Data System data. | GAO-24-107021

Three agencies—the Departments of Defense, Health and Human Services (HHS), and Homeland Security—were responsible for more than half of advertising contract obligations to specified businesses from FYs 2014 through 2023, about \$1.3 billion. Although these agencies obligated the most dollars to specified businesses, other agencies obligated higher percentages of their obligations to specified businesses. For example, the National Aeronautics and Space Administration obligated 99 percent of its advertising contract dollars to specified businesses but obligated a lower dollar amount.

During the COVID-19 pandemic, federal agencies obligated about \$1.1 billion to COVID-19-related advertising contracts, and specified businesses were awarded 3.5 percent, or about \$37.1 million. HHS was responsible for \$836 million in COVID-19-related advertising obligations, or 79 percent. Of the 21 businesses that were awarded COVID-19-related contracts, seven were specified businesses. One specified business, a Hispanic- and women-owned business, was awarded 98 percent of obligations to specified businesses for COVID-19-related advertising.