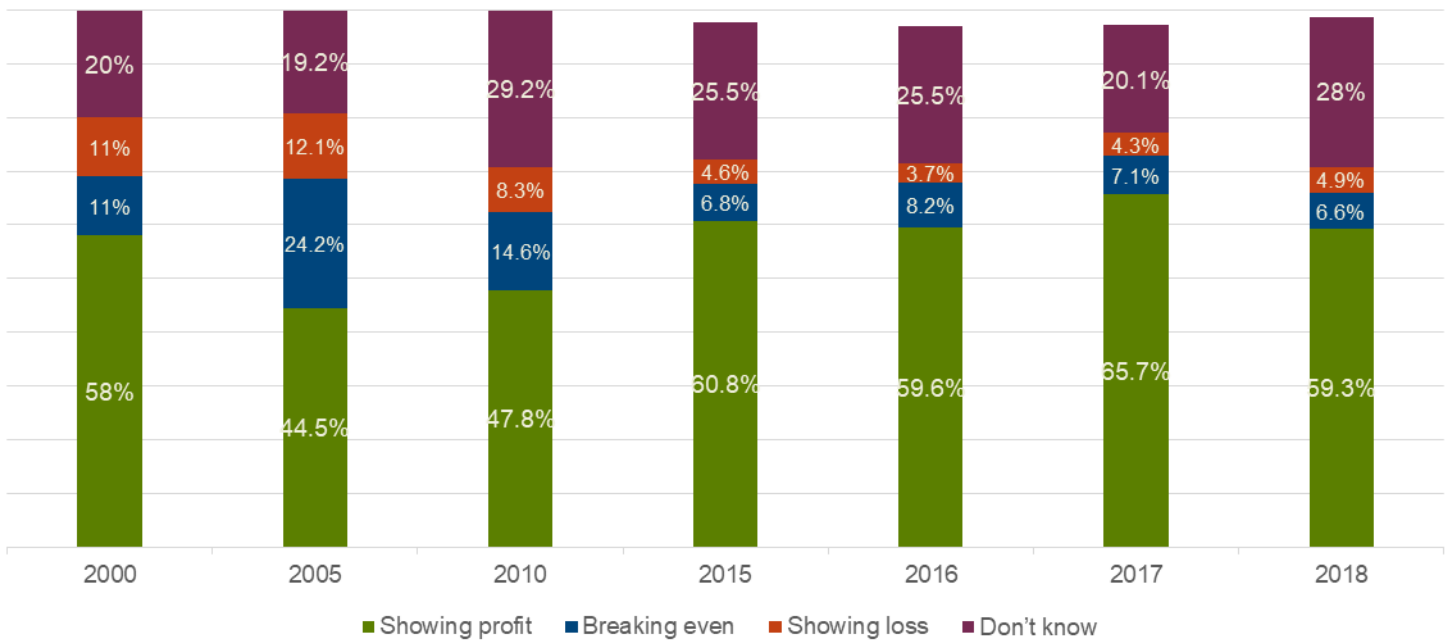


### 2018 Business of News Report

#### TV News Profitability

The latest RTDNA/Hofstra University Annual Survey found that just shy of 60% of local television newsrooms report being profitable in the past year. Most of the drop appears to have gone into the “Don’t Know” category, which rose almost 8 points.

TV News Profitability Over Time

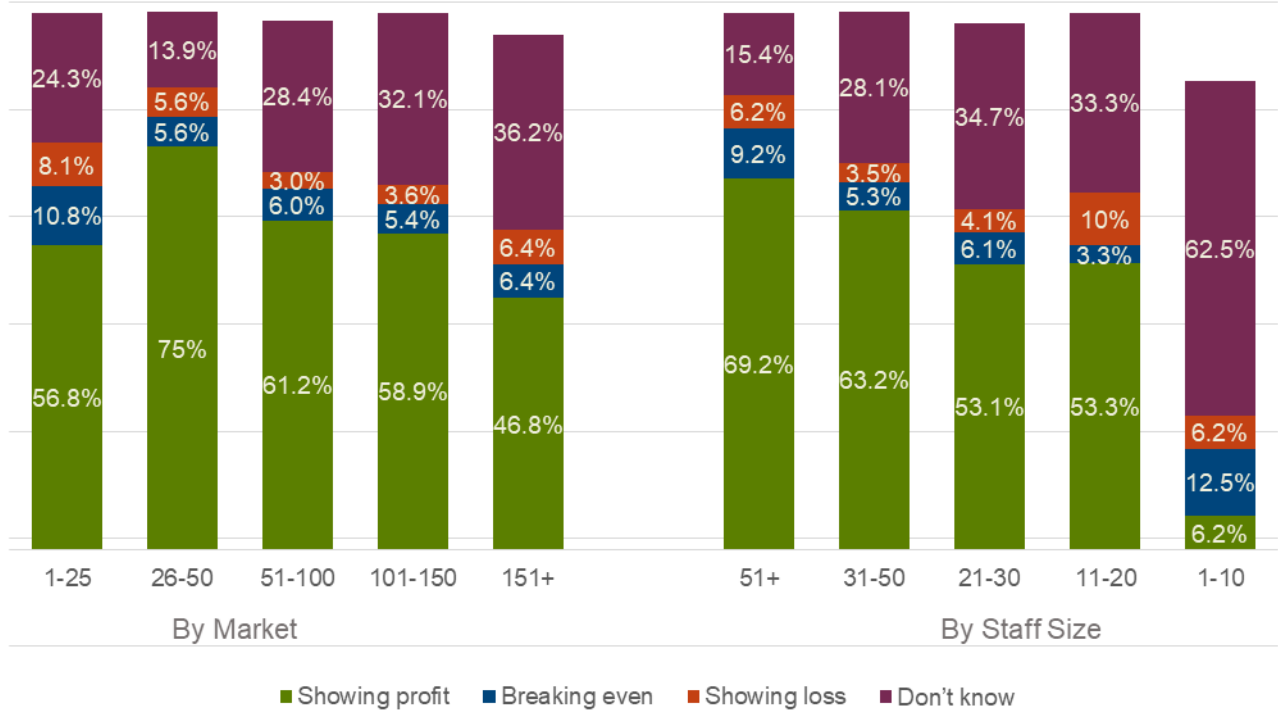


Profitability in 1996 hit 72%, the highest level recorded in 24 years of the survey. Missing percentages are non-commercial stations.

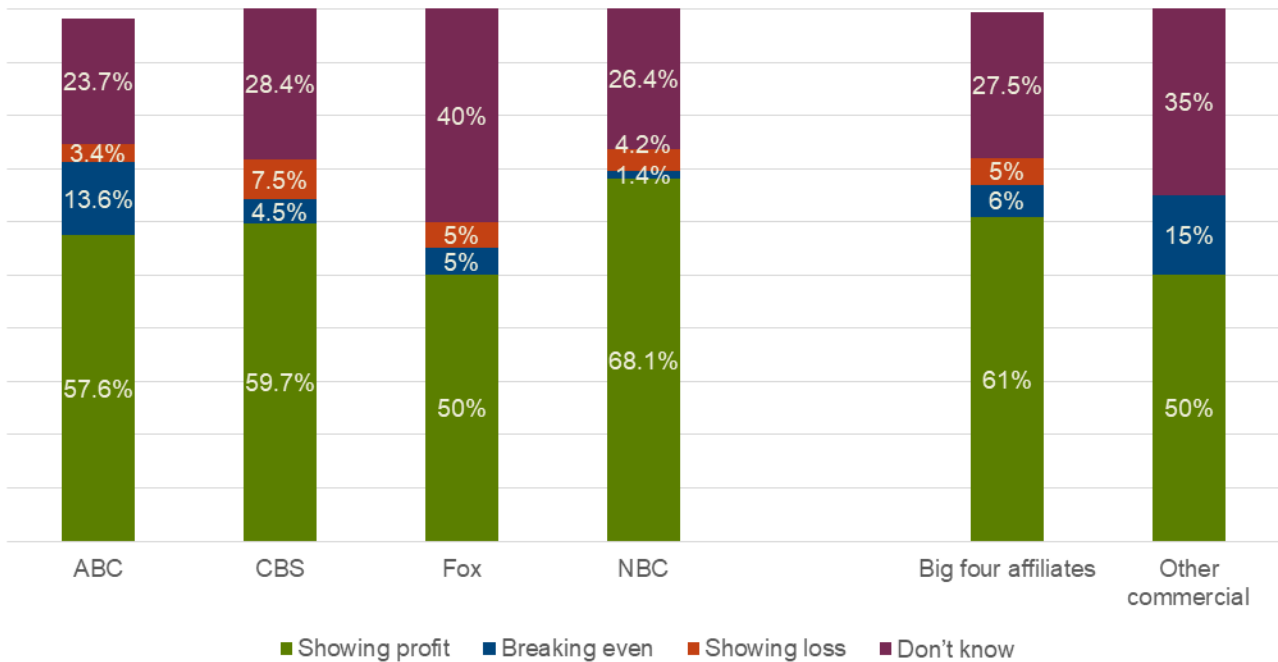
# 2018 RTDNA/Hofstra University Newsroom Survey

## Business of News

### TV News Profitability



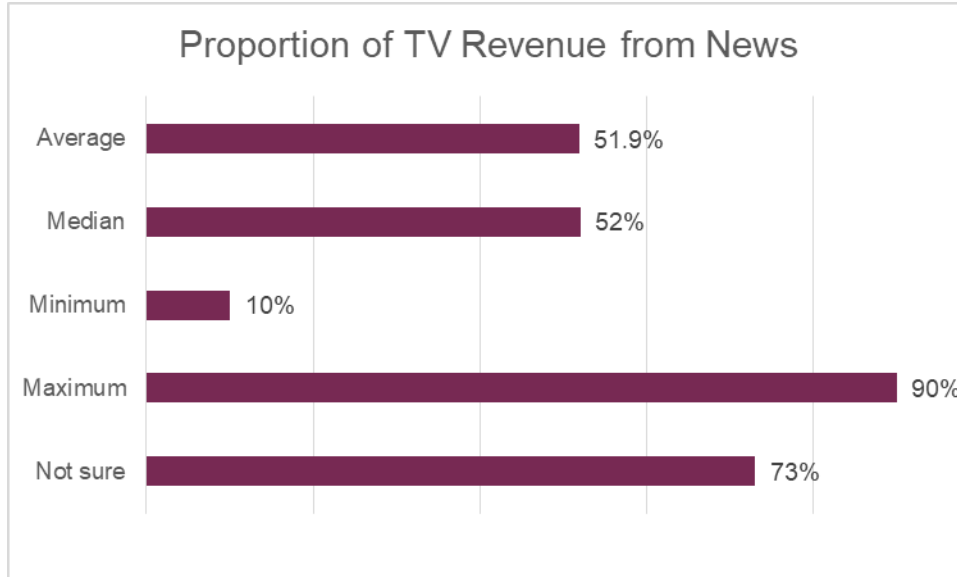
### TV News Profitability by Affiliation



# 2018 RTDNA/Hofstra University Newsroom Survey

## Business of News

Elections are good news for local TV, and few places had them in 2017, which could be one reason for the profitability drop. Almost all categories went down, with the exception of NBC affiliates, which stayed the same. Stations in the Northeast were much more likely to be profitable (75%), and stations in the Midwest were noticeably less likely (44.6%).



These numbers are nearly identical to a year ago, although average profit is down less than a point and median profit is down 3. Fox affiliates jumped up over 20 points to pull roughly even with the other three major network affiliates, but ABC affiliates and other commercial both dropped 10 points, and that's what caused the small drop from a year ago. There's a caution in the numbers: a high percentage of news directors say they

Percentage of TV station revenue produced by news					
Market size:	Average	Median	Minimum	Maximum	Not sure
1-25	44.7%	42%	15%	90%	69.7%
26-50	53.9%	57%	30%	70%	71.4%
51-100	56.4%	52.5%	30%	90%	71.0%
101-150	46.8%	45%	10%	75%	69.2%
151+	59.6%	60%	52%	65%	84.1%
Staff size:					
51+	45.3%	45%	15%	75%	71.9%
31-50	52.5%	47.5%	26%	90%	60.7%
21-30	52.3%	60%	25%	75%	75.6%
11-20	56.8%	56%	50%	65%	85.7%
1-10	10%	10%	10%	10%	93.8%
Affiliation:					
ABC	52.3%	55%	15%	90%	67.9%
CBS	50.8%	45%	35%	90%	74.6%
Fox	48.8%	47.5%	25%	75%	78.9%
NBC	55.5%	60%	35%	80%	75.4%
Big four affiliates	52.6%	51%	15%	90%	73.4%
Other commercial	46.6%	55%	10%	70%	63.2%

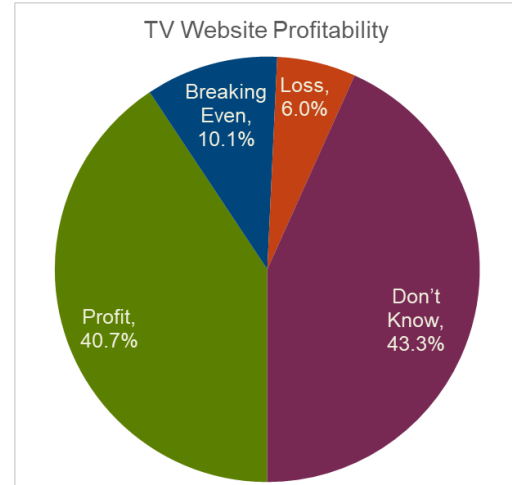
## Business of News

don't know the answer to this question.

### TV Website Profitability

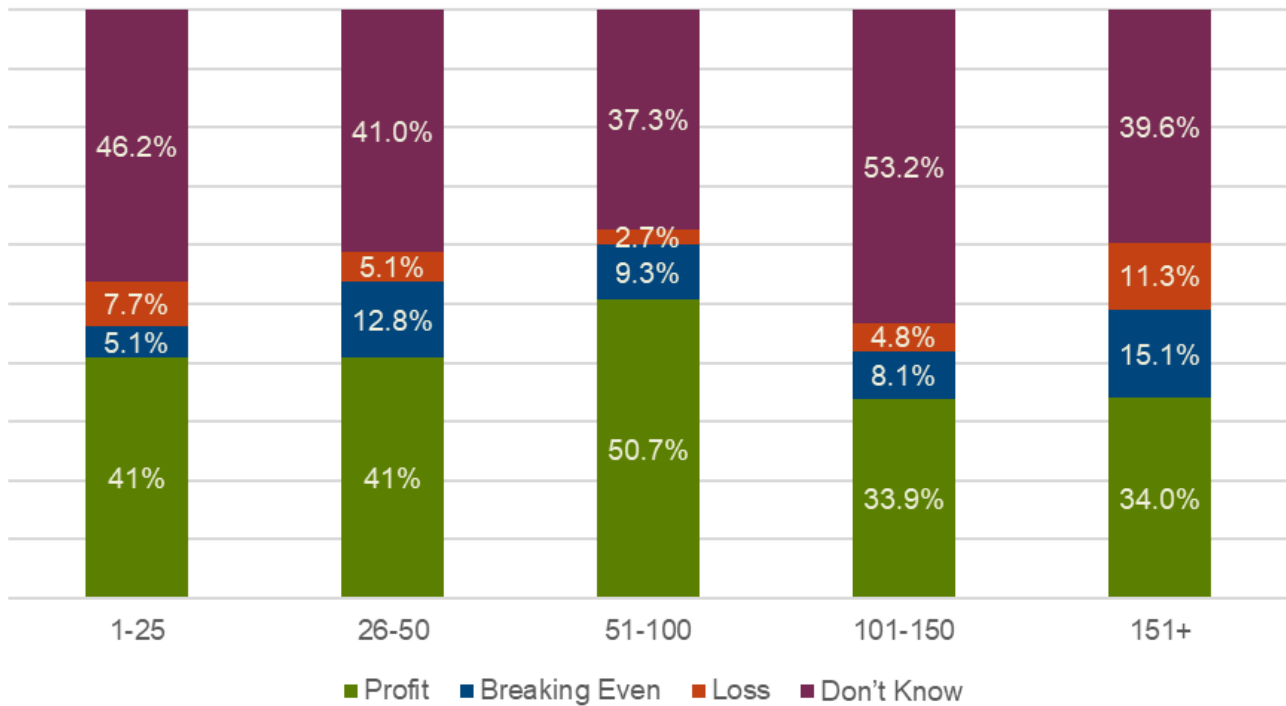
This past year saw a drop in website profitability – down almost 6 points from a year ago. The latest RTDNA/Hofstra University Survey found that most of the change is an increase in “Don’t Know” responses, with breaking even staying the same and loss dropping nearly 2 points.

The only market grouping that passed 50% in profitability was 51 to 100. Fox affiliates lagged all the others, although mostly Fox news directors didn’t know how the website was doing. Stations in West generally lagged behind other areas.

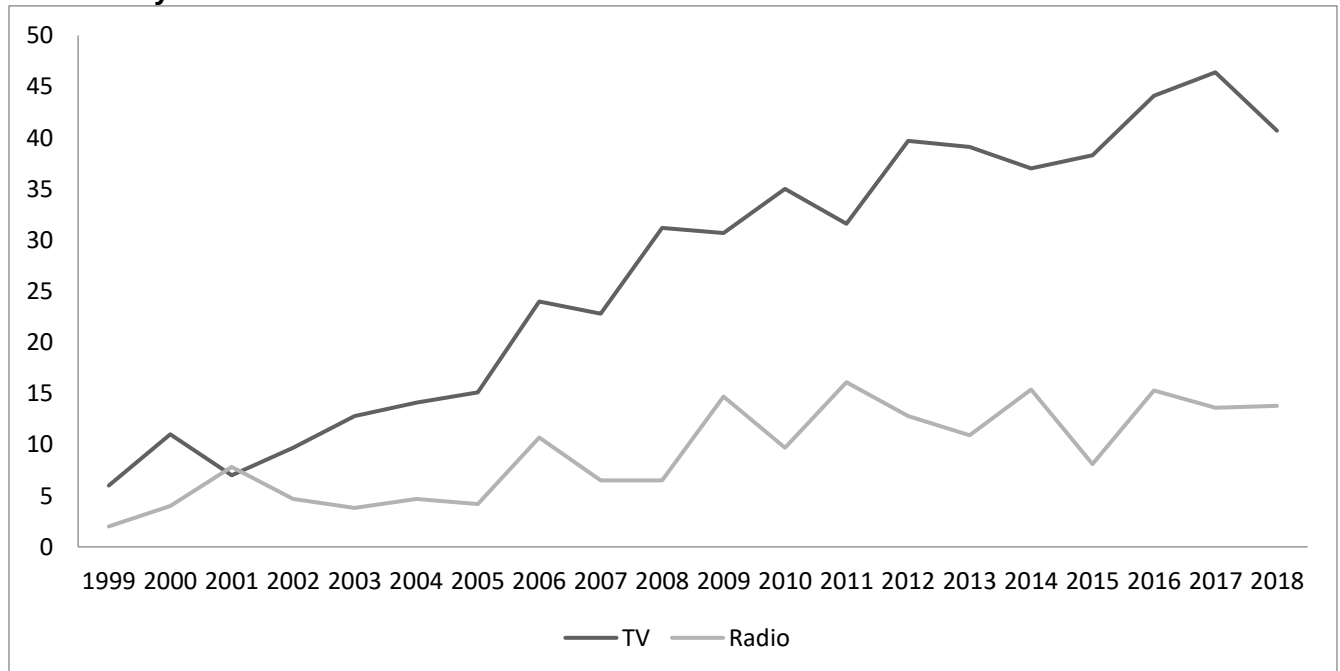


## Business of News

### TV Website Profitability by Market



### Profitability of TV and radio station websites over time

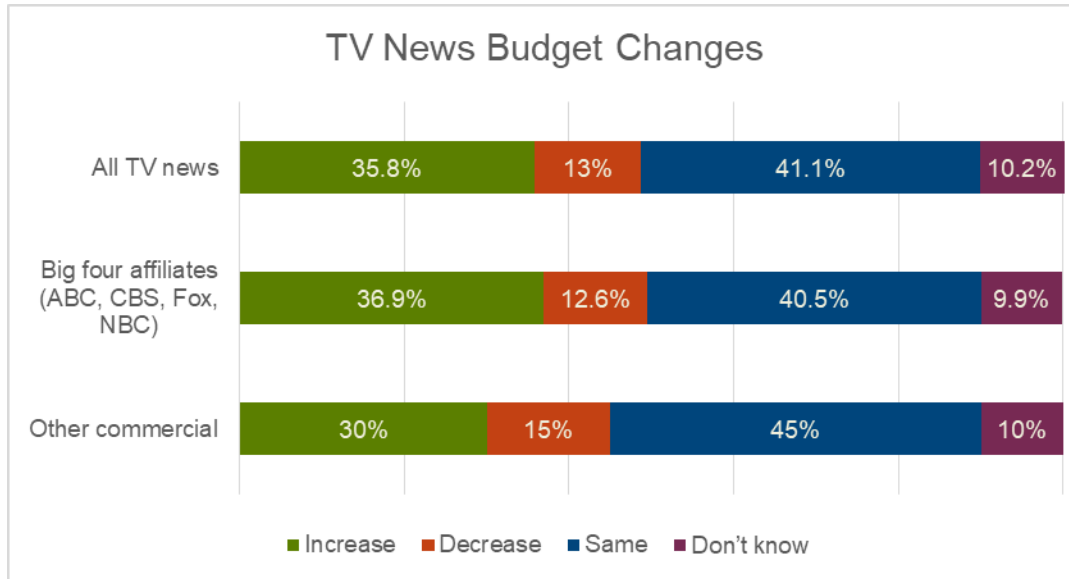


## Business of News

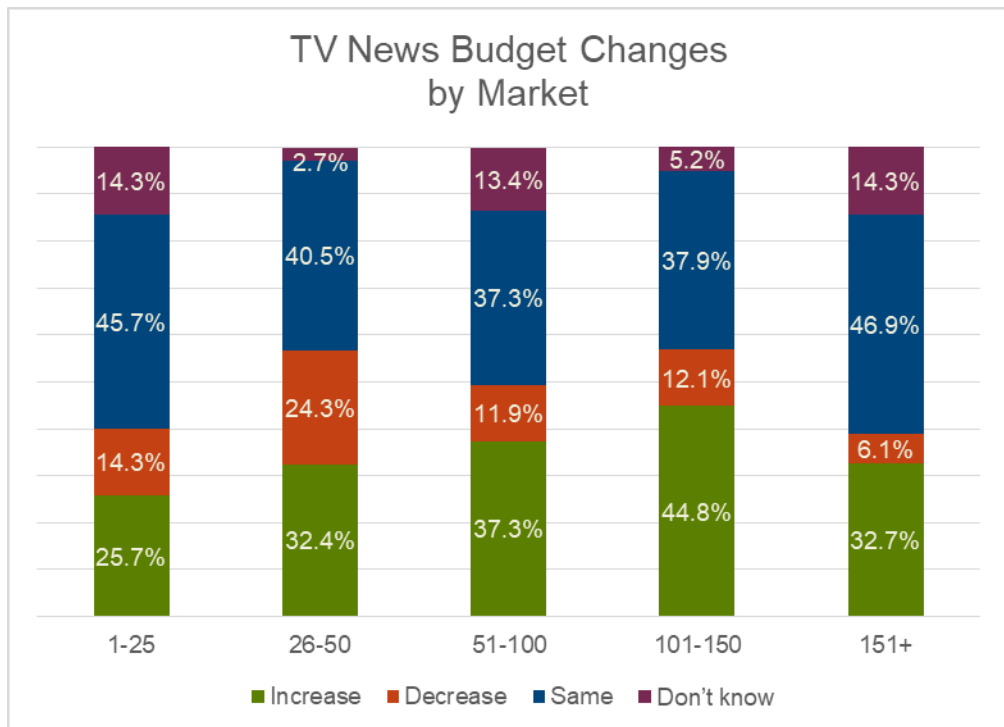
The general upward trajectory in TV is pretty clear; so is radio's up and down ride.

### TV News Budgets

It was a mixed year for TV news budgets.



This is the fourth year in a row when budget increases fell below the 50% mark; increases in the news budget dropped nearly 8 points from a year ago. Except for the very smallest markets, budget increases grew as market size fell. Markets 26 to 50 were especially hard hit with budget decreases, with almost a quarter of newsrooms



## Business of News

reporting drops. The biggest newsrooms, CBS affiliates and stations in the Northeast got hit the hardest.

### Paywalls

The number of TV stations reporting paywalls (a monetary charge to access a station website) fell from last year's 4 to this year's 2. That would be 2 stations with paywalls – not 2%. Another 2 stations said they were considering a paywall. That's the same as a year ago. Local TV news is still not getting into the paywall business.

### Local TV News and News Consultants

Periodically, I get asked about news consultants, and so, for the first time, the RTDNA/Hofstra University Survey collected data on whether stations employ consultants and, if so, how they use them.

A slim majority of stations do *not* employ news consultants at all; just over a third said yes, and the rest said they employ them for specific projects only.

It's not an absolute relationship, but, generally, the bigger the newsroom and the bigger the market, the more likely that a station employs a news consultant. Note that the number peaked at barely a majority (51.2%) for markets 26 to 50. Of ABC, CBS and NBC affiliates, 40% said yes, 46% no and the rest special projects only. Of Fox affiliates, 17% said yes, 75% no and 8% project only. Other commercial stations were nearly as low as Fox affiliates. Stations in the West and Northeast were more likely to use consultants than stations in the Midwest and South.

# 2018 RTDNA/Hofstra University Newsroom Survey

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Most often, consultants were reported to work with talent, conduct research and work with the news director. Some work with producers, the general manager and marketing/promotion. A few stations indicated a consultant suggests/supplies sweeps plans, structures newscasts or works more with digital than on air.

Some news directors said they don't work with a consultant because they work with someone at corporate who serves that function. Some said they do work with a consultant – someone at corporate.

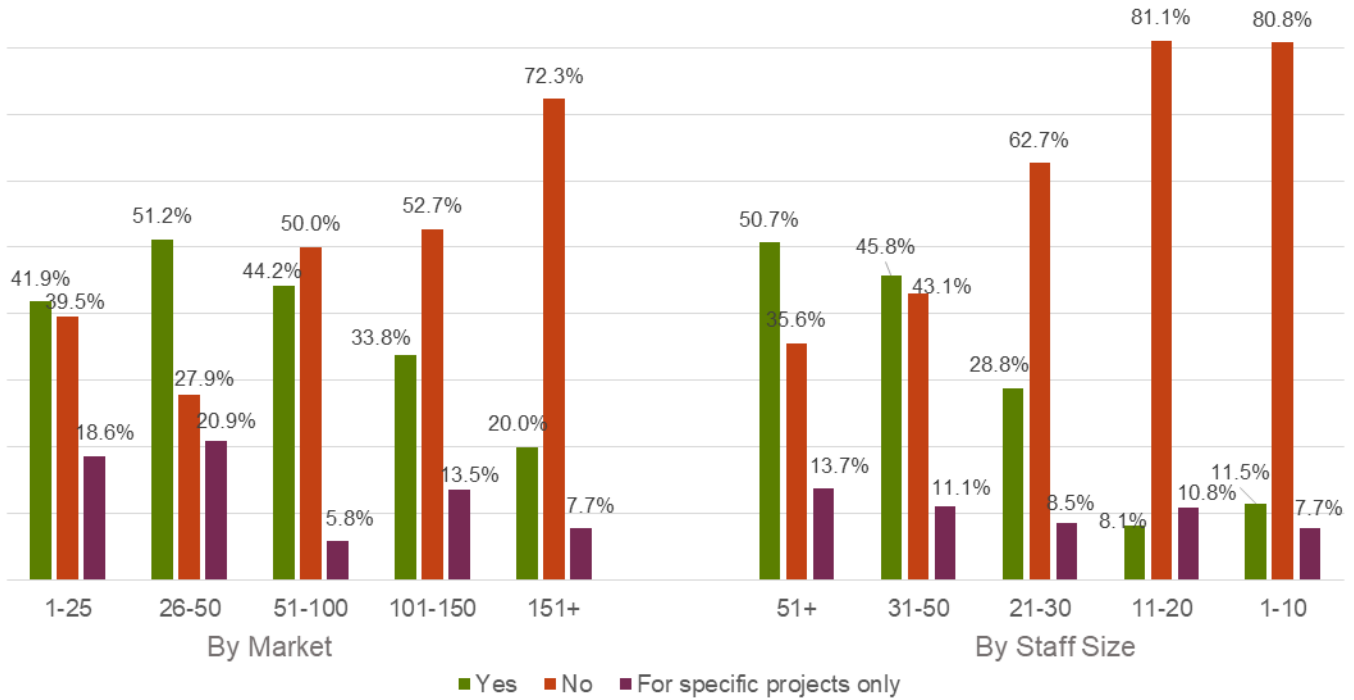
What does your news consultant do?					
Market	1-25	26-50	51-100	101-150	151+
Conducts audience research	73.1%	64.5%	83.7%	79.4%	52.9%
Works with talent	53.8%	83.9%	81.4%	70.6%	82.4%
Consults with news director on news	73.1%	51.6%	67.4%	79.4%	82.4%
Works with producers	57.7%	48.4%	62.8%	55.9%	47.1%
Consults with general manager on news	53.8%	22.6%	58.1%	55.9%	58.8%
Works with marketing/promotion	38.5%	38.7%	65.1%	52.9%	29.4%
Suggests/supplies sweeps series	26.9%	9.7%	34.9%	17.6%	23.5%
Determines how newscasts are structured	11.5%	0.0%	9.3%	26.5%	17.6%
Helps with digital more than on air	11.5%	6.5%	2.3%	5.9%	0.0%
Other	7.7%	3.2%	9.3%	5.9%	11.8%

What does your news consultant do?					
Staff Size	51+	31-50	21-30	11-20	1-10
Conducts audience research	74.5%	80.5%	54.5%	66.7%	40.0%
Works with talent	78.7%	73.2%	86.4%	50.0%	60.0%
Consults with news director on news	68.1%	68.3%	77.3%	50.0%	80.0%
Works with producers	55.3%	65.9%	54.5%	33.3%	20.0%
Consults with general manager on news	42.6%	56.1%	40.9%	33.3%	40.0%
Works with marketing/promotion	53.2%	53.7%	36.4%	33.3%	40.0%
Suggests/supplies sweeps series	19.1%	29.3%	18.2%	0.0%	20.0%
Determines how newscasts are structured	8.5%	9.8%	22.7%	16.7%	20.0%
Helps with digital more than on air	6.4%	0.0%	4.5%	0.0%	20.0%
Other	4.3%	4.9%	9.1%	0.0%	40.0%

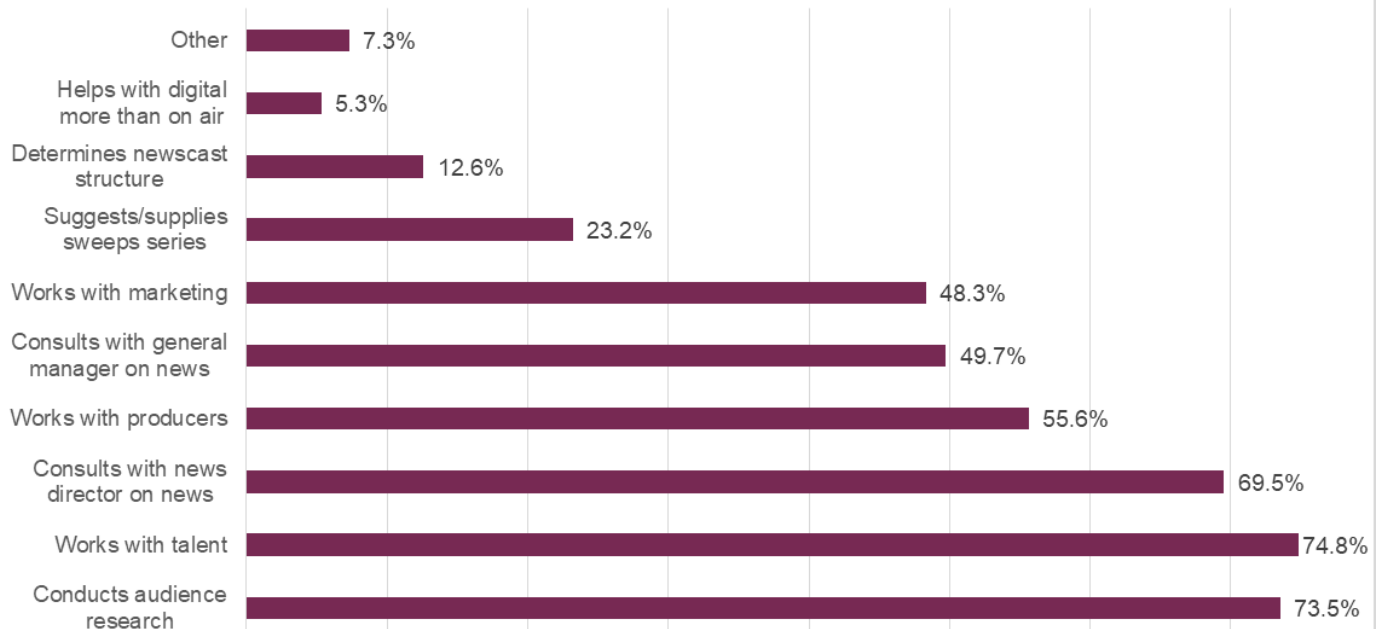


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### Does your Station Employ a News Consultant?



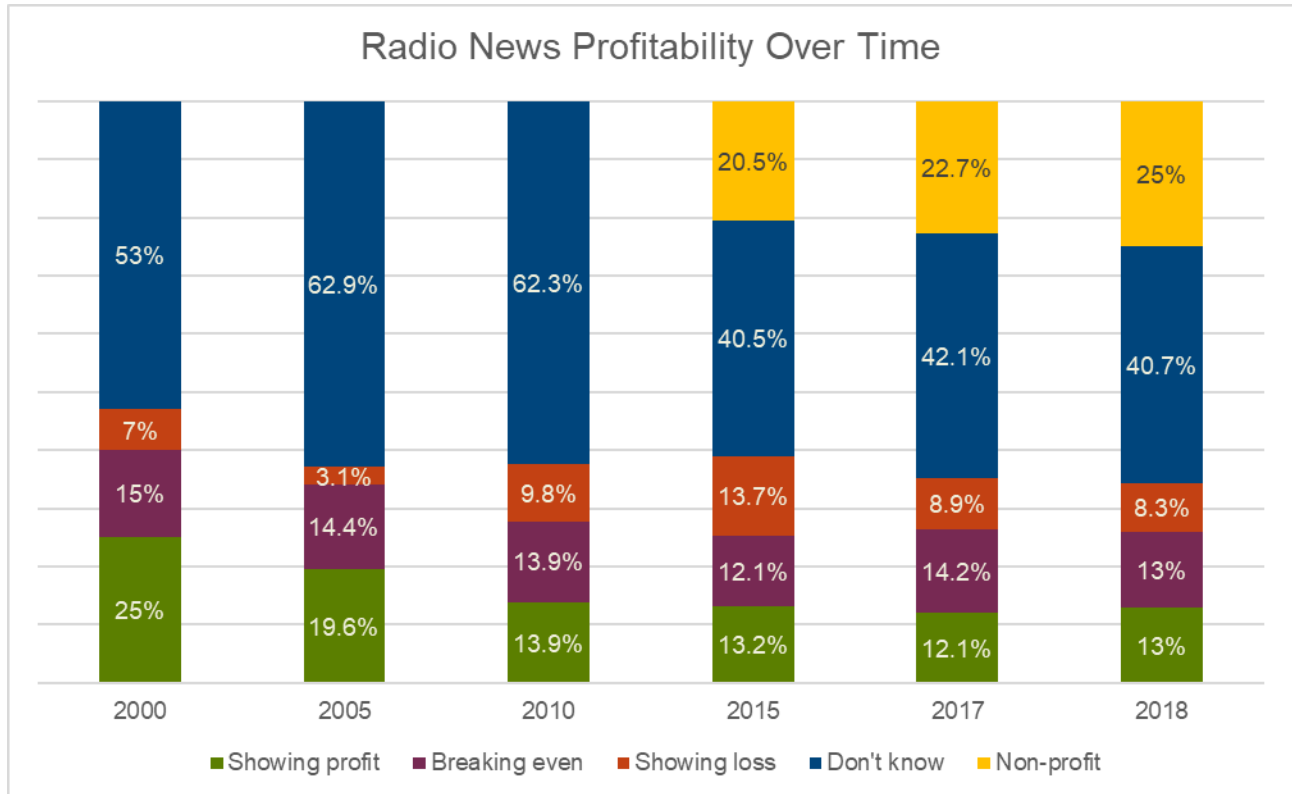
### What does your news consultant do?



## Business of News

### Radio News Profitability

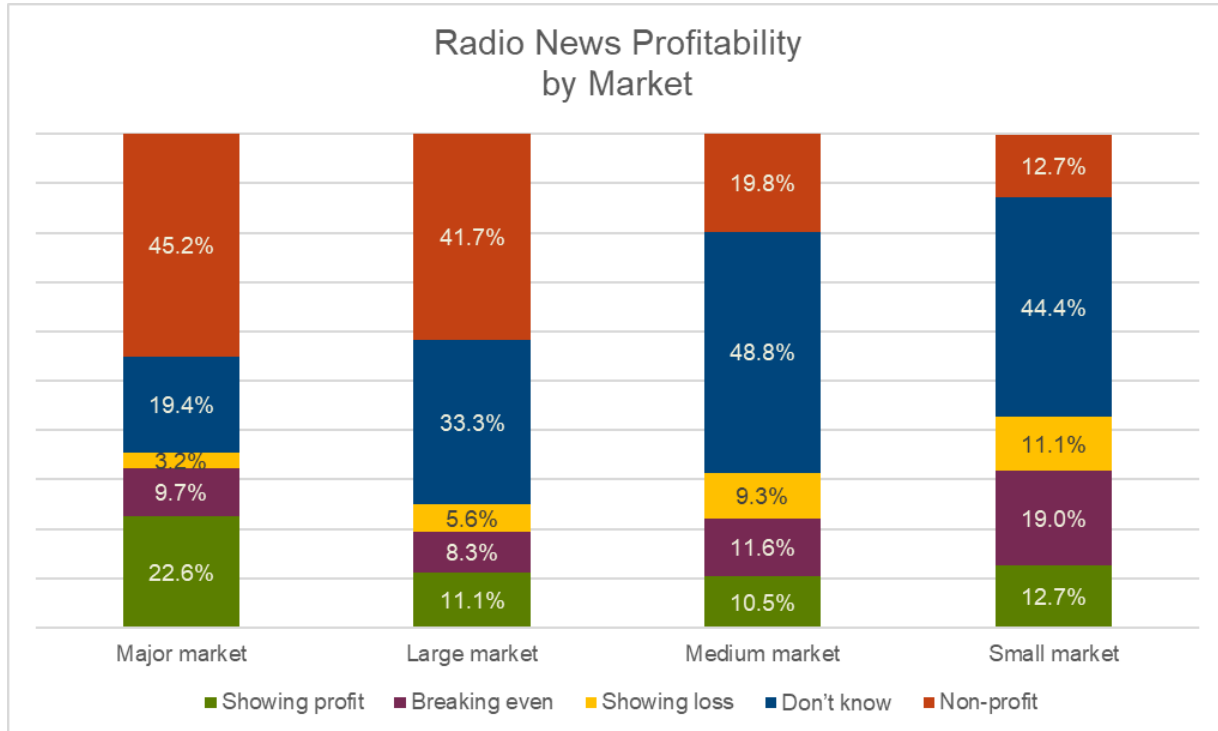
The latest RTDNA/Hofstra University Annual Survey found that radio news profits rose almost a point to 13% reporting profitability, the same percentage that reported breaking even. 40% don't know.



The percentage of radio news directors and general managers reporting a profit on news rose back to up its recent range of around 13%. The biggest newsrooms (10+ people) in the biggest markets (1+ million) were most likely to make a profit on news. That is also where most of the all-news stations reside.

For the fourth year in a row, with more than a quarter of news directors and general managers reported the percentage of their revenue derived from news, with an average of 10.4% and a median percentage of 5%. The average is virtually identical to a year ago, but the median number is double last year's 2.5%.

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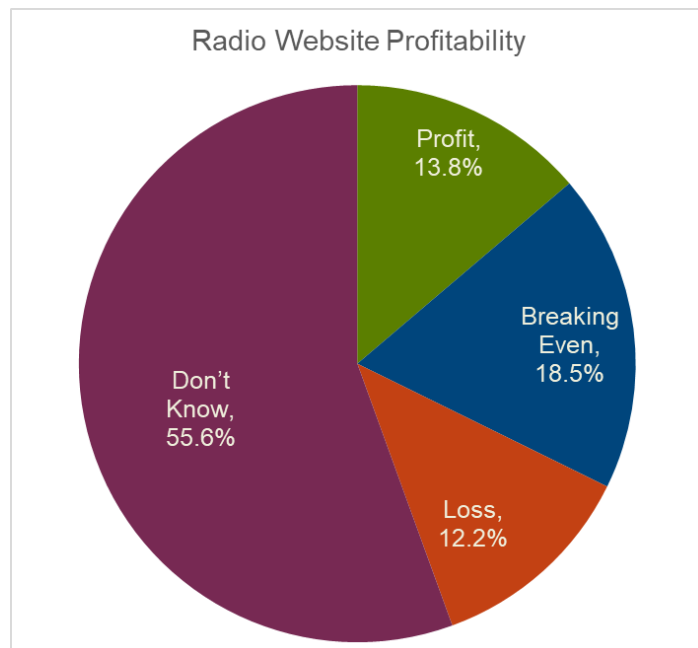


Major markets are those with 1 million or more potential listeners. Large markets are from 250,000 to 1 million. Medium markets are 50,000 to 250,000. Small markets are fewer than 50,000.

### Radio Website Profitability

The latest RTDNA/Hofstra University Survey found the percentage of radio websites making a profit edging up 0.2. Those breaking even increased by nearly 6 points, and those running at a loss dropped by nearly 3.

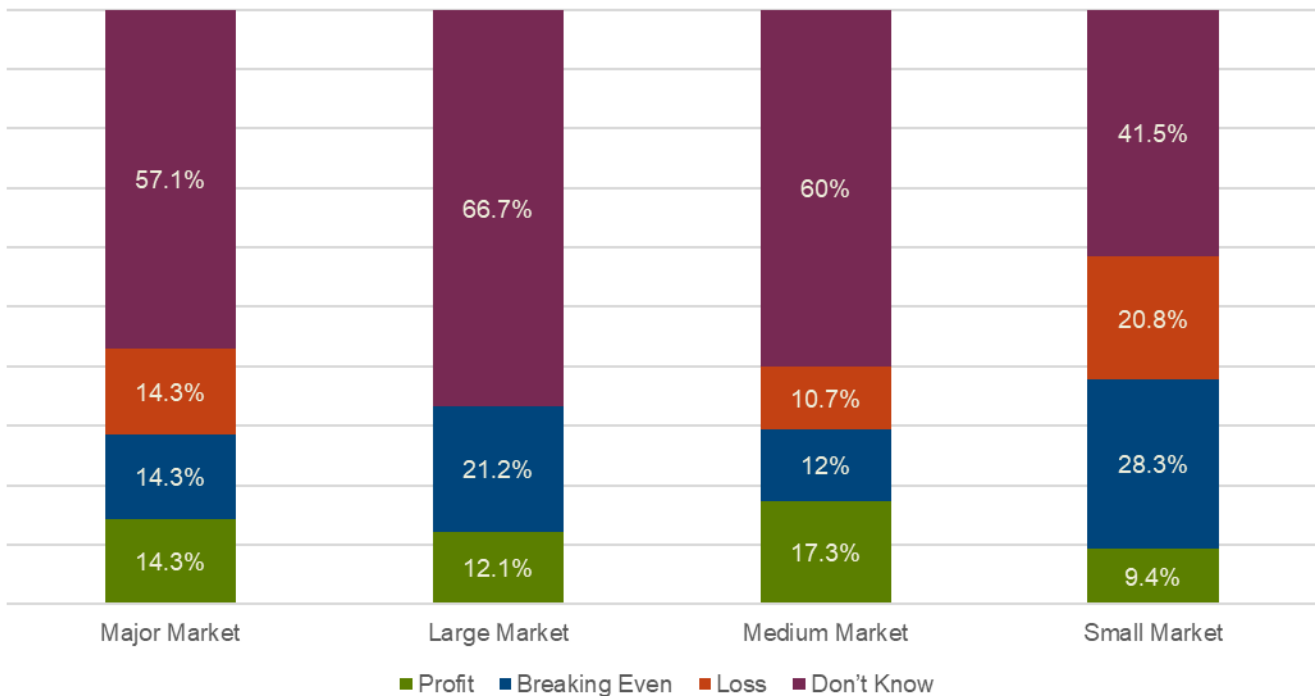
Radio websites in the Midwest tended to do better than those elsewhere, but, generally, individual variables made little consistent difference.



### Paywalls

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Radio Website Profitability  
by Market

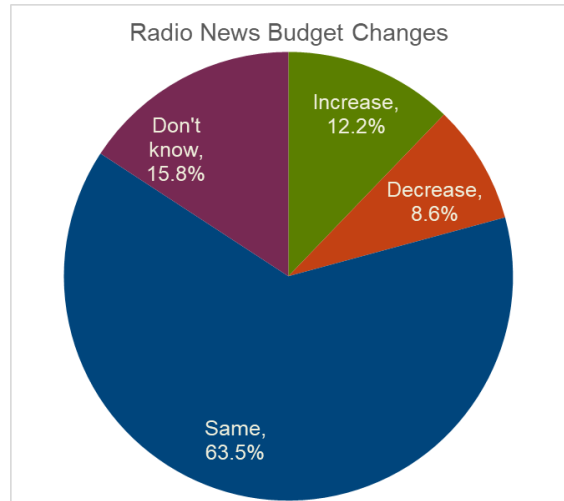


Largely unchanged from the year before, 97.9% reporting no paywall (a monetary charge to access a station website) -- versus 96.8% a year ago and 97.8% the year before that. Of those without paywalls, 97.6% said they are not considering one. That's up slightly from a year ago.

### Radio news budgets

Radio news budgets edged up .3 from a year ago.

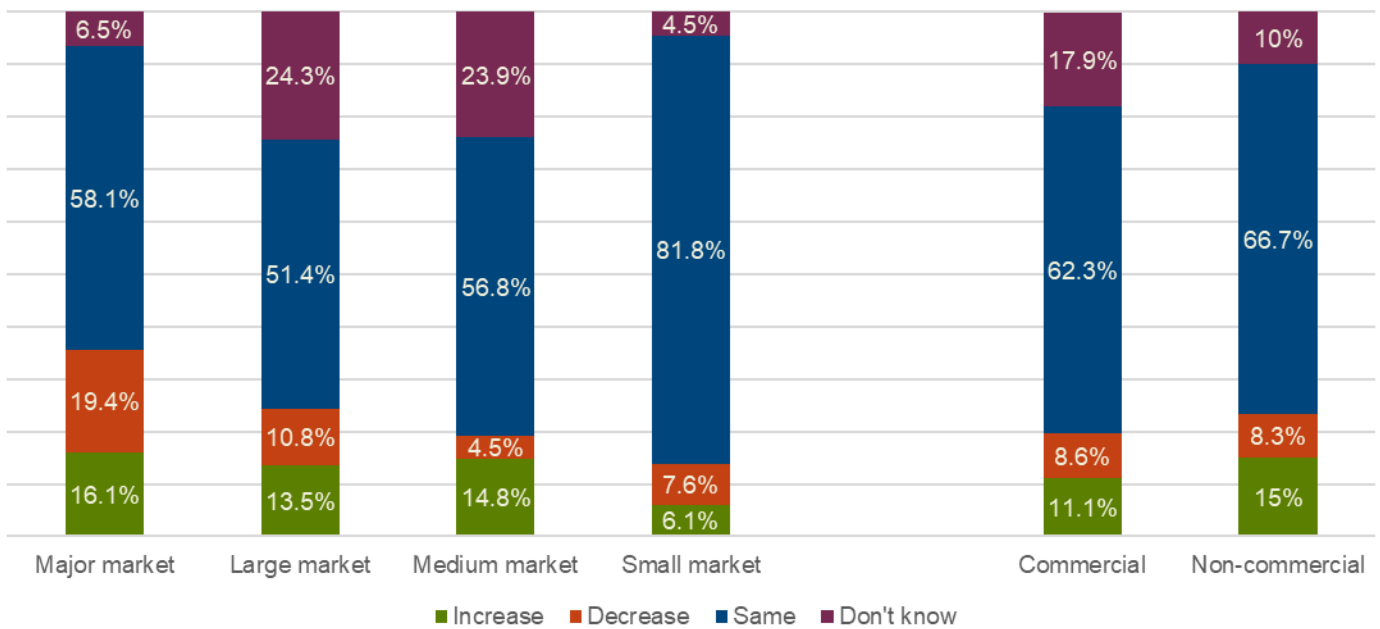
Radio budget numbers this year are remarkably similar to a year ago. The one noticeable change is in the percentage showing a decrease. The overall percentage showing a budget decline is only up 2 points, but stations in large and major markets were up by a factor of two and six times, respectively.



# 2018 RTDNA/Hofstra University Newsroom Survey

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### Radio News Budget Changes



Major markets are those with 1 million or more potential listeners. Large markets are from 250,000 to 1 million. Medium markets are 50,000 to 250,000. Small markets are fewer than 50,000.

### About the Survey

The RTDNA/Hofstra University Survey was conducted in the fourth quarter of 2017 among all 1,683 operating, non-satellite television stations and a random sample of 3,542 radio stations. Valid responses came from 1,333 television stations (79.2%) and 415 radio news directors and general managers representing 1,110 radio stations. Some data sets (e.g. the number of TV stations originating local news, getting it from others and women TV news directors) are based on a complete census and are not projected from a smaller sample.

### About Bob

Bob Papper is Emeritus Distinguished Professor of Journalism at Hofstra University and has worked extensively in radio and TV news. This research was supported by the Lawrence Herbert School of Communication at Hofstra University and the Radio Television Digital News Association.