

## The Business of Radio News by Bob Papper

The latest RTDNA/Newhouse School at Syracuse University Survey found that radio news profitability edged down slightly to 12% from last year's 12.7%. It was 12.4% the year before. Pretty consistent. The biggest change from last year is the jump in the percentage of stations reporting a loss on radio news in the past year. The loss column went up in every market size and was particularly pronounced in major markets. Note that "don't know" came in on top, as usual, with more than 40%.

### Radio news profitability ... 2000 - 2021

	2000	2005	2010	2015	2020	2021
Showing profit	25%	19.6%	13.9%	13.2%	12.7%	12%
Breaking even	15	14.4	13.9	12.1	14.6	12.2
Showing loss	7	3.1	9.8	13.7	7.3	12.4
Don't know	53	62.9	62.3	40.5	38.5	41.1
Non-profit	na	na	na	20.5	26.8	22.2

There was no discernible pattern to profitability based on staff size, number of stations in the local cluster or market size. Stations in the West were less likely to report that news was profitable and a little more likely than other regions to say that local news lost money.

A quarter (24.5%) of radio news directors and general managers reported the percentage of station revenue produced by news. That's low enough to view the numbers cautiously, but it's high enough to report. The managers reported that, on average, 13.4% of station revenue came from news. But the median – or typical -- percentage was just 5%. The average is up slightly from last year's 12.7%, but the median is identical to the last three years.

### Radio news profitability by market size – 2021

	Showing profit	Breaking even	Showing loss	Don't know	Non-profit
Major market	13.5%	6.8%	16.2%	31.1%	32.4%
Large market	13	9.8	8.7	35.9	32.6
Medium market	9.9	14.2	9.3	50.6	16
Small market	13.1	14.8	17.2	38.5	16.4

### Radio website profitability up ... but only for some

The numbers on radio website profitability in the latest RTDNA/Newhouse School at Syracuse University Survey look better than they are. Profitability rose 1.1 points overall, but all of the growth came in major markets, which soared from 3.8% profit a year ago to 13.8% this time around. All other market sizes went down or stayed the same.

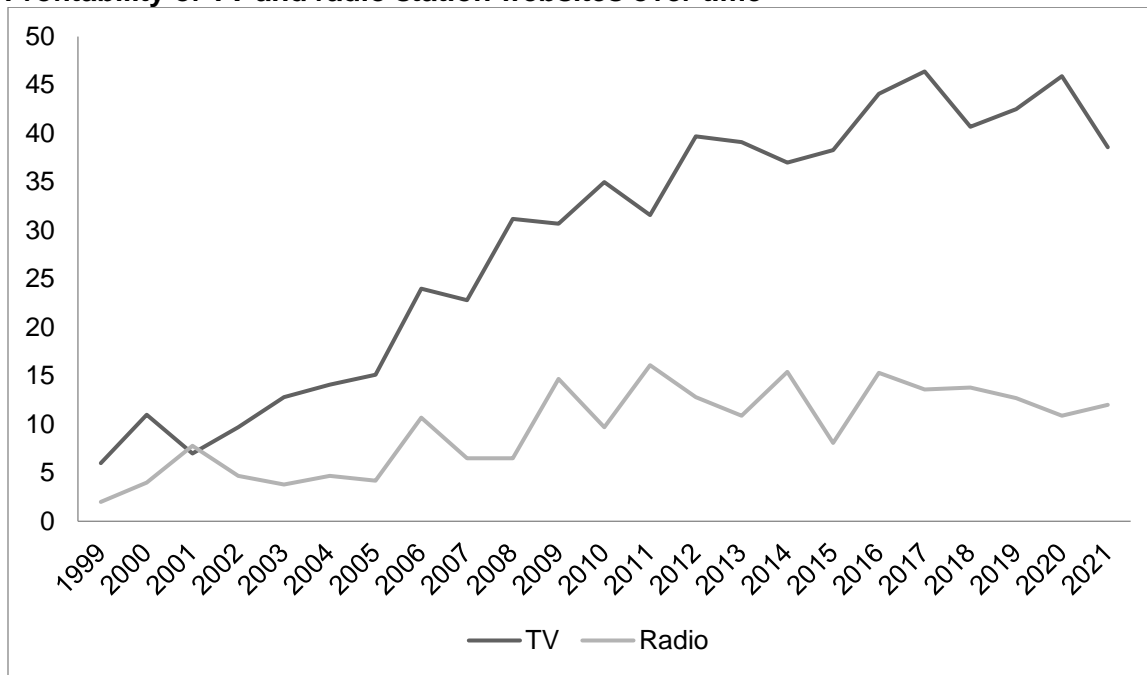
### Is the radio website making money? 2021

	Profit	Breaking Even	Loss	Don't Know
All Radio	12%	16.9%	13%	58.1%

Major Market	13.8	15.4	9.2	61.5
Large Market	12.5	18.8	8.8	60
Medium Market	14.7	14	8.4	62.9
Small Market	6.8	20.4	25.2	47.6

For whatever reason, stations in the West were a bit less likely to have shown a profit on the web. Missing percentages represent non-profit stations.

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



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

### Paywalls

The percentage of radio stations with paywalls held steady at 1.3% having a paywall – compared to 1.2% a year ago. The Survey found no paywalls in major markets or in the Northeast.

Thirteen stations – number, not percent – said they were considering a paywall. That's up from 10 a year ago.

### Radio news budgets

The COVID influence is front and center in radio news budgets for 2020. The percentage of budgets that went down more than doubled from the year before – hitting every market size, staff size and commercial and non-commercial stations. In all cases, the percentage of budgets that went down surpassed the percentage that went up. Overall, “little or no change” still came out on top overall. Note that the negative budget results followed last year's disappointing budget news.

### Changes in radio budgets in the last 12 months (2020)

	Increase	Decrease	Same	Don't know
All radio news	8.1%	18.2%	55.3%	18.4%
Market size:				
Major market	12	34.7	40	13.3
Large market	12.2	16.7	53.3	17.8
Medium market	5.6	14.2	59.3	21
Small market	5.9	14.4	61	18.6
Commercial	3.4	17	59.1	20.4
Non-commercial	20.5	21.3	45.1	13.1

### Fewer radio stations get news from an outside provider

The latest RTDNA/Newhouse School at Syracuse University Survey found that the percentage of radio stations getting news from an outside service edged down, again, from 23.7% to 22.5%.

Commercial stations dropped nearly 3 points to 24.4% this time around. Non-commercial stations rose from 14.5% last year to 17% this time around.

Generally, the smaller the staff, the more likely that the station gets its news from an outside service. No surprise there. Number of stations in a group made no difference one way or the other. Market size was inconsistent, although small markets remained less likely to use an outside service than any other market size. Geography made little difference, but stations in the Midwest were less likely than others to use an outside contractor.

### For those who said local radio news came from an outside service, I asked for the name:

20.5%	Various local TV stations ... down 5 and a half from a year ago
17.1	Various local newspapers (clearly with and without some sort of agreement) ... down 9 from last year
15.4	Associated Press ... up 2 from last year
10.3	24/7 News Source (formerly Metro Networks and Total Traffic Networks) ... the number seems to bounce up and down in alternate years... this year down by 7+
11.1	Various statewide radio networks ... nearly double a year ago
6	VirtualNewsCenter ... double last year – back to what it was 2 years ago
4.3	The internet ... without noting what sites
2.6	Radio company group ... new this year
6.8	Various,- unspecified
5.9	Misc. – one each

### Radio technology purchases edge up from all-time low

The latest RTDNA/Newhouse School at Syracuse University Survey found that 18.6% of radio news directors and general managers plan technology purchases this year. That's up almost 4 points – following last year's 9-point drop to the lowest level since I started asking this question more than a decade ago. Still low, but at least a bit better. Non-commercial stations were more than twice as likely as commercial stations to be making a purchase. The bigger the market size and the bigger the staff size, the more likely that there's an expectation of a technology purchase. Number of stations and geography made no difference.

## **Technology purchases in radio**

More than half, 54%, of the equipment radio stations are planning (or hoping) to purchase involves remote gear. The biggest single part of it is known as AoIP – audio over internet protocol. Made by a variety of companies, including Adobe, LUCI, Comrex and others, it allows high quality audio from remote locations. Like broadcasting from home, which comes in handy during a pandemic. Also included in that remote operation category: new field recording equipment, hard remote broadcasting equipment (as opposed to software), mics for smartphones and mic poles.

Well down from remote equipment, at 29%, came various improvements to facilities: new broadcast boards, new transmitters, new automation, new antenna, new studios, even new facilities and transmitter maintenance (which I never viewed as a capital expense).

At 9%, new computers for the newsroom.

At 6% came video gear – cameras mostly.

Miscellaneous/other picked up the remaining 2%

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.

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## **About the Survey**

The RTDNA/Newhouse School at Syracuse University Survey was conducted in the fourth quarter of 2020 among all 1,762 operating, non-satellite television stations and a random sample of 3,379 radio stations. Valid responses came from as many as 1,358 television stations (77.1%) and 765 radio news directors and general managers representing 2,310 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.