

The Business of TV News
by Bob Papper

The latest RTDNA/Newhouse School at Syracuse University Survey finds a decided decrease in the profitability of local TV news in the year of COVID. Profitability dropped by almost 10 points, with the biggest growth in the category of “don’t know,” which rose by almost 7 points from last year. Loss went up by three and a half, and “break even” rose by less than 1.

TV news profitability ... 2000 - 2021

	2000	2005	2010	2015	2020	2021
Showing profit	58%	44.5%	47.8%	60.8%	60.7%	51.2%
Breaking even	11	24.2	14.6	6.8	7.9	8.6
Showing loss	11	12.1	8.3	4.6	4.2	7.7
Don't know	20	19.2	29.2	25.5	23.8	30.6

Profitability in 1996 hit 72%, the highest level I’ve ever recorded in 27 years of doing the Survey. Missing percentages are non-commercial stations. If you recalculate to eliminate the effect of non-profit newsrooms, the profitability percentage moves up a point to 52.2%. Among news directors who know whether the news department makes a profit (eliminating the don’t know group), 75.9% report the newsroom makes a profit.

TV news profitability ... by size and affiliation – 2021

	Showing profit	Breaking even	Showing loss	Don't know
Market size:				
1-25	61.3%	6.5%	12.9%	19.4%
26-50	58.6	13.8	3.4	20.7
51-100	57.1	7.9	12.7	22.2
101-150	44.7	14.9	4.3	34
151+	35.9	0	2.6	56.4
Staff size:				
51+	67.3	4.1	8.2	20.4
31-50	55.1	8.7	5.8	29
21-30	48.6	5.7	14.3	31.4
11-20	37.5	12.5	0	50
1-10	14.3	21.4	0	42.9
Affiliation:				
ABC	50.9	12.3	7	29.8
CBS	56.4	3.6	7.3	32.7
Fox	58.8	5.9	5.9	29.4
NBC	52.9	3.9	5.9	35.3
Big four affiliates	53.9	6.7	6.7	32.2
Other commercial	40	20	16	24

Absolutely every category went down in profitability. There were no exceptions. And most – but not all -- categories went up in the loss column. Breaking even was more varied. In the past, the profitability of network affiliates varied a fair amount from year to year. Not so much this

year. All came in within a fairly narrow band. Missing percentages are non-commercial stations.

Percentage of TV station revenue produced by news – 2021

	Average	Median	Minimum	Maximum	Not sure
All TV news	47.7%	50%	6%	80%	77.7%
Market size:					
1-25	38	42	10	60	70
26-50	61.5	63.5	35	80	75
51-100	52.3	55	35	65	75
101-150	38.4	45	6	70	79.5
151+	54.5	55	43	65	87.2
Staff size:					
51+	49.8	50	35	67	71.7
31-50	51.4	52.5	22	80	74.2
21-30	48.6	45	25	70	82.9
11-20	29	29	8	50	90.9
1-10	25.3	10	6	60	78.6
Affiliation:					
ABC	41.8	44	8	65	75.5
CBS	51.7	52.5	35	65	88.5
Fox	57.3	60	45	67	80
NBC	53.3	55	35	70	76
Big four affiliates	49.7	50	8	70	80
Other commercial	45	42	6	80	62.5

What's interesting (although not necessarily surprising) is that even as news profitability fell, the percentage of revenue that local news brought in held mostly steady. Some demographics went up and some down, but, overall, the figures are largely unchanged. As I always point out, a high percentage of news directors say they don't know the answer to this question, so I'd place a lot more faith in the overall numbers than in the many sub-groups.

TV website profitability falls

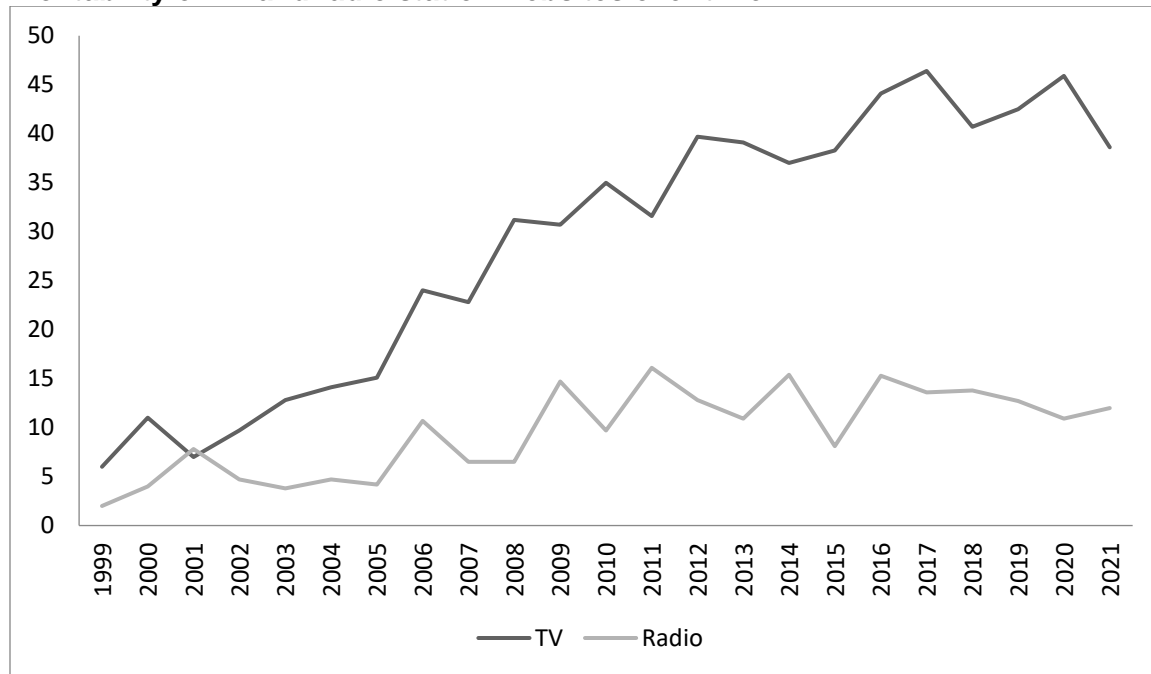
The biggest change in TV website profitability involved taking about 8 points away from "profit" and putting it in the "don't know" category. "Break even" rose less than a point, and loss dropped by nearly 2. The latest RTDNA/Newhouse School at Syracuse University Survey found that the biggest change came in a profitability drop in markets 51 to 150. Otherwise, changes were relatively small.

Is the TV website making money? 2021

	Profit	Breaking Even	Loss	Don't Know
All TV	38.6%	10.1%	3.1%	48.2%
Market size:				
1 -25	37.1	14.3	8.6	40
26 - 50	40	16.7	3.3	40
51 - 100	47.8	7.2	1.4	43.5
101 - 150	26.4	9.4	1.9	62.3
151+	39	7.3	2.4	51.2

Generally, the bigger the newsroom staff, the more profitable the website ... from 8.3% profitability for newsrooms with under 11 staffers up to 49.1% profitability for stations with news staffs of 51+. That's fairly typical; it's just that this year's numbers are lower. ABC affiliates lagged all others, but they also led the way in not knowing whether the website made a profit.

Profitability of TV and radio station websites over time



We'll see if next year's figures return TV's trajectory to its usual path

Paywalls

For the first time since I asked the question, not a single TV station reported having a paywall (a monetary charge to access a station website). Not one. Granted, there have never been more than two or three, but this year, it's zero. One station – a small market in the Midwest – reported considering adding a paywall. Others have considered it in the past, but, so far, none have come to fruition.

TV news budget ... the past year (2020)

	Increase	Decrease	Same	Don't know
All TV news	16.3%	29.3%	45.7%	8.7%
Big four affiliates	17.1	29.3	45.3	8.3
Other commercial	8.7	34.8	43.5	13
Market size:				
1-25	9.4	53.1	21.9	15.6
26-50	3.7	37	51.9	7.4
51-100	17.7	27.4	53.2	1.6
101-150	25	22.9	43.8	8.3
151+	17.9	15.4	51.3	15.4

The TV news budget really shows – more than anywhere else – what COVID has done to local news. The percentage of stations increasing their news budget fell from 36.8% a year ago to 16.3% this time. And the percentage of stations with budget cuts soared from last year’s 9.1% to this year’s 29.3%. “Same” stayed largely the same. Other commercial stations got hit harder than the big four network affiliates, and stations in markets 1 through 50 suffered more than smaller newsrooms.

Local TV news beyond the local channel ... 2021

A decade ago, the RTDNA/Newhouse School at Syracuse University Survey showed a sharp growth in the outside reach of local TV newsrooms as more and more stations ran their news on other TV stations, radio stations, cable channels and more. That growth turned into stabilization a few years ago, then into decline. The percentage of stations involved with other media has fallen from 76.6% four years ago to 68.3% three years ago to 60.5% two years ago and last year – and now 59.7%. The peak came in 2011 at 78.4%.

Generally, the smaller the market, the more likely that a station provides news content to other media outlets. While 54.3% of stations in top 25 markets provide local news to others, the percentage climbs to 69.2% in the smallest markets. Stations in the Northeast are a little more likely to provide content to others, but the difference is modest.

There are now 710 local TV newsrooms that run news on those and another 406 stations. The 710 total is up five from a year ago, although some of those started the year before, and I just located them this past year. The latter number is up 13 – following last year’s jump of 30. That puts the combined number of stations running local news at another record total of 1,116. Even in the age of COVID, every year is a new, record high.

TV news departments provide content to a variety of other outlets

Percentage of TV news departments providing content to other media – 2021

	Local radio	TV in another market	Another local TV station	Website not your own	Cable TV channel	Other
All TV	34.8%	15%	16.7%	6.1%	3.1%	7.2%
Big four affiliates	35.3	13.6	15.5	6.6	3.1	7.4
Other commercial	33.3	23.3	26.7	3.3	3.3	6.7
Market size:						
1-25	30.4	13	23.9	4.3	0	10.9
26-50	26.2	9.5	11.9	2.4	2.4	9.5
51-100	31	14.9	19.5	6.9	4.6	4.6
101-150	40.9	18.2	18.2	6.1	3.0	6.1
151+	44.2	17.3	7.7	9.6	3.8	7.7

Four of the six categories were down this year compared to last year. Again. Only “another local TV station” went up (by less than 2 points), and cable TV channel edged up 0.3. Clearly, the overall trend is down.

Half of the “other” category noted other stations owned by the same company, and almost a quarter noted other stations in the network. Several noted a local newspaper, and there wasn’t much left after that.

Stations remain involved in cooperative ventures with others ... but not most stations

The table above deals with TV stations supplying news to other media. The next table deals with cooperative ventures among media outlets. I started asking about cooperative ventures in 2008 as stations responded to recessionary pressures by sharing costs to save money. Most stations participated. The question has always been, would that continue when the economy improved? The answer is yes ... but less so. This is the seventh year in a row where a minority of stations have been involved in a cooperative venture, although the percentage involved actually rose significantly from 39.1% a year ago to 45.3% this time around.

Aside from the local or nearby TV station for which you produce news, do you have a cooperative news gathering or coverage agreement with the following?

	Local newspaper	Another TV station	Local radio station	Other	No
All TV	17.5%	21.8%	18.6%	4.6%	54.7%
Big four affiliates	18	17.6	18.4	5.2	57.6
Other commercial	10	53.3	16.7	0	36.7
Market					
1 - 25	17	46.8	19.1	2.1	36.2
26 - 50	22.5	22.5	20	0	60
51 - 100	19.3	16.9	18.1	4.8	57.8
101 - 150	15.6	17.2	20.3	4.7	57.8
151+	13.7	11.8	15.7	9.8	58.8

About half the increase in cooperative ventures came from a 4-point jump with “another TV station,” and more than half came from a 6-point jump in “local radio station.” “Local newspaper” went down and “other” was largely unchanged. The biggest changes came in markets 1 to 25 and 151+. Markets 26 to 150 were largely unchanged.

“Other” was a small list of random answers.

What are you sharing?

	Information	Pool video	Helicopter	Other
All TV	83%	42%	11.6%	13.4%
Market				
1 - 25	65.4	69.2	42.3	11.5
26 - 50	84.6	46.2	15.4	7.7
51 - 100	83.3	30	0	13.3
101 - 150	100	30.8	0	11.5
151+	82.4	35.3	0	23.5

Video is down, but otherwise the numbers look fairly similar to last year.

While “other” looks significant at 13.4%, almost all of the answers actually fall into the three other categories – mostly video, and most of the rest involved information.

Only 8.5% of stations not involved in a cooperative venture said they're considering one. 91.5% said no. That's almost exactly the same as a year ago. There were no consistent patterns by market size, staff size, affiliation or geography.

Note that for all of the above tables, the percentages will add to more than 100% because some stations are involved in more than one cooperative venture, and they share more than one thing.

Bob Papper is Adjunct Professor of Journalism and Digital Media at Syracuse University and has worked extensively in radio and TV news. This research was supported by the S. I. Newhouse School of Public Communications at Syracuse University and the Radio Television Digital News Association.

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.