**The Business of News: TV**

**by Bob Papper**

The latest RTDNA/Hofstra University Annual Survey found that local television in the past year slipped back just shy of the 60% mark in profitability. Most of the drop appears to have gone into the Don’t Know category, which rose almost 8 points. Note that radio profitability is handled in a separate release.

**TV news profitability … 2000 - 2018**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2000 | 2005 | 2010 | 2015 | 2016 | 2017 | 2018 |
| Showing profit | 58% | 44.5% | 47.8% | 60.8% | 59.6% | 65.7% | 59.3% |
| Breaking even | 11 | 24.2 | 14.6 | 6.8 | 8.2 | 7.1 | 6.6 |
| Showing loss | 11 | 12.1 | 8.3 | 4.6 | 3.7 | 4.3 | 4.9 |
| Don’t know | 20 | 19.2 | 29.2 | 25.5 | 25.5 | 20.1 | 28 |

Profitability in 1996 hit 72%, the highest level I’ve ever recorded in 24 years of doing the Survey. Missing percentages are non-commercial stations.

**TV news profitability … by size and affiliation – 2018**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Showing profit | Breaking even | Showing loss | Don’t know |
| Market size: |  |  |  |  |
| 1-25 | 56.8% | 10.8% | 8.1% | 24.3% |
| 26-50 | 75 | 5.6 | 5.6 | 13.9 |
| 51-100 | 61.2 | 6 | 3 | 28.4 |
| 101-150 | 58.9 | 5.4 | 3.6 | 32.1 |
| 151+ | 46.8 | 6.4 | 6.4 | 36.2 |
| Staff size: |  |  |  |  |
| 51+ | 69.2 | 9.2 | 6.2 | 15.4 |
| 31-50 | 63.2 | 5.3 | 3.5 | 28.1 |
| 21-30 | 53.1 | 6.1 | 4.1 | 34.7 |
| 11-20 | 53.3 | 3.3 | 10 | 33.3 |
| 1-10 | 6.2 | 12.5 | 6.2 | 62.5 |
| Affiliation: |  |  |  |  |
| ABC | 57.6 | 13.6 | 3.4 | 23.7 |
| CBS | 59.7 | 4.5 | 7.5 | 28.4 |
| Fox | 50 | 5 | 5 | 40 |
| NBC | 68.1 | 1.4 | 4.2 | 26.4 |
| Big four affiliates | 61 | 6 | 5 | 27.5 |
| Other commercial | 50 | 15 | 0 | 35 |

Elections are good news for local TV, and few places had them in 2017. That may not be the reason for the drop in profitability, but don’t bet against it. 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%). Missing percentages are non-commercial stations.

**Percentage of TV station revenue produced by news – 2018**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Average | Median | Minimum | Maximum | Not sure |
| All TV news | 51.9% | 52% | 10% | 90% | 73% |
| Market size: |  |  |  |  |  |
| 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 |
| 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 |

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. As I always point out, a high percentage of news directors say they don't know the answer to this question.

It wasn’t a terrible year for local TV news budgets, but it’s nothing to write home about.

**TV news budget … the past year**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Increase | Decrease | Same | Don’t know |
| All TV news | 35.8% | 13% | 41.1% | 10.2% |
| Big four affiliates | 36.9 | 12.6 | 40.5 | 9.9 |
| Other commercial | 30 | 15 | 45 | 10 |
| Market size: |  |  |  |  |
| 1-25 | 25.7 | 14.3 | 45.7 | 14.3 |
| 26-50 | 32.4 | 24.3 | 40.5 | 2.7 |
| 51-100 | 37.3 | 11.9 | 37.3 | 13.4 |
| 101-150 | 44.8 | 12.1 | 37.9 | 5.2 |
| 151+ | 32.7 | 6.1 | 46.9 | 14.3 |

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 got better as market size fell. Markets 26 to 50 were especially hard hit with budget decreases, with almost a quarter of newsrooms reporting drops. The biggest newsrooms, CBS affiliates and stations in the Northeast got hit the hardest.

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**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.