**Radio News Profits Edge Up but Budgets Edge Down**

**by Bob Papper**

The latest RTDNA/Lawrence Herbert School of Communication - Hofstra University Survey found that radio news profitability edged up slightly to 12.7% from last year’s 12.4%. Note that “don’t know” came in on top, as usual, at nearly 40%.

**Radio news profitability … 2000 - 2020**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2000 | 2005 | 2010 | 2015 | 2017 | 2018 | 2019 | 2020 |
| Showing profit | 25% | 19.6% | 13.9% | 13.2% | 12.1% | 13% | 12.4% | 12.7% |
| Breaking even | 15 | 14.4 | 13.9 | 12.1 | 14.2 | 13 | 17.2 | 14.6 |
| Showing loss | 7 | 3.1 | 9.8 | 13.7 | 8.9 | 8.3 | 6.3 | 7.3 |
| Don't know | 53 | 62.9 | 62.3 | 40.5 | 42.1 | 40.7 | 38 | 38.5 |
| Non-profit | na | na | na | 20.5 | 22.7 | 25 | 26.1 | 26.8 |

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

Nearly 30% (27.5%) of 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 nearly double the percentage from a year ago. The managers reported that, on average, 12.7% of station revenue came from news. But the median – or typical -- percentage was just 5%. The average is down from last year’s 16.7%, but the median is identical to a year ago and the year before that.

**Radio news profitability by market size – 2020**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Showing profit | Breaking even | Showing loss | Don’t know | Non-profit |
| Major market | 6.6% | 11.5% | 3.3% | 31.1% | 47.5% |
| Large market | 11.4 | 10 | 7.1 | 27.1 | 44.3 |
| Medium market | 19.2 | 13.6 | 7.2 | 41.6 | 18.4 |
| Small market | 9.7 | 20.4 | 9.7 | 46 | 14.2 |

**Radio news budgets**

Not a lot of good news in radio news budgets this year. Other than in major markets, the percentage of stations increasing budgets fell across the board, and the percentage of stations with budget decreases went up almost across the board. Non-commercial stations were three times as likely to see a budget increase as commercial stations, but both groups dropped from a year ago, and non-commercial stations were nearly twice as likely to see a budget cut this year as the year before.

**Changes in radio budget in the last 12 months**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Increase | Decrease | Same | Don't know |
| All radio news | 13.1% | 8.8% | 63.5% | 14.7% |
| Market size: |  |  |  |  |
| Major market | 29.5 | 13.1 | 44.3 | 13.1 |
| Large market | 18.1 | 9.7 | 65.3 | 6.9 |
| Medium market | 6.3 | 7.1 | 69 | 17.5 |
| Small market | 8.6 | 7.8 | 66.4 | 17.2 |
|  |  |  |  |  |
| Commercial | 7.5 | 7.5 | 66.4 | 18.6 |
| Non-commercial | 24.6 | 11.5 | 57.4 | 6.6 |

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.

***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.***

**About the Survey**

The RTDNA/Lawrence Herbert School of Communication - Hofstra University Survey was conducted in the fourth quarter of 2019 among all 1,702 operating, non-satellite television stations and a random sample of 3,427 radio stations. Valid responses came from 1,313 television stations (77.1%) and 673 radio news directors and general managers representing 1,996 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.