**The Business of News: TV**

**by Bob Papper**

Another good year for local TV news, with the latest RTDNA/Lawrence Herbert School of Communication - Hofstra University Survey finding that local television news remained above the 60% mark in profitability. Note that radio profitability is handled in a separate release.

**TV news profitability … 2000 - 2020**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2000 | 2005 | 2010 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Showing profit | 58% | 44.5% | 47.8% | 60.8% | 59.6% | 65.7% | 59.3% | 61.5% | 60.7% |
| Breaking even | 11 | 24.2 | 14.6 | 6.8 | 8.2 | 7.1 | 6.6 | 8.5 | 7.9 |
| Showing loss | 11 | 12.1 | 8.3 | 4.6 | 3.7 | 4.3 | 4.9 | 3.8 | 4.2 |
| Don’t know | 20 | 19.2 | 29.2 | 25.5 | 25.5 | 20.1 | 28 | 23.9 | 23.8 |

Profitability in 1996 hit 72%, the highest level I’ve ever recorded in 26 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 to 62.8% (the same as last year). Among news directors who know whether the news department makes a profit (eliminating the don’t know group), 83.3% report the newsroom makes a profit.

**TV news profitability … by size and affiliation – 2020**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Showing profit | Breaking even | Showing loss | Don’t know |
| Market size: |  |  |  |  |
| 1-25 | 75% | 0 | 4.2% | 12.5% |
| 26-50 | 57.6 | 12.1 | 3 | 21.2 |
| 51-100 | 63.2 | 8.8 | 8.8 | 17.5 |
| 101-150 | 61.4 | 7 | 3.5 | 26.3 |
| 151+ | 51.2 | 9.3 | 0 | 37.2 |
| Staff size: |  |  |  |  |
| 51+ | 79.2 | 6.2 | 2.1 | 12.5 |
| 31-50 | 64.1 | 4.7 | 7.8 | 21.9 |
| 21-30 | 52.1 | 10.4 | 4.2 | 31.2 |
| 11-20 | 65 | 0 | 0 | 30 |
| 1-10 | 22.2 | 22.2 | 5.6 | 27.8 |
| Affiliation: |  |  |  |  |
| ABC | 59.6 | 10.5 | 3.5 | 22.8 |
| CBS | 58.6 | 5.2 | 5.2 | 31 |
| Fox | 82.4 | 0 | 5.9 | 11.8 |
| NBC | 65.5 | 8.6 | 1.7 | 24.1 |
| Big four affiliates | 63.2 | 7.4 | 3.7 | 24.7 |
| Other commercial | 55.6 | 16.7 | 5.6 | 16.7 |

The biggest changes from a year ago: the skyrocketing percentage of top 25 market stations showing a profit, from 48.5% last year to 75% this year, along with plummeting profitability in markets 26 to 50, down from last year’s 82.4% to 57.6% this year. All other percentages are fairly close to a year ago. NBC affiliates, which had fallen below the others in profitability a year ago came back up again, and Fox affiliates soared from last year’s 57.1% profitability to 82.4% this year. Missing percentages are non-commercial stations.

**Percentage of TV station revenue produced by news – 2020**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Average | Median | Minimum | Maximum | Not sure |
| All TV news | 48.1% | 50% | 4% | 100% | 77.5% |
| Market size: |  |  |  |  |  |
| 1-25 | 44 | 50 | 25 | 65 | 71.4 |
| 26-50 | 44.6 | 52 | 10 | 70 | 69 |
| 51-100 | 55.5 | 55 | 35 | 70 | 79.2 |
| 101-150 | 43.9 | 45 | 4 | 80 | 78.8 |
| 151+ | 50.4 | 58 | 5 | 100 | 82.9 |
| Staff size: |  |  |  |  |  |
| 51+ | 49.6 | 52 | 10 | 70 | 73.3 |
| 31-50 | 42.9 | 50 | 15 | 65 | 72.4 |
| 21-30 | 72 | 70 | 45 | 100 | 85.4 |
| 11-20 | 43.8 | 50 | 5 | 70 | 81 |
| 1-10 | 32.3 | 32.5 | 4 | 60 | 77.8 |
| Affiliation: |  |  |  |  |  |
| ABC | 56.4 | 52 | 31 | 100 | 81.6 |
| CBS | 46.4 | 50 | 5 | 70 | 76.9 |
| Fox | 50 | 60 | 10 | 70 | 77.8 |
| NBC | 47.2 | 50 | 15 | 80 | 76.5 |
| Big four affiliates | 49.7 | 50 | 5 | 100 | 78.2 |
| Other commercial | 46 | 50 | 25 | 65 | 66.7 |

These numbers are close to a year ago, although average profit is down three points and median profit is down five. There’s a caution in the numbers, though. 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.

2019 was another decidedly so-so year for local TV news budgets. The percentage going up fell by two and a half points, but at least the percentage going down dropped by four. The “same” went up five. Non-commercial stations saw budget increases at less than half the rate of commercial stations.

**TV news budget … the past year (2019)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Increase | Decrease | Same | Don’t know |
| All TV news | 36.8% | 9.1% | 46.8% | 7.3% |
| Big four affiliates | 37.2 | 9.7 | 44.9 | 8.2 |
| Other commercial | 38.9 | 5.6 | 55.6 | 0 |
| Market size: |  |  |  |  |
| 1-25 | 44 | 12 | 44 | 0 |
| 26-50 | 42.9 | 14.3 | 40 | 2.9 |
| 51-100 | 28.8 | 6.8 | 49.2 | 15.3 |
| 101-150 | 32.2 | 6.8 | 54.2 | 6.8 |
| 151+ | 45.2 | 9.5 | 40.5 | 4.8 |

This is the sixth year in a row when budget increases fell below the 50% mark. Patterns were hard to come by, but the biggest budget cutbacks came in markets 1 through 50 … and in the largest newsrooms. CBS and NBC affiliates got hit harder than ABC or Fox affiliates.

***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.