

**FINANCIAL  
REPORT**

*Radio*

NATIONAL ASSOCIATION OF BROADCASTERS

1962

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NATIONAL ASSOCIATION OF BROADCASTERS

1771 N Street, N.W.

Washington 6, D. C.

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Department of Broadcast Personnel and Economics

## INTRODUCTION

This report presents information on revenues, expenses, and profits in AM radio stations for the calendar year 1961. Its basic purpose is to aid station management in evaluating its operations by providing financial yardsticks for comparable stations. The report has two parts.

Part I is a nationwide summary based on the typical radio station in the industry as a whole. The information is too broad to be considered a yardstick for individual stations.

Part II provides financial yardsticks. The stations are grouped first according to market size and, secondly, by revenue size. Before looking at the yardstick tables, please read carefully the explanatory material on page 6. If you have any difficulty in finding and using your yardsticks, let us know. We shall give you specific guidance on your problem. Additional information needed to make specialized comparisons will be developed and made available upon request.

The information contained in this bulletin is based on questionnaires mailed to, and returned by radio station management. Ex-

cluded from the results are non-commercial facilities, stations operating in Alaska, and the Territories of the United States, and stations which were not on the air throughout the entire 1961 calendar year. More detailed discussion on sample coverage and methodological problems may be found in the Appendix.

All of the figures in this report are labelled as "typical." Specifically, this means that these figures are medians, or the middle figure, after ranking the stations in a particular market-size or revenue-size category on each of the revenue and expense items. Consequently, 50% of the stations have a revenue or expense figure which is above, or equal to, the "typical" figure and 50% of the stations have a figure which is below, or equal to, the "typical" figure.

This report is comparable to last year's report and has been processed in essentially the same manner as the past five years.

This report was prepared by the Department of Broadcast Personnel and Economics.

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## PART I NATIONWIDE SUMMARY

Part 1 presents 3 pages of nationwide revenue and expense data. From this material you get a financial picture of the typical station in the industry as a whole. This is for your general information only and is too broad to be considered a yardstick for individual stations.

### Highlights

- 1961** . . . found the typical radio station with about \$106,000 in total revenue . . . about \$101,000 in total expense . . . and a profit margin of about 5¢ on every sales dollar. (See Table 1.)
- 1961** . . . showed that for every time sales dollar taken in by the typical radio station, about 85¢ came from local advertisers, about 15¢ from national and regional advertisers, and less than 1¢ from network sponsors. This pattern reverts to the pattern followed by the typical radio station in 1958 and 1959.
- 1961** . . . the four general expense categories divided the expense dollar in roughly the same manner as in previous years. The only noticeable change is in general and administrative costs which took 40¢ of the expense dollar in 1961 as compared to 38¢ in 1960. Program costs have remained the same at 33¢, and both technical and selling costs are down one cent to 10¢ and 17¢ respectively. (See "pie charts" on page 4.)
- 1962** . . . broadcasters' estimates anticipate an increase in the typical station's total revenue of 3.5% over the '61 figure, or an estimated dollar figure of about \$110,000 on a nationwide basis.

**TABLE 1—REVENUE AND EXPENSE FOR THE TYPICAL RADIO STATION, NATIONWIDE, 1961**

The typical PROFIT MARGIN was 4.8%

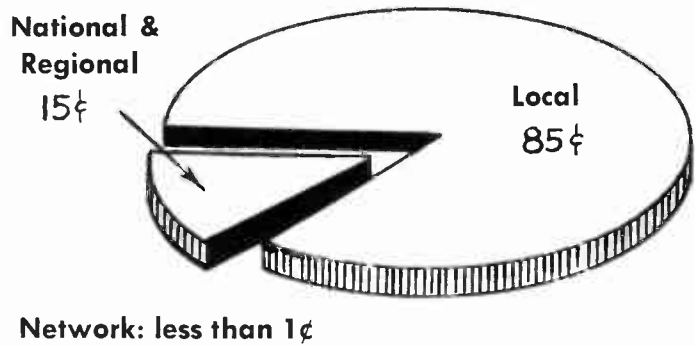
| Revenue and Expense Items   | Typical Dollar Figures | Typical Percent Figures |
|---|------------------------|-------------------------|
| <b>TOTAL BROADCAST REVENUE <sup>a</sup></b>                           | \$106,200              |                         |
| <b>TOTAL TIME SALES</b>   | 102,600                | 100.0%                  |
| From:   |                        |                         |
| Networks <sup>b</sup>   | 0                      | 0.0                     |
| National & regional advertisers                                       | 15,100                 | 14.7                    |
| Local advertisers   | 87,500                 | 85.3                    |
| <b>TOTAL BROADCAST EXPENSE</b>  | \$101,100              | 100.0%                  |
| From:   |                        |                         |
| Technical   | 10,100                 | 10.0                    |
| Program   | 33,400                 | 33.0                    |
| Selling <sup>c</sup>  | 17,300                 | 17.1                    |
| General & administrative  | 40,300                 | 39.9                    |
| <b>SELECTED EXPENSE ITEMS</b>   |                        |                         |
| Total salaries & wages (including supervision) and all talent expense | \$ 58,200              |                         |
| Depreciation & amortization   | 4,800                  |                         |
| <b>PROFIT (before Federal income tax)</b>                             | <b>\$ 5,100</b>        |                         |

<sup>a</sup> Time sales plus incidental broadcast revenue minus agency and rep. commissions and payments to networks for sale of time.

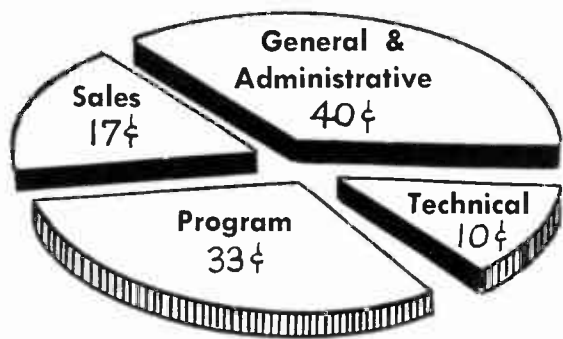
<sup>b</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$500.

<sup>c</sup> Includes all promotion; excludes agency and rep. commissions.

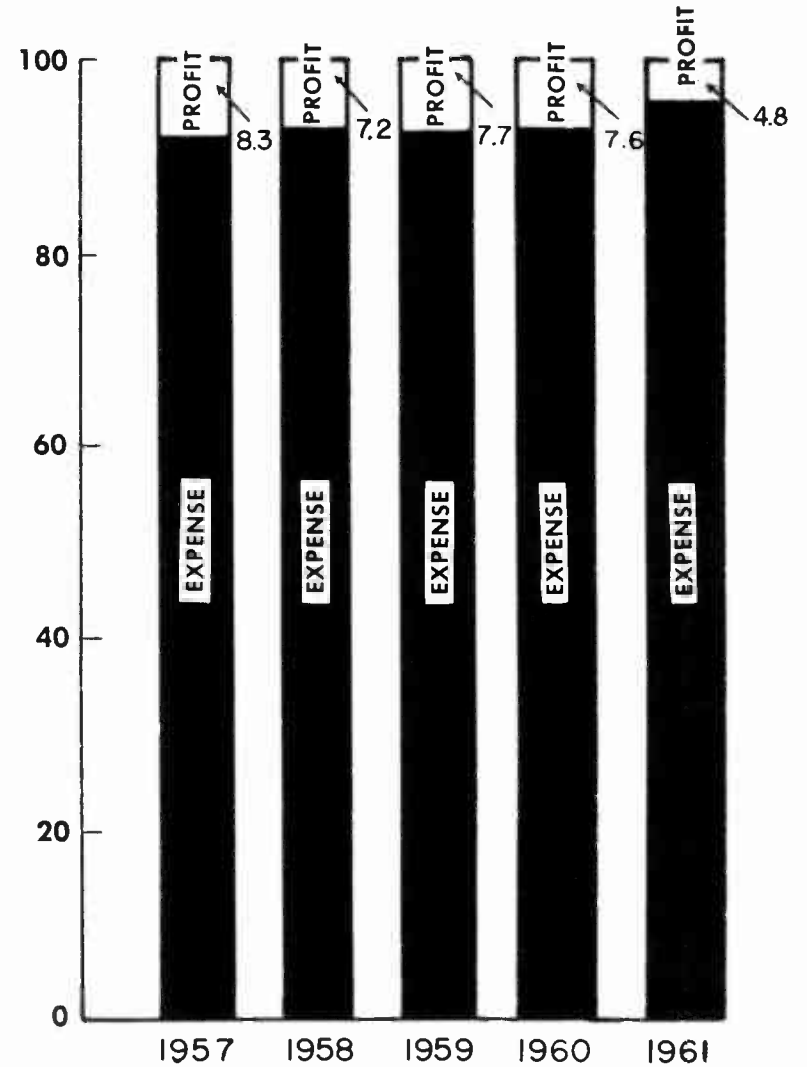
**WHERE DOES THE TYPICAL STATION'S TIME SALES DOLLAR COME FROM?**



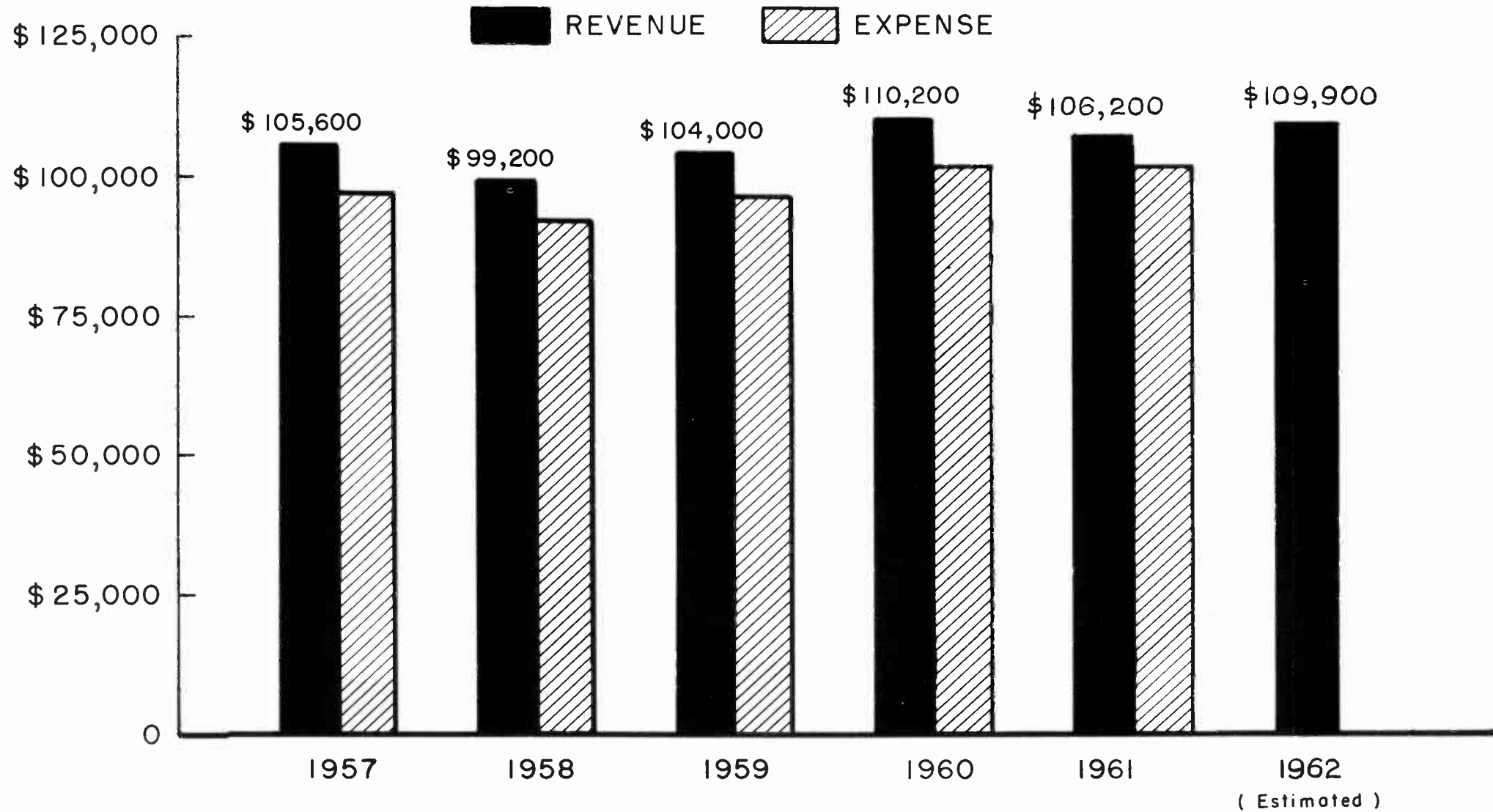
**WHERE DOES THE TYPICAL STATION'S EXPENSE DOLLAR GO?**



**NATIONWIDE TREND IN PROFIT MARGIN FOR A TYPICAL RADIO STATION**



# TRENDS IN REVENUE AND EXPENSE FOR A TYPICAL RADIO STATION, NATIONWIDE



## PART II FINANCIAL YARDSTICKS

### How to FIND Your Revenue and Expense Yardsticks

1. **Table of Contents . . .** Look at the table of contents on page 2. There, from pages 7-26, you will find a listing of the various market-size and revenue-size yardstick tables. Each market-size and revenue-size grouping is contained on one table. Each table provides two sets of yardstick figures—one for all stations in the grouping and one for just those stations which made a profit during 1961.
2. **Market-Size Yardsticks . . .** On pages 7-16, you will find financial yardsticks arranged by 9 market-size categories. The largest market-size category (population 2.5 million or more) has been divided by revenue size into two tables—the first with stations of \$1 million or more total revenue, the second for those stations with less than \$1 million total revenue. To determine your market size, use the 1960 United States Census of Population, by states. If your station is located in one of the New England states, use the 1961 population figures in Sales Management's annual *Survey of Buying Power* (May 1961). If your city is located within a standard metropolitan statistical area, use the population of the metropolitan area. See the Appendix for further details on the market-size classification scheme.

These are the most refined yardsticks in the report. They provide broadcasters with the most useful yardstick against which to evaluate their own operations.
3. **Revenue-Size Yardsticks . . .** On pages 17-26 you will find financial yardsticks arranged by 10 revenue-size categories. Your revenue size is determined, as in all prior NAB surveys, solely by your total broadcast revenue in 1961.

By not considering market size, this grouping of stations

allows a comparison with stations more specifically comparable in revenue size. The revenue-size breakdown should be especially helpful to those stations which, for one reason or another, feel that the market-size population figures provided by the Census or Sales Management do not reflect the actual size of their local selling area. The major limitation of this yardstick, unlike the market-size grouping, is that you are unable to judge whether your dollar revenue is in line with that secured by comparable stations.

### How to USE Your Revenue and Expense Yardsticks

At the end of each yardstick table there are blank columns headed "Your Station" in which you may enter your figures. Do not overlook the dollar comparisons. They are at least as important as the percent comparisons. Also be sure to evaluate your results against the middle 50% figures as well as the typical figures, since it should not be anticipated that any one station will be perfectly in line with all the typical figures. If your station lost money in 1961 or only made a small profit, you might want to use the yardstick figures for profit-only stations as goals for 1962.

If one or more of your revenue or expense figures are unfavorably out of line with the yardsticks, this does NOT mean that you are necessarily running an inefficient operation, and that the figures which are substantially out of line must be corrected. But it does mean that you should be able to explain WHY it is necessary for the particular figure to deviate from the yardstick. If the explanation is sound, for both the short run and long run, you may not want to consider any changes.

The explanation is what is significant—not just the fact that a particular revenue or expense figure is out of line with that in comparably situated stations.



**TABLE 2. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 1 (2.5 million pop. or more)—Large Stations (Total Revenue \$1,000,000 or more)**

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                         | PROFIT-ONLY STATIONS   |                         |                         | YOUR STATION   |                 |
|---|------------------------|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range        | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range        | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                  | Col. 4                 | Col. 5                  | Col. 6                  | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 23.0%                   | 10.5%-34.4%             |                        | 24.6%                   | 10.7%-36.8%             |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$2,178,300            |                         | \$1,430,200-\$3,214,500 | \$2,227,600            |                         | \$1,419,800-\$3,429,300 | _____          |                 |
| 3. TOTAL TIME SALES                     | 2,406,100              | 100.0%                  | 1,746,100- 3,682,100    | 2,504,800              | 100.0%                  | 1,736,200- 3,894,600    | _____          | 100%            |
| From:                                   |                        |                         |                         |                        |                         |                         |                |                 |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 23,900               | 0                      | 0.0                     | 0- 26,400               | _____          | _____           |
| 5. National & regional advertisers      | 1,479,800              | 61.5                    | 1,054,300- 2,274,700    | 1,515,400              | 60.5                    | 1,027,400- 2,350,100    | _____          | _____           |
| 6. Local advertisers                    | 926,300                | 38.5                    | 360,700- 1,115,200      | 989,400                | 39.5                    | 589,800- 1,117,800      | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$1,677,300            | 100.0%                  | \$1,147,800-\$2,126,000 | \$1,679,600            | 100.0%                  | \$1,116,700-\$2,103,200 | _____          | 100%            |
| From:                                   |                        |                         |                         |                        |                         |                         |                |                 |
| 8. Technical                            | 276,800                | 16.5                    | 170,800- 341,700        | 275,500                | 16.4                    | 165,800- 316,500        | _____          | _____           |
| 9. Program                              | 627,300                | 37.4                    | 448,200- 1,118,800      | 631,500                | 37.6                    | 446,300- 1,094,500      | _____          | _____           |
| 10. Selling <sup>d</sup>                | 322,000                | 19.2                    | 221,800- 443,700        | 351,000                | 20.9                    | 221,000- 459,000        | _____          | _____           |
| 11. General & administrative            | 451,200                | 26.9                    | 255,400- 585,100        | 421,600                | 25.1                    | 255,300- 590,700        | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                         |                        |                         |                         |                |                 |
| 12. Total Salaries <sup>e</sup>         | 712,900                |                         | 577,900- 880,900        | 720,500                |                         | 575,500- 888,600        | _____          | _____           |
| 13. Depreciation & Amortization         | 34,600                 |                         | 18,100- 45,100          | 33,200                 |                         | 16,500- 45,100          | _____          | _____           |
| 14. PROFIT (before Federal income tax)  | \$ 501,000             |                         | \$ 173,200-\$ 880,800   | \$ 548,000             |                         | \$ 251,300-\$ 901,500   | _____          | _____           |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$16,200 with a middle 50% range of \$200-\$30,200; the respective figures for the "profit-only" stations were \$21,300 and \$300-\$30,400.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

**TABLE 3. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 1 (2.5 million pop. or more)—Small Stations (Total Rev. less than \$1,000,000)**

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                           | PROFIT-ONLY STATIONS   |                         |                       | YOUR STATION   |                 |
|---|------------------------|-------------------------|---------------------------|------------------------|-------------------------|-----------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range          | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range      | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                    | Col. 4                 | Col. 5                  | Col. 6                | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 7.1%                    | (-8.7% loss)-14.1%        |                        | 9.2%                    | 4.8%-14.9%            |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 256,700             |                         | \$ 114,500-\$ 325,200     | \$ 256,700             |                         | \$ 164,900-\$ 294,200 | _____          |                 |
| 3. TOTAL TIME SALES                     | 256,700                | 100.0%                  | 125,000- 324,600          | 256,700                | 100.0%                  | 164,900- 310,000      | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                       |                |                 |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 0                      | 0                      | 0.0                     | 0- 0                  | _____          | _____           |
| 5. National & regional advertisers      | 19,500                 | 7.6                     | 0- 117,900                | 19,500                 | 7.6                     | 0- 106,600            | _____          | _____           |
| 6. Local advertisers                    | 237,200                | 92.4                    | 113,300- 263,900          | 237,200                | 92.4                    | 125,000- 275,100      | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 238,500             | 100.0%                  | \$ 109,000-\$ 297,600     | \$ 233,100             | 100.0%                  | \$ 143,300-\$ 261,800 | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                       |                |                 |
| 8. Technical                            | 32,700                 | 13.7                    | 17,200- 42,800            | 31,900                 | 13.7                    | 17,500- 39,300        | _____          | _____           |
| 9. Program                              | 67,200                 | 28.2                    | 32,900- 99,400            | 65,700                 | 28.2                    | 39,500- 94,200        | _____          | _____           |
| 10. Selling <sup>d</sup>                | 40,100                 | 16.8                    | 23,800- 63,800            | 39,200                 | 16.8                    | 25,000- 57,000        | _____          | _____           |
| 11. General & administrative            | 98,500                 | 41.3                    | 40,200- 112,300           | 96,300                 | 41.3                    | 40,200- 112,300       | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                           |                        |                         |                       |                |                 |
| 12. Total Salaries <sup>e</sup>         | 132,200                |                         | 66,900- 164,600           | 132,400                |                         | 101,900- 155,500      | _____          |                 |
| 13. Depreciation & Amortization         | 8,500                  |                         | 5,500- 14,200             | 8,900                  |                         | 6,100- 14,000         | _____          |                 |
| 14. PROFIT (before Federal income tax)  | \$ 18,200              |                         | (-\$3,000 loss)-\$ 27,600 | \$ 23,600              |                         | \$ 11,000-\$ 40,200   | _____          |                 |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> An insufficient number of stations in this group provided network revenues to report average or middle 50% figures.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

TABLE 4. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 2 (1-2.5 million population)

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                            | PROFIT-ONLY STATIONS   |                         |                        | YOUR STATION   |                 |
|---|------------------------|-------------------------|----------------------------|------------------------|-------------------------|------------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range           | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range       | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                     | Col. 4                 | Col. 5                  | Col. 6                 | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 3.8%                    | (-15.7% loss)-14.9%        |                        | 13.8%                   | 6.8%-30.6%             |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 477,400             |                         | \$ 186,700-\$ 745,200      | \$ 679,600             |                         | \$ 375,200-\$1,256,600 | _____          |                 |
| 3. TOTAL TIME SALES                     | 535,900                | 100.0%                  | 203,300- 845,400           | 793,000                | 100.0%                  | 448,500- 1,533,900     | _____          | 100%            |
| From:                                   |                        |                         |                            |                        |                         |                        |                |                 |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 7,000                   | 0                      | 0.0                     | 0- 3,300               | _____          | _____           |
| 5. National & regional advertisers      | 239,000                | 44.6                    | 29,500- 390,200            | 367,200                | 46.3                    | 231,400- 865,400       | _____          | _____           |
| 6. Local advertisers                    | 296,900                | 55.4                    | 139,500- 444,900           | 425,800                | 53.7                    | 180,300- 521,200       | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 459,300             | 100.0%                  | \$ 224,900-\$ 749,500      | \$ 585,800             | 100.0%                  | \$ 337,000-\$ 962,300  | _____          | 100%            |
| From:                                   |                        |                         |                            |                        |                         |                        |                |                 |
| 8. Technical                            | 64,300                 | 14.0                    | 13,900- 118,400            | 94,300                 | 16.1                    | 27,400- 137,600        | _____          | _____           |
| 9. Program                              | 155,700                | 33.9                    | 52,500- 231,400            | 196,200                | 33.5                    | 104,400- 349,500       | _____          | _____           |
| 10. Selling <sup>d</sup>                | 100,600                | 21.9                    | 41,200- 168,000            | 120,100                | 20.5                    | 68,900- 210,700        | _____          | _____           |
| 11. General & administrative            | 138,700                | 30.2                    | 89,200- 212,000            | 175,200                | 29.9                    | 110,200- 286,100       | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                            |                        |                         |                        |                |                 |
| 12. Total Salaries <sup>e</sup>         | 262,900                |                         | 100,300- 390,100           | 343,800                |                         | 189,600- 427,200       | _____          |                 |
| 13. Depreciation & Amortization         | 17,800                 |                         | 10,100- 28,600             | 21,100                 |                         | 9,600- 28,000          | _____          |                 |
| 14. PROFIT (before Federal income tax)  | \$ 18,100              |                         | (-\$25,800 loss)-\$ 70,100 | \$ 93,800              |                         | \$ 37,300-\$ 302,000   | _____          |                 |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$6,700 with a middle 50% range of \$200-\$25,500; the respective figures for the "profit-only" stations were \$1,700 and \$100-\$43,700.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

**TABLE 5. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 3 (500,000-1 million population)**

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                            | PROFIT-ONLY STATIONS   |                         |                       | YOUR STATION   |                 |
|---|------------------------|-------------------------|----------------------------|------------------------|-------------------------|-----------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range           | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range      | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                     | Col. 4                 | Col. 5                  | Col. 6                | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 3.8%                    | (-9.3% loss)-10.4%         |                        | 8.7%                    | 5.6%-18.2%            |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 263,700             |                         | \$ 145,100-\$ 435,000      | \$ 343,300             |                         | \$ 185,600-\$ 509,900 | _____          |                 |
| 3. TOTAL TIME SALES                     | 281,900                | 100.0%                  | 140,900- 480,000           | 344,200                | 100.0%                  | 192,700- 577,800      | _____          | 100%            |
| From:                                   |                        |                         |                            |                        |                         |                       |                |                 |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 3,700                   | 0                      | 0.0                     | 0- 8,300              | _____          | _____           |
| 5. National & regional advertisers      | 75,800                 | 26.9                    | 19,900- 188,100            | 124,300                | 36.1                    | 29,500- 247,900       | _____          | _____           |
| 6. Local advertisers                    | 206,100                | 73.1                    | 112,300- 265,600           | 219,900                | 63.9                    | 128,600- 290,100      | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 253,700             | 100.0%                  | \$ 138,700-\$ 391,400      | \$ 313,400             | 100.0%                  | \$ 163,400-\$ 409,800 | _____          | 100%            |
| From:                                   |                        |                         |                            |                        |                         |                       |                |                 |
| 8. Technical                            | 30,200                 | 11.9                    | 12,000- 51,100             | 44,200                 | 14.1                    | 14,500- 51,100        | _____          | _____           |
| 9. Program                              | 80,900                 | 31.9                    | 39,800- 124,300            | 103,100                | 32.9                    | 40,700- 134,700       | _____          | _____           |
| 10. Selling <sup>d</sup>                | 54,000                 | 21.3                    | 30,900- 78,900             | 65,200                 | 20.8                    | 33,900- 84,800        | _____          | _____           |
| 11. General & administrative            | 88,600                 | 34.9                    | 54,400- 133,300            | 100,900                | 32.2                    | 52,900- 133,300       | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                            |                        |                         |                       |                |                 |
| 12. Total Salaries <sup>e</sup>         | 149,700                |                         | 84,900- 221,700            | 183,800                |                         | 94,300- 237,600       | _____          |                 |
| 13. Depreciation & Amortization         | 13,500                 |                         | 7,000- 26,100              | 13,600                 |                         | 7,000- 24,500         | _____          |                 |
| 14. PROFIT (before Federal income tax)  | \$ 10,000              |                         | (-\$17,100 loss)-\$ 33,800 | \$ 29,900              |                         | \$ 12,700-\$ 53,100   | _____          |                 |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$8,300 with a middle 50% range of \$0-\$18,900; the respective figures for the "profit-only" stations were \$10,700 and \$100-\$31,600.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

TABLE 6. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 4 (250,000-500,000 population)

| Line No.                                | ALL STATIONS           |                         |                            | PROFIT-ONLY STATIONS   |                         |                       | YOUR STATION   |                 |
|---|------------------------|-------------------------|----------------------------|------------------------|-------------------------|-----------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range           | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range      | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                     | Col. 4                 | Col. 5                  | Col. 6                | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 1.4%                    | (-15.2% loss)-10.5%        |                        | 9.4%                    | 6.0%-14.7%            |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 165,000             |                         | \$ 118,400-\$ 256,600      | \$ 250,700             |                         | \$ 158,100-\$ 345,400 | _____          |                 |
| 3. TOTAL TIME SALES                     | 179,500                | 100.0%                  | 118,400- 290,200           | 263,500                | 100.0%                  | 174,500- 376,300      | _____          | 100%            |
| From:                                   |                        |                         |                            |                        |                         |                       |                |                 |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 1,800                   | 0                      | 0.0                     | 0- 4,500              | _____          | _____           |
| 5. National & regional advertisers      | 48,600                 | 27.1                    | 13,700- 99,600             | 86,400                 | 32.8                    | 29,400- 132,300       | _____          | _____           |
| 6. Local advertisers                    | 130,900                | 72.9                    | 90,500- 175,700            | 177,100                | 67.2                    | 113,100- 217,400      | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 162,700             | 100.0%                  | \$ 118,400-\$ 258,500      | \$ 227,100             | 100.0%                  | \$ 141,000-\$ 309,100 | _____          | 100%            |
| From:                                   |                        |                         |                            |                        |                         |                       |                |                 |
| 8. Technical                            | 17,900                 | 11.0                    | 8,700- 42,700              | 27,000                 | 11.9                    | 11,700- 45,500        | _____          | _____           |
| 9. Program                              | 51,600                 | 31.7                    | 33,200- 87,100             | 75,900                 | 33.4                    | 39,900- 98,700        | _____          | _____           |
| 10. Selling <sup>d</sup>                | 28,600                 | 17.6                    | 22,700- 46,600             | 35,900                 | 15.8                    | 23,600- 57,900        | _____          | _____           |
| 11. General & administrative            | 64,600                 | 39.7                    | 41,800- 96,000             | 88,300                 | 38.9                    | 45,200- 104,200       | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                            |                        |                         |                       |                |                 |
| 12. Total Salaries <sup>e</sup>         | 101,700                |                         | 63,700- 151,800            | 117,500                |                         | 77,600- 189,700       | _____          |                 |
| 13. Depreciation & Amortization         | 10,300                 |                         | 5,600- 18,400              | 9,400                  |                         | 5,400- 19,200         | _____          |                 |
| 14. PROFIT (before Federal income tax)  | \$ 2,300               |                         | (-\$14,500 loss)-\$ 20,800 | \$ 23,600              |                         | \$ 8,700-\$ 45,600    | _____          |                 |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$600 with a middle 50% range of \$100-\$8,300; the respective figures for the "profit-only" stations were \$100 and \$0-\$9,200.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

TABLE 7. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 5 (100,000-250,000 population)

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                           | PROFIT-ONLY STATIONS   |                         |                       | YOUR STATION   |                 |
|---|------------------------|-------------------------|---------------------------|------------------------|-------------------------|-----------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range          | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range      | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                    | Col. 4                 | Col. 5                  | Col. 6                | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 3.8%                    | (-4.7% loss)-12.7%        |                        | 9.3%                    | 4.8%-15.3%            |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 144,700             |                         | \$ 106,600-\$ 201,000     | \$ 179,300             |                         | \$ 111,100-\$ 231,300 | _____          |                 |
| 3. TOTAL TIME SALES                     | 146,300                | 100.0%                  | 107,900- 208,100          | 176,400                | 100.0%                  | 114,700- 237,000      | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                       |                |                 |
| 4. Networks <sup>c</sup>                | 100                    | 0.1                     | 0- 2,600                  | 100                    | 0.1                     | 0- 2,700              | _____          | _____           |
| 5. National & regional advertisers      | 31,800                 | 21.7                    | 12,100- 55,000            | 37,600                 | 21.3                    | 16,400- 73,400        | _____          | _____           |
| 6. Local advertisers                    | 114,400                | 78.2                    | 76,600- 153,400           | 138,700                | 78.6                    | 88,500- 169,800       | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 139,200             | 100.0%                  | \$ 99,400-\$ 195,100      | \$ 162,600             | 100.0%                  | \$ 101,200-\$ 203,700 | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                       |                |                 |
| 8. Technical                            | 15,700                 | 11.3                    | 9,300- 27,500             | 18,500                 | 11.4                    | 9,300- 28,900         | _____          | _____           |
| 9. Program                              | 43,600                 | 31.3                    | 28,700- 63,600            | 50,900                 | 31.3                    | 29,500- 68,500        | _____          | _____           |
| 10. Selling <sup>d</sup>                | 27,800                 | 20.0                    | 17,500- 38,300            | 34,000                 | 20.9                    | 18,400- 46,100        | _____          | _____           |
| 11. General & administrative            | 52,100                 | 37.4                    | 36,300- 72,800            | 59,200                 | 36.4                    | 36,400- 79,400        | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                           |                        |                         |                       |                |                 |
| 12. Total Salaries <sup>e</sup>         | 82,300                 |                         | 51,500- 110,600           | 89,500                 |                         | 55,000- 122,800       | _____          |                 |
| 13. Depreciation & Amortization         | 7,600                  |                         | 4,500- 14,400             | 7,200                  |                         | 4,200- 14,000         | _____          |                 |
| 14. PROFIT (before Federal income tax)  | \$ 5,500               |                         | (-\$5,900 loss)-\$ 19,400 | \$ 16,700              |                         | \$ 6,400-\$ 29,300    | _____          |                 |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$1,800 with a middle 50% range of \$100-\$6,000; the respective figures for the "profit-only" stations were \$2,000 and \$100-\$5,900.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

**TABLE 8. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 6 (50,000-100,000 population)**

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                           | PROFIT-ONLY STATIONS   |                         |                       | YOUR STATION   |                 |
|---|------------------------|-------------------------|---------------------------|------------------------|-------------------------|-----------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range          | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range      | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                    | Col. 4                 | Col. 5                  | Col. 6                | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 2.6%                    | (-2.8% loss)-10.5%        |                        | 7.2%                    | 3.0%-15.0%            |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 112,600             |                         | \$ 91,700-\$ 158,100      | \$ 134,200             |                         | \$ 103,600-\$ 187,600 | _____          | _____           |
| 3. TOTAL TIME SALES                     | 110,700                | 100.0%                  | 90,300- 163,800           | 134,500                | 100.0%                  | 103,500- 195,200      | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                       |                |                 |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 2,200                  | 0                      | 0.0                     | 0- 1,500              | _____          | _____           |
| 5. National & regional advertisers      | 17,900                 | 16.2                    | 10,700- 29,000            | 23,600                 | 17.5                    | 15,300- 38,400        | _____          | _____           |
| 6. Local advertisers                    | 92,800                 | 83.8                    | 73,700- 128,300           | 110,900                | 82.5                    | 82,800- 153,400       | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 109,700             | 100.0%                  | \$ 92,900-\$ 145,600      | \$ 124,500             | 100.0%                  | \$ 95,100-\$ 178,500  | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                       |                |                 |
| 8. Technical                            | 14,600                 | 13.3                    | 7,800- 21,900             | 16,100                 | 12.9                    | 8,100- 23,600         | _____          | _____           |
| 9. Program                              | 35,200                 | 32.1                    | 28,300- 47,200            | 38,600                 | 31.0                    | 29,800- 53,300        | _____          | _____           |
| 10. Selling <sup>d</sup>                | 20,200                 | 18.4                    | 15,800- 31,800            | 27,600                 | 22.2                    | 17,600- 35,800        | _____          | _____           |
| 11. General & administrative            | 39,700                 | 36.2                    | 33,900- 54,400            | 42,200                 | 33.9                    | 35,300- 59,800        | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                           |                        |                         |                       |                |                 |
| 12. Total Salaries <sup>e</sup>         | 64,800                 |                         | 52,500- 91,600            | 70,600                 |                         | 53,600- 107,000       | _____          | _____           |
| 13. Depreciation & Amortization         | 6,200                  |                         | 3,900- 9,200              | 5,500                  |                         | 3,300- 10,400         | _____          | _____           |
| 14. PROFIT (before Federal income tax)  | \$ 2,900               |                         | (-\$2,900 loss)-\$ 15,700 | \$ 9,700               |                         | \$ 3,500-\$ 22,600    | _____          | _____           |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$1,000 with a middle 50% range of \$100-\$4,200; the respective figures for the "profit-only" stations were \$900 and \$0-\$3,000.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

TABLE 9. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 7 (25,000-50,000 population)

| REVENUE AND EXPENSE ITEMS               | ALL STATIONS           |                         |                           | PROFIT-ONLY STATIONS   |                         |                      | YOUR STATION   |                 |
|---|------------------------|-------------------------|---------------------------|------------------------|-------------------------|----------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range          | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range     | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                    | Col. 4                 | Col. 5                  | Col. 6               | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 3.7%                    | (-3.1% loss)-12.4%        |                        | 9.5%                    | 4.1%-16.2%           |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 108,000             |                         | \$ 70,200-\$ 140,300      | \$ 114,800             |                         | \$ 97,800-\$ 153,100 | _____          |                 |
| 3. TOTAL TIME SALES                     | 103,700                | 100.0%                  | 72,700- 142,600           | 110,600                | 100.0%                  | 96,600- 143,100      | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                      |                |                 |
| 4. Networks <sup>c</sup>                | 100                    | 0.1                     | 0- 2,200                  | 700                    | 0.6                     | 0- 2,500             | _____          | _____           |
| 5. National & regional advertisers      | 15,800                 | 15.2                    | 8,200- 24,900             | 17,000                 | 15.4                    | 12,700- 26,900       | _____          | _____           |
| 6. Local advertisers                    | 87,800                 | 84.7                    | 60,800- 113,300           | 92,900                 | 84.0                    | 79,600- 114,700      | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 104,000             | 100.0%                  | \$ 77,600-\$ 128,800      | \$ 103,900             | 100.0%                  | \$ 90,800-\$ 134,900 | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                      |                |                 |
| 8. Technical                            | 10,300                 | 9.9                     | 7,000- 16,600             | 10,400                 | 10.0                    | 6,600- 17,700        | _____          | _____           |
| 9. Program                              | 34,700                 | 33.4                    | 23,700- 44,200            | 35,900                 | 34.5                    | 25,100- 45,000       | _____          | _____           |
| 10. Selling <sup>d</sup>                | 17,800                 | 17.1                    | 10,800- 22,400            | 17,000                 | 16.4                    | 11,400- 24,700       | _____          | _____           |
| 11. General & administrative            | 41,200                 | 39.6                    | 28,900- 49,300            | 40,600                 | 39.1                    | 29,500- 48,100       | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                           |                        |                         |                      |                |                 |
| 12. Total Salaries <sup>e</sup>         | 59,500                 |                         | 40,600- 75,400            | 61,600                 |                         | 52,800- 74,600       | _____          |                 |
| 13. Depreciation & Amortization         | 4,900                  |                         | 2,600- 8,000              | 4,900                  |                         | 2,700 7,900          | _____          |                 |
| 14. PROFIT (before Federal income tax)  | \$ 4,000               |                         | (-\$3,600 loss)-\$ 13,000 | \$ 10,900              |                         | \$ 5,300-\$ 16,500   | _____          |                 |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$800 with a middle 50% range of \$0-\$3,700; the respective figures for the "profit-only" stations were \$1,600 and \$0-\$3,700.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.



**TABLE 10. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 8 (10,000-25,000 population)**

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                           | PROFIT-ONLY STATIONS   |                         |                      | YOUR STATION   |                 |
|---|------------------------|-------------------------|---------------------------|------------------------|-------------------------|----------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range          | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range     | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                    | Col. 4                 | Col. 5                  | Col. 6               | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 5.5%                    | (-1.7% loss)-14.7%        |                        | 10.3%                   | 5.2%-17.5%           |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 96,500              |                         | \$ 73,600-\$ 125,300      | \$ 103,600             |                         | \$ 79,700-\$ 134,700 | _____          |                 |
| 3. TOTAL TIME SALES                     | 96,500                 | 100.0%                  | 73,000- 128,900           | 101,500                | 100.0%                  | 77,900- 134,700      | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                      |                |                 |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 800                    | 0                      | 0.0                     | 0- 600               | _____          | _____           |
| 5. National & regional advertisers      | 11,400                 | 11.8                    | 5,100- 19,000             | 12,300                 | 12.1                    | 5,100- 19,900        | _____          | _____           |
| 6. Local advertisers                    | 85,100                 | 88.2                    | 63,000- 107,000           | 89,200                 | 87.9                    | 68,500- 111,400      | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 91,200              | 100.0%                  | \$ 68,400-\$ 118,800      | \$ 92,900              | 100.0%                  | \$ 63,900-\$ 122,300 | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                      |                |                 |
| 8. Technical                            | 9,700                  | 10.6                    | 6,300- 14,300             | 9,900                  | 10.7                    | 6,500- 13,300        | _____          | _____           |
| 9. Program                              | 28,200                 | 30.9                    | 20,100- 37,000            | 29,400                 | 31.6                    | 20,600- 37,800       | _____          | _____           |
| 10. Selling <sup>d</sup>                | 15,600                 | 17.1                    | 9,300- 22,600             | 15,900                 | 17.1                    | 9,500- 22,700        | _____          | _____           |
| 11. General & administrative            | 37,700                 | 41.4                    | 25,500- 50,300            | 37,700                 | 40.6                    | 24,100- 49,100       | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                           |                        |                         |                      |                |                 |
| 12. Total Salaries <sup>e</sup>         | 51,600                 |                         | 37,300- 67,900            | 52,900                 |                         | 40,100 69,800        | _____          | _____           |
| 13. Depreciation & Amortization         | 4,300                  |                         | 2,500- 7,300              | 4,000                  |                         | 2,400- 7,000         | _____          | _____           |
| 14. PROFIT (before Federal income tax)  | \$ 5,300               |                         | (-\$1,200 loss)-\$ 14,500 | \$ 10,700              |                         | \$ 4,500-\$ 17,600   | _____          | _____           |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$400 with a middle 50% range of \$0-\$2,000; the respective figures for the "profit-only" stations were \$300 and \$0-\$1,900.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

**TABLE 11. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 9 (less than 10,000 population)**

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                     | PROFIT-ONLY STATIONS   |                         |                     | YOUR STATION   |                 |
|---|------------------------|-------------------------|---------------------|------------------------|-------------------------|---------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range    | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range    | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3              | Col. 4                 | Col. 5                  | Col. 6              | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 6.4%                    | 0.6%-14.7%          |                        | 9.4%                    | 4.5%-17.4%          |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 61,500              |                         | \$ 45,700-\$ 81,200 | \$ 64,300              |                         | \$ 48,200-\$ 84,000 | _____          | _____           |
| 3. TOTAL TIME SALES                     | 62,400                 | 100.0%                  | 46,000- 81,800      | 64,900                 | 100.0%                  | 48,400- 85,200      | _____          | 100%            |
| From:                                   |                        |                         |                     |                        |                         |                     |                |                 |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 0                | 0                      | 0.0                     | 0- 0                | _____          | _____           |
| 5. National & regional advertisers      | 5,600                  | 9.0                     | 1,600- 9,900        | 5,600                  | 8.6                     | 1,700- 10,500       | _____          | _____           |
| 6. Local advertisers                    | 56,800                 | 91.0                    | 41,400- 73,100      | 59,300                 | 91.4                    | 42,700- 77,900      | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 57,600              | 100.0%                  | \$ 41,300-\$ 74,500 | \$ 58,300              | 100.0%                  | \$ 41,300-\$ 75,600 | _____          | 100%            |
| From:                                   |                        |                         |                     |                        |                         |                     |                |                 |
| 8. Technical                            | 6,800                  | 11.9                    | 3,700- 9,400        | 6,800                  | 11.7                    | 3,700- 9,400        | _____          | _____           |
| 9. Program                              | 18,000                 | 31.2                    | 12,100- 23,800      | 18,400                 | 31.6                    | 12,400- 24,400      | _____          | _____           |
| 10. Selling <sup>d</sup>                | 8,900                  | 15.4                    | 5,500- 13,300       | 8,700                  | 14.9                    | 5,400- 13,000       | _____          | _____           |
| 11. General & administrative            | 23,900                 | 41.5                    | 14,600- 30,500      | 24,400                 | 41.8                    | 14,700- 31,000      | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                     |                        |                         |                     |                |                 |
| 12. Total Salaries <sup>e</sup>         | 31,200                 |                         | 22,000- 43,100      | 31,200                 |                         | 21,900- 44,000      | _____          | _____           |
| 13. Depreciation & Amortization         | 3,200                  |                         | 2,300- 5,000        | 3,200                  |                         | 2,200- 4,800        | _____          | _____           |
| 14. PROFIT (before Federal income tax)  | \$ 3,900               |                         | \$ 300-\$ 9,700     | \$ 6,000               |                         | \$ 2,700-\$ 11,900  | _____          | _____           |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$0 with a middle 50% range of \$0-\$1,200; the respective figures for the "profit-only" stations were \$200 and \$0-\$1,100.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

TABLE 12. REVENUE AND EXPENSE YARDSTICKS, REVENUE SIZE 1 (\$750,000 and over)

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                        | PROFIT-ONLY STATIONS   |                         |                        | YOUR STATION   |                 |
|---|------------------------|-------------------------|------------------------|------------------------|-------------------------|------------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range       | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range       | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                 | Col. 4                 | Col. 5                  | Col. 6                 | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 25.3%                   | 10.7%-35.9%            |                        | 26.7%                   | 13.9%-36.6%            |                | _____%          |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$1,419,800            |                         | \$ 930,000-\$2,259,600 | \$1,440,600            |                         | \$ 975,500-\$2,298,800 | _____          |                 |
| 3. TOTAL TIME SALES                     | 1,692,500              | 100.0%                  | 1,050,800- 2,504,800   | 1,714,400              | 100.0%                  | 1,118,600- 2,630,300   | _____          | 100%            |
| From:                                   |                        |                         |                        |                        |                         |                        |                |                 |
| 4. Networks <sup>c</sup>                | 1,700                  | 0.1                     | 0- 26,400              | 0                      | 0.0                     | 0- 26,600              | _____          | _____           |
| 5. National & regional advertisers      | 1,093,300              | 64.6                    | 640,600- 1,418,100     | 1,116,100              | 65.4                    | 663,600- 1,415,900     | _____          | _____           |
| 6. Local advertisers                    | 597,500                | 35.3                    | 385,000- 962,000       | 598,300                | 34.9                    | 391,500- 978,700       | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$1,060,600            | 100.0%                  | \$ 745,200-\$1,642,400 | \$1,056,000            | 100.0%                  | \$ 734,100-\$1,609,900 | _____          | 100%            |
| From:                                   |                        |                         |                        |                        |                         |                        |                |                 |
| 8. Technical                            | 173,900                | 16.4                    | 116,100- 236,400       | 173,200                | 16.4                    | 115,600 236,300        | _____          | _____           |
| 9. Program                              | 400,900                | 37.8                    | 248,600- 618,900       | 405,500                | 38.4                    | 245,500- 611,300       | _____          | _____           |
| 10. Selling <sup>d</sup>                | 210,000                | 19.8                    | 135,000- 280,800       | 207,000                | 19.6                    | 135,700- 288,500       | _____          | _____           |
| 11. General & administrative            | 275,800                | 26.0                    | 197,600- 442,400       | 270,300                | 25.6                    | 203,900- 446,900       | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                        |                        |                         |                        |                |                 |
| 12. Total Salaries <sup>e</sup>         | 584,900                |                         | 433,500- 779,400       | 610,300                |                         | 428,700- 783,200       | _____          |                 |
| 13. Depreciation & Amortization         | 31,100                 |                         | 17,000- 44,300         | 30,300                 |                         | 16,900- 43,400         | _____          |                 |
| 14. PROFIT (before Federal income tax)  | \$ 359,200             |                         | \$ 147,100-\$ 609,000  | \$ 384,600             |                         | \$ 239,000-\$ 626,200  | _____          |                 |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$15,000 with a middle 50% range of \$300-\$31,300; the respective figures for the "profit-only" stations were \$15,600 and \$300-\$33,600.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

**TABLE 13. REVENUE AND EXPENSE YARDSTICKS, REVENUE SIZE 2 (\$500,000-\$750,000)**

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                            | PROFIT-ONLY STATIONS   |                         |                       | YOUR STATION   |                 |
|---|------------------------|-------------------------|----------------------------|------------------------|-------------------------|-----------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range           | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range      | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                     | Col. 4                 | Col. 5                  | Col. 6                | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 8.4%                    | (-2.4% loss (-1%6.3        |                        | 11.5%                   | 7.4%-23.7%            |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 578,200             |                         | \$ 536,800-\$ 675,100      | \$ 567,500             |                         | \$522,300-\$ 675,200  | _____          |                 |
| 3. TOTAL TIME SALES                     | 679,100                | 100.0%                  | 626,200- 756,100           | 674,000                | 100.0%                  | 612,600- 757,900      | _____          | 100%            |
| From:                                   |                        |                         |                            |                        |                         |                       |                |                 |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 26,800                  | 0                      | 0.0                     | 0- 12,100             | _____          | _____           |
| 5. National & regional advertisers      | 338,900                | 49.9                    | 257,600- 415,300           | 309,400                | 45.9                    | 241,800- 386,200      | _____          | _____           |
| 6. Local advertisers                    | 340,200                | 50.1                    | 266,700- 419,100           | 364,600                | 54.1                    | 265,300- 431,700      | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 529,600             | 100.0%                  | \$ 455,800-\$ 659,000      | \$ 502,200             | 100.0%                  | \$ 439,100-\$ 547,400 | _____          | 100%            |
| From:                                   |                        |                         |                            |                        |                         |                       |                |                 |
| 8. Technical                            | 70,400                 | 13.3                    | 43,800- 119,300            | 51,700                 | 10.3                    | 34,400- 94,300        | _____          | _____           |
| 9. Program                              | 177,900                | 33.6                    | 127,600- 206,600           | 163,200                | 32.5                    | 118,800- 186,100      | _____          | _____           |
| 10. Selling <sup>d</sup>                | 115,500                | 21.8                    | 88,800- 156,500            | 117,500                | 23.4                    | 78,200- 148,700       | _____          | _____           |
| 11. General & administrative            | 165,800                | 31.3                    | 134,800- 190,000           | 169,800                | 33.8                    | 125,800- 186,100      | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                            |                        |                         |                       |                |                 |
| 12. Total Salaries <sup>e</sup>         | 306,300                |                         | 255,300- 378,700           | 272,900                |                         | 246,200- 323,400      | _____          |                 |
| 13. Depreciation & Amortization         | 22,700                 |                         | 14,400- 31,900             | 21,600                 |                         | 14,300- 27,300        | _____          |                 |
| 14. PROFIT (before Federal income tax)  | \$ 48,600              |                         | (-\$15,900 loss)-\$ 95,600 | \$ 65,300              |                         | \$ 40,900-\$ 125,200  | _____          |                 |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$13,400 with a middle 50% range of \$100-\$37,900; the respective figures for the "profit-only" stations were \$13,400 and \$100-\$40,400.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

**TABLE 14. REVENUE AND EXPENSE YARDSTICKS, REVENUE SIZE 3 (\$300,000-\$500,000)**

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                       | PROFIT-ONLY STATIONS   |                         |                       | YOUR STATION   |                 |
|---|------------------------|-------------------------|-----------------------|------------------------|-------------------------|-----------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range      | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range      | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                | Col. 4                 | Col. 5                  | Col. 6                | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 8.2%                    | 3.2%-13.3%            |                        | 10.1%                   | 7.2%-14.1%            |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 393,300             |                         | \$ 332,700-\$ 427,500 | \$ 390,900             |                         | \$ 327,400-\$ 425,700 | _____          |                 |
| 3. TOTAL TIME SALES                     | 424,700                | 100.0%                  | 349,700- 496,100      | 418,100                | 100.0%                  | 339,600- 480,000      | _____          | 100%            |
| From:                                   |                        |                         |                       |                        |                         |                       |                |                 |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 4,300              | 0                      | 0.0                     | 0- 7,400              | _____          | _____           |
| 5. National & regional advertisers      | 151,600                | 35.7                    | 80,300- 214,400       | 149,300                | 35.7                    | 103,600- 221,800      | _____          | _____           |
| 6. Local advertisers                    | 273,100                | 64.3                    | 201,300- 297,300      | 268,900                | 64.3                    | 192,100- 291,200      | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 361,000             | 100.0%                  | \$ 299,800-\$ 410,700 | \$ 351,400             | 100.0%                  | \$ 291,300-\$ 411,400 | _____          | 100%            |
| From:                                   |                        |                         |                       |                        |                         |                       |                |                 |
| 8. Technical                            | 50,200                 | 13.9                    | 35,400- 67,700        | 48,900                 | 13.9                    | 31,000- 63,900        | _____          | _____           |
| 9. Program                              | 111,500                | 30.9                    | 92,500- 130,600       | 111,000                | 31.6                    | 85,200- 126,000       | _____          | _____           |
| 10. Selling <sup>d</sup>                | 74,700                 | 20.7                    | 58,800- 86,600        | 73,800                 | 21.0                    | 56,700- 84,800        | _____          | _____           |
| 11. General & administrative            | 124,600                | 34.5                    | 93,800- 144,600       | 117,700                | 33.5                    | 85,800- 133,300       | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                       |                        |                         |                       |                |                 |
| 12. Total Salaries <sup>e</sup>         | 211,700                |                         | 174,100- 240,200      | 207,200                |                         | 168,900- 233,500      | _____          |                 |
| 13. Depreciation & Amortization         | 14,500                 |                         | 8,900- 23,400         | 13,100                 |                         | 8,000- 19,700         | _____          |                 |
| 14. PROFIT (before Federal income tax)  | \$ 32,300              |                         | \$ 11,300-\$ 50,800   | \$ 39,500              |                         | \$ 26,100-\$ 52,900   | _____          |                 |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$2,400 with a middle 50% range of \$100-\$10,700; the respective figures for the "profit-only" stations were \$2,100 and \$100-\$10,000.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

TABLE 15. REVENUE AND EXPENSE YARDSTICKS, REVENUE SIZE 4 (\$200,000-\$300,000)

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                           | PROFIT-ONLY STATIONS   |                         |                       | YOUR STATION   |                 |
|---|------------------------|-------------------------|---------------------------|------------------------|-------------------------|-----------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range          | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range      | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                    | Col. 4                 | Col. 5                  | Col. 6                | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 6.1%                    | (-2.0% loss)-13.0%        |                        | 8.3%                    | 5.5%-15.8%            |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 240,300             |                         | \$ 222,600-\$ 267,300     | \$ 248,100             |                         | \$ 226,100-\$ 271,500 |                |                 |
| 3. TOTAL TIME SALES From:               | 251,700                | 100.0%                  | 226,400- 281,200          | 256,500                | 100.0%                  | 231,100- 287,900      |                | 100%            |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 4,000                  | 0                      | 0.0                     | 0- 2,100              |                |                 |
| 5. National & regional advertisers      | 39,200                 | 27.5                    | 30,300- 102,300           | 66,900                 | 26.1                    | 27,800- 105,600       |                |                 |
| 6. Local advertisers                    | 182,500                | 72.5                    | 153,800- 210,900          | 189,600                | 73.9                    | 157,900- 213,200      |                |                 |
| 7. TOTAL BROADCAST EXPENSE From:        | \$ 225,600             | 100.0%                  | \$ 203,000-\$ 258,600     | \$ 227,500             | 100.0%                  | \$ 197,900-\$ 243,800 |                |                 |
| 8. Technical                            | 29,300                 | 13.0                    | 21,200- 40,900            | 29,400                 | 12.9                    | 21,100- 37,600        |                | 100%            |
| 9. Program                              | 67,000                 | 29.7                    | 57,100- 82,400            | 66,200                 | 29.1                    | 51,900- 76,600        |                |                 |
| 10. Selling <sup>d</sup>                | 43,800                 | 19.4                    | 35,800- 53,400            | 45,700                 | 20.1                    | 35,300- 49,600        |                |                 |
| 11. General & administrative            | 85,500                 | 37.9                    | 66,900- 99,800            | 86,200                 | 37.9                    | 65,900- 93,800        |                |                 |
| SELECTED EXPENSE ITEMS                  |                        |                         |                           |                        |                         |                       |                |                 |
| 12. Total Salaries <sup>e</sup>         | 133,000                |                         | 113,900- 153,300          | 129,000                |                         | 110,500- 146,200      |                |                 |
| 13. Depreciation & Amortization         | 11,400                 |                         | 7,900- 20,900             | 10,900                 |                         | 7,700- 20,200         |                |                 |
| 14. PROFIT (before Federal income tax)  | \$ 14,700              |                         | (-\$4,300 loss)-\$ 30,900 | \$ 20,600              |                         | \$ 13,100-\$ 38,700   |                |                 |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$1,000 with a middle 50% range of \$100-\$7,000; the respective figures for the "profit-only" stations were \$300 and \$0-\$4,900.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

TABLE 16. REVENUE AND EXPENSE YARDSTICKS, REVENUE SIZE 5 (\$150,000-\$200,000)

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                           | PROFIT-ONLY STATIONS   |                         |                       | YOUR STATION   |                 |
|---|------------------------|-------------------------|---------------------------|------------------------|-------------------------|-----------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range          | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range      | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                    | Col. 4                 | Col. 5                  | Col. 6                | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 4.2%                    | (-4.1% loss)-13.2%        |                        | 11.1%                   | 3.9%-15.0%            |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 171,100             |                         | \$ 160,200-\$ 184,700     | \$ 172,500             |                         | \$ 161,000-\$ 185,800 | _____          |                 |
| 3. TOTAL TIME SALES                     | 178,000                | 100.0%                  | 163,000- 190,700          | 178,000                | 100.0%                  | 160,000- 189,600      | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                       |                |                 |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 3,100                  | 0                      | 0.0                     | 0- 1,800              | _____          | _____           |
| 5. National & regional advertisers      | 34,000                 | 19.1                    | 20,700- 51,800            | 32,200                 | 18.1                    | 19,100- 48,500        | _____          | _____           |
| 6. Local advertisers                    | 144,000                | 80.9                    | 116,100- 155,800          | 145,800                | 81.9                    | 120,900- 157,600      | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 163,900             | 100.0%                  | \$ 145,600-\$ 181,200     | \$ 153,400             | 100.0%                  | \$ 140,300-\$ 171,700 | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                       |                |                 |
| 8. Technical                            | 18,000                 | 11.0                    | 12,000- 25,500            | 16,600                 | 10.8                    | 11,300- 24,500        | _____          | _____           |
| 9. Program                              | 52,300                 | 31.9                    | 41,800- 60,300            | 49,800                 | 32.5                    | 38,900- 58,000        | _____          | _____           |
| 10. Selling <sup>d</sup>                | 30,200                 | 18.4                    | 24,600- 38,000            | 28,400                 | 18.5                    | 23,000- 33,700        | _____          | _____           |
| 11. General & administrative            | 63,400                 | 38.7                    | 48,900- 75,200            | 58,600                 | 38.2                    | 46,400- 69,000        | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                           |                        |                         |                       |                |                 |
| 12. Total Salaries <sup>e</sup>         | 95,300                 |                         | 85,000 109,000            | 90,600                 |                         | 82,300- 103,700       | _____          | _____           |
| 13. Depreciation & Amortization         | 7,600                  |                         | 5,000- 12,900             | 7,200                  |                         | 4,400- 9,700          | _____          | _____           |
| 14. PROFIT (before Federal income tax)  | \$ 7,200               |                         | (-\$6,200 loss)-\$ 22,000 | \$ 19,100              |                         | \$ 6,800-\$ 27,000    | _____          | _____           |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$1,500 with a middle 50% range of \$0-\$5,800; the respective figures for the "profit-only" stations were \$1,400 and \$0-\$5,100.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

**TABLE 17. REVENUE AND EXPENSE YARDSTICKS, REVENUE SIZE 6 (\$125,000-\$150,000)**

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                           | PROFIT-ONLY STATIONS   |                         |                       | YOUR STATION   |                 |
|---|------------------------|-------------------------|---------------------------|------------------------|-------------------------|-----------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range          | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range      | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                    | Col. 4                 | Col. 5                  | Col. 6                | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 5.0%                    | (-3.0% loss)-10.5%        |                        | 7.6%                    | 5.1%-14.1%            |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 137,000             |                         | \$ 129,800-\$ 143,500     | \$ 137,100             |                         | \$ 130,400-\$ 144,400 | _____          |                 |
| 3. TOTAL TIME SALES                     | 137,600                | 100.0%                  | 131,800- 145,700          | 136,900                | 100.0%                  | 131,500- 143,800      | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                       |                |                 |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 1,500                  | 0                      | 0.0                     | 0- 1,800              | _____          | _____           |
| 5. National & regional advertisers      | 21,800                 | 15.8                    | 13,200- 35,600            | 20,000                 | 14.6                    | 8,500- 30,000         | _____          | _____           |
| 6. Local advertisers                    | 115,800                | 84.2                    | 104,500- 124,300          | 116,900                | 85.4                    | 105,500- 125,400      | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 130,100             | 100.0%                  | \$ 121,000-\$ 145,100     | \$ 126,700             | 100.0%                  | \$ 117,700-\$ 131,900 | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                       |                |                 |
| 8. Technical                            | 12,800                 | 9.8                     | 8,900- 21,600             | 12,700                 | 10.0                    | 8,800- 18,100         | _____          | _____           |
| 9. Program                              | 42,900                 | 33.0                    | 34,500- 47,200            | 41,000                 | 32.4                    | 32,600- 45,900        | _____          | _____           |
| 10. Selling <sup>d</sup>                | 25,200                 | 19.4                    | 20,500- 31,500            | 25,600                 | 20.2                    | 18,300- 29,300        | _____          | _____           |
| 11. General & administrative            | 49,200                 | 37.8                    | 40,200- 61,400            | 47,400                 | 37.4                    | 36,400- 51,600        | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                           |                        |                         |                       |                |                 |
| 12. Total Salaries <sup>e</sup>         | 76,100                 |                         | 68,200- 86,900            | 71,900                 |                         | 64,000- 81,000        | _____          |                 |
| 13. Depreciation & Amortization         | 7,300                  |                         | 4,400- 12,700             | 5,700                  |                         | 2,900- 10,000         | _____          |                 |
| 14. PROFIT (before Federal income tax)  | \$ 6,900               |                         | (-\$7,000 loss)-\$ 13,500 | \$ 10,400              |                         | \$ 7,400-\$ 19,100    | _____          |                 |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$500 with a middle 50% range of \$0-\$5,400; the respective figures for the "profit-only" stations were \$400 and \$0-\$3,200.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.



TABLE 18. REVENUE AND EXPENSE YARDSTICKS, REVENUE SIZE 7 (\$100,000-\$125,000)

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS           |                         |                           | PROFIT-ONLY STATIONS   |                         |                       | YOUR STATION   |                 |
|---|------------------------|-------------------------|---------------------------|------------------------|-------------------------|-----------------------|----------------|-----------------|
|   | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range          | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range      | Dollar Figures | Percent Figures |
|   | Col. 1                 | Col. 2                  | Col. 3                    | Col. 4                 | Col. 5                  | Col. 6                | Col. 7         | Col. 8          |
| 1. PROFIT MARGIN <sup>a</sup>           |                        | 4.1% (-2.4% loss)-11.5% |                           |                        | 8.1%                    | 4.0%-14.1%            |                | ____%           |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 111,000             |                         | \$ 107,100-\$ 117,700     | \$ 110,500             |                         | \$ 107,200-\$ 117,100 | _____          |                 |
| 3. TOTAL TIME SALES                     | 112,700                | 100.0%                  | 105,200- 118,000          | 110,600                | 100.0%                  | 105,000- 115,600      | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                       |                |                 |
| 4. Networks <sup>c</sup>                | 0                      | 0.0                     | 0- 600                    | 0                      | 0.0                     | 0- 100                | _____          | _____           |
| 5. National & regional advertisers      | 15,800                 | 14.0                    | 8,000- 22,400             | 15,200                 | 13.8                    | 8,100- 21,100         | _____          | _____           |
| 6. Local advertisers                    | 96,900                 | 86.0                    | 85,600- 102,600           | 95,400                 | 86.2                    | 85,600- 104,400       | _____          | _____           |
| 7. TOTAL BROADCAST EXPENSE              | \$ 106,400             | 100.0%                  | 97,400- 117,000           | \$ 101,500             | 100.0%                  | \$ 94,400-\$ 109,000  | _____          | 100%            |
| From:                                   |                        |                         |                           |                        |                         |                       |                |                 |
| 8. Technical                            | 11,000                 | 10.3                    | 7,800- 15,800             | 10,900                 | 10.7                    | 7,500- 14,300         | _____          | _____           |
| 9. Program                              | 34,000                 | 32.0                    | 26,600- 39,100            | 32,600                 | 32.1                    | 24,800- 36,800        | _____          | _____           |
| 10. Selling <sup>d</sup>                | 18,700                 | 17.6                    | 14,600- 23,900            | 17,200                 | 17.0                    | 13,200- 21,900        | _____          | _____           |
| 11. General & administrative            | 42,700                 | 40.1                    | 34,000- 51,800            | 40,800                 | 40.2                    | 33,100- 47,400        | _____          | _____           |
| SELECTED EXPENSE ITEMS                  |                        |                         |                           |                        |                         |                       |                |                 |
| 12. Total Salaries <sup>e</sup>         | 61,300                 |                         | 53,500- 68,300            | 57,500                 |                         | 51,700- 65,000        | _____          | _____           |
| 13. Depreciation & Amortization         | 5,700                  |                         | 3,800- 8,300              | 5,000                  |                         | 3,400- 7,200          | _____          | _____           |
| 14. PROFIT (before Federal income tax)  | \$ 4,600               |                         | (-\$2,700 loss)-\$ 12,600 | \$ 9,000               |                         | \$ 4,500-\$ 15,500    | _____          | _____           |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$0 with a middle 50% range of \$0-\$2,200; the respective figures for the "profit-only" stations were \$100 and \$0-\$1,800.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

TABLE 19. REVENUE AND EXPENSE YARDSTICKS, REVENUE SIZE 8 (\$75,000-\$100,000)

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS            |                         |                           | PROFIT-ONLY STATIONS   |                         |                     | YOUR STATION   |                 |        |
|---|-------------------------|-------------------------|---------------------------|------------------------|-------------------------|---------------------|----------------|-----------------|--------|
|   | Typical Dollar Figures  | Typical Percent Figures | Middle 50% Range          | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range    | Dollar Figures | Percent Figures |        |
|   | Col. 1                  | Col. 2                  | Col. 3                    | Col. 4                 | Col. 5                  | Col. 6              | Col. 7         | Col. 8          |        |
| 1. PROFIT MARGIN <sup>a</sup>           | 4.3% (-3.5% loss)-12.1% |                         |                           | 9.9%                   |                         |                     | 5.1%-17.4%     |                 | _____% |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 86,500               |                         | \$ 80,700-\$ 94,400       | \$ 88,100              |                         | \$ 81,100-\$ 95,100 | _____          | _____           |        |
| 3. TOTAL TIME SALES<br>From:            | 87,300                  | 100.0%                  | 80,900- 94,200            | 88,300                 | 100.0%                  | 81,800- 94,900      | _____          | 100%            |        |
| 4. Networks <sup>c</sup>                | 0                       | 0.0                     | 0- 500                    | 0                      | 0.0                     | 0- 800              | _____          | _____           |        |
| 5. National & regional advertisers      | 9,000                   | 10.3                    | 4,300- 15,500             | 9,200                  | 10.4                    | 4,100- 15,100       | _____          | _____           |        |
| 6. Local advertisers                    | 78,300                  | 89.7                    | 68,700- 84,000            | 79,100                 | 89.6                    | 69,000- 84,600      | _____          | _____           |        |
| 7. TOTAL BROADCAST EXPENSE              | \$ 82,800               | 100.0%                  | \$ 75,700-\$ 92,400       | \$ 79,400              | 100.0%                  | \$ 70,300-\$ 86,800 | _____          | 100%            |        |
| From:                                   |                         |                         |                           |                        |                         |                     |                |                 |        |
| 8. Technical                            | 8,500                   | 10.3                    | 6,200- 11,500             | 8,300                  | 10.5                    | 5,700- 10,100       | _____          | _____           |        |
| 9. Program                              | 25,600                  | 30.9                    | 21,100 30,600             | 25,500                 | 32.1                    | 19,200- 29,600      | _____          | _____           |        |
| 10. Selling <sup>d</sup>                | 14,000                  | 16.9                    | 9,500 19,000              | 12,300                 | 15.5                    | 8,700- 17,000       | _____          | _____           |        |
| 11. General & administrative            | 34,700                  | 42.0                    | 26,400- 41,000            | 33,300                 | 41.9                    | 25,200- 38,000      | _____          | _____           |        |
| SELECTED EXPENSE ITEMS                  |                         |                         |                           |                        |                         |                     |                |                 |        |
| 12. Total Salaries <sup>e</sup>         | 48,600                  |                         | 41,000- 54,500            | 45,800                 |                         | 38,700- 51,000      | _____          | _____           |        |
| 13. Depreciation & Amortization         | 4,600                   |                         | 2,800- 6,800              | 3,900                  |                         | 2,500- 5,400        | _____          | _____           |        |
| 14. PROFIT (before Federal income tax)  | \$ 3,700                |                         | (-\$2,900 loss)-\$ 10,600 | \$ 8,700               |                         | \$ 4,200-\$ 14,700  | _____          | _____           |        |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$600 with a middle 50% range of \$0-\$2,400; the respective figures for the "profit-only" stations were \$600 and \$0-\$2,400.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

TABLE 20. REVENUE AND EXPENSE YARDSTICKS, REVENUE SIZE 9 (\$50,000-\$75,000)

| REVENUE AND<br>EXPENSE ITEMS                | ALL STATIONS                 |                               |                          | PROFIT-ONLY STATIONS         |                               |                     | YOUR STATION      |                    |
|---|------------------------------|-------------------------------|--------------------------|------------------------------|-------------------------------|---------------------|-------------------|--------------------|
|   | Typical<br>Dollar<br>Figures | Typical<br>Percent<br>Figures | Middle 50%<br>Range      | Typical<br>Dollar<br>Figures | Typical<br>Percent<br>Figures | Middle 50%<br>Range | Dollar<br>Figures | Percent<br>Figures |
|   | Col. 1                       | Col. 2                        | Col. 3                   | Col. 4                       | Col. 5                        | Col. 6              | Col. 7            | Col. 8             |
| 1. PROFIT MARGIN <sup>a</sup>               |                              | 3.7% (-5.0% loss)-13.3%       |                          |                              | 9.1%                          | 4.9%-18.0%          |                   | _____%             |
| 2. TOTAL BROADCAST<br>REVENUE <sup>b</sup>  | \$ 62,800                    |                               | \$ 57,000-\$ 69,300      | \$ 63,600                    |                               | \$ 57,700-\$ 69,400 | _____             | _____              |
| 3. TOTAL TIME SALES                         | 63,700                       | 100.0%                        | 57,700- 69,900           | 64,600                       | 100.0%                        | 57,700- 69,600      | _____             | 100%               |
| From:                                       |                              |                               |                          |                              |                               |                     |                   |                    |
| 4. Networks <sup>c</sup>                    | 0                            | 0.0                           | 0- 100                   | 0                            | 0.0                           | 0- 100              | _____             | _____              |
| 5. National & regional<br>advertisers       | 6,300                        | 9.8                           | 2,800- 10,600            | 5,700                        | 8.9                           | 1,700- 10,000       | _____             | _____              |
| 6. Local advertisers                        | 57,400                       | 90.2                          | 49,400- 62,600           | 58,900                       | 91.1                          | 50,500- 64,300      | _____             | _____              |
| 7. TOTAL BROADCAST<br>EXPENSE               | \$ 60,500                    | 100.0%                        | \$ 53,200-\$ 67,500      | \$ 57,800                    | 100.0%                        | \$ 50,100-\$ 61,600 | _____             | 100%               |
| From:                                       |                              |                               |                          |                              |                               |                     |                   |                    |
| 8. Technical                                | 6,900                        | 11.4                          | 4,400- 9,700             | 6,400                        | 11.0                          | 4,200- 8,900        | _____             | _____              |
| 9. Program                                  | 18,900                       | 31.3                          | 14,000- 22,300           | 19,100                       | 33.1                          | 13,500- 21,200      | _____             | _____              |
| 10. Selling <sup>d</sup>                    | 9,500                        | 15.6                          | 6,800- 13,100            | 9,400                        | 16.2                          | 6,400- 11,500       | _____             | _____              |
| 11. General &<br>administrative             | 25,200                       | 41.7                          | 18,500- 29,600           | 22,900                       | 39.7                          | 17,500- 27,000      | _____             | _____              |
| SELECTED EXPENSE<br>ITEMS                   |                              |                               |                          |                              |                               |                     |                   |                    |
| 12. Total Salaries <sup>e</sup>             | 33,200                       |                               | 27,700- 38,500           | 31,200                       |                               | 26,400- 35,400      | _____             | _____              |
| 13. Depreciation &<br>Amortization          | 3,500                        |                               | 2,200- 5,000             | 3,200                        |                               | 2,000- 4,500        | _____             | _____              |
| 14. PROFIT (before Fed-<br>eral income tax) | \$ 2,300                     |                               | (-\$2,600 loss)-\$ 8,400 | \$ 5,800                     |                               | \$ 2,700-\$ 11,900  | _____             | _____              |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> For only those stations which were affiliated with nationwide networks, the typical network revenue was \$700 with a middle 50% range of \$0-\$4,100; the respective figures for the "profit-only" stations were \$500 and \$100-\$4,500.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

TABLE 21. REVENUE AND EXPENSE YARDSTICKS, REVENUE SIZE 10 (Less than \$50,000)

| REVENUE AND EXPENSE ITEMS<br>Line No.   | ALL STATIONS            |                         |                          |           | PROFIT-ONLY STATIONS   |                         |                  |           | YOUR STATION   |                 |        |
|---|-------------------------|-------------------------|--------------------------|-----------|------------------------|-------------------------|------------------|-----------|----------------|-----------------|--------|
|   | Typical Dollar Figures  | Typical Percent Figures | Middle 50% Range         |           | Typical Dollar Figures | Typical Percent Figures | Middle 50% Range |           | Dollar Figures | Percent Figures |        |
|   | Col. 1                  | Col. 2                  | Col. 3                   |           | Col. 4                 | Col. 5                  | Col. 6           |           | Col. 7         | Col. 8          |        |
| 1. PROFIT MARGIN <sup>a</sup>           | 2.2% (—5.7% loss)-11.4% |                         |                          |           | 9.3%                   |                         |                  |           | 3.6%-17.9%     |                 | _____% |
| 2. TOTAL BROADCAST REVENUE <sup>b</sup> | \$ 41,400               |                         | \$ 33,400-               | \$ 45,600 | \$ 41,400              |                         | \$ 34,500-       | \$ 45,700 | _____          |                 |        |
| 3. TOTAL TIME SALES                     | 41,500                  | 100.0%                  | 33,330-                  | 45,900    | 41,600                 | 100.0%                  | 33,900-          | 46,100    | _____          | 100%            |        |
| From:                                   |                         |                         |                          |           |                        |                         |                  |           |                |                 |        |
| 4. Networks <sup>c</sup>                | 0                       | 0.0                     | 0-                       | 0         | 0                      | 0.0                     | 0-               | 0         | _____          | _____           |        |
| 5. National & regional advertisers      | 2,600                   | 6.3                     | 100-                     | 6,000     | 2,700                  | 6.5                     | 500-             | 5,900     | _____          | _____           |        |
| 6. Local advertisers                    | 38,900                  | 93.7                    | 29,200-                  | 42,000    | 38,900                 | 93.5                    | 29,800-          | 42,700    | _____          | _____           |        |
| 7. TOTAL BROADCAST EXPENSE              | \$ 40,500               | 100.0%                  | \$ 31,400-               | \$ 45,400 | \$ 37,600              | 100.0%                  | \$ 27,500-       | \$ 41,300 | _____          | 100%            |        |
| From:                                   |                         |                         |                          |           |                        |                         |                  |           |                |                 |        |
| 8. Technical                            | 4,500                   | 11.1                    | 2,300-                   | 6,100     | 4,600                  | 12.3                    | 2,100-           | 5,700     | _____          | _____           |        |
| 9. Program                              | 14,000                  | 34.5                    | 9,500-                   | 16,100    | 13,000                 | 34.7                    | 8,200-           | 15,100    | _____          | _____           |        |
| 10. Selling <sup>d</sup>                | 6,400                   | 15.9                    | 3,400-                   | 7,700     | 5,800                  | 15.3                    | 2,300-           | 7,100     | _____          | _____           |        |
| 11. General & administrative            | 15,600                  | 38.5                    | 9,900-                   | 20,000    | 14,200                 | 37.7                    | 9,500-           | 16,100    | _____          | _____           |        |
| SELECTED EXPENSE ITEMS                  |                         |                         |                          |           |                        |                         |                  |           |                |                 |        |
| 12. Total Salaries <sup>e</sup>         | 21,500                  |                         | 16,900-                  | 26,500    | 20,600                 |                         | 16,300-          | 24,300    | _____          | _____           |        |
| 13. Depreciation & Amortization         | 2,800                   |                         | 1,900-                   | 3,800     | 2,400                  |                         | 1,400-           | 3,300     | _____          | _____           |        |
| 14. PROFIT (before Federal income tax)  | \$ 900                  |                         | (—\$2,200 loss)-\$ 4,300 |           | \$ 3,800               |                         | \$ 1,600-        | \$ 7,500  | _____          | _____           |        |

<sup>a</sup> Derived from each station's gross profit divided by total revenue.

<sup>b</sup> Time sales plus incidental broadcast revenue minus agency and rep. comm. and payment to networks for sale of time.

<sup>c</sup> An insufficient number of stations in this group provided network revenues to report average or middle 50% figures.

<sup>d</sup> Includes all promotion; excludes agency and rep. comm.

<sup>e</sup> Total salaries and wages (including supervision) and all talent expense.

## APPENDIX

### 1. Coverage of the Sample

The results of this study are based on questionnaires mailed to the entire AM radio station broadcasting industry and covering the 1961 calendar year. There were approximately 3547 radio stations in operation for a full year. But the universe of this survey (i.e. total number of stations which could have returned usable questionnaires) is only 3458—the total number of operating stations for the full year (3547) minus 41 educational stations and 48 radio properties located in Alaska and the Territories of the United States. Hawaii was included in the survey this year for the first time. In line with last year's financial survey, the 3458 stations in the universe include stations which are not members of the NAB and stations which failed to make a profit in 1961.

Usable returns were provided by 1087 of the 3458 possible stations. In other words, the report is based on a 31.4 per cent sample. Of significance is the similarity between the sample and universe when broken down by the 9 market-size categories which provide the basic yardsticks in this bulletin.

| Market Size<br>(population) | Number of Stations in |          | Percent of All Stations in |                 |
|-----------------------------|-----------------------|----------|----------------------------|-----------------|
|                             | NAB<br>Sample         | Universe | NAB<br>Sample (1087)       | Universe (3458) |
| 2.5 million<br>or more      | 50                    | 170      | 4.6%                       | 4.9%            |
| 1 million<br>2,499,999      | 54                    | 123      | 4.9                        | 3.6             |
| 500,000—<br>999,999         | 91                    | 288      | 8.4                        | 8.3             |
| 250,000—<br>499,999         | 102                   | 328      | 9.4                        | 9.5             |
| 100,000—<br>249,999         | 176                   | 480      | 16.2                       | 13.9            |
| 50,000—<br>99,999           | 77                    | 163      | 7.1                        | 4.7             |
| 25,000—<br>49,999           | 54                    | 222      | 5.0                        | 6.4             |
| 10,000—<br>24,999           | 215                   | 618      | 19.8                       | 17.9            |
| Less than<br>10,000         | 268                   | 1,066    | 24.6                       | 30.8            |
| Total                       | 1,087                 | 3,458    | 100.0%                     | 100.0%          |

Among the deficiencies of the sample are (1) the inability to make a perfect comparison between the number of stations in our revenue-size and profit-only breakdowns and the number in the universe for each of these station groupings, and (2) as with all mailed questionnaire surveys, the lack of control over non-respondents to the questionnaire.

### 2. Market-Size and Revenue-Size Classification Scheme

The data in this report are arranged in two *basic* groupings—market size and revenue size. Many other breakdowns are possible using such factors as geographical region, membership or nonmembership in the NAB, and power. Our selection of market-size and revenue-size categories was based on the hypothesis that these two factors are perhaps the most significant determinants, or at least the most revealing, of radio revenue and cost structures.

With both the market-size and revenue-size groupings, there is an additional breakdown of just those stations which made a profit during 1961. By eliminating those facilities which operated in the "red", the yardstick figures for these "profit-only" stations represent modest goals toward which all "loss" and low profit stations can strive.

#### A. Market-Size Classification Scheme

Population figures for standard metropolitan statistical areas were used for all cities falling within such an area. The definition of a standard metropolitan statistical area is that used by the U. S. Bureau of Census except for the New England area. Here, because the Census does not provide county definitions, we used the Survey of Buying Power, published by Sales Management (May, 1961). The Survey of Buying Power's estimates as of January 1, 1961 were the actual population figures used. In addition, Sales Management's *potential* standard metropolitan statistical areas were used for those areas considered to be potential areas whether they were located in New England or in any other part of the United States.

#### B. Revenue-Size Classification Scheme

This scheme for station groupings is based solely on the total broadcast revenue figures (time sales plus incidental revenue minus agency and rep. commissions and other deductions) found on each questionnaire return.

### 3. Statistical Problems

#### A. Median

The "typical" figures in each table are medians or the middle figure ( $\frac{n+1}{2}$ ) after ranking the stations in a particular category on a particular revenue or expense item. Thus, 50% of the stations have revenue figures which are above, or equal to, and 50% of the station revenue figures are below, or equal to, the "typical" revenue figures in the tables. Likewise, 50% of the stations have expense figures which are above, or equal to, and 50% of the station expense figures are below, or equal to, the "typical" expense figures in the tables. Medians rather than averages (means) were used due to the relatively small number of items involved in each grouping<sup>a</sup> and because of the large diversity between the revenue or expense or profit margin figures within each of the groupings. As is common in many economic studies, means would tend to yield higher figures than medians due to the existence of relatively more extreme figures at the top than at the bottom of any ranking of a group.

The "typical dollar figures" on each table were adjusted so that all figures in those columns will add up to their respective totals in both dollar and percentage terms. These adjustments were made on the expense and profit figures rather than on the profit margin.

#### B. Middle 50%

The middle 50% (or interquartile range) has been presented because it allows a broadcaster to evaluate his operating results more thoroughly than if just one typical figure were available as the yardstick. Since every firm is in some way unique, it is to be expected that a station's operating figures will not coincide precisely with standards of measurement based on the typical comparable station. With a range showing where the figures of 50% of the comparable stations lie, station management can get a much better idea of its financial position relative to other comparable radio facilities.

<sup>a</sup> Twelve station groupings were based on less than 50 questionnaire returns.

#### C. Profit Margin

Profit margin figures have been presented in this year's report as in last year's report. The profit margin is essentially the operating ratio subtracted from 100.0. It represents the gross profit realized on every dollar of total revenue.

Typical profit margin figures are medians which have been derived from individual station ratios rather than by dividing the typical gross profit for a particular category of stations by the typical total revenue for the grouping. More specifically, a profit margin figure was calculated for each station in a particular category. The profit margin figures were then ranked and the median figure selected. This direct station-by-station method of calculating the profit margin provides a realistic figure with which to compare your station.

#### D. Nationwide Figures

The nationwide figures in Part I were derived from the market-size groupings. Each of the market-size medians for a particular revenue or expense item was weighted by the total number of stations in the market-size category and not by the number of questionnaire returns from each market-size grouping. A median of these market-size medians was then calculated to yield the nationwide figure.

The nationwide figures in Table I have been adjusted so that the gross profit is the result of the simple subtraction of total expense from total revenue and the division of the profit by the total revenue figure yields the profit margin. These adjustments were made, however, on the expense and profit figures rather than on the profit margin. This is because we believe that both the total revenue and profit margin figures are somewhat more significant than the total expense and profit figures.

#### E. Exclusions

Where data were available from less than 18 stations for any particular revenue or expense item in any category of stations, no information is presented in this report. In most cases the data herein presented represent seventy or more stations.



