

Public Radio Local Economic Impact – An Update

NOVEMBER 2008

The University Station Alliance (USA) was the first to ask the public radio system how the volatile economy will impact stations. In November 2008 stations responded to a USA survey giving the system a first look at the potential economic effects on their operations. There was a promise of a second survey in 2009 when stations had a better understanding of the real impact.

JUNE 2009

It is eight months later and as promised, here are the results from the second survey. What is learned from the 2009 survey is that the managers in 2008 were fairly good predictors. Here are the responses to the June, 2009 USA Local Economic Impact Survey with 164 stations responding. Like the first survey, the second was sent to multiple listservs and all licensee types. Here are the results:

(*The numbers in red with an asterisk are the 2008 responses)

JUNE 2009 SURVEY – 164 (*160) STATIONS RESPONDING

46% (*42%) of station managers anticipate and/or already have received notification of cash support reductions from their university, college, school system, or state licensees. **54% (*58%)** of the stations said they have not received notification or this question was not applicable to their licensees.

There has been a **7% (*<1%)** increase in stations experiencing significant licensee cash support reductions at levels of \$200,000 and over. Other cash support reduction amounts were similar between the 2009 and 2008 surveys. **26% (*28%)** say their cash support will be reduced by their licensee by up to \$49,999, and **12% (*10%)** say their anticipated cash support reduction would range from \$50,000 to \$199,999. Another **6% (*6%)** do not know what the reductions, if any, will be.

How does the economy affect programming and public service? The most dramatic economic impact change reported by stations is in national programming. More stations **24% (*9%)** in 2009 than in 2008 say their national programming services will be affected. Fewer stations **52% (*67%)** say they anticipate no changes in their programming or public service offerings. The effect of the economy on local programming and website services remain about the same with **19% (*20%)** responding that local programming services will be reduced or eliminated, and **7% (*4%)** say website services will have to be reduced or eliminated.

As has been observed by the down turn in attendance at the national and regional conferences, the economy is affecting meeting attendance and resources for the national and regional organizations. **20% (*12%)** say travel, memberships in organizations, phones, temporary student staffing, and various other reductions were also anticipated.

The technical and equipment reductions or eliminations have been slightly higher than anticipated. **24% (*17%)** report reductions in technical upgrades, **29% (*25%)** in equipment purchases, **10% (*6%)** on service area expansion, and **15% (*13%)** on planned HD upgrades.

In the area of personnel, **32% (*29%)** report staffing reductions with **23 (*22)** stations eliminating one or two full-time-staff (FTE). **4 (*5)** stations eliminating three to six FTE, and **4 (*0)** eliminating six or more FTE.

In regards to imposed service fees or administration overhead charges paid by the station to the licensee, **75% (*73%)** anticipate no change, **18% (*19%)** anticipate an increase and/or new charges, and about **7% (*8%)** are "waiting to see" what new charges may be imposed upon the station.

When managers were asked to project changes in audience support, business support, and/or foundation support, a variety of responses were given. For this question, multiple choices were allowed. **15% (*27%)** expect no changes. **29% (*33%)** anticipate less audience support. **64% (*49%)** anticipate reductions in business support, and **36% (*23%)** anticipate reductions in foundation support.

On the positive side of the projections, **28% (*18%)** of stations anticipate an increase in audience support, **13% (*11%)** in business support, and **5% (*5%)** in foundation support.

When asked to project changes in cash support excluding cash support from the CSG, university, college, school system, and/or state but including support from listeners, business and foundations, about **28% (*31%)** of station managers anticipate no change or an increase in support, **51% (*57%)** foresee a reduction of up to \$139,999, and **13% (*6%)** expect a cash support reduction of over \$200,000.

When asked for comments, here is a sampling of some of their responses. One manager states, "The federal stimulus money to the states has helped our state this year, and has ultimately helped us. However, a year from now we may still see further reductions once the stimulus money is gone." Another manager indicated in 2008, "Obviously, this is just a projection. We hope we are wrong." 2009 proves he was right. One manager says, "Business financial support has dried up. The audiences

continue to support but at lower levels and foundations are reducing giving due to severe losses in their endowments. Overall, it's threatening the existence of local media." The same manager also says, "You left out the category for matching gifts upon which MANY stations rely, and matching gifts are disappearing at an alarming rate." Another manager writes, "Membership has been flat, but underwriting has dropped about 50%. We have the same number of businesses, but many are reducing cash spent, or converting cash to trade."

This survey will be repeated again in 2010. We have a standard by which to monitor the downturn in the economy and the progressive effects upon the stations. Thanks to all the stations that participated in this survey.

The *University Station Alliance (USA) is a grassroots organization founded in 2001 to assist university-licensed stations with the challenges and opportunities associated with their licensees. University-licensed stations make-up 63-percent of the public radio system. *University is a generic title that includes colleges, school systems, and state agencies. More information about the USA can be found at www.us-alliance.org.

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