Public Service Value

PSV = listener support + grants from the CPB + gifts and grants from nonprofit entities + the imputed value of listening by non-supporting listeners (ie. nonmembers) + value of community volunteer hours

1. Using data reported annually to the CPB report data fill in the following blanks:

a) listener support _____
b) CPB grants _____
c) gifts and grants from nonprofit entities_____
d) value of community volunteer hours _____

2. To calculate the "imputed value of listening by non-supporting listeners" you will need the following:

a) your station's weekly cume (average of four quarters preferable)
b) your station's TSL (four quarter average if possible)
c) the number of members (whatever you report to CPB)
d) annual membership revenue

Using the example shown below, first calculate the relative contribution of listener-members and listener-nonmembers to your station's overall TSL.

Since our research shows that members listen from 1.9 to 2.2 times more than nonmembers, depending on the station's TSL, use the following formula to first estimate Nonmember TSL:

Nonmember TSL = TSL /((2.5-(TSL*0.08))*(Mem/Cume) + NonMem/Cume)

Where:

Mem = number of members in cume
NonMem = number of nonmembers in cume

For example, if Station X has a TSL of 8.0; a cume of 50,000 and 5,000 members

The nonmember TSL = 8/(2.5-(8*.08)*(5,000/50,000) + (45000/50000)
$\qquad$ = 8/ (1.86)*.10 + .90
$\qquad$ = 8/(.186 +.90)
$\qquad$ = 8/1.086
$\qquad$ = 7.36 hours per week

 The member TSL = nonmemberTSL * (2.5-(TSL*.08) = 7.36 *1.86 = 13.7 hours per week

Then calculate the number of hours listened annually by members = Mem *13.7*52
$\qquad$ = 3,562,431
And the number of hours listened annually by nonmembers = NonMem * 52* 7.36
$\qquad$ = 17,237,569

Calculate the value per hour of listening by members as follows:

Value per hour = MemRev/ number of hours listened annually by members
$$= \$750,000/3,562,431$$
$$= \$.21$$

If the value per hour of listening for members and nonmembers is the same, then the total value of listening by nonmember is as follows:

Imputed Value of nonmember listening = Hours listened by nonmembers * $.21
$$= 17,237,569 * \$.21$$
$$= \$3,619,889$$

Insert this value into the PSV formula to obtain the station's public service value.

Public Relations Value (PRV)

The PRV is measured two ways: using internal rates and using market rates.

Internal rates are simply your station's underwriting rates.

If you give your university on-air credits, run PSA's that highlight on campus activities, or have programming that includes faculty, staff, events on campus etc., then you are creating PR value. To calculate the PRV (internal) take all these forms and convert them into 20 second spot equivalents. Although there is no simple formula, we tend to err on the conservative side when it comes to programming PR and enhanced ID's.

For example, a hour long program is given the equivalent of 1 underwriting credit for each 10 minutes of programming or 6 per hour and an enhanced ID is given the equivalent value of 1/5 of an underwriting credit. Otherwise regular credits and PSA's are simply valued as they would for any other underwriter.

If your station discounts underwriting rates for the institution, then deduct that portion that you are receiving money for.

External or market based PRV is calculated using equivalent market rates for a 20 second spot. The best source for market rates is SQAD. You can go to the SQAD site (www.sqad.com) and purchase detailed market information for your market. It can be a little expensive so consider going to your local business library (most universities and colleges have access to various marketing databases that include topline SQAD data) and using their data access.

If you use the topline data you will have to convert the Cost per Rating Point information into an equivalent to your underwriting rate. The Radio Research Consortium (www.rrconline) has all the tools you need to do the conversion. It is very interesting to see how your underwriting rates line up with general commercial market rates.